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Geo-economics and Pakistan: A critique Chief Minister Election in Punjab

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Geo-economics and Pakistan: A critique

Geo-economic aspirations of Pakistan against the backdrop of geo-politics of South Asia

Ankit Singh



Image Source: Dawn

On 21 July, Javid Hussain had written for an editorial in the Dawn titled ‘Defining Geo-economics’. The application and interpretation of geo-economics was discussed in the geographical and historical landscape of Pakistan. The author went on to draw a corollary of an EU-like set-up in the region around Pakistan for the future ahead. However, the author stressed that the hegemonic aspiration of India in South Asia would act as a spoiler and tried to offer an alternative.

What is geo-economics?

Geo-economics is a modern world concept, as the world is constituted, it is a spatial imagination among the imagined communities of nation-states in their space-time journeys. Geo-economics develops on the shared vision of futures, whereby instead of monopoly or one-sided prosperity, economic complementarities nudge nation states to maximise their prosperity in international trade and other means of interstate economic cooperation. The principles of high national savings, higher investment rates, resilient and competitive science and technology research and concerted efforts towards human resource

development are conducive in enhancing connectivity and prosperity.

However, there are nuances in accepting a formal definition of geo-economics. When one ascribes to just economic parameters like national savings and research, one inevitably ignores other aspects like history, watershed patterns, climate and cultural affinities as reinforcing factors in the economic integration of a geographical region.

Lastly, geo-politics always trumps geo-economics, as author also affirms to it. Therefore, geo-economics needs to be made suitable and adaptable for geopolitical discourse to ensure maximum benefits with minimum risks.

What is geo-economics for Pakistan?

Pakistan’s first-ever national security policy puts its economy, demography and security as three guiding pillars of the national security objectives of the country. In March 2022, during the Islamabad Security Dialogue, Chief of Army Staff Qamar Javed Bajwa in his speech put forth a peaceful and prosperous South and West Asia as the goal of Pakistan to enable shared regional prosperity. The author maintains that geo-economics needs to be void of hegemonic designs. And instead of just imagining an economic integration with South Asia, he leads the readers in exploring the possibilities of Pakistan’s integration with Iran, Turkey, Afghanistan, the Central Asian states and Azerbaijan.

On 22 July, during a third meeting of the China Pakistan Economic Corridor (CPEC)

joint working group, both sides affirmed welcoming any third country joining CPEC for mutually beneficial cooperation, that statement was made in the context of the extension of CPEC to Afghanistan.

Why is Pakistan looking towards West Asia?

For Pakistan to maximise its geographical positioning, Pakistan should instead orient itself in westward expansion. There is no country like India in the west of Pakistan, hence it wouldn't need to shield its economy against the economic clout of a hegemon like India. The author contends that Pakistan should go for rapid economic growth as China has done since 1980. This would help Pakistan in leveraging its strategic location to develop trade, economic and transportation links with regional countries. The westward expansion of trade and people link for Pakistan is preferred by the author to facilitate a more efficient allocation of resources, enhanced productivity through increased competition and the economies of large-scale production, and lower prices. The author is also critical of the South Asia connectivity paradigm under an institution like SAARC. On top of this, the author is also critical of religious and cultural divergences between India and Pakistan. The author adds that the caste system in India which prevents vertical social mobility is also a barrier to economic integration in South Asia.

What is the author's take on Pakistan's developmental aspirations?

Javid Hussain is not presenting a new alternative, the grand strategy for Pakistan had begun before its independence. The stalwarts of the Pakistan movement had a common desire to wriggle themselves free from the sphere of influence of the baniya (Indian) psyche/economic thinking, which still runs deep in the masses today. After independence, the reshaping of geographical orientation began with the imposition of one

language and then lingered in politics and economic domains. Meghnad Desai and Dharma Kumar in their seminal work titled 'The Cambridge Economic History of India', recorded in Chapter IX, that the newly created Pakistan opted for import substitution rather than keeping up export-led growth, which was an efficient case in the Eastern wing. Over the year until 1971, the disparity ratio, in terms of per capita GDP, kept on increasing which costed dear to Pakistan. Therefore, the problem is perhaps contextualised in current times. Discarding the huge size of India is impossible, yet that remains the geographical reality and expecting an equal footing through protection and security guarantee is like revisiting globalization after the dissolution of the USSR. Nation states are witnessing deglobalization now, therefore anything ideal along economic connectivity is bound to face more problems rather than a careful approach. As far as the argument of social mobility goes, mobility is even more restricted in Pakistan as has been researched by various scholars on the elites in Pakistan. Affiliation to tribe and community is also a strong binding factor which predates any citizenry, people hold fast to their customs. The fragmentation in Pakistan is also recognizable to an extent. This is where Hussain is more comfortable with the westward outlook, which has been the aspiration of leaders in Pakistan to levitate all along the oil boom in the Gulf and now the natural gas boom in central Asia. However, for Pakistan to follow the Chinese growth model could have been given more word weight. Chinese expansion was in manufacturing and then later to services, it was rather a gap which China filled in the late twentieth century. What and where should Pakistan fill the gap when most nations are looking inward for self-reliance, in the mid-twenty-first century has not been pondered upon.

