

BYD to begin local assembly of SEALION 6 in Pakistan from Q4 2026

Gwadar Pro
Lahore: Chinese new-energy vehicle (NEV) giant BYD is set to deepen its footprint in Pakistan, with its local partner Mega Motor Company (MMC) announcing plans to commence local assembly of the BYD SEALION 6 from the fourth quarter of 2026, marking a significant shift from vehicle imports towards domestic production. The development was announced at the Pakistan Auto Show (PAPS) 2026 here this week, where BYD and MMC showcased the Chinese automaker’s expanding portfolio of electric and plug-in hybrid vehicles, alongside its luxury technology brand DENZA and a range of

genuine BYD accessories. The planned assembly of the SEALION 6 represents a major milestone in BYD’s strategy for Pakistan and is expected to strengthen the company’s long-term presence in the country’s rapidly evolving automotive market. It would also position BYD among the Chinese automotive companies contributing to the localisation of new-energy vehicle manufacturing in Pakistan. At the centre of BYD’s PAPS 2026 display is the SEALION 6, which is planned to become the company’s first locally assembled vehicle in Pakistan. The move comes as demand for electric and electrified vehicles

gradually expands beyond conventional internal-combustion engine vehicles. The SEALION 6 is powered by BYD’s Super DM-i (Dual Mode-intelligence) technology, the company’s latest-generation intelligent plug-in hybrid system. According to BYD, its global Super DM technology has surpassed 8.5 million vehicles in sales, underlining the scale of the Chinese company’s new-energy technology deployment worldwide. The SEALION 6 combines electric driving with the flexibility of a plug-in hybrid system and offers a total range of up to 1,100 kilometres. Its technology is designed to prioritise electric driving while intelligently switching between electric and hybrid power depending on driving conditions. For the Pakistani market, the technology could offer a combination of lower fuel consumption and longer-distance flexibility, particularly for consumers concerned about charging infrastructure and range during inter-city travel. BYD’s broader PAPS 2026 lineup included the BYD ATTO 2, described by the company as Pakistan’s most popular electric vehicle, the BYD SHARK 6 Anniversary Edition in Outback Orange, the SEALION 6 and DENZA B8. The lineup demonstrates the expanding range of Chinese new-energy technologies being introduced into Pakistan, covering fully electric vehicles, plug-in hybrids and premium electrified mobility. BYD Country Head Pakistan Lei Jian said Pakistan had demonstrated strong potential for new-energy mobility and that the response to the company since its entry into the market had strengthened its confidence in the country. He said the planned local assembly of the SEALION 6 represented an important step towards establishing a long-term presence in Pakistan and supporting the country’s transition towards new-energy mobility. “PAPS provides an opportunity to demonstrate not only



the breadth of our current technology and products, but also where we are heading,” Lei Jian said. Danish Khaliq, Vice President Sales and Strategy at BYD Pakistan-Mega Motor Company, said the Pakistani mobility market had shown increasing readiness to embrace new technologies over the past two years. He said BYD’s PAPS lineup reflected the evolution of consumer choices from pure electric vehicles and plug-in hybrids to premium new-energy vehicles. According to Khaliq, the planned localisation of the SEALION 6 would take the company’s presence in Pakistan beyond portfolio expansion and towards establishing local production capability. The development comes against the backdrop of growing cooperation between Chinese automotive companies and Pakistani partners as Pakistan seeks to expand its electric-vehicle ecosystem, attract investment and develop local manufacturing capabilities.

BYD’s planned production footprint could also contribute to the development of a broader local supply chain around new-energy vehicles, although the scale of localisation and the specific components to be produced domestically will depend on the company’s subsequent production plans. The move further strengthens the China-Pakistan dimension of Pakistan’s emerging electric-mobility sector, with Chinese automakers increasingly introducing advanced EV and hybrid technologies into the Pakistani market. With the SEALION 6 scheduled for local assembly from Q4 2026, BYD’s PAPS 2026 showcase signals a transition from simply bringing Chinese new-energy vehicles to Pakistani consumers towards establishing a more sustained manufacturing and technology presence in the country.



Pakistan seeks Canadian investment in agricultural processing, VA food production

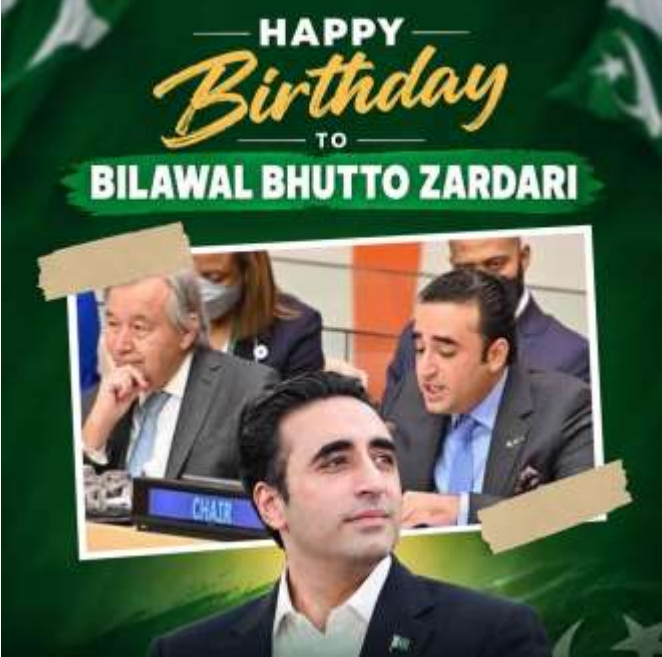


Covert Report
Ottawa: Canada has pushed back against US President Donald Trump’s criticism of its immigration policies, with senior ministers rejecting his claims that millions of people are entering the country without adequate security checks. Trump, in a social media post this week, accused Canada of allowing large numbers of people into the country without proper screening, warning that the policy was creating problems that would become increasingly difficult to manage. He also described the approach as a “Liberal takeover” and argued that it would have serious consequences for Canada. Canadian ministers disputed the claims, saying the country’s immigration system includes extensive security screening and that immigration levels have already been significantly reduced following a surge in arrivals after the COVID-19 pandemic. Foreign Affairs Minister Anita Anand, speaking to reporters on the sidelines of the United Nations General Assembly in New York, urged attention to the latest immigration figures and policy changes. “Let’s put some facts on the table,” Anand said, stressing that Canada had revised its immigration policy since 2024. She said the government had deliberately reduced immigration levels, including temporary foreign workers, in an effort to stabilise public services and ensure adequate housing and healthcare for Canadians. Canadian immigration figures show a significant slowdown in population growth following the post-pandemic surge. According to figures compiled by the parliamentary budget officer, around 328,000 permanent residents were admitted to Canada last year, bringing the number back towards pre-pandemic levels. The number of temporary residents has fallen even more sharply. After reaching a peak of about 789,000 new temporary residents in 2023, the country recorded a net decline of around 382,000 temporary residents last year. Statistics Canada data released on Wednesday showed that Canada’s population increased by just 189,425 people over the latest year, representing annual growth of around 0.5%. The agency said this was the lowest annual population growth recorded since 1944-45. The figures underline the extent to which Ottawa has moved to slow immigration following the rapid increase in temporary residents during and after the pandemic. Justice Minister Sean Fraser, who previously served as immigration minister during the period of particularly strong migration, rejected Trump’s suggestion that people were entering Canada without proper vetting.

“That’s not an accurate depiction of Canada’s immigration system,” Fraser said, adding that applications from people seeking to enter the country undergo security screening. Canadian authorities have investigated cases involving individuals alleged to have links to organised criminal networks who entered the country on student permits, prompting calls from some advocates for tighter scrutiny. While defending immigration as an important contributor to the Canadian economy, Anand acknowledged that immigration levels in recent years had been too high. She said Ottawa had taken steps to reduce the number of newcomers and restore greater stability to public services. Anand also rejected the broader suggestion that immigration was damaging Canada, arguing that immigration had contributed to Canadian prosperity, particularly through its economic impact. The government’s position reflects a shift in immigration policy following years of rapid population growth, with Ottawa now seeking to bring temporary migration under greater control while addressing pressures on housing, healthcare and other public services. Trump’s latest comments come amid increasingly strained political and economic relations between Washington and Ottawa. The two countries have been engaged in disputes over trade and tariffs, while Trump has repeatedly criticised Canadian policies and Prime Minister Mark Carney’s government. The immigration issue has added another dimension to those tensions. Trump has previously criticised Canada’s trade relationship with the United States and has opposed Ottawa’s efforts to strengthen ties with other international partners. Carney has signalled an interest in closer relations with the European Union, including what he has described as an “alliance for the future”, a proposal Trump has dismissed. The latest exchange over immigration therefore comes as Canada seeks to recalibrate both its domestic migration policies and its broader international relationships. For Ottawa, the challenge is to reduce pressure created by rapid population growth while maintaining an immigration system that supports the economy and public services. For the Trump administration, immigration remains a central issue in its broader approach to border security and relations with neighbouring countries. The competing claims over Canada’s immigration system are likely to remain part of the wider debate between Washington and Ottawa as both governments navigate their increasingly complex economic and political relationship.

Bilawal Bhutto turns 38 as PPP workers mark birthday across Pakistan

Liaquat Ali
Islamabad: Pakistan People’s Party (PPP) Chairman Bilawal Bhutto-Zardari turned 38 on September 21, with party workers and supporters holding events and sharing messages to mark the occasion across the country. Bilawal, the son of president Asif Ali Zardari and former prime minister Benazir Bhutto, has been leading the PPP as its chairman and remains one of the party’s prominent political figures. Over the past year, he has remained active on a range of national and international political issues, including parliamentary affairs, governance, inter-provincial relations and Pakistan’s foreign policy. His political engagements have also included discussions on constitutional and administrative matters. In recent weeks, Bilawal has commented on proposals concerning the creation of new provinces, maintaining that such questions should be taken up through Parliament and addressed within the constitutional framework. PPP workers and supporters marked Bilawal’s birthday through gatherings and messages, with party activists taking to social media to convey their wishes to the chairman. The celebrations also provided an occasion for PPP leaders and workers to reaffirm their association with the party leadership and its political programme. Bilawal has occupied a prominent position in Pakistan’s political landscape since taking over the PPP chairmanship, carrying forward a political legacy associated with his mother Benazir Bhutto and grandfather, former prime minister Zulfikar Ali Bhutto. Bilawal’s personal life has also periodically attracted speculation on social media. Earlier, he dismissed reports concerning his alleged engagement or marriage in a video message, saying that no such development had taken place.



