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Trump's Gaza ethnic cleansing plan and Global Reaction

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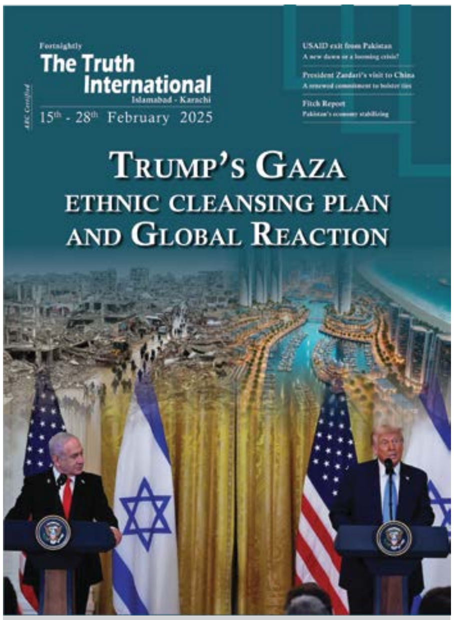

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Fitch Highlights Structural Reforms as Key to Pakistan's IMF Agreement

In its latest report, international credit rating agency Fitch has emphasized that Pakistan's ability to implement difficult structural reforms will be crucial in securing a staff-level agreement with the International Monetary Fund (IMF) for the first review of the ongoing Extended Fund Facility (EFF) program, scheduled for late February or early March.

Fitch upgraded Pakistan's rating to CCC+ on July 29, 2024, from CCC on July 10, 2023, which was itself an improvement from CCC- in February 2023. Despite this upgrade, the ratings remain in a high-risk category, indicating significant default risk and limiting Pakistan's access to affordable commercial loans or debt instruments such as sukuk and Eurobonds.

The government had budgeted $6 billion in commercial loans and sukuk for the current fiscal year, but these funds have yet to materialize. However, Finance Minister Muhammad Aurangzeb recently announced at the World Economic Forum in Davos that Pakistan had secured a $1 billion loan from two Middle Eastern banks at an interest rate of 7% per annum. The State Bank of Pakistan has not yet updated its records to reflect whether these funds have been disbursed.

From February 28 to October 20, 2022, Fitch rated Pakistan B-, a rating that suggested a lower level of default risk compared to its current CCC+ status. This rating was maintained despite former Prime Minister Imran Khan's policy of extending large-scale energy subsidies in March 2022. However, after his government's removal in April 2022, the subsidy remained in place until June 2022.

While Finance Minister Miftah Ismail was in office, Pakistan's credit rating saw its first major downgrade. However, the situation deteriorated further when Ishaq Dar took over in September 2022 and implemented two controversial policies:

1. A Rs. 110 billion electricity subsidy to the industrial sector.
2. Artificially controlling the rupee-dollar exchange rate, which led to multiple exchange rates and a $4 billion decline in remittance inflows through official banking channels.

Fitch acknowledged some progress in fiscal reforms, though setbacks remain:

- Revenue Collection Deficit: A shortfall of Rs. 468 billion in revenue collection (July 2024 - January 2025) raises concerns. While privatization proceeds were budgeted at Rs. 30 billion, no major privatization deals occurred in this period. If the shortfall persists, contingency measures such as higher indirect taxes—which disproportionately affect the poor—may be implemented.
- GDP Growth Projection at Risk: The government had projected 3.2% GDP growth, but this target now appears unlikely to be met. The withdrawal of industrial sector subsidies is expected to negatively impact growth.
- Current Account Surplus Driven by Import Curbs: While Pakistan saw rising exports in the first six months of the fiscal year, this was largely due to temporary global market conditions—including India's rice export ban (since lifted) and Bangladesh's export slowdown due to political instability.

FOREIGN AFFAIRS

Trump's Gaza ethnic cleansing plan and Global Reaction

By Javed Mahmood

U.S. President Donald Trump has doubled down on his contentious proposal to take control of Gaza, stating he is committed to "buying and owning" the war-ravaged enclave.

Speaking to reporters aboard Air Force One on Sunday, Trump described Gaza as a "big real estate site" and suggested that redevelopment could be delegated to other Middle Eastern countries. *"As far as us rebuilding it, we may give it to other states in the Middle East to build sections of it; other people may do it, through our auspices,"* he said while en route to New Orleans for the Super Bowl.

"But we're committed to owning it, taking it, and making sure that Hamas doesn't move back. There's nothing to move back into. The place is a demolition site."

Trump also claimed that displaced Palestinians would prefer not to return to Gaza, despite backlash from Palestinian representatives and much of the international community. *"If we could give them a home in a safer area—the only reason they're talking about returning to Gaza is they don't have an alternative. When they have an alternative, they don't want to return to Gaza,"* he said.

Hamas, the Palestinian group that governs Gaza, dismissed Trump's remarks as *"absurd."*

Regional and International Reactions

Initially, Trump suggested he was open to deploying U.S. troops in Gaza but later backtracked, stating that no American soldiers would be necessary to implement his plan.

Neighboring countries, including Egypt and Jordan, have rejected the idea of taking in displaced Palestinians, despite Trump's assertion that they could be resettled in *"other countries of interest with humanitarian hearts."*

On Sunday, Saudi Arabia condemned a separate proposal by Israeli Prime Minister Benjamin Netanyahu that suggested using Saudi land to establish a Palestinian state. The Saudi Foreign Ministry stated, *"The kingdom affirms that the Palestinian people have a right to their land and are not intruders or immigrants who can be expelled whenever the brutal Israeli occupation wishes."* The ministry also accused Netanyahu of attempting to "divert attention" from Israel's ongoing actions in Gaza.

Hamas official Izzat al-Risheq also rejected Trump's plan, stating on Telegram, *"Gaza is not a property that can be bought and sold; it is an integral part of our occupied Palestinian land."* He added, *"Dealing with the Palestinian issue with the mentality of a real estate dealer is a recipe for failure. Our Palestinian people will thwart all displacement and deportation plans. Gaza belongs to its people."*

Netanyahu Backs Trump's Proposal

Israeli Prime Minister Benjamin Netanyahu praised Trump's plan as *"revolutionary"* and *"creative"* during a cabinet meeting held hours after his return from Washington, D.C., where he met with the former U.S. president.

Trump first stunned Palestinians and the international community on Tuesday by suggesting that the U.S. could take over Gaza as part of a sweeping redevelopment plan that he claimed could transform the enclave into *"the Riviera of the Middle East."*

Despite mounting criticism, Trump

reinforced his stance the following day, even as officials from his administration attempted to downplay the backlash by insisting that any resettlement of Palestinians would be temporary.

A former real estate developer, Trump has provided few details on how he would implement his proposal, which faces significant logistical, legal, and ethical challenges.

President Donald Trump has proposed that the United States take control of Gaza after Palestinians are resettled elsewhere, drawing swift condemnation from world leaders and organizations. The White House and America's top diplomat have pushed back against US President Donald Trump's suggestions that millions of Palestinians in Gaza could be permanently relocated and that US troops might be deployed to the war-torn enclave.

"The president has made it clear that they need to be temporarily relocated out of Gaza," White House press secretary Karoline Leavitt said during a briefing on Wednesday. She also emphasized that the US would not fund Gaza's reconstruction and dismissed the possibility of sending American troops.

"It's been made very clear to the president that the United States needs to be involved in the rebuilding effort to ensure stability in the region," Leavitt said. "However, that does not mean boots on the ground in Gaza, nor does it mean American taxpayers will fund this effort."

Leavitt reiterated that Trump expects regional partners, particularly Egypt and Jordan, to accept Palestinian refugees temporarily until Gaza can be rebuilt.

"It's a demolition site right now," she said. "It's not a livable place for any human being."

Her comments directly contradicted Trump's remarks on Tuesday night, in which he suggested that Palestinians could be permanently resettled elsewhere. "If we can get a beautiful area to resettle people permanently, in nice homes where they can be happy and not be shot, not be killed, and not be knifed to death like what's happening in Gaza," he said. Trump doubled down on his controversial idea for the US to take control of Gaza and turn it into a tourist destination—despite widespread rejection from Palestinian leaders, Middle Eastern governments, and the international community.

"Everybody loves it," Trump claimed when asked about the reaction to his proposal. He then cut off further questions, saying it was "not the right time" as he was overseeing the swearing-in of new US Attorney General Pam Bondi.

White House Clarifies Trump's Gaza Remarks, Denies U.S. Troop Deployment

White House press secretary Karoline Leavitt clarified on Wednesday that President Donald Trump is not committing to sending U.S. troops to Gaza, despite his earlier suggestion that the United States would "take over" the war-torn enclave.

"It has been made very clear to the president that the United States must play a role in the rebuilding effort to ensure regional stability," Leavitt told reporters during a White House briefing. "However, that does not mean boots on the ground in Gaza, nor does it mean American taxpayers will fund this effort. Instead, Donald Trump—who is the best dealmaker on the planet—will negotiate an agreement with our regional partners." Leavitt described Trump as an "outside-the-box thinker" and a "visionary leader" who tackles problems that many in Washington consider unsolvable.

Global Reaction

Saudi Arabia Rejects Israel Ties Without Palestinian State, Contradicting Trump

Saudi Arabia has reaffirmed that it will not normalize relations with Israel without the establishment of a Palestinian state, directly contradicting President Donald Trump's claim that Riyadh had dropped its demand for Palestinian statehood.

Trump, in a stunning announcement on Tuesday, declared that the United States would take control of Gaza after Palestinians were resettled elsewhere, aiming to develop the enclave economically. He made the remarks during a joint press conference with Israeli Prime Minister Benjamin Netanyahu.

Saudi Arabia's foreign ministry responded firmly on Wednesday, rejecting any attempts to displace Palestinians and stating that the kingdom's stance on the issue is non-negotiable.

Crown Prince Mohammed bin Salman has expressed Saudi Arabia's position "in a clear and explicit manner that allows for no misinterpretation under any circumstances," the statement emphasized.

A Sensitive Issue in the Arab World

The prospect of Palestinian displacement remains a deeply sensitive issue across the region. As the war in Gaza continues, many Palestinians fear another "Nakba"—the catastrophe of 1948, when hundreds of thousands were forced from their homes during the establishment of Israel.

High Stakes for Trump and Israel

Trump has been pushing for Saudi Arabia to follow the path of the UAE and Bahrain, which normalized relations with Israel under the 2020 Abraham Accords, breaking a long-standing regional taboo. However, the ongoing Gaza war, which erupted in October 2023, has led Riyadh to put normalization efforts on hold, amid widespread Arab anger over Israel's military offensive.

Securing diplomatic ties with Saudi Arabia would be a major win for Israel, given the kingdom's vast influence across the Middle East and the broader Muslim world, as well as its status as the world's largest oil exporter.

UN Secretary-General asks Trump to refrain from ethnic cleansing

United Nations Secretary-General António Guterres urged President Donald Trump on Wednesday to refrain from actions that could lead to ethnic cleansing in Gaza after Trump suggested that Palestinians relocate elsewhere and that the United States assume control of the war-ravaged territory.

"In seeking solutions, we must not exacerbate the problem. It is crucial to uphold the foundations of international law and to prevent any form of ethnic cleansing," Guterres said during a previously scheduled meeting of a UN committee.

He emphasized the importance of a two-state solution, stating, "We must reaffirm the two-state solution."

Although Guterres did not explicitly reference Trump or his proposal in his address to the Committee on the Exercise of the Inalienable Rights of the Palestinian People, his spokesperson, Stéphane Dujarric, later told reporters that it would be a "fair assumption" to interpret his remarks as a response.

Earlier that day, Guterres had spoken with Jordan's King Abdullah about the regional situation, according to Dujarric. Palestinian UN envoy Riyad Mansour, representing the Palestinian Authority, informed the committee that King Abdullah would deliver a unified message from Arab states to Trump during his upcoming visit to Washington.

"We have no homeland but Palestine. Gaza is an essential part of it. We are not leaving Gaza," Mansour stated. "No force on earth can remove the Palestinian people from their ancestral homeland, including Gaza."

He continued, "We want to rebuild. We want to restore our land. And we urge all nations to support us in this mission. We are not seeking other homelands or alternative countries."

The United Nations has long supported the vision of two states coexisting within secure and internationally recognized borders. Palestinians seek an independent state comprising the West Bank, East Jerusalem, and the Gaza Strip—territories occupied by Israel since the 1967 war.

"Any lasting peace requires tangible, irreversible progress toward a two-state solution, an end to the occupation, and the establishment of an independent Palestinian state, with Gaza as an integral part," Guterres stated.

He reaffirmed, "A viable, sovereign Palestinian state, coexisting in peace and security with Israel, is the only sustainable path to stability in the Middle East."

Israel withdrew its troops and settlers from Gaza in 2005, but the United Nations still considers the territory under Israeli occupation. Hamas has governed Gaza since 2007, while Israel and Egypt control its borders. The ongoing war, triggered by a Hamas-led attack on southern Israel on October 7, 2023, has left much of Gaza in ruins. A ceasefire agreement and a hostage-release deal with Hamas took effect on January 19.

Unveiling Trump's Hidden Agenda

To intensify pressures on Iran, U.S. President Donald J. Trump signed a National Security Presidential Memorandum (NSPM) on Tuesday, claiming it is intended to "restore maximum pressure" on the country. The timing of this move is telling, aligning with the visit of Israeli Prime Minister Benjamin Netanyahu, a convicted war criminal, to Washington D.C. on Wednesday.

The memorandum's aggressive tone is laden with baseless accusations, aiming to undermine Iran's sovereignty under the pretense of addressing its nuclear ambitions and regional influence. The NSPM asserts that Iran must be stopped from acquiring nuclear weapons and intercontinental ballistic missiles, conveniently overlooking Iran's consistent focus on peaceful nuclear energy and civilian satellite development.

Additionally, it attempts to weaken the Iranian-allied Resistance Axis, offering a skewed perspective while ignoring the destructive actions and atrocities committed by the U.S., Israel, and their allies—who are, in reality, the root causes of resistance.

By directing the Secretary of the Treasury to impose maximum economic pressure, the NSPM reveals its true purpose: to wage an economic war against the Iranian people and private sector. The memorandum also demands sanctions and enforcement measures against those accused of violating existing sanctions, extending its reach to sectors like shipping, insurance, and ports.

This economic suffocation strategy is a blatant attempt to weaken Iran's economy and disrupt its resilience. The NSPM specifically targets Iran's vital oil exports with the goal of "driving Iran's export of oil to zero," a policy that threatens the livelihoods of countless Iranians dependent on the oil industry.

It also calls for the revision or cancellation of sanctions waivers, particularly those offering economic or financial relief, such as those tied to Iran's Chabahar port project, potentially straining U.S.-India relations due to India's substantial investment in the project.

The NSPM's strategy to strangle Iran's economy is further emphasized through efforts to isolate the country globally, particularly impacting its ties with neighboring nations like Iraq and the Persian Gulf countries. The memorandum dismisses Iran's civilian nuclear program, labeling it an "existential threat to the United States and the civilized world," while ignoring Iran's compliance with international agreements and cooperation with the International Atomic Energy Agency (IAEA).

Moreover, it overlooks Iran's status as a founding member of the 1968 Non-Proliferation Treaty (NPT) and its leader, Ayatollah Seyyed Ali Khamenei's religious decree against weapons of mass destruction. Iran's participation in the Joint Comprehensive Plan of Action (JCPOA) in 2015, with its stringent inspection protocols, underscores Iran's commitment to peace—a commitment it has maintained even after Trump withdrew from the agreement in 2018.

Contradictions surface as Trump, during the NSPM signing, expressed mixed feelings about the document, acknowledging its harsh impact on Iran. "I'm torn about [signing it]," he admitted. "It's very tough on Iran. It's what we had before [my first term]."

He continued, "So I'm signing this, and I'm unhappy to do it. I hope that it's not going to have to be used in any great measure at all."

Trump reiterated his clear stance: "With me, it's very simple, Iran cannot have a nuclear weapon."

Despite his tough approach, Trump suggested a potential willingness to negotiate with Iran. "We will see whether or not we can arrange or work out a deal with Iran," he stated. Asked if he would speak directly to his Iranian counterpart, Trump said, "I would." He further added, "I would reach out. I don't care whether I reach out or they reach out."

During a press conference with Netanyahu, Trump reiterated his intention to impose aggressive sanctions. "We will once again enforce the most aggressive possible sanctions, drive Iranian oil exports to zero," he declared, adding his controversial claim that "During my first term, Iran was not able to sell oil. They had no money. They were essentially broke."

Despite the aggressive measures, Trump expressed a desire for peaceful relations with Iran. "I want Iran to be peaceful and successful," he said. "I would love to be able to make a great deal with Iran." In a meeting with Netanyahu, he countered a reporter's suggestion about Iran's weakness, stating, "They're not weak. They're very strong right now."

Trump also shared a post on Truth Social on Wednesday, clarifying his position: "I want Iran to be a great and successful country, but one that cannot have a nuclear weapon. Reports that the United States, working with Israel, is going to destroy Iran are greatly exaggerated. I would much prefer a Verified Nuclear Peace Agreement, which will allow Iran to grow and prosper peacefully. We should start working on it immediately."

