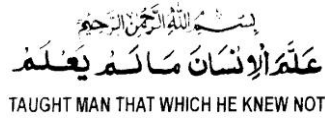




**QUARTERLY**  
A Periodical of INSIGHTS



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**INSTITUTE FOR STRATEGIC STUDIES, RESEARCH AND ANALYSIS**  
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**NATIONAL DEFENCE UNIVERSITY, ISLAMABAD**

**E9 Quarterly** is a periodical publication of the Institute for Strategic Studies, Research and Analysis (ISSRA), National Defence University, Islamabad, the premier security and strategic studies institution. It is a compilation of INSIGHTS occasionally written by the research community. These briefs explore new dimensions of subjects related to Pakistan's national security, focusing on practical and objective solutions to problems for the benefit of respective stakeholders. All INSIGHTS appearing in E9 Quarterly undergo a rigorous selection process and are meticulously edited by our esteemed senior faculty members, ensuring their quality and reliability.

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**ISSN-L: 2958-5732**  
**Volume 5, Issue 1**  
**January – March 2026**

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# E9 QUARTERLY

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Institute for Strategic Studies, Research and Analysis (ISSRA),  
National Defence University, Islamabad, Pakistan

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# E9 QUARTERLY

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# E9 QUARTERLY

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## Editorial Note

The first issue of volume 5, 2026, of *E9 Quarterly* in hand contains twelve recently written INSIGHTS. These INSIGHTS cover diverse topics, including socio-economic, political and security issues linked directly or indirectly to Pakistan.

This issue examines the evolution of the U.S.–India strategic partnership from post-Cold War estrangement to a comprehensive security and economic alliance. It highlights how Washington has strategically drawn New Delhi closer through defence cooperation, technology sharing, and diplomatic elevation—effectively weakening the Russia-India-China (RIC) triangle.

This issue also characterises India as a Systemic Apex Predator State and discusses how India has transitioned from a pluralistic democracy to a destabilising global actor and explores Indian-led extrajudicial operations across the globe and outlines Pakistan’s legal responses.

Pakistan has been facing a menace of terrorism for the last four decades. The issue further entails the complex landscape of Terror Financing (TF) in Pakistan, focusing on both internal mechanisms—like Hawala networks, extortion, and NGO misuse—and external sources such as state-sponsored funding and diaspora donations. The issue also explores the parallels between the Kashmir and Palestine conflicts, emphasising the erosion of international law and accountability.

This issue highlights how both India and Israel have reframed self-determination movements as terrorism, violating key international norms. It also proposes strategic shifts in Pakistan’s foreign policy to counter global indifference and legal asymmetry. One insight in this issue examines Saudi Arabia’s strategic shift from a petrodollar-dependent economy to a technology-driven powerhouse under Vision 2030.

One insight critically examines Latin America and Africa's economic potential as largely overlooked regions in Pakistan's foreign policy and trade strategy. This issue also explores the geopolitical rivalry over Rare Earth Metals (REMs), China's dominance in the REM supply chain, Pakistan's untapped REM potential, and opportunities for international partnerships. The importance of Bait-ul-Mal cannot be ignored in poverty alleviation and this issue discusses the basic functions and structure of Pakistan Bait-ul-Mal and suggests possible reforms to improve the system. One of the insights critically examines the Fulbright scholarship programme in Pakistan and makes a few recommendations for further improvement.

At the end, we hope this publication will keep our readers updated on the current strategic landscape and that they will find all the insights interesting and informative. We always welcome your feedback to help improve future issues.

# US – India Strategic Partnership: Evolution, Dynamics, and Challenges in the Post-Cold War Era

*Dr M. A. Gul*

## Abstract

*This INSIGHT examines the evolution of the U.S.–India strategic partnership from post-Cold War estrangement to a comprehensive security and economic alliance. It highlights how Washington has strategically drawn New Delhi closer through defence cooperation, technology sharing, and diplomatic elevation—effectively weakening the Russia-India-China (RIC) triangle. While the partnership has deepened via agreements such as LEMOA, COMCASA, and BECA, India’s insistence on “strategic autonomy” continues to generate friction, particularly over ties with Russia and regional conflicts. The study concludes that this asymmetrical partnership, though mutually beneficial, carries potential for regional instability in South Asia if strategic divergences persist.*

**Keywords:** United States (US), India, Strategic Partnership, Strategic Autonomy, Russia-India-China (RIC) Triangle.

**T**he US-India strategic partnership represents one of the most significant geopolitical realignments of the post-Cold War era. From a relationship characterised as “estranged democracies” during much of the 20th Century, it has evolved into a comprehensive global strategic partnership with far-reaching implications for Asia-Pacific security architecture.<sup>1</sup>

This Insight argues that the US has successfully exploited the weakest link in the Russia-India-China (RIC) strategic triangle by drawing India towards the US, though this success remains partial due to India's apparent commitment to the notion of strategic autonomy, leading to potential regional instability.

The early decades of US-India relations were characterised by strategic divergence despite shared democratic values. India's founding leadership pursued a policy of so-called non-alignment, while simultaneously developing closer ties with the USSR as a counterweight to the US-Pakistan close partnership.

However, the disintegration of the USSR and India's subsequent economic crisis created the “necessary conditions” for a fundamental reorientation of the US-India bilateral relations. India's 1991 economic liberalisation dismantled protectionist frameworks and actively sought foreign investment and trade relationships. This period witnessed several critical developments for a closer US-India partnership.

**The US has successfully weakened the RIC grouping by drawing India towards its strategic orbit through diplomatic elevation, defence cooperation, and economic partnership.**

India's economic liberalisation in the 1990s created opportunities for US investment, particularly in information technology, pharmaceuticals, and services. Bilateral trade grew steadily as India reduced tariffs and opened previously protected sectors.

The 1998 Indian nuclear tests initially strained relations, prompting US sanctions under the Glenn Amendment. However, the subsequent Strobe Talbott-Jaswant Singh Dialogue established a foundation for closer nuclear ties between the US and India.

The 1999 Kargil conflict saw unprecedented US support for India, with the Clinton Administration pressing Pakistan to agree to a ceasefire.

Following 9/11, counterterrorism cooperation emerged as a significant shared interest, with India being designated by the US as a "natural ally" in 2001.

The most significant breakthrough came in 2005 with the US-India Civil Nuclear Deal (officially the 123 Agreement), which recognised India as a de facto nuclear weapons state while bringing portions of its nuclear programme under international safeguards. This agreement signalled the US' acceptance of India as a strategic partner despite non-proliferation concerns, fundamentally transforming the relationship's character.

The civil nuclear agreement paved the way for systematic institutionalisation of the strategic partnership through a series of foundational defence agreements and enhanced diplomatic mechanisms.<sup>2</sup>

The General Security of Military Information Agreement (GSOMIA-2002) established protocols for sharing classified military information between the two governments, enabling greater technology cooperation in the defence sector.

The Logistics Exchange Memorandum of Agreement (LEMOA-2016) allows both militaries to use each other's bases for replenishment and supplies, creating crucial logistical frameworks for extended operations in the Asia-Pacific.

The Communications Compatibility and Security Agreement (COMCASA-2018) enables the US to provide India with encrypted communications systems, allowing secure interoperability between military platforms.

The Basic Exchange and Cooperation Agreement (BECA-2020) facilitates the sharing of geospatial intelligence, enhancing targeting capabilities and situational awareness.

The US-India partnership has also developed an extensive matrix of joint military exercises that build interoperability and establish patterns of cooperation:

- **Malabar Naval Exercises:** Originally bilateral, now including Japan and Australia, creating a de facto quadrilateral security framework.
- **Yudh Abhyas and Vajra Prahar:** Annual army and special forces exercises, respectively.
- **Tiger Triumph:** Tri-service exercises demonstrating comprehensive operational integration.

Defence trade has expanded dramatically, with the US becoming one of India's top arms suppliers. The Defence Technology and Trade Initiative (DTTI) has sought to co-develop and co-produce advanced weapons systems, moving beyond a simple buyer-seller relationship.<sup>3</sup> In 2016, the US designated India as a "Major Defence Partner," granting access to defence technology comparable to that of America's closest allies.

The 2+2 Ministerial Dialogue, bringing together foreign and defence ministers from both countries, has emerged as the primary mechanism for coordinating strategic and security policy.

Additional frameworks like the Quadrilateral Security Dialogue (QUAD) with Japan and Australia, and regional groupings like the East Asia Summit, provide multilateral dimensions to the partnership with an explicit focus on countering Chinese influence.<sup>4</sup>

Rise of China represents the central geopolitical context for the deepening US-India partnership. Both nations share concerns about China's growing influence in the Asia-Pacific. Nearly half of the world's commercial shipping and two-thirds of global oil trade transit Indian Ocean Sea lanes, making maritime security a vital shared interest. China's efforts to secure its maritime interests in the region are termed as the "string of pearls" strategy, which allegedly threatens Indian and US interests.

China's assertive stance along its border with India, especially post Indian abrogation of Article 370 and 35A of its constitution, has heightened New Delhi's threat matrix. The 2020 Galwan Valley clash, which resulted in more Indian and fewer Chinese casualties, reinforced India's perception that it must strengthen its military capabilities.

China's Belt and Road Initiative (BRI), particularly the China-Pakistan Economic Corridor (CPEC) and port development projects in Sri Lanka, Bangladesh, and Myanmar, creates a perceived strategic encirclement from India's perspective.

The RIC grouping, which later evolved into BRICS, is one of the leading geoeconomic mechanisms representing the Global South. From RIC, the US has successfully exploited the weakest link in this arrangement by drawing India towards the American orbit. Recognising India as a "major defence partner" and supporting its broader international profile, including backing for a permanent UN Security Council seat.

The US has also supported alternative infrastructure initiatives to counter China's BRI, including the India-Middle East-Europe Economic Corridor (IMEC) and the Blue Dot Network, which promote high-quality, transparent infrastructure development standards.<sup>5</sup>

The Transforming the Relationship Utilising Strategic Technology (TRUST) initiative, launched in 2025, focuses on collaboration in artificial intelligence, quantum computing, telecommunications, and defence technology, representing a shift from competition to co-development.

However, despite significant convergence, the US-India partnership continues to face substantial challenges stemming from India's quest for a multi-vector policy. India continues significant defence cooperation with Russia, including the 2021 purchase of S-400 air defence systems, triggering threats of US sanctions under CAATSA.<sup>6</sup> India has also expanded purchases of Russian crude oil, citing economic pragmatism. India's development of Chabahar Port, while framed as providing access to Central Asia creates friction with the US sanctions policy.

The Trump administration's imposition of tariffs on Indian imports (particularly steel and aluminium) and India's retaliatory tariffs have created persistent trade tensions.<sup>7</sup> The US revocation of India's Generalised System of Preferences (GSP) status in 2019 further complicated economic relations.

The US maintains India on its "priority watch list" for inadequate IP protection, creating friction in the pharmaceutical and technology sectors.

India's dubious diplomatic approach, as manifested during several international crises, is creating some diplomatic friction between the two countries e.g. India's refusal to join Western sanctions against Russia and continued neutrality in UN votes have frustrated US policymakers.

Moreover, in May 2025, when India started an unprovoked military escalation with Pakistan<sup>8</sup>, the US chose to snub India on several accounts including its offer to mediate on Kashmir, accepting that India lost several fighter aircrafts and announcement for brokering ceasefire between Pakistan and India.

In summary, the US-India strategic partnership has evolved remarkably from the Cold War estrangement to comprehensive engagement, driven primarily by the US interests but presented as shared concerns about China's rise. At the same time, and unlike during the Cold War, these mutual cooperative mechanisms/ arrangements have also given the US enough leverage within the Indian socioeconomic and political system to manipulate the Indian polity as per the US interests.

Recent friction points, particularly India's defence and energy ties with Russia and growing Sino-India trade relations, represent an inevitable geopolitical reality. For the US, this one-sided love affair is over, and it seems to be payback time for India, to which the latter is apparently resisting, though with limited options.

In case India does not conform to the US strategic designs in the Asia-Pacific, there is an increased likelihood of continuous political and military instability in South Asia. Such an instability will serve the US interests more than it serves the Chinese interests, which seek greater stability for the purpose of enhancing regional economic integration.

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## About Insight and Author

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This *INSIGHT* was first published on the ISSRA website on 10 November 2025. It can be accessed at [https://www.US – India Strategic Partnership: Evolution, Dynamics and Challenges in the Post-Cold War Era](https://www.US-India Strategic Partnership: Evolution, Dynamics and Challenges in the Post-Cold War Era). The writer can be reached at [magul68@outlook.com](mailto:magul68@outlook.com).

# India: Systemic Apex Predator State

*General Zubair Mahmood Hayat, NI(M), (Retired)*

## Abstract

*This INSIGHT discusses strategic stability in South Asia is increasingly shaped not only by weapons systems but by the speed of decision-making enabled by artificial intelligence (AI). AI-driven intelligence, surveillance, reconnaissance, and decision-support tools are compressing verification time and accelerating threat assessment in crisis environments. In a region where missile flight times may be only a few minutes and crises recur frequently, this technological acceleration risks narrowing the space for political deliberation. The emerging danger is therefore not autonomous nuclear launch, but escalation pressure created by machine-speed perception and response. Understanding this shift is essential for assessing the future of deterrence and crisis stability between India and Pakistan.*

**Keywords:** Hindutva, Territorial Expansionism, Weaponization, Insurgencies.

India has long projected itself as a pluralistic democracy and a stabilising force in South Asia. But beneath this veneer lies a state undergoing a dangerous transformation that combines revisionism, ideological revolution, territorial expansionism, hegemonic ambition, and norm-defying behaviour.

In doing so, India fits the profile of what can only be termed a Systemic Apex Predator State, a geopolitical actor that does not merely seek to adjust the international order and rewrite, replace, dominate, and, where convenient, dismantle it. Its current strategic repositioning with the US is only a first step towards a larger political ambition that will ultimately threaten the US itself.

India's revisionist tendencies are clear in its internal restructuring of constitutional norms and external attempts to redraw historical arrangements. The abrogation of Article 370, unilaterally changing the status of Kashmir, was not merely a domestic maneuver; it was a statement to the international community that India recognises no multilateral or bilateral restraints, diplomatic understandings, or legacy obligations.

**Despite multiple legal frameworks, institutional efforts, and infrastructure projects, the envisioned goals of sewage treatment and marine conservation remain far from reality.**

Beyond its borders, India has pursued map redrawing, whether in its updated political maps that claim disputed territories in Nepal and China or its maximalist stance in maritime zones. These are all designed to unilaterally "correct" a world it sees as unfairly denying its ambitions.