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PAKISTAN IN BRIEF

POLITICS

Only early election can end economic, political crises, says Imran Khan

On 27 July, Imran Khan Reiterated that early elections under a new election commissioner are the only way out of the “economic crisis that it is facing today.” Further, he said, “Pakistan was on an upward trajectory and that’s when a conspiracy was hatched against us,” adding, “We were on a fast pace on the agricultural front with all four bumper crops witnessing progress,” adding, “The way we tackled the situation during the Covid-19 pandemic was also admired by the international organisations.” (“[Only early election can end economic, political crises: Imran](#),” *The Express Tribune*, 28 July 2022)

PML-Q central working committee unanimously decides to remove Shujaat as party chief

On 28 July, the PML-Q central working committee unanimously decided to remove party President Chaudhry Shujaat Hussain and General Secretary Tariq Bashir Cheema from their party positions. The committee claimed the PML-Q chief was unable to take ‘prudent’ party decisions owing to his ill health and the latter was conspiring against and using the party for his personal interests. The committee also decided to hold fresh elections for top party positions within 10 days. (Mansoor Malik, “[PML-Q strips Chaudhry Shujaat, Tariq Bashir Cheema of party roles](#),” *Dawn*, 29 July 2022)

INTERNAL

Ruling coalition boycotts Supreme Court proceedings on Punjab CM election

On 26 July, the counsel for Punjab Assembly Deputy Speaker Dost Mohammad Mazari and PPP’s counsel informed the Supreme Court that their client had instructed them not to participate further in the case proceedings. This decision comes

as the Supreme Court resumed hearing PML-Q leader Chaudhry Parvez Elahi’s petition challenging the deputy speaker’s ruling in the recently held re-election for the Punjab chief minister, which led to Hamza Shehbaz’s victory.

Previously, on 25 July, PDM chief Maulana Fazlur Rehman announced a boycott of the proceedings following the Supreme Court’s refusal to constitute a full court to hear the plea against the Punjab chief minister’s election.

Supreme Court rejects government’s request for full court bench on petitions

On 25 July, the Supreme Court rejected the coalition government’s request to form a full court bench on petitions related to the recently held Punjab chief minister’s re-election. Chief Justice Umar Ata Bandial ruled that full bench are formed only in serious matters and that currently only two more judges are available. Further, he added, “If the incumbent government is not accepting the Supreme Court’s [supremacy] then it is a grave [concern].” (Haseeb Bhatti, “[‘Boycott’: Mazari and PPP’s lawyers tell SC they won’t participate in proceedings on Punjab CM election](#),” *Dawn*, 26 July 2022; Syed Irfan Raza, “[Ruling alliance to boycott court proceedings](#),” *Dawn*, 26 July 2022; “[Full court not formed to keep ‘honest judges’ away: Maryam](#),” *The Express Tribune*, 26 July 2022)

COAS address 249th Corps Commanders Conference

On 25 July, COAS Gen Qamar Javed Bajwa while speaking at the 249th Corps Commanders Conference expressed the army’s resolution to curb terrorists involved in recent terrorism incidents and ensure security in the country. Further, border and internal security were reviewed during the meeting. (Baqir Sajjad Syed, “[Army vows to hunt down terrorists, ensure security](#),” *Dawn*, 26 July 2022)

Pakistani delegation of Ulema fails to convince TTP's stance

On 25 July, a Pakistani delegation of Ulema failed to convince the TTP to soften their stance in peace talks with Pakistani negotiators. The 13-member delegation including religious scholars met with Mufti Noor Wali and other Taliban leaders from the erstwhile Fata. Their demand for reversal of the FATA merger was refused by TTP leadership. They said, "They cannot trust the ulema in absence of concrete assurances from the military establishment which wields the real power in Pakistan". (Shahabullah Yousafzai, [Pakistani Ulema fail to soften TTP in Kabul meetings](#)," *The Express Tribune*, 27 July 2022)

First phase of the digital census by NADRA to get over by 3 August

On 26 July, Second Census Monitoring Committee presided over by Federal Minister for Planning and Development held its meeting to review the progress of the digital census' pilot phase. Representatives from the Pakistan Bureau of Statistics (PBS), finance ministry, National Database and Registration Authority (NADRA), Council of Common Interests (CCI), NTC, all provinces, AJK and G-B were present. Discussing on the nature of digital census, the NADRA chairman said, "the comprehensive digital solution included development and deployment of android-based house listings and enumeration application synchronised with global positioning system (GPS) and geographical information system (GIS), data centre services, call centre services, establishment of technical support centres at each tehsil level along with online web portal for general public with other allied services. The system will ensure accuracy, accountability and transparency throughout the process." ("[NADRA to complete first-ever digital census by Aug 3](#)," *The Express Tribune*, 27 July 2022)