Türkiye

Turkish Foreign Minister Hakan Fidan denounced Trump's proposal as "unacceptable," stating that even discussing such an idea was fundamentally wrong. "Türkiye firmly opposes any attempt to remove the people of Gaza from their homeland," Fidan said on Wednesday.

Palestinian President Mahmoud Abbas

Abbas reaffirmed that Palestinians would not surrender their land, rights, or sacred sites. He emphasized that Gaza, the West Bank, and East Jerusalem remain an integral part of the State of Palestine.

Senior Hamas Official Sami Abu Zuhri

"Our people in Gaza will not allow these plans to pass," Abu Zuhri declared, calling instead for an end to Israeli occupation and aggression rather than the forced displacement of Palestinians.

United Nations Response

UN human rights chief Volker Türk condemned Trump's proposal, stressing that the forced removal of people from occupied territory is strictly prohibited under international law.

"It is crucial to move towards the next phase of the ceasefire, release all hostages and arbitrarily detained prisoners, end the war, and begin Gaza's reconstruction while fully adhering to international humanitarian and human rights law," Türk stated. He emphasized that both Palestinians and Israelis deserve peace and security, grounded in dignity and equality. "The right to self-determination is a fundamental principle of international law and must be upheld by all states," he added, referencing a recent ruling by the International Court of Justice.

"Any forcible transfer or deportation of people from occupied territory is strictly prohibited," Türk reiterated.

German Foreign Minister Annalena Baerbock

Baerbock said Gaza belongs to Palestinians and their expulsion would be unacceptable and contrary to international law.

"It would also lead to new suffering and new hatred... There must be no solution over the heads of the Palestinians."

British Foreign Minister David Lammy

"We've always been clear in our belief that we must seek two states. We must see Palestinians able to live and prosper in their homelands, in Gaza, in the West Bank."

France's Foreign Ministry

"France reiterates its opposition to any forced displacement of the Palestinian population of Gaza, which would constitute a serious violation of international law, an attack on the legitimate aspirations of the Palestinians, but also a major obstacle to the two-state solution and a major destabilizing factor for our close partners Egypt and Jordan as well as for the entire region."

Spanish Foreign Minister Jose Manuel Albares

"I want to be very clear on this: Gaza is the land of Gazan Palestinians and they must stay in Gaza.

Gaza is part of the future Palestinian state Spain supports and has to coexist guaranteeing the Israeli state's prosperity and safety."

Egypt's Foreign Minister Badr Abdelatty

Abdelatty discussed with Palestinian Prime Minister Mohammad Mustafa the importance of moving forward with recovery projects in Gaza without Palestinians leaving Gaza.

Russia

Russia believes a settlement in the Middle East is only possible on the basis of a two-state solution, Kremlin said in a statement.

"This is the thesis that is enshrined in the relevant UN Security Council resolution, this is the thesis that is shared by the overwhelming majority of countries involved in this problem. We proceed from it, we support it and believe that this is the only possible option."

Chinese Foreign Ministry

"China hopes all parties will take ceasefire and post-conflict governance as an opportunity to bring the Palestinian issue back on the right track of political settlement based on the two-state solution."

Iran

"Iran does not agree with any displacement of Palestinians and has communicated this through various channels."

Irish Foreign Minister Simon Harris

"It's very clear the direction of travel here, we need a two state solution, and the people of Palestine and the people of Israel both have a right to live in states safely side by side and that's where the focus has to be. Any idea of displacing the people of Gaza anywhere else would be in clear contradiction with UN Security Council resolutions."

Australian Prime Minister Anthony Albanese

"Australia's position is the same as it was this morning, as it was last year. The Australian government supports on a bipartisan basis a two-state solution."

Palestine Liberation Organisation Secretary-General Hussein al-Sheikh

"The Palestinian leadership affirms its firm position that the two-state solution, by international legitimacy and international law, is the guarantee of security, stability and peace."

Islamic Jihad

"Trump's positions and plans are a dangerous escalation that threatens Arab and regional national security, especially in Egypt and Jordan, which the U.S. administration wants to put in confrontation with the Palestinian people and their rights."

The Trump Administration's Trade Policies: The Impact, Global Backlash, and the Looming Trade War

By Romana Afsheen

In 2025, the global trade landscape finds itself once again at a crossroads. Former President Donald Trump, known for his combative stance on international trade during his tenure from 2017 to 2021, has reintroduced one of his most controversial policies—the imposition of tariffs on steel and aluminum imports. These tariffs, which were initially introduced in 2018 under the banner of "America First," were part of Trump's broader vision to reduce trade imbalances, safeguard American manufacturing, and restore jobs to U.S. industries. However, the decision to reinstate these tariffs in 2025 signals not only the reassertion of his protectionist agenda but also sets the stage for a dramatic escalation in global trade tensions.

The reintroduction of tariffs is seen as a direct challenge to America's international allies and trading partners, particularly nations like Canada, Mexico, the European Union, and China, who are among the largest exporters of steel and aluminum to the U.S. The decision has already sparked a wave of backlash from these countries, who fear the negative economic consequences and are preparing retaliatory measures. This could signal the beginning of a new trade war, one that risks undermining global supply chains, disrupting markets, and even sparking a global recession. As the U.S. ramps up its protectionist stance, the economic fallout is set to reverberate across industries, consumers, and international relations.

The Reintroduction of Tariffs

On February 10, 2025, Trump announced that he would reinstate the tariffs on steel and aluminum imports from all countries, including traditional U.S. allies like Canada and Mexico. The new tariffs set at 25% for steel and 10% for aluminum are intended to protect U.S. industries and create jobs. The former president's administration had already implemented similar tariffs in 2018, but this new round comes with an expanded reach and no exemptions, signaling a harder line on global trade.

The tariffs, aimed at curbing imports and encouraging domestic production, are a direct response to trade deficits that Trump has long criticized. His administration's "America First" approach prioritizes U.S. manufacturing and jobs, particularly in the steel and aluminum industries. This move is part of Trump's larger trade strategy, which includes reducing the U.S. trade deficit with countries like China, the European Union, and Mexico, and countering what he perceives as unfair trade practices.

While the motivation may be grounded in the protection of U.S. industries, the consequences are far-reaching and have spurred immediate reactions both within the U.S. and internationally.

Global Reactions: A Wave of Backlash

The reimposition of tariffs has already sparked strong reactions from nations that rely on exporting steel and aluminum to the U.S. A trade war seems increasingly likely as these countries have threatened retaliatory tariffs, with some even signaling that they might take legal action at international trade bodies such as the World Trade Organization (WTO).

Canada and Mexico: As two of the largest suppliers of steel and aluminum to the United States, both Canada and Mexico have been affected heavily by the tariffs. Canadian Prime Minister Justin Trudeau stated that the tariffs would harm both economies, as well as global trade in general. While expressing a desire for ongoing discussions, Trudeau pointed out that Canada was exploring countermeasures, including tariffs on U.S. goods. Likewise, Mexican President Claudia Sheinbaum expressed concerns about the adverse effects on inflation and job creation in Mexico, while promising reciprocal tariffs on U.S. imports. Both leaders signaled that they would attempt to de-escalate tensions but were prepared to retaliate if necessary.

The European Union: The EU has been one of the most vocal critics of the Trump administration's trade policy. Brussels had previously challenged the U.S. tariffs at the WTO, arguing that they violated international trade rules. Following the latest tariffs, European leaders have reiterated their commitment to responding in kind, with retaliatory tariffs already on the table. A particularly important consideration for the EU is the fragility of global supply chains, and they have warned that the tariffs could affect everything from car production to agricultural exports, leading to a price hike in key industries.

China: As one of the largest steel producers and exporters in the world, China remains a significant target for the Trump administration's tariffs. Although the trade war between the U.S. and China has been ongoing since 2018, this new round of tariffs threatens to escalate tensions further. The Chinese government has already condemned the tariff moves, arguing that no one wins in a trade war. However, experts predict that China may retaliate, further intensifying the global trade conflict.

Economic Implications: A Risk to Global Growth

The impact of Trump's tariffs goes beyond just trade relationships—it poses a real risk to global economic stability.

Global Economic Growth: According to the World Bank, rising trade tensions are one of the largest risks to the global economy. A significant slowdown in trade could result in global GDP growth dropping to the weakest levels seen since 2019. With major economies like the U.S., China, and the EU involved, the spillover effects of these tariffs will be felt across the world. Economists warn that trade disruptions and supply chain breakdowns could lead to an economic slump in various regions, particularly those heavily dependent on exports.

Impact on U.S. Economy: Within the U.S., the economic ramifications of these tariffs are hotly debated. Proponents argue that tariffs are necessary to protect American industries and workers, especially in manufacturing sectors like steel. However, the economic cost could prove high. The Tax Foundation, a nonpartisan research group, suggests that tariffs could result in a tax increase of $830 per household in 2025. The most immediate impact will be on consumer goods, where prices for steel- and aluminum-intensive products, such as cars, construction materials, and appliances, are expected to rise. Moreover, the increased cost of raw materials for manufacturers may lead to decreased profits and potential layoffs, offsetting any short-term gains from the tariffs.

Industry-specific Impact: Certain industries will feel the pain more acutely. U.S. car manufacturers, including General Motors and Ford, have already warned that the new tariffs could make cars more expensive, potentially reducing consumer demand. Steel and aluminum-intensive industries, including construction, energy, and technology, will likely see an increase in costs. On the flip side, there could be gains in U.S. domestic industries that produce steel and aluminum, though these gains are not guaranteed to offset the broader economic disruptions.

Global brands, like Suntory Holdings (the parent company of Jim Beam), have also cautioned that the tariffs could lead to consumer boycotts of American products. The Japanese beverage giant has indicated that it will focus on the U.S. market while reducing exports to Europe, Mexico, and Canada. This highlights the potential for a ripple effect in global markets, especially for multinational corporations that depend on international sales.

The Trade War: Is It Inevitable?

The reimposition of tariffs sets the stage for an all-out trade war, where countries retaliate with their own tariffs and trade restrictions. A trade war would mean higher prices, disrupted supply chains, and lost economic opportunities on all sides. It could also set back efforts to establish fairer and more balanced trade rules, with countries likely resorting to protectionist policies to safeguard their economies.

Retaliation: Countries like Canada, Mexico, and China have already indicated that they will implement retaliatory tariffs. Canada has proposed reciprocal tariffs on U.S. imports, worth more than $100 billion, and Mexico has suggested similar measures. The European Union, with its established mechanism for retaliation, could impose tariffs on American goods, further destabilizing the global trading system. These retaliations would likely lead to price hikes for consumers on both sides of the dispute and exacerbate the global supply chain crisis.

Global Supply Chains: A trade war would disrupt the intricate web of global supply chains that has developed over the past few decades. Companies that rely on cross-border production for efficiency would face rising costs and delays. Industries like automotive manufacturing, electronics, and apparel are particularly vulnerable, as components are often sourced from multiple countries. The impact on these industries would not only lead to higher prices for consumers but could also lead to job losses and reduced economic growth.

WTO and International Trade Relations: The WTO has long been a forum for resolving trade disputes, but the renewed focus on tariffs has raised questions about the effectiveness of the international trade system. Countries like China, the EU, and Japan have already raised concerns about the fairness of U.S. trade practices, and there is increasing pressure to reform the WTO. If these tensions continue, the very foundation of the global trading system could be at risk, leading to a breakdown in cooperation and the collapse of multilateral trade agreements.

Conclusion: A Turning Point for Global Trade

The Trump administration's decision to reintroduce tariffs on steel and aluminum imports is a defining moment for global trade. While the strategy is designed to protect U.S. manufacturing and reduce trade deficits, the global backlash highlights the risks of pursuing protectionist policies in an increasingly interconnected world. As countries prepare to retaliate and adjust to a more volatile trade environment, the potential for a full-scale trade war looms large. The coming months will be critical in determining whether the world can navigate these tensions and avert a global economic crisis. However, if history is any guide, the economic fallout of such trade wars can take years to resolve, leaving lasting scars on industries, consumers, and international relations.

USAID's Exit from Pakistan: A New Dawn or a Looming Crisis?

By Kanwal Munir

Introduction

For more than seven decades, the United States Agency for International Development (USAID) has been a cornerstone in Pakistan's development landscape, channeling nearly $30 billion into infrastructure, education, healthcare, and governance. However, a recent directive from the Trump administration has led to an abrupt halt of operative projects worth $845.6 million, marking the end of an era and prompting critical questions about Pakistan's path forward.

The suspension of USAID funding presents both challenges and opportunities for Pakistan. On one hand, the abrupt halt of numerous projects across various sectors, including health, education, agriculture, energy, and governance, poses significant challenges. Economic growth initiatives, such as the Social Protection Activity and Investment Promotion Activity, are also affected.

On the other hand, this situation could serve as a catalyst for Pakistan to reassess its development strategies and reduce dependency on foreign aid. The country has the potential to leverage its resources and capabilities to chart a path toward self-reliance.

A Legacy of Development and Diplomacy

Since its inception in 1961, USAID has played a transformative role in Pakistan, funding major projects across various sectors. In the 1950s and 60s, the agency helped revolutionize agriculture by investing in high-yield wheat and rice varieties and supporting research institutions like the Faisalabad Agriculture Institute and Karachi's Institute of Business Administration.

Infrastructure projects received significant boosts, including technical assistance for the Tarbela Dam, one of the largest earth-filled dams in the world, generating 4,888 megawatts of electricity. USAID also supported upgrades to the Mangla and Warsak Dams, securing Pakistan's energy future.

Following the events of September 11, 2001, U.S. interest in Pakistan surged, and USAID played a strategic role in economic growth, governance, and counterterrorism stability. Over the years, investments included:

- $43.5 million for economic development
- $150 million for Tarbela Dam expansions
- $81 million for the Kurram Tangi Dam
- $97 million for the completion of Gomal Zam Dam
- $17.9 million to improve clean drinking water access
- $19.1 million to strengthen electoral and legislative processes

In education, USAID trained over 100,000 teachers and spent $20 million on leadership training across governance, economy, and security sectors. In times of crisis, the agency provided $510 million in relief after the 2005 earthquake and $676 million following the 2010 floods. As recently as 2022, USAID allocated $53.1 million for flood assistance.

Beyond its development contributions, USAID has long been seen as a soft power tool for American diplomacy. Senior journalist and author Zahid Hussain noted:

"USAID was America's soft image; barely one percent of the U.S. budget was spent on it, but it helped create goodwill in the Third World. The largest USAID project in Pakistan was scholarships, and to some extent, it played a positive role."

The Decision to Freeze Funding

The suspension of aid projects in Pakistan is part of a broader directive from President Donald Trump to reevaluate and realign U.S. foreign assistance. Effective from January 20, 2025, the executive order mandates a 90-day pause on all foreign aid, with exceptions only for Israel and Egypt.

The U.S. Embassy in Islamabad confirmed the development, stating that all media requests related to the decision were being referred to the White House. The funding freeze follows a memo from Secretary of State Marco Rubio, enforcing a 90-day review period on all foreign aid allocations.

According to official data from the U.S. Foreign Assistance portal, U.S. disbursements to Pakistan dropped from $169.8 million in 2023 to $116.5 million in 2024. The primary sectors affected include:

- Basic health: $21.53 million
- Disaster prevention: $14.01 million
- Energy: $12.04 million
- Business services: $13.34 million
- Conflict resolution & security: $11.7 million
- Agriculture: $4.82 million

This is not the first instance of a U.S. aid freeze on Pakistan. In January 2018, during his first term, President Trump criticized Pakistan, claiming the U.S. had "foolishly handed over $33 billion in aid over 15 years" with little in return. He accused Pakistan of providing "safe havens to terrorists" operating in Afghanistan and vowed to end the assistance.

A Crisis for the Development Sector

The withdrawal of USAID has already begun to cast a long shadow over Pakistan's development sector, with devastating consequences for key areas such as healthcare, agriculture, and social services. Organizations that have long relied on USAID funding to implement critical development programs are now struggling to sustain their operations.

While advocacy organizations may not feel the brunt of the impact immediately, those providing direct services—including healthcare facilities, entrepreneurial initiatives, and agricultural programs—are facing severe disruptions. Remote and underdeveloped regions such as Thar, Chitral, and Gilgit-Baltistan are particularly vulnerable, as USAID-supported projects played a crucial role in poverty alleviation, women's empowerment, and disaster resilience in these areas.

A Blow to Employment and Social Welfare

One of the most immediate and alarming consequences of the aid freeze is job losses in the development sector. Thousands of employees working for NGOs, civil society organizations, and aid-funded enterprises are now at risk of unemployment. The mass layoffs will not only affect these individuals but also create a ripple effect, impacting their families and communities that depend on their incomes.

Additionally, USAID-backed healthcare programs, including maternal and child health services, disease prevention campaigns, and rural healthcare outreach, now face an uncertain future. The agriculture sector, which benefited from USAID-funded research, irrigation projects, and modern farming techniques, is also likely to experience setbacks, further exacerbating food security challenges.