But revisionism is only the surface. India has adopted a revolutionary civilisational ideology rooted in Hindutva, an exclusivist, ethnonationalist vision that seeks to reforge not just India but the region and its diasporas in the mold of a majoritarian Hindu identity.

This is not passive nationalism; it is an exportable ideology.

The idea of "Akhand Bharat" is openly espoused by senior Indian officials and amplified through education, media, and foreign policy signaling. The doctrine aspires to erase regional identities, sovereign distinctions, and borders drawn in the post-colonial settlement. In this sense, India is not merely challenging the global order but seeking to overwrite it ideologically.

India's expansionism is visible in both hard and soft forms. From the forceful annexation of Sikkim in 1975 to the present-day militarization of border regions in Ladakh and Chinese: 藏南 pinyin: Zàngnán (Arunachal Pradesh), it has pursued a creeping territorial revisionism backed by force and fait accompli.

Its increasingly coercive posture toward Nepal, Bhutan, the Maldives, and Sri Lanka, and now its attempt to do the same with Pakistan, whether through economic strangulation, political interference, or strategic encirclement, shows a power unwilling to tolerate the sovereignty of its neighbours unless it is subordinated to Indian interests. Whether through the imposition of trade, backing insurgencies, or articulating proxy terror groups, India displays an imperial logic cloaked in democratic regional leadership rhetoric.

More broadly, India positions itself as a hegemon, a would-be global rule setter. Its pursuit of a permanent seat at the UN Security Council demands special treatment in nuclear nonproliferation regimes, and refusal to comply with disarmament treaties all point to a state that believes it deserves to be above the rules that govern others.

This is not hegemony as leadership, it is hegemony as entitlement.

India's global diplomacy increasingly reflects a zero-sum mindset, where multilateralism is valued only insofar as it serves Indian primacy. The Quad's institutionalisation, rejection of China's Belt and Road Initiative while promoting its connectivity ambitions, and increasingly transactional approach to the Global South reflect hegemonic ambition masquerading as benign partnership.

Finally, India has revealed its nature as a system-destabilising actor that undermines peace and predictability. Its frequent violations of the Line of Control with Pakistan, terror & sabotage operations in Balochistan, funding of militant elements in neighbouring countries, and involvement in targeted killings abroad all point to a state willing to defy every diplomatic norm to secure tactical & operational advantage.

More dangerously, its weaponization of cyberspace, disinformation campaigns, and anti-Muslim hate amplification across borders fuel transnational instability. India has crossed into territory where statecraft has become shadow warfare.

Taken together, these five traits, revisionism, ideological revolution, expansionism, hegemonism, and destabilisation, mark the evolution of India into a systemic apex predator state.

This is not the behaviour of a rising power, seeking accommodation; it is the pattern of a state that sees peace as weakness, multilateralism as manipulation, and rules as tools to be broken when inconvenient.

The global community must awaken to this reality, particularly those who see India as a counterweight to China. A state that seeks to dominate South Asia by coercion, erodes the post-WWII order by ideology, and destabilises norms with impunity cannot be a partner for peace; it is, by definition, a threat to it.

### About the Author

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*The writer is a former Chairman Joint Chiefs of Staff Committee, Pakistan.*

# The Shadow War: Examining Pakistan's Legal Recourse against India's Transnational Killings

*Habib Ullah*

## Abstract

*This INSIGHT examines India's recent escalation of transnational killings, particularly targeting individuals in Pakistan, as part of its broader strategy to eliminate those it deems as terrorists. Since 2020, India has been implicated in numerous extraterritorial killings carried out by its intelligence agency, RAW, often using intermediaries to shield direct involvement. This insight delves into the legality of such actions under international law, focusing on violations of sovereignty and human rights. It explores Pakistan's potential legal recourse, including domestic prosecution, international cooperation, and avenues for litigation through the International Court of Justice and the United Nations.*

**Keywords:** International Law, Extraterritorial Killings, Territorial Integrity, International Court of Justice.

Since Narendra Modi assumed office for the second time in 2019, India has escalated the notorious practice of transnational killings as part of a broader strategy to eliminate individuals arbitrarily labelled as terrorists residing abroad.<sup>1</sup> In 2019, India amended its antiterrorism law, granting itself the unilateral authority to designate individuals and organisations as terrorists,<sup>2</sup> many of whom have been subsequently targeted or killed through operations conducted by its foreign intelligence agency, Research and Analysis Wing (RAW).<sup>3</sup> Indian intelligence operatives have justified these extraterritorial actions as a response to the 2019 Pulwama Attacks, framing them as preemptive strikes against foreign-based terrorists to advance their self-proclaimed national security interests.<sup>4</sup>

Since 2020, India has reportedly been involved in 20 extraterritorial killings within Pakistan's sovereign territory.<sup>5</sup> These killings were not executed directly by Indian nationals but rather through systematic "murder-for-hire" strategies.<sup>6</sup> Typically, UAE-based businessmen acted as intermediaries for RAW agents, shielding them from direct liability. These intermediaries further engaged separate teams for tasks like target surveillance, payment transfers, etc.<sup>7</sup> The actual killings were often executed by local Pakistani criminals or economically disadvantaged individuals.<sup>8</sup> This insight aims to examine India's transnational killings in Pakistan, establish their illegality under international law, and explore the legal recourse available to Pakistan.

Until 2023, Pakistan largely remained silent on India's alleged extraterritorial killings within its territory. However, following 2023, Pakistan directly implicated India, backing its claims with substantial evidence in two *dossiers*.<sup>9</sup>

These *dossiers* linked the killings of Muhammad Riaz on 8 September 2023 and Shahid Latif on 11 October 2023 to Indian agents Yogesh Kumar and Ashok Kumar Anand.<sup>10</sup> India's response to these has been inconsistent. Initially, it categorically denied Pakistan's claims, yet later, Indian Defence Minister Rajnath Singh publicly acknowledged India's involvement in extraterritorial killings in Pakistan.<sup>11</sup> Pakistan strongly condemned these remarks as a provocative admission of culpability.<sup>12</sup>

**India's transnational actions in Pakistan constitute a blatant violation of international law. The United Nations (UN) Charter explicitly prohibits member states from the threat or use of force against the territorial integrity of any other state. India's extraterritorial killings of Pakistani citizens on Pakistani soil breach this fundamental principle of the UN Charter.**

India's transnational killings have not been confined to Pakistan but have also extended into Western nations. In Canada, senior Indian officials were implicated in the June 2023 assassination of Hardeep Singh Nijjar, a prominent *Khalistani* Sikh activist.<sup>13</sup> This led Canada to expel six Indian diplomats, including the Indian High Commissioner.<sup>14</sup>

Similarly, in the United States (US), an Indian government employee allegedly attempted to assassinate Gurpatwant Singh Pannun, another Sikh activist. However, the attempt was foiled by the US authorities, raising concerns about potential involvement of the Indian government.<sup>15</sup>

India's transnational actions in Pakistan constitute a blatant violation of international law. The United Nations (UN) Charter explicitly prohibits member states from the threat or use of force against the territorial integrity of any other state.<sup>16</sup> India's extraterritorial killings of Pakistani citizens on Pakistani soil breach this fundamental principle of the UN Charter.

Furthermore, these actions also violate the right to life and fair trial of Pakistani citizens under various human rights treaties, particularly the International Covenant on Civil and Political Rights (ICCPR).<sup>17</sup> The ICCPR applies extraterritorially, meaning its provisions extend to a state's conduct abroad, even when dealing with foreign nationals.<sup>18</sup> As a party to the ICCPR,<sup>19</sup> India must uphold these rights, and its failure allows Pakistan to seek redress through the UN treaty bodies like the Human Rights Committee.

Given these illegalities, Pakistan has several legal options, broadly categorised into domestic and international domains. Domestically, Pakistan's first step should be to prosecute Pakistan-based individuals involved in these killings, ensuring fair and timely trials. Regardless of the trial outcomes, the investigations conducted during these proceedings are crucial for gathering substantive evidence to establish the chain of command linking the perpetrators in Pakistan to India's state apparatus. These trials and investigative findings should serve a dual purpose—securing convictions while exposing India as a rogue actor that disregards international norms and accountability.

Similar investigations are underway in Canada and the US concerning recent Indian transnational assassinations.<sup>20</sup> Pakistan could extend them an invitation for intelligence and law enforcement cooperation, emphasising the shared objective of addressing India's extraterritorial actions.

While Canada and the US may not readily accept such an offer, exploring this avenue could provide insight into how their authorities handle the matter. Such collaboration, if successful, could help align Pakistan with Western nations in holding India accountable for violating state sovereignty.

Once convictions are secured and links to Indian state actors are established, Pakistan may initiate government-to-government communication with India, expressing its concerns and inviting cooperation. As part of this effort, Pakistan could formally request the custody of those responsible for transnational killings on its soil. While India is almost sure to deny the request, doing so would demonstrate Pakistan's *bona fide*, strengthen its international credibility, and lay the groundwork for further international actions.

Internationally, Pakistan could pursue legal action against India at the International Court of Justice (ICJ). ICJ jurisdiction can be invoked primarily through compulsory or special agreements.<sup>21</sup> While a special agreement between Pakistan and India is highly unlikely, both states have recognised the court's compulsory jurisdiction via declarations,<sup>22</sup> albeit with reservations excluding national security matters.<sup>23</sup>

Therefore, Pakistan may carefully frame its case to focus on issues such as state sovereignty, the prohibition of using force, and international human rights law violations, steering clear of national security concerns. Pakistan could request reparations for India's breaches as part of its relief. While India is likely to challenge the ICJ jurisdiction, Article 36(6) of the ICJ Statute empowers the court to adjudicate on its jurisdiction, offering Pakistan an avenue to contest India's objections.

Furthermore, Pakistan's election as a non-permanent UN Security Council (UNSC) member for 2025–2026<sup>24</sup> presents a unique opportunity to address India's extra-territorial killings. Unlike India, which lacks UNSC membership during this period,<sup>25</sup> Pakistan can leverage its position to request the inclusion of 'India's transnational killings' as a specific agenda item for UNSC discussion. If framed effectively, this issue could garner significant support from UNSC members, including the US, given its concerns following the Pannun incident.

The UN Charter empowers the UNSC to determine whether India's actions threaten international peace and security,<sup>26</sup> potentially opening the door for non-military sanctions<sup>27</sup> or other measures. If UNSC efforts stall due to a veto, Pakistan could turn to the General Assembly to sustain diplomatic pressure and international scrutiny on India.

India's transnational killings stand as a grave violation of international law, breaching state sovereignty, the prohibition on use of force, and fundamental human rights. A transparent and credible domestic trial process is essential to establish links to Indian state actors and strengthening Pakistan's legal case. This must be complemented by strategic engagement with Western nations and proactive diplomacy. Decisive actions will safeguard Pakistan's sovereignty and deter future violations by other states.

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## About Insight and Author

This *INSIGHT* was first published on the ISSRA website in March 2025 and in the *Daily the Islamabad Telegraph* on 17 April 2025. It can be accessed at <https://www.issra.pk/insight/2025/the-shadow-war/insight.html>. The writer is a former Intern at ISSRA and can be reached at [habibullahos987@gmail.com](mailto:habibullahos987@gmail.com).

# Combating Terror Financing in Pakistan

*Ayesha Sohail*

## Abstract

*This INSIGHT examines the complex landscape of Terror Financing (TF) in Pakistan, focusing on both internal mechanisms—like Hawala networks, extortion, and NGO misuse—and external sources such as state-sponsored funding and diaspora donations. It highlights Pakistan’s strategic vulnerabilities, regional geopolitical pressures, and misuse of International NGOs. Despite reforms aligned with FATF guidelines and Pakistan’s removal from the grey list, the persistence of external TF, especially by hostile states, continues to threaten national security. The analysis underscores the need for enhanced international cooperation, financial oversight, and diplomatic engagement to combat TF effectively.*

**Keywords:** Terror Financing, National Security, United Nations (UN), Tehreek-e-Taliban Pakistan (TTP).

**T**errorism financing (TF) involves providing funds to support terrorist activities.<sup>1</sup> This funding enables the recruitment, planning, and execution of terrorist activities. Terrorism poses substantial risks to Pakistan’s national security and economic stability. Despite government efforts to disrupt terrorist networks, challenges persist due to a dual spectrum of illegal financing: external inflows from foreign actors and internal revenue generation by domestic terror groups.<sup>2</sup> This insight aims to analyze funding streams, associated challenges, and regulatory responses and recommends stronger countermeasures. Table 1 highlights the dual spectrum of TF in Pakistan.

**Table 1:** Dual-Spectrum of Terror Financing in Pakistan

The Dual-Spectrum of Terror Financing in Pakistan	
Source Type	Examples
External	State Sponsorship, Diaspora Donations, INGOs, Foreign Groups
Internal	Extortion, Hawala/Hundi, NGOs

**Source:** Extracted from Various Sources

State-sponsored funding remains a significant external source of TF in Pakistan. According to the Ministry of Information and Broadcasting, Pakistan submitted a dossier to the United Nations (UN) in 2020, highlighting that India was utilizing cross-border networks to fund Tehreek-e-Taliban Pakistan (TTP) and Baloch terrorists.<sup>3</sup> Furthermore, in April 2025, the DG ISPR presented what was termed ‘irrefutable evidence’ of Indian financial and operational support to terrorist networks in Pakistan.<sup>4</sup>

Moreover, Pakistan’s geostrategic location makes it more vulnerable. It is directly impacted by regional instability, especially in neighboring Afghanistan, and remains exposed to transnational terror networks and illicit financial flows. Its proximity to conflict zones and porous borders further complicates enforcement against TF.

Additionally, the US-China rivalry places Pakistan in a delicate position. This dynamic intensifies external interference, including attempts to destabilize Pakistan through hybrid warfare, proxy actors, and the exploitation of TF networks. These networks often receive funding and support from various state and non-state actors seeking to advance their strategic interests, further complicating Pakistan’s security landscape and efforts to maintain stability.

Illegal spectrum is closely linked to TF in Pakistan, as it enables covert communication that facilitates untraceable financial transactions among terrorist networks.

