

# DAILY PAKISTAN WATCH

23 July 2026

## Security

- ◆ **Pakistan's Firm Stand Against Red Sea Threats** — Pakistan condemned Houthi militia threats against Saudi Arabia and Red Sea shipping as “unacceptable” and warned that any attack on Pakistani vessels would be a **“grave threat” to national security**. Bound by the Strategic Mutual Defence Agreement, Islamabad pledged unwavering support for Riyadh's sovereignty. Sudan echoed concern, while Egypt and Pakistan reaffirmed cooperation. Meanwhile, escalating US-Iran hostilities saw President Trump vow to bomb Iranian infrastructure (“Iran can never have a nuclear weapon”), raising oil prices and regional tensions. (*The News International*, [23 July 2026](#))
- ◆ **Foreign Network's Recruitment Attempt Uncovered** — An eight-month probe by *The News Investigation Cell*, led by Editor Investigation Ansar Abbasi, exposed a network's bid to recruit journalist Fakhar Durrani with **“long-term financial incentives and future guarantees”** in exchange for publishing externally prepared political articles and accessing unpublished information. Payments totalling Rs103,000 were documented, alongside offers of relocation abroad. One caller even claimed a role in the Pegasus spyware episode. The investigation highlighted serious national security implications. (*The News International*, [23 July 2026](#))
- ◆ **Pakistan's Technological Leap in Defence and Economy** — Prime Minister Shehbaz Sharif declared that Pakistan will **“not remain dependent on foreign technology”**, unveiling the Spark and Elevate Programme and a \$20 million Pakistan Venture Fund at the Indus RAS Expo. He highlighted indigenous advances: **“Military simulators are now being manufactured entirely in Pakistan, while more than 60 percent of drones are being produced locally.”** Under Field Marshal Syed Asim Munir's leadership, autonomous systems bolstered sovereignty. Separately, S&P Global Ratings upgraded Pakistan's credit rating to “B”, reflecting economic reforms and investor confidence. (*The News International*, [23 July 2026](#))
- ◆ **Security Forces Crush Terrorist Cells in Balochistan** — In the past 48 hours, Pakistan's security forces killed 10 terrorists during intelligence-based operations in **Surab and Mastung districts**. According to ISPR, seven were neutralised in Surab, while three were eliminated in Mastung, where **two female suicide bombers and a facilitator linked to Indian-sponsored Fitna al-Hindustan were arrested**. Weapons, ammunition and IEDs were recovered. These joint operations aim to dismantle remnants of **Fitna al-Hindustan and Fitna al-Khwarij**, reinforcing Pakistan's resolve to eradicate terrorism. (*The News International*, [23 July 2026](#))
- ◆ **India's Failure to Share Flood Data Raises Alarm** — With no prior intimation from India, inflows in Chenab, Jhelum and Ravi surged to medium and high flood levels, leaving downstream communities exposed. Authorities warned that **“riverine or kacha areas adjacent to the Chenab may face hazardous conditions”**. Pakistan Commissioner for Indus Waters Syed Muhammad Mehar Ali Shah stressed India is **“legally bound to provide such flood data under the spirit of the**

**Treaty which... cannot be suspended**", urging compliance with the Indus Waters Treaty. (*The News International*, [23 July 2026](#))