As Pakistan grapples with the loss of USAID support, the challenge ahead is clear—the country must find alternative funding mechanisms and innovative strategies to prevent a developmental and humanitarian crisis.

A Call for Self-Reliance

With USAID's withdrawal, Pakistan finds itself at a critical juncture—one that could redefine its economic and developmental trajectory. The abrupt end of foreign aid raises pressing questions: Will Pakistan seize this opportunity to foster self-sufficiency, or will the vacuum left by USAID deepen economic instability and social distress?

For decades, Pakistan has relied on international assistance to support infrastructure, education, healthcare, and governance. While these investments have played a vital role in the country's development, they have also fostered a culture of dependency. Now, with foreign aid rapidly diminishing, Pakistan must determine whether it can build a sustainable future without external financial support.

Former Foreign Secretary of Pakistan and Ambassador to the United States, Aizaz Ahmad Chaudhry, has emphasized the importance of self-reliance in this challenging moment. He asserts:

"Pakistan must eventually stand on its own feet. Aid kept us dependent—just as debt is a problem, so is aid. We should see this as an opportunity and take steps toward self-reliance."

This call for self-sufficiency is timely but requires a well-structured plan. To mitigate the impact of USAID's departure, Pakistan must:

- Boost domestic industries through incentives for manufacturing, agriculture, and technology.
- Enhance tax collection mechanisms to improve revenue generation.
- Strengthen public-private partnerships to sustain development projects.
- Promote exports and foreign direct investment (FDI) to reduce reliance on aid.

While the challenges ahead are significant, Pakistan has the potential to emerge stronger—but only if it capitalizes on this crisis to implement long-term reforms. The choice is clear: remain trapped in dependency or forge a path toward economic sovereignty.

Lessons from Other Countries

History has shown that nations can successfully transition from aid dependency to economic self-sufficiency—but only with strategic planning, structural reforms, and strong governance. Countries like South Korea, Malaysia, and Turkey serve as prime examples of how foreign aid can be a stepping stone rather than a permanent crutch.

- South Korea: Once heavily dependent on U.S. aid following the Korean War, South Korea transformed into a global economic powerhouse by investing in education, technology, and exports. Today, it boasts a thriving industrial sector, multinational conglomerates (like Samsung and Hyundai), and a robust innovation-driven economy.
- Malaysia: By focusing on industrialization and export-oriented policies, Malaysia reduced reliance on foreign assistance and became one of Southeast Asia's leading economies. It prioritized investments in infrastructure, human capital, and manufacturing, enabling sustainable growth.
- Turkey: Over the years, Turkey reduced its dependence on Western aid by developing a strong manufacturing base, modernizing its defense industry, and diversifying its economy. It leveraged its strategic location to boost exports, trade, and tourism, making it an economic hub in the region.

Pakistan's Path Forward: A Crisis or an Opportunity?

The challenge for Pakistan is immense, but so is the opportunity. If the government acts decisively, it can redirect the nation's trajectory toward self-reliance. Key steps include:

- Structural Reforms: Strengthening institutions, eliminating corruption, and improving governance.
- Private Sector Growth: Creating a business-friendly environment to attract investment and foster entrepreneurship.
- Export-Driven Economy: Expanding manufacturing, increasing agricultural productivity, and promoting IT services.
- Human Capital Development: Investing in education, skills training, and innovation.

Pakistan's future depends on the choices it makes today. By learning from success stories worldwide, the country can break free from dependency and forge a path toward economic resilience.

The Road Ahead

The suspension of USAID funding has brought both immediate challenges and long-term opportunities for Pakistan. A total of 39 USAID-funded projects have come to an abrupt halt, disrupting key sectors such as energy, economic development, agriculture, democracy, human rights, governance, education, health, and humanitarian assistance. The economic ramifications of this withdrawal are profound, with thousands of workers facing unemployment and critical development programs left in limbo. However, if managed strategically, this crisis could serve as a catalyst for Pakistan to shift toward self-reliance. By focusing on trade-based economic growth, strengthening public-private partnerships, and implementing structural reforms, the country can begin to fill the void left by foreign aid. The key question remains: Will Pakistan take charge of its future by embracing self-sufficiency, or will it continue to rely on external assistance? The answer is uncertain for now, but the path the nation chooses will determine its economic and social stability in the years ahead.

President Asif Ali Zardari's Visit to China: A Renewed Commitment to Strategic Cooperation

By Kanwal Munir

Introduction

President Asif Ali Zardari's recent five-day visit to China in February 2025 has been a landmark moment in Pakistan-China relations. His meetings with Chinese President Xi Jinping, Premier Li Qiang, and other senior officials reaffirmed the commitment of both nations to strengthening their diplomatic, economic, and security ties. The visit underscored the strategic significance of the China-Pakistan Economic Corridor (CPEC) 2.0, security cooperation, and the deep-rooted "All-Weather Strategic Cooperative Partnership" between the two countries.

From high-level political dialogues to agreements on economic development, energy collaboration, and counterterrorism efforts, President Zardari's visit highlighted Pakistan's unwavering support for China and its commitment to taking bilateral relations to new heights.

Strengthening the Ironclad Friendship: Meeting with President Xi Jinping

A Historic Relationship and Future Commitment

President Zardari's meeting with his Chinese counterpart, President Xi Jinping, at the Great Hall of the People was a pivotal moment of the visit. Both leaders lauded the time-tested Pakistan-China friendship, which has remained resilient despite regional and global challenges.

President Zardari reaffirmed Pakistan's steadfast commitment to its all-weather strategic cooperative partnership with China, emphasizing that the bilateral relationship is built on mutual trust, respect, and shared economic goals. He called the friendship "unique, time-tested, and special," praising China's rapid development and global leadership. President Xi, in turn, acknowledged Pakistan as a "true and reliable friend", highlighting that China would continue to support Pakistan in its economic and security challenges.

The Advancement of CPEC 2.0

One of the major highlights of the discussion was the acceleration of CPEC 2.0, which represents the next phase of the multibillion-dollar China-Pakistan Economic Corridor. Unlike the first phase, which focused on transportation, infrastructure, and energy projects, the second phase aims to enhance:

1. **Industrialization and Special Economic Zones (SEZs)**

A major focus of CPEC 2.0 is the development of Special Economic Zones (SEZs) to promote industrialization in Pakistan. These SEZs aim to attract Chinese investment in various industries, including textiles, automobile manufacturing, pharmaceuticals, and engineering goods. With enhanced infrastructure, tax incentives, and streamlined regulations, these zones will encourage joint ventures between Pakistani and Chinese firms, creating employment opportunities and boosting economic growth. SEZs such as Rashakai, Allama Iqbal, Dhabeji, and Bostan are expected to become hubs for industrial activity, strengthening Pakistan's position in global trade.

2. High-Tech Collaboration

Both countries have agreed to expand cooperation in artificial intelligence (AI), digital economy, and scientific research. Chinese tech giants are exploring opportunities to invest in Pakistan's IT sector, supporting the growth of startups, e-commerce platforms, and fintech services. This collaboration also includes technology transfer, establishing research institutions, and enhancing cybersecurity frameworks to make Pakistan a competitive player in the global digital economy.

3. Renewable Energy Expansion

To address Pakistan's energy crisis, China is investing in renewable energy projects under CPEC 2.0. Joint ventures in solar, wind, and hydropower aim to reduce Pakistan's dependency on fossil fuels and ensure sustainable energy production. Projects like the Karot Hydropower Plant and Quaid-e-Azam Solar Park are already operational, with further initiatives planned to increase Pakistan's clean energy capacity.

4. Agriculture Modernization

CPEC 2.0 prioritizes agricultural modernization, introducing advanced farming techniques, efficient irrigation systems, and biotechnology solutions. China is supporting Pakistan in high-yield crop production, livestock management, and cold storage facilities, ensuring food security and increased exports. By integrating Chinese agricultural expertise, Pakistan aims to transform its agrarian sector into a technologically advanced and economically viable industry.

President Zardari described CPEC as a "shining model of the Belt and Road Initiative's visionary concept of win-win cooperation", reaffirming Pakistan's commitment to ensuring the project's smooth implementation.

People-to-People and Cultural Exchanges

Both leaders agreed on the importance of cultural exchanges and people-to-people linkages in strengthening the China-Pakistan Community of Shared Future. Key initiatives included:

Educational Exchange Programs

China has pledged to increase scholarships for Pakistani students, allowing more youth to study in top Chinese universities in fields such as engineering, medicine, IT, and international relations. These programs aim to enhance academic collaboration and strengthen bilateral ties.

Cultural Diplomacy

To promote Chinese language and culture, more Confucius Institutes will be established in Pakistan. These institutes will facilitate Mandarin language learning, fostering deeper cultural understanding and business interactions.

Tourism and Connectivity

Both countries are working to ease visa procedures, making it easier for tourists, students, and business professionals to travel. This will boost tourism, trade, and economic exchanges, further cementing the China-Pakistan friendship.

These cultural collaborations will further cement the historical ties between the people of Pakistan and China.

Meeting with Premier Li Qiang: Economic and Regional Cooperation

Deepening Economic and Trade Partnerships

President Zardari's meeting with Chinese Premier Li Qiang focused on expanding bilateral trade and investment cooperation. Both leaders reiterated their commitment to regional connectivity, economic growth, and industrial collaboration.

President Zardari highlighted that China's support for Pakistan's economic growth is vital, stating:

"The China-Pakistan Economic Corridor has played a pivotal role in fostering regional ties and promoting economic development."

The discussions revolved around enhancing business-to-business interactions, boosting private-sector engagement, and attracting Chinese investors to Pakistan's key industries.

Key Memorandums of Understanding (MoUs) Signed During the Visit

During President Asif Ali Zardari's visit to China, both countries signed multiple Memorandums of Understanding (MoUs) to further deepen economic and industrial cooperation. These agreements reflect a shared commitment to mutual growth and the expansion of key industries in Pakistan.

1. Cement Production Expansion

A significant agreement was signed between Pakistan's Thatta Cement Company and China's Ching Gang Construction Group. This MoU aims to expand cement production capacity by 5,000 tonnes per day, addressing the rising demand for construction materials due to CPEC infrastructure projects. With an increase in production, Pakistan will not only meet domestic construction needs but also boost cement exports to regional markets. This initiative is expected to generate employment opportunities and attract further investments in the construction sector.

2. Renewable Energy Projects

The Sindh Energy Department signed an MoU with China's Meng Yang Renewable Energy Company to develop clean energy initiatives. This collaboration aligns with Pakistan's commitment to reducing carbon emissions and shifting towards sustainable energy sources. Under this agreement, both parties will work together to establish solar, wind, and hybrid energy projects, ensuring affordable and uninterrupted power supply. The partnership will also focus on technology transfer, enabling Pakistan to adopt modern energy solutions and improve its overall energy infrastructure.

3. Coal Gasification and Urea Production

A major breakthrough in the agriculture and industrial sectors was the signing of an MoU between the Government of Sindh and a Chinese firm to develop a coal gasification-based urea production plant. This initiative will help Pakistan reduce its reliance on expensive fertilizer imports, ensuring self-sufficiency in urea production. The plant will convert coal into gas, which will then be used for fertilizer production, providing a cost-effective and eco-friendly solution to support Pakistan's agricultural industry.

These agreements underline China's continued support for Pakistan's economic growth, reinforcing the strategic partnership and ensuring sustainable development in key sectors.

Security Cooperation and Counterterrorism Efforts

Addressing Security Concerns and Protecting CPEC Workers

A crucial aspect of President Zardari's visit was ensuring the security of Chinese personnel and investments in Pakistan. In light of recent militant attacks targeting Chinese workers on CPEC projects, both sides held extensive discussions on counter-terrorism measures.

Pakistan's Interior Minister Mohsin Naqvi met with his Chinese counterpart, Qi Yanjun, to discuss strategies for enhancing intelligence sharing, border security, and law enforcement collaboration. Key agreements included:

• Enhanced Counterterrorism Intelligence Exchange

Pakistan and China have agreed to strengthen intelligence-sharing mechanisms to combat terrorism and security threats. Both countries will enhance cooperation between their security and intelligence agencies to ensure timely information exchange and coordinated counterterrorism efforts, particularly in areas where Chinese nationals and CPEC projects are involved.

• Increased Security for Chinese Nationals in Pakistan

Recognizing security concerns, Pakistan has committed to deploying additional security forces to protect Chinese workers and CPEC infrastructure. Specialized units will be stationed at key project sites, ensuring the safety of Chinese engineers, investors, and workers.

• Acquisition of Advanced Surveillance Equipment

Pakistan will procure state-of-the-art surveillance technology from China to enhance the capabilities of its law enforcement agencies. This includes facial recognition systems, AI-based monitoring tools, and advanced communication networks to prevent security threats and improve overall law enforcement efficiency.

President Zardari assured President Xi that Pakistan remains committed to eliminating threats against Chinese nationals and businesses, emphasizing that terrorist attacks will not derail Pakistan-China ties.

Symbolic Gestures: Honoring Chinese National Heroes

During his official visit to China, President Asif Ali Zardari paid homage to China's national heroes by laying a floral wreath at a memorial in Beijing. This solemn act reflected Pakistan's deep respect for China's historical struggles, sacrifices, and contributions to global peace and stability.

Beyond political and economic cooperation, such symbolic gestures play a crucial role in reinforcing diplomatic goodwill. They highlight the strong emotional and historical ties between Pakistan and China, emphasizing a relationship built on mutual respect, trust, and shared values. This tribute served as a reminder of the longstanding friendship between the two nations, further solidifying their "Iron Brotherhood" in both diplomatic and cultural spheres.

China's Role in Pakistan's Economic Stability

Financial Support and Investments

China has consistently been Pakistan's largest investor and trade partner, playing a pivotal role in stabilizing Pakistan's economy and facilitating its economic growth. The comprehensive financial support provided by China spans several sectors, ranging from infrastructure development to trade expansion and energy projects.

• Financial Aid

China has extended crucial loans and grants to help Pakistan manage its fiscal deficit, particularly during times of economic stress. These financial packages have been integral in supporting Pakistan's economic stability and in addressing short-term financial challenges. China's assistance has allowed Pakistan to navigate external shocks, stabilize its currency, and maintain growth momentum.

• Energy and Infrastructure Development

Under the China-Pakistan Economic Corridor (CPEC), China has significantly funded infrastructure and energy projects, including the Gwadar Port, highways, and energy plants. These projects have not only improved Pakistan's infrastructure but also boosted the economy by creating jobs and increasing regional connectivity. The energy sector, in particular, has benefited from China's investment in power plants and energy transmission systems, helping Pakistan address its energy shortages and drive economic development.

• Trade Expansion

China and Pakistan's bilateral trade has exceeded $25 billion annually, making China Pakistan's largest trading partner. Trade between the two nations has been expanding steadily, with China investing in sectors like agriculture, manufacturing, and technology. President Xi Jinping reaffirmed China's commitment to providing continued economic and financial support to Pakistan, reinforcing their long-term strategic partnership.

Pakistan-China Relations in the Global Context

Geopolitical Alignment and Diplomatic Support

Pakistan and China share a strong strategic alignment on major global and regional issues, reinforcing their diplomatic partnership in an evolving geopolitical landscape. This relationship extends beyond bilateral cooperation, influencing regional stability, multilateral engagement, and global diplomacy.

• Support for China's Sovereignty

Pakistan has consistently upheld China's territorial integrity by supporting its stance on Taiwan, Hong Kong, and Tibet. Islamabad has reaffirmed its commitment to the One-China Policy, recognizing these regions as an integral part of China. This unwavering support has strengthened mutual trust and reinforced China's confidence in Pakistan as a reliable ally.

• Regional Stability and Conflict Resolution

Both countries advocate for peaceful resolutions to regional conflicts, particularly in Afghanistan. As neighboring states, Pakistan and China have worked closely to promote regional stability, emphasizing diplomatic dialogue and economic reconstruction. China has played a key role in Afghan peace talks, while Pakistan has facilitated engagements between China, Afghanistan, and other regional stakeholders.

• Multilateral Engagement and Global Influence

Pakistan is an active supporter of China-led global initiatives, including the United Nations, Shanghai Cooperation Organization (SCO), and BRICS. By backing China's diplomatic and economic strategies, Pakistan has strengthened its global standing, positioning itself as a key regional player within China's broader vision for global governance and economic development.

Conclusion

President Asif Ali Zardari's visit to China has reinforced the deep-rooted partnership between the two nations, focusing on economic growth, security cooperation, and cultural exchanges. The advancement of CPEC 2.0, increased collaboration in counterterrorism efforts, and expanded educational ties highlight the shared vision for long-term development. China's continued support for Pakistan's progress and stability reflects the strength of their strategic alliance. This visit has further solidified the foundation for future cooperation, ensuring that Pakistan and China remain steadfast partners in regional connectivity, economic prosperity, and mutual security, strengthening their historic bond as trusted and reliable allies.

