

Fortnightly

The Truth International

Islamabad - Karachi

15th - 30th April 2024

Pakistan Economy and IMF

No good news for the masses but to pay unbearable high energy bills for more five years

PTI Politics

Marwat's narrative underscores dialectic between idealism and pragmatism and quest for justice

Israel and Iran Conflict

Israel is trying to stop deliveries to Hezbollah to prevent Iran from strengthening military presence in Syria

Once Again IMF



Economy

IMF's new bailout package or another debt trap By Javed Mahmood – Page 04



Navigating Pakistan's Political Landscape: A Roadmap for Economic Stability By Kanwal Munir – Page 06

Towards a fairer tax system By Dr Abid Qaiyum Suleri – Page 08

Concessions, debt & reforms By Riaz Riazuddin – Page 10

NFC: call for fiscal reforms By Dr Miftah Ismail – Page 12

An accountant's approach to NFC? By Mosharraf Zaidi – Page 14



Understanding Urea Fertilizer Market Dynamics in Pakistan: A Comprehensive Analysis By Daniyal Wali – Page 16

Pakistan on silent economic decline By Salman Siddiqui – Page 18

Politics

Senate election controversy By Ahmed Bilal Mehboob – Page 19



Editor:

Zaheer ud Din Babar Thaheem

Circulation & Marketing / Advertisement:

Aghaz Ullah Raj

Contact: 0340-9850810

Email: admin@tti.org.pk

Letter to Editor:

Feel free to mail us at: editor@tti.org.pk

Postal Address:

Fortnightly "The Truth International"

Head Office:

205-D, 2nd Floor, Evacuee Trust Complex,
Agha Khan Road, F-5/1, Islamabad, Pakistan.

Contact: +92 51 2820180-1

Karachi Office:

Shop No. 08, Mezzanine Salalah Apartments,
Dawood Pota Road, Karachi Cantt.

Contact: +92 21 35221000-1

Email: info@tti.org.pk

Web: www.thetruthinternational.com

Price: Rs. 435

Publisher:

Muhammad Fahad Thaheem

Printer:

Masha Allah Printers

Basement # 9, Ratta Mansion, Fazal e Haq
Road, Blue Area, Islamabad.

Design & Layout:

Abdul Qadir

DISCLAIMER: The articles published in this magazine collected from various writers, and sources are disseminated for information only. Therefore, the publisher shall not be responsible for any mistake/error.

Tug of war within PTI ft. Sher Afzal Marwat Exclusive Insights By Romana Afsheen – Page 20

Faizabad dharna: Inquiry commission gives clean chit to Gen Faiz By Azaz Syed – Page 21



Foreign Affairs

Why has Iran attacked Israel? By Raffi Berg – Page 22

Unpacking Iran's warning shot By Munazza Siddiqui – Page 24



Six months on: The annihilation of Gaza By Ayesha Malik – Page 25

Joint World Bank, UN Report Assesses Damage to Gaza's Infrastructure – Page 29

Lessons from foreign policy management By Hina Rabbani Khar – Page 30



Indian government ordered killings in Pakistan, intelligence officials claim By Hannah Ellis-Petersen, Aakash Hassan and Shah Meer Baloch – Page 34

Iran gas pipeline: A solution to Pakistan's energy woes? By Shabnam Von Hein – Page 38

Health

Mental Health & Fitness By Ayesha Shaeen – Page 39



Climate Change

A climate change authority By Dr Abid Qaiyum Suleri – Page 41



Every breath you take By Kamal Siddiqi – Page 43

Sports

Grand National: Willie Mullins eyes British title after I Am Maximus win By Frank Keogh – Page 47

9 forgotten ballers you had no idea are now playing in Argentina: Cavani, Lanzini, Rojo... By Daniyal Wali – Page 48

Entertainment

Olivier Awards 2024: Hannah Waddingham and Nicole Scherzinger set to appear By Yasmin Rufo – Page 50



IMF's new bailout package or another debt trap

IMF Managing Director pointed out key challenges that Pakistan still faces, including expanding the tax base, enhancing contributions from the wealthier segments of society, optimizing public spending, and fostering transparency

By Javed Mahmood

Pakistan has approached the International Monetary Fund to seek another five-year bailout loan program involving more or less eight billion dollars. The managing director of the IMF confirmed on April 11 that Pakistan has been seeking another loan program after the completion of the \$3 billion standby arrangement.

Why is Pakistan obtaining another loan from Pakistan? How much the new program would be effective in stabilizing the economy of Pakistan? For how long Pakistan would be depending on the IMF loans for its economic survival? These are some of the questions that are striking in the minds of the people in Pakistan who have been forced to pay exorbitant power and gas bills and a very high price of petroleum products from the day the country got the standby arrangement from the IMF.

Pakistan government is looking for a five-year program from the IMF with the aim to put the national economy back on the track of growth and sustainability. Nonetheless, there is hardly any good news for the masses as they will be left with no other option but continue to pay unbearable energy bills for another five years.

Undoubtedly, the new IMF loan is essential to enable Pakistan to fulfill its obligations of foreign loans repayment – around 100 billion dollars in five years. In other words, Pakistan government would have to mop up more or less 100 billion dollars worth foreign loans in five years to return external loans. That's why the analysts and people believe that the new IMF loan could be a debt trap because it would pile up burden of more loans on Pakistan. However, if the government does not obtain IMF loan, then what will be the other options to repay a huge amount of foreign loans in five years – perhaps there is no viable option to deal with the external loans without IMF's loans.



On April 11, the IMF Managing Director pointed out key challenges that Pakistan still faces, including expanding the tax base, enhancing contributions from the wealthier segments of society, optimizing public spending, and fostering transparency. Pakistan is currently engaged in talks with the International Monetary Fund regarding a potential extension of its existing program following the conclusion of a nine-month, \$3 billion standby arrangement, announced IMF chief Kristalina Georgieva on April 11. She emphasized the necessity for Pakistan to address significant issues.

Speaking at an event hosted by the Atlantic Council think tank, Georgieva highlighted Pakistan's progress in completing its current IMF program, noting an improvement in its economic performance and the accumulation of reserves.

Georgieva underscored Pakistan's commitment to maintaining its economic trajectory and expressed the country's interest in establishing a follow-up program with the IMF. However, she pointed out key challenges that Pakistan still faces, including expanding the tax base, enhancing contributions from the wealthier segments of society, optimizing public spending, and fostering transparency.

Last month, Pakistan and the IMF reached a staff-level agreement on the final review of the \$3 billion stand-by arrangement. Upon approval by the IMF's board, approximately \$1.1 billion will be disbursed to Pakistan. The board is slated to review the matter later in April, although a specific date has yet to be confirmed.

Both parties are also discussing the possibility of negotiating a more extensive bailout package and implementing essential policy reforms to address deficits, bolster reserves, and manage escalating debt servicing.

Finance Minister Muhammad Aurangzeb stated in April that Pakistan intends to discuss an Extended Fund Facility with the IMF during meetings in Washington this month. Having managed to secure the final tranche of \$1.1 billion, Pakistan's standby \$3 billion arrangement with the IMF expired on April 11. According to media reports, Pakistan aims to secure a new loan of at least \$8 billion from the IMF to repay substantial debt obligations due this year. Despite averting default last summer with a short-term IMF bailout, Pakistan faces the imperative of negotiating a long-term arrangement to maintain stability in its \$350 billion economy, as the existing program expired on April 11.

IMF loan and its impact on economy

Pakistan's economy has been grappling with severe challenges, facing a balance of payments crisis aggravated by the burden of servicing extensive external debt and soaring inflation.

Before securing a bailout, the country's foreign reserves with the central bank stood precariously at \$4 billion, barely sufficient to cover a month's worth of imports, prompting Pakistan to impose bans on certain imports to conserve dollars. Analysts estimate that Pakistan requires at least \$20 billion over the next two years to fulfill its foreign loan obligations along with interest payments.

Earlier this year, the Pakistani rupee experienced a historic decline against the US dollar following the removal of an exchange rate cap, a move aimed at unlocking crucial IMF assistance for the cash-strapped nation.

Analysts believed that without the agreement between the government and the IMF, the currency and inflation could have spiraled out of control, leading to severe shortages of essential commodities. The loan program would ensure stability in the currency and a gradual reduction in inflation in the short to medium term.

In February, global rating agency Moody's downgraded Pakistan's sovereign credit rating by two notches to 'Caa3', citing heightened liquidity risks that significantly elevate the risk of default. According to local reports, more than 750,000 individuals left Pakistan in 2022, marking a threefold increase from the previous year.

Compounding these challenges, the devastating floods of the previous year inflicted an estimated \$30 billion loss to the economy, from which Pakistan is yet to fully recover.

In response to IMF demands, Islamabad has undertaken several measures, including revising its 2023-24 budget and raising the policy rate to 22 percent in recent weeks. Additionally, the IMF has pressed Pakistan to generate over 385 billion Pakistani rupees in new taxation to fulfill fiscal adjustments. The IMF has also emphasized

the need for proactive measures by the central bank to mitigate inflation and uphold foreign exchange stability. Dollar-rupee parity would also remain stable in the months ahead in case the government secured a long-term loan from the International Monetary Fund. For more than a year, the exchange rate of dollar vs rupee has been fluctuating below 280 rupees as the economy is showing gradual signs of recovery amid IMF program.

ADB sees uncertain economic outlook of Pakistan

The Asian Development Bank has characterized Pakistan's outlook as uncertain, highlighting significant downside risks, particularly citing political uncertainty as a

As the standby \$3 billion arrangement with the IMF is set to expire on April 11, cash-strapped Pakistan aims to initiate negotiations for a new IMF program. The Fund has proposed imposing excise duties on luxury goods as part of the agreement reached between the two sides for the disbursement of the final tranche of \$1.1 billion last month.

The ADB emphasized the importance of economic reforms for Pakistan's recovery, projecting subdued economic growth for Fiscal Year 2024 with an anticipated pickup in FY2025 contingent upon the effectiveness of reform measures. Real GDP growth is forecasted at 1.9% in FY2024, driven by a rebound in private sector investment associated with progress on reforms and the transition to a more stable government.



major threat to the sustainability of stabilization and reform endeavors. In its April 2024 'Asian Development Outlook', the Manila-based institution underscored the potential economic impact of supply chain disruptions stemming from escalating conflicts in the Middle East. It emphasized the crucial importance of disbursements from multilateral and bilateral partners due to Pakistan's substantial external financing needs and vulnerable external reserves.

The report cautioned that lapses in policy implementation could impede these inflows but noted that support from the International Monetary Fund (IMF) for a medium-term reform agenda could bolster market confidence and facilitate accessible external financing from other sources.

The ADB anticipates growth to reach 2.8% in FY2025, fueled by increased confidence, reduced macroeconomic imbalances, progress on structural reforms, enhanced political stability, and improved external conditions. It predicts a rise in output due to improved weather conditions and government initiatives such as subsidized credit and agricultural inputs to support expanded cultivation and improved yields.

However, the agency cautioned that inflation could remain elevated, especially considering the anticipated increases in energy prices under the IMF standby arrangement. Headline inflation is expected to decrease to 15.0% in FY2025 as progress in macroeconomic stabilization restores confidence, according to the ADB.

Navigating Pakistan's Political Landscape: A Roadmap for Economic Stability

By Kanwal Munir

Pakistan's recent general elections have brought about a seismic shift in the country's political landscape. Contrary to market expectations, Pakistan Tehreek-e-Insaf (PTI)-backed candidates secured a surprise victory, albeit falling short of a majority. Subsequently, a coalition government led by the Pakistan Muslim League-Nawaz (PML-N) with support from the Pakistan People's Party (PPP) has been formed. This political scenario presents both challenges and opportunities for Pakistan's economic trajectory, particularly in the context of engaging with international financial institutions such as the International Monetary Fund (IMF).

Political Turmoil and Economic Imperatives

The formation of a coalition government, while a testament to the democratic process, is mired in political uncertainty. Allegations of electoral fraud and tensions among various political factions have exacerbated the situation. However, amidst this turmoil, economic imperatives demand urgent attention.

Fiscal Consolidation: A Daunting Task

At the forefront of Pakistan's economic challenges is fiscal consolidation. The failure to meet fiscal targets for the fiscal year 2023/24 highlights the urgency of addressing this issue. Pakistan's public debt has soared to 79% of GDP, necessitating measures to curb fiscal deficits and reduce reliance on external financing. The Ministry of Finance's budget update on February 24th revealed a significant deviation from earlier estimates. The overall fiscal deficit for FY2023/24 is now projected at 8.1% of GDP, with a primary deficit of 0.2%. These figures underscore the need for decisive action to stabilize Pakistan's fiscal situation.

Negotiating an IMF Program: Opportunities and Challenges

The proactive stance of the government in engaging with the IMF for a new program reflects an acknowledgment of the urgency for economic reform. However, navigating IMF negotiations amidst political instability poses significant challenges. Pakistan's historical reliance on IMF programs underscores the importance of addressing key areas of concern identified by the IMF. These include strengthening public finances, restoring the viability of the energy sector, tackling inflation, and promoting private-led activity through structural reforms.

Focus Areas for the IMF Program

As Pakistan embarks on the path to economic stability, key focus areas for an International Monetary Fund (IMF) program emerge as crucial pillars for sustainable growth. Addressing these areas comprehensively is imperative for navigating the country out of its economic challenges and onto a trajectory of prosperity.



1. Strengthening Public Finances

A cornerstone of economic reform lies in strengthening public finances. Pakistan's tax-to-GDP ratio remains alarmingly low, indicative of systemic issues within the tax collection framework. Broadening the tax base and curbing tax evasion are paramount for enhancing revenue generation and improving debt sustainability.

Implementing comprehensive tax reforms is essential to address this issue. This includes simplifying tax structures, reducing tax exemptions, and enhancing enforcement mechanisms to ensure compliance. Moreover, investing in technology and capacity-building within tax authorities can streamline tax collection processes and minimize leakages. By bolstering public finances through effective tax reforms, Pakistan can create a more sustainable revenue stream to fund essential government expenditures and reduce reliance on external financing.

2. Restoring Energy Sector Viability

The energy sector in Pakistan has long been plagued by inefficiencies, subsidies, and circular debt, posing significant challenges to economic stability. Addressing these issues requires a multifaceted approach aimed at reducing subsidies, improving governance, and attracting private investment.

Firstly, reducing energy subsidies is essential to alleviate the burden on the government's budget and promote fiscal sustainability. This can be achieved through the gradual phasing out of subsidies while implementing targeted support mechanisms for vulnerable segments of society. Improving governance within the energy sector is critical to enhancing efficiency and transparency. Strengthening regulatory frameworks, promoting competition, and combating corruption can foster a more conducive environment for private sector participation.

Attracting private investment is paramount for modernizing infrastructure and increasing energy production capacity. Creating an attractive investment climate through regulatory reforms, risk mitigation mechanisms, and public-private partnerships can unlock significant opportunities for investment in the energy sector. By

restoring viability to the energy sector, Pakistan can ensure a reliable and affordable energy supply, thereby stimulating economic growth and enhancing competitiveness.

3. Returning Inflation to Target

Persistent inflationary pressures have posed significant challenges to Pakistan's economic stability in recent years. Addressing inflation requires a combination of monetary and exchange rate policies aimed at stabilizing prices and rebuilding foreign reserves.

Implementing a flexible exchange rate regime can help mitigate inflationary pressures by allowing the currency to adjust to market forces. This can enhance export competitiveness and reduce import costs, thereby alleviating inflationary pressures.

Prudent monetary policy is essential for managing inflation expectations and maintaining price stability. The State Bank of Pakistan's commitment to maintaining a tight monetary stance is crucial for anchoring inflation expectations and restoring confidence in the economy.

Furthermore, rebuilding foreign reserves is essential to bolstering the country's external resilience and mitigating exchange rate volatility. Implementing policies to attract foreign investment and boost export earnings can help replenish reserves and support exchange rate stability. By adopting a comprehensive approach to managing inflation, Pakistan can lay the foundation for sustainable economic growth and stability.

4. Promoting Private-led Activity

State-owned enterprises (SOEs) have long been a drag on Pakistan's economy, burdened by inefficiencies and losses. Privatization and restructuring of SOEs are essential for fostering private-led economic growth and unleashing the potential of the private sector.

Privatization can inject efficiency and innovation into formerly state-controlled industries, driving productivity gains and stimulating economic activity. Moreover, restructuring SOEs can improve governance, enhance transparency, and reduce the burden on public finances.

Investments in human capital and infrastructure are also critical for promoting private-led activity. By improving education and skills training, Pakistan can enhance labor productivity and attract investment in high-value industries. Additionally, investing in infrastructure can reduce the cost of doing business and create an enabling environment for private sector development.

Challenges Ahead: Fiscal Consolidation and Political Turbulence

Fiscal consolidation poses the most significant challenge to Pakistan's economic stability. The escalation of fiscal deficits over the years, leading to a substantial increase in public debt, underscores the urgency of addressing this issue. Heavy reliance on multi-lateral and official lending has inflated public debt, while record-high interest rates have exacerbated the government's debt burden.

The Ministry of Finance's recent budget update for FY2023/24 reveals missed fiscal targets, with an overall deficit and primary deficit exceeding initial estimates. Political instability further compounds the challenges, with contentious elections and tensions between political factions intensifying. The popular appeal of Imran Khan contrasts sharply with the powerful military's influence, fuelling potential confrontations.

Moreover, a fragile coalition government, compounded by the PPP's reluctance to endorse politically demanding reforms, complicates negotiations with the IMF. The ongoing review of the Stand-By Arrangement (SBA) serves as a critical indicator of future structural reform feasibility. However, historical precedents of governmental instability and Pakistan's extensive IMF program history cast shadows over prospects for sustained economic reform and political stability.

Overcoming Challenges and Seizing Opportunities

Despite the formidable challenge of fiscal consolidation, Pakistan has made notable progress in other critical areas. Exchange rate stability has been attained through the implementation of prudent monetary policies, with the State Bank of Pakistan maintaining a tight monetary stance. Additionally, significant efforts have been directed towards reforming the energy sector and addressing inefficiencies within state-owned enterprises. These initiatives highlight a dedicated commitment to structural reform, which is essential for fostering long-term economic stability and growth. By addressing these key areas comprehensively, Pakistan can pave the way for sustainable development and resilience in the face of economic challenges.

The Road Ahead: Navigating Uncertainty

While market sentiment may be positive, Pakistan's economic path remains uncertain. Political tensions and the complexities of negotiating with the IMF emphasize the necessity for united efforts in economic reform. With these challenges looming, Pakistan must prioritize stability and collaboration to navigate through turbulent times and secure a prosperous future. By addressing underlying issues and implementing effective policies, the country can mitigate risks and build resilience against external pressures, ensuring sustained growth and development.

Conclusion

As Pakistan confronts political turbulence and economic obstacles, it becomes increasingly evident that decisive action is imperative. Prioritizing fiscal consolidation and enacting structural reforms are paramount for fostering sustainable economic growth and stability. By addressing the concerns highlighted by the IMF and capitalizing on opportunities for reform, Pakistan can chart a path towards prosperity and development. This necessitates collaborative efforts from the government and stakeholders to implement meaningful change and build a resilient economic foundation. With a strategic focus on addressing key challenges and leveraging opportunities, Pakistan can navigate through uncertainty and emerge stronger, poised for sustained progress and prosperity.

Towards a fairer tax system

Our tax-to-GDP ratio (income) has been around 10-11 per cent of GDP from FY2019 to FY2023

By Dr Abid Qaiyum Suleri

The World Bank, in its latest report, 'Pakistan Development Update', issues a stark warning: in the current fiscal year, the country's fiscal deficit is projected to skyrocket to a staggering 8.0 per cent of GDP.

This is a critical situation. To put it into perspective, our tax-to-GDP ratio (income) has been around 10-11 per cent of GDP from FY2019 to FY2023 – meaning we spend almost double what we earn. This excessive spending, which is not on human development but primarily on debt servicing, has severely impacted public service delivery. As a result, over 20 million people live without clean water, almost one in every three people lacks decent toilets, 40 per cent of its population faces poverty, and the same percentage of children under the age of five have stunted growth.

The inability to expand revenue is partly due to Pakistan's ineffective tax system, which has struggled to move beyond taxing imports and consumption, ballooning the share of indirect taxes in total tax revenue. On the other hand, certain loopholes on the expense side need to be plugged in to create a cushion for spending on human development. This context sets the stage for the World Bank and IMF's consistent advocacy for robust tax policy reforms in Pakistan, especially as the nation prepares for its 25th engagement with the Fund.

The IMF recently published a report titled 'Pakistan Tax Policy Diagnostic and Reform Options'. The report provides a detailed analysis of Pakistan's tax policy, highlighting its complexities, inefficiencies, and underperformance. The severity of the situation is emphasized by comparing Pakistan's tax-to-GDP ratio of 10 per cent with the average of 18.3 per cent for Upper Middle-Income Countries and 17 per cent for Lower Middle-Income Countries in 2020.

Why it is so?

Let us start with income tax. Pakistan's income tax structure is marked by its



complexity, with multiple tax rates and exemptions. The current system, characterized by varying tax rates for different categories of taxpayers, results in a convoluted tax regime. For instance, non-salaried individuals face a higher tax burden than their salaried counterparts, with the highest marginal tax rate of 35 per cent kicking in at an annual income of Rs4 million for the former, compared to Rs6 million for the latter. Such a taxation approach fosters avenues for tax avoidance and evasion.

