

## THE NEW GREAT GAME: U.S.–CHINA COMPETITION OVER CRITICAL MINERALS IN PAKISTAN

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### ABSTRACT

The twenty-first century has witnessed a reconfiguration of global power rivalries, with critical minerals emerging as strategic assets at the center of economic, technological, and security agendas. This paper explores the intensifying competition between the United States and China over access to and control of Pakistan's mineral resources, situating the contest within the broader framework of the "New Great Game." Pakistan possesses significant reserves of copper, gold, lithium, and rare earth elements, most notably at Reko Diq and Saindak, which are vital for clean energy systems, electric vehicles, semiconductors, and defense industries. China has established a strong foothold through the Belt and Road Initiative (BRI) and the China–Pakistan Economic Corridor (CPEC), securing long-term stakes in extraction and infrastructure that integrate Pakistan's resources into its global supply chains. The United States, in contrast, has recently sought to re-engage Pakistan's mineral sector through resource diplomacy, partnerships with multinational firms such as Barrick Gold, and alignment with global initiatives like the Minerals Security Partnership. Adopting a neorealist and geoeconomic lens, the study analyzes how this rivalry is reshaping Pakistan's political economy, regional alignments, and developmental choices. It highlights Pakistan's strategic dilemmas in balancing competing great power interests while grappling with governance challenges, security risks in Balochistan, and the imperative of sustainable resource management. The findings underscore that minerals are not merely economic commodities but instruments of statecraft, shaping future technological trajectories and geopolitical configurations. Ultimately, Pakistan's mineral wealth positions it as both a potential beneficiary and a battleground in the unfolding U.S.–China competition, with profound implications for South Asia's security and the global mineral order.

**Keywords:** Critical minerals; U.S.–China rivalry; Pakistan; Belt and Road Initiative (BRI); geoeconomics; South Asia

### INTRODUCTION

The twenty-first century has seen a fundamental reordering of global politics, shaped less by territorial conquest and ideological blocs than by access to economic and technological resources that underpin the transition to a low-carbon and digitally interconnected world. At the core of this shift are critical minerals—strategic resources such as lithium, cobalt, nickel, copper, and rare earth elements—that are indispensable to renewable energy systems, electric vehicles, advanced defense

technologies, and semiconductor production. Unlike fossil fuels, which dominated twentieth-century geopolitics, critical minerals are far more dispersed, often concentrated in fragile or conflict-prone regions, and their supply chains are heavily dependent on complex stages of mining, refining, and processing. This uneven geography and the rapid growth in demand have made them instruments of strategic leverage and competition among major powers. Scholars increasingly argue

that control over critical minerals will define not only the pace of the global energy transition but also the contours of twenty-first-century power hierarchies (IEA, 2021; Kalantzakos, 2020; Nassar et al., 2022).

The emergence of critical minerals as the focus of world geopolitics is indicative of their inseparability in decarbonization policies. The International Energy Agency (IEA, 2021) states that clean energy technologies need very high levels of minerals compared to the fossil-fuel-based systems. The volume of mineral inputs to an electric car, say, is more than six times the volume of mineral inputs to a standard vehicle, and offshore wind turbines need thirteen times more mineral resources than the mineral inputs of a similar gas-fired power plant. Lithium, cobalt, and nickel are the building blocks of lithium-ion batteries that drive electric vehicles and store renewable energy, and copper is the key to electricity transmission and distribution. High-performance magnets in EV motors and wind turbines require rare earth elements, including neodymium and dysprosium, and lasers, guidance systems, and other high-tech electronics require others, including yttrium and europium. The uses of rare earths are not limited to clean energy: the United States Department of Defense has repeatedly listed rare earth elements and other critical minerals as key to precision-guided munitions, missile defense, radar systems, and fighter jets (Humphries, 2019). Access to these minerals, therefore, is not only a question of industrial competitiveness but also of national security.

