

Fortnightly

# The Truth International

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ABC Certified

Caretaker Government

Uncertainty prevails about next general elections

IMF and Caretaker Setup

Caretakers will have to focus on current account and fiscal deficits

Pakistan, India and USA

India has fortified her position against Pakistan in Washington

## Anwarul Haq Kakar is Caretaker PM



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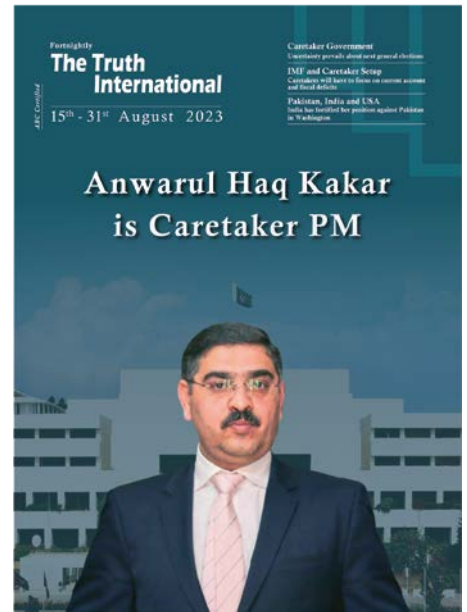


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# The Dynamics of Caretaker set up

By Dr Syed Riffat Hussain



With the early dissolution of the National Assembly on August 10, 2023, two days before the completion of its regular term on August 12, the road has been cleared for the Caretaker set up to be put in place to hold “fair, free and transparent” national elections. When would these elections take place? According to the constitution, these elections have to be held within 90 days after the dissolution of the parliament. This calculation would make the likely date in November 2023.

But voices have been raised expressing concern that national elections might be delayed beyond November 2023.

Indeed, Interior Minister Rana Sanaulah has publicly stated that elections would be held by March 2024. The outgoing government has introduced a “technical reason” for this delay in the guise of a new census. The results of this new census were put before the Council of Common Interest (CCI) where it was unanimously decided that elections must be held according to the new census on which 34 billion rupees have been spent.

The law minister, Azam Nazeer Tarar, told a local News TV channel that it could take about four months to complete the census and draw new constituency boundaries. That means

the elections due by November at the latest could be delayed by several months.”

Sceptics have rightly pointed out that the PDM government deployed the census argument to its advantage to cause a delay in elections by convening a CCI meeting on July 31, just days before the completion of its five-year term. The March 2024 date for the new elections cannot be extended further as by this time half of the Senate members would have retired, leaving the Upper House totally dysfunctional. Because of this constraint, general Elections have to be completed before March 2024 to avoid an institutional vacuum in Pakistan’s constitutional structure.

The real reason for the delay in holding general elections relates to the future of PTI. Its Chairman has been jailed following his conviction on charges of “corrupt practices” in the Toshakhana case and his disqualification by the Election Commission for five years. Notwithstanding his incarceration and disqualification, there is little doubt that PTI remains very popular among the masses, a fact highlighted by the massive win of its candidates in local body elections in KPK.

The PTI has moved the superior court in Islamabad against the “unlawful” incarceration of its Chairman by the

lower court and it is more than likely that he would be set free. The PDM is petrified over the prospects of facing PTI in general elections and they have decided to delay these elections for the next few months so that they can politically recover in the eyes of the public.

PML (N) is counting on the “Nawaz” factor as a game changer for its political fortunes to rise in the next elections. Nawaz is expected to return from London in September 2023 but he would need a couple of months to launch and lead his party’s electoral campaign. However, given the mass anger at the PDM government led by PML (N), it is doubtful that the caretaker set-up being planned can mitigate this sentiment.

The enhanced powers given to the caretaker set up by PDM will have little effect on its “worst performance” in recent history. PTI can benefit from this public backlash as it can credibly claim that the massive increase in electricity and gas bills and unprecedented cost of living was all done under PDM’s watch for the last sixteen months.

The unseemly haste with which legislation was passed by the 15th National Assembly without due deliberation has irreversibly tarnished its image at home and abroad. But the PML (N) is hope-



ful that the Caretaker set-up will be used as a scapegoat to shift the blame on its shoulders and they will easily escape it. Or if the PTI is banned they will be able to win by default. By approving the Official Secret Act the PDM government has ceded its autonomy to the military and allowed it the leeway to become an important stakeholder.

Those who want the PTI banned as a political party are hoping that the Official Secret Act would be invoked against PTI Chairman in the Cypher Leaks case to dismantle it as a political entity.

The enactment of the Special Investment Facilitation Council (SIFC) law has sanctioned the military's involvement, establishing it as a significant participant in the nation's forthcoming economic progress. This strategic move designates four key sectors: Minerals, Agriculture, Information Technology, and Defense. The SIFC has already convened three sessions aimed at expediting and supporting potential foreign investments. Moreover, Pakistan is contemplating the privatization of its public sector assets to enhance their economic viability. The potential sale of entities like PIA,

Pakistan Steel Mills, and Airports is under consideration.

The approaching caretaker administration gains exceptional significance against this backdrop. The departing PDM government is bequeathing a legal and institutional structure that it anticipates the caretaker setup will uphold. This underscores the significance of the ongoing deliberations between the House leader and the Opposition to reach a consensus on a suitable candidate. Numerous potential names are reportedly under consideration.

These names include individuals like Jalil Abbas Jilani, a former Foreign Secretary, along with notable figures such as Dr Hafeez Shaikh, Finance Minister Ishaq Dar, former Prime Minister Shahid Khaqan Abbasi, ex-Principal Secretary Fawad Hassan Fawad, former Chief Justice Tassaduq Jilani, Abdullah Hussain Haroon, Pir Pagaro, and Makhdoom Mehmood Ahmed. Recent media reports suggest that Mr Jalil Abbas Jilani is emerging as the leading contender for the esteemed role of caretaker Prime Minister. The final decision on this appointment is anticipated within the next two days. In the interim, the

outgoing Prime Minister will continue to serve in accordance with the law.

In conclusion, the political landscape in Pakistan stands at a critical juncture with the dissolution of the National Assembly and the imminent establishment of a caretaker government. While the constitutional timeline suggests that the national elections should take place within 90 days, voices of concern have emerged, hinting at a potential delay beyond November 2023. The rationale for this delay is attributed to various factors, including the PDM government's strategic use of a new census argument and the apprehension surrounding PTI's resurgence. As the country navigates through these intricacies, the looming caretaker setup holds a pivotal role in upholding the democratic process and ensuring transparency. The legacy of recent legislative moves and economic strategies, such as the Special Investment Facilitation Council and potential privatization, further emphasize the significance of the upcoming caretaker administration. With key names being considered for the role of caretaker Prime Minister, the next steps in Pakistan's political journey are eagerly anticipated, as the nation strives to secure a stable and prosperous future.



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## The same old story



By M A Niazi

PTI chief Imran Khan's arrest was qualitatively different from two months ago. Then, it had been in execution of a NAB warrant, by Rangers personnel, to make him join an investigation, from the premises of a high court, where he had gone in connection with other cases. This time, it was in execution of a conviction by a sessions court, by the Punjab police, to make him begin a sentence of imprisonment, from his home.

That it was from his home, and not the court, is a sign of how mildly the legal system has dealt with an ex-PM. By not arresting him initially, the court had not submitted him to the indignities of an under-trial prisoner, which included the rather remote risk of being placed in leg irons to prevent him from trying to make an escape.

It was to no one's credit that Imran was the third former Prime Minister to be arrested as well as convicted, though in the case of the first two, Zulfikar Ali Bhutto and Mian Nawaz Sharif, the more orthodox method of arrest before conviction was observed. Actually, Imran was the fourth to be convicted, Yousaf Reza Gilani being found guilty of contempt, and Mian Nawaz Sharif in his last term being removed by the

Supreme Court found him not 'Sadiq and Ameen', and thus liable to disqualification. Imran was the first to be removed by a vote of no-confidence.

Except for 1993, the Supreme Court upheld all four dissolutions of the National Assembly carried out by the President under Article 58 (2b) (1988, 1990, 1993, and 1996). In 1993, though the Assembly was restored, the crisis continued when Mian Manzoor Wattoo replaced Ghulam Hyder Wyne after the dissolution, and resisted the federal imposition of Emergency, with the result that the President resigned and the Prime Minister dissolved the National Assembly.

**Politicians are attracted by the support they will get, and the electables thrown their way. The landscape seems littered with parties that at one time or another were the flavor of the month. However, no party leader at the moment seems comfortable with establishment interference in politics. That is a problem for the establishment perhaps bigger than Imran's fate.**

Elected in 1996, Mian Nawaz did not confront the military, but the judiciary. Not only did he have the Chief Justice

removed, but he repealed Article 58(2b). However, not only was he removed by a military coup, but the judiciary upheld that decision.

Since then, the pattern has continued of the Prime Minister losing office around the third year of his term. The National Assembly remains, and a new PM emerges. The first example is of Zafarullah Jamali, who took office in 2002 and resigned in 2004, making way for Shaukat Aziz. Yusuf Reza Gilani took office in 2008 as the head of a PPP government and was then convicted by the Supreme Court of contempt, and thus disqualified as an MNA, thus removed as PM, Raja Pervez Ashraf replaced him until the House was dissolved.

Nawaz Sharif was disqualified by the Supreme Court from the National Assembly in 2017, being replaced by Shahid Khaqan Abbasi. His disqualification for not being 'Sadiq and Ameen' was later declared to be for life. To that extent, Imran is also better off, for the Constitution prescribes that he will be disqualified for five years after his release from jail. His original sentence was for three years, subject to the usual remission, he should be released in a year and a half. If he pays the fine of Rs



20,000, well and good, but if he doesn't, another six months would be tacked on to his sentence, again subject to the usual remissions. Add five further years of disqualification, and it would mean he would not be able to return to politics till 2032. If elections are held on time, it would mean that Imran would not only miss this election but the next, in 2028. He would only be able to return to electoral politics a year before the election of 2033. Of course, that is if the next elections are held on time, which is not necessarily a safe assumption. Another factor is that Imran, who is already 70, would be 80 in 2033.

Of course, he could look to the example of his archenemy, Mian Nawaz. He is proclaimed as likely to return as PM a fourth time. That implies he has been forgiven by the establishment for whatever signs led to his ouster in 2017. He is going to turn 75 in December. That seems to be no bar. If he can make a comeback, why can't Imran? Of course, Nawaz has had the immense advantage of having Shehbaz at his side, not just a loyal deputy to fill in as party president and PM, but also someone who can build bridges with the establishment. Neither Imran's sisters nor sons can perform the last role, even if they could fill in the others.

Because of this, one of the major problems for Imran seems to be finding a substitute for the party leader. Before May 9, there was a lot of jostling, but now there is not,

because of the number of desertions. Those who have retained loyal are not being rewarded, but are viewed with suspicion by Imran, mainly because of their contacts with the establishment. The question seems to be why the establishment would allow them to remain when it had pulled out everyone else.

However, one encouraging sign for Imran is that the charges against former PMs are growing less serious. Bhutto faced a capital charge and was duly convicted and hanged. Nawaz faced a hijacking charge for the first time, and went into exile, after getting two life terms in 2000. The conviction was quashed in 2009. Imran on the other hand has received a three-year sentence for what is actually a white-collar crime.

It must also be noted that Bhutto and Nawaz were convicted in ways that made the courts look bad. Bhutto was convicted of abetment of murder and became the only person ever sentenced to death for abetment, and to have the death sentence upheld by the Supreme Court. Interestingly, no court has followed that precedent.

Similarly, Nawaz did not look anything like a hijacker or a terrorist, nor had he been on the plane when the alleged hijacking took place.

On the other hand, the charges against Imran are credible. Of course, supporters would swear by his honesty, but the crime is not one which is beyond him. Nor did the judge have to strain any laws in

making the conviction. He may not have an honest face, but then, no one would claim it was particularly dishonest.

There are certain problems with the conviction which may provide grounds for appeal, however. First is the issue of the debate on maintainability. The second is the refusal of the trial court to allow the defence witnesses. However, it will be up to the appellate forum whether it allows the appeal to result in an appeal, or it orders a retrial. For example, if the trial was not maintainable, the appellate court may identify the appropriate forum, and remand the case there. If it allows the witnesses, it may order the trial court to pronounce a fresh verdict after hearing the witnesses.

It is also possible that such appeals are held back for the right time when the establishment has need of him again. Pakistan's political history seems to show that the establishment does not make fresh mistakes and merely repeats the old ones. The political forces it has produced have certain roots in the people already; that is why they are patronized.

Politicians are attracted by the support they will get, the electables thrown their way. The landscape seems littered with parties that at one time or another were the flavor of the month. However, no party leader at the moment seems comfortable with establishment interference in politics. That is a problem for the establishment perhaps bigger than Imran's fate.



## BAP's Anwaarul Haq Kakar sworn as caretaker Prime Minister



**B**alochistan Awami Party (BAP) Senator Anwaarul Haq Kakar has been chosen as the interim prime minister of Pakistan. His job is to keep the country running until a new government is elected.

According to a press release issued by the Prime Minister's Office, the much-anticipated announcement came after Prime Minister Shehbaz Sharif and outgoing Opposition Leader in the National Assembly (NA) Raja Riaz reached a consensus over Kakar's name for the coveted post during a meeting in Islamabad today.

Subsequently, the two leaders sent an advice regarding Kakar's appointment as the caretaker prime minister to President Arif Alvi, who shortly afterwards accorded his assent.

"President Dr Arif Alvi has approved the appointment of Anwaarul Haque Kakar as caretaker prime minister. The president approved the appointment under Article 224-A of the Constitution," a statement by the Aiwan-e-Sadr said.

Earlier, in a media talk outside the Prime Minister's House after meeting PM Shehbaz, Riaz also confirmed that Kakar had been picked to head the interim set-up.

"We had earlier decided that the caretaker PM should be someone from a smaller province and a non-controversial personality. Our aim was to remove the sense of deprivation in small provinces.

"We have finally reached a consensus that Anwaarul Haq Kakar will be the caretaker PM," Riaz said.

"I had given this name and the PM has consented to this name ... I and the PM have signed on the summary," he told reporters, adding Kakar would be sworn in tomorrow (Sunday).

Riaz added that a discussion on the caretaker cabinet was not held in his meeting with PM Shehbaz today.

He later said in Geo News show 'Naya Pakistan' that there was a likelihood of some economic experts becoming a

part of the interim cabinet.

"The [interim] finance minister, in particular, will be an economic expert. I believe that the [interim] finance minister will be a technocrat," he said.

### Reactions

Reacting to the development, PPP Senator Saleem Mandviwalla congratulated Kakar on assuming the role of caretaker prime minister.

"We hope Anwaarul Haq Kakar will discharge his duties in accordance with the Constitution and legal provisions," he shared with Dawn.com.

Mandviwalla observed that Kakar was entering the position of caretaker prime minister during a demanding period.

He believed that ensuring equitable and transparent elections would pose a substantial challenge for the new interim PM. "We expect the premier will fulfill his responsibilities with utmost diligence," he appended.





The senator also conveyed his best wishes to the caretaker premier.

Former information minister and ex-PTI leader Fawad Chaudhry said Kakar was an “honest, educated and modest” Pakistani.

“After a long time, some good news has come for Pakistan. May God be your supporter and bless this decision for Pakistan,” he said on X, formerly known as Twitter.

PPP leader Faisal Karim Kundi welcomed the development and congratulated Kakar. “PPP left it to PM Shehbaz to nominate [caretaker] PM with the consultation of opposition leader.

“Hope under his leadership Election Commission will conduct free and fair elections,” he added.

Contrary to his colleague Kundi, PPP’s Khursheed Shah opposed Kakar’s selection and said, “We were not aware that Anwaarul Haq’s name will be finalised, and it would have been better if another person was selected for the post.”

However, he added, “Anwaarul Haq Kakar would be remembered if he succeeds in ensuring transparent elections.

Shah, in a statement, said that the PPP had proposed five names for the interim PM, which did not include Kakar. He shared four names he said were recommended by the PPP — Salim Abbas Jilani, Jalil Abbas Jilani, Muhammad Malik and Afzal Khan.

“Whoever proposed his (Kakar) name, we should hope for good,” the PPP leader said.

Shah’s statement gave the impression that the PPP had reservations over Kakar’s appointment, which party leader Shazia Marri dispelled.

She said the PPP had entrusted Shehbaz Sharif with the authority to recommend the name for the interim premier, adding that her party’s sole focus now was the upcoming general elections, and it wanted them to be held in line with the law and the Constitution.

PTI Senator Ali Zafar said Kakar is an “intelligent, articulate [and] reasonable man”.

“[He] believes in politics of cooperation not confrontation: has always well represented the interests of Balauchistan [sic]. Wish him the best,” he tweeted.

Separately, Bloomberg quoted political commentator Hasan Askari Rizvi as saying that Kakar’s true test would be whether he follows the IMF’s approach and conducts inclusive elections involving all political parties.

He separately told AFP that Kakar “has a limited political career and not much weight in Pakistani politics”, but that could work in his favour.



“This can be an advantage because he has no strong affiliation with the major political parties,” he said.

“But the disadvantage is that being a lightweight politician he may find it difficult to cope with the problems he’s going to face without the active support of the military establishment.”

## Deliberations on caretaker premier

The process for the appointment of the caretaker PM kicked off a day after the premature dissolution of the National Assembly on Aug 9. The first meeting between PM Shehbaz and Raja Riaz was held on Aug 10 wherein both the leaders exchanged a list of probable candidates for the coveted slot.

The second round of consultations was held last night during a dinner hosted by PM Shehbaz for leaders of the outgoing ruling alliance.

Subsequently, PM Shehbaz had expressed confidence that the name of the head of the interim set-up would be finalised by Saturday.

Sources privy to the current political situation told Dawn that the delay in nominating a caretaker prime minister was apparently because Raja Riaz, generally believed to be a “friendly opposition leader”, came out to be a different man, as

he had been insisting on his candidate instead of agreeing to the names suggested by the PML-N.

Sources said PML-N supremo Nawaz Sharif was insisting, through PM Shehbaz Sharif, on former finance minister Ishaq Dar to be picked as caretaker premier, and if not Dar, then former prime minister Shahid Khaqan Abbasi.

However, Riaz, a PTI dissident with no backing of a political party, was getting dictation from another power corridor and insisting on the name of Senate Chairman Sadiq Sanjrani, sources claimed. Sanjrani called on Riaz on Friday, as well as Dar and Ahsan Iqbal.

By Nadir Guramani & Sanaullah Khan, Courtesy Dawn



# Caretakers have taken over but for how long?

By Sarfaraz Raja

Following a turbulent period, the tenure of a democratic, elected government has reached its conclusion, and the reins have been handed over to the caretakers. Senator Dr. Anwar ul Haq Kakar has assumed the role of caretaker Prime Minister. As the nation progresses towards its fourth consecutive seamless transition to another elected government within two decades, there remain certain uncertainties surrounding the upcoming elections. The dissolution of the assembly ahead of schedule has extended the election timeline beyond the constitutionally mandated ninety days, a duration stipulated by Pakistan's constitution. With the recent approval of a new census by the council of common interest, all earlier projections have exceeded this ninety-day constitutional limit, potentially making this caretaker arrangement the longest-serving in the history of the country.

## Brief History of Caretaker Governments in Pakistan

Here are a few prominent examples of caretaker administrations in the annals of Pakistan's history. The primary objective of these interim setups is to establish an impartial governing body throughout the electoral period, fostering an equitable environment for all political factions.

The inaugural caretaker administration materialized in 1990, with Ghulam Mustafa Jatoi assuming the role of the country's first interim Prime Minister.

In the year 1993, a caretaker government emerged subsequent to the dismissal of Prime Minister Nawaz Sharif's administration. Balakh Sher Mazari was designated as the caretaker Prime Minister entrusted with overseeing the general elections. President Ghulam Ishaq Khan designated him, but this decision was overturned by the Supreme Court of Pakistan, subsequently reinstating the Nawaz Sharif government. After Nawaz Sharif's

resignation in July 1993, Moeenuddin



Ahmad Qureshi, an economist based abroad, was appointed as Pakistan's caretaker Prime Minister. He held this position for a duration extending beyond one month.

Following the removal of Prime Minister Benazir Bhutto from her position in 1996, a caretaker administration took shape under the guidance of Malik Meraj Khalid. This interim government played a pivotal role in overseeing the conduct of the general elections held later that same year.

In 2008, subsequent to the conclusion of Prime Minister Shaukat Aziz's term, a caretaker government was established. Muhammad Mian Soomro, then Chairman of the Senate, was designated as the caretaker Prime Minister by President General Pervez Musharraf. Their close friendship played a role in Soomro's appointment. Notably, Mian Soomro held the position of caretaker Prime Minister for an extended period, approximately four months. This lengthened tenure was attributed to the postponement of elections due to the tragic assassination of Benazir Bhutto.

In 2010, during the tenure of the PPP government, significant amendments were made to the Constitution of Pakistan. Alongside these changes, the procedure for appointing caretaker administrations was

redefined. This overhaul introduced a comprehensive consultative process. While the president could still nominate a candidate, the prime minister was now required to engage in consultations with the opposition leader to reach a consensus. If consensus proved elusive, a parliamentary committee, followed by the Election Commission of Pakistan (ECP), gained the authority to propose a unanimous candidate.

In 2013, following the completion of the PPP government's term, a caretaker government was established for the first time under the provisions of the 18th amendment. Mir Hazar Khan Khoso assumed the role of caretaker Prime Minister during this period. His appointment was made by the ECP after discord between the Prime Minister and the opposition leader, and even the parliamentary committee failed to reach an agreement on a candidate.

Preceding the general elections in 2018, Nasir-ul-Mulk, a former Chief Justice of Pakistan, was chosen to serve as the caretaker Prime Minister with the responsibility of overseeing the electoral process.

The role and duties of a caretaker government are clearly outlined. Chief among these is the oversight of general elections and providing support to the Election





Commission of Pakistan in conducting the electoral proceedings.

The caretaker administration also assumes the responsibility of upholding law and order throughout the electoral period. It collaborates closely with law enforcement agencies to establish a tranquil atmosphere, thwart any disruptions, and counteract potential security risks that may emerge.

A pivotal duty of the caretaker government is to ensure the even-handedness and neutrality of the electoral proceedings. It must foster an environment where all political parties enjoy equitable opportunities for campaigning, access to media coverage, and interaction with voters, free from any undue advantage or intervention.

Throughout its mandate, the caretaker government assumes operational control over day-to-day governmental functions. It manages routine administrative tasks and addresses pressing issues that cannot be deferred until the formation of a newly elected government. Moreover, thanks to newly enacted legislation by the outgoing parliament, the caretakers now wield enhanced authority, granting them the power to make significant decisions regarding the execution of international agreements concluded by the previous elected government. Its overarching focus remains on upholding stability and ensuring a seamless transition until the incoming elected government assumes its responsibilities.

During its interim tenure, the caretaker administration is also tasked with overseeing the nation's financial matters. It guarantees the seamless operation of government expenditures and the collection of revenue until the incoming government assumes control.

In close collaboration with the Election Commission of Pakistan (ECP), the caretaker government plays a pivotal role. It aids the ECP in organizing logistical arrangements for the electoral proceedings, resolving any election-related disputes, and implementing potential electoral reforms.

It's important to acknowledge that the precise duties and obligations of a caretak-

er government may fluctuate based on the prevailing circumstances and the requisites of the electoral procedure. The primary aim remains to ensure a smooth transfer of authority and uphold the principles of democracy and equity in the electoral process.

