

# DAILY PAKISTAN WATCH

17 June 2026

## Security

- ◆ **Interior Minister Calls Ulema to Strengthen Anti-Terror Narrative** —Interior Minister Mohsin Naqvi urged religious scholars to **support the state’s narrative against terrorism** by issuing clear guidance rooted in Islamic teachings. Speaking at the Special Paigham-e-Aman Committee meeting in Islamabad, alongside Minister of State for Interior Talal Chaudhry, he emphasised stronger coordination between the state and Ulema to counter terrorism, social disorder, and fitna. Naqvi called on scholars to play a **unifying role in promoting peace and stability** through a single national message. (*The Express Tribune*, [17 June 2026](#))
- ◆ **Five terrorists killed in Attock** —Punjab Counter Terrorism Department (CTD) killed five terrorists during an intelligence-based operation near Attock after receiving reports that they had finalised plans to launch attacks across Punjab. According to a CTD spokesperson, the suspects opened fire when security personnel raided their hideout, leading to an exchange in which all five were killed. **A suicide jacket, three submachine guns, two hand grenades and ammunition were recovered.** Prime Minister **Shehbaz Sharif** praised the operation, stating that **“the security forces, police, and CTD are achieving significant successes in the fight against terrorism”**. (*Express Tribune*, [17 June 2026](#))
- ◆ **Pakistan Claims Key Diplomatic Role in Iran-US Peace Accord** —Senior security officials stated that Pakistan’s discreet diplomacy helped prevent a wider regional conflict and contributed to a forthcoming Iran-US peace agreement due to be signed in Switzerland on 19 June. They credited sustained engagement by Pakistan’s civil and military leadership, particularly **Field Marshal Asim Munir**, describing the effort as **“a war won through sincerity, competence, brilliance and Allah’s blessings... without actually being fought”**. Officials also praised **Saudi Arabia** and other Gulf states for their restraint. The briefing further addressed terrorism, Afghanistan, Kashmir and water security, reiterating Pakistan’s positions on these issues and stressing continued efforts to safeguard regional stability and national interests. (*Express Tribune*, [17 June 2026](#))
- ◆ **Countering Militant Drone Use in Pakistan** —Security analyst Mohammad Ali Babakhel warns that **“drones have boosted militants’ lethality”**, with **KP recording over 380 attacks in 2025**, including **300 in Bannu** using modified quadcopters. Militants exploit drones for reconnaissance, propaganda, and attacks, posing risks to law enforcement and public safety. In response, **KP Police created Pakistan’s first UAV division**, while Punjab set up district anti-drone units. Babakhel argues that regulation, licensing, geofencing, and global cooperation are essential, stressing that **adaptability is key** for LEAs to counter evolving militant tactics. (*Dawn*, [17 June 2026](#))
- ◆ **Kh Asif Blames Foreign-Funded Elements for ‘AJK’ Unrest** —Defence Minister Khawaja Muhammad Asif, speaking during the National Assembly debate on the Federal Budget 2026-27, said that **decisions on refugee seats in ‘Azad’ Jammu and Kashmir should be made by elected representatives, not pressure groups**. He rejected attempts by **“foreign-funded elements”** to

influence local politics, stressing that legitimate demands had already been addressed constitutionally. Asif linked militant activity in KP and Balochistan to elements operating from Afghan soil, noting Pakistan's repeated diplomatic engagements with Kabul. He highlighted sacrifices of **around 4,000 security personnel since 2022** and credited national leadership for stabilising the economy and enhancing Pakistan's global standing. (*The Nation*, [17 June 2026](#))

- ◆ **India's Water Diversion Threatens Regional Stability** —Dr Raashid Wali Janjua warns that the **next war in South Asia may be over water**, as India has **“walked away illegally” from the World Bank-brokered Indus Waters Treaty**. He notes Pakistan's entitlement to western rivers under Article III, while India has already built extensive dams on the eastern rivers, choking environmental flows. The proposed **Chenab-Beas diversion project** is described as a potential act of war, violating international law. Janjua urges Pakistan to lodge a formal demarche, invoke arbitration, and pursue legal action against contracting firms to safeguard water security. (*The News*, [17 June 2026](#))

