



WEEKLY POLICY PULSE

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Policy Nuggets

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The central theme is institutional strengthening and economic resilience amid security and economic pressures.

This week's Policy Pulse examines developments in governance, security, economic policy and international relations, highlighting Pakistan's efforts to strengthen institutional accountability, manage market pressures, improve security and expand diplomatic partnerships.

In Governance, Prime Minister Shehbaz Sharif inaugurated a Daanish School in Islamabad, citing lack of funds as the biggest barrier to talented children, while the government announced plans for a hi-tech system to curb power theft and manage loadshedding. Measures to stabilise wheat prices and eliminate corruption in the FBR also highlighted the importance of effective oversight.

Under Security and Law and Order, Pakistan temporarily closed its border with Iran amid security and smuggling concerns, disrupting cross-border trade. Security forces also killed 14 militants in operations across Balochistan, highlighting continued security challenges.

In Socio-economic Issues, the proposed Auto Policy 2026–31 aims to promote electric mobility and increase vehicle exports. Pakistan's planned application for the EU's new GSP+ scheme and Punjab's industrial development and export promotion plan reflect efforts to strengthen competitiveness, attract investment and create employment. Experts also emphasised AI adoption to support socioeconomic development.

For International Affairs, the Makkah Joint Defence Agreement highlighted expanding defence cooperation among Pakistan, Saudi Arabia and Türkiye. Pakistan and the Maldives signed 20 agreements and memoranda of understanding, while cooperation on gender-responsive social protection gained momentum. Pakistan also linked regional connectivity to peace in Afghanistan, urged stronger UN safeguards for human rights defenders and continued diplomatic engagement with the United States.

The Policy Nuggets cover Pakistan's planned space mission with China, fuel-pricing reforms, development funding and counterterrorism in KP, cybercrime prevention, school safety audits, workplace conduct, Saudi security cooperation and technology-driven electricity management.

Overall, the week highlights the need for transparent governance, economic resilience, effective security measures and sustained diplomacy to advance Pakistan's national interests.

Lack of funds biggest barrier to talented children: PM



Prime Minister Shehbaz Sharif inaugurated a Daanish School in Islamabad's Kuri area, saying lack of funds is the biggest obstacle for millions of talented children. He said the Daanish Schools network, launched in 2010, aims to give poor and deserving children equal access to quality education. Over 40,000 students attend these schools, with more than two dozen new campuses under construction across all provinces and regions.

Analysis

Expanding Daanish Schools to every province and region targets a real equity gap by giving gifted children from low-income families access to high-quality education. However, a selective, residential model reaches only a fraction of the school-age population, and its long-term impact will depend on stable funding, consistent teaching quality and transparent, merit-based admissions.

Way Forward

- Secure predictable long-term funding for new campuses, and publish annual reports on enrolment, costs and outcomes across all schools.
- Apply transparent, merit-based admissions across all provinces, with targeted outreach in remote districts of Balochistan, Khyber Pakhtunkhwa and Gilgit-Baltistan.
- Extend Daanish School teaching and management practices to ordinary public schools, so benefits reach beyond the selected students.

Govt unveils hi-tech system to manage loadshedding



Energy Minister Awaiz Leghari announced plans to introduce the Asset Performance Management System (APMS) in phases to curb power theft and manage loadshedding. By monitoring individual transformers, it will allow targeted disconnections instead of penalising entire feeders, while loadshedding continues on feeders with losses of 30 percent or higher. A pilot is planned in Lahore and Kasur.

Analysis

Transformer-level monitoring can make loadshedding fairer by shifting the burden from paying consumers to theft hotspots, and could help reduce line losses. However, results will depend on smart-meter rollout, tamper-proof systems and consistent enforcement against chronic defaulters.

Way Forward

- Complete the Lahore and Kasur pilot, publish results on losses and theft detection, and scale up after independent evaluation.
- Accelerate smart-meter rollout alongside transformer monitoring, with tamper-proof systems and safeguards for consumer data.
- Pair targeted disconnections with fair enforcement against defaulters and a clear complaints process for wrongly flagged consumers.

G ovt orders steps to curb wheat price hike



Deputy Prime Minister Ishaq Dar chaired a Cabinet Committee meeting to review essential commodity stocks, prices and supply. The meeting was informed that wheat stocks, including imports, were sufficient until the next harvest, but rising prices prompted directions to federal and provincial governments to increase supply and stabilise the market. Authorities were also instructed to prevent hoarding and market speculation.