The sales tax system split between the federal government and provinces suffers from significant administrative complexity. The federal government's jurisdiction over goods, juxtaposed with provincial authority over services, creates a fragmented system that complicates tax collection and enforcement. The proliferation of exemptions, zero-rating, and specific rates further aggravates the issue, undermining the sales tax system's efficiency and potential revenue generation.

Excise duties, particularly on tobacco and petroleum products, represent a significant revenue source. The IMF report indicates that substantial increases in excise rates on tobacco in 2023 led to an estimated 20-25 per cent decline in cigarette consumption.

However, sales tax evasion is another challenge in Pakistan's revenue collection efforts.

To improve the system, the IMF recommends simplifying the income tax structure. The report advocates eliminating the dichotomy between salaried and non-salaried individuals, proposing a streamlined rate structure with no more than four slabs. This simplification, according to the IMF, could significantly reduce compliance burdens and level the playing field across different income sources.

Tax expenditures (provisions in tax laws that allow for special exclusions, exemptions, deductions, credits, or preferential tax rates), a long-standing feature of the Pakistani tax landscape, are earmarked for overhaul. The IMF report underscores the necessity to eliminate all tax expenditures except those mandated by legal obligations, potentially raising about 2.0 per cent of GDP from tax policy measures by FY2026.

Sales tax, another significant revenue source, also needs to be simplified. The IMF report suggests a judicious pruning of exemptions and zero-rating, barring exports, and advocates for a uniform registration threshold across the federal

government and provinces. Such measures could not only streamline the tax base but also improve administrative efficiency and revenue collection.

In the realm of excise duties, the IMF report recommends a harmonized approach, particularly for tobacco products. Besides broadening the base to encompass emerging sectors such as e-cigarettes and luxury goods, it has also suggested increasing the excise duty on petroleum products. The IMF advocates that these adjustments will not only enhance revenue but could align Pakistan's excise tax policy with global best practices.

A pivotal institutional reform proposed is the establishment of a Tax Policy Unit within the Ministry of Finance. This strategic move aims to fortify tax policy analysis and decision-making, ensuring a cohesive and informed approach to tax legislation and enforcement.

Looking beyond the immediate horizon, the IMF report lays down a blueprint for structural reforms aimed at bolstering Pakistan's tax capacity in the long term. Central to this vision is the enhancement of tax policy coordination between the federal government and provinces, a step that could mitigate the current fragmentation and foster a more unified tax system.

The proposal for a modern and semi-autonomous tax authority is forwarded as a game-changer, poised to streamline tax collection and enforcement across federal and provincial levels. Furthermore, the transition towards a modern Value-Added Tax (VAT) system and a more equitable property tax regime is advocated.

There is little reason to differ from the IMF's recommendations. Even without an IMF programme, most of these long-delayed reforms are necessary to tap Pakistan's revenue-generation potential.

The recommended reforms, including rationalizing tax expenditures and introducing a simplified tax regime, aim to increase revenue generation, which is crucial for reducing fiscal deficit and providing cushion to the government for funding public services and infrastructure projects in Pakistan. By addressing issues like the taxation of retailers, wholesalers,

and digital services, these reforms could encourage formalizing informal economic activities, contributing to more transparent and accountable economic growth.

However, one needs to remember that efforts to achieve macroeconomic stability often disproportionately affect lower and lower-middle-income earners.

Increased tax rates, reduced exemptions, and reduced personal income tax slabs might disproportionately affect middle-income earners, further exacerbating income inequality and potentially leading to social unrest.



Likewise, given the significant size of Pakistan's informal sector, broad tax reforms might push more people and businesses into informality to avoid taxes or complex compliance requirements. The government should be mindful that implementing comprehensive tax reforms will lead to short-term economic disruptions, affecting business operations, consumer spending, and overall economic stability.

On the other hand, while the establishment of a Tax Policy Unit and other administrative reforms are a must to improve efficiency, significant challenges could arise in terms of capacity building, inter-agency coordination, and resistance to change within existing institutions.

Going forward, the government needs to ensure the tax structure remains progressive, where higher-income earners contribute a larger percentage of their income. This can be achieved by maintaining graduated

tax rates while reducing the personal-income-tax slabs and offering tax credits or deductions specifically designed for lower-income groups. Likewise, it should ensure that the thresholds for income and sales taxes exempt basic consumption items and lower-income earners from tax burdens, ensuring that the tax system does not disproportionately affect those with limited financial means.

Tailored and targeted support measures, phased implementation, and continuous monitoring could help mitigate negative outcomes while ensuring the reforms achieve their intended goals.

It is pertinent to mention here that increased revenue is often considered an end goal in the discussion of tax reforms. This is not the case; the government should clearly communicate and explain how enhanced revenues will be used to improve public services and invest in sectors that have the potential for high job creation, such as infrastructure, renewable energy, agriculture, education, and vocational training programmes.

There is very little room for deviation from its commitment to the IMF if a borrowing country wants to smoothly complete its programme. However, while negotiating for the next loan, the government should propose that during each staff-level review, the IMF assesses the impact of its proposed tax policy reforms on different income groups and adjust policies as needed to avoid unintended consequences, especially on vulnerable populations.

Courtesy The News

Concessions, debt & reforms



By Riaz Riazuddin

The FBR had been publishing its Tax Expenditure Report since 2020. Each report estimates the 'tax expenditure', ie, the tax foregone or the revenue loss because of the built-in tax concessions and exemptions in our federal tax laws. Such concessions are legally doled out to various power groups in our country. These reports do not disclose the identities of the beneficiary groups.

According to the latest report (for 2023), based on the data of fiscal year FY22, Rs2.24 trillion was lost due to tax concessions at the federal level. This tax loss was 36.4 per cent of the total FBR collection in FY22, equivalent to 3.4pc of GDP. This figure did not cover loss estimates emanating from tax concessions in provincial tax laws. Provincial revenue collection agencies should also start estimating their tax expenditures.

What do these losses have to do with our public debt? Our gross public debt could have been decreased by the amount of these expenditures each year in the past and it would have been much lower compared to the Rs62.9tr in June 2023 (74.8pc of GDP). The federal tax expenditure each year is close to 3pc of GDP. Had these concessions

been removed four years ago, our gross public debt would have been 12 percentage points lower than 74.8pc. This, of course, is a naïve deduction as the groups getting concessions won't have it any other way!

No matter how simplistic the above example seems, it is a precise indication of the necessity of reforms, not only in the spheres of federal and provincial tax laws, but also in various sectors of the economy. Thorough research will show the utmost necessity as well as political difficulty of implementing these reforms. Such research was undertaken by Dr Hafeez Pasha and published in the UNDP's Pakistan National Human Development Report 2020 that focused on 'The three Ps of Inequality: Power, People, and Policy'.

The fifth chapter of the report is about the political economy of inequality. Unlike the FBR tax expenditure reports (extremely useful to researchers), UNDP's report estimates resource transfers to the rich to be not only on account of tax concessions, but also deliberate political and economic concessions. This report identifies the seven powerful groups in our country that get privileges and access to resources, which creates not only inequality in our country

but also constrains economic growth and potential, besides giving rise to frequent economic crises. The report estimates this resource capture at over 7pc of GDP in FY18.

Let us hope that reforms succeed in our strangely hybrid, pseudo-democratic political system.

These powerful seven groups are broadly identified in the UNDP report as the feudal class, corporate sector, exporters, large traders, high-net-worth individuals, the military establishment, and SOEs.

Our economic system serves their interest through concessions in the tax system, the provision of cheaper inputs, higher output prices, and preferential access to land, capital, and infrastructure. Economic incentives directed towards these groups are not helping but retarding the productivity of our economy. Research done at the Pakistan Institute of Development Economics shows that it is not only growth but also the total productivity factor of our economy that is on the declining path in the long term. This is extremely alarming.

What does this imply? While this clearly est-ablishes the urgent need for reforming

our economy, unfortunately, it also shows the near-impossibility of implementing these reforms due to existing political structures and the power exercised by the seven privileged groups. International research on the political economy of structural reforms shows that these reforms could lead to large distributional consequences.

For our country, this means that reforms will divert resources from these seven groups to those outside them (the small and medium non-corporate sector, the common people, and poor segments). Therefore, it would be unlikely for the government to have support from the seven groups, notwithstanding the lofty (but empty) rhetoric of the authorities.

According to recent research on structural reforms, “Democracy and inclusive political institutions are often considered positive factors in generating support for more liberalised economic reforms in product, labour, and financial markets”. It is strong and popular governments that are able to garner support for structural reforms. Let us hope that reforms succeed in our strangely hybrid, pseudo-democratic political system and we become a case study of a political outlier that successfully implemented structural reforms.

In the absence of reforms in the near future, our country will be left with no option but to obtain a few billion dollars under a



programme that will create a semblance of initiating economic reforms, without actually succeeding. The reason we failed in the past is that we never really desired to implement these reforms. Reforms are always difficult but doable as the experience of several countries has shown.

Instead of hearing something from the authorities about their desire to undertake these reforms, we only hear non-desirability expressed in sentences like ‘we really cannot do without these reforms’. This is a meaningless sentence as there is no embedded demand for reforms! Reforms do not get implemented by themselves. We seem to pray for reform like manna from the heavens. As the old proverb goes: ‘If wishes were horses, beggars would ride’. Good luck, Mr Finance Minister, you seem to be the lone reform rider.

Returning to the tax expenditure (tax privileges) of close to 3pc of GDP, and the complete cost of privileges at 7pc of GDP, we can say that this cost amounted to Rs5.9tr in FY23 and is likely to surpass Rs6.8tr in FY24 due to inflation. Irrespective of the future success or failure of our wished-for structural reforms, we do need a medium-term IMF programme.

Our debt, while suffering from very large liquidity problems, can be sustained for a few years on the successful mobilisation of foreign exchange from the IMF, World Bank, the Asian Development Bank, the Islamic Development Bank and friendly countries. This is what we desire (not reforms), and this is what we’ll get, as in the past, until a political structure conducive to reforms falls on us from the heavens.



NFC: call for fiscal reforms

By Dr Miftah Ismail

In an analysis of the 7th NFC Award ('Fiscal realities: A case for NFC reform', March 20), published on these pages, I showed that provincial governments collect a small fraction in taxes compared to what they spend; their payroll and development expenditures have increased at a very fast clip; and that even if we somehow double the federal tax intake, we would still be left with a huge deficit.

Now four intellectuals, whose credentials and opinions I respect, have disagreed with me in their own columns. But none, dare I say, has told us how the federation can be brought back from the brink of financial disaster and how the entire country's fiscal situation can be grounded in sound footing absent a reduction in the NFC Award. In these pro-NFC columns, examples have been given of particular areas where federal expenditures are increasing fast, such as pensions. But pensions are rising fast in the provinces also and unless pension reforms are undertaken across Pakistan, as Khyber Pakhtunkhwa has tried to do, in eight years pensions will overtake all other expenditure heads, including defence.

A point has been made of provincial sales tax on services growing faster than the federal sales tax on goods. But the reason for that particular growth is the explosion of mobile telephony in Pakistan and mobile companies being self-compliant. We see that all other provincial taxes show no such progress. It has also been said that property or agriculture taxes have very limited potential, for instance arguing that half of Karachi is katchi abadis. Perhaps it is, but what about the other half?

My overall thesis that provincial taxes cover only 13 per cent of provincial expenditures and the federal government provides the overwhelming bulk of provincial resources remains valid. Equally valid are the facts that since the NFC, federal deficits have become unsustainable and that provinces have been relatively profligate in spending for political and other purposes.

My dear friend Khurram Husain wrote that



reducing the NFC's 57.5 per cent share "is a little like how a bear will chew off one of its own limbs in order to get out of a trap". What else would he have the bear do? Die of hunger while in the trap? When the federal government is running ever-increasing deficits (that cause inflation and force people into poverty) and the provinces are flush with funds, isn't the sensible thing reducing the provincial share? In any case, hopefully our leaders are smarter than bears and will unlock this trap so that we can come out of it without hurting the federation or the provinces.

A red herring has also been raised that those of us who want a reduction in the NFC Award also want a weakening in the 18th Amendment and doing away with federalism. This is simply not true. There is no intellectual defence in a country as big and varied as Pakistan to not devolve every appropriate power and responsibility from the federal government down to the provinces and from the provinces to localities.

Interestingly, some of those vehemently raising voices against even a small change in the NFC Award remain conspicuously silent when it comes to provinces not

devolving powers or resources to localities. In fact, while our political leaders took power and resources away from the federation in 2010, they simultaneously stripped the local government of powers accorded to them by General Musharraf's government.

From 2007 to 2010, the federal government's share in federal taxes had already been reduced from 58.5 per cent to 55 per cent. After the latest restoration of democracy, our newly empowered political leaders agreed on a formula to reduce the federal government's share further, from 55 per cent to 41.1 per cent, and also left the federal government with the responsibility to run Fata, Gilgit-Baltistan and AJK.

Perhaps the idea was to have the maximum possible funds for the provinces where they can carry out socially beneficial programmes, thinking that the federal government for now can run deficits and rely on borrowed funds. However, after 13 years of this NFC Award, the federal government cannot borrow from abroad without the IMF umbrella and within Pakistan takes away more than 80 per cent of liquidity from the banking sector and causes money supply growth and inflation. There is a tendency in Pakistani governance

to leave problems unsettled till tomorrow. Unfortunately for us, tomorrow is here. As for socially beneficial activities from the provinces, the less said the better. The proportion of stunted children hasn't improved in two decades, the proportion of wasted children has deteriorated, overall literacy or school enrolment hasn't much improved, and neither has the number of deaths of women during childbirth.

This in no way means that the federal government is a paragon of virtue. It has followed disastrous foreign exchange policies, never met an elite or state-owned enterprise it doesn't want to subsidize, and hasn't broadened the tax base to include the service sector. But NFC has made our problems much deeper. Even if we were to shut down the entire civil government and national defence, renege on all pension obligations, and stop paying all subsidies, including for BISP and providing cheaper electricity to the poor, we would still have a deficit of over Rs3000 billion. Nothing can bring us back from the brink until the NFC is addressed.

After the NFC Award was approved, our public debt in June 2010 was Rs9010 billion. In the three remaining years of the PPP government, we added 59 per cent to the debt we had accumulated in the previous 63 years and took our debt to Rs14,292 billion by June 2013. In the next five years of the PMLN government, we added another 75 per cent to the total debt added in the previous 66 years and took our public debt to Rs24953 billion.

Then came the PTI and in four years it added 97 per cent of the debt added in the previous 71 years and our debt became Rs49,242 billion. And finally, the PDM government in just the last fiscal year added 28 per cent of the debt added in the previous 75 years, taking total debt to Rs62,881 billion. At this speed, we are now doubling our national debt in three years and unless this is addressed, financial ruin is staring us in the face.

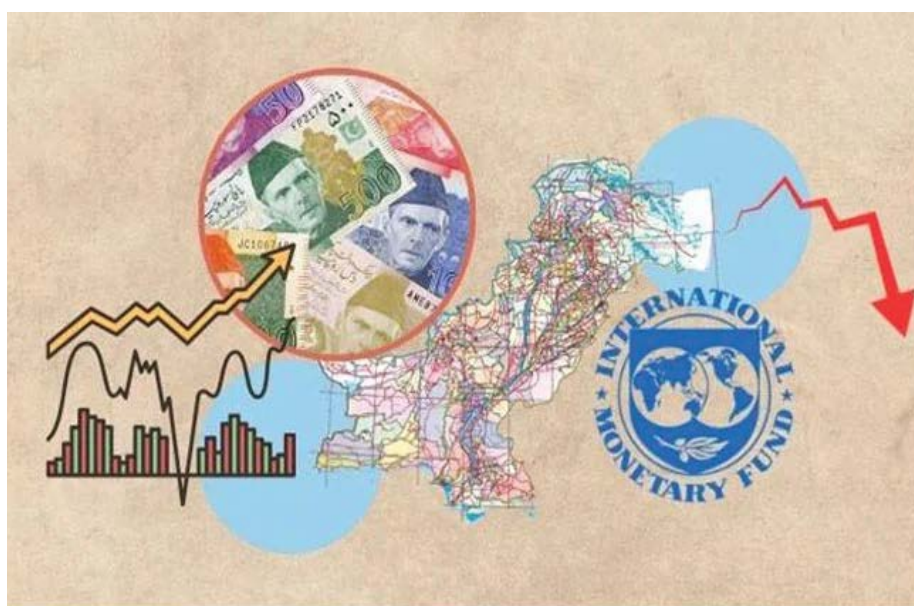
Politics always trumps economics and politics is why we are hollowing ourselves out financially. Since the NFC Award, the PPP has kept its power intact in Sindh, the PTI has tightened its grip on KP and the PML-N has emerged as the largest party in

every provincial election in Punjab. Political parties have consolidated their political fortresses with the relatively huge resources at their disposal by doling out jobs and material favours to their voters and supporters. For instance, between 2018 and 2022, the KP government increased employment in ex-Fata, paid for by the federal government, from 33,000 to 84,000 employees.

There is nothing wrong and everything right with governments helping out the poor through better schools, health facilities or cash transfers. But when the federal government has to tax soap and toothpaste bought by the poor and provinces have the

causing significant economic loss.

The root issue with our NFC Award is the fact that the federal government gets to keep less than Rs40 for every Rs100 of additional tax revenue. So no matter how much taxes it raises, 60 per cent goes to the provinces. Last year our tax collection was Rs7169 billion. But to achieve a balanced federal budget, we should have collected more than three times as much, – Rs23,859. That's 28 per cent of GDP and a higher tax-to-GDP ratio than America and Australia. Surely, we cannot realistically expect the federal government to collect tax revenues at 28 per cent of GDP when the



money to give away motorcycles to middle-class students, there is something wrong with the incentive structure of our governance. Then there is also the economic cost of collecting taxes.

When a government imposes taxes, it reduces commercial activity causing economic loss to society. Think of the 18 per cent sales tax on motorcycles. Because the price has been raised by 18 per cent, fewer bikes will be sold, the companies making them will hire fewer workers and many consumers will not be able to afford them. This results in economic loss. It is estimated that the loss to the economy can easily be Rs30 for every Rs100 raised in taxes. So when our governments raise taxes to subsidise the non-poor, they are not only distributing income from have-nots to the haves for political gain, but they are also

provinces altogether are collecting merely 0.77 per cent of GDP in taxes.

The only way out of our fiscal predicament is for the federal government to 'do more', as the provinces want, but also for the provinces to take more responsibilities. Surely the provinces can do better than collect only Rs8 billion in property taxes combined. Dr Hafeez Pasha has given some interesting ideas towards a solution. Adding to that, given that the provinces aren't able to collect property or agriculture taxes, perhaps they can be transferred to the federation. Maybe the 57.5 per cent allocation can be limited to the first Rs9000 billion of the divisible pool and the provincial share reduced substantially beyond that. But the time has come for us to address this deepening crisis.

Courtesy The News

An accountant's approach to NFC?

Arguments in favour of revised NFC are, on aggregate, about fiscal difficulties that federal government faces

By Mosharraf Zaidi

A lot has been written recently about the need to revisit and reduce the share of the provinces in the 7th National Finance Commission Award, but sadly most of it is informed by assumptions that are misplaced, or worse, absent any hard evidence at all. In a public discourse coarsened and contaminated by the constant insertion of inorganic political narratives by 'non-political actors', a reliance on arguments lacking relevant data is not surprising.

The arguments in favour of a revision of the NFC are, on the aggregate, about the fiscal difficulties that the federal government faces. The anti-NFC crowd argues that if the formula in the 7th NFC were to be revised, the federal government's economic difficulties would be ameliorated. There is a wide range of scholars that have tackled this line of argument. Indeed, even the grand vizier of the anti-NFC crowd, former finance minister and the genuinely pro-reform Dr Miftah Ismail, admits that the solution to fiscal difficulties is fiscal measures (more and better taxation) – but then he puts the onus of this taxation on the supposedly inefficient provincial governments – a decidedly politics and service delivery solution to what he himself frames as an accounting problem.

This, in a nutshell, is the problem with the fiscal argument for revisiting the NFC. It adopts an accountant's argument to solve a politics and service delivery problem. The 7th NFC Award was a politics and service delivery solution to a politics and delivery problem. It never sought to be, was never intended to be, and will never be an accounting solution.

Dr Ismail knows the perils of letting accountants have their way with Pakistan's economy – so his anti-NFC position is especially troubling. Since he is now among the prime movers of the economic discourse in the country, the wider debate around the NFC suffers from focusing on the wrong thing. Arguments for or against



the current formula of the 7th NFC need to be about politics and delivery.

Let's take the example of education – an issue on which many in the anti-NFC ranks have the right instincts. First, some context. For decades, one of the most vexing problems in Pakistan's education sector was the quality of teachers in the public sector or government schools. This problem was so severe by the late 1990s that a large cohort of Pakistani families had already exited the public sector education system, birthing a tsunami of private schools that now dominate the education discourse.

At the heart of the large-scale migration of parents and families away from government schools (and toward private schools, including low-cost and low-quality private schools) was the low quality of government schoolteachers – especially at the primary school level. This low quality was baked into government, and government schools across the entire country thanks to something called the PTC.

The PTC stands for Primary Teaching Certificate. It was the instrument through which political patrons (including the military regime of General Ziaul Haq and General Pervez Musharraf) distributed jobs to those 'matric-pass' candidates that had

the eyes, ears or wallets of local political and administrative bosses (MNAs, MPAs, commissioners, DCs etc). To become a primary school teacher, you had to prove that you had passed 'matric' and would one day complete the PTC. Many did, many did not – but the institutionalization of 'matric-pass' primary schoolteachers essentially stripped government schools of any kind of quality education.

