



WEEKLY

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OVERVIEW

This week's *Policy Pulse* reflects Pakistan's struggle to navigate an increasingly turbulent regional landscape marked by volatile diplomacy, economic policy contradictions, and persistent internal vulnerabilities. The *Pulse* captures a week where ceasefires were declared, border tensions reignited, and the complexities of governance—from market regulation to health security—remained on stark display.

At the centre of this issue is President Trump's abrupt announcement of an Iran-Israel ceasefire following calculated de-escalation by Iran, marking a fragile pause in Middle East hostilities. However, as the ceasefire's durability remains uncertain, Pakistan is positioning itself to support regional diplomacy while balancing its relations with both the US and Iran. Meanwhile, domestic policy incoherence—exemplified by the sugar import-export flip-flop—exposes gaps in regulatory foresight and market governance. On the economic front, NEPRA's modest power tariff reduction and last-minute budget amendments signal attempts to provide relief within the constraints of IMF obligations and strained fiscal space.

The week also highlighted deepening security risks and public health gaps. The resurgence of polio and stagnant child immunisation rates underscore Pakistan's faltering progress on critical health targets. The deadly suicide attack in North Waziristan, attributed to Indian proxies, reflects growing border instability and the urgency of coordinated security responses. Yet, amidst these challenges, positive developments emerged: parliamentary committees exerted rare influence over budget deliberations, and international recognition of Pakistan's economic and development efforts—such as 'Uraan Pakistan'—offered cautious optimism.

The Policy Nuggets underscore the pressing need for strategic diplomacy, governance innovation, and resilient service delivery. From AI-enabled anti-corruption efforts to Gaza advocacy, the *Pulse* reminds policymakers that effective statecraft requires coherence—whether in foreign policy, economic regulation, or institutional reform. Pakistan's ability to withstand external shocks and domestic pressures rests on its capacity to blend pragmatic diplomacy, inclusive governance, and credible, data-driven reform.

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In another twist, Trump announces Iran-Israel ceasefire



- President Trump has claimed to broker a “complete and total” ceasefire between Israel and Iran marking a halt in the 12-day conflict, whilst both nations offer mixed signals on its implementation.
- He dismissed the Iran’s attack on USA Al Udeid Air Base in Qatar as weak and rather “thanked” Iran for giving an “early notice”.
- The Iranian strike was condemned by Qatar, Saudi Arabia and UAE.

Analysis

The abrupt declaration of ceasefire after Iran’s attack underscores Trump’s self-styled peacemaking approach. Albeit Israel and Iran have not violated this ceasefire, an uncanny uncertainty prevails. President Trump will have to pursue it till the logical end.

Way Forward

- Pakistan should engage regional partners to support international enforcement of the ceasefire, reinforcing existing norms around non-proliferation and de-escalation.
- Coordinate with UN agencies and international organizations for humanitarian assistance for Iran.

Govt okays import of 0.5m tonnes of sugar months after allowing exports



- The Sugar Advisory Board headed by Federal Minister for National Food Security Rana Tanveer Hussain approved importing of 0.5 million tonnes of sugar to ease domestic shortages and stabilize rising prices.
- The decision follows an earlier approval given to ironically export 0.75 million tonnes from June 2024 to January 2025 thus, contributing to current market strain.
- Meanwhile the spokesman for the Pakistan Sugar Mills Association said that there is no need to import sugar till November 21, 2025

Analysis

The policy flip-flop, from exporting surplus to then importing sugar, highlights lack of forward planning, weak regulation and market mismanagement which has not only increased prices to as high as Rs.195/kg from Rs. 143/kg last year but has also fueled public frustration.

Way Forward

- Create a real-time monitoring system to ensure export approvals only occur when a verified surplus exists, thereby preventing policy reversals and protecting domestic consumers.
- Instead of blanket imports, prioritize releasing imported sugar directly into public distribution channels at subsidized rates to cushion low-income households.

EU seeks Gaza progress after Israel found in breach of cooperation deal



- The review undertaken by EU of the EU-Israel Association Agreement, which forms the basis for trade, has found Israel to be in violation of one of its articles on human rights.
- The audit found Israel’s blocking of aid, targeting hospitals, and displacing civilians in Gaza as likely violations of human rights.
- EU will contact Israel and present its findings to improve the situation.