This dramatic rise in demand has exposed great vulnerabilities. On the one hand, mineral supply chains are geographically concentrated as well as institutionally weak. More than 70 percent of the world cobalt is mined in the Democratic Republic of Congo, and over 80 percent of rare earth processing and refining is located in China (Paltsev, 2022). The risks of disruptions are worsened by political instability, weak governance and environmental issues. Nassar et al. (2022) emphasize that demand might grow more than forty times by 2040 in the context of ambitious decarbonisation possibilities, with supply bottlenecks potentially leading to price spikes and geopolitical tensions. In this way, critical minerals have turned out to be the objects and instruments of statecraft in the twenty-first century.

Such developments have renewed historical parallels. Some commentators now refer to a New Great Game, and make comparisons with the rivalry between the British and Russian empires in Central Asia in the nineteenth century. However, in contrast to the old Great Game, which was based on territorial domination and influence in the buffer zones, the new one revolves around gaining control over supply chains and infrastructure associated with the key resources.

As Alexander Kalantzakos (2020) points out, the competition today is not just for physical deposits but for control of the entire chain of extraction and processing and technological integration. Using a combination of geoeconomic instruments—investments, trade policy, infrastructure finance, and technological standards—the great powers, especially the United States and China, are accessing long-term benefits in a global-scale resource race. China has followed this approach with great consistency. Beijing has used state-owned enterprises, subsidized financing, and the Belt and Road Initiative (BRI) to incorporate mineral acquisition into its strategy for industrial and technological hegemony on a global scale. Rare earth industries have been concentrated in domestic countries and highly subsidized downstream processing. At the same time, Chinese companies have made investments in cobalt mines in the Democratic Republic of Congo, lithium in Latin America, and copper and nickel projects in Africa and Asia (Rolland, 2017).

By linking resource investments to infrastructure and financing under the BRI, China has managed to secure minerals and at the same time increase its geopolitical control. Importantly, the fact that the mineral is predominantly processed in China means that even minerals mined outside of China are often exported through Chinese refineries before ending up in global markets, putting Beijing in a strong position with respect to critical points in the supply chain (Brutschin and Frei, 2022). The United States, by contrast, was late to acknowledge the strategic importance of critical minerals but has changed course substantially in the last decade. The Inflation Reduction Act (2022) and the CHIPS and Science Act (2022) connect climate policy to industrial policy and provide incentives for domestic mining, refining, and clean energy manufacturing (Campbell & Doshi, 2021).

## RESEARCH PROBLEM

The emergence of critical minerals as a dominant theme of twenty-first century geopolitics has created a pressing set of research issues which have wide-ranging implications beyond economic policy and into matters of security, sovereignty and global order. Pakistan is at the centre of these debates. While the country has long been researched in the context of security alliances, counterterrorism, and regional competition with India, its new role as a source of crucial minerals remains under-researched in scholarship. This negligence is remarkable in light of the fact that Pakistan is home to some of the largest (yet to be mined) reserves of copper and gold (reoko diq), as well as potential reserves of lithium and rare earth elements in the north of the country (Ahmed, 2021; wright, 2022). These resources not only play a central role in the energy transition worldwide, but are also essential building blocks for state-of-the-art defense and digital technologies. Yet the confluence of Pakistan's mineral resources and the deepening US-China competition throws up complicated and unanswered questions that require structured academic focus.

At the heart of the research problem is the structural asymmetry between China's long-standing position in Pakistan's mineral sector and the united states' relatively new and tentative return to the sector. Through the belt and road initiative and specifically the China Pakistan economic corridor (CPEC), China has invested heavily in infrastructure, energy and mining projects. Chinese firms are the operators of the saindak copper and gold mine and have been pursuing stakes in other projects, integrating Pakistan's resources into China's global supply chains (small 2015). By contrast, US. involvement has been irregular. While the advent of reko diq under the aegis of barrick gold in 2022 was a momentous milestone in renewed interest, there are still questions whether Washington can equal Beijing's deep institutional and financial integration (chhibber and jha, 2023). This asymmetry brings up big questions about Pakistan's role: will it play a part in Chinese-dominated supply chains, or will it serve as a strategic theatre in which the US. and its allies can effectively counterbalance China?