The government later added a CT (Certificate of Teaching, for 'inter-pass' candidates to be able to teach middle and high school students). Not surprisingly, the market responded with en-masse migration (for those who could afford it) away from government schools. As government schools became the last refuge for only the very poorest families, learning outcomes at government schools kept plummeting. This happened throughout the 1970s, 1980s, 1990s and 2000s. And then, in 2010, came the 7th NFC Award and the 18th Amendment.

Many Pakistanis forget that in 2009, just a couple of years before the most recent wave of the coarsening and contamination of the public discourse by 'non-political actors' (that began in earnest in October 2011), political parties had learnt to come together for meaningful reform. The parliamentary

committee that delivered the 18th Amendment drew from the full spectrum of politics, including PML-N, PML-Q, PML-F, ANP, MQM, JUI-F, Jamaat-e-Islami, PPP(S), JWP, NPP, PKMAP, BNP-A. This committee was trying to solve a wide array of politics and service delivery problems – and the solution they devised was the 18th Amendment (and in parallel, and consonant to it, the 7th NFC Award). One of the most divisive and lively debates this committee had was on education.

The final consensus of the group insisted on the delivery of education being unambiguously devolved to the provinces (codified through the deletion of the concurrent list in the fourth schedule of the constitution), and the establishment of education as a right for every child in Pakistan between the ages of five and sixteen (codified through the insertion of Article 25-A to the constitution). Naturally, the increased share of the provinces in the 7th NFC was aligned to help service the new responsibilities of the provinces.

The generic education report card for Pakistan is an F-for failure. But the anti-NFC crowd really don't want a deeper assessment of what lies beneath such generic declarations. To be clear: Pakistan is suffering from a severe crisis in learning and education. But where was the country in 2010-2011 – the last fiscal year prior to the 7th NFC Award (and the 18th Amendment) – and where is it today?

The total enrolment of students from Class I to Class X in 2010-2011 was 25,039,395. The corresponding number for 2020-2021 was: 31,181,896. This translates to a net increase of 25 per cent.

In 2010-2011, there were 679,829 government schoolteachers in Pakistan. Fifty per cent of these teachers were either PTC (266,592 matric pass) or CT (72,078 inter pass). Only 20 per cent had a Bachelors (91,899) or a Masters (39,501).

In 2020-2021, there were 746,733 government schoolteachers in Pakistan. Eighty-five per cent of them have a Bachelors (182,113), Masters (449,447) or a PhD (6,238). The system still has the good old PTC and CT folks – but they now make up a mere 12 per cent of the entire cohort of government schoolteachers.

On the quality of teachers in the public sector alone, provinces have completely transformed the realm of the possible. This happened in large part due to one province taking the lead and setting an example, and the rest of the provinces learning from it and following suit. The instrument of change in this case was the elimination of a patronage-based system of teacher recruitment and the introduction of a merit-based hiring process through something that has come to be known as the National Testing Service. Matric and inter-pass candidates simply cannot pass the NTS test. The dramatically higher quality of government

2010-2011 had two or fewer teachers. In 2021-22, this had fallen to 43 per cent. It needs to fall much, much farther. That too will have a financial cost.

When the anti-NFC crowd uses generic narratives about the failures of the public education (or other service delivery) systems in Pakistan, they are often dealing not with any detailed understanding of how dramatically the 7th NFC and 18th Amendment have helped alter the fabric of public delivery capability nor of how much more challenging serving 240 million Pakistanis is in 2024, than serving 198 million Pakistanis was in 2011.



schoolteachers – pioneered by Punjab in 2009 under the then chief minister Shehbaz Sharif – has not yet translated into dramatically improved learning outcomes. But it has come at a substantial financial cost.

In the Basic Pay Scale of 2011, the salary of a BPS-14 government employee (the level at which middle school teachers are paid) ranged from Rs8,000 to Rs26,300. In the Basic Pay Scale of 2022, the salary of that same BPS-14 government employee ranges from Rs22,530 to Rs74,730. The upper limit (high end of BPS-16) for a high school teacher has risen from Rs34,000 in 2011 to Rs95,870 in 2022. This essentially represents a 3x salary escalation across the board, since the 7th NFC Award.

Worst of all, there is a substantial teacher shortage in all provinces. Sixty-three per cent of all government primary schools in

Fiscal problems merit fiscal solutions. The 7th NFC and 18th Amendment were not a solution to the fiscal crisis of 2009-2010. They were a solution to a complex network of politics and service delivery problems. There is a lot that still needs fixing – in education, social protection, public health and routine immunization, and especially in local governance. None of this will be achieved by slashing the provincial shares of the NFC.

Pakistan already has a surplus of trigger-happy accountants who understand neither the purpose of reform nor the impact of getting it wrong. Genuine reformers must identify solutions that are fit for purpose – not fit for accounting.

Courtesy The News

Understanding Urea Fertilizer Market Dynamics in Pakistan: A Comprehensive Analysis

By Daniyal Wali

The recent surge in urea fertilizer prices has sent ripples of concern throughout the agricultural sector in Pakistan, prompting policymakers and stakeholders to closely scrutinize the underlying market dynamics. With farmers and consumers bearing the brunt of escalating costs, there is a pressing need to delve into the intricate web of pricing strategies employed by key industry players. Against this backdrop, the Competition Commission of Pakistan has undertaken a comprehensive investigation, aiming to shed light on the factors driving the price hike and its implications for the broader economy. In November 2021, the abrupt spike in urea fertilizer prices underscored a critical juncture in Pakistan's agricultural landscape, necessitating a thorough examination of market practices. The advertisement issued by the Fertilizer Manufacturers of Pakistan Advisory Council (FMPAC) and its member undertakings, announcing a 'Maximum Retail Price of Urea at Rs. 1768 per 50 Kg bag', served as a clarion call for regulatory intervention. This concerted effort to set a uniform price raised suspicions of potential anti-competitive behavior within the industry, prompting the Competition Commission to embark on a rigorous investigation.

The ramifications of the price surge extended far beyond mere economic concerns, casting a shadow of uncertainty over the livelihoods of farmers and the food security of the nation. As fertilizer costs soared, farmers grappled with the prospect of diminished profits and reduced agricultural yields, exacerbating the challenges already faced by an agrarian economy. Against this backdrop, the Competition Commission's report assumes paramount significance, offering insights into the underlying dynamics driving the price volatility and its repercussions for stakeholders across the value chain.

At the heart of the investigation lies a quest for transparency and accountability in pricing mechanisms, seeking to ensure fair competition and consumer protection. By unraveling the complexities of the urea



fertilizer market, the Commission endeavors to foster a level playing field wherein market forces operate freely, without undue influence or manipulation. Through rigorous scrutiny of industry practices and regulatory oversight, the Commission aims to restore confidence in the integrity of the agricultural market, safeguarding the interests of farmers and consumers alike.

Relevant Market Analysis

The report delves into the definition of the relevant market, identifying urea fertilizer (in prilled form) as the focal point. It underscores the indispensability of urea as a nitrogenous fertilizer in agricultural practices, emphasizing its distinct characteristics and pricing differentials compared to other fertilizers like DAP and NPK. Additionally, it highlights the dominance of domestic production in meeting urea demand, with imports playing a supplementary role.

Urea fertilizer, with its 46.7% nitrogen content, serves as a vital nutrient for crops, making it an integral component of agricultural practices in Pakistan. Out of the three main types of fertilizers – nitrogenous, phosphorous, and potash – urea holds a significant share of 75%, reflecting its importance in crop cultivation. Unlike other fertilizers, urea's high nitrogen content makes it uniquely suited for addressing nitrogen deficiencies in soil, thereby enhancing crop yields and quality.

Furthermore, the report underscores the competitive advantage of domestic production in meeting urea demand, with imports accounting for a mere 1.5% of the annual requirement. This highlights the self-sufficiency of Pakistan's urea industry, wherein local manufacturers play a pivotal role in catering to the agricultural needs of the nation. However, despite the robust domestic production, pricing dynamics and market competition remain key areas of concern, warranting closer scrutiny by regulatory authorities.

An overview of the key market players, including FFC, Engro, Fatima Fertilizer Company Limited, FFBL, and Agritech, reveals their respective market shares and operational performances. Capacity utilization, profit margins, and cost components are analyzed to gauge the financial health of these undertakings. The report emphasizes the significance of feedstock gas as a major cost component and elucidates the role of government subsidies in sustaining the industry.

The performance of major urea producers in Pakistan, namely FFC, Engro, and Fatima Fertilizer Company Limited, underscores the profitability of the sector despite fluctuations in input costs and market dynamics. With capacity utilization at peak levels and healthy profit margins, these companies have consistently delivered strong financial results, reflecting

the resilience of the urea fertilizer industry in Pakistan. However, concerns regarding pricing transparency and market competitiveness necessitate a deeper examination of industry practices and regulatory oversight.

Government Intervention and Regulatory Framework

The report elucidates the regulatory framework governing urea fertilizer prices, highlighting the deregulated nature of the market and the role of fertilizer companies in determining prices. It underscores the reliance of district agriculture departments on company-announced prices for monitoring hoarding and profiteering activities. However, concerns are raised regarding the collective price announcement by industry associations and its potential anti-competitive implications.

In Pakistan, urea fertilizer prices are deregulated, allowing fertilizer companies to determine prices based on market dynamics and cost considerations. This deregulation reflects the government's commitment to fostering a competitive environment that incentivizes efficiency and innovation within the industry. However, the reliance on company-announced prices for regulatory purposes raises questions about transparency and accountability, particularly in light of recent price hikes and supply shortages.

Moreover, the report highlights the role of government subsidies in sustaining the urea fertilizer industry, particularly through the provision of subsidized gas for production purposes. These subsidies, amounting to Rs. 152 billion annually, play a crucial role in ensuring the affordability and accessibility of urea fertilizers for farmers across Pakistan. However, concerns have been raised regarding the efficient allocation of subsidies and their impact on market dynamics, underscoring the need for greater transparency and accountability in subsidy disbursement mechanisms.

Violation of Competition Laws

A critical examination of the advertisement

issued by FMPAC and its member undertakings reveals a prima facie violation of Section 4(1) read with Section 4(2)(a) of the Act. The report scrutinizes the commercial decision of price fixing and its adverse impact on market competition. Moreover, it identifies FFBL's involvement in the pricing scheme despite its operation in the granular urea segment.

The advertisement issued by FMPAC and its member undertakings, collectively announcing the price of urea fertilizer, raises significant concerns regarding potential violations of competition laws. By colluding to set a uniform price for urea fertilizer, industry players may be engaging



in anti-competitive behavior that undermines market competition and consumer welfare. Furthermore, FFBL's participation in the pricing scheme, despite its focus on granular urea production, highlights the interconnectedness of pricing decisions within the industry and the need for comprehensive regulatory oversight.

Recommendations for Regulatory Action

In light of the findings, the report recommends initiating proceedings under Section 30 for prima facie violation of competition laws against the implicated undertakings. It underscores the substantial gains accrued by these companies through unilateral price hikes, accentuating the disproportionate burden borne by farmers and consumers. Moreover, it underscores the need for stringent regulatory measures to curb anti-competitive practices and ensure market transparency.

The report's recommendations for regulatory action underscore the importance of safeguarding market competition and consumer welfare in the urea fertilizer industry. By initiating proceedings against the implicated undertakings, regulatory authorities can send a strong signal against anti-competitive behavior and promote fair competition within the market. Moreover, the report underscores the need for comprehensive regulatory reforms to enhance transparency, accountability, and market efficiency in the urea fertilizer sector.

The report paints a comprehensive picture of the urea fertilizer market in Pakistan, elucidating the intricate interplay of market

forces, regulatory interventions, and industry dynamics. It underscores the imperative of fostering a competitive environment conducive to fair pricing and equitable distribution of essential agricultural inputs. Moving forward, proactive regulatory measures and robust enforcement mechanisms are essential to safeguarding the interests of farmers and promoting sustainable agricultural development in Pakistan.

To conclude, the report's findings underscore the need for comprehensive reforms to address systemic issues within the urea fertilizer industry. By promoting transparency, accountability, and fair competition, regulatory authorities can ensure the long-term sustainability of the agricultural sector and enhance the welfare of farmers and consumers alike. Through collaborative efforts between government agencies, industry stakeholders, and civil society, Pakistan can realize its agricultural potential and achieve inclusive growth and development.

Pakistan on silent economic decline

Data reveals stark realities as growth falters, income gap threatens stability

By Salman Siddiqui

Optimus Capital Management (OCM) launched two infographs during Eid holidays, showing Pakistan's economy grew much better than India from 1965-1990, with growth exceeding 6% in 1991-92. However, since then, it has been on a persistent decline, reducing to an average growth rate of 3.4% in the past 15 years. The economy is projected to further slow down and average out at 2% over the next five years, widening income disparity, increasing poverty, and boosting joblessness. On the other hand, India's economic growth rate surpassed Pakistan in the 1990s and has continued to grow over the past 27 years to date.

While commenting on the graphs, Senior Economist Dr Ashfaq Hasan Khan said the graphs simply depict a sorry state in Pakistan. One of the two graphs illustrates how Pakistan's economy is gradually sinking in front of our eyes, and we are mere silent spectators. The graph presents 15 years rolling real GDP growth of Pakistan since 1965. As can be seen, it exhibits a declining trend. The real GDP growth has slowed to an average of 3.4% per annum over the last 15 years. Going forward, this growth will further slow down. Imagine an economy growing by 3.4% per annum with a population growing by 2.5%. Hence, the real per capita income, on average, is growing by less than 1% per annum, which is neither here nor there. This simply suggests that our real living standard has remained stagnant on average. It means the living standards of the bulk of the people have declined, while it has increased for some people. This is also a sign of widening income inequality.

“Despite all these things, the economy is not on the radar of the successive governments. In fact, we have outsourced our economic management to the IFIs (international financial institutions like the International Monetary Fund and World Bank). May God protect Pakistan and its people, particularly the poor and downtrodden.” Another graph compares the growth experiences of Pakistan and India. As can be seen from the graph, Pakistan was doing far better than India until 1990. “As we move into the decade of the 1990s, Pakistan’s economic downturn became clear. The decline continued until 2002-03. Pakistan started recovering slightly in 2003-04 until 2007-08, and since then, there has been no looking back.”

India, on the other hand, continued to maintain a rising trend in its growth trajectory. What caused Pakistan's economic downturn starting in the decade of the 1990s? "In my view (many would disagree with my answer, but they have every right to disagree with me), two things made the difference – the bari bari regime (rotational government by political parties) in the 1990s and the IMF programme....devaluation, keeping interest rates high, senseless taxation, and austerity (raising the prices of utilities)," Khan said.

Read Govt blamed for economic, security meltdown

Since 2003-04, Pakistan came out of the IMF programme until 2007-08. Pakistan was making its own policies, and there was no



bari bari regime. Since 2008-09 until today, however, Pakistan has remained under successive IMF programmes. Pakistan has outsourced its policymaking to the IFIs, and hence our economy continued to witness a declining trend.

The former dean of NUST, Khan said devaluation, high-interest rates, senseless taxation, and rising prices of utilities have made our industries non-competitive in international markets. Industrial production continued to witness a decelerating trend. Agricultural growth, on average, continued to grow slightly above the country's population growth. Hence, our reliance on food import continued to rise. The services sector continued to grow, primarily by an extraordinary growth in banking and finance. Pakistan's banking and financial sector continued to earn extraordinary profits because of the State Bank of Pakistan keeping its policy rate extraordinarily high.

"Pakistan will remain under the IMF programme for at least another 5 years. Hence, growth deceleration will continue. I can expect our economic growth to slow down further to 2% per annum during the next 5 years. Poverty, unemployment, and debt accumulation will be the natural outcomes for Pakistan," Khan said.

Speaking to The Express Tribune, OCM CEO Asif Qureshi said there is no rocket science behind the graphs. They are developed using publicly available data. The graphs simply show that the two bordering countries, both of which gained independence in 1947, are growing in two opposite directions due to local policies and international geopolitics.

He said the Indian government and its public sector are not better than Pakistan's. Both are equally poor. However, India's quality education up to the higher education level, vibrant private sector, and focus on science and technology helped its economy boom.

India has remained the West's darling under geopolitics, winning global backing. This offers a large consumer-based economy to the world with a population size of 1.3 billion people.

Courtesy www.tribune.com.pk

Senate election controversy

By Ahmed Bilal Mehboob

Hardly any election in Pakistan has been free of controversy. This includes Senate elections. The recent presidential election was a rare exception. Mahmood Khan Achakzai, the runner-up and joint candidate of the Sunni Ittehad Council (SIC) — read: PTI — displayed political maturity and a democratic spirit by accepting defeat and congratulating the winner, Asif Ali Zardari of the PPP. Not just that, he went on to acknowledge that it had been a clean election in which, unlike the past, no cash for votes was involved.

Less than a month later, it was a different story in the case the election of half the Senate. Unlike in the past, there were no allegations of legislators voting for cash — a significant improvement given the background of Pakistan's Senate polls — some serious constitutional and legal controversies arose, which continue to rage even after the winners have been notified. The major controversy concerns the ECP's unprecedented move to postpone election in the KP provincial assembly, literally at the eleventh hour, despite the fact that election in the three other provinces and the federal capital had been held smoothly.

KP is the only province where the PTI commands an absolute majority in the provincial assembly and has been able to elect its own chief minister, even though the ECP doesn't recognise PTI as a parliamentary party and continues to treat its legislators as independent members. The ECP refused to hold election in the KP Assembly on the same day they were held in the other legislatures because its Speaker refused to administer oath to some 25 legislators elected on seats reserved for women and non-Muslim minorities belonging to various other political parties.

These were the seats which would have been won by the PTI, or its proxy SIC, had the ECP accepted the PTI or SIC as a bona fide party in the assembly, which qualifies the allocation of reserved seats in proportion to the general seats won in the election. The PTI is somehow resigned to the fact that these seats can't be given to the party but finds it absolutely unacceptable for the seats which were its right to be distributed among its opponent parties. Some serious constitutional and legal questions have arisen in the aftermath of the Senate polls. In an odd and rather unfair interpretation of the law, some of these parties have bagged more seats reserved for women and minorities than they had secured in the general election. For example, the JUI-F had won seven general seats in the KP Assembly in the Feb 8 election but was able to get 10 reserved seats. The PML-N and PPP, which secured five and four general seats, were awarded eight and six reserved seats respectively.

Sadly, for the PTI, the ECP decision, no matter how unfair it might seem to the party, was unanimously endorsed by a five-member bench of the Peshawar High Court, and the Speaker was directed to administer oath to members 'elected' on the reserved seats. Since administering oath to 'elected' members can be done only in an assembly session, and the Speaker has no legal mechanism to call one on his own — he can do so only if at least 25 per cent of the members



requisition a session — the assembly session could not be convened and oath to the members elected on reserved seats could not be administered.

In these circumstances, only the provincial government has the authority to give binding advice to the governor to summon an assembly session. The governor tried to summon the assembly session on his own but both the provincial government and the assembly secretariat justifiably frustrated his effort on constitutional grounds. In fact, the high court, in its order, should have directed the provincial government, and not the Speaker, to summon the session.

At stake, besides a principle, are at least four additional Senate seats which the opposition could win if these 25 legislators took oath and voted for their party nominees. The matter is now before the Peshawar High Court for the latter to hear the Speaker's petition to review the court order endorsing the ECP notification. The court will hear the case after it has delivered its detailed judgement. The matter may ultimately be resolved by the Supreme Court. How long it will take is anybody's guess.

Will the Senate, without 11 representatives from KP, be able to function as usual and elect its chairman and deputy chairman? The key question in this respect is whether the Senate is 'duly constituted' in accordance with Article 60 of the Constitution. There is nothing in the law or Constitution which suggests that the Senate is not duly constituted. It has full representation of the three provinces and the federal capital. The fourth province, KP, is also not without representation as the term of half its senators elected in 2021 is set to expire in March 2027.

Some analysts have suggested that the Senate in its present form can function under an 'interim presiding officer' but it can't elect its regular chair and deputy chair. Again, there is nothing in the Constitution, Elections Act, 2017, or the Senate Rules of Procedure which stops the Upper House from electing its chairman and deputy chairman. Although, legally speaking, the Senate is "duly formed", it will be rather unfortunate if half the representatives of a province remain missing from this important forum which has been specifically created to safeguard the provinces' rights. One hopes that the Peshawar High Court and the Supreme Court (if required) will move expeditiously not only to conclusively pronounce on these contentious points but also to interpret the law for the future.

Courtesy Dawn



Tug of war within PTI ft. Sher Afzal Marwat

Exclusive Insights



By Romana Afsheen

In an exclusive and insightful interview with Mehwish Nazeer of The Truth International, Sher Afzal Marwat, a figure well-versed in both the legal and political realms of Pakistan, unravelled the intricate fabric of the country's governance, addressing pressing issues and shedding light on the dynamics within the Tehreek-e-Insaf (PTI) party. Marwat's discourse provided a comprehensive understanding of the challenges, aspirations, and intricacies shaping Pakistan's socio-political landscape.

The discussion commenced with a retrospective analysis of PTI's meteoric rise to prominence, prompting Marwat to delve into the underlying factors propelling the party forward. He attributed PTI's ascent not to mere happenstance but to the relentless toil of its workers, coupled with divine blessings and fortitude in the face of adversity. Marwat's reflections underscored the significance of grassroots mobilization and the power of collective action in shaping political outcomes.

However, Marwat did not shy away from acknowledging the harsh realities of political life, characterizing it as a realm fraught with intrigue, manipulation, and ethical quandaries. He lamented the pervasive culture of deceit and smear tactics employed by political adversaries,

highlighting the moral courage required to withstand such pressures and uphold integrity in public discourse.

