

DAILY PAKISTAN WATCH

05 June 2026

Security

- ◆ **CDF Munir's pivotal role in peace talks** — Senator Faisal Vawda disclosed that **Field Marshal Asim Munir, Chief of Defence Forces, is personally drafting a possible peace agreement** between the United States and Iran, with Pakistan mediating fragile negotiations. In a post on X, Vawda asserted that Munir's influence now extends globally, predicting visits by major world leaders to Pakistan for a "historic development". He emphasised, "**The field marshal alone will make history in Pakistan's capital,**" and credited Munir with giving India "the worst defeat in war". (*The Express Tribune*, [05 June 2026](#))
- ◆ **Four policemen abducted in Gwadar** — Armed assailants kidnapped four police officers, **Niaz Ahmed, Shoaib, Ehsan and Sajid Ali**, in Gwadar near the **Pakistan-Iran maritime border**. The officers had intercepted a vehicle carrying Afghan nationals attempting illegal entry before losing contact. Authorities suspect they were taken hostage by armed men. Security forces have cordoned off the area and launched a search operation, though **no group has claimed responsibility**. Investigations are ongoing into the incident. (*The Express Tribune*, [05 June 2026](#))
- ◆ **FO accuses India of weaponising Indus waters** — Pakistan's Foreign Office warned that India's **Chenab-Beas Link Tunnel Project and Salal Dam silt-flushing plans violate the Indus Waters Treaty and international law**, with spokesperson **Tahir Andrabi** stressing they confirm New Delhi's intent to "weaponise water". He cautioned of grave implications for Pakistan's economy and regional stability. Andrabi also defended Pakistan's right to act against Afghanistan "when necessary", reaffirmed its role in sustaining the fragile US-Iran ceasefire, and rejected reports alleging FM Ishaq Dar shared nuclear intelligence with Washington. (*Dawn*, [05 June 2026](#))
- ◆ **Security forces eliminate 4 terrorists in KP** — Pakistan's military confirmed that **four members of the banned Tehreek-i-Taliban Pakistan (TTP), referred to as Fitna Al Khawarij, were killed** in two intelligence-based operations in Dera Ismail Khan and Mohmand districts. ISPR said troops engaged militants in intense firefights, recovering weapons and ammunition. The operations form part of the "**Azm-e-Istehkam**" **counterterrorism campaign** approved under the National Action Plan. Last month, 13 terrorists, including two Afghan nationals, were killed in Darra Adamkhel. Islamabad continues to urge Kabul to dismantle TTP sanctuaries. (*Dawn*, [05 June 2026](#))
- ◆ **Pakistan rejects intel-sharing claims on Iran's N-programme** — The Foreign Office dismissed reports that Deputy PM/Foreign Minister **Ishaq Dar shared intelligence on Iran's nuclear programme** with US Secretary of State Marco Rubio, calling them "baseless and misleading." FO spokesperson **Tahir Andrabi** reaffirmed Pakistan's diplomacy is guided by principles of stability and mutual respect, not confrontation. He highlighted Islamabad's role in promoting Middle East peace, welcomed US efforts in the Lebanon-Israel ceasefire, and condemned recent drone attacks in Kuwait and Bahrain. Andrabi also reiterated opposition to India's **Chenab-Beas Link Tunnel**

Project and Salal Dam silt-flushing plan, warning they violate the Indus Waters Treaty and threaten regional stability. (*The News*, [05 June 2026](#))