PDM demands a full bench for interpreting Article 63-A

On 28 July, Pakistan Democratic Movement recommended to the government to send a presidential reference to the Supreme Court which is essential in view of wide differences of opinion among different circles as well as legal experts, media and civil society, for "a way out of the prevailing constitutional and political crisis." JMI Chief demanded from the podium to declare the ruling of the foreign funding case of PTI, he said: "Under the resolution, it is also our demand that the ECP must immediately announce its verdict in the foreign funding case, which has been lingering for eight years." Speaking on the occasion, PML-N Vice President Maryam Nawaz said the plea for a full-court bench was rejected by the Supreme Court to "facilitate *Laadla*" (the blue-eyed) and deliver an unjust verdict to dent the government. ("[Govt must send presidential reference to SC for full bench's interpretation of Article 63-A: PDM](#)," *Dawn*, 29 July 2022)

Delaying PTI funding case verdict is discriminatory, says PM

On 28 July, Shehbaz Sherif voiced an alarm on Twitter over the delay in the announcement of the verdict in the prohibited funding case against PTI. The tweet came two days after the PM urged the ECP to announce the long-delayed judgment. Rana Sanaullah also called upon the ECP for an early decision in the prohibited funding case. He said the ECP should not only announce the decision but also take action against the party and alleged that during the last eight years PTI was using delaying tactics to prevent the case from reaching a logical conclusion. (Iftikhar Khan, "[PM alarmed over delay in PTI funding case verdict](#)," *Dawn* 29 July 2022)

Disqualification of PM, interior and foreign ministers forwarded by PTI

On 30 July, Dawn reported that the Lahore High court will hear the petition of PTI as an objection case seeking disqualification of

Shehbaz Sharif, Bilawal Bhutto Zardari, and Rana Sanaullah on 1 August. The LHC office objected to the petitioner's maintainability saying that the necessary documents had not been provided by the petitioner and it will be decided on August 1. The petitioners of the case stated that the PM has misused his powers and violated the official secret act 1923 of the constitution by allowing his son and nephew, both proclaimed offenders, to meet the Saudi crown prince during an official visit. ("[PTI plea for disqualification of PM, interior and foreign ministers](#)," *Dawn*, 30 July 2022)

Controversial discussion over the economic crisis in the house

On 30 July, Dawn reported controversy over the prohibited funding in the house as the ruling and the opposition traded charges in the senate holding each other responsible for the economic breakdown. Shahzad Wasim held the present government responsible for the economic breakdown and the PPP senator pointed out that the PTI was promising to break the condition but almost doubled the debt in just four years of power. (Iftikhar A Khan, "[PTI funding, economic crisis dominate discussion in Senate](#)," *Dawn*, 30 July 2022)

Opposition calls on Imran Khan to come clean or sue Financial Times

On 30 July, PML-N leader Mohammad Zubair called on Imran Khan to "come clean" by accounting for his party's funds and challenging the Financial Times story in a court. Additionally, he called on the Supreme Court to take suo motu notice and summon Imran in the eight-year-long prohibited funding case, of which the FT story was a "small part. Similarly, Prime Minister Shehbaz Sharif said, "The investigative report of the reliable international organization Financial Times is a serious indictment against Imran Niazi, which has exposed the facts of foreign funding of PTI, remittance of illegal huge amounts. The concrete facts mentioned in the report are telling that Imran Niazi is a

figure of lies, contradictions and hypocrisy." This comes after Financial Times published a report investigating how the PTI accrued funds through cricket matches organised under Wootton Cricket Ltd. ("[Moment for Imran to come clean': PML-N's Zubair dares PTI to sue Financial Times](#)," *Dawn*, 30 July 2022)

PROVINCES

Punjab: Deputy Speaker Dost issues detailed reasons for rejecting PML-Q votes

On 24 July, Punjab Assembly Deputy Speaker Dost Muhammad Mazari issued detailed reasons for rejecting Pakistan Muslim League-Quaid (PML-Q) votes during the chief minister elections. In the two-page written reasons, he said, "I have also considered the contents of directions of the party head of the PTI, which formed the basis of de-seating of 25 members and exclusion of their votes from the tally of vote count of April 16," adding, "Based on the judgment of the Supreme Court, various petitions were filed before the Lahore High Court. A five-member LHC bench decided the petitions vide order dated June 30 and directed to exclude the votes of 25 members who violated the directions and voted in favour of Hamza. Further, he said, "Consequently, today's election was held between Hamza and Chaudhry Pervaiz Elahi, who were the contesting candidates in the elections previously held on April 16. As per the results in terms of the procedure laid down in the Second Schedule, Hamza polled 179 votes whereas Elahi received 186 votes." (Hasnaat Malik, "[Mazari issues reasons for rejecting PML-Q votes](#)," *The Express Tribune*, 25 July 2022)

Punjab: 37-member cabinet administer oath; Opposition terms it as a violation

On 24 July, a 37-member cabinet of Chief Minister Hamza Shehbaz took oath of their offices. Meanwhile, the opposition PTI and PML-Q termed it a violation of the court orders. PTI leader Fawad Chaudhry stated that the oath-taking of the cabinet is against

the Supreme Court orders because Hamza is not an “elected” chief minister, adding, “They are making fun of the court orders. They are acting like the Sicilian mafia, which is a matter of concern.” (Amjad Mahmood, “[37-member Punjab cabinet sworn in](#),” *Dawn*, 25 July 2022)

