



OVERVIEW

The latest issue of Policy Pulse examines Pakistan's progress and challenges across various domains. The launch of the five-year economic blueprint, "Uraan Pakistan," reflects a bold commitment to achieving macroeconomic stability and export-driven growth, aiming for a 6% GDP expansion by 2028. Concurrently, the twin challenges of terrorism and digital security demand immediate focus, with Vision Azm-i-Istehkam advocating a unified approach involving military and political efforts to address rising violence in KP and Balochistan.

Maritime security efforts, such as the Pakistan Navy's significant narcotics seizure, highlight its proactive stance in curbing illegal activities and safeguarding regional waters. Additionally, the government has prioritized tackling digital terrorism by countering harmful propaganda and addressing external threats to national stability.

On the international stage, Pakistani Americans grapple with heightened anxieties amid contentious US immigration debates and potential policy shifts. Meanwhile, diplomatic advances include Iran's ambition to elevate bilateral trade to \$10 billion and Pakistan's election to a non-permanent seat on the UN Security Council for 2025-2026, showcasing its increasing global engagement.

Economic indicators offer a mix of optimism and caution. Inflation reached a seven-year low of 4.07% in December 2024, signaling price stability. However, with real interest rates among the highest globally, concerns persist regarding fiscal pressures and the impact on economic recovery.

This edition reflects the interplay of economic reforms, security priorities, and international diplomacy shaping Pakistan's trajectory. While initiatives like "Uraan Pakistan" inspire optimism, the path forward requires sustained commitment, cohesive policies, and strengthened global partnerships to navigate persistent socio-economic and political challenges effectively.

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Economy

Ambitious plan for economic growth unveiled

Prime Minister Shehbaz Sharif has launched a five-year ‘transformation plan’ to address chronic economic issues by focusing on 5E’s – exports, e-Pakistan, environment, energy, equity and empowerment. ‘Uraan Pakistan’ is an indigenous economic plan which envisages a sustainable growth rate of 6% by 2028, creation of 1 million jobs annually, and \$10 billion private investment per year.



According to the five-year transformational plan, the ‘Uraan Pakistan’ initiative would serve as a unifying roadmap to make Pakistan a \$1 trillion economy by 2035 and \$3 trillion by 2047. The plan envisaged \$60 billion in annual exports by focusing on IT, manufacturing, agriculture, minerals, manpower and blue economy.

Analysis

The initiative launched by the Prime Minister emphasizes promoting exports, digital transformation and encourages small businesses to foster entrepreneurship. It underscores the significance of market diversification with the goal of rebranding “Made in Pakistan” as a global symbol of quality. This initiative aims to stabilize the rupee, reduce dependence on imports, and unlock economic potential for long-term growth. E-Pakistan would uplift the freelancing industry, Information and Communication Technology (ICT) sector while employing IT graduates annually produced by the universities. Through environmental transformation plan, the government aims to address climate change issues and secure sustainable resource management. The initiative shows the effort of government to gain economic prosperity with consistent momentum.

Way Forward

- Strengthen departments ensuring effective implementation of the five-year plan and achieving planned goals and objectives.
- Establish platform and communication channels for inter-department, and inter-ministerial discussion about desired objective, progress, timelines. The platforms can also serve dissemination of information related to transformational plan to government as well as to public.
- Eliminate bottlenecks like security systems, terror activities and cybercrimes through structured strategies.

National Security

Terrorism remained alarmingly high in 2024

Terrorist activities remained alarmingly high during 2024, particularly in Khyber Pakhtunkhwa and Balochistan. In just two days, over two dozen security personnel were martyred in Khyber Pakhtunkhwa, including attacks in Darazinda, Lakki Marwat, and Bannu, highlighting an escalation in violence.

The first two days of the week also saw intense gun battles in Tirah Valley, where eight security personnel were killed, followed by a suicide attack in Bannu that resulted in twelve more deaths. These attacks were part of a broader trend of rising militant operations across the region, with 48 terrorist incidents reported in October alone, causing 100 deaths and 80 injuries. Khyber Pakhtunkhwa and Balochistan were the hardest-hit areas, reflecting a targeted strategy by militants to destabilize these regions.



