

Fortnightly

# The Truth International

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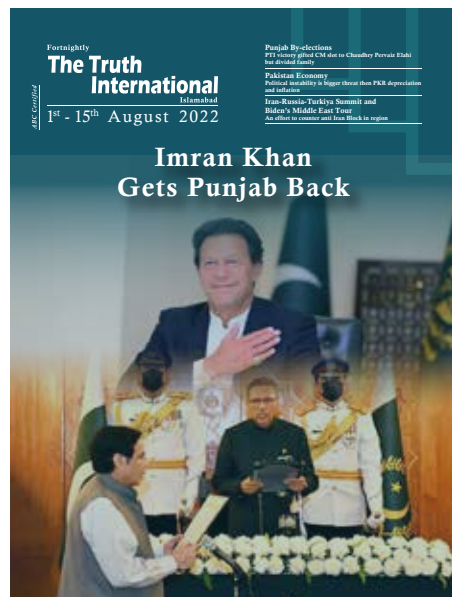
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## Imran Khan Gets Punjab Back

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# Pakistan - High Time to Wake Up

By Mahnur Mehruz

The story of Pakistan, its struggle, and its achievement, is the very story of great human ideals, struggling to survive in human ideals, struggling to survive in the face of great odds and difficulties. (Muhamad Ali Jinnah)

A country's economy is its genesis and its final destination. A nation's prosperous economy is the bedrock upon which it has constructed its glorious past. Pakistan has been able to put down protests and pay back its debts so far, averting an economic catastrophe like the one in Sri Lanka. Although Prime Minister Shahbaz Sharif's coalition administration took office in April 2022, it faces ongoing political and economic difficulties. Resultantly Pakistan is losing on the economic front, especially in the shape of PKR depreciation, which lost 20 percent-12 percent due to political instability.

For months now, Pakistan's economy has been faltering, and this has prompted concerns that another densely populated nation, Sri Lanka, may default on its debts. Pakistan's economic crisis stems from decades of bad policymaking by different government-elected and dictatorships. A growing sense of unease can be felt in the market. If the International Monetary Fund (IMF) does not intervene, Pakistan could default. Prime Minister Imran Khan's

reform efforts have been hampered by the no-confidence vote. The government's ability to implement its economic program, which includes changes to increase productivity growth and attract foreign help, mainly from the International Monetary Fund, was called into serious question (IMF). Due to growing commodity prices globally and a surge in domestic demand, Pakistan's foreign exchange reserves have been under severe strain in recent months. The outcomes of the by-elections in Punjab have changed the dynamics of the national political scene. The PTI's success raises serious questions about the future of the PML-N-led federal government. The federal government rarely survived without support from Takhat e Lahore. The opposition led by PTI now controls, Punjab, KPK, GB, and AJK governments, and they're likely to work to topple the federal government.

From the day PDM formed government in Islamabad, she addressed press conferences, but now addressing public meetings. Now it looks like they have started an election campaign. No one takes the country's economic and other key challenges seriously. Impacting both international trade and the domestic economy, the daily increase of the dollar is impacting the economy negatively. The Pakistani rupee has been one of the

worst-performing currencies, the country's foreign exchange reserves are dismally low, and Pakistan has been unable to attract much-needed international investment. Pakistan's precarious position regarding its debt has prompted heightened scrutiny. It is estimated that our national debt is equal to as much as 70% of GDP, with 7-8% of that owed to other countries. Inflation is

inevitable, and it will have devastating effects on the average person. Prediction is that in the current financial year inflation will reach 20 percent. In such a scenario, Pakistan's food security is in jeopardy. There are rumors that our system will be wrapped soon. We're back in the late 1960s when India and other countries plotted our demise as Pakistan's political and defense leaders squabbled amongst themselves. It is possible to prevent bankruptcy and other economic problems in Pakistan if the government, army, and opposition parties all work together toward the same goal. It's not too late to do it now. The third week of August is expected to be the time when the IMF's Executive Board will approve staff level agreements reached with Pakistani authorities. By taking the necessary steps, Pakistan can help the country to emerge from its current dilemma. In other words, Pakistan can yet avoid joining the ranks of Sri Lanka and the former Soviet Union.



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## CITY NOTES: Do we need a hool of harakiris?



By M A Niazi

It seems that there should be people falling on their swords all around, and the city should look like the stage of a Shakespearean tragedy in the final scene. But there's no suicide culture in Pakistan, and because we're Muslims, everyone lives to fight another day.

Another reason why people no longer fall on their swords is because swords have gone out of fashion. Besides, it was only Roman swords, the good old pilum, used for thrusting, that were good for offing oneself. What you did was not so much fall on it, as lean on it. Another method was to slash your wrists, preferably while lying in a warm bath, which would encourage the circulation of blood out of you.

The Japanese also have the idea of committing harakiri. That means you plunge a dagger into your stomach, and drag it back and forth to make a real mess of your intestines. All the while, a friend stands by with a katana (samurai sword) and will behead you if you show any hesitation or too many signs of pain. If you don't have a friend, you go to Mount Fuji, or any other active volcano, and jump in the fire pit. Now why would anyone want to fall on his sword, or commit harakiri? Well, Hamza Shehbaz should. After all, a sitting Chief Minister is supposed to win bye-elections, not congratulate government agencies for staying neutral. The Election Commission has taken the fun out of the game by preventing governments from taking steps for the public welfare-

The Chief Election Commissioner seems to be unaware that a bye-election might be the only time when the government is able to pay any attention towards a constituency. In a general election, the government has got so many constituencies to deal with that it can't pay the sort of attention that is needed. Besides, surely Imran of all people understands the concept of 'home ground advantage'. Those old enough to remember him as Pakistan captain remember that he was as careful about what sort of pitches the grounds-men prepared as any of his predecessors.

Speaking of home ground advantage, the Sri Lankan cricket

team didn't really display enough of it in going down to defeat against Pakistan. One of the frissons of fear Imran must have got was when Shaheen Afridi took four wickets in the first innings. That showed how traitorous were the Sri Lankan cricketers, in throwing away their wickets so as to undermine Imran in the eyes of those who matter by providing them with an alternative who would be on the same page.

That match was rich in possibilities for the future. Babar Azam might have caught attention playing a captain's knock in both innings. There has been some hope expressed that he might lead Pakistan in the World Cup. If he wins, he would become Imran's nightmare. But I doubt it. Isn't he too ugly to be allowed on the same page? Sri Lanka is a strange country, and its being in default doesn't seem to have depressed its cricketers much. But perhaps the most noticeable thing is that its Army doesn't seem patriotic. I mean, what has been its role in a great national crisis? The COAS didn't do anything until Saturday, when the protesters were cleared away by an attack on their camp. History will not forgive the Sri Lankan COAS.

India seems to have gone one step further. Its Parliament and Legislative Assemblies elected a woman as Commander-in-Chief. India has had a woman President before, but Draupadi Murmu will be the first tribal in the job. She was nominated by the BJP, which is trying its best to hide its caste-ist image, having a Scheduled Caste PM and now a Scheduled Tribal President. I feel a little sorry for her. All her life, I would imagine, she's probably tried to rise above her tribal origins. To the extent of becoming President of India. But she will be remembered for being a tribal.

By the way, she's a Sonthal. That's a tribe remembered in history for its revolt against the Raj, something called a 'hool', against which the Raj had to raise and send a Sonthal Field Force, back in 1855. In fact, the Hool was led by two Murmu brothers. May her Presidency be a worthy one. And presumably our President's ancestors played a much more prominent role in the resistance against the Raj than we know about.

# Roadmap to economic recovery - Part I

By Humayun Akhtar Khan



**I**t is time to look beyond Budget 2023. The government's chosen goal for the budget, despite the clamour and possible changes, is to avoid default.

It is a crucial goal. Yet, above the numbers, there should be higher ambitions – such as avoiding future crises, improving living standards, and building the nation's solidarity and self-esteem. The government may eventually give a moment to such thoughts, if they have the time. So far, they are focused on making ends meet.

So, while we wade our way through another crisis, I believe the country must also sow the seeds for a future with a more buoyant economy and an open society.

The long road down: Rehashing how we keep getting into the mess is important because we have not learned any lesson. The real test of a people is how they get out of a rough spot once they are in one. Even more so, it is about what means we use to get out of the mess and to learn not to make a habit of getting into trouble time and again.

So far, with each crisis the country has piled debt on debt to settle past dues to our creditors. While that is needed again now, it is hardly strategy. This minimalist goal of avoiding default ensures that before long we are back into another crisis.

The current mantra about why we are

frequently in a crunch is 'elite capture'. Privileges for special interests cause much harm, of course. Yet, lack of strategic thinking is the greater perpetrator.

The economy needs a strategy to revive growth and exports. Growth will solve the top concern of our youth, jobs. Jobs come only from more production and higher growth. And if GDP growth leads to higher exports, at one fell swoop we will achieve more than just jobs.

Growth in exports will help with decent jobs and combat the country's enduring affliction of external imbalance. By increasing supply of goods, growth also acts against high prices.

In this series of columns, I propose a growth strategy. This could, in about five years, put the economy on a path of stability and development. It would also minimize our dependence on others.

Let us take a moment to see where we are today. Runaway twin deficits define our present state. FY22 budget deficit is estimated to be nine per cent of GDP and the current account deficit could be four per cent or more. And each day brings news about the rupee's further fall. The slowdown in the economy and the high inflation have been made worse by doubt and failure to act decisively. With mixed signals from the IMF, the risks to the economy are high.

At home and abroad, the government is running out of options to borrow. Within the country, the government's borrowing cost is over 15 per cent. The high rate of borrowing at home is exhausting the banking sector's limits. As the cost of credit grows, the private sector finds it may no longer be in the market.

Externally, major lenders would not oblige until they have the IMF's assurance. To get IMF support means more pain for citizens and a high political cost for the government.

All this is because of very high public indebtedness. Pakistan's debt has grown to a level where loans cannot be repaid. The budget for markup payments on foreign and domestic debt is 45 per cent of federal spending. Such large sums take money away from more vital needs. Servicing of external debt alone is now four per cent of GDP. That is, four per cent of Pakistan's GDP goes overseas. High import and debt servicing needs have led to a constant current account deficit and frequent crises. Each crisis slows down the economy. Businesses suffer loss and citizens face hard times.

This freefall has been years in the making, across many governments. Though the IMF is needed, let us try to make it the last time. Or one of the last times. Clambering back – a strategy for growth: To deal with all this, the economy must grow rapidly. Rapid growth would yield more tax revenue to invest in public goods that help firms produce more. Also, GDP must increase over long periods, not just for one or two years. For that to happen, the economy's quality of growth must improve. Growth should increase production of manufactured goods for exports.

The picture is the opposite today. Export has fallen continually for 30 years. It was 19 per cent of GDP in 1990. The ratio of export to GDP now stands at about 10 per cent. Fall in export is a major cause of our external account troubles, as the economy does not earn enough to import or repay.

The same goes for investment: To produce more manufactured goods, firms need good



infrastructure, human resources and incentives. The economy's high debt burden leaves little in the public kitty to afford the needed public goods. Nor can the private sector easily access credit. Thus, we have to think of new ways to create credit so that private firms can invest. The economy will not grow without more investment.

The remaining part of this essay will focus on how to achieve growth that spurs export and creates jobs. For that, it is vital to stretch the limits imposed by us on our thinking. For years, there has been an inevitability in the country's approach – that is: the only way to grow or exit economic troubles is to take on more debt. We have also assumed that poverty is destined. The economy is weak and dependent because we choose it to be so.

A growth strategy needs an enduring cycle of more public and private investment, exports, and less foreign debt.

On the public side, a short-of-cash government has to find money by both increasing revenue and cutting expenses. That will allow it to invest more in public goods.

For private investment, the economy must keep credit flowing. I propose ways of doing so, even as the economy stays within the monetary limit.

Cutting cost by managing debt: Looking at the government's high interest expense, there is no better way to cut cost than to reduce the debt burden. For a cash-starved public sector, it is not easy to pay back debt. Nor is the economy growing at a pace to



spawn returns that help repay. So, we must seek debt relief.

Once again, the IMF will be central to this effort. Once restored, Pakistan must go beyond the present IMF's EFF programme. A plan to avoid future current account crises should lie at the centre of any substantial engagement with the IMF.

In essence, Pakistan's foreign debt is no longer viable. The IMF considers our debt sustainable from a cash flow point of view. Under its programme, we will get enough fresh loans to meet the current account deficit and to pay back the creditors their due.

Yet, as we take on more debt to repay past debts, the payment due to outsiders has grown beyond the economy's ability to pay. Debt payment is forcing the country to postpone its other critical needs. Foreign debt servicing is more than 50 per cent of

exports and about a quarter of exports plus remittances.

It is possible to make the IMF agree to debt relief and for it to take the lead in coordinating with other lenders. Relief would come in the shape of lower interest rate or creditors taking a haircut on the principal amount, or their combination. To convince the IMF that we will not seek such help again, we must go to them with a sound plan for economic growth, exports and correction of elite privilege. Debt relief will not prevent Pakistan from borrowing more to meet payment due to creditors. Except, we will do so under an arrangement. And there will be severe conditions attached – though I do not expect that they would be any more harsh than what we see today.

Pakistan has credible cause to make the appeal. For one, in 20 years Pakistan has received less cash than it has paid outsiders. That is, the amount we have borrowed in 20 years is less than the sum paid back by us as principal and interest. Yet, the stock of debt owed to outsiders is today three times more than what it was 20 years ago. This is the perverse logic of compounding. During this period, we have paid \$1.4 billion annually as interest alone. And this amount is growing each year.

Whether low-cost credit or any other, the share of interest in total servicing is high. It ranges from 20 per cent for IFIs to 51 per cent for Paris Club lenders – the latter because of rescheduling by them.

Where debt buildup and interest paid are concerned, concessional debt is a euphemism. There is not much difference



in cost to the government. The title of concessional debt merely makes the debtor smug and adds to the myth of the benefit of foreign debt.

Often the debt is not put to the best use. Over 70 per cent of new debt is for balance of payments support. That does not build our ability to repay. Pakistan has been less than judicious in this regard. Yet, the lenders with their vast knowledge resource also kept lending. To that extent, creditors too are responsible. In 20 years, Pakistan has transferred a lot of its scarce resources to creditors in rich countries.

There is an alternative to the IMF. The G20 members in the last meeting set up the 'Common Framework for Debt Treatments'. It aims to deal with insolvency and liquidity problems in 29 low-income economies. It will do so by providing debt relief according to the debtor's capacity to pay, and meet crucial spending. Pakistan is included. China has joined the framework, and the OECD assures that private donors too will give due relief.

The government may also explore if it is possible to buy back Pakistan issued euro and other bonds, which are trading well below cost in the secondary market. The rate of interest on these bonds is up to 8.5 per cent. There are many pros and cons. For one, we do not have the resources. Also, prices will increase as soon as it is known that the government plans to buy or when the IMF restores the programme. The intermediary cost is high. Yet, it is possible to set aside funds from say remittances to buy back at a discount. By end

March 2022, Pakistan had \$8.8 billion in bonds and sukuk. That equals about three months of remittances. Of course, it calls for belt tightening. But there is a cost to managing years of neglect and lack of prudent policy.

At home, years of high budget deficit, an average of over 6 per cent in 20 years, has also built up our rupee debt. Everyone knows that the high debt cannot be returned, but does not admit it to protect their balance sheets.

The SBP and the government must open discussion with Pakistani banks. Restructuring is critical. Banks may either reduce interest rates or cut the principal amount. Again, the IMF may guide this effort. It has recently published a complete guide in this regard.

Cutting cost by reducing subsidy: There is yet another way to cut cost. The government must make the power supply chain viable: For that, it may look at all options. Doing so would reduce the budget deficit and make funds available for development: the power-sector reforms of the 1990s have fallen short of their goals. The lavish comfort offered to investors was needed when first planned, but not forever. The economy cannot support the cost of the reforms. Also, the sector is too complex to be solved by the simple idea of private participation in infrastructure. Having earned their returns, the original investors have mostly left. It is now clear that the consumer or the government does not have the means to meet the cost.

In any case, because of long delays in paying the tariff subsidy, a part of profits of power producers stays on the books for years without getting realized. This is hardly a desirable situation. Power supply still has many problems, while the cost of power has grown. The government's debt liability builds up, and IPPs await payment of the subsidy. Everyone suffers – producers, buyers, and government. Industrial production and exports have been especially hit.

Cut PSE subsidy: There is also an urgent need to take a considered decision on PSEs. Many of them have been in the red for years. Taxpayers cannot be asked to pay for enterprise inefficiencies. Even those organizations, such as Pakistan Railways and PIA, that have had captive markets are in loss. Where the loss is caused by lower than cost tariffs, the government may quantify and subsidize. These calculations must be made public. In other cases, organizations must be privatized.

DISCOs are a special case. In essence, they are a monopoly in their area of supply. Yet they incur high losses, costing both consumers and taxpayers. And they delay payment to power producers. The government may consider privatizing DISCOs. This must be done with specified cost and performance indicators.

To be continued

The writer, former commerce minister, is chair and CEO of the Institute for Policy Reforms.

*Courtesy The News*





# With PTI's Punjab Victory Politics Enters a New Phase

*A new game of politics has started in Punjab to shake the political stronghold of the arch-rival PML-N*

By Ahmad Waleed

It took PTI and its major ally PML-Q around four months to grab power back from the jaws of the 11-party alliance of PDM. Hamza Shahbaz strove to clinch the slot of chief minister after the former Chief Minister Usman Buzdar was asked by the party chief to resign. It paved way for the election of a new chief executive of the largest province of Pakistan. After winning 15 out of 20 seats in the bye-election in Punjab, Chaudhry Pervaiz Elahi was jubilant that he was going to be the chief minister of Punjab once again. However, infighting broke within the party and the family, diminishing his prospects.

Finally, after a long judicial battle, Chaudhry Pervaiz managed to become the chief minister after the Supreme Court declared him 'the duly elected chief minister, Punjab'. It has been a bone-chilling political drama that had gripped the entire country for four months.

Chaudhry Pervaiz Elahi was criticized by his party chief and cousin Chaudhry Shujaat for his move to go running to Imran Khan for the offer which had already been agreed upon with the former president and co-chairman of PPP Asif Zardari and PML-N Supremo Nawaz Sharif. Some people called it a mistake as PDM was more than confident that it will be able to install its chief minister in Punjab.

Chaudhry Shujaat being at odds with Elahi, at the very crucial time of voting sent a letter to the deputy speaker directing his party lawmakers not to vote for the candidate of Imran Khan who, he thinks, leveled allegations of taking bribe for not supporting his party. "He (Imran Khan) should have sought apology for his false allegations," he was quoted by one of the family members as saying.

In yet another statement on the social media platform Twitter, Ch Shujaat said he could not support "anyone who criticized state institutions". He maintained that while Pervaiz Elahi "was, is and would remain" his candidate for the office of the chief minister, he (Shujaat) could not allow him to become "the nominee of PTI". However, despite his letter, his party men voted for the candidate of PTI in the Punjab Assembly defying the instructions of the party head.

The disputable verdict of the Supreme Court dismissing the controversial ruling of Deputy Speaker Punjab Assembly that disregarded the votes of PML-Q lawmakers, is going to put the PDM government in a quandary if it will be able to survive in the National Assembly. The PML-N has been affected the most as its plans have backfired. With no government in Punjab, the PML-N leadership will have to put in extra effort to remain in power for over one year.

While the PDM leaders have resolved to fight till the end, many PML-N leaders have realized that they should not have accepted the offer of forming the government at the request of the powers that be. "Imran Khan should have been allowed to complete his term as the prime minister," one of the PML-N



leaders opined. He said the PTI government could not deliver and we would have emerged as the largest party in the next election.

After the court decision, Imran Khan will be putting more pressure on the federal government to resign and announce fresh elections which have been his major demand since his ouster from power. "Only fresh elections will be able to steer the country out of the economic crisis," he has been reiterating again and again during his rallies and public gatherings across the country. His campaign of 'foreign conspiracy' has helped him muster much bigger support which had dwindled to a great extent during his regime. If his demands are heeded and election dates are announced now, the PTI is expected to dominate the political landscape of the country.

After Chaudhry Pervaiz Elahi is elected chief minister, some questions were raised by political pundits if the Chaudhry will be able to run the affairs of Punjab as smoothly as he did during the era of the former president Pervez Musharraf, who doled out huge money to his cronies to save his regime from faltering. Pervaiz Elahi is credited for launching a few big projects like Rescue 1122, wardens in major Punjab cities to control traffic, free medicine at all public hospital emergencies, patrolling police to combat highway robberies, etc.

Nevertheless, this time he has to face multiple challenges. The biggest one is PML-N which has decided to give a very tough time to the new government in Punjab. On the other hand, the country's economy is at its lowest and Chaudhry Pervaiz Elahi has to share power with an ally that doubted him of stealing its vote bank or high-jacking the PTI if given the slot of the chief minister. While Imran Khan would want him (Chaudhry Pervaiz Elahi) to serve the interests of PTI, Chaudhry would likely be more interested in strengthening his party by awarding development projects to his MPAs in their respective constituencies or he would like to see his son Moonis Elahi in a better political place in the future. With PTI and PML-Q in power, a new game of politics has just started in Punjab to shake the political stronghold of the arch-rival PML-N.



# Political tug of war, for how long?

*While economic indicators keep getting worse with each passing day, power-hungry politicians remain engaged in a tug of war. People are desperately hoping for some semblance of stability to return*

By Sarfraz Raja

Just like any suspense thriller movie, the last few weeks were full of uncertainty and happenings, the second round run-off election for chief minister Punjab on July 22 was no doubt a nail-biter, nobody was assessing, predicting, or analyzing what happened on the day. Opposition candidate Chaudhary Pervez Elahi was leading the number game over his rival Hamza Shehbaz of PMLN. It was Zardari who turned the table at the last minute of the game with a big political surprise. Former president of Pakistan and head of Pakistan people's party parliamentarians is the man who pulled the carpet under the feet of his political opponents when nobody was expecting, but expectedly as the matter went to the apex court of Pakistan, everything happened on that day was declared null and void. What transpired on that election day created a big rift in PMLQ. However, it has its background.

## How developments unfolded?

At the beginning of the current year when the opposition alliance including PMLN, PPP, JUI, and other parties decided to finally go for a vote of no confidence against then Prime Minister Imran Khan, Asif Ali Zardari was the man who took the most important responsibility for completing required numbers. It had been decided among the top leadership of the opposition alliance that not only in the center but they will also take over Punjab with an in-house change. Being the largest province, with more than 60 percent of the total population of the country, it's historically difficult to rule the country without ruling Punjab. The opposition needed the support of PMLQ which has 10 members in the Provincial Assembly and five in the National Assembly. Shehbaz Sharif led the PMLN delegation that visited Chaudhary Shujaat's place to inquire about his health, with the actual purpose being to get his support in a no-confidence adventure against Imran Khan Government. It was the first direct



contact between both leaderships in about two decades.