Punjab: PDM demands full bench hearing in Punjab Deputy speaker ruling

On 25 July, PDM leaders gathered in PM House and organised a press conference to put their grievance against perceived partially exercised by *adliya* (judiciary). At the outset, PML-N Vice President Maryam Nawaz claimed that party leaders were being discriminated against in judicial cases. Foreign Minister and PPP leader Bilawal Bhutto stressed that for decades their party ad struggled and sacrificed its leaders to strengthen the constitution and one judgement should not allow to change the democratic system of the country. Jamaat-i-Islami chief Fazlur Rehman endorsed what was claimed by Maryam Nawaz. Mohsin Dawar chairman of the National Democratic Movement also reminded us how biased the judiciary has been in cases against his partner Ali Wazir, while leaders from PTI have escaped such harassment. The leaders warned against immediate *siyaasi bohraan* (political storm) and repercussions against the establishment and in the country. (“[Coalition reiterates demand for full bench ahead of SC hearing on Elahi’s petition](#),” *Dawn*, 25 July 2022)

Punjab: Defence police arrested two security guards for robbing a Chinese national

On 24 July, the Defence police arrested two security guards for robbing a Chinese national woman of Rs200,000 cash and a motorcycle. According to the first information report (FIR), the victim was held hostage after she was taken by the suspects at gunpoint. (“[Chinese woman robbed by her security guards in Lahore](#),” *Dawn*, 25 July 2022)

Balochistan: All parties should be a part of resolving the country’s issues, says BAP

On 25 July, a joint meeting of senators and MNA’s of the ruling BAP expressed concern over the prevailing political situation and offered to play their role in reducing political temperature stating all political parties should give priorities to the state instead of politics in the prevailing situation. The statement issued by BAP emphasizes that the parties play a role in resolving the economic issues facing the country for the sake of integrity and stability. (Saleem Shahid, “[BAP offers to mediate between govt, opposition](#),” *Dawn*, 26 July 2022)

Rains wreak havoc in parts of Sindh and Balochistan

On 26 July, Dawn reported on damage, deaths and stranded families due to torrential rain, at least eight more people lost their lives in rain-related accidents while several people stranded due to washing away of bridges and roads awaited rescue. The traffic between Quetta and Karachi which was suspended after heavy rains washed away parts of the highway, including three bridges, could not be restored despite a passage of 48 hours. The Lasbela Chamber of Commerce and Industry (LCCI) urged the government to construct a new bridge after the bridge on the Hub River was washed away by floods. It also urged the power companies to restore power in Hub which had been suspended as a result of flooding in the area that destroyed pylons. (“[8 dead, many stranded in rain-hit Balochistan, Sindh](#),” *Dawn*, 27 July 2022)

Punjab: Final rounds of discussion for speaker and deputy speaker vacancy

On 28 July, Dawn reported that the final decision for the offices of speaker and deputy speaker of the Punjab assembly will be taken when Imran Khan arrives in Lahore, nominating Sibtain Khan by the PTI- PML-Q coalition. A meeting of the PML-N and PPP parliamentary representatives was held under the deposed

CM for consultation on future politics in Punjab and discussed the name of the candidates for the offices of the speaker and deputy speaker. (“[A tug of war for Punjab Assembly speaker, deputy slots](#),” *Dawn*, 28 July 2022)

Balochistan: Demonstrators demand safe release of ‘missing persons’

On 27 July, family members of missing Aslam Mengal and Shah Fahad Baloch marched on several roads and staged demonstrations chanting slogans to demand their safe and immediate release outside the Kharan Press Club. Mengal’s sister told journalists he had been picked up by plainclothes armed men on July 18 from his home in Kharan and missing since then. Shah Fahad’s sister told the missing being for more than four months. Mir Jumma Kubdani Balochistan Mengal Leader expressed his concerns over growing incidents of enforced disappearances in Kharan urging the authorities to find the missing persons. (Ali Raza Rind, “[Families protest ‘enforced disappearance’ n Kharan](#),” *Dawn*, 28 July 2022)

Punjab: Assembly set to elect its new speaker

On 29 July, The Punjab Assembly is set to elect its new speaker as both the ruling coalition and the opposition alliance have pitched their candidate for the post. The House adopted a resolution seeking suspension of the assembly rules that authorize the governor to summon for the contest and also held a vote of no confidence against the Deputy Speaker. The motion was adopted with a majority vote. (“[Punjab Assembly speaker election today](#),” *Dawn*, 29 July 2022)

Balochistan: Economy gets focus after CPEC, says Murshid

On 28 July, Senate Defense Committee chairman Mushahid Hussain Syed while speaking at a webinar on the Development of Balochistan under CPEC stated that the policymakers in Islamabad are looking at

Balochistan through an economic lens for the first time due to the CPEC, rather than the military-driven, security-centric approach for the province. He told the participants about the condition of Balochistan historically, how it has been underdeveloped for a long time despite being the country’s largest province due to a lack of socio-economic infrastructure and education employment opportunities and thus seeks good opportunities for Balochistan to develop for a better future. (“[CPEC has helped shift focus to Balochistan economy, says Mushahid](#),” *Dawn* 29 July 2022)