Responding to the rumours, Bilawal said social media had effectively “got me engaged and even married me” despite nothing having been finalised. He also said he did not know a person referred to in the speculation as “Princess Gloria”. The clarification came amid social media discussions and unverified claims about his personal life, which Bilawal sought to dismiss directly.

China, Pakistan to deepen modernisation, CPEC cooperation, strategic ties: Ambassador Jiang Zaidong

Liaquat Ali

Islamabad: China and Pakistan are committed to further expanding cooperation in modernisation, economic development and strategic affairs, with Beijing pledging to share the benefits of its development with its "iron-clad all-weather friend" and advance the building of a closer China-Pakistan community with a shared future in the new era. Chinese Ambassador to Pakistan Jiang Zaidong made the remarks while addressing a reception in Islamabad for overseas Chinese communities in Pakistan held to celebrate China's National Day and the Mid-Autumn Festival this week. The ambassador said China would "continue to share the fruits of Chinese modernisation with the world" while delivering greater benefits to Pakistan and working jointly with Islamabad to deepen the all-weather strategic cooperative partnership. He underscored the important role of Chinese nationals living and working in Pakistan in strengthening the social and people-to-people foundations of bilateral ties. "We are deeply moved and proud that overseas Chinese compatriots have long served as invaluable people-to-people envoys for China-Pakistan friendship," Jiang said. He said Chinese nationals in Pakistan had worked diligently, lived in harmony with local communities, contributed to public welfare and actively facilitated economic, trade and cultural exchanges between the two countries. Jiang particularly highlighted the contribution of employees of Chinese-funded enterprises, describing them as the "backbone" of China-Pakistan practical cooperation. He said Chinese enterprise employees had remained committed to frontline work in Pakistan, often far from their homes, while contributing to the high-quality development of projects under the

China-Pakistan Economic Corridor (CPEC).

According to the ambassador, the projects had generated tangible outcomes in terms of local economic growth and improvement in people's livelihoods, further consolidating the foundation of the two countries' all-weather friendship. He said China and Pakistan would continue to explore new areas of cooperation and unlock their economic potential to create more win-win outcomes benefiting both peoples. Ambassador Jiang also stressed the importance of strictly observing safety regulations and maintaining rigorous self-discipline in words and actions, saying such efforts were essential for safeguarding the positive image of Chinese nationals and the broader bilateral relationship. He called on overseas Chinese communities to uphold their positive image in Pakistan, contribute to China's national development and rejuvenation, and play their role in opening a new chapter in China-Pakistan strategic cooperation. The ambassador also used the occasion to highlight China's economic and technological transformation, linking the country's development trajectory with emerging opportunities for international cooperation. He said 2026 marked a sound beginning to China's 15th Five-Year Plan, with the country's GDP expanding by 4.7 percent year-on-year in the first half of the year. The economic increment during the period reached 3.6 trillion yuan, which Jiang said was the highest for the corresponding period in the past five years. He said China's industrial sector had continued to accelerate its transition towards higher-value and technology-intensive production. In August, the value added of China's equipment manufacturing industry increased by 12.1 percent year-on-year, while high-tech manufacturing expanded by 16.7 percent, according to figures cited

by the ambassador. Production of lithium-ion batteries and industrial robots increased by 57.2 percent and 34.6 percent, respectively, highlighting the growing role of advanced manufacturing and emerging technologies in China's economy. Jiang also pointed to strong foreign trade performance, saying China's total imports and exports of goods increased by 19.8 percent year-on-year in August, with exports rising 18.6 percent and imports 21.7 percent. From January through August, exports grew by 14.6 percent, while imports increased by 22 percent, with import growth consistently exceeding export growth. "These figures do not fully represent China's economic landscape," Jiang said, adding that they nevertheless demonstrated the continued progress of the Chinese economy in terms of stability, quality improvement and structural upgrading. He described China as a major global market that was creating new opportunities for development around the world. The ambassador also highlighted China's development experience in ethnic autonomous regions, saying their combined GDP increased from 6.01 trillion yuan in 2020 to 8.66 trillion yuan in 2025, representing an average annual growth rate of 5.5 percent. He said the economic expansion had translated into improved prosperity and livelihoods for local populations. Jiang said China's development experience and modernisation drive would continue to create opportunities for international cooperation, including with Pakistan. Welcoming Chinese compatriots, employees of Chinese-funded enterprises, media representatives and international students, Jiang said the reception brought together members of the Chinese community to celebrate the 77th anniversary of the founding of the



People's Republic of China and the reunion spirit associated with the Mid-Autumn Festival. He said the Chinese Embassy and Consulates in Pakistan would remain committed to a people-centred diplomatic approach and provide services and support to Chinese nationals in the country. The ambassador's remarks placed particular emphasis on the role of

Chinese citizens, enterprises and CPEC projects in translating the China-Pakistan strategic partnership into practical economic, social and people-to-people cooperation, while signalling Beijing's intention to further expand mutually beneficial collaboration with Pakistan in the next phase of bilateral development.

From three cows to nationwide sales: What a Chinese dairy company's journey could mean for Pakistan



China Economic Net

Ulanqab: Three cows, four brothers and just 500 yuan may sound like an unlikely foundation for a modern dairy company, but that is the story behind Lan Gege Dairy in Ulanqab, Inner Mongolia, where a fami-

ly's traditional yogurt-making skills have evolved into a modern enterprise spanning dairy farming, research, automated production and distribution across China. The company's story may offer lessons for Pakistan, one of the world's major milk-

producing countries, where the challenge is not only to produce more milk but also to improve productivity, processing, quality, branding and value addition. According to Wang Wei, brand general manager at Inner Mongolia Lan Gege Dairy Co., Ltd., the company's "3-4-5" story refers to three cows initially received by family members following the restructuring of a state-owned dairy plant, four brothers who later built the business around those cows, and the 500 yuan they pooled to buy basic equipment and start producing and delivering milk. "What began with three cows and 500 yuan became the initial means of production," Wang said during an interview to China Economic Net. The family later transformed its traditional yogurt-making skills into a commercial business serving markets across China. Today, Lan Gege combines traditional dairy-making techniques with modern production. The company says its products undergo 98 quality checks, while its automated production work-

shop integrates milk purification, pasteurization, fermentation, filling and packaging. Wang said the experience is relevant to Pakistan because the country has a large livestock base but considerable room to increase value addition through modern dairy processing, breeding, animal nutrition, cold-chain systems and branding. "China-Pakistan cooperation in dairy can move from traditional livestock development toward modern breeding, processing and value-added products," said Prof. Dr. Audil Rashid of the University of Gujrat. He noted that a Chinese project involving buffalo embryo development could significantly improve buffalo breeds and milk yields in both Pakistan and China. He also said that in 2026, Pakistan finalized a Material Transfer Agreement with China's Royal Group for the export of high-value buffalo genetic material, including embryos, semen and sexed semen. A specialized facility has been established in Pakistan for the collection, pro-

cessing and export of the genetic material to China. Rashid said the initiative could create a new high-value export avenue for the livestock sector. "The opportunity, therefore, extends beyond exporting milk. China and Pakistan could deepen cooperation across the dairy value chain, from animal genetics, breeding and feed to processing technology, quality control, cold chains, packaging, branding and access to international markets," Rashid said. Rashid said Lan Gege's journey from three cows to a nationwide business illustrates how a small livestock-based enterprise can evolve when traditional knowledge is combined with technology, specialization and investment. For Pakistan, he said, the broader lesson is that the country's substantial livestock resources could generate greater economic value when farmers and businesses are connected to modern processing, research and markets.

China's AI weather system enters Pakistan's fight against climate disasters

Abida Shaheen

Islamabad: Pakistan is increasingly incorporating artificial intelligence and advanced forecasting technology developed through cooperation with China into its efforts to strengthen early-warning systems against floods, heatwaves and other extreme weather events. At the centre of the cooperation is MAZU, a China-developed artificial-intelligence meteorological system designed to integrate multiple sources of weather information and generate forecasts and warnings for hazardous conditions. Muhammad Irfan Virk, director of Pakistan's National Weather Forecasting Centre, recalled being struck by the technological sophistication of China's China Meteorological Administration (CMA) during a 2024 visit to Beijing, where Pakistani forecasters worked with Chinese counterparts to adapt the forecasting platform for Pakistan. MAZU stands for "multi-hazard, alert, zero-gap and universal" and takes its name from Mazu, the traditional Chinese sea goddess associated with protection of sailors. Pakistan has been using a version of MAZU tailored to local conditions since October 2025, according to Yin Shengxin, science attaché of the Chinese Embassy in Islamabad. The system is being used alongside other forecasting resources, including satellite information and weather-model datasets. Yin said the cooperation reflects China-Pakistan collaboration on climate change and South-South cooperation, with the system

developed and deployed to address Pakistan's need for stronger early-warning and disaster-risk-reduction capabilities. The cooperation is part of a broader expansion of China's AI-enabled meteorological technology internationally. China has also deployed MAZU in countries including Djibouti, Ethiopia, Mongolia, Jordan, Sri Lanka and the Solomon Islands, while supporting additional countries through cloud-based trials. For Pakistan, the technology has particular relevance because of its exposure to floods, monsoon rainfall, heatwaves and weather-related disasters. Pakistan Meteorological Department chief meteorologist and acting director general Zaher Ahmed Babar said the system cannot prevent extreme weather but can help forecasters make faster and better-informed decisions by processing complex meteorological information. A key feature of the Pakistan adaptation is the integration of local meteorological data. Pakistani researchers and forecasters have received training to operate a version calibrated to Pakistan's geography and weather conditions. The technology, however, is being introduced alongside significant challenges in Pakistan's existing observation and forecasting infrastructure. Experts point to gaps in ground-based weather observations and radar coverage, particularly in mountainous areas where weather conditions can vary sharply over relatively short distances. Such limitations can affect the ability of any AI model to provide highly precise forecasts for localised events such as flash floods or intense rainfall. AI-based forecasting therefore cannot replace conventional

meteorological observations, satellite data, radar systems and professional forecasting expertise. Asim Javid, chief executive of AI Geo Navigators, said the value of platforms such as MAZU lies in bringing conventional meteorology, satellite and radar information, ground observations and local calibration together with AI-generated insights. Climatologist Imran Khalid, however, stressed that AI systems remain dependent on the quality of the data used to train and operate them. In areas where observations are sparse, he cautioned, highly confident local forecasts may not necessarily have a sufficient observational basis. This makes validation particularly important for Pakistan's adoption of the Chinese system. Experts have suggested that MAZU should be tested against Pakistan's existing forecasting arrangements and an independent international benchmark, with particular attention to its ability to detect hazardous weather, extend warning lead times and avoid excessive false alarms. The system's practical value could be especially significant for district administrations, where even a few additional hours of warning before severe rainfall or flooding can provide authorities with more time to prepare emergency responses. The broader China-Pakistan cooperation also reflects Beijing's increasing emphasis on using AI and digital technologies to support developing countries in areas such as climate resilience and disaster management.



