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Deciphering News in

pakistan.

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What's Happening in Pakistan: July 2025

Pakistan's Strategic Reorientation: Control, Compliance, and Caution in a Changing World

The political and strategic landscape of Pakistan has seen a deepening of state-led calibration of national interest. Across domestic and foreign policy behaviour, Pakistan is trying to establish tighter internal control, careful economic reform and a stronger security posture in the aftermath of Operation Sindoor. A deeper degree of authoritarianism has been noticed indicating that the Pakistani state is in transition.

The consolidation of authoritarian governance was evident with the curbing of planned authoritarianism, the establishment of Federal Constabulary and a formal attempt at removing dissent. While these claims have been denied by Shehbaz Sharif's government, the timing and functioning of these measures indicate a clear containment of PTI's mobilisation. The state's refusal to allow Imran Khan to visit his sons, the travel bans imposed and revoked reveals a deeper erosion of the opposition in Pakistan.

The economic landscape proves that Pakistan's carefully earned fiscal stability under IMF guidance comes at social costs for the common people. July inflation remained between 3.5-4.5% and while the country reported its first account surplus of 3.6% in 14 years, the structural problems with Pakistan's economy cannot be ignored. The IMF is predicting a growth rate of 3.6% for the FY2026 but it falls short of the government's expectations. Pakistan is showing a deeper interest in digital fiscal control including the introduction of a pilot digital currency and the introduction of a "cashless" system at the provincial level. This however has been overshadowed by austerity measures implemented like increased taxation on furnace oil and reduced profits on savings schemes. The model of economic reform is both exclusionary and vulnerability inducing, while stabilising.

Diplomatically Pakistan has adopted a more pragmatic strategy when it comes to interacting with the global world. It has initiated a muted push on Kashmir as President of the UN Security Council. A trilateral migration task force has been established with Iraq and Iran indicating regional cooperation. It has also improved relations significantly with the UK including a new trade agreement. It has moved to deepen relations with Turkey and South Africa including a stronger impetus on defence diplomacy. The military has announced "Operation Bunyanum Marsoos" indicating a hardened posturing on cross-border tensions. The militant attacks on Chinese nationals have also been dealt with including the killing of the three masterminds. It is trying to balance its position in South Asia with a revival of ties with the West and Muslim-majority allies.

In conclusion, Pakistan can be seen to have adopted a model of development authoritarianism with a centralised polity, IMF-guided fiscal reform and transactional diplomacy. While short-term coherence is noticed, its sustainability in the long run is not assured.

News Headlines:

Pakistan to create new paramilitary force ahead of protests by Imran Khan's party

Reuters reports that Pakistan is forming a new paramilitary unit to maintain order as Imran Khan's party plans major demonstrations. The force will work alongside existing security agencies amid concerns of escalating unrest. Authorities say the move is preventative, but critics warn it could heighten tensions and suppress dissent.

Source: Reuters

Pakistan won't let Imran Khan see his sons, says Jemima Goldsmith

Jemima Goldsmith writes in The Times that Pakistani authorities have denied Imran Khan visitation rights with his sons, who reside in the UK. Goldsmith claims the restriction is politically motivated and reflective of broader attempts to isolate Khan, who remains imprisoned and barred from active political participation ahead of key protests.

Source: The Times

Lahore boils as 'Free Imran Khan' movement begins: PTI vs Punjab Govt turns explosive!

IndiaTimes reports that Lahore witnessed escalating clashes as PTI launched its "Free Imran Khan" movement. Tensions surged between party supporters and the Punjab government, with police using force to contain protests. The standoff marks a critical point in Pakistan's volatile political climate amid growing calls for Khan's release.

Source: India Times

"Honour Killings" and Related Arrests (13 arrests)

Abid Hussain writes in Al Jazeera that Pakistani police have arrested 13 individuals in connection with multiple "honour killings" across the country. The crackdown follows a surge in such cases, sparking renewed debates over the failure of legal reforms and the persistence of patriarchal violence in rural and urban settings alike.

Source: Al Jazeera

PM Shehbaz Sharif directs provinces to cooperate on “cashless” system

Arab News reports that Prime Minister Shehbaz Sharif has urged provincial governments to align with federal efforts to adopt a “cashless” payment system. The move aims to expand digital transactions, curb corruption, and boost economic transparency. Implementation will require inter-provincial coordination and infrastructural upgrades across departments.

Source: Arab News

Imran’s sons not barred from coming to Pakistan: PTI

Dawn reports that PTI has refuted claims that Imran Khan’s sons are barred from entering Pakistan. The party asserts no travel restrictions exist, contradicting earlier media reports citing Jemima Goldsmith. The clarification comes amid heightened scrutiny of Khan’s legal and personal circumstances as protests intensify.

Source: Dawn

Police say 3 militants, including mastermind of 2024 attack on Chinese nationals, killed in Karachi

Naimat Khan writes in Arab News that Pakistani security forces have killed three militants in Karachi, including the alleged mastermind behind the 2024 attack on Chinese nationals. The operation is part of broader counterterrorism efforts aimed at securing Chinese interests in Pakistan amid rising attacks on foreign nationals.

Source: Arab News

Pakistan central bank to launch pilot for digital currency, says governor

Reuters reports that Pakistan’s central bank will soon initiate a pilot for its own digital currency. The governor stated the move aims to modernise the financial system, reduce transaction costs, and enhance monetary control. The rollout follows global trends toward central bank digital currencies (CBDCs).

Source: Reuters

Pakistan approves four potential bidders for struggling national airline PIA

Reuters reports that Pakistan has shortlisted four potential bidders for the partial privatisation of Pakistan International Airlines (PIA). The debt-ridden carrier is undergoing restructuring as part of IMF conditions. Authorities hope new management will reverse the airline's financial woes and restore operational credibility.