Punjab: PTI's Sibtain Khan secures 185 votes in speaker elections

On 29 July, PTI’s Sibtain Khan was elected as chief minister of Punjab after he secured 85 votes of the total 364, while PML-N’s Saiful Malook Khokhar managed 175. Following this, Khokhar challenged Khan in the Lahore High Court 30 July, maintaining that it was held in an “illegal and unconstitutional manner.” Additionally, he argued that the “impugned” election of the Punjab Assembly speaker was held in violation of Article 226 of the Constitution as votes had not been cast through a secret ballot. (Rana Bilal, “[PML-N's Saiful Malook moves LHC against Sibtain Khan's election as Punjab Assembly speaker](#),” *Dawn*, 30 July 2022)

Balochistan: Kech operation kills six militants and one soldier

On 29 July, the Inter-Services Public Relations (ISPR) stated that six armed militants and one soldier were killed during an operation in Kech district. According to the ISPR, security forces had conducted the operation based on information that a “terrorist group” was on the move from Kech to Panjgur.. (Saleem Shahid, “[Six ‘militants’ killed, soldier martyred in Kech operation](#),” *Dawn*, 30 July 2022)

ECONOMY

Pakistan is not vulnerable, says SBP chief

On 24 July, the State Bank of Pakistan released a podcast featuring Acting Governor Dr Murtaza Syed. Giving relative facts on several debt and tax-related parameters, the governor explained that only seven per cent of Pakistan's external debts are short-term, other countries have taken much higher short-term external loans, like Turkiye (30 per cent). Pakistan has taken only 20 per cent of its borrowings on commercial terms, which are concessional loans, taken from IMF, World Bank or friendly countries. He stressed that Pakistan can afford to slow down its economy a bit and said, "Interest rates have been increased very proactively by SBP, while other vulnerable countries have not increased their interest rates. Pakistan's budget will be difficult this year, so we are working on tightening the belt to reduce the economic vulnerability of our nation." Deputy Governor of SBP, Dr Inayat, said: "Currently, we are not in a debilitating crisis, so we do not need to pledge these gold reserves. We must not panic. I advise the Pakistanis to reject the fake news reports drawing a doomsday scenario for Pakistan." (["Pakistan is not vulnerable: SBP chief,"](#) *The News International*, 25 July 2022)

Pakistan obtains foreign loans of USD 22.5 billion in FY22

On 26 July, The News International reported on the status of external liabilities cumulated for the previous fiscal year. The Economic Affairs Division (EAD) data showed the government received total loans and grants of USD 17 billion (USD 16.98 billion exactly) in the last fiscal year 2021-22 ended on 30 June 2022 against USD 14.2 billion received in the previous fiscal year 2020-21. According to the State Bank of Pakistan (SBP) data, they received USD 4.606 billion in Roshan Digital Accounts out of which USD 2.9 billion were received for Naya Pakistan Certificate till June 22, 2022. Pakistan also received USD 1 billion tranche

from the IMF after completion of the 6th Review. The multilateral and bilateral creditors had provided USD 5.536 billion during the last financial year 2021-22. The bilateral donors provided USD 708 million to Pakistan in the last fiscal year as China disbursed USD 162.6 million, France USD 15.5 million, Germany USD 16.68 million, Japan USD 20 million, Korea USD 5.51 million, Kuwait USD 0.11 million, Oman USD 0.75 million, Saudi Arabia USD 401.09 million, UK USD 16.01 million and USA USD 69.82 million. (Mehtab Haider, ["Pakistan obtains foreign loans of \\$22.5bn in FY22,"](#) *The News International*, 26 July 2022)

Gold at highest nudged currency instability

On 26 July, Dawn reported prices of 10-gram and one-tola gold reached an all-time high of PKR 127,143 and PKR 148,300 in the local market on Monday, showing a jump of PKR 1,714 and PKR 2,000 respectively. Gold traders have threatened to close down their businesses and stage a sit-in following the government's decision to impose a fixed income and sales tax of Rs40,000 on those retailers that have shops of 300 square feet or less irrespective of their electricity consumption, location and business size. (["Gold at all-time high,"](#) *Dawn*, 26 July 2022)

'PIMEC': Pakistan Navy organising first ever maritime expo

On 26 July, The News International reported on the soon to be organised "Pakistan International Maritime Expo and Conference" (PIMEC) in tandem with Pakistan Navy's AMAN series. Being a major stakeholder, Pakistan Navy is shaping maritime thought across the country to create requisite awareness for exploitation of the untapped potential of our Blue Economy. Its present-day maritime revenue projection stands at \$183 million, almost 40,000 Pakistani citizens are directly or indirectly attached with fishing industry providing a huge workforce for exploitation of these resources. Despite vast fish export

potential, Pakistan's fishing sector only contributes 0.4% percent to country's GDP. (Ali Basit, "[‘PIMEC’: Pakistan Navy organising first ever maritime expo.](#)" *The News International*, 26 July 2022)

