

DAILY PAKISTAN WATCH

12 June 2026

Security

- ◆ **Pakistan Navy Welcomes First Hangor-Class Submarine**— The Pakistan Navy received its first **Hangor-class submarine, PNS/M Hangor**, in Karachi with a traditional naval ceremony attended by senior officers, crew families, and personnel. Cadets of the Pakistan Naval Academy offered a ceremonial salute, while **PN Z-9EC helicopters performed a fly-past overhead**. According to DGPR (Navy), the submarine is equipped with advanced combat systems, modern sensors, Air Independent Propulsion (AIP) technology, and enhanced stealth features, significantly augmenting Pakistan Navy's operational capability. (*The Express Tribune*, [12 June 2026](#))
- ◆ **Turkish Commander Meets Pakistan's Military Leadership**—General Metin Tokel, Commander of the Turkish Land Forces, visited GHQ, Rawalpindi, where he was received by a Guard of Honour and held talks with COAS and CDF, Field Marshal Syed Asim Munir, on regional security and defence cooperation. Munir emphasised the “**deep-rooted historical, cultural, and strategic ties**” between Pakistan and Türkiye. Tokel also met **Admiral Naveed Ashraf** at Naval Headquarters and **Air Chief Marshal Zaheer Ahmed Baber Sidhu** at Air Headquarters, focusing on strengthening bilateral military collaboration. (*The Express Tribune*, [12 June 2026](#))
- ◆ **India's Strategic Buildup Raises Concerns**— At a seminar marking **Youm-e-Takbeer 2026**, Adviser to the National Command Authority **Lt. Gen. (retd) Mazhar Jamil** warned that India's expanding strategic weapons program, including **intercontinental-range missiles**, could pose threats beyond South Asia, even to Western capitals. He urged the US and Europe to take notice of India's ambitions. Jamil stressed Pakistan's restraint during the May 2025 conflict was deliberate, but cautioned that future Indian aggression would invite a “**decisive and comprehensive**” response. Other speakers, including **Amb. Ali Sarwar Naqvi** and **Dr. Ansar Parvez** highlighted Pakistan's nuclear program as a guarantor of deterrence stability in South Asia. (*The Nation*, [12 June 2026](#))

Economy

- ◆ **Pakistan Economy Shows Resilience**— The **Economic Survey 2025–26** reported GDP growth of **3.7%**, lifting the economy to a record **\$452.1 billion**, despite missed targets and external shocks. Finance Minister **Muhammad Aurangzeb** highlighted resilience amid US tariffs, floods, and regional conflict, noting per capita income rose to **\$1,901** and foreign reserves are projected at **\$18 billion**. Agriculture grew **2.89%**, industry **3.51%**, and services **4.09%**, with large-scale manufacturing up **6.1%**. Exports fell by \$1.5bn due to food-sector declines, but IT exports crossed **\$3.8bn**, and sports goods rose **18%**. Aurangzeb stressed reforms in digital monitoring and AI-based audits, while Planning Minister **Ahsan Iqbal** warned that sustainable growth requires policy continuity and stability. (*The Nation*, [12 June 2026](#))