Economy

- ◆ **PM orders automated tax system in Capital** — Prime Minister **Shehbaz Sharif** directed a pilot project in Islamabad for an automated income tax system, aiming to modernise the FBR through digitalisation, AI and reduced human involvement. The plan includes a “**modern, efficient and faceless**” tax regime, integrating property, vehicle and bank data to detect under-reporting. New wings for audit, assessment and field operations are proposed. Sharif called the reforms a “milestone” for transparency and trust. He also ordered effective implementation of the **National Tariff Policy 2025–30** to boost trade and investment. (*The Express Tribune*, [05 June 2026](#))
- ◆ **Senate panel flags Dasu discrepancies** — The Senate Standing Committee on Economic Affairs expressed **strong displeasure over errors in ministry documents** while reviewing the Dasu and Mohmand hydropower projects. Chaired by Senator **Saifullah Abro**, the committee noted inconsistencies, including the Dasu project’s signing date listed as 2023 despite starting in 2017. Wapda officials said the Rs1.737 trillion project will generate 5,400MW, with completion targeted for November 2028, though senators voiced skepticism. Members criticised poor departmental coordination, with Senator **Rubina Khalid** urging strict timelines and suspensions for delays. (*The Express Tribune*, [05 June 2026](#))
- ◆ **Pakistan secures 5th LNG cargo since March** — Pakistan LNG Limited (PLL) has awarded a spot LNG cargo contract to **BP Singapore at \$19.1337/MMBtu**, marking the country’s fifth cargo since March amid tight global supply. The shipment, with a capacity of 140,000 cubic meters, will arrive at Port Qasim’s PGPL terminal on **June 6–7, 2026**. PLL received bids from Vitol Bahrain, TotalEnergies, SOCAR Trading, PetroChina, and BP, with BP’s offer emerging as the lowest. The deal reflects Pakistan’s ongoing struggle to secure fuel supplies in a challenging regional market. (*The News*, [05 June 2026](#))
- ◆ **Riyadh asked again to set up Gwadar refinery** — Pakistan has renewed calls for **Saudi Arabia to invest \$10 billion in an oil refinery at Gwadar**, as the port city’s activity has surged by 30% amid regional conflict. Gwadar is emerging as a transit trade hub, but a scheduled meeting with a Saudi team was postponed. Islamabad has also offered Riyadh investment opportunities in **LPG/LNG terminals at Karachi Port** and a petrochemical complex. The Special Investment Facilitation Council is working to remove bureaucratic hurdles, with Pakistan offering tax holidays and even a **15% stake in the \$100bn Reko Diq project**. Officials say Gwadar’s planned **Energy City** could host **strategic reserves**, giving Pakistan its first such facility. (*The Express Tribune*, [05 June 2026](#))
- ◆ **CPEC coal fertiliser plant gets \$1.12b** — The Pakistan China Joint Chamber of Commerce and Industry welcomed the launch of the country’s **first coal-based fertiliser plant under CPEC**, calling the \$1.12 billion project a “**strategic investment in Pakistan’s agricultural future.**” PCJCCI President **Nazir Hussain** said using indigenous coal will cut reliance on imports, stabilise supply for farmers, and lower production costs. Senior VP **Brig Mansoor Saeed Sheikh** noted China’s agricultural modernisation offers lessons for Pakistan, adding that advanced irrigation and modern cultivation could unlock vast untapped potential. (*The Express Tribune*, [05 June 2026](#))

- ◆ **The Economy in 25 years** — Sakib Berjees argues Pakistan's economy faces deep structural crises despite rising tax revenues. Exports stagnated at **\$32 billion**, far behind peers, while repeated **currency devaluations** failed to boost competitiveness. Manufacturing shrank to 11% of GDP, real estate absorbed capital, and remittances became the main stabiliser. FDI inflows remain minimal at **\$1.8 billion**, reflecting institutional distrust. Circular debt surged to **Rs5.2 trillion**, undermining industry. Debt servicing and defence consume most of the budget, leaving little for development. Berjees urges a **new growth model** built on productivity, industrialisation, and institutional trust. (*The News*, [05 June 2026](#))
- ◆ **Dependence on remittances threatens Pakistan's economic stability** — In his opinion piece, columnist **Mueed Shakeel** warns that Pakistan's rising reliance on overseas remittances, which hit **\$38.3 billion in FY25**, now exceeds export earnings of **\$32.1 billion**. He stresses that this imbalance reflects weak domestic productivity and risks creating a **consumption-driven economy rather than a production-led one**. Shakeel cautions that global shocks, immigration restrictions, or downturns could sharply reduce inflows, exposing Pakistan's fragile economy. He urges policymakers to prioritise **export growth, industrial competitiveness, and investment** to achieve sustainable development. (*The Nation*, [05 June 2026](#)).
- ◆ **Exports to US show modest rise amid wider decline** — Pakistan's exports to the United States rose **1.70% to \$5.123 billion** in July–April FY2025-26, compared with \$5.037 billion a year earlier, according to **State Bank of Pakistan** data. On a month-to-month basis, April exports increased **2.61%**, though year-on-year they fell slightly by 0.82%. Imports from the US surged **33.05% to \$2.54 billion** in the same period, with April alone showing a sharp **117.60% rise**. Overall, Pakistan's exports to other countries dropped **5.43%**, while total imports climbed **8.49% to \$52.753 billion**. (*The Nation*, [05 June 2026](#))
- ◆ **Saudi investment talks intensify under SIFC framework** — The **Special Investment Facilitation Council (SIFC)** is hosting a high-level Saudi delegation led by **Prince Mansour**, Chairman of the Saudi-Pakistan Joint Business Council, for two days of **G2G, G2B, and B2B engagements**. Discussions cover energy, infrastructure, agriculture, real estate, and tourism, with ministries presenting detailed project pitches. Key areas include **motorway projects (M-6, M-10, M-13)**, port expansion, airport infrastructure, and agriculture processing. Energy talks focus on transmission lines, smart metering, petroleum, mining, and minerals. The visit concludes with a **Joint Business Council B2B session**, signalling deeper commercial collaboration. (*Business Recorder*, [05 June 2026](#))