Reciprocally, Shehbaz Sharif invited Chaudhary Pervez Elahi and PMLQ leadership for a dinner at his residence. After a meeting with Imran Khan, Pervez Elahi at the eleventh hour refused to join Shehbaz Sharif at that dinner. This was a setback to Asif Zardari's efforts. Later when PMLQ realized that the opposition has completed their number without them Ch Shujjat despite his health issues urgently approached Asif Ali Zardari and Fazal ur Rehman for mediation and support. Both opposition leaders again convinced PMLN leadership to shake hands with Chaudharys and even convinced Nawaz Sharif and other PMLN leadership to nominate and support Chaudhary Pervez Elahi for the position of Chief Minister Punjab. This was a difficult and unpopular decision within the party as most of their members were not in favor of giving the provincial chief executive seat to Chaudharys who were among their top political rivals in the province for many years, especially in the Musharraf era. All modalities had been finalized when Pervez Elahi and his son former federal minister Monis Elahi had a sudden and surprise meeting with Imran Khan and agreed to be their candidate for Chief Minister.

Later, the opposition successfully removed Imran Khan, established their government in the center, and also elected their CM Punjab with the vote of 25 dissidents of PTI. But after a bye poll of 20 general seats vacated by the disqualification of PTI dissidents where PTI pulled an upset, winning over 15 seats, Punjab seemed out of reach now for PMLN Led alliance. Then Asif Zardari entered the game. He offered Shujjat to either support their CM candidate or ask Ch Pervez Elahi to be their candidate and finally after the refusal of Pervez Elahi to accept this offer Shujjat accepted their first offer and through a letter asked his MPAs to support Hamza against his elder brother in the Chief Minister elections. He also sent a letter to Deputy Speaker Punjab Assembly who was the presiding officer for the election. Through a ruling based on that letter, Dy speaker rejected 10 votes of PMLQ polled against party head's instructions, and consequently, Hamza Shehbaz was declared the winner by three votes. All this letter saga happened at the very last moment.

## Man of surprises

He is called by his followers Aik Zardari Sab py bhari means Zardari is heavy on all. It's not the first time that Asif Zardari





played a surprise stroke. In the 2008 assembly when PPP had 124 seats in the 342 members house, much below than simple majority figure of 172, depending upon allies such as MQM who had 25 seats and a few other parties, the party retained a simple majority. Knowing their importance in the number game, MQM frequently came up with demands, trying to blackmail the PPP. Suddenly, Asif Zardari who was president of the country at that time and used to run his party affairs from the presidency comes up with a surprise move. He shook hands with PMLQ who were their biggest opponents of that time and even Zardari declared them Qatil (murderer) league after the assassination of his wife and party head Benazir Bhutto. To get the support of their 52 MNAs he offered Pervez Elahi the post of deputy Prime Minister in his government. This designation was established for the first time. By this move, he got rid of political blackmailing and day-to-day bargaining of other allied parties specially MQM.

In 2018 when PMLN had a majority in the upper house of parliament Asif Zardari didn't let them win the seat of chairman Senate by joining hands with PTI who were even not ready to sit with him at that moment. Eventually, Sadiq Sanjrani as a joint candidate of PPP, and PTI became chairman. So Asif Zardari is a man who is known for his political surprises and again he proved this in Chief Minister Punjab's election.

## Matter in the court

Political crisis in the largest province emerged soon after Hamza Shehbaz was elected as chief minister with the support of

25 dissident MPAs of Pakistan Tehreek e Insaaf. Opposition PTI and PMLQ boycotted the election process in the provincial house after severe mess and tension between both sides. The matter was taken to the court and Supreme Court issued its order regarding the definition of article 63 which is about disqualification of member parliament. Consequently, dissident MPAs were disqualified and their votes in favor of Hamza Shehbaz were deducted. The court ordered a run-off election on July 22 after the completion of a by-election on 20 seats vacated by the disqualification of PTI MPAs. After the election, the PTI-PMLQ opposition challenged the ruling of the deputy speaker for rejecting their 10 votes and the matter again ended in the apex court which rejected the ruling and declared Ch Pervez Elahi as Chief minister in place of Hamza Shehbaz. So the court remained involved throughout this process and the political crisis in the province.

## Why Punjab is important?

Historically when you don't hold power in Punjab, the government in the center becomes difficult to run especially when you have political rivals in power. Historically, Punjab has remained a PMLN stronghold. In 1988 when Benazir Bhutto became the first female prime minister of Pakistan, her biggest political rival Nawaz Sharif was elected chief minister in Punjab. During the 90s whenever PPP got a chance to govern the country, they found their rival PMLN in Punjab. Sometimes political tension between the two parties affected badly the working of the federal government.

Even there were occasions when PM Bhutto's visit to the provincial capital became difficult due to non-cooperation from the Punjab government. In 2008 when PPP again formed the government in the center, PMLN ruled Punjab. An initial alliance broke up and again they became rivals. Even for a few weeks, governor's rule was imposed in Punjab by the federal government of PPP. This political rivalry continued for the entire tenure.



In 2013 PMLN formed a government in the center and Punjab so things remain smoother for them and the same happened with PTI as it formed governments in Islamabad and Punjab too. In the emerging scenario where PMLN has lost their government in Lahore, and their relationship with PTI and Pervez Elahi-led-PMLQ is not in good shape either, how they could continue will be no doubt a challenging task for Shehbaz Sharif-led setup in the center.

## Political crisis and sufferings of general public

It's nearly four months of political change now, but a tug of war for power continues. Television screens remain red with their political breaking news all the time, while people keep on suffering from drastically increasing inflation; petroleum prices are at a historical peak, and the dollar rate is uncontrollable. Things on the economic front getting worse day by day due to political instability and yet the politicians are power hungry. People are waiting for this tug of war to end and some semblance of stability returns.





# Victory in Punjab: Power Struggles and Politics

*Now Imran Khan holds major political cards*

By Noor Aftab



After a resounding victory in the Punjab by-polls, Pakistan Tehreek-e-Insaf (PTI) won a major legal battle and succeeded in holding a firm grip on Punjab, the biggest province of Pakistan. The Supreme Court struck down the decision by Punjab Assembly Deputy Speaker Dost Muhammad Mazari and announced that Pakistan Muslim League (Q) leader Pervaiz Ellahi, an ally of ex-Prime Minister Imran Khan, would be the new Chief Minister of Punjab province, replacing Hamza Shahbaz of the Pakistan Muslim League-Nawaz (PML-N).

Hamza Shehbaz won the run-off polls by three votes on July 22 and retained the provincial chief executive slot by defeating the joint candidate of PTI and PML-Q, Chaudhry Pervaiz Ellahi. He had bagged 186 votes, seven more than Hamza Shehbaz, who polled 179 votes. But Dost Muhammad Mazari rejected 10 votes of PML-Q on the basis of a letter by PML-Q president Chaudhry Shujaat Hussain in the light of a recent ruling by the Supreme Court of Pakistan in connection with the interpretation of Article 63-A of the Constitution.

Later, Dost Muhammad Mazari, in a two-page written response, maintained that "Considering the events, material, orders,

and judgments of the courts, I am of the opinion that the votes of members of the provincial assembly of Punjab, belonging to the PML-Q, are in violation of the directions of the party head. Therefore, these votes are liable to be excluded from the final count of the votes in view of the judgments of the Supreme Court, Lahore High Court, and Election Commission of Pakistan."

Soon after the rejection of votes by the Deputy Speaker of the Punjab Assembly, the leaders of PTI and PML-Q reached the Supreme Court Registry in Lahore and submitted a petition against the election of the Punjab chief minister. The coalition partners demanded the formation of a full court bench of the Supreme Court for hearing a petition regarding the election of the Chief Minister of Punjab, but the 3-member bench of the apex court rejected their application and decided that it would hear the petition.

The ruling alliance then announced its decision to boycott the Supreme Court proceedings after the apex court rejected the plea to form a full court bench on petitions related to the recently held Punjab chief minister's re-election, including a review of its interpretation of Article 63-A.

The political turmoil surfaced when PTI swept the crucial by-elections held on July 17 and won 15 out of 20 provincial assembly seats. The ruling PML-N could secure only four seats, while one seat went to an independent candidate. These seats fell vacant last month following the disqualification of PTI lawmakers who had changed their loyalties and supported Hamza Shehbaz for the slot of Punjab chief minister. Some political pundits termed the Punjab by-elections a referendum on both the government's performance and on Khan's allegation that the current government colluded with the U.S. government to unseat him, which has been his dominant message since his ouster.

PTI's unexpected win has complicated the woes of the ruling PML-N and Pakistan People's Party (PPP), which are finding it hard to counter the political challenge posed by Imran Khan, who has been attacking the coalition government and the establishment for allegedly partnering with the U.S. to remove him from power through a no-trust move in the national assembly.

Imran Khan has emerged as the ultimate winner and appears to be on his way to becoming prime minister again. In his speech after winning the by-elections, he laid out his plan of action and also demanded the resignation of the Chief Election Commissioner. He appears to be waging a war on the system to have his way, but the system is not that easy to surmount.

The coalition government is currently grappling with multiple political and economic crises. Pakistan's rupee is one of the world's worst-performing currencies. The country's foreign exchange reserves are abysmally low, and it has been unable to attract much-needed foreign investment. Now it is finding itself in a precarious position as it is struggling to develop a plan to tackle soaring inflation and debt.

Pakistan badly needs to get back on track with an International Monetary Fund





(IMF) lending programme, both to get through its immediate balance of payments difficulties as well as for longer-term economic stability. Prime Minister Shehbaz Sharif intends to address the economic crisis by pursuing the IMF loan and seeking additional assistance from key partners such as China and Saudi Arabia, but these measures alone will not address the underlying causes of economic stress such as uncompetitive exports, debt-ridden public sector companies, and insufficient taxation.

Financial experts have also opined that there is still no quick fix for the economic predicament. Rising utility costs and food prices, and a potential hike in interest rates, will slow industrial activity. That will hurt employment and add to the likelihood of street protests that are already being incited by Imran Khan and his followers.

The economy is working, but only for the elite segments. Sustained, rapid, and equitable economic growth has remained elusive due to policy distortions that serve specific people instead of the general public. Pakistan is already one of the world's 10 most populous countries, and it will remain among those ranks as its population surges over the coming decades. Our country needs a path towards sustained, rapid, and equitable economic growth that incorporates our fast-growing population into the labour market.

Another major question contributing to the political uncertainty is the timing of the next election, which must be held by the summer of 2023. Former Prime Minister Imran Khan has made it clear that he wants to ride his present momentum to immediate elections. The coalition government wants to use its time in power to turn things in its favor, especially after the unprecedented rise in petroleum prices that has made it unpopular among the people.

The government has been in a state of decision paralysis and is struggling to find its footing even after more than three months. At the same time, former prime minister Imran is continuously attacking its legitimacy and calling for fresh general elections. He is mostly relying on his super-charged conspiracy theory to blame for his government's collapse and alleging, without evidence, "US-backed regime change" for following an independent

foreign policy and claiming local abettors were responsible for his removal from the office of prime minister.

Now there are rumours that the establishment is considering a "soft intervention" under which it may mediate between PTI Chairman Imran Khan and the coalition parties to pave the way for a grand dialogue to steer the country out of the crisis. The development comes as the Pakistani rupee continues its downward trend against the US dollar and the Pakistan Stock Exchange (PSX) has also witnessed constant plunges



in recent sessions. But the Director-General of the Inter-Services Public Relations (ISPR), Maj-General Babar Iftikhar, has strongly refuted these rumors. The political parties directly point to the interference of a powerful establishment in politics, but only when they are in opposition; when they are in government and enjoy that support, they do little to challenge it.

Some quarters are also claiming that there are chances that Imran Khan would write a letter to President Arif Alvi and that he might help in holding negotiations between the PTI and the government. It has also been cited that during PTI chief Imran Khan's Islamabad march, the establishment convinced politicians to conduct negotiations, but unfortunately, it did not yield positive results. In this regard, PML-N leader Talal Chaudhry's press conference held immense significance, during which he stressed that politicians should be allowed to do politics.

He said, unlike in the past, they should not be pushed here and there, nor should they be forced into elections.

Pakistan's politics revolve around three key actors: the coalition government, the establishment, and ex-Prime Minister Imran Khan. The establishment is reluctant to intervene in politics and is still bruised from supporting Imran Khan for the last four years. Prime Minister Shehbaz Sharif is a good administrator, but his experience in provincial politics might not transfer effectively to national politics. Imran Khan

is in no mood to let the government continue till the completion of the constitutional term of the national assembly.

Now Imran Khan holds major political cards and is in a position to make major decisions. His party can dissolve the provincial assemblies in the Punjab and Khyber-Pakhtunkhwa (KP) and push the federal government to announce fresh general elections in the country. But PTI leader Fawad Chaudhry has said if the PPP never dissolved the Sindh Assembly, then why should they dissolve the Punjab and KP assemblies?

Imran Khan also has an option to hold another long march towards Islamabad, and when the participants of this march come with the support of both the KP and the Punjab governments, how can the federal government deal with this situation? So, among the key players, Imran Khan finds himself in a more comfortable position and he can call the shots and turn the tables on his political opponents.



# A new wave of terrorism

*There are more than forty militant groups active in Pakistan for nearly two decades*

By Umer Farooq

Pakistani society is witnessing a new wave of terrorism in its north-western and south-western parts of the country, which is generally attributed to the revival of the Pakistani Taliban and the formation of an unholy alliance between religiously motivated Pakistani Taliban and secular militant groups of Baloch separatists. In the northwest of the country, the Pakistani Taliban have staged attacks on military personnel and civilian targets since August 2021, when the Afghan Taliban took over Kabul. Similarly, Baloch separatists have also increased their attacks on Pakistani security forces in the southwestern part of the country. Fear and apprehension gripped Pakistani society when a bomb blast ripped through a Shia Mosque in Peshawar on March 4, 2022. Three days later, another suicide attack targeting a cultural festival killed five Frontier Constabulary paramilitary personnel in Sibi, Balochistan.

There are more than forty militant groups active in Pakistan for nearly two decades—most of these group's function under the umbrella organisation of Tehrik-e-Taliban Pakistan. However, a large number of militant groups are based in Balochistan, where a low-key insurgency has been waged by Baloch militants, fighting Pakistani security forces since the 1970s. Besides the geographical distance between their areas of operations, the Pakistani Taliban and the Baloch separatist groups are also distinct from an ideological point of view. Pakistani Taliban are religiously motivated, whereas Baloch separatists are predominantly Marxist-oriented. In recent months, experts have detected indications that the Pakistani Taliban and Baloch separatists may be collaborating to launch terror operations against Pakistani security forces and friendly foreign powers. Experts raised alarm bells in this regard when TTP claimed responsibility for "targeting Chinese workers and potentially the Chinese Ambassador to Pakistan while he was visiting Balochistan."



Such attacks are usually planned by the Baloch Liberation Army (BLA), a separatist group claiming to fight for indigenous rights over the province's natural resources. However, with a sharp rise in TTP-style terrorist incidents—particularly suicide bombings—targeting China-Pakistan Economic Corridor projects and security forces in Balochistan, the presence of a TTP-BLA nexus is undoubtedly clear. "Baloch separatists did not previously have a history of using suicide bombers," said a Pakistani expert. All this has coincided with the resurgence of the Pakistani Taliban in the Pak-Afghan border areas, where most of the terror activities are being carried out. Experts say that the recent upsurge in terror attacks could be attributed to the Taliban's victory in Afghanistan. However, the Pakistani Taliban started tracking back to Pakistani territory in 2018 after they were expelled from these areas in a 2014 military operation.

It is widely believed that the TTP resurfaced only after the Afghan Taliban took over Kabul last summer. Indeed, the Taliban takeover of Afghanistan was interpreted as a strategic win for all Islamist militant groups. The Taliban resurgence is credited to the rise of new Taliban chief Noor Wali. "Known to be savvy and an intellectual, Noor Wali sought to unite the disparate and disgruntled militant groups across the country, reestablishing the TTP as an umbrella group or consortium, just

like Baitullah Mehsud, its first chief, did," says an expert. Under Noor Wali, it appears that the TTP is back with a bang. It has a slick media and communications campaign and an active social media presence. The TTP chief even gave his first media interview on CNN last year. Pakistani officials have confirmed that the terrorist attacks in the country's southern province of Balochistan are being carried out by militants who are hiding in the Pakistan-Iran border areas, where they have recently shifted their camps after they were kicked out of Afghanistan by the Afghan Taliban government.

"We have credible information that Afghan Taliban have carried out operations against Baloch separatist groups which were running camps on Afghan territory," said a senior police official in the port city of Gwadar. "We have received information that in these operations, Afghan Taliban have even killed a large number of Baloch rebels." He said that now the Baloch rebels have shifted their operations and camps to the Pakistan-Iran border areas, where they are still being chased by Pakistani security forces. In the wake of the Taliban takeover of Kabul in August 2021, the Baloch rebels have stepped up terror attacks in Pakistani urban areas. Most of these attacks were carried out against security forces and government installations. All these attacks and the terror that carries them out are coming from Iranian territory, said a senior





police official while talking to this scribe in Gwadar. "The Iranian border is only 100 kilometres away from here," said the police official. Gwadar is part of the administrative division of Makran, where there are two other districts—Turbat and Panjgur—in the Makran Division. "Both



Turbat and Panjgur share a border with Iran and here in the mountain rangers there are militants living in their hideouts," said a senior police official. The last terror attack in Gwadar city was carried out three years ago when a suicide bomber hit a Chinese motorcade in the city. However, gun attacks on security forces are a daily occurrence in the Makran division, of which Gwadar is a part.

Balochistan is a troubled province of Pakistan. Here, the government of Pakistan started a development project with the construction of a trading port facility that is now functioning. Gwadar is now a heavily guarded city with a large presence of Pakistani land and naval forces stationed in the city. Gwadar has a functioning port that is under the control of a Chinese company. Pakistan's security strategy to deal with the threat of a rising wave of terrorism on its territory is based on reliance on the Afghan Taliban. The Pakistani government expects the Afghan Taliban to neutralise the Pakistani Taliban and wean them away from dependence on the local chapter of ISIS.

The Taliban's linkages with Al-Qaida, on the one hand, and the Pakistani Taliban, on the other hand, are well-known and well-documented facts. Its rivalry with the local chapter of ISIS is a fact of common knowledge. It is less well known that the Afghan Taliban have been attempting to

wean the Pakistani Taliban away from their reliance on ISIS, which is increasingly establishing its footprints in the region. Taliban have regrouped and revived their strength in the Pak-Afghan border areas, and their leadership is based in Afghan cities and towns close to the border. The

Pakistani Taliban has ended a month-long ceasefire announced at the behest of the Afghan Taliban and resumed attacks on Pakistani security personnel and installations. Pakistani officials link all the terror strikes in the northern parts of the country to various groups of the Pakistani Taliban. The attacks in Balochistan are linked to Baloch separatist groups, whose training camps in Afghan territory close to the border have been recently shut down by the Afghan Taliban and who have now shifted their operations and camps to the Pak-Iran border region. There are reports which point out that the Lahore Anarkali bomb explosion was carried out by a Baloch separatist group.

The Pakistani security apparatus is increasingly relying on the Afghan Taliban to help them deal with the threats emanating from Afghan territory. In the initial weeks following the Kabul takeover, the Afghan Taliban returned the favour bestowed on them by Pakistani security forces during the American presence in Afghanistan by simply shutting down the terror camps run by Baloch separatists on Afghan territory. Reports say these camps have now been shifted to Iranian territory and Baloch rebels are now operating from Pakistan-Iran border areas. The result is an increasing rate of attacks in Balochistan.

There are increasing signs that Pakistan is back in a situation where it has to face two insurgencies—one in the north-west led by the Pakistani Taliban and the other in the south led by the Baloch rebels. In both cases of insurgency and waves of terror attacks in the north and south, the Afghan Taliban play a role. There are reports that say that Iran's security apparatus is assisting Pakistanis in dealing with the threat posed by Baloch rebels. One expert in Islamabad said that there has been some coordination between Iranian and Pakistani intelligence on how to deal with Baloch rebels who are now hiding in Pakistan-Iran border areas. But for a long time in the foreseeable future, Baloch rebels would continue to operate in the security vacuum of Afghanistan—where the Taliban not only lack the capacity to control all the territory under their command, but in the absence of well-trained security apparatus, they would not be in a position to deal with all the requests from Pakistan.



# Is Pakistan on the 'Line of Default'?

*If the IMF resumes its loan programme to Pakistan, it will be a temporary relief for the country because the risk of default will surface again and with more intensity after the completion of the IMF programme in June 2023. International rating agencies have also pointed out that despite the IMF's support, the economy of Pakistan will remain in a "precarious condition" because of multiple factors*

**By Javed Mahmood**

ISLAMABAD: Pakistan is steadily moving towards the "Line of Default" with the passage of time. Even after the signing of the staff-level agreement with the International Monetary Fund (IMF) a few weeks ago, economic uncertainty continues to deepen further amid speculation, political instability, and delays in the disbursement of IMF loans. Consequently, the dollar is taking long leaps almost daily and dredging the value of the Pakistani rupee constantly while the stock market is losing steam. On July 25, 2022, the interbank dollar-rupee exchange rate crossed 230 rupees, while the open market dollar value fluctuates around 232 rupees. Importantly, in December 2021, the dollar-rupee parity closed at 176 rupees. Thus, in less than seven months, the local currency has depreciated by 54 rupees against the US dollar, and still, there is no sign in sight of a recovery in the value of PKR.

However, Finance Minister Miftah Ismail and the State Bank of Pakistan have linked the depreciation of the rupee with the international phenomenon. Nonetheless, their assertions appear baseless as the currencies of India, Bangladesh, and even Afghanistan are showing stability in comparison with the Pakistan rupee. For instance, the Indian rupee is being traded at 80 rupees against the US dollar, Afghanistan's currency (Afghani) is available at 88, while Bangladesh's Taka is being traded at 92, and the Pakistani rupee has fallen to above 230 rupees. Is it a global phenomenon or home-grown factors that are ditching the value of PKR? The economic managers of the coalition government would never throw light on this aspect.

The home-grown factors include the low-level of foreign exchange reserves with the State Bank of Pakistan; the government's deal with the IMF about the free-float of the dollar-rupee exchange rate; and a huge current account deficit (almost \$1.5 billion every month). In the 11 months of the previous fiscal year (2021–2022), the State Bank reported a \$15.2 billion current account deficit, which means the total CAD in that financial year would be above \$16 billion. Furthermore, the trade deficit has surpassed \$48 billion in 2021–22, with imports exceeding \$80 billion and exports totaling \$31.2 billion, compared to a \$31 billion trade deficit in 2020–21. It demonstrates how the country was on the verge of default as a result of the financial bleeding. Ours is a country that runs after the IMF, World Bank, and ADB for a few billion dollars every year while a massive amount of foreign exchange is wasted in the shape of a trade deficit. For example, in the past three financial years, Pakistan has suffered more than a \$100 billion trade deficit. Also, Pakistan is the only nuclear power in the world that has been turned into a notorious international beggar.