Transitioning to a comparative analysis, Marwat delineated the contrasting qualities requisite for success in law and politics. While a sharp memory and punctuality are prized attributes for lawyers, Marwat emphasized the indispensability of technological literacy and a nuanced understanding of contemporary issues in legal practice. However, his assessment of Pakistan's judicial system revealed systemic flaws, including nepotism and favoritism in judicial appointments, prompting a call for institutional reforms to ensure meritocratic selection processes. The conversation then veered towards the perennial question of leadership succession within PTI, particularly in the post-Imran Khan era. Marwat's candid appraisal underscored the absence of a clear heir apparent, emphasizing the imperative of nurturing institutional leadership pipelines to ensure continuity and stability within the party. His nuanced insights into the complexities of leadership transition illuminated the inherent challenges of political succession in a volatile and dynamic landscape.

Dispelling speculations of undue influence from the establishment, Marwat refuted claims of preferential treatment towards

PTI, asserting his own reluctance to embrace political limelight. His candid reflections on the personal sacrifices entailed by political engagement, including curtailed freedoms and diminished family time, offered a poignant glimpse into the human toll exacted by public service.

Looking ahead, Marwat articulated plans for nationwide protests following Eid, underscoring the imperative of mass mobilization to demand Khan's release and advocate for systemic reforms. His impassioned plea for civic engagement and collective action resonated with the broader ethos of democratic participation and social justice, urging citizens to reclaim agency and shape their collective destiny.

In conclusion, Marwat's discourse epitomized the confluence of experience, insight, and conviction, offering a panoramic vista of Pakistan's political topography. His narrative underscored the dialectic between idealism and pragmatism, highlighting the enduring quest for justice, accountability, and progress in a nation grappling with myriad challenges. As Pakistan navigates the ebbs and flows of democratic governance, voices like Marwat's serve as beacons of hope, guiding the nation towards a brighter and more equitable future.



Faizabad dharna: Inquiry commission gives clean chit to Gen Faiz

The commission also proposed to legislate about intelligence agencies of the country

By Azaz Syed

The commission to probe Faizabad dharna case has given a clean chit to the then Inter Services Intelligence (ISI) internal security in-charge Lt Gen Faiz Hameed and Rangers Director General Maj Gen Naveed Azhar Hayat who distributed money among the sit-in participants.

The commission was formed on the directives of the Supreme Court to know the facts behind 2017 sit-in at Faizabad by Tehreek-e-Labbaik Pakistan (TLP). The commission in its finding said that Gen Faiz had to sign the accord as an arbitrator as he had permission of the then Army Chief and ISI DG.

The commission had held the then Punjab government of Shehbaz Sharif responsible. However, it has refrained from writing the name of Shehbaz Sharif. This correspondent had an opportunity to read the commission report and get some of its excerpts. The commission said that no politician or official had given any proof of involvement of any agency or a state institution in the sit-in. So the commission could not establish any link between the TLP sit-in and a government officials.

The commission also proposed to legislate about intelligence agencies of the country. It said that the Army is a sacred institution of the state, and it should be refrained from interfering in the civil matters so that it could be saved from criticism. With such action, public trust in the institution would increase.

The commission has proposed giving Intelligence Bureau a lead role regarding internal security. It has proposed action against the then Punjab IG Arif Nawaz for telling the commission a lie and misconduct.

The commission was assigned to name the culprits behind the sit-in; however, it only recommended action against the people in light of the reports of Centre and Punjab. The 243-page report on the commission has been received by the Supreme Court and the Cabinet Division. The report has recommended restoring the cases against the TLP during dharna.

Former official of Khyber Pakhtunkhwa Police Dr Akhtar Ali Shah was heading the commission while, former IG Tahir Alam and PAS senior official Khushhal Khan were its members. The commission has also attached statements of Shehbaz Sharif, former prime minister Shahid Khaqan Abbasi, former interior minister Ahsan Iqbal, incumbent IB chief Fawad Asadullah, former ISI DG Lt Gen (R) Faiz Hameed, former IB chief Aftab Sultan, former Punjab IG Arif Nawaz, former Rangers DG Lt Gen (R) Naveed Azhar Hayat and others as an annexure.

The commission said that the then Punjab government desisted from taking action against the protesters to save its vote bank and the action was not praiseworthy as it was an escape from the



responsibilities and a misconduct. It recommended action against the responsible persons.

The commission said that there should be no agreement with the terrorists, and there should be some permanent solution to the problem. The commission recommended that Rangers and FC should be sent back to the borders and should be stopped from entering the urban areas, and the money spent on them should be shifted to the police.

The commission has rejected accord with the TLP at that time, suggesting that such agreements are a temporary solution, not a permanent one. It said that there is no code of conduct for the intelligence agencies, so there is need for legislation regarding their rules and SOPs. The commission recommended implementation of the National Action Plan.

It said that besides the federal secretaries, the ministers should also be given financial and administrative authority. The capital chief commissioner should be independent. It also recommended that all the agencies should work jointly to stop financial assistance to terrorists.

The commission has recommended reconstitution of Pemra Council of Complaints and suspension of TV licence for six months and Rs50 million fine on airing provocative and violent content. It also recommended to establish a special riot force for Rawalpindi and Islamabad.

No one except former Pemra chief Absar Alam gave any statement against Gen Faiz Hameed. While, the then Punjab home minister Rana Sanaullah did not appear despite being summoned. Shehbaz Sharif and former ISI DG submitted their written statements with the commission.

Former Rangers DG Maj Gen Naveed Azhar Hayat had said that he gave money to the sit-in participants from his pocket out of sympathy so that they could collect their belongings from police stations and return to their homes, and rejected involvement of any agency or state institution in the financial assistance.

Courtesy The News

Why has Iran attacked Israel?



By Raffi Berg

Iran launched drones and missiles towards Israel after vowing retaliation for a deadly strike on its consulate in the Syrian capital Damascus. Israel has not said it carried out the consulate strike, but is widely believed to have been behind it. It is the first time that Iran has attacked Israel directly.

Previously Israel and Iran had been engaged in a years-long shadow war - attacking each other's assets without admitting responsibility. Those attacks have ratcheted up considerably during the current war in Gaza sparked by the Palestinian group Hamas's assault on nearby Israeli communities last October.

Why are Israel and Iran enemies?

The two countries were allies until the 1979 Islamic revolution in Iran, which brought in a regime that has used opposing Israel as a key part of its ideology.

Iran does not recognise Israel's right to exist and seeks its eradication. The country's supreme leader, Ayatollah Ali Khamenei, has previously called Israel a "cancerous tumour" that "will undoubtedly be uprooted and destroyed".

Israel believes that Iran poses an existential threat as evidenced by Tehran's rhetoric, its build-up of proxy forces sworn to Israel's destruction, its funding and arming of Palestinian groups including Hamas and of the Lebanese Shia militant group Hezbollah, and what it believes is Iran's secret pursuit of nuclear weapons, though Iran denies seeking to build a nuclear bomb.

Iran wanted to hit back after attack on consulate

Iran says Saturday night's bombardment of Israel is a response to the 1 April air strike on an Iranian consulate building in the Syrian capital Damascus, which killed senior Iranian commanders. Iran blames Israel for the air strike, which it saw as a violation of its sovereignty. Israel has not said it carried it out but is widely assumed to have done so.

Thirteen people were killed, including Brig Gen Mohammad Reza Zahedi - a senior commander in the Quds force, the overseas branch of Iran's elite Republican Guards (IRGC). He had been a key figure in the Iranian operation to arm the Lebanese Shia armed group Hezbollah.

The consulate attack follows a pattern of air strikes against Iranian targets widely attributed to Israel. Several senior IRGC commanders have been killed in air strikes in Syria in recent months.

The IRGC channels arms and equipment, including high precision missiles, through Syria to Hezbollah. Israel is trying to stop these deliveries, as well as seeking to prevent Iran from strengthening its military presence in Syria.

Who are Iran's allies?

Iran has built up a network of allies and proxy forces in the Middle East that it says form part of an "axis of resistance" challenging US and Israeli interests in the region. It supports them to varying degrees. Syria is Iran's most important ally. Iran, along with Russia, helped the Syrian government of Bashar al-Assad survive the country's decade-long civil war.

Hezbollah in Lebanon is the most powerful of the armed groups Iran backs. It has been trading cross-border fire with Israel on an almost daily basis since war erupted between Israel and Hamas. Tens of thousands of civilians on both sides of the border have been forced to leave their homes.

Iran backs several Shia militia in Iraq which have attacked US bases in Iraq, Syria and Jordan with rocket fire. The US retaliated after three of its soldiers were killed at a military outpost in Jordan.

In Yemen, Iran provides support to the Houthi movement, which controls the most populated areas of the country. To show support for Hamas in Gaza, the Houthis have fired missiles and drones at Israel and have also been attacking commercial shipping near its shores, sinking at least one vessel. The US and UK have struck Houthi targets in response.

Iran also provides weapons and training to Palestinian armed groups including Hamas, which attacked Israel on 7 October last year, sparking the current war in Gaza and the confrontations drawing in Iran, its proxies and Israel's allies in the wider Middle East. However, Iran denies any role in the 7 October attack itself.

How do Iran and Israel's military capabilities compare?

Iran is much bigger than Israel geographically and has a population of nearly 90 million, nearly ten times as big as Israel's - but this does not translate into greater military power.

Iran has invested heavily in missiles and drones. It has a vast arsenal of its own, but has also been supplying significant amounts to its proxies - the Houthis in Yemen and Hezbollah in Lebanon.

What it lacks is modern air defence systems and fighter jets. Russia is believed to be co-operating with Iran to improve those in return for the military support Tehran has given Moscow in its war with Ukraine - Iran has provided Shahed attack drones and Russia is reportedly now seeking to manufacture the weapons itself.

By contrast, Israel has one of the most advanced air forces in the world. According to the IISS military balance report, Israel has at least 14 squadrons of jets - including F-15s, F-16s and the latest F-35 stealth jet.

Israel also has experience of conducting strikes deep inside hostile territory.

Do Iran and Israel have nuclear weapons?

Israel is assumed to have its own nuclear weapons but maintains an official policy of deliberate ambiguity.

Iran does not have nuclear weapons and also denies it is attempting to use its civilian nuclear programme to become a nuclear armed state.

Last year the global nuclear watchdog found uranium particles enriched to 83.7% purity - very close to weapons grade - at Iran's underground Fordo site. Iran said "unintended fluctuations" in enrichment levels may have occurred.



Iran has been openly enriching uranium to 60% purity for more than two years in breach of a 2015 nuclear deal with world powers.

However that deal has been close to collapse since US President Donald Trump pulled out unilaterally and reinstated crippling sanctions on Iran in 2018. Israel had opposed the nuclear deal in the first place.

What message is Iran sending through its attack?

"We blocked. We intercepted. Together we will win," was how Israeli Prime Minister Benjamin Netanyahu assessed things.

But Tom Fletcher, a foreign policy advisor to several UK prime ministers and a former

UK ambassador to Lebanon, said the Iranian salvo was a "chilling signal of Iran's capability and reach".

Leaderships in both Iran and Israel were both "under pressure at home, facing international criticism and are clearly ready to play with fire", he warned.

But he told the BBC that Iran's unprecedented attack appeared to have been carefully calibrated.

"Iran did telegraph these attacks in advance which made them easier to deter," he said, comparing it to exchanges of fire he had seen while ambassador to Lebanon where "the intent is to show the capability but not necessarily to escalate".

He also said it was "positive" that Iran chose to respond directly rather than through Hezbollah. Some Israelis have called for the military to expand its confrontation with the Lebanese armed group to push it back from the border.

Sanam Vakil from the Chatham House think tank said the attack had been a success from Iran's point of view and Tehran was "calling Israel's bluff".

"This is the first time that Iran has directly breached and violated Israel's sovereignty," she told the BBC.

"The strikes were certainly calibrated, directed to military installations with the aim of not inflicting too much damage or hurting anyone."

Courtesy BBC

Unpacking Iran's warning shot

By Munazza Siddiqui

Amid fears of another war in the Middle East, let's not forget who fired the provocative shot. Iran's Operation True Promise, a barrage of over 300 missile and drone attacks inside Israeli territory was in response to the April 1 airstrike on the Iranian embassy's consular annex in Damascus, Syria, which killed 13 people, including two Iranian generals.

Iran's direct retaliation, though unprecedented, was not a surprise. Tehran had repeatedly warned Israel of an appropriate response to the consulate attack. In an attempt to avoid an escalation, Iranian Foreign Minister Hossein Amir-Abdollahian said the US had been informed of the planned attack 72 hours in advance, and also that strikes would be "limited and for self-defence".

Mushahid Hussain Syed, chairman of the Pakistan-China Institute, is of the view that Iran's retaliatory attack has surprised both Israel and its Western allies. "This is quite historic. Iran is the first Muslim country in the last 50 years to attack Israeli territory for its aggression. The US and European allies are apprehensive of an escalation of conflict. There are already wars in Ukraine and Gaza, and public opinion is against any other military conflict. The US knows that Israel has politically lost the Gaza War. So Israel will be under pressure to avoid direct intervention."

Given this is a highly polarized election year in the US, President Joe Biden told Israeli Prime Minister Benjamin Netanyahu that the US will not participate in a counterstrike against Iran. According to US media reports, Defense Secretary Lloyd Austin too asked his Israeli counterpart to "notify the US ahead of any potential response to the Iranian attack". Western allies have also urged Netanyahu to de-escalate the situation.

Talking to Geo News, Pakistan's former ambassador to the UN, US and UK, Maleeha Lodhi said that "An escalation of conflict in the Middle East is in no country's interest, neither the US, nor Iran. But risk persists. Israel might want to take action to force Iran to retaliate again. Efforts are underway at the diplomatic level to contain Israel, seeing as it was a carefully calibrated response by Iran targeting only the military installations in Israel. Pakistan has always had a principled stance in this matter and a collective response by Muslim states against Israeli aggression will carry more weight."

But the Netanyahu government is facing immense national and international pressure over its Gaza offensive, and Israel's war cabinet doesn't want to appear weak. It has pledged to "exact a price" from Iran, warning that the matter is far from over.

Afzal Raza, a senior Iranian journalist, believes Israel is trying to divert international attention from decades of its brutal Gaza occupation and now the Gaza war to a broader Middle East instability, and so the West should enforce the United Nations Security Council's recent resolution calling for an immediate cease-fire in Gaza.

Iran has clearly stated that it has achieved all its goals, the retaliatory attack is the end of the road at this specific point and the



matter can now "be deemed concluded" -- but that if Israel or its supporters "demonstrate reckless behavior" and choose to carry out a larger attack, they will be met with a much stronger response.

Another senior Iranian analyst Waqar Rizvi believes that Iran clearly has a much larger capability to attack Israel if it so wants in a much more direct manner using high-capability missiles but Tehran instead chose to just fire a warning shot by sending drones that allowed for several hours of warning before they even reached Israel's territory. According to Rizvi, "using weaker weapons has been a smart tactic by Iran as it now knows more about Israel's military capability."

Article 51 of the UN Charter recognizes the inherent right of self-defence in the case of an armed attack by one country against the other, That is why leading political analyst from Iran Dr Fawad Ezadi told Geo News that Iranian leaders realized if they don't retaliate, Israeli attacks will continue, "Netanyahu wants to expand the war because he knows that if the war ends his premiership will also end. He's been wanting a war between Iran and the US since the 1990s."

The Biden administration will, however, use the Iranian retaliation to move on with the \$14.1 billion security package for Israel. In fact, House Speaker Mike Johnson said that lawmakers will try to pass additional aid for Israel this week. Per Israeli media reports, the interception of Iranian missiles and drones cost Israel around \$1.35 billion.

As for the impact of this situation on Pakistan, Islamabad is looking to complete the Iran-Pakistan gas pipeline and expand trade with Iran. And this new round of tension and uncertainty in the Middle East can adversely impact those goals. However, interestingly, South Asia Institute Director at The Wilson Center, Michael Kugelman tweeted: "Strongly worded statement from India expressing 'serious concern' [regarding] Iran's attacks on Israel and calling for 'immediate de-escalation'. India, a close friend of Israel, has critical trade & energy interests, and a large diaspora presence, in Middle East."

Courtesy The News

Six months on: The annihilation of Gaza

The Palestinian struggle for self-determination is now overshadowed by their need to simply survive. They are being starved to death by the only liberal democracy in the Middle East.



By Ayesha Malik

After half a year, the United States has finally managed to heimlich a promise out of the Israelis to open more aid crossings. What provoked this belated back-thwacking was not the 33,000 Palestinians subjected to Israel's carnival of killing, but that seven (mostly foreign) aid workers were murdered by the IDF. Their deaths a tragedy, while those of the Palestinians, a mere statistic.

Six months on, we have an entirely ignored Security Council resolution calling for a two-week ceasefire while Palestinians are being starved to death in the worst man-made famine in the last 75 years. Oxfam reports that those in northern Gaza have been forced to survive on an average of 245 calories a day since January. We're seeing a mass starvation unlike any other in recent history.

This may be the 13th war Israel has waged on Gaza since 1948, but the world has changed during this onslaught. Never before has the international community had dinner watching a deranged country take

vengeance on defenceless children by forcing them to die a slow torturous death while a dystopian algorithm called 'where's daddy' takes out their father when he returns home.

This nakba may undo all the old certainties; the world before and after October 7 is a different one.

The 'rules-based international order' is dead

In January of this year, I started teaching international criminal law at the Lahore University of Management Sciences to yawning law students who would turn up to my 8am class. I spent much of the four hours of classes on genocide talking about what wasn't genocide.

Displacement is not genocide, ethnic cleansing isn't genocide, open borders are usually a sign that it's not genocide. When asked whether I thought what Israel was doing was genocide, I replied 'probably

not'. This was based on the very high threshold set by the law and the International Court of Justice's past precedent. But a key fear was also that the ICJ would not hold that genocide had been committed, upholding this high threshold, and that everyone would treat this as an exoneration of Israel and a failure of international law, when it is neither. We have simply set the threshold for this crime that high in law.

Between January and now though, my opinion has changed. The starving of civilians and refusal to allow aid trucks in, places this — to my mind — now squarely as one of the acts of genocide; that of deliberately inflicting upon the group conditions of life calculated to bring about their physical destruction with the intent to destroy them. It seems that the ICJ may now also be leaning this way. South Africa has asked for new provisional measures twice since January and the ICJ granted the second one on March 28, ordering Israel to allow in relief supplies saying that famine was now no longer looming over Gaza, it was setting in.

This is not as interesting though as the judge's separate opinions, seven of whom said the court should have asked for a ceasefire and that Israel would not be able to comply with its obligations under the Genocide Convention without halting military operations and letting in aid. The notion being that the starving of Gaza was genocidal. The Somali judge, Yusuf, went further and said: "The alarm has now been sounded by the Court. All the indicators of genocidal activities are flashing red in Gaza."

In the coming days, the Court will listen to the case brought by Nicaragua against Germany for co-authoring Israel's genocide and war crimes. The largest supporter of Israel, the US, cannot be brought before the World Court because of reservations to its jurisdiction — nobody can try the US for genocide unless it has consented to being so tried. But Nicaragua may have picked Germany (over say, the UK, Canada or the Netherlands) because it has made Israel's security its very reason for existing. Angela Merkel famously said in 2007 that Israel's security is Germany's Staatsräson, its reason for being a state. Outsourcing their guilt has resulted in Germany potentially being complicit in gross international crimes, the kind they ironically promised they would 'never again' commit.

South Africa and Nicaragua are trying these countries perhaps because their current governments — the African National Congress and the Sandinistas — had strong links with the Palestinian liberation movement when they themselves were rebel movements. In both cases, the Israeli state supported the overthrown apartheid government in South Africa and the brutal Somozan dictatorship in Nicaragua. Liberation movements, it seems, remember well those who supported them and those who supported their oppressors and in an act of bureaucratic kindness for their comrades-in-arms, they have picked up the Palestinian cause in memory of this support.

We don't know how the Court will decide either of these cases. What we do know though is that both the victim and the perpetrator of the Holocaust — the most well-known genocide in history — have been dragged before the ICJ for committing

and supporting another one against the Palestinian people. And the countries taking them there are both from the Global South.

Shifting blocs

Outside of the courtroom, the sands of power relations between states have shifted. The US has pushed China and Russia together, in what can only be explained as an act of hubris on the part of the superpower. It seems to believe it can take on both of them at once.



Meanwhile, the rest of the world is aghast at the West's hypocrisy. Acclaimed author and editor Adam Shatz calls the West's janus-faced approach to the conflict compared to others — in which Russia's occupation of Ukraine is egregious, but the Israeli occupation of Palestine is fine — similar to "the fractures of 1956, when people in the 'developing world' sided with Algeria's struggle for self-determination, while Western countries backed Hungary's resistance to Soviet invasion".

After October 7, the term Zionist has become a slur in the Global South in much the same way as 'jihadist' became one in the West post-9/11. At the same time, the West continues to treat those shouting anti-semitism at the tiniest infraction akin to an oppressed minority group eligible for EU funding.

Much of the world has accepted that

Palestine is the most moral issue of our time for reasons wrapped up in ideology, religion, and morality. For the West, these are the old, false gods that they have forsworn for their new gods of individualism and capital.

These new crusaders don't clutch the Bible, but liberalism. The East though remains wary of this new religion; it has seen what liberalism has mutated into in the West, with its alienation, empty consumerism, and dismantling of community, the export of which led to the invasion of Iraq. It also

remains the reason for the West's continuing unflinching support in the face of genocide.