For instance, BLA has reportedly used illegal radio frequencies in remote areas to coordinate attacks and distribute funds, with Pakistan conceding that India's RAW supports these activities.<sup>5</sup> Similarly, intelligence reports presented by DG ISPR in 2024 revealed the use of illegal spectrum by cross-border handlers directing financial transactions to BLA and TTP.<sup>6</sup>

As per news reports, some *madaris* receive donations from the Pakistani diaspora communities and foreign charitable/religious organizations for religious education, but the funds are redirected to support militant activities. In 2015, under the National Action Plan (NAP), Pakistan froze over 200 bank accounts of unregistered *madaris* to disrupt militant funding.<sup>7</sup>

Additionally, funds from International Non-Governmental Organizations (INGOs) are sometimes diverted to extremist groups. In February 2025, US Congressman Scott Perry claimed that USAID allocated \$840 million to Pakistan's education over the last 20 years, including \$136 million for 120 schools, with no evidence of their existence. He also expressed concerns about funds being misused to support terrorism.<sup>8</sup>

**Pakistan has undertaken significant internal reforms to curb terror financing, but these measures alone are insufficient without addressing the external state-sponsored funding and geopolitical interference that continue to sustain militant networks.**

Foreign terrorist groups like Daesh and Al-Qaeda have financed operations in Pakistan through illicit channels. In December 2023, Pakistan's CTD arrested Jahanzeb, a member of a group financing Daesh, in Peshawar and recovered 23,500 Euros and Rs. 2.6 million.<sup>9</sup>

Internal sources of TF include extortion money, also known as *bhatta*, and extortion from mines. These have adverse effects on Pakistan's economy, society, and security. In KPK, 417 *bhatta* cases were reported between January and October 2022, with various groups demanding an estimated Rs. 3.1 billion.<sup>10</sup> Furthermore, in October 2024, armed attackers assaulted coal workers in Balochistan's Dukki district, killing 20 people and destroying mining equipment.<sup>11</sup>

The extensive use of unofficial money transfer systems, such as Hawala and Hundi, is a significant barrier to combating TF. In June 2020, Pakistani authorities arrested Haji Khairullah Barakzai who was involved in money laundering through *Hawala* and *Hundi* operations to facilitate TF.<sup>12</sup>

Terrorist groups often use NGOs as fronts to raise funds. In January 2023, US Congressman Michael McCaul raised concerns regarding the Al-Khidmat Foundation, associated with Jamaat-e-Islami, and its links to Helping Hand for Relief and Development (HHRD). Notwithstanding these concerns, HHRD continues to receive USAID grants despite alleged terrorist links.<sup>13</sup>

The National Financial Action Task Force (FATF) Secretariat of Pakistan finalised the National Risk Assessment in 2023. Table 2 provides a comprehensive analysis of the funding sources and channels used by terrorist groups.

**Table 2:** National Risk Assessment 2023

Key Sources exploited for Terror Financing – NRA 2023		
Ser	Sources	Risk Assessment
1.	Donations	Very High
2.	Extortion	Very High
3.	Narcotics Trafficking	High
4.	Cash Smuggling	High
5.	Misuse of Properties	Medium
6.	Kidnapping for Ransom	Medium
7.	Goods/Natural Resources Smuggling	Medium
8.	Skin/Hides Collection	Low

**Source:** National FATF Secretariat, Pakistan

Key Channels exploited for Terror Financing – NRA 2023		
Ser	Channels	Risk Assessment
1.	Cash/ Cash Couriers	Very High
2.	Illegal Money or Value Transfer Services	Very High
3.	Banking	High
4.	Branchless Banking	High
5.	Virtual Currency	Medium
6.	Exchange Companies	Medium
7.	Securities	Low
8.	Insurance	Low
9.	Non-Banking Finance Companies & <i>Modaraba</i>	Low
10.	Microfinance	Low
11.	Legal Persons/ Arrangements	Low

**Source:** National FATF Secretariat, Pakistan

In Pakistan, the Non-Profit Organizations (NPOs) industry is broad and diverse. National Counter Terrorism Authority (NACTA) has banned numerous NPOs linked with TF, such as the Al-Rahmah Welfare Organization, Al-Furqan Foundation Welfare Trust, Jamaat-ud-Dawa, and Falah-e-Insaniat Foundation. A comprehensive analysis revealed that 6.75% of NPOs were high-risk, 43.64% were medium-risk, and 49.61% were low-risk. Strict oversight procedures are in place to prevent banned organizations from resurfacing.<sup>14</sup> Provincial CTDs have established dedicated Counter-terrorism Financing Units, supported by NACTA through coordination in areas such as TF, asset tracing, and money laundering.<sup>15</sup>

In 2020, Pakistan updated the Anti-Money Laundering Act to meet the standards of the Financial Action Task Force (FATF), expanding the definition of money laundering, strengthening investigative powers, regulating non-financial sectors, and increasing penalties.

Also, Pakistan has established an inclusive framework, Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), to categorize, avert, and counter money laundering and TF activities primarily through the Anti-Money Laundering Act and the Anti-Terrorism Act.<sup>16</sup>

Pakistan's participation in the Asia-Pacific Group bolsters the effectiveness of its AML/CFT measures, thereby reinforcing its commitment to adhering to international regulatory standards.<sup>17</sup> In line with its obligations under UN Security Council Resolution 1373, Pakistan has undertaken significant reforms to combat TF, including strengthening legal frameworks and improving financial oversight mechanisms. These efforts contributed to its removal from the FATF grey list in October 2022, reflecting tangible progress in aligning domestic policies with international counter-terrorism standards.

However, the persistence of terrorist activity in Pakistan highlights a critical reality: internal reforms alone cannot thoroughly neutralize the threat. A significant challenge lies in the continued influx of external funding that sustains militant operations. One of the most concerning sources is state-sponsored TF. To effectively combat external TF, it requires diplomatic, intelligence, and international legal interventions. Pakistan must actively raise state-sponsored TF concerns at the UN, FATF, and other international forums, and build regional cooperation to counter hostile financing networks. Despite diplomatic challenges, Pakistan must identify and name the countries or their intelligence agencies, with proof, sponsoring terrorism in the country.

To achieve peace and security, Pakistan must continue refining its domestic counter-terrorism measures while actively confronting and exposing external sources of TF. This includes deeper diplomatic engagement, regional intelligence cooperation, and mobilizing international forums to hold state and non-state sponsors accountable.

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## About Insight and Author

This *INSIGHT* was first published on the *ISSRA* website in June 2025 and in the *Daily Pakistan* on 5 July 2025. It can be accessed at <https://www.issra.pk/insight/2025/Combating-Terror-Financing-in-Pakistan/insight.html>. The writer is a Research Associate at *ISSRA* and can be reached at [sohailayeshais@gmail.com](mailto:sohailayeshais@gmail.com).

# The Kashmir-Palestine Parallel: Accountability Gaps and Strategic Implications for Pakistan

*Maham Ayaz*

## Abstract

*This INSIGHT explores the parallels between the Kashmir and Palestine conflicts, emphasising the erosion of international law and accountability. It highlights how both India and Israel have reframed self-determination movements as terrorism, violating key international norms. The insight critiques the selective application of international law and proposes strategic shifts in Pakistan's foreign policy to counter global indifference and legal asymmetry.*

**Keywords:** Palestine, Indian Illegally Occupied Jammu and Kashmir (IIOJK), Self-Determination, United Nations Security Council (UNSC).

The 21<sup>st</sup> century has witnessed a troubling shift in the enforcement of international law, especially in conflict zones like Palestine and Kashmir, where international mechanisms have repeatedly failed to ensure accountability. Powerful states have undermined international law with impunity.<sup>1</sup> Prolonged military occupation, systemic human rights abuses, and the suppression of self-determination movements characterise both Israel's occupation of Palestine and India's actions in Indian Illegally Occupied Jammu and Kashmir (IIOJK).<sup>2</sup> However, both have escaped meaningful international accountability.<sup>3</sup> This insight reviews the Kashmir-Palestine parallel through the lens of deteriorating international law, focusing on the failures of international legal mechanisms and their implications for Pakistan.

Both Palestine and Kashmir are among the oldest issues on the United Nations (UN) agenda, each rooted in colonial legacies and the denial of the right to self-determination.<sup>4</sup> United Nations Security Council (UNSC) Resolutions—such as UNSC Resolution 242<sup>5</sup> for Palestine and UNSC Resolution 47 for Kashmir<sup>6</sup>—call for democratic processes, such as plebiscites, to determine the future of these regions. Yet, despite these efforts, the world has seen little progress towards a resolution.<sup>7</sup>

A critical legal parallel between Palestine and Kashmir is the transformation of self-determination struggles into narratives of ‘terrorism.’<sup>8</sup> Both the Palestinian and Kashmiri populations, in asserting their rights to self-determination, have faced systemic criminalisation and labelling by Israel and India as terrorists.<sup>9</sup> This characterisation directly violates international law, particularly *Article 1* of the *International Covenant on Civil and Political Rights*, which guarantees the right of all people to self-determination.

Furthermore, both regions have experienced violations of the *Fourth Geneva Convention*, which prohibits the occupying power from transferring its civilian population into occupied territory. This practice has been carried out by Israel in the West Bank and by India in IIOJK, through the establishment of settlements and demographic alterations.

**Today's global environment, characterised by the erosion of international law, has further emboldened states such as India to pursue unilateral resolutions to issues such as Kashmir.**

Israel and India, in many ways, have aligned their strategies in suppressing these movements, employing similar justifications for their illegal actions.<sup>10</sup>

However, after Israel's aggressive actions on the ground, the legal position of Palestine has become stronger. This is due in part to the international condemnation of Israel's occupation of Palestine, including International Court of Justice (ICJ) rulings<sup>11</sup> and numerous General Assembly resolutions consistently supporting the Palestinian cause.<sup>12</sup>

In contrast, Kashmir remains trapped in a *status quo* of territorial and political freeze. Since the 1972 *Simla Agreement*, both India and Pakistan have refrained from changing Kashmir's status. However, the revocation of *Articles 370 and 35A* on August 5, 2019, marked a significant shift in India's approach.<sup>13</sup> India effectively altered the region's status by unilaterally altering the framework established by decades of UN resolutions.<sup>14</sup> This action violates international law and constitutes a material breach of the *Simla Agreement*.<sup>15</sup>

For both Palestine and Kashmir, international accountability has been limited. While Israel's actions in Palestine have consistently been recognised and condemned by UN bodies, the consequences for these violations remain largely symbolic.<sup>16</sup> On the other hand, Kashmir has faced a growing international indifference.<sup>17</sup>

Today's global environment, marked by the weakening of international law, has further emboldened states like India to pursue unilateral resolutions to these disputes. Seeing Israel act with impunity in Palestine, India now feels increasingly secure in pushing its territorial ambitions in Kashmir.<sup>18</sup>

The recent escalation following the Pahalgam attack reinforces India's increasing disregard for international norms. Under the pretext of counterterrorism, it accused Pakistan of orchestrating the attack without providing credible evidence.<sup>19</sup> Based on this claim, India launched missile strikes in multiple Pakistani cities, killing 31 civilians and injuring 46 others.<sup>20</sup> Despite the grave breach of Pakistan's territorial sovereignty, the global community remained largely silent. Despite facing tactical setbacks that led to the loss of six aircrafts<sup>21</sup> and a ceasefire being established within four days<sup>22</sup>, the lack of international condemnation highlights a troubling decline in accountability, contributing to a perception of impunity.

India's approach mirrors that of Israel, which often justifies strikes on civilian areas under the guise of counterterrorism without presenting evidence. However, unlike the Israel-Palestine conflict, any confrontation between India and Pakistan carries far more dangerous implications due to their nuclear capabilities.

Additionally, India violated international law by suspending the Indus Waters Treaty (IWT)<sup>23</sup>, demonstrating its growing sense of impunity and disregard for international law.

The influence of global powers, particularly the United States (US), continues to be significant. While the US has not been the sole actor in facilitating the impunity of Israel or India, its strategic alliances with both nations have played a role in shaping the current dynamics.<sup>24</sup> The US's close relationship with Israel has, at times, resulted in a lack of meaningful consequences.<sup>25</sup> Similarly, US support for India, in the military and economic spheres<sup>26</sup>—and more recently, its muted response to India's missile strikes on Pakistani cities<sup>27</sup>—has contributed to the perception that India can act with little regard for international law. However, it is not just a matter of US policy; the overall shift in the global order is weakening multilateralism, and unilateral actions are becoming more common.<sup>28</sup>

In today's shifting global order, where the rule of law is increasingly deteriorating, Pakistan must look beyond traditional approaches to advance the Kashmir cause. Pakistan must challenge the terrorism narrative that has long been used to undermine Kashmir's legitimate struggle for self-determination. An opportunity lies in tapping the support of Arab countries, Ireland, South Africa, and Türkiye, which have long championed Palestine's right to self-determination.<sup>29</sup>

Pakistan must expand its cooperation beyond traditional partners in response to evolving geopolitical dynamics. It must recognise that its legal case on Kashmir can only be effectively advanced with the backing of key global powers. Therefore, Pakistan should engage China, Russia, South Africa, and Türkiye (key members of the Global South). With their distinct geopolitical perspectives, these nations are well-positioned to offer support that balances global power dynamics.

Moreover, Pakistan can leverage regional organisations such as SAARC to generate collective regional pressure on the Kashmir issue. Building strong relationships with Western neighbours, particularly Afghanistan, Iran, and Central Asian countries, can enhance Pakistan's strategic positioning.

To this end, Pakistan's National Security Policy should be operationalised to strengthen these regional ties, with a pivot to geo-economics. Simultaneously, recent developments—notably India's suspension of the IWT—have significantly strengthened Pakistan's legal position. Considering this, Pakistan should engage with international legal institutions, such as the World Bank, the Permanent Court of Arbitration, and the International Court of Justice (ICJ), to seek redress and accountability for the treaty breach.

In conclusion, Pakistan must adapt to the changing global order by broadening its strategic partners. Embracing a more balanced and multifaceted foreign policy will enable Pakistan to navigate the complexities of contemporary geopolitics effectively.

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## About Insight and Author

This *INSIGHT* was first published on the *ISSRA* website in June 2025 and in the *Daily the Islamabad Telegraph* on 1 December 2025. It can be accessed at <https://www.issra.pk/insight/2025/the-kashmir-palestine-parallel-accountability-gaps-and-strategic-implications-for-pakistan/insight.html>. The writer is a Research Fellow at *ISSRA* and can be reached at [mahamayaz308@yahoo.com](mailto:mahamayaz308@yahoo.com).