A shocking aspect is that, from mid-July 2022, the banks are charging 242 rupees from the importers for opening the Letter of Credit (L/C) 12 rupees above the inter-bank rate in anticipation of further depreciation of the local currency in the weeks ahead. Hence, it would not be wrong to guess that by the time the IMF releases the next tranche (probably around mid-August), the dollar-rupee parity might further expand well above the 250 rupee level.

Another stunning aspect is that the IMF has sought a firm commitment from Saudi Arabia to allow Pakistan to utilise the Saudi quota of SDRs (Special Drawing Rights). It is the IMF currency which is more expensive than the US dollar.

According to media reports, Pakistan is still facing a budget financing gap of \$4 billion and before the approval of the loan by the Board of Directors, the IMF has asked Pakistan to ensure that Saudi Arabia allows the Pakistan government to utilise its quota of SDRs in case the government fails to manage the financing gap in the financial year 2022–23. In other words, the IMF is making sure that Pakistan does not default during its loan program, which will end in June 2023. If there is a bleak risk of default by Pakistan, the IMF board of directors will not give approval for the resumption of the loan to the debt-trapped country. It is a clear indication that these days, Pakistan is gradually but steadily moving towards the line of default. And this is not happening for the first time. In the past, the country has availed of 20 loan programmes from the IMF, which means 20 times the IMF has saved Pakistan from facing default. In March 2022, Pakistan's foreign loans amounted to \$129.5 billion. A recent report of the Ministry of Economic Affairs has revealed that in the last nine years, the PML-N and PTI governments have borrowed more than \$101 billion in foreign loans. The PML-N borrowed around \$49 billion during its five-year term, from 2013–2018, while the PTI government got \$51.5 billion in external loans in its less



than four-year tenure. The report shows the nature of hefty borrowings to meet the foreign exchange requirements.

A strong sign of default is that the foreign exchange reserves with the State Bank of Pakistan dropped to \$9.32 billion by the second week of July 2022. These reserves included \$3 billion in Saudi cash assistance, which was deposited in 2021 for a year. Also, a consortium of Chinese banks released \$2.3 billion in loans in June this year. At present, the SBP's reserves are hardly equal to six weeks' imports from Pakistan, and it is considered a dangerous sign for the economic stability of any country.

## Avert default with an IMF loan

Finally, if the IMF resumes its loan programme to Pakistan, it will be a temporary relief for the country because the risk of default once again will surface with more intensity after the completion of the IMF programme in June 2023. International rating agencies have also pointed out that despite the IMF's support, the economy of Pakistan will remain in a "precarious condition" because of multiple factors, some of them quoted above. For instance, in this fiscal year (2022-23), Pakistan needs \$33 billion to meet its external obligations and requirements. It includes \$21 billion of repayment of foreign loans, and the balance of foreign exchange is required to cover the current account deficit projected for the ongoing budgetary year. Thus, in the next three to four years, Pakistan's foreign exchange requirements will exceed \$40 billion a year, and the country may not be able to mop up this huge amount of foreign exchange. A few days ago, the acting Governor of State Bank said that the government had lined up \$33 billion in financing and there was no risk of default.

## What is the way out of this situation?

Pakistan must curtail its non-essential imports to minimise its trade deficit. In 2021-22, Pakistan recorded a more than \$48 billion trade deficit, which is not affordable in the present circumstances and at a time when the government has been left with no



other choice but to accept all the harsh conditions of the IMF to get a loan. In this regard, the government should sit with industrialists and exporters and facilitate their further enhancement of exports in 2022-23, which will curb the export-import gap and keep the current account deficit at a minimum. The country will not be under pressure to borrow more foreign loans, allow depreciation of the rupee, or mortgage more assets to generate dollars or euros through the sale of Sukuk bonds. The other area of concern is the budgetary deficit, which must be kept at an affordable level by reducing its non-essential and unproductive expenditures. Also, except pay, the perks of government officers, from grade 19 to 22, including those belonging to the armed forces, must be halved as long as the country is facing an economic crisis. This strategy will enable the government to minimise its reliance on borrowings, including foreign loans, and begin a journey towards self-reliance. Additionally, the ongoing culture of dollarization will also come to an end, and investors will turn to the stock market and real estate.



# The longest taxing: Pakistan's economic recovery is up for failure

*What has been witnessed for a long time is a continuous economic downturn, which is showing no signs of recovery or even some respite*

By Naqi Akbar

Economies around the world are subject to cycles of recession. Consequently, they are brought back to the path of growth based on pure financial programming methodology. The leakages are detected and discovered and remedial measures are taken in concert with the external stakeholders, most prominently the International Monetary Fund (IMF).

The last three decades have witnessed many test cases, like Turkey in the 1990s and Thailand in the year 1997, when the world was hit by the first instance of the financial crisis. The reasons, as detected, were not borne out of that financial crisis. What happened was that the financial crisis only accelerated the process toward a crisis situation. The causes of the slump were purely domestic, and home-grown, and their remedy also lay in adjusting the domestic variables.

Unfortunately, what we see in Pakistan is to the contrary. What has been witnessed for a long time is a continuous economic downturn, which is showing no signs of recovery or even some respite.

Pakistan has been subject to IMF programmes for the majority of its 75-year history. The recent post-9/11 years have seen successive civilian or hybrid dispensations resort to IMF programs. These programmes have been punctuated with conditionalities linked to Pakistan's improving its resource mobilisation efforts; meaning an efficient taxation system, withdrawal of subsidies to cut down on non-developmental expenditures, and certain structural reforms in the whole economic system; foremost amongst them, greater documentation of the economy and society.

Pakistan has been playing ping pong with the IMF since the start of the hybrid setup under the banner of Pakistan Tehrik Insaf led by Imran Khan. During that period, the economic managers have been able to



cough up resources through the good offices of friendly countries like Saudi Arabia and China. Different ways to put off payments have been used to take advantage of opportunities and make changes.

However, the last six months have witnessed a continuous discussion mode between Pakistan and the IMF. As a matter of fact, both the outgoing PTI administration as well as the succeeding PDM government have been going pillar to post to get the IMF loan on board to start with the recovery process. A goal shared by all member countries, including Pakistan and the IMF.

But a closer look at the current state of affairs reveals that the recovery of the economy is a far cry and the country seems to be in a "punishment" mode.

In Pakistan, previous IMF programmes have been characterised by the known premise that the US dollar rate has to be kept at an affordable value to allow the economic recovery to take root. A stable dollar means economic growth, which leads to increased production and consumption, as well as revenue generation and taxation, both direct and indirect, to

the benefit of economic managers and the national exchequer.

The PTI hybrid system has been characterised by an initial free-flow adjustment of the US dollar. That has been tolerated by the economic managers on the premise that it will be adjusted once. That adjustment did actually happen, until the current months of calendar year 2022.

A stable currency is the first and last prerequisite for any economic growth plan, especially for businesses that depend upon the banking system for finances.

However, a look into the timeline of the Pakistani Rupee's value against the US Dollar reveals that all the variables' adjustments, if they have been advised and recommended by the IMF, seem to be completely counterproductive. The dollar's fall to Rs.180 until December 2021, and now its virtual fall into the Rs. 250 regimes, has had two effects on businesses.

Firstly, the banks are constrained to keeping a wide range of Letters of Credit conversion rates in order to create a buffer for the unexpected jump in the exchange rates. Secondly, businesses are totally



clueless as to how to calculate the factor price for their production, trade, or retail operations. As they are not able to forecast the price of exchange as well as production function, the only option is to adjust the retail/wholesale price tag.

That rapid adjustment hits hard on the consumption aspect. For instance, a processed milk pack, which we assume is being sold at Rs. 180 per pack, can jump to Rs. 200 per pack. Apparently, a product whose demand is inelastic or can be termed as essential by the middle-income working class, for whom such packed milk options suit, such frequent jumps mean that the food basket budget is revised quite frequently to keep the domestic budget at affordable limits.

Given the fact that all prescriptions for growth rest on and revolve around the prosperity of the middle-income urban population, the current compliance in the run-up to the expected IMF programme has deeply fractured the economy, frankly beyond recognition as well as making it difficult to recover fast.

If the market-based dollar adjustment was the only factor for the economic managers, that could have been tolerated. However, the last three months have taken a significant hit in the form of rapid subsidy withdrawal, particularly in the case of the POL, and now electricity purchase is likely to be covered in that subsidy withdrawal frenzy. The consequent increase in the per

litre price of POL products has hit the food basket; the largest component in the form of increased transportation costs incurred by trade logistics. In a country which in the month of summer is home to various flavour types of mangoes, an average Langra/Chunsa can be purchased at varying rates of Rs 150 to 300. The reason is not the cost of production, but the distance and logistics; the distance between the farm and the urban centre marketplace.

The emerging scenario Developing out of the so-called IMF inspiration does not spell well for the economy to recover in the near future. Frankly, any neutral economic observer will call it a demolition campaign to rattle the economy as well as the polity. The economic recovery, if it can be compared to a jet taxing and increasing its turbine velocity in order to eventually lift in the air, is nowhere to be found. The plane of the economy is continuously taxing from one runway to the other but not gathering enough turbine strength to lift the air. Rather, the position is dangerously close to running short of the proverbial runway and impacting on a rough surface with a consequent crash.

What is going to impact the economy in the long run? And what is the way forward for the political make-up? It is a sheer misfortune that the economic slump and political crisis in Pakistan developed side by side. Politically, Pakistan is increasingly heading towards a blind alley. The interlocuters for diffusing any political crisis, external as

well as local, are nowhere to be seen and observed. Today, the political landscape shows a picture where the institutions' reputations are fractured and people are hard pressed to carry on their everyday chores of life.

The emerging scenario is a recipe for disaster which even an election or an electoral process cannot undo. The recent events where the popular mandate has been mistreated through the introduction of cash bags might have quietly influenced the public mind and psyche towards taking a cynical view of the democratic process, civil society, and even the ability of the available civil and hybrid models to solve the common man's problems, ranging from the ability to earn honourably as well as manage a natural calamity.

The future seems bleak. Developments ranging from civil unrest to centrifugal trends in the polity and an increasingly oppressive civil and hybrid order cannot ensure a return to economic stability.

It is still up to the key stakeholders to steer the country away from a situation similar to that of Sri Lanka. Pakistan cannot afford to be like Libya, yet can find matching causes with Turkish and Iranian political experiences. A New Pakistan can be born out of the ashes of the political and economic debacle. Much rests on the people of Pakistan as to how they push the key stakeholders towards the desired path of growth and stability.



# Shelter from a perfect storm



By Murtaza Syed

Over the next year, the world will be battered by multiple headwinds. As we emerge from the Covid pandemic, multiple crises are simultaneously rearing their ugly head:

A commodity super cycle not seen since the 1970s is straining commodity importers and raising inflation to multi-decade highs around the world. Aggressive interest rate hikes by advanced economy central banks unheard of in the last 30 years that have driven the US dollar to a 20-year high and led to massive capital outflows and depreciation across emerging markets. And the outbreak of conflict in Europe for the first time since World War II, which threatens food and energy security across the world and could permanently rupture the post-war global order. Even one of these crises would have created a major challenge. Together, they have unleashed the perfect storm, creating what the IMF has called “the most universally complex policy environment of our lifetime.”

Like all countries around the world, Pakistan today is also caught in the crosshairs of this storm. It has landed on our shores in the form of a large current account deficit, the highest inflation readings in almost 15 years, a sharp decline in our foreign exchange reserves since the comfortable levels of February, the rupee

falling to historic lows, and yields on our international bonds rising to distressed levels.

While the source of much of this pressure is global, it has been compounded by domestic factors. First, an unfortunate bunching of our external debt repayments over the next 12 months. Second, political uncertainty that has led to costly delays in decision-making and policy slippages. The slippages were mainly on the fiscal side: an unbudgeted expansion last year at a time when the economy did not need additional stimulus and an untargeted energy subsidy package, both of which raised the current account deficit at a time when global commodity prices were already straining our import bill. In turn, these slippages led to a long delay in the resumption of our IMF programme. As a result, badly needed foreign inflows dried up even as external debt repayments piled up, leading to a steep \$7 billion fall in our foreign exchange reserves since February. It did not have to be this way. This part of our troubles was man-made.

Now, the less bad news. While Pakistan also faces a challenging 12 months, it is relatively well-positioned to navigate the storm. The current state of global market panic is painting countries with a broad-brush. We are being mentioned in

the same breath as countries in or near debt distress like Angola, Chad, Ethiopia, Ghana, Sri Lanka, and Zambia. But this is unfair. The truth is that we are far less vulnerable.

First, at around 70 per cent of GDP, our public debt is not particularly high. Second, at 40 per cent of GDP, our external debt is also relatively low. Third, what typically gets countries into trouble is short-term external debt on commercial terms borrowed by the private sector. On all these counts, Pakistan is not in a bad place. Almost 95 per cent of our external debt is medium or long term. Eighty per cent of our external debt is owed to multilateral agencies and official bilateral creditors like China, Saudi Arabia and the Paris Club, and mostly on concessional terms. We have very little commercial borrowing from foreign banks or international bond issuances. Almost all of our external debt is owed by the public sector.

And, fourth, while our external funding requirements to meet our current account deficit and external debt repayment needs over the next 12 months are elevated compared to our own past, they are not as high as in many other countries.

The most important factor that separates Pakistan from vulnerable countries is our



on-going IMF programme. After many months of hard negotiations, on July 13 we reached the crucial milestone of an agreement with the IMF staff on completion of the next review of the programme. This paves the way for the IMF Board to release the next tranche under the programme next month. As the ultimate provider of global safety during times of economic stress, the umbrella that the IMF has extended to us over the next 12 months is the most valuable shelter that we have from the coming storm. This, together with our better debt fundamentals laid out above, will dawn on markets in the coming weeks and we will see the worst fears about Pakistan dissipate in the cold light of day.

So, this too shall pass. But does it mean we can simply hunker down and wait for the storm to blow over? Absolutely not. We have to make sure we deliver on our commitments under the IMF programme – notably, belt-tightening on the fiscal side, ending untargeted energy subsidies, containing the current account deficit, and rebuilding our foreign exchange reserves.

This will require steadfast implementation and collective sacrifice. It will require being upfront with the public about the short-term difficulties we should be ready to endure to avoid permanent damage. It will require cutting our energy import bill by placing timing restrictions on commercial activity, encouraging work from home of the kind successfully implemented during Covid, and diverting precious electricity from residential and commercial use to industrial activity. It will need the privileged among



us to bear most of the burden, while protecting the more vulnerable through targeted transfers. This is the social bargain we need to uphold to prevent social tension. Most of all, it will need strong leadership that rises above short-term political costs, together with effective communication that takes the nation into confidence and builds a compelling narrative that we can all rally around.

In the final analysis, our present troubles are also a symptom of an underlying malaise that cannot be put off for much longer. This malaise is born of a dependence on stimulus-fueled rather than productivity-led growth. Of an unhealthy reliance on consumption at the expense of saving and investment. Of an inward-looking mindset instead of a global

one. Of a frayed social contract under which taxes are not paid and in turn vital public services in the form of roads, jobs, health and education are not delivered. This is not how successful countries operate.

These are subjects for another article, but we are reaching the limits of how much longer we can ignore them. As the fifth largest country in the world, Pakistan needs sustained growth to finally begin punching its weight and realize its vast potential. Our present growth model is not fit for this purpose. This crisis presents an opportunity to turn our attention to these long-neglected issues. We must not waste it.

In an act of self-indulgence that I hope the readers will forgive me for, I would like to end with a couplet penned by my grandfather during the most difficult period that Pakistan has had to endure – the struggle for our independence. I cannot think of a more appropriate call to action during this stormy weather.

“Tundi-e-baad-e mukhaalif se na ghabra, ay uqaab/ Yeh tau chalti hai tujhay ooncha uraane kay liyay”

[Oh, hawk! Do not be afraid of the winds of resistance/ For they only blow to make you soar higher]

The writer is the acting governor of the State Bank of Pakistan.

*Courtesy The News*



# Flirting with default?

By Dr Abid Qaiyum Suleri



A country's economic outlook is inversely proportional to the political uncertainty prevailing there. This is very evident in the case of Pakistan, where increased political polarization is affecting the economic outlook.

Before discussing how to move forward from where we are, let us look at some numbers. Debt servicing as budgeted for FY23 amounts to 80.5 per cent of the federal government's net revenues. Unless there are major structural reforms, the country cannot run without borrowing; and that too is an amount nearly equivalent to the federal government's net revenue.

Our total debt to revenue ratio is 600 per cent (which means we are not producing enough to pay off our debt). Around two-thirds of our total debt is domestic, whereas one-third (amounting to \$90 billion) is external. This means one-third of our debt liabilities get negatively affected every time the rupee loses its value against the dollar. Likewise, two-thirds of our debt liabilities (domestic debt) get negatively affected when there is an increase in the State Bank's interest rate. Unfortunately, we are observing both a depreciation of the rupee and an increase in the interest rate for the past few months.

Pakistan's total external financing need for FY23 is \$33.5 billion, out of which, public debt maturities are about \$21 billion.

Pakistan would have to arrange (borrow) a substantial amount of dollars for debt retirement in FY23. Similar payments are required for years to come. Let us zoom in: out of the \$21 billion, \$9 billion is to be paid to bilateral creditors (mainly Saudi Arabia and China) and \$5 billion to (primarily Chinese) commercial banks.

Pakistan can get a rollover from China and Saudi Arabia, provided there is a deal with the IMF. An agreement with the IMF will potentially add \$4 billion in FY23 to Pakistan's kitty. This sounds good. However, political uncertainty is delaying the release of the IMF loan tranche. How? Credit rating agency Fitch explains this: last week Fitch downgraded Pakistan's outlook

to negative from stable. In Fitch's words, Pakistan's creditworthiness is being downgraded as despite the chances of an IMF deal; there are "considerable risks to [the] IMF program's implementation and to continued access to financing after the IMF program's expiry in June 2023 in a tough economic and political climate".

Let me describe the 'tough economic climate' first. The Pakistani rupee is rapidly losing value, raising the cost of foreign-currency debt and making imports expensive. Inflation is rising due to the commodity super cycle and expensive imports (especially energy that the government cannot subsidize anymore due to the fiscal deficit). Interest rates are expected to increase further, jacking up domestic debt servicing. On top of that, the SBP's foreign exchange reserves are barely enough to cover imports for about five weeks.

Many compare the situation with Sri Lanka, which defaulted on its debt in May and where citizens suffer from fuel, food, and medicine shortages.

Is Pakistan flirting with default? Before answering this question, we should remember that Pakistan is not the only emerging economy passing through tough economic times. The IMF recently said that 53 emerging economies are facing an economic meltdown. Food and energy scarcity after the Ukraine war is causing inflation, depressing growth, and increasing debt





burdens in most emerging economies. Rising import bills have drained foreign currency reserves eroding the capacity to service foreign debts of many countries; that too is when the US dollar has risen by over 12 per cent against a basket of currencies since the start of the year. According to the IMF, 15 countries are either in default or have sovereign bonds trading at distressed levels.

Likewise, commenting on the Ukraine war's negative impact, the World Bank has warned that at least a dozen countries may be unable to service debts over the next 12 months as they would run out of foreign currency reserves.

Unfortunately, the IMF and the World Bank have included Pakistan among the countries whose economies are in danger and particularly vulnerable (to a default).

No doubt we are facing an economic meltdown, but I don't see Pakistan defaulting (And I explain that in a bit). Having said that, we must acknowledge that the value of the rupee against the dollar is one of the casualties of the delayed IMF loan tranche amid reports from multilateral lenders about Pakistan's economic vulnerabilities.

The unabated rupee depreciation has triggered a vicious cycle of speculative/panic buying and hoarding of dollars, resulting in further depreciation. Businesses are unable to plan and make decisions because of currency volatility. Their 'long-term' horizon has shrunk to a few weeks, beyond which they cannot predict a probable return in the real term. Consumers, on the other hand, are feeling both anguish and anger as their purchasing power shrinks with the rupee depreciation.

The bad news is that under Pakistan's current economic conditions, economic stability within or without an IMF programme would require restructuring the country's finances; interest rates and taxes would probably rise, and government spending would decline. It would also require heavy-handed actions to preserve foreign currency, limiting energy consumption, restricting imports, and controlling the appetite for building nonproductive foreign debt.

The good news is that both the ousted PTI

and the incumbent coalition governments in Pakistan, albeit reluctantly, took and are still taking many of those mentioned above unpopular but much-needed decisions. This is where Pakistan's response to the economic meltdown differs from Sri Lanka's, and that's why Pakistan will avoid a default.

The Rajapaksa regime in Sri Lanka avoided taking the unpopular but necessary damage control measures to restore Sri Lanka's macroeconomy until it was all over. He took populist measures, reduced taxes, artificially stabilized the Sri Lankan rupee (by draining its dollar reserves) and did not seek the IMF's support till it defaulted on its foreign obligations.



In my opinion, Pakistan will avoid a default, but its economic vulnerabilities are here to stay for some time, mainly due to political uncertainties. The PTI government's willingness to take unpopular decisions got constrained when the PDM and its allies blamed it for high inflation and Pakistan's economic woes. The PTI in opposition now is beating the PDM government with the same stick. The tug of war between the two has resulted in a delay in securing much-needed IMF funds and its letter of comfort, enabling the government to engage with other multilateral and bilateral creditors.

The IMF Board's approval to release the next tranche requires certain prior action. To begin with, an increase in petroleum development levy from August 1, increase in electricity and gas tariffs, and arranging \$4 billion (mainly through privatization) from friendly countries. After the recent political developments in Punjab, which

have reenergized the PTI, the government will be extra cautious in fulfilling these conditions mainly to avoid a political backlash from the PTI.

We have witnessed that the previous and incumbent governments had to rely on the IMF for a bailout. The forthcoming government would also do the same as the state of the economy is not going to improve overnight.

Economic vulnerabilities are non-traditional security threats. To minimize them, political consensus on critical economic decisions is required. This would entail chalking out a five-year economic roadmap

for all political parties on debt sustainability, energy circular debt management, reform of state-owned enterprises, resource mobilization, strengthening social protection, etc. This could have been done through the existing forums such as the National Security Council (NSC) or the National Development Council (NDC). However, without the main opposition party (PTI) on those forums, their decisions would not be politically inclusive.

We propose forming an economic security council comprising the prime minister, the finance minister, leaders of the opposition in the National Assembly and Senate, all four chief ministers, and representatives from the top military brass. Together, they should come up with a macroeconomic stability roadmap that no one among them opposes for the sake of opposition.

The writer heads the Sustainable Development Policy Institute.

*Courtesy The News*

# Challenges to Pakistan's economy and climate, as well as political instability

*Pakistan requires a strategy for quick, equitable economic growth that can accommodate its expanding workforce*



By Mahnur Mehruz

After two years of above-average expansion, it is anticipated that GDP growth will slow down in FY 2023 (July 2022-June 2023). Increased commodity prices have the potential to significantly affect the economy and should be closely watched.