Analysis

The review of the EU-Israel trade deal confirms human rights violations by Israel against Palestinians. The EU’s intention to present the findings to improve the on-ground situation amidst internal EU divisions also highlights an attempt by EU to hold Israel accountable to human rights violations. However, as sanctions remain unlikely, it remains to be seen how Israel would be held accountable.

Way Forward

- Pakistan should support UN and OIC-led investigations into breaches of international humanitarian law in Gaza to hold Israel accountable.
- Pakistan should partner with EU-funded programs to ensure aid reaches Gaza directly.
- Pakistan could initiate a collective review urging other OIC members to align their trade agreements with human rights compliance in particular to their agreements with Israel.

Iran’s ‘calculated response’ helps US declare ‘peace in Middle East’



- According to analysts and officials with knowledge of the matter, Iran’s disciplined and strategic counterattacks on US base in Qatar helped ending of hostilities.
- Iran’s choice to attack Qatar is being seen as a “continuation of Qatar’s mediation” between Iran and US.
- With Trump publicly declaring ceasefire, analysts believe that it will make it hard for Israel to contradict US.

Analysis

By calibrating its response, Iran maintained deterrence without triggering full-scale escalation. This demonstrates a calculated shift in tactic from aggressive confrontation to measured signaling.

Way Forward

- Pakistan should offer to host confidential regional dialogue platforms to promote de-escalation frameworks that build on Iran’s tempered response strategy.
- Maintain a nuanced stance whilst avoiding alienating either Iran or US.
- Deploy joint coordination with Iran to deter miscalculations and reassure local communities of proactive security.

NEPRA slashes base power tariff by Rs 1.49 for FY26



- NEPRA has reduced the base power tariff by Rs.1.49 per unit for fiscal year 2025–26, lowering it from approximately Rs.27 to around Rs.25 per unit.
- The development was confirmed with NEPRA spokesperson although the proposal is pending federal government approval.
- The rate would be effective from July 1 as agreed with the IMF.

Analysis

Whilst the tariff cut offers modest relief to consumers, much of the electricity cost still stems from fuel charges, capacity payments, and surcharges. This means that the end-users may see limited overall benefit.

Way Forward

- NEPRA should prioritize renegotiating capacity charges of IPP contracts to deliver substantial and lasting tariff relief.
- To mitigate rising base tariffs and reduce dependence on costly thermal sources, the government should enhance solar incentives and invest in grid-modernization for distributed generation.

Pakistan among nations lagging in child immunisation, study reveals



- An analysis by the Global Burden of Disease Vaccine Coverage Collaborators reveals that Pakistan has the second-highest number of zero-dose children in South Asia after India, with nearly 419,000 children missing routine vaccinations.
- The report has highlighted that globally the stagnation has worsened due to the COVID-19 pandemic.

Analysis

Despite past gains, the immunisation coverage has plateaued. This would make meeting the immunisation targets set by World Health Organization for 2030 difficult without major equity improvements.

Way Forward

- Expand successful localized pilots such as Lahore’s hotspot mapping and urban slum interventions to other low-coverage areas.
- Scale initiatives like the “sit-down chats with dads”, already proven effective in Quetta and Karachi, in other peripheral communities.
- Implement evidence-based mobile reminders and audio messages paired with infrastructure investments to ensure capacity matches the demand.

Budget 2025-26: Friction within ruling partners necessitates last-minute tweaks



- Before the final vote for Budget 2025-26, the Prime Minister has been meeting with MNAs to build consensus on key provisions of Finance Bill 2025. This, in turn, has also ensured parliamentary attendance.
- Moreover, it marks the first time that the National Assembly Standing Committee on Finance conducted an intensive review of the Finance Bill and its suggestions were incorporated in the Finance Bill.

Analysis

Whilst there are divergent opinions on some of the key provisions of Finance Bill 2025, the government is making effort to build consensus. The amendment to give the chairmanship of a National Assembly Standing Committee (NASC) on Finance to a member of a coalition party rather than the ruling party is a step in that direction. Moreover, the incorporation of the NASC’s suggestions into the Finance Bill marks the first time when parliament has engaged in budget deliberations at a microlevel.

Way Forward

- Fast track the establishment of Parliamentary Budget Office in Pakistan to strengthen legislative oversight of the budget process, enhance transparency and accountability in financial governance.
- Efforts should be made to produce an inclusive and fair budget which promotes cohesion such as by conducting participatory citizen budgeting to understand publics’ needs and concerns.