Additionally, the Mandori Charkela area in Kurram witnessed a horrific attack on two convoys, resulting in the deaths of at least forty Shia individuals. This uptick in violence underscores the persistent and growing threat of terrorism in Pakistan during this period.

Analysis

The government has taken significant steps to combat terrorism, including approving a military operation in Balochistan targeting militant groups like the Balochistan Liberation Army (BLA) and its affiliates. Prime Minister Shehbaz Sharif emphasized the need for unified political and military efforts through Vision Azm-i-Istehkam to address terrorism, sub-nationalism, and disinformation. Key actions include revitalizing the National Counter-Terrorism Authority (Nacta) and establishing intelligence fusion centers. The government stressed the importance of political and economic stability and called for national consensus to effectively tackle terrorism.

Way Forward

- Continue and expand military operations in regions like Balochistan, Khyber Pakhtunkhwa, and other areas prone to militancy. Focus on dismantling key militant groups such as the BLA and other separatist factions.
- Enhance border control measures to prevent the influx of arms and militants, especially along porous borders with neighboring countries.
- Equip NACTA with better resources, personnel, and technology to ensure effective monitoring, analysis, and response to terrorist activities.

Pakistan Navy ship seizes narcotics worth \$1m in North Arabian Sea



A Pakistan Navy ship has confiscated a significant quantity of narcotics in a counter-narcotics operation in the North Arabian Sea. The seized drugs are valued at around one million US dollars on the international market. The narcotics were being transported by sea to foreign destinations. During the operation, the PNS, with support from Pakistan Navy air assets, intercepted a dhow, carried out boarding operations, and seized the drugs, which were concealed in a hidden compartment on the vessel.

This successful operation highlights the Pakistan Navy's vigilance, professionalism, and dedication to preventing and disrupting illegal activities, maintaining order at sea. Prime Minister Shehbaz Sharif has commended Pakistan Navy for its successful anti-narcotics operation in the North Arabian Sea. He acknowledged Pakistan Navy's central role in maritime defense and prevention of drug smuggling on sea routes.

Analysis

Use of narcotics has severe and far-reaching consequences, negatively impacting both individuals and society as a whole. It leads to a decline in public health, with users facing addiction, mental health issues, and a higher risk of infectious diseases due to needle sharing. The economic burden is significant, as it strains healthcare systems, reduces productivity, and increases law enforcement costs.

To mitigate the use of narcotics, both the state and military can play crucial roles in a comprehensive approach. The operation of Navy forces is commendable and should be encouraged to continue policing such illegal practices and prevention of narcotics trafficking through borders.

Way Forward

- Strengthen monitoring and control at borders and ports to prevent narcotics from entering the country.
- Foster collaboration between the state, military, and community organizations to combat narcotics use.
- Offer rehabilitation and support systems for individuals and families affected by addiction, promoting rehabilitation and reintegration.

Time to curb digital terror says Prime Minister



The Prime Minister Shehbaz Sharif stressed the importance of combating digital terrorism, highlighting it as a significant challenge, with foreign-based agents spreading harmful propaganda against Pakistan on social media. He stated that a massively fabricated narrative was constructed on social media through the distortion of facts following the recent failed attempt to invade Islamabad. All of the efforts would be in vain if they failed to counter the digital and social media campaign that distorted facts through false narratives and challenged Pakistan.

Prime Minister stated that training, use of modern technology and merit-based inductions in police were very important factors to mitigate harmful practices of terror outfits and state enemies. This is the time to eliminate Fitna Al Khawarij root and branch through coordinated efforts of the federal government, provinces and army, enabling the country to grow apace in all sectors.

Analysis

Pakistan had recently assumed a two-year term as a non-permanent member of the United Nations Security Council, which would provide the country an opportunity to play a significant role in international

diplomacy. Nevertheless, security challenges faced by the nation, particularly the threats from hostile elements operating across the borders.