## Selection and Tenure of the Caretaker Prime Minister

According to the constitution, the initial responsibility for appointing a caretaker government rests with two individuals: the Prime Minister and the Leader of the Opposition in the National Assembly. If no consensus is reached within three days after the assembly's dissolution, other options come into play. However, various other factors and stakeholders remain involved behind the scenes. The Prime Minister consults with their allies, while the opposition leader engages with other opposition parties. Notably, the establishment's involvement in this process has a historical backdrop, and candidates with links to the establishment have typically been perceived favorably.

This time, due to the anticipation of an extended period for the caretaker setup, political parties were particularly cautious about their decision-making. They aimed to maintain control during this transitional phase, prompting a strong emphasis on appointing a politician as the caretaker Prime Minister. Consequently, a protracted series of negotiations took place before the final announcement.

The revelation of the new caretaker Prime Minister's name came as a surprise until the very end. No predictions had correctly anticipated the eventual selection, which was disclosed after a conclusive meeting between Prime Minister Shehbaz and Opposition Leader Raja Riaz. Insider sources reveal that the government's allied factions initially proposed appointing a caretaker Prime Minister from a smaller province. Senator Anwar ul Haq Kakar, a member of the upper house of parliament representing Baluchistan and associated with the Baluchistan Awami Party, was put forth as a candidate by the opposition leader. This instance marks the first time a

caretaker Prime Minister was nominated through an agreement between the Prime Minister and the opposition leader. Political analysts speculate that the newly appointed Prime Minister, despite being a politician and a parliament member, has maintained a positive rapport with the establishment throughout their political career.

## Uncertainties About General Elections

The National Assembly was dissolved on August 9th, three days prior to the completion of its term. This extension elongated the period for the general elections by an additional month. As a result, the Election Commission of Pakistan (ECP) now has a ninety-day window to conduct the elections. However, an important decision made by the Shehbaz government during its final days was the approval of a new census by the Council of Common Interest. With this census approval, the ECP is now obligated to carry out new delimitations—a process that could take a minimum of four months. Consequently, it becomes increasingly evident that the elections cannot be held within the constitutionally defined ninety-day timeframe.

In the event that this constitutionally stipulated timeline is exceeded, a new date remains uncertain. Nevertheless, it is imperative that the elections take place before March. This is critical as half of the senators are scheduled to retire in March 2024. The members of the national and provincial assemblies must elect new senators, and the absence of these assemblies could potentially trigger another political crisis. Furthermore, the term of President Arif Alvi will conclude in September. Without the electoral college required for presidential elections, the highest executive position in the country would be left vacant. The current president would then serve as acting president. To avert these complex challenges over an extended period, it is imperative that elections are held within the shortest feasible timeframe. While this optimal duration is yet to be defined, it is certain that this caretaker government arrangement will stand as the longest in the history of the country.



# PDM goes home leaving behind deep uncertainty about the elections

By Tahir Niaz

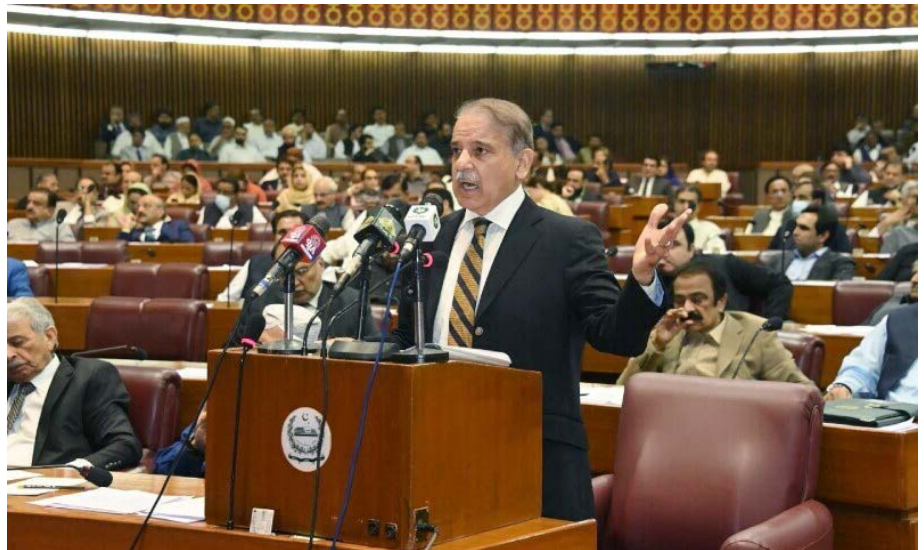
The irony of the fact is that during their rule in the name of democracy for more than 15 months, these so-called democratic forces resisted the elections – the electoral exercise hardly opposed this vigour even during martial law.

The Pakistan Democratic Movement-led ruling alliance has gone and the caretakers are in the arena now. It had almost been 15 months back when the Shehbaz-led government took the country's charge in the name of democracy to save the masses from inflation and put the country on the path to progress and prosperity.

As the Shehbaz-led government stepped down in the second week of August, one can find neither democracy flourishing nor progress on their credit. Inflation is all-time high and the people are bearing the brunt of the unbearable price hike. Democracy, on the other hand, has been curtailed to the maximum.

Getting involved in politics has become extremely difficult, especially for those who support a specific party. Even after the PDM alliance disbanded, a sense of fear continues to linger. This is an entirely new and tense situation for the country. Many political workers are currently imprisoned, and the mere idea of participating in political activities terrifies people. Adding to this, Imran Khan, the leader of the main opposition, is currently behind bars and has been disqualified from running in the upcoming elections due to corruption allegations – claims he vehemently denies.

As the members of the national assembly departed for their hometowns following the dissolution of the assembly on the prime minister's recommendation, the atmosphere in the federal capital of Islamabad turned sombre and uncertain. This departure stood in stark contrast to previous instances when MPs left the city. The prevailing tension and uncertainty were further heightened due to the challenges in political engagement and the ongoing imprisonment of opposition



leader Imran Khan, creating a unique and unsettling scenario.

In the past, when the national assembly's term ended, the parliamentarians would leave Islamabad with a sense of enthusiasm and confidence, looking forward to competing in the upcoming elections based on their performance. It used to be a joyous occasion, celebrated both in Islamabad and their hometowns, as they completed their five-year tenure. However, this time, there are no elections to anticipate, and the festive atmosphere is conspicuously absent.

Historically, outgoing MPs departed from Islamabad with the expectation of reuniting soon, as elections were always guaranteed to take place within the constitutional timeframe. Contrastingly, this time, as the parliamentarians left the capital city, they were met with political uncertainty and heightened discord. It appears that the return of the MPs would go unnoticed this time around.

What the government earned during its rule of 16 months is mistrust of the masses, if hate is a harsh word here. After 'serving' the country for more than 15 months, the 'democrats' have left Pakistan at a juncture where no one knows when the elections would be held. There is total disbelief and

interestingly even those who had been resisting the elections with their full might by using the state power, now seem sceptical of the electoral exercise.

Over the course of 16 months, the government made extensive efforts to undermine and weaken Imran's Pakistan Tehreek-e-Insaf (PTI) party. Imran Khan is currently dealing with approximately 200 criminal charges, which include offences like sedition, murder, attempted murder, and incitement of violence. Additionally, there are ongoing concerns that his PTI might be banned, and there is even a possibility of losing the election symbol. These potential outcomes represent the last strategies that the PDM constituent parties are banking on in their bid to secure victory in the upcoming elections.

Former prime minister and PML-N leader Shahid Khaqan Abbasi summed up the performance of the previous assembly by terming it the "worst assembly" for passing government bills that facilitated the government and did not provide relief to the masses. His remarks came during his farewell speech in the Lower House of Parliament on the last day of the government. According to him, there hasn't been a single law passed in the past five years that was intended to help the people.





The alliance under the leadership of Shehbaz Sharif has been making significant efforts to postpone the general elections to a more convenient time. The Supreme Court's authority was unable to compel the government to hold elections in the Punjab and Khyber-Pakhtunkhwa provinces. The reason for the ruling alliance's apprehension is evident: unfavourable political conditions. There's a belief that the elections are being deferred because the Pakistan Muslim League Nawaz and its allies lack confidence in their ability to win at the polls, given Imran Khan's sustained popularity.

According to an outgoing cabinet member, general elections are unlikely to be held within 90 days of the dissolution of the national assembly. Minister Rana Sanaullah is sure that the delimitation process after the 2023 census approval may exceed 90 days – a constitutional time frame to hold general elections after the dissolution of the national assembly.

When asked during a conversation aired on a private news channel on Tuesday if the year 2023 is the year of elections, Interior Minister Rana Sanaullah said, "In a straightforward answer - no".

When asked about the possibility of a caretaker set up being around for more than three months, Sanaullah said that this is not an anomaly. He said according to the Constitution, a second election cannot be held based on the 2017 census as that had been accepted "provisionally for a single time". He stressed that it is deemed necessary according to the Constitution that "once a census is notified, delimitation must be done before holding an election". The delimitation process usually takes around 120 days so it is not like the elections being delayed for "many months", said Sanaullah. Meanwhile, the ECP has stated that completing the delimitation process on the basis of a fresh census would require four to six months.

The government's last-minute announcement of a new census is perceived by the main opposition PTI as a tactic to further prolong the country's elections. Even though the PDM asserts that elections will occur within six months of dissolving the national assembly due to the constitutional

requirement for redistricting, scepticism abounds. The PDM government's fluctuating stances on the census and redistricting only fuel these doubts. Legislative measures have granted caretakers the authority to make significant decisions, and the ECP is now responsible for setting the election date, a responsibility that previously rested with the president. All these actions suggest the government's intention to extend the election timeline as much as possible.

Denying elections can easily be termed as the murder of democracy. The tragic irony is that the murder occurred under the democratic leadership, especially from the PML-N and the PPP — the two leading parties that had given birth to the 'charter of democracy'. The 15th National Assembly of Pakistan will be remembered as being responsible for voluntarily opening the door for unconstitutional rule in the country.



The party which claims to have given the Constitution to Pakistan paired with the party that until recently talked about 'vote ko izzat do' to undermine constitutional democratic rule in Pakistan. There is no doubt that parliamentary democracy in Pakistan will take years to recover from the devastation inflicted upon it, especially during the PDM tenure. The former ruling alliance could not take advantage of their good relations with the military establishment. Rather they took it as an opportunity to clear their cases.

Democracy is now on the deathbed and the democratic forces are to blame for the same. The parliamentarians who have sworn to protect and uphold the Constitu-

tion betrayed the spirit of constitutional democracy in the country.

What's truly disheartening about this situation is that these self-proclaimed democratic entities are stubbornly opposing the elections – a process that wasn't resisted with such determination even during times of martial law. Historically, non-democratic elements attempted to impede elections, yet now the resistance is originating from the very political parties. It's no surprise that eventually, all the political parties end up united in their call for elections.

In reflection, the recent turn of events paints a complex picture of Pakistan's democratic landscape. Over the past 15 months, the political arena has been marred by a concerning lack of progress and mounting public scepticism. The departure of the Pakistan Democratic Movement-led ruling

alliance has left a void, while the subsequent caretaker government faces challenges in setting a clear path forward. This period has been marked by the erosion of trust and confidence in the democratic process, with questions arising about the true intentions of various political entities. The struggle over elections and constitutional principles has highlighted the fragility of democratic institutions and the weight of political manoeuvring. As the nation stands at a crossroads, the fate of democracy hangs in the balance, and the responsibility lies not just with the ruling class, but with all those who pledged to safeguard the principles that underpin the nation's democratic fabric.





# The Rise, Fall, and Uncertain Future: Imran Khan's Political Saga



By Noor Aftab

In a captivating turn of events following months of political and legal manoeuvres, the chairman of Pakistan Tehreek-e-Insaf (PTI), Imran Khan, has been sentenced to three years in prison. The sentence casts him as an inmate in the secure confines of Attock's high-security prison, marking a striking twist in his storied political journey.

Many astute political analysts concur with the assertion that Imran Khan has found himself ensnared by his own impulsive quest for power. His aspirations to rewrite his legacy and spearhead a revolution have led him down a convoluted path. Khan's standoff with the military reached a climax when his supporters, incensed by his brief detention on May 9, launched assaults on military installations nationwide. It appears that Khan had believed that a show of street strength could compel the establishment to retreat. Yet, this stratagem backfired, prompting security agencies to respond with unprecedented severity.

The three-year prison sentence effectively distances Khan from his political protests, electrifying rallies, and his ambitious bid to recapture the role of prime minister. The law

prohibits individuals with criminal convictions from holding or seeking public office.

While Khan's initial arrest ignited street protests and buildings aflame across the nation, the night of his second apprehension, on a Saturday, bore little distinction from a typical evening in Pakistan. This marked his second detention this year, placing him in the company of former Pakistani Prime Ministers who have endured arrests amid a history marked by military interventions.

Attock prison is infamous for its harsh conditions, housing convicted militants amongst its inmates. Khan's incarceration commenced on August 5, yet it remains uncertain whether he will serve his three-year term at this facility. Unlike his brief detainment in May, where he was seized during a court hearing on separate corruption charges, this time the Supreme Court swiftly intervened, labelling the detention unlawful. Khan was accommodated in a guest house within a police compound, with visitation privileges, while legal debates surrounding his confinement unfolded. Upon his return to Lahore, rose petals greeted his car.

Local authorities have bolstered security around the prison, already fortified with armed guards in watchtowers, by erecting barriers and sealing roads to deter unwanted access. Locals have been instructed not to permit media presence on their rooftops, a measure aimed at preventing photo and video leaks.

Following a vote of no confidence, Imran Khan embarked on a populist campaign to recapture power through early elections. His appeal resonated deeply with educated, middle-class urbanites, securing impressive support for his cause.

Presently incarcerated for failing to declare proceeds from state gift sales, Khan's absence from his party's secondary leadership could impede critical decision-making. This setback may detrimentally affect the party's electoral strategy and dampen its campaign momentum.

Potential relief hinges on the acceptance of Khan's appeal by higher courts, with the suspended verdict allowing him to navigate his legal predicaments while retaining the ability to contest elections.

The Council of Common Interests autho-





alized the Election Commission of Pakistan to conduct constituency delimitation based on a new digital census. However, this process surpasses the 90-day limit for elections, potentially postponing them to February 2024. This timeline provides a window during which Khan might face additional convictions, potentially barring him from participating. The PTI of the future may evolve into a more sustainable and resilient entity, relinquishing its revolutionary and contentious nature.

Legal experts suggest that while the apex court could suspend the conviction, the power to determine Khan's eligibility resides with the ECP, which holds the authority to disqualify him from politics.

The ECP's ultimatum for PTI to conduct intra-party elections or risk losing electoral symbols further complicates Khan's predicament. His inability to participate implies relinquishing party leadership to Vice Chairman Shah Mehmood Qureshi.

Post his ouster, over 150 cases have been filed against Khan, spanning charges from contempt of court to terrorism and incitement of violence. Pakistan's 75-year political history, marred by martial law, arrests, assassinations, and the execution of elected leaders, reflects strained civil-military relations.

Imran Khan's arrest exacerbates the political crisis, casting doubt on the upcoming elections' credibility. To many, this event signifies the establishment's



conclusive endeavour to sideline Khan prior to the next election cycle, in line with their historical playbook for dissenting political figures.

Defending the conviction as lawful, the government refutes claims of political persecution against Khan. His clash with the formidable security establishment now constitutes the most formidable challenge in his checkered political career.

Astute observers suggest Khan may be contemplating recourse to the Supreme Court, a legal refuge that has previously provided him respite. If granted such relief, Khan's popularity, broad support base, and ability to mobilize crowds could pose a

substantial challenge to his political adversaries, potentially polarizing the electorate.

Legal pundits anticipate Khan's release on bail from the high court. However, the process could span four to six weeks due to legal complexities, as per some assessments. Federal Minister for Interior Rana Sanaullah anticipates Khan's bail in ten to twelve days.

Former PTI leader Pervez Khattak has launched a splinter faction, Pakistan Tehreek-i-Insaf Parliamentarians (PTI-P). With Khattak as chief, over 57 ex-PTI MPAs have joined, heralding the faction's formation. The group is poised to convene its inaugural public gathering on August 19 in Nowshera, followed by similar events in other parts of Khyber-Pakhtoonkhwa (KP).

Furthermore, senior politician Jahangir Khan Tareen has officially inaugurated the Istehkam-e-Pakistan Party, pledging to pursue economic and social reforms. While the party's future remains uncertain due to inactive senior members, their eventual entry into the political arena remains a possibility.

Ultimately, the unfolding chapters in Imran Khan's political journey hinge on his mettle and resilience. Should he muster both qualities, his prison experience could fortify his leadership, transforming him into a potent force in due time.







# Electoral Uncertainties and Political Maneuvers: Navigating Pakistan's Path to Elections

By Ahmad Waleed

There's a looming question in Pakistanis' minds right now with no definitive response in sight: will there be elections? Within the realm of contemporary politics, a perceptible air of ambiguity has settled, largely attributed to the actions and pronouncements of the political echelon itself. Publicly, certain figures within various political factions adamantly advocate for the timely conduction of forthcoming elections, yet beneath the surface, the higher echelons of leadership subtly insinuate the potential for a deferment in the scheduling of these critical electoral events, citing an array of underlying rationales.

This intricate tableau finds a notable illustration in the recent decision undertaken by the PDM leadership to proactively dissolve the National Assembly ahead of schedule, thereby granting themselves an interval of approximately three months to orchestrate the logistics surrounding fresh elections. Conversely, Prime Minister Shahbaz Sharif, following this dissolution, has relinquished the temporal prerogative to the Election Commission of Pakistan, tasking them with the pivotal responsibility of establishing the chronological framework for the impending electoral proceedings.

In this intricate interplay of political dynamics, the crux of the matter resides in the enigma that surrounds the electoral timeline; a puzzle yet to be definitively resolved. The divergence in rhetoric amongst political stakeholders sets the stage for strategic contemplation, inviting a more discerning exploration of the underlying nuances and implications that underscore this intricate political tapestry.

It shows the PDM will have no objection if the Election Commission delays the elections for another few months on one pretext or the other. One factor is being mentioned that the elections may face delays due to the new census and in order to delimit electoral constituencies afresh.



If the election date goes beyond November, the caretaker Prime Minister will stay on to run the affairs of the country with some additional powers recently granted by the Parliament to decide about the 'existing bilateral, multilateral and ongoing projects...' already signed with the World Bank and IMF through a hasty amendment to the Election Act. The very move has angered the only opposition party – Pakistan Tehreek-i-Insaaf (PTI) – calling it a 'soft coup' and a 'murder of democracy'.

The tenure of the PDM government has concluded, yet the awaited announcement of a caretaker Prime Minister remains pending. Throughout its incumbency, the PDM has exhibited a pattern of last-minute decision-making, whether pertaining to the selection of a new Chief of Army Staff or reaching accords with the International Monetary Fund (IMF). Presently, the consensus regarding the appointment of a caretaker Prime Minister remains elusive, constrained by the timeline of the current Prime Minister's dissolution of the National Assembly.

Curiously, despite the dissolution of the assemblies to herald the election phase, a discernible absence of fervour and

enthusiasm permeates the political landscape. Within the PML-N ranks, a conspicuous sentiment prevails—a proclivity for election postponement persists, even in the wake of the incarceration of their long-standing political adversary, potentially imperilling the PML-N's hold over its historical bastion, Punjab. The battleground for the upcoming elections appears set to unfold within Punjab, where the two major political contenders, PTI and PML-N, are poised for a formidable face-off in the nation's largest province.

The reasons behind PML-N's reluctance to embrace the upcoming elections are discernible. The surge in unprecedented price hikes coupled with the potent anti-PDM and anti-military tirades by PTI Chairman Imran Khan, which proved instrumental in reestablishing his sway over the masses, have inflicted a severe blow to PML-N. The political landscape in Punjab has undergone a notable transformation, with PTI and PML-N emerging as prominent adversaries following the wane of PPP's influence in recent years, leaving a void that PTI is poised to occupy.

Recent shifts in the political landscape have





provided PTI with a distinct advantage over PML-N, raising concerns within the latter about the potential challenges lying ahead in Punjab. Reestablishing their former prowess will necessitate concerted efforts from the PML-N to recoup their historical influence.

The PML-N's resurgence has been partly bolstered by implicit support from the establishment, a reward for their role in orchestrating a significant no-confidence motion. The calculated actions undertaken by the military following the events of May 9th have, to some degree, mitigated the impact on the N-League. The prospect of Imran Khan's incarceration and his supporters' withdrawal from public view might seemingly favour the PML-N in the forthcoming elections. However, apprehensions linger that these circumstances could potentially tilt the balance in favour of Imran Khan's PTI, provoking a fervent response from his supporters on polling day.

A prevailing sentiment among many PML-N leaders is the aspiration for Nawaz Sharif's reinstatement prior to the elections, coupled with a desire to bar PTI from contesting. This strategic approach is perceived as the sole means to rekindle the glory days the PML-N once savoured in Punjab, a nostalgic aspiration that underscores their strategic calculations.



Meanwhile, the PPP's efforts to come back to Punjab have met with failure after failure. Lately, the party leadership managed to get some electives back to their ranks to win some seats from the southern parts of the province. However, the effort remained fruitless as hardly any big names rejoined the party and it is believed that they may not be able to win more than a couple of seats. Nevertheless, some of them, who have joined lately, are of the view that since the establishment is seemingly favouring PPP for now and they are hopeful of winning some seats. Just ahead of the 2013 elections dozens of PPP leaders from South Punjab had decided to

leave the party after they felt that PPP is losing ground. They all joined PTI to keep their politics alive. However, the PPP top brass is hopeful that this time they will manage to get back some space in Punjab.

As Pakistan navigates these intricate political currents, the road to elections remains veiled in uncertainty. The mosaic of strategic calculations, shifting alliances, and historical narratives shape a landscape ripe for transformation, leaving analysts and observers to ponder the course that this dynamic political journey will ultimately chart.







# Assessing the PDM Era: Achievements, Challenges, and the Road Ahead

By Daniyal Wali

The President of Pakistan, Dr Arif Alvi, dissolved the National Assembly on the advice of Prime Minister Shehbaz Sharif on 10th August 2023. The decision marked an end to the 16-month rule by the coalition parties in the form of the Pakistan Democratic Movement (PDM). In April of the previous year, the PDM effectively ousted the government led by Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan. Following the successful no-confidence motion against Imran Khan, marking a historic first in the nation's history, Shehbaz took oath as the Prime Minister on April 11, 2022. Meanwhile, Imran Khan initiated a vehement campaign against the government through aggressive tactics.

Some experts believe that despite enduring Imran Khan's vigorous challenges and managing to avert a national default on debt payments, commemorating the term amidst a confluence of political, economic, and judicial standoffs is undeniably a noteworthy "accomplishment." However, sceptics argue that the coalition government, spearheaded by PML-N, assumed power with the commitment to curbing economic volatility and reining in inflation. Unfortunately, the government's commitments have, in reality, faced significant obstacles due to a sequence of political, economic, and legal complexities. The present moment calls for a judicious evaluation of both achievements and shortcomings.

## Inflation Shooting Up:

To begin with, during the 16-month tenure of the PDM rule, the nation experienced a pronounced surge in inflation. When Imran Khan relinquished his governmental role, the inflation rate stood at 13.4%. However, the initially stable situation turned turbulent after the PDM assumed power. As the constitutional term of the PDM administration came to an end, the nation bore witness to an unprecedented inflationary period. Within this timeframe, the cost of fundamental food items and essential commodities skyrocketed to unparalleled heights, reaching the highest point in the country's 75-year history.

