

Press Release

## **Budget 2026–27: Under the Pretext of Fiscal Reforms, the IMF Is Crushing Our Economy’s Productive Capacity, and the Economic Condition of the Majority of the Population, While the Rulers Call It Macroeconomic Stability!**

The time has passed when rulers would try to conceal IMF diktats by pretending that the budget was the outcome of consultations with elected representatives, business circles, and the efforts of the country’s economists. Today, the Prime Minister does not even hesitate to openly state that he will speak to the IMF—meaning seek permission—for salary increases or subsidies on electricity and fuel prices. The reality is that, under the guise of fiscal reforms, the IMF is micro-managing Pakistan’s economy. The IMF imposes taxes on whichever sector it wishes, removes subsidies from whichever sector it chooses, and dictates changes in import and export policies whenever it desires. It was these same IMF and World Bank “proposed” reforms that severely damaged Pakistan’s energy sector. The IMF remains the greatest obstacle preventing Pakistan’s economy from becoming self-sufficient and developing strong productive capacity, with excessive taxation and exorbitant energy prices playing a central role in this destruction.

Islam does not permit the disbelievers to interfere in, dominate, or exert any form of influence over the affairs of the Muslims. Yet our rulers, acting upon the IMF’s agenda, have increased the tax target from PKR 362 billion in the year 2000 to approximately PKR 15.5 trillion for fiscal year 2026–27. This represents a sevenfold increase in tax collection in dollar terms and more than a forty-two-fold increase in Pakistani rupees. Despite this blatant raid on the pockets of the people, neither has the trade deficit been eliminated nor has the cycle of IMF-directed fiscal reforms come to an end. The continued rise in poverty and the limited productive capacity of the economy despite twenty-five IMF programs are sufficient proof for any rational person that the IMF’s agenda is to constrain Pakistan’s economy, reduce us to a component of the raw-material supply chain serving Western economies, and prevent Pakistan from becoming a great power—so that it may never even contemplate the great obligation of establishing the dominance of Islam and expelling America and the West from the Muslim World. Allah (swt) says in the Noble Qur’an, ﴿وَلَنْ يَجْعَلَ اللَّهُ لِلْكَافِرِينَ عَلَى الْمُؤْمِنِينَ سَبِيلًا﴾ **“And Allah will never grant the disbelievers a way of dominance or authority over the believers.”** [Surah An-Nisa: 141]. Yet these rulers care neither for the commands of Allah (swt) and the Messenger of Allah (saw), nor the rulings of the Islamic Shariah. Likewise, they show no concern for the people of Pakistan, who continue to slide deeper into the dark pit of poverty.

Pakistan possesses a strategic geographic location and considerable military strength, making it highly qualified to lead the Muslim World. Therefore, keeping Pakistan weak is an essential component of the American agenda. This is why Pakistan’s energy sector has been deliberately devastated. Energy prices in Pakistan are among the highest in the region, while energy imports may only be conducted in dollars, and only from countries approved by the American-led global order. This is despite the fact that

abundant and comparatively inexpensive Iranian oil is available directly across Pakistan's border. In this context, one must ask: other than the illusion of American pressure, what is preventing Pakistan from meeting its energy needs through relatively inexpensive Iranian oil, especially when Iran itself faces challenges in storing its excess production?

Under the new budget, a target of PKR 1.7 trillion has been set solely through the Petroleum Development Levy (PDL), excluding other taxes and the profits earned by companies operating within the energy supply chain. Such excessively high energy costs have not only imposed an unbearable burden upon the people but have also rendered Pakistan's industries uncompetitive in global markets.

According to Islam, not only are these taxes prohibited, but the energy sector falls under public ownership, and its supply chain cannot be controlled by the private sector. Consequently, the extraordinary profits generated within this sector belong to the public and cannot be reserved for a handful of companies.

The Messenger of Allah (saw) said, «الْمُسْلِمُونَ شُرَكَاءُ فِي ثَلَاثٍ: فِي الْمَاءِ وَالْكَلْبِ وَالنَّارِ، وَتَمْنُهُ حَرَامٌ» **“The Muslims are partners in three things: water, pasture, and fire, and taking a price for them is prohibited.”** (Ibn Majah). In this hadith, “fire (naar)” is an Arabic metaphor (kinayah) for fuel and power (wuqood).

Furthermore, recent tensions between Iran and the United States have demonstrated that America is incapable of fully controlling even a country such as Iran. Therefore, if Pakistan, together with its armed forces—which already have a presence in the Arab world—were to unite with other Muslim countries under a Khilafah (Caliphate), the energy issue could be resolved permanently. Indeed, under such circumstances, the Khilafah would be in a position to directly influence global energy prices, particularly given that many of the world's most important maritime routes pass through Muslim territories. This objective can only be achieved through the establishment of the Khilafah in Pakistan.

All of these arguments point to the fact that the current ruling elite is incapable of thinking beyond the framework of American policies. Pakistan's economy does not merely require a few reforms; it requires the rejection of the entire liberal capitalist model and the IMF agenda rooted in the post-Washington Consensus. The alternative to this system is the establishment of the Khilafah in Pakistan, for which Hizb ut Tahrir (حزب التحرير Party of Liberation) has already presented a detailed program derived from the Noble Qur'an and the Prophetic Sunnah to the Ummah.

Today, the situation has reached a point where Pakistan's economists, policymakers, rulers, and elite are unable even to offer the public a new source of hope. The current system has been completely exposed, and its eventual collapse is inevitable. The sooner this occurs, the sooner there will be hope for an end to the people's hardships. The writing is already on the wall: “Game Over.” The question is whether the people of military power and protection (ahl ul quwaah wal man'ah) in Pakistan possess the ability to see it and understand its implications. Allah (swt) says, ﴿وَلَوْ أَنَّهُمْ أَقَامُوا التَّوْرَةَ وَالْإِنْجِيلَ وَمَا أُنزِلَ إِلَيْهِمْ مِنْ رَبِّهِمْ لَأَكَلُوا مِنْ فَوْقِهِمْ وَمِنْ تَحْتِ أَرْجُلِهِمْ﴾ **“And if they had upheld the Torah, the Gospel, and what was revealed to them from their Lord, they would have enjoyed provision from above them and from beneath their feet.”** [Surah Al-Ma'idah: 66].

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