NEWS LETTER

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Shahid Javed Burki
Chairman
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China Is Now Looking More to Its East than to Its West

One result of China's past look to the West was the construction of the China-Pakistan Economic Corridor (CPEC). I helped with that move by Beijing. For seven year – from 1987to 1994 – I was the Director of World Bank's China operations. During my watch, loans for the Bank to China increased from $300 million a year to $3 billion. One of my first tasks was to chair a three-member committee Beijing had appointed to examine the feasibility of the massive Three Gorges project on the Yangtze River. The

massive dam the Chinese were aiming to construct on a site near the city of Honan would have caused the displacement of more than a million people. In those days the Bank paid special attention to the welfare of the people displaced by large projects. I told the Chinese authorities that my committee would approve the feasibility report if Beijing gave us a well-worked plan to take care of the million or so people who would be displaced. The Bank offered to pay the Chinese $50 million to prepare the plan.

This was done. The decision was to relocate the displaced people to the under-populated region of Xinjiang but for that to be done they wanted to connect the region by all-weather road to the sea. They approached Pakistan to agree to the project but for a while got no response for Islamabad. They asked me to get President Ghulam Isaq Khan (GIK) to get his government to agree to the construction of what came to be called CPEC. The road was constructed; it connected the Xinjiang city of Kashgar to the port city of Gwadar in Pakistan. The corridor gave the Chinese access to the countries on its West; including Afghanistan and nations in Central Asia.

As the Chinese economy increased in size and its defense expenditure resulted in increasing the size of its defense forces, there was growing concern in Washington about rising China. The open hostility between the United States and China has resulted in Beijing looking to its east, in particular to the small island nations in south Pacific. It has concluded a number of agreements with the small nations of the Pacific. However, these is move to the east has brought China into competition with Australia.

Sam Roggeveen, director of international security program at the Lowy Institute said a Chinese military outpost anywhere in the Pacific would be unacceptable for Australia because it would bring the reach of Beijing's growing military forces much closer to its shores. "The most significant part of all of these agreements is that they attempt to make it if not impossible, much more difficult for China to establish a permanent military presence," he said.

The Chinese moves were being watched with great interest and some concern by the Western powers. Some leaders of Pacific Island nations in the past have welcomed the competition between China on the one side and the United States and Australia on the other side. James Batley, a fellow at the Australian National University and a former Australian diplomat who has served in various Pacific Island nations, said that overtime, the countries may have come to see limits to that competition between Australia and China as Beijing has made aggressive diplomatic pushes and flexed its military might with two ballistic missile tests in the region.

Islamabad should watch these developments in China's east and hope that they will not be consequence for its long-term relations with Beijing. Pakistan has benefitted a great deal as China was looking to its West.

Shahid Najam
Vice Chairman
The Shahid Javed Burki Institute of Public Policy at NetSol

The Test Case - Reaping or Squandering the Diplomatic Dividends

Pakistan is being universally applauded and recognized for having successfully mediated and facilitated the historic 14-point Memorandum of Understanding (MoU) between the United States and Iran, signed concurrently on June 17, 2026 by the U.S. President Donald Trump at the Palace of Versailles in France and the Iranian President Masoud Pezeshkian in Tehran, Iran. Islamabad earlier vigorously engaged in conducting hectic shuttle diplomacy and communication exchange between the two perennial adversaries which efforts finally culminated in the direct technical talks and negotiations on April 11-12, 2026 to de-escalate the conflict, stabilize the global oil economy and reopen shipping traffic in the Strait of Hormuz to the sigh of relief of the entire world and especially for the Gulf countries.

This breakthrough has boosted Pakistan's international stature and geo-political standing as a reliable and trustworthy intermediary and mediator. It has also opened a plethora of opportunities to yield economic dividends for the country especially in the energy and trade sectors and Pakistan's economic integration in the supply chains and production networks much beyond the immediate neighborhood into Central Asia and broader Middle East.

However, the big question is whether Pakistan will be able to capitalize on this highly commendable diplomatic feat and translate it into long-term sustainable economic gains?

As the current state of affairs palpably reveal, the situation seems to be very challenging and formidably onerous. Only just two weeks into festivity and drum beat of this laudable achievement, the "Dar case" involving alleged abduction, extortion and gang rape of a Dutch national and a Venezuelan national in Lahore on 29 June 2026, has rocked and shocked the nation and indeed the world all over. The accolades gained and the prestige won seem to have been severely stained and blemished. The gruesome incident alleged to have been orchestrated by the grandson of the Deputy Prime Minister of the country, has gravely tarnished Pakistan's international image and raised global concerns on the law and order situation, safety of the foreign visitors, susceptibility of law enforcement to political nepotism and the pervasive governance dysfunction in the country. One wonders what will be the direct impact on Foreign Direct Investment (FDI), confidence of foreign investor and the immense tourism potential of the country in the event this case fails to uphold justice and rule of law. Those at the helm of affairs have to recognize and ensure that this ghastly and horrific crime does not become a lost part of our legal archives and that the technicalities of the "due process of law" are not allowed or concocted to prevent justice both in letter and spirit. It is Pakistan's image at stake not the myopic interests of the ruling coterie.