During this period, the prices of petrol and diesel soared from Rs150 and Rs160 per litre, respectively, to a significant elevation of Rs273 and Rs273.40 per litre. Similarly, the cost for each unit of electricity surged from Rs16 to Rs60 over the same span. In the same way, there was a remarkable upsurge in the prices of essential food commodities. Staple items like flour and sugar, previously priced at Rs1,300 per bag and Rs85 per kilogram during the prior PTI administration, experienced a substantial hike, escalating to Rs3,300 per bag and Rs170 per kilogram, respectively. Furthermore, multiple sectors, including housing and utilities, clothing and footwear, recreation and culture, restaurants, and hotels, as well as furnishings, experienced accelerated cost increases.

The trajectory of inflation was noteworthy, with an increase of 4.3% in July following the PDM's assumption of power. This trend persisted, and by January 2023, it reached a staggering 27.6%. An



extraordinary turn of events led to a monumental inflation rate of 38% in May 2023, marking the highest level since 1957, when comparable records began. However, there was a brief respite in June 2023, as the yearly inflation rate saw a decline for the first time in seven months, settling at 29.4%, further decreasing to 28.3% in July.

Against this backdrop of economic instability, the nation's economic landscape was marred by prolonged challenges, including a severe balance of payments crisis. Tragically, as the PDM concluded its tenure, it left behind a country burdened by one of the highest rates of inflation in its history, inflicting a deep and emotional strain on the lives of ordinary citizens.

## Decrease in Remittances:

During the fiscal year 2022-23, Pakistan endured a profound downturn in remittances, a fact revealed by the data released by the State Bank of Pakistan (SBP). The nation grappled with a notable decline of 13.6%, equating to \$4.254 billion, in remittances when compared to the preceding financial year. Remarkably, this decrease in remittances exceeded even the additional \$1 billion in funding that Islamabad tirelessly sought from the International Monetary Fund (IMF) as a bailout. Amidst this challenging trend, a faint glimmer of hope emerged in June, showcasing a month-on-month increase of 4% in remittances, amassing \$2.183 billion. Nevertheless, this figure starkly marked a 22% decrease from the \$2.8 billion received in June 2022.

The cumulative remittance inflow for the fiscal year stood at \$27.024 billion, a significant drop from the record-high \$31.278 billion achieved in FY22. This accounts for a substantial 13.6% reduction amounting to \$4.254 billion.

Notably, Saudi Arabia, traditionally the leading contributor to remittances, experienced a substantial decline of 16.9%, translating to remittances of \$6.445 billion in FY23. Similarly, remittances from the United Arab Emirates (UAE) underwent a substantial contraction of 20.5%, culminating at \$4.468 billion. Almost all key remittance sources faced declines, save for the United States, which





managed a modest growth of 0.1%, contributing \$3.090 billion in remittances during FY23. Meanwhile, the United Kingdom witnessed a decline of 9.7%, resulting in remittances amounting to \$4.056 billion.

Among other notable sources, remittances from the Gulf Cooperation Council (GCC) countries decreased by 12%, tallying a total of \$3.191 billion. In parallel, remittances from European Union (EU) countries also experienced a decline of 7%, summing up to \$3.12 billion during the fiscal year. These statistics collectively offer a comprehensive depiction of the intricate landscape of remittances in Pakistan for the specified year, underscoring the challenges the nation confronted in upholding its economic stability through this critical financial channel.

Hence, the fiscal year 2022-23 posed significant challenges to Pakistan's economy, notably evident in the decline in remittances. This decline reflects the intricacies of global economic dynamics impacting Pakistan's financial stability. The slight increase in June offers a glimpse of hope, but the nation's task ahead lies in proactively addressing these challenges, reinforcing remittance inflows, and ensuring long-term economic resilience.

## Escalating Terrorist Activities:

The coalition government's dawn was accompanied by an alarming escalation in terrorist activities. This surge in terrorism during the PDM government's tenure was characterized by the emergence of a chilling new terror triad consisting of the Tehrik-e-Taliban Pakistan (TTP), the ethnic Baloch Liberation Army (BLA), and the Islamic State of Khorasan Province (ISKP), operating as the regional arm of ISIS.

This surge in violence found its roots in the sudden termination of a year-long ceasefire by the TTP on November 28, 2022. The group pointed to government violations of commitments and condemned Pakistani security forces' actions in the border provinces of Khyber Pakhtunkhwa and Balochistan, which straddle Afghanistan. The TTP's demands were strident – the reinstatement of special status to seven border regions revoked in May 2018, the release of detained members, and the removal of the Pakistani army from once-prohibited areas to potentially establish its own Islamic caliphate. Islamabad's firm rejection of these demands as 'non-negotiable' underscored the gravity of the situation.

The last quarter of 2022 set the tone for the subsequent months, with December emerging as the deadliest month for Pakistan's security forces in over a decade, recording around 282 military and police personnel among the 973 total fatalities in 2022. Unfortunately, in the first half of 2023, Pakistan witnessed an alarming 79 per cent surge in terror attacks compared to the same period in the previous year. The report reveals that 271 militant attacks occurred in the first half of 2023, resulting in the loss of 389 lives and injuring 656 individuals. Comparatively, the same timeframe in 2022 witnessed 151 attacks, causing 293 deaths and 487 injuries.

Therefore, the tenure of the PDM rule was indelibly marked by a disconcerting escalation in terrorism. The emergence of a formidable terror triad, coupled with a pronounced surge in militant attacks and the unsettling rise of violence, stands as a solemn reminder of the challenges faced during that period.

## Improved Foreign Relations:

Fortunately, during the PDM government's tenure, there emerged a notable improvement in relations with foreign countries, a significant feat achieved through diplomatic efforts. The government's successful endeavours were particularly pronounced in rectifying relations with the USA and addressing China's concerns regarding the China-Pakistan Economic Corridor (CPEC) projects, thereby eliminating inconsistencies, and fostering a renewed sense of cooperation.

With regard to CPEC, the PDM government managed to reestablish its vitality. Notably, celebratory events marking a decade of CPEC's existence were recently conducted, graced by the participation of China's deputy prime minister. The government's proactive approach led to a revitalized commitment from China to invest in crucial rail links and the ML-1 project, which involves doubling the railway track between Peshawar and Karachi. This not only reinstated momentum to the CPEC initiative but also solidified Pakistan's enduring partnership with China. In terms of foreign relations, the PDM government managed to mend ties with the United States, marking a significant achievement. The Foreign Minister proudly stated the restoration of bilateral relations between Pakistan and the United States, signifying a positive step forward in international diplomacy.

Furthermore, the Foreign Office played a pivotal role in rekindling relationships with friendly and brotherly countries, including China, Saudi Arabia, and Gulf nations. The government acknowledged the immense support provided by China, Saudi Arabia, and the UAE during challenging times. This collective effort bolstered Pakistan's global standing and demonstrated the value of steadfast partnerships, fostering stability and cooperation on the international stage.

Moreover, Pakistan's diplomatic prowess was evident at COP 27, where, under its chairmanship of the G77, the nation secured funds to address flood-related losses. This accomplishment can be attributed to the government's diplomatic acumen, highlighting its ability to navigate complex international negotiations for the benefit of the nation. In essence, the PDM government's tenure was characterized not only by challenges but also by commendable achievements in foreign relations. The restoration of ties with the USA, the revival of CPEC, and the reinforcement of bonds with crucial allies exemplify the strides made in fostering constructive diplomatic engagements, ultimately contributing to Pakistan's enhanced stature on the global stage.

To conclude, the tenure of the PDM in power was a period marked by both notable accomplishments and significant challenges. The surge in inflation, the decline in remittances, and the escalation of terrorist activities underscored the complexities the nation faced during this time. However, amidst these difficulties, the government managed to forge improved foreign relations, fostering partnerships with key allies and revitalizing critical projects such as the China-Pakistan Economic Corridor (CPEC). As Pakistan navigates its path forward, a balanced assessment of these achievements and shortcomings will be crucial in shaping policies and strategies that lead to a more stable and prosperous future. The challenges of this era have highlighted the importance of resilience, diplomacy, and domestic development for the continued progress of the nation.

# What does the caretaker setup mean for the IMF program?



By Mehtab Haider

With the completion of the tenure of the Pakistan Democratic Movement (PDM) led regime with the dissolution of the National Assembly and Federal Cabinet, the stage was set for the caretaker setup.

In the aftermath of the Council of Common Interest (CCI) approval for the 7th Population and Housing Census, the chances for delaying general elections for a few months surfaced so the responsibility of caretaker setup increased manifold to keep the IMF program afloat for ensuring hassle-free transition from the short-term Standby Arrangement (SBA) program in such manner whereby there should be no stumbling blocks in the way for qualifying for next medium term program beyond March/April 2024 because there should be no iota of doubt that Islamabad would have to secure fresh bailout package after completion of existing SBA program.

The chances have brightened that the Election Commission of Pakistan (ECP) would require at least 100 to 120 days for undertaking the delimitation of constituencies and two months are more required to accomplish the election process. If it happens then the

elections might be held in January or February 2024 so the responsibility of ensuring full fledged implementation of the IMF program will also lie on the shoulders of the caretaker regime.

Under the existing SBA program of \$3 billion, Pakistan will have to go through two reviews for completion of the ongoing program. The first installment of \$1.2 billion had already been drawn by the last PDM-led regime after securing the bailout package. Now the next review of the IMF program was expected to be done in the third week of October or early November 2023 on the basis of official data of the first quarter (July-September) period and if Pakistan and the IMF staff will be able to strike consensus then the Fund's Executive Board would consider approval of \$700 million tranche in December 2023. The second review was planned for February 2024 on the basis of official data for the end of December 2023 and if everything goes well then, the IMF's board will consider approval of the last tranche of \$1.1 billion in March 2024.

In the wake of declining trends in attracting remittances and boosting exports up to the desired levels in July 2023, the emerging economic scenario

is showing that the caretaker-led government will have to focus on managing the twin deficits known as the current account deficit and the fiscal deficits in the ongoing financial year to ensure implementation on the IMF program. If there would be any slippages on these two accounts then the possibility of completion of the Fund-sponsored program would fall into the risky zone.

The State Bank of Pakistan (SBP) data shows that Pakistan could attract workers' remittances from abroad to the tune of \$2.027 billion in July 2023 compared to \$2.511 billion in the same month of the last financial year, indicating a decline of \$484 million just in one month.

On a month-on-month basis, the remittances were reduced by 7.3 percent to \$160 million in July 2023 as some \$2.187 billion inflows were received in June 2023.

Textile exports were also down by 15 percent in July year-on-year (YOY) basis and negative 11 percent month-on-month basis while the IMF has assumed a 10 percent increase in exports during the ongoing financial year.



With opening up imports, it is the possibility that the current account deficit may start surfacing on the economic horizon of the country in the current fiscal year.

The Net International Reserves (NIR) target would be very crucial for the next two reviews for the end of September and end of December 2023 so there would be no luxury with the SBP to utilize borrowed dollars to maintain the exchange rate keeping in view the envisaged NIR target.

On the fiscal front, the IMF has given a target of converting primary deficit into surplus which will not be an easy task. The FBR will have to gear up efforts to achieve 30 percent growth in revenues for displaying its envisaged annual collection target of Rs 9.4 trillion. In the first month of July, the FBR's revenue collection could fetch revenue growth of just over 12 percent. With the existing pace of revenue collection, the possibility of achieving a highly ambitious target will be a daunting task for the tax collection machinery. The expenditure overrun cannot be ruled out at a time when the last PDM-led regime had released Rs 110 billion for parliamentarians including the Sustainable Development Goals Achievement Program (SAP) for Parliamentarians' discretionary schemes of Rs 90 billion and Rs 20 billion as Technical Supplementary Grant (TSG).

The most haunting challenge for the caretaker government for tackling rising



inflationary pressure which had already crossed the mark of 30 percent for July 2023. The exchange rate depreciation and hike in administered prices of utilities will rebound the inflationary pressures in months ahead.

There is also a need to establish with facts and figures why Pakistan will require entering into a new IMF program in coming March/April 2024.

According to the projections made by the IMF, Pakistan's gross external financing is estimated at \$91.5 billion over three years up to 2025-26.

Such a mammoth requirement of gross financing needs indicates that Islamabad will have no other option but to go back for another IMF bailout package after the

expiry of the existing one under \$3 billion Standby Arrangement (SBA) in the coming March 2024.

It is estimated that the current account deficit might be curtailed in the range of \$6 to \$7 billion over the next three years period so the overall CAD might remain within the range of \$20.6 billion over the next three years period so the import compression was going to persist.

The IMF's working has projected that the imports of the country would be standing at \$64.109 billion in the fiscal year 2023-24, \$64.9 billion in 2024-25, and \$71.115 billion in the fiscal year 2025-26. The exports of the country are projected to stand at \$30.8 billion in 2023-24, \$31.14 billion in 2024-25, and \$35.8 billion in 2025-26.





# Bold Promises and Lingering Doubts: The Rollercoaster Ride of Pakistan's Budget 2023-24

By Amir Jahangir



The Financial Act for 2023-24 presents an ambitious plan for the Pakistani economy, demonstrating optimism for growth in revenue generation and spending. However, it also foresees an enlarged budget deficit, indicative of the challenging economic situation the country is currently facing.

Firstly, the Act projects a substantial increase in total receipts, expecting them to rise from the revised figure of Rs 8,429 billion in 2022-2023 to Rs 12,170 billion. This impressive increase seems to be reliant largely on the growth of tax and non-tax revenues, signaling an effort to enhance the effectiveness of tax collection systems and explore other sources of income.

However, while revenue growth is expected, the Act also forecasts a considerable rise in the provincial share in federal taxes, implying a growing focus on empowering provincial governments and supporting their development projects. This leads to an expected net revenue of Rs 6,894 billion, up from Rs 4,300 billion the previous year, demonstrating a noteworthy increase.

On the expenditure side, there is a significant rise in both current and developmental spending. Current expenditure is projected to grow from Rs 13,947 billion to Rs 17,928 billion, a substantial increase that could reflect higher costs in public service delivery or increased debt servicing. Developmental expenditure, on the other hand, sees a modest rise, demonstrating a continued commitment to infrastructure and other development projects.

Unfortunately, despite the expected rise in revenues, the Act projects an enlarged budget deficit of Rs 12,643 billion, an increase from Rs 10,694 billion the previous year. The gap between government revenue and spending represents the primary challenge for the Pakistani economy. The financial plan outlines a combination of domestic and foreign borrowing, as well as nominal privatization proceeds and surplus from provinces to bridge this gap.

The Financial Act 2023-24 envisions an ambitious plan for fiscal management in Pakistan, aiming to increase revenue significantly, support provincial governments, and maintain development projects. However, the projection of a larger budget deficit, necessi-

tating greater borrowing, highlights the economic challenges that lie ahead.

It is important to remember that these projections are only planned figures. The actual outcomes will depend on a variety of factors including global economic conditions, domestic political stability, effective execution of the plan, and unexpected crises. As such, the final verdict on the success of the Financial Act 2023-24 can only be assessed post-implementation.

## The sector-wise budget allocations for Pakistan in 2023-2024:

| Resources   | Amount (Rs. in Billion) |
|---|-------------------------|
| (FBR)- Federal Consolidated Fund                                  | 9,200                   |
| Non-Tax Revenue   | 2,963                   |
| a) Gross Revenue Receipts   | 12,163                  |
| b) Less Provincial Share  | 5,276                   |
| I. Net Revenue Receipts (a-b)                                     | 6,887                   |
| II. Non-Bank Borrowing (NSSs & Others)- Public Account            | 1,906                   |
| III. Net External Receipts- Fed. Consolidated Fund                | 2,527                   |
| VI. Bank Borrowing (T-Bills, PIBs, Sukuk)- Fed. Consolidated Fund | 3,124                   |
| V. Privatization Proceeds- Fed. Consolidated Fund                 | 15                      |
| Total (II+III+IV+V)   | 7,572                   |
| TOTAL EXPENDITURE (A+B)   | Amount (Rs. in Billion) |
| <b>A. Current</b>   | <b>13,320</b>           |
| Interest Payments   | 7,303                   |
| Pension   | 761                     |
| Defence Affairs & Services  | 1,804                   |
| Grants and Transfers to Provinces & Others                        | 1,464                   |
| Subsidies   | 1,074                   |
| Running of Civil Govt   | 714                     |
| Provision for Emergency and others                                | 200                     |
| <b>B. Development</b>   | <b>1,140</b>            |
| Federal PSDP  | 950                     |
| Net Lending   | 190                     |

Table: The table provides a clear breakdown of the resources and expenditures for the federal budget 2023-24 in Pakistan. It showcases the amounts allocated to different categories and subcategories, giving an overview of the government's financial plans for the fiscal year.

The federal budget for the fiscal year 2023-24 in Pakistan has been unveiled, outlining the allocation of resources and planned expenditures. This budget plays a crucial role in shaping the country's economic landscape and reflects the government's priorities for development and growth. The breakdown of resources and expenditures provides insights into the financial plans for the upcoming year.

## A Comparative Table for Pakistan's Finance Act Budget 2022-23 Vs. 2023-24:

As the total revenue and expenditure for the upcoming fiscal year 2023-24 are projected to be higher than the previous year. This is due to a number of factors, including the expected increase in tax revenue and the government's commitment to increasing development spending. However, the budget deficit is also projected to be higher, which means that the government will need to borrow more money to finance its spending.

The debt-to-GDP ratio is also projected to increase, which is a



cause for concern. However, the government is hoping that the economic growth rate will be higher in the upcoming year, which will help to reduce the debt burden.

The defense sector received the largest allocation, followed by civil administration and pension. The development budget is the highest it has ever been, with an allocation of Rs. 1,150 billion.

## Pakistan's Budget 2023-24: Key Highlights and Implications:

| Area                 | Key Highlights   | Implications  |
|----------------------|--|---|
| Economic Assessment  | - Targeted GDP Growth Rate: 3.5% during FY 2023-2024                         | - Striving for economic revitalization and sustainable growth   |
|                      | - Anticipated Inflation Rate: Approximately 21%                              | - Ensuring effective inflation management for economic stability  |
|                      | - Fiscal Deficit Target: 6.54% of GDP  | - Demonstrating commitment to responsible financial management  |
| Prominent Gains      | - Accelerating Industrial Growth:  | - Promoting industrial growth through reduced customs duties on specified imports   |
|                      | - Lowered Customs Duties: Intermediary/Industrial inputs under 10 FCT codes  | - Encouraging domestic industries and lowering production costs   |
|                      | - Energizing the Agricultural Sector:  | - Enhancing agricultural productivity through exempting custom duties on vital inputs   |
|                      | - Import Duty Exemptions: Seeds, shrimps/prawns/juveniles, roasted peanuts   | - Strengthening food security and promoting self-sufficiency  |
|                      | - Powering Energy Efficiency and Conservation:                               | - Promoting sustainable practices through custom duty exemptions on solar equipment   |
|                      | - Exempting Custom Duties: Machinery, equipment, and inputs for solar panels | - Encouraging the adoption of renewable energy sources  |
|                      | - Fostering IT Sector Growth:  | - Stimulating technological advancements and exports in the IT sector   |
|                      | - Tax Exemptions: IT equipment imports by exporters                          | - Driving innovation and growth in the IT industry  |
|                      | - Strengthening Remittances and Currency Stability:                          | - Facilitating foreign remittances and stabilizing exchange rates   |
|                      | - Exempting Foreign Remittances: Up to USD 100,000 from FBR questioning      | - Promoting economic stability and investor confidence  |
|                      | - Enhancing Competitiveness in the Tile Manufacturing Industry:              | - Encouraging local manufacturers to improve product quality and competitiveness  |
|                      | - Reduced Regulatory Duty: Imported tiles                                    | - Ensuring long-term growth and resilience in the tile manufacturing sector   |
| Notable Setbacks     | - Navigating Stock Exchange Implications:                                    | - Analyzing the impact of a 10% final tax on bonus shares on market trade volume  |
|                      | - Potential Market Trade Volume Reduction                                    | - Monitoring effects on the Pakistan Stock Exchange   |
|                      | - Addressing Non-Filer Challenges:   | - Managing the impact of 0.6% advance tax on cash withdrawals for non-filers  |
|                      | - Effects on the Formal Economy  | - Balancing revenue generation and formal financial transactions  |
|                      | - Tackling Textile Sector Concerns:  | - Recognizing the need for adequate taxation in the real estate and trade sectors for textile industry growth and development |
|                      | - Enhancing Taxation Practices   | - Overcoming challenges hindering the growth of the textile industry  |
| Missed Opportunities | - Implementing Essential Reforms:  | - Establishing a clear path to sustainable fiscal architecture and addressing fundamental weaknesses                          |
|                      | - Expanding the Tax Base and Investment in Education                         | - Supporting economic growth and development through comprehensive measures   |
|                      | - Managing the Fiscal Deficit and Fostering a Favorable Business Environment | - Striving for a sustainable economic landscape and promoting business-friendly policies                                      |

Pakistan's Budget for 2023-24 presents a mixed picture with notable gains, setbacks, and missed opportunities. While the government has taken steps to promote industrial growth, support agriculture, and encourage energy efficiency, challenges remain in areas such as stock exchange implications, non-filer management, and the textile sector. Implementing essential reforms and fostering a favorable business environment will be crucial for Pakistan's economic revitalization. It is essential to address the severity of the economic crisis, expand the tax base, and manage the fiscal deficit effectively to ensure sustainable growth and development.

## The Money Flow in the Pakistani Economy:

The money flow into and out of the Pakistani economy is a complex system encompassing various income streams and expenditure lines.

On the income side, the majority of the inflow (51%) comes from borrowings. This includes foreign debts/grants (55%), domestic debts from non-banks (20%), and banks (20%). Surplus from provinces, a minor source, contributes 5%. This dependence on borrowings, particularly foreign debts/grants, suggests that the country is heavily reliant on external and internal lenders to finance its spending and implies a need to repay these loans in the future.

Direct revenue streams comprise income tax (15%), sales tax (14%), customs duty (6%), and Federal Excise Duty (FED) (2%). This

indicates a multi-faceted revenue collection system where different forms of taxes are collected from individuals and businesses. Non-tax revenue contributes another 12%, which could come from sources like profits from state-owned enterprises, fees, and charges.

Turning to the expenditure side, debt servicing, and foreign loan repayments consume a significant share of the budget at 30% and 18% respectively. This implies a substantial portion of government revenue goes towards meeting past borrowing commitments, leaving less room for developmental and operational expenditure.

The provincial share in federal taxes accounts for 21% of expenditure. This is part of federal revenue that is distributed among the provinces, and it signifies a mechanism of financial resource redistribution across the country. Federal Government expenses, including pensions, account for another 12% of the spending, reflecting the cost of running the government and serving its employees and retirees.

Development expenditure and defense affairs and services consume 6% and 7% of the outflow respectively. While the development expenditure signifies the budget for growth and infrastructure projects, the defense outflow represents the cost of ensuring national security. Grants and transfers also make up 6% of the expenditure, which could include foreign aid, support to local governments, or welfare payments.

The money inflow and outflow in the Pakistani economy reflect a challenging fiscal situation with heavy reliance on borrowings to finance its budget, and substantial amounts of revenue going towards debt servicing and loan repayments. The allocations towards development expenditure and defense also reveal the government's dual commitment to economic growth and national security.