NA passes budget with tweaks in tax laws, rates



- The National Assembly passed the Finance Bill 2025–26 with several last-minute tax-law amendments, making arrests for tax fraud a bailable offense, tightening non-filer restrictions, imposing GST on ex-FATA and Carbon Levy on petroleum products, whilst offering modest relief to salaried individuals.

Analysis

The budget reflects a strong drive to formalize the economy, meet the IMF conditions and balance revenue hikes with targeted concessions. However, a sizeable portion of the budget would be going towards mark-up payments which highlights reduced fiscal space for development spending.

Way Forward

- The government should fast-track adoption of mobile banking and enforce mandatory e-invoicing in retail to formalize the economy.
- The government should negotiate free/preferential trade agreements with other countries to boost exports and enhance trade relations.
- The government should introduce investment schemes both for domestic and foreign investors to boost economic growth.

US tightens social media vetting for Pakistani students



- The US consulates in Karachi and Lahore have mandated that all applicants for F, M, or J non-immigrant visas make their social media accounts public.
- The US State Department has directed its consular offices to undertake “comprehensive and thorough vetting” to identify potentially hostile attitudes of the applicants.

Analysis

This intensified vetting policy seems to be a continuation of Trump administration’s move when it froze federal funding of Harvard University and revoked its Student and Exchange Visitor Program certification as it was promoting “Pro-Hamas sympathies”. This policy also raises privacy concerns and may potentially lead to a high-level rejection of visas of Pakistani students.

Way Forward

- Universities and HEC should hold orientation sessions to help students safely manage their digital footprints and teach privacy features responsibly.
- Strengthen engagement with universities in Canada, Australia, the UK, and Europe to diversify Pakistani students’ global education options.
- Task the Ministry of Foreign Affairs to engage US consulates, advocating for clearer vetting guidelines and seeking exemptions for academic and research-focused applicants to reduce arbitrary denials and ease fears.

Army blames India, its proxy terrorist group for martyrdom of 13 soldiers in suicide attack



- A suicide bomber in an explosives-laden vehicle rammed himself on a security forces convey when the forces tried to intercept him in Mir Ali, North Waziristan, on June 28, killing 13 soldiers and injuring several others including civilians.
- The Pakistani army has stated that the attack was being orchestrated by India.

Analysis

This attack underscores a continued escalation in militant activity along the Afghan border and highlights India’s continuous attempts to create instability in Pakistan.

Way Forward

- Deploy joint border patrols and enhance intelligence-sharing frameworks with the Afghan government to reduce militants exploiting border gaps.
- Accelerate community engagement and deradicalization efforts particularly in North Waziristan and Balochistan by leveraging tribal elders and civil society.

Polio case reported amid review of eradication efforts



- As the Technical Advisory Group (TAG) reviewed polio eradication efforts, Pakistan reported its 13th wild polio case of 2025 of an 18-month-old girl in Tank, Khyber Pakhtunkhwa.
- TAG assessed polio eradication activities over the past six months, reviewed progress on the National Emergency Action Plan for Polio Eradication, and issued concrete recommendations for improvement which included improving management and capacity building of frontline workers.

Analysis

The resurgence, with 74 cases reported in 2024 against just 6 in 2023, reveals eroding control and persistent vulnerabilities: missed children, vaccine hesitancy, fragile cold chains, and security threats to vaccinators.

Way Forward

- With militants repeatedly targeting polio teams and their protectors, deploy dedicated security should be deployed with early-warning systems and rapid response units in districts like Tank, Balochistan, and KP.
- Expand programs leveraging local influencers—religious leaders, teachers, and community volunteers—to address vaccine hesitancy and misinformation.
- Use geospatial analysis and real-time data to deploy rapid, micro-targeted vaccination drives, especially in nomadic, migrant, and urban-peripheral communities.

Homegrown satellite imagery tool wins top Google prize



- Students from Islamabad Institute of Space Technology (IST) won “Best AI Use Case” at Google’s APAC Solution Challenge for developing GeoGemma, an open-source Large Language Model integrated with Google Earth Engine which allows prompt-driven satellite imagery and spatial data analysis.