Chinese President Xi Jinping highlighted MAZU at the 2026 World Artificial Intelligence Conference in Shanghai, where he announced plans for China to provide developing countries with AI training opportunities and enable 30 countries to use the AI-powered

meteorological warning system. For Pakistan, the experience with MAZU represents a test of how Chinese AI technology can be combined with domestic meteorological expertise, local data and existing disaster-management systems.

Italy clears path for nuclear comeback nearly 4 decades after reactor shutdown



Italian Ambassador to Pakistan H.E. Ugo Ciarlatani

Newswire
Rome: Italy has taken a major step towards returning to nuclear power nearly four decades after the country's reactors were shut down following a nationwide referendum, as the Senate on Wednesday gave final approval to a government plan aimed at making nuclear energy part of the country's future energy mix.
The move marks a significant reversal of Italy's long-standing nuclear policy and reflects the government's effort to address two increasingly important challenges: reducing carbon emissions while strengthening the country's energy security.
Prime Minister Giorgia Meloni's government plans to promote the deployment of advanced modular reactors, arguing that developments in nuclear technology and safety standards have changed the circumstances that shaped Italy's 1987 anti-nuclear vote.
The government is presenting nuclear power as a complement to renewable energy rather than an alternative to it, with the objective of creating a more diversified energy system and reducing Italy's exposure to fluctuations in international energy markets.
"Sustainable nuclear power, together with renewable energy sources, will make Italy a safe, independent and competitive country," Energy Minister Gilberto Pichetto Fratin said following the Senate vote.
Italy's nuclear debate has its roots in the aftermath of the 1986 Chernobyl disaster. A referendum held in 1987 resulted in measures that effectively brought the country's nuclear programme to an end, leading to the closure of its reactors.
Decades later, the issue has returned to the centre of Italy's energy debate as governments across Europe

reassess their energy strategies in response to climate targets, geopolitical tensions and concerns about energy security.
Italy currently depends heavily on imported energy. It also imports electricity generated by nuclear power stations in neighbouring countries, including France. The government argues that developing domestic nuclear generation could reduce this dependence while providing a stable source of low-carbon electricity for industry. The renewed push has gained additional importance amid sharp energy-price pressures associated with geopolitical conflicts, including instability in the Middle East.
For Rome, the question is therefore no longer limited to whether nuclear power is environmentally acceptable. It is increasingly linked to the broader issue of how Italy can maintain reliable and affordable energy supplies while reducing emissions.
Rather than simply attempting to recreate the nuclear system that existed before the 1980s, the government is looking towards newer technologies, particularly advanced modular reactors.
Supporters argue that technological advances could provide greater flexibility and improved safety compared with older generations of nuclear plants. The government has previously estimated that nuclear power accounting for at least 11 per cent of Italy's energy mix could reduce decarbonisation costs by around €17 billion by 2050.
Italy's national energy and climate plan envisages an even larger potential role for nuclear power, with its share eventually reaching 22 per cent.

Those projections underline the government's view that nuclear energy could become a long-term component of Italy's strategy for meeting climate objectives while maintaining industrial competitiveness.
The Senate approval, however, does not mean that Italy's nuclear debate has been settled.
Anti-nuclear campaigners continue to question the safety of nuclear energy and argue that building new reactors can take many years and involve substantial costs. Opposition parties, particularly those on the centre-left, have largely resisted the government's initiative and have raised concerns about the allocation of additional land for nuclear facilities.
Five Star Movement senator Elena Sironi argued that any new plants should primarily be located in areas that have already been developed, degraded or affected by decommissioned industrial activities rather than requiring additional land.
The debate reflects one of the most persistent difficulties facing nuclear expansion in Europe: national governments may support nuclear energy as part of long-term energy planning, while local communities and environmental groups can remain resistant to hosting new facilities. Public opinion in Italy also remains divided. A June poll by Demopolis found that 51 per cent of respondents supported restarting nuclear power generation. At the same time, a majority opposed the construction of a nuclear plant in their own locality, illustrating the gap that can emerge between national support for nuclear energy and local acceptance of individual projects.
The legislation now gives the government 12 months to adopt the implementing decrees required to relaunch nuclear power production.



It also establishes provisions dealing with the decommissioning of existing facilities and the creation of an



independent regulatory authority.
These measures are intended to provide the institutional and regulatory framework needed before new nuclear projects can move forward.
The implementation phase is likely to determine how quickly the policy can progress from legislation to actual

reactor development. Regulatory requirements, site selection, financing, technology choices and public acceptance will all have to be addressed.
The return of nuclear power is consequently expected to be a long-term process rather than an immediate change in Italy's electricity supply. Italy's government is positioning nuclear power within a broader energy strategy that continues to include renewable sources.
The argument is that nuclear generation could provide a stable low-carbon electricity supply while solar, wind and other renewable technologies continue to expand.
Such a combination could help Italy address the competing demands of decarbonisation, industrial competitiveness and energy security.
For a country that closed its domestic nuclear reactors decades ago but continues to import nuclear-generated electricity from neighbouring states, the policy represents a fundamental change in direction.
The Senate vote has therefore reopened a debate that Italy appeared to have settled nearly 40 years ago.
Whether the nuclear comeback becomes a substantial part of Italy's energy system will depend on the government's ability to translate the new legislation into workable regulations, secure public and local acceptance, select appropriate technologies and develop projects within a timeframe that meets the country's energy and climate objectives.
For now, however, Rome has formally cleared the political path for nuclear power to return to Italy's energy future.



Head-of-state diplomacy steers a constructive China-US relationship of strategic stability toward steady progress

Global Times

Chinese President Xi Jinping left Beijing on Wednesday for a state visit to the US at the invitation of US President Donald Trump. This marks President Xi's first state visit to the US in 11 years and an exchange of state visits between the two leaders within six months, carrying profound significance. The visit has drawn great attention from around the world. Phrases such as "highly anticipated," "historic visit," and "important milestone" have repeatedly appeared in international media coverage. Some analysts have also described the grand welcome ceremony to be hosted by the US side as "unprecedented."

Head-of-state diplomacy serves as the "anchor" and "compass" of China-US relations. Since the beginning of the new era, from the first in-depth talks at the Annenberg Retreat to the "autumn meeting at the White House" in Washington, and from the constructive tone set at Mar-a-Lago to the new vision charted at Filoli Estate, President Xi's visits to the US have consistently steered the development of China-US relations, guiding the relationship on a steady course forward.

In May, President Xi held historic talks with President Trump, who was in China on a state visit. The two leaders agreed on a new vision of building a constructive China-US relationship of strategic stability, providing strategic guidance for China-US relations over the next three years and beyond, which has been widely welcomed by the peoples of both countries and the international community.

From Beijing to Washington, the two leaders have maintained strategic communication, which helps both sides view each other

from a long-term perspective, prevents specific disagreements from disrupting the overall picture of bilateral relations, and provides a clear direction for exchanges at all levels. China-US relations span a wide range of areas and involve deeply intertwined interests. Implementing the leaders' consensus requires strengthened coordination among relevant departments from both sides and sustained follow-up on cooperation across all sectors.

Only by translating the jointly determined direction into specific policies and actions can the two sides reduce suspicion of each other and enhance the stability and predictability of bilateral relations. The key to building a constructive China-US relationship of strategic stability lies in both sides working in the same direction and taking joint actions to put the two leaders' consensus into practice.

Since May, China and the US have strengthened communication and dialogue and advanced a positive agenda along the path set by the two heads of state, achieving preliminary results.

The China-US economic and trade teams have exchanged views on issues such as implementing the consensus reached in previous rounds of consultations and promoting bilateral trade and investment, while maintaining close communication on the specific arrangements for the trade council; the two militaries held a working group meeting under the China-US Military Maritime Consultative Agreement to exchange views on maritime and aerial security situations; the two sides also maintained communication in areas such as drug control and law enforcement, while exchanges at the local, business, and academic levels have continued.

These developments reflect the guiding role of the heads-of-state consensus and demonstrate that both sides can accumulate positive elements for bilateral relations through concrete work. Making good use of existing communication channels to advance the implementation of the consensus will help properly address differences and reduce the disruption caused by policy fluctuations to normal China-US exchanges.

China-US relations do not seek to return to the past. But as long as the two sides remain grounded in reality and focus on tangible results, they can build a better future. China approaches the development of China-US relations with sincerity, but also with principle; with vision, but also with bottom lines.

China's sovereignty, security and development interests must not be infringed upon, and the four red lines - the Taiwan question, democracy and human rights, path and system, and its right to development - must not be challenged. The US must abide by the one-China principle and the three China-US joint communiqués and handle the Taiwan question with utmost prudence.

By keeping relations on the right course, expanding consensus, removing disruptions and accelerating progress, China and the US can continue to expand their list of cooperation in areas including economy, trade, and artificial intelligence, which serves the long-term interests of both countries and their peoples.

Against the backdrop of accelerating changes unseen in a century and growing turbulence and transformation in the international landscape, this visit will provide an important opportunity for the two sides to strengthen strategic communication and implement



existing consensus. It also carries the expectations of the peoples of both countries and the international community for the stable development of China-US relations.