Muhammad Firas Shams
Director Research & Think Tank Functions
The Shahid Javed Burki Institute

The Disillusionment with Jobs amongst the Youth

Do you experience your heart sinking every Sunday before the start of the business day? Do you feel a lack a satisfaction with your job so much so that it feels like being stuck in a soulless treadmill of urban existence? Then you aren't alone as there this a pattern of growing frustration among the young workforce regarding their jobs and this is a pervasive global phenomenon. If you talk to recruiting firms, veteran human resource specialists, labor researchers and workplace therapists, they will have a virtual consensus on how an increasing number of younger millennials and Generation-Z express jobs not meeting their expectations, a conspicuous contrast compared to earlier generations when they were at the same age and stage of their proverbial ladder. This young employable populace often complains about how they possess greater credentials and work longer shifts than their parents and grandparents, yet many of them are only to eke out a living.

One facet of this worrisome thinking pattern is connected to financial struggles. Wages today don't adequately match the soaring cost of education, housing or procuring bare minimum across the spectrum of developed to developing countries. A young employee or professional in today's age will generally require years, even decades longer to be able to afford a house, accumulate savings and acquire financial independence compared to the previous generations who were able more likely to achieve such milestones in their late twenties and early thirties, settling down and embarking on a new chapter entailing marriage and children. This highlights a structural flaw, when effort and hard work doesn't translate into tangible results like financial stability, motivation ends up being eroded.

Intriguingly, another cultural shift and attitudinal change has been surfacing that is characterized by upending "hustle culture" and embracing the idea of "quiet quitting". This is generational volte-face that defines a job as not a description of an individual's identity and that jobs ought not to consume or hijack the entirety of all available time. In other words, subtle workplace revolution emphasizes on how boundaries need to establish along with flexibility and true meaning, not just a paycheck at the start of the bank, to suffice your most fundamental needs. That ping you hear when your salary gets transferred to your account ought not to evoke a sigh of relief, but a burst of joy.

Moreover, another set of factors encompass the assimilation of Artificial Intelligence that has amongst other impacts put automation on "steroids" catalyzing human redundancy and the prevalence as well as appeal of the gig economy have made path towards long-term careers to become impeded by uncertainty. This in turn results in the idea of job security morphing increasingly into an elusive pursuit. In contrast, the previous generations were able to have much job security to a greater degree as it was natural for them to expect steady promotion while staying within the same company for several years. The current generation of employees have shorter stints at a company along with dabbling in or genuinely exploring what the gig economy has to offer which sounds liberating in a way, however the element of job security is absent, rather a constant struggle for greener pastures now punctuates the careers of many young

professionals as they feel that the job they are employed for is a transient phase, as they ought to be better options out there to be able to profoundly express their true potential. This seems like what should be called a "procrastinator's pretext" who also to have the ability to display high performance, but procrastinate in order to find the "perfect job" which may remain a mirage. In the same vein, this lack of job security also invites anxiety stemming from precariousness; this overwhelming anxiety might even offset any sense of empowerment that accompany freelance or project-based work and not committing to a job that doesn't fully satisfy your professional aspiration.

Apart from this, there also a growing grievance about how the jobs simply don't offer decent wages and concomitant respect. While employers continue to shift the goal post, and demand for greater results rise considerably, the consideration given to employee satisfaction, compensation and workplace flexibility is minimal, remains on the back burner. Therefore, the younger millennials and Generation-Z have been trying to push back against what they see as Kafkaesque workplace culture, they want to be managed on terms that ensure a healthy equilibrium between the job and personal life. They don't want to be in a job that will force them to languish in survival mode for decades to come.

Atr un Nisa
Senior Research Officer
The Shahid Javed Burki Institute of Public Policy at NetSol

The Silent Spread of Hepatitis among Pakistan's Children

In a country where even a single glass of tap water may be unsafe to drink, Hepatitis A remains a silent epidemic affecting Pakistan's children, a preventable disease driven by unsafe water, poor sanitation, and inadequate hygiene. Hepatitis A is not in the news much but is one of the most vaccine-preventable diseases in Pakistani children. Unlike Hepatitis B and C it does not cause chronic liver disease and the vast majority of children make a full recovery within weeks, but in lower income countries, according to World Health Organization (WHO), in highly endemic settings most children are infected before the age of 10, often without showing symptoms. According to WHO, in highly endemic settings most children are infected before the age of 10, often without showing symptoms. This is due to the majority being environmental causes. Hepatitis A is spread by contaminated food or water or by unwashed hands when preparing food. Based on the estimates of UNICEF Pakistan, around 70% of households still get water from sources that are contaminated by bacteria, while only approximately 72% have even basic sanitation. The virus continues to thrive as a result of open drains in the vicinity of food stalls, irregular chlorination of urban water supplies, street food preparation without adequate handwashing, and flooding during the monsoon season, which often pollutes water supplies. When schools are overcrowded and there are no reliable handwashing facilities, this can be an additional risk factor especially for kids who were not

infected and did not develop natural immunity as young children.

Hepatitis A is not as well-known as Hepatitis B and C due to its comparatively low level of notice in the context of the government policy on hepatitis in Pakistan, which is understandably targeted at Hepatitis B and C as these cause chronic disease and mortality. It isn't part of the routine national immunization schedule, unlike Hepatitis B.

