

This E-Bulletin focuses on major developments in Pakistan on weekly basis and brings them to the notice of strategic analysts and policy makers in India.

EDITORIAL

The inclusion of Pakistan based terrorist groups - Lashkar-e-Taiba, Jaish-e-Mohammad in the BRIC Summit declaration was the main point of debate in the Pakistani print and electronic media. The other highlight was the visit of Mr Khawaja Asif, Foreign Minister of Pakistan to Beijing on the invitation of Wang Yi, Foreign Minister of China. Pakistan's fiscal deficit mounted to 5.8 per cent of the gross domestic product (GDP) and reached Rs1.864 trillion mark in absolute terms raising doubts about the robustness of Pakistan's economy.

COMMENTARY

Will BRICS Declaration Bring about a Change in Pakistan's Approach to Terrorism?

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In the last BRICS Summit held at Xiamen on September 3-5, many of the terrorist groups that have targeted the BRICS member countries came for a censure. In a departure from the past, through the summit declaration, the five BRICS countries expressed "concern on the security situation in the region and violence caused by the Taliban, ISIL/DAISH, Al-Qaida and its affiliates including Eastern Turkistan Islamic Movement, Islamic Movement of Uzbekistan, the Haqqani network, Lashkar-e-Taiba, Jaish-e-Mohammad, TTP and Hizb ut-Tahrir." For the first time, this summit named the Pakistan-based terrorist groups even though China has repeatedly vetoed India's attempt to list Masood Azhar,

the Chief of Jaish-e-Mohammad, as a terrorist under the UN Resolution 1267. It came as a surprise to many in Pakistan especially when the concern about Pakistani based terrorist organisations, among others, was endorsed by its 'iron brother' China and its new-found friend Russia. This prompted the Foreign Minister of Pakistan, Khwaja Asif, to say, "we cannot afford to shut our eyes on activities of these organisations in our country. If we continue to do that we will always face such embarrassments". While the Defence Minister of Pakistan Khurram Dastgir speaking in the National Assembly's Standing Committee on Defence rejected the BRICS declaration saying "Pakistan has taken action against all groups on its soil and only the remnants of some are left". Perhaps, even the US accusation of Pakistan sponsoring Haqqani group was not as much embarrassing as was the BRICS declaration.

To assuage Islamabad, China has invited Pakistan Foreign Minister to visit Beijing on September 8 for consultation. The Chinese Foreign Minister, Wang Yi lost no time in coming to Pakistan's defence and said Pakistan is an important participant in the global fight against terrorism saying that "When it comes to the issue of counter-terrorism, we believe Pakistan has done its best with a clear conscience". It must have come as a short relief to the Pakistani establishment that was disappointed by the BRICS declaration. China also clarified that the three groups that appeared in the BRICS declaration were already proscribed groups in Pakistan and therefore its endorsement of BRICS declaration did not signal any change of policy in Beijing towards Pakistan. It is important to note that many of these proscribed groups continue to collect funds, propagate their views and recruit new jihadis inside Pakistan.

This is not the first time that the international community has been harsh on Pakistan regarding its support to the militant groups that are responsible for instability in the region. China is also a target of the East Turkestan Islamic Movement (ETIM) which has close links with al Qaeda and Tehrik-e-Taliban Pakistan (TTP) and some of ETIM leaders have been trained in Pakistan; in spite of this, China has not held it against Pakistan and deepened its cooperation with Pakistan. Pakistan has also obliged the Chinese from time to time and handed over most-wanted Uighur terrorists to China. It was on the insistence of China after its nationals were held hostages by the jihadist of the Red mosque, that it ordered an army operation in the Red Mosque in 2007.

Pakistan's main problem with India and Afghanistan has been its continued support to some of these listed groups to perpetuate violence in these countries. In the past, especially during the Musharraf regime, it made some half-hearted efforts to rein in some of these groups but soon realised that it could not completely dismantle the network as they served as strategic and low cost assets. Some of these groups are also part of Difa-e-Pakistan and often Pakistani media has highlighted how these groups held protest rallies at the heart of Islamabad against the US without attracting any punitive measures against them.

In spite of its duplicity in dealing with the terrorist groups that threatens its neighbours, for the past one decade, Pakistan has been portraying itself as a victim of terrorism to generate international empathy. It never tires of showcasing its sacrifices in partnering with the US in the war on terror. The terrorism that Pakistan is suffering from is self-inflicted, largely the result of its policy of differentiating between 'good' and 'bad' terrorists and its refusal to take a comprehensive approach to the problem. The same has happened in the context of Haqqani network that continues to be patronised by Pakistan.