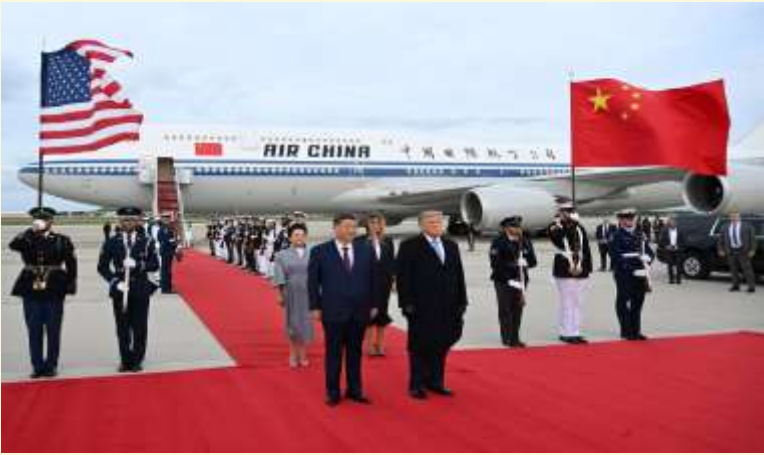
Influential institutions such as the International Monetary Fund

generally regard an easing of China-US tensions as an important prerequisite for global economic recovery. There is also broad recognition in the international community that tackling humanity's shared challenges - from cooling down and stabilizing regional hotspot issues to resolving global governance dilemmas - would be impossible without a stable, sound and sustainable China-US relationship. In this sense, China-US cooperation will help create a more predictable environment for development for the international community. Can China and the US transcend the "Thucydides Trap" and build a new model of major power relations? Can they work together to address global challenges and bring greater stability to the world? Can they focus on the well-being of their peoples and the future of humanity to jointly create a better future for bilateral relations? President Xi has framed these as "questions vital to history, to the world, and to the people," underscoring the responsibilities that China and the US, as two major countries, shoulder in our times.

Building a constructive China-US relationship of strategic stability means breaking away from the old logic of zero-sum confrontation between major countries and exploring an unprecedented path forward.

It is hoped that the US will take this leaders' meeting as an opportunity to work with China, keep the overall picture in mind, work in the same direction, continue building mutual trust, deepen cooperation and manage differences, jointly chart a path for major countries to get along with each other in the new era, and make greater contributions to global peace and development.

Global Times



By 'showing presence' in Taiwan Straits, New Zealand's warships are playing with fire

Global Times

A spokesperson for the New Zealand Defence Force acknowledged on Monday that the naval frigate HMNZS Te Mana and the replenishment ship HMNZS Aotearoa recently sailed through the Taiwan Straits as part of a three-month deployment to the "Indo-Pacific" region. New Zealand attempted to defend the move by claiming it was conducted "under international law" and that it was "in international waters." Judging by New Zealand's recent performance on China-related issues, it is acting far beyond its bounds.

There is no such thing as "international waters" in the Taiwan Straits, let alone a "showcase" for anyone's warships. The fact that New Zealand dispatched two naval vessels to the Straits to "show presence" is, in essence, playing with fire

on issues concerning China's core interests and attempting to pledge loyalty to certain external powers. The same pattern is evident in South Pacific affairs: New Zealand recently incited Pacific Island countries to point fingers at China's routine missile test, and even signaled readiness to allow the Democratic Progressive Party authorities on the island of Taiwan to pay another visit to the host country during the upcoming Pacific Islands Forum. Fortunately, Pacific Island nations refuse to let another country define what constitutes a threat or security for them, leaving New Zealand stranded.

To be frank, putting these two New Zealand warships in the Taiwan Straits barely makes a



ripple. The Aotearoa is already the largest vessel in the New Zealand Navy, with a full-load displacement of 26,000 tons and built by South Korea on commission. In the face of China's People's Liberation Army Navy, it hardly possesses any capital to flex its muscles. When these two warships transited the Taiwan Straits on Friday, the PLA tracked and monitored the vessels throughout their passage.

After the two vessels' transit, New Zealand Prime Minister Christopher Luxon said he was not expecting any backlash from China, the country's largest trading partner. The subtext of this remark is not that New Zealand is ignorant of the immense benefits bilateral trade brings, nor that it fails to grasp the weight of the Taiwan question, but rather that it assumes China will not take genuine countermeasures over it. Viewed this way, New Zealand is not lacking in awareness; instead, it is mistaking politeness for luck and treating goodwill as a gamble. New Zealand now needs to ponder a fundamental

question: Does it want to be China's partner in cooperation, or a pawn for others in containing China? If it chooses the former, it should demonstrate respect and action; if it chooses the latter, it should not blame the Chinese side for pulling its punches.

History has repeatedly proven that those who play with fire on the Taiwan question will ultimately reap what they sow. China's resolve to safeguard its national sovereignty and territorial integrity is as steadfast as a monolith, and any attempt to test red lines through military posturing is doomed to failure. Hopefully, New Zealand will carefully weigh its own

weight, refrain from actions that are neither graceful nor wise, and stop acting out until it is rebuffed by the Chinese side.

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Kazakhstan emerges as key bridge in expanding EU connectivity and trade strategy



Ambassador of Portugal in Pakistan H.E. Paulo Miguel Guedes Domingues

News wire

Astana: Kazakhstan is emerging as a central partner in the European Union's efforts to strengthen trade, energy and transport connectivity across Central Asia, as Brussels deepens engagement with Astana amid changing geopolitical dynamics in Eurasia. The latest push came during a recent telephone conversation between Kazakhstan's Minister of Foreign Affairs Yermek Kosherbayev and EU High Representative for Foreign Affairs and Security Policy Kaja Kallas, who discussed prospects for energy supplies through the Caspian Sea as well as the expansion of trade and economic cooperation. The conversation followed President Kassym-Jomart Tokayev's talks in Brussels on June 23 with European Council President António Costa and European Commission President Ursula von der Leyen, during which connectivity, economic cooperation and the development of the Trans-Caspian International Transport Route

mobilise substantial investment for infrastructure linking Europe with partner regions. EU plans include investment of up to \$13.7 billion in connectivity across the South Caucasus, Caspian Sea and Central Asia. Economic relations provide another major pillar of the expanding Kazakhstan-EU partnership. Business leaders and government ministers from Kazakhstan signed commercial agreements worth around \$11.4 billion following the June talks between Tokayev and the EU leadership. The two sides have also reaffirmed their intention to deepen cooperation under the 2015 Enhanced Partnership and Cooperation Agreement, providing a broader framework for economic and political engagement. The scale of trade underlines the importance of the relationship. Kazakhstan-EU trade reached approximately \$45.2 billion in 2025, making the European bloc one of Kazakhstan's most significant external economic



Eurasia. Central Asian countries have increasingly sought to diversify transport and commercial routes, while the European Union has been exploring alternative connectivity options that reduce exposure to routes affected by geopolitical and sanctions-related risks. This environment has increased the strategic significance of the Middle Corridor. Kazakhstan occupies a particularly important geographical position within that network, linking China and Central Asia to the Caspian Sea and onward routes through Azerbaijan, Georgia and Türkiye towards Europe. The corridor therefore represents more than a transport project. Its development is increasingly connected with questions surrounding supply-chain resili-

is consequently becoming an important element of its engagement with European partners. Beyond transport and energy, Kazakhstan's substantial natural-resource base is another factor behind growing international interest in the country. Kazakhstan possesses significant reserves of uranium, copper, rare earth elements and materials used in battery production. These resources have acquired greater strategic importance as major economies seek to diversify supply chains for critical minerals and secure inputs needed for advanced manufacturing, energy technologies and the transition towards low-carbon industries. Central Asia has consequently become an increasingly important area of economic engagement among major

Its development could also enhance the wider network connecting the Caspian region with Europe and Central Asia, potentially creating additional opportunities for freight transport, energy infrastructure and green-energy projects. For Kazakhstan, developments in the South Caucasus are particularly relevant because its role in the Middle Corridor depends partly on the efficiency of the onward links connecting the Caspian Sea with European markets. **Kazakhstan's expanding strategic role** The trajectory of Kazakhstan-EU relations reflects the country's growing importance within a rapidly changing Eurasian economic landscape. President Tokayev's Brussels talks, the subsequent ministerial contacts and the expanding portfolio of trade,



(TITR), widely known as the Middle Corridor, featured prominently. The growing engagement reflects Kazakhstan's expanding role as a link between Central Asia and European markets and highlights the country's strategic importance in emerging trade and transport networks connecting Asia and Europe. The Middle Corridor has become an increasingly important element of Kazakhstan's international economic strategy. The route links China with Europe through Central Asia, the Caspian Sea, the South Caucasus and Türkiye, providing an alternative east-west connection that does not rely on traditional routes through Russia. For Kazakhstan, development of the corridor offers an opportunity to strengthen its position as a major transit and logistics hub while expanding commercial links with European and Asian markets. The country has consequently been strengthening infrastructure and regional cooperation with key states along the route, including Azerbaijan and Georgia, while also expanding connectivity with China. The European Union has identified the Middle Corridor as an important component of its broader Global Gateway connectivity strategy, under which Brussels plans to

partners. The relationship is consequently extending beyond conventional trade in commodities towards wider cooperation in infrastructure, connectivity, energy and investment. The June talks also produced agreements aimed at making bilateral connectivity easier. Kazakhstan and the European Union signed a Horizontal Aviation Agreement designed to reduce administrative barriers and enable eligible EU airlines to operate bilateral air services more easily. Negotiators also concluded discussions on visa and readmission agreements, which the European Commission described as measures that would strengthen connectivity and people-to-people ties. For Kazakhstan, these arrangements add a human and commercial dimension to the broader infrastructure agenda, potentially supporting business travel, tourism, educational exchanges and other contacts between Kazakhstan and European countries. The acceleration in EU-Kazakhstan engagement is taking place against a changing geopolitical backdrop. Russia's full-scale invasion of Ukraine and the subsequent Western sanctions on Moscow have altered established east-west trade and transport patterns across



ence, regional investment and access to markets. The Caspian Sea is also becoming an increasingly important component of the Kazakhstan-EU relationship. The August 13 discussion between Kosherbayev and Kallas specifically addressed prospects for energy supplies through the Caspian, linking energy cooperation with the wider connectivity agenda. This gives the Middle Corridor and associated infrastructure a broader economic significance, potentially combining transport networks with energy flows and other forms of regional infrastructure. Kazakhstan's position on the Caspian also places it in close proximity to Azerbaijan and other states whose infrastructure is critical to the development of trans-Caspian routes. The country's ability to connect these networks with its own transport infrastructure and trade links with China

global powers, with China and the United States playing significant roles while Japan and South Korea have also expanded efforts to develop economic relationships and access to the region's mineral resources. For the European Union, stronger ties with Kazakhstan provide an opportunity to combine connectivity, trade, energy cooperation and resource partnerships within a broader economic relationship. New regional infrastructure could widen the corridor. The proposed Trump Route for International Peace and Prosperity, or TRIPP, connecting Azerbaijan's mainland with its Nakhchivan exclave through southern Armenia, could further influence the regional connectivity landscape. If implemented, the proposed route could improve transport links across the South Caucasus and contribute to the normalisation of economic relations between Azerbaijan and Armenia.

connectivity and energy initiatives point towards a relationship increasingly centred on practical economic cooperation. Kazakhstan is simultaneously strengthening links with China and deepening engagement with European partners, positioning itself within multiple regional connectivity networks. The Middle Corridor sits at the intersection of these developments. Its success will depend on infrastructure, investment and coordination among the countries along its route, but Kazakhstan's geographical position and resource base give it a particularly important role. As Europe seeks stronger and more diversified links with Central Asia, Kazakhstan is becoming an increasingly significant partner in shaping the emerging architecture of Eurasian trade, transport and energy connectivity.