## The Flow of Money in Pakistan:

| Category                                       | Percentage of Total | Type        |
|--|---------------------|-------------|
| <b>Income/Inflows</b>                          |                     |             |
| Foreign debts/Grants                           | 55% (varies)        | Borrowings  |
| Domestic debts non-bank                        | 20%                 | Borrowings  |
| Domestic debts banks                           | 20%                 | Borrowings  |
| Surplus from provinces                         | 5%                  | Borrowings  |
| Income Tax                                     | 15%                 | Revenue     |
| Sales Tax                                      | 14%                 | Revenue     |
| Customs Duty and FED                           | 8%                  | Revenue     |
| Non-tax revenue                                | 12%                 | Revenue     |
| <b>Expenditure/Outflows</b>                    |                     |             |
| Provincial share in Federal taxes              | 21%                 | Expenditure |
| Debt servicing                                 | 30%                 | Expenditure |
| Foreign Loan repayments                        | 18%                 | Expenditure |
| Federal Government expenses including pensions | 12%                 | Expenditure |
| Development expenditure                        | 6%                  | Expenditure |
| Defence Affairs and Services                   | 7%                  | Expenditure |
| Grants and transfers                           | 6%                  | Expenditure |

## The Tax Breakup of the Country:

The Finance Act 2023-24 provides an interesting insight into the country's tax policy and its trajectory. It sheds light on the country's dependency on both direct and indirect taxes and the need for substantial and progressive shifts to mitigate income disparities and alleviate the burden of indirect taxes on the common man.

Starting with direct taxes, which are usually charged directly to individuals and organizations based on their income or profits, there is no significant change in their contribution to the overall tax collection. This suggests a lack of policy adjustments geared towards increasing the share of direct taxes in the overall tax base. The Income Tax, the major contributor to this category, is expected to generate Rs 3,714 billion in FY 23-24, up from Rs 2,817 billion in FY 22-23 (Revised). The Workers' Welfare Fund (WWF), Workers' Profit Participation Fund (WPPF), and other such sources are anticipated to contribute Rs 45 billion, slightly up from the previous fiscal year's Rs 34 billion. Altogether, direct taxes are expected to yield Rs 3,759 billion, a sizeable increase from the Rs 2,851 billion collected in the revised estimates of FY 22-23.

Turning to indirect taxes, which are levied on goods and services rather than income or profits, make up a considerable portion of Pakistan's tax revenue. The FY 23-24 projections for Customs Duty, Sales Tax, and Federal Excise Duty are Rs 1,178 billion, Rs 3,538 billion, and Rs 725 billion, respectively. In comparison, the revised figures for these taxes in FY 22-23 were Rs 1,084 billion, Rs 2,808 billion, and Rs 457 billion. These figures show a significant increase in each category, totaling Rs 5,441 billion, a noticeable rise from the previous year's Rs 4,349 billion.

## The breakdown of tax revenue in percentages:

When breaking down the tax revenue, it's evident that the largest share is contributed by Income Tax (41%), followed by Sales Tax (38%), Customs Duties (13%), and Federal Excise Duty (8%).

These numbers illustrate Pakistan's fiscal strategy in the face of current economic challenges. However, the heavy reliance on indirect taxes, which are often regressive in nature, underscores the urgent need for a significant policy shift. It is crucial for the Pakistani government to consider reevaluating its tax structure to achieve a more equitable distribution of the tax burden, particularly by increasing the share of direct taxes.

## The Tax Breakup Comparison Between 2023-24 Vs. 2022-23:

|                             | FY 23 – 24 (in Rs billion) | FY 22 – 23 (Revised) (in Rs billion) |
|-----------------------------|----------------------------|--------------------------------------|
| <b>Direct Taxes</b>         |                            |                                      |
| Income Tax                  | 3,714                      | 2,817                                |
| WWF, WPPF & Others          | 45                         | 34                                   |
| <b>Total Direct Taxes</b>   | <b>3,759</b>               | <b>2,851</b>                         |
| <b>Indirect Taxes</b>       |                            |                                      |
| Customs Duty                | 1,178                      | 1,084                                |
| Sales Tax                   | 3,538                      | 2,808                                |
| Federal Excise Duty         | 725                        | 457                                  |
| <b>Total Indirect Taxes</b> | <b>5,441</b>               | <b>4,349</b>                         |
| <b>Total Tax Revenue</b>    | <b>9,200</b>               | <b>7,200</b>                         |

## Budget 2023-24 from a Citizen's Perspective:

The Finance Bill 2023-24, from the perspective of an average citizen's point of view, leaves much to be desired. The Budget has made no significant changes to the overall tax policy, as the

majority of its revenue measures continue to disproportionately affect already taxed sectors and big businesses. The bill does not appear to address the tax gap resulting from undocumented sectors and could, in fact, exacerbate it by potentially encouraging an undocumented economy.

A key point of concern is the perpetuation of higher tax rates for businesses, in the form of a 'super tax', which now extends to all sectors with an income exceeding Rs 500 million. This could significantly increase the overall tax costs for businesses. Moreover, the re-introduction of a 10% final tax on bonus shares issued by companies further burdens these entities.

The Act brings in a novel concept of 'additional tax on income, profits, and gains, with a capped rate of 50% for extraordinary incomes. However, this clause might face legal challenges due to its potential conflict with the principles upheld by Higher Courts. If not, underreporting of economic activities will definitely be an emerging phenomenon in the coming days.

Another troubling feature is the enhancement of withholding income tax rates for suppliers, service providers, contractors, and commercial importers. This, coupled with the increased sales tax rate on retailers of textile and leather products from 12% to 15%, could increase the cost of goods and services, thereby affecting lower-income consumers.

The withdrawal of the sales tax exemption on edible products sold in bulk under brand names or trademarks could also lead to an increase in food costs, which would disproportionately impact lower-income groups. Meanwhile, the reintroduction of a 0.6% advance tax on cash withdrawals by non-filers seems to target those who are already outside the tax net rather than widening the tax base. Non-branded edible oils and possible adulteration in this sector might impact the quality of edible oil and a large population could move to the gray market to explore the lower-cost options, with compromised quality controls and standards.

On the brighter side, the special tax regime for Small & Medium Enterprises (SMEs) has been extended to IT and IT-enabled services. Turnover thresholds have been enhanced from Rs 250 million to Rs 800 million, and a five-year income tax holiday has been introduced for certain Agro-based SMEs. This could encourage SME growth and employment opportunities.

However, no major tax relief is apparent for the salaried class and lower-income groups. While the bill proposes a 50% reduction in tax liability for three years for youth entrepreneurship, such measures seem sparse and may not sufficiently ease the tax burden on lower-income groups.

The Finance ACT - Budget 2023-24 has tried to incorporate some progressive steps, but it doesn't appear to prioritize tax relief for lower-income groups or salaried individuals. The reliance on indirect taxation seems to persist, which could exacerbate existing economic disparities. The Budget may need to be critically reevaluated to address these concerns and ensure an equitable and growth-supportive fiscal environment.



## Defending the Nation:

The Pakistan Defense Expenditure for the Budget 2023-24 has been allocated a significant amount of Rs1.804 trillion, representing a 13% increase compared to the revised allocation of Rs1.59 trillion in the previous year. This allocation demonstrates the government's commitment to ensuring national security and safeguarding the country's interests. The largest portion of the budget is allocated to the army, with Rs. 824.6 billion, followed by the Pakistan Air Force with Rs368.5 billion, and the Pakistan Navy with Rs. 188.2 billion. Additionally, the pension of retired military officials has seen a substantial increase, rising by 26% to Rs. 563 billion. The government's focus on defense expenditure highlights the importance of maintaining a strong defense capability in a region with geopolitical complexities and security challenges. By allocating a significant budget for defense, Pakistan aims to equip its armed forces with modern capabilities, enhance deterrence against potential threats, and contribute to regional stability. This investment in defense plays a crucial role in supporting Pakistan's geoeconomic aspirations, providing a secure environment for sustainable development and economic growth.

The Defence Expenditure holds significant importance for a country like Pakistan, which is transitioning from a primarily geostrategic focus to a more geoeconomic approach. While geoeconomics emphasizes the economic aspects of international relations and regional connectivity, national security remains a crucial pillar for sustainable economic growth and development. Pakistan, being located in a region with geopolitical complexities and security challenges, recognizes the need to ensure a strong defense capability to safeguard its territorial integrity, protect its national interests, and maintain regional stability.

By allocating a substantial budget for defense, the government aims to equip its armed forces with modern capabilities, enhance deterrence against potential threats, and contribute to the overall security environment. This, suggests a more integral role of the defense services in ensuring and providing a conducive environment for promoting trade, investment, and economic activities. With the shift in Pakistan's playbook from geostrategic to geoeconomics, stability, and security becomes prerequisites for attracting foreign investments, facilitating regional connectivity, and fostering economic growth. The defense expenditure, therefore, plays a crucial role in supporting Pakistan's geoeconomic aspirations by ensuring a secure and stable environment for sustainable development. The allocated defense budget announced is RS. 1828.7 billion, however, if we look at the total budget allocation for Defense in the Budget 2023-24, the figures looks around Rs. 3,752.7 billion, accounting for 100% of the Defense budget.

## Possible Impact of the Finance Act 2023-24 on Formal vs Informal Sectors:

The Finance Act 2023-24 will have a significant impact on both the formal and informal (non-formal) economies in Pakistan, with varying implications for each sector.

For the formal economy, several measures proposed in the Act may add strain to businesses and dampen economic growth. The introduction of a 'super tax' on sectors earning income above Rs 500 million, along with the reinstatement of a 10% final tax on bonus shares issued by companies, could increase the financial burden on large businesses. These changes could also stifle investment and hamper the growth of these sectors. However, tax incentives for Small and Medium Enterprises (SMEs), such as the five-year tax holiday for certain Agro-based SMEs, could stimulate growth and innovation in these sectors. The Budget's focus on extending the special tax regime to IT and IT-enabled services could boost the digital economy and potentially increase formal employment opportunities.

As for the informal economy, the Act has mixed implications. The reintroduction of a 0.6% advance tax on cash withdrawals for non-filers could discourage people in the informal sector from engaging with the formal banking system. This measure, coupled with the threshold enhancement for immunity from probes into sources of foreign remittances, may inadvertently encourage the proliferation of the undocumented economy.

Moreover, the Act's increased reliance on indirect taxation, including heightened withholding tax rates for suppliers, service providers, contractors, and commercial importers, could negatively impact the cost of living for those reliant on the informal economy. This could also disincentivize the formalization of these sectors.

On the other hand, the Budget offers a special status for the freelance exporter of IT and IT-enabled services as a cottage industry, exempting them from certain registration and filing requirements. This could potentially bring a part of the informal sector into the formal economy by encouraging freelancers to regularize their operations. Additionally, the provision for a three-year, 50% reduction in tax liability for youth entrepreneurship could stimulate formal economic activity among younger demographics. However, trust in the system is still a fragile sentiment, which the government needs to work on and ensure the continuity of its policies for the coming years as well.

## The Possible Impacts of the Budget 2023-24 on the Formal Vs. Informal Economy in Pakistan:

While the Budget incorporates measures that may promote certain aspects of the formal economy and formalization of some non-formal sectors, its increased reliance on indirect taxation and potential encouragement of the undocumented economy can exacerbate economic disparities and discourage the transition from the informal to the formal sector. A more balanced and equitable approach might involve measures to incentivize formalization and provide a safety net for the lower-income groups while ensuring that the taxation system is not regressive.

## The Good, Bad, and the Ugly of the New Tax Regime:

**Impact of the new Income tax regime on the end taxpayer:**

| Provision                            | Impact | Reason  |
|--------------------------------------|--------|---|
| Super Tax on Capital Gains           | Bad    | The imposition of super tax on capital gains can be burdensome for investors. It adds an additional layer of taxation on the profits earned from selling securities, reducing the overall return on investment. This can discourage individuals from investing in the stock market and other securities, impacting their ability to grow their wealth.  |
| Tax on Bonus Shares                  | Bad    | The re-introduction of tax on bonus shares can negatively affect shareholders. It imposes an additional tax burden when they receive bonus shares from companies in which they have invested. This reduces the value of the shares and can discourage companies from issuing bonus shares, which are often seen as a way to reward shareholders. It may discourage investment in the equity market and hinder the growth of businesses.   |
| Special Tax Regime for SMEs          | Good   | The extension of the special tax regime for Small and Medium Enterprises (SMEs) is a positive step. It provides reduced tax rates and exemptions for SMEs, encouraging their growth and development. This can support entrepreneurship, job creation, and overall economic growth. Including IT and IT-enabled services in the regime can further boost these sectors, promoting innovation and technology-driven businesses.   |
| Tax Holiday for Agro-Based SMEs      | Good   | Introducing a tax holiday for Agro-based SMEs in rural areas can have positive impacts. It incentivizes investment in these sectors, which can lead to rural development, increased agricultural productivity, and employment opportunities. This initiative supports the government's focus on boosting the agriculture sector and improving livelihoods in rural communities.   |
| Additional Tax on Unexpected Profits | Ugly   | The introduction of an additional tax on unexpected profits can create uncertainty for businesses and investors. It gives the government the power to impose additional taxes on incomes that result from economic factors beyond the control of taxpayers. This unpredictability can discourage investment and hinder business growth. It may also lead to legal challenges and increase compliance complexities.  |
| Enhancement of Withholding Taxes     | Bad    | The enhancement of withholding tax rates can have a negative impact on individuals and businesses. Higher withholding tax rates reduce disposable income and increase the upfront tax burden. This can discourage consumer spending and business investment, affecting overall economic activity. It may also create cash flow challenges for businesses, especially small and medium enterprises.  |
| Tax on Commercial Importers          | Bad    | Increasing the tax rate on commercial importers adds to the cost of imported goods. This can lead to higher prices for consumers, affecting their purchasing power and potentially increasing inflation. It may also discourage imports and limit consumer choices.   |
| Tax on Outward Remittances           | Bad    | The higher tax rate on outward remittances sent abroad through credit, debit, or prepaid cards can discourage individuals from transferring money overseas or engage in being part of the global e-commerce supply chain. This can impact individuals who rely on remittances for business and family support and could hinder economic ties between Pakistan and other countries. It may also drive remittance flows towards informal channels, complicating efforts to track and regulate remittance transactions. Nonbanking informal Hawala systems can create future problems for Pakistan in terms of FATF concerns around global money laundering and terrorist financing. |

## The New Tax Regimes for the Baking Companies:

As citizens and clients of banking companies, the new income tax regime brings forth various implications:

One positive aspect of the new regime is the reduced tax rate on income from additional advances to certain sectors. This is encouraging for citizens who may require micro or SME loans, low-cost housing financing, or farm credit. The lowered tax rate of 20% incentivizes banking companies to provide financial support to these sectors, potentially improving access to credit and fostering economic growth.

The reduced tax rate on income from additional advances to the IT sector is also promising. This provision signals the government's recognition of the importance of the IT industry and its potential for growth. By offering a lower tax rate of 20%, banking companies are encouraged to invest in the IT sector, which can lead to technological advancements, job creation, and overall economic development.

However, there are concerns regarding the higher tax rate on income from government securities. If banking companies experience reduced profitability due to this tax, it may indirectly impact citizens. This could manifest in changes to interest rates on banking products, affecting savings accounts, fixed deposits, and loan offerings. Citizens must remain vigilant to any potential changes that could influence their financial well-being.

The reintroduction of advance tax on cash withdrawals from non-filers is aimed at promoting tax compliance. While it may inconvenience non-filers, it also serves as an incentive for them to

become tax filers, contributing to the country's tax base. As taxpayers who fulfill our tax obligations, we view this as a step toward creating a more equitable and transparent tax system. However, this is also a dangerous slope, where citizens can move towards embracing a more cash-based economy and a decline in the use of formal banking channels.

The reduction in the standard rate of minimum tax on turnover for listed companies is a positive development. This reduction from 1.25% to 1% alleviates the tax burden on these companies and can potentially lead to improved services and offerings from the banking sector. As citizens, the gesture will be appreciated by measures that support the growth and profitability of businesses, ultimately benefitting the economy as a whole.

Furthermore, the proposed increase in the threshold of immunity on foreign remittances may not directly impact individual citizens. However, it aims to facilitate overseas Pakistanis, encouraging more remittances and contributing to the country's economic stability. It is crucial, however, to ensure that this provision is not misused, as it could undermine efforts to combat money laundering and tax evasion.

The new income tax regime for banking companies presents a mix of opportunities and concerns. While the reduced tax rates on specific advances and turnover for listed companies are positive, potential impacts on interest rates and the immunity on foreign remittances require careful consideration. Overall, we hope that these changes will foster a fair and prosperous environment for both banking companies and individual citizens, promoting economic growth and financial well-being for all.

An analysis of the new income tax regime for banking companies, categorized as good, bad, or neutral for the end taxpayers:

## The Sales Tax Evolution:

The sales tax provisions of the Federal Budget 2023-24 have several implications for various sectors. Analyzing them, and how these changes may impact businesses gives more perspective:

1. Production, transmission, and distribution of electricity: The restoration of the earlier definition, which excludes the transmission of electricity from sales tax, brings clarity to the taxation of this sector. It resolves the legal controversy regarding the federal government's right to tax electricity transmission. This change ensures consistency and facilitates smooth operations for electricity companies.
2. Tier-1 retailer: The exclusion of certain retailers, such as those operating in larger shops and jewelers, from the definition of Tier-1 retailer relieves them from the obligation of integrating their outlets with the FBR's real-time sales reporting system. This change reduces administrative burdens for these retailers and allows them to focus on their core business activities.
3. Penalty for non-compliance: The expansion of penalties to all persons required to affix tax stamps, banderoles, stickers, labels, or barcodes on taxable goods increases accountability and aims to deter non-compliance. This provision intends to curb the sale of counterfeit goods and ensure proper tax collection.



4. **Zero-rating and exemptions:** The budget introduces various changes to zero-rating and exemptions. For example, the extension of zero-rating to additional items under the PCT heading 9017.2000, such as "other drawing, marking out, or mathematical calculating instruments," benefits businesses involved in their manufacturing and supply chains. Additionally, the withdrawal of exemptions for certain goods under brand names/trademarks expands the tax base and increases revenue collection.
5. **Exemptions for specific goods:** The budget proposes new exemptions for goods like contraceptives, bovine semen, saplings, agricultural machinery, and software exports. These exemptions aim to support specific sectors and incentivize their growth. They can reduce the tax burden on businesses engaged in these activities and promote investment and development.
6. **Changes in rates:** The rate increase from 12% to 15% for textile and leather retailers may impact their profitability. It raises the cost of supplies and could affect their competitiveness in both the local and international markets. Similarly, the reduced rate of 1% for the pharma sector, with certain exceptions, supports the industry's growth by reducing the tax burden on specific drugs and APIs.

## New Sales Tax Provisions - Impact on Growth and Inflation:

### Explanation:

Production, transmission, and distribution of electricity:

- **Impact on Growth:** Positive - Clarity regarding taxation benefits the electricity sector, ensuring smoother operations.
- **Impact on Inflation:** Neutral - No direct impact on inflation.

### Tier-1 retailer:

- **Impact on Growth:** Positive - Exemption from integrating outlets with the FBR's system reduces administrative burdens.
- **Impact on Inflation:** Neutral - No direct impact on inflation.

### Penalty for non-compliance:

- **Impact on Growth:** Positive - Penalties discourage non-compliance and ensure proper tax collection.
- **Impact on Inflation:** Neutral - No direct impact on inflation.

### Zero-rating and exemptions:

- **Impact on Growth:** Mixed - The extension of zero-rating benefits some sectors, while the withdrawal of exemptions broadens the tax base.
- **Impact on Inflation:** Mixed - Changes in tax rates and exemptions can have indirect effects on prices, but the overall impact is uncertain.

## Exemptions for specific goods:

- **Impact on Growth:** Positive - Exemptions for specific goods can support their respective sectors and encourage investment.
- **Impact on Inflation:** Neutral - No direct impact on inflation.

## Changes in rates:

- **Impact on Growth:** Mixed - Rate increases for textile and leather retailers may impact their profitability, potentially affecting growth.
- **Impact on Inflation:** Mixed - Changes in tax rates can have indirect effects on prices, but the overall impact is uncertain.

Please note that the impacts mentioned above are based on general assessments and actual outcomes may vary depending on specific market dynamics and individual business circumstances.

The sales tax provisions of the Federal Budget 2023-24 aim to streamline taxation, broaden the tax base, and incentivize specific sectors. While some changes may provide relief or promote growth, others could impact profitability and competitiveness. It is crucial for businesses to carefully assess the impact of these provisions and adapt their strategies to navigate the evolving tax landscape effectively.

## The Federal Excise Duty (FED) and the Proposed Changes - Impact Analysis

The Federal Budget 2023-24 introduces changes to the Federal Excise Duty (FED) with the aim of streamlining its chargeability and expanding its scope. The impact of these changes has been examined below:

### Clarification of Chargeability:

**Impact:** The proposed addition of a new clause to further elaborate the chargeability of FED on goods and services aims to provide clarity. However, the wording of the clause may inadvertently create ambiguity and potential litigation. If interpreted broadly, it could result in FED being imposed on the supply of excisable items even by distributors, dealers, or retailers. This unintended consequence could have a negative impact by increasing compliance costs and creating uncertainty for businesses. The Federal Government should reconsider this amendment to avoid potential complications.

### Publication of Rules and Instructions:

**Impact:** The proposal to align the publication procedure of FED Rules, general orders, departmental instructions, and rulings with the Sales Tax Act is a procedural change. It aims to ensure transparency and accessibility of these documents by making them available for sale to the public at a reasonable price or on the official website of the Federal Board of Revenue (FBR). This change promotes ease of access to relevant information and fosters transparency in tax administration.



14<sup>th</sup> August  
Independence Day of  
Pakistan







## Dutiable Goods:

**Impact:** The introduction of FED on certain energy-inefficient appliances and incandescent bulbs aims to discourage their use and promote energy conservation. By imposing a duty on imported and locally manufactured energy-inefficient fans and incandescent bulbs, the government seeks to incentivize the adoption of more energy-efficient alternatives. This change aligns with environmental objectives and can contribute to reducing energy consumption and greenhouse gas emissions.

## Excisable Services:

**Impact:** The extension of the scope of FED to include franchise services, royalties, and fees for technical services at a rate of 10% aims to broaden the tax base and increase revenue collection. This change brings these services under the purview of the FED, similar to other taxable services. It may have a positive impact on revenue generation for the government but could potentially increase costs for businesses availing of these services.

The changes to the Federal Excise Duty in the Federal Budget 2023-24 seek to streamline its chargeability, promote energy conservation, and broaden the tax base. While some changes aim to provide clarity and improve tax administration procedures, there is a need to ensure that amendments are carefully crafted to avoid unintended consequences and potential litigation. The impact on businesses will depend on their specific operations and compliance requirements in relation to the revised FED provisions.

## Impact of FED Provisions on the Economy and Taxpayers:

| Aspect                           | Positive Impact   | Negative Impact   |
|----------------------------------|---|---|
| Encouraging Energy Efficiency    | - Discourages the use of energy-inefficient fans and incandescent bulbs | - Potential increase in prices for consumers relying on energy-inefficient appliances.<br>- Without technology upgradation at the industry level, this can create multiple layers of suppliers and consumers. |
| Broadening the Tax Base          | - Captures revenue from additional sectors                              | - Potential burden of additional costs passed on to taxpayers   |
| Transparent Publication of Rules | - Promotes transparency and accessibility of FED-related information    | - Ambiguity in chargeability may lead to confusion and disputes   |
| Ambiguity in Chargeability       | - N/A   | - Potential for protracted litigations and inconsistent application of the law  |
| Potential Burden on Taxpayers    | - N/A   | - Decreased purchasing power and impact on household budgets  |
| Compliance Challenges            | - N/A   | - Difficulties in determining FED liabilities and ensuring accurate calculations  |

**Note:** The table provides a comparative analysis of the positive and negative impacts of the FED provisions on the economy and taxpayers. The "N/A" indicates that the specific aspect does not have a direct positive or negative impact.