Another aspect of the problem relates to the domestic governance and political economy of pakistan. Extractive projects in both Balochistan

(saindak) and khyber-pakhtunkhwa (reko diq) have a long history of complaints about the distribution of revenues, environmental damage, and displacement. These complaints have led to insurgency which in turn poses a threat to the security of foreign investments (khan, 2019). Weak institutions, corruption, and lack of transparency of contracts further increase the risks of mismanagement of resources (malik, 2020). The literature on the "resource curse" cautions that mineral wealth tends to reinforce elite capture and fuel conflict rather than provide broad-based development (ross, 2015). Pakistan has a history of mineral booms that have worsened rather than solved its political and economic crises, so without significant institutional reform, the mineral boom is likely to follow this pattern. Paradoxically, it is China and the United States that are more concerned with the need to gain access to resources than Pakistan's internal governance deficits. This leads to the question whether great power competition will empower or marginalize local communities and whether Pakistan will be able to use its resources to develop the nation or become further mired in dependency. Also, the problem is theoretical. Much of the work on the geopolitics of critical minerals to date has concentrated on global value chains, technology competition and energy transitions (iea, 2021; kalantzakos, 2020; brutschin & frei, 2022).

### Objectives of the study

This research focuses on Pakistan as a pivotal arena in the intensifying uUS.-China competition over critical minerals.

### Methodology

This paper follows a qualitative case study design, with a particular attention paid to Pakistan as a hot spot of the intersection of great power rivalry and resource politics. The rationale behind using the case study design is that, Pakistan is a resource-abundant country as well as a geopolitically strategic country, but has not been adequately covered in the literature on critical minerals. The two theoretical perspectives underpinning the study are neorealism, which focuses on how states seek survival and security with material capabilities, and geoeconomics, which focuses on how states use economic tools to achieve statecraft, i.e., trade, investment, infrastructure, and the capacity to

access resources (Waltz, 1979; Blackwell and Harris, 2016). Integrating these strategies will enable the research to consider both the role of critical minerals as assets of hard power and as tools of economic power in the competition between the U.S. and China.

### **Critical minerals and global geopolitics**

Critical minerals are no longer a peripheral issue of industrial policy but have become a core focus of global strategy, owing to their place at the center of both the energy transition and the digital-defense complex. Clean-energy systems are much more material-intensive than fossil-based ones: an electric car demands multiple times the mineral inputs of a conventional vehicle, and offshore wind farms are orders of magnitude more mineral-hungry than gas turbines. High-performance batteries can never operate without lithium, nickel, cobalt, and manganese; copper supports transmission, distribution, and vehicle electrification; and the rare earth materials neodymium and dysprosium enable the permanent magnets to power the EV motors and direct-drive wind turbines (IEA, 2021; Nassar et al., 2022).

With policymakers pledging to achieve a deep decarbonization, the demand curves of these inputs become extremely steep, leaving them exposed to price increases and supply shocks (Paltsev, 2022). The sinews of modern military strength and the semiconductor ecosystem include the same minerals. Precision-guided munitions, aircraft actuators, sonar and radar, beryllium, gallium, and germanium also touch on high-purity graphite and tantalum and communications and aerospace systems (Humphries, 2019; Kiggins, 2015). Since most of these factors can be replaced with relatively few substitutes and fairly specialized processing chains, they serve as strategic chokepoints. The question of who can control the extraction is not the whole story; the midstream, the refining, separation, and alloying, is usually what defines who can convert ore into useful energy. Critical minerals, in effect, give power over technological pace and battle preparedness, making supply chains instruments of statecraft (Brutschin & Frei, 2022; Kalantzakos, 2020).