- ◆ **Mastung Violence Amid Counterterror Push** — Three passengers were killed and five injured when armed men opened fire on a Karachi-bound bus in Mastung's Khud Kocha area, while explosives destroyed a bridge on the Quetta-Karachi highway, suspending traffic for hours. Authorities imposed an indefinite curfew in Khud Kocha to restore order. Meanwhile, ISPR reported that security forces eliminated **10 terrorists** in Mastung and Surab, arresting **two female suicide bombers and a facilitator** linked to Indian-sponsored groups. CM Mir Sarfraz Bugti praised the operations as proof of security forces' resolve. (*Dawn*, [23 July 2026](#))
- ◆ **The Strategic Logic Behind Endless Conflict** — In his analysis, Atta-ur-Rahman argues that the Iran war may be part of a deliberate US strategy to preserve global dominance by transforming the petrodollar into an **"e-dollar"**, reinforced by America's role as the world's most reliable energy supplier. He notes that instability in the Gulf undermines rivals while boosting US exports, with China as the **"greatest strategic loser"** due to its dependence on Middle Eastern oil. Israel, meanwhile, strengthens its position amid regional turmoil. The Strait of Hormuz emerges as the focal point of this new Great Game. (*The News International*, [23 July 2026](#))
- ◆ **Navigating Pakistan's Fragile Regional Position** — The *Editorial* warns that as the Middle East conflict intensifies, Pakistan risks being drawn into a war it neither chose nor can afford. The Foreign Office's warning against attacks on Pakistani-flagged vessels was deemed necessary, stressing that **"any attempt to target Pakistani vessels must be treated as a direct threat to national security."** Yet Pakistan's defence pact with Saudi Arabia complicates matters, as overt involvement against Iranian-aligned forces could damage ties with Tehran. The editorial concludes: **"Restraint is not weakness. It is survival."** (*The Nation*, [23 July 2026](#))

## Economy

- ◆ **Washington Endorses Pakistan's Economic Progress** — The United States has welcomed Pakistan's reform drive, with Treasury Secretary Scott Bessent commending Islamabad's efforts in fiscal consolidation and macroeconomic stability during talks with Finance Minister Muhammad Aurangzeb. The US Treasury noted Pakistan's commitment to **"creating the conditions necessary for a successful return to international capital markets"** and backed its push for greater self-reliance. While no mention was made of Islamabad's reported \$10 billion swap line request, officials confirmed it was raised. Pakistan's economy remains strained amid Gulf-linked pressures. (*The Express Tribune*, [23 July 2026](#))
- ◆ **Pakistan Reaffirms GSP+ Commitment Amid EU Concerns** — Deputy Prime Minister and Foreign Minister Ishaq Dar pledged Pakistan's full compliance with international conventions under the GSP+ framework during talks with EU High Representative Kaja Kallas in Manila. Despite the European Commission's report noting Pakistan had **"regressed in a number of areas while positive change was limited"**, Dar emphasised Islamabad's resolve to strengthen its economic partnership with the EU. He also met Russia's Sergey Lavrov, Bangladesh's Khalilur Rehman and Sri Lanka's Vijitha Herath to deepen bilateral cooperation. (*The News International*, [23 July 2026](#))

