



WEEKLY

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OVERVIEW

This edition of the *Policy Pulse* captures the convergence of diplomacy, domestic reform, and regional security as Pakistan navigates a moment of heightened geopolitical friction and internal transformation. From post-ceasefire overtures with India to ambitious policy reforms at home, the week was marked by both external provocations and internal recalibrations. Amid escalating tensions, Pakistan leaned heavily on diplomacy, pragmatism, and institutional reform to maintain stability while charting a strategic path forward.

A series of diplomatic developments dominated the headlines, notably the US-brokered ceasefire between India and Pakistan. Prime Minister Shehbaz Sharif's outreach to India, including an invitation for a "comprehensive dialogue" on Kashmir and water disputes, was accompanied by calls from the US and China for sustained engagement. The DGMO hotline was activated again, while President Trump's intervention and remarks stirred reactions across the region. Meanwhile, Pakistan pressed the IAEA to investigate nuclear material thefts in India, highlighting global security concerns.

On the domestic front, economic and governance reforms took center stage. The approval of a five-year tariff rationalization plan signals a strategic pivot toward export-led growth. Pakistan Railways' biometric attendance system aims to eliminate ghost workers, reflecting a broader push for institutional efficiency. In Balochistan, digitization of civil registration promises improved service delivery, while security remains fragile in the Tirah Valley. The Senate's proposed levy on gas-based power plants reflects fiscal tightening and the move toward sustainable energy financing.

Key policy nuggets include expanded global cyber cooperation, reforms in medical infrastructure through public-private partnerships, and biometric accountability in social welfare. They call for targeted reforms—from trade diplomacy to digitized governance—backed by strategic communication, international engagement, and technological adaptation. For Pakistan's public sector, these are not just policy updates—they are signals of a nation asserting clarity, competence, and control in uncertain times.

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US president's intervention for ceasefire angers Modi loyalists



- US President mediated a ceasefire between India and Pakistan after tensions flared.
- Modi loyalists criticized the move, seeing it as foreign interference.
- Indian diplomat Vikram Misri was targeted online for announcing the ceasefire.

Analysis

In wake of the forceful response by Pakistan, India's PM Modi had sensed that situation was going out of hand therefore approached the US for intervention. Earlier he had portrayed India as a great military might that could decimate Pakistan. Thus, the sudden succumbing to pressure perturbed the Modi voters considering it a humiliating retreat.

Way Forward

- The BJP Indian government should avoid punching above its weight and be honest with its public.
- Pakistan should continue with its positive media campaign to apprise the world of the real situation.
- Utilize media platforms to educate the public on the benefits of diplomatic interventions to avoid war and destruction.

Pakistan honors ceasefire despite "provocations"



- Pakistan reaffirmed its commitment to the ceasefire agreement with India, despite recent provocations.
- Pakistan Foreign Office criticized a provocative speech delivered by the Indian Prime Minister on May 12, viewing it as detrimental to peace efforts.
- Pakistan warned that any future aggression would be met with full resolve, emphasizing its stance on national security.

Analysis

Despite concerns about the fragility of the ceasefire, Pakistan has shown commitment to maintaining it in the interest of regional stability and international diplomacy, while warning of a strong response to any Indian aggression. Encouragingly, officials from both countries clarified that the ceasefire is indefinite, dispelling rumors of its expiration.

Way Forward

- Both nations should prioritize diplomatic channels to address grievances and prevent escalation.
- Implementing clear communication protocols can help manage incidents and reduce misunderstandings along the border.
- Initiatives such as joint military exercises or cultural exchanges could foster trust and mutual understanding.

Pakistan seeks IAEA probe into Nuclear Material theft in India



- Pakistan called on the IAEA to probe repeated theft and trafficking of radioactive materials in India.
- India's Defence Minister urged IAEA oversight of Pakistan's nuclear program, which Pakistan firmly rejected.
- Pakistan cited multiple incidents, including the seizure of Californium worth over \$100 million, indicating a possible nuclear black market in India.

Analysis

Pakistan's call for an IAEA investigation underscores serious concerns about the security and oversight of nuclear materials in India. The repeated incidents of theft and illicit sale not only pose regional security risks but also challenge the global non-proliferation regime. While India maintains that its civilian nuclear facilities are under IAEA safeguards, the lack of oversight over its strategic nuclear program raises questions about transparency and accountability.