The stakes are clarified by history. The 1970s oil shocks demonstrated the potential of resource monopolization to reshape geopolitics, and the cold war fears of cobalt, chromium, and manganese led the industrial powers to develop stockpiles and supply-security policies (Klare, 2001). Similar to the

situation in Africa and Latin America, colonial and post-colonial extraction also connected the mineral frontiers to the great-power rivalry. The competition of today is different by technology and geography but similar in form: strategic commodities are concentrated, supply chains are fragile, and states use diplomacy, finance, and coercion to ensure access (Sovacool et al., 2020).

The novelty is that climate policy is being coupled with industrial strategy: decarbonization, digitalization, and modernization of defense now tug on the same finite material pool, raising minerals to the status of inputs to national power. There is no aspect of the current landscape that can be considered more consequential than the pre-eminence of China in the mineral midstream and its establishment of resource corridors in the Belt and Road Initiative (BRI). Though China does not control the majority of mining, it controls most of the processing: more than four-fifths of the world's rare-earth separation capacity and major portions of lithium refining, cobalt refining, and battery-grade graphite.

### **PAKISTAN'S MINERAL ENDOWMENT AND STRATEGIC VALUE**

Pakistan stands at the focal point of the changing world map of essential minerals. It has a mineral endowment, especially in the Baluchistan province, and is one of the states with large but poorly used deposits of copper, gold, and rare earth elements. The best known of these is the Reko Diq deposit, in Chagai district, Baluchistan. Regarded as one of the largest undeveloped copper and gold reserves in the world, Reko Diq is estimated to contain 5.9 billion tonnes of ore at an average copper grade of 0.41 percent and 41 million ounces of gold (World Gold Council, 2024). It is estimated to have a potential of 200,000 tons of copper and 250,000 ounces of gold annually, which makes it an extremely important project, economically, not only to Pakistan, but to the international markets as well.

Reko Diq development has existed in controversy and court cases over many decades, many because of contractual differences between the state of Pakistan and foreigners. The project, originally granted to Tethyan Copper Company (a joint venture between Canada based Barrick Gold and the Chilean based Antofagasta) was engaged in arbitration when the contract was terminated in 2011. This was reversed in 2022 when Barrick Gold was reinstated to the project, and the

company now works to bring the mine finally operational. Notably, the United States as well as China have been interested in exerting some influence in this project, with Washington favoring Barrick to participate in it, and Beijing long considering Reko Diq as a possible addition to its Belt and Road Initiative (The Diplomat, 2025).

In addition to Reko Diq, the Saindak copper-gold project is another mineral pillar in Pakistan. Since the 1990s, and run by the state-owned Metallurgical Corporation of China (MCC), Saindak has represented the sheer extent to which Chinese companies have infiltrated the Pakistani mining industry. Small in scale relative to Reko Diq, Saindak has provided value in terms of local employment and exports. The opponent sides have, nevertheless, claimed that the terms of operation advantage Chinese interests in an unproportional manner, contributing to the economic dependency discourse (India Today, 2025).

In addition to copper and gold, Pakistan has deposits of lithium, barite, fluorite and rare earths, but these have not been extensively explored. According to geological surveys, Balochistan and certain areas of Khyber Pakhtunkhwa may have large deposits of lithium, which will become an increasingly significant source of electric vehicle (EV) batteries and energy storage systems (South Asia Monitor, 2025). These reserves have the potential of not just making Pakistan a copper exporter but also the global supplier of the minerals needed in the global green transition, once properly developed.