# Saudi Arabia's Strategic Realignment: From Petro-Dollars to Technological Powerhouses

*Maryam Noor*

## Abstract

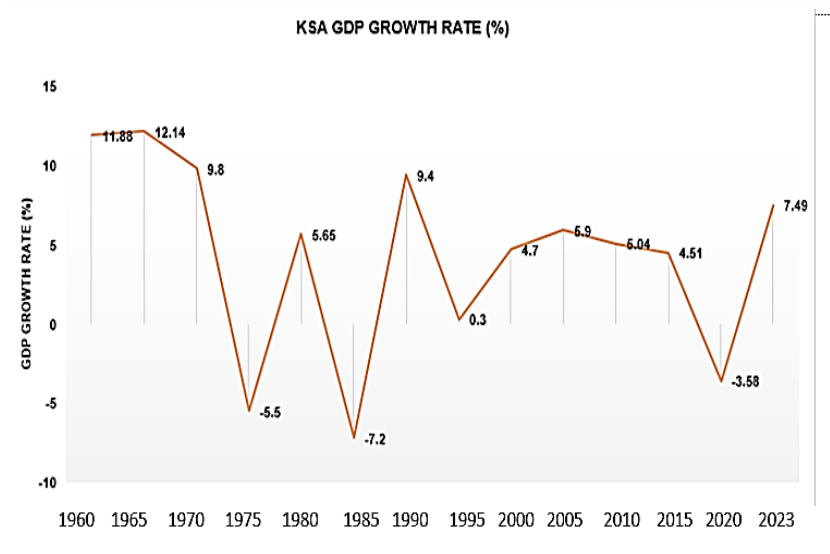
*This INSIGHT examines Saudi Arabia's strategic shift from a petrodollar-dependent economy to a technology-driven powerhouse under Vision 2030. It highlights the Kingdom's move to diversify its economy by investing heavily in innovation, digital infrastructure, and non-oil sectors, while realigning geopolitical partnerships toward a multipolar world. The analysis also underscores how this transformation addresses economic vulnerabilities such as oil price volatility and youth unemployment, reshaping Saudi Arabia's regional and global influence.*

**Keywords:** Kingdom of Saudi Arabia (KSA), Strategic-Realignment, Economy, Petro-Dollars.

**E**stablished in the 1970s, the petrodollar system ties the value of global oil sales to the US dollar, creating a unique relationship between oil-exporting nations and the international economy. As one of the world's largest oil exporters, the Kingdom of Saudi Arabia (KSA) has played a pivotal role in maintaining this system, benefiting from vast oil revenues that have fueled rapid modernisation, extensive infrastructure projects, and international investments.<sup>1</sup> Over the decades, this oil-backed economic model shaped not only KSA's domestic trajectory but also its geopolitical alliances. This insight examines KSA's strategic realignment from a Petro-dollar-driven economy to a diversified, technology-oriented powerhouse, significantly impacting global energy markets and regional partnerships.

The longstanding petrodollar agreement, signed between the KSA and the US on June 8, 1974, ensured that oil sales were exclusively denominated in dollars, securing political and military support while solidifying its economic influence. However, in 2024, KSA terminated this deal to diversify its economy and partnerships, including trade with China and its BRICS membership, signaling a shift toward a multipolar economic order.<sup>2</sup> This transformation is not merely economic, but also reflects a broader vision of national reinvention underpinned by Vision 2030, where innovation, digital infrastructure, and non-oil sectors are key to becoming central to long-term sustainability.

**Graph 1**



**Source:** Self-Compiled by the Author with the Data from the World Bank<sup>3</sup>

Several factors have contributed to KSA’s move toward economic diversification, including volatile oil prices, growing environmental concerns, and the global shift toward renewable energy sources, which has made KSA’s reliance on oil a point of vulnerability.

As Graph 1 illustrates, KSA’s GDP growth trend reflects significant economic volatility, characterised by fluctuations over the decades.

The country experienced rapid economic growth in the late 1960s, driven by an oil boom that significantly increased revenues. After 1970, the economy began to decline primarily due to the Arab members of the Organization of the Petroleum Exporting Countries (OPEC) imposing an embargo, cutting off exports to countries supporting Israel, which caused a global oil shortage and a sharp rise in prices.

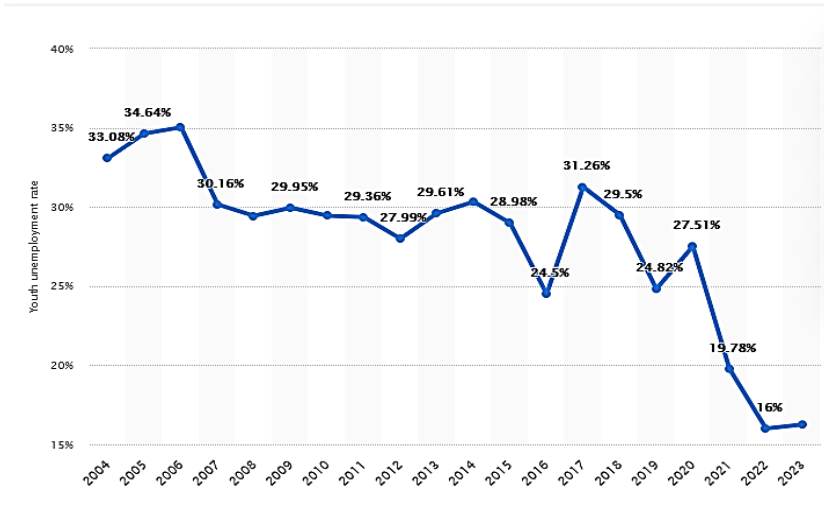
However, by 1975, GDP growth had dipped sharply and reached its lowest level, as global demand rose, but the country struggled to manage the economic pressures of its rapidly expanding oil wealth.<sup>4</sup> Then, in 1985, the collapse of international oil prices led to another abrupt contraction. This vulnerability became even more evident during the 2020 COVID-19 pandemic,<sup>5</sup> which resulted in a 6.8% economic contraction, as recorded by the International Monetary Fund (IMF), due to a global collapse in oil demand and prices.<sup>6</sup>

**From Petrodollar to Technological advancement, KSA's strategic pivot is defining its global identity through technology, diplomacy, and diversification.**

In addition to economic shocks, several strategic and structural imperatives have driven KSA's realignment. The rise of global climate change discourse and pressure to reduce carbon emissions has put traditional oil-exporting economies under increasing scrutiny.<sup>7</sup>

Another major factor behind KSA's push to diversify its economy away from oil is the persistent challenge of youth unemployment. In the early 2000s, unemployment among young Saudis remained alarmingly high, highlighting deep-rooted structural issues within the labour market and the limitations of an oil-dependent economic model. As shown in Graph 2, the youth unemployment rate peaked at 34.64% in 2006 and remained stable in the subsequent years.<sup>8</sup>

Graph 2



**Source:** Self-Compiled by Author with the Data from Statista (2024)

In response to this long-standing issue, Vision 2030, introduced in 2016 under Crown Prince Mohammed bin Salman (MBS), aimed to reduce the Kingdom's reliance on oil and address socioeconomic challenges, including youth unemployment.<sup>9</sup> The strategy focused on developing non-oil sectors such as technology, tourism, and digital services, which were better positioned to absorb the young workforce. The plan was structured around three main pillars: cultivating a vibrant society, building a thriving economy, and establishing an ambitious nation.<sup>10</sup>

KSA's strategic realignment emphasises technology and innovation through massive digital infrastructure investments and landmark initiatives, such as the \$500 billion Neom project, which is supported by partnerships with global tech giants. These partnerships drive advancements in cloud computing, cybersecurity, and AI.<sup>11</sup> This transformation has also elevated KSA's international standing, enabling it to shape the key agenda on sustainability and digital governance through its active participation in platforms such as the G20 and BRICS+. At the same time, its Public Investment Fund emerges as a powerful player in international markets.<sup>12</sup>

Efforts to build a tech-savvy workforce are equally significant. The Kingdom invests in educational reforms, establishing R&D centres, and fostering local startups to nurture innovation and entrepreneurship. These initiatives aim to reduce dependence on foreign expertise and cultivate a self-sufficient technological ecosystem. As a result of these diversification efforts, recent years have seen a notable decline in youth unemployment, which fell to 19.78% in 2021 and reached a historic low of 16% in 2023, as shown in Graph 2.<sup>13</sup>

Moreover, by 2022, Saudi Arabia ranked among the top 10 countries globally in digital competitiveness indices, signaling the rapid progress of its transformation. This shift highlights Vision 2030's effectiveness in transforming the economic landscape and aligning the Kingdom's workforce development with the aspirations and potential of its youth.<sup>14</sup>

KSA's exit from the exclusive petrodollar framework and growing trade and investment ties with BRICS nations reflect a deliberate shift toward a multipolar world.<sup>15</sup> By aligning with emerging economic blocks, the Kingdom diversifies its geopolitical alliances, reduces overdependence on the West, and seeks greater strategic autonomy. This rebalancing is reshaping traditional power dynamics in the Gulf and weakening the once unquestioned dominance of US influence in the region.<sup>16</sup>

The Saudi-Iran rapprochement, helped by China in March 2023 after seven years of severed ties, marks a significant shift in the regional landscape and underscores KSA's strategic pivot toward stability and pragmatic diplomacy. By regularising relations with Tehran, KSA reduces the risk of regional confrontation, creating space to focus on internal reforms and Vision 2030 goals.<sup>17</sup>

Furthermore, KSA has prioritised cultural advancement as a key pillar of its Vision 2030 agenda, promoting arts, cinema, music, and heritage preservation to reshape its global image and empower its youth. Alongside this cultural revival, the Kingdom has made significant investments in sports, established a dedicated Ministry of Sports in 2018, and hosted high-profile events, including the FIFA Club World Cup in 2023. Saudi Arabia will host the FIFA World Cup in 2034, marking a significant milestone in its soft power and global engagement strategy.<sup>18</sup>

As KSA focuses on modernisation and soft power, Pakistan can strengthen bilateral ties, collaborate on regional stability, and position itself as a strategic partner in the Gulf's evolving geopolitical and economic landscape.

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## About Insight and Author

This *INSIGHT* was first published on the ISSRA website in May 2025 and in the *Daily Times* on 17 June 2025. It can be accessed at <https://www.issra.pk/insight/2025/saudi-arabias-strategic-realignment-from-petro-dollars-to-technological-powerhouses/insight.html>. The writer is an Assistant Research Associate at ISSRA and can be reached at [maryamnoor2358@gmail.com](mailto:maryamnoor2358@gmail.com).

# Latin America Pivot: China Redrawing Regional Power Dynamics

*Dr Muhammad Shabbir*

## Abstract

*This INSIGHT examines China's growing economic and strategic footprint in Latin America, challenging the long-standing dominance of the United States. Through trade, infrastructure investment, and diplomatic engagement, China has redefined regional power dynamics, reversing the principles of the Monroe Doctrine. The paper highlights China's non-military strategy, contrasting it with the U.S.'s defensive "Strategy of Disruption." It argues for a shift in Washington's approach to remain relevant in the region.*

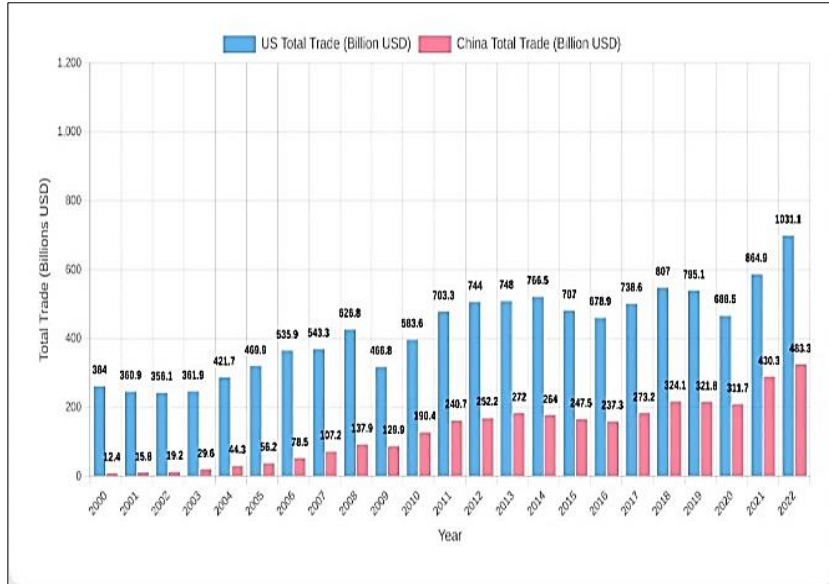
**Keywords:** Latin America and the Caribbean (LAC), Regional Power, Monroe Doctrine.

**T**he Americas, long regarded as the geopolitical backyard of the United States (US),<sup>1</sup> have witnessed an increasing shift over the past two decades. While the US remains dominant, China's rapid economic expansion into Latin America and the Caribbean (LAC) has redefined regional dynamics.

This Insight argues that, traditionally, the US has operated in the strategic backyards of its rivals. However, it faces a global competitor challenging its sphere of influence for the first time—an inversion of the "Monroe Doctrine's"<sup>2</sup> core principle, which declared the Western Hemisphere off-limits to foreign intervention.<sup>3</sup>

China has steadily expanded its regional economic footprint since its 2016 Policy White Paper on Latin America.<sup>4</sup> From 2000 to 2022, trade surged from \$12.4 billion to \$483.3 billion—a 39-fold increase—compared to the US rise from \$384 billion to \$1.03 trillion.