Analysis

Despite adequate wheat reserves, rising prices highlight the need for effective supply management and market monitoring. Coordination between federal and provincial authorities is essential to prevent artificial shortages and protect consumers from price volatility. The government's response will depend on timely implementation, transparent oversight and action against hoarding.

Way Forward

- Strengthen market inspections and take action against hoarding, illegal stockpiling and speculative pricing.
- Improve coordination between federal and provincial governments to ensure timely wheat distribution and prevent regional shortages.
- Publish regular updates on wheat stocks, prices and supply, while ensuring affordable access for low-income households.

N o room for corruption, underperformance in FBR: PM



Prime Minister Shehbaz Sharif issued a strict directive to the Federal Board of Revenue (FBR), asserting zero tolerance for corruption, tax evasion facilitation, or chronic underperformance. Reviewing ongoing revenue digitization initiatives, the PM directed the immediate removal of compromised officials and total automation of tax collection mechanisms to achieve primary revenue targets.

Analysis

Addressing structural leakage, corruption, and tax fraud within tax administration is crucial to expanding the narrow tax net without imposing additional burdens on compliant corporate and retail entities.

Way Forward

- Remove human discretion from tax assessments and audits by fully automating FBR digital filing platforms.
- Expedite revenue litigation by establishing specialized tax courts to unlock trillions of rupees trapped in pending appeals.
- Subject FBR field officers to independent third-party performance and integrity audits.

Pakistan-Iran border closure raises security and trade concerns



The Balochistan government said the temporary closure of the Pakistan-Iran border was aimed at addressing security concerns, curbing smuggling and improving border management. The disruption reportedly left around 2,000 trucks stranded on both sides, affecting traders, importers and cross-border supply chains. Pakistani and Iranian officials are holding consultations to resolve the issue, with authorities expressing hope that normal border operations will resume soon. Pakistan's Deputy Prime Minister and Foreign Minister Ishaq Dar also held a telephone conversation with his Iranian counterpart amid ongoing regional consultations.

Analysis

Although tighter border controls may help address security threats and smuggling, prolonged closures risk financial losses, trade disruption and hardship for border communities. Effective coordination between Pakistan and Iran is essential to maintain security without unnecessarily obstructing legitimate commerce.

Way Forward

- Coordinate with Iranian authorities to resolve administrative and technical issues, facilitate stranded trucks and communicate a clear reopening plan.
- Improve customs monitoring, intelligence sharing and anti-smuggling measures while ensuring lawful cross-border movement.
- Consult chambers of commerce, provide timely updates and establish contingency arrangements to minimise financial losses and supply-chain disruptions.

14 terrorists killed in Balochistan operations



Security forces killed 14 terrorists during multiple intelligence-based operations (IBOs) across Balochistan, targeting hostile hideouts in Quetta, Khuzdar, Noshki, and Pasni (Gwadar district). Five terrorists were neutralized in Quetta (Panjpai), two in Noshki, and one in Khuzdar while two security personnel sustained injuries during the exchanges of fire.

Analysis

Synchronizing simultaneous kinetic operations across northern, central, and coastal belts in Balochistan demonstrates high-level intelligence integration aimed at preventing multi-axis militant insurgencies.

Way Forward

- Maintain continuous, intelligence-driven operations to disrupt terrorist sleeper cells before they can establish highway checkpoints or strike urban infrastructure.
- Expand interdiction networks to seize bomb-making materials and heavy explosive caches.
- Fortify joint security cordons along the National Highways and coastal belts (Pasni-Gwadar) to safeguard transit routes and commercial activity.

Auto policy 2026–31 proposes lower tariffs and reduced GST



Prime Minister Shehbaz Sharif has given in-principle approval to the proposed Auto Policy 2026–31, which aims to reduce average tariffs to 15% and lower GST on electric and hybrid vehicles. It proposes collecting Rs232 billion through an Automotive Development Levy and sets a five-year export target of \$6 billion for vehicles and auto parts.

Analysis

The policy aims to promote electric mobility, reduce vehicular emissions, strengthen domestic manufacturing and increase exports. Lower taxes could improve EV affordability and encourage investment in local production. However, success will depend on effective implementation, stronger local value addition and the ability of manufacturers to meet export targets.