## Customs ACT

Analysis of Pakistan Customs Act's new provisions in the Federal Budget 2023-24. The Pakistan Customs Act plays a crucial role in regulating international trade and collecting revenue for the country. The Federal Budget 2023-24 introduces several amendments and suggestions to the Act to streamline customs services and enhance revenue generation. An analysis of the key provisions is as follows:



The Pakistan Customs logo has evolved from a Bird in the Sky to a Lion with Wings on the Ground, Sea and in the Air.

- Definition of Smuggling:** The proposed amendment to the definition of 'smuggle' aims to empower Customs authorities to conduct anti-smuggling operations anywhere within Pakistan's territorial jurisdiction. This change provides Customs officials with greater authority to combat smuggling activities effectively. It can positively impact revenue collection by curbing illegal trade and ensuring compliance with customs regulations.
- Assistance to Customs Officers:** The addition of 'Provincial Levies and Khasadar Force' to the list of government agencies required to assist Customs officers in Khyber Pakhtunkhwa and Balochistan further strengthens anti-smuggling operations. This collaboration enhances the enforcement capabilities of Customs and promotes inter-agency coordination, leading to improved border security and revenue protection.
- Power to Exempt Goods:** The proposal to extend the powers of the Federal Government to grant exemptions for implementing agreements aims to facilitate trade and investment. By providing flexibility in customs duties, the government can incentivize specific industries and attract foreign investment. This measure can stimulate economic growth and promote international cooperation.
- Validation of Notifications:** Extending the validity of exemption notifications issued after July 1, 2016, until June 30, 2024, provides clarity and certainty to businesses. This amendment ensures that previously issued notifications remain valid, reducing ambiguity and potential disputes. It promotes stability in the business environment and encourages compliance with customs regulations.
- Power to Determine Customs Value:** The proposed amendment to align the Director of Customs Valuation's powers with the 'World Trade Organization Valuation Agreement' enhances consistency and transparency in customs valuation practices. By consulting internationally recognized sources for valuation purposes, customs officers can determine the customs value of goods accurately. This change promotes fairness in trade and reduces the risk of undervaluation or overvaluation.
- Filing of Goods Declaration:** Requiring the owner of imported goods to file the Goods Declaration within three days of arrival at the border customs station aims to expedite clearance processes and reduce congestion. This change improves operational efficiency and facilitates trade by streamlining customs procedures.



7. **Penalties:** The proposed abolition of penalties for non-placement of invoices/packing lists inside import containers and the restriction of penalties for failure to attach mandatory documents to Goods Declarations can provide relief to traders. Reducing penalties can encourage compliance and reduce the burden on businesses, especially for minor infractions. However, strict penalties for offenses related to smuggling, contravention of import/export restrictions, and dealing with smuggled goods ensure deterrence and protect revenue.
8. **Amendments to Duty Structure:** Rationalizing customs duties on specific goods, such as liquid paraffin, ultramarine, industrial fatty alcohols, and various others, aims to align duty rates with industry requirements and trade dynamics. These adjustments in the duty structure can have a mixed impact on revenue generation and trade competitiveness, depending on the specific industries affected.
9. **Exemptions and Reductions in Duty:** The proposed exemptions and reductions in customs duty for industries related to renewable energy, pharmaceuticals, and other sectors aim to incentivize domestic production, promote investment, and ensure the availability of essential goods. These measures support industrial growth and contribute to self-sufficiency in critical sectors.
10. **Advance Ruling:** The withdrawal of the option to seek advance rulings on matters involving the interpretation of statutes aligns with the Federal Board of Revenue's domain. This change ensures that matters of legal interpretation remain within the purview of the relevant authorities, maintaining clarity and consistency in decision-making.
2. **Enhanced Transparency and Clarity:** The amendments related to the definition of 'smuggle,' power to determine customs value, and validation of notifications bring greater transparency and clarity to customs regulations. Clear and well-defined rules and procedures build trust among businesses, as they know what to expect and can plan their operations accordingly. This clarity fosters confidence in the fairness and predictability of customs practices.
3. **Incentives for Domestic Industries:** The proposed exemptions and reductions in customs duty for various industries, including renewable energy, pharmaceuticals, and others, can stimulate domestic production and attract investment. These measures encourage business growth, job creation, and technological advancements. They signal the government's support for key sectors, instilling confidence in investors and entrepreneurs to expand their operations and contribute to the country's economic development.
4. **Inter-Agency Collaboration:** The inclusion of Provincial Levies and Khasadar Force in assisting Customs officers with anti-smuggling operations promotes inter-agency coordination and strengthens border security. Such collaboration ensures effective enforcement of customs regulations and protection against illicit trade. It signals the government's commitment to maintaining a secure business environment and enhancing confidence in trade activities.
5. **Clarity in Penalties and Compliance:** The changes in penalties, such as abolishing penalties for minor infractions and introducing minimum thresholds for more significant offenses, bring fairness and proportionality to the penalty system. Clear guidelines on penalties help businesses understand the consequences of non-compliance and ensure a level playing field. This clarity fosters confidence in the system's integrity and encourages voluntary compliance.

The amendments in the Pakistan Customs Act in the Federal Budget 2023-24 aim to enhance customs services, streamline procedures, and promote revenue generation. These changes seek to strike a balance between facilitating trade, protecting revenue, and ensuring compliance with customs regulations. It is important for the government to monitor the implementation of these proposals and assess their impact on revenue collection, trade facilitation, and overall economic growth.

## Impact of the New Customs Act Provisions on Business Dynamism and Community Confidence:

The proposed suggestions and amendments in the Pakistan Customs Act can have a significant impact on business dynamism and confidence in the country. Here's how these changes can influence the business environment:

1. **Streamlined Customs Procedures:** The amendments aiming to expedite customs clearance processes, such as the filing of Goods Declaration within a specified time frame, can reduce delays and congestion at border customs stations. This streamlined process enhances business efficiency and facilitates smoother trade operations. It instills confidence in businesses by minimizing unnecessary bureaucratic hurdles and promoting a more business-friendly environment.
6. **Trade Facilitation and Competitiveness:** The amendments that rationalize customs duties and provide exemptions for certain goods aim to promote trade facilitation and competitiveness. By reducing duty burdens on critical sectors and encouraging domestic production, these measures enhance the competitiveness of local businesses. This can attract foreign investment, boost exports, and contribute to overall economic growth, instilling confidence in the country's business potential.
7. **Ease of Doing Business:** Simplified customs procedures and reduced bureaucratic red tape contribute to improved ease of doing business. When businesses encounter fewer obstacles and experience smoother processes at the customs level, it enhances their overall perception of the business climate. This, in turn, boosts confidence and encourages both local and foreign businesses to invest, expand operations, and engage in cross-border trade.
8. **Clarity in Valuation and Classification:** The amendments related to the determination of customs value and harmonizing them with international standards provide businesses with more

clarity on how their goods will be valued. This transparency reduces the risk of arbitrary valuations and disputes, giving businesses greater certainty in their customs obligations. Similarly, having well-defined classifications for goods ensures consistency in tariff rates, enabling businesses to accurately assess costs and plan their import/export strategies.

9. **Trade Compliance and Anti-Smuggling Measures:** The expansion of the definition of "smuggle" and the inclusion of provincial levies and security forces in assisting customs officers strengthen anti-smuggling efforts. This sends a clear message that the government is committed to combating illegal trade activities. By curbing smuggling, businesses can operate on a level playing field, ensuring fair competition and protecting legitimate market participants. Strengthened compliance measures enhance business confidence in the integrity and security of trade operations.
10. **Investment and Market Access:** The proposed exemptions and reduced customs duties for specific industries and goods can attract foreign direct investment (FDI) and foster market access opportunities. Lower import duties on raw materials and machinery incentivize businesses to invest in local production, creating employment opportunities and boosting economic growth. Additionally, reduced duties on specific goods can improve affordability and accessibility, stimulating consumer demand and expanding market opportunities for businesses.
11. **Predictability and Stability:** The proposed amendments, such as extending the validity of exemption notifications and aligning regulations with international standards, contribute to a more predictable and stable customs framework. Businesses thrive in environments where rules and regulations remain consistent over time. This predictability allows companies to make long-term investment decisions, plan their supply chains, and allocate resources with confidence, leading to increased business dynamism and economic stability.
12. **Collaboration and Stakeholder Engagement:** The amendments and proposals indicate the government's willingness to engage with stakeholders, including businesses and industry associations, to understand their needs and address concerns. By actively seeking feedback and considering industry perspectives, the government demonstrates a commitment to inclusive policy-making and fostering an environment conducive to business growth. This collaborative approach fosters trust and confidence among businesses, as they feel heard and supported by the government.

The proposed amendments in the Pakistan Customs Act can positively impact business dynamism and confidence in the country. Streamlined procedures, enhanced transparency, incentives for domestic industries, inter-agency collaboration, clarity in penalties, and trade facilitation measures contribute to a conducive business environment. These changes foster confidence among businesses, attract investment, and promote economic growth, ultimately positioning Pakistan as an attractive destination for trade and commerce.

## Sector-wise Impact of the New Customs Act Provisions:

| Sector                               | Changes   | Benefits  | Impact on Economy   |
|--------------------------------------|---|---|---|
| Renewable Energy Sector              | Exemption of customs duties on machinery, equipment, and inputs             | <ul style="list-style-type: none"> <li>- Encourages investment and local production in renewable energy</li> <li>- Stimulates development of renewable energy projects</li> <li>- Supports the transition towards clean energy sources</li> </ul> | <ul style="list-style-type: none"> <li>- Reduces reliance on fossil fuels</li> <li>- Promotes sustainable energy generation</li> <li>- Attracts investment in the renewable energy sector</li> <li>- Contributes to environmental sustainability</li> <li>- Enhances energy security</li> </ul> |
| Manufacturing Sector                 | Reduction in customs duties on specific raw materials and inputs            | <ul style="list-style-type: none"> <li>- Lowers production costs</li> <li>- Enhances competitiveness of domestic industries</li> <li>- Stimulates growth in manufacturing</li> <li>- Promotes local production</li> </ul>                         | <ul style="list-style-type: none"> <li>- Boosts domestic manufacturing</li> <li>- Supports job creation</li> <li>- Strengthens industrial base</li> <li>- Increases export potential</li> <li>- Contributes to economic growth and self-reliance</li> </ul>                                     |
| Healthcare and Pharmaceutical Sector | Exemption of customs duties on certain drugs, APIs, and medical equipment   | <ul style="list-style-type: none"> <li>- Improves access to affordable healthcare products</li> <li>- Supports local pharmaceutical industry</li> <li>- Enhances healthcare infrastructure</li> </ul>   | <ul style="list-style-type: none"> <li>- Enhances affordability and availability of medicines</li> <li>- Stimulates pharmaceutical industry growth</li> <li>- Strengthens healthcare services</li> <li>- Improves public health outcomes</li> </ul>   |
| Electric Vehicle Industry            | Amendments aligning with the Auto Industry Development and Export           | <ul style="list-style-type: none"> <li>- Supports the development of the electric vehicle industry</li> <li>- Encourages investment and technology transfer</li> <li>- Promotes adoption of electric vehicles</li> </ul>                          | <ul style="list-style-type: none"> <li>- Promotes sustainable transportation</li> <li>- Reduces carbon emissions</li> <li>- Fosters technological advancements</li> <li>- Supports job creation in the electric vehicle industry</li> </ul>   |
| Agriculture Sector                   | Reduction in customs duties on specific agricultural machinery              | <ul style="list-style-type: none"> <li>- Promotes modernization and mechanization in agriculture</li> <li>- Improves farm productivity</li> <li>- Reduces post-harvest losses</li> <li>- Enhances operational efficiency</li> </ul>               | <ul style="list-style-type: none"> <li>- Enhances agricultural output</li> <li>- Improves farmers' income</li> <li>- Supports food security</li> <li>- Increases competitiveness in the agriculture sector</li> </ul>   |
| Textile and Leather Sector           | Reduced rate of customs duty on finished fabric and textile                 | <ul style="list-style-type: none"> <li>- Enhances competitiveness of the sector</li> <li>- Reduces production costs</li> <li>- Enables offering products at competitive prices</li> <li>- Boosts export potential</li> </ul>                      | <ul style="list-style-type: none"> <li>- Drives growth in textile and leather industries</li> <li>- Increases export earnings</li> <li>- Supports employment generation</li> <li>- Strengthens the textile sector's contribution to the economy</li> </ul>                                      |
| Consumer Goods Sector                | Reduction in customs duties on energy-efficient fans and incandescent bulbs | <ul style="list-style-type: none"> <li>- Lowers prices for consumers</li> <li>- Promotes energy-efficient appliances</li> </ul>   | <ul style="list-style-type: none"> <li>- Increases affordability of consumer goods</li> <li>- Encourages adoption of energy-efficient products</li> <li>- Stimulates consumer spending</li> </ul>   |

These changes and benefits are expected to have a positive impact on the economy by promoting investment, boosting local industries, creating employment opportunities, enhancing exports, improving energy efficiency, supporting sustainable development, and improving overall economic growth and self-reliance. The sectors mentioned above are likely to experience growth, increased productivity, and improved competitiveness, contributing to a more dynamic and confident business environment in the country. Additionally, these changes align with the government's objectives of economic diversification, sustainability, and inclusive growth.

## How the Various Sectors Are Reacting to the Budget 2023-24:

The budget for the fiscal year 2023-24 in Pakistan has sparked varied reactions from different sectors of the economy. While some sectors are appreciative of the government's initiatives and allocations, others express concerns and disappointment.

The industrial sector welcomes the reduction in customs duties, which is expected to boost industrial growth and attract investments. The agricultural sector applauds the exemptions on customs duties for vital inputs, aiming to enhance agricultural productivity and food security. The IT sector celebrates the tax exemptions on IT equipment imports, supporting the growth of the industry. However, the textile sector raises concerns about inadequate taxation of undocumented real estate and trade sectors. The financial and investment experts express concerns about the lack of structural reforms and the challenges in meeting IMF requirements. Overall, the budget's impact on different sectors highlights a mix of positive and negative sentiments, reflecting the diverse perspectives and expectations within the business community.



## Doing Business at the Capital: Embracing Change and Enhancing Opportunities

Doing business in the capital, Islamabad will be different as a result of the provisions outlined in the Federal Budget 2023. These changes aim to create a more favorable business environment and promote economic growth. Here are some ways in which doing business in Islamabad may be impacted:

- **Ease of Doing Business for Freelancers:** Granting the status of cottage industry to freelance exporters dealing in IT and IT-enabled services eliminates the requirement for registration, sales tax invoicing, and filing tax returns. This simplifies the process for freelance professionals and reduces administrative burdens, making it easier for them to operate and contribute to the digital economy. It promotes a freelance-friendly ecosystem and encourages more individuals to engage in freelance work.
- **Lower Sales Tax for Restaurants:** The reduced sales tax rate on services provided by restaurants, cafes, and food parlors incentivizes dining out by making it more affordable for customers. This reduction from 15% to 5 % applies when payments are made through electronic means, such as debit/credit cards or mobile wallets. It promotes transparency and convenience in transactions, contributing to a more seamless dining experience. This change may attract more customers to restaurants and stimulate growth in the food service industry.
- **Support for IT and Software Development Services:** The reduction in the sales tax rate for software or IT-based system development consultants and the inclusion of IT and IT-enabled services in a lower tax bracket aim to support the growth of the IT industry in Islamabad. This can make IT services more cost-effective for businesses, encouraging their adoption and attracting investment in the sector. It creates opportunities for IT businesses to thrive, innovate, and contribute to the digital transformation of the capital.
- **Clarification of Tax Treatment for Electric Power Transmission Services:** The proposed tax classification of electric power transmission services as services rather than goods under the sales tax ordinance brings clarity to the tax regime. This ensures consistency in the treatment of these services and aligns with their nature. It may impact the operational and financial aspects of power transmission service providers, who will now be subject to sales tax under the appropriate category.

The changes aim to create a more business-friendly environment in Islamabad. The measures introduced in the budget promote the growth of key sectors, reduce administrative burdens, provide tax incentives, and encourage digital transactions. By facilitating the operations of freelancers, supporting the restaurant and IT sectors, and ensuring clarity in tax treatments, the business landscape in Islamabad is expected to become more conducive to entrepreneurship, investment, and economic development.

## Enhancing Competitiveness and Improving Country's Attractiveness, The FIPPA Impact:

The provisions outlined in the Federal Budget 2023 regarding the Foreign Investment (Promotion and Protection) Act, 2022 (FIPPA) have the potential to significantly impact the investment climate in Pakistan, fostering a more conducive environment for both domestic and foreign investors. Here is a more in-depth analysis of the potential impact in enhancing competitiveness and the country's attraction for potential investors:

1. **Investor Confidence:** The passage of FIPPA and the incorporation of its provisions in fiscal laws send a strong signal to investors that Pakistan is committed to providing a stable and secure investment climate. The legal protection and guarantees offered under FIPPA, coupled with the alignment of fiscal laws, instill confidence in investors by assuring them of the continuity and stability of the regulatory framework.
2. **Attraction of Large-Scale Investments:** By empowering the Federal Government to designate investments, sectors, industries, or projects as "Qualified Investments," FIPPA provides a clear framework for identifying priority areas for investment. This designation signals the government's commitment to support and incentivize investments in these sectors, creating a favorable investment climate for large-scale projects. The threshold for qualifying as a "Qualified Investment" is set at a substantial amount, further emphasizing the focus on attracting significant capital inflows.
3. **Investment Incentives and Exemptions:** FIPPA's definition of "Investment Incentives" includes exemptions, reductions, and concessions in various federal, provincial, and local duties, charges, taxes, levies, fees, and cesses. These incentives serve as powerful tools to attract investors by reducing the financial burden and improving the competitiveness of investments. The incorporation of these incentives into fiscal laws ensures their enforceability and simplifies the process for investors to avail themselves of these benefits.
4. **Legislative Protection:** The concept of "Protected Benefits" provided under FIPPA offers additional legal protection to qualified investments. This provision ensures that any legislated amendments that adversely affect the benefits granted to investors cannot be made. By safeguarding the interests of investors, Pakistan aims to foster trust and long-term commitment from both domestic and foreign investors.
5. **Streamlined Implementation:** The alignment of fiscal laws, such as the Income Tax Ordinance, Sales Tax Act, Federal Excise Act, and Customs Act, with FIPPA, streamlines the implementation of investment incentives. By incorporating these concessions into the existing fiscal laws, the government aims to simplify administrative processes and eliminate any potential hurdles that investors may face when availing themselves of the benefits. This streamlining enhances transparency and reduces the burden on investors, making the investment process smoother and more efficient.

The Original Article By Amir Jahangir was Published in the Narratives Magazine

# Argentina's Peso shakes hands with Pakistani Rupee: Russian Ruble crashes

*In July 2023, the IMF approved another \$7.5 billion package for Argentina. Nonetheless, this support could not avert economic erosion in Argentina. It is evident from over depreciation of the Peso by 100 percent against the US dollar a year's time.*

By Javed Mahmood

Argentina's Peso has crashed in a year against the US dollar and other major currencies. This has happened despite the approval of a bailout package of \$7.5 billion by the IMF in July 2023. On Aug 10, 2023, the US dollar-Peso exchange rate expanded to 286, from 134 a year ago (on Aug 10, 2022). It shows the Argentinian currency has depreciated more than 100 percent in value against the US dollar in a year. In December 2022, Argentina won the FIFA World Cup after a thrilling final match against France. This breakthrough, nonetheless, could not curb the depreciation of the Peso. In the black market, Argentinians are offering up to 325 Pesos for one US dollar these days.

Details gathered by The Truth International revealed that the economy of Argentina has been collapsing steadily since Aug 2021. In March 2022, the IMF board approved a \$44 billion package for Argentina, but this intervention too ended in failure. In July 2023, the IMF approved another \$7.5 billion package for Argentina. Nonetheless, this support could not avert economic erosion in Argentina. It is evident from over depreciation of the Peso by 100 percent against the US dollar a year's time.

Meanwhile, inflation in Argentina too inflated to a record 147 percent in 2023. Interestingly, Pakistan is also facing a similar situation in recent months. For example, the value of Pakistani currency has dropped to 270 rupees in the inter-bank and 276 in the open market trading in March 2023.

A year earlier, the dollar-rupee exchange was fluctuating below 170 in the inter-bank and 175 in open market trading. Thus, the economic scenario of Pakistan and Argentina appears the same. The Argentina Republic is the largest Spanish country in South America. In size, it is the second largest country in this region as Brazil is the largest country in South America. The World



Bank estimated a 45.38 million population of Argentina in 2020. The GDP of the country was around \$383 billion in 2020 at that time. Buenos Aires is the capital city of Argentina.

## Argentina obtains a \$7.5 billion bailout package from IMF

Meanwhile, Argentina obtained a \$7.5 billion bailout package from the IMF to avert default. After Sri Lanka and Pakistan, Argentina is the third country to receive a bailout package from the IMF in default-like situation. The IMF issued the following statement today following conclusions of discussions on the combined fifth and sixth reviews of the EFF arrangement for Argentina.

"The Argentine authorities and IMF staff reached a staff-level agreement on a policy package and updated macroeconomic framework to complete the combined fifth and sixth reviews under Argentina's 30-month EFF arrangement. This agreement is subject to the continued

implementation of agreed policy actions and approval by the IMF Executive Board. Completion of the fifth and sixth reviews will give Argentina access to about US\$7.5 billion.

## Russian ruble crashes in a year due to war with Ukraine

Meanwhile, the Russian ruble has crashed in a year due to an unending war with Ukraine and the US-led Western sanctions. By Aug 10, 2023, the Russian ruble experienced a further decline and hit the lowest level since March 2022. The value of the Russian currency fell to 97 against the US dollar on Thursday. Over a year-long war with Ukraine and subsequent Western sanctions have undermined the value of the Russian ruble. According to experts, the ruble has been characterized by significant volatility due to the West's sanctions targeting Russia's foreign currency reserves and crucial energy exports, in response to Russia's invasion of Ukraine.

Following the invasion, the ruble plummet-



ed beyond 100 against the dollar. However, strict capital controls, surging energy prices, and a decline in Russian imports propelled the currency to become the best-performing currency globally throughout much of 2022. Unfortunately, Europe's cessation of Russian oil and gas purchases and measures such as the G7's oil price cap have once again exerted pressure on the ruble in the last six months. In 2023 alone, the ruble has already lost 25% of its value. As trading gained momentum on Thursday, the currency is hovering around 93 against the U.S. dollar. Experts believe that the fact that the Kremlin and Prigozhin reached some sort of agreement to suppress the coup attempt helped avert a severe crisis in both Russian and global markets.

Kathleen Brooks, a director at Minerva Analysis, stated that if the situation had escalated and there was a threat of civil war in Russia, it would have caused significant havoc in financial markets. Developments in Russia and Ukraine have a substantial impact on global commodity prices, including crude oil and grains, as both countries are vital agricultural exporters.

