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The Year 2025 - Turning Point for Pakistan

Outline

1. Introduction

2. Positive developments that proved to be a turning point for Pakistan's Growth and Stability in the Year 2025

2.1 Recalibration of balance of power
in the region
(Indian aggression and Pakistan's
victory in May 2025.)

2.2 Macroeconomic stability that stabilized
balance of payment crisis
(Foreign exchange reserves reached
19 billion dollars)

2.3 Decline in inflation and unemployment
ratio compares to ^{the} recent year
(Inflation declined to 4% compares
to 26% in previous year)

2.4 2025: A golden year for Pakistan's diplomacy

(Pakistan as a middle power in the year)

2.5 Relations with the USA, stronger than ever in a decade.

(Trump speeches and trade deal)

2.6 Strategic and economic engagement with "Iron Clad" friend China

(Defence and CPEC 2.0 Collaborations)

2.7 Pakistan played key role in the regional and global peace and stability

(Role played in Iran-Israel war and Gaza peace negotiations)

2.8 Pakistan signed economic and trade agreement with other states

(Trade agreements with the USA, Iran, Malaysia)

2.9 Arms and defence production agreements with other states

(MOU with Turkey, and Azerbaijan)

2.10 Strategic Mutual Defence Agreement with Saudi Arabia

2.11 Pakistan's presidential role for two years in UNGA

3. Unwanted Developments in the Year 2025 that are threats for Pakistan Stability and Growth: an unprecedented turning point

3.1 Resurgence of terrorism in the Country
Rise in terrorism upto 73%. Compares to previous year

3.2 Climate Change disasters and Pakistan unpreparedness
2025 floods and Indian water aggression

3.3 Shrinkage of political space in the Country
Political tussle among parties and major developments in the Constitution

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The Essay

The year 2025 was so immense for Pakistan that every global power wanted to sit with it as eagerly as a guest in a drawing room longs for a cup of tea. From the USA ^{to} ~~and~~ China, from Saudi Arabia to Turkey, from Malaysia to Azerbaijan every country has engaged Pakistan whether for diplomatic, economic, or strategic purposes. In the previous 3 to 4 years, Pakistan has faced many challenges in terms of diplomatic isolation, economic hardships, and global positioning. The year 2025 has proved to be a game changer turning point where Pakistan has regained its lost positions. In just a year, the prime minister has marked almost 53 foreign visits that shows Pakistan's engagements with other powers. To precise it more, it was actually the May 2025 skirmishes with India that proved to be a game changer for Pakistan. Where India ^{went} ~~gone~~ into sort of isolation and Pakistan filled that gap in ^{the} global stage. There are many positive developments in the year 2025 that proved to be

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a turning point for Pakistan's stability and growth. Pakistan has emerged as an important power in the South Asian region after skirmishes with India. Domestically Pakistan has maintained macroeconomic stability and declined in inflation and unemployment. The year 2025 was also a golden year for Pakistan's diplomacy; relations with the USA, "iron clad" friendship with China, and ^{with} other states as well. Pakistan has also played a key role in global peace and stability, achieved presidency in the United Nations General Assembly, signed Mutual defence agreement with Saudi Arabia, where Pakistan has achieved major successes in the year 2025; there are some unwanted turning points as well. The country has faced resurgence in terrorism, Climate Change vulnerabilities, and other developments that strained political space. Nevertheless, the year 2025, proved to be a turning point for Pakistan where it has achieved major successes in diplomatic, ^{economic} ~~political~~, and strategic spheres with ^{the} strengthening of regional and global positioning.

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In the year 2025, one of the major turning points for Pakistan was its win against India in May 2025. Pakistan has restrengthened its balance of power in the South Asia and rebuked Indian aggression. India with major economic power of the world underestimated the military and defence capabilities of Pakistan and wanted to pursue the dominance in the region. Pakistan's firm and precise response not only responded India with courageously but also strengthened its image at regional and global spheres. This way paved the way for Pakistan for diplomatic and strategic agreements with other states and showed strength and power of Pakistan's defence forces.