Another terrorist, Hafiz Saeed, continues to enjoy the blessings of the establishment. Notwithstanding Pakistan's opposition to the release of Hafiz Saeed from house arrest on the ground that he may create a law and order problem, the relationship between his organisation and Pakistan's establishment is not affected. Its reluctance to fast track the cases against the conspirators behind the Mumbai attack, its continued patronage of

Taliban and shielding of perpetrators of Pathankot attacks indicate that the BRIC censure will not deter Pakistan in its pursuit of using militants against its neighbours.

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THE WEEK AT A GLANCE

ECONOMY

Fiscal deficit hits four-year high at 5.8pc

Pakistan's fiscal deficit accumulated to a whopping 5.8 per cent of gross domestic product (GDP) and reached Rs1.864 trillion mark in absolute terms, the highest in four years of the PML-N government as well as in the country's 70-year history. Powered by devolution, the four provincial governments appeared pulling down the country's fiscal resilience as they enter election mode with a spending spree, according to 2016-17 fiscal operations report of the federal government. This was in sharp contrast to a 3.8pc limit budgeted for fiscal deficit set by Finance Minister Ishaq Dar for the financial year 2016-17 and approved by parliament and showed a loosening of fiscal discipline soon after the departure of International Monetary Fund (IMF) on completion of 3-year stabilisation programme in September 2016. The 7th National Finance Commission Award in 2009 and 18th constitution amendment in 2010 transferred increased provincial share in the country's total revenue by a big margin and empowered the provinces to administer additional responsibilities including health, education, etc. The PML-N, although part of this devolution, has since been trying to rebalance the arrangement.

<https://www.dawn.com/news/1355820/fiscal-deficit-bits-four-year-high-at-58pc>

Inflation jumps to 3.4pc

Consumer inflation climbed to 3.4 per cent year-on-year in the month of August, mostly on the back of increase in prices of petroleum and perishable products. Month-on-month rise was 0.2pc, compared to 0.3pc increase in July, and 0.3pc in August 2016, according to figures released by the Pakistan Bureau of Statistics on Tuesday. The main inflation is measured through

Consumer Price Index (CPI), which tracks prices of around 480 commodities every month in urban centres across the country. Average annual inflation in the first two months, ie from July-August, of the current fiscal year stood at 3.16pc against 3.84pc in the same period a year ago. The trend suggests the annual inflation remained within the target, and any increases are flattening out. The annual inflation target for the current fiscal year is 6pc. The food group with 37.47pc weight in CPI basket showed an increase of 1.3pc in August.

<https://www.dawn.com/news/1355817/inflation-jumps-to-34pc>

POLITICS

BRICS name militant groups as regional security concern

The leaders of the five emerging market BRICS powers have for the first time named militant groups allegedly based in Pakistan as a regional security concern and called for their patrons to be held to account. India welcomed the move — which participated at a summit in the Chinese city of Xiamen — as an important step forward in the fight against militant attacks. Brazil, Russia, India, China and South Africa make up the BRICS grouping. The group called for an immediate end to violence in Afghanistan. “We, in this regard, express concern on the security situation in the region and violence caused by the Taliban, ISIS...Al Qaeda and its affiliates, including Eas-tern Turkistan Islamic Move-ment, Islamic Movement of Uzbekistan, the Haqqani network, Lashkar-i-Taiba, Jaish-i-Mohammad, TTP and Hizbut Tahrir,” the leaders said in the declaration.

<https://www.dawn.com/news/1355705>

Afghanistan ready for talks with Pakistan

Afghan President Ashraf Ghani indicated his government’s readiness for talks with Pakistan on normalisation of bilateral relations, saying it was a national priority. Speaking at the Presi-dential Palace in Kabul after Eid prayers, the Afghan president said his message for Pakistan was that Afghanistan was “ready for comprehensive political talks. Peace with Pakistan is in our national agenda”. He alluded to changes in Afghan

foreign policy and said that Afghanistan’s dream of peace in the country was nearing realisation. Relations between Islamabad and Kabul have mostly remained strained, except for a brief bonhomie at the start of President Ghani’s tenure in 2014. The two countries have a long-running border dispute, with Afghanistan refusing to accept the Durand Line as the international border. Their armies skirmished because of border disputes and Afghanistan’s resistance to Pakistan’s attempts to fence the porous border for checking unauthorised crossings. Both sides have also squabbled over terrorist sanctuaries accusing each other of harbouring terrorists.