Israel is after all the only liberal democracy in the Middle East, the villa in the jungle, a civilised nation among Muslim primitives. Israel plays on this as being the last bastion between Europe and savagery with Naftali Bennett, former Prime Minister of Israel, saying in 2015: "Israel is in the forefront of the global war on terror. This is the frontline between the free and civilised world and radical Islam. We're stopping the wave of radical Islam from flowing from Iran and Iraq all the way to Europe. When we fight terror here, we're protecting London, Paris and Madrid."

It's also why Hamas is the quintessential barbaric enemy; after all, they pledge fealty to the old gods in their demand for Palestinian statehood.

Hamas' resistance

Nationalism is perhaps one of the most powerful ideologies on the planet and Hamas is demanding a birth certificate for the nation-state of Palestine. It does so though through armed resistance, which, in both the intifadas and on October 7, has included the commission of war crimes against civilians. That is why the question of 'do you condemn Hamas?' so famously wielded by Piers Morgan for every pro-Palestinian on his show has become such a sticking point in the West.



Those advocating for decolonisation seem to think that all violence is justified in the goal of liberation, whether that be against combatants or civilians. International law does allow us to have some consistency on this — people fighting for their right to self-determination have the right to do so through all means necessary, including armed struggle.

However, this right to resistance has to be exercised within the parameters of international law. That's why the first phase of Al-Aqsa floods on October 7 when Hamas targeted IDF soldiers and military targets was a legitimate act of resistance and hence, legal. But afterwards, when they went after grandmothers in the kibbutzim or rave-goers, it was not.

But the demonisation of Hamas and its war crimes fulfils a much more insidious aim of denouncing the liberation group and its

dogged resistance against the Israeli occupation as a whole. This is especially while the West trips over itself to designate them as a "terrorist organisation" — a moniker long given to liberation movements to delegitimise them.

The term 'terrorism' is a useless one. There is of yet no legal definition for this word owing to the international community's inability to decide when freedom fighting is terrorism and when it is not — though likely it remains in the outcome; whether they win or not. National liberation movements, when successful, are no longer

terrorists. The ANC and the Sandinistas are examples of this; once they became the state, the label can no longer be applied.

The notion that Hamas wants the destruction of Israel is also incorrect. The group pragmatically recognised the state of Israel in 2007 and the need for a Palestinian state to exist alongside an Israeli one. It is in line with Edward Said's foresight that both Palestinians and Jews have a right to live in that area and that they are condemned to live there together. Hamas fights then for an end to occupation, the right of return for Palestinians expelled from their homes, and the creation of a Palestinian state based on the 1967 borders, with Jerusalem as its capital.

Collective punishment

The commitment to armed resistance is also why Hamas is such a polarising move-

ment among Palestinians. The group has watched closely the trajectory of the PLO, which then became the Palestinian Authority, and how it has become a "corrupt, toothless, quisling leadership subservient to the Israeli state".

The PA, by most accounts, is now essentially a security sub-contractor for Israel, allowing it to inflict an essentially burden-free occupation in the West Bank; an occupation of Palestinians by Palestinians. And the PA, despite being allowed into the corridors of power, has not been able to get Palestinians any closer to having their own state. Its path to pacification has been littered with too many promises that have enriched its leaders but not the Palestinians it represents.

Meanwhile, Hamas boasts that its armed resistance works. It forced the Israelis to disengage from the Gaza Strip in 2005 and is the only reason why the strip is not embroidered by Israeli settlements in the same way as the West Bank. This is also with limited support from the rest of the Muslim world; criticising the Arabs, a leader in Gaza said: "Hamas defends the Ummah's honour with self-made weapons while all the weapons piling up in the storage warehouses of the Arab armies are rusting, and if they're ever used, they're used against their own people."

The people of Gaza feel pride in the resistance. Researcher and author Tareq Baconi writes that "[i]n countless conversations, I was reminded that while the Israeli army can drive up to any house in the West Bank and arrest its members — even to the house of the Palestinian president Mahmoud Abbas! — it was unable to step foot in Gaza. At least not without incurring a beating. This strip of land is thought of as undefined, Palestinian, sterile of Israel's occupation."

Hamas claims that "fighters' trenches not negotiators' hotels are what [will] resolve the conflict" and while support for it may waver, given the extent to which Palestinians are punished in its name, it was strong in opinion polls taken right after the October 7 attacks.

On the other hand, PA President Mahmoud Abbas is now 'extraordinarily unpopular' and 84 per cent of Palestinians

want him to resign (going up to 93pc in the West Bank). That's why it's unwise to say the Palestinian people are not represented by Hamas and, therefore, should not be collectively punished for their actions. Hamas may in fact represent the Palestinian people and they still should not be collectively punished for them.

However, they have been and will continue to be. After Hamas was elected into power in 2007, an embargo was placed on the Gaza Strip, sanctions were imposed, and aid was frozen. This is the first time that such measures have ever been imposed on an occupied people as opposed to the occupier.

The only way Hamas could ensure the survival of those placed under this blockade was by creating a honeycomb of tunnels beneath the strip to ensure that food and supplies could be smuggled in. Israel now drops 2,000 pound bombs to destroy these tunnels, killing the refugees camped above them.

Golda Meir, Israel's first female prime minister, famously said: "We can forgive the Arabs for killing our children but we cannot forgive them for forcing us to kill their children." The gymnastics of logic in this response is shocking. The Palestinians have forced the Israelis to kill their children, to bury them in rubble, and to starve them to death.

The future is not yet written

Six months on, nothing and yet everything has changed. Over 33,000 Palestinians have been slaughtered, 12,300 of whom are children, by the IDF and their algorithmically overdosed killing machines. The death toll on the Israeli side, amid this casino of execution, is over 1,400 — including almost 1,200 killed on Oct 7 and another 251 since. Both the perpetrator and victim of the Holocaust are on trial for collaborating to commit a genocide against the Palestinians. Meanwhile, the Palestinian struggle for self-determination, for their right to return, for their right to resist, is now overshadowed by their need to simply survive. They are being starved to death by the only liberal democracy in the Middle East. At the start of Tareq Bacon's seminal important book, *Hamas Contained*, he recounts an uncomfortable conversation which I want to reproduce in full: "My fixer in Gaza told me a story. There was once a village whose men were all drafted to fight in some faraway battle. While the men were gone, enemy soldiers invaded the village and raped all the women who had been left behind, and went on their way. The women, shell-shocked and bloodied, mourned their fate as they congregated to comfort one another in the village square. One woman was missing. They went looking for her and found her

lying under the soldier who had tried to rape her. With her own hands, she had managed to kill him and save herself from the lot of her fellow villagers. Joy at her safety soon soured. The raped women now worried they would be judged by their husbands for not similarly fighting for their honour and fending off their rapists. In no time, this undefiled survivor became a symbol of their shame. Swiftly, they conspired to kill her.

The storyteller turned to me and said, that woman, the survivor, is Gaza. She has refused to submit to Israel's occupation and its rape and pillage of Palestinian land while other Palestinian and Arab leaders have succumbed. She has become a source of pride for Gazans who maintain their armed resistance against Israel. She is now a shameful reminder for those who have accepted their fate. Arabs and Palestinians elsewhere have looked away as she is bombarded, incessantly and mercilessly. Israel has focused all its efforts on shaming and breaking it. For she remains the only proud bit of Palestine that refuses to yield. "If there is a chink of light that can be offered, my hope rests not with the institutions created in the wake of the horrors of a World War, but with the desire for liberation. If international law must fail, let nationalism win. May we see a Palestinian state within our lifetime.

Courtesy Dawn



Joint World Bank, UN Report Assesses Damage to Gaza's Infrastructure

Damages to Physical Structures Estimated at \$18.5 billion as of end January



The cost of damage to critical infrastructure in Gaza is estimated at around \$18.5 billion according to a new report released today by the World Bank and the United Nations, with financial support of the European Union. That is equivalent to 97% of the combined GDP of the West Bank and Gaza in 2022.

The Interim Damage Assessment report used remote data collection sources to measure damage to physical infrastructure in critical sectors incurred between October 2023 and end of January 2024. The report finds that damage to structures affects every sector of the economy. Housing accounts for 72% of the costs. Public service infrastructure such as water, health and education account for 19%, and damages to commercial and industrial buildings account for 9%. For several sectors, the rate of damage appears to be leveling off as few assets remain intact. An estimated 26 million tons of debris and rubble have been left in the wake of the destruction, an amount that is estimated to take years to remove.

The report also looks at the impact on the people of Gaza. More than half the population of Gaza is on the brink of famine and the entire population is experiencing acute food insecurity and malnutrition. Over a

million people are without homes and 75% of the population is displaced. Catastrophic cumulative impacts on physical and mental health have hit women, children, the elderly, and persons with disabilities the hardest, with the youngest children anticipated to be facing life-long consequences to their development.

With 84% of health facilities damaged or destroyed, and a lack of electricity and water to operate remaining facilities, the population has minimal access to health care, medicine, or life-saving treatments. The water and sanitation system has nearly collapsed, delivering less than 5% of its previous output, with people dependent on limited water rations for survival. The education system has collapsed, with 100% of children out of school.

The report also points to the impact on power networks as well as solar generated systems and the almost total power blackout since the first week of the conflict. With 92% of primary roads destroyed or damaged and the communications infrastructure seriously impaired, the delivery of basic humanitarian aid to people has become very difficult.

The Interim Damage Assessment Note identifies key actions for early recovery

efforts, starting with an increase in humanitarian assistance, food aid and food production; the provision of shelter and rapid, cost-effective, and scalable housing solutions for displaced people; and the resumption of essential services.

About the Gaza Interim Damage Assessment Report

The Gaza Interim Damage Assessment report draws on remote data collection sources and analytics to provide a preliminary estimate of damages to physical structures in Gaza from the conflict in accordance with the Rapid Damage & Needs Assessment (RDNA) methodology. RDNAs follow a globally recognized methodology that has been applied in multiple post-disaster and post-conflict settings. A comprehensive RDNA that assesses economic and social losses, as well as financing needs for recovery and reconstruction, will be completed as soon as the situation allows. The cost of damages, losses and needs estimated through a comprehensive RDNA is expected to be significantly higher than that of an Interim Damage Assessment.

Courtesy www.worldbank.org

Lessons from foreign policy management

Every government since 1947 has promised to pursue an independent foreign policy, Government that followed in Pakistan fell into the trap of holding back green lighting this process until a new government was formed in India



By Hina Rabbani Khar

I am often surprised by how many people believe that foreign policy is something that can be changed or should be changed radically every few years.

Foreign policy is not just a written document or a policy statement; it evolves every day and is an amorphous result of the decisions we take at various multilateral and bilateral levels. It is a product of a complex web of our actions and engagements. This complex web works well if there is clarity at the executive level of our broad goals and what we seek to achieve through the multiple layers of activity and engagement.

It is also important to then clearly convey the same priorities to the implementing arm of foreign policy, the able men and women of the Foreign Office, both at the headquarters and at various capitals of the world.

Every government since 1947 has promised to pursue an independent foreign policy. So, it is important to determine what really

is an independent foreign policy. An independent foreign policy simply means that a country has the space, resources, and muscle to pursue relations with other countries or blocs strictly in the hard pursuit of its national interests. That begs the question: what are a country's national interests? And who defines them? According to the constitution of Pakistan, the people of Pakistan, through their elected representatives, define the country's national interests and empower the executive to pursue them through policy decisions.

We have seen that when democratic structures are weak, governments tend to sideline parliament to play a useful role in foreign policy formulation. It is often considered efficient and smart to keep the role of parliament to a minimum. Countries that have been able to pursue their national interests on the international stage successfully almost always have strong parliamentary oversight and input in foreign policy formulation.

One very good example is how in 2003, the Turkish parliament denied US troops access to Iraq through southeast Turkey, despite months of negotiations on the financial, military, and political levels. Just before that, in 2001, it is commonly believed that one call from the US administration was able to swerve Pakistan's position on the Afghanistan expedition. The argument here is not whether it was the right or wrong policy, the argument here is that a country needs to have institutional structures that can determine the correct policy for its long-term interests.

We take for granted that in Pakistan institutional structures do not exist for parliament to play an effective role that can benefit the country. As the new government takes over, it is a good time to recall how foreign policy management can be broadened to create space for the government as it interacts with the rest of the world.

The 2008-13 term was remarkable for the strengthening of democratic institutions in

Pakistan. This was a time after the martyrdom of Mohtarma Benazir Bhutto Shaheed, so the country was in a precarious place. Before her martyrdom, the collective lessons from all mistakes made by political parties were put to good use by creating the Charter of Democracy. The 2008-13 tenure was the first term after the CoD, it also became the first time an elected parliament in Pakistan was able to complete its five-year term.

As foreign minister, I remember we were able to use parliamentary bodies especially the National Security Committee which was headed by Senator Raza Rabbani and had senior representation from all opposition, to chart out the path forward when Pakistan was faced with the Salala incident, where 24 of our servicemen lost their lives to 'friendly fire' without any acknowledgment or apology from our friends.

A joint session of parliament was immediately called to chart out the way forward for Pakistan. I think this is a guiding example of how a government should not only go back to the people's representatives for guidance but also create space for itself to negotiate with friends on the new terms of engagement which was required after such an incident. This should serve as proof of how democratic institutions can be strengthened and used to serve national interests.

This was also a time when the presidency under president Asif Ali Zardari played a crucial role in guiding foreign policy. Although the presidency is not involved in the day-to-day management of foreign policy, I remember how his guidance on some crucial decisions stood the test of time and guided a government that wanted to respond to the immediate pressures of close friends by remaining steadfast on its own course.

When the Arab Spring took over the Arab world, many of our closest friends, both from within the region and in Western capitals, expected this to herald a period of stability for countries like Egypt, Syria, Libya. At that time, our official position was that we would let these countries decide what they choose for themselves and would rather not interfere in their internal affairs. As a slew of Western capitals started

celebrating and supporting elements responsible for the 'Arab Spring', immense pressure emanated from close friends.

'Friends of Libya', 'Friends of Syria' groupings emerged, and very friendly and important countries started pressuring Pakistan to join these groupings. I remember at that time, many of our ambassadors stationed in the same countries also felt the need to reconsider our position and not be left on the wrong side of the winds of change. At that time, then-president Zardari's counsel that 'watch the Arab Spring turn into a harsh Arab Winter' turned out to be more accurate than anyone could have imagined, and it guided us at the Foreign Office to keep our position.



Another breakthrough that we have to squarely give credit to the presidency of that time was how the then-president Zardari insisted on visiting China as president every quarter. He was insistent that his visits were not to Beijing only but to different far-flung areas of China. Typically, bureaucrats react badly to anything novel in its scope and prefer to stick to the script. A president visiting one country multiple times in a year – and that too, not the capital city – can be a protocol nightmare and was certainly outside of the rule book. This constant engagement with China's leadership and visits to different areas of China laid the groundwork for CPEC.

As the new government is taking the reins of the executive, it would be well advised to strengthen democratic institutional structures inside parliament and make foreign policy as inclusive as possible.

Foreign policy management must not fall prey to the 'instant gratification' way of thinking. Amongst all the policy domains the executive has to manage, this perhaps is the most complex, and must always have a long-term trajectory in mind. Only then can 'all things merge into one and one river run through it'.

Foreign policy is not made in a vacuum or a stagnant pool. It is like sailing in an open ocean; you have to change gear and tact in response to the condition of the ocean.

Likewise, there is no one good policy for all times to come. A policy that is good when the environment for it is conducive becomes bad when the environment has

changed for the better or worse. A very good example of that is our relationship management with India.

Pakistan's relationship with India is perhaps one of the most consequential and also the most complex. Historian and writer Stephen Cohen put the Pakistan-India relationship as one of the most 'intractable', in his book 'Shooting for a Century, The India- Pakistan Conundrum'. Intractable conflict is defined as 'intense, deadlocked, and resistant to de-escalation or resolution'.

This book was published in 2013. Soon after leaving office as foreign minister in 2013, I shared the stage with the late Cohen and was aghast that he would argue that this conflict is likely to shoot for a century and persist till 2047 and beyond. I remember thinking to myself: these old men have no idea that we have set our relationship on a track of uninterrupted and uninterrupted

dialogue -- a course that would quickly graduate to the zone of dispute resolution.

With hindsight, perhaps my optimism was tainted by our success in launching dialogue normalization post-Mumbai and also buoyed by the PPP government's brave decision to break away from a decision post-1965 war that trade with India would not be normalized unless the question of Occupied Kashmir was resolved. No government, democratic or dictatorial, after that had the guts to reverse it.

If you speak to anyone in the Foreign Office who has served on this desk, Pakistan-India normalization has been a tale of missed

Samjhota Express, re-annexation of Kashmir, and sending military jets into Pakistan's territory -- these are all added items to the Occupied Jammu and Kashmir and Sir Creek problem that was inherited from the British. In 2010, when I entered the Foreign Office, we were still living in the shadow of the Mumbai crisis, but a useful meeting between the two prime ministers in Sharm el Sheikh where then-Indian PM Manmohan Singh boldly acknowledged India's interference in Balochistan laid the groundwork for the restart of the dialogue process.

In Pakistan, we were a government that was keen on seizing the opportunity to

South Asia Division was thinking and propagating the same stated positions on India. That made us institutionalize 'group think' in the form of weekly high-level (additional secretary) meetings, which were thinking meetings. In these meetings, we moved away from the immediate issues on our table and deep-dived into the consequential ones. These meetings soon became a place of alternate thinking, deep discussions and free speech, and I soon realized that 'group think' was different and better than 'file think'.

On India, somewhat miraculously we were able to build ownership of the need to move out of our 'stated' way of thinking and proactively push for dispute resolution.

Nothing can be done if the stars are not aligned in throwing champions that can partner in achieving any of these wins. The stars were aligned -- we had a commerce secretary who was keen to move forward, a foreign secretary who had full ownership of solving the Gordian knot, and all of this was because there was a political push, both at the Presidency with Asif Ali Zardari and with PM Gilani at the PMO. We were also a government that took all other political parties into confidence. I remember as I embarked on an important bilateral trip to India in July 2013, PM Gilani personally took every parliamentary party leader into confidence. Interestingly, across the border, in Nirupama Rao, the foreign secretary in India, the stars truly were aligned.

Due to this coalition of the willing, ownership at the Foreign Office and the political push, we were able to start the dialogue process to give space so as to find space to move forward. This is not remarkable by any means; it is a very simple and logical way to pursue your interest, one that is grounded in dispute resolution, not dispute perpetuation.

With this approach, Pakistan was able to break the decades of stated position that we cannot move forward on trade unless we move forward on Occupied Jammu and Kashmir. I made the point in the FO that anyone who says that, in fact, never wants to move forward on Kashmir.

The logic was simple: you cannot solve intractable problems in an environment of mistrust; you need a degree of normaliza-



opportunities. I once put it like this: "When Pakistan goes sane, India goes crazy, when India goes sane Pakistan goes crazy". In summary, what that means is that every time there was an opportunity to actually solve some of the intractable issues that fester between the two countries, one of the two has been either slow to grab the opportunity or thought it to be strategically unwise to do so.

Anyone looking at the long-term interest of the two nations cannot ignore the reality that the population of the two nations has been held hostage to 'problem perpetuation' rather than 'problem resolution'.

For some unexplainable stroke of bad luck, the two nations have not been able to reduce the historical baggage of inherited disputes from the basket of problems left by the British. In fact, that basket of problems has only grown over the years. Siachen,

move forward and unencumber ourselves from our stated positions mode and move towards dispute resolution. The thing with dispute resolution is that it can only take place in an environment of trust. New to the Foreign Office, I had imagined it to have a fossilized approach towards India, and be an 'immovable feast' on any fresh way of thinking. Over the years, we had somehow divided the issues between India and Pakistan as 'ours' and 'theirs', Occupied Jammu and Kashmir was our issue, terrorism and trade was their issue.

In any institution the key to progress is not just to come up with what needs to be done or how to do it; a very important, if not the most important, element is to ensure that there is 'group think' and 'group ownership' of the what and the how. One thing I realized soon in office was that as an institution we were thinking in silos. The

tion to be at a place to even start talking about solving the intractable. In the same way, we challenged India's claim that terrorism was their issue. Terrorism was Pakistan's issue before it was India's, as we suffered at its hands, and made the point that we would be better served to look at terrorism as a mutual problem/threat.

All of this led us to start the trade normalization process. We were able to move the positive list to the negative list, and also move towards granting MFN status to India. A summary on that was also submitted to the cabinet and was only sent back with minor observations to be brought back for a positive decision. Almost right after that, judicial activism led to the departure of the prime minister and instability ensued.

Unfortunately, the government that followed in Pakistan fell into the trap of holding back green lighting this process until a new government was formed in India. And we all know that the new government India got has not shown any intent to move forward in earnest with Pakistan; its ethos essentially revolves around a version of India that feeds on division and animosity for Pakistan.

The point of giving this long history of the short years in office is to demonstrate that good policy in a conducive environment becomes bad policy when the environment is hostile. In the current environment, we have to de-risk from taking any decision that is not de-risked from hostile behaviour from our eastern neighbour. The risk of doing the right thing at the wrong time is that it is not stable and consistent, and risks being undone before reaping any real benefits.

In foreign policy, you give space to take space to move forward. But if you give space to give more space with no possibility of moving forward then you are just pursuing a wish, not a policy. I remain the strongest proponent of normalizing trade with all of Pakistan's neighbours. Whether in office or outside of it, I have always maintained deep concern that we must not use trade as a coercive tool on the western border. We are unable to appreciate that trade with Afghanistan is not only bilateral trade but also the conduit/trade corridor for the entire Central Asian Republics.