Freedom from harm for families is largely in their hands. Never underestimate the safety of drinking water from the tap or from the tanker—boil or filter it. One step that WHO states is most effective is Washing Hands! Thoroughly wash hands with soap before eating or preparing food and after using the toilet. Take precaution during the rainy season with raw food such as raw vegetables, raw fish and street foods as they have a higher risk of contamination. If you have any questions regarding the Hepatitis A vaccine, speak to a doctor, as it is a safe and effective vaccine however Hepatitis A vaccine is available through the private healthcare sector in Pakistan but is not included in the routine national immunization programme. Close household contacts should consult their healthcare provider to determine whether vaccination or other preventive measures are recommended, particularly if they have not previously been infected or vaccinated. A handwashing station and clean water initiatives are installed and maintained in schools and neighborhoods, while effective clean water measures have been proven to have a measurable impact on infection rates in schools. From a policy perspective, ongoing funding for water and sanitation systems is the longest-running method to decrease exposure over time.

The good news is Hepatitis A is not a life-long condition and once it is over, most children become immune.

Prof. Dr. Robina Farooq (T.I.)
Consultant at BIPP
Professor Emeritus National Skills University Islamabad &
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Pakistan's Sponge City Revolution: A Nature-Based Blueprint for Climate and Water Crisis

The catastrophic floods that annually devastate Pakistan's cities are not climatic inevitabilities but symptoms of profound hydrological dysfunction. From Karachi's submerged arteries to Lahore's waterlogged neighbourhoods, impervious urban surfaces, choked natural waterways, and systematically destroyed drainage networks have crippled our cities' natural capacity to absorb water. The 2022 floods alone caused an estimated Rs. 7 trillion in damages nationwide, with districts including Gujrat, Gujranwala, and Sialkot identified as most at risk.

China's Sponge City initiative offers a scientifically validated path forward. The model employing permeable pavements, rain gardens, green roofs, and urban wetlands aims to absorb and re-use 70% of stormwater. Instead of relying on grey infrastructure of levees and pipes, sponge cities allow urban areas to absorb water in times of high rainfall and release it in times of drought. The

34-hectare Qunli Stormwater Park in Harbin demonstrates how nature-based solutions collect, cleanse, and store stormwater while protecting native habitat and providing recreational space. Adopting this model in major Pakistani cities could reduce urban flooding by 90% while absorbing carbon dioxide, expanding green spaces, and increasing biodiversity.

China Did It, Pakistan Can Too

Islamabad provides a compelling proof of concept. The International Water Management Institute's groundwater recharge project at Kachnar Park demonstrated extraordinary results: during the 2022 monsoon, a single well costing just Rs. 4.2 million returned apoximately 1.9 million gallons of rainwater to the aquifer, raising the local water table by nearly four metres and reducing flood peaks in Nala Lehi. The 2025 monsoon saw even more dramatic results, with the same well diverting approximately 19 million gallons of stormwater underground. Encouraged by these results, the Capital Development Authority approved 100 groundwater recharge sites in 2024, later expanding to 200 operational sites across Islamabad. The total cost of the Kachnar Park pilot project demonstrating that relatively small investments can produce substantial environmental and community benefits.

Saving Billions, Saving Lives

The cost of inaction is staggering. Pakistan loses an estimated Rs. 700 billion to Rs. 1.5 trillion annually from urban flooding damages alone. Groundwater depletion costs an additional Rs. 300-600 billion per year, while health costs from waterborne diseases add another Rs. 150 billion annually. In total, Pakistan faces annual losses of Rs. 1.5 to Rs. 2.5 trillion due to water mismanagement. For Pakistan's four major cities, the investment requirements are substantial but far less than the cost of continued inaction. The return on investment is compelling. A single groundwater recharge well costs Rs. 4.2 million and can return millions of gallons of water to depleted aquifers. With Rs. 840 billion to Rs. 1.57 trillion invested nationally, Pakistan could save Rs. 1.5 to Rs. 2.5 trillion annually in flood damages alone. This represents an ROI of 250-400% per year. Research on Karachi's readiness reveals critical challenges: 74% of experts believe the absence of green spaces negatively impacts quality of life, while 72% cite lack of government support as a major hindrance. Other barriers include high maintenance costs, shortage of skilled individuals, and lack of technology. These are not insurmountable obstacles but call for political will and strategic action.

The federal cabinet approved the Green Building Code of Pakistan and Rainwater Harvesting Provisions in July 2025, making rainwater harvesting mandatory for new buildings. This legislation must be enforced rigorously. The NDMA's Infrastructure Risk Atlas has identified districts across all provinces most vulnerable to infrastructure losses against floods. The solution requires restoring natural waterways, removing encroachments from the Malir and Lyari rivers, nullahs across Punjab, and drainage channels nationwide.

Pakistan's path to urban resilience lies not in concrete walls and giant pumps, but in working with the hydrological cycle. The Sponge City model is scientifically proven, economically viable, and environmentally essential. For government officials and policymakers, the science is unequivocal. The economic case is irrefutable. At just Rs. 4.2 million per recharge site, sponge city interventions represent the most cost-effective climate adaptation investment available. The question is not whether Pakistan can afford to build sponge cities, it's whether we can afford not to. The next monsoon is coming. Will Pakistan be ready?

