

INSTITUTE FOR DEFENCE STUDIES AND ANALYSES

# Pakistan

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## FORTNIGHTLY REPORT ON PAKISTAN

January 16-31, 2017

This report is based on the reading of Pakistani media during the last two weeks.

### **India-Pakistan**

It seems that Prime Minister Narendra Modi's recent statements terming Pakistan as mothership of terrorism has infuriated many in Pakistan. It is an open secret and the whole world is well aware of the fact the Pakistan uses non-state actors to achieve foreign policy objectives and in this way poses a major threat to peace and stability of the region. There was a hue and cry in Pakistan after Prime Minister Modi termed Pakistan as mothership of terrorism. The Pakistani upper house known as Senate condemned unequivocally and even raised objection of drawing a parallel between Pakistan and Israel. This did not end with only condemnations, Pakistan's Defence Minister Khawaja Asif went further to warn India against any "misadventure" and stated that any attempt to carry out a surgical strike would be responded tellingly.

There was also an unease over the fate of Indus Water Treaty (IWT), especially after strong statements from India asking for a review of the World Bank brokered treaty. However, policy circles in Pakistan did not see any imminent threat to the IWT. Khawaja Asif, who happens to be the Minister for Water and Power was of the view that India was engaging in posturing.

### **Internal Politics**

In an important development, Pakistan's Interior Minister has proscribed few more extremist outfits by adding Ansar-ul-Hussain into the list. It is reported to be the 64<sup>th</sup> organisation banned by Pakistan on account of performing inappropriate activities. There is also an attempt on part of civil-military establishment to extend the tenure of the military courts. Pakistan Peoples Party (PPP) has raised its objections over the issue. However, despite the aggressive posturing by the PPP, the ruling PML-N is unwilling to offer any concessions.

### **Panamagate**

There seems to be no end in sight, as far as the resolution of Panama Leaks issue is concerned. Coming down hard on opposition staging anti-corruption rallies in Pakistan, interior minister Chaudhry Nisar Ali Khan stated that looters were engaged organizing anti-graft rallies in the country. This particular issue has become so important that casts shadows on all other issues. The ruling dispensation is devoting so much of time and energy to grapple with the fallout of the proceedings in the apex court of the country. Meanwhile, PTI chairman Imran Khan has challenged Prime Minister Nawaz Sharif for an open debate over the issue in the parliament. He termed Nawaz Sharif as the King of Corruption and asked his courtiers to stop spreading disinformation in his favour. Supreme Court's warning to the Prime Minister has also put him in the tight corner. Recently, the apex court of the country observed that Prime Minister Sharif's family members might face legal repercussion if failed to submit documentary evidence to establish the money trail of the London apartments.

### **China-Pakistan Economic Corridor (CPEC)**

The government is promoting CPEC as an all-out solution to most of the economic problems faced by Pakistan. Recently, Finance Minister Mohammad Ishaq Dar stated that Pakistan Stock Exchange (PSX)-China deal was like a dream come true. He also announced that Pakistan had established a "Pakistan Development Fund" to finance multibillion dollar infrastructure development projects in the country. Dar was speaking in the backdrop of the Sale and Purchase Agreement (SPA) providing up to 40 per cent of equity stake of PSX to Chinese consortium and local financial institutions.

To protect the CPEC, a special security division has recently been established comprising nine army battalions and six civil wings encompassing 13,700 personnel. The division is responsible for protecting multibillion dollar CPEC projects and Chinese nationals working on those projects. Many analyst in Pakistan are calling for equipping the Pakistani youth so that the nation could take advantage of the opportunities offered by CPEC. However, there are others who still talk about the discrimination with smaller provinces and accuse the government of playing a partisan role. The central leader of

Jamhoori Watan Party (JWP) Shahzain Bugti recently stated that Balochistan and Gwadar were not getting any benefits from the CPEC. He also underlined that there was a deep rooted hatred against the federal government on the ground and one could notice that simply by visiting the areas in and around Gwadar.

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