Furthermore, Pakistan has also achieved macroeconomic stability in the year 2025. Previous two years were very tough and hardest for Pakistan in terms of economy and balance of payment crisis. However the year 2025 has proved to be a stable year, where Pakistan

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has not only stabilize the foreign exchange reserves but also adjusted other macroeconomic indicators.

In 2023, Pakistan's foreign exchange reserves remained mere 8 billion dollars that has now reached ^{at} 19 billion dollars that brings hope for economic stability. In the context of macroeconomic stability this year has proved to be a turning point for Pakistan.

Meanwhile, Pakistan has also remained successful to cut down inflation and unemployment in the country compares to previous years. Inflation rate which was at 26% in recent year is now declined to 4% that marks this year as a turning point for inflation cut. In the meantime, unemployment ratio also declined to 7% the year ²⁰²⁵. No doubt, real time results are currently invisible at domestic level but these indicators are considered as beneficial for ^{the} real time results. This decline in inflation and unemployment is considered as turning point for the future growth and stability.

Moving forward, the year 2025 was also considered as golden year for Pakistan diplomacy and foreign policy. This success has paved the way for every other development and engagement. Pakistan successfully balanced the relations with each country whether it was the USA, China, Saudi Arabia, Qatar, the UAE, Turkey, Azerbaijan, Russia, the UK, and other global powers. Pakistan maintained relations with both countries simultaneously which are considered as global competitors and rival. This is considered as Pakistan's successful foreign policy achievement. The line which is written in ^{the} introductory part, completely fits here. The global collaborations and engagement strengthened Pakistan's position as middle power in global circles.

In 2025, Pakistan's relations with the USA ^{were} ~~was~~ also reached to all time high than ever in a decade. The relations, which was slowed and just remained for diplomacy especially after President Trump's 2018' statements against Pakistan,

are again on the peak. President Trump perhaps forgets to mention Pakistan when he talks about Middle East or South Asia. Both countries are diplomatically, strategically and economically engaged. With the recent rare earth elements trade deal of 500 million dollars, these all happened in the year of 2025 as there was very harsh relations before ~~the~~^a year when India and the USA were at same page.

Similarly, when Pakistan was closed with the USA, the country had also strengthened its relations with ever "iron clad" friend China, in the year 2025. Pakistan had remained major defence partner of China but the year 2025 was marked as the turning point. May 2025 skirmishes has strengthened the defence collaborations as Pakistan has received more J10-C fighter jets and also signed deal of A35 fighter jets with China. Economically both countries has also signed new phase of CPEC which is named as CPEC 2.0. In this

phase both countries have vowed to strengthen and enhance industries, infrastructure and agriculture. In this term as well, Pakistan considers the year 2025 as turning point for balanced foreign relations.

Same goes for regional and global peace and stability, where Pakistan has played key role in the year 2025. In regional issues like Iran-Israel war, Armenia-Azerbaijan relations and the country's own war with India, it has played a role as a responsible and mature state. Similarly, in the global issues like in the Gaza peace process Pakistan remained at forefronts to strengthen global peace and stability. In recent Yemen conflict of Saudi Arabia and the UAE, Pakistan stressed to resolve the issue with mutual understanding. These developments and Pakistan's key roles are considered as turning point for Pakistan's global positioning.

Additionally, Pakistan has also signed major trade and economic

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agreements with other states in the year 2025. Pakistan has signed mines and minerals deal with the USA with the worth of 500 million dollars. Recent visit of ^{Indonesia} ~~Malaysia~~'s president to Pakistan marked major trade agreement. Prime minister Shehbaz sharif visit to Malaysia has also acquired major trade deals. In addition to recent visit of Iran's president where both countries have signed trade deals worth of 10 billion dollars. This shows that with the diplomatic engagements, Pak has also successfully benefitted from them in terms of economic collaboration.