- ◆ **Pakistan Unveils IMF-Linked Rs17.5tr Budget**— Pakistan is set to present a **Rs17.5 trillion (\$61 billion) budget** for 2026–27, designed to meet strict IMF austerity conditions while targeting **4.1% GDP growth** and Rs15.267 trillion in tax revenue. Finance Minister Muhammad Aurangzeb will submit the plan, which balances fiscal tightening with limited relief for the poor and modest salary increases. Rising oil prices from the Iran–US war have pushed inflation back to double digits, complicating stabilisation efforts. Spending cuts will spare defence and interior projects, but development faces restraint. (*The Express Tribune*, [12 June 2026](#))
- ◆ **Agriculture Records Growth Despite Floods**— Pakistan’s agriculture sector grew **2.89% in 2025–26**, rebounding from last year’s 1.53% despite devastating monsoon floods. The **Economic Survey 2025–26** credits timely interventions and the creation of the National Agriculture and Food Security Council. Sugarcane output rose **6.2%**, wheat **4.3%**, and rice **2.8%**, while cotton and maize declined. Livestock expanded **3.75%**, now contributing **14.6% of GDP**, with milk and meat production rising. The government aims to boost meat exports to **\$700m by 2028**, signalling livestock as a future export engine. (*The Express Tribune*, [12 June 2026](#))
- ◆ **Poverty Rises Despite Economic Recovery**— Pakistan’s poverty rate climbed to **28.9% in 2024–25**, reversing earlier gains, with **rural poverty at 36.2%—more than double urban poverty at 17.4%**. The **Pakistan Economic Survey 2025–26** noted widening inequality, as the national Gini coefficient rose from 28.4 to 32.7. Provincial figures showed Balochistan highest at 47%, and Punjab lowest at 23.3%. Analysts such as **Dr Abid Qaiyum Suleri (SDPI)** warned stabilisation has not reached ordinary households, while **Sana Tawfiq (AHL)** stressed growth must translate into jobs and welfare. (*The Express Tribune*, [12 June 2026](#))
- ◆ **Pakistan Trails South Asia in Health Benchmarks**— The **Economic Survey 2025–26** revealed Pakistan spends less than **1% of GDP on health**, leaving it behind regional peers. Life expectancy rose to **67.8 years**, still below South Asia’s **72.6**. Maternal mortality stands at **155 per 100,000 births** versus **120** in SA, while infant mortality is **47 per 1,000 live births** compared to **23.2**. Undernourishment affects **16.5%** of Pakistan’s population, against **11.7%** in SA, and child stunting is **33.6%** versus **31.5%**. Progress was noted in immunisation (up to 73%) and reduced neonatal mortality, but Pakistan ranked **140th of 167 countries** on SDG 3 (health and well-being). (*Dawn*, [12 June 2026](#))
- ◆ **Governance Deficit Undermines Development Gains**— Research Associate Attequr Rehman argues that Pakistan’s main challenge is not a lack of economic growth or policy ideas but weak governance and poor implementation. He contends that **economic growth has repeatedly failed to translate into broad-based welfare because institutions lack the capacity, continuity and accountability needed to deliver public services and support productive activity**. The article highlights weak local governments, frequent bureaucratic transfers, regulatory inefficiencies and inadequate service delivery. Rehman advocates decentralisation, civil service reform, digital governance and stronger institutions, stressing that **sustainable development depends on converting growth into public value and citizen welfare**. (*Business Recorder*, [12 June 2026](#))
- ◆ **Pakistan’s Power Sector at a Crossroads**— Writing in *Business Recorder*, **Talha Khalid** highlights how electricity governance remains trapped between a **centralised federal model** and emerging **provincial autonomy** after the 18th Amendment. While the **NEPRA Act (1997)** established a single national regulator, provinces now assert constitutional claims over generation and

distribution, creating overlapping mandates. The rise of provincial regulators in Sindh and Punjab has led to a **regulatory conflict** that risks fragmentation, higher costs, and weakened investment signals. Khalid warns that reforms like privatising distribution companies and implementing the **Competitive Trading Bilateral Contract Market (CTBCM)** require a coherent governance framework. Without alignment of constitutional, regulatory, and financial responsibilities, households face higher tariffs and industries lose competitiveness. (*Business Recorder*, [12 June 2026](#))

