

DAILY PAKISTAN WATCH

01 July 2026

Security

- ◆ **Cross-Border Drone Clash in Balochistan** — Pakistan's military announced it had shot down four rudimentary drones launched from Afghanistan into Balochistan on 30 June. The Inter-Services Public Relations (ISPR) accused the Afghan Taliban regime of backing terrorist outfits and described the incident as part of their "patronisation and support of terrorist outfits." **"The Pakistan Armed Forces remain fully vigilant and capable of defending every inch of the motherland,"** the ISPR warned, adding that further provocations would invite a "befitting response" under Operation Ghazab-lil-Haq. (*The Express Tribune*, [01 July 2026](#))
- ◆ **Drone Strike in Peshawar** — A late-night strike in Pastawana, Hassan Khel subdivision, killed a woman and injured six others, all from the same family. Locals confirmed that **Sher Mast's daughter-in-law died**, while Sher Mast and his 15-year-old son remain under treatment at Lady Reading Hospital. The incident occurred near Chandoka, on the Peshawar-Kohat border. In April, a similar suspected drone strike caused minor damage to a mosque in Hassan Khel but no casualties. Authorities are investigating the latest attack. (*Dawn*, [01 July 2026](#))
- ◆ **Indus Waters Treaty Under Strain** — Pakistan's leadership vowed to defend its rights under the Indus Waters Treaty (IWT) after India suspended the accord in April 2025. Deputy Prime Minister and Foreign Minister Ishaq Dar declared India's move "illegal, unilateral and without any basis," warning that any diversion of Pakistan's water rights would be treated as an act of war. PPP Chairman Bilawal Bhutto Zardari added, **"Water is not a weapon. Thirst is not diplomacy. Famine is not statecraft."** Experts from the US, China and Russia echoed concerns, stressing the treaty's role in regional peace. (*The Express Tribune*, [01 July 2026](#))
- ◆ **Intelligence report warns of foreign-backed agenda in AJK** — An intelligence assessment submitted to the government alleges that the banned **Jammu Kashmir Joint Awami Action Committee (JK-JAAC)**, which began as a protest against flour and electricity prices, has evolved into a **foreign-backed campaign aimed at destabilising Pakistan's position on Kashmir and undermining state institutions**. The report cites "credible evidence" of overseas financial and propaganda support, particularly from the UK and Europe, and claims hostile intelligence agencies exploited diaspora networks. While acknowledging genuine grievances, it concludes that **"violence, foreign-funded agitation, anti-state propaganda... cannot be accepted as democratic protest."** (*Dawn*, [01 July 2026](#))
- ◆ **Terminology Matters in Terror Reporting** — Information Minister Attaullah Tarar criticised the use of the term "militants" by Turkish broadcaster TRT World to describe attackers in the recent Karachi Rangers facility assault, insisting **"terrorists must not be called by any other name."** He stressed that **"terrorists are terrorists, they have no caste, colour, creed or religion."** His remarks followed the ISPR's identification of one suspect as an Afghan national linked to Jamaat-ul Ahrar.

Pakistan has lodged a demarche with Kabul, urging the Taliban regime to dismantle terrorist sanctuaries. (*The Express Tribune*, [01 July 2026](#))