Source: Reuters

Pakistan bus attack: Baloch rebel check IDs, kill 9; 'terrorists took documents,' official says

Times of India reports that Baloch separatists killed nine passengers in a targeted bus attack after checking their identification in Balochistan. Officials confirmed the assailants took key documents from victims, suggesting a strategic motive. The attack underscores the ongoing insurgency and fragile security situation in the region.

Source: Times of India

Country's July inflation likely to remain at 3.5-4.5pc as price pressures ease: finance ministry

Dawn reports that Pakistan's inflation for July is expected to stay between 3.5% and 4.5%, according to the finance ministry. Easing food and fuel prices have helped stabilise the cost of living, offering some relief amid ongoing economic reforms and IMF-backed stabilisation measures.

Source: Dawn

As UNSC president, Pakistan steps up quiet push on Kashmir

Economic Times reports that Pakistan, currently heading the UN Security Council, is quietly lobbying for renewed focus on Kashmir. Diplomatic sources say Islamabad is pushing for informal discussions while avoiding overt confrontation. The move aligns with Pakistan's longstanding strategy of keeping Kashmir on the international agenda.

Source: Economic Times

Top Turkish officials to visit Pakistan Wednesday, source says

Reuters reports that senior Turkish officials will visit Pakistan on Wednesday to discuss defence cooperation, trade, and regional stability. The visit highlights growing ties between the two nations amid shared strategic interests in South Asia, Central Asia, and broader Muslim-world diplomacy.

Source: Reuters

Revamped Federal Constabulary not a police force, clarifies Talal Chaudhry

Dawn reports that Interior Ministry official Talal Chaudhry clarified the newly revamped Federal Constabulary is not a police force but a paramilitary unit for internal security. The clarification comes amid concerns that the force could be used for political repression ahead of planned opposition protests.

Source: Dawn

PTI's Zulfi Bukhari to testify before US Congress on "political repression"

Dawn reports that PTI leader Zulfi Bukhari will testify before the US Congress regarding alleged political repression in Pakistan. The hearing aims to address human rights and democratic backsliding. PTI hopes international attention will pressure the Pakistani government to restore democratic norms and release political prisoners.

Source: Dawn

IMF representative hails Pakistan's 'strong' economic reform progress

Dawn reports that an IMF representative has praised Pakistan's progress in implementing economic reforms under its latest loan programme. Key improvements include revenue collection, subsidy rationalisation, and exchange rate management. However, the IMF also urged continued structural reforms for long-term sustainability.

Source: Dawn

Govt cuts profit rates on savings schemes

Dawn reports that Pakistan's government has reduced profit rates on various national savings schemes, citing lower inflation and market trends. The move is expected to impact small investors and retirees who rely on such schemes, sparking criticism amid broader economic adjustments.

Source: Dawn

Industry protests furnace oil tax hike

Dawn reports that industrialists have launched protests over a steep tax hike on furnace oil, warning it could disrupt production and increase energy costs. Businesses argue the policy will undermine competitiveness, while the government insists the measure is necessary for revenue generation and environmental goals.

Source: Dawn

Pakistan's top military officer meets South Africa's Air Force Chief

Dawn reports that Pakistan's top military officer met with South Africa's Air Force Chief to discuss defence cooperation and joint training. The meeting signals Islamabad's efforts to diversify its military partnerships beyond traditional allies and strengthen ties across the Global South.

Source: Dawn

CJCSC Gen Mirza shares Pakistan's security stance amid India tensions

Dawn reports that General Sahir Shamshad Mirza outlined Pakistan's security concerns amid heightened tensions with India. Addressing senior military officials, he reiterated Pakistan's commitment to deterrence and strategic balance in the region, while urging diplomatic engagement to avoid further escalation.

Source: Dawn

Pakistan's armed forces struck 26 Indian targets in "Operation Bunyanum Marsoos"

Dawn reports that Pakistan's military conducted "Operation Bunyanum Marsoos," claiming strikes on 26 Indian targets in response to cross-border incidents. While the Indian government has yet to confirm the claims, the announcement reflects rising military assertiveness and deteriorating bilateral ties.

Source: Dawn

Trilateral working group Pakistan–Iran–Iraq to curb illegal migration

Dawn reports that Pakistan, Iran, and Iraq have established a trilateral working group to curb illegal migration and enhance border cooperation. The initiative seeks to address human trafficking and regional security challenges, with joint patrols and intelligence sharing as key components.

Source: Dawn

Pakistan, UK ink accord to boost economic cooperation

Dawn reports that Pakistan and the UK have signed a new agreement to enhance economic cooperation, focusing on trade facilitation, investment, and technology transfer. The accord aims to deepen post-Brexit ties and support Pakistan's development goals through expanded bilateral engagement.

Source: Dawn

Pakistan posts first annual current account surplus in 14 years

Ismail Dilawar writes in Arab News that Pakistan has recorded its first annual current account surplus since 2010, driven by remittances and reduced imports. The improvement offers a rare bright spot in an otherwise fragile economy and aligns with IMF-supported fiscal adjustments.

Source: Arab News

IMF projects Pakistan's GDP growth at 3.6% for FY26, below govt target of 4.2%

Tahir Amin writes in Business Recorder that the IMF projects Pakistan's GDP growth at 3.6% for FY26, significantly below the government's 4.2% target. The shortfall reflects slow structural reforms, external vulnerabilities, and cautious investment, despite modest economic stabilisation under IMF supervision.

Source: Business Recorder

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