

DAILY PAKISTAN WATCH

03 June 2026

Security

- ◆ **Security Sweep Deals Blow to Terror Networks in Balochistan**— Following the 24 May attack on a train near Chaman, security forces carried out operations across Mastung, Nushki, Zehri, Khuzdar and Ketch districts. **After fierce exchanges, 17 terrorists, described by the military as “Indian-sponsored Fitna-al-Hindustan”, were killed**, according to the Inter-Services Public Relations (ISPR). Weapons, ammunition, explosives and explosive devices were recovered. **The military said the operations delivered “a significant blow to terrorist networks” in the region.** President Asif Ali Zardari and Prime Minister Shehbaz Sharif praised the forces’ professionalism and bravery. (*The News*, [3 June 2026](#))
- ◆ **Defence Minister Sceptical of Taliban Assurances on TTP**— Defence Minister Khawaja Asif dismissed reports that Taliban Supreme Leader Hibatullah Akhundzada had warned the banned Tehreek-e-Taliban Pakistan (TTP) to cease attacks in Pakistan. Speaking to a private television channel, he argued that the Afghan Taliban’s support for the TTP remained unchanged despite such claims. **Asif cautioned against trusting the Taliban’s “mixed signals”, stating that the reported warning existed only in media reports and that “practically there has been no change in the situation on ground”.** He maintained that cross-border terrorism continues to pose a serious concern for Pakistan. (*The Express Tribune*, [3 June 2026](#))
- ◆ **Deterrence Reimagined in South Asia** — Twenty-eight years after Chagai, Pakistan’s nuclear posture faces new challenges. Lt Gen Nauman Zakaria warned at the Shangri-La Dialogue that **emerging technologies create “new vulnerabilities... risk of miscalculation... [and a] compression of decision-making timelines.”** Analysts note nuclear weapons prevented full-scale war in May 2025 but did not stop sustained confrontation. **Dr Rabia Akhtar argued conventional deterrence is “becoming increasingly important,”** while Ambassador Zamir Akram cautioned that new technologies blur conventional and strategic weapons. Experts urge recalibrating deterrence with stronger conventional layers. (*Dawn*, [1 June 2026](#))
- ◆ **India’s Strategic Deception towards Pakistan** — In this opinion piece, Dr Rizwana Abbasi (NUML, CISS) argues that **deception has been a recurring feature of India’s policy towards Pakistan.** She highlights India’s evolving military doctrines — including surgical strikes and limited war concepts — as contributing to regional instability. Abbasi contends that actions on **Kashmir and the Indus Waters Treaty risk undermining peace**, while India’s nuclear and military strategies aim to consolidate its regional position. She advocates for dialogue, adherence to international law, and multilateral cooperation as the only sustainable path to regional stability. (*The Pakistan Observer*, [3 June 2026](#))
- ◆ **Sanctioning Terror, Not Romanticising It**— In his opinion piece, Faisal Ahmad critiques Bollywood’s *Dhurandhar* as **“a marathon of blatant cinematic propaganda”** that dangerously

distorts Balochistan’s reality. He stresses that the **Baloch Liberation Army (BLA) is a ruthless terrorist group, not a resistance movement**, citing train attacks, recruitment of women as suicide bombers, and sabotage of projects like CPEC and Reko Diq. Ahmad links the BLA’s operations to foreign funding and alliances with TTP, warning of their propaganda networks. He urges the UN and global community to impose strict sanctions to dismantle this proxy menace. (*Daily Times*, [3 June 2026](#))

- ◆ **TTP Operations – 2 June 2026:** On 2 June 2026 (16 Dhu al-Hijjah 1447 AH), Tehreek-e-Taliban Pakistan (TTP) claimed responsibility for **10 operations** across six provinces. Peshawar saw three incidents, including attacks on army personnel, a police officer, and damage to surveillance equipment. South Waziristan reported two guerrilla strikes on military and FC posts. In Dera Ismail Khan, one Peace Committee member was killed and another injured, while a government surrenderee was targeted. Bajaur witnessed a police checkpoint attack injuring a havildar. North Waziristan saw a grenade assault on an army checkpoint. In Orakzai, a sniper attack killed a captain. These operations highlight TTP’s continued targeting of security forces and local collaborators. (*Telegram*, 3 June 2026)

Operations Table

District	Area	Target/Outcome
Peshawar	City (2), Badh Bera	Army personnel injured; camera damaged; Police officer killed
South Waziristan	Azam Warsak (2)	Army personnel injured; possible FC casualties
Dera Ismail Khan	City (2)	Peace Committee member killed, another injured; Govt surrenderee injured
Bajaur	Salarzai	Havildar injured; police checkpoint damaged
North Waziristan	Mir Ali	Possible casualties from grenade attack on army checkpoint
Orakzai	Kalaya	Army captain killed in sniper attack