- ◆ **Mining Workers Abducted in Balochistan** — Six employees of a private mining company were abducted at gunpoint by unidentified armed men in Zarghoon Ghar's Shaban Dilwani Mari area. Officials said the workers were forced into an unknown location while on routine duty. **Security personnel responded immediately, securing the area and launching a search operation across the mountainous terrain.** The missing men, all from the Pashtun Dummar tribe, were identified as Jalat Khan, Muhammad Hashim, Kamal Khan, Jahangir Khan, Muhammad Azeem, and Rozay Khan. (*The Express Tribune*, [01 July 2026](#))
- ◆ **UK Report Highlights Pakistan's Strategic Gains** — A UK-based research study termed **Operation Bunyan-un-Marsoos (May 2025)** a “significant strategic success”, citing Pakistan's military superiority and diplomatic achievements. The report claims Indian losses included Rafale jets, with American and French intelligence assessments and remarks by India's Chief of Defence Staff acknowledging setbacks. It notes Pakistan's integrated air defence neutralised drone attacks, while no combat aircraft were lost. Beyond the battlefield, Islamabad expanded US ties, strengthened EU relations, and mediated the US–Iran peace accord. (*The Express Tribune*, [01 July 2026](#))
- ◆ **Water as Pakistan's Red Line** — An editorial stressed that Kashmir's occupation enables India to control the upper reaches of rivers vital to Pakistan, embedding conflict in the region's geography. It argued that “**the waters allocated to Pakistan are an inalienable right, and any attempt to block, divert or manipulate them will cross a red line.**” The piece urged Islamabad to internationalise the issue, leverage its diplomatic goodwill, and strengthen water infrastructure while maintaining credible military readiness. “**Water is not a bargaining chip. For Pakistan, it is life itself.**” (*The Express Tribune*, [01 July 2026](#))
- ◆ **Pakistan's economy as its greatest security threat** — In his analysis, Yousuf Nazar argues that Pakistan's slow growth is not just an economic challenge but “**the country's foremost national security threat.**” He stresses that no military strength or diplomacy can rescue a nation sliding deeper into poverty while its population grows. Pakistan's per capita income, once higher than India's and Bangladesh in 1990, has since fallen behind both. Nazar contends that Pakistan's “**hybrid democracy is a kleptocracy in constitutional dress**” and insists that only a developmental state, capable of disciplining elites, investing in education, integrating women, and rebuilding cities, can avert strategic erosion. He concludes that Pakistan must choose between preserving an extractive order and building a new republic designed to create prosperity. (*Friday Times*, [01 July 2026](#))

TTP Operations – 30 June 2026: On 30 June 2026, Tehreek-e-Taliban Pakistan (TTP) claimed **16 operations** across **eight provinces**. The attacks included **sniper fire, grenade launcher strikes, ambushes, guerrilla raids, and assaults on posts and convoys**. In **South Waziristan**, five operations targeted posts and forts, damaging cameras and downing a drone. **North Waziristan** saw four attacks, including sniper and GL strikes causing casualties and equipment losses. In **Peshawar**, a Military Intelligence officer was killed. **Kohat** reported four fatalities in an ambush, while **Quetta** saw a police checkpoint overrun with weapons seized. **Karak, Khyber, and Bajaur** faced further assaults, resulting in deaths, injuries, and destruction of solar systems. (*Telegram channel*, Uma@rMediaEnglish)

TTP Attacks

District	Area	Attack Type	Reported Impact
South Waziristan	Sararogha	Sniper	1 wounded, Wi-Fi damaged
South Waziristan	Sararogha	Sniper	1 killed, 1 wounded
South Waziristan	Toi	Drone downing	Quadcopter shot down
South Waziristan	Tiarza (2 ops)	Guerrilla	2 cameras destroyed
North Waziristan	Mir Ali	GL attack	Casualties possible
North Waziristan	Mir Ali	GL attack	Casualties possible
North Waziristan	Shewa	Sniper	1 killed, camera destroyed
North Waziristan	Mir Ali	Sniper	Camera destroyed
Peshawar	Mathra	Targeted killing	MI officer Majid killed
Peshawar	Badh Bera	Laser gun	Casualties possible
Kohat	Darra Adam Khel	Ambush	4 killed, several wounded, excavator targeted
Quetta	Harnai	Assault	Checkpoint overrun, weapons seized
Karak	Banda Daud Shah	GL attack	1 wounded, vehicle damaged
Khyber	Tirah Maidan	Assault	3 killed, several wounded, solar destroyed
Bajaur	Wara Mamond	Guerrilla	1 killed, solar damaged

Economy

- ◆ **Consumers Face New Power Burden** — Electricity users may see tariffs rise by **Rs0.82 per unit under May's fuel cost adjustment (FCA)**, as NEPRA held a public hearing on the Central Power Purchasing Agency's (CPPA) request. Officials said the actual fuel cost was Rs9.2488 per unit against a reference of Rs8.4315, imposing an additional Rs10 billion burden. Jamaat-e-Islami's Imran Shahid rejected the hike, arguing citizens should not bear the cost of poor governance. FPCCI's Rehan Javed warned, **"Textile industries are shutting down, highlighting worsening manufacturing conditions."** (*The Express Tribune*, [01 July 2026](#))