As far as I know, we have always maintained that Pakistan's strength lies in exploiting its location as a trade corridor between South and Central Asia. When we arbitrarily close our western border for trade for bilateral reasons, we are sending a message that this is an unreliable trade corridor and diverting the future flow of investments in its hard and soft infrastructure.

I write this detailed account because without any doubt the new government will be faced with the India dilemma. Sometimes the best policy is to wait the tide out.

As we entered the Foreign Office in 2022, with FM Bilawal Bhutto Zardari, we were clear-headed on how India had transformed

meeting such as the SCO because of location – it is never wise to lock yourself out of that space. Two, and keeping more nuance in mind, we thought this would be a good opportunity to give India a chance to show whether it wants to build a positive posture following this gesture by Pakistan. Three, and perhaps most importantly, there would be an obligatory mention of Occupied Jammu & Kashmir both in the statement and anywhere else where peace and conflict were under discussion.

We all know that the Indian foreign minister's vile and undiplomatic press conference clearly sent the message that they were not interested in pursuing the path of peace in any way. It was sad, and another opportunity lost – but it is what it is.



under Modi. There was no delusion that India was serious about moving forward. While in office, almost through all policy decisions the Modi government has demonstrated that it is more attached to stoking hatred for Pakistan specifically, and Muslims in general, than to looking for peace westwards of India.

When the option of going in person to attend the SCO meeting came, we made the difficult decision to go in person. Once the FM had decided through an in-house discussion, that included a short retreat with former foreign secretaries of the Ministry of Foreign Affairs, we took others into confidence.

The decision was based on three principles; one, we do not leave an important regional

It has to be mentioned that at the operational level, India gave all the courtesies that are to be expected, but it was clear that at the political level, they were attached to the idea of stoking hatred rather than creating opportunity.

We cannot change our geography; we have to own our geography and look for opportunities to normalize this region. Trade and people-to-people contact is the only way forward, but when the other country decides to go rogue on all its international commitments and bilateral agreements, it can only be foolish to remain starry-eyed about the possibility of moving forward. And you would be equally foolish not to move forward as soon as the circumstances change.

Courtesy The News

Indian government ordered killings in Pakistan, intelligence officials claim

Allegations of up to 20 assassinations since 2020 follow Canada's accusation of Delhi role in murders of dissidents



By Hannah Ellis-Petersen, Aakash Hassan and Shah Meer Baloch

The Indian government assassinated individuals in Pakistan as part of a wider strategy to eliminate terrorists living on foreign soil, according to Indian and Pakistani intelligence operatives who spoke to the Guardian.

Interviews with intelligence officials in both countries, as well as documents shared by Pakistani investigators, shed new light on how India's foreign intelligence agency allegedly began to carry out assassinations abroad as part of an emboldened approach to national security after 2019. The agency, the Research & Analysis Wing (Raw), is directly controlled by the office of India's prime minister, Narendra Modi, who is running for a third term in office in elections later this month.

The accounts appear to give further weight to allegations that Delhi has implemented a

policy of targeting those it considers hostile to India. While the new allegations refer to individuals charged with serious and violent terror offences, India has also been accused publicly by Washington and Ottawa of involvement in the murders of dissident figures including a Sikh activist in Canada and of a botched assassination attempt on another Sikh in the US last year.

The fresh claims relate to almost 20 killings since 2020, carried out by unknown gunmen in Pakistan. While India has previously been unofficially linked to the deaths, this is the first time Indian intelligence personnel have discussed the alleged operations in Pakistan, and detailed documentation has been seen alleging Raw's direct involvement in the assassinations.

The allegations also suggest that Sikh

separatists in the Khalistan movement were targeted as part of these Indian foreign operations, both in Pakistan and the west.

According to Pakistani investigators, these deaths were orchestrated by Indian intelligence sleeper-cells mostly operating out of the United Arab Emirates. The rise in killings in 2023 was credited to the increased activity of these cells, which are accused of paying millions of rupees to local criminals or poor Pakistanis to carry out the assassinations. Indian agents also allegedly recruited jihadists to carry out the shootings, making them believe they were killing "infidels".

According to two Indian intelligence officers, the spy agency's shift to focusing on dissidents abroad was triggered by the Pulwama attack in 2019, when a suicide bomber targeted a military convoy in

Indian-administered Kashmir, killing 40 paramilitary personnel. The Pakistan-based terror group Jaish-e-Mohammed claimed responsibility.

Modi was running for a second term at the time and was brought back to power in the aftermath of the attack.

“After Pulwama, the approach changed to target the elements outside the country before they are able to launch an attack or create any disturbance,” one Indian intelligence operative said. “We could not stop the attacks because ultimately their safe havens were in Pakistan, so we had to get to the source.”

To conduct such operations “needed approval from the highest level of government”, he added.

The officer said India had drawn inspiration from intelligence agencies such as Israel’s the Mossad and Russia’s KGB, which have been linked to extrajudicial killings on foreign soil. He also said the killing of the Saudi journalist and dissident Jamal Khashoggi, who was murdered in 2018 in the Saudi embassy, had been directly cited by Raw officials.

“It was a few months after the killing of Jamal Khashoggi that there was a debate among the top brass of intelligence in the prime minister’s office about how something can be learned from the case. One senior officer said in a meeting that if Saudis can do this, why not us?” he recounted.

“What the Saudis did was very effective. You not only get rid of your enemy but send a chilling message, a warning to the people working against you. Every intelligence agency has been doing this. Our country cannot be strong without exerting power over our enemies.”

Senior officials from two separate Pakistani intelligence agencies said they suspected India’s involvement in up to 20 killings since 2020. They pointed to evidence relating to previously undisclosed inquiries into seven of the cases – including witness testimonies, arrest records, financial statements, WhatsApp messages and passports – which investigators say showcase in detail the operations conducted by Indian spies to assassinate targets on

Pakistani soil. The Guardian has seen the documents but they could not be independently verified.

The intelligence sources claimed that targeted assassinations increased significantly in 2023, accusing India of involvement in the suspected deaths of about 15 people, most of whom were shot at close range by unknown gunmen.

In a response to the Guardian, India’s ministry of external affairs denied all the allegations, reiterating an earlier statement that they were “false and malicious anti-India propaganda”. The ministry emphasised a previous denial made by India’s foreign minister, Subrahmanyam Jaishankar, that targeted killings in other countries were “not the government of India’s policy”.



In the killing of Zahid Akhund, an alias for the convicted Kashmiri terrorist Zahoora Mistry who was involved in the deadly hijacking of an Air India flight, the Pakistani documents say a Raw handler allegedly paid for information on Akhund’s movements and location over a period of months. She then allegedly contacted him directly, pretending to be a journalist who wanted to interview a terrorist, in order to confirm his identity.

“Are you Zahid? I am a journalist from the New York Post,” read messages in the dossier shown to the Guardian. Zahid said to have responded: “For what u r messaging me?”

Millions of rupees were then allegedly paid to Afghan nationals to carry out the shooting in Karachi in March 2022. They fled over the border but their handlers were later arrested by Pakistani security agencies.

According to the evidence gathered by Pakistan, the killings were regularly coordinated out of the UAE, where Raw established sleeper cells that would separately arrange different parts of the operation and recruit the killers.

Investigators alleged that millions of rupees would often be paid to criminals or impoverished locals to carry out the murders, with documents claiming that payments were mostly done via Dubai. Meetings of Raw handlers overseeing the killings are also said to have taken also place in Nepal, the Maldives and Mauritius.

“This policy of Indian agents organising killings in Pakistan hasn’t been developed overnight,” said a Pakistani official. “We believe they have worked for around two years to establish these sleeper cells in the UAE who are mostly organising the executions. After that, we began witnessing many killings.”

In the case of Shahid Latif, the commander of Jaish-e-Mohammed and one of India’s most notorious militants, several attempts were allegedly made to kill him. In the end, the documents claim, it was an illiterate 20-year-old Pakistani who carried out the assassination in Pakistan in October, allegedly recruited by Raw in the UAE,

where he was working for a minimal salary in an Amazon packing warehouse.

Pakistani investigators found that the man had allegedly been paid 1.5m Pakistani rupees (£4,000) by an undercover Indian agent to track down Latif and later was promised 15m Pakistani rupees and his own catering company in the UAE if he carried out the killing. The young man shot Latif dead in a mosque in Sialkot but was arrested soon after, along with accomplices.

The killings of Bashir Ahmad Peer, commander of the militant outfit Hizbul Mujahideen, and Saleem Rehmani, who was on India's most-wanted list, were also allegedly planned out of the UAE, with transaction receipts from Dubai appearing to show payments of millions of rupees to the killers. Rehmani's death had previously been reported as the result of a suspected armed robbery.

Analysts believe Pakistani authorities have been reluctant to publicly acknowledge the killings as most of the targets are known terrorists and associates of outlawed militant groups that Islamabad has long denied sheltering.

In most cases, public information about their deaths has been scant. However, Pakistani agencies showed evidence they had conducted investigations and arrests behind closed doors.

The figures given to the Guardian match up with those collated by analysts who have been tracking unclaimed militant killings in Pakistan. Ajay Sahni, the executive director of the Institute for Conflict Management in Delhi, said his organisation had documented 20 suspicious fatalities in Pakistan by unknown attackers since 2020, though two had been claimed by local militant groups. He emphasised that because of Pakistan's refusal to publicly investigate the cases – or even acknowledge that these individuals had been living in their jurisdiction – “we have no way of knowing the cause”.

“If you look at the numbers, there is clearly a shift in intent by someone or other,” said Sahni. “It would be in Pakistan's interest to say this has been done by India. Equally, one of the legitimate lines of inquiry would be possible involvement of the Indian agencies.”

Pakistan's foreign secretary, Muhammad Syrus Sajjad Qazi, publicly acknowledged two of the killings in a press conference in January, where he accused India of carrying out a “sophisticated and sinister” campaign of “extraterritorial and extrajudicial killings” in Pakistan.

Islamabad's accusations were met with scepticism by others, due to the longstanding animosity between the two neighbouring countries who have gone to war four times and have often made unsubstantiated accusations against the other.

For decades India has accused Pakistan of bankrolling a violent militant insurgency in the disputed region of Indian-administered Kashmir and of giving a safe haven to terrorists. In the early 2000s, India was hit by successive terrorist attacks orchestrated by Pakistan-based Islamist militant groups, including the 2006 Mumbai train blasts, which killed more than 160 people, and the 2008 Mumbai bombings, which killed 172 people.

Both countries are known to have carried out cross-border intelligence operations, including small bomb blasts. However, analysts and Pakistani officials described the alleged systematic targeted killings of dissidents by Indian agents on Pakistani soil since 2020 as “new and unprecedented”.

The majority of those allegedly killed by Raw in Pakistan in the past three years have been individuals associated with militant groups such as Lashkar-e-Taiba and Jaish-e-Mohammed, and in several cases have convictions or proven links to some of India's deadliest terrorist incidents, which have killed hundreds of people. Others were seen to be “handlers” of Kashmiri militants who helped coordinate attacks and spread information from afar.

According to one of the Indian intelligence officers, the Pulwama attack in 2019 prompted fears that militant groups in Pakistan were planning a repeat of attacks such as the 2008 Mumbai bombings.

“The previous approach had been to foil terrorist attacks,” he said. “But while we were able to make significant progress in bringing the terrorist numbers down in Kashmir, the problem was the handlers in

Pakistan. We could not just wait for another Mumbai or an attack on parliament when we are aware that the planners were still operating in Pakistan.”

In September, the Canadian prime minister, Justin Trudeau, told parliament there were “credible allegations” that Indian agents had orchestrated the killing of Hardeep Singh Nijjar, a prominent Sikh activist who was gunned down in Vancouver. Weeks later, the US Department of Justice released an indictment vividly detailing how an Indian agent had attempted to recruit a hitman in New York to kill another Sikh activist, later named as Gurpatwant Singh Pannun.

Both men had been major advocates of the Khalistan movement, which seeks to create an independent Sikh state and is illegal in India. India denied any involvement in the killing of Nijjar, while according to a recent report, India's own investigation into the Pannun plot concluded that it had been carried out by a rogue agent who was no longer working for Raw.

According to one Indian intelligence official, Delhi recently ordered the suspension of targeted killings in Pakistan after Canada and the US went public with their allegations. No suspicious killings have taken place so far this year.

Two Indian operatives separately confirmed that diaspora Khalistani activists had become a focus of India's foreign operations after hundreds of thousands of farmers, mostly Sikhs from Punjab, descended on Delhi to protest against new farm laws. The protest ultimately forced the government into a rare policy U-turn, which was seen as an embarrassment.

The suspicion in Delhi was that firebrand Sikh activists living abroad, particularly those in Canada, the US and the UK, were fuelling the farmers' protests and stirring up international support through their strong global networks. It stoked fears that these activists could be a destabilising force and were capable of reviving Khalistani militancy in India.

“Places were raided and people were arrested in Punjab, but things were actually being controlled from places like Canada,” said one of the Indian intelligence operatives.

“Like other intelligence agencies, we had to deal with it.”

In the UK, Sikhs in the West Midlands were issued “threat to life” warnings, amid growing concern about the safety of separatist campaigners who Sikhs claim are being targeted by the Indian government.

Before the US and Canadian cases, a high-profile Khalistani leader, Paramjit Singh Panjwar, was shot dead in Lahore last May. Pakistani investigators claimed they had warned Panjwar that his life was in danger a month before he was killed and said another Khalistani activist living in Pakistan has also faced threats to his life.

Panjwar’s assassination is among those alleged to have been carried out by Indian operatives using what Pakistani agencies described as the “religious method”. According to the documents, Indian agents used social media to infiltrate networks of Islamic State (IS) and units connected to the Taliban, where they recruited and groomed Pakistani Islamist radicals to carry out hit jobs on Indian dissidents by telling them they were carrying out “sacred killings” of “infidels”.

These agents allegedly sought help from former IS fighters from the Indian state of Kerala – who had travelled to Afghanistan to fight for IS but surrendered after 2019 and were brought back through diplomatic channels – to get access to these jihadist networks.

According to an investigation by the Pakistani agencies, Panjwar’s killer, who was later caught, allegedly thought he was

working on the instructions of the Pakistan Taliban affiliate Badri 313 Battalion and had to prove himself by killing an enemy of Islam.

The killing of Riyaz Ahmad, a top Lashkar-e-Taiba commander, in September last year was allegedly carried out by Raw in a similar manner. His killer, Pakistan believes, was recruited through a Telegram channel for those who wanted to fight for IS, and which had been infiltrated by Raw agents.

They have claimed the assassin was Muhammad Abdullah, a 20-year-old from Lahore. He allegedly told Pakistani investigators he was promised he would be sent to Afghanistan to fight for IS if he passed the test of killing an “infidel” in Pakistan, with Ahmed presented as the target. Abdullah shot and killed Ahmed during early morning prayers at a mosque in Rawalkot, but was later arrested by Pakistani authorities.

Walter Ladwig, a political scientist at King’s College London, said the alleged shift in strategy was in line with Modi’s more aggressive approach to foreign policy and that just as western states have been accused of extrajudicial killings abroad in the name of national security, there were those in Delhi who felt “India reserves the right to do the same”.

Daniel Markey, a senior adviser on south Asia at the United States Institute of Peace, said: “In terms of India’s involvement, it all kind of adds up. It’s utterly consistent with this framing of India having arrived on the world stage. Being willing to take this kind

of action against perceived threats has been interpreted, at least by some Indians, as a marker of great power status.”

The allegations of extrajudicial killings, which would violate international law, could raise difficult questions for western countries that have pursued an increasingly close strategic and economic relationship with Modi and his Hindu nationalist Bharatiya Janata party (BJP) government, including pushing for intelligence-sharing agreements.

A former senior Raw official who served before Modi’s premiership denied that extrajudicial killings were part of the agency’s remit. He confirmed that nothing would be done without the knowledge of the national security adviser, who would then report it to the prime minister, and on occasion they would report directly to the prime minister. “I could not do anything without their approval,” he said.

The former Raw official claimed that the killings were more likely to have been carried out by Pakistan themselves, a view that has been echoed by others in India.

Pakistani agencies denied this, pointing to a list of more than two dozen dissidents living in Pakistan to whom they had recently issued direct warnings of threats to their lives and instructed them to go into hiding. Three individuals in Pakistan said they had been given these warnings. They claimed others who had not heeded the threats and continued their normal routines were now dead.

Courtesy www.theguardian.com



Iran gas pipeline: A solution to Pakistan's energy woes?

Energy-hungry Pakistan wants to go ahead with a natural gas pipeline connecting it and neighboring Iran. But the US has warned about the risk of sanctions in doing business with Tehran.

By Shabnam Von Hein

Pakistan announced at the end of March that it was planning to ask the United States to relax possible sanctions around a natural gas pipeline project from neighboring Iran.

Islamabad wants to soon start work on the long-planned project, known as the "Peace Pipeline." Both sides agreed to build the pipeline in 2009, but it has since faced delays and funding challenges. Iran is now threatening Pakistan with legal action if it fails to build the Pakistani section of the pipeline. "Pakistan wants to avoid a possible legal dispute with Iran in international courts and a fine of \$18 billion (€16.6 billion)," Sabena Siddiqi, a Pakistani journalist specializing in foreign policy issues, told DW.

"Tehran has set September 2024 as a deadline for Islamabad to finish the construction of the pipeline on the Pakistani side," she said. "The Pakistani section of the pipeline is about 780 kilometers long [484 miles]."

Plans thwarted by US sanctions

Iran has been striving to build the pipeline since the 1990s. It was originally intended to transport Iranian gas all the way to India. However, New Delhi withdrew from the project due to US sanctions against Iran over its contentious nuclear program. Pakistan and Iran signed a 25-year supply deal in 2009, and Tehran completed building the over 900-kilometer-long Iranian section of the pipeline 10 years ago. But construction on the Pakistani side has been held up, drawing Iranian consternation.

Islamabad has now announced its intention to soon begin constructing the first 80 kilometers of the pipeline link from the Iranian border to the Pakistani port city of Gwadar, in a bid to avoid a potential Iranian lawsuit for breach of contract. But following the Pakistani announcement, the US said it did not support the project from going forward. Washington also warned about the risk of sanctions in doing business with Tehran.

"We do not support the Pakistan-Iran gas pipeline project," said the US State Department.

"We always advise everyone that doing business with Iran runs the risk of touching upon and coming in contact with our sanctions, and would advise everyone to consider that very carefully," a State Department spokesperson told reporters on March 26. Pakistan is currently worried about having to pay possible financial compensation amounting to billions of dollars for delays in the construction of its section of the pipeline, said Umud Shokri, a Washington-based energy expert.

"Islamabad is aware that Iran is struggling with natural gas shortages, and that it is not in a position to export gas to Pakistan due to dilapidated infrastructure," he said.



Can Iran produce enough gas?

Iran has the world's second largest natural gas reserves, behind only Russia. Still, the country confronts gas shortages almost every winter, forcing the government to ration supplies. Excessive and inefficient consumption of subsidized natural gas, by both households as well as industry, lies at the root of the problem. According to the latest information from the Energy Institute's "Statistical Review of World Energy," Iran ranked fourth on the list of countries with the highest gas consumption in the world in 2022, behind the United States, Russia and China.

"Due to the US sanctions, Iran lacks access to key technologies," said Shokri. "The tech capabilities of domestic companies are not sufficient to increase the production capacity in such a way that Iran could actually export natural gas to Pakistan. Unless Iran wants to supply Russian gas to Pakistan."

Legal options remain limited

In response to the US sanctions, Tehran is seeking closer cooperation with Moscow. In July 2022, the Russian energy company Gazprom signed a cooperation agreement worth \$40 billion with the National Iranian Oil Company, NIOC. According to the deal, Gazprom was to support NIOC in the development of two gas and six oil fields.

Observers have said, however, that Iran would not earn much if it were to just supply Russian gas to Pakistan through its territory. Siddiqi, the Pakistani journalist, meanwhile believes Iran's chances of being successful in a legal battle against Pakistan appear slim.

Tehran could take its case to the United Nations Commission on International Trade Law, based in Vienna, but, said Siddiqi, "given the unstable regional situation, the war in Gaza and Iran's role in some crises, it is highly unlikely that Washington would allow Iran to successfully pursue its case." She added: "Instead, the US could try to offer Pakistan alternative options for its energy security."

Courtesy www.dw.com

Mental Health & Fitness

By Ayesha Shaeban

Mental health refers to an individual's emotional, psychological, and social well-being. It is a state in which a person can effectively cope with the normal stresses of life, work productively, and contribute to their community. Mental health includes aspects such as self-esteem, mood, resilience, and the ability to form and maintain healthy relationships. It is essential for overall health and well-being, and it is crucial to prioritize mental health along with physical health. Approximately 19% of adults, 46% of teenagers, and 13% of children experience mental health issues annually. These individuals could be part of your family, neighbors, teachers, coworkers, or fellow churchgoers. Despite the prevalence, only about half of those affected receive necessary treatment, frequently due to mental health stigma. If left untreated, mental illness can lead to elevated healthcare costs, diminished academic and job performance, limited job prospects, and a heightened risk of suicide. Scientific inquiries are shedding light on the intricate factors contributing to these ailments, which may involve genetic predispositions, brain chemistry imbalances, structural variations, traumatic experiences, or co-occurring medical issues, such as heart diseases. Caring for one's mental well-being is essential for an individual to fully appreciate life's pleasures. This entails striking a balance between one's activities, obligations, and endeavors to foster emotional strength. Undesirable conditions such as stress, depression, and anxiety can negatively impact mental health, potentially disrupting a person's daily routine.