Stanikzai's Departure: A Stand Against Taliban's Education Restrictions

By Hina Kashif

In a significant and unexpected turn of events, Mohammad Abbas Stanikzai, the deputy foreign minister of the Taliban, has fled Afghanistan after publicly defying the group's strict policies on girls' education. On January 20, 2025, during a graduation ceremony in Khost province, Stanikzai openly criticized the Taliban's decision to ban secondary and higher education for girls, a move that set off a wave of controversy within the Taliban leadership and ultimately led to his departure from Afghanistan.

Global Voices Unite Against Taliban's Education Ban

Sitting at the forefront of the graduation ceremony in Khost province, Stanikzai made remarks that would prove to be a direct challenge to the Taliban's existing policies on education. The Taliban had reinstated their rule in 2021, and since then, they have imposed a ban on girls' education beyond the sixth grade. Their policies have been seen by many as regressive and oppressive, especially as they have severely limited women's rights in multiple areas, including access to education, employment, and public life.

In his speech at the graduation ceremony, Stanikzai condemned the policy of denying education to girls. "There is no excuse for this – not now and not in the future. We are being unjust to 20 million people," he said. His comments were a direct criticism of the Taliban's leadership, which has perpetuated these restrictive measures on women and girls since they took power. By referencing the Prophet Muhammad, Stanikzai reminded the audience that both men and women were granted the right to education during the Prophet's time, a statement that directly contradicted the Taliban's narrow interpretation of Islamic law.

His remarks were significant not only because of their content but also because they came from someone within the inner circle of the Taliban's leadership. Stanikzai's position as deputy foreign minister gave his words added weight, making it clear that he was not simply an outsider or a critic of the government. Instead, he was an insider challenging the very policies set by the Taliban's highest authorities.

This isn't the first time Mr. Stanikzai, regarded as a moderate within the Taliban, has spoken out against the education ban. In September 2022, he publicly declared that there was no religious basis for denying girls an education, emphasizing that it was a duty for both genders.

Taliban's Power Play: Arrest and Travel Ban Enforced

It did not take long for Stanikzai's comments to provoke a strong reaction from the Taliban's senior leadership. The group's supreme leader, Hibatullah Akhundzada, viewed Stanikzai's speech as a direct challenge to the authority of the Taliban and its policies. As a result, Akhundzada reportedly ordered the arrest of Stanikzai and imposed a travel ban to prevent him from leaving the country. The leadership considered Stanikzai's opposition to their policies a breach of loyalty and a threat to the unity and stability of the group.

Despite these orders, Stanikzai managed to escape the country, eventually making his way to the United Arab Emirates (UAE). He later confirmed his arrival in Dubai, but claimed that his departure was for health reasons. Many analysts, however, suggest that Stanikzai’s flight was not motivated by medical concerns but rather by fear for his safety. Given the Taliban’s history of dealing with dissent harshly, it is likely that Stanikzai fled in order to avoid possible imprisonment or even worse consequences.

His escape is an important development, not only because of its political ramifications but also because it highlights the deepening divisions within the Taliban leadership itself. Stanikzai's flight raises questions about the future of the group and whether there are factions within the organization that may be willing to embrace a more moderate stance on women's rights and governance.

Under Siege: Women’s Rights in Taliban-ruled Afghanistan

Since the Taliban’s resurgence in 2021, the treatment of women has been one of the most contentious issues, both domestically and internationally. The Taliban’s policies have systematically stripped away the rights of women and girls, reversing many of the gains made during the previous government’s tenure, which had seen women gain greater access to education, employment, and political participation.

The ban on girls' education has been one of the most widely criticized policies of the Taliban. Initially, the Taliban allowed girls to attend primary school, but after a few months, they imposed a ban on girls attending secondary school. Since then, they have also restricted women from working in most sectors, forbidden them from traveling alone, and forced them to wear the full-body covering of the burqa. These actions have been condemned by the international community, with many human rights organizations describing the Taliban's policies as deeply regressive and oppressive.

In response to the ongoing repression of women and girls, the international community has applied increasing pressure on the Taliban. The United Nations, human rights organizations, and governments around the world have called on the Taliban to lift the restrictions on women’s rights and allow girls to return to school. Recently, the International Criminal Court (ICC) added its voice to the growing calls for accountability, with the court’s chief prosecutor calling for arrest warrants against the Taliban's supreme leader and Afghanistan's chief justice. The ICC accuses them of crimes against humanity for their treatment of women and girls.

The Taliban's crackdown on women's rights is not just a human rights issue but also a diplomatic and economic one. The group’s refusal to reverse its policies on women has led to Afghanistan’s continued isolation on the global stage. International aid and support have dwindled, and Afghanistan’s economy remains in dire straits. The international community has made it clear that they will not engage with the Taliban unless they address the issue of women’s rights and make meaningful reforms.

Before, Taliban's supreme leader issued an order banning the construction of windows in residential buildings that overlooked areas used by Afghan women, stating that existing windows should be blocked. Municipal authorities and other relevant departments were instructed to monitor construction sites to ensure that it was not possible to see into neighbors' homes.

In the event that such windows already existed, owners were encouraged to build a wall or obstruct the view "to avoid nuisances caused to neighbors," the decree read.

Since the Taliban’s return to power in August 2021, women had been progressively erased from public spaces, prompting the United Nations to denounce the "gender apartheid" the administration had established.

A recent law even prohibited women from singing or reciting poetry in public under the Taliban government's ultra-strict application of Islamic law. It also encouraged women to "veil" their voices and bodies outside the home.

Some local radio and television stations had also stopped broadcasting female voices.

Despite these measures, the Taliban administration maintained that Islamic law "guaranteed" the rights of both Afghan men and women.

The Taliban’s Internal Conflict: The Push for Reform

The flight of Mohammad Abbas Stanikzai is a striking indication of the internal divisions within the Taliban. While the group's leadership has largely maintained a hardline stance on governance, there are indications that some members of the Taliban are pushing for a more moderate approach to issues like women's rights. Stanikzai's comments during the graduation ceremony and his subsequent flight suggest that there may be factions within the group that are seeking to push back against the more extreme policies that have defined the Taliban's rule since 2021.

This divide within the Taliban is not new. Throughout its history, the Taliban has been marked by ideological splits between hardliners and moderates. The hardliners advocate for a strict interpretation of Islamic law, while the moderates, though still conservative, support a more pragmatic approach to governance, especially in the face of international pressure. Stanikzai's departure highlights the potential for further internal dissent, as more members of the group may begin to question the wisdom of the policies that have led to Afghanistan's international isolation and economic decline.

Stanikzai's flight raises important questions about the future of the Taliban's leadership. Will moderate elements within the group succeed in pushing for reforms, or will the hardliners maintain control and continue to enforce their draconian policies? The departure of a high-ranking official like Stanikzai could be a sign that the group's internal divisions are becoming more pronounced, and that the policies of repression may eventually lead to a split within the organization.

Afghanistan's Outlook: What Comes Next?

The political turmoil surrounding the Taliban's leadership and their treatment of women has left Afghanistan in a precarious position. The country faces a multitude of challenges, including economic collapse, humanitarian crises, and the ongoing struggle for human rights. The situation is particularly dire for Afghan women, who have seen their rights stripped away by the Taliban's policies. Girls' education remains one of the most pressing issues, and the international community has made it clear that it will not engage with the Taliban unless they allow girls to return to school.

The departure of Mohammad Abbas Stanikzai is likely to have long-term consequences for the Taliban. While his flight may be seen as a defeat for the hardliners, it could also serve as a rallying point for reformers within the group. Stanikzai's defiance of the Taliban's policies may inspire others to speak out against the oppressive regime, and his actions could help to galvanize efforts to push for change from within the Taliban.

However, the path forward remains uncertain. The Taliban's grip on power remains strong, and the hardliners within the group are unlikely to back down easily. As Afghanistan continues to struggle with international isolation and economic hardship, the issue of women's rights will remain a central point of contention. The international community will continue to pressure the Taliban to reverse its policies, but it remains to be seen whether the group will be willing to make meaningful concessions.

For now, the flight of Mohammad Abbas Stanikzai serves as a stark reminder of the challenges facing Afghanistan. It is clear that even those within the Taliban leadership who are willing to speak out against the regime's policies face serious risks, and the consequences for defying the hardliners can be severe. As the situation unfolds, the world will be watching closely to see if internal dissent within the Taliban will lead to meaningful change or if the group will continue down its path of repression and isolation.

"Charting the Path: What the UK Work Visa Changes in 2025 Mean for You"

By Hina Kashif

UK Work Visa 2025: Key Changes, Requirements, and What to Expect

The United Kingdom, a country known for its thriving economy and diverse workforce, has become an attractive destination for skilled foreign workers. The UK government has introduced significant changes to the Skilled Worker visa, which will take effect in 2025. This update is particularly relevant for non-EU nationals who wish to work in the UK under the revamped immigration system. These changes aim to align the immigration system with the needs of the UK labor market, ensuring that skilled professionals can continue to make valuable contributions to the UK economy. This article will delve into the key changes, eligibility criteria, salary requirements, costs, and other essential aspects of the UK Skilled Worker visa for 2025.

The UK Skilled Worker Visa: An Overview

The UK's Skilled Worker visa is designed for foreign nationals who have been offered a job in the UK by an employer approved by the UK Home Office. The visa allows skilled workers to live and work in the UK for a specific period, generally up to five years, depending on their contract. The visa can be extended, provided the applicant continues to meet the visa requirements, and individuals may also apply for permanent residency after spending a certain number of years in the UK.

In 2025, the Skilled Worker visa will replace the Tier 2 (General) visa. The changes brought by the 2025 Skilled Worker visa update aim to create a more flexible and competitive system that responds to the demands of the UK labor market while addressing the needs of employers and workers alike.

Key Eligibility Criteria for the Skilled Worker Visa 2025

In order to qualify for the Skilled Worker visa in 2025, applicants must meet specific criteria set by the UK government. These include:

1. Job Offer from a Home Office-Approved Employer

Applicants must have a job offer from an employer who is approved by the Home Office to sponsor foreign workers. The Home Office maintains a list of approved employers who have met the necessary requirements to employ foreign nationals under the Skilled Worker visa scheme.

The employer must provide a Certificate of Sponsorship (CoS), a crucial document in the visa application process. This document includes detailed information about the applicant's role, salary, and the level of skill required for the job.

2. Eligible Occupation

Applicants must work in an eligible occupation, which means the role must require certain skills and qualifications. The UK government has outlined specific occupations that meet the skill level required for the Skilled Worker visa. These roles are categorized by the level of skills required, which typically range from RQF level 3 (A-level or equivalent) to RQF level 6 (degree or equivalent).

A complete list of eligible occupations can be found on the UK government website, and applicants will need to ensure that their job role falls within this list. The list is regularly updated to reflect changing needs in the UK labor market.

3. Salary Requirement

The 2025 Skilled Worker visa introduces a revised salary threshold, which we will discuss in greater detail in the next section. Meeting the salary requirement is a crucial eligibility factor, ensuring that workers are compensated appropriately for their skills.

4. English Language Proficiency

Applicants must demonstrate proficiency in the English language by passing a recognized English language test or proving their proficiency through academic qualifications conducted in English. This requirement ensures that workers can communicate effectively in the workplace and contribute positively to the UK economy.

5. Maintenance Requirement

Applicants are required to show proof of financial stability. This means that applicants must have a minimum of £1,270 in their bank account when arriving in the UK, which will demonstrate that they can support themselves financially during their stay.

Updated Minimum Salary Requirements for 2025

One of the most notable changes to the UK Skilled Worker visa in 2025 is the updated salary threshold. The UK government has raised the minimum salary requirement for visa applicants, reflecting the rising cost of living and the need to ensure that skilled workers are adequately compensated.

New Minimum Salary Threshold

The new minimum salary threshold for the Skilled Worker visa will be set at £38,700 per year, or the going rate for the job—whichever is higher. This update ensures that skilled workers in the UK are paid in line with UK standards and that employers provide competitive wages.

Salary Flexibility for Certain Roles

Not all roles will be subject to this higher salary threshold. Certain job roles that are in high demand and have a labor shortage will be subject to lower salary requirements.

Additionally, the salary thresholds are designed to avoid a "race to the bottom" where employers could undercut wages to reduce labor costs.

Costs and Fees for Applicants

Applying for the Skilled Worker visa involves several costs, some of which depend on the applicant's personal circumstances. These fees include:

1. Application Fee

The application fee for the Skilled Worker visa varies based on the applicant's circumstances. The fee can range from £719 to £1,639, depending on factors such as the applicant's nationality and the specific job role. Applicants should check the official UK government website for the most accurate and up-to-date information.

These roles, which are included on the immigration salary list, include positions in fields such as healthcare, engineering, IT, and education. For these specific roles, the minimum salary requirement will be reduced to £30,960 per year. This flexibility is designed to attract workers to sectors where there is a high demand for skilled labor.

The new salary thresholds have been introduced to ensure that the UK attracts top-tier talent while ensuring that employers offer competitive salaries to foreign workers.

2. Healthcare Surcharge

Applicants must pay an annual healthcare surcharge of £1,035. This surcharge is designed to cover the cost of healthcare services provided through the National Health Service (NHS) during the applicant's stay in the UK.

3. Financial Requirement

In addition to the application and healthcare fees, applicants must show that they have at least £1,270 in their bank account when arriving in the UK. This financial requirement ensures that applicants can support themselves upon arrival without relying on public funds.

4. Other Associated Costs

Additional costs may include fees for English language tests, certification, or document translations, depending on the applicant's situation. Applicants should factor these additional costs into their overall budget when preparing their visa application.

Duration of Stay and Extension

The Skilled Worker visa allows successful applicants to stay in the UK for up to five years. After this period, applicants can apply for an extension to remain in the UK if they still meet the necessary criteria, such as having a job offer from an approved employer.

Extension of Stay

If a worker changes jobs or employers during their stay in the UK, they may need to apply for an extension of their visa. Extensions are typically granted if the worker continues to meet the criteria outlined for the visa, including salary thresholds and eligible occupation requirements. The extension can be granted for up to five additional years, and applicants can apply for permanent residency (also known as Indefinite Leave to Remain) after spending a total of five years in the UK under the Skilled Worker visa.

Permanent Residency

After spending five years on the Skilled Worker visa, applicants may be eligible to apply for permanent residency in the UK. Permanent residency status allows workers to stay in the UK without the need for further visa renewals, providing more stability and the ability to access additional benefits, such as healthcare and social security.

What to Expect from the Skilled Worker Visa in 2025

The changes to the Skilled Worker visa in 2025 represent a significant shift in the UK's approach to immigration. These updates aim to balance the needs of employers with the rights and protections of workers, while ensuring that the UK attracts highly skilled professionals in key sectors.

The introduction of the updated salary thresholds will ensure that skilled workers are paid appropriately and prevent wage competition that could undermine standards in the UK labor market. At the same time, the more flexible salary requirements for certain sectors will make it easier for employers in high-demand industries to fill vacancies and support the UK economy.

For applicants, the revised salary thresholds and updated requirements may seem challenging, but they provide an opportunity for skilled professionals to contribute to the UK's dynamic economy. With the right qualifications, experience, and job offer, the Skilled Worker visa in 2025 remains an excellent pathway for foreign nationals to live and work in the UK.

Conclusion

The UK government's changes to the Skilled Worker visa for 2025 represent a strategic response to the evolving needs of the UK labor market. By raising the salary thresholds, introducing more flexibility for certain sectors, and implementing additional requirements, the government aims to attract the best talent from around the world while ensuring that workers are compensated fairly and employers meet high labor standards.

For potential applicants, the process may seem more complex due to the new salary thresholds and associated costs, but the Skilled Worker visa remains a highly desirable route for foreign nationals seeking employment in the UK. With the right preparation, skills, and qualifications, the Skilled Worker visa can provide a pathway to long-term career success and residency in one of the world's most diverse and dynamic economies.

E C O N O M Y

Pakistan's economy on the way to stability: Fitch Report

By J. Choudhry

Global credit rating agency Fitch has recognized Pakistan's progress in restoring economic stability and strengthening external financial buffers.

In a statement on Friday, Fitch noted, *"Pakistan has continued to make headway in restoring economic stability and rebuilding external buffers."*

Last year, the agency upgraded Pakistan's long-term foreign-currency issuer default rating (IDR) to CCC+ from CCC, following the country's agreement with the International Monetary Fund (IMF). A CCC rating indicates a speculative or junk status, suggesting a high risk of debt default.

IMF Reviews and Structural Reforms Key to Economic Outlook

Fitch emphasized that Pakistan's progress on structural reforms will be critical in securing upcoming IMF program reviews and continued financial support from multilateral and bilateral lenders.

The agency also highlighted a trend of disinflation, crediting the central bank's tight monetary policy for helping ease inflationary pressures. Inflation dropped to 2.4% in January, marking a nine-year low, mainly due to a decline in perishable food prices.

Fitch explained that rapid disinflation was driven by:

- Fading base effects from earlier subsidy reforms,
- Exchange rate stability, and
- Restrictive monetary policy, which curbed domestic demand and external financing needs.

Economic Activity and Growth Prospects

Fitch pointed out that economic activity is now benefiting from stability and falling interest rates, after previously facing tight monetary policies.