Way Forward

- IAEA should broaden its mandate to oversee strategic nuclear materials in all member states for better global compliance.
- India and Pakistan should initiate direct dialogue to build trust and ensure transparency in their nuclear programs.
- South Asian nations should develop regional frameworks for nuclear security, promoting cooperation and best practice sharing to prevent proliferation.

U.S wants Pakistan, India to resume direct talks



- United States is urging Pakistan and India to resume direct talks to de-escalate recent tensions.
- Principal Deputy Spokesperson Tommy Piggott emphasized Washington's focus on facilitating direct engagement between the two nuclear-armed neighbors.
- President Trump humorously suggested that both nations should "go out to dinner" together to resolve their disputes.

Analysis

U.S call for renewed dialogue underscores its concern over escalating hostilities between India and Pakistan. By advocating for direct talks, Washington aims to prevent further deterioration of regional stability and avert potential conflict.

Way Forward

- India and Pakistan should reopen diplomatic lines to address mutual concerns and reduce misunderstandings.
- Both nations can initiate joint initiatives, such as cultural exchanges or trade agreements, to build trust.
- Consider third-party facilitation, possibly by the US or other neutral entities, to guide and support bilateral discussions.

Ghost workers push railways to install Biometric system



- Pakistan Railways to introduce biometric attendance system with PITB.
- Aims to eliminate ghost employees and ensure accurate salary distribution.
- Total staff: 58,000 (95.5% in BPS-1 to 16, 0.5% in BPS-17 to 22).
- Committee formed to oversee and ensure timely installation.

Analysis

Introduction of biometric attendance system by Pakistan Railways is a commendable step towards enhancing transparency and accountability within the organization. By addressing the prevalent issue of ghost workers, the department aims to optimize resource allocation and improve service delivery. However, the success of this initiative hinges on the effective implementation of the system and the willingness of all stakeholders to adapt to the new technology.

Way Forward

- Organize training sessions for employees on the new biometric system.
- Conduct regular audits to evaluate system effectiveness and address issues.
- Run public awareness campaigns to promote transparency and build trust.

Govt. urged to restore peace in Tirah valley



- ANP Bara President Abdul Wahid Afridi voiced concern over worsening law and order in Tirah Valley, Khyber District.
- He called on the DPO and DSPs to urgently visit and address the security situation.
- Warned of a province-wide protest movement if peace is not restored by May 29, 2025.

Analysis

ANP's call for action underscores the escalating security concerns in Tirah Valley, a region that has historically faced challenges related to militancy and instability. The government's response to these concerns will be pivotal in determining the region's future trajectory. A failure to address the situation promptly may lead to increased unrest and a potential breakdown of law and order, further complicating the region's security landscape.

Way Forward

- Send a high-level delegation with senior police officials to Tirah Valley for a comprehensive security assessment and immediate action.
- Create dialogue platforms with local leaders, tribal elders, and community reps to build trust and ensure culturally sensitive security efforts.
- Launch development projects in education, healthcare, and infrastructure to address underlying issues and support long-term peace.

US and China reach deal to cut tariffs, easing slump fears



- US agreed to reduce tariffs on Chinese imports from 145% to 30%, while China lowered its tariffs on US goods from 125% to 10%.
- The agreement is set to last for 90 days, providing a temporary pause in the ongoing trade tensions between the two nations.
- The announcement led to a positive reaction in global markets, with stock indices rising and investor confidence improving.

Analysis

This temporary easing of tariffs indicates a mutual recognition by both the US and China of the detrimental effects prolonged trade disputes have on their economies. While the 90-day truce offers short-term relief, underlying issues remain unresolved, necessitating further negotiations to achieve a lasting solution.

Way Forward

- Businesses should stay informed about ongoing US-China trade negotiations to anticipate potential changes in tariffs and adjust their strategies accordingly.
- Companies reliant on imports from either country should consider diversifying their supply chains to mitigate risks associated with future trade disputes.
- Industry stakeholders should actively engage with policymakers to advocate for stable and predictable trade policies that support economic growth.