Most common mental health conditions:

• Mood Disorders

Mood disorders, including depression and bipolar depression, impact approximately 10% of adults annually, characterized by challenges in managing emotions. While societal perspectives on mental health have evolved



positively in recent decades, research indicates that mental illness stigma remains potent. This is primarily due to media stereotypes and insufficient education, causing people to associate negative connotations with mental health issues at a much higher rate compared to other diseases and impairments, such as cancer, diabetes, or heart disease. This stigma not only influences the number of individuals seeking treatment but also affects the availability of appropriate resources for mental health care. Combating stigma and dispelling misinformation can be overwhelming hurdles for those battling mental health challenges.

• Anxiety Disorders

Anxiety disorders involve excessive concern and apprehension, accompanied by behavioral disruptions. These symptoms cause substantial distress or hinder daily functioning. Various types of anxiety disorders exist, including generalized anxiety disorder (marked by excessive worrying), panic disorder (characterized by panic attacks), social anxiety disorder (featuring excessive fear and apprehension in social settings), and separation anxiety disorder (manifesting as excessive anxiety regarding separation from emotionally significant individuals). Proper psychological treatment is available, and depending on the individual's age and the severity of the condition, medications might also be considered.

• Depression

Depression differs from ordinary mood changes and brief emotional reactions to daily life challenges. During a depressive phase, individuals may experience persistent feelings of sadness, irritability, or emptiness, or a significant decrease in enjoyment of activities for the majority of the day, nearly every day, lasting at least two weeks. Other symptoms may include impaired concentration, excessive guilt or low self-worth, hopelessness about the future, suicidal thoughts, disrupted sleep patterns, altered appetite and weight, and extreme fatigue or lack of energy. People suffering from depression have a higher risk of suicide. However, there are effective psychological treatments available, and depending on the individual's age and the severity of the condition, medication might also be considered.

• Schizophrenia

Individuals diagnosed with schizophrenia face a reduced life expectancy of 10-20 years compared to the average population. This mental health condition is marked by considerable disruptions in perception and alterations in behavior. Characteristic symptoms encompass long-lasting delusions, hallucinations, disordered thinking, severely disorganized actions, and intense agitation. People living with schizophrenia often struggle with ongoing challenges in their cognitive

abilities. Despite these difficulties, a variety of successful treatment options are available, such as medications, educational support, family-focused interventions, and psychosocial rehabilitation programs.

• Post-Traumatic Stress Disorder

PTSD can arise after enduring a profoundly threatening or harrowing incident or sequence of events. It manifests through several key features: 1) recurring reliving of the trauma through intrusive memories, flashbacks, or nightmares; 2) deliberate avoidance of thoughts, memories, or situations associated with the trauma; and 3) enduring feelings of heightened current danger. These symptoms endure for at least several weeks and greatly hinder daily functioning. Fortunately, effective psychological interventions are available for treatment.

Who is at risk from developing a mental disorder?

Anyone can be at risk of developing a mental disorder. There isn't a single factor that determines who will develop a mental disorder, but rather a combination of biological, psychological, and environmental factors. Some factors that can increase the risk include:

1. **Genetics:** Family history of mental illness can increase the likelihood of developing a disorder.
2. **Trauma:** Experiencing trauma such as abuse, violence, or a significant loss can increase the risk.
3. **Brain chemistry and structure:** Imbalances in brain chemistry or differences in brain structure may contribute to certain mental disorders.
4. **Personality traits:** Certain personality traits or ways of thinking may make someone more vulnerable.
5. **Stress:** Prolonged or excessive stress can contribute to the development of mental health problems.
6. **Substance abuse:** Substance abuse can both contribute to and result from mental health disorders.

7. **Environmental factors:** Factors such as poverty, homelessness, or exposure to violence can increase the risk.

8. **Physical health:** Chronic physical illnesses or conditions may increase vulnerability to mental health disorders.

9. **Social support:** Lack of strong social support networks can contribute to mental health problems.

10. **Life changes:** Major life changes such as moving, divorce, or job loss can trigger or exacerbate mental health issues.

It's important to note that having one or more risk factors does not mean someone will definitely develop a mental disorder, and conversely, not having risk factors does not guarantee immunity. Mental health is complex, and each individual's experience is unique.

How to maintain mental well-being ?

Exercise encompasses participating in physical activities that elevate the heart rate above its resting level. It constitutes a vital component of maintaining both physical and mental well-being. Regardless of whether individuals opt for light activities like walking or pursue high-intensity endeavors such as uphill cycling or weight training, consistent exercise offers a vast array of advantages for both the body and the mind. Incorporating daily exercise of any intensity is crucial for warding off various diseases and promoting overall health. Engaging in exercise appears to diminish the likelihood of developing mental illness and aids in the management of certain mental health disorders such as depression and anxiety. For instance, studies indicate that for mild to moderate depression, physical activity can be as efficacious as antidepressants or therapeutic approaches like cognitive behavioral therapy. Exercise can also serve as a beneficial complement to other treatment modalities.

Why does exercise make us feel better, mentally?

Frequently, individuals who engage in

regular exercise do so simply because it brings them joy. Exercise has the capacity to enhance mood, focus, and alertness, while also fostering a positive perspective on life. The relationship between exercise and mental health is multifaceted. Inactivity can serve as both a contributor to and a consequence of mental illness. However, there are numerous ways in which exercise can positively impact mental well-being, including:

- Altering levels of brain chemicals like serotonin, stress hormones, and endorphins.
- Promoting better sleep, which in turn aids mood management.
- Enhancing feelings of control, coping skills, and self-esteem, often stemming from the achievement of exercise-related goals.
- Serving as a distraction from negative thoughts and offering opportunities for new experiences.
- Providing a platform for social interaction and support when exercised in a group setting.
- Boosting energy levels.
- Acting as an outlet for frustration.
- Reducing skeletal muscle tension, leading to a sense of relaxation.

Exercising for your mental health:

If you haven't incorporated regular exercise into your schedule yet, you might be curious about how much is needed to enhance your mental well-being. The great news is that exercise doesn't have to be intense or time-consuming. Research indicates that even low or moderate intensity exercise can significantly improve your mood and cognitive processes. Nevertheless, any form of exercise surpasses no exercise at all. Engaging in a leisurely walk or practicing activities such as stretching and yoga can also yield significant advantages for both your mental and physical well-being.

A climate change authority



By Dr Abid Qaiyum Suleri

Climate change and global warming are no longer buzzwords. They have emerged as clear indicators of an impending crisis that threatens the very fabric of global societies, economies, and food systems.

The year 2023 stands as a testament to this escalating challenge, having been recorded as the warmest year globally. The Intergovernmental Panel on Climate Change (IPCC) highlights a concerning 1.1-degree Celsius increase in global temperatures from pre-industrial levels, setting us on a path toward a 1.5-degree Celsius rise by 2030 if current trends persist unchecked.

The repercussions of this warming are felt most acutely in the developing world, where agriculture forms the backbone of livelihoods for over 80 per cent of the population. The World Bank warns of a grim future where climate change could plunge an additional 100 million people into the depths of extreme poverty by 2030. Smallholder farmers, in particular, face the brunt of this crisis, with potential yield losses of up to 50 per cent in critical staples crops such as rice and maize.

This dire situation is further compounded by the Food and Agriculture Organization's (FAO) report of a 29 per cent increase in climate-related disasters over the last decade, disproportionately impacting the most vulnerable segments of society in developing countries.

Pakistan serves as a poignant case study of the destructive capabilities of climate change, particularly exemplified by the devastating superfloods of 2022, which impacted over 33 million people. Such calamities are not mere anomalies or isolated incidents but indicators of a systemic shift toward more unpredictable climate patterns, characterized by rising temperatures and the retreat of essential glaciers. The economic toll of these environmental upheavals is staggering, with predictions of an 18-20 per cent reduction in Pakistan's GDP by 2050 due to climate-related challenges. The agricultural sector, a lynchpin of the national economy, faces significant risks, with reduced crop yields, compromised health of livestock, and jeopardized food security.

However, the societal implications extend beyond economic metrics,

affecting millions through displacement, loss of livelihoods, and health crises post-climate disasters. The most vulnerable populations, particularly children, confront severe repercussions such as stunted growth and a heightened susceptibility to diseases. Climate change also increases the existing vulnerabilities of girls and women, as was reported after the superfloods of 2022.

In response, Pakistan has demonstrated decent engagement in global dialogues, such as COP27, advocating for the Loss and Damage fund agenda. However, the scale of the crisis demands a more unified and comprehensive strategy, one that integrates national efforts with global cooperation to bolster Pakistan's resilience against rapidly impending challenges.

Although foundational policies such as the National Climate Change Policy Framework 2013, the National Climate Change Policy 2021, and the Pakistan Climate Change Act of 2017 represent beacons of hope, their full potential remains unrealized due to institutional and strategic gaps. The imperative is clear: move beyond ad hoc responses

and fragmented governance to embrace a holistic, cross-sectoral approach to climate change.

The nascent National Climate Council and proposed National Climate Authority as well as Climate Change Fund signal a move towards this integrated strategy. However, their success is contingent on clear mandates, sufficient resources, and a departure from siloed governmental operations. The ambiguity surrounding the Climate Change Act's provisions on funding, targets, and responsibilities further complicates the path to effective climate governance.

Explaining the compartmentalized climate governance in Pakistan, Dr Tariq Banuri rightly highlights in one of his papers that as in most countries, what is viewed as the climate agenda is a composite of several different agendas (Water Policy, Energy Policy, Agriculture Policy, Food Security Policy, Health Policy, etc).

The vast majority of these agendas fall decisively within the mandates of other, often far more powerful agencies and ministries than the ministry dedicated to tackling climate change. "Even the residual component is not uncontested. It is clear that the vast majority of the climate-related tasks will and should be carried out by the ministries, associated agencies, and counterpart provincial departments within whose mandates these tasks may fall", Tariq argues while stressing the need to establish a hub agency at the federal level with a clear mandate to set climate change's normative agenda, technical agenda, capacity building support, fund mobilization support, and monitoring and evaluation.

I agree with him that a paradigm shift in climate governance is essential. One that encourages inter-sectoral collaboration and weaves together the diverse threads of climate resilience and national development, both at the policy and operational levels. The establishment of the National Climate Authority, intended as a nexus for cross-sectoral coordination, is crucial to this vision.

Much like rethinking climate governance, Pakistan also needs to rethink its climate financing strategies and explore innovative financing avenues. Pakistan's reliance on

international pledges (such as the Geneva Pledges after the superfloods in 2022), the pursuit of multilateral climate funds, and domestic financial allocations reflect a multifaceted approach to climate finance.

However, the unpredictability of external pledges, capacity constraints in tapping from existing climate funds, and the diversion of earmarked funds allocated from domestic sources for competing requirements highlight the challenges inherent in these strategies. The proposal by Dr Adil Najam to capitalize on the resilience of flood survivors by monetizing their recovery efforts and the government's efforts to explore carbon markets, etc, exemplifies some of the innovative financing avenues.



There is no 'either-or approach' in climate financing. All of the above-mentioned approaches (and many others) need to be mixed and matched to finance Pakistan's adaptation and mitigation efforts. This is the context in which the yet-to-be-established Climate Change Fund, proposed under the Climate Change Act of 2017, faces challenges of its mandate, source of funding, and differentiation from existing funds, such as the National Disaster Risk Management Fund and Mountain Area Conservancy Fund, etc. These challenges highlight the need for a clear, autonomous financial strategy to bolster domestic resilience.

Empowering local governments and communities to spearhead grassroots climate actions offers a wellspring of localized, innovative solutions, enhancing adaptive capacities at the community level. Yet, aligning these grassroots efforts with national strategies necessitates a well-thought-out institutional framework, which is currently lacking.

The superior court's recognition of climate change as an existential threat is laudable. Yet, bridging the gap between recognition and actionable measures presents significant hurdles. The interconnection between global climate dynamics and Pakistan's inherent vulnerabilities amplifies the pressing need for a cohesive and comprehensive governance framework.

Such a framework, championed by a functional Pakistan Climate Change Council (the apex decision-making body on climate change in Pakistan), could guide Pakistan towards a sustainable trajectory, embedding climate resilience within the fabric of national development.

This transition, daunting yet indispensable, is imperative not only for preserving Pakistan's environmental legacy but also for ensuring the prosperity and well-being of future generations amidst an increasingly unpredictable climate landscape.

Courtesy The News

Every breath you take

Ranging from stubble-burning to real estate development and infrastructure creation, India and Pakistan have similar climate change dilemmas. Talking to each other could help



By Kamal Siddiqi

It is only March, but the sun is already blinding and the air shimmers with heat. Muradpura, in Indian Punjab's Amritsar district, is barely 40 km from the India-Pakistan border. Mangal Singh owns around 1 acre of land here and as he looks contemplatively at fields of brilliant green wheat, he explains what will happen next. In a few weeks, the sheafs will turn gold. After harvesting the crop, he says, he will leave the fields fallow for a few days.

Then he will sprinkle kerosene over the 1 qilla (approximately 1 acre) of land and set it on fire.

After the flames rise up and consume the fields, evoking horrifying images from the recent history of the two provinces that were one till 1947, all that will remain is charred stumps of the crop. The smoke will rise and travel towards Amritsar and beyond. At this time of the year, the April heat and the wind will help it disperse.

In November, he will go through the same

exercise again. Then the smog will travel through Amritsar to other north Indian cities like Delhi and settle there for weeks, causing an alarming rise in lung diseases. Those who can, will leave Delhi. Many will buy air purifiers. But most will cough, sneeze, wheeze and live with laboured breathing until the smog disperses.

It is the same story in Pakistan.

The first time the smog phenomenon hit Lahore, Pakistan's second largest city, was in 2016. Since then, the pollution has been getting progressively worse. In the winter months, Lahore has repeatedly topped the daily rankings of the most polluted city in the world. From October to December, this city of 12 million barely sees sunlight as a thick cloud of polluted matter remains suspended above. Punjab, of which Lahore is the capital, is the most populous province in Pakistan with an estimated population of 110 million. Five cities in Punjab have been listed among the 50 most polluted cities in the world during the winter months since 2020.

Says Akshat Patni, environment policy expert and advisor to the Punjab government, India, "In 2019, 50,000 deaths in Punjab alone were attributed to air pollution. This would not have been the case earlier: the cause would have been lung cancer or something else. This is a useful stat, because it helps identify the problem and begin searching for a solution."

The burning of agricultural waste takes place on both sides of the border - stubble left over after harvesting the previous crop is the cheapest way of readying fields for another crop. But the burning intensifies particulate matter in the air. Over the years, both countries have been trying to find ways to mitigate the problem.

Origins of the stubble burning problem in India

- Planting of paddy boomed after the green revolution with new genetic varieties, use of new age agricultural machines, and with fixed MSP for rice

- Free electricity encouraged farmers to use excessive groundwater for paddy
- This led to excessive groundwater depletion
- To stem this, the government banned transplant of paddy before 20 June every year
- This shifted paddy crop harvest to late September to mid October, leaving little time for clearing the fields to plant wheat in mid-November
- Burning of stubble seems to be the easiest way out for an average farmer
- Other stubble is also burnt throughout north-India, but due to:
 1. Heavy concentration of paddy in Punjab
 2. All fields burning together in mid-October to mid-November
 3. Little to no winds in the North Plains, to dissipate the smoke leads to a disproportionate deterioration of air quality in winters

(Credit: Roshan Shankar: expert on public policy, in a paper)

Ishaq Khakhwani, an agriculturist in Pakistan, says that stubble burning is an age-old practice usually carried out when the rice crop stubble is removed in October to make way for the new wheat crop which is sown in November. "The time period is short and burning the stubble is the cheapest and quickest way to clear the soil," he says.

The same practice is carried out in March when crop is sown and the fields are cleared beforehand. But pollution at that time is lower because the weather is conducive to the heat, dust and smoke travelling upwards. Khakhwani argues that crop burning, while a contributor, is only one factor. "One that hasn't increased as well, so the problem lies elsewhere," he adds.

Most experts agree that there is no cheap way to clear crop stubble and the government will have to intervene. In India, for example, the government gives a subsidy to farmers not to burn their crop stubble.

"There is no incentive to stop crop

burning," says Dawar Butt, an environmental consultant, about Pakistan. Butt says that the smog is a trans-boundary issue in which both Pakistan and India have to cooperate. India, he says, ends up suffering more as with the direction of winds on most days, it is pollution from Pakistan that drifts into India.

"We know that our burning stubble (parali) affects the environment. We want our children to grow up healthy. We don't want to hurt anyone's health. But we are helpless. Farming cannot make anyone rich. And if we spend money on cutting parali and packing it as the government is asking us to do, we will have no income" says Harpal Singh, from Muradpura, India.



"Just as you have come, the government comes to meet us, comes to gurudwaras. 'Come, we'll tell how to do it' they tell us, with kindness. Then they take our pictures, just as you are doing, and go away. No one cares whether we have burnt our fields, whether we've got compensation...we contract farm land at Rs 60,000 an acre. We have to pay for inputs, tractors, threshing machines.....the income is very low. If from that we also have to make arrangements to dispose of parali (stubble), well, farming would then earn us no income at all..." he says.

The repercussions are alarming on both sides of the border. The 2023 Air Quality Life Index, carried out by the Energy Policy Institute at the University of Chicago, found that air pollution shortens lives by an average of 11.9 years in New Delhi and 7.5 years in Lahore. Nonprofit Fair Finance Pakistan has estimated that air pollution

leads to at least 128,000 deaths every year in the country. In India, pollution has led to more than 1.6 million premature deaths, according to a 2019 study by The Lancet.

Stubble burning not the only reason

Alarming as all this may sound, stubble burning is not the only reason for the rising air pollution in both India and Pakistan.

Unpredictable weather patterns have led to a rise in smog levels even during summer months. Climate change has been exacerbated by the rapid cutting down of trees and the uprooting of farms around Lahore to make way for development of commercial

and residential colonies. With the completion of the Lahore Ring Road, an 85-kilometer orbital highway that circles the city, there are endless possibilities for urban development. But this has come at a cost. Farm produce has become costlier and rains are less predictable.

The health implications of pollution in Pakistan

In January 2024, pneumonia claimed 350 lives in Punjab province. Lahore was the epicenter where in just 7 days in January there were 55 deaths. Dr Amer Iqbal, one of Lahore's leading pulmonologists accepts that the number of pneumonia cases has been increasing over the years but so far there has been no causal link established with the rising smog in the city during winter months. Pneumonia is caused by infection or by chemical inhalation. "But there is no investigation done or data

collected on what caused the pneumonia in the first place,” says Iqbal, adding, “since the death is not a police case, there is also no autopsy done.” This opinion is backed by another leading medical practitioner of the city, Dr Shaukat Mahmood. He says, “We cannot come to a concrete conclusion without collecting data and conducting a full study.” But Dr Mahmood says that the initiatives taken by the government to reduce pollution have failed. He adds that pneumonia in children is more common because the lungs are more susceptible and the body is unable to filter pollutants as efficiently as adults can. Amongst the medical profession, there has not been enough discussion on why the cases have risen dramatically. Instead, doctors are content to blame a number of factors which include change in weather, pollution, dry heating, living in small and closed rooms as well as poor nutrition and lack of awareness amongst children.

Research conducted over a 10-year period on Lahore rainfall trends by Sarwat Shehzad, a senior subject specialist, shows a consistent and significant decrease in rainfall patterns in spring, summer and winter seasons whereas, simultaneously consistent increasing trends have been found in the rainfall data in autumn. This means droughts in three seasons and urban flooding in one.

Malik Tariq Ali, a long-term Lahore resident, comments that greed has overtaken all other considerations and that is why the problem is growing. “Greed, apathy and a lack of common sense,” he says adding that he has seen how over the past ten years the city, which was surrounded by green spaces, has given in to urban development. “Most of these areas are uninhibited but people keep on buying empty plots in the hope they will make windfall profits in the coming years.” Land prices have risen over 200 per cent in the past five years. It is a much-happening industry. The real estate lobby in Pakistan is very resourceful and very powerful. “Much like the gun-lobby in America. You cannot do anything against them.”

The apathy and state indifference can be seen in many areas, even when things can be set right. Take the case with vehicle pollution in the cities. Rafay Alam says the

quality of fuel used in Pakistan is Euro 2 compliant which is much lower than international standards and more polluting. Only one refinery in Pakistan produces fuel that meet Euro 4 standards. There is no plan to improve fuel quality, a major contributor to poor air quality in the cities.

The other problem is that in Pakistan while public transport and commercial vehicles have to pass a road worthiness test, private cars and motorcycles do not. This means that most vehicles on the road are not even monitored for their exhaust emissions.

Dawar Butt, an environment consultant who has extensively worked on pollution related issues in Pakistan lists many factors contributing to the smog— number and quality of vehicles and fuel, industrial pollution, industrialization in central Punjab, growing population as well as climate change. Butt notes that while rice stubble burning has remained constant, solid waste burning has increased significantly over the years.

This mess, says Butt, crosses over to Indian Punjab. “The wind direction moves from Central Asia to India. The westerly winds move from Pakistan into the Indian plains in the winters,” he says. The problem, he argues, is one that affects both countries, regardless of who is to blame. The question, he asks, is “will anyone in the leadership of Pakistan or India wake up and do something about it?”

While Rafay Alam and Dawar Butt cite examples of other cities like Beijing and Stockholm where public pressure pushed the government to act, the problem in Pakistan and India’s case is that it is two different governments that need to be convinced – worse is the fact that these two don’t seem to agree on anything.