Additionally, important factors to take into account are the coalition government's stability and the rate of fiscal consolidation. To avoid a catastrophic breakdown in the balance of payments, an agreement with the IMF will necessitate both. The panelists for Focus Economics now anticipate growth of 4.1% in FY 2023, down from 4.3% in the prior month. Our team projects a 4.7% increase in GDP for FY 2024.

The United Nations reports that this year's heatwave has worsened food shortages, which threatens regional stability. Whole orchards have been wiped off, and wheat production has been severely hampered across Pakistan due to the recent heat wave. Many small farmers' incomes have taken a hit, and some arable land has become unsuitable as a result. As it is, Russia's war

in Ukraine has already contributed to wheat scarcity in Pakistan. Production of wheat in the country will be down by 10% this year. Flooding caused by a massive downpour has rendered Karachi uninhabitable, prompting the Sindh government to proclaim a public holiday. Karachi's closure is costing Pakistan almost \$449 million each day.

As of 2019, Karachi's nominal Gross Domestic Product (GDP) was estimated to be \$164 billion. This means that the city's GDP is about \$449 million per day. Because of the rain, the economy has come to a halt, which is costing Pakistan this much money every day that it stops. This cost doesn't even include the cost of damage to public and private property, let alone the cost of human lives, which is impossible to measure. The building of the Pakistan Stock Exchange (PSX) also had water build-up on its grounds.

Considering that the rain could kill people and make it hard to get to work, In this case, a loss of Rs 449 million is a conservative estimate, especially since the large

informal economy hasn't been taken into account.

Aside from this, businesses have also lost inventory, which has cost them money. In an interview with Profit, the owner of a furniture store in Nursery Shahr-e-Faisal said that water getting into his store had destroyed goods worth more than Rs 1 million. He also says that it is hard for him to fill orders for furniture that were placed before the flooding in the city.

Even by the standards of Pakistan's politics, which are always unstable, the last ten weeks have been very unstable. After a vote of no confidence got rid of Imran Khan on April 11, Pakistan has a new government. From March 8, when the motion was filed, until April 10, when the vote took place, the weeks before the vote were full of drama. Both the economy and the government are in trouble now.

Shahbaz Sharif's new government has been stuck and hasn't been able to make decisions. Meanwhile, the former prime minister is leading rallies all over the country to attack



the legitimacy of the government and call for new elections. At the same time, Pakistan is also facing a serious climate emergency. Pakistan has been in the middle of an extreme heat wave for weeks, which has never happened before.

During the new government's first two months in power, there has been a lot of political instability, which has made it hard to make decisions. But this paralysis has started to get better since apparently, the establishment has shown support for the government as International Monetary Fund (IMF) keeps pushing for austerity measures.

The IMF has made it clear that it will only release the following \$1 billion of Pakistan's \$6 billion Extended Fund Facility if Islamabad increases the cost of fuel and electricity while also takes significant actions to reduce the fiscal deficit. To receive assistance from other bilateral and multilateral partners and prevent a balance of payments crisis, getting back on track with the IMF program is essential. As a result, the coalition led by the Pakistan Muslim League (Nawaz) (PML-N) has begun to increase energy prices. The ruling class in Pakistan needs to understand that both politically and economically, this is a special period in the history of the nation.

Previously allegedly supported by Pakistan's powerful establishment, Imran Khan now opposes the new administration. Khan is backed by a sizable portion of the middle class in addition to the "anti-elite

elite." The middle class in Pakistan has been hard hit by unemployment and inflation over the past few years. The real growth rate of per capita income for Pakistan's middle class between 2013–14 and 2018–19 lagged behind that of the rest of the country, according to the United Nations Development Program's (UNDP) Pakistan Human Development Report 2020 (1.2 percent versus 1.8 percent).

The unemployment rate for those with a college degree or higher increased from less than 5% in 2007–2008 to more than 16% in 2018–19. Although higher education has increased in Pakistan, there is still a disconnect between what employers want, and the skills and interests of college graduates. As the government cuts back on blanket subsidies and replaces them with targeted cash transfers for the very poor, macroeconomic stability may come at the expense of the middle class. And that could have both political and international repercussions.

Reforms take a long time. But Pakistan needs to use this "shock" period to change how money is spent on social protection and to give people incentives to work harder. We can't put things off.

Pakistan requires a strategy for quick, equitable economic growth that can accommodate its expanding workforce. Despite this, Pakistan is dependent on imports for its energy needs and has a limited export base.

Since the 2014-15 fiscal year, the agriculture industry in Pakistan has grown at a rate

of less than 2% annually on average. Food insecurity is becoming much more of a problem as a result of several factors, including a decrease in agricultural output, a growing population, water scarcity, and the deteriorating consequences of climate change. Agricultural production is also a factor in the electric power sector's large backlog of payments. Pakistan's electric power subsidies for agricultural tube wells are in the hundreds of millions of dollars per year. And edible oils are a major import for Pakistan.

The federal and provincial governments of Pakistan should encourage new approaches to seed development and domestic edible oil production in the private sector. Pakistani lawmakers worked together, to their credit, to pass the 18th Amendment, which grants more autonomy to the country's provinces. Local elections have been frequently postponed by several provincial governments because of a general aversion to devolving authority to lower levels of government. Because of this, major cities like Karachi have no one to turn to for local administration, which hampers their capacity to expand and diversify their revenue streams, such as through the issuing of bonds.

The elite in Islamabad must use more than secret talks to maintain the stability of Pakistan's government. This calls for improving public service accessibility and the state's capacity to address citizens' concerns.



# Saving Our Blue Economy with Mangrove Conservation

*Protecting Mangroves can enhance eco-financial benefits surpassing over 1 trillion dollars globally*

By S. Zeeshan A Shah

On July 26th each year, the UN marks the International Day for the conservation of Mangrove Eco-system, commonly known as 'Mangrove Day' around the world.

Mangroves are a beautiful and rare boundary that protects our lives by safeguarding land from being devoured by the ocean, contributing to the protection, security, and well-being of our coastal communities. Not only do they provide valuable food resources and habitat for oceanic species, but Mangroves are also the primary coastal defense system protecting us from storms, rising sea levels, tsunamis, and erosion.

## Climate Mitigation

It is estimated that over three-quarters of the world's mangrove population is under threat of depletion and extinction today, posing a substantial climate risk.

Mangroves play a vital role in 'climate mitigation', saving our eco-systems by building a safety net between our lands and our oceans. Mangroves play a critical role in reducing vulnerability to natural disasters, as our country today faces a huge challenge in terms of rising natural disasters, including the recent flash floods as a result of heavy rainfall leading to catastrophic damage to infrastructure, livelihoods, cities, towns and the entire population at large.

On climate change policy, we lag on scientific levels to protect, manage or restore our blue economy, primarily due to the lack of awareness of the serious nature of the changing 'climate map' in and around Pakistan.

## Pakistan - On High Risk

Pakistan is being severely impacted by deforestation and pollution within its rivers and oceans impacting its blue economy. Social and community awareness is also affecting the industry and livelihoods of



coastal populations whose survival depends on fisheries and the abundant resources found around our coastal landscape. Improving our water resources by reducing sea-water intrusion into our lands is the key to our future survival in the age of rising sea levels and global warming.

Ironically, the amount of carbon emissions and energy consumption by Pakistan is far lesser than countries like China, Russia, and the USA, which are responsible for over 40% of global carbon emissions across the globe. Yet, Pakistan stands today as one of the most vulnerable nations on climate risk; battling post-monsoon heavy rains and flash flooding in most parts of the country.

## Reducing Our Carbon Footprint

Without assessment planning on mitigation, coastal systems degradation is the biggest risk to the poor population of this low-income nation.

According to a recent UN report, the world could face over 40% water shortage by 2030 due to the breakdown of eco-systems and crop failures, which will lead to massive food insecurity.

As part of the damage control strategy for our future generations living in coastal

communities, we need to proactively focus on 'growing our mangroves population and building our under-sea reserves'. For that, we need nature-based solutions by reducing our carbon footprints and deep-lining our coastal under-sea basins from overheating and erosion.

Our marine life is being deeply compromised. We have huge potential in our blue ecosystem if we preserve it today. The immense benefits in the form of mangroves which protect us today, build climate resilience, and give us tremendous eco-benefits but at the same time, ignoring nature's call to protect our land from the ocean may lead us to an extremely high risk of coastal flooding, in cities like Karachi, impacting over 22 million people.

Mangroves can save our delta regions by sustaining major impacts on lands as a result of seawater, heavy waves due to rainfall, and ocean levels rising. On an average basis, an abundant supply of 'mature mangroves' in any coastal area can store up to 1000 tons of carbon per hectare. Moreover, by absorbing carbon dioxide (Co2) from the atmosphere, Mangroves protect our 'natural capital' by reducing the risk of forest wildfires, preventing landslides, reducing heat stress, and decreasing mass-flooding.



## Blue Economy - Sea World

The term 'blue carbon' becomes very important today as part of our 'Blue Economy.'

By simple definition, it refers to the carbon stored in our coastal and marine systems—sea grasses, salt marshes, and mangroves, which are highly productive eco-systems, having the capacity to store huge amounts of carbon within the plants and sediments underwater. This makes up for two to four times more carbon storage than terrestrial forests and jungles, thereby considered to be vital components of 'nature-based solutions' for our planet.

A healthy blue-carbon ecosystem supports fish stocks and provides habitat for them, besides sustaining coastal communities by filtering water flowing into our oceans and reef systems. Yet, they are one of the most threatened ecosystems on earth. This threat continues today as nearly 50% of the natural extent of the pre-industrial global coastal wetlands have been lost since the 19th century. The exploitation of Mangrove forests due to urban and coastal industrial development, human pollution, aquaculture, and agriculture challenges today is resulting in an annual loss of 0.5-3% of the mangrove population globally.

Simply put: compared to constructing artificial barriers like granite structures by our coastal sea belt, having a natural wall of Mangrove plantation is an easier and safer method of reducing heavy ocean impact on land and restoring coastal wetlands.

## Indus Delta

'Protecting Mangroves can enhance eco-financial benefits surpassing over 1 trillion dollars globally'—as reported by the Global Commission on Adaptation. Take an example of fisheries: a healthy quantity of Mangrove plantations by the coast can retrieve a profitable 270-300 pounds of fish reaching up to 45-50 dollars per hour. Comparatively, the average size of the catch reduces to less than 50 pounds of fish averaging only 2-3 dollars of by-catch per hour, with fewer or no mangroves.

In Pakistan, stringent laws and more coast guard vigilance over our sea boundaries are required today to further cut down on illegal fishing and over-fishing in our waters as it destroys our marine life and reduces opportunities for our local fisherfolk. Here again, the need to preserve mangrove populations helps build a safety net.

The need to build our blue economy is directly dependent on our strategy to protect our mangrove populations. And to do that, we must protect our 'Indus Delta'—the lifeblood of our nation. Home to the 7th largest mangrove forest in the world, it was a beautiful stretch of fertile land, where local communities used to thrive, and grow rice, bananas, and vegetables. Communities used to raise livestock, surrounded by abundant fishery resources and lush-green mangrove forests. Today, fish stocks have drastically decreased due to polluted ocean water by our coastal cities and dumping of sewage without filtering water, leading to immense migration of our

bird and reptile species thereby killing our marine environment.

The Indus Delta had 17 major creeks. In 1932, the mangrove cover within the delta was estimated at 450,000 hectares. By 2005, it was down to only 85,000 hectares. Since then, over half a million people have been directly affected as their survival was being sustained by their direct reliance on Mangroves, not just due to the unique eco-balance of fishes but also due to the reduced Co2 footprint.

Lately, efforts by the provincial and federal governments, forests departments, local communities, and environment-friendly NGOs have successfully managed to improve the mangrove cover to increase by over 150,000 hectares. The year 2020 was rated as a year of the blue economy but till now, we have not managed to truly comprehend the gravity of the problem that confronts us and our future generations.

We must learn to understand the immense usefulness of having a higher mangrove population to protect our oceans and in turn protect our cities, towns, and villages from the savage seas as climate change becomes a stark reality in the foreseeable future.

By ensuring risk management, we have to kick-start our coastal communities, and fisheries, and discover our under-sea resources to identify alternate energy initiatives and nature-based solutions towards a viable 'ocean economy' and climate-resilient Pakistan.







# 10 most beautiful Lakes to visit in Pakistan



Millions of people are employed in the tourism industry in Pakistan, making it one of the most important industries for the country's economy. Regarding travel, Pakistan has a wealth of breath-taking spots that will rekindle your love for the nation. True natural beauty can be found throughout Pakistan, including some amazing mountain peaks, luscious green scenery, lakes, and archaeological sites for the truly curious.

If you enjoy travelling or are a tourist, you should make a list of the locations you want to see in the upcoming year. When making travel plans for your trip, you definitely must include these stunning locations in Pakistan.

Here are the top 10 lakes on our list that you really must visit. Your experience would undoubtedly be one to remember.

## 1. Handrab Lake

Handrab Lake is located in Gilgit-Baltistan and is over 10,000 feet above sea level. Snow-covered mountains in various shapes, such as conical and cylindrical, surround Handrab Lake.

## 2. Rainbow Lake, Domal

The Rainbow Lake is a serene lake located in Gilgit-Baltistan's Minimarg area. Rainbow Lake is a small lake, but it's certainly not lacking in beauty. It's close to Domel, a village in the extremely remote Minimarg Valley of the Astor District.

## 3. Sheosar Lake

Sheosar Lake is an alpine lake located in Gilgit-Baltistan, Pakistan, along the western edge of Deosai National Park. It is situated at 4,142 metres above sea level (13,589 ft). The lake is accessible through two routes: Skardu and Astore District.



## 4. Lulusar Lake

One of the loveliest areas in the Kaghan Valley is considered to be Lulusar Lake, which is surrounded by snow-capped mountains. Lulusar is really beautiful, and visitors remember seeing it for a very long time. It is one of the most beautiful places in the valley since it is surrounded by snow-capped hills, whose purple and white outlines are mirrored in the green-blue waters of the silent lake.

## 5. Ansoo Lake

Ansoo Lake is a tear-shaped lake located in the Kaghan Valley. It is considered one of the highest lakes in the Himalaya Range. The name of the lake is owed to its teardrop shape.

## 6. Mahodand Lake

Mahodand Lake is located in the upper Usho Valley. The lake is often used for boating and fishing.

## 7. Kundol Lake

Kundol Lake, also known as Kundol Dand, is located in the Swat Valley. The most intriguing feature of this lake is that every night for a month, a golden bowl appears in its middle and shimmers like the moon, but no one has ever touched it because of the magical abilities it contains.

## 8. Izmis Lake

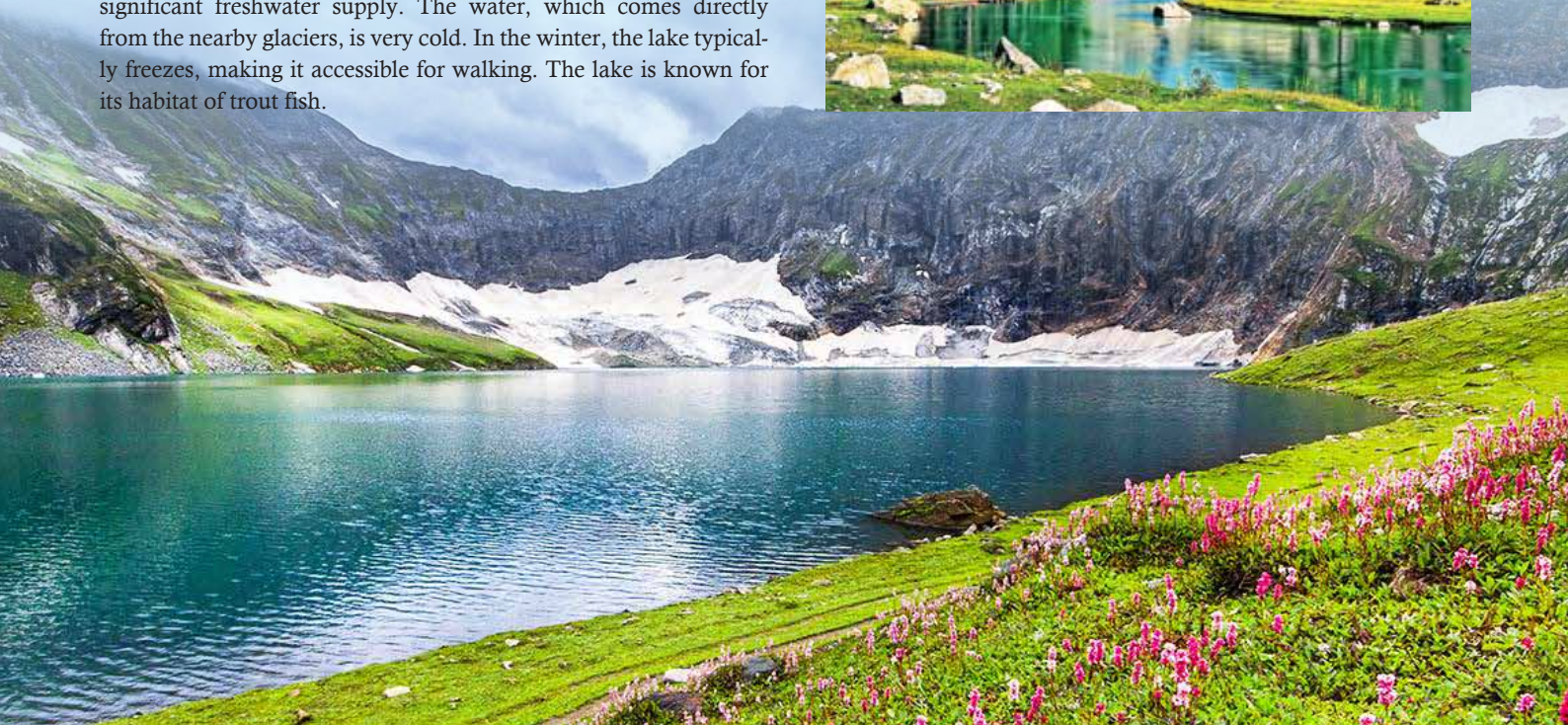
Izmis Lake is a lake in Swat District. Since the lake is surrounded by multiple naturally occurring caves, the Kohistani people named the lake Izmis, which refers to "caves" in Kohistani.

## 9. Ratti Gali Lake

In the Neelum Valley, Azad Kashmir, Pakistan, there is an alpine glacial lake called Ratti Gali Lake. The lake is situated at 3,683 metres above sea level (12,083 ft). The lake is nourished by the mountain glacier fluids that surround it.

## 10. Khalti Lake

Khalti Lake is located in Khalti Village in the Gupis-Yasin District (Gilgit-Baltistan), Pakistan. This lake has a trout stock and is a significant freshwater supply. The water, which comes directly from the nearby glaciers, is very cold. In the winter, the lake typically freezes, making it accessible for walking. The lake is known for its habitat of trout fish.





# Budding Friendship Between Iran and Russia

*While the Ukraine war may have brought America's staunchest foes together, skeptics argue that this needs-based partnership would not evolve into a genuine strategic alliance*

By Dr. Syed Rifaat Hussain

On July 19, Russian President Vladimir Putin undertook a three-day visit to Iran for a tripartite summit with Iranian and Turkish leaders. Putin met his counterpart Ebrahim Raisi and the Supreme Leader Ayatollah Ali Khamenei and later Turkish President Recep Erdogan.

This visit was marked by bonhomie and promises of strategic cooperation between Iran and Russia. It signals a shift in their traditional approach toward each other. That Iran's Supreme leader Ayatollah Ali Khamenei warmly greeted President Putin and he held bilateral talks with his counterpart Ebrahim Raisi on regional and international security issues is a clear pointer toward an accelerating warming trend in their bilateral relations.

Putin's visit to Tehran took place after the conclusion of President Joe Biden's four-day tour of the Middle East during which he visited Israel, Palestine, and Saudi Arabia and participated in the GCC summit meeting with leaders of Arab monarchies.

From Tehran's perspective, Biden's visit was an attempt to evolve a new anti-Iran regional consensus under Washington's tutelage against Iranian nuclear ambitions and attempts to dominate the region. This regional consensus for the first time



includes Israel along with the leading Arab states. The joint statement issued at the end of Biden's visit to Israel committed the two sides that they will work together "not to let Iran acquire nuclear weapons" which are deemed as a threat to regional and international peace.

Saudi Arabia and other GCC countries share this alarmist view. They have agreed to work together to evolve a regional anti-nuclear missile umbrella aimed to offset a perceived missile threat from Iran.

To offset these American and Arab moves, Tehran felt constrained and thus sought Moscow's diplomatic and strategic support

against the emerging anti-Iranian regional consensus. President Putin not only offered support for the Iranian nuclear program but also derided American efforts to contain Tehran.

As part of Iran's "pivot to the East" policy, Iran's Supreme Leader, Ayatollah Ali Khamenei remarked: "We must look to the East; looking to the West and Europe has no effect on us except procrastination and trouble. There are countries in the East that can help us; we can interact with them on an equal footing. We help them, they help us too." Media reports are suggesting that Tehran is prepared to provide Moscow with several hundred UAVs, including weapons-capable UAVs on an expedited timeline for deployment in Russia's ongoing war with Ukraine.

On the critical issue of the Russian invasion of Ukraine, Ayatollah Ali Khamenei endorsed the Russian position by observing that had Moscow not started the war in Ukraine, NATO, "the dangerous creature," would have done it eventually. The spiritual leader further said: "the West is opposed to a strong and independent Russia...NATO would know no bounds if the way was open to it, and if it was not stopped in Ukraine, it would start the same war using Crimea as an excuse."

During his meeting with Raisi,





President Putin said: “I am very pleased to be on the hospitable Iranian soil....we can boast about record figures in terms of trade growth. We are strengthening our cooperation on international security issues, making a significant contribution to the settlement of the Syrian conflict.”

Russia and Iran have been expanding their cooperation in the economic sphere in the aftermath of the Russian invasion of Ukraine.



In July 2022, Central Bank of Iran (CBI) Governor Ali Saleh-Abadi traveled to Moscow. During his trip, Ali Saleh Abadi met with senior Russian officials including Russian Deputy Prime Minister Alexander Novak, Minister of Economic Development Maxim Reshetnikov, and the governor of the Central Bank of the Russian Federation. Issues related to joint investment, enhancing monetary and banking cooperation, and removal of barriers were the main focus areas of this trip.

In June 2022, both countries signed a Memorandum of Understanding (MOU) on road transportation at the end of the two countries' Road Transportation Joint Committee meeting in Moscow.

Mohammad Reza Pour Ebrahimi, Chairman of Iran parliament's Economic Commission while commenting on Putin's visit to Tehran said that it would give a boost to economic cooperation between both countries. The Iranian lawmaker also said that sanctions imposed by Europe and the US on Russia had made cooperation between Russia and Iran more imperative.