Russian analysts anticipate increased volatility in the coming days as traders and investors remain cautious. Igor Galaktionov, an expert at Moscow-based brokerage BCS Express, mentioned that although tensions eased towards the end of the weekend, the emotional impact may persist for some time, which could pressure the stock market. The apprehension that



something unexpected could occur at any moment may discourage a certain category of investors from making purchases.

In the month of June 2023, the Russian ruble has gained further value against the US dollar on Monday, edging up to 57 from a week's earlier rate of 61. In last few days, the Russian ruble has emerged as the world's strongest currency. Russia invaded Ukraine on Feb 28 and in the first week of March, the Russian ruble crashed to 128 against the US dollar in the backdrop of economic sanctions imposed by the United States and some European countries.

However, the strategic strike of Russian President Vladimir Putin gave strong

support to the ruble and it surged to 57 June 20, showing further improvement in its value. In fact, the Russian President has linked gas payment with the Russian currency, which led to a rapid recovery in the value of ruble. Since March 2022, Russian ruble has emerged as the best-performing currency in 2022, despite wide-ranging sanctions imposed for its invasion of Ukraine. It is nearly 30% higher against the US dollar, as of May 23, for the year. How did the Russian currency make a dramatic recovery from its record low of 143 rubles to the dollar on March 7?

The rally, experts say, is the result of capital controls imposed by Moscow in the wake of Western sanctions. While the ruble may look promising on paper, in reality, many money changers have stopped dealing in the currency because of the extreme volatility in its exchange rate due to low trade volumes.

Late in March, Russia insisted that European Union countries that purchase natural gas from Russia to make payment in rubles, rather than in dollars or euros. This was when the ruble was down 40% from pre-war levels, offering a good deal for buyers, which ultimately gave a new life to falling ruble in the international markets.

As the Russia-Ukraine war has prolonged for since Feb 2022, the depreciation of Russian currency demonstrates the negative impact of the war that is still going on amid half-hearted efforts to end this conflict.





# Pakistan wants to conserve energy and save money. Will it succeed?

*The Pakistan government has ordered markets to close early and mandated use of efficient appliances as part of a plan to save energy generated through imported fossil fuels. But major challenges stand in the way of implementation*



By Qamar-uz-Zaman, Atika Rehman

Pakistan announced last week that from 1st July, commercial centres and markets must close at 8pm, as part of a government-led national plan to save energy.

Officially titled the 'Strategic Plan' by the country's National Energy Efficiency and Conservation Authority (NEECA), established under the Ministry of Energy, the policy was first discussed in mid-2022. It was then approved by senior ministers in December 2022.

At that time, Pakistan's federal minister for climate change Sherry Rehman highlighted a reduction in fossil fuel use as a benefit of the plan, while the official policy brief also mentions an "associated benefit of reduction in GHG [greenhouse gas] emission to the tune of 35 MTCO<sub>2</sub>e [metric tonnes of carbon dioxide equivalent]".

But remarks from key government representatives and prime minister Shehbaz Sharif have indicated that the policy has one key objective: to spend less of the country's dwindling foreign exchange

reserves on imported fuel at a time when the Pakistan economy is on the verge of bankruptcy.

Ahsan Iqbal, Pakistan's minister for planning and development, whose ministry is spearheading the energy conservation policy, told The Third Pole: "Our current account deficit is growing. We have to save every single dollar and this plan is one solution."

## Pakistan's rising fuel bills

The Pakistan government's anxiety around energy costs stems from its increased spending on imported fuel. According to the government's annual economic survey, Pakistan's oil import bill increased by 95.9% to USD 17.03 billion for the period July 2021 to April 2022, compared to USD 8.69 billion for the corresponding period in the previous year. The survey attributed the staggering increase to "higher oil prices in the global market...[and] massive depreciation of the Pakistani rupee [which] is

making oil more expensive, triggering external sector pressure and widening the trade deficit of the country."

In May this year, inflation in Pakistan reached highs not seen since the 1950s. It is in this context of rising import bills, high domestic inflation and fears of economic collapse that the energy conservation plan has been introduced.

According to the plan's 'implementation roadmap', seen by The Third Pole:

- Markets and restaurants are to shutter at 8:30pm (given as 8pm in recent announcements), and wedding halls at 10pm, with projected savings of PKR 62 billion (USD 282 million\*)
- Petrol-run motorcycles are to be replaced with e-bikes, projected to save PKR 86 billion (USD 299 million) at 10% market share
- Insertion of conical 'baffles' into gas pipes of geysers in order to reduce gas consumption will be made mandatory within a year, with a project annual



saving of PKR 92 billion (USD 319 million)

- Inefficient fans are to be phased out, with projected savings of PKR 15 billion (USD 52 million)
- Streetlights are to be switched off on alternate days, saving PKR 4 billion (USD 13 million)
- Government buildings are to be powered with solar energy
- Energy efficiency is to be incorporated into building rules
- Water tariffs for rural and urban areas are to be reviewed
- Awareness campaigns on energy conservation are to be run on traditional and social media

\*Value calculated based on exchange rate on 12 June 2023

While the government has set the 1 July deadline for early market closures, timeframes for the remaining actions are yet to be made public.

“Pakistan can save up to 15% of energy under this plan and curtail its ballooning import bill,” Sardar Mohazzam, managing director of the NEECA, told The Third Pole.

“The government is serious about the plan and its implementation is in full swing,” Mohazzam added.

Mohazzam said that taking these steps ahead of Pakistan’s peak electricity demand in the summer months – which typically more than doubles to 29,000 MW in the summer months compared to 12,000 MW in winter, largely due to use of fans in the heat – will have a “substantial impact”.

But as the government sets out its stall on energy conservation, questions of implementation and market resistance persist, while experts question what the government is doing to end Pakistan’s long-term reliance on fossil fuels.

## Getting Pakistan’s provinces on board

Though Pakistan’s energy efficiency plan was first announced six months ago, no

clear deadline was issued for actions to be enforced, and implementation has been a major challenge for the federal government. For instance, from the policy’s announcement to date, markets have remained open as per normal timings. The government’s recent announcement of the 1 July deadline, in a press conference, indicates that the policy measures announced six months earlier remain on paper only.

Pakistan’s defence minister Khawaja Asif told The Third Pole that the delay between the initial policy announcement and that of the July deadline was due to the challenge of getting all the provincial governments on

is still ongoing, with the incumbent government and Khan’s party at loggerheads.

When asked how the central government will get provincial governments on board with the energy conservation plan, minister Ahsan Iqbal replied: “It is for this reason that we have taken the cabinet’s decision [on the energy plan] to the National Economic Council. The Council also includes the chief ministers of the provinces so now they are a party to the decision.”

“None of us can afford to continue down this path anymore. We have the buy-in of the provinces, and hope they take a step in the right direction,” he added.



board with the energy conservation plan. “We had a policy, and a particularly comprehensive one when it comes to power, but some provinces were not on board and actually mocked the policy,” he said.

Since the 2010 passage of the 18th Amendment to Pakistan’s constitution, significant powers, including legislative and financial autonomy, have been devolved from the central government to the provinces.

“We suggested implementation [of the energy conservation policy] last year, when Pervez Elahi was chief minister [of Punjab province]. But there was huge resistance in Punjab,” said Asif.

Pervez Elahi is an ally of former prime minister Imran Khan’s party. A political crisis in Pakistan, which was triggered in April 2022 with the ousting of Imran Khan,

## Criticism and resistance to the energy conservation plan

Sardar Mohazzam of the NEECA explained to The Third Pole that asking people to change their behaviour remains a challenge. Commercial markets in Pakistan often open late in the day and remain open late into the evening, making the government’s decision to mandate 8pm closures a bitter pill for traders to swallow.

“Implementation of such measures requires careful analysis of the current political economy and social circumstances,” said Mohazzam.

Atiq Mir, chairman of the All Karachi Traders Alliance (All Karachi Tajir

Ittehad), said that early market closures is a “flawed approach”. “We will not accept proposals that are detrimental to traders and shopkeepers,” said Mir. When The Third Pole contacted Mir in May 2023, he had said the measure had thus far not been implemented in the port city “due to their stiff resistance”.

Afia Malik, a senior researcher at the Pakistan Institute of Development Economics, said that while Pakistan’s energy conservation plan is promising, there have been many others over the past two decades. “The real question has always been the implementation of plans,” she said.



## Not Pakistan’s first energy conservation policy

Malik argued that the government should address the major issue of circular debt in Pakistan’s power sector, which she put at USD 15 billion. This refers to the recurring problem of unpaid electricity bills and inefficiencies in the energy sector, involving a cycle whereby power generation companies face payment delays, leading to a shortage of funds for fuel purchase and maintenance, and ultimately hindering power supply and exacerbating the debt issue.

Malik also noted that the amount of energy used by each person in Pakistan is not high compared to other countries.

The plan has the right contours and right intentions in place, but there is a question mark on implementation.

## Saadia Qayyum, Energy specialist

Shaheera Tahir, a researcher at Islamabad-based think tank the Policy Research Institute for Equitable Development (PRIED), said that while the government’s focus on energy conservation and efficiency is promising, the plan was not introduced proactively but “when the crisis had already hit”.

“The plan sets a target of saving 3 million tonnes of oil equivalent [a unit that quantifies the amount of energy released when one tonne of crude oil is burned] by 2025.

However, with the current pace of work, the timely completion of the targets looks difficult,” Tahir said. Tahir added that campaigns designed to effect behavioural change appear promising, but that the efficient generation of electricity is overlooked in current plans.

“Coal is not discussed at all for its adverse impacts on the environment and on communities. Despite the low efficiency of Thar coal [extracted in Pakistan’s Thar region], we see new power plants being inaugurated,” Tahir said.

Energy specialist Saadia Qayyum expressed scepticism about the implementation of the energy conservation plan. “The plan has the right contours and right intentions in place, but there is a question mark on implementation: how are the authorities going to replace the fans or get the building codes implemented?”

“There is a lack of capacity in the institutions,” she said. “We are quite late in terms of realizing energy efficiency is important.”

## It’s now or never for energy plan, says Pakistan government

When asked to respond to questions over implementation of the energy conservation plan, minister Ahsan Iqbal said it is one component of a bigger strategy.

“When you are bleeding, you need emergency treatment as well as long-term therapy. They are not mutually exclusive. We need a quick fix to stabilise the haemorrhaging of our economy, and that is the reason for this plan,” Iqbal said.

“This plan is different [from previous ones] because the pressure is on. The dollar challenge is a very strong imperative. If we do not change energy usage and consumption, it will be a disaster.”

Questioned on use of coal in energy production, Iqbal said: “We will not invest in imported coal, and will only use indigenous coal.”

## What the hell is clean coal?

When The Third Pole raised the issue of locally produced coal, particularly lignite, being highly polluting, Iqbal responded: “We are using ultra supercritical technology in these coal plants, so they have lower emissions. We are doing clean coal, as the technology has changed. The new generation of coal plants is clean. We will use this energy as a base load, and add solar and wind power to this as well.”

When asked to put the minister’s ‘clean coal’ comment into perspective, environmental lawyer Ahmad Rafay Alam said: “What the hell is clean coal? It’s like saying light cigarettes are healthy! There is nothing clean about this coal. The Centre of Research for Energy and Clean Air did a study in 2020 that said up to 30,000 people would prematurely lose their lives on account of air pollution emanating from Thar’s coal plants. Consuming coal just because we [Pakistan] have it isn’t a good enough argument. We have plenty of renewables like sun and solar too – renewables which are cheaper than other forms of electricity produced in Pakistan.”

Courtesy [www.thethirdpole.net](http://www.thethirdpole.net)



# Playing Devil's Advocate

By Umer Farooq

It is no mere coincidence that the seasoned Indian statesman, Atal Bihari Vajpayee, held the position of Prime Minister of India during significant junctures when the two nuclear-armed adversaries embarked on a comprehensive dialogue process between 1999 and 2004. In 1999, Prime Minister Nawaz Sharif was at the helm in Pakistan when he extended a warm reception to his Indian counterpart, Atal Bihari Vajpayee, in Lahore. The Indian side views the events of 1999 as a proactive step, wherein Prime Minister Vajpayee's historic bus journey to Lahore symbolized India's peaceful intentions toward its western neighbour, Pakistan. This landmark event, commonly referred to as the Lahore Process or Lahore Summit, saw Pakistani Prime Minister Nawaz Sharif welcoming Atal Bihari Vajpayee at the Wagah Border. This meeting led to the implementation of several Confidence Building Measures and initiated a composite dialogue process, all stemming from the mutual agreement between the two leaders.

In 2004, Pakistan was under a military administration, with General Pervez Musharraf in charge. During this period, Prime Minister Atal Bihari Vajpayee was received by General Musharraf in Islamabad, where Vajpayee had arrived to participate in the SAARC Summit. The direct talks between Prime Minister Vajpayee and General Musharraf took place during the 12th SAARC summit in Islamabad in January. Subsequently, the foreign secretaries of the two countries met later that year. This marked the commencement of the Composite Dialogue Process, involving bilateral meetings between officials at various echelons of government. These interactions encompassed discussions between foreign ministers, foreign secretaries, military officers, border security officials, anti-narcotics authorities, and nuclear experts. Positive developments were evident in these diplomatic efforts, signifying an overall improvement in relations between the two nations.



However, the year 2008 marked the culmination of the positive momentum in Pak-India relations. During the period spanning from 2004 to 2008, notable strides were made in the interactions between the two nations. Multiple Confidence Building Measures were implemented, and even bus services were established to foster connectivity. Notably, the leadership had transitioned from Musharraf to Indian Prime Minister Manmohan Singh, succeeding Atal Bihari Vajpayee. Under this new leadership, collaborative efforts were undertaken, including the initiation of a joint counter-terrorism mechanism between the two countries, indicating a cooperative approach.

In the early months of 2008, India also joined forces with Turkmenistan, Afghanistan, and Pakistan to endorse a significant \$7.6 billion gas pipeline project. This endeavour demonstrated a shared vision for regional development and cooperation. Additionally, both nations displayed their commitment to addressing the long-standing Kashmir issue by agreeing to specific Confidence Building Measures tailored to the situation in Kashmir. One noteworthy development was the approval of a triple-entry permit facility, showcasing a proactive effort to enhance people-to-people contact.

The cordial atmosphere persisted, even with the change in leadership dynamics, as Pakistani President Asif Ali Zardari engaged amicably with Indian Prime Minister Manmohan Singh. This ongoing dialogue culminated in a

pivotal announcement in September 2008, when the two leaders formally declared the opening of multiple trade routes between the two countries. These trade routes served as a tangible embodiment of their commitment to enhancing economic ties and facilitating cross-border interactions.

However, despite these significant advancements during this period, the subsequent years witnessed a shift in the trajectory of Pak-India relations, marking 2008 as the culmination of a phase characterized by positive developments and diplomatic progress.

Nonetheless, the landscape of Pak-India relations took a jarring turn due to two significant developments that shattered the previously cordial atmosphere. In July, a bomb attack on the Indian embassy in Kabul resulted in a tragic loss of 58 lives and left another 141 individuals wounded. India attributed the attack to Pakistan's Inter-Services Intelligence (ISI) directorate, straining the diplomatic ties between the two nations. However, the most devastating blow to the peace talks occurred on November 26, 2008, when armed assailants unleashed gunfire on civilians across multiple locations in Mumbai, India. The Indian authorities accused the Pakistani militant organization Lashkar-e-Toiba of orchestrating the attack, further exacerbating tensions. Notably, Indian security forces identified the attackers as Pakistani nationals, leading to a death toll of over 160 individuals.

This unprecedented attack dramatically altered the course of Pak-India relations. The incident led to a pronounced shift in the sentiment within Indian society, with a growing faction losing faith in the feasibility of initiating meaningful peace negotiations with Pakistan. Unlike a previous terror attack on the Indian parliament in December 2001, which escalated military tensions but eventually gave way to a resumption of normalization efforts, the 2008 Mumbai attacks had a more profound and lasting impact. India's commitment to dialogue shifted drastically.

In 2004, New Delhi had displayed a willingness to engage in discussions encompassing a wide array of subjects, including military, political, and cultural matters with Pakistan. However, the aftermath of 2008 witnessed India taking a firm stance, limiting the scope of dialogue solely to issues related to terrorism and its repercussions.

In February 2010, a meeting between the foreign secretaries of India and Pakistan took place in New Delhi, followed by a subsequent meeting between the foreign ministers in Islamabad in July of the same year. Notably, India persisted in its insistence on focusing solely on terrorism-related matters during these discussions. Parallely, interactions between the Prime Ministers of the two countries persisted on the sidelines of international gatherings. However, the subject matter of these discussions remained narrowly concentrated on the topic of terrorism.

The year 2008 marked a critical turning point, profoundly altering the contours of Pak-India relations and prompting a shift in the nature and scope of their diplomatic interactions.

The intensity of Indian inflexibility surged significantly as terrorist groups persisted in launching attacks on Indian soil. The Indian government not only attributed these assaults to Pakistani-based factions but also pointed an accusatory finger at Pakistan's premier intelligence agency, ISI, as the orchestrator behind these incidents. Consequently, India adopted a stance of steadfast refusal to engage in discussions concerning Kashmir or other disputes during bilateral talks. This marked a departure from the trend since 1999, where peace

talks consistently revolved around the central issue of Kashmir. However, India's newfound position refused to broach the topic of Kashmir. On multiple occasions, India took the unprecedented step of canceling scheduled high-level talks with Pakistan, leveling charges of fostering terrorism against its neighbor. An illustrative instance occurred in August 2014 when India canceled foreign secretary-level bilateral talks with Pakistan in response to criticism over the meeting between Pakistani High Commissioner Abdul Basit and Hurriyat leader Shabir Shah. Similarly, in August 2015, planned high-level talks between the two nations were abruptly canceled just hours before their commencement. India declared its willingness to discuss exclusively "terrorism-related issues" during these talks, leaving no room for broader dialogue. Pakistan, in turn, argued against the feasibility of holding talks solely on this limited basis.

In a significant turn of events in September 2018, India retracted its earlier acceptance of Pakistan's proposal for a meeting between the foreign ministers in New York on the sidelines of the United Nations General Assembly. This decision was prompted by what India deemed "deeply disturbing developments": the involvement of Pakistan-based entities in the "brutal killings" of security personnel and the release of postage stamps glorifying Hizbul Mujahideen commander Burhan Wani, who had been killed by Indian security forces in July 2016. India, citing these factors, characterized Pakistan's agenda as malevolent and proclaimed that the "true face" of Pakistan's new Prime Minister, Imran Khan, had been unveiled to the world.

As we briefly step into the role of devil's advocates, we find merit in the Indian government's perspective. A noticeable shift has indeed taken place, with Manmohan Singh's administration demonstrating a softer approach towards talks with Pakistan compared to the more assertive stance under Narendra Modi's leadership. Moreover, the landscape has altered, as the United States no longer plays an active role in orchestrating dialogue between India and Pakistan. Consequently, New Delhi faces reduced pressure from Western powers to maintain its engagement with Islamabad. Reflecting on history, the

Lahore summit of 1999 and the breakthrough between General Musharraf and Prime Minister Vajpayee in 2004 were facilitated by American diplomats working behind the scenes. However, the dynamics have since transformed.

Presently, American experts acknowledge that Washington's ability to sway New Delhi's decisions concerning Pakistan has dwindled. In this changing environment, India's political elite and society at large contend that their goodwill gestures towards Pakistan have often been met with betrayal. The optimism following outreach efforts, such as in 1999 and 2004, was clouded by events like the Kargil conflict and the Mumbai attacks, which eroded trust and left lasting scars. A deeper exploration of how successive terror incidents on Indian soil are perceived by Indian society and their political leadership can provide valuable insights into their emotions and perspectives.

This introspective examination offers a nuanced understanding of India's viewpoints and feelings. However, it's important to consider the flip side of this narrative. Post-9/11, India established the United States as a natural ally in countering Islamic extremism, perceiving Pakistan as a nexus of this very ideology. In the realm of diplomacy and propaganda, India seeks to fortify its position against Pakistan and Islamic extremism by leveraging any opportunity to point fingers. Consequently, casting blame on Pakistan has become a recurrent motif within India's political discourse. The prospect of normalization with Pakistan raises concerns for India, as it could potentially weaken its stance against both Pakistan and Islamic extremism on the global stage.

In essence, the intricate dynamics at play reveal a multifaceted perspective within the complex Pak-India relationship. By delving into these considerations, a more comprehensive understanding emerges, shedding light on the motivations and apprehensions that guide the two nations' diplomatic manoeuvres. As we analyze this intricate interplay, the path forward becomes clearer, offering opportunities to foster understanding, mitigate tensions, and lay the groundwork for a more stable and peaceful region.



# With the Taliban government ruling the neighbor, Pakistan has its own ideological quandary to resolve

By Syed Fakhar KaKaKhel

In Pakistan, along with the tactical spillover of the militancy, we are also witnessing an ideological spillover of the post-Taliban takeover in Afghanistan. The suicide attack on the election convention of Jamiat Ulema-e-Islam (JUI) in Bajaur is a continuation of the same ideological conflict emerging in Afghanistan that has crossed the Pak-Afghan border and entered Pakistan.

Amid this situation, the Chief of Army Staff (COAS) General Syed Asim Munir has made it clear to tribal elders of the border towns that talking with Pakistani militants in Afghanistan is not an option. However, he added, Afghan Taliban can be approached to solve the issue. He was addressing a gathering of tribal elders in Peshawar.

"The surge in terrorism in recent past is a futile effort on the part of terrorists to get the talks re-initiated, however, there is no option for these terrorists except to submit to the writ of state of Pakistan before they are decimated, if they persist on their wrong path," said the COAS while addressing the gathering.

This new twist in the story began on August 26, 2021, when the evacuation process by US-led coalition forces was not even completed when a suicide attack took place at the Kabul airport in the presence of the Afghan Taliban. If the coalition forces were leaving Afghanistan and the Afghan Taliban had taken over the government, then what was this new force that challenged the winning Afghan Taliban, telling the world that the war was not over yet? The name of this new force was Daesh (ISIS), in the eyes of which the Afghan Taliban are also enemies of Islam. In the same month of August, Afghanistan's renowned Salafi scholar Abu Obaidullah Mutawakkil was killed in Kabul. The blame fell on the Afghan Taliban. Abu Obaidullah Mutawakkil was accused of facilitating ISIS in the past. The inner circles of the Afghan Taliban believe that the majority of Daesh belong to the Salafi school of



thought. For this reason, a crackdown was launched against Salafi centres throughout Afghanistan.

Unlike Hanafi Deobandi Afghan Taliban the Salafi ISIS fighters believe in the global struggle to establish the caliphate. Due to their extremely violent and narrow approach even Al-Qaeda distanced itself from this outfit. Al-Qaeda and ISIS are at war in Syria and Iraq.

The current form of Salafism in Afghanistan got popularity under the leadership of Maulvi Afzal and Sheikh Jameel-ur-Rahman in Nuristan and Kunar in the 80s during armed resistance against Russia. Sheikh Jameel-ur-Rehman from Kunar, who was once a part of Gulbuddin Hekmatyar's Hizb-e-Islami, but later not only separated from it due to beliefs but also fought a vigorous war against Gulbuddin Hikmatyar. As a result of this war, in 1991, he was forced to seek refuge in the Pakistani region of Bajaur, which is connected to the Afghan Kunar province. Later on, he was killed in Bajaur in August 1991. Inspired by his ideology and resistance, Sufi Muhammad started the Sharia enforcement movement in Bajaur and Malakand under the Tehrik-e-Nifaz-e-Shariat-Mohammadi (TNSM), the effects of which we saw much later in the form of militancy in Bajaur and Swat. That was the reason for the brutal suppression of Mullah Fazlullah, son-in-law of Sufi Muhammad, in Swat.