Ambassador Asim Iftikhar Ahmad urges sustained political support to keep UN peacekeeping fit for future challenges



Pakistani peacekeepers losing their lives while serving in UN operations. Pakistan's contribution reflects its long-standing commitment to multilateral peace and security and has made UN peacekeeping an important component of the country's engagement with the United Nations. The debate in the Security Council provided an opportunity for member states to consider how peacekeeping can adapt to changing security realities while retaining the principles and legitimacy that underpin UN operations. Pakistan's emphasis on future capabilities points to the need for peacekeeping missions to evolve alongside the conflicts they are deployed to address. For Islamabad, ensuring that UN peacekeeping remains effective will require not only operational preparedness but also continued political commitment from member states. Pakistan has consistently maintained that the credibility of the UN peacekeeping system depends on the ability of missions to receive the necessary political backing, resources and capabilities to carry out mandates effectively. As conflicts become more complex and the international security environment continues to



change, Pakistan's message at the Security Council was that preparations for the future of peacekeeping cannot be postponed. The country's extensive contribution — and the

sacrifices made by its personnel — gives Islamabad a particular stake in ensuring that the UN's flagship mechanism for maintaining international peace remains capable of meeting the challenges ahead.

Liaquat Ali
Islamabad: Pakistan this week called for sustained political backing to ensure that United Nations peacekeeping operations remain relevant, effective and capable of responding to an increasingly complex international security environment. Speaking at a Security Council debate on UN peacekeeping operations in New York, Pakistan's Permanent Representative to the United Nations Ambassador Asim Iftikhar Ahmad stressed the need for the organisation to anticipate the demands that future peacekeeping missions will face. "The United Nations must prepare today for the capabilities peacekeeping will need tomorrow," he said, underscoring the importance of sustained political support for maintaining the effectiveness of UN missions. The Pakistani envoy's remarks come as peacekeeping operations confront an international security landscape marked by increasingly complex conflicts and rapidly changing operational requirements. Against this backdrop, he emphasised the need to ensure that UN peacekeeping remains equipped to fulfil its mandate and respond effectively to emerging challenges. For Pakistan, the discussion also carries particu-



lar significance given its longstanding role as one of the major contributors to UN peacekeeping. More than 170,000 Pakistani military and other personnel have served under the UN flag over the years, contributing to peacekeeping missions in different parts of the world. The country has also paid a heavy price in support of international peace efforts, with 183



UNHCR urges Germany to maintain protection for Syrians as Berlin prepares to expand returns



Newswire Berlin: The United Nations Refugee Agency has urged Germany to maintain protection for Syrian refugees, saying conditions in Syria have not yet improved sufficiently to support large-scale, safe and sustainable returns as Berlin moves towards a broader reassessment of Syrian asylum cases.

The issue has emerged as a major policy debate in Germany, where hundreds of thousands of Syrians who fled the country during years of conflict have established lives, found employment and become part of local communities.

UNHCR's representative in Germany, Katharina Thote, acknowledged that circumstances in Syria had changed

significantly following the political transition at the end of 2024. However, she said developments in security and human rights had not yet proved sufficiently fundamental, stable or lasting to justify a broad withdrawal of refugee protection.

The agency therefore maintains that the conditions required for revoking protection have not yet been met. The debate comes as Syria continues to face the consequences of years of conflict, with extensive damage to infrastructure, widespread poverty and continuing internal displacement.

Schools, healthcare facilities and other essential services have suffered major disruption, while security concerns persist in parts of the country. UNHCR has also pointed to sectarian violence as an ongoing concern in assessing whether returns can take place on a sustainable basis.

The continuing movement of Syrians into neighbouring countries has further underscored the uncertainty surrounding conditions on the ground.

UNHCR says around 132,000 Syrians have fled to Lebanon since the fall of Bashar al-Assad, including members of different religious and ethnic communities such as Alawites, Shiites, Druze and Christians.

UNHCR's representative in Lebanon, Karolina Lindholm Billing, has said many Syrians still lack confidence that they can return permanently and rebuild their lives.

For the refugee agency, the assessment therefore extends beyond whether people can physically cross back into Syria. It also involves whether returnees can find adequate housing, access essential services, secure livelihoods and live without threats to their safety.

Germany's Interior Ministry has indicated that protection should remain in place only for as long as the legal grounds for protection continue to apply.

The ministry has said the situation in Syria will be reviewed over the medium term, while Germany's Federal Office for Migration and Refugees is gradually expanding procedures to reassess and potentially revoke protection in individual Syrian cases.

Interior Minister Alexander Dobrindt has also said Germany will begin issuing departure orders to certain Syrians, particularly young men who arrived without family members.

At the same time, politicians within the governing centre-right bloc have argued for differentiated treatment of Syrians based on their circumstances. Some have suggested that people who are employed and possess professional skills should be able to remain through work-based residence arrangements.

Such proposals are particularly relevant to sectors including healthcare, where Syrian workers have be-

come part of Germany's labour force. The reassessment debate is complicated by the fact that many Syrians have now spent years in Germany. UNHCR has urged authorities to take account of their social and economic integration, noting that many are working, studying and participating in their communities.

For people who have established themselves economically and socially, the agency has pointed to the possibility, where legally applicable, of transitioning from refugee protection to other forms of long-term residence.

The issue consequently involves two parallel questions for Germany: whether the original need for international protection continues to exist, and how the country should deal with Syrians who have already developed established lives during their years of protection.

Berlin is also seeking to increase voluntary departures alongside forced returns. Dobrindt has said the government intends to significantly increase both forms of return, while other government politicians have advocated expanded programmes encouraging Syrians to leave voluntarily with state assistance. Supporters of assisted voluntary return programmes have argued that such departures can be less costly and administratively complex than forced deportations.

UNHCR, however, continues to emphasise that any return should be safe, voluntary and sustainable.

This distinction remains central to the debate because the refugee agency's assessment focuses on whether conditions in Syria have improved sufficiently to remove the need for international protection rather than simply whether returns are administratively possible.

The issue is also unfolding against a wider debate over migration in Germany. Chancellor Friedrich Merz has previously said he expects a substantial number of Syrian refugees eventually to return to Syria and that his government would support such a process.

Migration policy has meanwhile remained under intense political scrutiny, with the Alternative for Germany (AfD) strengthening its position in a number of state-level elections and established parties facing pressure over immigration and asylum policy.

For the German government, the reassessment of Syrian protection

cases forms part of a broader effort to manage migration and returns. For UNHCR, the emphasis remains on ensuring that decisions to end protection are based on durable improvements in the country of origin and are consistent with international refugee-protection principles.

At the heart of the disagreement is ultimately the question of when circumstances in Syria can be considered sufficiently stable for protection to end.

Germany is preparing to reassess more Syrian cases on the basis that conditions have changed since the end of the Assad era. UNHCR, however, maintains that political change by itself does not establish the security, humanitarian and human-rights conditions required for large-scale sustainable returns.

The debate is likely to have implications beyond Germany, as other European countries confront similar questions about the future of Syrian refugees following the political changes in Syria.

For Germany, the challenge is to reconcile migration policy with the legal framework governing refugee protection. For UNHCR, the benchmark remains whether those returning can realistically rebuild their lives in safety, with access to basic rights, services and livelihoods.

As Berlin prepares to expand its reassessment of Syrian protection cases, the question of when protection should end — and when return can genuinely be considered sustainable — is set to remain a central issue in Germany's migration debate.



Dar, Bulgarian foreign minister discuss stronger political and economic engagement

Abida Shaheen Islamabad: Deputy Prime Minister and Foreign Minister Mohammad Ishaq Dar met Bulgarian Foreign Minister Dr. Velislava Petrova-Chamova this week on the sidelines of the 81st Session of the United Nations General Assembly, with the two sides reviewing bilateral relations and expressing a desire to further expand political and economic cooperation.

The meeting provided an opportunity for Pakistan and Bulgaria to take stock of their bilateral engagement and discuss ways of developing more regular interaction between the two countries.



Dar and Petrova-Chamova reviewed the entire spectrum of Pakistan-Bulgaria relations and agreed on the importance of strengthening ties through enhanced political and economic engagement.

The two foreign ministers also exchanged views on regional and global developments, reflecting the broader international issues facing both countries.

During the meeting, Dar underscored Pakistan's position that dialogue and diplomacy remain the only viable means of resolving outstanding issues.

He reaffirmed Pakistan's support for diplomatic efforts aimed at addressing regional issues and promoting peaceful solutions.

The emphasis on dialogue comes amid a wider international environment marked by complex regional developments, making sustained diplomatic engagement an important element of Pakistan's foreign-policy approach.

The discussion also highlighted the role of regular political contacts in strengthening mutual understanding between Pakistan and Bulgaria and creating space for greater cooperation on issues of common interest.

The two sides expressed their desire to build stronger Pakistan-Bulgaria relations through enhanced and regular political and economic engagement.

Greater interaction at the political level can provide a framework for expanding cooperation in other areas, while stronger economic engagement can help broaden the practical foundations of bilateral ties.

The meeting also demonstrated the importance Islamabad attaches to maintaining contacts with European partners on the sidelines of major multilateral forums such as the UN General Assembly.

With both countries participating in the United Nations system and engaging with wider international issues, continued diplomatic exchanges can provide opportunities for coordination and closer consultation on matters of mutual interest.

The discussions between Dar and Petrova-Chamova therefore covered both the bilateral relationship and developments beyond their immediate ties, reflecting a shared interest in maintaining regular communication at the foreign-minister level.

The meeting concluded with an emphasis on further strengthening Pakistan-Bulgaria relations and maintaining diplomatic engagement on regional and global issues.



Pakistan-Portugal ties

From people-to-people links to a broader partnership



Celina Ali

Islamabad: The relationship between Pakistan and Portugal is increasingly being shaped not only by diplomatic engagements and trade figures, but also by the growing movement of people, students, artists, tourists and professionals between the two countries. With nearly 50,000 Pakistanis now living in Portugal and more than 600 Pakistani students pursuing higher education there, the human dimension of bilateral relations is becoming an increasingly important foundation for closer ties.