Putin's visit also coincided with the signing of a \$40 billion energy cooperation agreement between the National Iranian Oil Company and Russia's Gazprom under

which Gazprom will help NIOC develop two gas fields and six oil fields, as well as take part in liquefied natural gas (LNG) projects and construction of gas export pipelines.

There is much skepticism about the durability of this warming trend in relations between Moscow and Tehran due to the “logic of competition” that undergirds their bilateral ties as energy suppliers that would

severely limit them from forming a genuine strategic partnership. As pointed out by CIA director William Burns, “I think beneath the images that we all saw, the reality is that Russians and Iranians need each other right now... Both federally sanctioned countries, both looking to break out of political isolation as well — but if they need each other, they don't really trust each other, in the sense that they're energy rivals and historical competitors.”

Another constraining factor is the role of Islamic ideology in the Iranian world-view that would make them inherently distrustful of countries like Russia who have engaged in naked power politics to advance their interests. Notwithstanding these

oil-based and ideological considerations, one can safely assume that as long there is turbulence and instability in world politics and Iran remains a target of Western sanctions, it will remain willing to play the regional game of influence-building with Moscow's help. Tehran is keen to get Russian diplomatic support to pressurize the United States to revive stalled talks on JCPOA.

Another dimension of Putin's Tehran visit was the effort to mend differences between Iran, Turkey, and Russia over Syrian conflict. The joint statement issued at the end of the trilateral summit expressed their determination to continue working together to combat terrorism in all forms and manifestations and emphasized the fact that the conflict in Syria had no military solution.

All three Presidents emphasized their unwavering commitment to the sovereignty, independence, unity, and territorial integrity of the Syrian Arab Republic as well as to the purposes and principles of the UN Charter. They unanimously “highlighted that these principles should be universally respected and that no actions, no matter by whom they were undertaken should undermine them.”

A concrete outcome of this trilateral summit was the willingness of Moscow to allow the shipment of grain from the Black Sea to the world at large to ease the supply of grain to world markets.

Overall Putin's visit to Iran may be described as an unqualified success as it has allowed Moscow to break the stranglehold of diplomatic isolation imposed on it by America and its European allies.



# Negotiations with TTP or more?

*Sources in Afghanistan believe that the purpose of the visit is much more than that*



By Syed Fakhar KaKaKhel

A delegation of scholars headed by Pakistan's eminent religious scholar, Mufti Taqi Usmani, visited Kabul in July. This visit is being seen as an important step in negotiations with the Tehreek-e-Taliban Pakistan (TTP). However, sources in Afghanistan believe that the purpose of the visit is much more than that.

Maulana Anwar ul Haq of Darul Uloom Haqqania and Senator Talha Mehmood were also present in the eight-member delegation.

Mufti Taqi Usmani met Afghan Interior Minister Siraj Haqqani and Tehreek-e-Taliban Pakistan chief Mufti Noor Wali Mehsud along with TTP shura.

Though it was believed that the delegation was there to negotiate with the TTP leadership, Mufti Taqi Usmani had already made it clear that he was going to Afghanistan at the invitation of the Afghan Taliban government. During his stay as a guest, he was supposed to meet the Education Minister and the Economy Minister, and he did. According to sources, he discussed Sharia laws in the fields of education and economy with these ministers. He also shed light on the Sharia approach to the Afghan Taliban concerning human rights.

After meeting with the delegation, the TTP issued a statement. They greeted the delegation but insisted on their demand regarding the reversal of the FATA merger. The Tehreek-e-Taliban Pakistan is still claiming the ceasefire ban. Although a ceasefire has been announced by the central organization, despite this, terrorist activities continue in the Pak-Afghan border areas. Recently, several local leaders of Jamiat Ulema-e-Islam (JUI) have been killed in Waziristan and Bajaur. The Tehreek-e-Taliban Pakistan issued statements distancing itself from these incidents. The question then is who is now shedding the blood if not TTP?

Maulana Fazlur Rehman, head of Jamiat Ulema-e-Islam, while holding a press conference in Bannu on the assassination of its leaders, criticized the military operations in the former tribal areas.

Security sources have blamed Hafiz Gul Bahadur for the recent operations in Waziristan. It should be noted that Hafiz Gul Bahadur from North Waziristan is not a part of the Tehreek-e-Taliban Pakistan. Hafiz Gul Bahadur's fighters were mostly engaged in Afghanistan, fighting against Western troops mainly. Why is he carrying out such attacks? No statement has come

out from Bahadur's group yet. In retaliation, the security forces have carried out extensive operations against their fighters.

On the other hand, Tehreek-e-Taliban Pakistan has accused the government that despite the ceasefire, actions are being taken against their comrades.

Jirga sources participating in the talks with Tehreek-e-Taliban Pakistan say that very soon the delegation will go to Afghanistan again and will continue the talks with Tehreek-e-Taliban Pakistan. One of the demands of the Tehreek-e-Taliban Pakistan is to withdraw the decision to merge tribal areas. They tabled this demand to Mufti Taqi Usmani too. In this regard, Federal Interior Minister Rana Sanaullah has given a strong statement that this is not possible. There was also a strong reaction from Tehreek-e-Taliban Pakistan, criticising the Interior Minister. However, Jirga sources believe that Tehreek-e-Taliban Pakistan knows that this work is possible only through Parliament. Therefore, a respite will be taken from the Taliban that when the required number is available in the Parliament, this issue will be put before the Parliament to reverse the merger. It is important to clarify here that Jamiat Ulema-e-Islam and the Pakhtunkhwa Milli



Awami Party, as political parties, were against the merger. But the parliament passed the law to merge FATA with Khyber Pakhtunkhwa with the majority of the remaining parties. Even now, the members of Jamiat Ulema-e-Islam are playing an important role in the Jirga. Apart from this, some tribal maliks and elders are against this merger and are part of the Jirga too.



However, the parties and leaders who believe the merger decision to be correct believe that by withdrawing the merger decision, the tribal areas will once again go into darkness. According to them, this demand of Tehreek-e-Taliban Pakistan is because after the decision of merger is returned, the laws will be abolished in these areas and these areas will be withdrawn from the Constitution of Pakistan. In this way, the area will once again be empty for the Taliban, and they will enforce their rules. Anyway, let's see where these negotiations go.

In this situation, the visit of a delegation of religious scholars from Pakistan to Afghanistan is important. Sources in Afghanistan believe that Afghan Interior Minister Sirajuddin Haqqani and his team are guarantors for the whole process of negotiations between Tehreek-e-Taliban Pakistan and the government of Pakistan. Sources say that the arrival of the delegation of Pakistani scholars is for more important matters. Within the Afghan Taliban itself, there are differences of opinion on many issues. The late Mufti Shamzai had played such a role in the past and had influenced

the Taliban as a scholar and teacher. Since Mufti Taqi Usmani is held in high esteem by the scholars of Afghanistan and many of his disciples are playing an important role in the current situation in Afghanistan, he has been invited. Recently, an important meeting between Pakistan Prime Minister Shahbaz Sharif, Maulana Fazlur Rehman, and Mufti Taqi Usmani has also taken place.

scholars have connections and soft corners with the Islamic State in Khorasan Province (ISKP).

The biggest problems facing the Afghan Taliban are ideology and governance. International pressure is mounting to soften and moderate the regime. But for those fighters who fought and defeated the West and the Afghan government by following the path of hardline ideologies, how to convince these fighters to be gentle and moderate is now an issue for the Taliban leadership. Mufti Taqi Usmani has already appealed to the Afghan Taliban to lift the ban on women's education and to provide opportunities to women in other areas of life as well. It is a fact that young Afghan Taliban fighters are not ready for these reforms. Apart from this, bringing forward the moderate face of Islam instead of imposing strict Sharia laws is also a challenge for Afghanistan's scholars.

In such a situation, Mufti Taqi Usmani's visit to Afghanistan with other scholars is an attempt to solve the problems of the Afghan Taliban itself. Since he is an authority on Sharia law, he is expected to help the Afghan Taliban solve these problems. If they succeed, global pressure on the Afghan Taliban may ease. But there will still be a problem because those young fighters who have a strict stance toward Islam and who are not satisfied with these efforts will go to the opposing forces. The militant factions of the Middle East and Central Asia, including ISKP, are ready to join these fighters in the region.



# Taliban government in Afghanistan: Why do Afghan citizens want Pakistani visas so much?

By Mehmood Jan Babar



Fahd (pseudonym) was leaving Gulbahar Center, a major business hub in Kabul, with a look of worry on his face. I asked him for the address of the Afghan cellular phone franchise, and he told me the way and inquired, 'Are you Pakistani?'

I said "yes...why?" Suddenly his attitude changed and he said, 'Let me go with you.' I took it as the usual hospitality of Afghanistan and Pakistan, but on the way, when he broached the subject of a Pakistan visa, I immediately understood his purpose in accompanying me.

Since the establishment of the Taliban regime in Afghanistan, it is quite common that if you are in Afghanistan and people know that you are a Pakistani, then they talk to you about two kinds of things: They talk to you about Pakistan's strictness on the border with Afghanistan and the change of government in their country, and many people ask you if you can get them a visa to Pakistan.

After August 15 last year, when the Taliban government was established in Afghanistan, after that, whoever I found in Kabul, their biggest wish was a Pakistan visa.

I thought that after a year, those who wanted to leave Afghanistan would have been told something and the desire to go out would have decreased, but not so.

Last month, during my short visit to Afghanistan at the end of June, in the joint seminar of Kabul think tank 'Center for Strategic and Regional Studies' and Peshawar's 'Institute of Regional Studies', I heard important people from four or five ministries of Afghanistan. There I found that the issue of visas and border crossing is not just an issue raised by the people, but the Taliban government in Kabul has also stepped in to help them.

Sher Mohammad Abbas Stanikzai, who is known around the world since the days of Doha talks long before the Taliban came to power in Afghanistan, is now the deputy foreign minister in the Afghan government.

On the issue of visas and refugees, he appealed to the neighboring countries to be lenient with Afghan citizens and also reminded us that if Pakistan and Iran are safe today, they have a big hand in the "blood of Afghan citizens" who defeated Russia and the US in

Afghanistan and thus saved Pakistan and Iran. So these two neighboring countries of Afghanistan should open their borders to Afghan citizens.

Abbas Stanikzai said that at present there are many difficulties for Afghan citizens on the borders.

Al-Haj Mahmood Shah, the advisor to the Ministry of Refugees, who was present at the same event, also insisted on ending the visa requirements for Afghan citizens from Pakistan and said, "We are very grateful to you, but we have problems with the border and visas. Be more open-hearted." He said that 'Iran and Turkey should also treat our citizens well as Muslims.'

When Pakistan's current ambassador Mansoor Ahmed Khan was asked about the complaints of Afghan citizens and authorities, he said that 'this impression is not correct that visas are being given with difficulty.'

"The 1,600 visas we issue daily from Kabul and the consulates in other cities add up to a total of 2,000 per day, which is more than any other country issuing visas to Afghan citizens."

Since the formation of the Taliban government, more than 200,000 people have received visas. Apart from this, some people are using Pakistan as a transit country to go to other countries of the world.

Why is Pakistan's visa very expensive for Afghan citizens, i.e., 1000 US dollars? In response to this question, the Pakistani ambassador said that the visa fee fixed by Pakistan is eight US dollars, but if a non-Pakistani charges illegal additional fees or commissions from these applicants in the name of a visa, then it has nothing to do with Pakistan.

He admitted that there are many such agents in Kabul city, who extort money from Afghan citizens in the name of visas, and he has complained to the Taliban government several times.

Most Afghans want Pakistan to remove the visa requirement for them, Mansoor Ali Khan said that this is not a realistic demand because why would any country in the world and any neighbor of Afghanistan allow anyone to come without a visa? Therefore, there should not be such a demand from Pakistan.

Why is the visa checked at the Torkham border but not at Chaman-Spin Boldak where only Tazki (Afghan identity documents) are demanded? On this, Mansoor Ali Khan said that Torkham is the only crossing point where there is a mechanism of visa checking since 2016, while there is no border structure available at any other crossing point, so it is not possible to travel there by visa.

He said that due to the lack of a visa check system, a special system has been devised on Spin Boldak, under which people from Kandahar and Helmand are allowed to come to Pakistan on Afghan identity documents, but soon Torkham's style mechanism will be implemented there where visas will be checked.



After the change of government in Kabul last year, many journalists have left the country or some have preferred to remain 'silent', but those who have continued journalism include Mohammad Khan Zaheen, who has been a journalist in Kabul for the past six years and is also the author of several books.

When asked why most of the Afghans wanted to get Pakistan visa, he said that before the Russian invasion of Afghanistan, when the situation was normal, Pakistan's borders were open and Afghans used to come and go without visas.

"When Russia invaded, most of the people went to Pakistan, and then when they saw that the economy in Pakistan was better than Afghanistan, they started doing business there. For this reason, relations on both sides of the border increased and people turned to Pakistan in the field of education, health, and business."

Another reason to go to Pakistan is that if people from here go to another country, it is difficult for them to communicate with people there, while in Pakistan there is no language problem. Afghan citizens are familiar with the environment, culture, and language of Pakistan.

He says that the main reason for the increase in demand for visas is the imposition of some restrictions in Afghanistan.

"The Taliban imposed restrictions on some sectors as soon as they arrived. People were forced, for which they had to go to Pakistan in large numbers and get visas, which seemed to increase the demand for visas."

Apart from the reasons given by Mohammad Zahin, some Afghans say that since it is more possible for them to go anywhere from Afghanistan only through Pakistan, they try to go to Pakistan otherwise they have no desire to go to Pakistan.

Voices of Afghan citizens traveling in and out of Pakistan without a visa are not only raised from Afghanistan but also some people from within Pakistan, among whom is a powerful voice, Rustam Shah Mohmand.

Rustam Shah Mohmand has been the Chief Secretary of the Khyber Pakhtunkhwa province bordering Afghanistan as well as the Secretary of the Ministry of Interior and the Ambassador of Pakistan to Afghanistan and he is a part of the Tehreek-e-Insaf party of former Prime Minister Imran Khan.

He says that Pakistan should no longer annoy Afghan nationals over the issue of visas and should allow them to cross the border only on Tazkire (identity document).

Rustam Shah Mohmand says that due to Pakistan's border policy, not only trade is being affected, but people of both countries are also finding it very difficult to maintain personal relations.

He is of the view that Pakistan should grant citizenship under the Citizenship Act of 1951 to every Afghan citizen who has spent five years in Pakistan without committing any crime.

"Thereafter, Afghans will be able to do business here, educate their children and become good citizens and prove useful to Pakistan."

He said that the Afghan citizens who have been living here for forty years will not return anyway, so why should the Afghan refugees not

be given citizenship? "This will reduce the difficulties of Pakistan itself and will create a good impression about it in Afghanistan."

Why Pakistan does not give citizenship to these Afghans? In response to this, Dr. Fazal Wahid, an expert on Afghan affairs, said that the issue of giving Pakistani citizenship to Afghan citizens is not as easy as some people think.

"Afghans are not ordinary people, but they are special people, that is, refugees, and for those who are refugees, there is a separate law, with which there are also UN protocols, there is also an act of 1945 and a 1967 UN protocol."



"Pakistan is not a signatory to these two protocols, so they do not apply to it, yet it is harboring such a large number of Afghans on humanitarian grounds."

He further said that "if an Afghan citizen had applied for citizenship before the year 1979, he can get citizenship under the 1951 law, but all Afghans who came here after 1974 and especially after 1979 are migrants, so they cannot be granted citizenship under the 1951 Act, but Pakistan has never denied them on this basis."

"Therefore, if any Pakistani government or state grants citizenship to Afghan citizens who have spent more than forty years here or who were born in Pakistan and studied and grew up here, it will have to change the relevant law."

Dr. Fazal Wahid also said that "it is on record that since the enactment of this act in 1951 until the Russian invasion of Afghanistan, i.e., 1979, no Afghan citizen has applied for Pakistani citizenship because he never had such a need as they feel now; they used to come and leave Pakistan without any visa or formality."

"Secondly, after 1947, Pakistan is bound by all the agreements that the Indian British Government made with Afghanistan. The most important of them was the Durand Line agreement, against which Afghanistan went to international forums many times after the formation of Pakistan, but it did not succeed there. Pakistan itself wants to grant citizenship or a lesser status to the Afghans living here, but it wants the Afghan government to re-sign and renew the Durand Line Treaty, as this treaty has been in place since 1919 but not signed ever since."

He said that granting citizenship to Afghan citizens is not an administrative but a political issue and Pakistan wants the Durand Line Agreement to be signed once.

# The Fall of Boris Johnson and the Battle for His Successor

*Historically, in such contests, favorites at the beginning of the race normally lose at the end. Is history going to repeat itself?*

By Dr. Khalid Bajwa

After a prolonged spate of allegations and missteps, Boris Johnson finally decided to step down as Conservative Party leader and therefore from the premiership. Boris Johnson has a maverick personality and has left a long-lasting legacy in the shape of Brexit along with its pros and cons. Brexit will continue to dominate both British politics and economics for a long time and the country will continue to live under its shadows.

The race for the leadership of the Conservative Party has narrowed down to two candidates after a bout of conservative parliamentary votes. The former Chancellor, Rishi Sunak, and Foreign Secretary, Liz Truss both have qualified to be voted upon by around 160,000 conservative party members. In the runup to the final selection for voting, Rishi has been the front runner scoring the most votes of the parliamentarians, however, momentum is with Liz as with each successive balloting, Liz bagged more votes proportionally. According to opinion polls, Liz has a significant lead over Rishi among the Conservative Party members. She is a favorite of the bookies as well, so Rishi has a huge task to convince members otherwise.

As one can imagine that there could not be a great difference between the agendas of the two candidates as they belong to the same party but here is a surprise that will be discussed later on. Their respective position on various issues is a good study for the students of politics.

Both candidates support watering down human rights. Both pledge to revisit European Convention on Human Rights and scrap it totally or amend it in such a way that human rights are insipid. Both the candidates are bending over backward to support the Rwanda scheme which is being criticized by human rights groups as inhuman and thoroughly inappropriate. This Conservative government's scheme has also highlighted the apartheid-style discrimination even among refugees depending upon where they originate from.

When it comes to Brexit, Rishi Sunak voted for leave whereas Liz Truss was a remainer but since then she has embraced Brexit. Both want to complete the project Brexit by ditching or amending the remaining European laws that are still applicable and are allegedly detrimental to growth by instituting a review of such laws within a short time. Both want to engage with France to tackle cross-channel crossings of immigrants using small boats.



National Health Service (NHS) has always been important in British politics to sway the public in one way or the other. Both the candidates promise to reduce the backlog of pending medical interventions, which was worsened by the Covid pandemic. NHS is under tremendous pressure and people have to wait for more than a year before going through the necessary procedures. If the situation is not tackled to the satisfaction of the public, it can become a big battleground for the next general elections.

Despite being a member of the same cabinet only a few days ago, the campaign has been marred by damaging personal attacks on each other which are raising eyebrows and the opposition is happy to see these blue-on-blue fights. Both candidates are attacking their respective backgrounds to the extent of comparing what kind of schooling they have got.

However, the real difference between the

two prime ministerial candidates is in their projected policies on tax. Both candidates are of opposite views on how to move forward in dealing with the economy. In the backdrop of the highest inflation in forty years and skyrocketing fuel costs, manifesting in the 'cost of living crisis,' both camps realize that whosoever wins the argument on the economy will win the contest.

Liz Truss promises to cut the taxes to the tune of thirty to forty billion pounds and abolish the recent rise in national insurance and proposed an increase in corporation tax from nineteen percent to twenty-five percent. According to her, she can delay the repayment of debt for at least three years without incurring any serious consequences. She argues that this impetus will spur economic growth and will help households to have more money in their pockets.

Rishi Sunak describes Truss's economic plan as 'unsound' that will result in even higher inflation, high-interest rates, the end of cheap money, and higher mortgage rates to the point where households can lose properties. His point is that he cannot put money in people's pockets and take it out soon after. He is in favor of cutting taxes in the future but not immediately. He favors the continuation of the policies of the present government as he is the architect of these policies. He wants to stabilize the economy first. Liz blames that his policies will land the UK in recession. However, it is also worth noting that the UK has been going through historic 'cost of living crises' under his watch. Of course, not everything was under his control as events beyond borders have been contributory factors too.

Considering Conservative Party is traditionally a low-tax party, Liz Truss has more appeal to the Conservative members. Rishi and his camp have a huge task ahead despite having been the favorite to replace Boris in the first place. It is being said that in such contests, favorites at the beginning of the race normally lose at the end. Is history going to repeat itself?



# Biden's Middle East Policy Is Both Divisive and Polarizing

*A closer examination of Biden's Middle East strategy reveals its parochial, divisive, and polarizing nature which does not bode well for regional peace*



By Hamzah Rifaat Hussain

At the Jeddah Security and Development Summit 2022, US President Joe Biden laid out America's strategy for the Middle East. It includes GCC+3 states dealing with the threat from China and a relentless quest of reestablishing US priorities in a region that has been neglected. There is no mention of a peace proposal to resolve the Israeli-Palestinian crisis. A closer examination of Biden's Middle East strategy reveals its parochial, divisive, and polarizing nature which does not bode well for regional peace.

While Biden promoted principles of American leadership, shared values, and common mechanisms for prosperity in the region, the strategy failed to provide solutions to lingering issues in the region spurring divisions. Beyond commitments to providing economic assistance to GCC+3 states, the Biden administration also failed to secure major oil and security commitments with no vision for peaceful development or coexistence.

A joint communiqué was issued by leaders of the six countries of the Gulf Cooperation Council plus Jordan, Iraq, and Egypt at the summit's conclusion. While the discourse at the summit was supposed to be geared toward discussing bilateral and regional security solutions for the region, instead America attempted to mold sovereign foreign policies of GCC states to adopt its stance on the Ukraine conflict despite an open commitment to neutrality expressed by all member states.

Furthermore, Biden's strategy sought to clarify America's stance to the GCC+3 of wanting to confront Russia and China's growing influence in the region. The narrative from the GCC+3 states, as encapsulated in the joint communiqué, however, indicates a little appetite for cold war binaries or provocations promoted by the United States to tackle other countries.

Similarly, on visions for peace, the Biden administration spoke about working towards a just, comprehensive, and lasting

peace environment in the Middle East. However, there was no mention of the two-state solution for the Israeli-Palestinian conflict at the summit or in the joint communiqué by the United States, making the contours of Biden's Middle East strategy divisive and controversial. Note how Qatari Emir Sheikh Tamim Bin Hamad Al Thani spoke about the need to seek a just solution to the Israeli-Palestinian crisis in accordance with international law. Yet America's inability to implement conflict resolution mechanisms has hampered Washington's efforts to normalize bilateral relations between Israel and GCC+3 states, and by excluding the Palestinian narrative, Biden's strategy will only breed further instability in the region.