### CHINA'S MINERAL STRATEGY IN PAKISTAN

China's mineral engagement in Pakistan cannot be understood in isolation from the Belt and Road Initiative (BRI) and its flagship project, the China-Pakistan Economic Corridor (CPEC). Announced in 2015, CPEC is a multi-billion-dollar program of road, rail, energy, and industrial projects designed to connect China's western province of Xinjiang to Gwadar Port on Pakistan's Arabian Sea coast. For Beijing, CPEC provides an alternative trade and energy corridor that bypasses the Strait of Malacca, a vulnerable chokepoint through which most of its maritime imports flow (Rolland, 2017; Small, 2015). Within this framework, mineral extraction is strategically embedded: Balochistan's copper-gold deposits and northern Pakistan's lithium and

rare earth prospects are linked physically to transport corridors and logistically to Gwadar. Gwadar's location less than 400 kilometers from the Strait of Hormuz also gives it added significance as a deep-sea port that can export minerals to global markets or transport them overland to Chinese refineries (IPRI, 2023).

For Pakistan, these linkages promise infrastructure development and integration into regional trade networks. Highways and planned rail upgrades in Balochistan improve connectivity to remote mining areas, while Gwadar is envisaged as a logistics hub with industrial zones, warehouses, and export facilities. However, the benefits are uneven. Critics note that CPEC's infrastructure has primarily served Chinese needs, ensuring reliable transport of raw materials, while domestic processing capacity in Pakistan remains underdeveloped (Malik, 2020). Thus, the integration of mineral extraction with CPEC represents both an opportunity for Pakistan to monetize resources and a structural asymmetry favoring China's supply chain security.

China's dominance is reinforced by the financial and ownership structures of mining projects. The Saindak copper-gold mine, for instance, is operated under a long-term lease by Metallurgical Corporation of China (MCC), a state-owned enterprise. Saindak Metals Limited, a Pakistani state-owned company, owns the asset, but profits and operational control remain largely in Chinese hands (Dawn, 2022). These types of contracts, often negotiated under CPEC, typically involve Chinese financing, technology, and labor, which secure Chinese firms a privileged role in project development (Brutschin & Frei, 2022).

This model reflects China's broader geoeconomic approach: state-backed enterprises, supported by concessional loans and political agreements, gain control over resource projects abroad. Scholars argue that this provides Beijing with "lock-in effects," ensuring long-term access to critical commodities even if global markets fluctuate (Rolland, 2017). In Pakistan's case, this pattern creates dependency: while Islamabad benefits from royalties and limited employment, the bulk of value addition and export earnings accrue to Chinese operators. Ownership patterns also limit Pakistan's policy space, as contracts are often structured to protect foreign investors at the expense of domestic regulation (Malik, 2020).

The Saindak project exemplifies China's early and enduring engagement in Pakistan's mineral sector. Discovered in the 1970s, Saindak was initially developed with Chinese assistance before being leased to MCC in 2001. Since then, China has maintained operational control, with multiple lease extensions up to 2037 (Dawn, 2022).

### THE UNITED STATES' RESOURCE DIPLOMACY IN PAKISTAN

The US has traditionally had an unstable relationship with Pakistan, which has been characterized by close cooperation and profound distrust in each other. Over the past years, with Washington shifting its focus to meet the global energy transformation and the growing competition with China, the mineral wealth of Pakistan has been brought back into the spotlight as something that people are interested in once again. U.S. interests in the involvement in the mineral industry in Pakistan are two-fold, on the one hand, to oppose the established control of China over the mining industry in Pakistan within the framework of the Belt and Road Initiative (BRI) and China-Pakistan Economic Corridor (CPEC), on the other hand, to receive access to the minerals that are essential in the green transition and new technologies (Campbell & Doshi, 2022). China's dominance of more than eighty percent of the world rare earth processing capacity and its large investments in cobalt, lithium, and copper have captured the attention of Washington regarding mineral supply chain vulnerabilities (Paltsev, 2022). To the U.S., the copper-gold deposits of Reko Diq coupled with the future lithium and rare earth deposits of Gilgit-Baltistan are opportunities to diversify supply chains beyond the control of Beijing. Furthermore, the geography of Pakistan, which bridges Central Asia and the Indian Ocean, provides the U.S. with a strategic presence in the Indo-Pacific where minerals are becoming linked to national security (Small, 2015). In 2022, the re-entry of Washington into the mining industry of Pakistan was signified by the reopening of the Reko Diq project. The most significant part was obtained by Barrick Gold, a Canadian multinational, financially supported by North American institutions and holding a 50% operational stake, the remaining part being owned by the Government of Balochistan and federal entities. To Washington, the investment by Barrick was an opportunity to establish U.S.-aligned capital