## Economy

- ◆ **IMF Blocks Education Tax Relief Amid Budget Reforms** —The IMF rejected Pakistan's proposal to exempt **pencils and exercise books from sales tax**, despite Prime Minister Shehbaz Sharif's declared education emergency. Dr Najeeb Memon confirmed: **“The IMF has opposed tax exemption for the promotion of education in Pakistan.”** Meanwhile, the government lifted the **five-year import age limit on used cars** meeting environmental standards and reduced regulatory duties. Finance Minister Muhammad Aurangzeb ruled out concessions for beverages and exports. Under tariff reforms, average duties will drop to 13.77%, with alcohol remaining at 90%. (*The Express Tribune*, [17 June 2026](#))
- ◆ **Iranian Currency Demand Surges in Pakistan** — Following the **US-Iran agreement to halt war and ease oil price uncertainty**, demand for Iranian rials has sharply increased in Pakistan's open market. The value of **10 million rials rose by Rs2,000–3,000**, now trading between Rs3,500 and Rs4,500. Exchange Companies Association Chairman Malik Bostan revealed Pakistanis bought **60 billion rials worth Rs250 million in two days**, mostly by lower-middle-income buyers. He cautioned: **“Only a deal has been agreed... speculative trading and volatility may persist until a final agreement is signed.”** (*The Express Tribune*, [17 June 2026](#))
- ◆ **Beyond Income: Pakistan's Multidimensional Poverty Challenge** — Airaaf Ali highlights that poverty in Pakistan is **no longer about income alone but a multidimensional crisis** involving education, healthcare, housing, digital exclusion and climate vulnerability. The **Multidimensional Poverty Index shows 38% of Pakistanis live in poverty, with another 13% at risk**. Education is the largest contributor, while Balochistan and rural Sindh remain the most deprived. Climate shocks, like the 2022 floods, act as poverty multipliers. Ali stresses: **“Poverty is not simply about what people earn; it is about what opportunities they are denied.”** (*The Express Tribune*, [17 June 2026](#))
- ◆ **SBP Holds Policy Rate Steady Amid Uncertainty** — The State Bank of Pakistan has **kept the policy rate unchanged at 11.5%**, opting for caution despite cumulative cuts of 1,150 basis points since June 2024. The editorial notes that while the Iran war's resolution may allow reassessment,

**headline inflation has returned to double digits**, driven by energy and wheat costs. Supply chain disruptions and fiscal risks continue to weigh on recovery. **“Smart investment is the only way out,”** the piece concludes, as businesses struggle with high capital costs and competitiveness concerns. (*The Express Tribune*, [17 June 2026](#))

- ◆ **Punjab Unveils Rs5.9tr Budget with Surplus Target**—Punjab presented a **Rs5.903 trillion budget for 2026-27**, projecting a **cash surplus of Rs910bn** while cutting the Annual Development Programme by 40% to Rs752bn. Finance Minister Mujtaba Shujaur Rehman stressed **no additional tax burden** and highlighted welfare, growth and self-reliance. Salaries of government employees will rise by 7% and pensions by 3.5%. Education receives Rs750bn, health Rs500.82bn, and agriculture Rs132.5bn. The Punjab Revenue Authority has a Rs528.9bn target, while a Rs546bn grant to the Centre is included for the first time. (*Dawn*, [17 June 2026](#))
- ◆ **Govt Allocates Rs14.2bn for Gwadar Development**—The federal government has earmarked **over Rs14.2 billion in the PSDP 2026-27** for Gwadar and connectivity projects. The largest share goes to the **M-8 corridor (Rs6.5bn)**, followed by **New Gwadar International Airport (Rs2.55bn)** and the **Gwadar-Ratodero Road (Rs1bn)**. Funds are also set aside for rail connectivity, port and maritime schemes under the Gwadar Master Plan, and civic projects including sanitation, water supply, landfill development, and the **Gwadar Safe City Project**. Allocations cover education, scholarships, and research facilities, underscoring Islamabad’s continued prioritisation of Gwadar’s integration. (*Dawn*, [17 June 2026](#))