Beyond the absence of viable solutions to the Israeli-Palestinian conflict, references were also made to the threat posed by China in the Middle East. President Biden ignored how bilateral and multilateral relations between the GCC and China have remained strong, where in 2020 China



replaced the European Union as the GCC's largest trading partner with bilateral trade amounting to \$161.4 billion. The region with regional powers such as the United Arab Emirates and Saudi Arabia is also an integral part of the Belt and Road Initiative and not a single GCC member state has hostile ties with China. On the other hand, Washington's focus on the Asia Pacific region has been viewed by GCC member states as evidence of American priorities lying elsewhere. It is clear that if the Middle Eastern strategy aims to undercut China's influence in the Middle East, then that is neither practical nor pragmatic given America's neglect of the region in its recent history.

The Jeddah Security and Development Summit of 2022 did however provide an opportunity for the United States to adopt course correction in the region. Instead, Biden's Middle East strategy became the exact opposite of what White House Official, Brett McGurk claimed was a '3D approach' of deterrence, diplomacy, and de-escalation. By issuing threats against Iran for example, the Biden administration will weaken nuclear deterrence in the region and embolden a defiant Iranian leadership to not partake in JCPOA negotiations. Similarly, a lack of diplomacy to deescalate tensions between all stakeholders in a region devastated by years of conflict, will result in lingering tensions

such as the Israeli-Palestinian quagmire or the Yemen crisis continuing unabated. Finally, without de-escalation or dialogue, tensions between countries in the region cannot be reduced.

The Middle East is a religiously, ethnically, and politically sensitive region that has witnessed the outset of numerous upheavals ranging from proxy warfare to the Arab Spring. Any attempt at pushing forward with controversial polarizing proposals is bound to have catastrophic consequences. What is integral to the cause is to allow for simmering tension to be resolved amicably. Traditionally, it has been between the two economic powerhouses, Saudi Arabia and Iran. So far, the Biden administration has not provided any concrete proposal for reducing tensions and in fact sought to pursue a reckless policy that accords legitimacy to Israel which has been described by post-Apartheid South Africa as a quintessential apartheid state. Abraham Accords affirm the occupation of the Palestinian territories and give a free hand to Zionists to maim, control, execute, expel and extort an occupied population with impunity.

Can such policies sustain in the long run? This question should haunt policymakers, scholars, academics, and peaceniks given that pro-Palestinian sentiment at the localized level is deeply entrenched, if not

reflected in governmental foreign policies. This can result in greater discord and defiance of American nefarious designs which pushes back against the two-state solution. Israel's policy is unlikely to change despite Naftali Bennett's fragile coalition and the palpable possibility of Benjamin Netanyahu coming into power. To endorse this policy is to endorse apartheid, that too in the Ukraine War and pandemic era.

Myopic strategies with little understanding of regional sensitivities are precisely what has prompted most Middle Eastern states to look towards other great powers such as China with meaningful economic engagement being the hallmark of bilateral and multilateral relations. Rivaling China can only be done through economic competition, not through militarization or polarization. Beijing's policy in the Middle East is clear. Trade talks, infrastructural projects, and providing a comprehensive solution to all raging conflicts can result in a more resilient, peaceful, and prosperous region.

Hence, this trip to the Middle East by the US President has once again proven that Washington D.C. has no vision for peace in the region, beyond mild assurances. The truth is that controversial strategies will only result in a more divided and polarized region.



# Biden's Middle East Trip: Too little, too late?

*Although the visit was largely aimed at convincing Saudi Arabia to boost its energy supplies, great-power competition, human rights, the Iran nuclear deal, and Arab-Israel normalization of relations featured high on the President's agenda*

By Shahmir Niazi



President Biden's whirlwind tour of the Middle East in July – the first since taking charge of the Oval Office, appeared to be a serious push toward ending a perceived retrenchment from the region.

At a time when the world faces record levels of inflation, exacerbated by Russia's invasion of Ukraine, with gas prices soaring, Biden was left with little choice but to engage with Saudi Arabia – whom he not until long ago referred to as a "Pariah."

In February 2021, Biden released the US intelligence report which held Crown Prince Mohammad bin Salman (MBS) as the prime accused of Washington Post columnist Jamal Khashoggi's murder. He was killed in 2018 at the Saudi Consulate in Istanbul.

A week ahead of the visit to Saudi Arabia, President Biden in an opinion piece published in The Post explained his rationale for undertaking the visit: "Its [Middle East's] waterways are essential to global trade and the supply chains we rely on. Its energy resources are vital for mitigating the impact on global supplies of Russia's war in Ukraine. And a region that's coming together through diplomacy and cooperation — rather than coming apart through conflict — is less likely to give rise to violent extremism that threatens our homeland."

Although the visit was largely aimed at convincing Saudi Arabia to boost its energy supplies, great-power competition, human rights, the Iran nuclear deal, and Arab-Israel normalization of relations featured high on the President's agenda during his tour of the region.

On the first leg of his 4-day tour, Biden visited Tel Aviv, East Jerusalem, and West Bank. In Israel, Biden signed a 15-paragraph-long Jerusalem Declaration for enhancing strategic cooperation between the two countries. An important commitment made was, "never to allow Iran to acquire a nuclear weapon." Pressed later on whether the United States would use force if necessary to stop Iran's nuclear program, Biden affirmed that force would be a "last resort."

Biden, who was quick to criticize Saudi Arabia over Khashoggi, and emphasized that "My views on human rights are clear and long-standing, and fundamental freedoms are always on the agenda when I travel abroad, as they will be during this trip, just as they will be in Israel and the West Bank," did not for once publicly discussed the brutal killing of Al Jazeera journalist Shireen Abu Akleh by the

Israeli security forces. Similarly, the illegal Israeli settlement activity did not figure in Biden's remarks.

In Bethlehem, where he met with Palestinian President Mahmoud Abbas, Biden diverted from the most pressing issue of a lasting Israel-Palestinian peace settlement, and instead pledged \$100 million for hospitals which is a meager amount when compared to the billions Israel receives annually from the US despite the country's gruesome human rights record.

Biden made history when he flew directly from Israel to Saudi Arabia, paving way for Israeli flights to use Saudi Airspace. This was hailed as a step in the right direction toward the normalization of relations between the long-standing adversaries.

Saudi Arabia has linked the normalization of ties with the creation of a viable Palestinian state. Although the Abraham Accords brokered by former President Donald Trump indicated that the Arab world had become more open to the idea of bilateral relations with Israel, the region's leading power firmly sticks to its longstanding boycott of diplomatic relations. Until King Salman, who is a staunch advocate of the Palestinian struggle, reigns, their position is highly unlikely to change.

There was little success on the oil front as well. The vacuum created by the US's long absence from the region was filled by growing partnerships of the Arab world with other great powers such as Russia and China. Amidst soaring global inflation, Saudi Arabia sees benefit in purchasing cheaper Russian crude oil to fulfill its domestic needs, and then export its oil at a higher rate. Oil proceeds from Saudi Arabia and other countries such as India are helping Russia's economy thrive under crippling sanctions.

As Russia seeks to strengthen its footprint in the region, Biden's trip was a clear attempt to reassure its partners in the region that Washington will not abandon the Middle East. At the Jeddah Security and Development Summit where he met with the leaders of the Gulf Cooperation Council (GCC), he emphasized, "We will not walk away and leave a vacuum to be filled by China, Russia or Iran ... We will seek to build on this moment with active, principled, American leadership."

This meeting served as an important platform for the US to reaffirm its commitment to the region. Biden outlined five declaratory principles – "partnership, deterrence, diplomacy, integration, and values – to guide U.S. engagement in the Middle East over the coming decades."

A trip ahead of the forthcoming midterm elections scheduled for November and exceptionally high fuel prices that threaten the party's chances of survival raise several questions about the seriousness on part of the incumbent administration to push along with this renewed engagement in the region. Countering Russia, and out-competing China in the Middle East would not be possible without extensive engagement.

## Gulf-Indian Affair

*The Modi government has taken advantage of India's rising stature as an economic and military superpower by expanding diplomatic ties with Gulf states like the United Arab Emirates and Saudi Arabia*

By Aimen Bukhari

As recently as June 28th, 2022, India's Prime Minister, Narendra Modi, visited the United Arab Emirates, only weeks after a high-ranking official in India made controversial statements about the Prophet Muhammad.

According to a tweet from Modi, PM Modi hugged UAE President Mohamed bin Zayed Al Nahyan as they greeted each other at Abu Dhabi airport.

"His Highness Sheikh Mohamed bin Zayed Al Nahyan's special gesture of coming to greet me at Abu Dhabi airport has touched my heart," tweeted PM Modi as he thanked him in a tweet.

Sheikh Mohamed's brother, the former president Sheikh Khalifa bin Zayed, died in May, and the Indian embassy claimed that PM Modi visited to give his condolences and congratulate the Sheikh on taking up the position of the head.

One may argue that Modi came to deal with the fallout after the Islamophobic sentiments expressed by certain BJP officials in the national government, which have become a point of controversy in India's international diplomatic ties. In diplomatic statements, more than a dozen Muslim countries, most recently China, have said they are worried about how India feels about the Prophet Mohammed.

Gulf governments have also spoken out against insulting comments made about the Prophet Muhammad on TV earlier this month, before Prime Minister Modi's one-day trip to India.

Both the United Arab Emirates and Saudi Arabia have denounced the comment, while the governments of Qatar and Kuwait have summoned the Indian consulates to show their disapproval. In a Kuwaiti supermarket, Indian products were taken off the shelves.

Also, the BJP leader's words have been blamed for conflicts in India, which has led to calls for her arrest.



The BJP has adopted forceful steps to handle the situation by suppressing violent demonstrations, regulating social media and rallying the religious tolerance spirit in due course. In addition, India's government has stated its position as a country.

89 lakh Indians are now living, working, and studying in Gulf states. These nations send a lot of money back to the United States. India's trade with the Gulf Cooperation Council (GCC), which includes nations like Kuwait, Qatar, Saudi Arabia, Bahrain, Oman, and the UAE, was \$87 billion in 2020–21, so this should come as no surprise. Social media users in Arab nations are enraged by the controversial comment about the Prophet, though. A boycott of Indian products was already being called for by those who were offended by the statements. As the BJP's suspended spokespersons made disparaging comments against Muslim women's hijabs and their homes, the 57-nation Organization of Islamic Cooperation (OIC) condemned their statements. The government of India has shown its position. However, India chose to remain silent on remarks made by the six-nation Gulf Cooperation Council (GGC). The government of Prime Minister Narendra Modi has improved relations with the United Arab Emirates and other Islamic countries. However, analysts are

worried that the current dispute could hurt India's diplomatic gains with these countries.

It was a BJP spokesperson's contentious statement about the Prophet during a TV panel debate that ignited the uproar, which might be seen as anti-Islamic. The TV anchor's support for the spokesperson's anti-Semitic sentiments further fueled her rhetoric. Hate speeches have become an everyday occurrence, and they're also growing more and more frequent.

Gender, caste, and ethnicity are now included in these hateful statements, as well as Islam and Hinduism. Hate speech is a major problem for the United Nations. According to the UN, hate speech has been on the rise since the 1950s. In addition, it has become a major factor in the spread of violence throughout the world. The quantum of hate speech on Facebook in India, according to Equality Lab, is dominated by anti-Islamic sentiment. With 37% of all hate remarks, anti-Muslim sentiments are at the top of the list. Hate speech contains 17% of the total word count devoted to spreading lies. Hate speech items relating to gender or misogyny, as well as Dalit or caste, each have a 13% share. Overall, 11 percent of the hate speech on Facebook is violent, and 9 percent is against religion.



Since taking office, the Modi government has taken advantage of India's rising stature as an economic and military superpower by expanding diplomatic ties with Gulf states like the United Arab Emirates and Saudi Arabia. One reason for India's ties to the region is the diaspora of over 8 million Indians in GCC countries like Saudi Arabia, the UAE, Qatar, Bahrain, Kuwait, and Oman. Indians make up over a quarter of the UAE's population. Cultural, educational, and commercial ties have been fostered in large part because of the large number of people who have moved away.

As part of its foreign policy, the Modi government has prioritised enhancing connections with the Gulf region. He has visited more Middle Eastern nations in the last six years than any of his four predecessors combined. For example, he addressed huge groups of Indian expatriate citizens in the United Arab Emirates (UAE), Bahrain (Oman), and the United Arab Emirates (UAE). Because of these relationships, the Gulf states have shifted from being pro-Pakistan to being more neutral in their approach to the India-Pakistan conflict in Kashmir. For example, the UAE and Saudi Arabia stayed neutral or even supported the Indian government when India removed Article 370 from Kashmir, despite Pakistan's loud protests.

During the COVID-19 pandemic, India sent medical supplies and promised to send food to the Gulf countries. This helped India and the GCC countries continue to get along better.

According to the foreign ministry, trade between India and the oil-rich Gulf kingdom is worth \$59 billion, making it India's third biggest trading partner for the 2019-20 fiscal year, behind only China and the United States.

With a projected \$16 billion in exports in 2020-21, the United Arab Emirates might be India's third biggest export destination. Petroleum products, precious metals, stones, jewels, and jewellery, minerals, food, and textiles are among the most important exports.

In India, there are rumours that later turned out to be false that Muslims are planning bad things, like "disrespecting Hindu gods" and "invading Muslim lands."

There are many examples of this kind of communalization. India's soft power in the Gulf, where the expatriate community of India has a cordial relationship with Gulf authorities, has now been adversely damaged. Some of the recent anti-Islamic tweets and social media remarks by Indians residing in Gulf Cooperation Council (GCC) countries have provoked indignation in these countries' online and media communities. There has been a growing chorus of Arab voices criticising online hate speech and asking Indians to stay clear of those who have gone before them.

It is possible that India-GCC connections may continue to flourish despite pronouncements from Gulf governments and public dissatisfaction on social media. For one thing, popular leaders in the Middle East and Gulf nations haven't paid much attention to human rights issues in



India. These remarks by royals are significant because they indicate that criticising India's recent internal policies has some implicit sanction from elites in an otherwise heavily censored atmosphere. Finally, there has been an increase in the number of Gulf-based social media influencers that advocate for increased efforts to combat discriminatory remarks on social media, using hashtags like "send Hindutva back home."

Though numerous Indians working in Gulf Cooperation Council nations have been sacked from their employment for sharing anti-Islamic sentiments on social media, these fault lines may not be enough to justify a national strategy of shaming these people. There has been a noticeable increase in Indian complaints about online hate speech among its citizens living in the Gulf region as a result of the UAE government's ongoing review of labour agreements with many other countries, including India, due to a

lack of cooperation in returning citizens who lost their jobs during the pandemic.

Days after the OIC declaration, Prime Minister Modi issued an unusual plea to Indians to not split along religious or caste lines in a tweet that mostly avoided addressing Islamophobia in the country. Next, India's ambassador in the UAE specifically warned Indians against discrimination overseas. Foreign Minister S. Jaishankar and Prime Minister Modi also started a diplomatic effort to counter the effects of Islamophobic comments. This shows how serious the situation has become in the relationship between the two countries.

India's soft power in the Arab world has taken a significant hit in recent months, and this dispute is only the latest example. The critics of India's Citizenship Amendment Act rallies, the Delhi riots in February, and the contemporary climate of Islamophobia

have all been addressed by the Organization of Islamic Cooperation (OIC). However, a possible decline in India's soft power does not imply a breakdown in ties between India and the Gulf Cooperation Council (GCC), which are mostly driven by pragmatic considerations. In times of high tension, it is normal for Arab countries to release or approve comments to try to calm their people down.

However, India cannot afford to ignore this problem, given that it is becoming more relevant in discussions in the Arab (and Western) world over the rights of Muslims. India's critics, such as Pakistan, may use the fallout from these difficulties to gain political points and tarnish India's reputation in the Gulf. India's public diplomacy in the Gulf is in danger because of the constant negative view. This could make it harder for India to use its large expatriate community to its advantage.

# Closed Inquiries Against PTI Reopening

*The National Accountability Bureau (NAB) is conducting 6 inquiries and 4 investigations into the alleged corruption in Billion Trees Afforestation Project; a flagship project of the Pakistan Tehreek-i-Insaf (PTI) government*



By Asadullah

ISLAMABAD: The participants and the media persons who witnessed a recent Public Accounts Committee (PAC) meeting of the parliament were stunned when a woman disclosed that she was not only treated inhumanly by NAB chairman Javed Iqbal and other top officials of the National Accountability Bureau but the Prime Minister Office also secured personal gains by blackmailing NAB hierarchy by misusing a high profile compromised video.

Testifying before the PAC, Tayyaba Gul stated that former Principal Secretary to Prime Minister, Azam Khan and former Special Assistant to the Prime Minister, Tahir A Khan invited her for a meeting after she complained to the Prime Minister's Citizen Portal. In the complaint lodged with the Portal, she accused the then Chairman NAB Justice Iqbal of sexual harassment and also attached some screenshots from secretly recorded footage.

She told the PAC that former Principal Secretary Azam Khan and Tahir Khan asked for the video and assured her of taking action against Iqbal. However, the video was aired on Khan's television channel later on. Gul accused the

PM Office of using this video to pressurize Iqbal and the latter dropped the NAB inquiries.

During the PAC meeting, chairman Noor Alam Khan questioned why NAB dropped inquiries on the Malam Jabba Skiing-Chairlift project, Khyber Bank, and Bus Rapid Transit (BRT).

Incumbent Chairman NAB Zahir Shah told the PAC that the Malam Jabba inquiry was dropped on the recommendation of Director General NAB Khyber Pakhtunkhwa.

It may be mentioned that former Principal Secretary Azam Khan and cabinet ministers including the then Chief Minister were being probed. According to a report, NAB submitted before the PAC on July 07, 2022, the bureau is investigating the allegations of plantations including woodlots, enclosure; farm forestry (Free Distribution of Plants); and procurement of seeds, polythene bags, equipment, etc.

It's noteworthy that the Ministry of Climate Change recently wrote to the Auditor General of Pakistan to conduct an audit of the billion tree tsunami

project. The report said that at present NAB Directorate General of Khyber Pakhtunkhwa is conducting 6 inquiries and 4 investigations to probe these allegations.

As per National Accountability Ordinance, after receipt of a complaint, the bureau verifies the facts, and then it conducts an inquiry which is upgraded into investigation before the filing of reference in the accountability court.

Besides, the cases against the PTI leaders which have either been stalled or scrapped are likely to be revived. The PAC has directed NAB to revive the investigation into the Malam Jaba and Bank of Khyber corruption scam.

Since the investigation against the Bus Rapid Transit (BRT) has been suspended owing to the order of the Supreme Court, the PAC has also asked NAB to vigorously pursue this case in the apex court.

As per NAB's report, the inquiry against them was authorized by the competent authority to probe the allegations of "lease of forest land measuring 270 acres", "extension of



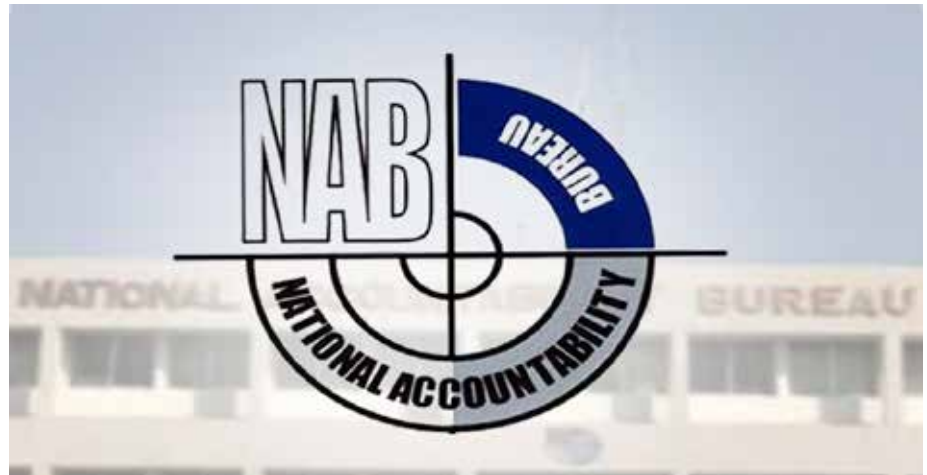
lease period from 15 to 33 years” and “irregularities/violations in the bidding process.”

It said that the inquiry into the BRT project was authorized on July 20, 2018, on the order of the Peshawar High Court (PHC) dated February 5, 2018. PHC order stated that “the delay, the contract awarding process, feasibility and all the issues related to the project of Peshawar Sustainable Bus Rapid Transit Corridor Project (BRT) are all shady and shaky and as such the NAB authorities are directed to conduct proper investigation/inquiry and submit its report before the next date.”

The provincial government of KP assailed this order before the Supreme Court.

The apex court vide order dated August 31, 2018, granted interim relief to the provincial government of KP by suspending the operation of the said order and “the matter is subjudice in the Supreme Court.”

The bureau was probing the illegal appointments in the Bank of Khyber. However, this inquiry was also closed a couple of years ago. During that period, Director General NAB Khyber Pakhtunkhwa retired Brigadier Farooq was also given an extension by the PTI government, who after having earlier recommended the filing of reference in the Malam Jaba case, withdrew the same for want of evidence.



Ms. Gul also claimed that the closure of inquiry was the result of the compromising video of former chairman NAB that forced him to accept the demands of the PTI government.

Gul disclosed her first interaction with Justice Iqbal, stating that she filed a complaint before the Commission of Inquiry on Enforced Disappearances to trace the whereabouts of her missing aunt.

Iqbal who is also heading the said commission since its inception in 2011 started calling her and sending out invitations to visit his office. According to her, Iqbal became possessive, threatening her with dire consequences if she would be found meeting someone else.

When I tried to stop Justice Iqbal, he turned hostile and started victimization, she said while adding that at his behest Director General NAB retired Major Saleem Shahzad arrested her from Islamabad and took her to Lahore without obtaining transitory remand.

She accused NAB of a strip search and making footage of this incident. “NAB also filed a reference against me, however, the accountability court acquitted me in the reference”, she said.

PAC chairman called for the suspension of Justice Iqbal, DG NAB Lahore Shahzad, and other officials over Gul’s harassment.



# The Untapped Potential of Pakistan's Shipping Industry

*Pakistan pays about \$6-7 billion of its foreign exchange to international shipping companies*

By Hamza Qureshi

**B**lue Economy is a comparatively new concept that involves various types of activities ranging from freight transportation, fishing, ship-breaking, marine biotechnology, and dockyards, to the plantation of mangroves and coastal tourism. With Pakistan straggling in all these arenas, the shipping industry comes more into the discussion.

The shipping industry of Pakistan has never managed to resurface since the nationalization program of 1972. For the last two decades, the Pakistan National Shipping Corporation (PNSC) has been restricted to 11 ships (currently out of which are 6 oil tankers and 5 bulk carriers). Experts lay several reasons for Pakistan lagging behind. Lack of seriousness, inconsistent policies, and policymakers' sea-blindness, to name a few.

Prior to the separation of East Pakistan, the national fleet had grown to seventy-one in number. There were about ten private companies offering their services. The number declined to fifty-one vessels and nine companies after the creation of Bangladesh.

