

PREFACE

Islamabad Policy Institute is proud to present this year's report Pakistan Outlook 2022 – Politics, Economy & Security. The report assesses the trends that dominated 2021 and charts likely pathways for 2022.

IPI has been publishing these reports in an effort to help the readers unpack events during the previous years and understand how national and international developments could affect the country in the year ahead.

Like last year, this year's edition analyses major policy decisions taken by the government in foreign policy, security, economy, energy, and health sectors. The various issues discussed in this report have been explored through both domestic and international lens by the experts, who have contributed to this report.

Year 2021 has rightly been described as the year of adapting to the pandemic as economies around the globe gradually opened following the lifting of restrictions with policymakers focusing on life under the new normal. Meanwhile, Pakistan's external security environment remained challenging. Decision-makers had to grapple with fast-changing events in Afghanistan, and manage tensions with India. Domestically political polarization and sectarian strife intensified as the political landscape navigated uncertainty.

Meanwhile, a greater focus on expanding trade and economic growth was witnessed, but still the year ended with the government occupied with undertaking prior actions that it had committed for resumption of the suspended program with the International Monetary Fund. Similarly, challenges in the energy sector – gas shortages and the mounting circular debt – kept reminding us of the structural reforms that are yet to be implemented in these sectors.

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Thank you all for your hard work and valued contributions to this report.

Finally, we would like to thank the readers for their interest in the report and we encourage you to continue to send us your invaluable feedback and ideas for further improvements in future editions.

Syed Muhammad Sajjad Shabbir

Executive Director