Economy

- ◆ **Budget Delay Amid IMF Standoff and Provincial Allocations** — Pakistan’s federal budget for 2026-27 has been delayed after the National Economic Council meeting was postponed. **Two key hurdles persist: provinces resisting alignment of their Rs3.138 trillion uplift allocations with national priorities, and the IMF’s refusal to ease revenue targets.** The IMF insists the Federal Board of Revenue collect Rs15,264 billion, despite projections of only Rs13,000 billion this year. Officials revealed the budget, initially set for June 5, may now be presented June 10–12, pending consensus. (*The News*, [3 June 2026](#))
- ◆ **Climate Budgeting Needs Accountability, Not Just Labels**— In this opinion piece, **Zainab Naeem, environmental scientist, argues that Pakistan’s climate budget debate is fundamentally about governance rather than spending levels.** She notes that climate budget tagging has improved visibility of expenditures, but warns that relabelling existing projects does not necessarily build

resilience. Naeem contends that **weak implementation, low utilisation rates and fragmented provincial efforts undermine climate preparedness**. She advocates mandatory provincial climate tagging, district-level accountability, operationalisation of the Pakistan Climate Change Fund, and climate-sensitive fiscal transfers, stressing that **real success should be measured by improved local resilience rather than budgetary classifications**. (*The News*, [3 June 2026](#))

- ◆ **Di Amer-Bhasha Dam Power Project Added to PSDP** — The federal government will initiate the **Rs1.424 trillion Di Amer-Bhasha Dam power generation project** in FY2026-27, allocating Rs500 million initially under the Public Sector Development Programme. The Water Resources Ministry's proposed Rs179 billion allocation includes Rs42.67 billion for Hydle projects and Rs136.334 billion for water schemes. **Rs25 billion is earmarked for the dam portion and Rs7 billion for land acquisition/resettlement**. Other allocations cover Dasu, Tarbela 5th extension, Warsak rehabilitation, Attabad, Harpo, Mangla, Mohmand Dam and Karachi's K-IV scheme. (*The Nation*, [3 June 2026](#))
- ◆ **Exports Stagnant Despite Uraan Ambition** — The Commerce Ministry admitted that Pakistan's exports remain stagnant at **USD25–30 billion despite the Uraan programme's USD60 billion target**. In the National Assembly Standing Committee on Commerce, Aliya Kamran questioned the lack of progress. The Commerce Secretary cited **anti-export taxes, high energy and financing costs, and structural hurdles** as key barriers, stressing competitiveness and productivity as essential for growth. He remarked, **"Ideally, I would recommend zero taxation for exports,"** but noted IMF commitments limit reductions. The ministry acknowledged systemic constraints undermining industrial competitiveness. (*Business Recorder*, [3 June 2026](#))
- ◆ **PSDP Allocation Falls Short of Needs** — Next year's Public Sector Development Programme (PSDP) will be **Rs1.126 trillion against a requirement of Rs4.097 trillion**, exposing a major funding gap. At the APCC, officials admitted disturbing trends: growth is projected at 4%, below IMF's 4.1% target, while core inflation rose to 9%, likely prompting another policy rate hike. **Only 51% of this year's PSDP was disbursed by April**, with further releases unlikely amid Middle East-driven inflation. Analysts warn shrinking PSDP allocations undermine infrastructure needs, urging cuts in current expenditure to ease fiscal pressure. (*Business Recorder*, [3 June 2026](#))

Foreign Policy

- ◆ **Italy Praises Pakistan's Expanding Strategic Role**— Italian Ambassador **Marilina Armellin** said Pakistan was an "indispensable partner for regional stability" and praised its support for multilateral solutions, economic diplomacy and sustainable development. She welcomed Pakistan's willingness to act as an **"honest broker" between the United States and Iran**. The ambassador highlighted cooperation on UN reform, migration, labour mobility, crime prevention and judicial links. She noted that Italy manages 17 development initiatives worth about €169.5 million in Pakistan. **Armellin said bilateral ties are entering "a more mature and strategic phase"**. (*The News*, [3 June 2026](#))
- ◆ **New Motorway to Link Pakistan with China** — Federal Minister for Communications Abdul Aleem Khan announced a **172 km Mansehra-Naran-Jhal Khand-Chilas (MNJC) Motorway** as a modern alternative to the Karakoram Highway. The project, to be completed in two phases, will feature Pakistan's longest tunnel at Babusar (13.5 km), expandable 4–6 lanes, rest areas and

trucking terminals. Aleem Khan said the route will cut 120 km, reduce transit costs and directly connect Western China to Karachi and Gwadar ports, calling it “a real game-changer” for Gwadar’s sustainable development. (*The News*, [3 June 2026](#))