The terminology, Blue Economy came into the limelight (in Pakistan) during the last stages of Gwadar Port's construction. Successive governments claimed that the Gwadar Port will be a beginning point for Pakistan's Blue Economy. However, many failed to identify that Pakistan already has Karachi Port and the Bin Qasim Port which are operating below their threshold. As per its website, KPT's berth occupancy is less than 45%. Such a number confirms that the room for growth is quite large.

PNSC is one of the most profitable state-owned companies. With over 2.5 billion rupees worth of profits in 2020-21, PNSC vessels are sailing in the Pacific, Atlantic, and Indian Oceans. However, it is worth mentioning that the flagship of Pakistan transports less than 11% of the country's total cargo via sea. Commodore (r) Baber Bilal Haider, Director of Indian Ocean Study Center, NIMA claims that



Pakistan pays about \$6-7 billion of its foreign exchange to international shipping companies. The high shipping cost is contributed by increased insurance fees (due to constant threats and war-like situation in the Arabian Sea and Strait of Hormuz) and fuel prices.

Haider also shared that Bangladesh doubled its merchant navy fleet to 80 ships during the COVID period when shipping vessels went cheap due to a sudden halt in trade. Interestingly, the Karachi Port and Bin Qasim Ports did not suffer as much as other ports which had to scale down their operations.

Sources in the PNSC also revealed that two more vessels will be commissioned in August 2022. This would increase the PNSC's fleet size to thirteen.

PNSC is strategically important for Pakistan. In case of a naval war in the Arabian Sea, foreign vessels will not find it feasible to sail at all nearby ports. In such a scenario, it would be only PNSC that could ship cargo outside or inside of Pakistan. Specialists remark that 40% of a country's seaborne trade should be through its companies or state-owned enterprises. This enables a state to keep its sea routes functional even in case of a war.

## PNSC's minimal share in Pakistan's economy

It is regretful to know that state-owned enterprises in the energy sector prefer to utilize foreign companies for the transport of oil from Gulf countries. Naufil Shahrukh, Policy Researcher at the Institute of Policy Studies, Islamabad shared that PNSC's share in Pakistan's economy is minimal. Strategic cargo such as crude oil is transported to Pakistan via tankers owned by foreign companies. Sources in PNSC claim that if PSO asks PNSC to carry its freights to Pakistan, this could greatly benefit the shipping corporation as well as Pakistan's crippling balance of trade. Government intervention might be needed to grant PNSC the first right to refusal for all cargo traded in/out of the country via sea routes.

## Why private investors are hesitant?

Captain Anwar Shah holds a vast experience of 51 years in the shipping industry. He also served as Director General Ports and Shipping/Additional Secretary Ministry of Maritime Affairs during 2003 – 2007. Shah identified some key aspects of what



caused the private industry to decline. One of the most detrimental damages to the shipping industry of Pakistan was the nationalization program of 1972. The program nationalized about 9 companies with a total of 26 ships. These also included ferry services route which starts from Bombay, sailing to Karachi, Gwadar and finally reaching Muscat. Some ferry services even used to transport passengers to Basra (Iraq) and Jeddah (Saudi Arabia).

Shah also held inconsistency in policies responsible for breaking the trust of private investors. He recalled that the Pakistan Merchant Maritime Policy 2001 gave tax exemption to all seaborne trade and activities for twenty years. The policy was extended in 2019. However, a 17% GST was imposed on the acquisition of vessels. He blamed governments for not granting the incentives to companies as guaranteed in the 2001 policy. The implementation is needed in actions, not mere words.

The investment and profitability periods are comparatively higher in the Blue Economy. Moreover, the margins are thin. Investors look for lucrative incentives to start venturing into this arena.

Author of Element of Blue Economy, Admiral (r) Rao Iftikhar notes that two shipyards were promised to be built in 2007. No progress has been made despite 15 years having passed.

Sea-blindness is a terminology used by many seamen to describe the funky decisions of policymakers. Veterans call it a dilemma that shipping corporation has been served by ex-military or in-service persons. This not only shatters the concept of “right man for the right job” but also impacts the overall performance of the shipping company.

Pakistan still lacks a maritime policy. A draft of the National Maritime Policy was published by the Ministry of Maritime Affairs (MOMA) in 2020. The draft still awaits cabinet approval. National Maritime Policy was to serve as a mother document to various policies such as deep-sea fishing, shipping, ship-breaking, sea-tourism, etc. Naufil Shahrukh pointed out that policy synchronization is non-existent in the maritime sector. Professionals strongly feel that MOMA should step ahead from its role of simply being a regulator, to facilitate private investments.

It is highly needed that the government maintains political will to re-introduce private participation in the shipping industry. It is pertinent to note that several Pakistanis have registered their shipping companies in Dubai and Singapore. While there are several workshops of Pakistan established in port cities across the Indian Ocean. Jabal-e-Ali, Dubai hosts some of these workshops.

## Security of Pakistani waters - crucial for seaborne trade

As US Admiral, Alfred Mahan said in 1897, “Whoever controls the Indian Ocean, will dominate Asia.” Today, the tug of war between the US and China to control the Indian Ocean is evident. India’s role has also become very significant in the last two decades. Captain Anwar Shah maintained that as Pakistani ports are not located near any major container shipping route (circum-equatorial maritime route or North-South Route), an ideal strategy to attract sea traffic would be to increase our exports.

A common principle of security for blue waters calls for an increase in naval strength in proportion to the trade volume. With new opportunities coming into play after the peace in Kabul, Pakistan finally can offer a trade corridor to central-Asian states via Karachi Port.

Pakistan Navy and Maritime Security Agency have been playing their role in maintaining security against conventional threats such as piracy, illegal dumping of nuclear waste, etc. Pakistan Navy has been seemingly very active in realizing the benefits of the Blue Economy. With several conferences and seminars organized, the navy appears serious about materializing the concept.



# Umar Al Khattab's Governance System Revenue-Related Institutions (Part IV)

*Historical decisions about conquered land*



By Azmat M. Saqib

At the advent of Islam, no formal system of finance and revenue collection existed among Arabs. When the Jewish settlement of Khyber came under the Prophet's (PBUH) rule, at the request of the population, the land remained with the Jewish owners. As part of the settlement, agricultural produce was to be shared with Muslims. A ushr (land tax) was implemented on landowners who converted to Islam. During Umar's (RAA) caliphate, the major landmass of Iraq and Syria came under Muslim rule. The chiefs of armies and many senior companions of the Prophet (PBUH) wanted the land to be distributed like booty among the warriors, i.e., as landowners and the subjects be made slaves of the landlord. Caliph Umar wanted the land to be left with the subjects. Serious debate erupted among the companions (sahaba).

Caliph Umar summoned the large-level shura of Muhajirin and Ansar. Deliberation went on for several days, but in vain. On one final day, Caliph Umar remembered a Quranic ayat and interpreted it to mean that there was a share in the conquered assets for future generations as well. He contended that

dividing the land among the warriors would prevent future generations from benefiting from it. Hence, a historical consensus was reached that instead of the army, conquered land would be the property of the state. Caliph Umar decided to give the land to the local landlords and farmers. A local system of land management and revenue collection prevalent in those areas was implemented with some improvements.

## Assessment and measurement of land in Iraq

Two prominent Sahaba (Usman bin Hanif & Huzaiifa Bin Al Yaman (RAA)) who had relevant expertise were sent to Iraq, who assessed and measured the lands with such thoroughness as if measuring expensive cloth.

Iraq's length was 375 miles and its width was 240 miles. Areas were assessed as total cultivable land, mountainous land, and desert land.

The following categories of land (generating 7 million Dirhams) were

dedicated to public welfare:

1. land belonging to the Royal family (escaped to Persia).
2. Auqaf of fire worshippers' temples.
3. Unclaimed land.
4. land of runaway personnel due to war.
5. Assets of mutineers
6. Land is reserved for the preparation of roads and postal courier service.
7. land adjacent to rivers.
8. forest land.

Once the land was measured and assessed, rates of crops per unit of land (Jareeb) were ascertained, e.g. 2 dirhams per jareeb per year for wheat, 5 dirhams per jareeb per year for cotton, 10 dirhams per jareeb per year for grapes, etc. Sometimes rates vary due to the quality of land also. Kharaj was the land tax levied on the lands owned by non-Muslim subjects, while Ushr was the land tax levied on Muslim owned lands. Kharaj was collected once per year, whereas Ushr was collected after every crop. Besides



Ushr, Muslims also had to pay Zakat on animals, horses, and cash.

## Revenue collection from Iraq

In the first year of implementation, 86 million Dirhams of Kharaj were collected from Iraq. Due to fairness in dealings, land given to the local landlords/farmers and incentives for cultivating uncultivable land, Kharaj increased to 102 million Dirham next year.

To ensure fair play in tax collection, Caliph Umar would summon 10 dependable people from each province of Iraq. They would be asked to swear four times that revenue collection was done without coercion.

Record keeping was maintained in local languages, i.e., Syriac, Roman, and Coptic. Even the officials maintaining the record previously (many non-Muslims) were retained.

## Revenue collection from Egypt

Aside from the land tax, the Romans imposed two other taxes: a certain amount of produce was to be sent to Constantinople (capital), and Roman armies were to be fed from Egyptian produce as well. Caliph Umar abolished these, and Caliph Umar paid the cost with Egyptian Kharaj money.

Agricultural land in Egypt was irrigated by the Nile. Sometimes, due to a lack of water, there would be famine. Therefore, the yearly average assessment from representatives of local landlords would be accepted as final. The rates were quite low as compared to the Romans. An amount of 12 million Dirhams (Kharaj) was received during the first year.

## Revenue collection from Syria

In Syria, the Greek system of tax collection was practiced. Agricultural land was graded according to its quality. Records were in the Syriac language. Like other conquered lands, here too, Caliph Umar maintained the existing system. The total amount collected by Kharaj from Syria was 14 million dirhams.

## Reforms introduced by Umar (RAA) in Land Revenue Systems

1. Revolutionary steps taken by Umar (RAA) in conquered lands improved the state of affairs of locals, which contributed to their welfare.
2. The Romans after conquering the land, had transferred the ownership from local Syrians to warlords and the Roman aristocracy. Local Syrian landowners were reduced to farm workers. This practise of conquest over conquered land was universal in those days. Umar (RAA) abolished the old ownership and handed over the land to Syrians.
3. He barred the victorious Muslim army from taking over land from the locals.
4. Those Arabs who had migrated to Syria and Iraq during the Muslim advance were disallowed by decree from cultivation in those areas.
5. The abovementioned actions not only provided justice to Syrians but also resulted in the utilisation of the expertise of Syrians in cultivation as compared to amateur Bedouin Arab farmers.
6. The strict and tyrannical laws of the Romans in Syria and Egypt as compared to Muslim laws resulted in a shift of support from the Romans to advancing Muslim armies.
7. Caliph Umar (RAA) was generous in seeking non-Muslim advice on the revenue system from Iraq, Syria, and Egypt.

## Progress in Agriculture and the Department of Irrigation

### Incentives

1. Whoever cultivates tilled land owns it; otherwise, it is confiscated after three years.
2. A proclamation was issued that runaway subjects due to wars could come back to their lands.

In one incident, farmers in an area claimed losses due to Muslim army movements, and compensation of 10,000 dirhams was paid to them.

A formal department did not exist, yet infrastructure development like the construction of canals, dams, lakes, and water channels was being done in a very organised manner. The construction of a network of water channels for proper water distribution also helped in the increase in agricultural production. Allama Maqrizi has written that in Egypt alone, 120,000 labourers worked daily for one year for such infrastructural improvements. The money was paid from the state treasury.

## Other sources of revenue collection

Besides Zakat, Ushr, and Kharaj, the following were the sources of revenue generation.

### A Tax on Horses

A tax was levied on horses which were kept for sale.

### Ushuur

This was introduced for the first time in Muslim lands by Umar (RAA). This is the same as a tariff on trade. Caliph Umar (RAA) ordered the implementation of a tariff on foreign traders' goods, as was done by foreign rulers. A large amount of income was generated by this financial step.

## Department of Treasury (Bait ul Maal)

During the time of Prophet Muhammad (PBUH), 0.8 million dirhams of Kharaj came from Bahrain. This money was immediately disbursed among the Muslims.

No Bait ul Maal existed at the time of the Prophet (PBUH). During Abu Bakr's (RAA) Caliphate, a house was designated for Bait ul Maal, but no assets were available for a deposit. During Caliph Umar's time, when revenue surpluses and booty started accumulating in Medina due to war victories and conquered lands, he consulted the relevant Shura about this matter. It was decided that Central Bait ul Maal should be established. The Caliph

bought a house, and surplus assets of the state were deposited there. Later, in all provincial capitals, strong buildings were dedicated to Bait ul Maal. Guards were placed on these buildings. To manage these state resources, officers with integrity and honesty of character were recruited.



## Record Keeping and Documentation

Among Arabs of that time, men of letters were few. For record-keeping, writing the date and year was essential. Arabs used to remember events by heart and by the year, e.g., the Year of the Elephant (Aam al Feel), and the Year of Sadness (Aam al Huzn). Due to the expansion of state affairs, in 16 A.H., a cheque was received at the Caliph's office with the date written as the month of Shaaban. The need for a more precise dating system was felt by Caliph Umar (RAA). Hurmuzan, the converted Muslim from Persia, mentioned that a system of days and months already existed in Iran. Ali (RAA) suggested the year of the migration of Prophet Muhammad (PBUH) be the starting year for the proposed calendar. Hence, it was decided that Muharram 1st, the year of Hijra, would be the start point of the new calendar.

Regarding record keeping by writing, in 14 A.H., among the Muslim army that conquered Iraq, no one knew how to write except a 14-year-old boy.

Then a time came when detailed paperwork and maps were prepared routinely.

### Different types of registers

The most difficult task in those days was the maintenance of registers of daily allow-

ances bestowed by the state on meritorious citizens. The number was in the hundreds of thousands. Groups were characterised based on various criteria, i.e., valour, clean character, past history of contributions, etc. Records of every tribe were maintained in different registers. Very competent people

like Aqeel Bin Abi Talib at Medina, Jubair bin Mut'am at Basra, Shu'ba Bin Mughira at Kufa, etc., were designated for the task of record management.

### The Kharaj Book

This bookkeeping was kept in Persian, Syrian, and Coptic languages. Previously, such kinds of record keeping for agriculture were not prevalent among Arabs.

### Records of Bait ul Maal (treasury)

Records of Zakat and Sadaqat were kept in writing. Even descriptions of animals (in Bait ul Maal) about their appearance, age, and colour were written.

### Papers on War Expenditure

Expenditure incurred on battles and the amount of booty received were recorded in these papers. Chief Commander Khalid Bin Waleed (RAA) was removed from his command, since he would not send such records to Medina.

### Census Papers

A census was conducted in Egypt and Iraq to ascertain Zakat and Jizya. Charts were prepared to show demographic characteristics. Saad Bin Abi Waqaas (RAA) was asked to prepare a list of people who could read the Quran. Another list was prepared for poets.

All pacts made with other people and nations were also kept safe, with records written on rectangular papers and kept in rolled form (scrolls).

### Coins

When Egypt, Syria, and Iraq were conquered, they used coins. Umar (RAA) neither interfered nor stopped the use of currency in those regions. In 18 A.H., he introduced a coin similar to the coin of Nausherwan, ruler of Persia. Three types were introduced: one with the inscription "Muhammad-ur-Rasul Allah", another with "La Ilaha Illallah", and a third with "Alhumdu Lillah". In the last days of the Caliphate, one dirham weighed 2.55 grammes of silver.

## Military Affairs Department

### Armies of the Romans, Persians, and Muslims

Roman and Persian armies were maintained by barons and warlords, who were given estates by their kings, with no right of ownership to the locals. They maintained private armies from the income of those estates. In a war situation, they would furnish the kings with their armies. whereas Muslim armies were fully paid for and maintained by the state. Fixed salaries were paid, and after the war, they would get handsome booty. They were barred from owning or doing cultivation in the conquered lands. Ownership of land was transferred back to the local owners after the warlords and barons fled.

Caliph Umar (RAA) established a department of Military Affairs. A written account of persons on military payroll with details of salaries was maintained. During the early period of the Caliphate, only Muhajirin (Meccan emigrants) and Ansar (Medinite helpers) male adults were kept on the army payroll. Their pay was affixed on the basis of the closeness of their relationship with the Prophet (PBUH) and the level of sacrifice rendered for Islam. Warriors of the battle of Badr were the highest paid (5000 dirhams per year) and for a common fighter, it was 200 dirhams. Later, all the adult Muslim Arab population were declared members of either standing or of the emergency reserve army.



# Shaheen's Seal Historic Victory Against Sri Lanka

*The visitors created the record for the highest total successfully chased at Galle in Test Cricket*

By Ali Abdullah

Although Pakistani openers gave a solid start in the second innings of the opening Test match against Sri Lanka in Galle, skipper Babar Azam's match-winning knock remained the main highlight. Azam pulled off a brilliant knock of 119 taking the total to 218 runs after Tea on Day 2. The visitors fell only four runs shy of Sri Lanka's 222. Former Pakistan Skipper Shahid Afridi described his performance as a "brilliant" knock. With that, Babar Azam equaled an all-time international record.

Sri Lanka's left-arm spinner Prabath Jayasuriya got his third successive take of five wickets or more to shake Pakistan's batting line-up, which disintegrated to 85-7 preceding lunch and afterward was reduced to 148-9 in the 2nd session.

Regardless of a lack of top-order support, Babar Azam, who scored his seventh Test century on Sunday, found improbable help from lower-order batsmen including Yasir Shah, Hasan Ali, and Naseem Shah as Pakistan scored 133 runs for the last three wickets. Azam pulled off a 70-run 10th wicket stand with Naseem Shah, who scored only an unbeaten 5 off 52 balls.

With the century, Babar Azam equaled former Pakistan captain Inzamam-ul-Haq's count of nine centuries in international cricket, which is the most by any captain of Pakistan. The 27-year-old achieved the feat in just his 70th innings across all formats.

After a solid start by Pakistani openers, Imam-ul-Haq was given out. There was immense discussion on how he was dismissed. Sri Lankan wicketkeeper Dickwella stumped Imam when he was setting his guard for the next delivery.

In the second innings when Pakistan was asked to chase a massive target of 342, the batsmen took responsibility on their shoulders. With a monumental inning of 160\* runs in a run chase situation, Abdullah Shafique won everyone's



heart. Shafique steered Pakistan home to secure an important win in the ongoing ICC World Test Championship 21-23.

At Galle, Pakistan chased 342 runs, creating the record for the highest total successfully chased at this venue in Test Cricket. Abdullah Shafique was supported well by Babar Azam, Imam-ul-Haq, Mohammad Rizwan, and Mohammad Nawaz throughout his majestic innings.

Pakistan is now in the 3rd spot in the ICC World Test Championship 2021-2023 points table. South Africa is leading with a 71.43 win percentage, followed by Australia with 70 percent and Pakistan with 58.33 percent. The WTC points table is getting more and more interesting every day. South Africa has played 7 matches, Australia 10, and Pakistan 8.

Abdullah Shafique was awarded Man of the Match for his career-best performance. Pakistan's other top performers were Mohammad Nawaz who took his maiden Test Fifer, Shaheen Afridi who took 4 wickets in the first innings, and Yasir Shah who took 5 wickets in the game, and Babar Azam's 174 runs.

Pakistan will play their second and last test of the series on July 24.



# Kashmir Premier League 2022

*Kashmiri players are mandatory for every team as it's their league*



The draught for the Kashmir Premier League 2022 concluded on July 21st, 2022. Bagh Stallions had a wonderful draft. After retaining Kamran Akmal, Sohaib Maqsood, Aamer Yamin, and Mohammad Imran Jr before the draft, they added many more stars to their lineup to further strengthen their squad.

Bagh Stallions opted for Rumman Raees in the Platinum Category round 1. With 120 wickets in T20 cricket, Rumman Raees is an asset in this format with his wonderful variations. The Platinum category round 2 pick was Sohaib Maqsood for Bagh Stallions, who was traded from Muzafarabad Tigers. Maqsood is also a vastly experienced campaigner. He has 3725 runs in T20 cricket and was the Man of the Tournament in PSL 2022.

In the Gold Category, Bagh Stallions opted for all-rounder Kashif Bhatti and retained Mohammad Imran Jr. Kashif Bhatti has 61 wickets and 288 runs in his T20 career. He has first-class cricket experience of 101 matches, picking up 395 wickets and scoring 3336 runs, including 16 fifties and 2 hundreds. He is definitely more than handy with the bat and excellent with the ball. All-rounder

Muhammad Sarwar, hard-hitting batsman Sharoon Siraj, pacer Ahmed Jamal, and

Aitizaz Habib Khan became part of the Bagh Stallions in the silver category. Ahmed Jamal is a vastly experienced bowler with 32 wickets in his T20 career. He has 320 wickets in his first-class career too. Other players are talented, and they have been picked based on their potential.

With five wickets in six T20 matches, Maaz Khan was the first pick in the emerging category for Bagh Stallions. They further picked Sajjad Ali in the emerging category.

As the name suggests, Kashmiri players are mandatory for every team as it's their league. Bagh stallions also picked five locals. Hasan Raza, Daniyal Allahditta, Amir Shehzad, Arsalan Arif, and Raja Farhan.

## Retained Players

Bagh Stallions have a good-looking base squad after the retentions were announced. Their squad includes their marquee players, Kamran Akmal and Aamer Yamin in the diamond division and M. Imran Jr. in the gold division. they also have Sohaib Maqsood courtesy of a trade with Muzafarabad Tigers. Iftikhar Ahmed was traded by Bagh Stallions for Sohaib Maqsood in the Platinum Category.

If we look at the retentions, Kamran Akmal is

a renowned batsman in T20 cricket. Last year, he played for Kotli Lions in the KPL, scoring 102 runs at an impressive strike rate of 147. Overall, the veteran has featured in 291 T20 games, scoring 6775 runs with 45 half centuries and five centuries. Not to forget, his wicket-keeping is a bonus for the side.

Aamer Yamin is another brilliant retention by Bagh Stallions. He was the third highest run scorer for Bagh Stallions last year, with 170 runs in the event at an average of 56 and a strike rate of 191. His stats were simply phenomenal. Moreover, he also contributed with the ball, picking up 6 wickets and keeping his economy rate under 8.

Mohammad Imran Jr was a potential retainer. He took 5 wickets last year in the KPL but was a little expensive in the event. However, in his young career, he has shown that he has variety in his bowling and could be good on his day.

Sohaib Maqsood's trade was another masterstroke by Bagh Stallions. Maqsood scored 193 runs in KPL 2021, with 2 half-centuries in the event. He brings in the experience of 161 T20 matches in his career. He has 23 half centuries in his illustrious T20 career. He is absolutely destructive at the top of the order.