Way Forward

- Expand EV charging infrastructure and support local production through technology transfer and investment.
- Ensure tax and tariff reforms encourage competition, protect consumers and promote affordable vehicles.
- Strengthen auto-parts manufacturing, improve product quality and help firms access international markets to achieve export targets.

Pakistan to apply for new EU GSP+ scheme from January 2027



Pakistan will apply for the European Union's new Generalised Scheme of Preferences Plus (GSP+) from January 2027, following the expiry of the existing arrangement in December 2026. A two-year grace period, extending until December 2028, will allow time for the EU to finalise the new scheme.

Analysis

Continued GSP+ access is important for Pakistan's exports, particularly textiles, because it provides preferential access to the European market. Retaining these benefits will require effective compliance with international commitments and revised EU requirements. Failure to meet these conditions could affect export competitiveness and foreign exchange earnings.

Way Forward

- Strengthen diplomatic engagement with EU institutions to support Pakistan's application.
- Improve implementation of international commitments and compliance monitoring across relevant sectors.
- Help exporters meet EU standards, diversify export products and expand market access to sustain trade growth.

Punjab okays Rs1.99tr industrial uplift, export promotion plan



The Punjab Cabinet, chaired by Chief Minister Maryam Nawaz Sharif, approved a massive Rs1.995 trillion industrial development and export promotion framework aimed at creating over 162,000 jobs across the province. The comprehensive plan combines Rs1.089 trillion in provincial public funding with Rs906 billion in targeted private sector investment.

Analysis

Focus on value-chain enhancements, specialized quality-testing labs, and digital business integration directly addresses non-tariff barriers that historically restrict Pakistani medium-scale exporters from entering international markets.

Way Forward

- Fast-track infrastructure delivery at industrial estate sites to lower setup costs for investors.
- Link local manufacturers directly with international e-commerce channels, digital trade finance, and export compliance verification.
- Implement strict quarterly oversight metrics to ensure private sector capital commitments materialize alongside public expenditure disbursements.

Experts call for use of AI for socioeconomic improvement



Technology policy experts urged the systematic adoption of Artificial Intelligence (AI) and data analytical tools to drive socioeconomic development. Dr Mohammad Tahir Noor, Secretary Planning, Development and Special Initiatives emphasized aligning academic research with industrial needs to convert technological capabilities into practical economic productivity.

Analysis

Transitioning AI from academic research to mainstream socioeconomic applications requires bridging the gap between university R&D, state policy, and private industry. Given structural challenges, deploying targeted applied AI models offers Pakistan a high-leverage mechanism

Way Forward

- Create joint innovation hubs between university data science departments and private enterprises to build localized AI models
- Scale national training initiatives to integrate practical machine learning and data engineering modules into technical and vocational curricula.
- Automate public administrative workflows and data-sharing pipelines under sovereign governance standards to reduce administrative friction and enhance public service delivery.

Makkah pact sets 10-Year bar on signatories' withdrawal



The Makkah Joint Defence Agreement between Pakistan, Saudi Arabia and Türkiye requires members to provide mutual assistance in the event of an armed attack and restricts withdrawal for the first 10 years. The pact also covers defence industry cooperation, intelligence sharing, logistics and counterterrorism, with Türkiye's parliamentary approval pending.

Analysis

The agreement could strengthen trilateral defence cooperation and improve coordination against regional security threats. However, its long-term commitments require clear implementation mechanisms, respect for national laws and careful diplomatic coordination to avoid regional tensions. Its effectiveness will depend on how the three countries translate mutual assistance commitments into practical arrangements.

Way Forward

- Establish clear coordination mechanisms for joint defence planning, intelligence sharing and crisis response.
- Ensure all commitments align with Pakistan's constitutional processes, national interests and international obligations.
- Use the partnership to strengthen defence technology, counterterrorism cooperation and diplomatic efforts for regional stability.

Pakistan, Maldives sign 20 MoUs, agreements



Pakistan and the Maldives signed 20 MoUs and an agreement to strengthen cooperation in trade, defence, IT, cybersecurity, AI, health, education, agriculture and tourism. Prime Minister Shehbaz Sharif and President Mohamed Muizzu also agreed to increase bilateral trade from around \$13.9 million to \$200 million within two years.

Analysis

The agreements provide an opportunity to deepen economic and strategic ties between the two countries. Cooperation in technology, maritime security, tourism and climate change could diversify Pakistan's regional partnerships. However, achieving the trade target will require effective implementation, stronger business links and sustained institutional coordination.