in a project of international magnitude, a counterpoint to Chinese domination in the form of Saindak (Wright, 2022). The project also corresponds to the U.S. strategic goals of encouraging responsibility in mining according to international environmental, social, and governance (ESG) standards, compared to Western engagement or state-led, extractive Chinese model (Chhibber & Jha, 2023).

The Reko Diq interest of Barrick, then, is commercial but not political. It sends a message to Islamabad that Western companies are ready to invest in the resource economy of Pakistan within transparent frameworks, and give investors an assurance of legal and contractual security after years of conflicts. To Washington, the project shows that Pakistan is capable of being linked to the global supply chains that are in tandem with the Minerals Security Partnership (MSP) and other programs that are allied with it.

In 2022, the Minerals Security Partnership (MSP) was established by the U.S. and partnering countries to create resilient, diversified, and responsible critical mineral supply chains. Although Pakistan is not a formal member, Washington has already indicated that MSP principles such as coordinated investing, ESG, and strategic diversification, can be used in projects such as Reko Diq (U.S. Department of State, 2022). The informal inclusion of Pakistan would serve the U.S. and Pakistani interests: to Washington, the inclusion would diversify its supply chain in a strategic area, and to Islamabad the inclusion would unlock access to capital, technology and Western markets.

In addition to MSP, there have been discussions of U.S. development finance institutions, including the International Finance Corporation (IFC) and the U.S. International Development Finance Corporation (DFC) as future facilitators of mineral investments. Pakistan's Strategic Dilemmas

Pakistan's mineral sector is situated at the nexus of U.S.-China rivalry, and Islamabad has sought to hedge by engaging with both powers. On the one hand, China's entrenched presence through Saindak, CPEC, and infrastructure financing offers Pakistan stability, long-term investment, and guaranteed markets for mineral exports. On the other, U.S. re-engagement through Barrick Gold at Reko Diq and frameworks such as the Minerals Security Partnership (MSP) provides Islamabad with diversification opportunities, exposure to

Western capital, and the reputational benefits of ESG-compliant mining (Brutschin & Frei, 2022; Chhibber & Jha, 2023).

This dual engagement allows Pakistan to avoid overdependence on a single partner, extract concessions by playing powers against each other, and maintain flexibility in its foreign policy (Small, 2015). Yet hedging carries risks. Beijing may interpret deeper U.S. engagement as a betrayal of the “all-weather friendship,” potentially jeopardizing investments under CPEC. Similarly, Washington may remain skeptical of Pakistan’s reliability given its historical closeness to China. For Islamabad, the challenge is to harness both partnerships without alienating either, a precarious balancing act in an increasingly polarized international environment (Campbell & Doshi, 2021).

Pakistan’s diplomacy reflects this balancing effort. At forums such as the Shanghai Cooperation Organisation, Islamabad has aligned with China on regional connectivity and economic integration. Simultaneously, Pakistan has engaged the U.S. in dialogues on minerals, energy, and trade, framing itself as a partner in global supply chain diversification (U.S. Department of State, 2022). This balancing is not new—Pakistan has historically shifted alignments between powers depending on security and economic needs—but in the mineral sector, the stakes are higher given the strategic role of critical resources in the green transition and defense industries (Kalantzakos, 2020). Success depends on Islamabad’s ability to institutionalize transparent contracts and demonstrate neutrality in disputes, something its past record has struggled to achieve (Malik, 2020). Pakistan’s mineral governance has long been plagued by corruption, weak institutional frameworks, and disputes over revenue-sharing. Mining contracts are frequently criticized for lack of transparency, with allegations that elites capture revenues while communities remain marginalized (Ahmed, 2021).