*By Ali Abdullah*



# Pakistani Film Industry is Getting Better with Time, Hania Aamir

*The Truth International interviews Hania Amir on her successful career*

By Kaukab Jahan

Hania Aamir is among those stars of Pakistan for whom it is true: they came, they saw, and they conquered. Beginning her career as a teenager in the feature film *Janaan*, Hania Aamir started to appear in leading roles in films and dramas as well. Her notable TV plays are *Visaal*, *Anaa*, *Ishqiya*, *Dilruba*, *Mere Hamsafar*, and the recently ended *Sang-e-Mah*, in which her role of a Pashtun girl was much appreciated. The current year has proved to be more successful for the *Parwaaz Hai Junoon* star as her feature film *Parde Mein Rehne Do* was released on Eid-ul-Fitr when cinemas finally saw some releases on the occasion after a gap of three years.

The Truth International talked to this talented young woman about her choice of role in a film made on a taboo issue and her popularity on social media.

Your film, *Perde Mien Rehne Do*, was among the Eid festival films in Pakistan. So how do you see the cinema now after COVID?

I think there should be a variety of films in cinemas. Moreover, if three to four films are screened at the same time (as happened on Eid-ul-Fitr this year), the makers of the films should support each other, but yes, there should be a healthy competition that provokes us to do better next time. I don't know why it is not accepted that we make very good movies. At least I believe it.

**What enticed you to work in PMRD?**

First of all, its topic and the way it has been discussed in the film. We don't talk about the issue of male fertility in films, but in PMRD, it is discussed in a very light mood so that people can understand the issue without being attacked directly. Actually, it is entertainment with a message to educate people at the same time. I believe that these topics should be discussed more in our media, especially in films. Mohsin Ali wrote a beautiful script that I think has been rightfully delivered.

**Though your film was made in a comedy genre, it discussed a very serious issue. Do you think it is OK?**

I think it is the choice of the writer or director of the film how they want to convey a message to the audience. It can be delivered in either a very serious and tragic manner or in a very light and comic manner without jeopardising the issue's seriousness and sensitivity. And PMRD was not entirely a comedy film in the sense that the issue was being ridiculed and laughed at, but rather a light-hearted film that made the issue understandable and pointed toward solutions.

**Being an actor, what do you see the future of the Pakistani film industry being?**

I think it is getting better and better every year. I feel very lucky that I am witnessing all this. There are many



wonderful films that I never expected our industry to produce, like *Laal Kabootar*, and *Motorcycle Girl*. All are on very offbeat topics. So yes, I am watching it grow with time.

**What do you prefer the most, drama or film?**

I love doing dramas but, personally, I prefer films. It is another kind of magic to watch you on a big screen.

**There are many times when neither any of your films are coming out nor a drama is on air, but the media always loves to cover you. What's the secret?**

I think it is a blessing from my God that whatever I want to convey to people or to my fans through my social media, they get it positively. I believe social media is a platform where I can talk about many things openly and influence others. Luckily, there are people who understand it. This is respect which I believe is a gift from God and if it is through social media, a blessing, as in this way, my message can be conveyed to more people. I am thankful and grateful for whatever I have. I love my social media audience.

**How much do you think social media is important in an artist's life?**

I think practically it is. Before this, there were only films and television through which artists could make money, but now social media is a platform where we can earn as well. It also depends upon where an actor stands on social media, following, and subscription-wise. The more they are followed and subscribed to, the more sponsors they get. These days, there are more DVCs than TVCs. There is more work being done in digital media. Yes, social media works on these terms, but again, this is their personal choice. I'd want them to be active on social media as well.

**How often do you use social media?**

People think that I use social media a lot, but actually what I do is post a video or picture and just forget. I don't keep on checking every hour or so to see what is happening because I think it is not that healthy. So, if it is used moderately, it is a positive thing. But if one has become obsessive about social media, then it has its negative aspect as well.

# Instagrammers are beginning to quit Instagram feeling dissatisfied with App

By Amna Shoaib

Instagram users are beginning to log out or even deactivate their accounts since they feel like the app has lost its impact and purpose as a picture-sharing and socialising platform and is instead more about sponsored content. A 2021 survey conducted by Piper Sandler, a financial firm, concluded that 22% of teenagers considered Instagram their favourite social media app, followed by Snapchat and TikTok, whereas back in 2015, the same survey showed Instagram as the most preferred social media platform among teens.

A platform that was once popular for random photo dumps and socialising is now a digital marketing platform. An ex-Instagrammer, when asked about quitting the app, said, "We understand that the app needs to make money, but it's getting to the point where some are referring to it as beyond ridiculous." All of a sudden, we hear about ads, ads, and more ads.'

Some social media users complained that they simply open up and are flooded by a whirlpool of suggested content, sponsored content, and advertisements as their top ten posts, whereas they see minimal content from their Instagram pages or their friends' Instagram profiles. "It is annoying when to actually reach an account that you're



actually following, you'll need to scroll down against six ads." Clearly, it's an aggressive struggle, and we wouldn't be wrong to say that things are getting worse now than they were a while ago.' Instagram users on Reddit protested.

The Instagram content quality gradually began to decline after it became a Facebook franchise. It was then when marketing slowly replaced socialising to the extent that many users felt that they couldn't keep in touch with their peers, which was

actually one of the prime reasons for joining Instagram, and many felt that the overwhelming presence of abundant flashy 'influencers' on Instagram made them embarrassed to post their raw, candid moments like they used to, but instead they were being unconsciously subjected to unrealistic social standards.

Ranging from reports to Reddit threads, there's an elaborated discussion on how Instagram had once replaced Facebook since it was that social media platform where people could be themselves, be interconnected, and use the app as a temporary relief from reality, whereas now they find relief in not using the app as it is anxiety-inducing and far from reality.

According to social media analysts, more than 50% of the posts were related to accounts that she wasn't even following. And the ones that she does tend to follow, well, the content of those is much less in comparison. Businesses are spending double the amount on ads with them too.

There is no to very minimal variety in this endeavour, and users sometimes tend to feel the app's algorithms might be getting missed signals or completely missing out on what our interests may be.





# The Honest Taxi Driver

*"An enthralling tale of a poor man blessed with a big heart"*

By Zeenat Iqbal Hussain

In a taxi driver's life, only physical labor is involved and not much time is available to exercise the grey matter. One such driver was Anwar. He got his driving license from the back door, not learning how to drive a car, nor was he aware of the traffic rules and regulations. He was, however, a man with a generous heart, known for his hospitality.

I overheard a conversation as he sat with his mates at a tea stall. "Tea keeps me on my feet, everything should be done in moderation". "Tea is a milder addiction," he continued. The conversation shifted to the price of petrol and fares for passengers. "Things have become so expensive. I bought a kilo of meat for Rs. 150. It seems that if the price does not come down, it will be difficult for us to make ends meet".

One of the reasons why Anwar stood out amongst his mates was his wife. She never asked him for extra money. The hard work that he put in was evident from his bronze-rugged skin tone. Tanned from the hours, days, and years that he had spent driving his cab, exposed to the merciless sun.

He was so vigilant that he pierced the distance with the sight of an eagle soaring in the skies and nose-diving to pick up the prey from the ground. In an incident, a woman whose purse had been snatched, pleaded, "stop the thief". Nobody moved from amongst the onlookers. Anwar from a distance approached the scene of the theft. "Move aside," he roared "corner the thief". The thief was a smart cookie. Dodging Anwar he entered the alley and hid behind a garbage can. To the thief's misfortune, a cat inside the can became scared of the noise the thief made and leaped out of it. Anwar pounced on the thief and recovered the money.

Like the lady above, his work led him to interact with persons from various strata of society. Sometimes there were people from affluent families also. One bright sunny day when fate was to take a turn for Anwar, Mr. and Mrs. Ahmed sat in his cab. "We want to go to Nazimabad. Will you take us?" "Hop in," said Anwar. "We are going to this place for the first time. I hope you will be able to follow our instructions," said Mr. Ahmed. After clearing a few traffic jams, they finally arrived at the destination. They got off on the main road and said they would manage on foot the rest of the way.

To his utter surprise, Anwar found a parcel in the back seat of his cab when he stopped for a meal after dropping off the couple. The parcel had jewelry inside. He was somewhat anxious regarding how to locate them so that he could give them their parcel back. He searched for some form of identification, but to no avail. His friends tried to persuade him to keep the parcel. But he took pride in being honest and there was no way he would compromise his values.

Little did he know that this parcel was meant for a couple about to be married? The couple was Ammar and Shagufta. Ammar and Shagufta had been engaged for a year. It was customary to give dowry to the daughter. Not to project wealth, but to support her in her new home, till she was self-sufficient.



He reached home and asked his wife to keep the parcel in safe custody. Weeks passed, and lo and behold, he spotted Mrs. Ahmed. She was shopping in a market where he had just dropped a passenger. He hurriedly approached her and told her that she had forgotten a parcel in his taxi. She told him that she had searched for this parcel everywhere. Expressing her happiness and gratitude, she said: "I was so worried. The parcel had jewelry, which was my daughter's dowry. I had fallen sick due to the loss."

This jewelry was an heirloom. It had been handed down from Shagufta's grandmother to Shagufta's mother and then to her. The grandmother was married to one of Ammar's father's uncles. Shagufta's grandmother had grey eyes and brown hair and so had Shagufta. These qualities endeared Shagufta to Ammar.

Anwar arranged for the jewels to be returned to Mrs. Ahmed. "We will expect you and your family at the wedding". Mrs. Ahmed's happiness knew no bounds. The return of the jewelry relieved her delicate shoulders off a heavy baggage of loss. Mrs. Ahmed just could not stop praising Anwar. She told everyone she met about how honest he was and how difficult it was to find people like him. She thanked God five times a day during her prayers.

"Welcome Anwar". Anwar was welcomed in a big way at the wedding. All the family was eager to know him, although he was not a rich man, unlike other guests. But who could deny, that Anwar was 'rich at heart'. The richest in the gathering. He walked in with his head held high. He felt so good, after returning the jewels. Although he was in a gathering of rich people, he did not feel lost as he was bestowed with 'wealth' of honesty.

And as Shagufta wore the wedding band, she looked at Anwar and smiled in gratitude, before she was whisked off to her new home. Her wedding was memorable right from the beginning to the end. A new life lay ahead of her, and as she entered the threshold of her new home and prepared to remove the heavy necklace, she heaved a sigh of relief recalling all that had happened.

# The False International

## Third World leaders note the resignation of British tribal leader Boris Johnson amid political crisis

*Pakistan and India took notice of the crisis and offered "partition" as a solution*

By Arsim Tariq

British tribal leader, Boris Johnson's, tenure as Britain's Prime Minister came to an end after his colleagues expressed reservations about the way he manages his hair.

It took the resignation of nearly 60 members of his government – almost half the payroll – for Johnson to finally abandon his attempts to cling on to power. Even then, the Prime Minister insisted that he would continue as the Prime Minister no matter what, even if he has to forcibly take control of the country like his friend Donald Trump tried to at Capitol Hill.

On the other hand, Ghanaian President Nana Addo Dankwa Akufo-Addo took notice of the situation and said that "the United Kingdom's political stability is of utmost importance to me and the rest of the West African delegation. We stand ready to help the British people transition from this period of grave uncertainty."

The Horn of Africa delegation expressed deep concerns about the situation and said that "they would like to urge all Horn of Africans in the UK to leave the country immediately out of an abundance of caution. We cannot guarantee your safety."

The Haitian Delegation suggested a peacekeeping mission to that small island. "Its political crisis is a threat to our national security and international peace and stability," the delegation concluded at a joint meeting called Peacekeeping in Failed States.

The P-5 members of the UN Security Council, Pakistan, Ghana, Nigeria, Palestine, and Venezuela, welcomed the contribution by the Haitian delegation and said that "we are grateful for the remarkable outpouring of diplomatic support from across the diaspora. No effort goes wasted, and we cannot thank our Caribbean brothers and sisters enough for this initiative."

The P-5 further stated that an Anglophone team consisting of counselors, doctors, nurses, care workers, and NGO personnel from Nigeria, Ghana, Gambia, Sierra Leone, and Liberia are on their way to Heathrow to ensure the safety of women and children in the UK. A West African expeditionary force might be needed to impose stability and order given the turbulent circumstances." Nigerian President Muhammadu Buhari lamented that "it's saddening to hear the news coming out of the UK. We urge all citizens and conservatives to remain calm while we work on a

process to aid the transitioning of government." They ensured that their peacekeeping contingent is already en route to Heathrow to maintain national order.

The Antillean Islands' ambassador to the UK said that "they are committed to aiding peaceful transition in the small European isle, and will offer recommendations towards eventual self-governance and to secure this politically volatile nuclear power, especially in light of wider security issues from rising nativist extremism."

Pakistan and India also took notice of the crisis and offered "partition" as a solution for smooth governance of the island and to avoid a civil war between violent and armed English and Scottish groups. Pakistani PM Shehbaz Sharif expressed concerns about the safety of historical artifacts in the UK and has made a committee in collaboration with India to transfer important artifacts from British museums to the Subcontinent. The Pakistani foreign minister, Bilawal Bhutto, said that "he would like to advise any citizens/diaspora currently visiting/working on the island to make their way to the Pakistani embassy. It seems the situation is volatile and we may need to evacuate."

## Imran Riaz Khan Arrested for being not 'neutral'

Islamabad: Famous YouTuber and Twitterati, Imran Riaz Khan, has been arrested near the outskirts of Islamabad for quitting his employment at Pakistan's biggest real estate company while entrusting his loyalties to an ex-employee of that company.

Imran Riaz Khan decided to quit his job when the Chief Executive fired and replaced his work buddy, who used to work as the General Manager of the company, with a new yet experienced manager; Imran worked as the HR Manager in the company and was responsible for countering criticism on the organization by 'bloody outsiders.'

Ever since the replacement, Imran has not

sat steadily on his Twitter and YouTube armchair and is continuously criticizing the unfair criteria of employment at the company. In the previous four years, Imran Riaz Khan and his "best bud", as he claims, were in close relations with the Chief Executive until the Chief got fed up with their constant buttering. While talking to The False International, Imran contended that "the Chief Executive does this routinely like an undergraduate playboy."

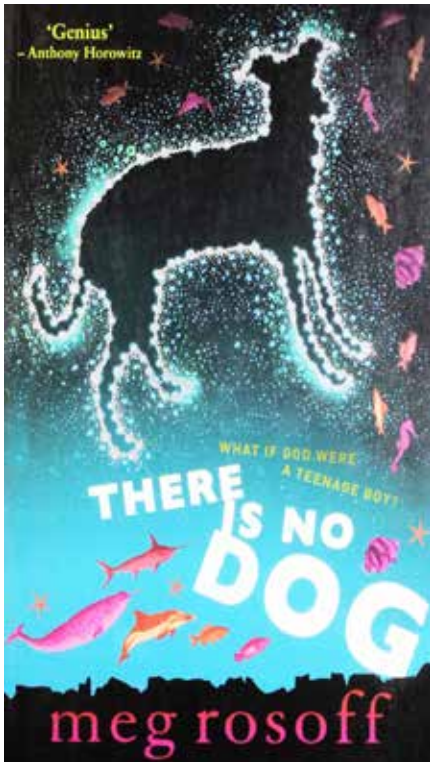
Moreover, Imran said that he missed the good old times when he was part of the Chief's lobby to fire his colleagues who were not conformed to the idea of an authoritarian boss. Amidst this managerial

fiasco, the Chief started cutting the pensions of ex-employees who were following Imran Riaz Khan on Twitter.

On the other hand, the Chief said that he felt betrayed and his emotions are hurt by Imran Riaz Khan's resignation. The Chief argued that "if I was such a bad person, why did Imran and Imran support him in every authoritarian decision taken in the company?" He further backed the decision by saying that "the decision was necessary or else every employee would start acting like a traitor." The Chief while talking to The False International lamented that he just wants every employee to be neutral, however, in favour of him.



# There Is No Dog



**Author:** Meg Rosoff  
**Reviewed by:** Alizay Ashraf  
**ISBN:** 978-0-141-32717-4  
**Publishers:** Penguin Books  
**Pages:** 243

The book, *There Is No Dog*, is about god, who, for unknown reasons, is a 19-year-old kid living in the present-day and sharing an apartment with his suffering old friend. Tragically for the planet, he is hopeless, lazy, and somewhat sad.

He created the world in less than 6 days as he was too lazy to work other days. He is careless and does not care much about the world.

The author employs dark humor to drive home countless moral lessons that make you rethink faith and discipline. The tone and the setting of the book reminded me of

some of my favorite books. The story or the implicit message may be different for every reader, depending on their preconceived notions and the manner of reading.

In essence, it isn't exactly about god or religion by any means. It is about us – the people who are determined to not let the worst happen. It is about the miserable condition of our planet and humanity's morals (or the lack of it). Concurrently, it also touches on the ideas of heartfelt love, and its ups and downs; hope, lust, excitement, and tears during the different stages of a relationship. It elucidates other types of love as well, like love for planet earth, animals, forbidden love, friendship, etc.

I enjoyed reading this book because of the humor but some readers may be offended by some of the contents of the book. I think this book is suitable for children over the age of 13.

# Paddy Clarke Ha Ha Ha

**Author:** Roddy Doyle  
**Reviewed by:** Alizay Ashraf  
**ISBN:** 0-74-939735-7  
**Publisher:** Penguin Books  
**Pages:** 282

Paddy Clarke is a nine-year-old Irish kid belonging to the lower working class. He, being the eldest of four siblings and the book's storyteller, describes his way of living life carelessly and pressure-free. He is honest and innocent but at the same time violent in the way of children. Realizing a child's importance, Paddy is always trying to figure things out and make things right.

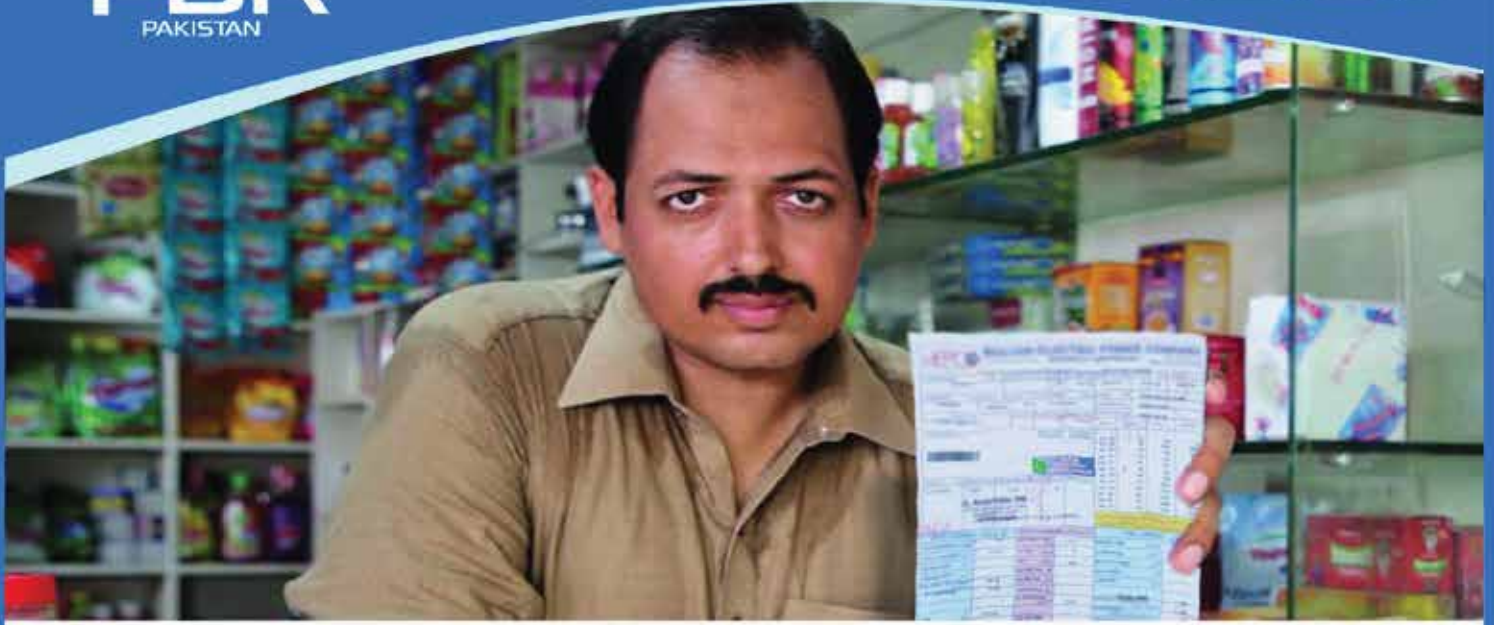
The first thing I loved about the book was the way it was written. The reader sees through the eyes of a 10-year-old boy; the language, the way of talking, the way of acting, everything. Paddy's mind is full of creative, mind-blowing ideas that many

people lose after entering adulthood. The part where he expresses joy at finding a word, he realizes he shouldn't use but then starts using, shows how deeply the author captures the minute details of childhood. Paddy admires simple things that bring pleasure to his life.

The novel is very simply written, allowing readers to easily grasp the story. It was sprinkled with doses of emotions. Another thing I liked was that there were no chapters which make reading more fun and contiguous since you don't know when or where to stop.

I enjoyed reading this book as it was very relaxing to read and brought many fond memories of my childhood. There were occasional bursts of laughter along the way which made me realize how innocent and honest kids are. I would strongly recommend this for children above the age of 9 so they find it fun and relatable to read.





# چھوٹے تاجروں کیلئے بڑی خوشخبری آسان فکسڈ ٹیکس سکیم

کسی بھی اور مد میں انکم ٹیکس کی چھوٹ

ایک ہی ٹیکس میں انکم ٹیکس اور سیلز ٹیکس کی ادائیگی

آڈٹ سے استثنیٰ

ٹیکس کی رعایتی شرح

ماہانہ سیلز ٹیکس گوشوارہ جمع کرانے سے چھٹکارا

ماہانہ بجلی کے بلوں میں آسان ادائیگی

سکیم کے تحت متعلقہ کمشنر سے سیکشن 235 کا استثنائی سرٹیفکیٹ حاصل کریں  
اور انکم ٹیکس کی اضافی کٹوتی سے چھٹکارا پائیں

ماہانہ فکسڈ ٹیکس کی تفصیل

ماہانہ بجلی بل	واجب الادا ٹیکس
30,000 روپے تک	صرف 3000 روپے
50,000 روپے تک	صرف 5000 روپے
50,000 روپے سے زائد	صرف 10,000 روپے

\* مندرجہ بالا رعایتی ٹیکس ریش صرف ATL پر موجود تاجران کیلئے ہیں | ATL میں شمولیت کیلئے اپنا انکم ٹیکس کا سادہ گوشوارہ برائے مالی سال (2020-21) فوری جمع کرائیں

وکلاء، ڈاکٹرز، بیوٹی پالرز اور ایسے تمام سروس پرووائڈرز اپنے متعلقہ کمشنر  
سے اس ٹیکس سے استثنیٰ حاصل کر سکتے ہیں۔

مزید تفصیلات و رہنمائی کیلئے رابطہ کریں | قریبی ٹیکس آفس | ہیلپ لائن | ویب سائٹ