Says Patni, environment policy expert and advisor to the Punjab government, India, “Stubble burning is like the cherry on the cake. There are a lot of factors that contribute to air pollution the year round. Stubble burning is about 8 per cent only. If you have to do a source apportionment of air pollution, it is vehicular pollution: nearly 50 to 52 per cent. If you go into a bit more depth, it is industries: stone crushing, brick kilns....and of course, road dust.” But he says stubble burning is intense during

certain months and it adds to overall pollution levels, making the air unbreathable.

Avinash Chanchal, campaign manager with Greenpeace India says air pollution in India is the result of an amalgam of factors. “Stubble burning is an episodic contributor,” he says adding, burning fossil fuel causes vehicular emission. Coal-fired power plants add to this. The construction sector adds road dust. Households that burn biomass (wood and cow dung pats) also contribute.”

Sobering data

India is the world’s second most polluted country. Fine particulate air pollution (PM2.5) shortens an average Indian’s life expectancy by 5.3 years, relative to a World Health Organization (WHO) guidelines. Some areas of India fare much worse than average, with air pollution shortening lives by 11.9 years in the National Capital Territory of Delhi, the most polluted city in the world.

Measured in terms of life expectancy, particulate pollution is the greatest threat to human health in India, taking 5.3 years off the life of an average Indian. In contrast, cardiovascular diseases reduce an average Indian’s life expectancy by about 4.5 years, while child and maternal malnutrition reduce life expectancy by 1.8 years.

Worsening situation

Particulate pollution has increased over time. From 1998 to 2021, average annual particulate pollution increased by 67.7 percent, further reducing average life expectancy by 2.3 years. From 2013 to 2021, 59.1 percent of the world’s increase in pollution was in India.

In the most polluted region of the country—the Northern Plains—521.2 million residents or 38.9 percent of India’s population are on track to lose 8 years of life expectancy on average relative to the WHO guidelines and 4.5 years relative to the national standard if current pollution levels persist.

If India were to reduce particulate pollution to meet the WHO guidelines, residents in Delhi—India’s capital and most populous

city—would gain 11.9 years of life expectancy. In North 24 Parganas—the country's second most populous district—residents would gain 5.6 years of life expectancy (all data from the University of Chicago's Energy Policy Institute).

In 2019, India declared a “war against pollution” and launched its National Clean Air Programme (NCAP), signalling its desire to reduce particulate pollution. NCAP originally aimed to reduce particulate pollution by 20-30 percent nationally relative to 2017 levels by 2024 and focused on 102 cities that were not meeting India's national annual PM₅ standard, termed “non-attainment cities.”

One of these was Delhi. The air pollution problem in Delhi (otherwise, the National Capital Region) has a direct link to development. The National Capital Region is still the most attractive investment destination in north India. Delhi alone got USD28.3 billion in foreign equity inflows between October 2019 and September 2023, to rank fourth after Maharashtra, Karnataka and Gujarat. This excludes foreign equity invested in enterprises in Gurugram in Haryana.

Obviously there's a cost to be paid for this level of inflows. Investment is linked to good road infrastructure, seamless availability of power (coal-based electricity constitutes 70 per cent of India's power supply and unsurprisingly, the cities with the lowest air quality index are located in the vicinity of coal-power thermal power plants, like Chandrapur in Maharashtra), and modern housing. All these activities load the air with pollutants.

Structural problems

There are also structural problems the two Punjabs face. “The inherent disadvantages specifically of the Indo-Gangetic plain stemming from its geographical location and soil composition compounds the air pollution woes for the region. The Indo-Gangetic plain is essentially landlocked and the Himalayas prevent polluted air from escaping to the north, creating the so called ‘valley effect’ and dry alluvial soil significantly contributes to wind-blown dust,” the NCAP report says of north India.

Way forward

Bad air is a shared existential threat for Indians and Pakistanis. Conversation between India and Pakistan could result in shared knowledge and ways to mitigate the problem.

But Ashok Behuria of the Manohar Parrikar Institute of Defence Studies and Analyses, a government-funded research institution in India, says that despite having many of the same problems, India and Pakistan do not have any bilateral mechanism to deal with climate change issues. Both are signatories to the Paris Agreement of 2015, born out of the United Nations

these issues has fructified primarily because of Pakistan's emphasis on Kashmir as the core issue, and its disinclination to discuss any other issue save this, in clear disregard of the pre-existing consensus to discuss all issues together in a composite dialogue format,” Behuria says.

In 2017, then (Pakistan) Punjab Chief Minister Shahbaz Sharif wrote to Indian Punjab Chief Minister Amrinder Singh, suggesting a common approach to resolve the problem. Shahbaz expressed his belief, “that it is in the interest of the people of both Punjabs to make a collective effort towards identifying technologies and business methods that may eliminate the



Climate Change Conference held in Paris between November-December 2015, which focussed on environmental changes and signified the commitments of the participating countries to find solutions for them.

“Both India and Pakistan, as primarily agrarian economies, do have a lot of stake in global efforts aimed at addressing climate change issues like increase in the level of greenhouse gases, erratic monsoons, extreme weather events like heat and cold waves, large storms including retreating glaciers in the Himalayas that supply meltwater to the river systems in both the countries. In view of the long-term adverse impacts of such ecological changes on their economy and society, there is an argument that both countries should discuss these issues.

“However, no bilateral conversation on

need to burn rice-stubble and help control smog formation.” (newspaper reports)

But for interlocutors on both sides of the border, the keyword here was not ‘health crisis.’ The keyword was ‘distrust.’ Between then and now, many citizens’ WhatsApp groups and NGOs meeting in third countries have considered ways to leverage technology to address the problem of air pollution. These have had limited impact.

So are India and Pakistan heading towards smog of the kind Beijing has in winter? Given the magnitude of the problem, there are no easy answers. The only thing that is clear is that solutions have to be found in both the countries and collectively for people to lead healthy lives before they reach a point of no return.

Courtesy www.aajenglish.tv

Grand National: Willie Mullins eyes British title after I Am Maximus win

By Frank Keogh

Willie Mullins is targeting the British trainers' title after the Irishman won the Grand National with I Am Maximus.

He would be only the second Irish trainer to claim the jumps championship after Vincent O'Brien, who secured the prize for a second time 70 years ago.

The £500,000 National pot means Mullins leads British rivals Dan Skelton and Paul Nicholls with two weeks to go.

"I would love to win the British championship, it would be something different," said Mullins.

He said the 2023 Irish National winner I Am Maximus would be aimed at the Cheltenham Gold Cup next year after an imperious seven-and-a-half-length victory from runner-up Delta Work.

Rachael Blackmore was third on Minella Indo with Galvin fourth in an Irish 1-2-3-4.

Kitty's Light finished fifth for Welsh trainer Christian Williams, whose young daughter Betsy is being treated for leukaemia.

"I thought we had a chance. A long way out he was travelling sweet and jumping well. I was trying to be calm, but I was getting quite excited. He's a wonderful horse - he's great. We're very lucky to have him," said Williams.

Amateur rider David Maxwell finished sixth on Ain't That A Shame, a horse the real estate entrepreneur bought so he could ride in the race.

'Gobsmacked' Mullins eyes new landmark

Another month, another landmark looms for Mullins.

In March, he claimed the Champion Hurdle and Gold Cup and became the first trainer to reach 100 Cheltenham Festival winners.



April brought a second National win, after Hedgehunter in 2005, and he is now favourite with bookmakers to emulate his legendary compatriot O'Brien by claiming the British championship.

"Sandown, Ayr, Perth, wherever we can see a prize - I think we have to go for it now," he said.

"We needed to have a really good National and we got it. It's game on I think, isn't it?"

While Irish champion Mullins has a fraction of the British winners secured by Skelton and Nicholls, the title is decided on prize money and he has bagged many of the biggest prizes.

Mullins is more than £50,000 ahead of Skelton, with Nicholls further back in third.

Asked if he could have envisaged such success this season, Mullins said: "I would have thought you were mad."

"We are gobsmacked looking at the talent in the yard."

A new National, but still drama

The maximum number of runners in the National was cut to 34 from 40 following a safety review and 32 runners went to post after two withdrawals.

A standing start to slow runners down going to the first was among other changes.

These came after Hill Sixteen suffered a fatal injury in last year's race, which was delayed by 14 minutes after animal rights activists entered the track.

All these changes have cemented the changing nature of the Grand National - 21 of the 32 horses completed the race, and there were no fallers, with four horses unseating their riders and seven pulled up.

The course is easier to negotiate, less of a lottery - this was the first time since 1894 the favourite, or joint favourite, won successive editions.

While two horses died over the three-day meeting, there were no equine fatalities in the big race and two other contests over the National fences.

There was drama from the start, with last year's winner Corach Rambler unseating jockey Derek Fox at the first fence.

And the amount of contenders in the latter stages of the second circuit still provided plenty of excitement and intrigue.

"What was great to watch was the space all of the riders gave each other," two-time National-winning jockey Ruby Walsh told ITV.

"I do approve of the changes and Aintree have put a lot of work into it."

Courtesy BBC

9 forgotten ballers you had no idea are now playing in Argentina: Cavani, Lanzini, Rojo...



By Daniyal Wali

Former Aston Villa, Manchester United and West Ham stars are among the nine forgotten ballers we can't believe are still playing in Argentina.

The Argentine Primera Division always delivers the drama and you'd be surprised by how many familiar faces are currently playing in the league.

We've taken a closer look at the top flight in Argentina and have picked out nine ballers that we're surprised are still going strong today.

Marcos Rojo

The Argentine defender never quite hit the heights that were originally expected of him at Man Utd, but he certainly always wore his heart on his sleeve.

His passion for the game still shines through today as he now captains Boca Juniors. Since returning to his native country in 2020 the 34-year-old has won four trophies and seems to be a popular figure within the Boca Juniors faithful.

With Rojo on the pitch, there's rarely a dull moment.

Carlos Sanchez

After spending his peak years in Europe, Sanchez is now playing out the twilight years of his career in South America. The former Aston Villa midfielder spent a couple of years with Colombian outfit Santa Fe before joining San Lorenzo last year.

Still going strong at 38 years of age, it still seems as if Sanchez has a few years left in him yet. By all accounts, he's enjoying life in Argentina right now.

"I am very happy, in San Lorenzo they have treated me very good," Sanchez told reporters in Janaury. "When I had the opportunity to live here, I didn't hesitate, I was happy to be here."

Sergio Romero

Man Utd were truly blessed in the goalkeeper department when they had Romero and a prime David de Gea in their ranks.

After spending a large bulk of his career as a backup keeper, it's nice to see that he's getting plenty of action these days. The 37-year-old joined Boca Juniors in 2022 and hasn't looked back since.

Since heading back to Argentina, Romero has made 60 appearances in total, that's just one fewer than he managed during his entire six-year stay at Old Trafford.

Edinson Cavani

Having recently turned 37, you'll be pleased to learn that El Mator is still doing the business. Since joining Boca Juniors last summer, the Uruguayan forward has bagged 10 goals in 1,938 minutes of action.

"What we like most about him is how he puts himself at the service of the team, how he always tries to be an example and help the team," Boca Juniors manager Diego Martinez told reporters when discussing Cavani.

Manuel Lanzini

During his best years at West Ham, Lanzini always had a trick or two up his sleeve. After falling down the pecking order under David Moyes last season, the 31-year-old re-joined River Plate in the summer.

He managed to get his hands on a couple of trophies last season and will no doubt be targeting some more silverware this time around.

Enzo Perez

Remembered fondly from his time at Benfica and Valencia, Perez is still doing the business in midfield today in his native country.

The 38-year-old spent the last seven years playing for River Plate before re-joining Estudiantes for a third spell in January.

Ever Banega

Having spent the last four years playing in the Saudi Pro League, Banega returned to Argentina earlier this year to sign for Newell's Old Boys.

The former Sevilla midfielder penned a two-year deal with the Argentine club with the option of an extra year. We're in no doubt that he'll be a hit in his new surroundings.

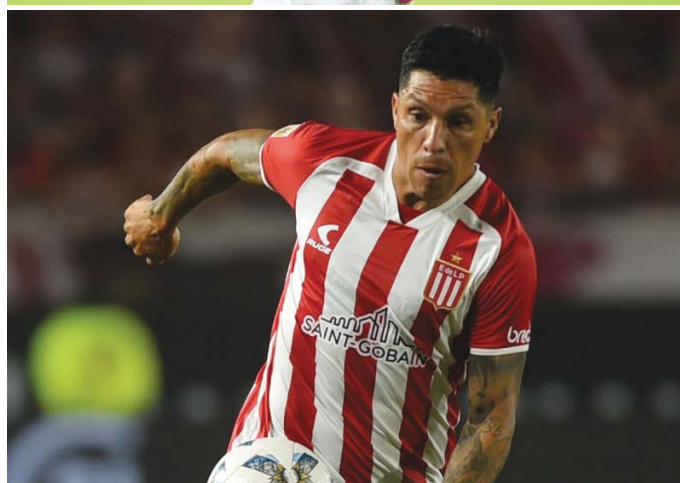
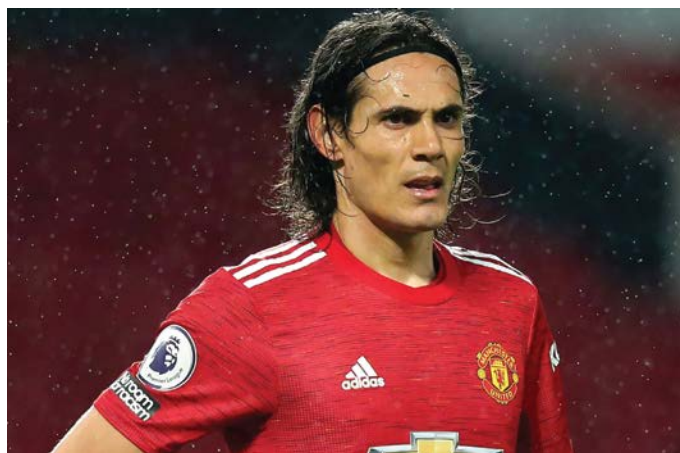
Abel Hernandez

The streets won't forget Hernandez and his memorable stint at Hull City between 2014 and 2018. Since leaving the Tigers, the 33-year-old forward has barely stayed in one place for long.

He's enjoyed short but sweet stints in Russia, Qatar, Mexico, Uruguay and now Argentina. Earlier this year he joined Rosario Central on a free transfer and we can't wait to see more from him this year.

Ramiro Funes Mori

After enjoying his peak years in Europe with Everton and Villarreal, Funes Mori re-joined River Plate last year after an eight-year absence. With his contract valid until 2026, he's not got any plans to retire any time soon.



Olivier Awards 2024: Hannah Waddingham and Nicole Scherzinger set to appear



By Yasmin Rufo

Stars of the stage are gearing up for the 2024 Olivier Awards, which take place later at the Royal Albert Hall. Hollywood names are leading the nominations this year with the likes of Sarah Snook, Nicole Scherzinger and Sarah Jessica Parker all recognised.

Shows including *Stranger Things: The First Shadow*, *Guys & Dolls* and *Dear England* are also up for awards. The Oliviers celebrate the best of British theatre and is the industry's most prestigious awards ceremony.

Which plays and musicals are nominated?

Hit musical *Sunset Boulevard* is leading nominations this year with 11 nods, including Nicole Scherzinger and Tom Francis for best actress and actor in a musical respectively.

The minimalist production of Andrew Lloyd Webber's story of a fading film star, also received nominations for best musical revival and best director for Jamie Lloyd. Meanwhile, *Dear England*, James Graham's play about Gareth Southgate is the most nominated play. The footballing drama has received nine nods, with Joseph Fiennes receiving his first Olivier nomination.

The National Theatre scored 15 nominations in total across its shows *Dear England*, *Hadestown*, *The Motive and the Cue*, *Till the Stars Come Down* and *The Effect*. The best new musical nominees are *The Little Big Things*, *Next to Normal*, *Operation Mincemeat* and *A Strange Loop*. The best musical revival category also has a number of strong favourites, including *Groundhog Day*, which won the Olivier Award for best new musical in 2017 and *Guys & Dolls*.

Which actors are nominated?

A host of Hollywood stars are nominated this year. Sarah Jessica Parker has scored her first Olivier nomination for *Plaza Suite* where she appears opposite her husband Matthew Broderick.

Several one-person plays received nominations in the best actor and actress categories - including Sarah Snook for *The Picture of Dorian Gray*, Andrew Scott for *Vanya* and Sheridan Smith for *Shirley Valentine*.

Snook, who recently won an Emmy for her performance in *Succession*, plays 26 characters in the play and is surrounded by a camera crew so her performance can be beamed onto overhead screens.

The Adelaide-born actress told the BBC last month she was "stoked and just a bit overwhelmed" upon learning of her nomination.

Elsewhere, *Happy Valley* star James Norton is up for an award for his performance in a stage adaptation of Hanya Yanagihara's hugely popular and Booker-nominated novel *A Little Life*.

David Tennant also scored a best actor nomination for his portrayal of *Macbeth* at the Donmar Warehouse. And Eleanor Worthington-Cox has been nominated for best actress in a supporting role in a musical for her performance in *Next To Normal*. In 2012, at just 10 years old, she was the youngest ever Olivier winner, gaining an award for her role as *Matilda*.

Who is hosting the Olivier Awards?

For a second year in a row, actress Hannah Waddingham will be hosting the awards. She is best known for playing Richmond FC owner Rebecca Welton in Apple TV+ comedy *Ted Lasso*, which won her an Emmy, a Critics' Choice Award and a Screen Actors Guild Award.

The star, from south London, has also been in *Game of Thrones* and *Sex Education*, and was a fan favourite when she co-hosted last year's Eurovision Song Contest. Before making her breakthrough on screen, she was a leading lady on stage in the West End and on Broadway.

How can I watch the Olivier Awards?

The ceremony starts at 18:00, but there will be a TikTok live stream from the green carpet from 16:30 on the Official London Theatre's channel. A highlights package from the evening will be broadcast on ITV1 at 22:10. And you can listen live to coverage of the awards ceremony on Magic radio.

What can we expect from the ceremony?

Throughout the ceremony, there will be performances from several nominees including *The Little Big Things*, *Next To Normal*, *Operation Mincemeat*, *A Strange Loop*, *Guys & Dolls* and *Hadestown*.

Awards will be presented by actors including Freema Agyeman, Adrian Dunbar, Anna Maxwell Martin and Dominic West. Ruth Jones and Beverley Knight, both currently starring in *Sister Act*, will also present awards.

Model and actor Cara Delevingne, who is playing Sally Bowles in *Cabaret*, and Michael Sheen, who plays Nye Bevan in the National Theatre's *Nye*, are handing out awards as well.

Why are the Olivier Awards important?

The Olivier Awards are the theatre equivalent of the Baftas or Brits. They are the most prestigious stage honours in the UK and recognise performances across theatre, opera and dance in the West End.

The awards have been running since 1976 and were originally known as the Society of West End Theatre Awards. In 1984, British theatre actor Laurence Olivier gave his consent to have the awards renamed in recognition of his contribution to British theatre.

The judging panel is put together by the Society of London Theatre and is comprised of industry professionals and members of the public who love theatre.

The record for the most wins by one show is held by *Harry Potter And The Cursed Child* which picked up nine awards in 2017.

The most awarded musical is split by *Matilda*, *Hamilton* and *Cabaret* which all have seven wins, while Dame Judi Dench holds the individual record for awards with eight.

Courtesy BBC



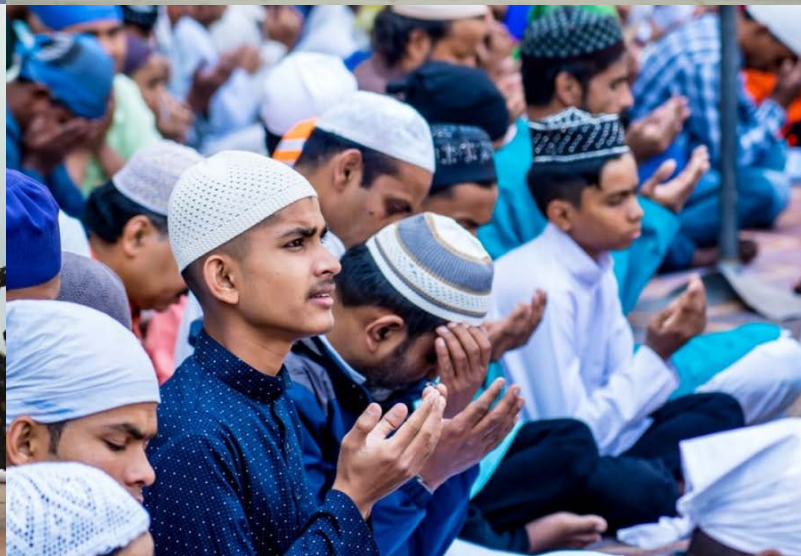
Olivier Awards red carpet: David Tennant, Sarah Snook and Cara Delevingne among stars





Eid al-Fitr
MUBARAK







الخدمت فاؤنڈیشن پاکستان
ALKHIDMAT FOUNDATION PAKISTAN

PALESTINE

EMERGENCY APPEAL

SEND AID TO GAZA &
SAVE LIVES TODAY



Medical Aid



Shelter



Food Packs

Donate Now

alkhidmat.org/donate

MEEZAN BANK: 0214-0100861151

IBAN: PK35MEZN0002140100861151 Swift code: MEZNPCCA

 **0800 44 448**

The Truth International 03