Dr. Syed Iftikhar Hussain Shah
Consultant at BIPP
The Shahid Javed Burki Institute of Public Policy at NetSol

BIPP and Ameers Organica Have Reached a Major Milestone

Over 98% germination of two National Institute for Biotechnology and Genetics Engineering (NIBGE) - certified soybean varieties within one week, achieved through precision land preparation and soil regeneration with Eco-char This success validates our research-backed seed choices, regenerative practices, and integrated farm model where Agripneurship clicks along with Peri urban agriculture and Permaculture.

Diversified production from sugarcane, sunflower, and vegetables to fruits, timber (Teak or Sagwan, Sandal, Black Eghony, Bamboos), spices, and livestock now demonstrates scalable resilience and market-readiness. Strong research partnerships including with NIBGE Faisalabad have proven on-farm protocols, and sustainability credentials. Shahid Javed Burki Institute of Public Policy (BIPP) and Ameers Organica are positioned to advance soybean commercialization, strengthen value chains, and showcase a replicable model for sustainable agriculture in Pakistan and beyond. Soybean offers strong agronomic and economic potential for Pakistan and expanding markets globally. In Pakistan, rising demand for edible oil, animal feed, and protein-rich ingredients positions soybean as a strategic rotation crop that can improve farm incomes, reduce import dependency, and enhance soil health through nitrogen fixation. Recent field-level demonstrations such as those at BIPP-Ameers Organica, highlight soybean's adaptability when high-quality, research-backed varieties and regenerative practices are applied. Globally, demand for soybean is growing in emerging markets across Asia and Africa for feed, food, and industrial uses (e.g., plant-based proteins, oils, and bio-based products). Pakistan can capture value by scaling certified varieties, improving on-farm practices, and adopting value-chain linkages (local processing, quality grading, and export standards). Regenerative inputs like Eco-char can become a differentiator—enhancing soil carbon sequestration, improving crop resilience to erratic weather, and offering sustainability credentials attractive to international buyers.

At Ameers Organica, two certified research-adopted soybean varieties have been sown following meticulous land preparation and soil regeneration using Eco-char. The results are exceptional establishment, with over 98% seed germination within one week under current site climate conditions. This high germination and subsequent vigour reflect the combined benefits of improved seed genetics, optimized seedbed preparation, and biochar's moisture retention, nutrient-holding capacity, and microbial habitat enhancement. Integration with a diversified cropping system creates a resilient, multifunctional production landscape that supports sustainable intensification and risk diversification.

Key success factors include access to certified seed, farmer training on seedbed preparation and biochar application rates, integrated pest and nutrient management, and logistics for aggregation and processing. Demonstration sites such as BIPP - Ameers Organica serve as real-time sites for knowledge transfer and commercialization models. By leveraging research partnerships, regenerative inputs, and diversified farm enterprises, Pakistan can significantly expand soybean production for domestic needs and emerging export opportunities while promoting sustainable agriculture and rural livelihoods.

Zahra Khan
Manager Finance and Accounts
The Shahid Javed Burki Institute of Public Policy at NetSol

Artificial Intelligence as a Catalyst for Pakistan's Mineral Transformation

The global race for critical minerals is no longer defined solely by what lies beneath the ground it is increasingly determined by who has the technology to find and develop it first. As a result of the growing importance of Artificial Intelligence (AI), clean energy, electric vehicles, semiconductors, and sophisticated defense systems, nations are racing to achieve secure supply chains across strategic minerals and rare earth elements.AI has proved to be a game changer. AI is now combining with satellite imagery and geospatial analysis to speed up, lower the cost, and improve the accuracy of exploration.

For Pakistan, this shift cuts both ways it's an opportunity and a warning. The country is sitting on an estimated US$6 trillion in untapped mineral resources including copper, gold, rare earth elements, chromite, and antimony one of the richest geological endowments in the region, running through the Chagai Magmatic Arc and extending across Baluchistan, Gilgit-Baltistan, and Khyber Pakhtunkhwa. Yet mining contributes only 2–3% of GDP, part of the problem is due to weak digital and computational capacity; there simply aren't enough experts who can work across AI, geology, and Geographic Information System (GIS) at once. Moreover, Pakistan still leans heavily on foreign technology and capital to get projects off the ground, Reko Diq clearly illustrates.

Recent initiatives, including the Pakistan Minerals Investment Forum (PMIF) 2025 and the National Minerals Harmonization Framework 2025, signal a welcome shift in policy. However, attracting investment alone will not secure Pakistan's place in the global critical minerals economy. The greater challenge is building the technological, institutional, and industrial capabilities needed to convert geological wealth into long term national prosperity.

None of this AI driven exploration works in a vacuum, though. It needs high quality geological datasets, serious computing infrastructure, remote sensing capabilities, and an interdisciplinary workforce that bridge between data science and geosciences. This is exactly where Pakistan struggles. Pakistan's low investment in research, fragmented digital infrastructure, and dependence on imported technologies continue to limit innovation. Pakistan risks a strange irony: needing foreign expertise just to discover and develop resources that are sitting in its own backyard.