Negotiations should take place on water and Kashmir: Prime Minister A Day of thanksgiving declared across the country



- In a national address, Prime Minister Shehbaz Sharif emphasized the need for negotiations with India on the issues of Kashmir and water resources, particularly the Indus Water Treaty.
- Prime Minister declared a National Day of Thanksgiving, expressing gratitude for the ceasefire and the support of international allies.
- He lauded the leadership of General Munir and the armed forces, stating that the nation stands united with them.

Analysis

Prime Minister's call for negotiations on Kashmir and water issues underscores the urgency of addressing longstanding disputes with India. The declaration of a National Day of Thanksgiving reflects a moment of unity and relief following the ceasefire. However, the challenges remain significant, as both issues involve complex geopolitical, historical, and technical factors that require sustained diplomatic efforts and mutual trust to resolve Kashmir issue has been reignited.

Way Forward

- Pakistan must cease the opportunity and highlight Kashmir issue at the international forum.
- It must involve world powers to pressurize Modi government to establish a framework for regular, structured dialogue between India and Pakistan to address the Kashmir dispute and water-sharing arrangements under the Indus Waters Treaty.
- Involve neutral international parties to facilitate discussions, ensuring impartiality and support for the negotiation process.

Pakistan-India DGMOs speak over hotline



- Pakistan and India's DGMOs held their third hotline conversation since the US-brokered ceasefire agreement.
- The discussion centered on maintaining the ceasefire and the situation along the Line of Control (LoC).
- Diplomatic sources suggest global calls for both nations to adopt confidence-building measures (CBMs) for structured, high-level dialogue.

Analysis

The continued use of the DGMO hotline highlights a significant step in military-to-military communication between India and Pakistan, aiming to prevent misunderstandings and de-escalate tensions. However, the lack of official statements and the absence of a clear roadmap for future engagements suggest that while the immediate threat of conflict has been mitigated, long-term peace remains uncertain without sustained diplomatic efforts and mutual trust-building.

Way Forward

- Establish a routine schedule for DGMO-level talks to address immediate concerns and maintain open lines of communication.
- Both nations should implement CBMs, such as joint humanitarian initiatives and cultural exchanges, to foster trust and cooperation.
- Participate in regional forums with neutral mediators to discuss long-term solutions to contentious issues and promote lasting peace.

China, Pakistan discuss tensions with India



- Chinese Vice Foreign Minister Sun Weidong met with Pakistan's Ambassador to China, Khalil Hashmi, to address rising tensions with India.
- China offered support for a lasting ceasefire and expressed willingness to help de-escalate the situation.
- Turkey praised Pakistan's focus on dialogue and reconciliation, reaffirming strong bilateral ties between the two nations.

Analysis

China's proactive diplomatic engagement underscores its commitment to regional stability and its strategic partnership with Pakistan. By advocating for a ceasefire and offering mediation, China positions itself as a key player in South Asian geopolitics. However, the effectiveness of these efforts will depend on India's willingness to engage constructively and the international community's support for the proposed initiatives.

Way Forward

- Pakistan and India should set up a direct communication channel to address immediate issues and prevent escalation.
- Both countries should engage in regional forums, with China's help, to seek long-term solutions to the Kashmir issue and other disputes.
- Initiate joint humanitarian projects and cultural exchanges to rebuild trust and foster peace between the two populations.

Pakistan invites India for 'comprehensive dialogue' on Kashmir



- PM Shehbaz Sharif invited India to engage in comprehensive talks on all contentious issues, including Kashmir and water distribution.
- The invitation came after heightened tensions following the Pahalgam attack on April 22, which triggered military confrontations and India's suspension of the Indus Waters Treaty.
- Sharif emphasized Pakistan's readiness for both war and peace, urging India to choose dialogue over aggression.

Analysis

Prime Minister's invitation for dialogue signifies a strategic shift towards de-escalation amid escalating tensions. While Pakistan's military response was assertive, the call for talks indicates a preference for diplomatic engagement. However, India's previous suspension of the Indus Waters Treaty and the ongoing ceasefire violations suggest that mutual trust remains fragile, and the path to meaningful dialogue is fraught with challenges.