- ◆ **OGDC Boosts Indigenous Energy Output** — Oil and Gas Development Company (OGDC) has successfully completed the Chak 63-05 development well in Sanghar district, Sindh, marking a milestone in Pakistan's energy sector. **During production testing, the well yielded 600 barrels of condensate per day and 10.5 million standard cubic feet of gas per day (mmscfd)** through a 32/64-inch choke, at a wellhead flowing pressure of 2,580 psi. The achievement underscores OGDC's continuing efforts to enhance domestic oil and gas production and reduce reliance on imports. (*The Express Tribune*, [01 July 2026](#))
- ◆ **Pakistan's Economy Strengthens with 3.7% Growth** — The finance ministry reported that real GDP growth reached **3.7%, the highest in four years**, expanding the economy to \$452.1 billion in FY2025-26. Stabilisation gains were preserved despite floods and global volatility, with broad-based growth across agriculture, industry and services. Fiscal discipline produced a **primary surplus of 3.5% of GDP**, while remittances hit a record **\$4.25 billion in May 2026**. Investor confidence improved with rating upgrades, Eurobond re-entry and Panda Bonds. Large-scale manufacturing grew 6.4%, and inflation averaged 6.7%. (*The Express Tribune*, [01 July 2026](#))
- ◆ **FBR Misses IMF Tax Target Again** — Pakistan's Federal Board of Revenue (FBR) collected **Rs13 trillion in FY2025-26, falling short of the IMF's Rs13.979 trillion target by Rs975 billion**. This marks the second consecutive year of missing by nearly Rs1 trillion. Income tax receipts reached Rs6.6 trillion, missing by Rs323 billion, while sales tax fell short by Rs494 billion. Customs duty and excise also underperformed. The government now faces a daunting **Rs15.264 trillion target, critical for defence, dams and fuel stabilisation**. Achieving it requires 17.4% growth. (*The Express Tribune*, [01 July 2026](#))
- ◆ **Pakistan to Shift Towards Shariah-Compliant Financing** — The Ministry of Finance has finalised a strategy to transition Pakistan's financial system to a **Riba-free framework by 31 December 2027**, in line with the Federal Shariat Court's 2022 ruling and the 26th Constitutional Amendment. From **1 January 2028, all new loans and transactions will be Shariah-compliant**, while existing conventional debt will continue until maturity before conversion. The plan includes sukuk issuance backed by a federal asset register, hybrid options for foreign-owned banks, and short-term sukuk structures to ensure liquidity. (*Dawn*, [01 July 2026](#))
- ◆ **A new chapter for PIA** — The Editorial notes that management control of Pakistan International Airlines has been transferred to a consortium of private investors and the Fauji Foundation, marking a turning point for the troubled carrier. The consortium has paid Rs10bn upfront and pledged Rs125bn in fresh equity for restructuring, fleet renewal and service improvement. Yet the editorial cautions that **"privatisation removes the state's ownership label. It does not automatically remove the structural constraints that have weighed down the airline for years."** The next 12 months will be decisive. (*Dawn*, [01 July 2026](#))

Foreign Policy

- ◆ **Pakistan and UN Commit to Interfaith Dialogue** — Minister for Religious Affairs Sardar Muhammad Yousaf met Miguel Moratinos, United Nations Alliance of Civilisations (UNAOC) High Representative and Special Envoy for Combating Islamophobia, to discuss rising Islamophobia and intolerance. Both sides agreed to cooperate in promoting dialogue among civilisations and religions, strengthening harmony and enhancing social cohesion. Yousaf affirmed

that **Pakistan was committed to working with UNAOC** to advance interfaith cooperation and mutual understanding. (*The Express Tribune*, [01 July 2026](#))

