



WEEKLY

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OVERVIEW

This issue of the *Policy Pulse* presents a snapshot of Pakistan facing a range of pressing challenges, from security threats to economic reforms and social development imperatives. The hijacking of the Jaffar Express in Balochistan, claimed by the BLA, serves as a stark reminder of the persistent security challenges plaguing the region. While security forces successfully rescued the hostages, this unprecedented incident exposed vulnerabilities in railway infrastructure and counterterrorism strategies, demanding a reassessment of security policies and enhanced intelligence sharing.

In Islamabad, a surge in street crime, including armed robberies and auto thefts, is leaving residents feeling increasingly insecure. The rise in crime is attributed to factors such as inadequate surveillance and legal loopholes, necessitating stricter laws, improved surveillance, and targeted operations.

Meanwhile, on the international front, the potential expansion of U.S. travel restrictions raises concerns about its impact on expatriates, students, and diplomatic relations. Domestically, initiatives like the "Skills on Wheels" project and the establishment of the Pakistan Crypto Council signal a push towards youth empowerment, digital innovation, and economic modernization. However, financial challenges persist, as evidenced by the National Highway Authority's (NHA) mounting deficit and debt burden, requiring attention to revenue generation and financial management.

Policy Nuggets provide insights into key policy debates, including the opportunity to boost ties with the EU, incentives for renewable energy adoption, interprovincial water disputes, port utilization for regional connectivity, engagement with the business community, and tariff adjustments for captive power plants. This issue highlights the importance of addressing sector-specific challenges to ensure that policymakers and practitioners are offered valuable insights into Pakistan's complex policy issues.

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Over 300 hostages freed, 33 militants killed in Balochistan train hijacking

Heavily armed assailants ambushed the Peshawar-bound Jaffar Express in Bolan district, seizing control of the train and taking over 400 passengers, including security personnel, hostage. In response, security forces launched a large-scale operation, eliminating at least 16 militants. The attack claimed the lives of ten others, including the locomotive driver, who was the first victim of the assault. Among the fallen were nine security personnel, while the train driver also perished in the harrowing attack.



Military spokesperson says, all 346 hostages are rescued, 33 terrorists killed, 21 passengers and 4 FC soldiers are martyred. Successful operation by army had completed. All remaining passengers had been rescued and the train which was stranded near the Mashkaf Tunnel in the Bolan range, had been cleared of insurgents.

Analysis

This unprecedented incident marked the first time in the nation's history that an entire train, along with all its passengers, was hijacked by armed militants. The outlawed Baloch Liberation Army (BLA) claimed responsibility. This incident marks a disturbing escalation in Pakistan's security crisis, highlighting the growing boldness of insurgent groups like BLA, exposing critical vulnerabilities in the country's railway infrastructure and counterterrorism strategy.

The people of Pakistan were visibly perplexed over this incident but the successful rescue operation by the security forces instilled hope and confidence in them. People across Pakistan condemned the terrorist and eulogized the security forces for taking prompt and effective action with precision. While security forces successfully neutralized the attackers, the loss of innocent lives, including security personnel, raises serious concerns about intelligence failures and crisis response mechanisms. Moving forward, Pakistan must reassess its security policies, bolster intelligence-sharing, and address the underlying grievances fueling insurgency in Balochistan to prevent such catastrophic events in the future.

Way Forward

- Install advanced surveillance systems, including CCTV cameras and AI-based monitoring at key railway stations and along vulnerable railway tracks.
- Strengthen cyber and human intelligence networks to track insurgent activities and prevent large-scale attacks.
- Implement stricter border security to prevent the movement of militants and weapons.
- Implement reinforced security cabins for railway staff and security personnel, ensuring protection during attacks.

Capital Crime

Wave of street crimes escalates in Islamabad as armed robbers loot millions



A growing wave of street crime has left Islamabad residents on edge, with armed gangs carrying out successive robberies in the federal capital. In just 24 hours, two major incidents were reported—one involving the theft of PKR 5 million from a businessman and another where gunmen stormed a private bank in Sector I-9, making off with PKR 4 million in broad daylight. Police officials suspect that the perpetrators, reportedly of Afghan descent, are habitual criminals who exploit legal loopholes to escape extended imprisonment.