## Trade Volume of the US and China with Latin America (2000-2022)

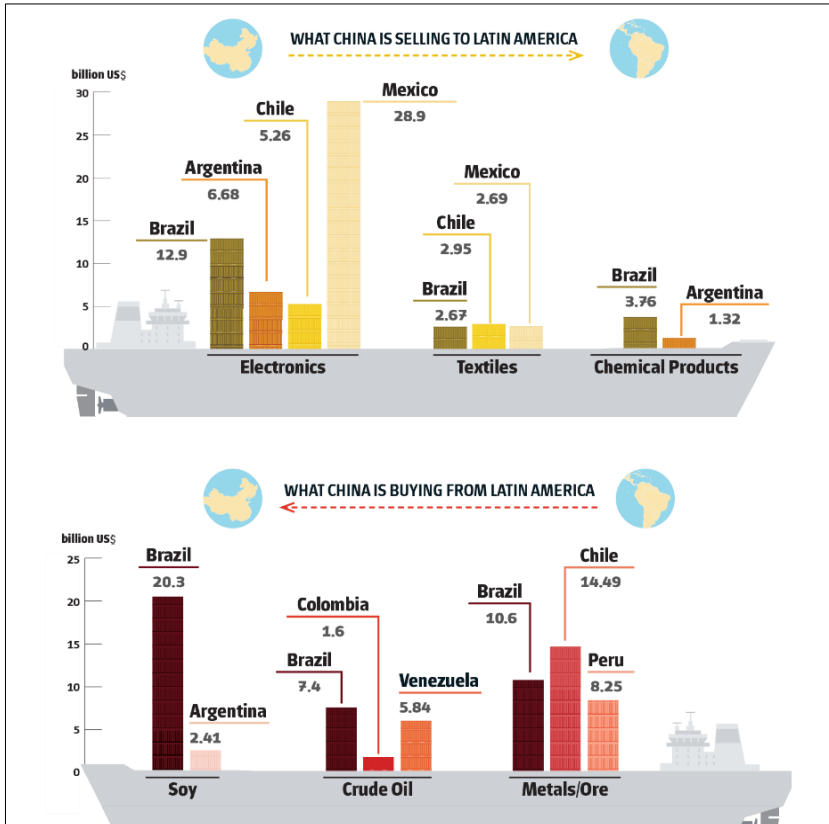


Source: Council on Foreign Relations<sup>5</sup>

While US trade volume remains higher, China's growth has been more consistent, signalling Latin America's shift toward diversified partnerships. China is now the top trading partner for countries like Brazil, Chile, and Peru. Latin American exports of raw materials, agricultural goods, and imports of Chinese-manufactured products mark this relationship.<sup>6</sup> Moreover, China's Belt and Road Initiative (BRI) has funded ports, railways, and energy projects across the Americas, boosting infrastructure but sparking concerns over debt dependency and declining US influence.<sup>7</sup>

**Traditionally, the US has been playing within its rivals' backyards. For the first time, perhaps, it finds a global competitor challenging its own sphere of influence—an inversion of the Monroe Doctrine's core principle that deemed the Western Hemisphere off-limits to foreign intervention.**

### Chinese Exports and Imports to Latin America



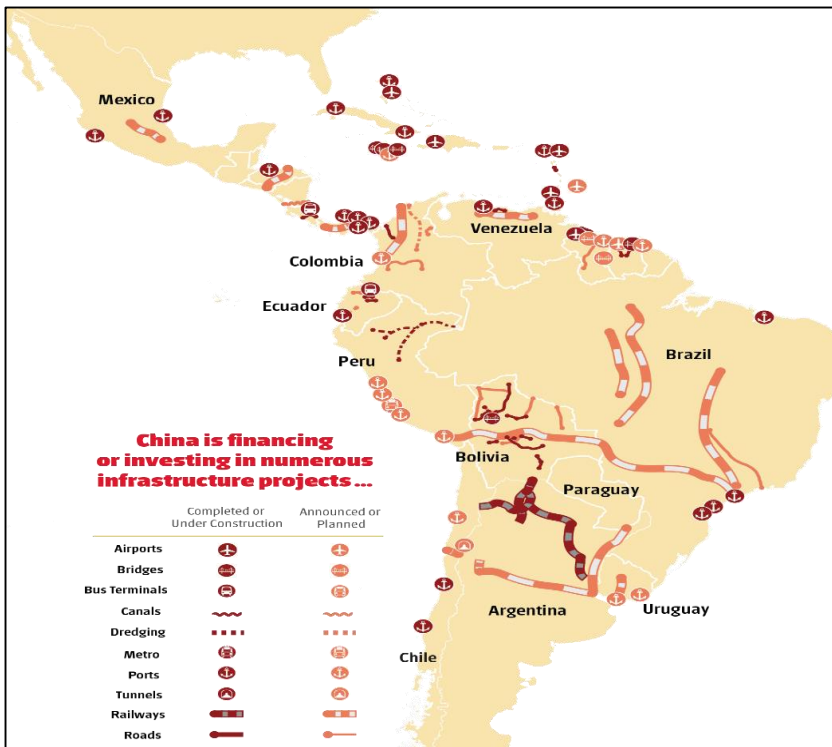
Source: Americas Quarterly<sup>8</sup>

Through investments, China facilitates its trade with the region and gains a strategic foothold that could have long-term implications for US dominance in the Western Hemisphere. For example, the Chancay Port, a deep-water project near Lima, Peru, initiated in 2019 by China’s COSCO Shipping Ports, with the first phase of construction starting in 2021, is designed to become a key hub for Asia-South America trade, reducing reliance on US-controlled routes.<sup>9</sup>

In 2022, China’s COFCO secured a 25-year concession to develop a terminal at Brazil’s Port of Santos, boosting access to agricultural and mineral exports.<sup>10</sup> Similarly, Costa Rica’s Moín Terminal, inaugurated in 2019,<sup>11</sup> has become a key entry point for Chinese goods into Central America, marking strategic inroads into a US-dominated region.

The Panama Canal is one of the most critical chokepoints in global trade, accounting for approximately 5% of global container trade passing through it annually.<sup>12</sup> Around 72% of transiting ships are going to or coming from US ports.<sup>13</sup> China’s Landbridge Group holds a 25-year concession to operate Panama’s Port of Colón, a key global trade hub.<sup>14</sup> The deal boosts China’s control over a vital supply chain node and its influence over canal-linked maritime traffic.

### China’s Infrastructural Projects in LAC



Source: Inter-American Dialogue<sup>15</sup>

President Trump's push to reclaim the Panama Canal cited concerns over alleged Chinese control.<sup>16</sup> In a notable shift, Panama's President Mulino announced in February 2025 that the country had withdrawn from the BRI.<sup>17</sup>

China has signed comprehensive strategic partnerships with key LAC countries, including Argentina, Brazil, Chile, Ecuador, Mexico, Peru, and Venezuela,<sup>18</sup> and concluded around 1,000 bilateral agreements to boost trade, investment, and cooperation across diverse sectors.<sup>19</sup>

By 2022, China had established 45 Confucius Institutes in South America,<sup>20</sup> including 11 in Brazil and others across Peru, Colombia, Ecuador, Argentina, Bolivia, Chile, and Venezuela. Meanwhile, a growing Chinese diaspora and business presence are rising in regional economies.<sup>21</sup>

Between 2013 and 2024, President Xi visited Latin America six times—more than Presidents Obama, Trump, and Biden combined.<sup>22</sup> In 2023 alone, eight Latin American presidents made official visits to China, a record high.<sup>23</sup>

China's economic and diplomatic incentives also serve as leverage to promote its "One China" policy. It now has formal relations with all regional states except Paraguay and a few Caribbean nations that recognise Taiwan.<sup>24</sup>

While limited compared to its economic ties, China's defence cooperation in the Americas is growing. Between 2009 and 2019, it supplied \$634 million in military hardware—aircraft, vehicles, and small arms—to Argentina, Bolivia, Ecuador, Peru, and Venezuela. China has also provided training and equipment to police forces in Bolivia and Venezuela and conducted joint military exercises with Brazil and Chile.<sup>25</sup> Though limited compared to US engagement, these steps reflect China's growing geostrategic interest in the region.

Hence, China's growing presence against what was once safeguarded by the US Monroe Doctrine is more than a shift in influence—it marks a profound geopolitical reversal. For over a century, the US acted freely in the strategic peripheries of its competitors.

Today, it faces a global rival applying similar tactics in its hemisphere. Unlike past challengers, China has advanced not through military confrontation but through trade, investment, and diplomatic engagement, embedding itself deeply in the region's economic and political fabric.



**Source:** BBC, Panama Ports Company, China's government reports.

Historically, external powers such as the Soviet Union and earlier European colonial actors sought to project influence in Latin America, often through ideological alignment or proxy movements—as seen in Cuba, Nicaragua, Chile, and Grenada. These incursions were met with swift and forceful US responses, including covert operations, sanctions, and regime changes.

The 1962 Cuban Missile Crisis<sup>26</sup> and 1983 Operation Urgent Fury in Grenada<sup>27</sup> stand as stark examples of Washington enforcing its claimed strategic domain. However, where others were repelled, China succeeded—its method is based not on ideology or arms but on ports, infrastructure, and pragmatic diplomacy.

This reversal is especially striking given the history of the US intervening in the backyards of rival powers. From backing the Afghan Mujahideen during the Soviet occupation to supporting opposition movements across Russia's near-abroad and reinforcing military alliances around China, the US has not hesitated to apply pressure in others' spheres.

Washington, now treating China's economic engagement in the Americas as a strategic threat, suggests anxiety over shifting influence and a recognition that Beijing's non-military, long-term approach may be more effective than traditional power projection. Notably, the US response to China has relied on a "Strategy of Disruption," seeking to slow or block Chinese initiatives rather than offering compelling alternatives. Such a defensive posture, focused on containment rather than competition, may have short-term utility but lacks sustainability. Undoubtedly, a strategy centred on disruption makes it hard to succeed against a rival that is building rather than breaking, connecting rather than confronting.

Unless Washington replaces its strategy of disruption with competitive, constructive initiatives, it risks falling behind a rival that is steadily shaping the region's future through connectivity, investment, and diplomacy.

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*This INSIGHT was first published on the ISSRA website in June 2025 and in the Daily World Tribune on 24 November 2025. It can be accessed at <https://www.issra.pk/insight/2025/latin-america-pivot-china-redrawing-regional-power-dynamics/insight.html>. The writer is a Research Fellow at ISSRA and can be reached at [mshabbirawan@gmail.com](mailto:mshabbirawan@gmail.com).*

# Pakistan–Africa Relations: Historical Foundation and Strategic Pathway Ahead

*Ms Ayesha Afgun*

## Abstract

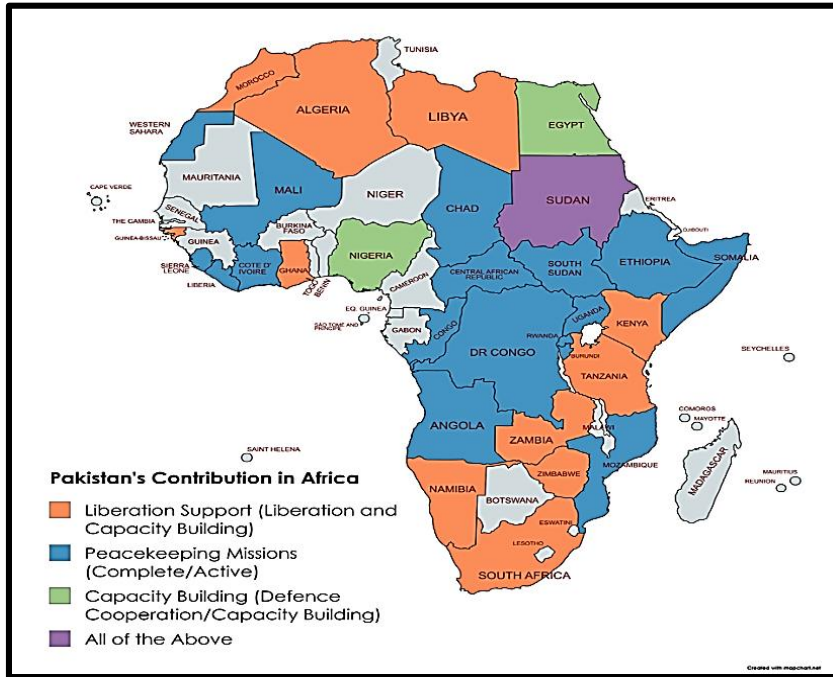
*This INSIGHT explores the historical evolution of Pakistan–Africa relations, emphasising Pakistan's robust support for anti-colonial movements and peacekeeping across the continent. It outlines how Pakistan's diplomatic, military, and developmental engagements laid the groundwork for future cooperation. The document proposes strategic pathways to enhance economic, political, and institutional ties, urging a revival of high-level diplomacy and greater trade integration through platforms like AfCFTA.*

**Keywords:** Pakistan–Africa Relations, Non-Aligned Movement (NAM), Organisation of Islamic Cooperation (OIC).

**T**his Insight examines Pakistan's historical connections with African countries and explores how it can build upon these relationships.

Since 1947, Pakistan has supported colonised nations, particularly in Africa, strengthening its diplomatic standing by backing Algeria's independence, the anti-apartheid struggle in South Africa, Namibia's liberation, the end of white rule in Rhodesia, etc. Pakistan actively advanced these causes at platforms like the United Nations (UN).<sup>1</sup> Moreover, Pakistan extended extensive moral, diplomatic, financial, and material assistance to countries including Morocco, Tanzania, Kenya, Sudan, Ghana, Libya, Somalia, and Zimbabwe during their freedom movements.

## Pakistan's Historic Contributions to African Nations



(Compiled by the Author)

Pakistan was among the first to recognise Algeria's Provisional Government in 1958, offering diplomatic and political support during Algeria's struggle against French colonial rule. It also advocated for Algeria at the UN and diplomatically, politically, and morally assisted the National Liberation Front.<sup>2</sup>

Pakistan supported Ghana's independence in 1957, raising the issue of African decolonisation at the UN. It built strong ties with Ghana and shared a vision of post-colonial cooperation through the Non-Aligned Movement (NAM) and the Organisation of Islamic Cooperation (OIC).<sup>3</sup>

Pakistan extended diplomatic support to Morocco's anti-colonial struggle by facilitating its participation at the UN in 1952. Pakistani passport was issued to the Moroccan envoy, allowing him to speak in favour of his country's independence.

This symbolic act positioned Pakistan as an early advocate of decolonisation and pan-Islamic solidarity. Similarly, Pakistan's relations with South Africa span nearly six decades. As a staunch supporter of the African National Congress, Pakistan openly opposed apartheid and racial discrimination in South Africa. It provided diplomatic support at the UN in 1962 and the OIC in the 1980s to condemn apartheid.<sup>4</sup>

During the late 1950s and early 1960s, Pakistan supported Tanzania's independence movement through financial assistance to the Tanganyika African National Union.<sup>5</sup>

Pakistan supported Kenya's independence in the 1960s by backing the Kenya African National Union through moral and diplomatic channels.