Way Forward

- Develop a clear implementation plan with timelines and responsible institutions for all 20 MoUs.
- Facilitate private-sector partnerships, trade delegations and export promotion to achieve the \$200 million target.
- Expand practical cooperation in IT, maritime security, climate resilience, education and tourism through joint projects and technical exchanges.

BISP, UN Women, WFP vow gender-responsive social protection



The Benazir Income Support Programme (BISP), UN Women, and the World Food Programme (WFP) established a strategic partnership to strengthen gender-responsive social protection and accelerate women's economic empowerment across Pakistan. BISP Chairperson Senator Rubina Khalid committed to leveraging BISP's beneficiary network to expand various services for women.

Analysis

Transitioning unconditional cash transfers toward integrated, gender-responsive development frameworks is critical for breaking intergenerational poverty cycles. Partnering with UN entities embeds nutrition, healthcare, and digital financial literacy directly into safety net distribution channels.

Way Forward

- Pakistan should secure, digitized mobile banking accounts to enhance financial autonomy and direct asset ownership.
- Pakistan can scale conditioning mechanisms tying cash stipends to mandatory maternal-child healthcare visits and specialized nutritional support
- Pakistan should implement strict workplace protection, mobility support, and anti-harassment protocols for female field staff and healthcare enumerators.

Dar links regional progress to peace in Afghanistan at SCO moot



Deputy Prime Minister and Foreign Minister Ishaq Dar stated at the Shanghai Cooperation Organisation (SCO) Council of Heads of Government meeting in Dushanbe that long-term economic integration and regional connectivity in Eurasia remain strictly contingent on peace and stability in Afghanistan. Additionally, he called for reforms to the global financial architecture and trade systems to promote equitable regional development.

Analysis

Reiterating that Eurasian economic integration relies on Afghan domestic security highlights Pakistan's strategic effort to leverage multilateral forums like the SCO to enforce counter-terrorism guarantees.

Way Forward

- Pakistan should align border trade protocols and transit access with verified Afghan enforcement against cross-border militant hideouts.
- Pakistan must engage actively through SCO bodies to harmonize joint regional pressure on non-state security threats.
- Advance the completion of biometric transit checkpoints, automated trade processing, and border surveillance along critical frontier zones.

Rubio asserts US ties with Pakistan from 'geographic standpoint' in India



During a diplomatic visit to India, US Secretary of State Marco Rubio addressed bilateral relations with Pakistan, emphasizing that Washington's engagement with Islamabad is primarily anchored from a "geographic standpoint" given Pakistan's pivotal position in South and Central Asian security dynamics.

Analysis

Framing US-Pakistan ties explicitly through a geographic and security lens underscores Washington's pragmatic calculation of Pakistan's strategic utility in managing regional stability, counter-terrorism, and Afghan spillover.

Way Forward

- Pakistan should proactively expand diplomatic dialogue with the US to broaden the relationship beyond narrow geopolitical metrics.
- Pakistan can further utilize existing security communication lines with Washington to share actionable threat assessments and reinforce mutual stakes in regional counter-militancy.
- Cultivate a multi-lateral diplomatic posture that balances relations with global powers without being ensnared in major power competition in South Asia.

Pakistan urges UN to strengthen safeguards for HR defenders



During an interactive dialogue with the UN Special Rapporteur on the situation of human rights defenders at the UN General Assembly Third Committee in New York, Pakistan called on the international community to bolster institutional protections and safeguards for human rights defenders worldwide.

Analysis

By positioning itself as a proponent of global protection standards for rights defenders, Islamabad reinforces its active participation in UN human rights platforms. However, sustaining credibility on global stages requires harmonizing international rights pledges with robust domestic legal protections and transparent enforcement mechanisms within national jurisdictions.

Way Forward

- Pakistan should integrate international protection standards for human rights defenders into domestic legal frameworks.
- Pakistan can operationalize dedicated reporting channels and legal aid mechanisms under the Ministry of Human Rights to address threats against local human rights advocates.
- Partner with neutral UN member states and international human rights bodies to strengthen global oversight frameworks in occupied and high-conflict zones.

01

PAKISTAN'S FIRST ASTRONAUT TO TRAVEL TO SPACE ON NOV 25: MINISTER

Impact: The planned space mission reflects growing Pakistan-China scientific cooperation and highlights the potential of space technology to strengthen research, innovation and national capabilities.