Analysis

Islamabad is witnessing a sharp surge in vehicle thefts and other serious crimes. The escalating crime wave has left residents feeling vulnerable, prompting traders and business communities to call for immediate intervention from authorities. Several factors contribute to the increasing rate of auto thefts in Islamabad, including inadequate surveillance, lack of stringent legal consequences, and the presence of organized crime networks. Additionally, many stolen vehicles are either dismantled for parts or smuggled to other regions, making recovery difficult. Repetition of the incidents reflects that offender manipulate the legal system to obtain bail, only to return to criminal activities. People of Islamabad want police to beef up security and eradicate criminal gangs in the vicinity.

Way Forward

- Increase police presence in areas where majority of crime incidents have been reported.
- Intelligence led policing should be introduced.
- Expand CCTV surveillance in high-crime points at Capital territory, with real-time monitoring and advanced facial recognition systems.
- Develop a digital crime database accessible to law enforcement agencies nationwide for tracking repeat offenders.

Diplomatic Affairs

Trump administration mulls travel ban on 41 nations: report

The Trump administration is contemplating expansion of travel restrictions that could affect citizens from dozens of nations, according to an internal memo and sources familiar with the deliberations. Released memo lists 41 countries under consideration for stringent visa suspensions. The proposal suggests a complete visa ban for a first group of nations, including Afghanistan, Iran, Syria, Cuba, and North Korea, effectively barring their citizens from obtaining U.S. visas.

A second category designates five countries for partial suspensions, restricting tourist, student, and certain immigrant visas, though with limited exceptions. The third and most extensive group comprises 26 countries, including Belarus, Pakistan, and Turkmenistan, where visa issuance could be partially suspended unless their governments take corrective action within 60 days to address identified deficiencies.



Analysis

The expected U.S. travel ban expansion could have profound consequences for expatriates from affected countries, disrupting families, businesses, and educational opportunities. For professionals and students, visa restrictions could hinder career growth and access to education in US institutions, forcing them to seek alternatives in other nations. Economically, US based businesses reliant on international talent may struggle with labor shortages, particularly in sectors like technology and healthcare.

Diplomatic tensions could escalate, straining U.S. relations with the impacted nations, potentially triggering reciprocal restrictions on American travelers. Moreover, asylum seekers and refugees fleeing conflict zones may face increased hurdles, exacerbating humanitarian crises. Overall, such a move risks isolating communities and reinforcing global divisions rather than fostering cooperation and security.

Way Forward

- Initiate high-level diplomatic talks with U.S. officials to present Pakistan's security improvements and cooperation on counterterrorism.
- Improve passport and visa processing systems to meet international security standards and counter concerns about document verification.
- Enhance negotiations for increased bilateral agreements with alternative destinations such as the UK, Canada, Australia, and the EU to facilitate student and work visas.
- Broaden scholarship programs and research collaborations with universities in Europe, China, and the Middle East to offset potential educational losses.

Socioeconomic Development

Maryam launches 'Skills on Wheel' project to train 100,000 youth

The initiative to send skilled manpower abroad took a significant step forward with the first formal meeting, chaired by Chief Minister Maryam Nawaz. During the session, CM set an ambitious target of training and securing international job placements for 100,000 skilled youth and called for a comprehensive roadmap to facilitate the process. To empower young professionals, CM Maryam Nawaz directed that business cards and financial support loans be provided to skilled workers on a priority basis.



Additionally, government has decided to launch the "Skills on Wheels" Project in collaboration with the private sector, aiming to extend vocational training opportunities to youth in remote areas. Maryam approved Plug and Play Call Centers and other programs in Punjab. In the first phase, 5,000 youth will be imparted call center training in collaboration with IBEX. It was also decided to introduce the "Moraki" project for hospitality sector training.

Analysis

Initiatives like Skills on Wheels, Plug and Play Call Centers and Moraki training projects mark a transformative step toward youth employment and skill development in Punjab. By equipping 100,000 individuals with various skills and expertise in collaboration with private entities, the program will not merely boost employability in the booming outsourcing industry yet also align with global market demands. Similarly, skill training will open the doors for youth to secure well-paying jobs both domestically and internationally. These programs will help reduce unemployment, promote financial independence, and foster entrepreneurship, ultimately contributing to a skilled workforce that strengthens Punjab's and Pakistan's economy and global competitiveness.

