Quarterly Round Up

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US Tariff

In April 2025, US President Donald Trump issued a new presidential order from the White House, under which the United States announced the imposition of tariffs on nearly all its trading partners. The policy aims to target countries that either impose high import duties on American products or with which the United States has a large trade deficit. It also imposed a flat 10% tariff on major countries such as the United Kingdom, Australia, Singapore, Brazil, New Zealand, Turkey, the United Arab Emirates, Saudi Arabia, and Chile. It has been effective since April 5. The list of 57 countries subject to retaliatory tariffs published did not include Canada and Mexico, but these two neighboring countries are already facing heavy tariffs. On March 6, it was decided that these tariffs would not apply to goods covered by the USMCA agreement (between the United States, Mexico, and Canada). Additionally, President Donald Trump stated that the imposition of reciprocal tariffs was necessary because the United States has long suffered from unfair trade practices and unilateral trade access, which have negatively affected the national economy and jobs.

The NATO Summit in the Hague

The 32 NATO member states meeting in Hague was held on 25 June 2025, in which it was decided to increase military spending and reaffirmed their commitment to mutual protection under Article 5 of the NATO Treaty. NATO leaders proposed to increase military spending from the current 2% to 5% of GDP by 2035. Referring to Article Five, Trump declared that an attack on one is an attack on all. Although interpretations of this article varied, Trump assured all allies present at the summit of his unwavering support. The NATO Secretary General stated that these measures are being taken to ensure the safety and sovereignty of NATO member states and their citizens.

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Pakistan-India Clash After Pahalgam Attack

In April 2025, a violent attack in the Indian region of Pahalgam killed 26 people. Without an investigation, India immediately accused Pakistan of responsibility. India unilaterally suspended the Indian Waters Treaty, broke off diplomatic relations with the Pakistani military, closed the Attari border crossing, and restricted the issuance of visas. Pakistan condemned these irresponsible accusations and offered a transparent investigation into the attack. It warned that blocking its waters was a crime. At the same time, Pakistan restricted diplomatic relations with India by suspending trade and closing its airspace to India. On May 6 and 7, India carried out an airstrike called "Operation Sindoor", in which 40 civilians were martyred in Pakistan. In retaliation, the Pakistani Air Force shot down six Indian fighter jets, including three Rafales. On May 10, Pakistan launched Operation Bunyan Al Marsoos. The strike targeted twenty-six Indian military installations in Indian-Illegally Occupied Jammu & Kashmir, Indian Punjab, including key air bases such as Ambala, Pathankot, Srinagar, and Udhampur. According to the ISPR, Pakistan also destroyed a fleet of BrahMos missiles and parts of the S-400 air defense system. After UN mediated talks, ceasefire came into effect on May 10.

G-7 Summit 2025

The 51st G7 Summit was held in Canada on June 16 and 17, 2025. The summit marked the 50th anniversary of the first G7 Summit, but instead of showing unity, the leaders showed disagreement on many issues. The summit was overshadowed by ongoing tensions, including the escalating Israeli-Iranian war, which forced the US president to cut the summit short. Trade tensions between the G7 countries and the US, the Russo-Ukrainian war, and the situation in Gaza were also among the main topics of discussion. Unlike previous summits, no final joint declaration was issued at the end of the summit. No progress was made on trade tensions between the US, G7 members, and members of the European Union. Furthermore, climate change, a central theme of previous summits, was ignored, despite devastating wildfires in the region.

US-Iran-Israel War 2025

In mid-June, Israel launched Operation Rising Lion, which involved a missile and drone attack on nuclear facilities and the Iranian military sites. Resultantly, Iran conducted a counterattack targeting Israel's air defense system. This escalation of aggression brought the two countries to the brink of full-scale conflict. Israel launched a major attack against Iran before dawn on June 13. Explosions were heard across the country. The targets included nuclear facilities at Natanz and Fordo, military bases, research centers, and the homes of senior military leaders. At least 974 people in Iran were killed. In return, Iran fired missiles, killing 28 Israeli people. The US joined the war days later, using 125 aircraft, stealth bombers, cruise missiles, and bunker-busting bombs to hit three of Iran's nuclear sites, Fordo, Natanz, and Isfahan. The strikes, conducted on June 22, aimed to cripple Iran's nuclear program, which U.S. officials claim was successful in causing monumental damage. While Iran insisted the sites were evacuated beforehand and denied suffering major losses.

DR Congo and Rwanda Sign Peace Deal

The Democratic Republic of the Congo (DRC) and Rwanda have signed a peace deal in Washington, DC, after years of deadly conflict. The foreign ministers from both nations signed the deal, which was mediated by the United States and Qatar. US Secretary of State Marco Rubio hosted the agreement. According to the deal, Rwanda must pull back its troops from eastern Congo within three months, and both sides will create a joint security mechanism within 30 days, along with the beginning of an economic cooperation framework within 90 days. The DRC's Foreign Minister Thérèse Kayikwamba Wagner said the agreement must be followed by justice, disarmament, and the safe return of refugees and displaced families. Rwanda's Foreign Minister, Olivier Nduhungirehe, called it a turning point but demanded that the DRC cut its ties with the FDLR group (Democratic Forces for the Liberation of Rwanda). The agreement between the Democratic Republic of the Congo and Rwanda stipulates the withdrawal of Rwanda from territories such as North and South Kivu.

Federal Budget 2025-2026

On 10 June 2025, Pakistan's federal budget 2025-26, with a total amount of 17.573 trillion, was presented, and on 26 June, the National Assembly passed the budget. On 29 June 2025, President Asif Ali Zardari gave his assent to the Finance Act 2025. The bill was notified in the Gazette of Pakistan. In this budget, Rs 2,550 billion has been allocated for defense. Similarly, Rs 8,207 billion will be used to pay interest on loans, which is a heavy debt burden. For local development, Rs 8,206 billion will be given to provinces. The government's estimate for the revenue collection is Rs 19,278 billion. For this, approximately Rs 14,131 billion will come from taxes via the FBR, and Rs 5,147 billion will be collected from non-tax sources. This budget reflects the targets of the government,