Financial stability to be achieved within three months, says Miftah

On 26 July, Finance Minister Miftah Ismail in a one-on-one conversation with Mosharraf Zaidi said that the inflow of dollars into Pakistan will soon be higher than the outflow making a stable exchange rate which results in the vanishing of pressure on the rupee in a couple of weeks' time. The country spent 80 billion USD to buy foreign goods and services while earning only 31 billion USD against its exports. The resulting gap in dollar liquidity has put pressure on the value of the rupee which has been depreciating against the setback. Stating his policy plan will be soon in a place where imports will go down gradually and exports will be up organically within three months. (Kazim Alam, "[‘Pressure on rupee to ‘vanish’ soon: Miftah.](#)" *Dawn*, 27 July 2022)

Current Account Deficit reaches four-year high

On 27 July, State Bank of Pakistan (SBP) stated that the country recorded a CAD of USD 17.41 billion in FY22 compared to a gap of just USD 2.82 billion in FY21. The current account deficit has exceeded the SBP's projection for the deficit in FY22. The CAD increased to 4.6 per cent of GDP in FY22, up from 0.8 per cent in FY21. The imports of goods were USD 72.05 billion, while the imports of services were USD 12.14 billion. The balance of trade in goods and services showed a net deficit of USD 44.77 billion in FY22 compared to USD 31.15 billion a year ago. The statement by SBP mentioned higher oil imports aggravated by higher oil prices, however, there was no figure given on oil imports. Average petroleum import of Pakistan has up to FY21 has been, USD 12 billion, reaching at USD 23 billion in FY22. Part of

this rise is currency devaluation as well. (Sahid Iqbal, "[‘Pakistan's current account deficit swells to \\$17.4bn.](#)" *Dawn*, 28 July 2022)

Gwadar Free Zone to start exports in 2023

On 27 July, The Express Tribune reproduced an article in its daily news which was originally published on China Economic Net. The article discussed the Gwadar Free Zone in the backdrop of exemption from all sorts of taxes and customs duties for a period of 20 years. Along with exports to foreign countries, the Gwadar Free Zone (GFZ) – both south and north – has also kick-started supply of trade articles and manufactured items to the local market of Pakistan. ("[‘Gwadar Free Zone to start exports in 2023.](#)" *The Express Tribune*, 28 July 2022)

Audit of PIA to take place in October by EASA

On 28 July, Senate Standing Committee on Aviation was informed that the international aviation safety bodies had fixed the date for the audit of the national carrier, the Pakistan International Airlines (PIA). Foreign airlines could not allow Pakistan to operate Airbus A380 planes in the country as PIA witnessed a crash in Karachi in May 2020 and 262 pilots were grounded on dodging their aviation courses and exams. In January this year, EASA had refused to lift the ban imposed on PIA to travel to European countries and the UK on the basis of the audit conducted by the International Civil Aviation Organisation (ICAO). ("[‘Audit date set for PIA to lift EU ban.](#)" *The Express Tribune*, 29 July 2022)

Highest ever CPI recorded since rebasing of Pakistan's economy

On 29 July, the State Bank of Pakistan released its weekly price indicators, SPI recorded a highest-ever year-on-year increase of 37.67 per cent in the week under review due to the highest-ever increase in food prices due to damage from rains across the country and increased petrol and diesel

prices massively which also contributed to an increase in food inflation. The government projected a modest inflationary annual target of 11.5 per cent for FY23 in the budget documents. Independent economists projected that annual inflation would be in the range of 25 per cent to 30 per cent. The PBS data shows that the prices of 30 essential food items increased during the week under review compared to the previous week. (Mubarak Zeb Khan, [“Inflation records highest-ever weekly spike,” Dawn, 30 July 2022](#))

EXTERNAL

United States and Pakistan to discuss setting up a Centre for Disease Control

On 25 July, the United States and Pakistan discussed the setting up a Centre for Disease Control (CDC) in Pakistan during their first-ever health dialogue in Washington. A four-member Pakistani delegation, led by federal Minister for Health Abdul Qadir Patel, also sought US support for its efforts to stabilise the economy. (Anwar Iqbal [“US to help Pakistan set up Centre for Disease Control,” Dawn, 25 July 2022](#))

PM Shehbaz meets with SCO Secretary General

On 24 July, Prime Minister Shehbaz Sharif met with said SCO Secretary General Ambassador Zhang Ming in Lahore. During the meeting, PM Shehbaz expressed the hope that all SCO member states would continue to work together to build peace and enhance international solidarity and cooperation and conveyed a Pakistan’s desire to work with the SCO members to promote cooperation in various fields and meet its goals. Additionally, he appreciated the work of the Regional Anti-Terrorist Structure of SCO (SCO-RATS). (Syed Irfan Raza, [“PM Shehbaz reaffirms pledge to achieve SCO goals,” Dawn, 25 July 2022](#))

1.5 million Afghans chose to stay back in Pakistan, says UNHCR

On 25 July, UNHCR released a report saying that Pakistan remains the largest refugee hosting country in the Asia Pacific region as 1.5 million Afghans prefer to stay in the country even after one year of the US backing out from Afghanistan. The number of refugees in this region grew by 138,400 last year and now stands at 19 per cent of the global refugee population, representing a three percent increase over 2020. By December 2021, the DRIVE found there were 1,252,800 registered Afghans, carrying proof of registration cards in Pakistan and 129,700 unregistered members of registered families, waiting for verification. (Amin Ahmed, [“1.5 million Afghans chose to stay back in Pakistan after US pullout,” Dawn, 26 July 2022](#))