However, this can't be solved by technology alone. Just as crucial is breaking the old habit of exporting raw minerals and importing them back as finished, high value products. Pakistan has long shipped out unprocessed ore, then paid a premium for the manufactured products in the industrial center of the world. AI in exploration should thus be part of an overall strategy for the industry, which emphasizes mineral processing, refining, advanced manufacturing, and technology transfer. This would generate employment, improve industry competitiveness, boost exports and lessen strategic reliance on foreign supply chains.

Local communities must be taken into account in the government of resources in any national mineral strategy. Decades of resource ownership concerns, marked inequitable

benefit sharing and lack of local participation, have existed in Baluchistan and Gilgit-Baltistan, which is home to much of the mineral wealth in Pakistan. Therefore, there must be clear governance, investment in technical education and vocational training, and equitable terms of payment to the local communities so that they can truly be partners in the resource.

These aspirations meet with practical challenges. Reliable power and broadband internet coverage are still inadequate in many parts of the country, a necessity for powered exploration. The issue of overlapping federal provincial jurisdiction over mineral rights has been a longstanding problem that has hindered the licensing process, as demonstrated by the Reko Diq conflicts. And without stronger IP and data protections, foreign partners have little incentive to transfer real technology rather than simply extract resources. These limitations must be overcome, not sidestepped.

From the outset, environmental sustainability and security issues have to be built in. Environmental protection is critical in ecologically sensitive areas that demand high standards of strict environmental safeguards, while institutional level responses are needed in parts of Baluchistan for security concerns which not only secure strategic investments, but the local communities as well. Long term success depends on balancing economic ambition with environmental stewardship and social stability.

Pakistan's mineral resources also need to be viewed from the geopolitical perspective. The strategic importance of rare earth elements in today's technological world and within global supply chains has grown significantly. Major countries and regional investors have been showing interest in the Reko Diq project and many other similar ones, which are increasing strategic relevance for Pakistan. Promoting investment and technology transfer while maintaining data sovereignty, national ownership, and policy autonomy is essential.

These principles should guide partnerships between the state and private sector. The development of minerals through AI can be integrated with China Pakistan Economic Corridor (CPEC), Gwadar and new regional trade corridors, thus bolstering Pakistan's strategic position.

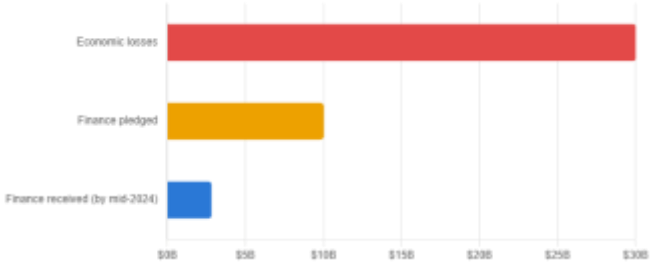
Pakistan's mineral wealth alone will not determine its future. The window to build that capacity is narrow: the nations that learn to use AI to explore this decade will determine who will supply the next decade's supply chains and who will dole out the raw materials.

Maliha Tariq
Research Intern
The Shahid Javed Burki Institute of Public Policy at NetSol

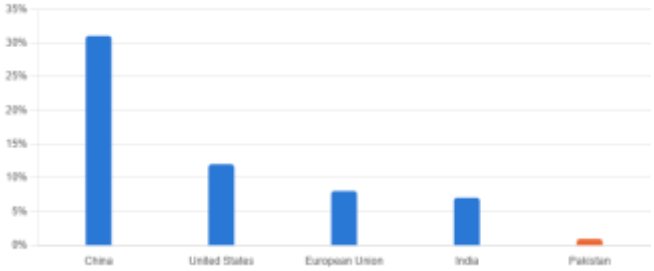
Climate Justice: Why Pakistan Pays for Emissions It Didn't Create

Pakistan stands as one of the starkest examples of climate injustice in the modern world. Despite being home to over 240 million people, the country contributes less than 0.9% of global greenhouse gas emissions, roughly 400-500 million tonnes of CO2 equivalent annually. Compare this to the major emitters: China accounts for 31% of global emissions, the United States 12%, and the European Union and India follow closely behind. Historically, the imbalance is even starker, four countries alone, the United States, China, Russia, and Germany, are responsible for more than half of the CO2 that has driven global warming since 1750.

Yet Pakistan bears a disproportionate share of the consequences. The 2022 floods, triggered by extreme monsoon rains and glacial melt, submerged a third of the country and affected 15% of the total population. According to the Climate Risk Index 2025, Pakistan was among the most affected countries by extreme weather in 2022, suffering estimated losses of about $30 billion. The country ranks 15th on the Climate Risk Index 2026, while its Human Development Index of 0.544 places it 168th globally, a combination that leaves it highly exposed but poorly equipped to cope.