Way Forward

- Increase training capacity by expanding the Skills on Wheels, Plug and Play Call Centers and Moraki hospitality project to more districts after successful implementation of the projects in Punjab.
- Similar initiatives should be introduced in fields of IT, AI, digital marketing, and renewable energy sectors, catering to evolving global job markets.
- Partner with global outsourcing firms to ensure job placements for trained youth.

Institutional Framework

Govt formally announces council to regulate cryptocurrency

In a groundbreaking move, government has established a dedicated regulatory body to oversee cryptocurrency and blockchain technology, aiming to seamlessly integrate digital assets into the nation's financial framework. The Ministry of Finance announced the formation of the Pakistan Crypto Council (PCC), tasked with shaping policies, driving innovation, and ensuring the secure and structured adoption of cryptocurrency across the country.



To underscore Pakistan's commitment to a progressive digital economy, Finance Minister Muhammad Aurangzeb has been appointed as PCC's chairman, signaling a strategic push towards embracing the future of decentralized finance and blockchain advancements. Focus of the council would be to monitor blockchain technology, investment strategy and digital innovations.

Analysis

Establishment of the Pakistan Crypto Council (PCC) marks a pivotal shift toward embracing cryptocurrency and blockchain technology, with far-reaching implications for the economy, investment

landscape, and businesses. By formulating clear regulatory frameworks, the PCC can legitimize digital assets, attracting both domestic and foreign investors while minimizing financial risks. A well-regulated crypto ecosystem can boost financial inclusion, allowing unbanked populations to participate in digital transactions, remittances, and e-commerce in Pakistan. Additionally, blockchain-driven solutions can enhance transparency, reduce fraud, and streamline financial operations for businesses. By fostering crypto-friendly policies, Pakistan can position itself as a regional member of hosting blockchain innovation, driving economic growth, technological advancement, and new employment opportunities in the digital finance sector.

Way Forward

- Narrate or define cryptocurrency under a structured regulatory framework to eliminate uncertainty for investors and businesses.
- Introduce licensing requirements for crypto exchanges, wallet providers, and blockchain startups to ensure compliance with global financial security standards.
- Join global blockchain alliances to position Pakistan as a competitive player in the digital finance revolution.

Business

National Highway Authority faces huge losses as deficit tops Rs318bn



With the net deficit for the 2024-25 fiscal year surpassing Rs318 billion, the National Highway Authority (NHA) is grappling with cumulative losses exceeding Rs1.82 trillion and outstanding loans reaching Rs3.1 trillion, while its annual revenue remains significantly low at just Rs54.15 billion. The NHA's total assets, currently valued at Rs5.8 trillion, have been steadily declining for the past two years, dropping from Rs5.9 trillion in FY22 to Rs5.84 trillion in FY23.

In a written statement to the National Assembly, Communications Minister Abdul Aleem Khan revealed that while the NHA's net deficit for FY24 had reduced to Rs318.03 billion, reflecting a 23% decrease from Rs413 billion in the previous fiscal year, it remains almost double the deficit recorded in FY22. Finance Minister further highlighted that the federal government continues to provide development funds to the NHA annually through a cash development loan under the Public Sector Development Programme (PSDP), issued at a specified markup rate.

Ministry of Finance noted that the NHA faced significant financial challenges, underscored by an escalating debt burden and complex accounting issues. It has highlighted the severe financial challenges confronting the National Highway Authority (NHA), exacerbated by a rising debt burden and complicated accounting issues. The NHA's heavy reliance on government support for debt servicing, coupled with its limited revenue streams, places additional pressure on fiscal stability. This dependency becomes even more critical in the event of loan defaults or liquidity crises, further straining the government's financial resources and overall economic sustainability.