Discussions for boosting Pak-Afghan Trade

On 25 July, senior officials of Pakistan and Afghanistan met in the Ghulam Khan area of the North Waziristan tribal district to discuss steps to facilitate smooth cross-border movement and trade activities between the same. The officials had agreed to relax procedures to provide ease of travel to those crossing the border including patients, traders, and ordinary people, ([“Officials discuss steps to boost Pak-Afghan trade,” Dawn, 26 July 2022](#))

Eight-member delegation of Pakistani ulema visit Kabul

On 25 July, an eight-member delegation of Pakistani ulema led by Mufti Taqi Usman, reached Kabul for talks with senior leaders of the Afghan interim government in a bid to persuade leaders of TTP to further extend their ceasefire with Islamabad. This meeting is a continuation with the 57-member Jirga whose visit became fruitless when they met TTP commanders in Kabul last June. One of the demands and the team is the reversal of the merger of the erstwhile Fata with the settled areas of KP, something that the government has already termed “non-negotiable”, ([“Ulema look to prevail upon](#)

[TTP during Kabul visit,](#)” Dawn, 26 July 2022)

US envoy discusses business community interests and import ban

On 27 July, in a meeting with Commerce Minister, the US envoy discussed difficulties faced by businesses due to the import ban besides ways to increase bilateral trade between the two countries. An official announcement said Commerce Minister also requested the US envoy for early revival of the GSP Scheme which will further provide market access to Pakistani exporters. Both sides pledged to further strengthen the mutual relationship and work together for the peace and stability of the region.

(“[Import ban hurting businesses, says US envoy Donald Blome,](#)” Dawn, 28 July 2022)

FM Bilawal meets with Afghanistan’s FM Muttaqi

On 28 July, Foreign Minister Bilawal Bhutto-Zardari met with the Taliban government’s Acting Foreign Minister Amir Khan Muttaqi in Tashkent. This was the first high-level contact between the two countries since the Taliban takeover in 2021. According to the Foreign Office, Bilawal reiterated Pakistan’s commitment to a stable and prosperous Afghanistan and stressed the need for further promoting contacts, humanitarian assistance and increasing trade between the two countries. Additionally, he also emphasised the need for promoting people-to-people contacts, providing humanitarian assistance and increasing trade and transit capacity.

(Kamran Yousaf, “[Bilawal discusses Afghan situation with Muttaqi,](#)” *The Express Tribune*, 29 July 2022)

FM Bilawal meets with China’s FM Wang Yi

On 28 July, Foreign Minister Bilawal Bhutto-Zardari met with China’s State Councilor and Foreign Minister Wang Yi on the sidelines of the Council of Foreign Ministers (CFM) of the Shanghai Cooperation Organisation (SCO) in

Tashkent. According to the Foreign Office, “The two sides agreed that peace and stability in Afghanistan was vital for regional development and prosperity,” and emphasised on the importance of “peaceful, stable and connected Afghanistan.”

Additionally, they also reviewed the progress in bilateral relations and discussed regional and international issues of mutual interest. FM Bilawal that reiterated that the CPEC’s development had reached a new phase, with increasing emphasis on high-quality development of industry, agriculture, IT, and science and technology. (Baqir Sajjad Syed, “[Pakistan, China call for stability in Afghanistan,](#)” Dawn, 29 July 2022)

FM Bilawal meets with all ministers except Indian and Russian foreign ministers in Tashkent

On 29 July, Foreign Minister Bilawal Bhutto Zardari held bilateral meetings with foreign ministers of all member states of the Shanghai Cooperation Organization (SCO) except his Indian and Russian foreign ministers in Tashkent. Prior to the conference, the Foreign Office in a statement earlier announced that FM Bilawal would be holding bilateral meetings with foreign ministers of China, Russia and other SCO members, except India. According to The Express Tribune, FM Bilawal and FM Lavrov were not able to hold their meeting due to time constraints. (Kamrani Yousaf, “[No Pak, Russia FMs meeting at SCO raises eyebrows,](#)” *The Express Tribune*, 30 July 2022)

Government committed to bolstering ties with US, other countries, says FM Bilawal

On 29 July, Foreign Minister Bilawal Bhutto on the sidelines of the Shanghai Cooperation Organisation (SCO) Council of Foreign Ministers Meeting stated that the government was taking measures to improve its ties with all the countries, including the United States. On the question of relations with India, he explained Bilawal said that

both India and Pakistan are part of the SCO bloc and the two countries are only engaged in the context of the broad-based activities of the organization. Chinese State Councilor and Foreign Minister Wang Yi during a meeting with FM Bilawal Bhutto Zardari assured China's continued support to Pakistan in safeguarding its sovereignty, and territorial integrity and playing a more important role in regional and international affairs. ("[Govt committed to bolster ties with US, other countries: FM Bilawal](#)," *The News International*, 30 July 2022)