- ◆ **Pakistan-China Health Investment Boost** — Federal Health Minister Mustafa Kamal announced that the Pakistan-China Pharmaceutical & Healthcare B2B Investment Conference in Islamabad led to **22 agreements worth \$629.5 million**, covering vaccine production, APIs, medical devices, clinical trials and more. Additionally, 84 MoUs valued at about \$800m were signed, many expected to mature into formal deals. Kamal highlighted Pakistan's first **National Local Vaccine Production Policy**, aiming to reduce dependence on imports and enhance health security. The two-day event drew 240 Chinese delegates and 430 Pakistani representatives, marking a major step in industrial cooperation. (*Dawn*, [23 July 2026](#))
- ◆ **Pakistan's Digital Future Beyond Textiles** — Engr Abdul Hanan Aftab argues that Pakistan's reliance on cotton, rice and bed linen exports has created a **"structural trap, not a trade."** He highlights record IT and IT-enabled services exports of **\$3.8 billion in FY2024–25**, with freelance work surging 90% to \$779m. Unlike textiles, digital trade "only needs talent and connectivity." Yet growth occurs despite fragile infrastructure, internet shutdowns and unpredictable taxes. Aftab urges reforms: a **Digital Infrastructure Fund**, extended tax regime, and merging commerce and IT ministries, stressing that clarity, not subsidies, is vital. (*The News International*, [23 July 2026](#))
- ◆ **Pakistan's Credit Rating Upgrade Signals Stability** — S&P Global Ratings has upgraded Pakistan's long-term sovereign credit rating to **'B' from 'B-'**, citing an improving external position and gradual macroeconomic stabilisation. The stable outlook reflects **"improved political and institutional settings"** and successful implementation of IMF programme reforms. Foreign reserves rose to **\$25.3bn by June 2026**, covering external payments of \$16.4bn. Fiscal consolidation has narrowed deficits to 4% of GDP, while interest payments declined from 60% to 38% of revenue. GDP growth is projected at 3.5% in FY2027, with inflation easing to 6.5% by 2029. (*The Nation*, [23 July 2026](#))
- ◆ **Gwadar Safe City Project Stalled Again** — The strategic security initiative for Gwadar, launched in 2016 with an approved cost of **Rs2.95 billion** and a three-year completion target, has now suffered an **eight-year delay and 164% cost overrun**. Revised multiple times, the project's cost has ballooned to **Rs7.48 billion**, with deadlines repeatedly extended — most recently missed on June 30, 2026. Officials cite procurement challenges, lack of dedicated project directors and weak execution capacity as key causes. A fresh extension is now likely, pushing completion beyond 2027. (*The Nation*, [23 July 2026](#))
- ◆ **Pakistan's Missed Regional Trade Potential** — The Editorial notes that Pakistan remains one of Asia's least integrated economies, with **two-thirds of its \$3.9bn regional exports going to China** while imports from the region are almost entirely Chinese. Trade with Afghanistan has collapsed since October, leaving exporters at a loss. The editorial stresses that Pakistan is "swimming against the global tide of regional integration," failing to exploit its geography or link into supply chains. It urges policymakers to prioritise **market access, connectivity and export capacity**, treating regional trade as industrial policy, not politics. (*Dawn*, [23 July 2026](#))
- ◆ **Cotton Collapse Costs Pakistan Billions** — Pakistan's cotton output has plunged from **14m bales at its peak to 6.85m bales in 2025–26**, costing the economy **\$2–3bn annually** in imports and lost exports, according to the Overseas Investors Chamber of Commerce and Industry's *Seeds of Growth* report. The decline stems from climate shocks, pests, poor seed quality and abrupt pesticide bans. With textiles making up 60% of exports, restoring output to 8–9m bales could ease foreign exchange

pressure. The report urges **time-bound seed approvals, anti-counterfeiting enforcement and expanded farmer credit access.** (*The Nation*, [23 July 2026](#))