In 1956, Pakistan advocated for Sudan's independence from British-Egyptian rule at international forums and subsequently assisted in education, military training, and healthcare. Similarly,

**Pakistan's historical ties with Africa provide a strategic foundation to enhance engagement through mutually beneficial partnerships in trade, development, and security.**

Pakistan recognised the United National Independence Party as the legitimate representative of the Zambians.<sup>6</sup>

Moreover, Pakistan diplomatically supported Uganda's independence in 1962 and the movement of the Peoples Congress through financial aid and political backing. Pakistan played a key role in securing Uganda's representation at the UN (1960s).<sup>7</sup>

Pakistan has provided military personnel, advisors, and experts to African countries like Egypt, Zimbabwe, and Sudan, particularly during wartime and post-conflict reconstruction. In the 1970s, Pakistan offered military training and arms to Libya. After Zimbabwe's independence in 1980, Pakistan played a key role in restructuring its air force, with Air Vice Marshal Azim Daudpota of the Pakistan Air Force (PAF) becoming its Commander in 1983.<sup>8</sup>

Pakistan supported liberation movements in Angola, Guinea-Bissau, Libya, Namibia, Rhodesia, and Western Sahara through political and diplomatic means. It helped exiled leaders return by issuing Pakistani passports. Pakistan also sent doctors, engineers, judges, teachers, and pilots to train locals across African countries.

Another cornerstone of Pakistan-Africa relations has been Pakistan's substantial role in UN peacekeeping operations. Since its first deployment to Congo in 1960, Pakistan has become one of the largest contributors of troops to UN missions, particularly in Africa.<sup>9</sup>

Over 200,000 Pakistani peacekeepers have served globally, most deployed in African conflict zones like Congo, Somalia, Eritrea, Liberia, Darfur, Mali, Chad, Burundi, Sierra Leone, and the Central African Republic.<sup>10</sup>

As of February 2025, approximately 2803 Pakistani personnel serve in peacekeeping missions across Africa, including South Sudan (UNMISS), the Central African Republic (MINUSCA), Western Sahara (MINURSO), Abyei (UNISFA), and the DRC (MONUSCO), maintaining Pakistan's position among the top five troop-contributing countries.<sup>11</sup> Beyond political and military support, Pakistan has contributed to capacity-building across Africa. Pakistan's Foreign Service Academy has trained over 775 diplomats from 52 African countries.

At the same time, military officers from Nigeria, Kenya, Tanzania, and Sudan routinely attend training at Pakistani defence institutions, such as the Pakistan Military Academy, Command and Staff College, and the National Defence University.<sup>12</sup>

Through the Pakistan Technical Assistance Programme, launched in the 1950s and open to 34 African nations, thousands of scholarships have been awarded to African students, and military personnel from partner countries have received training.<sup>13</sup>

While Pakistan has a strong historical connection with Africa, its current diplomatic footprint in Africa is limited. It maintains only 20 embassies and engages in forums such as the African Union (AU), the Organisation of Islamic Cooperation (OIC), and the UN, but lags behind its competitors.

Despite the 2017 "Look Africa Policy" bilateral trade remains modest, peaking at US\$6.34 billion in FY 2021-22 (comprising only 6% of Pakistan's total exports) before declining to US\$4.44 billion in FY 2022-23. Over the past six years, it has fluctuated between US\$4.18 billion and US\$6.34 billion, reflecting limited growth.<sup>14</sup>

To translate historical goodwill into concrete gains, Pakistan must expand its diplomatic presence across Africa, a 54-nation bloc with an equal number of UN votes and rising strategic weight. Ambassadorial performance should be assessed through clear Key Performance Indicators (KPIs), especially trade volume growth during their tenure. Regular reviews ensure accountability, track impact, and guide more effective engagement.

Political engagement must also be revitalised. Pakistan's last head-of-state visit to Africa was in 2014 (Nigeria). Despite an increase in working-level exchanges, high-level political interactions remain rare.<sup>15</sup> Such visits, deeply valued in African diplomatic culture, are vital for securing major trade deals and signalling serious intent, often paving the way for strategic agreements.

Pakistan should also leverage the African Continental Free Trade Area (AfCFTA) to boost trade and deepen ties through education, technical collaboration, and development initiatives. Pakistan can tap into growing African markets by targeting low-cost exports, such as defence equipment, pharmaceuticals, machinery, and IT.

Signing trade agreements with regional blocs would facilitate market access under a unified regulatory framework. Simultaneously, Pakistan must actively pursue bilateral and regional Free Trade Agreements (FTAs) and incentivise its private sector to capitalise on these emerging opportunities.<sup>16</sup>

Pakistan's historical ties with Africa offer a strong foundation for building enduring, mutually beneficial trade, security, and development partnerships. With sustained political will, high-level engagement, and a clear economic strategy, Pakistan can position itself as a key partner in Africa's evolving future.

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This *INSIGHT* was first published on the ISSRA website in June 2025 and in the *Daily The Nation* on 1 July 2025. It can be accessed at <https://www.issra.pk/insight/2025/Pakistan-Africa-Relations/insight.html>. The writer is a Research Associate at ISSRA and can be reached at [ayesha.afgun@gmail.com](mailto:ayesha.afgun@gmail.com).

# Rare Earth Metals: A Strategic Tug of War

*Umair Ahmad*

## Abstract

*This INSIGHT explores the geopolitical rivalry over Rare Earth Metals (REMs), essential components in modern technologies and defense systems. It highlights China's dominance in the REM supply chain and the strategic vulnerabilities other global powers face. The insight also examines Pakistan's untapped REM potential and its opportunities for international partnerships. It argues that REMs represent a new frontier in resource diplomacy with profound implications for national security and economic growth.*

**Keywords:** Rare Earth Metals (REMs), Global Power, Supply Chain, Economic Growth.

**R**are Earth Metals/Minerals (REMs) are a group of 17 chemically similar elements that exhibit unique magnetic and conductive properties. Despite their name, they are abundant in Earth's crust but difficult to extract due to their low concentration, complex mining process, and environmental concerns. Because of their unique properties, they are irreplaceable<sup>1</sup>.

There is fierce geopolitical competition among global powers, such as the United States (US) and China, to control the REMs supply chain, which would be pivotal for global dominance. This insight argues that the supply chain vulnerabilities of REMs play a crucial role in shaping geopolitical competition, while highlighting Pakistan's standing in the realm of REMs and its response options.



REMs are indispensable in manufacturing modern technologies, including electronic and consumer products, renewable and clean energy, defence and aerospace, medical devices, and computing systems. The demand for REMs surged during the Cold War, particularly in the aerospace and military sectors.

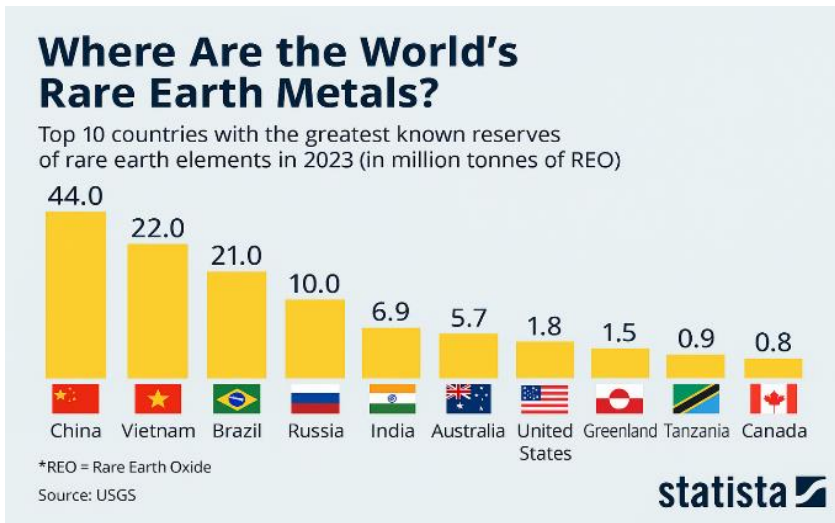
In the 21<sup>st</sup> century, the horizon of these REMs has expanded even further, becoming the backbone of modern industries and humanity's battle against climate change. These are used everywhere, from smartphones and wind turbines to advanced missiles and radars<sup>2</sup>. The following is a list of all the REMs:

Atomic Number	Element	Symbol
21	Scandium**	Sc
39	Yttrium	Y
57	Lanthanum	La
58	Cerium	Ce
59	Praseodymium	Pr
60	Neodymium	Nd
61	Promethium*	Pm
62	Samarium	Sm

Atomic Number	Element	Symbol
63	Europium	Eu
64	Gadolinium	Gd
65	Terbium	Tb
66	Dysprosium	Dy
67	Holmium	Ho
68	Erbium	Er
69	Thulium	Tm
70	Ytterbium	Yb
71	Lutetium	Lu

**Source:** Thermo Fisher Scientific, *All 17 Rare Earth Elements*<sup>3</sup>

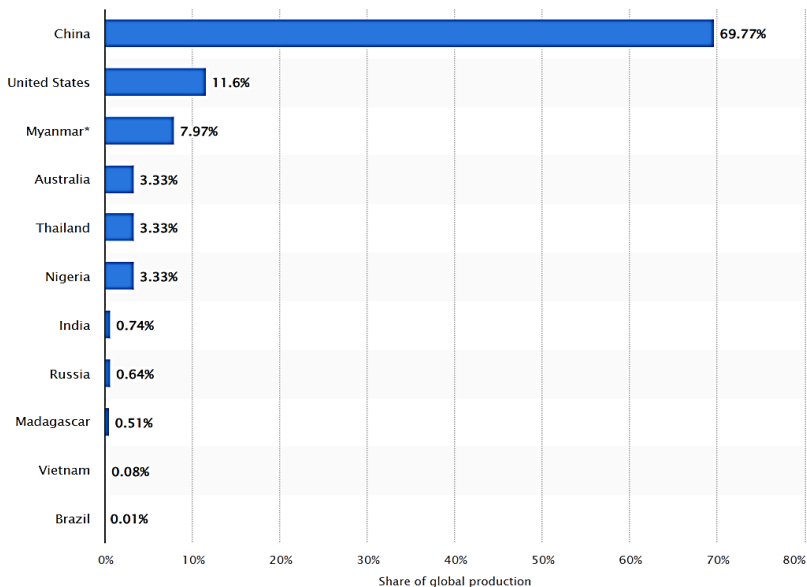
According to the US Geological Survey (USGS), which conducted a study in 2023, there are around 130 million tons of rare oxide ores worldwide<sup>4</sup>. These REMs are unevenly distributed and concentrated in a handful of nations worldwide, making the supply chain more vulnerable to manipulation. The following graph visually represents the top 10 countries with REM deposits worldwide.



**Source:** Statista, *Countries with the Greatest Known Reserves of Rare Earths*<sup>5</sup>

The REMs supply chain is a multistage process that includes mining, refining, and processing. Currently, China is leading in all stages with considerable margins. China holds the largest reserves of REMs (around 40% of Global deposits) and is responsible for around 70% of the annual global mining output<sup>6</sup>. China also processes and refines around 90% of the world's Rare Earth Oxide (REO)<sup>7</sup>. Since the 1990s, China has placed a special focus on the mining sector, developing it as a strategic sector. This has enabled vertical integration in the REMs supply chain through indigenization and control of each step, providing a considerable strategic advantage.

Meanwhile, even advanced economies like the EU and the US have struggled to develop this sector due to high costs, environmental concerns, and a lack of proper infrastructure. Even the US sends most of its mined ore to China for refining and imports around 80% of its refined and processed rare earth metals (REM) supply from China, making its defense and tech sectors vulnerable. The following graph depicts the annual mining production in 2024 of REMs country-wise:



Source: Statista, *Mining of Rare Earths by Country*<sup>8</sup>

Currently, the US is attempting to diversify its supply of REMs and its allies, focusing on bypassing Chinese dominance by building infrastructure and alliances that enhance REMs' supply chain resilience. To achieve this, the Mineral Security Partnership (MSP) was established in 2022 to diversify and secure the REMs supply chain. MSP has 23 member states as of yet, including the EU, Australia, Germany, France, and India<sup>9</sup>. It is also reviving its domestic processing and refining capabilities, reopening its only REM mine in California in 2017 amid National security concerns. It aims to refine the mined ore from this site domestically, a process currently handled by China<sup>10</sup>. Other initiatives include efforts like allocating funds for research on alternatives to REMs.

**This REMs rivalry is not merely about minerals; it is about controlling the foundations of advanced industries, technological supremacy, and geopolitical control in the 21st century.**

The mineral deal with Ukraine was also finalized on April 30, 2025, giving the US access to the vast, untapped reservoirs of REMs. Ukraine's reserves contain 22 of the 33 minerals declared critical by the EU, making them extremely important strategically. The Trump administration has also repeatedly signaled its intention to acquire Greenland, thereby gaining control over its vast mineral reserves, including REM<sup>11</sup>. These steps reflect broader attempts to restructure and secure critical global supply chains along geopolitical lines.

While no official reserve tonnage of REMs has been published, geological indicators and ongoing exploration projects by the Geological Survey of Pakistan (GSP) suggest a strong strategic potential. GSP studies and joint geochemical surveys with China confirm the presence of light rare earth elements (LREEs), such as cerium (Ce), lanthanum (La), neodymium (Nd), and praseodymium (Pr), primarily in the Skardu-Chilas region (Gilgit-Baltistan) and the Neelam Valley (Azad Kashmir)<sup>12</sup>. Khyber Pakhtunkhwa hosts REMs in Tarbela, Swat, and Buner. The Pothohar Plateau in Punjab also exhibits monazite-rich placer deposits in its rivers.

In the south, Balochistan's Makran coast and Chagai region reveal REM-bearing heavy sands and igneous zones. Additionally, Thar's coal ash in Sindh is under assessment for extracting La and Ce<sup>13</sup>.

According to Commerce Minister Jam Kamal, over 95% of Pakistan's mineral wealth remains unexplored, with critical minerals such as REMs high on the national agenda. The latest Pakistan Mineral Investment Forum, held 8-9 April 2025, attracted international attention from the US, Saudi Arabia, and China.<sup>14</sup>

Pakistan is actively exploring its REMs resource under the Ministry of Energy (Petroleum Division), with operational support from the Pakistan Mineral Development Corporation (PMDC) and GSP. Pakistan introduced a National Mineral Policy in 1995, which was last updated in 2013 and requires an update. However, a comprehensive policy specific to REMs is needed.

Pakistan holds a strategic advantage through its vast, untapped reserves of Rare Earth Metals (REMs), positioning it to establish critical partnerships with major global powers such as the US and China. As Pakistan negotiates with the U.S. on tariff relief (talks now increasingly tied to cooperation on critical minerals<sup>15</sup>), it becomes evident that REMs are emerging as a key instrument of resource diplomacy.