Use of digital platforms by intruders undermines nation's stability by targeting critical infrastructure, stealing sensitive information, and disrupting essential services. Terror elements exploit digital platforms to spread propaganda, radicalize individuals, recruit supporters, and coordinate attacks, often hiding behind encryption and anonymity. By distorting facts and spreading harmful narratives, they aim to create social unrest, weaken public trust in state institutions, and destabilize national unity. The misuse of digital platforms amplifies their reach, making it crucial for governments to implement robust cybersecurity measures and counter-narrative strategies to safeguard national security.

Way Forward

- Enhance national cybersecurity capabilities to monitor and block suspicious online activities, ensuring swift detection and disruption of terror-linked digital operations.
- Establish formal partnerships with major digital platforms to ensure rapid removal of extremist content, propaganda, and accounts linked to terror outfits.
- Develop specialized cyber intelligence units trained in digital forensics to trace and investigate online activities related to terrorism financing, recruitment, and radicalization.

International Affairs

Pakistani Americans caught in middle of immigration debate

The 2024 U.S. elections have intensified the immigration debate, creating anxiety among immigrant communities, particularly Pakistani Americans. Following a terrorist attack, President-elect Donald Trump linked immigration to terrorism, heightening scrutiny on Muslim immigrants, of which Pakistani Americans constitute the largest group. Proposed immigration policy changes, including potential expansions or restrictions of H-1B visas, could affect professional opportunities and mobility for Pakistani Americans.



Simultaneously, fears of increased deportations and hate crimes are growing, further exacerbating mental health issues in these communities. While the debate remains polarized, Pakistani Americans are bracing for significant challenges amid an uncertain policy environment.

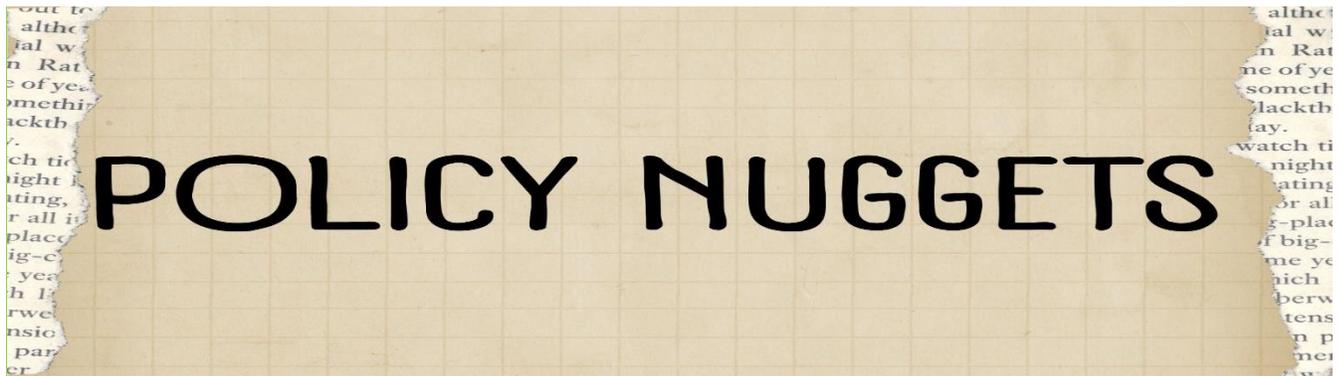
Analysis

The immigration debate showcases a conflict between security concerns, economic priorities, and humanitarian values in U.S. policy. Pakistani Americans face unique challenges due to their dual identity as skilled professionals and members of a scrutinized religious minority. The potential restriction of H-1B visas threatens professional mobility and could harm U.S. sectors reliant on foreign talent.

Meanwhile, Trump’s anti-immigration rhetoric risks fostering divisiveness, hate crimes, and mental health crises. Although some voices like Elon Musk advocate for maintaining skilled immigration, contrasting views among policymakers complicate reforms. Pakistani Americans’ vulnerabilities highlight the broader challenges of balancing inclusion with national security in immigration policy.