Similarly, with the trade and economic deals, Pakistan has also signed major arms and defence deals with other states, making the year 2025 successful in this domain as well. With the success of Pakistan in recent skirmishes with India, world has acknowledged the strength and capabilities of Pakistan's defence forces and its defence industry. This compelled the countries to sign defence collaborations.

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deals with Pakistan. Recently, Turkey has signed defence collaboration deals with Pakistan in drones and modern warfare technology. Pakistan and Azerbaijan have also signed arms supply deal where, Pakistan will deliver JF-17 fighter jets to Azerbaijan. The year 2025, considered as defence industry win for Pakistan.

Meanwhile, Pakistan and Saudi Arabia have also signed unprecedented Strategic Mutual Defence Agreement in the year 2025. This deal was unprecedented in nature ^{as} ~~with~~ Pakistan has never signed this type of deal ^{before}. This proves the two major stance of Pakistan. One is the professionalism and modern warfare capabilities of Pakistan. Second is the trust and pivotal role of the only Atomic power country in muslim world. This agreement enhanced Pakistan global position as a trustworthy and strong defence power. As the country had never signed any agreement before, the year 2025 was turning point in this domain as well.

Moving forward, Pakistan has also successfully attained role of president in United Nations, marking the turning point for the country in the year 2025. Gaining presidential seat at one of the prominent global institutions enhance the Pakistan position of Pakistan. This development has also foster the country's diplomatic and strategic position. Similarly, Pakistan has also assigned with the role of Counter terrorism in the UNSC alongwith the UK. This highlights the Pakistan's efforts and struggle to mitigate the resurgence and terrorism in the world. The year 2025 was marked as turning point for Pakistan in this domain as well.

where Pakistan has achieved these tremendous successes in the year 2025, the country has also faced some unwanted development that posed the threats to the stability of Pakistan, marking turning point for the country's trajectory.

one of the major issues, Pakistan has faced in the year

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2025 is the resurgence in terrorism. This year marked as a turning point in terms of terrorism, proxy warfare, and endemism. With the annual increase in the terrorism records at 73% high as compare to the previous year. Major attacks were Islamabad terrorism attack, Jaffer express attack in Balochistan, and attack at Chinese nationals in Karachi. These attacks and terrorist activities was halted in some year but now again seems to be resurge. These attacks records as high in the decades and forced the security agencies to recalibrate their strategies.

Similarly, Climate Change and natural disasters in the year 2025 also considered as turning point for the country. With the already strained economy and domestic production, these disasters have made the country more vulnerable. Natural disasters in KPK, floods in Punjab and glaciers burst in other regions have weakens the country. Economic growth was halted, food

insecurity risen, and agriculture production declined. More on this unprecedented move by regional rival India where it has halted the 6 decades old Indus water treaty and now using water as aggression against Pakistan. These developments has marked as turning points in the Pakistan economic and environment trajectory.

Another turning point in the 2025 was Pakistan's internal developments. The country has stringent its policies against political rival with almost vanished the opposition parties. opposition parties that consider as important pillars in democracy are almost sidelined and government has strengthened its grip in federal. Constitutional amendments and judicial reforms have further weakens the core principles of a democratic state. Political freedom, freedom of expression, and independent judiciary are considered as core principle of democracy. These development have marked as turning point in the country's democratic path.

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To summarize all the discussion, though Pakistan has faced some challenges in the year 2025, the country has achieved major successes in diplomatic, economic, and strategic spheres with the strengthening of regional and global position. Pakistan has maintained balance of power in the South Asia, regained macroeconomic stability and cut off inflation and unemployment in the country. In global circles, the year 2025, marked as golden year for Pakistan's diplomacy, with the relations with all regional and global powers were rational and balanced. The country has signed unprecedented strategic and economic deals with other states and played key role in global peace and stability. Pakistan is now at the turning point with the end of the year, whether the country ^{can} transform these regional and global successes into real time sustainable economic and strategic growth. The ball is in the hands of strategic elite of Pakistan.