## Foreign Policy

- ◆ **China Warns of Difficult US-Iran Talks Ahead**—Chinese Foreign Minister Wang Yi cautioned Pakistani counterpart Ishaq Dar that the **second stage of US-Iran negotiations will be “more difficult”**, despite a memorandum of understanding expected Friday. Wang stressed the **UN Security Council should play a greater role**, noting: “The current consensus is far from the final destination, rather it is a new starting point.” He emphasised that lasting peace in the Middle East requires “unremitting efforts” and pledged China’s cooperation with Pakistan. Both sides highlighted the **importance of opening the Strait of Hormuz** for global energy security. (*The Express Tribune*, [17 June 2026](#))
- ◆ **Taliban’s Foreign Policy Failures Keep Afghanistan Isolated**— Nearly five years into rule, the Afghan Taliban remain **diplomatically and politically isolated**, with Russia the only state recognising them. Dr Sadia Sulaiman notes that sidelining moderates from the Doha group weakened engagement, while **strict policies on women’s rights** drew EU and UN condemnation. Support for militant groups like TTP and ETIM has strained ties with Pakistan and China, while IS-K activity alarms Russia. **“Terrorist groups operating from Afghanistan continue to pose serious threats to regional and global security,”** warned FM Ishaq Dar and China’s Wang Yi. Governance coercion and **diplomatic naivety** further undermine legitimacy, leaving Afghanistan marginalised internationally. (*The Express Tribune*, [17 June 2026](#))
- ◆ **Spatialising Karachi Amid Gulf War Realignment** — Dr Muhammad Babar Chohan argues that the **US-Israeli war on Iran has reshaped regional urban spaces**, placing Dubai at a disadvantage due to rising transport costs and opening opportunities for Karachi. He stresses that Karachi’s

transformation must go beyond infrastructure, requiring **revitalisation of socioeconomic struggle, civic order, and inclusive planning**. Drawing on Lefebvre and Roy, he outlines four dimensions: confronting local power struggles, addressing social injustices, redefining governance, and producing space on a global scale. He concludes that **urban space is a new form of capital**, vital for Karachi to emerge as Dubai's alternative. (*The Express Tribune*, [17 June 2026](#))

- ◆ **Pakistan Claims Key Diplomatic Role in Iran-US Peace Accord**—Senior security officials stated that Pakistan's discreet diplomacy helped prevent a wider regional conflict and contributed to a forthcoming Iran-US peace agreement due to be signed in Switzerland on 19 June. They credited sustained engagement by Pakistan's civil and military leadership, particularly **Field Marshal Asim Munir**, describing the effort as **"a war won through sincerity, competence, brilliance and Allah's blessings... without actually being fought"**. Officials also praised **Saudi Arabia** and other Gulf states for their restraint. The briefing further addressed terrorism, Afghanistan, Kashmir and water security, reiterating Pakistan's positions on these issues and stressing continued efforts to safeguard regional stability and national interests. (*The Express Tribune*, [17 June 2026](#))
- ◆ **Tentative Peace Framework Between US and Iran**—Zahid Hussain observes that the **US and Iran have agreed on a framework for peace talks**, mediated by Pakistan and supported regionally, offering 60 days to reach a comprehensive deal. He stresses that **"it is clear that the US has lost yet another war of its choosing"**, as Operation Epic Fury failed to force Iran's capitulation. Complex issues remain: nuclear talks, sanctions, frozen assets, and governance of the Strait of Hormuz. Israel's refusal to join and its Lebanon campaign pose the greatest threat to peace. (*Dawn*, [17 June 2026](#))
- ◆ **UK Pledges £8m to Strengthen Anti-Illegal Migration Cooperation with Pakistan**—During his visit to Islamabad, UK Parliamentary Under-Secretary of State **Hamish Falconer announced £8 million in additional funding** to bolster joint UK-Pakistan efforts against crime and illegal migration. The package will enhance **border management, visa systems, and law-enforcement capacity** to disrupt smuggling networks, while also supporting community initiatives in vulnerable areas. Falconer thanked Deputy PM and FM Ishaq Dar for Pakistan's role in brokering the recent US-Iran peace framework, calling the partnership **"critical for safeguarding global, regional and British national security."** (*Dawn*, [17 June 2026](#))