## Foreign Policy

- ◆ **Signs of Gulf Unity After Discord** — Months after a public rift, senior UAE and Saudi officials have signalled rapprochement by posting messages of friendship and unity. Saudi General Entertainment Authority chairman Turki Alalshikh shared a photo of Defence Minister Khaled bin Salman with Emirati Foreign Minister Abdullah bin Zayed, calling it **“a story of brotherly relations and a strong partnership.”** UAE adviser Anwar Gargash echoed: **“The biggest story in the Gulf is captured in a single photograph.”** Media ministers lauded “responsible media” to reflect this renewed bond. (*The News International*, [23 July 2026](#))
- ◆ **Amnesty Demands Inquiry into Kabul Strikes** — Amnesty International urged investigation into alleged Pakistani airstrikes in Kabul, saying they violated **“the special protection afforded to healthcare facilities under international humanitarian law (IHL)”** and breached principles of distinction, precaution and proportionality. UNAMA and the Taliban-run government accused Pakistan of hitting a drug rehabilitation centre, while Information Minister Attaullah Tarar dismissed this as a **“falsehood”**, insisting no civilian facility was targeted. Islamabad defended the strikes as responses to militant attacks blamed on Kabul. (*The News International*, [23 July 2026](#))
- ◆ **Pakistan and Iran Strengthen Security Ties** — During Iranian Interior Minister Eskandar Momeni’s three-day visit to Islamabad, he and Federal Interior Minister Mohsin Naqvi pledged closer cooperation in **security, border management and regional stability.** Talks emphasised combating terrorism, narcotics trafficking, illegal immigration and human smuggling, with both sides agreeing that enhanced institutional coordination was essential. Federal Minister for Railways Muhammad Hanif Abbasi hailed the visit as deepening **“longstanding brotherly ties”**, while the Iranian delegation praised Pakistan’s disaster management advances at the NDMA. (*The Express Tribune*, [23 July 2026](#))
- ◆ **Satire Meets Suppression in India’s Student Protest** — The *Cockroach Janata Party (CJP)*, born as a satirical movement after Chief Justice Surya Kant’s disparaging remark about unemployed youth, has evolved into a peaceful protest against exam mismanagement. Demonstrators at Jantar Mantar demand the education minister’s resignation and justice for victims of the fiasco. Despite their non-violent stance, police have baton-charged crowds and arrested protesters on **“trumped-up charges”**, even striking a journalist. The editorial warns that if accountability continues to be ignored, **“the growing number of victims of this regime will hit a breaking point.”** (*The Express Tribune*, [23 July 2026](#))
- ◆ **Dar Strengthens Diplomatic and Economic Partnerships in Manila** — On the sidelines of the ASEAN Regional Forum, Deputy Prime Minister and Foreign Minister Ishaq Dar held high-level meetings with Bangladesh, the European Union and the Asian Development Bank. With Bangladesh’s Foreign Minister Khalilur Rehman, Dar welcomed enhanced ties, including direct flights and people-to-people contacts. Meeting EU’s Kaja Kallas, he reaffirmed Pakistan’s commitment to **GSP+ compliance** and stressed that **“sustained diplomacy remained the only viable and durable path to peace and stability.”** At the ADB headquarters, Dar sought expedited



support for the transformative ML-1 railway project, with Bank officials pledging continued partnership. (*The News International*, [23 July 2026](#))