- ◆ **CPEC 2.0 Shifts to Green Growth** — Pakistan-China cooperation has entered a new phase, focusing on **industrialisation, technology, renewable energy and sustainable growth**. Adeel Munawar, Commercial Ambassador of PCJCCI, said the first phase of CPEC built transport networks, power projects and Gwadar infrastructure, while **CPEC 2.0 now centres on SEZs, IT, agriculture modernisation and green energy**. He noted Pakistan’s vast solar and wind potential, especially in Sindh and Balochistan, adding that Chinese investment and technology could help reduce reliance on imported fossil fuels. (*The Express Tribune*, [3 June 2026](#))
- ◆ **EU Goodwill Must Translate into Growth** — This editorial argues that the 8th Pakistan–EU Strategic Dialogue highlighted the need to move beyond diplomacy and convert goodwill into tangible economic outcomes. The European Union, with annual trade worth **€12 billion and benefits under GSP Plus**, remains a key partner. The editorial stresses that cooperation in **digital infrastructure, renewable energy, climate resilience, technology and agriculture** could unlock investment, jobs and sustainable growth. It concludes that proactive trade promotion and stronger business partnerships are essential. (*The Pakistan Observer*, [3 June 2026](#))
- ◆ **Power of Pakistan’s Diplomacy** — Waris Paracha argues that Pakistan’s growing influence lies in its ability to “**bring rivals to the table, reduce tensions, and promote stability in a divided world.**” He highlights the role of military leadership in complementing diplomacy through defence cooperation, peacekeeping missions, and regional engagement. Pakistan’s balanced approach — maintaining ties with **China, the US, Gulf states, Türkiye and others simultaneously** — is seen as a major strength. Paracha concludes that nations combining strength with diplomacy gain lasting influence, and Pakistan’s commitment to dialogue enhances its international standing. (*Daily Times*, [3 June 2026](#))
- ◆ **EU Partnership for Pakistan’s Economy** — This editorial notes that EU High Representative Kaja Kallas’ praise for Islamabad’s mediation role between the US and Iran has opened new opportunities. It stresses that Pakistan must now **tap the 27-member bloc to boost economic potential and secure better trade and tariff deals**. With the EU already Pakistan’s largest export destination at **\$12 billion annually under GSP+**, the piece urges showcasing textiles, start-ups and cultural artefacts more vividly. It concludes that EU support in **technology transfer, trade priority and climate cooperation** will be a great service. (*The Express Tribune*, [3 June 2026](#))

Politics, Culture, Etc.

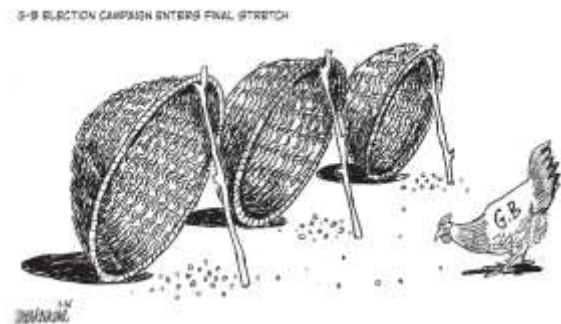
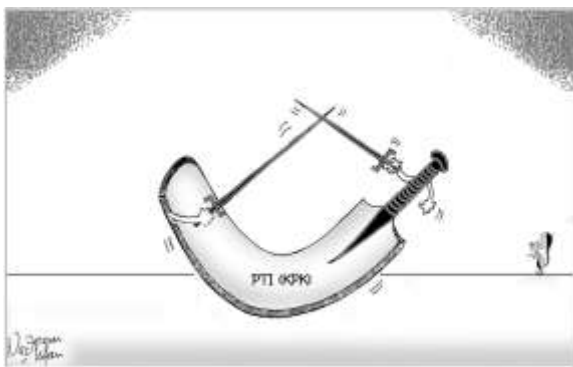
- ◆ **Election Heat Intensifies in Gilgit-Baltistan** — Political heavyweights converged on Gilgit-Baltistan ahead of the 7 June polls. Nawaz Sharif (PMLN President) lamented **unfinished projects, poor roads and crippling power shortages**, declaring “**Seeing potholes on roads and unfinished projects causes me great pain.**” He pledged airport expansion, solar projects and a women’s university. Bilawal Bhutto Zardari (PPP Chairman) vowed to **protect the Benazir Income Support Programme**, warning devolving it to provinces would “**effectively amount to**

ending it.” PTI’s Sheikh Waqas Akram alleged “blatant rigging” and suppression of PTI campaigns. (*The News*, [3 June 2026](#))