## Politics, Culture, Etc.

- ◆ **Pakistan's Solar Push in Gilgit-Baltistan**—Prime Minister Shehbaz Sharif announced federal funding for a **100MW solar project in Gilgit-Baltistan**, directing officials to ensure transparency through third-party validation. An **18MW scheme for government buildings** will finish by December 2026, while an **82MW household solar project** is underway in Gilgit, Skardu, Chilas, and Khaplu. On World Day to Combat Desertification, Sharif stressed: **"The Government of Pakistan is fully committed to addressing these challenges through a comprehensive strategy..."** He highlighted the **Zarkhaiz Scheme**, offering farmers interest-free loans and subsidies. (*The Express Tribune*, [17 June 2026](#))
- ◆ **Supreme Court Enforces Judicial Compliance Nationwide**—The Supreme Court ruled that **all executive and judicial authorities, including high courts, must comply with its directions under Article 187 of the Constitution**. Justice Jamal Khan Mandokhail, authoring the five-page

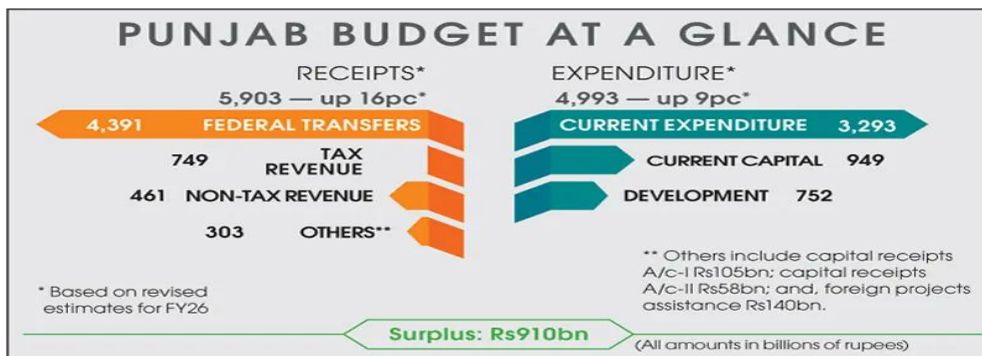
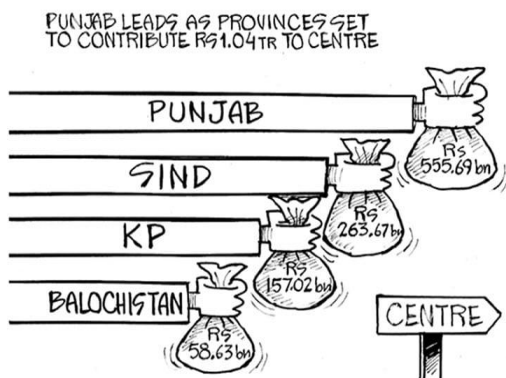
judgment, stated: “Under Article 187...the SC possesses the authority to issue such directions...necessary for doing complete justice.” The ruling came during a case under the Illegal Dispossession Act, 2005, where trial courts failed to conclude proceedings within 60 days. The SC directed strict adherence to timelines, justified adjournments, and periodic monitoring by inspection teams. (*The Express Tribune*, [17 June 2026](#))