This chart tells the whole finance story in one look: Pakistan lost $30 billion in the 2022 floods, the world pledged only $10 billion at the Geneva conference, and by mid-2024 just $2.8 billion had actually reached the country, under 10% of the original losses. This is not a story of nature alone. Pakistan's economy relies heavily on agriculture and water resources, both extremely sensitive to temperature shifts and erratic rainfall, and 45% of its labor force works in agriculture, magnifying the human cost of every heatwave and flood. Meanwhile, on the ND-GAIN Index, Pakistan scores 39.6, placing it in the "high vulnerability, low readiness" category, with readiness scores in the bottom 25% globally.



Here's a chart comparing Pakistan's emissions share against the world's biggest emitters — it makes the disparity immediately visible: Pakistan contributes under 1% of global emissions, yet ranks among the most climate-vulnerable nations on earth.

Climate justice demands that responsibility track emissions, not vulnerability. For Pakistan, this means continuing to push, at Conference of parties (COP) forums and in bilateral negotiations — for the industrialized world to honor climate finance commitments, from loss-and-damage funding to concessional adaptation finance. Pakistan's own third Nationally Determined Contribution, submitted in September 2025, commits to a 50% economy-wide emissions reduction by 2035 against business-as-usual, an ambitious pledge from a country that did little to cause the crisis it is now expected to help solve. The moral case is simple: those who emitted the least should not be left to pay the most.

Aqsa Rehman
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The Gendered Toll of Climate Change

The climate crisis is rarely neutral across frontline communities; environmental disruption acts as a severe threat multiplier that accelerates ecological decay while deepening pre-existing structural inequalities. When prolonged droughts dry up natural water sources or unseasonal floods wreck agricultural yields, rigid gendered divisions of labor ensure that women shoulder the heaviest burdens. However, most acutely within

Pakistan, this gendered fallout is more visible in vast arid zones such as the Thal desert of Punjab and the Thar desert of Sindh, where prolonged dry spells, erratic heatwaves and rapidly receding groundwater tables have pushed rural populations to the brink. In these hyper-arid landscapes, rigid socio-cultural divisions of labor ensure that women shoulder the heaviest daily burdens of environmental collapse. As household wells dry up, women and young girls in Thal and Thar are forced to trek several miles daily across scorching terrain to fetch a few pots of brackish water, directly compromising their physical health, personal safety, and access to education.

Furthermore, as recurring droughts destroy crops and force men to migrate to distant cities for wage labor, women are left behind to manage entire households alone under increasingly precarious conditions, tending to dying livestock, caring for malnourished children and enduring severe maternal health risks amidst depleted healthcare infrastructure. Yet, framing Pakistani women merely as passive victims of environmental catastrophe ignores a critical reality that women possess unmatched localized knowledge and represent the backbone of climate adaptation.

Practical, community-driven evidence highlights this potential (in parts of the Thar desert) women-led conservation efforts, indigenous seed preservation and the cultivation of drought-resistant cash crops like guggal trees have successfully restored degraded land, enhanced household nutrition, and generated sustainable micro-incomes without falling into predatory debt. To scale these successes into mainstream policy, Pakistan must pursue genuine climate justice by securing formal land ownership rights for female farmers, enforcing gender-responsive budget allocations that directly fund grassroots women's cooperatives and guaranteeing women meaningful leadership roles in national and international climate negotiations. The arithmetic of our climate crisis is unforgiving, but the remedy is clear, Pakistan cannot build a resilient future while sidelining half its population and true justice demands placing frontline women at the center of ecological governance.

Maryam Awan
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When Streets Shape Politics

Over the past four years, South Asia has seen the collapse of three governments. Sri Lanka, Bangladesh, and Nepal. Each of which had a different motive behind it. Sri Lanka faced financial collapse, Bangladesh battled inflation and unemployment, and Nepal struggled with coalition infighting and corruption. But all of these had a common link, broken governance, elites who diverted public resources, and a young generation that refused to tolerate maladministration anymore. However, Pakistan tells a different story. Its population face similar economic problems and corruption, yet no protest has removed a government this way. Why?

Throughout its history Pakistan has experienced different notions of democracy. Today, however, its democratic system shows authoritarian tendencies. Fully authoritarian governments crush protests before they grow. Mature democracies absorb public anger. Countries stuck in middle that are too weak to negotiate and are too open to fully suppress face the greatest risk of collapse. Bangladesh, Nepal and Sri Lanka fall into this middle zone. Pakistan sits closer to the “crush it early” category.

In Bangladesh and Nepal, political power revolved around one leader or a few ruling elites, not independent institutions. In Bangladesh, when protests erupted the security forces refused to open fire on citizens in order to protect an unpopular leader, so it stepped aside, and Sheikh Hasina Wajid fled the country within weeks. Similarly, in Nepal once the police and internal security failed to contain the unrest, the army stepped in, not to defend the government, but to manage the country after the collapse. The government relinquished within 36 hours.

Pakistan operates on entirely different spectrum. The system and its institutions follows the doctrine of a hard state that uses political repression and constitutional changes to centralize control and shrink space for opposition or protest. The state deploys anti-terrorism laws, detentions, and internet shutdowns to stifle protests early. In Khyber Pakhtunkhwa (KPK) Baluchistan, and Azad Jammu Kashmir (AJK) people have been expressing grievance regarding the system, however the state treats their opposition as a security threat. Moreover, Pakistan's power structure depends on how deeply entrenched is the bureaucratic-military oligarchy is.