"We expect real value-added GDP to expand by 3.0% in FY25," the agency projected, adding that credit growth to the private sector turned positive in real terms in October 2024 for the first time since June 2022.

Current Account Surplus and Foreign Reserves

Fitch noted strong remittance inflows, robust agricultural exports, and tight fiscal policies had helped Pakistan's current account (CA) surplus reach $1.2 billion—over 0.5% of GDP.

The agency credited foreign exchange market reforms in 2023 for this shift, adding that when it previously upgraded Pakistan's rating to CCC+, it had anticipated a slight widening of the current-account deficit in FY25.

Additionally, foreign exchange reserves exceeded expectations, outperforming targets under the IMF's $7 billion Extended Fund Facility and Fitch's earlier forecasts.

"Gross official reserves reached over $18.3 billion by the end of 2024, covering about three months of external payments, up from $15.5 billion in June," the agency reported.

Debt exceeds the sustainable limit

Pakistan's public debt remained above the sustainable level in the last fiscal year, violating parliamentary debt limits due to soaring interest expenses. .

The report confirmed that the government failed to bring public debt down to 56.75% of GDP by the end of FY 2023-24, as mandated by the Fiscal Responsibility and Debt Limitation Act. The debt ceiling will be further tightened to 56% for the current fiscal year (FY 2024-25)

World Bank Flags Debt Transparency Issues

The Debt Policy Statement follows a World Bank Debt Heat Map report, which highlighted transparency concerns in Pakistan's debt reporting.

According to the World Bank report:

- The government delayed the release of the Annual Debt Bulletin for the last fiscal year.
- The Annual Borrowing Plan was published over two months late.
- There was no disclosure on public-private partnership-related guarantees.

Finance Ministry Responds to Reporting Delays

In response, Finance Ministry spokesperson Qumar Abbasi acknowledged a minor delay in publishing debt-related reports, attributing it to human resource reshuffling within the Debt Office.

Regarding difficulties in integrating debt data across different government institutions, Abbasi stated that efforts were ongoing, with officials from the State Bank of Pakistan (SBP), Finance Ministry, and Economic Affairs Ministry working to streamline data integration.

Debt-to-GDP Ratio & Interest Costs

The Fiscal Responsibility and Debt Limitation Act of 2005 required that public debt not exceed 56.75% of GDP for FY 2023-24. However, the actual public debt stood at 67.5% of GDP, significantly breaching the limit.

While the federal primary deficit showed improvement, with a surplus generated last fiscal year, the rising interest costs remained a major burden.

- The SBP policy rate peaked at 22% in FY 2024, driving up borrowing costs.
- The government spent a record Rs8.2 trillion on interest payments last fiscal year.
- This was Rs2.5 trillion (43%) higher than the previous fiscal year.

The report underscores that high borrowing costs continue to challenge Pakistan's economic stability, despite efforts to manage fiscal deficits and improve financial reporting.

During the last fiscal year, total public debt increased by 13% to Rs71.2 trillion, of which domestic debt stood at Rs47.2 trillion and external debt at Rs24.1 trillion. In terms of the debt-to-GDP ratio, total public debt showed a decrease of 7%, standing at 67.5% in June 2024. The reduction was due to inflation-driven growth in the size of the economy. However, total domestic debt increased by Rs8.4 trillion, accounting for 66% of the total public debt.

The stock of external debt also witnessed a net increase of 3%, while the share of external debt in total public debt decreased from 38% to 34% by June 2024. A key reason behind the reduction in the share of external debt was Pakistan's poor credit ratings, which closed some borrowing avenues, including access to capital markets and foreign commercial banks.

The report stated that external debt exposure remains within the maximum limit of 40% as envisaged in the debt management strategy but remains sensitive to exchange rate movements.

The report also indicated mixed performance in the implementation of the Debt Management Strategy.

The Average Time to Maturity (ATM) of domestic government debt was 2 years, 8 months as of June 2024, the same as the preceding year, and could not be extended despite the issuance of long-term debt instruments.

During the past fiscal year, the share of permanent debt in total domestic debt increased to 70% in 2024. This was due to significant issuance of Pakistan Investment Bonds, with the stock rising from Rs 22 trillion to Rs 28 trillion by June last year.

The 2-year, 8-month maturity period indicates that the debt remains risky and will keep the country dependent on commercial banks exploiting the situation.

The average maturity period of external debt decreased to 6 years, 2 months from 6 years, 4 months, as the government's reliance on shorter-tenor debt increased. The government also failed to secure significant external concessional financing and could not float new sovereign bonds.

The report stated that accessing international markets depends on favorable interest rate conditions along with other economic factors.

The finance ministry stated that the government will explore alternative funding sources, including the issuance of Green Sukuk, asset-light structures, green, social, sustainability-linked bonds, and Panda bonds. The government has been attempting to issue Panda bonds in Chinese markets, but so far, without success.

Other emerging funding sources, such as debt swaps especially debt-for-nature swaps and debt-for-climate swaps are also under consideration, it added.

Furthermore, a buyback and exchange policy will be pursued by conducting similar operations based on favorable secondary market yields and investor appetite for long-term instruments, signaling a continued commitment to proactive debt management strategies.

Pakistan's Remittances Surge to $3.1 Billion in December, Marking 29.3% Growth

Workers' remittances to Pakistan surged to $3.1 billion in December 2024, reflecting a 29.3% year-on-year increase and a 5.6% rise from the previous month, according to the State Bank of Pakistan (SBP).

Strong Growth in First Half of FY25

Cumulatively, remittances reached $17.8 billion in the first half (July-December) of FY25, marking a 32.8% jump compared to $13.4 billion during the same period in FY24.

Crackdown on Illegal Forex Boosts Remittances

Pakistan's ongoing efforts to curb illegal foreign-exchange trade have contributed to the surge in remittances. Finance Minister Muhammad Aurangzeb expects inflows to reach a record high of $35 billion in FY25, surpassing $30 billion in the previous year.

Country-Wise Breakdown of December Remittances

- Saudi Arabia: The highest remittance inflows came from Saudi Arabia, totaling $770.6 million, up 6% month-on-month and 33% year-on-year from $577.6 million in December 2023.
- United Arab Emirates (UAE): Remittances from the UAE reached $631.5 million, increasing 2% from November and surging 51% year-on-year from $419.2 million in December 2023.
- United Kingdom (UK): Inflows from the UK rose to $456.9 million, reflecting an 11% increase from November and a 24% jump year-on-year.

The significant increase in remittances highlights the impact of currency market reforms and improved financial channels, positioning Pakistan for record-breaking inflows in the current fiscal year.

Pakistan's Foreign Reserves Rise to $16.1 Billion, Gold Prices See Correction

Foreign Reserves Increase by $46 Million

Pakistan's total liquid foreign reserves rose by $46 million, reaching $16.1 billion as of January 31, 2025, according to the State Bank of Pakistan (SBP).

- SBP Reserves: $11.42 billion
- Commercial Bank Reserves: $4.63 billion

During the week ending January 31, SBP reserves increased by $46 million, reflecting continued efforts to stabilize the country's external position.

SBP Injects Rs1.1 Trillion into Market

On February 6, 2025, the SBP conducted an Open Market Operation (OMO) via a Reverse Repo Purchase (Injection), injecting Rs1.1 trillion into the market.

- Total Offered Amount: Rs1,094.8 billion
- Accepted Amount: Rs1,056.5 billion
- Tenor: 7 days
- Accepted Rate of Return: 12.07% per annum

Gold Prices See Correction After Record High

After reaching an all-time high in the previous session, gold prices in Pakistan saw a minor correction on Thursday as the market anticipated further adjustments.

- Gold per tola: Down Rs900, settling at Rs298,700
- 10-gram gold: Down Rs772, priced at Rs256,087

This decline follows a sharp Rs5,300 increase per tola on Wednesday, when gold surged to Rs299,600 due to rising investor interest amid ongoing US-China trade tensions.

Global Gold Market Trends

Gold prices also dipped in the international market, with the rate standing at $2,859 per ounce, marking a $9 decline for the day, according to the All-Pakistan Gems and Jewellers Sarafa Association (APGJSA).

Market Insights & Future Outlook

Adnan Agar, Director of Interactive Commodities, stated that while the recent drop is a mild correction, a larger adjustment may still be ahead. However, he noted that bullish markets can delay or prevent corrections altogether.

Investors are now closely watching the upcoming US Non-Farm Payroll (NFP) data, set to be released tomorrow. This report is expected to shape market sentiment and could significantly influence gold prices in the coming days.

GDP in the Future: IMF Report

By Harry Choudhry

Gross domestic product (GDP) is one of the world's most-watched statistics. It's the benchmark of economic performance and a yardstick of national power; even small changes to this single statistic can move financial markets. Since its debut as an economic indicator some 90 years ago, GDP has been a cornerstone of economic policy.

But it's far from perfect. GDP is a poor measure of welfare. It tallies up all the goods and services produced in an economy—putting equal value on $100 whether it's spent on concert tickets or courtroom litigation. It misses much of life's essence and the things we love most—family and friends, the breathtaking beauty of an unspoiled landscape, the heartwarming moment of a child's smile. Many of these are beyond the realm of economics, although some researchers have attempted to capture them, including through the World Happiness Report.

Even as an economic statistic, GDP is incomplete. It focuses on the present and ignores the future. Today's production can deplete resources and damage the planet, but GDP doesn't reflect these costs. Two complementary approaches can help build measures that tell us whether our economic activity is sustainable.

The first is net domestic product (NDP). It subtracts the depreciation of capital (and will soon subtract the depletion of natural resources, too) from the value of production to reflect more accurately the sustainability of national income and our future prosperity. The second approach is comprehensive wealth. It elevates measures of national wealth to focus on whether we are getting richer or poorer, and what we will leave for future generations, using a much broader definition than just what we produce.

Net domestic product

While GDP measures total economic output, a fraction of the physical capital used to generate that output is lost due to wear and tear in the production process. A factory cog can break, or a machine might seize up, for example. New gadgets become obsolete and are discarded. The pace of depreciation tends to speed up as economies develop and make greater use of technological assets that have shorter productive lives.

NDP subtracts this depreciation from GDP and thus recognizes the two-way impact economic activity has on physical capital—building new stock while degrading old stock. As such, it's a better indication of resources that can be allocated between current and future consumption.

Not all countries have collected the information they need to measure annual depreciation accurately. Even so, the data that are available suggest that the average country's NDP is about 10–20 percent lower than its GDP.

Physical capital is not the only factor of production that can be depleted by the production process, of course. Mineral resources used for today's production—the fossil fuels that fire power stations or the rare earths in smartphones and electric vehicles—won't be available tomorrow. It would make sense, therefore, to refine the concept of NDP by subtracting the depletion of nonrenewable resources from the value of production as they are used up.

At the IMF, we are working with our partners to do precisely this as part of an update of the internationally agreed framework for compiling measures of economic activity, known as the System of National Accounts (SNA). We are proposing to adjust NDP for the costs of nonrenewable resource depletion in the updated system of accounts that will be finalized next year. This will be a better gauge of future income flows given the available stock of nonrenewable resources.

The updated accounting standards will have a relatively small impact on NDP in most countries. But the additional requirement to subtract the value of nonrenewable resource depletion will have a greater impact on countries that depend heavily on mining and mineral extraction. NDP in these countries could be more than 30 percent lower than GDP. It will be a much better indicator of future prosperity for these countries.

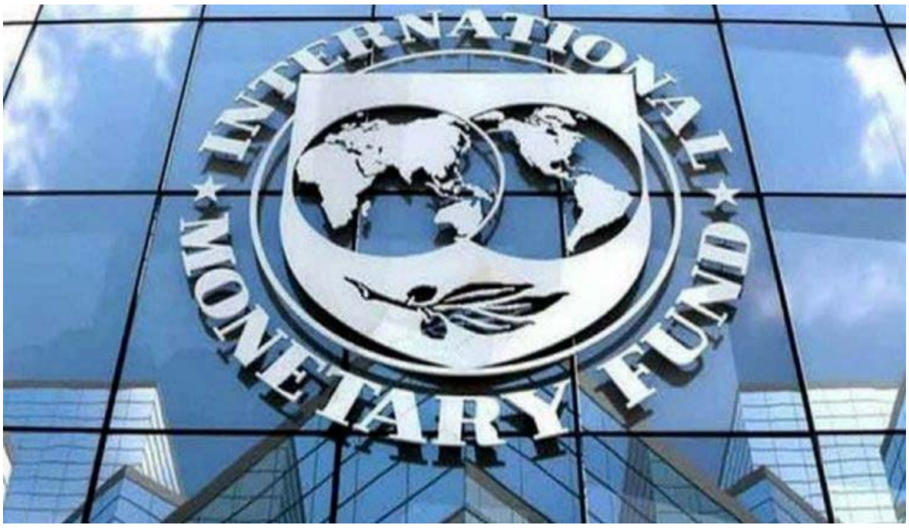
Importantly, the refined measure of NDP will also affect economic activity's growth rates—which are typically watched more closely than levels. Higher output driven by accelerated resource extraction would give less of a boost to the headline growth rate.

Further refinements are worth considering, too. Air pollution, for instance, can reduce worker productivity and directly impact the economy's productive potential. More significantly, it lowers people's quality of life and shortens their lifespans. Greenhouse gas emissions affect the ability of the atmosphere to regulate climate. While we may want to account for the deterioration of the atmosphere in NDP conceptually, it's not easy. It's particularly difficult in the case of greenhouse gases because the effects are global rather than local and persist for centuries.

GDP will, of course, retain its significance as the go-to measure of economic output. But we believe more countries should compile NDP statistics and make greater use of them in policy analysis and decision-making. NDP should complement GDP, not replace it, by adding a much-needed sustainability perspective.

Comprehensive wealth

Policymakers have come to appreciate the importance of incorporating both flows and stocks into economic analysis. Various crises have taught us to focus not only on budget deficits but also on government debt; not only on income but also on the assets and liabilities of people or companies; and not only on current account deficits but also on international reserves. Similarly, it's essential to consider not only indicators of economic activity, such as GDP or NDP, but also measures of wealth.



Greater wealth today allows us to enjoy higher consumption tomorrow. It raises living standards. A measure of wealth should include all the resources that will enable us to purchase or produce new goods and services. Traditionally, we count financial assets and physical capital, but that's a narrow view. As Kristalina Georgieva, the IMF's managing director, said in a recent speech, "We also recognize the need to put in place better measurement of wealth that goes beyond the traditional GDP, that values not only produced capital, but also nature, people, and the fabric of societies."

This means broadening our measures of wealth to include human capital (education and health), natural capital (mineral resources, renewable resources, ecosystems, water), and social capital (good governance, civic-mindedness). According to the World Bank, human capital constitutes the largest share of global comprehensive wealth, at 64 percent. Physical capital accounts for 31 percent. The remainder is split equally between renewable and nonrenewable natural capital.

Next year's updated SNA will spotlight measures of wealth in national accounts and how wealth is distributed. It expands the definition of natural capital, which has hitherto been limited largely to mineral wealth, to include renewable energy resources such as solar and wind. In addition, it will place greater emphasis on compiling human-capital accounts as extensions to the main sequence of national accounts.

All of this will contribute to a more comprehensive measure of wealth and provide policymakers with clearer signposts toward an economy that's better for people and planet.

Keeping up

The world is changing, and economic statistics must keep up. Technological advances are disrupting traditional ways of working, and economic structures are evolving continuously. The new SNA will better account for the digital revolution by including the value generated by data, in both gross and net domestic product.

We must not delay incorporating new developments into statistical manuals. We must also get better at integrating different standards for measuring and categorizing economic performance; government

activities; cross-border flows of goods, services, and capital; greenhouse gas emissions; and more. Without a mutually compatible set of accounts, it's almost impossible to construct a clear, consistent, and comprehensive view of the economy. This makes it difficult to design effective policies that address economic, environmental, and social challenges.

We do not underestimate the obstacles. Defining NDP and comprehensive wealth is conceptually and technically difficult. Moreover, our standards must work for economies at different levels of development and with different industrial structures.

Internationally recognized standards alone are not enough, however. It falls to national authorities to compile comprehensive measures of wealth that are comparable across countries and use them in their decision-making. Many statistical agencies struggle to collect data and calculate national accounts that meet higher standards. Even as we move toward finalizing the 2025 SNA, quite a few countries have yet to implement the previous update agreed 16 years ago, in 2008.

At the IMF, we are determined to overcome these challenges. We are working closely with other international institutions, national statistical agencies, and others to establish conceptually sound standards. Through our capacity development activities, often conducted in partnership with other institutions, we are helping countries produce more reliable and relevant estimates of GDP and related statistics so that they all have the data they need to support good policies.

The imperative to look beyond mere production statistics has also increased as the importance of economic, environmental, and social sustainability is recognized more widely. At the same time, our ability to paint a more complete picture of economies and societies has advanced, too, thanks to developments such as AI, big data, and satellite imagery. We can, for example, now combine AI with satellite data to measure ecosystem degradation—helping to assess the value of natural capital and the costs of humanity's impact on it.