Analysis

National Highway Authority (NHA) plays a crucial role in country's infrastructure development by serving as the backbone of transportation networks. It also facilitates domestic trade while reducing travel time and fuel costs. However, NHA's mounting financial losses and unsustainable debt burden pose serious risks, including delayed infrastructure projects, deteriorating road conditions, and reduced investor confidence. If NHA continues to face financially struggling situation it may hinder economic productivity, increase transportation costs, and burden on the government's fiscal stability, leading to infrastructure stagnation and reduced economic competitiveness on a global scale.

Way Forward

- Encourage private sector investment in highway construction, maintenance, and management through concession agreements.
- Negotiate with lenders to extend loan repayment periods and reduce interest rates to ease financial pressure.
- Prevent further infrastructure deterioration by adopting a predictive maintenance model and using high-quality materials.



Incident/News	Impact	Recommendation	Priority
Bangladesh shows interest in student enrolments in Pakistan	Potential for strengthened educational and cultural ties between Pakistan and Bangladesh.	Enhance bilateral academic exchange programs and scholarships; streamline visa processes for Bangladeshi students to facilitate enrolment in Pakistani institutions. <i>"Education is a bridge that connects nations, fostering mutual understanding and cooperation beyond borders."</i> — Kofi Annan	High
ATF personnel martyred, six injured in Quetta blast	Rising security threats targeting law enforcement personnel in Balochistan.	Strengthen intelligence-sharing and preemptive counterterrorism operations; enhance protective measures and specialized training for security forces; invest in community-led de-radicalization efforts to curb extremism. <i>"The price of freedom is eternal vigilance."</i> — Thomas Jefferson	Highest

Pakistan seeks to boost economic relations with EU	Opportunity to expand trade, investment, and diplomatic ties with the European Union.	Negotiate a more favourable trade framework under GSP+; strengthen compliance with EU regulatory standards to ensure continued market access; foster business-to-business collaborations to enhance investment inflows. <i>"Trade creates wealth and fosters international cooperation."</i> — Adam Smith	Highest
Rooftop solar buyback rate slashed to Rs10 per unit	Reduced incentives for solar users may slow down renewable energy adoption.	Reassess buyback rates to maintain consumer interest in solar energy; implement subsidies or tax incentives for solar panel installations; ensure long-term policy stability to encourage renewable investments. <i>"Policies that make renewable energy more accessible and affordable are investments in a cleaner, more sustainable future for all."</i> — Ban Ki-moon	High
Sindh Assembly passes unanimous resolution against six canals project	Water-sharing disputes risk exacerbating interprovincial tensions.	Conduct an independent environmental and feasibility study; establish an interprovincial water council for transparent discussions and dispute resolution; ensure equitable water distribution in accordance with the 1991 Water Accord. <i>"Water is the driving force of all nature."</i> — Leonardo da Vinci	Highest
Oman offered Gwadar, Karachi ports use for access to Central Asia	Strengthened regional connectivity can boost trade and economic integration.	Formalize agreements ensuring mutual economic benefits; develop infrastructure to handle increased trade volume; integrate Gwadar and Karachi into regional supply chains for strategic leverage. <i>"The more nations invest in connectivity, the greater the prosperity they can share."</i> — Xi Jinping	High
PM reaches out to heads of chambers of commerce across country	Acknowledgment of business community concerns can enhance economic stability.	Institutionalize quarterly consultations between government and business leaders; streamline regulations to improve ease of doing business; introduce sector-specific tax incentives to spur industrial growth. <i>"An economy's strength lies in how well it listens to its entrepreneurs."</i> — Michael Bloomberg	Highest
Govt hikes tariff for captive plants on IMF prodding	Increased industrial energy costs could dampen production and exports.	Phase out captive power dependence by improving grid reliability; provide targeted relief to export-oriented industries; negotiate sustainable energy pricing with IMF while safeguarding industrial competitiveness. <i>"Energy is the lifeblood of modern economies; its affordability and availability define prosperity."</i> — Daniel Yergin	High

Feedback

- *Policy Pulse* provides a comprehensive overview of Pakistan's policy landscape, covering almost all critical areas.
- Insights and opinion/views by academia, civil society, and the private sector should be part of the magazine.
- Engaging visuals such as infographics, charts, and diagrams should be part of the magazine.

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