- ◆ **Pakistan's Peacemaking Role Lauded** — At the St Petersburg International Legal Forum, Senator Mushahid Hussain Sayed hailed Pakistan's mediation in the US–Iran conflict through the Islamabad Memorandum of Understanding, calling it a landmark in diplomacy. He argued that **“the dream of Greater Israel has been buried”** due to Iran's resistance, likening the defeat to the West's setback in the 1956 Suez war. Sayed described Pakistan as an emerging Muslim Middle Power and condemned Israeli aggression against Lebanon, affirming **“Pakistan stands firmly with our brethren in Lebanon.”** (*The Express Tribune*, [01 July 2026](#))
- ◆ **Uzbekistan Invites Pakistani Investment** — At the Lahore Chamber of Commerce and Industry (LCCI), Karakalpakstan's Chairman of the Council of Ministers, Farkhod Ermanov, highlighted vast opportunities in natural resources, energy, agriculture and transit, offering **tax incentives, affordable energy and world-class infrastructure** to investors. An MoU was signed between LCCI and Karakalpakstan's Ministry of Investment to boost trade and cooperation. Uzbekistan's Ambassador Alisher Tukhtaev stressed both nations' centuries-old ties and set a target of **\$2 billion in bilateral trade within five years**. LCCI President Faheemur Rehman Saigol assured full support to Uzbek investors. (*The Express Tribune*, [01 July 2026](#))
- ◆ **Islamabad MoU: Framework or Treaty?** — Dr Syed Akhtar Ali Shah, former Secretary to Government and retired IG, analysed the recently signed **Islamabad Memorandum of Understanding between the US and Iran**, describing it as an interim confidence-building framework rather than a binding treaty. The MoU declares a ceasefire, opens a 60-day negotiating window, and outlines principles on sanctions, maritime security, and Iran's nuclear programme. Shah noted that thorny issues like enriched uranium disposition and sanctions remain unresolved, stressing that **“most of the thorny issues and questions have been deliberately left for the final determination of the mechanism.”** He concluded that while the MoU is a significant diplomatic milestone, its legal standing depends on future negotiations and possible UNSC endorsement. (*The Express Tribune*, [01 July 2026](#))
- ◆ **Civil Society Urges Talks Over Hostility** — Over 100 civil society representatives from Pakistan and India jointly appealed to Prime Ministers Shehbaz Sharif and Narendra Modi to take **“meaningful and sustained steps to restore peace, dialogue and cooperation in South Asia.”** Coordinated by O. P. Shah of the Centre for Peace and Progress, the appeal warned that hostility was depriving millions of youth of opportunities and a secure future. Signatories, including Khurshid Mahmud Kasuri, Ashraf Jehangir Qazi, Pervez Hoodbhoy, Farhatullah Babar, Beena Sarwar, Salima Hashmi, Dr Farooq Abdullah, Mehbooba Mufti, Mani Shankar Aiyar and former RAW chief A.S. Dulat, urged reopening borders, transport links, visa services, and promoting **pilgrimage tourism and media freedom**. They concluded: **“Choose engagement over isolation, dialogue over hostility and cooperation over confrontation.”** (*Dawn*, [01 July 2026](#))
- ◆ **Diplomacy abroad, discord at home** — The Editorial argues that Pakistan's mediation between Iran and the US was a genuine foreign policy success, warning against diminishing it by conflating it with domestic crises. The piece stresses that **“to diminish this achievement by conflating it with the country's internal challenges does a disservice to Pakistan's role.”** Yet it acknowledges that Pakistan's gravest challenge remains terrorism, worsened by the Afghan Taliban's return. It

cautions that military operations alone cannot defeat extremism, insisting that **“sustainable security requires political consensus and national unity.”** (*The News*, [01 July 2026](#))

Politics, Culture, Etc.