Governments all over the world strive to grow their economies and raise their GDP. It's a measure of just how powerful statistics can be in the policymaking process. But we should not focus on one statistic at the expense of all others. Complementary measures that give a more complete picture of our planet's wealth and people's well-being deserve attention, too.

Improving good governance through gradual tax hikes

By Zeeshan Shah

Pakistan needs good reforms as it battles nepotism and bad governance with the population constantly rising while per capita income is yet to improve. Even though tax creates revenue, the state needs to tackle procedures that help reduce in-direct tax on the masses, to help them sustain difficult economic times. In this situation, our salaried class has been repeatedly taxed over the years, creating pressure on the middle class- the backbone of our nation.

We need to undertake policy measures for the benefit of the consumer and the most burdened taxpayer, being the salaried class. Our buying power has drastically reduced while costs of living are higher than most other nations in Asia. To effectively improve our tax structure, our government needs to ensure job creation and income generation by improving access to jobs within the health and education, without compromising on merit and good governance.

A way out of the problem is to implement gradual tax increases over time, after keeping in mind the amount of burden already incurred by the general public. For example, the taxpayer does not have enough disposable income to pay new taxes, as their income is not sufficient for them to run their households, if additional taxes are imposed.

One of the best solutions today is to increase the minimum wage. Once again keeping the challenges in mind, an adequate minimum wage of between PKR 15,000 to PKR 18,000 should be adjusted to improve day to day lives of lower and middle-class segments of society. This will boost their savings for a rainy day and enable them to pay further taxes on commodities, water, and food supplies.

Increasing salaries of the affluent class, parliamentarians, and government officials serves little purpose to improve the economy at large. For businessmen, the costs of doing business are sharply due to lack of incentives given by the government and failure to explore the export potential of the country.

The way out for Pakistan is to increase ‘taxes in phases’ so that the burden of cost is spread over a time period of 6 to 12 months rather than instantly. This can only happen when there is affordable healthcare for families, reduced education costs for the youth and free vocational training during the period of economic slowdown.

In the last few years, a major brain drain has deprived the country as more and more people are migrating elsewhere to earn money and set up businesses, due to increased lawlessness and corruption inside Pakistan. This is killing the enthusiasm of the people who wish to remain in Pakistan and earn a decent living.

Raising taxes gradually restores confidence in the public which helps the government. As the economic crisis looms over most emerging economies in times of war, Pakistan can take advantage of the situation by improving ties with next-door neighbors to secure trade agreements in 2025.

Due to political and economic uncertainty in different countries today, there may be an increased number of remittances coming back home. In the meantime, the country needs to undertake faster reforms in order to tax various other segments, who are paying nothing compared to taxes being paid by the salaried class alone. According to reports, 22%-30% of all tax recoveries are from the salaried class of Pakistan and Pakistan is one of the top 10 recipients of overseas remittances in the last decade.

We must also analyze the amount of tax recovered from the agricultural class. How much is the actual consumption locally versus how much is being exported overseas by the country is something to explore immediately. In a stagnant political climate, every reform is crucial and needs to be implemented quickly to boost investor confidence in the country, as we battle uncertainty in the country.

Revival of our manufacturing sector is of extreme importance. Legal and consumer rights must be respected and not exploited. Accountability must be done and 'vultures' and 'scavengers' must be identified, named, and shamed using credible mainstream and social media to boost a culture of transparency across the board.

For example, if we review our monthly electricity bill today, we see loads in extra taxes being forced upon the people, leaving them frustrated and insecure. This is the problem where the governments have to play their part. We need more jobs, less inflation, higher education standards, an honest justice system, and positive tax collection practices.

If Pakistan needs to move towards being a debt-free nation, then everyone must pay taxes. Anyone who does not pay tax or does not have an NTN certificate must be able to face the laws of punishment as this white-collar crime the entire nation. Everyone needs to stop skimming cash off the books, whether it's a judge, policeman, banker, doctor, armed forces official, or a government servant.

Where the world is making headlines in new technology and job creation, we face a dysfunctional mindset towards science and progress. Where others export their cars, we are busy importing vehicles we cannot afford. Where the world is taking care of their children, we are ignoring the basic rights of the child in providing them a safe and thriving nation to live in. While the world improves healthcare for all, we are failing to provide clear and safe drinking water for our consumers.

How can accountability flourish with such bad governance?

If we go through tax collection numbers, numbers, only 14% is recovered through direct taxes, while 86% is collected indirectly due to unethical tax collection policies of successive governments including the one today. Elitist policies to force poor people to cough up more and more revenue in taxes while they have little capacity to pay more tax is a serious criminal mindset. The Federal Bureau of revenue needs to be checked for compliance as well.

Out of 4 million people, approximately 500,000 people pay tax. While the elite contributes to less than 5% of tax revenue, they control over 65% of the wealth of the nation. This is not good governance. We need to put an end to the powerful lobbies and mafias that prohibit fair taxation. Taz evasion is a crime punishable by law and the same needs to be done by the state to equalize the burden of tax across all segments to save this nation.

If we look inward, there is a "moral decay" and a "greed for power" due to constant moral and ethical chaos. Extremism in terms of culture and policy both leads to global isolation and marginalizes society in the long run. We need leaders who are role models for our younger generation.

We must fight this negative culture of corruption so that it does not become a social norm. We must reject bribery and nepotism and pay our taxes honestly. To ensure accountability, any kind of cash payment to the government, third-party vendors, regulators, existing or potential customers – or acceptance of the same from them, must be subject to prosecution as per law.

Pakistan cannot truly dominate the world as a powerful economic entity if we do not take control of our tax mechanism and make it more lucid and transparent. Sooner or later, policymakers need to fix this as we are running out of choices to take loans from the IMF or the World Bank. Being self-reliant is the only way forward and having a broader and bigger tax net is something we must implement for the financial health of the nation.

AMAN-25: Strengthening Maritime Cooperation and Peace Through Multinational Collaboration

By Romana Afsheen

The five-day multinational maritime exercise AMAN-25 and the inaugural AMAN Dialogue commenced in Karachi on February 7, 2025, marking a significant step toward enhanced global maritime cooperation. The event, hosted by the Pakistan Navy, brought together naval forces from more than 60 countries, underscoring the international community's commitment to safeguarding vital sea lanes and addressing emerging maritime threats. Held in the Arabian Sea, AMAN-25 is not just a maritime exercise; it is a symbol of unity, collaboration, and peace, with countries from all corners of the globe working together to tackle shared challenges.

The Vision Behind AMAN-25

The primary objective of AMAN-25 is to foster stronger maritime cooperation, promote sustainable and safe naval practices, share operational experiences, and collectively address emerging security threats in international waters. The event serves as an important platform for naval forces to engage in joint exercises that enhance operational interoperability and strengthen the global commitment to maintaining the freedom of navigation and peaceful sea-lane traffic.

Now in its 9th edition, AMAN-25 represents an evolving vision for maritime security in the 21st century. Over the years, the exercise has grown into one of the largest and most inclusive naval events in the region. With over 60 countries participating, the exercise has become a symbol of global collaboration, transcending national borders and uniting naval forces to safeguard the Indian Ocean, a critical hub for international trade and energy flows.

The exercise features a wide array of naval assets, including warships, aircraft, special operations forces, explosive ordnance disposal (EOD) marine teams, and surveillance units. The diverse composition of the participating forces highlights the shared interests of global powers in securing vital maritime trade routes and addressing contemporary maritime security challenges.

Inaugural AMAN Dialogue: A Platform for Discussion

In addition to the maritime drills, the inaugural AMAN Dialogue is an essential feature of AMAN-25. This dialogue serves as a platform for Naval Chiefs, Coast Guard Commanders, and senior defense officials from participating nations to discuss both global and regional maritime security challenges. The dialogue enables participants to engage in strategic discussions on contemporary maritime issues, such as counter-piracy operations, maritime terrorism, illegal fishing, and environmental protection in international waters.

The inaugural session of the AMAN Dialogue reflects the growing realization that the maritime domain is increasingly vulnerable to diverse threats that cannot be addressed by any single nation alone. The platform emphasizes the importance of multilateral cooperation in tackling issues that transcend national borders, from piracy in the Gulf of Aden to the protection of the sea lanes in the Strait of Hormuz. The dialogue also focuses on enhancing cooperation in humanitarian assistance, disaster response, and the protection of maritime resources, all of which are becoming increasingly vital in an era of rising global tensions and climate change challenges.

Opening Ceremony: A Global Symbol of Cooperation

The opening ceremony of AMAN-25 took place at the Pakistan Navy Dockyard in Karachi, setting the stage for the major exercises ahead. The event was marked by a sense of unity, with the participation of senior naval officers, international delegates, and observers from across the world. It was attended by dignitaries from over 60 countries, underscoring the importance of the exercise as a focal point for global maritime collaboration.

Rear Admiral Abdul Muneeb, Commander of the Pakistan Fleet, delivered a key address during the ceremony. In his speech, Rear Admiral Muneeb stressed the significance of collective maritime security efforts. He noted that no single country could tackle the evolving maritime challenges alone and emphasized the need for collaborative action to safeguard the freedom of the seas. He reiterated Pakistan's commitment to regional peace and stability, highlighting the importance of joint cooperation in ensuring a secure maritime environment.

For the first time in the history of the AMAN exercise, a peace dialogue was introduced as part of the opening proceedings. Commodore Umar Farooq delivered a message from the Chief of Naval Staff of Pakistan, reinforcing the Pakistan Navy's dedication to international peace and stability in the maritime domain. The introduction of this dialogue signals a shift in the focus of the AMAN exercise, with an increasing emphasis on diplomatic engagement and peacebuilding in addition to the traditional maritime drills.

A Symbol of Unity and Peace

The ceremony featured several symbolic acts that underscored the event's emphasis on unity and peace. A decorated contingent of the Pakistan Navy raised the flags of all the participating nations, a powerful representation of global solidarity in the face of shared maritime challenges. The flag-raising ceremony was followed by the release of doves, symbolizing the spirit of peace and hope for a harmonious future on the high seas.

This moment of symbolic unity was a reminder of the core values that underpin the AMAN-25 exercise: cooperation, peace, and the collective responsibility of nations to secure international waters. As the flags of over 60 nations fluttered in the Karachi breeze, the message was clear—maritime security is a shared responsibility, and peace at sea can only be achieved through collaboration and mutual respect.

The Strategic Importance of AMAN-25

The strategic importance of AMAN-25 cannot be overstated. The Indian Ocean, where the exercise is taking place, is one of the most critical maritime regions in the world. It serves as a major conduit for global trade, with vital shipping lanes connecting the Middle East, Asia, Africa, and Europe. The safety and security of these sea lanes are essential for the uninterrupted flow of goods and energy resources. As such, maintaining stability in the Indian Ocean has become a key objective for regional and global powers alike.

However, the region is not without its challenges. Piracy, maritime terrorism, and the increasingly complex geopolitical dynamics surrounding the Arabian Gulf and the Strait of Hormuz have raised alarms over the vulnerability of international waters. For Pakistan, a country with vital interests in securing sea lanes and protecting its coastlines, AMAN-25 offers an opportunity to collaborate with regional and extra-regional powers to address these emerging threats.

The exercise also holds significant diplomatic value. It strengthens Pakistan's position as a key player in regional maritime security and enhances its ties with neighboring countries, including Iran, which is actively participating in AMAN-25. The event also serves as a reminder of the importance of multilateral cooperation in addressing common challenges, such as piracy and terrorism, which affect the entire region.

Iran's Participation and Regional Cooperation

One of the most significant aspects of AMAN-25 is the participation of Iran. For the first time, the Iranian Navy is taking part in the exercise, and the presence of Rear Admiral Shahram Irani, Commander of the Iranian Navy, further underscores the growing maritime cooperation between Pakistan and Iran. Both countries share a long coastline along the Arabian Sea and the Gulf of Oman, which are increasingly threatened by piracy, terrorism, and other security concerns.

Iran's involvement in AMAN-25 marks a new chapter in Pakistan-Iran relations, highlighting their shared strategic interests and mutual commitment to regional stability. Through joint exercises and cooperative engagements, the two countries are working to enhance their naval capabilities and ensure the security of their maritime borders. The partnership between Pakistan and Iran reflects the broader trend of regional cooperation, where neighboring nations are coming together to address common threats and ensure the free flow of trade in one of the world's most crucial maritime corridors.

The Future of Maritime Cooperation

The AMAN-25 exercise sets a precedent for future collaborative efforts among participating nations. As the maritime security environment becomes increasingly complex, exercises like AMAN-25 play a crucial role in improving operational coordination, sharing best practices, and strengthening diplomatic ties between naval forces. The exercise is expected to pave the way for more frequent and comprehensive joint operations, particularly in counter-piracy and counter-terrorism missions.

Moreover, the success of AMAN-25 may inspire similar multinational naval exercises in other regions, leading to a more interconnected and cooperative global maritime security framework. As nations continue to recognize the shared nature of maritime challenges, the emphasis on multilateral cooperation is likely to grow, leading to more effective responses to emerging threats.

Conclusion

AMAN-25 is a landmark event in the history of international maritime cooperation. As naval forces from across the world gather in the Arabian Sea, the exercise serves as a powerful reminder of the importance of collaboration in ensuring the safety and security of international waters. With a focus on peace, cooperation, and mutual respect, AMAN-25 is not just a military exercise but a symbol of the shared responsibility that nations have in safeguarding the global maritime commons.

As Pakistan and Iran, along with over 60 other countries, unite to address the challenges of the modern maritime world, AMAN-25 stands as a beacon of hope for a future where cooperation and peace at sea are not only possible but actively pursued. Through exercises like AMAN-25, the world's naval forces are sending a clear message: maritime security is a collective endeavor, and together, nations can ensure the free and safe passage of goods and people across the seas.

Karachi Literature Festival 2025: A Celebration of Words, Culture, and Intellectual Discourse

By Romana Afsheen

The Karachi Literature Festival (KLF) returned for its 16th edition with grandeur and enthusiasm, reaffirming its status as Pakistan's premier literary event. Held at the picturesque Beach Luxury Hotel, this three-day festival brought together a diverse mix of authors, intellectuals, poets, artists, and book lovers from around the world. Against the backdrop of Karachi's bustling metropolis, KLF 2025 celebrated the enduring power of storytelling, intellectual discourse, and cultural exchange, creating a space where literature intersected with pressing global and national issues.

Since its inception in 2010, KLF has grown into a beacon of literary excellence, fostering a reading culture and encouraging dialogue on subjects that shape societies. Organized by Oxford University Press Pakistan (OUPP) with the support of the Sindh government, the festival once again provided a platform for writers and thinkers to share their work, engage with audiences, and contribute to the ever-evolving literary landscape of Pakistan.

The 2025 edition of KLF featured an impressive lineup of distinguished speakers, renowned authors, and esteemed diplomats, underscoring the festival's commitment to promoting diverse voices. The event kicked off with an inspiring inauguration ceremony, setting the stage for thought-provoking discussions, book launches, poetry recitals, and performances that captivated attendees. With a strong emphasis on the power of words to unite, inspire, and challenge perspectives, KLF 2025 proved that literature is not just an art form but a force that shapes societies and fuels intellectual progress.

As visitors stepped into the festival venue, they were greeted by an atmosphere buzzing with literary energy—booths lined with books, animated discussions between authors and readers, and passionate debates on topics ranging from politics and governance to history and the evolving role of media. This year's festival highlighted the richness of South Asian literature while also embracing international literary traditions, making it a truly global event.

Over the course of three days, attendees immersed themselves in riveting panel discussions, book readings, and interactive workshops. Whether it was a session on contemporary Urdu poetry, a debate on constitutional law, or a talk on the future of publishing in the digital age, KLF 2025 offered something for everyone.

In a rapidly changing world where literature and arts often face challenges from technological and socio-political shifts, KLF stood as a testament to the resilience and relevance of the written word. By the end of the festival, it was clear that the Karachi Literature Festival had once again succeeded in igniting a passion for books, ideas, and intellectual curiosity, leaving its mark on all those who attended.

A Grand Opening: Celebrating the Power of Literature

The festival, organized by Oxford University Press Pakistan (OUPP) with the support of the Sindh government, opened with an inauguration ceremony that set the tone for the days to come. Sindh Local Government Minister Saeed Ghani graced the occasion, emphasizing the importance of cultural preservation in national progress. "Sindh boasts one of the richest historical legacies globally, and it is our collective responsibility to showcase this literary and cultural wealth on an international stage," he stated.

OUPP's Managing Director, Arshad Saeed Husain, reiterated the festival's commitment to fostering a reading culture and promoting narratives deeply rooted in Pakistan's heritage. "KLF 2025 once again proves that literature has the power to unite, inspire, and transform. By celebrating the diverse voices of the Indus region, we strengthen our collective identity," he said.

The festival drew an impressive lineup of international and local guests, including French Ambassador Nicolas Galey, U.S. Consul General Scott Urbom, French Consul General Alexis Chahtahtinsky, and British Deputy High Commission's Deputy Head of Mission Martin Dawson. Their presence underscored the significance of literary diplomacy and cultural exchanges in strengthening global ties.