Portugal's Ambassador to Pakistan, Paulo Miguel Guedes Domingues, sees considerable room to build on these connections by expanding cooperation in tourism, education, culture, trade and people-to-people exchanges.

For Pakistan, Portugal represents a European partner with experience in tourism, hospitality, renewable energy and other sectors where Islamabad is seeking greater international cooperation. For Portugal, Pakistan offers a large market, a young population, a growing technology sector and an established diaspora that can serve as a natural bridge between the two societies. Tourism is among the areas where the two countries see substantial but underdeveloped potential.

Pakistan and Portugal possess markedly different landscapes and cultural traditions, ranging from Portugal's historic European cities and Atlantic coastline to Pakistan's mountains, valleys, archaeological sites and diverse cultural heritage. Yet tourist movement between the two countries remains relatively limited compared with the potential of their respective attractions.

Ambassador Paulo has stressed the need for closer interaction between tourism operators, airlines and travel agencies to make destinations in both countries better known to potential visitors.

Digital platforms, cultural events and targeted promotional campaigns could also play a role in creating greater awareness of tourism opportunities.

Pakistan's northern areas, in particular, offer significant possibilities for international tourism. Portugal's own experience in destination marketing, hospitality and tourism development could provide useful avenues for cooperation as Pakistan seeks to expand and professionalise its tourism sector.

There is already a practical example of such cooperation.

A Portuguese hospitality institution is working with a Pakistani hospitality school on vocational training, creating a channel through which expertise can be shared beyond government-to-government contacts. Such initiatives could become more significant as Pakistan attempts to develop tourism as an economic activity capable of generating employment while bringing international visitors into contact with the country's cultural and natural heritage.

Cultural diplomacy is another area in which the relationship is acquiring greater visibility.

The Portuguese Embassy has been facilitating visits by musicians and writers to Pakistan and plans to continue organising cultural activities in different cities.

A Portuguese guitar player is scheduled to perform in Islamabad, Lahore and Karachi in November, while Portugal is also expected to participate in the Karachi World Cultural Festival and collaborate with the Lahore Jazz Festival.

Portugal will further participate in the European Union Film Festival, providing another platform for Pakistani audiences to engage with Portuguese cinema and contemporary cultural expression. The cultural calendar also includes an exhibition devoted to Luis de Camões, Portugal's celebrated poet whose literary legacy occupies a central place in Portuguese culture.

At the same time, efforts are under way to translate Portuguese literature into Urdu. Discussions on a possible cultural agreement between Pakistan and Portugal could provide a more structured framework for exchanges involving literature, music, film, visual arts and academic institutions.

For both countries, such exchanges offer something that formal diplomatic meetings cannot always provide: direct interaction between their societies. Education is emerging as another important pillar of the relationship.

Portugal offers Pakistani students opportunities in fields including technology, medicine, engineering and social sciences. More than 600 Pakistani students are currently studying at Portuguese institutions, particularly at master's and doctoral levels.

Portugal has also become the third most popular destination

for Pakistani students participating in the Erasmus Mundus programme, highlighting the growing academic connection between the two countries. The next stage could involve moving beyond individual student mobility towards stronger institutional partnerships. Universities in Pakistan and Portugal could expand cooperation through joint research, academic conferences, faculty and scholar exchanges and collaborative programmes. Such links can have a long-term impact because students who study abroad frequently retain professional and personal connections with the countries in which they studied. Over time, these networks can contribute to research cooperation, business relationships and cultural understanding.

Perhaps the most tangible link between Pakistan and Portugal is the Pakistani community itself. The community, now numbering close to 50,000, has developed into an important social and economic connection between the two countries.

For Islamabad and Lisbon, the diaspora represents more than a demographic figure. Pakistanis living in Portugal can facilitate commercial contacts, introduce Portuguese businesses to Pakistani counterparts and help maintain cultural connections between the two societies. The community can also play a role in strengthening educational and professional networks.

As bilateral relations develop, greater engagement with the Pakistani diaspora could therefore become an important element of economic and cultural diplomacy.



Trade between Pakistan and Portugal remains relatively stable, but there is considerable scope to broaden the commercial relationship. Several sectors have been identified as potential areas for greater engagement, including renewable energy, textiles, information technology, pharmaceuticals, construction, mining and the blue economy.

The diversity of these sectors reflects the changing nature of Pakistan's economic requirements as well as Portugal's areas of expertise and commercial interest.

The establishment of stronger business-to-business links could help translate diplomatic goodwill into concrete commercial activity. Plans for business forums and trade missions are therefore significant, particularly if they bring private-sector representatives from both countries into sustained contact. There is also discussion of potentially establishing a business council that could provide a regular platform for companies to identify opportunities, address commercial barriers and develop partnerships.

The emerging Pakistan-Portugal relationship also has a wider international dimension.



Both countries face common challenges linked to climate change, sustainable development and global peace and security. Cooperation in these areas can complement bilateral economic, educational and cultural engagement.

For Pakistan, closer ties with Portugal can provide another avenue for engagement with Europe. For Portugal, deeper relations with Pakistan can strengthen connections with South Asia while building on the human links already created by the Pakistani community. The challenge now is to convert the existing network of contacts into a more structured partnership. The foundations are already visible: a sizeable Pakistani community, a growing student presence, cultural exchanges, tourism potential and opportunities for trade and investment.

The next phase of Pakistan-Portugal relations may therefore depend less on creating new links from scratch and more on connecting the ones that already exist.

If tourism operators can work with airlines, universities can develop joint programmes, businesses can establish regular commercial exchanges and cultural institutions can sustain year-round cooperation, the relationship could acquire a broader social and economic base.

For Pakistan and Portugal, the emerging story is consequently not simply one of diplomatic engagement between two governments. It is increasingly a story of people, education, culture and commerce creating their own channels of connection — and potentially giving the bilateral relationship a much wider foundation for the future.



Japan, Pakistan look to deepen ties as regional tensions reshape strategic priorities

Liaquat Ali

Islamabad: Japan and Pakistan this week agreed to maintain close diplomatic coordination on regional stability while exploring new avenues of economic cooperation, including mineral resources, as the two countries prepare to mark the 75th anniversary of their diplomatic relations next year.

The understanding emerged during a meeting between Japanese Foreign Minister Toshimitsu Motegi and Deputy Prime Minister and Foreign Minister Mohammad Ishaq Dar on the sidelines of the United Nations General Assembly in New York.

The talks brought together two strands of the bilateral relationship that are becoming increasingly interconnected — Japan’s long-standing development partnership with Pakistan and the country’s growing strategic importance amid heightened tensions in the Middle East and wider Asia-Pacific region.

For Tokyo, Pakistan’s geographical position gives the country significance extending well beyond South Asia. Japan views Pakistan as a gateway connecting the Middle East and Central Asia, while Islamabad has sought to use its geographical position to promote regional connectivity and economic cooperation.

Against this backdrop, Motegi underlined Japan’s view that Pakistan’s stability and prosperity are important to peace and stability in the

Indo-Pacific region.

The Japanese foreign minister also expressed support for Pakistan’s efforts against terrorism, linking regional security with the broader objective of maintaining stability across interconnected regions.

Regional security featured prominently in the meeting, with Japan expressing concern over continuing military tensions surrounding Iran. Motegi reiterated Tokyo’s position that the situation should be de-escalated as soon as possible and that dialogue between the United States and Iran should resume.

The Japanese side also stressed the importance of maintaining free and safe navigation through the Strait of Hormuz without additional costs. The strategic waterway is critical to global energy and commercial flows, making developments around it a concern far beyond the Middle East. Pakistan, meanwhile, has been pursuing diplomatic efforts aimed at reducing tensions in the region. Dar told the Japanese foreign minister that Pakistan had not abandoned hope of reconciliation between the United States and Iran, describing such reconciliation as essential.

He also reiterated Pakistan’s position on the importance of freedom of navigation through the Strait of Hormuz. The two sides agreed to remain closely coordinated and continue diplomatic efforts aimed at contributing to stability across the region.

The exchange highlights Pakistan’s role as a country seeking to maintain communication with multiple



international partners at a time when developments in the Middle East have broader consequences for energy security, trade and regional stability. Beyond the immediate regional crisis, the meeting also looked towards the longer-term trajectory of Japan-Pakistan relations. With the 75th anniversary of diplomatic relations approaching in 2027, Motegi expressed Japan’s intention to further strengthen bilateral ties. The anniversary provides an opportunity to build on a relationship that has developed across multiple sectors over the decades, particularly in development cooperation.



Japan has supported Pakistan in areas ranging from health and sanitation to education, creating a long-standing development partnership that has extended well beyond traditional diplomatic engagement. Motegi recalled this history of Japanese assistance and indicated that Tokyo now intends to broaden cooperation into the field of mineral resources.

The focus on minerals could open a new dimension in the economic relationship at a time when countries around the world are paying greater attention to secure and diversified supplies of critical resources.

For Pakistan, mineral development has increasingly emerged as an area with potential to attract foreign investment, develop industries and expand economic opportunities.

Japanese technical expertise, investment and institutional cooperation could potentially complement Pakistan’s efforts to develop the sector, although the practical scope of future cooperation will depend on subsequent discussions and projects. The proposed expansion into mineral resources also reflects the possibility of evolving Japan’s engagement with Pakistan from traditional development assistance towards a broader economic partnership. Pakistan has benefited from Japanese cooperation in essential social sectors for decades. The next phase could place greater emphasis on areas capable of supporting sustainable economic growth, investment and industrial development.

Dar expressed appreciation for the cooperation extended

by Japan and its people and conveyed Pakistan’s desire to further strengthen bilateral relations.

The two countries therefore enter their 75th anniversary year with a relationship that combines a long history of development cooperation with emerging strategic and economic interests.

For Japan, Pakistan’s geographical position, counterterrorism efforts and regional role make its stability an important consideration in the wider Indo-Pacific context. For Pakistan, deeper engagement with Japan offers opportunities to attract investment, technology and expertise while expanding cooperation with an important Asian economic power. The latest meeting consequently points towards a broader agenda for the relationship — one in which regional diplomacy, security, development and economic cooperation increasingly intersect.

As Japan and Pakistan prepare to commemorate seven and a half decades of diplomatic relations, the challenge for both sides will be to translate the renewed political commitment into concrete cooperation in emerging areas such as minerals while preserving the development partnership that has long been a defining feature of their ties.