Recommendation: Pakistan should invest in space-science education, research infrastructure and youth-led innovation while expanding international cooperation to build sustainable domestic space capabilities.

"If we do not conduct research, we will fall behind in the race for development."
Ahsan Iqbal

03

PM ANNOUNCES RS160BN FOR KP, VOWS TO CRUSH TERRORISM

Impact: The development package and proposed security measures aim to address terrorism and long-standing service gaps in Khyber Pakhtunkhwa, particularly in the merged and conflict-affected districts.

Recommendation: Ensure transparent utilisation of the Rs160 billion package, strengthen police and CTD capacity, and involve local communities in security planning and development to achieve lasting peace.

"The war against terrorism is the shared responsibility of the entire nation."
Federal Apex Committee

05

RAWALPINDI ORDERS SAFETY AUDIT OF 8,300 PUBLIC, PRIVATE SCHOOLS

Impact: Systematic safety evaluations across thousands of educational institutions safeguard students against structural hazards, fire risks, and emergency unpreparedness.

Recommendation: Mandate rigorous compliance timelines, deploy certified inspectors, and penalize defaulting institutions.

"The safety of our children in educational institutions is a non-negotiable priority that demands uncompromising accountability and rigorous oversight."
Rana Sikandar Hayat

07

ISLAMABAD DECLARATION REAFFIRMS PLEDGE TO PROTECT HARAMAIN SHARIFAIN, SUPPORT SAUDI ARABIA'S SECURITY

Impact: Reaffirming bilateral defense commitments reinforces strategic ties with Riyadh and underscores Pakistan's role in regional security architecture.

Recommendation: Operationalize joint security protocols through structured strategic dialogues and defense cooperation frameworks.

"The defense of the Two Holy Mosques is a sacred trust and a cornerstone of our unbreakable fraternal ties with the Kingdom of Saudi Arabia."
Shehbaz Sharif

09

MUNIR-PEZESHKIAN MEETING RAISES PEACE HOPES

Impact: High-level civil-military diplomatic engagement between Pakistan and Iran fosters bilateral trust, addressing regional security concerns and border stability.

Recommendation: Ministry of Foreign Affairs must translate diplomatic goodwill into formalized joint border management and enhanced bilateral trade mechanisms.

"Deepening neighborly engagement and mutual trust remains the cornerstone of lasting peace and regional stability."
Shehbaz Sharif

02

GOVT CUTS DIESEL PRICING CRACK CAP, BUT REFINERIES SEE LIMITED EARNINGS HIT

Impact: The revised diesel pricing cap offers limited relief to consumers while protecting refinery earnings and supporting ongoing investments in cleaner fuel production.

Recommendation: The government should maintain transparent fuel-pricing policies that balance consumer affordability, fair refinery margins and investment in modernising Pakistan's refining sector.

"The revised mechanism will remain in place for three months."
Petroleum Division notification

04

NAQVI URGES WOMEN NOT TO SHARE PHOTOS WITH ANYONE AMID RISING CYBERCRIME

Impact: Rising cases of online harassment, cyber-blackmail and financial fraud highlight gaps in digital safety awareness and the capacity of cybercrime agencies to protect citizens.

Recommendation: Strengthen NCCIA staffing and investigative capacity, expand public awareness campaigns, and improve accessible reporting and victim-support mechanisms while promoting responsible digital safety practices.

"I would request mothers, sisters and daughters not to share any personal photographs with anyone."
Mohsin Naqvi

06

BANKS ASKED TO DISPLAY WORKPLACE CODE OF CONDUCT

Impact: Mandating visible displays of workplace codes of conduct reinforces institutional accountability, deters harassment, and promotes safe, inclusive banking environments.

Recommendation: Enforce strict compliance monitoring and establish confidential grievance redressal mechanisms across all financial institutions.

"A safe and respectful workplace is the foundation of institutional integrity; transparency in conduct standards protects every employee."
Shazia Marri

08

GOVT UNVEILS HI-TECH SYSTEM TO MANAGE LOADSHEDDING

Impact: Deploying advanced monitoring technology optimizes power distribution efficiency, mitigates unannounced outages, and enhances transparency in grid management.

Recommendation: Ensure rigorous real-time sensor integration and protect the infrastructure against technical tampering.

"Modernizing our energy grid with intelligent data systems is vital to ending inefficient power distribution and ensuring equitable supply."
Awais Leghari



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