## THEORETICAL REFLECTIONS

### NEOREALISM:

**CRITICAL MINERALS AS** state power and security rivalry. Neorealism focuses on how international politics is influenced by the allocation of material capabilities in an anarchic environment where there is no supreme authority to provide security (Waltz, 1979). In this sense,

critical minerals are not merely commodities in the economy but rather resources that enhance the power and survival of states. Critical minerals serve as the foundation for advanced weapons systems, semiconductor manufacturing, and the clean energy technologies that will define military and economic competitiveness in the twenty-first century (Bumphries, 2019). In the case of Pakistan, the neorealist lens shows that its copper-gold, lithium, and rare earth reserves are not only desirable due to their market potential but also due to their strategic advantage to external authorities. The Chinese leadership’s handling of miners and its long-term ownership of the Saindak project in Pakistan also perfectly fit into a neorealist logic: by controlling the points of supply, Beijing limits the independence of its competitors and expands its own possibilities (Brutschin & Frei, 2022). The re-engagement of the United States in Barrick Gold in Reko Diq also indicates the pursuit of relative gains so that a strategically valuable deposit does not become a matter solely of Chinese control. Viewed through a neorealist prism, Pakistan in itself is a weak actor; its capabilities are formal motivations on which the great powers are fighting, and its security is based on their balance of power. This is in line with the argument of Waltz (1979) that smaller states tend to be forced into conforming with greater powers to survive. Therefore, minerals are instruments of state power, and the more Pakistan has, the more strategic power it gains, but the more exposed it becomes to foreign influence.

**Geoconomics:** economic statecraft, investment leverage, and control of infrastructure. Although neorealism elucidates the security aspect, through geoconomics, we can interpret the use of economic instruments as the instruments of statecraft, such as investment, infrastructure, trade policy, and finance (Blackwill and Harris, 2016). The case of China and its mineral policy in Pakistan demonstrates what geoconomics practically looks like: the inclusion of Saindak in CPEC, the preferential treatment of long-term leases to Chinese enterprises, and the creation of Gwadar port as a logistical node are not only economic actions but also a geopolitical attempt to make Pakistan an inseparable element of Beijing-focused supply chains (Rolland, 2017; Small, 2015). By keeping both extraction and infrastructure under control, China ensures not only the access to sources but also the routes of their movement as well as the US., however, does not

use geoeconomic instruments in the same way. It uses the public-private partnerships, ESG standards, and frameworks like the minerals security partnership (MSP) to develop alternative supply chains. The example of the stake of Reko Diq by Barrick is illustrative: Washington assists a western multinational to gain access to the country in accordance with transparent and rule-based contracts and exerts both economic and normative pressure (Chhibber & Jha, 2023).

**Implications for south Asia and global order:** the mineral endowment of Pakistan and its role as a part of the US-China rivalry have significant spillover effects on the rest of south Asia. To India, the mineral wealth of Pakistan is a challenge as well as an opportunity. On the one hand, the incorporation of Pakistan's resources in the Belt and Road Initiative (BRI) and China Pakistan Economic Corridor (CPEC) deepens the strategic depth calculus of Beijing in south Asia, which complicates the security calculation of India. In the context of Gwadar being used as a mineral export logistic hub, there is some risk that China will increase its naval and commercial influence in the Arabian Sea, and this raises fears among the new Delhi leadership about encirclement (Pant and Mohan, 2022; Small, 2015).

India, conversely, is also making big investments in critical mineral alliances—with Australia, the United States, and Japan—and believes it can offset Chinese power by creating parallel supply chains. A scenario of India importing or processing third-country minerals based on cooperation with Pakistan is unlikely as a result of political enmity, yet in the long term, the resource interdependence may serve as a stabilizing factor should it be managed on the multilateral level (Brutschin & Frei, 2022).