US-Pakistan cooperation nets \$21m crystal meth shipment in major counter-narcotics operation

Abdullah Jan

Islamabad: Close coordination between Pakistan and the United States has led to the seizure of approximately 463 kilograms of crystal methamphetamine, valued at around \$21 million, in a major counter-narcotics operation involving authorities in Pakistan, Sri Lanka and India. The operation highlights the growing importance of international intelligence-sharing and law-enforcement coordination in disrupting drug trafficking networks operating across national borders.

The seizure was carried out on August 30 following cooperation between the US Drug Enforcement Administration’s (DEA) office in Islamabad and Pakistan’s Anti-Narcotics Force (ANF), with assistance from Sri Lanka’s Police Narcotics Bureau and the DEA office in New Delhi. The investigation began earlier in August when the ANF’s Karachi-based Port Control Unit

identified a number of containers scheduled for transportation from Pakistan to Colombo.

Between August 14 and 29, the unit examined information relating to the containers and developed suspicions that they could be carrying illicit narcotics originating from Afghanistan.

The ANF subsequently alerted the DEA office in Islamabad, triggering coordination with relevant authorities in the countries involved.

The intelligence-sharing process ultimately resulted in the seizure of the narcotics and the arrest of several suspects, including Pakistani nationals. The case illustrates how drug trafficking increasingly operates across borders, with narcotics potentially originating in one country, moving through another and being destined for a separate market. Such movements make cooperation between law-enforcement agencies an essential component of counter-narcotics operations. In this case, the initial identification of suspicious containers by Pakistan’s Port Control Unit was followed by coordination involving US, Pakistani, Sri Lankan and Indian authorities.

The operation therefore extended beyond a conventional domestic seizure, relying on information exchange between agencies responsible for different stages of the suspected trafficking route. The involvement of the Karachi Port Control Unit was particularly significant because maritime cargo provides traffickers with opportunities to conceal large quantities of narcotics among legitimate commercial shipments. The detection of suspicious consignments before they reached their destination enabled authorities to intervene and disrupt the suspected trafficking chain.

The United States Embassy described the operation as part of wider US-Pakistan cooperation against narcotics trafficking.

Washington has provided foreign assistance to support sustained training of Pakistan’s Anti-Narcotics Force, according to the embassy, strengthening the agency’s capacity to investigate and disrupt drug-trafficking networks.

The cooperation reflects the broader international nature of the narcotics threat, particularly when trafficking routes cross multiple jurisdictions. For Pakistan, its geographical location places the country close to major regional narcotics-production and trafficking routes. This has made Pakistani law-enforcement agencies important partners in efforts to prevent illicit drugs from moving through regional transport and trade networks. The latest seizure also demonstrates the role of specialised port-control units in identifying suspicious cargo and initiating investigations that can involve agencies in several countries. The US Embassy said the Trump administration has identified stopping the flow of illicit narcotics as an important component of efforts to enhance US security.

The embassy said Washington remained committed to working with Pakistan to dismantle transnational criminal organisations involved in narcotics trafficking and to protect American citizens from the consequences of the international drug trade. The \$21 million seizure represents a substantial disruption to an alleged trafficking operation, although the precise scale and destination of the broader network involved will depend on the continuing investigation.



The arrests following the seizure could also provide investigators with information about the organisation behind the shipment, including its supply, financing and transportation arrangements. For Pakistan and its international partners, the case underscores the importance of combining domestic enforcement capabilities with cross-border intelligence and operational cooperation. The successful interception of the

shipment began with suspicious cargo identified at Karachi and culminated in a multinational law-enforcement response — demonstrating how cooperation between agencies can be critical when criminal networks operate across several countries. The latest operation is thus another example of the increasingly international character of counter-narcotics enforcement, with Pakistan, the United States and regional partners working together to prevent illicit drugs from reaching international markets.



EU opens new €65m partnership with Pakistan on investment, energy and rule of law



The agreements were signed by EU Ambassador to Pakistan Raimundas Karoblis and Secretary Economic Affairs Division Muhammad Humair Karim. Funded under the EU's Multiannual Indicative Programme for 2021-2027, the package reflects a broader shift towards development cooperation that links economic growth with institutional reform, energy security, environmental sustainability and a more predictable business environment. Rather than treating these areas as separate challenges, the three programmes seek to address different conditions that influence Pakistan's ability to attract investment and sustain economic development. The first initiative, "Global Gateway development facilitation for Pakistan: Investment Management and Financial Enabling Environment," is designed to support Pakistan's efforts to attract greater foreign investment. The programme will focus on improving aspects of the tax system while strengthening the government's capacity for long-term financial planning. For a country seeking to increase foreign investment, the ability to provide a predictable fiscal and financial environment is critical. Tax administration, public financial management and investment planning can influence how international companies assess the risks and opportunities associated with entering a market. The EU's Global Gateway initiative provides the wider framework for this cooperation, linking investment and development projects with economic connectivity and institutional capacity.

The new programme therefore goes beyond financing individual projects. It seeks to strengthen some of the systems through which investment decisions are facilitated and managed. For Pakistan, this comes as the government seeks to broaden its investment base and attract capital into sectors capable of generating employment, exports and long-term economic activity. The second agreement focuses on a different but closely connected challenge: access to reliable energy in rural areas. The Energy and Natural Environment Resilience programme in Khyber Pakhtunkhwa will support the expansion of renewable energy in rural communities that remain outside the national electricity grid. The programme also includes training designed to strengthen the capacity of local stakeholders and create conditions for greater private-sector investment in the province's energy sector. For remote communities, renewable energy can provide an alternative to extending conventional grid infrastructure over difficult terrain and long distances. The EU-backed initiative consequently combines energy access with a broader objective of building a more resilient and sustainable energy sector in KP. It also seeks to encourage private investment, potentially allowing public development support to be complemented by commercial capital and expertise. The environmental dimension is equally significant. Alongside renewable energy, the programme will support sustainable management of natural resources, linking energy development with wider climate and environmental resilience. The third component of the package turns towards governance and the business environment. Under the EU Support to the Rule of Law and Business Environment in Pakistan programme, the bloc will build on its previous assistance to improve access to police, prosecution, courts and legal aid in Khyber Pakhtunkhwa and Balochistan. The initiative also has a strong commercial dimension. Punjab and Sindh will receive support to expand the use of alternative and commercial dispute resolution mechanisms. Such mechanisms can provide businesses with additional avenues for resolving commercial disagreements without relying exclusively on conventional litigation. The programme envisages cooperation with the judiciary, legal professionals, universities and the business community. For international investors, the functioning of legal and dispute-resolution institutions

Celina Ali
Islamabad: Pakistan and the European Union have launched a new €65 million cooperation package aimed at tackling some of the structural challenges facing the

latest development partnership. Three grant agreements, worth approximately Rs20.64 billion, were signed this week between Pakistan and the EU, opening the way for programmes focused on



Ambassador of the European Union to Pakistan H. E. Mr Raimundas Karoblis

country's economy, energy sector and justice system, with the European bloc placing investment facilitation, climate resilience and the rule of law at the centre of its

attracting foreign investment, expanding renewable energy in underserved communities and improving access to justice and mechanisms for resolving commercial disputes.



can be an important part of assessing the business environment. Predictable mechanisms for resolving commercial disputes can help reduce uncertainty and support longer-term business relationships. The EU's approach therefore connects rule-of-law assistance with economic objectives, particularly the creation of an environment in which domestic and international companies can operate with greater institutional certainty. The three agreements collectively demonstrate the breadth of the EU's development cooperation with Pakistan. While the financial package is divided among investment facilitation, energy and rule-of-law programmes, the initiatives overlap around a common objective: creating conditions for more sustainable economic development. Investment requires functioning institutions and financial systems. Economic activity requires reliable energy. Businesses, in turn, require mechanisms through which commercial disputes can be resolved and legal rights protected. The EU's development cooperation with Pakistan continues to cover economic development, climate resilience, governance and rule of law, human rights and sustainable management of natural resources. Speaking at the signing ceremony, Secretary Economic Affairs Division Muhammad Humair Karim welcomed the EU's continued support and partnership, describing the interventions as timely in light of Pakistan's development priorities. He highlighted their relevance to efforts to increase foreign investment, improve electricity access in off-grid rural communities in KP and strengthen standards relating to the rule of law and commercial dispute resolution.

For the EU, the package also represents an opportunity to translate its Global Gateway framework into practical cooperation in Pakistan. Ambassador Raimundas Karoblis said the agreements demonstrated the EU's commitment to supporting Pakistan's economic development and investment ambitions through the Global Gateway initiative. He also emphasised the programme's focus on helping KP develop a stronger and more resilient energy sector while promoting sustainable natural-resource management. On the justice side, he said the cooperation would support access to justice in KP and Balochistan while helping Punjab and Sindh strengthen alternative and commercial dispute resolution through collaboration among judicial institutions, legal professionals, universities and the business community. The significance of the €65 million package lies not only in the amount of funding but also in the areas in which the EU has chosen to concentrate its support. The programmes target systems that can influence Pakistan's ability to attract and retain investment: financial planning, taxation, energy availability, environmental resilience, legal access and commercial dispute resolution. Their implementation will ultimately determine how far the cooperation translates into measurable improvements on the ground. For Pakistan, the challenge will be to use the EU's financial and technical support to build institutions and systems that remain effective beyond the duration of individual programmes. For the EU, the agreements provide a mechanism for deepening engagement with Pakistan through development cooperation that combines economic, environmental and governance objectives. The new partnership thus places investment, energy and the rule of law within a single development conversation — one in which stronger institutions, greater energy access and a more predictable business environment are viewed as interconnected elements of Pakistan's economic future.