<https://www.dawn.com/news/1355436/afghanistan-ready-for-talks-with-pakistan>

Pakistan ready to help US for peace in Afghanistan

Army Chief Gen Qamar Bajwa said on September 6 that Pakistan was ready to help the United States and Nato for peace in Afghanistan, but Pakistan’s security concerns need to be addressed. Speaking at the end of the event held on the lawns of General Headquarters (GHQ) to mark the country’s 52nd Defence Day in commemoration of the 1965 war with India, the army chief sought to respond to international concerns about the alleged presence of terrorist groups and their safe havens on Pakistani soil. In his 15-minute speech delivered in Urdu, the army chief gave an insight into how Pakistan planned to stay away from conflict in Afghanistan and carry forward its domestic fight against terrorism. His speech was particularly significant as it was delivered at a time when Pakistan is preparing its strategy on future engagement with the United States after the announcement of the new US policy on Afghanistan and South Asia. Government ministers have earlier hinted that Pakistan would remain engaged with the US.

<https://www.dawn.com/news/1356146/pakistan-ready-to-help-us-for-peace-in-afghanistan>

Move to hand over students’ record to spy bodies opposed

Senate Chairman Raza Rabbani has opposed the proposed move to hand over the record of Karachi University students to intelligence agencies and the requirement under which they will have to produce

character certificates to be obtained from the police station concerned at the time of admission. The Karachi University's management has reportedly decided to share the record of its students with the intelligence agencies amid growing concerns about young individuals' involvement in militancy and terrorism. The decision had reportedly been taken in an emergency meeting of the KU's Academic Council which was presided over by VC Professor Dr Mohammad Ajmal Khan and it would be approved in the next meeting of the council. The meeting had also reportedly reviewed a proposal about police character certificate for students. Earlier, Sindh Chief Minister Murad Ali Shah had announced that a security audit and verification of students would be undertaken in each educational institute "to ascertain if they are breeding terrorists" after it was revealed that a former student of KU was involved in an assassination attempt on MQM-P leader Khawaja Izharul Hassan.

<https://www.dawn.com/news/1356144/move-to-hand-over-students-record-to-spy-bodies-opposed>

No change in policy on Pakistan: China

China has clarified that its policy on Pakistan and Pakistan's counterterrorism efforts remains unchanged. "There is no change in China's stand on counterterrorism. Moreover, there is no change in China's stand on support for Pakistan's stance on counterterrorism...China will firmly support and cooperate with Pakistan on this issue as always," a senior Islamabad-based Chinese official said on Wednesday while explaining his government's position on BRICS Summit Declaration. The explanation comes ahead of Foreign Minister Khawaja Asif's Beijing visit on September 8. The Declaration had noted the concern of BRICS leadership about the threat to regional security from militant groups, including Lashkar-e-Taiba, Jaish-e-Mohammad, Afghan Taliban and Haqqani network, which are alleged to be operating from Pakistani soil.

<https://www.dawn.com/news/1356142/no-change-in-policy-on-pakistan-china>

SECURITY

Four suspected IS militants killed in 'encounter'

Police claimed to have killed four militants linked with the militant Islamic State group (IS) here on Monday afternoon. One of them was allegedly involved in an assassination attempt on Nobel laureate Malala Yousafzai and other terrorist attacks in Karachi and Khyber Pakhtunkhwa. The alleged encounter took place in an under-construction housing scheme off Superhighway, according to the officials. Malir Senior Superintendent of Police (SSP) Rao Anwar Ahmed Khan told Dawn that police had received information from an intelligence agency about the presence in the area of some militants previously belonging to the banned Tehreek-i-Taliban Pakistan (TTP) and now associated with IS. They were planning a major terrorist attack in the Quaidabad area after Eidul Azha, he said.

<https://www.dawn.com/news/1355631/four-suspected-is-militants-killed-in-encounter>

Jamat Ahle Hadees Balochistan ameer kidnapped from Quetta

Maulana Abu Turab, the Balochistan ameer of Markazi Jamat Ahle Hadees, his son and his guard were kidnapped by unidentified assailants from Quetta's airport road on September 8. According to the police, armed men intercepted Maulana Abu Turab's car on airport road and kidnapped him and the other two men on gunpoint. Leaving Turab's car behind, the kidnappers took the men to an unknown location. "We have tightened security to ensure the safe recovery of Maulana Sab," Deputy Inspector General Police Abdul Razzaq Cheema said. A search operation was launched in and around Quetta to rescue the religious leader, police sources confirmed. In a public statement issued by Jamiat Ahle Hadis after the incident, the religious association strongly condemned the kidnapping and demanded the immediate recovery of its leader.

<https://www.dawn.com/news/1356401/jamat-ahle-hadees-balochistan-ameer-kidnapped-from-quetta>

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