This regional comparison above shows that protests succeed when power stays personalized and government crumble under pressure. They fail when an established apparatus treats dissent as a threat to eliminate, not a democratic right demand to answer. Pakistan's anger and structural vulnerabilities run just as deep as Bangladesh's or Nepal's, but it simply lacks a single fragile person or point of contention that could be removed to restore justice and good governance.

Falak Tahir
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Sovereignty in Silicon: Pakistan's Digital Ascent Amid Resource Descent

Recently inaugurated in Islamabad by the Prime Minister Shehbaz Sharif, Sky47 Karakoram-01 marks the country's entry into tier III/IV certified, carrier-neutral infrastructure designed for artificial intelligence and cloud workloads. It is Pakistan's largest and first data centre of this scale. It introduces cutting edge technology and benefits for the economy by cutting down the costs of $700 – 800M a year, a fiscal cost that was once spent on IT services imported from abroad, reported by the ministry of IT and telecommunication (MoITT). Separately, industry experts estimated that more than 90% of Pakistan's data is currently hosted overseas, mainly in the US and Singapore which will now be stored locally as well.

Comparison:

Metric	Current (8.5MW)	Full build-out (~50MW)
Power draw	8.5 MW (confirmed operational)	~50 MW (reported future capacity, not yet built)
Household equivalent (Pakistan avg. consumption)	23,000- 24,000 households	~135,000-140,000 households
Estimated water use (closed loop low cooling assumption)	~45,000 gallons/day	~265,000 gallons/day

While it is a legitimate win for Pakistan to lose its dependence on foreign channels and building its own AI ready sovereign platform to support high-performance computing and machine learning, it negates the repercussions of building data centres. The facility's projected power draw is equivalent to supplying constant electricity to approx. 23-25k households. This demand emerges in a region already struggling with the shortage of nearly 400MW of energy, thereby intensifying concerns about the resilience of the local grid. Furthermore, the twin cities are grappling with a chronic water deficit estimated at 60M gallons per day. Against this statistic, the additional requirement of nearly 45K gallons of water daily for cooling the servers introduces a new layer of strain on municipal supply systems. This raises pressing concerns about resource allocations and sustainability. Similarly, data centres abroad have reported that the surrounding ecosystems take a major hit as well. The facilities split the ecosystems into smaller isolated patches making it harder for animals to find food, mates or shelter. The constant noise will also not just contribute to pollution, but also disrupt the animal's communication, mating calls and hinder predator avoidance thus reducing the natural habitat of Islamabad and tampering the food chain.

The juxtaposition of innovation with its consequences invites a deeper reflection. Although this data centre is more than just a photo-op but will Pakistan, given its history, be able to reconcile its ambition to become the regional hub of artificial intelligence with the ecological and social realities of its urban centres or will the pursuit for digital infrastructure once again widen the gap for ordinary citizens to access basic facilities?

Romaisa Gull
Research Intern
The Shahid Javed Burki Institute of Public Policy at NetSol

Climate Change: Why Pakistan Can No Longer Ignore It

Pakistan is not only experiencing climate change, it is living with its consequences. Floods, water scarcity and record-shattering heatwaves are affecting agriculture, public health, and infrastructure, creating serious disruption. Instead of just making policies, there is a need to implement these policies through coordinated actions.

Pakistan contributes less than 1% to Global Greenhouse Gases (GHG), yet it is ranked consistently among the top 5 to 8 most vulnerable countries that face some of the most severe consequences of climate change. In 2024, the country experienced its hottest year in 65 years, which created long-term effects mostly on outdoor workers, children and people in urban areas. In hot weather people used cooling appliances at the same time which caused frequent blackouts because of increased pressure on the electricity system, leaving many people without fans, electricity and air-conditioners. The floods in 2022 caused widespread destruction to country resulting in $14.9 billion in physical damage and about $15.2 billion in overall economic losses. Water scarcity severely affects Pakistan's agriculture by reducing crop yields, lowering groundwater tables, and threatening food security.

Policymakers should act immediately on climate change because the country is already suffering the consequences of climate change

and sudden events like floods make conditions worse. They should prepare for disasters before they happen instead of having reactive response. If Pakistan does not immediately take climate action, then the GDP could drop by 18% to 20% by 2050. Furthermore, the country needs $348 billion by 2030 for climate action. If the country delays climate action, this cost will increase because more climate disasters mean more money will be needed for recovery. The government needs to create localized heat action protocols and expand green spaces in fast-growing cities. Climate-proof buildings and early warning systems should be expanded for glacial outbursts and extreme monsoon. The government must invest now in different sectors especially in vulnerable districts so people are better able to cope with future climate challenges. Additionally, the need is not to just make policies but also to implement them effectively. If Pakistan acts today, it can build safer and better-prepared communities where people are protected from climate risks. The country can focus on sustainable development and improving the quality of life for future generations instead of repeatedly struggling to recover from disasters and meet basic needs.