Foreign Policy

- ◆ **Pakistan Warns India Over Water Blockade**— Pakistan’s Foreign Office cautioned that any deliberate attempt by India to block water vital for its survival and development would have “**far-reaching consequences**”. Spokesperson Tahir Andrabi stressed such an act could “**possibly amount to an act of war under Article 51 of the UN Charter**”. His warning followed Indian Water Minister CR Patil’s claim that “not a single drop of water will go to Pakistan in the coming years.” Andrabi urged India to honour commitments, act responsibly, and avoid destabilising actions. (*The Express Tribune*, [12 June 2026](#))
- ◆ **An Enduring Friendship**— Marking **76 years of diplomatic relations**, Portugal’s Ambassador to Pakistan, **Paulo Domingues**, in this op-ed, highlighted the steady growth of ties since 1950, spanning political engagement, multilateral cooperation and expanding economic links. He noted the role of the Pakistani diaspora in Portugal as a “living bridge” and stressed that people-to-people contacts form the foundation of lasting partnerships. Upcoming milestones include **bilateral political consultations in Islamabad on 15 July 2026** and a visit by Portugal’s Foreign Minister later this year, with cooperation eyed in trade, renewable energy, education and tourism. (*The Express Tribune*, [12 June 2026](#))
- ◆ **Hope Not Lost**— Despite escalating **US–Iran tensions**, Pakistan’s Foreign Office spokesperson **Tahir Andrabi** reaffirmed Islamabad’s commitment to peace and diplomacy, stressing that optimism is essential for a mediator. He noted Pakistan’s ongoing efforts, including high-level visits and calls with Tehran and Ankara, urging restraint and dialogue. Andrabi rejected India’s remarks on ‘AJK’, contrasting governance there with repression in ‘IIOJK’, and warned that blocking water flows would be treated as an “**act of war.**” He also highlighted Pakistan’s engagement on Somali piracy, xenophobic attacks in South Africa, and precision strikes on terrorist hideouts along the Pak-Afghan border. (*The Nation*, [12 June 2026](#))
- ◆ **Pakistan, Kazakhstan Deepen Economic Ties**— Special Assistant to the Prime Minister on Industries **Haroon Akhtar Khan** met Kazakh Ambassador **Yerzhan Kistafin** in Islamabad to explore stronger industrial and trade cooperation. Both sides agreed to expand collaboration in **furniture, sports goods, and maritime infrastructure**, with emphasis on improved banking linkages to facilitate investment. The ambassador invited Pakistani entrepreneurs to exhibitions in Kazakhstan and pledged enhanced visa facilitation for business and tourism. Haroon Akhtar highlighted Pakistan’s **tourism potential** and stressed that closer ties would benefit both economies and strengthen cultural exchanges. (*The Nation*, [12 June 2026](#))
- ◆ **Rough Waters**— This editorial in *Dawn* warns that water could become a **trigger for fresh conflict in South Asia**, citing provocative remarks by India’s water minister that “not a single drop of water” would flow to Pakistan. It highlights projects like the **Chenab-Beas Link Tunnel** as evidence of

New Delhi's intent to choke Pakistan's share. The piece stresses that India's unilateral withdrawal from the **Indus Waters Treaty** after the Pahalgam episode undermines decades of transboundary cooperation. The editorial cautions that blocking water would amount to an **act of war**, urging Pakistan to defend its rights at all forums while calling on India to return to dialogue. (*Dawn*, [12 June 2026](#))

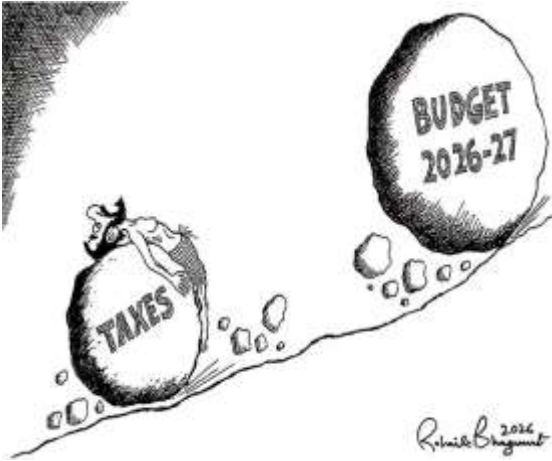
Politics, Culture, Etc.

- ◆ **'AJK' Government Reinstates Protest FIRs**— The 'Azad' Jammu and Kashmir (AJK) government has **reinstated 177 FIRs against the Joint Awami Action Committee (JAAC)**, citing violation of the October 2025 agreement. The move follows the **ban on JAAC for "involvement in terrorism, promoting hatred, and creating anarchy"** after its June 9 protest call. Violent clashes have left at least seven dead, with competing narratives over responsibility. The reinstated cases concern protests demanding reforms, including the abolition of refugee-reserved seats. Officials emphasised: **"agreement had been violated"**. (*The Express Tribune*, [12 June 2026](#))
- ◆ **PPP, Centre Clash Over Sindh Water Data**— A heated debate erupted in the National Assembly as **PPP lawmakers accused the government of misreporting water distribution figures**, warning of a worsening crisis in Sindh. Syed Naveed Qamar said, **"At this time, Sindh is facing an acute water shortage"**, questioning how farmers could cultivate crops without adequate supply. Federal Minister Moeen Wattoo countered that **"Sindh has used more than its allocated share of water"**, citing IRSA data. PPP's Shazia Marri rejected the figures, criticising delays in installing the telemetry system. (*The Express Tribune*, [12 June 2026](#))
- ◆ **Child Labour Crisis Grips Pakistan**— The International Labour Organisation (ILO) revealed that **8.6 million children aged 5–17 are engaged in child labour** across Pakistan, with nearly **88% of cases concentrated in rural areas**. Evidence also shows 25.1 million children aged 5–16 are out of school, many working in hazardous sectors such as agriculture, brick kilns, domestic labour, and waste-picking. ILO Country Director Geir T. Tonstol stressed, **"Child labour reflects poverty, informality, unequal opportunities, barriers to education and gaps in social protection"**, urging coordinated national action. (*The Express Tribune*, [12 June 2026](#))
- ◆ **Supreme Court Restores Imran's Defence in Defamation Case**— The Supreme Court has allowed former prime minister Imran Khan to defend himself in Prime Minister Shehbaz Sharif's **Rs10 billion defamation suit**, overturning lower court rulings that had barred his defence. A three-member bench led by Justice Ayesha Malik ruled by majority (Justice Muhammad Hashim Khan Kakar dissenting) that Imran must be given a **"reasonable opportunity"** to reply. Justice Ishtiaq Ibrahim noted striking out defence without a formal application was a **"patent error"**, while Justice Ayesha stressed the right to a fair trial. (*The Express Tribune*, [12 June 2026](#))
- ◆ **Refugee Seats Debate Should Go to People**— Defence Minister **Khawaja Asif** urged the proscribed Joint Awami Action Committee (JAAC) to take its demand for abolishing 12 refugee-reserved seats in the 'AJK' Legislative Assembly to voters in the **July 27 elections**, stressing the issue must be settled democratically. He argued Kashmiri migrants could not be stripped of voting rights through pressure tactics, saying, **"The word Azad would not have been there if it were not"**