- ◆ **Pakistan Reaffirms OIC Education and Research Cooperation** — At the Inter-Islamic Forum for the Advancement of Education, Scientific Research and Innovation in Islamabad, Federal Minister for Human Rights Senator Azam Nazeer Tarar emphasised that **“education is not merely a development priority but a fundamental human right.”** He praised COMSTECH’s role in scholarships, exchanges and support for scholars from conflict-affected countries, calling these initiatives a reflection of Islamic solidarity. Prof. Dr. Muhammad Iqbal Choudhary highlighted Islam’s intellectual heritage and the concept of *Ilm-un-Nafi*’ (beneficial knowledge). Delegates from Kenya, Malaysia, Pakistan and others stressed academic partnerships, innovation and youth empowerment as pillars of sustainable development across OIC Member States. (*The News International*, [23 July 2026](#))
- ◆ **War’s Heavy Toll on Diplomacy and Humanity** — The Editorial warns that US Defence Secretary Pete Hegseth’s testimony before the Senate underscores the staggering costs of the US-Israel war on Iran, already **\$37.5 billion**, with a defence budget request of \$1.5 trillion. Protesters accused Hegseth of having **“blood on his hands”**, highlighting the gulf between rhetoric and reality. The editorial stresses that military escalation has repeatedly displaced diplomacy, noting that Iran has endured 40 days of war without capitulation. It concludes: **“We need genuine diplomacy rather than selective appeals for negotiations accompanied by continued military action.”** (*The News*, [23 July 2026](#))
- ◆ **Dar’s Diplomatic Outreach in Manila** — Deputy Prime Minister and **Foreign Minister Ishaq Dar** met **Russian Foreign Minister Sergey Lavrov** and **Bangladesh’s Foreign Minister Khalilur Rehman** on the sidelines of the ASEAN Regional Forum in Manila. With Lavrov, Dar reviewed the full spectrum of Pakistan-Russia relations, reaffirming commitment to expand cooperation in **trade, energy and connectivity** while enhancing multilateral coordination. Meeting Rehman, Dar welcomed the renewed momentum in Pakistan-Bangladesh ties, highlighting **direct flights and people-to-people exchanges**. Both sides agreed to sustain dialogue and deepen cooperation for regional peace and development. (*The Nation*, [23 July 2026](#))
- ◆ **Pakistan and Türkiye Strengthen Judicial Ties** — A high-level delegation from Istanbul Bar Association No. 2, led by President Yasin Samli and accompanied by Turkish Ambassador Dr Irfan Neziroglu, visited Pakistan’s Federal Constitutional Court on Wednesday. They met the Chief Justice and senior members of the Pakistan Bar Council, including Vice Chairman Pir Masood Chishti. The meeting reaffirmed both countries’ commitment to **constitutionalism, judicial independence, the rule of law and enhanced legal cooperation**. Discussions covered constitutional adjudication, judicial reforms, legal education and bar-bench relations, concluding with a souvenir exchange and group photograph. (*The Nation*, [23 July 2026](#))
- ◆ **Iranian Delegation Strengthens Electoral Cooperation with Pakistan** — A high-level Iranian delegation led by Interior Minister Eskandar Momeni visited the Election Commission of Pakistan (ECP) on Wednesday. Chief Election Commissioner Sikandar Sultan Raja emphasised that Pakistan and Iran are bound by **“shared history, religion, and culture”**, noting the visit as an opportunity to deepen institutional cooperation. He highlighted the ECP’s modern Training Academy and offered professional support for Iran’s electoral process. Momeni thanked Pakistan