Way Forward

- Establish a dedicated hotline between military and diplomatic officials to address immediate concerns and avoid misunderstandings.
- Invite neutral international mediators to facilitate balanced discussions on sensitive issues like Kashmir and water rights.
- Launch joint humanitarian projects and cultural exchanges to rebuild trust and demonstrate a commitment to peaceful coexistence.

Govt okays Five-year Tariff reform plan to spur Exports



- PM Shehbaz Sharif approved a five-year tariff reform plan for the 2025-26 budget.
- Plan targets major cuts in customs, additional customs, and regulatory duties on raw materials and semi-finished goods.
- Regulatory duties to be capped at 30%, down from up to 90%.
- Reforms aim to increase exports by around \$5 billion by the end of the plan.

Analysis

Government's decision to approve this extensive tariff reform plan signals a significant shift towards an export-led growth strategy. By reducing protective tariffs, Pakistan aims to enhance its competitiveness in global markets. However, such liberalisation may pose challenges for domestic industries that have relied on high protection levels. The phased approach allows industries time to adapt, but the success of this strategy will depend on complementary measures, such as capacity building and innovation support, to ensure that local industries can thrive in a more competitive environment.

Way Forward

- Launch training and development programs to boost industry productivity and global competitiveness.
- Set up a monitoring framework to assess and manage the impact of tariff cuts on different sectors.
- Invest in infrastructure, including logistics and technology, to streamline trade and lower export costs.

Policy Nuggets

1 Cybercrime network busted with help of FBI, Dutch police

Impact

Reflects growing international cooperation in combating cyber threats

Recommendation

Strengthen cyber forensics capacity and legal frameworks for transnational crime; formalize data-sharing protocols with global agencies.

"The best way to predict the future is to invent it." – Alan Kay

4 Bill tabled in Senate to impose levy on natural gas

Impact

Signals fiscal tightening and pricing reforms in energy sector

Recommendation

Conduct regulatory impact assessments; phase levy to protect low-income consumers; redirect revenue to clean energy transition.

"In the end, we will conserve only what we love, we will love only what we understand." – Baba Dioum

7 Balochistan to digitise birth and death registration

Impact

Improves governance, planning, and public service delivery in underserved areas

Recommendation

Ensure digital inclusion through rural access points; link data to national databases; provide mobile registration drives.

"Information is the oil of the 21st century, and analytics is the combustion engine." – Peter Sondergaard

2 Punjab set to introduce first-ever Medical City Act 2025

Impact

Marks a major leap in health infrastructure innovation and governance

Recommendation

Ensure equitable access in regulatory design; incentivize R&D and medical education partnerships

"Good health is not something we can buy. However, it can be an extremely valuable savings account." – Anne Wilson Schaeff

5 Pakistan says Indus Waters Treaty fully binding, warns India against violations

Impact

Asserts Pakistan's legal stance on water rights amidst rising tensions

Recommendation

Internationalize treaty violations via diplomatic and legal platforms; bolster domestic water storage and monitoring

"Water is life's matter and matrix, mother and medium. There is no life without water." – Albert Szent

8 Conflict with India won't have large fiscal impact: Aurangzeb

Impact

Projects fiscal resilience amidst military tensions

Recommendation

Maintain macroeconomic prudence; ring-fence emergency reserves; enhance international investor communication.

"The essence of strategy is choosing what not to do." – Michael Porter

3 Trump asks Apple to stop moving iPhone production to India

Impact

Reignites strategic trade, tech and regional diplomacy dynamics

Recommendation

Leverage trade diplomacy to diversify tech investment; push for multilateral mediation on regional peace.

"In the new economy, information, education, and motivation are everything." – Bill Clinton

6 40 civilians, 11 personnel martyred in Indian strikes

Impact

Escalates regional hostilities and stokes civilian insecurity

Recommendation

Intensify backchannel diplomacy; strengthen civilian protection protocols in border areas; document and report violations through international forums.

"An eye for an eye will only make the whole world blind." – Mahatma Gandhi

9 Biometric verification of beneficiaries essential, says BISP chief

Impact

Aims to strengthen transparency and reduce leakages in welfare delivery

Recommendation

Integrate biometric systems with grievance redress platforms; ensure offline options for inaccessible regions.

"Transparency is not about restoring trust in institutions." – Ivan Krastev



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