Foreign Policy

- ◆ **Pakistan and US enter new chapter of cooperation** — Prime Minister Shehbaz Sharif hailed a "broader relationship rooted in people-to-people links, education, investment and shared opportunity" at the US 250th Independence Anniversary in Islamabad. He recalled American support in the **Green Revolution, Tarbela Dam and educational institutions**, and praised Pakistani-Americans as a "strong bridge" between nations. He emphasised Pakistan's IT export potential and noted cooperation on Afghanistan and counterterrorism. **"We shall forever remain grateful to President Trump... he will always be remembered as a man of peace,"** Sharif said. Chargé d'Affaires Natalie A Baker credited Trump's leadership for elevating ties into a strategic partnership. (*The Express Tribune*, [05 June 2026](#))

- ◆ **Pakistan and Tajikistan chart new trade path**— Pakistan and Tajikistan have agreed to raise bilateral trade to **\$200 million within three years**, setting a comprehensive roadmap during the 8th Joint Commission Meeting in Dushanbe. The two-day session (June 2–3), co-chaired by Tajikistan’s Minister of Energy and Water Resources Jum’a Daler Shofaqr and Pakistan’s Minister for Energy Sardar Awais Ahmad Khan Leghari, focused on expanding cooperation in **energy, agriculture, IT, health, education and tourism**, alongside scientific and technical collaboration. (*The Express Tribune*, [05 June 2026](#))
- ◆ **Bangladesh resists alleged Indian push-ins**— Bangladesh’s Border Guard reported foiling **10 attempted infringements by Indian authorities within 24 hours**, accusing India of trying to force undocumented people across the 4,000 km frontier. Dhaka warned that any violation of border norms would be “strictly resisted”. India’s BJP-led states have prioritised tackling undocumented migration, branding Bengali-speaking Muslims as “illegal infiltrators”. The dispute has strained ties since Sheikh Hasina’s 2024 ouster. In Jhenaidah, BGB alleged BSF tried to move 30–35 people into Bangladesh in a prison van. (*Dawn*, [05 June 2026](#))
- ◆ **Pakistan declines invite to participate in India** — Pakistan has opted not to send its team to the **Asian Senior Fencing Championships in New Delhi from June 19**, despite organisers extending an invitation. India is hosting the continental event for the first time, with over 30 nations participating. Fencing Association of India secretary general Rajeev Mehta confirmed Pakistan and Afghanistan were invited but did not submit entries before the deadline. Although India maintains a ban on bilateral sporting ties, Pakistani athletes are permitted for multilateral events. (*Dawn*, [05 June 2026](#))
- ◆ **Sharif’s China visit strengthens CPEC 2.0 vision** — In his column, **Muhammad Zahid Rifat**, retired Deputy Controller (News) at Radio Pakistan, highlights the depth of the **Pakistan–China “Iron Brotherhood”**, rooted in ties since 1951 and anchored today by the **China-Pakistan Economic Corridor (CPEC)**. He notes that Prime Minister **Shehbaz Sharif’s May 2026 visit to China was “quite productive and result-oriented”**, with agreements to advance CPEC 2.0 into industrial cooperation, agriculture, technology, and connectivity. Both sides reaffirmed support on strategic issues, pledging to build a closer community with a shared future. (*The Nation*, [05 June 2026](#))
- ◆ **India’s water control and treaty erosion** — In his column, **Mohsin Leghari**, former Senator and Punjab Irrigation Minister, argues that India’s manipulation of Chenab flows undermines Pakistan’s rights under the **Indus Waters Treaty**. He cites the **15 May 2026 Permanent Court of Arbitration ruling**, which held India must justify pondage volumes against hydrological conditions, noting that telemetry shows “a river being operated” rather than responding naturally. Leghari stresses that “**India has called the tribunal a ‘charade’ and declared its awards ‘null and void’**”, yet such conduct violates both treaty and customary international law. He warns that suspending obligations sets a precedent that could harm India itself on the **Brahmaputra**, urging Pakistan’s allies to demand compliance and protect water law. (*The Nation*, [05 June 2026](#))

Politics, Culture, Etc.