for Pakistan”. Asif warned against disregarding the law and insisted dialogue was the only viable path forward. (*The Express Tribune*, [12 June 2026](#))

- ◆ **Indefinite Strike Shuts Down Balochistan**— A province-wide strike paralysed Balochistan as **traders, transporters and doctors closed markets and suspended services** in protest against worsening lawlessness and repeated highway attacks. Haji Akhtar Kakar of the Quetta Chamber of Commerce criticised the government for failing to protect businesses, saying they could no longer operate under violence. The shutdown left families stranded and patients helpless, with citizens forced to walk to hospitals. Protest leaders vowed to continue until “**concrete and visible security measures**” are implemented. (*The Express Tribune*, [12 June 2026](#))
- ◆ **Reconstituting the State**— In a detailed analysis, **Shahzad Chaudhry** argues that Gilgit-Baltistan and Azad Jammu and Kashmir face persistent unrest, resource complaints and economic lag, despite vibrant societies. He notes Pakistan’s reluctance to formally integrate these regions stems from its long-standing position that Kashmir requires a plebiscite under UN resolutions. However, he contends that “**passive acquiescence does not and will not deliver a different consequence**”, urging their conversion into provinces with equal rights and resources. He calls for constitutional restructuring, decentralisation, and stronger local governance to overcome administrative dysfunction. (*The Express Tribune*, [12 June 2026](#))
- ◆ **Christian Marriage Bill Reviewed in Punjab Assembly**— A caucus of minority lawmakers in the Punjab Assembly conducted a detailed review of the **Punjab Christian Marriage Bill 2026**, aimed at replacing the colonial-era 1872 law with a modern framework safeguarding the Christian community’s rights. Convened by **MPA Falbos Christopher**, the meeting included legislators, government representatives, and church leaders such as **Archbishop Dr Azad Marshall** and **Archbishop Khalid Rehmat**. The draft sets **18 years as the minimum marriage age**, ensures free consent, and strengthens registration systems. Participants agreed on refining the bill through wider consultation. (*The Nation*, [12 June 2026](#))
- ◆ **Necessary Choice**— This editorial underscore the difficult but unavoidable reality of migration and repatriation. It notes the **Peshawar High Court’s disposal of over 100 petitions by Afghan nationals** seeking Pakistani citizenship, stressing that claims must be decided strictly under law. While Pakistan has hosted millions of refugees for decades at great cost, the piece argues the state cannot absorb an open-ended burden, especially amid links to terrorism. It insists “**border control is not cruelty, verification is not persecution**”, urging firm but humane implementation with clear decisions, grievance mechanisms, and dignity for families. (*The Nation*, [12 June 2026](#))
- ◆ **Politics of Escalation**— Writing in *The Nation*, **Marium Zia Khan** reflects on the June 2026 clashes in Rawalakot that left at least eleven dead, arguing the **Joint Awami Action Committee (JAAC)** has turned legitimate grievances into a dangerous confrontation. She notes Islamabad provides substantial subsidies to ‘AJK’, yet JAAC escalates tensions rather than pursuing dialogue. The immediate trigger was the demand to abolish **12 refugee seats** in the ‘AJK’ Assembly, which the Supreme Court ruled are constitutionally protected. Khan stresses these seats embody ‘AJK’s claim to represent all of Jammu and Kashmir, and abolishing them would “amputate a core element of ‘AJK’s political identity.” She warns JAAC’s tactics have cost lives, **handed India propaganda**, and made reforms harder, urging a return to constitutional process and electoral politics. (*The Nation*, [12 June 2026](#))