Since the majority of the Afghan Taliban belong to the Hanafi Deoband school of thought and most of the fighters in ISIS belong to the Salafi school of thought, this war took the same form that after the withdrawal of the Russian forces in 1988 when Sheikh Jameel-ur-Rehman and others jihadi leadership were at war against each other and a civil war broke out between jihadist organizations. At present, the Afghan Taliban are conducting intensive operations against Daesh in Afghanistan particularly in the Kunar province. However, scholars belonging to Ahl al-Hadith believe that they are being targeted in the name of ISIS.

The war had already crossed the Pak-Afghan border before the arrival of the Afghan Taliban in power, when Afghan Taliban leader Sheikh Rahimullah Haqqani was targeted in Peshawar for opposing ISIS, narrowly escaping the attack. After the arrival of the Afghan Taliban, Sheikh Rahimullah Haqqani moved to Kabul, where he was killed in a suicide attack in August 2022 after one year of Taliban rule in Afghanistan.

After August 15, 2021, because Daesh believes that Jamiat Ulema Islam is the largest religious political party of the Hanafi Deoband school of thought in the region, which is on the back of the Afghan Taliban, so from time to time the local leadership of Jamiat Ulema Islam has been targeted.

ISIS believes that the democratic system is an infidel system. At the same time, they are convinced of the system of global caliphate. Since the Afghan Taliban have no such global agenda and limit themselves to the implementation of Sharia in Afghanistan, this system is impossible to accept for the followers of ISIS. In addition to the caliphate, Daesh ideology also mentions Khorasan and the invasion of India (Ghazwa-e-Hind). Afghanistan is also remembered in history as Khorasan. Khorasan means from where the sun rises. Since Afghanistan is in the east of the Arab world, the hills here were called the hills of Khorasan in history. ISIS fighters believe that an army will emerge from the hills of Khorasan and they consider themselves soldiers of that army.

struggle is for the establishment of a caliphate and not for the withdrawal of American coalition forces. They believe that if the Taliban defeat the United States, they can defeat the Pakistani government and establish a caliphate system here. This problem is not only with Pakistan's militants but this thinking is also being found among the militants of Tajikistan, Uzbekistan and Turkmenistan. This problem is also faced by Iran, where these organizations have intensified their attacks in the Iranian province of Sistan-Baluchistan.

Why was Jamiat Ulema Islam targeted in Bajaur? This question is really important. One of the reasons for this is that Jamaat-e-Islami(JI) has been strong in this

between the Afghan Taliban and the Ahl al-Hadith or Salafi schools of thought, but he failed to remove this. Former Governor Usman Turabi hails from Bajaur district. He fought against the US-led NATO in the Kunar province of Afghanistan. That was the reason that he was appointed as governor of the Kunar province. But soon after his appointment, he invited a JUI leader named Mufti Nadeem to Kunar as a guest. Mufti Nadeem is known for his hate speech against Salafis. The locals protested that non-locals are not only ruling them but also promoting hate against the majority of Salafis in the province. As a result, Usman Turabi was removed from power.

After that, local leaders of Jamiat Ulema-e-Islam were continuously targeted in Bajaur and ISIS claimed responsibility for the killing of more than two dozen local leaders of the party. All the slain associates of JUI were locally known as "Emaratyan" for their support to the Afghan Taliban and their Islamic Emirates of Afghan. Among the slain, a close relative and a bodyguard of former governor Usman Turabi were included as later claimed by ISIS.

Meanwhile, local people, including Jamiat-Ulema-e-Islam workers, saw a militant detonating a landmine on a member of JUI and caught him. The mob killed the militant who belonged to ISIS. A video of this process was also made. ISIS later targeted many of the people seen in the video. To quell the unrest, security forces conducted several successful Intelligence Based Operations (IBOs) in Bajaur, killing several key ISIS fighters. In this background, ISIS targeted the gathering of Jamiat Ulema-e-Islam in a suicide attack.

Though almost all Pakistani militant outfits including TTP, Jamaatul Ahrar and Tehrik-e-Jihad Pakistan (TJP) condemned the attack the Salafi mindset present in the rank and files of these organizations are the hawks of the new game. These were the elements which were hard to deal with in negotiations between the government and TTP. By the way that was the sole reason that negotiations stalled. With billions of dollars of weapons left in the region, an unstable Afghanistan and these splinter groups comprising the hawks of militancy the country is facing a surge and intensity in militancy.



Since Jamiat Ulema-e-Islam is supportive of the Afghan Taliban and believes in political parliamentary politics, it is a target of ISIS on both counts. ISIS released a pamphlet after the Bajaur suicide attack. In this 92-page pamphlet, ISIS specifically targeted JamiatUlama-e-Islam. In it, the role of religious political parties from 1947 until now was severely criticized, even the political leadership belonging to the Ahl al-Hadith school of thought was also criticized. The gist of it was that these religious parties worked for democracy which is against Islam.

Ideological spillover effects also affected the outlawed Tehreek-e-Taliban Pakistan. Many Pakistani fighters believe that their

area since the days of Afghan Jihad. Locally, the Hanafi Deobandi school of thought remained weak due to the activities of Sheikh Jamilur Rehman and then Sufi Muhammad. Another important reason here is the sympathies for the Afghan Taliban on the part of Jamiat Ulema-e-Islam. Adjacent to Bajaur is the Afghan province of Kunar, where the majority of religious circles belong to the Salafi school of thought. As the Afghan Taliban carried out multiple crack-down operations against ISIS and their sleeper cells there so retaliation was expected. At that time, the then-Afghan Taliban Governor of Kunar province, Usman Turabi, tried his best to dispel the impression that there was any difference



## ‘Old’ force majeure notice on Iran gas project triggered confusion: Musadik



By Khaleeq Kiani

On his day of farewell, Minister of State for Petroleum Dr Musadik Malik on Wednesday blamed his ministry's bureaucracy for creating confusion in the foreign media over a 'delicate geopolitical matter' of national importance and bilateral ties with Tehran through a casual policy statement given on his behalf in parliament about the Iran-Pakistan gas pipeline project.

Speaking at a news conference, Mr Malik said he had not seen the statement given in writing to the National Assembly and was taken as read on his behalf.

"This is complete disinformation that we have given a fresh notice of force majeure to Iran," he said, adding the notice was given about 8-10 years ago and the statement was issued in the context of a question about the latest status of the project.

He said Iran did not accept the notice and through constructive bilateral engagement,

Pakistan was given two periods of respite of five years each. One of the extensions in the deadline for completion of project is ongoing, he added.

The outgoing minister said he chose to clarify the position because Pakistan was actively involved with Iran in finding a creative solution to build the pipeline as the country direly needed gas and wanted to complete the project at the earliest in a transparent manner and at a viable price, but the only thing it wanted to avoid was international sanctions.

"We are engaged with all the actors, governments and agencies that impose sanctions and with the brotherly neighbour with which we want to have strong friendly relations and complete the pipeline," he said.

"The bureaucracy has its own way of processing responses to questions from parliamentarians. They should have given

time and date (of the force majeure) in the absence of which the impression emerged as if Pakistan has recently written a letter to Iran to shelve the project," he said.

Asked why other countries did not face threats of sanctions while doing business with Iran, Mr Malik said some countries like Azerbaijan, Turkiye and Iraq had waivers against sanctions because they used to have oil trade with Iran earlier, but this was not the case with Pakistan.

According to the statement given to the NA, the pipeline was stalled due to international sanctions on Iran.

The statement had read "Pakistan has issued a force majeure and Excusing Event notice to Iran under the Gas Sales and Purchase Agreement (GSPA), which resultantly suspends Pakistan's obligations under the GSPA. Iran, however, disputes the validity of the Force Majeure."

# Pakistan's deadly railway problem



## TTI Report

The express train with more than 900 passengers, traveling from Karachi to Rawalpindi, met with an accident before reaching its destination. 10 carriages of the train derailed near Sahara railway station in Nawabshah district on August 6. More than 300 people have died and hundreds of injured in train derailment, collision and fires in last few years.

This was neither the first nor the last accident of the railway. The authorities blamed mechanical departments for this unfortunate event. The preliminary joint certificate report of the accident was received by the Railways Headquarters in Lahore, which said that the track of the train was broken and wheels of the engine were damaged. According to several residents, the reason for the accident was the negligence of the government because the track was impacted by the monsoon floods in the country last summer and they didn't take any safety measures to avoid accidents.

Railway accidents are nothing new, they have been happening for years. Developed countries are equipped to handle these kinds of tragic events but in our country the scenario is different

these kinds of accidents happen like motorcycle accidents in large cities. Every time there is an accident, a high-level investigation is held, and some persons are suspended based on the results. By blaming a few inferior employees, the true causes of the tragedy are concealed.

## Incidents took place in past and their inquiry report

One month ago on June 11, 2023, a similar accident happened when the green line express engine derailed in Ghotki but there was not any loss of life. In 2022, there were 56 accidents which took the life of several citizens and left many injured. Several accidents took place in 2021 but the deadliest accident took place on May 7, 2021, when several carriages of Millat express derailed in Ghotki district. While the Sir Syed express came from the opposite direction and smashed into it. More than 60 people were killed and more than 100 people injured. At that time Azam Sawati was the railway minister, on his order inquiry was held and in result nine officials were suspended.

On February 28, 2020 a train collided with the passenger bus near Rohri. At least 19 killed and several injured. Inquiry report of this accident stated that this unfortunate accident took place due to the bus driver's negligence and engine of the train had been damaged. In July 2020, a train accident also took place in Sheikhpura district when a high-speed train collided with the coaster of Sikh pilgrims and as a result of this accident, 22 members of the same family were killed. In the inquiry report of the incident, it was stated that the gate was closed on Jatri Road, a short distance from where the accident took place, due to the arrival of a train, but the coaster driver tried to take the vehicle through an illegal crossing on the train track to save time. Hit by a high-speed train.

In Sadiqabad, a Quetta-bound railway collided with a parked cargo vehicle in July 2019, causing 24 fatalities and more than a hundred injuries. A railway official was blamed for the accident's failure to change the track in time, and an investigation into the incident was also conducted. In the same year 2019, the biggest train accident happened in the month of



October with Tezgam Express near Rahim Yar Khan in Punjab. In which a moving train caught fire as a result of which 75 people died. An inquiry was also ordered and the report stated that the train accident was caused by a short circuit. Earlier, it was being said that two gas cylinders burst in one of the bogies, leading to the fire.

Although there were no significant train accidents in 2018, two trains derailed, injuring about twenty passengers each. The faulty railway track was cited as the cause of these accidents in the inquiry report. Eight persons, including six children, were killed in a catastrophic railway disaster in January 2017 when a rickshaw crashed with the Hazara Express in Lodhran. As usual, the rickshaw driver was held accountable following the accident investigation. In all these major accidents in Pakistan so far, no senior officer has been punished.

The railway is seen as the mode of transportation for middle-class and lower-middle-class people. These frequent accidents show that neither the present government nor the previous governments didn't care about the lives of the poor people. These helpless people keep on dying and dying every year but these accidents don't seem to bother anyone in the country's decision-making people. Most of our public sectors prey to corruption. We need to invest a handsome amount in the development of infrastructure to avoid accidents.



## We need to modernize our railway system

Pakistan's one of the main line is ML 1. Its first part was made in 1861 from Karachi to Kothari. Later this line linked with many cities. In 1947 we inherited this line which connected Karachi with Lahore and Peshawar. Primarily ML 1 was built for the defense needs of the British Raj. Those requirements are still there today but the reliance on rail has reduced. The problem is that these lines were developed more than 150 years ago and these lines bear specific weight. Now these tracks are weakened, it is not possible to sustain much speed or much weight on them. We need to work on railway tracks which could sustain much speed and much weight on them.

Most of the accidents happened because of poor signal systems which were established in the British era. This system hadn't been modernized, now these systems don't work properly. Because of poor safety standards people are dying. Our railway system really needs to leave behind the mindset of the 19th century and adopt the technologies of the 20th century.

We also need to install an automated system on railway lines, because the responsibility of closing gates is on one person. The slightest mistake could cause a disaster. Modernizing the system is not the only solution to avoid accidents. We also need to educate our people. We need to be aware of signals on railway passes and Strict action should be taken against those who break the law.



# A new expressway threatens Karachi's largest green space

*The Malir Expressway will destroy much-needed green space and worsen the risk of floods and extreme heat in Pakistan's largest city, writes lawyer Aamenah Yusufzai*

By Aamenah Yusufzai

As the impacts of climate change are being increasingly felt around the world, the situation is made worse by bad urban planning. Pakistan is no exception, as unplanned urban sprawl is eating into many of the country's green spaces and natural waterways.

The under-construction Malir Expressway in Pakistan's largest city, Karachi, is a part of this sprawl. A public-private partnership project of the Sindh Government, the six-lane, 38.75-kilometre-long expressway is to be built on the floodplain of the Malir River, running along its left bank. The route will connect the new urban communities of Bahria Town Karachi and DHA City on the north-east periphery of Karachi – both elite and middle-class gated housing estates built on land that was once home to low-income communities – to the older and established Defence Housing Authority in the south. But all this comes at a cost to the city on many levels.

## 'Wiping out' Karachi's largest green space

There are serious concerns over the adverse environmental impact that will be wrought by the Malir Expressway. Most of Karachi is severely lacking in green space, with only a few small parks of one or two acres. Bin Qasim Park, one of the city's largest, covers 80 acres. In contrast, green space in the Malir area, stretching from Korangi Crossing in the south-east to Shah Faisal Bridge in the east, measures 4,300 acres, according to research conducted by Karachi-based architect and environmentalist Arif Belgaumi.

But construction of the Malir Expressway will result in the surrounding areas being reclaimed for commercial development. In an article last year, prominent architect and urban planner Arif Hasan wrote: "As a result of



permission for the building of real estate along the corridor, this lung of the city will be wiped out forever."

Destroying green space can make extreme heat more dangerous. When Karachi experienced an intense heatwave in 2015, the Ministry of Climate Change's technical report on the crisis stated that the 'urban heat island effect' was a compounding cause, a phenomenon in which urban areas are warmer than their surroundings owing to built surfaces absorbing heat, and a lack of the cooling effect of vegetation. If the Malir Expressway is built, it will inevitably be followed by urbanisation of the surrounding countryside, which will fuel the urban heat island effect.

While many cities around the world are taking steps to help improve air quality and cool the urban environment, such as by planting trees, installing green roofs, adding green spaces and improving layouts of cities – in Pakistan we see the exact opposite happening.

Eliminating green spaces also hurts biodiversity. Writing for Dawn, Muhammed Toheed notes that the

Malir Expressway EIA report claims the project site lies in a "landscape with poor ecosystem", suggesting that ecological damage from the project will be limited. But ecologists and wildlife experts have said that the Malir area is rich in wildlife, being home to 176 species of birds – biodiversity that could be lost to development.

## Expressway will worsen Karachi's urban flooding

Worryingly, the Malir Expressway could also worsen flooding in Karachi. The Malir River overflowing is one of the key causes of urban flooding in the city, and experts say that climate change will likely make incidents of heavy monsoon rainfall more frequent in South Asia. According to Belgaumi, the expressway, which is being built on the Malir River's floodplain, will block the natural flow of rainwater during heavy rainfall, reducing the river's capacity to carry rainwater away.

While the city has promised to construct drainage channels and culverts for the Malir Expressway, Belgaumi says these will not be



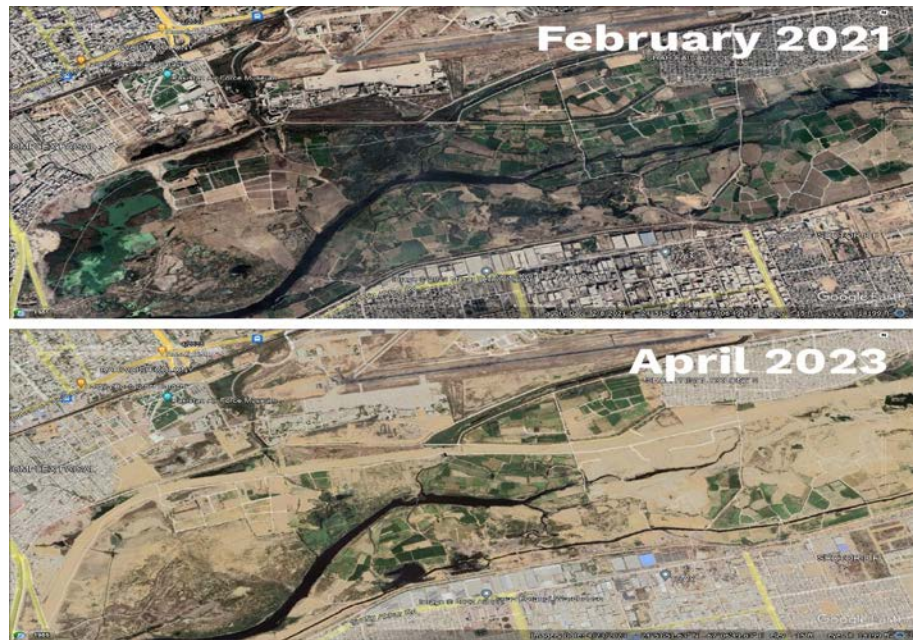
enough, and that the consequences of an actively blocked drainage channel will be nothing less than catastrophic.

Karachi is not alone in this, with the expressway representing a microcosm of a bigger problem arising across South Asia. For example, when monsoon rains caused devastating floods in Bengaluru, south India, in 2022, meteorologists said that poor urban planning was largely to blame for the damage.

## Legal irregularities and dismissal of locals' concerns

An Environmental Impact Assessment (EIA) report for the Malir Expressway, conducted by a contracting company, was submitted for approval to the Sindh Environmental Protection Agency (SEPA) in October 2021.

Under the Sindh Environmental Protection Act, 2014, in the course of reviewing an environmental assessment, SEPA must invite members of the public to comment on any EIAs conducted. Yet while many concerned citizens, environmental experts and local farmers have submitted written objections against the Malir Expressway project's EIA, and participated in a public hearing, these objections were never taken into consideration by SEPA.



Additionally, according to the 2014 Act, no proponent of a project can commence construction or operations before filing the necessary environmental assessments. But the EIA report for the expressway was published months after the project was initiated.

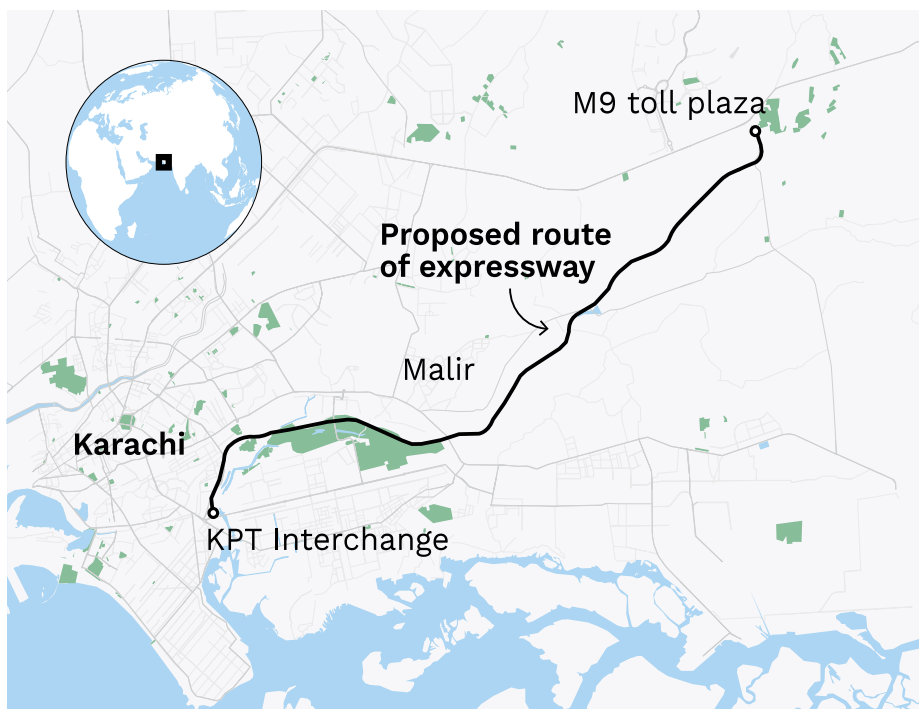
The EIA report mentions the presence of Sindhi and Balochi tribes that identify as Indigenous, who would be displaced from their intergenerational land. But so far, SEPA has not publicised a Land Acquisition and Resettlement Policy. This

suggests the project is being undertaken in a way that is not only against the law, but also in contravention of the UN Declaration on the Rights of Indigenous Peoples, Article 10 of which states that Indigenous peoples shall not be relocated “without their free, prior and informed consent”.

The lack of public participation also goes against the Rio Declaration on Environment and Development, Principle 10 of which states that environmental issues are “best handled with the participation of all concerned citizens”, and that at the national level, “each individual is to have the opportunity to participate in decision-making processes”. In failing to take into account the voices of local farmers, the state is demonstrating that it considers the rights of some more significant than others.

Much of Pakistan has seen the land-use profile of agricultural districts changing from agricultural to urban. In a petition against the Ravi Urban Development Project in January 2022, the Lahore High Court observed that while unregulated urbanisation of agricultural and cultivated farmland and forested areas has been taking place since 1972, no rules have been implemented to control the acquisition of agricultural land for the purposes of urbanisation. While development brings advantages, these must not be brought at the cost of devastation to local communities.

Courtesy [www.thethirdpole.net](http://www.thethirdpole.net)





## Social Media and modern friendships



By Alizay Ashraf

The web and the internet have transformed the way society function, for good or bad, it's an aspect that we can't ignore. Over the years, it has quickly formed into an ordinary use, from looking through mostly inquiries to a type of diversion. And with that, comes its misuse. Given the exhaustive combination of social media in the lives of teenagers and young adults, it is normal to know that it plays a significant role in the foundation of friendships and online relationships. But one may wonder, why have teenagers been so immersed in this guilty pleasure, and what is the role of social media in online modern friendships.

It is not a surprise that social media is changing the nature of human interactions. It is easier to have more friends at a point when social media is there to help cultivate and maintain relationships with our loved ones.

However, real interactive friendships are stronger as it is the nature of shared experience. Online friendships lack the actual essence of shared experience, but it is easier to keep up with the lives of far more people. One may lack deeper connections with friends through that.

Fully 76% of all teens use social media.

Facebook is one of the far-reaching platforms, with 71% of teens using it; Instagram and Snapchat have also become increasingly popular over the years, with 72% using Instagram and 60% using Snapchat according to EarthWeb. One-third of teens use Twitter and another third use Google Plus.

Social media plays a basic part in associating teenagers with new companies, allowing them to get familiar with new friends and get to know them better. Other than making new groups social media has been a practical platform for growing teens to interact with their friends and get to know what other people their age are doing in their lives.

Even though teens feel better connected to other growing teens through social media, they also report that they are sometimes too emotionally attached to their friends' lives. This information turns out, as expected, paying little mind to which social media teenagers use. Teens from rural regions agree that people share excessive information about themselves via social media than their urban fellows, with 46% of rural teens strongly agreeing, compared with 31% of urban youth, according to Pew Research Center. This can lead to negative

comparisons between their own lives and the lives of those they are connected to on social media.