Tabinda Naz
IT and Digital Solution Manager
The Shahid Javed Burki Institute of Public Policy at NetSol

BIPP Round Up

The Shahid Javed Burki Institute of Public Policy (BIPP) inaugurated its new office at the Khaldunia Institute of Technology and Applied Sciences (KITAAS) on 1st July 2026. The occasion brought together members of the BIPP team, distinguished guests, and representatives from KITAAS to celebrate the beginning of a promising new phase in the Institute's journey.

The ceremony was graced by Prof. Dr. Mohammad Nizamuddin as Chief Guest, whose presence lent the event both prestige and distinction. The inauguration was not merely the opening of a physical space it symbolized renewed energy, expanded capacity, and a reaffirmed dedication to the Institute's core mission. The new office at KITAAS provides BIPP with a setting conducive to intellectual engagement, collaborative research, and meaningful policy discourse.

BIPP extends its heartfelt gratitude and sincere appreciation to KITAAS for its generous support in providing the premises for the Institute's new home. This gesture goes beyond institutional hospitality; it reflects a shared vision and a mutual commitment to advancing knowledge, fostering academic excellence, and contributing meaningfully to public service. Such partnerships are the cornerstone of

impactful work, and KITAAS's support has laid a strong foundation for what lies ahead.

Awais Khaild
General Manager Finance
The Shahid Javed Burki Institute of Public Policy at NetSol

Pakistan's Capital Markets: FY2026 Closes on a High Note, FY2027 Outlook Turns Cautiously Constructive

Market Overview

Pakistan's financial markets closed FY2026 on firm footing. Equities extended a third consecutive month of gains, the policy rate held steady, and government bond yields eased modestly, even as inflation, external-account pressures, and Middle East tensions continued to shape sentiment. A ceasefire-driven de-escalation in the Middle East (easing fears over Strait of Hormuz shipping disruptions and pulling oil prices lower), a market-friendly FY2027 federal budget, and an unchanged State Bank of Pakistan (SBP) policy rate of 11.5%.

Fixed Income and Money Market

The SBP held its policy rate at 11.5% in June, following a volatile FY2026 path that included a 50bps cut in December 2025 and a 100bps hike in April/May 2026 as inflation resurfaced. Headline inflation eased to 11.1% YoY in June (from a 23-month high of 11.7% in May and fell 0.3% MoM. Average CPI for FY2026 came in around 7.05%–7.1%, up from roughly 4.5%–4.6% in FY2025.

Government securities yields drifted lower during the month, with T-bill cut-offs (1-, 3-, 6- and 12-month) falling 43–75bps across two auctions to settle near 11.80%, 11.75%, 11.75% and 11.84%. In the fixed-rate PIB auction, the government raised roughly PKR 590–655 billion at cut-offs of about 12.1%–12.6% across 2- to 10-year tenors. FBR collections for FY2026 exceeded a downwardly revised target, topping PKR 13 trillion against PKR 12.98 trillion.

Externally, the picture is improving but mixed. The 11-month (FY2026) current account swung to a cumulative surplus of roughly USD 255 million, aided by record remittances. Trade-deficit estimates for FY2026 also diverge, FX reserves stood near USD 21.5–22 billion, and the rupee closed the year around PKR 278–279/USD.

Equity Market

The KSE-100 Index gained 6,339 points, or 3.64% MoM, in June closing FY2026 at a record 180,302 points, 4.7% below its all-time intraday high of 189,167 (January 2026). For the full year, the index returned approximately 43.5%–44% in PKR terms (about 46% in USD terms), following 60.1% in FY2025 and 89.2% in FY2024. The market ended June trading at a forward P/E of roughly 6.8x. Foreign investors were net sellers over FY2026, led by outflows from cement, food and banking stocks, while local companies, individuals, and banks/DFIs were the main net buyers.

Outlook

GDP growth of 3.5% (below the government's 4.0% target), inflation averaging around 8%, and expects the SBP to resume easing with cumulative rate cuts of 50–100bps over six months; it also anticipates rupee depreciation of 6%–8% and a current account deficit of USD 3–4 billion. Inflation projection is lower, at approximately 7.5% — slightly above the SBP's 5%–7% medium-term target — and frames near-term policy as likely to stay cautious rather than commit to a specific rate-cut path. Major risks are volatile oil prices, geopolitical tensions, climate-related shocks to agriculture, and the pace of reform under Pakistan's IMF-supported program. Equity sentiment to stay constructive, supported by liquidity, earnings growth and reasonable valuations, medium-term returns are more likely to normalize toward 15%–20% than repeat FY2026's pace.

FY2026 delivered a rare combination for Pakistani investors: a third straight year of exceptional equity returns alongside a broadly stable, if still-elevated, interest-rate environment. Heading into FY2027, converge on a more moderate but still constructive base case, tempered by real uncertainty over disinflation, external financing and regional geopolitics. The differing trade and current-account figures across reports are a useful reminder that Pakistan's macroeconomic recovery, while genuine, remains a work in progress.

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Policy for Present, Gains for posterity,
Reducing Deficit, Producing Results

Mission Statement

BIPP's mission is to improve the welfare of the citizenry with particular emphasis on identifying policy measures that will lead to inclusive, people-centered growth with equity, political stability and sustainable development besides fully harnessing the potential for regional and global integration of the country. BIPP primary areas of interest encompass social, economic, environmental and political development and security, trade and foreign policy-related issues.

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