- ◆ **Demographic Opportunity Slipping Away**—Demographer Durre Nayab argues that Pakistan's extended demographic-dividend window, now lasting until about 2055, is being squandered through inadequate investment in education, health and productive employment. Despite economic stabilisation, **human capital indicators remain alarming**, with low literacy, high school dropout rates, underfunded services, child malnutrition and rising unemployment. She contends that repeated official calls for reform have not translated into action, warning that **a primary surplus built on a 0.8pc education budget is not a foundation but a postponement dressed as an achievement** for the country's young population and future growth. (*Dawn*, [12 June 2026](#))
- ◆ **Pakistan's AI Checklist**— Writing in *Dawn*, **Asad Baig** argues that Pakistan's AI ambitions must move beyond pilot projects and chatbots to building **national infrastructure**. He stresses that reliance on foreign models and data centres poses risks, urging a **hybrid approach**: use global tools where possible but develop sovereign capacity in power, compute, and data. He highlights the need for **solar-powered data centres**, GPU access as a matter of foreign policy, and the digitisation of local datasets in health, education, and agriculture. Baig warns that without a **comprehensive data protection law**, citizens' records could be misused. He concludes that Pakistan's AI future will depend on fiscal choices in FY2026–27, funding power, compute, universities, and safeguards. (*Dawn*, [12 June 2026](#))
- ◆ **PM Orders Pakistan Cotton Board Notification**— Prime Minister **Shehbaz Sharif** directed the immediate notification of the reconstituted **Pakistan Cotton Board**, a move welcomed by the **All-Pakistan Textile Mills Association (APTMA)** as vital for reviving domestic cotton production and reducing import reliance. APTMA Chairperson **Kamran Arshad** said the step would boost confidence across the cotton value chain. The board, part of a cotton revival roadmap, will expand industry representation, research funding, and provincial participation. APTMA also backed reforms in **seed quality, mechanisation, ginning modernisation, and climate-resilient production**, stressing that cotton revival is both an **agricultural and economic imperative**. (*The Nation*, [12 June 2026](#))
- ◆ **Pakistan Ranked Most Polluted Country**— The **Pakistan Economic Survey 2025–26** cited the **IQAir World Air Quality Report**, ranking Pakistan as the world's most polluted country in 2025, with annual average **PM2.5 levels at 67.3 µg/m³**, thirteen times above WHO safety limits. Faisalabad recorded the highest levels at **98.8 µg/m³**, while 13 cities exceeded 50 µg/m³. Toxic air is blamed for nearly **22,000 deaths annually**, driven by industrial emissions, vehicle exhaust, brick kilns and construction dust. Authorities launched mitigation efforts, including **150,000 inspections, Rs687m in fines, fog cannons in Lahore, and drone-based enforcement**, but progress remains limited. (*The News*, [12 June 2026](#))
- ◆ **Confronting the Scourge of Acid Violence**— An editorial argues that the acid attack on a young doctor in Quetta highlights the persistent vulnerability of women and the insecurity faced by healthcare workers in Pakistan. **It welcomes the Supreme Court's ruling that acid violence is even more heinous than homicide, noting that victims endure lifelong physical, psychological and social suffering**. The piece stresses that such attacks are often rooted in misogyny and patriarchal attitudes. It calls for justice, stronger workplace security, stricter regulation of acid sales and sustained efforts to challenge gender-based violence. (*Business Recorder*, [12 June 2026](#))



The Ministry of Information & Broadcasting, Government of Pakistan, published a poster in several national newspapers highlighting the country's achievements in the economic sphere.

[Disclaimer: We do not subscribe to the views expressed by the Pakistani reporters, leaders and commentators, we are making available for perusal by our experts/analysts/policymakers every day. We put it all together in Daily Pakistan Watch (DPW) with a view to acquainting our readers with the prevalent thought process in Pakistan having its bearing on India, with the hope that such effort will help us in devising appropriate policies to deal with Pakistan in a more effective manner.]