Though it is a great form of entertainment and distraction, social media can be threatening to grow teens by getting connected with the dark side of the internet and by sharing uncontrolled details with those wanting no good for them. Teenagers come across content, contact, and contract risks while using social media. Sometimes they are unable to identify between acceptable and unacceptable online content independently. There's always the risk of real or stimulated violence as well as hate or terrorist sites. It takes very little to divert teenagers' minds toward inappropriate sites which may include pornography.

In the case of contacts and contracts, teenagers are open to cyber bullying, getting in interacting with fake sites, and misusing the personal information of others. They are also exposed to identity theft or fraud and having their own personal details leaked from apps.

Therefore, it is crucial for teens to observe who wants the good for them and who wants nothing but damage for them. Here's to hoping we can put an end to excessive social media usage for future generations and push them more toward face-to-face interactions.



# Navigating the Perils of Lending App Scams

By Romana Afsheen

## Introduction

In an age characterized by technological progress, financial interactions have seamlessly transitioned onto digital platforms, lending apps being a prominent example. These apps offer a convenient gateway to loans, financial management, and transactions. However, amidst this progress lurks a concerning trend - scammers exploiting lending apps as a conduit to target unsuspecting individuals for their personal data and debit/credit card details. This article delves into the strategies adopted by these scammers, analyzes reported cases, and delves into the challenges entailed in combatting this burgeoning threat.

## The Surge of Lending Apps and the Intrusion of Scammers

The burgeoning popularity of lending apps is undeniable, attributed to their user-friendly interfaces and streamlined processes. With promises of rapid loans and minimal documentation, these platforms have captured the attention of those seeking financial ease. Yet, this convenience has attracted the wrong kind of attention, as scammers view these apps as ripe grounds to exploit individuals' trust for their financial gains.

## Tactics Employed by Scammers

Operating from call centres or utilizing phishing messages, scammers strategically target individuals' financial vulnerabilities and lack of awareness. Employing sophisticated techniques, they manipulate victims into divulging sensitive data:

1. **Phishing Calls and Messages:** Scammers impersonate legitimate lending institutions, employing phone calls or text messages. The allure of tempting loan offers or the façade of being a customer service agent serves to establish trust.

2. **Pressure and Urgency:** By creating an aura of urgency, scammers push victims to act promptly, leveraging the fear of missed opportunities or adverse consequences.

3. **Personal Information Requests:** Gaining victims' confidence, scammers then request sensitive details – names, dates of birth, Social Security Numbers, and crucially, debit/credit card information. These details fuel their financial fraud schemes.

4. **Utilizing Untraceable Channels:** Employing Voice over Internet Protocol (VoIP) services or disposable phone numbers, scammers skillfully evade detection, leaving authorities with the challenge of tracking them down.

Through this orchestrated approach, scammers exploit trust and vulnerabilities, potentially subjecting victims to financial losses and identity theft.

## Escalating Complaints and the Conundrum of Action

The Pakistan Telecommunication Authority (PTA) has been inundated with complaints concerning lending app scams and the illicit solicitation of personal and financial data. While the PTA shoulders a significant role in supervising the telecommunications sector, the sheer volume of cases presents a formidable challenge. The inability to address every grievance has left victims disheartened and disillusioned.

## Shielding Oneself from Lending App Scams

As scammers perpetually refine their tactics, individuals can adopt precautionary measures:

1. **Verification:** Always validate the authenticity of lending apps and related communications. Confirm offers or inquiries directly with the lending institution using the official contact information.



2. **Guarding Sensitive Data:** Legitimate lenders never seek sensitive data, such as debit/credit card particulars, PIN numbers, or passwords via phone.

3. **Informed Vigilance:** Educate yourself about common scam manoeuvres and warning signs. Equipping yourself with this knowledge enhances your ability to detect and evade potential scams.

4. **Trust Your Instincts:** When something appears too good to be true or feels suspicious, rely on your instincts. Scammers often leverage pressure and urgency to manipulate victims.

5. **Reporting Suspicious Activities:** Should you encounter a potential scam, report it to relevant authorities, such as the PTA, your bank, or local law enforcement. Reporting serves as a deterrent, shielding others from succumbing to similar tactics.

## Conclusion

Lending apps have indubitably redefined financial interactions, offering an unprecedented level of convenience and efficiency. Yet, the rise of scammers exploiting these platforms to extract personal data and debit/credit card particulars warrants scrutiny. Through vigilance, education, and heightened awareness, individuals can mount a robust defence against these deceptive practices. While comprehensive solutions face challenges, proactive measures empower individuals to safeguard their financial security and personal information. A united front encompassing users, regulators, and law enforcement remains pivotal in mitigating the risks tethered to lending app scams, ultimately fostering a secure and prosperous digital financial landscape.

# New announcements within the cricket board



By Ali Abdullah

The Chairman of the Pakistan Cricket Board's (PCB), Zaka Ashraf, in a recent interview revealed some quite interesting plans for the future. The chairman recently took over charge from Najam Sethi and has already made some major decisions regarding the team. This includes forming a cricket technical committee to run the cricketing affairs that comprise of Inziam-ul-Haq, Misbah-ul-Haq, and Mohammad Hafeez.

Revealing his plans as administrator, Zaka Ashraf revealed that he wants to upgrade the stadiums of Pakistan. "The seats of National Stadium Karachi and Gaddafi Stadium are below par, we have to improve it", Mr. Ashraf added. He also revealed that Abbottabad and Mirpur stadium needs to be upgraded as well because the weather and conditions are there quite phenomenal.

Zaka Ashraf also showed interest in a joint venture with US Authorities to stage cricket in the United States of America. He revealed that in his previous tenure, he wanted to initiate a separate league in the USA and have equal profit sharing between USA and Pakistan. The chairman of the PCB management committee believed that this will improve the diplomatic relations between Pakistan and USA as well.

He also showed interest in staging cricket in Saudi Arabia and also claimed that he has already started talking to some officials in Saudi Arabia about this. Zaka Ashraf also revealed that he wanted to begin a T10 League under the umbrella of the Pakistan Cricket Board. "This will improve the earnings of PCB. We have plenty of stadiums available and we want to use them. I have already tasked certain people to think about staging a T10 league and also a women's league", Zaka Ashraf further added.

Zaka Ashraf also revealed that he has no harsh feelings for any of the former PCB chairmen. He revealed that as soon as he rose to power, he offered Najam Sethi that they both can work together and that he is ready to hear out Najam's suggestion for the cricketing affairs of Pakistan Cricket. He further added that their goal is to only contribute to the cricket of Pakistan.

In further detail, he said that the current management committee, which is headed by Zaka Ashraf himself has only 4 months time. After 4 months, a formal election can take place to elect a new PCB Chairman, but there are multiple cases going on in the courts, so things can be a little bit unstable after these 4 months are over.

The Chairman of the management

committee was also asked about the fatigue of players because plenty of Pakistani Players are playing in T20 leagues throughout the world. This can create problems for Pakistan as two major events, the Asia Cup 2023 and World Cup 2023 are around the corner. Speaking on this issue, Zaka Ashraf stated: "The previous Management had allowed them to participate in T20 leagues already. So I respected the decision of Najam Sethi and allowed these players to go. My best wishes are with the players to do well. I am also thinking that when these major events are around the corner, then these players will be restricted to participate in any other leagues to avoid injury concerns. I am further thinking to elevate player's contracts and limit their participation in foreign leagues. This is what BCCI does and this is what we need to do so that our players stay available for Pakistan and stay fit for our team."

Lastly, the Chairman of the Management Committee also gave a kind of assurance that they are not changing the coaching panel of the national team. He stated that they have discussed it with Cricket Technical Committee as well and everyone has this view that when our team is performing well, we should not disturb them.



## Farewell, Stuard Broad



The lanky, baby-faced, ageless wonder from the lands of England, Stuart Broad has retired from all forms of cricket with a thrilling Ashes win at the iconic Kennington Oval, London.

It is only poetic that the win was sealed by none other than Broad the outgoing legend of the game— who bowled an unplayable outswinger that split Alex Carey in half, kissing his willow before setting into Jonny Bairstow's gloves, allowing SB to set off on his celebratory run. It was a similar outswinger from him that accounted for the penultimate scalp (Todd Murphy) as well. The same outswinger that, throughout his career, made many left-handers, none more than David Warner, his bunny.

The blonde-haired pacer then hugged each and every one of his teammates before leading the team off the field alongside Moeen Ali, who, seemingly, has also called time on his Test career.

Expectedly, Stuart Broad was met with a thunderous standing ovation from the home crowd, half of it even sporting headbands similar to the ones the 37-year-old wore for a good chunk of his cricketing career.

It was following the close of 3rd Day's play that Broad shook the cricketing world, announcing that the fifth Ashes Test was

his last. Because in the last few series, and especially the 2023 Ashes, he had looked as good as ever.

The Nottingham-born seamer, however, had made it clear in his interview to SkySports two nights ahead of his last outing at the pitch, that he always intended to end at the top of his powers. That he always intended to end it with a rivalry he loved to the core: THE ASHES.

"It's been a wonderful ride, a huge privilege to wear the Nottinghamshire and England badge for as much as I have. I have always wanted to finish at the top, and this series just feels like it has been one of the most enjoyable I've been part of," he expressed.

"I have been thinking about it for a couple of weeks. England vs Australia has always been the pinnacle for me. I have a love affair with Ashes and I wanted my last bat and bowl to be in Ashes cricket," Stuart Broad had said at the end of Day 3.

It did end the way he wanted it to. Stuart Broad was consistently nagging across the 5 Ashes Tests and ended the series with an impressive 22 wickets, just one behind the series' most successful bowler Mitchell Starc.

Broad averaged 28.40 for his 22 scalps and played an integral role in England drawing the Ashes after being 2-0 down; most of his

strikes came when his team needed them the most.

Like when he got rid of the resisting duo of Alex Carey and Todd Murphy to help Ben Stokes and co. to a positive result in his swansong match.

"To come and pick up the last two wickets was fantastic. You think when you announce your retirement what your last ball is going to be but to get a wicket to win an Ashes Test is amazing. I have always enjoyed bowling to left-handers, was great to bowl to two left-handers, to swing it away and bring the slips into play," Broad quipped on ending his cricket career by making Murphy and Carey prey to outswinging bowling— an art he was a master of.

Stuart Broad ended his test career as England's 2nd most successful bowler with 604 wickets (20 fifiers and 3 ten-wicket hauls) to his name. Broad was handy with the bat as well, and scored 3662 runs in the whites, including 13 fifties and one hundred.

He also represented the Three Lions in 121 ODIs and 56 T20Is, taking 178 and 65 wickets in respective formats. Notably, Stuart was a part of the England squad that won the 2010 T20WC.

By Ali Abdullah

# What is the best clothing to keep you cool in a heatwave?

*Is it dry or humid? This is the ultimate question when choosing what to wear.*

By Lucy Sherriff

As the world continues to grapple with extreme heatwaves, which are becoming ever more regular thanks to climate change, the clothing we wear is a vital component in how we stay cool. Researchers have found that by wearing appropriate clothes, it is possible to turn the air-conditioning up by 2C (3.6F) – which over the long term would save considerable energy, both saving money and cutting greenhouse gas emissions.

## So what should you wear to stay cool?

### Colour and design

When it comes to colour, most people wear white in the summer – because white reflects the sun's rays, rather than absorbing the light like black does.

However, this theory gets a little more complex when we start talking about the thickness and fit of clothing, because heat doesn't just come from the sun – it comes from our bodies too. When that heat from our bodies hits the white clothing, it is reflected back at us.

In 1980, a study of why Bedouins – an indigenous, semi-nomadic people who inhabit desert regions in the Arabian peninsula, Middle East and North Africa – wear black robes in the desert, found that heat exposure was the same whether tribal members wore black or white robes.

### How is that possible?

Black coloured fabrics are a better radiator of heat – meaning they absorb heat emanating from the body – so this can also play a role in cooling your body down. The Bedouin's secret is wearing loose-fitting black clothing, especially if it's windy. The loose black clothes heat up the space between the fabric and the skin, promoting an upward air current – like a chimney – and providing cooling relief.



"The amount of heat gained by a Bedouin exposed to the hot desert is the same whether he wears a black or a white robe," the study notes. "The additional heat absorbed by the black robe was lost before it reached the skin," it says.

So the fit of the clothing is actually more important than the colour. However, if you are going to be wearing tight-fitting clothing, then stick with white. Fabrics with texture – such as seersucker or pique, a fabric often used in sports polo shirts – also help to lift clothing off your skin, rather than staying snug and tight-fitting.

### Material matters

"Your choice of fabric is crucial," says stylist and fashion writer Heather Newberger. "If you're wearing an oversized denim jumpsuit - you're going to feel way hotter than your friend in a more constricted outfit made of gauze or chiffon."

When it comes to fit, lightweight woven fabrics such as cotton and silk are usually better at hanging loosely than knits. This is especially important when it's humid – in dry heat, wicking alone may be enough because the

sweat will be absorbed from your body and evaporate in the heat. When it's humid and hot, the air around you is already saturated with water vapour, meaning the sweat your clothes just soaked up doesn't have anywhere to go.

"In terms of clothes, it's better to have a material that allows water vapour to pass through so that it doesn't block the sweat evaporation," says Rhett Allain, associate professor of physics at Southeastern Louisiana University. "Some of the newer sports-based materials do this. Cotton does not do so great with this."

All textiles trap infrared radiation given off by the body to some degree, which helps to keep us warm in cold weather – but isn't ideal on a hot day and so wearing breathable clothes is important. Uncoated cotton, linen, nylon and polyester are all classed as breathable fabrics to some degree – meaning they allow sweat and heat to escape through the material. They're different to wicking fabrics, though, which actively pull water from your body.

Cotton and polyester absorb and reflect the majority of the infrared that hits them – nearly 99% – meaning they often appear white in infrared images.



But these materials also allow 30-40% of visible light through. This combination can cause the body to warm up faster than it otherwise would, according to researchers at the Massachusetts Institute of Technology (MIT). This occurs because the incoming visible light can generate heat that can then not escape as infrared radiation generated by the body.

But the body's other cooling mechanism – sweating – also plays a role. Cotton absorbs moisture but it doesn't dry quickly, so if you're sweating a lot your clothes will stay wet, making them less comfortable. Linen is widely worn as it has excellent breathability due to its large fibres, but like cotton it is slow to dry. Merino wool has been a popular choice for outdoor enthusiasts as it's breathable and wicks moisture without retaining odour.

Nylon and polyester are used in most activewear as they wick moisture and dry quickly – but they retain odour. Research has also shown that nylon has a higher moisture absorption and better wicking capabilities than polyester, but is slower to dry. Synthetic fibres like nylon and polyester can feel uncomfortable when they get wet though, and one study suggested wearing clothing made of bamboo, which is a low conductor of heat, and doesn't compromise on comfort.

If you really want to keep cool, then strip off completely – as long as this is appropriate, of course, says George Havenith, a professor of environmental physiology and

ergonomics at Loughborough University in Leicestershire, UK. Clothes protect your skin from burning, but being naked is better for keeping cool. The less clothing you wear, the more opportunity there is for an evaporative heat exchange between your skin and the air. Although of course, protecting your skin from UV rays is a priority.

But there may be alternatives – new materials and fabrics that will help to cool the body.

## New science

Sports companies such as Nike and Adidas invest millions in designing smart fabrics, and scientists have also been pouring resources into researching which fabrics are better at keeping the body cool. Scientists at MIT found the key balance for allowing heat to radiate away from the body more effectively is a material that's opaque to visible light – reflects and doesn't absorb sunlight – but transparent in the infrared – allowing heat to leave the body rather than trapping between the material and the skin. They found that by making nylon and polyester fibres thinner – around one micrometre in diameter – and weaving them into a yarn 30 micrometres thick could help the wearer maintain a more comfortable temperature.

Scientists at the University of Maryland in the US also developed synthetic fibres with coatings that actually change their structure in response to outside conditions – releas-

ing more heat as temperature rises. The adaptive yarn expands and collapses, changing the space between the fibres. Wider spacing allows the textile to breathe, allowing heat to radiate so the wearer can cool down.

Another group experimented with garments laced with strips that flatten and bend to help cool the body down by more than 2C (3.6F). In hot weather, the strips bend towards the air, dissipating heat from the body. Other teams have been exploring "phase-change" materials that incorporate capsules or fibres of material that melt as they warm up, helping to absorb excess heat.

## Getting wet

Perhaps, the best way to stay cool in the heat when it comes to clothing is actually just wearing wet clothes, Allain points out. Water needs heat energy to evaporate, and as it makes this transition from a liquid to a gas, it uses the heat coming from your body, cooling your skin and lowering your body temperature.

So it turns out that picking an outfit to stay cool is a little more complex than simply throwing on a white T-shirt. But the right fabric, appropriate fit and occasionally a splash of water when possible should help you keep your temperature down when the mercury heats up – and save on air-conditioning too.

Courtesy BBC



# Duran Duran's Andy Taylor says cancer drug has given him five more years

By Helen Bushby

**D**uran Duran's original guitarist Andy Taylor has said an innovative drug treating his advanced prostate cancer has extended his life "for five years".

Taylor was diagnosed with stage four prostate cancer eight years ago, but only revealed his condition in 2022.

After going public, a scientist got in touch to offer him "a nuclear medicine, Lutetium-177, which is targeted so it only sees cancer cells", he said.

He told BBC Breakfast he had his first round of the drug six weeks ago.

"It can't see healthy cells," the 62-year-old said. "It kills stage four cancer in your bones. And so what it's effectively done is extend my life for five years."

He said his health had been deteriorating before that, and he had been on what he called "the blacklist".

The musician revealed the diagnosis last November in a letter read by his former bandmates as they were inducted into the Rock 'n' Roll Hall of Fame in Los Angeles.

Formed in Birmingham, Duran Duran shot to fame in the 1980s and are known for hits like Rio, Girls On Film, Hungry Like The Wolf and Ordinary World.

The event in LA was meant to be as a reunion for the band, whose classic line-up has not played together since 2006.

Taylor said he was "massively disappointed" at the time to miss the show because he was too ill. "A few days before, I couldn't really stand up and play," he said.

"I missed the biggest night of my life," he told Breakfast, adding that until that moment, "no-one really knew [about his diagnosis] - just family and a few friends".

He did not even tell the rest of the band until shortly before the Hall of Fame ceremony.

He sent them a letter, which singer Simon Le Bon suggested reading out on stage.

"He did it was real dignity. He's a very classy fella, I love him dearly," Taylor said.

Afterwards, Taylor was suggested the new treatment by Prof Sir Chris Evans, founder of The Cancer Awareness Trust (CAT).

Prof Evans told the BBC: "When patients like Andy Taylor have unfortunately progressed to stage four prostate cancer with secondary metastases, particularly in the bone tissue, then treatment options are limited. He'd already received some of the best medicines available and was in serious decline.



"We took a deep dive into his genetic profile and the specific genomic mutations present in his cancer. We also computed a number of other very specific biochemical and physiological pieces of Andy's jigsaw.

"Based on everything we understood, the nuclear medicine Lutetium 177 injections were considered the best option for him."

## 'Beacon of hope'

Prof Evans added that Taylor had "done marvellously" on his first round of the treatment.

"We are optimistic he will do well on future rounds and this may result in quite a substantial life extension for Andy to continue being very creative and active making and performing live music."

The guitarist explained that he had to get in "very, very good health" before he could have the treatment.

"So I really took care of myself in a different way," he said.

"And then after the first round of treatment I said, 'If I'm OK, and you guys [his doctors] say I'm OK and do your blood tests, is it OK to start work again - light work - and get out?'

"I don't want to be a patient stuck here. I want to be a working patient, a little beacon of hope, because this stuff - cancer - just drags you and your family down in the darkness," he said.

Taylor felt well enough to create a new album, called Man's A Wolf To Man, which is out in September, adding: "It's been a hell of a journey."

Courtesy BBC



# Actor Srha Asghar files FIR against man who sexually assaulted her outside her home in Karachi

*A case was filed on August 1 against a man named Asim, who followed the actor home from the market*

By Imtiaz Ali

Actor Srha Asghar filed an FIR against a man who assaulted her outside her Karachi home on the night of August 1, it has recently been learnt.

Asghar filed the case under sections 354 (assault or criminal force to woman with intent to outrage her modesty) and 452 (house trespass after preparation for hurt, assault or wrongful restraint) of the Pakistan Penal Code. The charges carry a collective maximum imprisonment of seven years as well as fines.

The case was filed on the night of August 1 at the Sharae Faisal police station by Asghar. In her petition, a copy of which is available with Images, she said a man followed her from a nearby market to her home on Rashid Minhas Road at around 10:50pm. "This unknown man started following me, catcalling and got till my doorstep," she said. He then assaulted her, during which her clothes were torn.

Asghar explained in the FIR that she rang the bell, alerting her husband, Omar Murtaza, who came out. She immediately ran inside the house while neighbours gathered, hearing the commotion from the ensuing scuffle.

After some questioning, they learnt that the man's name was Asim and presented him to the police for arrest.



Asghar shared a post on her Instagram account on Friday, telling the media to stop asking her and her husband for interviews.

"I want every media person to stop messaging me about the incident, shame on them for calling me and my husband continuously for an interview for your ratings! And shame on the news channel who attached all the personal info with the incident! We are safe Alhumdullillah!" she wrote.

Courtesy [www.images.dawn.com](http://www.images.dawn.com)

# Barbie enters the billionaire club as ticket sales surpass \$1bn

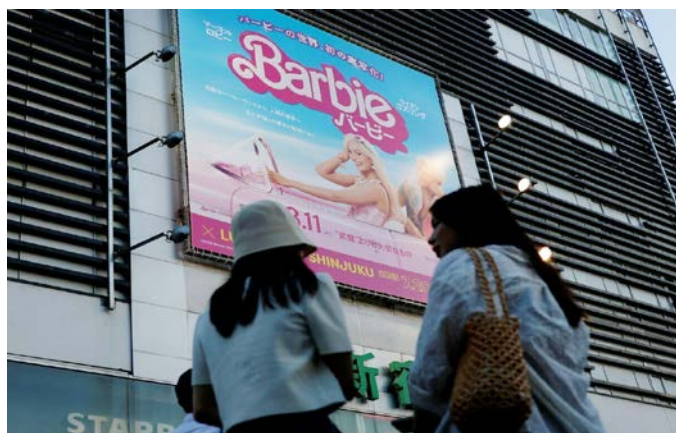
*The movie made \$459m in the US and \$572.1m overseas, Warner Bros. has reported*

Box-office ticket sales of the movie Barbie topped \$1 billion in the United States and worldwide since its debut more than two weeks ago, Warner Bros. Pictures, a unit of Warner Bros. Discovery, announced on Sunday.

In a statement, Warner Bros. said the movie took in \$459 million from domestic theatres and another \$572.1 million overseas over the weekend, for a total of \$1.0315 billion. The figure was confirmed by media analytics firm Comscore.

"As distribution chiefs, we're not often rendered speechless by a film's performance, but Barbillion has blown even our most optimistic predictions out of the water," said Jeff Goldstein, president of domestic distribution for Warner Bros. Pictures, and Andrew Cripps, president of international distribution.

Directed by Oscar-nominated writer and director Greta Gerwig and starring Margot Robbie and Ryan Gosling as Barbie and Ken, the movie sends Mattel Inc's iconic doll on an adventure into the real world.



Barbie ticket sales ranked second this year to The Super Mario Bros, which was released in April and raked in a total of \$1.357 billion at the box office.

Courtesy [www.images.dawn.com](http://www.images.dawn.com)

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