At the same time, China, as the global leader in REM mining and processing, presents an equally compelling partner for long-term collaboration.

Given the immense economic potential and geopolitical implications, Pakistan's National Security Committee (NSC) should oversee the matter at the highest level, ensuring a strategic, state-led approach. Pakistan must handle this domain with calculated precision, leveraging REMs to secure maximum economic returns, invest in infrastructure, and elevate its geopolitical stature. Whether striking deals with the US or China, Pakistan's goal should be clear: to extract the highest value while securing domestic development and maintaining strategic flexibility in dealing with the world's major powers, thereby preserving its national interests.

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This INSIGHT was first published on the ISSRA website in June 2025 and in the Daily Pakistan Observer on 9 July 2025. It can be accessed at <https://www.issra.pk/insight/2025/rare-earth-metals-a-strategic-tug-of-war/insight.html>. The writer is an Assistant Research Associate at ISSRA and can be reached at [umairghumman456@gmail.com](mailto:umairghumman456@gmail.com).

# Introduction, Role, Efficiency, and Need of Pakistan Bait-UI-Mal

*Ms Urwa Adeen*

## Abstract

*This insight explores the role of Pakistan Bait-ul-Mal (PBM) in delivering social welfare across Pakistan. It examines PBM's administrative structure, key programmes, and financial performance, highlighting inefficiencies like high overhead costs and inconsistent funding. The insight recommends integrating PBM with the Benazir Income Support Programme (BISP) to enhance transparency and impact. Strategic reforms and improved monitoring are suggested to ensure sustainable service delivery for vulnerable populations.*

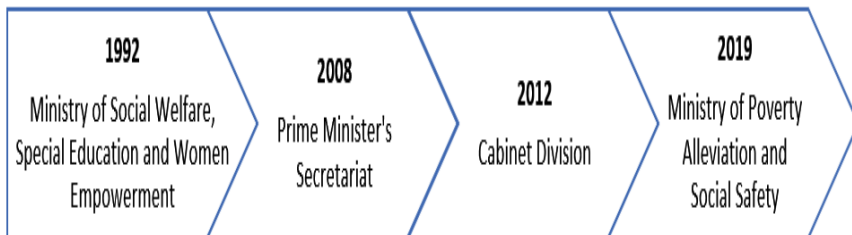
**Keywords:** Pakistan Bait-ul-Mal (PBM), Benazir Income Support Programme (BISP), Strategic Reforms.

**P**akistan Bait-ul-Mal (PBM) is Pakistan's first federal-level public sector social safety network created in 1989 in response to the signing of the UN Convention on the Rights of the Child.<sup>1</sup> Established as an autonomous corporate body under the PBM Act of 1991 and Article 4, PBM provides financial assistance, medical aid, educational support, housing, and vocational rehabilitation to the vulnerable population.<sup>2</sup> While the Act lists multiple sources of income, PBM is primarily supported by government grants.<sup>3</sup> This insight outlines the basic functions and structure of Pakistan Bait-ul-Mal (PBM) and a financial analysis to suggest possible reforms.

Since its inception, PBM has undergone multiple shifts in administrative control (Figure 1). Although it now falls under the Ministry of Poverty Alleviation, its involvement is minimal.<sup>4</sup> The ministry also houses other federal welfare nets, including the Benazir Income Support Programme (BISP), Trust for Voluntary Organisations (TVO), National Poverty Graduation Programme (NPGP), and the Pakistan Poverty Alleviation Fund (PPAF).<sup>5</sup> In parallel, about 14 key welfare bodies work at the provincial level in Pakistan.

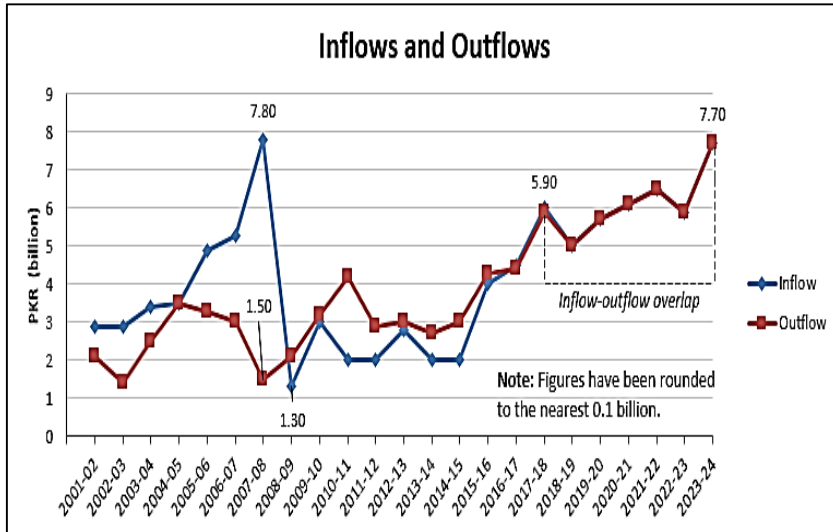
**PBM's high administrative costs, inconsistent spending, and absence of a centralised database and monitoring system support its integration with BISP to enhance transparency, efficiency, and impact.**

**Figure 1**



PBM currently operates nine programmes, including Pakistan Sweet Homes (PSH), Shelter Homes (SH), Great Home (GH), Roti Sab Kay Liye (RSKL), Orphan & Widow Support Programme (OWSP), Women Empowerment Centres (WECs), Individual Financial Assistance (IFA), Cochlear Implant Program (CIP), and Schools for Rehabilitation of Child Labour (SRCL). Additionally, PBM also offers supportive grants to NGOs. Figure 2 presents a financial analysis of PBM from FY 2001–02 to 2023–24.

Figure 2

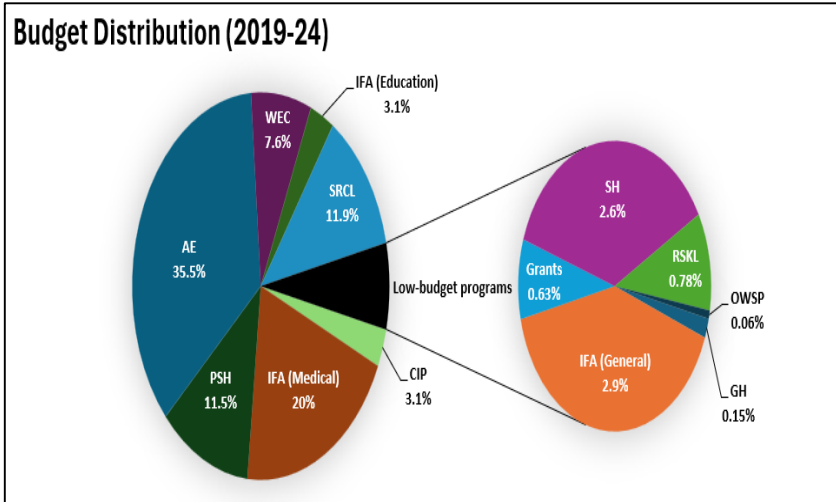


**Source:** PBM

From 2001 to 2006, inflows exceeded outflows by an average of Rs. 1.15 billion, with a sharp underspending of Rs. 6.3 billion in 2007. This is unusual for a welfare organisation, especially given that poverty rates remained above 47%, and a major earthquake struck in 2005. An 84% drop in inflows around 2008–09 coincided with the global financial crisis and the creation of BISP, which took over PBM’s functions, including poverty surveys.<sup>6</sup> While this explains the funding reduction, it also raises a key question: why PBM was underspending despite holding primary responsibilities during this period.

Between 2008 and 2015, outflows exceeded inflows, with PBM relying on prior surpluses. Since 2017–18, however, inflows and outflows have been nearly identical and often differ by a few Rupees. While this could reflect tighter budgeting, PBM’s history of underspending may also suggest that limits were set to match available funds rather than actual need. Without detailed disbursement data, it is challenging to determine whether this pattern stems from fiscal discipline, institutional constraints, or other administrative or political factors.

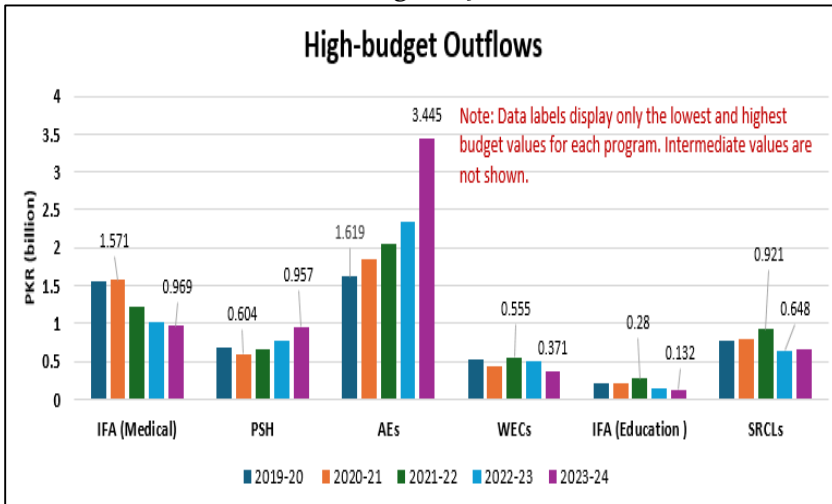
Figure-3



Source: PBM

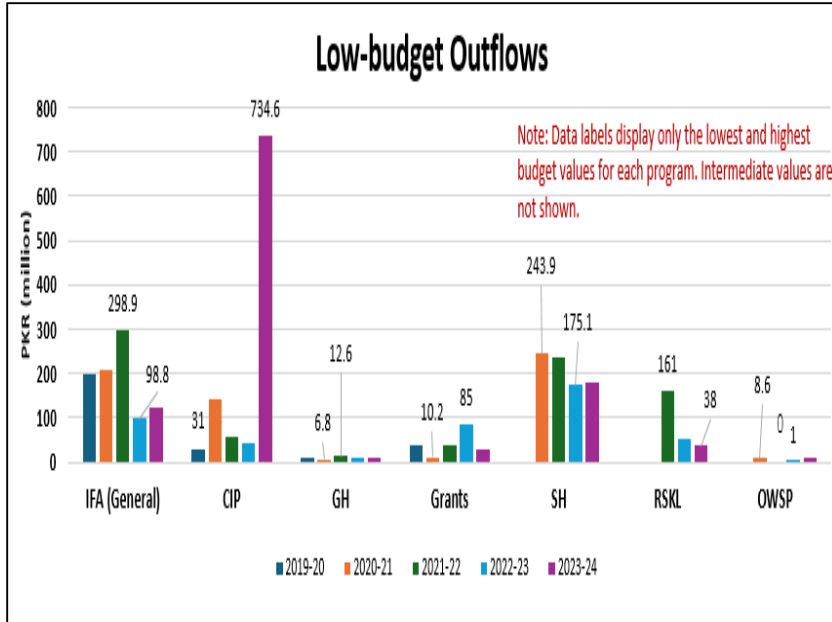
Figure 3 illustrates PBM's programme budget distribution between 2019 and 24. Figures 4 and 5 reflect PBM's high and low-budget outflows from 2019-24.

Figure-4



Source: PBM

Figure-5



Source: PBM

As illustrated, funding for WECs, IFA (Education), and SRCLs has been inconsistent, while IFA (Medical) funding has declined. PSH funding has generally increased since 2021. Administrative Expenses (AEs) are PBM’s largest cost and have grown despite cuts to core programmes. Over five years, AEs totalled Rs. 11.3 billion, 78.41% higher than the costliest welfare programme. This is partly due to PBM’s unusual 1 to 3 administrative-to-operational staff ratio (1,100 to 3,300).<sup>7</sup> Furthermore, AEs reached 35.5% of total spending, exceeding the 20% benchmark<sup>8</sup>, and raising transparency concerns noted by the Supreme Court.<sup>9</sup>

Among low-budget outflows, SH, RSKL, and OWSP were launched after 2019. While SH and RSKL received considerable funding post-launch, OWSP faced erratic allocations and remained unfunded in FY 2021-22. Meanwhile, CIP saw a 1691.46% funding spike in 2023-24, reflecting inconsistent allocations. Low-budget programmes received just 29.1% of AEs’ spending over five years, making them appear tokenistic.

There is a need for a strategic review of PBM's programmes to assess their impact. However, a comprehensive evaluation is challenging without key performance data, including the beneficiary count (unavailable for some programmes), unit costs, and impact indicators. The lack of geographic and demographic breakdowns further complicates these efforts. For example, in FY 2022-23, WECs received Rs. 513.58 million for 158 centers (approximately Rs. 3.2 million per center),<sup>10</sup> but there are no published impact measures to assess what difference was made. Similarly, PSH received Rs. 957 million to support 4,172 orphans,<sup>11</sup> representing only 0.09% of Pakistan's estimated 4.6 million orphans,<sup>12</sup> with no educational attainment or reintegration metrics.

Additionally, PBM focuses on charity rather than sustainable empowerment, particularly in programmes such as vocational training or IFA, where output measures success rather than impact. The CIP offers a rare instance of measurable reach: since its launch in 2019, it has served 1,005 deaf-by-birth children.<sup>13</sup> Given that Pakistan roughly has one million deaf children of school-going age,<sup>14</sup> this covers about 0.1% of potential beneficiaries over five years. Despite its many programmes, PBM's impact remains unclear without systematic monitoring or outcome evaluation, suggesting a focus on spending rather than long-term, sustainable results.

PBM's outflow disbursement mechanisms include bank transfers for scholarships and financial assistance, cheques deposited into public hospitals' accounts for medical aid, and direct delivery of in-kind support, such as sewing machines, prosthetics, and cochlear implants. Despite reforms like e-filing and biometric payments, PBM lacks access to centralised databases like the National Socio-Economic Registry (NSER) and a monitoring dashboard, limiting its ability to target and monitor programmes effectively.<sup>15</sup> Without these, PBM is vulnerable to inefficiencies and fraud, as recent Auditor General reports highlight over Rs. 2 billion in irregularities.<sup>16</sup>

In contrast, organisations like BISP, which use centralised databases, are more data-driven and scalable, allowing for better targeting and evaluation.

Not surprisingly, there have been discussions about merging PBM and BISP, aiming to streamline operations,<sup>17</sup> reduce administrative duplication, and enhance efficiency.<sup>18</sup> Both institutions serve an overlapping population and often rely on similar eligibility indicators, but have differing operational models. However, a merger where PBM's welfare programmes are absorbed into a specialised wing within BISP could combine the scalability and efficiency of BISP with the personalised service delivery of PBM. This would reduce redundancy, improve resource allocation, and unify monitoring systems under one robust framework.