- ◆ **Balochistan Enforces Section 144 for Muharram Security**—The Balochistan government imposed **province-wide restrictions under Section 144** from the 1st to the 10th of Muharram to maintain public order. The Home Department banned sectarian or hate-based material, firearm displays, and unauthorised loudspeakers. **Quetta faces stricter measures**, including a ban on pillion riding and restrictions on rooftop gatherings along procession routes. Security agencies have been directed to ensure strict enforcement, with violations punishable under Section 188 of the Pakistan Penal Code. Authorities may extend or lift restrictions depending on security conditions. (*The Express Tribune*, [17 June 2026](#))
- ◆ **NA Budget Debate Sparks Controversy Over Institutional Roles**—The National Assembly’s budget debate turned heated after Defence Minister Khawaja Asif admitted: **“We used to legislate in the presence of ISI officers... I want to lighten the burden of my conscience by speaking the truth.”** His remarks triggered sharp opposition reactions, with PTI’s Junaid Akbar Khan calling it an **“establishment-imposed government”** and criticising governance. PPP’s Abdul Qadir Patel defended institutional recognition, hailing General Asim Munir as a “hero.” Asif praised Pakistan’s diplomatic achievements, citing Iran-US mediation and regional security coordination. (*The Express Tribune*, [17 June 2026](#))
- ◆ **Four Independents Align with IPP in Gilgit-Baltistan** —Four newly elected independent lawmakers, **Anwar Ali, Dr Asad Shafiq, Muhammad Dilpazeer, and Aman Ali Amir**, joined the Istehkam-e-Pakistan Party (IPP) after meeting party president Abdul Aleem Khan. The move gives IPP its first presence in the G-B Assembly, potentially influencing alliance-building amid ongoing consultations. According to unofficial June 7 election results, the PPP secured 10 of 24 seats, while PML-N pledged support for PPP’s government formation. Meanwhile, PTI and allies rejected the results, alleging rigging and announcing protests. (*The Express Tribune*, [17 June 2026](#))
- ◆ **Imran Khan’s Health Concerns Demand Urgent Redress**— The editorial stresses that **family concerns over Imran Khan’s health are well-founded and constitutionally valid**. Despite court orders for twice-weekly access to doctors, family and lawyers, Khan has been kept in solitary confinement since December, reflecting **“a gruesome culture of political victimisation”**. His sisters highlight his worsening eye condition, while repeated pleas for private hospitalisation and personal physicians remain ignored. The Supreme Court’s interventions have not eased fears. The piece urges transparency, compassion, and adherence to SOPs in treating political prisoners. (*The Express Tribune*, [17 June 2026](#))
- ◆ **‘AJK’ PM Holds JAAC Responsible for Violence** —‘AJK’ Prime Minister Raja Faisal Mumtaz Rathore told the Legislative Assembly that the banned **Joint Awami Action Committee (JAAC) bore “primary responsibility” for pushing the situation to a point where lives were lost**. He acknowledged government responsibility but stressed that both sides knew escalation could cost lives. Rathore defended his administration’s performance, citing the implementation of 37 JAAC demands, including tax reductions and compensation payments. He rejected speculation about

withdrawal of flour and electricity concessions, while lamenting that the tense atmosphere has made **electioneering for the July 27 polls “virtually impossible.”** (*Dawn*, [17 June 2026](#))

- ◆ **Ensuring Peace During Muharram** —With Muharram’s arrival, Pakistan must act with **exceptional care to safeguard religious observance** for its Shia population. The editorial welcomes the Paigham-i-Aman Committee’s meeting, chaired by Interior Minister Mohsin Naqvi and Minister of State Tallal Chaudhry, but stresses that **inter-sect harmony cannot be treated as a seasonal slogan**. Vigilance must extend beyond barricades to intelligence coordination, community engagement and tackling sectarian incitement online. Hostile elements have long exploited sectarian fault lines; therefore, **every citizen must be able to observe the month with dignity, safety and peace.** (*The Nation*, [17 June 2026](#))
- ◆ **PTI Leaders Call for ‘Charter of Pakistan’ Before Economy Pact**—Imprisoned PTI leaders Shah Mahmood Qureshi, Dr Yasmin Rashid, Mian Mahmood-ur-Rashid, Ejaz Chaudhry, and Omar Sarfraz Cheema have proposed a **“Charter of Pakistan” as a prerequisite to any Charter of Economy**, responding to Prime Minister Shehbaz Sharif’s June 13 appeal for consensus. In a letter via counsel Rana Mudassar, they argued that **constitutional supremacy, political stability and democratic principles must precede economic reforms**, stressing that investors thrive only under the rule of law and institutional certainty. They urged a broad-based dialogue to guarantee respect for the mandate, end political engineering and ensure impartial accountability. (*The News*, [17 June 2026](#))

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