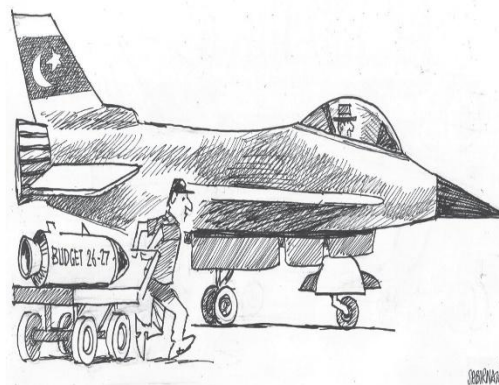
- ◆ **Supreme Court’s cautious approach on Khan’s petitions** —The Supreme Court will hear the contempt matter over denial of meetings with PTI founder Imran Khan under its new case-fixation

policy. PTI Secretary General **Salman Akram Raja urged Chief Justice Yahya Afridi to expedite hearings**, but the petition remains at number 60 on the cause list. Lawyers argue civil liberties cases are not being prioritised, while the government insists Khan meets his wife in jail. Analysts suggest meetings may resume only if Khan refrains from criticising the security establishment. (*The Express Tribune*, [05 June 2026](#))

- ◆ **Government pledges protection of minorities**— Information Minister **Attaullah Tarar reaffirmed the government’s commitment to safeguarding minority rights** during a meeting with a Christian community delegation. Alongside Law Minister Azam Nazeer Tarar, he discussed legal reforms and welfare measures, with a particular focus on issues concerning the Christian community. The meeting featured a comprehensive exchange of views on minority rights, legal reforms and welfare initiatives, underscoring the government’s stance on inclusivity and protection of vulnerable groups. (*The Express Tribune*, [05 June 2026](#))
- ◆ **Afridi warns of protest over Khan’s access** —Khyber Pakhtunkhwa Chief Minister **Sohail Afridi threatened a sit-in outside the National Assembly if denied a meeting with Imran Khan by June 9**, calling peaceful protest a "legitimate democratic right". Speaking at the groundbreaking of the Rs1.989 billion Kabootar Chowk Underpass, Afridi said the upcoming budget would prioritise welfare of low-income groups. He highlighted KP’s sacrifices in the fight against terrorism, unresolved federal liabilities, and pledged youth and minority financing schemes. Several major infrastructure projects were also announced. (*Dawn*, [05 June 2026](#))
- ◆ **Human rights as national pride**— This editorial highlight foreign concerns over Pakistan’s human and labour rights, noting the **US Trade Representative’s finding that prohibitions against forced labour are not enforced ‘effectively’** and the EU’s demand for ‘measurable progress’. The paper argues that rights provision is a domestic matter, part of nation-building, and should not be seen as undermining Pakistan’s standing. It stresses that **Pakistanis deserve dignity, protection and fair treatment from their own state**, and compliance would strengthen trade negotiations. (*Dawn*, [05 June 2026](#))
- ◆ **Balochistan traders form body over security concerns** — Business leaders, transporters, traders and mine owners in Balochistan have voiced alarm over worsening law and order, including **burning of goods trucks and trade disruptions**, and agreed to form a joint committee to press the government. The meeting, chaired by **QCCI President Haji Muhammad Ayub Mariani**, warned of protests if losses are not compensated and protection ensured. Mariani said the prime minister had promised a high-powered delegation, with initial focus on reopening highways. All stakeholders will be represented in the committee. (*Dawn*, [05 June 2026](#))
- ◆ **Country’s crises more internal than external** — Opposition leader **Mehmood Khan Achakzai** said Pakistan’s challenges stem more from internal political and security issues than external threats. Addressing a press conference in Quetta, he urged state institutions to respect constitutional limits and called for empowering parliament to resolve national problems. He advocated reopening border trade routes to create jobs, stressing that **“dialogue is the only way forward”**. Achakzai emphasised equality among ethnic groups, resource ownership, and democratic governance as keys to peace and development in Balochistan. (*Dawn*, [05 June 2026](#))

- ◆ **Elected CM for Islamabad proposed in governance overhaul** — A high-powered committee led by Planning Minister **Ahsan Iqbal** has drafted a sweeping reform blueprint for Islamabad's governance, recommending the creation of an **elected territorial government headed by a chief minister or mayor**. The proposed **Islamabad Capital Territory Assembly** would have 27 members, including reserved seats for women and minorities. Most administrative subjects would be devolved to the ICT government, while law and order and master planning remain federal. (*The News*, [05 June 2026](#))
- ◆ **Punjab continues deportation of foreign nationals** — Punjab Police have deported **35,216 illegally residing foreign nationals**, including Afghan citizens, from Lahore and other districts. A spokesperson said the deportees comprised **13,766 men, 7,061 women and 14,389 children**, with 10,954 holding Proof of Registration cards, 11,131 Afghan Citizen Cards, and 13,131 residing without documentation. Currently, 208 individuals remain at holding points awaiting deportation. Inspector General **Abdul Kareem** stated that security has been placed on high alert and the repatriation process is being implemented in line with **international laws and regulations**. (*The Nation*, [05 June 2026](#))

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