FO confirms COAS phone call with US Secretary of State

On 29 July, Foreign Office confirmed that Army Chief General Qamar Javed Bajwa had called US Deputy Secretary of State Wendy Sherman over the phone earlier in the week. Nikkei Asian Review reported that General Bajwa has asked the US to push the IMF for early disbursement of USD 1.2 billion as Pakistan faces the risk of debt default due to dwindling foreign reserves. Recently, PM Shehbaz Sharif sent his SAPM Tariq Fatemi to the White House where he met with Deputy Secretary of State Wendy Sherman. The State Department spokesperson on Friday said, "US officials talk to Pakistani officials regularly on a range of issues and as a standard practice, we don't comment on the specifics of private diplomatic conversations." On 29 July, Army Chief and General Michael Erik Kurilla, Commander of United States Central Command (US CENTCOM), had a telephonic conversation to discuss matters of mutual interests, regional stability, and defence and security cooperation. Pakistan and the IMF had reached a staff-level agreement by 16 July with reports indicating that the amount should reach Pakistan by the third week of August, helping Pakistan to avoid a default. The IMF has put prior action on Pakistan to jack up the petroleum development levy (PDL) by Rs10 per liter on petrol and Rs5 per liter on diesel with effect from August 1. It has also been written that the PDL will be further

increased in the coming months of the current fiscal year, including January 2023 and April 2023.

Separately, on 29 July, Former prime minister and PTI Chairman Imran Khan believed that we (Pakistan) are getting weaker if the news about COAS calling US Secretary of State was true. Khan said neither the IMF nor other countries trust the government. "I think that's why the army chief has taken the responsibility now." He also questioned whether the US would demand anything in return if it decides to help Pakistan, saying he was afraid the country's security would weaken, given their previous (the US) demands. (Mariana Baabar & Mehtab Haider & Muhammad Anis & Wajid Ali Syed, "[General Qamar Javed Bajwa seeks US help for speedy IMF bailout](#)," *The News International*, 30 July 2022; "[Imran Khan questions General Qamar Javed Bajwa seeking US help for IMF loan](#)," *The News International*, 30 July 2022)

ON CLIMATE CHANGE

Pakistan will ensure climate financial justice and losses as a chair of G77+

On 29 July, Minister for Climate Change Senator Sherry Rehman at the launch of Climate Finance Accelerator (CFA) programme said: "Climate change is a poster child for knowing no borders or timelines. Burning fossil fuels in one country impact a whole chain of small emitters near the equator in ways that multiply disaster outcomes for the vulnerable. There have been so many tragic monsoon casualties this month alone in Pakistan, and the weather cannot be in anyone's control, only our responses can be optimised better." Development director of British High Commission, Annabel Gerry said, "The Climate Finance Accelerator will build partnerships between projects, the financial community, and policymakers to help low carbon projects looking for investment. The launch of CFA Pakistan underlines the UK's firm commitment to supporting the effort to

fight climate change in Pakistan.” (Jamal Shahid, “[Sherry makes case for equitable climate financing to address crisis.](#)” *Dawn*, 30 July 2022)

ON FATF

FIA reactivates the Anti-Money Laundering and Counter-Financing for Terrorism Directorate

On 29 July, The News International reported that the Federal Investigation Agency (FIA) has reactivated the Anti-Money Laundering and Counter-Financing for Terrorism Directorate (AML&CFT) ahead of the Financial Action Task Force (FATF) visit Pakistan. The FIA will collect data from all anti-money laundering agencies and share it with its headquarters, following which they will brief the FATF team based on the data collected. (Shakeel Anjum, “[Flurry of activity at FIA ahead of FATF team visit.](#)” *The News International*, 29 July 2022)

ON GENDER

Electoral rolls have an addition of 10 million women since 2018

On 27 July, NADRA Chairman while speaking at an event in Islamabad said as many as 10 million women had been added to the electoral rolls since 2018 under a policy decision, rounding the total number of registered female voters in the general election to be 56.95 million. There was an increase of 53.2 per cent in the women voters’ registration since 2018 and the overall gender gap was reduced to 8.9 per cent. Nadra focuses on districts of KP and Balochistan where there is a large gender gap and establishes 19 female-only registration centers to increase the registrations of the same and to assign female officers in charge of NRCs. (Iftikhar A.Khan, “[10m women added to electoral rolls since 2018.](#)” *Dawn*, 28 July 2022)

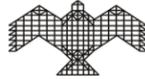
JUDICIARY

Bulldozing the judges appointment process to be reviewed, says Isa

On 26 July, Justice Qazi Faez Isa advised Umar Ata Bandial not to bulldoze the due process for the appointment of more than one-third of the total number of judges in the apex court. In a letter to the JCP, Isa stated that he received a WhatsApp message informing him that CJP has convened a meeting of JCP on 28 July to consider appointing five judges to the SC, suggesting that CJP does not want him to be physically present which is illegal and unconstitutional. He also says the call for a meeting when some members are on leave is unjustified stating “democracy being the bedrock of the constitution and the basis on which Pakistan came into existence”. (Malik Asad, “[Justice Faez Isa urges CJP not to ‘bulldoze’ judges’ appointment process.](#)” *Dawn*, 27 July 2022)



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