- ◆ **Population Planning for National Progress** — Prime Minister Shehbaz Sharif emphasised that **“maintaining a balance between population growth and available resources is essential for sustainable development”** while chairing a high-level meeting on population welfare. He directed authorities to convene the inaugural National Population Council swiftly, finalise its structure, and personally pledged to chair it. The Council will include provincial leaders and focus on linking social protection with family planning, women’s education, and empowerment. Successful models from Bangladesh, Indonesia, and Iran were cited as examples. (*The Express Tribune*, [01 July 2026](#))
- ◆ **Court Reviews Solitary Confinement Plea** — The Islamabad High Court (IHC) reserved its verdict on petitions challenging the alleged solitary confinement of former prime minister Imran Khan and his wife, Bushra Bibi, in Adiala Jail. Justice Khadim Hussain Soomro observed that accountability court verdicts in the £190 million and Toshakhana-I cases “do not provide for solitary confinement.” Counsel Barrister Salman Safdar argued confinement violated jail rules and the Nelson Mandela Rules, stressing **Imran was kept isolated for 22 hours daily while Bushra faced 24-hour confinement.** (*The Express Tribune*, [01 July 2026](#))
- ◆ **Dialogue Urged Amid AJK Unrest** — JUI-F chief Maulana Fazlur Rehman and PPP Chairman Bilawal Bhutto-Zardari jointly called for dialogue to resolve the crisis in Azad Jammu and Kashmir (AJK), announcing an electoral alliance for upcoming polls. Fazl disclosed that the banned Joint Awami Action Committee (JAAC) had sought his mediation, while Bilawal stressed, **“Every issue is resolved through dialogue and political disputes can only be settled through political means.”** Both leaders urged the government and protesters to pursue constitutional solutions and ensure free and fair elections. (*The Express Tribune*, [01 July 2026](#))
- ◆ **Enhanced Security at AJK Entry Points** — Rawalpindi Police have tightened surveillance at four special pickets linking the district with ‘Azad’ Jammu and Kashmir to prevent terrorism and sabotage. **Security personnel will perform round-the-clock duty in two 12-hour shifts under strict supervision, with helmets, bulletproof jackets and wireless sets made mandatory.** SSP Operations Malik Tariq Mehboob will oversee arrangements, while CPO Khalid Hamdani will personally command operations. Officers at Azad Pattan, Bewar, Salgran and Dhan Gali check posts have been ordered to enforce SOPs and conduct strict checking of vehicles and individuals. (*The Express Tribune*, [01 July 2026](#))
- ◆ **Dialogue Stalemate Between Govt and PTI** — Despite formal invitations from Prime Minister Shehbaz Sharif and Defence Minister Khwaja Muhammad Asif, dialogue with the Opposition remains uncertain as PTI insists the government must first announce its committee members. Senior PTI parliamentarian Riaz Fatyana commented, **“Meaningful dialogue needs practical steps, mere extending verbal offers... will not produce any result.”** Previous attempts under PPP’s Syed Khursheed Shah failed, while treasury benches argue PTI’s demands are unrealistic. Experts believe easing tensions will take time as practical steps remain elusive. (*The Express Tribune*, [01 July 2026](#))

- ◆ **No Sanctuary for Abuse** — This editorial condemned the unchecked violence in madrassas after the alleged killing of **14-year-old Ali Haider from Bahawalnagar, who succumbed to injuries following a brutal beating by his teacher**. Days earlier, a 12-year-old seminary student in Bahawalpur reportedly died after torture, while another in Lahore was hospitalised from severe abuse. The piece stressed this is not an indictment of religious education but of institutions where violence flourishes. It urged mandatory staff registration, inspections, and child safeguarding training, insisting **“a place of learning should never become a place of fear.”** (*The Express Tribune*, [01 July 2026](#))
- ◆ **Assault on Property Rights Through Telecom Bill** — Haroon Rashid Siddiqi, a retired professional from Karachi, criticised the **Pakistan Telecommunication Reorganisation (Amendment) Bill, 2026** for undermining citizens’ property rights. The bill introduced “implied consent,” allowing telecom operators to presume access to private property if owners failed to respond to notices, with penalties up to Rs50 million. Siddiqi warned that **“millions of homeowners, tenants and property holders could have found themselves confronting corporate demands backed by the coercive power of the state.”** He praised the Senate Standing Committee for deferring the bill, preventing what he termed a serious encroachment on constitutional rights. (*The Express Tribune*, [01 July 2026](#))
- ◆ **PPP-JUI-F forge alliance in Kashmir politics** — Pakistan People’s Party Chairman **Bilawal Bhutto Zardari** and JUI-F chief **Maulana Fazlur Rehman** announced a formal electoral alliance to form a coalition government in Azad Jammu and Kashmir after the upcoming polls. Bilawal hailed the partnership as *“a new beginning”* and emphasised that **“long marches, strikes and protests are not the solution”**, urging peaceful, transparent elections. Fazlur Rehman confirmed mediation efforts with protesters and stressed dialogue to resolve disputes. The alliance signals broader cooperation, with hopes of joint governments in Balochistan, Sindh and AJK. (*The News*, [01 July 2026](#))



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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.]