- ◆ **Kohistan Corruption Assets Returned**— In a landmark move, the National Accountability Bureau (NAB) handed over **Rs6 billion recovered assets** to the Khyber Pakhtunkhwa government. The assets include Rs5 billion cash, gold, luxury vehicles and properties. NAB KP DG Farhanullah revealed Kohistan’s budget is under Rs50 million, yet “public resources were looted on a massive scale” through fake companies and fraudulent contracting. NAB Chairman Lt Gen (ret) Nazir Ahmed termed it “**one of the biggest financial scandals in the country’s history**” involving Rs37 billion embezzlement. (*The News*, [3 June 2026](#))
- ◆ **KP Budget Row Outside Adiala** — Khyber Pakhtunkhwa Chief Minister Sohail Afridi vowed to proceed with the provincial budget, but **Aleema Khan interrupted, insisting the CM first meet PTI founder Imran Khan before finalising it**. Afridi reaffirmed loyalty to Imran, demanding his transfer to Shifa International Hospital. PTI Chairman Barrister Gohar Ali Khan urged dialogue, while PTI KP President Junaid Akbar dismissed talk of a forward bloc. Aleema warned denial of family access to Imran was unconstitutional, rejecting rumours of a deal. (*The News*, [3 June 2026](#))
- ◆ **SC Presses Centre on APS Compensation** — The Supreme Court sought a formal response from the federal government over **non-payment of the financial package promised to families of the Army Public School martyrs**. Justice Muhammad Ali Mazhar observed that if compensation had been granted to some, “**the same relief should be extended equally to all affected families.**” The bench directed clarification on implementation of the Peshawar High Court’s judgment. The apex court also considered a contempt petition filed by families, before adjourning proceedings indefinitely. (*The News*, [3 June 2026](#))
- ◆ **‘AJK’ PM Urges Dialogue on Refugee Seats** — ‘Azad’ Jammu and Kashmir Prime Minister Faisal Mumtaz Rathore said his government was striving to prevent the Joint Awami Action Committee (JAAC) from returning to the streets, stressing that the dispute over 12 refugee seats must be resolved through consensus. He noted that “**almost all demands included in the charter of demands were fulfilled, except for one relating to the abolition of refugee seats.**” Rathore assured that the government would not use force, emphasising negotiations and representative institutions over agitation. (*Dawn*, [3 June 2026](#))
- ◆ **Punjab LG Bill Proposes Grassroots Empowerment** — The draft Local Government Act 2025 aims to devolve authority across Punjab, empowering Union Councils (UCs) to resolve disputes and manage local development. Each UC will have **13 members, including reserved seats for women, youth, minorities and farmers/labourers**. Chairmen and Vice-Chairmen will be elected jointly by councillors. UCs will approve budgets, levy taxes, maintain vital records, and oversee small-scale projects such as streets, drainage, water supply and sanitation. **They will also promote sports, culture and assist in emergencies, ensuring inclusive representation and stronger local governance.** (*The Express Tribune*, [3 June 2026](#))
- ◆ **BNP Condemns Detention of Party Leader** — The Balochistan National Party (BNP-Mengal) demanded the immediate release of senior leader Sardar Naseer Ahmed Musiani and his son, allegedly detained after a clash in Zehri. **Advocate Sajid Tareen, BNP Senior Vice President, claimed personnel raided Musiani’s home, injuring him and his son, and held them in a school**

turned detention centre. He warned that if detainees were not freed, province-wide protests would begin on June 4. Tareen condemned the action as a violation of home sanctity. (*Dawn*, [3 June 2026](#))

- ◆ **Toshakhana Case Stalled Again** — A Special Court adjourned the six-year-old Toshakhana corruption case against **President Asif Ali Zardari, former prime ministers Nawaz Sharif and Yousaf Raza Gilani** after the FIA failed to submit its challan. Judge Humayun Dilwar postponed proceedings until September 10, marking 17 hearings without progress since transfer to the special court. The NAB reference alleges illegal acquisition of luxury vehicles gifted by foreign missions. **Zardari was granted presidential immunity in May 2024 under Article 248(2), halting proceedings until his tenure ends.** (*The News*, [3 June 2026](#))



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