Analysis

The tool allows a general user to access geospatial analytics by simplifying complex geospatial workflows without coding. This offers a transformative potential across sectors like agriculture, urban planning, and disaster response in Pakistan.

Way Forward

- The provincial governments could use GeoGemma to monitor crop health etc. through simple prompts which would enhance food security and resource optimization.
- Universities like IST and NUST should seek partnerships with energy, urban planning, and real estate firms to develop tailored GeoGemma modules to foster local innovation and commercialization.

Policy Nuggets

1 UNDP programme delivering swift justice to people in Balochistan

Impact

Strengthens access to justice for marginalized communities, fosters trust in state institutions and contributes to stability in a historically underserved region.

Recommendation

Expand and institutionalize such justice reform initiatives through sustained collaboration with development partners to ensure long-term legal empowerment and accessibility.

"Justice will not be served until those who are unaffected are as outraged as those who are." – Benjamin Franklin

4 PM lauds Pakistan's delegation for countering Indian propaganda

Impact

Reinforces Pakistan's proactive diplomatic engagement to challenge misinformation and protect national interests on global platforms.

Recommendation

Institutionalize strategic communication training for diplomatic delegations to effectively counter disinformation and project Pakistan's narrative internationally.

"The truth is like a lion. You don't have to defend it. Let it loose; it will defend itself." – Saint Augustine

7 South Korean ambassador lauds 'Uraan Pakistan' as beacon of economic renewal

Impact

Highlights international recognition of Pakistan's development initiatives aimed at economic revitalization, skills enhancement, and global partnerships.

Recommendation

Leverage such international endorsements to attract investment, strengthen vocational training programs, and foster technology-driven economic growth under initiatives like 'Uraan Pakistan'.

"The best way to predict the future is to create it." – Peter Drucker

2 After success in the Middle East, US looks to secure Gaza truce

Impact

Signals renewed diplomatic momentum for conflict de-escalation in Gaza, with broader implications for regional stability and humanitarian relief.

Recommendation

Pakistan should engage constructively with international partners to support ceasefire efforts, amplify humanitarian concerns, and promote a sustainable peace framework.

"Peace cannot be achieved through violence; it can only be attained through understanding." – Ralph Waldo Emerson

5 NAB to use AI to trace suspicious financial transactions

Impact

Marks a significant step toward modernizing anti-corruption mechanisms, enhancing efficiency in detecting financial irregularities and money laundering.

Recommendation

Balance enforcement with incentives by introducing simplified tax regimes, digital literacy programs, and compliance support for small online businesses.

"Regulation should be a bridge, not a barrier." – Anonymous

8 Khamenei claims victory over US

Impact

Reflects deepening geopolitical polarization and escalating rhetoric in the Middle East, with potential consequences for regional stability and global diplomatic alignments.

Recommendation

Pakistan should maintain a balanced, non-aligned diplomatic approach, emphasizing de-escalation, regional dialogue, and the safeguarding of its national security interests.

"In the midst of chaos, there is also opportunity." – Sun Tzu

3 Finance Minister Aurangzeb unveils measures to offset impact of relief to salaried class

Impact

Reflects efforts to balance fiscal relief with revenue generation and highlights the government's challenge of protecting vulnerable groups without widening the fiscal deficit.

Recommendation

Ensure that offsetting measures prioritize progressive taxation and broaden the tax base while safeguarding essential relief for the salaried and low-income segments.

"A fine balance between taxation and protection defines a just economy." – Anonymous

6 Israel kills another 46 waiting for aid in Gaza

Impact

Underscores the deepening humanitarian crisis in Gaza and the urgent need for unimpeded access to humanitarian assistance amid escalating violence.

Recommendation

Intensify diplomatic efforts to advocate for immediate ceasefire, ensure protection of civilians, and demand compliance with international humanitarian law through multilateral forums.

"The world will not be destroyed by those who do evil, but by those who watch them without doing anything." – Albert Einstein

9 ADB, UN agencies join hands with Pakistan to implement Pandemic Fund

Impact

Strengthens Pakistan's health security architecture by enhancing pandemic preparedness, response capacity, and resilience against future health crises.

Recommendation

Ensure transparent and targeted utilization of the Pandemic Fund, with a focus on strengthening public health systems, early warning mechanisms, and community-level healthcare infrastructure.

"An ounce of prevention is worth a pound of cure." – Benjamin Franklin



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