In the case of Afghanistan, the role of Pakistan is more immediate. It is estimated that Afghanistan has enormous reserves of lithium, copper, and rare earth elements, which is why some people refer to the country as the Saudi Arabia of lithium (Nasar, 2021). Insecurity, Taliban rule, and absence of infrastructure limit development, however. The ports and transit corridors of Pakistan form the most promising channels through which Afghan minerals can find their way to the world markets. T

This provides Islamabad with a lot of power over Kabul, as well as over external investors, but it also opens it up to cross-border instability. When the

resources in Afghanistan are harnessed under the auspices of China, linking CPEC via Pakistan would only enhance the power of Beijing to control the supply chains in the region. On the other hand, the instability or rivalry among foreign powers in Afghanistan may be transferred to Pakistan, supporting its failure to resolve its security issues (Shah and Ali, 2022).

At the regional security level, there is a danger that mineral competition will worsen great power competition in south Asia. Securitization of resource corridors, enhanced Chinese military presence in Gwadar, and American interest in resource diplomacy might lead to the enhancement of polarization in the region. To smaller states of south Asia, such as Nepal, Sri Lanka, and Bangladesh, the game establishes precedents: in the absence of huge mineral beds, they contribute logistic, refining, or diplomatic support.

The trans-regional externalities of mineral politics in Pakistan are therefore far more extensive than the borders of this country, and they impact strategic orientations and security trends in south Asia. The contribution of Pakistan to the development of the world supply chain of minerals. Pakistan is not always a passive location of extraction, but it can also influence the design of global mineral supply chains. It is a key route in the transportation of resources by virtue of its strategic place at the intersection of south Asia, central Asia, and the middle east. Balochistan minerals can go to Chinese markets not via Strait of Malacca chokepoints, but overland.

## POLICY RECOMMENDATIONS

- Pakistan must prioritize governance reforms in the mining sector to ensure transparency, fair contracts, and effective regulation. Lessons from the Reko Diq arbitration highlight the costs of weak institutions and opaque decision-making.
- Establishing independent regulatory bodies, adopting clear frameworks for revenue-sharing between federal and provincial governments, and engaging local communities—particularly in Balochistan—are critical to reducing grievances and insurgency.
- Pakistan should also embed sustainability practices, ensuring strict environmental impact assessments, water management, and land rehabilitation in line with global ESG standards.
- At the strategic level, Islamabad must maintain strategic autonomy by balancing partnerships:

relying too heavily on China risks dependency, while limiting engagement with the U.S. and allies restricts diversification. A hedging strategy that leverages competition to secure better terms is essential.

- Both Washington and Beijing should pursue responsible competition in Pakistan. For the U.S., this means scaling up engagement beyond Reko Diq through mechanisms such as the Minerals Security Partnership, offering risk guarantees, and supporting capacity-building for local institutions.

## CONCLUSION

Pakistan needs to focus on governance reforms in the mining sector so that there is transparency, fair contracts and good regulation. The reko diq arbitration has taught us the price of poor institutions and shrouded decision-making.

Independent regulatory authorities, a clear structure of revenue-sharing among federal and provincial governments, and involvement of local populations, especially in the Balochistan region, can play a key role in minimizing grievances and insurgency.

Pakistan also needs to incorporate sustainability behaviours, such as rigorous environmental impact assessment, water management, and land rehabilitation in tandem with the international esg standards.

At the strategic level, Islamabad needs to pursue strategic autonomy through balancing partnership: being overly dependent on China would be a sacrifice; being overly uninvolved with the US. and allies would result in insufficient diversification. It must have a hedging strategy based on using competition to negotiate superior conditions.

Washington and Beijing should seek responsible competition in Pakistan. In the case of the US., this would enhance an increased involvement, over and above Reko Diq, by means of: minerals security partnership, providing risk guarantees and capacity building of local institutions.

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