for its solidarity, reaffirming fraternal ties. Both sides exchanged views on electoral affairs and cooperation. (*The Nation*, [23 July 2026](#))

- ◆ **Pakistan and Iran Deepen Rail and Trade Cooperation** — Federal Minister for Railways Muhammad Hanif Abbasi met Iranian Interior Minister Eskandar Momeni in Islamabad, reaffirming both countries' commitment to strengthening ties. The talks focused on expanding **railway cooperation, cross-border connectivity and bilateral trade**, with Abbasi announcing that work on the **Main Line-3 (ML-3)** corridor linking Pakistan and Iran will begin this fiscal year, targeted for completion by December 2029. Both sides welcomed the restoration of the Zahedan–Taftan section and discussed reviving the **Islamabad–Tehran–Istanbul freight train service**. Momeni praised Pakistan's support during recent regional tensions, commending Prime Minister Shehbaz Sharif and Field Marshal Syed Asim Munir for their diplomatic efforts. He reaffirmed Iran's commitment to further strengthen cooperation, describing bilateral ties as **“deep-rooted, historic and brotherly.”** (*The Nation*, [23 July 2026](#))

## Politics, Culture, Etc.

- ◆ **Bilawal Accuses PMLN of Undermining AJK Autonomy** — PPP Chairman Bilawal Bhutto Zardari alleged at a Mirpur rally that the PMLN seeks to install a **“three-time prime minister and two-time chief minister from Raiwind”** as ‘Azad’ Jammu and Kashmir's premier. He warned that proposed legislation would strip AJK of its constitutional rights, including the right to elect its own prime minister. Bilawal urged voters to resist attempts to curtail autonomy, criticised internet suspensions, and reiterated his call for a Truth and Reconciliation Commission. (*The News International*, [23 July 2026](#))
- ◆ **PPP Urges Restoration of Internet in AJK Elections** — PPP ‘Azad’ Jammu and Kashmir President Chaudhry Muhammad Yaseen has appealed to Chief Election Commissioner Justice (retd) Gulam Mustafa Mughal for immediate restoration of internet services across the region. He warned that prolonged outages are **“creating serious obstacles for political parties, candidates and voters”** and could compromise transparency while fuelling fake news. Yaseen stressed that safeguarding voters' right to information is the Commission's responsibility, urging urgent measures to ensure free, fair and transparent elections. (*The Express Tribune*, [23 July 2026](#))
- ◆ **FIA Cracks Down on Fake ID Network** — In a joint operation, Pakistan's Federal Investigation Agency arrested four suspects, including NADRA Assistant Director Inamul Haq and Deputy Assistant Director Fayyaz Ahmed, for issuing fraudulent identity documents to Afghan nationals. Alongside them, watchman Junaid Ahmed and private agent Mohammad Umar Shah were also detained. Officials seized records and evidence, expanding the probe to identify further accomplices. The arrests highlight FIA's resolve to dismantle networks exploiting Pakistan's identity system. (*The Express Tribune*, [23 July 2026](#))
- ◆ **Bugti Praises Security Forces' Breakthrough in Balochistan** — Chief Minister Mir Sarfraz Bugti hailed recent intelligence-based operations in **Surab and Mastung** as a major success in dismantling terrorist hideouts. He said the actions led to the elimination of militants and arrests of suspects linked to suicide attacks, describing them as proof of the **“professionalism, operational preparedness, and unwavering commitment”** of security institutions. Bugti stressed that safeguarding citizens remains the government's top priority, adding that sustained counterterrorism

efforts will secure peace and encourage investment in Balochistan. (*The Express Tribune*, [23 July 2026](#))

- ◆ **Defending the Defenders Against Political Attacks** — Retired Major General Inam Ul Haque criticised Maulana Fazal-ur-Rehman's remarks dismissing military sacrifices as a **"paid job"**, arguing they undermine the role of the armed forces in combating militancy. He noted that Fazal-ur-Rehman himself survived assassination attempts by militants, protected by the same military he disparages. Haque contended that Pakistan's political instability historically precipitated military takeovers, citing Ayub Khan, Zia-ul-Haq and Musharraf, and stressed that critics must study history rather than indulge in **"acidic anti-Military diatribes."** (*The Express Tribune*, [23 July 2026](#))
- ◆ **AJK Elections and the Test of Responsible Politics** — As 'Azad' Jammu and Kashmir prepares for polls in three phases (Mirpur on July 27, Muzaffarabad on August 2, Poonch on August 10), the boycott by PTI raises concerns about **voter participation and legitimacy of the process**. The campaign, led by Bilawal Bhutto-Zardari and Nawaz Sharif, has unfortunately descended into **"an unnecessary war of words"**. The *Editorial* stresses that genuine grievances must be addressed through democratic means, warning that divisive rhetoric risks creating vulnerabilities exploitable by adversaries. (*Dawn*, [23 July 2026](#))
- ◆ **Punjab Launches 'Naya Aghaz' for Prisoner Rehabilitation** — The Punjab government has introduced the **'Naya Aghaz' programme** to support released prisoners with interest-free loans of up to Rs200,000, enabling them to start or expand small businesses using skills acquired during incarceration. The initiative, part of Chief Minister Maryam Nawaz's prison reforms, is backed by **Akhuwat Islamic Microfinance**, which has allocated Rs5 million as a revolving fund. Eligibility will depend on conduct and vocational training, with loans repayable over 36 months. Officials emphasised that the scheme promotes **financial independence, dignity and social reintegration**. (*The Nation*, [23 July 2026](#))
- ◆ **PTI to Rally for Imran Khan's Release** — Khyber Pakhtunkhwa Information Minister Shafi Jan announced that Pakistan Tehreek-e-Insaf will hold a major public gathering at **Imran Khan Cricket Stadium, Peshawar, on August 5**, marking three years since the arrest of party founder and former prime minister Imran Khan. Joined by PTI Chairman Barrister Gohar Ali Khan, he said the rally will launch the party's campaign for Khan's release. Jan alleged Khan has been kept in **solitary confinement for seven months**, deprived of fundamental rights. PTI will unveil its future political strategy at the event. (*The Nation*, [23 July 2026](#))



*[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.]*