Way Forward

- Organize advocacy groups to highlight their contributions and challenge discriminatory narratives. Partnering with legal aid organizations can help undocumented and documented immigrants safeguard their rights.
- Promote Education and Workforce Development in Pakistan: Address U.S. policy challenges by expanding skilled job opportunities in Pakistan, reducing dependence on H-1B visas, and attracting global investment in education and innovation.
- Foster Diplomatic Engagements: The Pakistani government should engage U.S. policymakers to ensure fair immigration policies, leveraging Pakistani Americans' role in critical U.S. industries as a point of dialogue.



Incident/News	Impact	Recommendation	Priority
‘Pakistan cannot accept caps on its missile capabilities’	Reaffirms Pakistan's stance on maintaining its strategic deterrence capabilities amidst US sanctions.	Emphasize the defensive nature of the program; advocate for US-facilitated bilateral arms control talks with India; counter disinformation campaigns against Pakistan's program. "Strategic strength is the foundation of a nation's sovereignty and security." – Vladimir Putin, President of Russia	Highest
Punjab govt joins Breathe Pakistan climate initiative	Signals a significant step towards collaborative climate action and policy implementation in Punjab.	Develop robust monitoring and evaluation mechanisms; prioritize public awareness campaigns for individual climate action. "The Earth is what we all have in common." - Wendell Berry, The Unsettling of America: Culture & Agriculture	High

Govt notifies pension reforms to cut expenses	Implements significant reforms to the pension system aimed at reducing long-term fiscal burden.	Conduct comprehensive stakeholder consultations; communicate the rationale for reforms transparently; <i>"No generation has a freehold on this earth. All we have is a life tenancy—with a full repairing lease."</i> - Margaret Thatcher, Speech 1 to the Conservative Party Conference	High
FO expresses concern over extraterritorial killings by India in Pakistan	Raises serious concerns about violations of sovereignty and international law.	Present evidence of India's involvement to international forums; strengthen internal security measures to deter future operations. <i>"Justice consists not in being neutral between right and wrong, but in finding out the right and upholding it, wherever found, against the wrong."</i> - Theodore Roosevelt, Inaugural Address	Highest
PM says economy poised for take-off as inflation cools to seven-year low	Encouraging macroeconomic stability with reduced inflation rates; high real interest rates remain a concern.	Lower policy rates to stimulate economic recovery and ease fiscal pressures; strengthen enforcement of revenue collection to meet IMF conditions while promoting export-led growth. <i>"Stability is not a matter of chance; it is a matter of choice."</i> – Margaret Thatcher	High
Pildat calls for improving country's democratic health	Persistent challenges to democratic principles, including electoral flaws and media restrictions, undermining democratic integrity.	Establish an independent electoral body for free and fair elections; repeal restrictive legislation targeting media and digital platforms; commit to judicial reforms ensuring separation of powers. <i>"The health of a democracy depends on the quality of its institutions and the participation of its people."</i> – John F. Kennedy, Former President of the United States	Highest
Iran aims to boost Pakistan trade to \$10bn: envoy	Strengthened bilateral trade with Iran offers economic and regional stability opportunities.	Develop robust trade facilitation mechanisms and border management systems; diversify traded goods to enhance economic resilience. <i>"Trade builds bridges of trust and prosperity, fostering stability and resilience among neighbors."</i> – Kofi Annan, Former UN Secretary-General	Highest
Pakistan secures \$200m ADB funding to upgrade power distribution	Enhances power sector efficiency, reducing energy losses and ensuring sustainable development.	Prioritize transparent implementation of advanced metering infrastructure; invest in capacity-building for DISCOs to manage and maintain modern systems. <i>"Transparency, accountability, and investment in human capital are the cornerstones of sustainable infrastructure development."</i> – Dr. Jim Yong Kim, Former President of the World Bank	High



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