Keynote speakers included renowned art historian and author FS Aijazuddin, OBE, and distinguished playwright Asghar Nadeem Syed. Aijazuddin remarked, "It is essential to hear and share our stories for true societal transformation." Syed added, "Stories, whether structured or spontaneous, carry messages that resonate deeply."

Awards and Honors: Recognizing Literary Excellence

Following the keynote session, Getz Pharma presented prestigious literary awards. The English Fiction Prize went to Bina Shah's The Monsoon War, lauded for its gripping narrative and compelling characters. The Urdu Poetry Award was bestowed upon Koh-e-Malaal by Saeed Shariq, while the Urdu Prose Award was shared between Saat Janam: Novel by Shafqat Naghmi and Sindhu Novelette by Jeem Abbasi. These accolades recognized the immense talent within Pakistan's literary community and underscored the festival's role in encouraging literary excellence.

The evening ended with a mesmerizing performance by the Khwab Dance Company, led by Mohsin Babar, blending traditional and contemporary dance forms in a tribute to the region's rich artistic heritage. The fusion of classical and modern movements captivated the audience, leaving them in awe of the evolving artistic expressions that remain rooted in cultural traditions.

Day Two: Engaging Conversations on Law, Governance, and Literature

The second day of the festival saw heated discussions on governance, constitutional rights, and the role of literature in shaping public consciousness. One of the standout sessions, We the People: Our Constitution and the Rule of Law, featured prominent legal experts and political figures, including former Supreme Court Bar Association (SCBA) president Abid Shahid Zuberi, former senator Raza Rabbani, Senator Zamir Ghumro, and noted lawyers Sara Malkani and Salahuddin Ahmed.

Rabbani lamented the lack of real-world implementation of constitutional principles. "Despite repeated discussions, practical enforcement remains absent. The diminishing culture of resistance within civil society has weakened the rule of law and constitutional supremacy," he asserted.

Ahmed echoed these sentiments, stating, "Until parliament, the judiciary, and the executive meaningfully enforce citizens' rights, the Constitution will remain a mere academic document." Malkani highlighted the reluctance of power elites to embrace constitutional constraints, emphasizing, "A constitution holds relevance only when ruling structures accept its authority and limits on power. In Pakistan, this acceptance has been lacking, leading to constitutional instability."

Zuberi underscored the role of education in strengthening legal awareness, arguing, "Without widespread education, the public cannot fully engage with constitutional principles." Ghumro pointed out that the failure of institutions directly impacts fundamental rights, stressing, "When institutions falter, the people must take it upon themselves to fight for their rights."

The panelists also discussed Pakistan's shifting political landscape, with Rabbani stating that the country had deviated from the vision of its founding leaders. "Pakistan was meant to be a civilian-led state, but over time, it has transformed into a national security-driven state. Civilian authority is at an all-time low," he noted.

Ahmed criticized political leaders for their role in weakening constitutional governance. "Whenever politicians have gained power, they have contributed to undermining the Constitution. Their victim narratives overlook the fact that many leaders originally rose to power with military support." Malkani proposed an "elite bargain" approach, advocating for a minimum level of restraint and power-sharing among political forces. "The Constitution can only function effectively if those in power allow it to operate independently," she concluded.

A Celebration of Storytelling and Art

Beyond political discourse, the festival paid homage to storytelling in all its forms. Panels on contemporary Pakistani fiction, poetry, and historical narratives provided valuable insights into the evolving landscape of South Asian literature. Authors discussed the challenges of publishing in a digital era, the importance of translation in bridging cultural gaps, and the intersection of literature and activism.

Notable sessions included a discussion on the resilience of Urdu literature, featuring acclaimed poets and writers who spoke about the enduring power of language in preserving cultural identity. Another highlight was a panel on the role of women in contemporary literature, where female authors shared their experiences navigating the literary world and the need for more inclusive narratives.

The festival also incorporated interactive workshops on creative writing, screenwriting, and poetry composition, attracting aspiring writers eager to hone their craft. The presence of seasoned mentors guiding young talents exemplified the festival's commitment to nurturing future storytellers.

Final Day: Looking to the Future

The final day of KLF 2025 featured a mix of literary reflections, book launches, and discussions on global politics and media. Sessions addressed pressing issues such as climate change, economic instability, and the role of digital media in shaping public opinion.

One of the concluding panels, The Future of Literature in Pakistan, brought together publishers, academics, and emerging writers to discuss the challenges and opportunities facing the literary landscape. Panelists emphasized the need for greater investment in literary education, increased accessibility to books, and fostering a culture that values reading beyond academic requirements.

As the festival drew to a close, it was evident that KLF 2025 had succeeded in its mission to celebrate literature as a means of fostering dialogue, understanding, and cultural exchange. The festival reaffirmed the power of words to challenge, inspire, and bring people together, leaving attendees with a renewed appreciation for the written word and its role in shaping society.

KLF's Enduring Legacy

Over the past 16 years, the Karachi Literature Festival has grown into one of South Asia's most anticipated literary events. By providing a platform for diverse voices, fostering critical thinking, and bridging cultural divides, KLF continues to play a crucial role in Pakistan's literary and intellectual landscape. As audiences departed with signed books, fresh ideas, and new literary inspirations, the festival's impact was unmistakable—proof that literature remains a powerful force for change.

With its commitment to literary excellence, cultural dialogue, and intellectual engagement, KLF 2025 once again proved that storytelling, in all its forms, will always be at the heart of human connection and progress.

TECHNOLOGY

The Rise of DeepSeek: China's AI Innovation That's Captivating the World

By Hina Kashif

Inside the Mind of Machines: What is AI?

To understand the buzz around DeepSeek, it's useful to first explore the concept of artificial intelligence (AI) and how it enables machines to mimic human-like behaviors.

AI allows machines to learn and solve problems by processing large amounts of data and identifying patterns. This learning process enables the software to perform tasks like conversing with humans or predicting consumer behavior.

In recent years, AI has gained widespread attention, particularly for its role in powering chatbots like ChatGPT and DeepSeek, both examples of generative AI. These AI systems analyze vast datasets, including text and images from the internet, to generate new content.

DeepSeek: The AI Revolution You Need to Know About

DeepSeek is a free, AI-powered chatbot that operates similarly to ChatGPT, offering users an interactive experience with tasks like answering questions, providing recommendations, and assisting with coding or mathematical problems.

Its capabilities are often compared to OpenAI's o1 model, released at the end of last year, particularly in areas like mathematics and coding. Like o1, DeepSeek is classified as a "reasoning" model, meaning it generates responses step by step, mimicking the way humans think through problems or concepts.

One of DeepSeek's standout features is its cost-efficiency. While OpenAI's GPT-4, for example, reportedly cost over $100 million to develop, DeepSeek's creators claim that they trained their model for only $6 million (£4.8 million). This difference in cost could make DeepSeek more accessible and appealing to users.

Additionally, DeepSeek seems to have bypassed the effects of US export restrictions on powerful chips like Nvidia's A100, which have been banned from reaching China since 2022. DeepSeek's founder is said to have stockpiled these chips before the ban, combining them with less expensive, less advanced chips to create an efficient and cost-effective model.

Another factor contributing to DeepSeek's success is its use of less memory compared to other AI systems, which also lowers the cost of tasks for users.

When DeepSeek was released in the US, it became the most-downloaded free app on Apple's App Store. However, its popularity was met with challenges, including large-scale malicious attacks, which led the company to temporarily limit new registrations and face website outages.

Like other Chinese AI models, such as Baidu's Ernie and ByteDance's Doubao, DeepSeek is trained to avoid discussing politically sensitive topics. For example, when asked about the Tiananmen Square incident of June 4, 1989, DeepSeek did not provide any details about the massacre, as this is a politically censored topic in China.

However, while these tools can be incredibly useful, they also have their drawbacks. They can produce misinformation and often reflect the biases found in the data they were trained on.

Today, millions of people use AI tools like ChatGPT to assist with tasks such as writing emails, summarizing text, answering questions, and even basic coding and studying.

The Visionary Behind DeepSeek: Meet Liang Wenfeng

DeepSeek was founded in December 2023 by Liang Wenfeng, and the company launched its first AI large language model in 2024. Despite the rapid rise of the company, not much is publicly known about Liang himself, although his profile is quickly gaining attention as DeepSeek makes waves in the global AI industry. Liang is an alumnus of Zhejiang University, where he earned degrees in electronic information engineering and computer science. His background in these technical fields, combined with his growing prominence in the AI space, has placed him in the international spotlight, including recent appearances at high-profile meetings, such as one hosted by China's Premier Li Qiang, signaling the increasing influence of DeepSeek.

Unlike many American AI founders, particularly those from Silicon Valley, Liang has a distinctive career path that also intersects with finance. He is the CEO of a hedge fund called High-Flyer, which specializes in quantitative trading—using AI to analyze financial data and make investment decisions. Under his leadership, High-Flyer made history in 2019 by becoming the first quant hedge fund in China to raise over 100 billion yuan (approximately $13 million). In a speech that year, Liang remarked, “If the US can develop its quantitative trading sector, why not China?” This sentiment reflects his broader vision of elevating China’s capabilities in both finance and AI, not just as followers of Western technological progress, but as leaders in innovation.

Liang's thoughts on China's position in the global AI race were also revealed in a rare interview where he expressed that China’s AI industry "cannot remain a follower forever." His comments highlight the desire for China to become a dominant force in the AI sector, not merely mimic what has been done in the US. This ambition is part of the driving force behind the success of DeepSeek, which has garnered attention for not just joining the AI race, but challenging Silicon Valley’s dominance as an innovator.

While DeepSeek’s achievements have earned praise, they have also led to scrutiny from global leaders and regulatory bodies. In response to concerns over national security and data privacy, several countries have taken steps to restrict the use of DeepSeek’s technology. For instance, Australia has banned DeepSeek from being used on government devices and systems, citing national security risks. In Italy, the app was blocked on January 30, 2024, and the company was ordered to cease processing personal data from Italian citizens due to concerns about data protection.

Additionally, DeepSeek stores user data on servers located in China, which has raised further questions from global data protection authorities about how the company handles personal information. This has fueled concerns about potential misuse of data and surveillance, contributing to the regulatory challenges it faces in international markets.

Impact on the AI Industry and the US Tech Landscape

DeepSeek’s breakthrough has also had a ripple effect on the global AI market, particularly in how it challenges the notion that only companies with massive budgets and access to the most advanced chips can make significant advancements in AI. DeepSeek’s success, achieved with relatively limited computing resources, has shaken this belief. Wei Sun, a principal AI analyst at Counterpoint Research, noted, "DeepSeek has proven that cutting-edge AI models can be developed with limited compute resources." This has raised questions about the continued dominance of companies like OpenAI, which is valued at $157 billion and has invested heavily in acquiring top-tier hardware and vast computing power.

The news about DeepSeek’s cost-effective AI model had a noticeable impact on financial markets. On January 27, 2024, the news caused a significant sell-off in tech stocks, with the Nasdaq falling more than 3%. This included a major drop in the stock price of Nvidia, a leading maker of chips used for AI development, whose share price plummeted by 17% before beginning to recover the next day. At one point, Nvidia’s market value shrank from $3.5 trillion to $2.9 trillion, knocking it down from its previous position as the most valuable company in the world to third place, behind Apple and Microsoft.

The lower costs associated with DeepSeek’s AI model have raised questions about the sustainability of the high valuations for companies like Nvidia, which had become highly dependent on the AI boom. The news has sparked further concerns in the tech sector about whether these companies can justify their massive spending without seeing equivalent returns.

DeepSeek's Status and Future

Despite its rapidly increasing influence, DeepSeek remains a privately owned company, which means its stock is not available for public purchase on major exchanges. This makes it difficult for investors to directly participate in the company’s growth in the same way they could with publicly traded companies like Nvidia or OpenAI. Nevertheless, DeepSeek’s remarkable achievements and the attention it has garnered globally suggest that it will remain a key player in the ongoing evolution of AI technology, as it continues to challenge both the technological and financial norms of the AI industry.

DeepSeek's Rise: A Challenge to Nvidia's Dominance in AI Chips

The rise of DeepSeek's AI models is seen as providing Chinese chipmakers, such as Huawei, with a stronger opportunity to compete in the domestic market against powerful U.S. processors.

For years, Huawei and other Chinese chipmakers have struggled to match Nvidia’s dominance in producing high-end chips capable of competing with U.S. products used for training models. Training involves feeding large amounts of data to algorithms, helping them learn to make accurate decisions.

However, DeepSeek's models, which focus on "inference"—the phase where AI models draw conclusions—optimize computational efficiency rather than depending solely on raw processing power. This approach is one of the reasons analysts believe the gap between Chinese-made AI processors and their more powerful U.S. counterparts may shrink.

Huawei, along with other Chinese AI chipmakers like Hygon, Tencent-backed EnFlame, Tsingmicro, and Moore Threads, have recently issued statements claiming their products will support Deep-Seek models, though few specifics have been shared. Huawei declined to comment, while Moore Threads, Hygon, EnFlame, and Tsingmicro did not respond to Reuters' requests for further details.

Industry executives predict that DeepSeek's open-source nature and low operational costs could accelerate AI adoption and the development of practical applications. This, they say, could help Chinese firms navigate U.S. export restrictions on their most advanced chips.

Before DeepSeek gained widespread attention this year, Huawei's Ascend 910B chip was already considered by companies like ByteDance to be better suited for "inference" tasks, which are less computationally demanding than training tasks. Inference involves using trained AI models to make predictions or perform tasks like those handled by chatbots.

In China, a growing number of companies, ranging from automakers to telecom providers, have announced plans to integrate DeepSeek's models into their products and operations.

"This development aligns well with the capabilities of Chinese AI chipset vendors," said Lian Jye Su, a chief analyst at tech research firm Omdia. "While Chinese AI chips have struggled to compete with Nvidia's GPU in AI training, AI inference workloads are more adaptable and require greater local and industry-specific expertise."

Nvidia's Continued Dominance

Despite DeepSeek's advancements, Nvidia continues to dominate the AI chip market. Bernstein analyst Lin Qingyuan noted that while Chinese AI chips are competitive in inference tasks, their use is mostly limited to China, as Nvidia's chips are still superior, even in inference.

Although U.S. export restrictions prevent Nvidia from selling its most advanced AI training chips to China, the company is still permitted to sell less powerful training chips that Chinese customers can use for inference tasks.

In a recent blog post, Nvidia highlighted how inference time is becoming an emerging challenge and argued that its chips would remain essential for improving DeepSeek and other "reasoning" models. In addition to raw computing power, Nvidia's CUDA—a parallel computing platform that enables developers to use Nvidia GPUs for general-purpose computing beyond just AI or graphics—has solidified its market dominance.

While many Chinese AI chip companies have not directly competed with Nvidia by encouraging users to abandon CUDA, they have claimed compatibility with the platform. Huawei has been particularly aggressive in trying to break away from Nvidia by offering its own CUDA alternative, called Compute Architecture for Neural Networks (CANN). However, experts point out the challenges Huawei faces in convincing developers to switch from CUDA.

"Chinese AI chip companies are still facing software performance limitations," said Omdia's Su. "CUDA has a rich library and diverse software capabilities, which require substantial long-term investment to replicate."

HEALTH

How to heal health financing: IMF Report

By Harry Javed

Failure to learn from the response to COVID-19 could have grave consequences for global health. The pandemic exposed significant holes in the current international framework, including lack of coordination among multiple organizations and unequal vaccine distribution between high- and low-income countries.

Global health authorities now risk repeating past mistakes in response to the mpox outbreak in sub-Saharan Africa. This crisis underscores the familiar challenge of fragmented donor coordination, leading to slow and insufficient increases in funding. Countries on the front line of the outbreak still lack the systems and financial resources to effectively manage the spread of the disease.

Low- and middle-income countries urgently need additional health resources. But existing resources must be spent efficiently, and coordination between international donors, public and private, should be improved. Developing economies do not allocate sufficient domestic resources to health, and a cumbersome donor architecture undermines external financing. A multipronged approach that prioritizes strengthening country health systems and integrates global initiatives into national strategies could have a lasting impact on health outcomes in these countries.

Daunting diagnosis

There is no single reason for the poor state of health systems in so many developing economies. It reflects a combination of weak public finances, insufficient external assistance, and poor coordination between national governments and international donors.

Small and unspent budgets: Public spending on health in low- and middle-income countries has stagnated at below 2 percent of GDP recently, about half what these countries spend on education—perhaps reflecting finance ministers' perception that donors are doing enough. Spending increased during COVID-19, but many countries have since cut it back to pre-pandemic levels, preliminary data suggest.

This is particularly concerning given the growing demand for health services and the increasing burden of non-communicable diseases, such as cardiovascular disease, cancer, and diabetes, which are rising because of aging populations, more environmental pollution, and changing lifestyles associated with higher incomes.

And money allocated to health budgets is often not fully spent, especially in sub-Saharan Africa. Underspending in the health sector is estimated to lead to a loss of $4 per person, based on constant 2020 prices. That loss equals what low-income sub-Saharan African countries spend on primary health care per person.