UK-backed AI system puts Pakistan's cement production under a digital lens



the FBR. While the Track and Trace System records products as they leave the production line, Digital Eye independently observes production through AI-powered video analytics. The two systems can therefore be cross-checked, giving tax authorities greater visibility of production and creating an additional mechanism for verifying reported output. The technology was recently demonstrated at Fecto Cement, where British High Commissioner Jane Marriott, accompanied by senior FBR officials, visited the facility to see the system in operation. The delegation toured the production line, observed the monitoring technology and received a briefing on how the system is being integrated into Pakistan's wider tax administration reforms. Marriott described the project as a practical example of UK-Pakistan cooperation producing a technology-based solution with nationwide application. The British support has extended beyond technical expertise, with assistance also focused on strengthening the institutional capacity of the FBR to operate, maintain and further develop the system independently. The project is significant from another perspective: although it received international technical support, the underlying solution was developed in Pakistan. Its subsequent nationwide deployment demonstrates how domestic technological expertise can be combined with international cooperation to address a major governance and revenue challenge. Moving tax administration from paperwork to real-time data. For Pakistan's tax authorities, the importance of Digital Eye lies in its ability to provide information directly from the production process. Traditional monitoring can require physical inspections and reliance on records maintained by businesses. A continuous video-based system, by contrast, creates an independent stream of production information that can be analysed alongside existing tax data. This does not eliminate the need for conventional tax administration, but adds another layer of evidence for assessing production and compliance. FBR Chief of Reforms and Modernisation Dr Najeeb Ullah said real-time production monitoring had already contributed to stronger compliance in the cement and sugar sectors without increasing the burden on businesses that were already complying with tax requirements. The FBR is now focusing on consolidating the systems already introduced, improving the accuracy of collected data, strengthening the technical capabilities of its personnel and examining ways to extend the approach to additional sectors. The emphasis on accuracy is particularly important because reliable production information can affect both government revenue and competition among businesses. Where production figures are independently verifiable, companies that accurately declare their output are less exposed to the risk of competing with businesses that may under-report production. Digital monitoring can consequently serve two purposes at the same time: strengthening revenue collection while improving transparency within industrial sectors. The Digital Eye project also illustrates a broader model of international development cooperation. Rather than importing a complete foreign system, the technology was developed by a Pakistani company and subsequently tested, refined and deployed with UK technical support. The British contribution has included expertise as well as assistance in developing the institutional capacity required to sustain the technology after its nationwide rollout. This aspect could prove particularly important as Pakistan considers extending digital monitoring beyond cement and sugar. Technology can provide the initial solution, but its long-term effectiveness depends on whether institutions have the skills, systems and resources to operate and improve it independently. The experience has also attracted interest beyond Pakistan. Officials say countries in Africa are examining Pakistan's experience with technology-based tax compliance and looking at lessons that could be applied to their own efforts to modernise revenue administration. For Pakistan, the international interest provides another dimension to a project that began as a domestic experiment in digital monitoring. The cement industry is only one part of a much broader tax base, and the FBR has indicated that the experience gained from real-time



monitoring could eventually be applied to additional sectors. The government has reported that wider compliance reforms contributed to the recovery of Rs32 billion from the cement sector and a 31 per cent increase in recorded sugar production during the most recent crushing season. Officials have made clear that these figures reflect a combination of policy and compliance measures rather than Digital Eye alone. Nevertheless, the system has introduced a new source of independently generated production data into the tax administration process. That could become increasingly important as Pakistan seeks to improve domestic revenue mobilisation without placing disproportionate pressure on businesses that already comply with tax laws.

relationship between industrial production and tax administration by making reliable production data available to authorities without depending entirely on retrospective documentation. For the UK, the project provides an example of technical cooperation resulting in a system that is now operating at national scale. For Pakistan, it offers a locally developed technological solution that has moved from pilot stage to nationwide implementation. The next phase will determine whether the experience of the cement sector can be translated into other industries. What began as a pilot project in 2023 has now become

Celina Ali
Islamabad: An artificial intelligence-powered system backed by British technical expertise is transforming the way Pakistan monitors industrial production, with the technology now operating across all 27 cement factories in the country and providing tax authorities with an independent, real-time view of output. Known as Digital Eye, the system uses advanced video analytics to monitor production lines continuously, generating an independent digital record that can be compared with information available to the Federal Board of Revenue (FBR) through its existing Track and Trace System. The nationwide deployment represents a significant step in Pakistan's efforts to modernise tax administration through technology, moving away from heavy reliance on manual inspections, paperwork and periodic verification towards continuous digital monitoring of industrial activity. The system was initially piloted in 2023 before being tested, refined and eventually rolled out across the cement sector. Developed by a Pakistani technology company, Digital Eye was scaled nationwide with technical support from the United Kingdom. Its operation provides a second layer of verification for



The broader objective is therefore not simply to install cameras inside factories. It is to build an interconnected system in which production activity, digital records and tax information can be compared in near real time. If expanded successfully, the model could change the

part of Pakistan's national tax-monitoring infrastructure, placing artificial intelligence and real-time data at the centre of an evolving effort to make industrial production more visible, measurable and verifiable.



“A year from now you may wish you had started today.” **Karen Lamb**

“The place to find who you are is where you stand.” **George Mumford**

Italy sticks to plan to bring 2026 deficit below EU's 3% ceiling



Italian Ambassador to Pakistan,H.E. Ugo Ciarlatani

News wire
Rome: Italy plans to reaffirm its commitment to bringing its budget deficit below the European Union's 3% of GDP ceiling this year, as Prime Minister Giorgia Meloni's government prepares a new budget plan amid efforts to strengthen the country's public finances. The deficit is expected to come in around the government's previously announced target of 2.9% of GDP, down from 3.1% in 2025, according to sources familiar with the budget discussions. Bringing the deficit below the EU threshold is a key requirement for Italy to exit the bloc's excessive deficit procedure, a process that has placed additional scrutiny on Rome's fiscal policy. Economy Minister Giancarlo Giorgetti told parliament on Wednesday that Italy's exit from the procedure is scheduled for next year, effectively acknowledging that the country will remain under the EU mechanism for the time being. Italy had hoped that an improvement in its 2025 deficit figures would allow it to move

more quickly towards leaving the excessive deficit procedure. However, national statistics agency ISTAT confirmed this week that the 2025 deficit stood at 3.1% of GDP. Instead of revising the figure downwards, as the government had repeatedly expected, ISTAT increased the reported deficit by around €550 million. The revised figure means Italy did not meet the EU's 3% threshold last year and has pushed back expectations of an earlier exit. Even if Italy succeeds in reducing the deficit below 3% this year, the European Commission will assess whether the improvement represents a durable fiscal adjustment before approving the country's departure from the procedure. Italy currently targets a deficit of 2.8% of GDP for 2027. Italy's fiscal strategy is being shaped by a broader challenge: maintaining control over public finances while responding to higher energy costs and increased defence requirements. EU budget rules normally place limits on governments' ability to increase spending or reduce taxes while they are subject to the excessive deficit procedure.

However, member states have been given access to a temporary national escape clause allowing additional fiscal space for measures addressing the impact of higher energy prices and strengthening defence spending. Italy is seeking to use the mechanism to secure additional fiscal room equivalent to 1.5% of GDP, or around €34 billion, through 2028. The government's plan to leave the excessive deficit procedure in 2027 suggests that Rome intends to make use of this additional flexibility while continuing to pursue a path towards lower deficits. Giorgetti has indicated that Italy will seek discussions with the European Commission over how the fiscal rules can be interpreted to allow the country to exit the excessive deficit procedure while also taking advantage of the national escape clause. The issue reflects the delicate balance facing Rome as it attempts to demonstrate credible fiscal consolidation without restricting its ability to respond to economic and strategic pressures. Italy's position is that additional spending permitted under the escape clause should be compatible with its broader plan to reduce the structural pressure on public finances. The government will have to demonstrate to Brussels that its fiscal trajectory remains sustainable as it seeks greater room for manoeuvre. Alongside its fiscal targets, the government is also preparing to revise its economic growth forecast. Meloni said earlier this month that Italy could raise its growth estimate for 2026 to as much as 1%, compared with the current projection of 0.6%. The government has pointed to an improving economic outlook despite continuing geopolitical tensions. A stronger growth performance would provide additional support for Rome's deficit-reduction efforts by expanding the economic base against which public finances are measured. For Meloni's government, the coming budget will therefore have to balance several competing priorities: reducing the deficit, securing flexibility under EU fiscal rules, supporting defence and households facing higher energy costs, and maintaining economic growth. With Italy now targeting an exit from the excessive deficit procedure in 2027, the 2026 budget outcome will be an important step in determining whether Rome can demonstrate that its fiscal consolidation is both credible and sustainable.

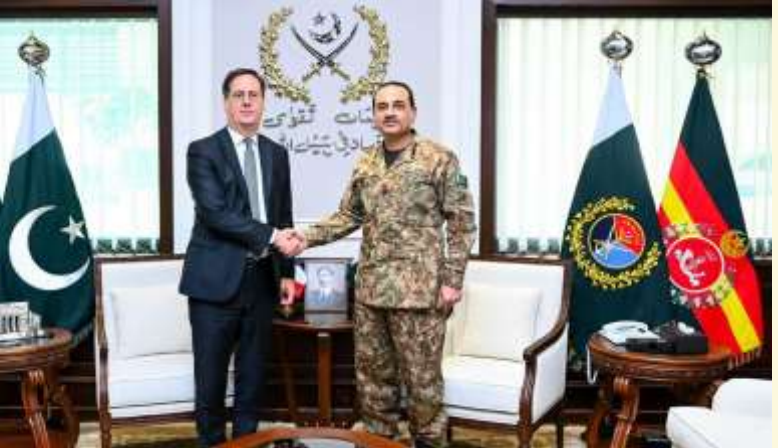


Pakistan, France stress diplomacy and dialogue to address emerging security challenges

Abida Shaheen
Islamabad: Pakistan and France have underscored the importance of diplomacy and dialogue in addressing emerging security challenges and promoting peace, while reaffirming their commitment to strengthening

bilateral cooperation in defence and security. The understanding was reached during a meeting of the Pakistan-France Joint Security Commission held in Islamabad this week, providing the two sides with an opportunity for high-level discussions on a broad range of

security and defence-related issues. The two delegations reviewed ongoing bilateral cooperation and reiterated their commitment to further strengthening and implementing the areas identified under the Pakistan-France Roadmap for Bilateral Cooperation 2023. They also agreed to maintain regular bilateral dialogue and engagement as part of efforts to deepen institutional cooperation between the two countries. Regional security developments were also discussed during the session, with both sides exchanging views on evolving challenges and their wider implications for peace and stability. The discussions reflected the importance attached by Pakistan and France to continued diplomatic engagement and coordination on security issues affecting the region and beyond. The two sides reaffirmed their commitment to enhancing cooperation in countering terrorism and addressing a range of related security challenges. These include drug trafficking, piracy and other forms of transnational organised crime, which increasingly



require coordination among countries and law-enforcement institutions. The Joint Security Commission provides a mechanism for Pakistan and France to maintain structured dialogue on defence and security matters and to identify areas for closer cooperation. The latest session reaffirmed the two countries' intention to build on existing mechanisms and advance cooperation in line with their bilateral roadmap.

The emphasis on dialogue and diplomacy also highlighted the shared view that complex security challenges require sustained international engagement and coordinated responses. Pakistan and France agreed to continue their bilateral engagement, with security cooperation remaining an important component of their broader relationship.