Low revenue, high debt: Tax collection in low- and middle-income countries has flatlined and deprived health and other social sectors of resources. In some low-income countries, tax revenue is less than 10 percent of GDP, significantly below the 15 percent recommended by the IMF.

Meanwhile, some developing economies spend over a third of the tax revenue they collect servicing domestic and foreign debt, further constraining spending on education and health. The benefits of earlier debt relief initiatives, such as the Heavily Indebted Poor Countries Initiative of the mid-1990s and the Multilateral Debt Relief Initiative of 2005, have eroded as countries became indebted again.

Stagnant donor assistance: Health aid remained stuck at about 1 percent of low- and middle-income countries' GDP for the two decades or so before the pandemic, with only a small increase afterward. The outlook for future aid appears bleak given fiscal pressure on donor countries and shifting geopolitical dynamics.

As donor countries prioritize reducing their own high debt and spend more on defense and care for aging populations, a significant increase in health aid to low- and middle-income countries seems unlikely.

Fragmentation: External health aid is often volatile and prioritizes global agendas over national needs. Disease-specific programs, known as "vertical funds," have proliferated and have led to a fragmented landscape of multiple donors operating independently, duplicating efforts, and breeding inefficiency.

Over the past 15 years, the number of donors of all types of aid has doubled, and the number of donor agencies has tripled. Yet donor financial flows have grown only by 50 percent, and the size of both official grants and official flows has decreased (see Chart 1).

The requirements donors impose on aid-receiving countries to ensure that funds are spent properly, driven by concerns about governance, are well-intentioned but cumbersome. They increase the cost of absorbing external resources and make it more expensive for countries to develop their government capacities in health agencies.

Aid "localization":Many bilateral donors channel aid through nongovernment agencies on the ground rather than directly through the receiving country's health authorities. Recent initiatives, including by the US Agency for International Development have increased local nongovernment participation in health aid, a process known as "localization".

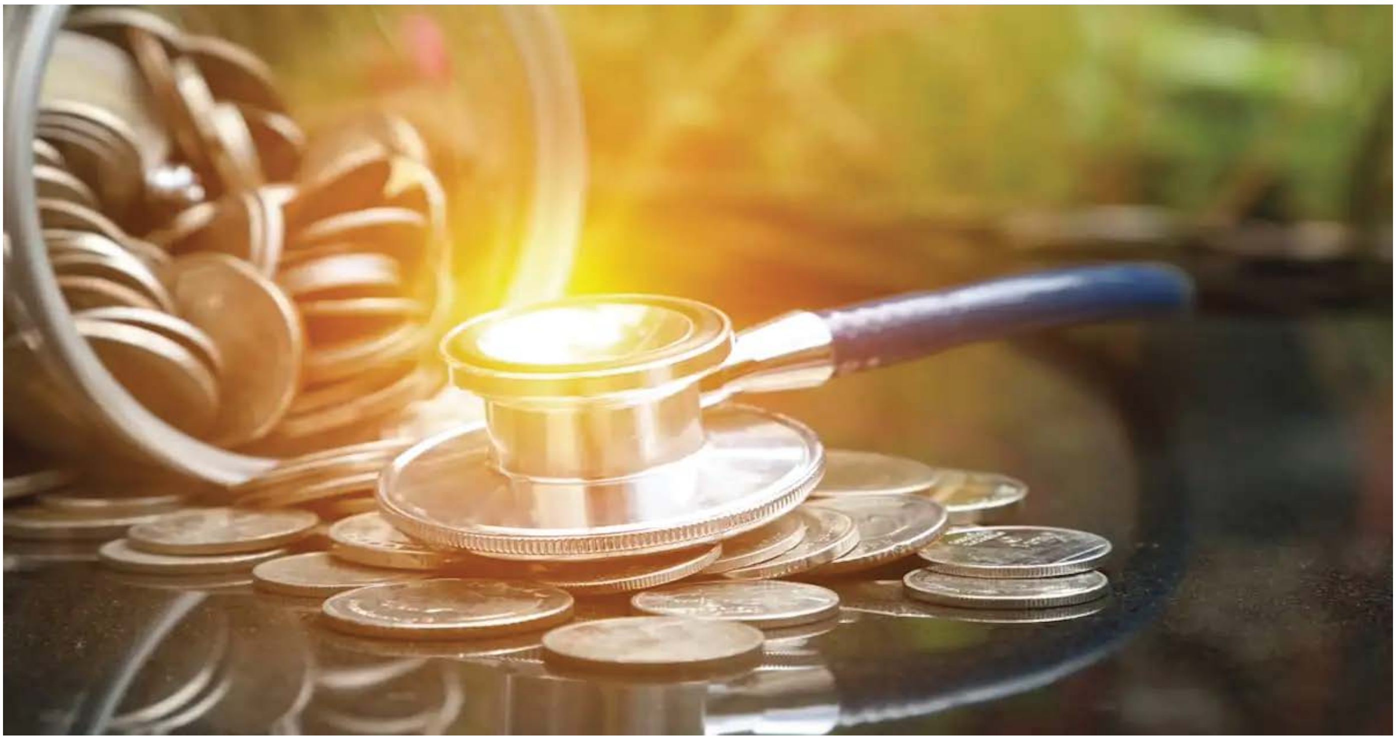
Continuing off-budget grant financing through local NGOs may prolong dependence on foreign aid and lead to perverse incentives for increasing domestic financing. It can also draw essential health workers away from local health ministries and create coordination challenges between country authorities and other donors.

Integrated approach

Treating this complex diagnosis requires a shift from single-focus interventions, aimed at controlling a specific disease, toward integrated approaches that consider the complex interplay between health, economic, and social factors. There is no need for a revolutionary approach: the 2023 Lusaka Agenda called for greater alignment of global health initiatives with country health systems and primary health care in Africa, consistent with the 2005 Paris Declaration on aid effectiveness.

To advance this agenda, the global health community would do well to recognize the need for reform and commit to an approach that strengthens countries' health systems and integrates global initiatives with national strategies. After all, no country, regardless of income level, has achieved universal health coverage without major increases in public spending.

On the domestic side, countries must rely progressively more on their own resources, which are more stable. The goal should be to finance all or most core health activities domestically. For that, low- and middle-income countries need to increase revenues. These countries could raise an additional 5–9 percent of GDP over time, according to IMF estimates.



Countries can do this if they strengthen domestic tax systems by broadening the tax base and improving tax compliance. To generate additional revenue quickly, many countries are considering raising taxes on tobacco. This approach may provide additional revenue in the short term, but such taxes are not a long-term solution: consumption will likely decline over time—a primary goal of the tax. Ultimately, the objective should be less dependence on donor funds for the health sector.

At the international level, donors should align their efforts with countries' priority of universal health coverage. This can significantly improve the coordination of disease-specific vertical health funds, allowing gradual expansion of benefits and less spending inefficiency. The medicine is not new: the 2005 Paris Declaration aims to improve the impact of aid and could provide the necessary framework to align donor activities with national health strategies. (Tensions, though, are always likely because donors often favor vertical funds that demonstrate results to their own legislators and other stakeholders.)

A permanent global health and finance coordinating body would be another step toward improving coordination and accountability. The Group of Twenty Joint Finance and Health Taskforce, established in response to the COVID-19 pandemic, is a model for such a body. It brought together finance and health ministries and key global health actors, which led to better coordination and helped reduce duplication. Together with the World Bank and World Health Organization (WHO), a permanent coordinating body would be a forum for dialogue, collaboration, and transparency between global health and finance stakeholders.

Sustainable systems

This coordination should also include better procurement. Pooled systems for donor funds can reduce inefficiency and strengthen receiving countries' public financial systems and procurement capacity.

Consolidation could start with organizations such as the Global Alliance for Vaccines and Immunization and the Global Fund, which could adapt their reporting systems to use pooled procurement effectively. Over time, this approach could include other key donors, such as UNICEF, WHO, and entities mandated to procure health products.

To complete the treatment, finance and health ministries must understand why it can be difficult to spend budgets they already have. The IMF and multilateral development banks assist to strengthen public financial management broadly, but they should emphasize better budget execution within the health sector. A finance minister probably won't raise the budget allocation if a health minister cannot spend the existing budget.

Most low- and middle-income countries are well behind their health-related Sustainable Development Goals. Maternal mortality remains high: over 287,000 women died from pregnancy and childbirth complications in 2020. Child mortality reductions are too small to meet targets, and preventable problems such as neonatal conditions, pneumonia, and diarrhea still led to nearly 5 million deaths in 2022. Despite available low-cost, effective technologies, 59 countries are expected to miss the target for under-five child mortality.

The global health community can ditch the status quo and chart a new course toward integrated, sustainable health systems aligned with broader economic and development goals. Commitment and collaboration will build a healthier, more equitable world for all.

SPORTS

Economic and Cultural Impact of Hosting ICC Champions Trophy 2025 for Pakistan

By Saad Khan Jadoon

Pakistan is set to host an ICC event after 28 years. The ICC Champions Trophy 2025 is set to be a landmark event for Pakistan, as it brings together the world's top cricketing nations to compete for one of the sport's most prestigious titles. Organized by the International Cricket Council (ICC), the tournament holds immense significance not only in the cricketing world but also in terms of economic growth, tourism, infrastructure development, and global recognition for Pakistan. As the host nation, Pakistan is poised to experience a major boost in various sectors, creating long-term benefits beyond the tournament itself.

Economic Boost for Pakistan

Hosting the ICC Champions Trophy 2025 presents a significant economic opportunity for Pakistan. The event will drive revenue across multiple industries, including tourism, hospitality, retail, media, and infrastructure development. With thousands of cricket fans, international teams, and media personnel expected to visit, Pakistan will witness increased spending on travel, accommodation, food, and local services, contributing to an economic uplift.

Tourism and Hospitality Growth

The influx of cricket fans from across the globe will provide a substantial boost to Pakistan's tourism industry. Major cities such as Lahore, Karachi, and Rawalpindi, which are to host matches, will benefit from increased hotel bookings, local transportation use, and higher footfall in restaurants and shopping centers. The global spotlight on Pakistan's cities will encourage more tourists to explore the country's cultural and historical landmarks beyond the tournament, promoting sustained tourism growth.

Additionally, the hospitality sector will expand, with hotels, guest houses, and local eateries witnessing a surge in demand. This will not only generate immediate revenue but also create long-term business opportunities for local entrepreneurs in the travel and leisure sectors.

Sponsorships, Media Rights, and Investment Opportunities

The Champions Trophy will attract major international sponsorships and broadcasting deals, injecting substantial foreign investment into Pakistan's economy. With millions of cricket fans tuning in worldwide, companies will compete to secure advertising and sponsorship opportunities, directly benefiting the Pakistan Cricket Board (PCB) and other stakeholders. The increased media attention will further enhance Pakistan's commercial appeal, potentially attracting foreign investors in other industries as well.

Moreover, the tournament's success could pave the way for future international sporting events, solidifying Pakistan's position as a reliable host for global tournaments and increasing confidence among international investors.

- The 2017 ICC Champions Trophy generated over $250 million in broadcasting revenue; similar figures are expected for the 2025 edition, with Pakistan benefiting from a significant share.
- Sponsorship and brand endorsements for the tournament could bring in approximately PKR 30-40 billion ($100-$140 million).

Transportation and Public Services Enhancement

Investments in transportation networks, airport upgrades, and road improvements will be essential to accommodate an influx of international visitors. Expanding public transport and better traffic management strategies will improve city connectivity, benefiting citizens long after the Champions Trophy concludes. Additionally, enhanced security measures will be implemented, ensuring a safe and welcoming environment for visitors. This will also help change global perceptions about Pakistan's ability to host international events securely.

Infrastructure Development and Modernization

Hosting an international event of this scale requires significant infrastructure development, which will have long-term benefits for Pakistan's urban landscape. Investments in stadium renovations, transportation networks, and urban development will improve overall city infrastructure, benefiting residents beyond the tournament.

Upgrading Cricket Facilities

The revitalization of stadiums in Pakistan will ensure world-class sporting facilities, attracting future international matches and domestic tournaments. Improved stadiums will enhance the fan experience, increase ticket sales, and boost local economies in host cities.

Employment Generation and Business Growth

One of the most significant economic benefits of the ICC Champions Trophy 2025 is the creation of thousands of job opportunities across multiple sectors. Temporary and permanent employment will increase in areas such as event management, hospitality, tourism, media, security, and retail.

Workforce Training and Development

To meet the high standards required for hosting an international event, Pakistan will invest in workforce training programs, particularly in customer service, event coordination, and tourism management. This will equip local workers with valuable skills, enhancing their employability beyond the tournament.

Additionally, local businesses will experience higher demand, leading to increased entrepreneurial opportunities and small business growth. This event will catalyze long-term economic expansion by fostering an environment where businesses thrive.

Cultural and Global Recognition for Pakistan

Beyond the economic impact, the ICC Champions Trophy 2025 will be a game-changer for Pakistan's global image. The tournament offers an opportunity to showcase Pakistan's rich culture, hospitality, and love for cricket to an international audience.

Changing Perceptions Through Sports Diplomacy

Pakistan has worked hard to regain its place as a destination for international cricket. Successfully hosting the Champions Trophy will reinforce Pakistan's ability to organize world-class sporting events, fostering greater international confidence. The event will also strengthen diplomatic ties with other cricketing nations, encouraging further collaboration in sports and trade.

Promoting Pakistani Culture and Tourism

With millions of viewers watching from around the world, Pakistan will have a unique chance to promote its historical landmarks, cuisine, traditions, and local attractions. The exposure will encourage global tourists to explore Pakistan beyond the cricket stadiums, supporting long-term tourism growth.

Long-Term Economic Legacy

The benefits of hosting the ICC Champions Trophy 2025 will extend far beyond the tournament itself.

- Sustained tourism growth: International visitors may return to Pakistan for future travel, contributing to a steady influx of tourists.

- Sports infrastructure development: Investments in stadiums and facilities will boost domestic cricket and encourage Pakistan to bid for more international events.
- Economic diversification: Increased international exposure can attract foreign investment in sectors beyond sports, including trade, technology, and real estate.
- Enhanced national pride: A successful tournament will elevate Pakistan's global standing, fostering a sense of unity and national pride among citizens.

Ticket Money

As the host board, the Pakistan Cricket Board (PCB) holds the principal right over gate revenue for all Champions Trophy 2025 matches. However, the PCB and the International Cricket Council (ICC) have remained silent on this matter, raising concerns about the potential loss of a significant revenue stream.

Ticket prices for the tournament in Pakistan remain highly affordable compared to international standards. The most expensive ticket for a match in Pakistan is PKR 25,000, significantly lower than ticket prices in Dubai, where premium match tickets are substantially higher.

A media report has revealed that the Pakistan-India clash alone has generated a record-breaking PKR 3.47 billion ($12 million) in ticket sales, making it one of the most financially lucrative matches in cricket history. Additionally, India's group-stage fixtures against Bangladesh and New Zealand are expected to generate approximately PKR 6.73 billion ($23 million) in total revenue.

The report further highlights that ticket prices for the Pakistan-India encounter in Dubai ranged from AED 500 ($136) at the lowest to AED 12,500 ($3,400) at the highest. Due to high demand, all tickets for this marquee showdown were sold out within an hour. Speculation suggests that major financial groups may have purchased tickets in bulk to resell them at higher secondary market prices, capitalizing on the event's immense popularity.

Financial Dynamics and Challenges

The financial dynamics of ICC funding highlight significant disparities among member nations. While Pakistan earns $13 million annually, India receives 38% of ICC revenue, amounting to $90-95 million. Despite this financial imbalance, the Pakistan Cricket Board (PCB) continues to assert its influence in international cricket governance.

Under the hybrid model, the Pakistan Cricket Board (PCB) will receive approximately $4.5 million (around Rs 38.2 crore) in compensation. This financial support is designed to cover the economic impact of hosting matches outside Pakistan.

Former Indian cricketer Aakash Chopra has highlighted that this arrangement effectively protects PCB from potential financial setbacks.

- The PCB will secure an additional $4.5 million from the ICC as part of the compensation package.
- This funding is allocated to cover the expenses associated with organizing matches at neutral venues.
- The hybrid model ensures that PCB remains financially stable and does not incur any losses due to logistical adjustments.

The ICC has not officially announced the prize money for the 2025 Champions Trophy. However, based on previous tournaments, the prize pool is expected to be adjusted by the tournament's expanded budget. This increase will not only accommodate the winners' rewards but also cover various organizational and operational expenses.

For reference, the 2017 ICC Champions Trophy had a total prize pool of $4.5 million, with Pakistan, the tournament's champion, receiving $2.2 million. Given the significantly higher budget allocated for the 2025 edition, the total prize money is expected to be substantially larger, reflecting the rising costs and broader scope of the event.

The ICC Champions Trophy 2025 represents more than just a cricket tournament for Pakistan—it is an opportunity for economic transformation, global recognition, and cultural exchange. With strategic planning and effective execution, this event has the potential to reshape Pakistan's economic and sporting landscape, leaving a lasting legacy that benefits the nation for years to come.

By leveraging the global spotlight, Pakistan can not only showcase its passion for cricket but also position itself as a key player in the world of international sports and tourism.

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