However, such a move must be strategically managed to avoid diluting PBM's specialised services, such as orphan care, cochlear implants, and emergency medical aid, which should be preserved through tailored sub-programmes. With the proper safeguards and planning, this integration could yield a more cohesive and efficient national social protection system that delivers broad-based financial assistance and targeted care to the vulnerable.

To conclude, PBM's lack of a centralised database and monitoring system and fragmented funding approach raises concerns about impact, transparency, and efficiency. Recurrent debates about PBM's absorption into BISP offer an alternative path towards optimisation. However, such integration merits thoughtful maintenance of PBM's unique services under the overhang of BISP.

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## About Insight and Author

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*This INSIGHT was first published on the ISSRA website in June 2025 and in the Daily the Islamabad Telegraph on 20 June 2025. It can be accessed at <https://www.issra.pk/insight/2025/role-of-pakistan-bait-ul-mal-in-social-welfare/insight.html>. The writer is an Intern at ISSRA and can be reached at [adeen7413@gmail.com](mailto:adeen7413@gmail.com).*

# Fulbright Scholarship in Pakistan: 2013-2025

*Sidra Jamil*

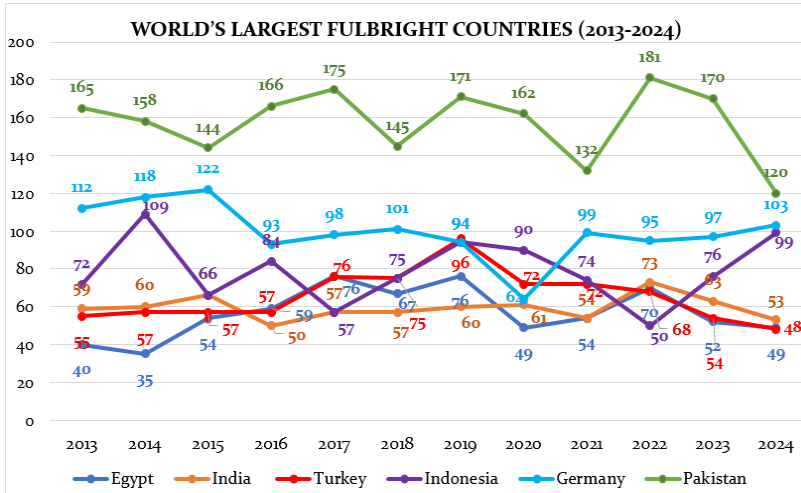
## Abstract

*This INSIGHT This Insight critically examines the Fulbright Scholarship Programme in Pakistan from 2013 to 2025, highlighting its role in educational exchange, social inclusion, and U.S. cultural diplomacy. While Pakistan has been the top Fulbright recipient in the SAARC region, the absence of reciprocal student exchange, lack of transparency, and a skewed focus toward social sciences raise concerns. The study emphasises the need for HEC's greater involvement, data monitoring, and a review of international scholarship impacts to ensure alignment with Pakistan's developmental and national interests.*

**Keywords:** Fulbright Scholarship, United States, Students, Higher Education Commission (HEC).

The Fulbright Scholarship, often hailed as a beacon of academic excellence and international cooperation, has long been a cornerstone of US cultural diplomacy. The scholarship is based on comprehensive financial support from the US that covers all educational and living expenses. Since its inception in 1946, the program has awarded scholarships to over 370,000 individuals across 160 countries, including Pakistan.<sup>1</sup> This insight critically examines the past decade of Fulbright scholarships in Pakistan.

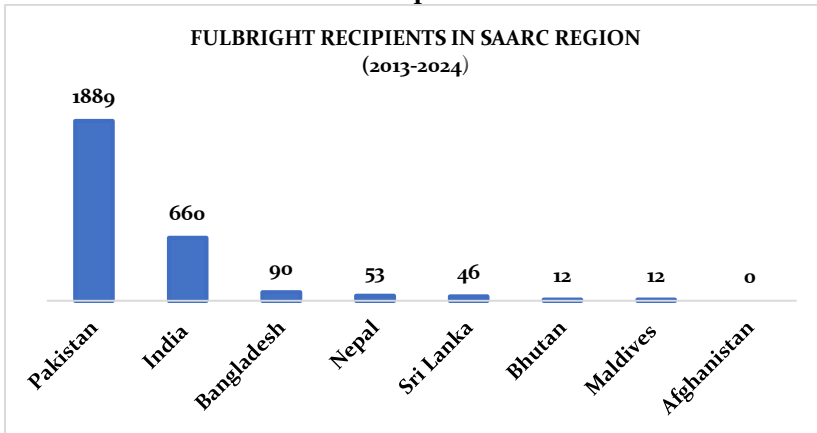
Graph 1



Source: Self-Compiled<sup>2</sup>

Since its inception in Pakistan in 1951, the Fulbright Program has awarded scholarships to nearly 3,000 Pakistani nationals.<sup>3</sup> In 2022 alone, Pakistan was the largest recipient of Fulbright scholarships globally, with 189 scholarships worth \$18.44 million.<sup>4</sup> Graph 2 below indicates that Pakistan has been the largest recipient of Fulbright scholarships in the SAARC region over the last decade.

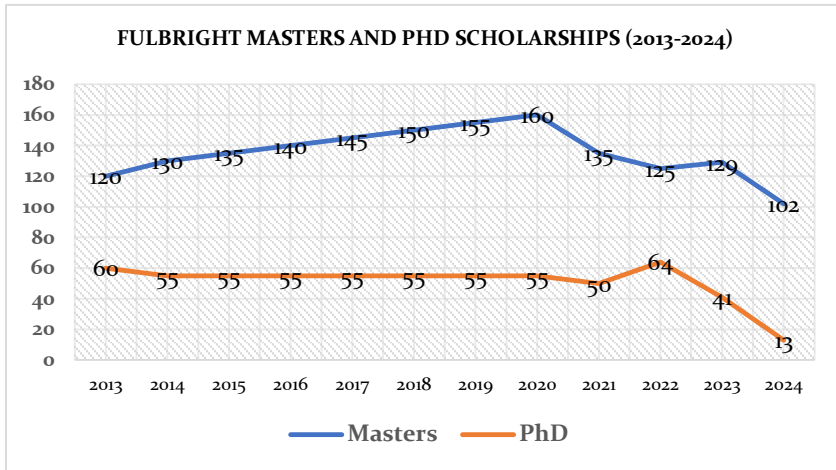
Graph 2



Source: Self-Compiled<sup>5</sup>

The **graph 3** below shows the number of Masters and PhD Fulbright scholarships received by Pakistani nationals in the last decade.

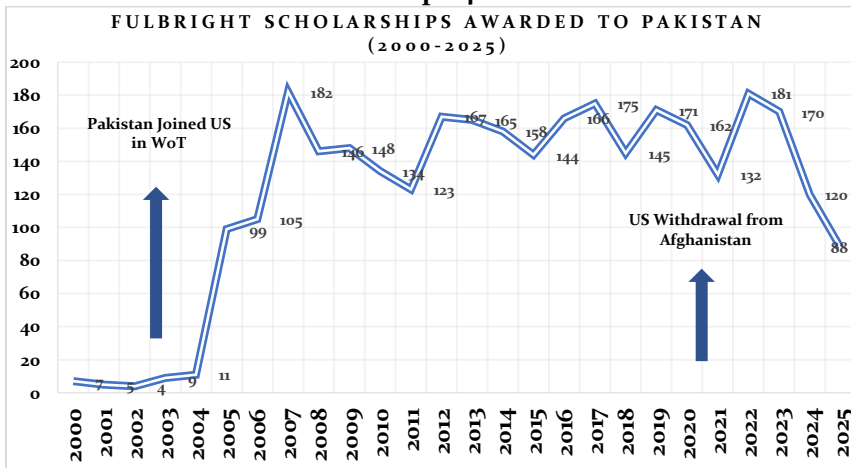
**Graph 3**



Source: Fulbright Foreign Student Programme<sup>6</sup>

**Graph 4** below illustrates the expansion of the Fulbright program in Pakistan, particularly after 9/11.

**Graph 4**

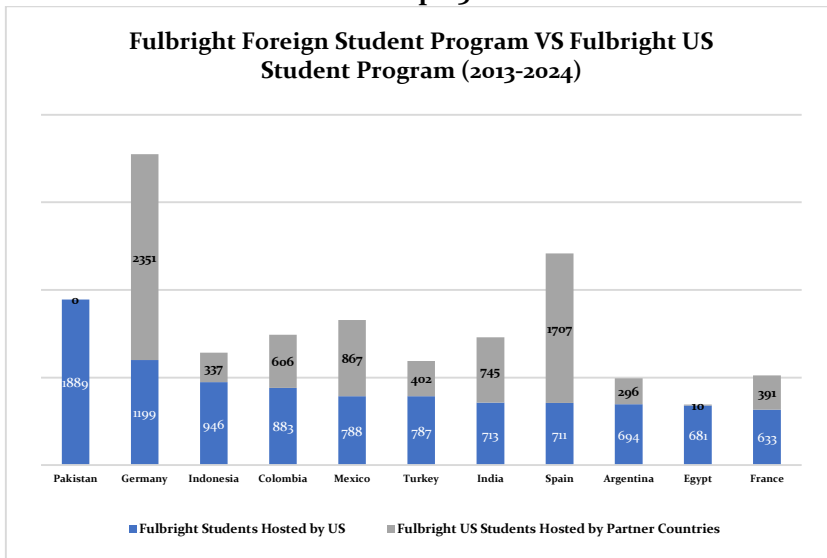


Source: Self-Compiled<sup>7</sup>

The Fulbright Program operates on a bilateral partnership basis, encompassing the ‘**Foreign Student Program**’ and the ‘**US Student Program**’. The Foreign Student Program brings international graduate students to the US, whereas the US Student Program allows American citizens to study in partner countries.

**Graph 5** below clearly illustrates that, among the top ten Fulbright recipient countries, every nation except Pakistan hosts US nationals under the **Fulbright U.S. Student Program**.

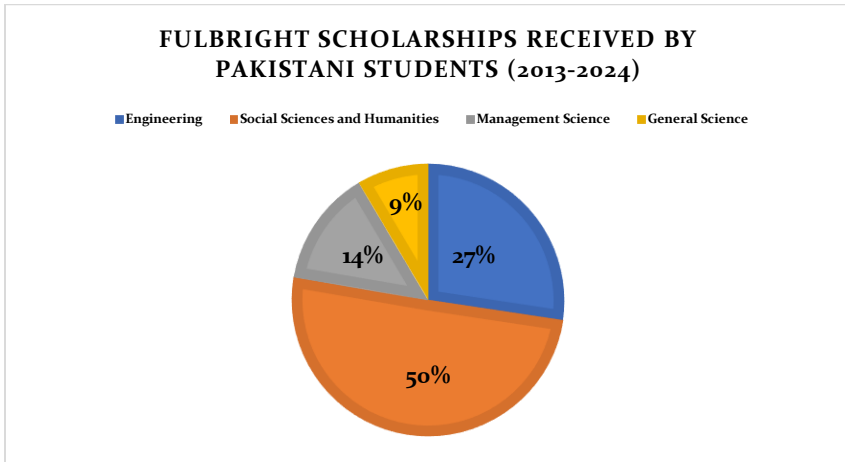
**Graph 5**



Source: Self-Compiled<sup>8</sup>

The pie chart below indicates that in the last decade, 64% of Pakistanis secured Fulbright scholarships in Social Sciences, Arts and Humanities, and Management Sciences and only 36% in Engineering and Science subjects.

Pie Chart



Source: Self-Compiled

The United States Educational Foundation in Pakistan (USEFP) primarily manages Fulbright selection in Pakistan. USEFP advertisements on its website state that Pakistani citizens with strong academic histories, residing in Pakistan, and committed to returning and serving Pakistan are welcome to apply.<sup>9</sup>

**FULBRIGHT**

Fulbright is the flagship scholarship program of the U.S. Department of State. The Fulbright-HEED PhD scholarships is funded by the Government of Pakistan and managed by the United States Educational Foundation in Pakistan (USEFP) under Fulbright policies and regulations. The Fulbright scholarship funds graduate study in the United States for a Master's or PhD degree, including tuition, required textbooks, airfare, a living stipend, and health insurance. USEFP also makes with the visa process. Pakistani Fulbrighters study at top universities all over the United States.

**APPLICATION PROCESS**

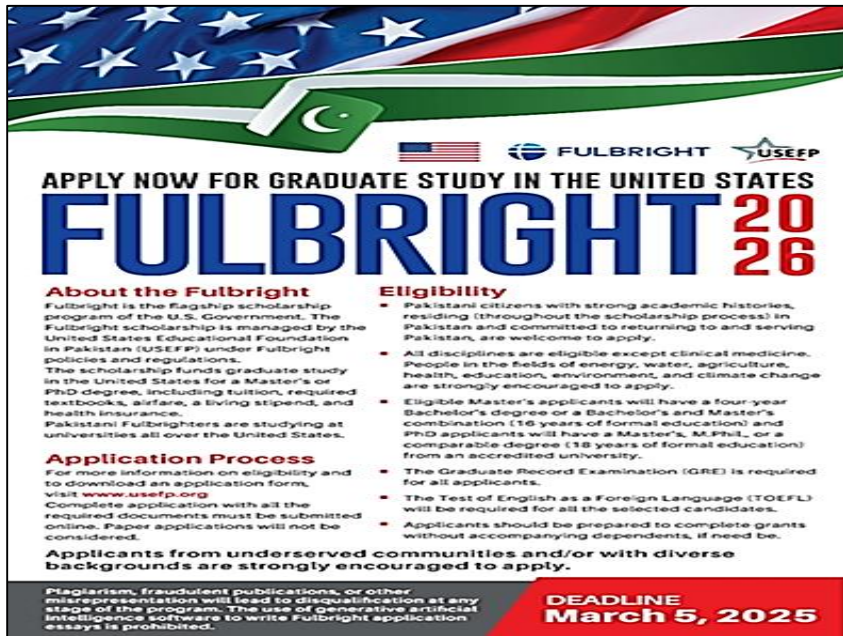
For more information on eligibility and to download an application form, visit [www.usefpakistan.org/Fulbright](http://www.usefpakistan.org/Fulbright). Complete applications with all the required documents MUST be submitted online. Paper applications will not be considered.

**ELIGIBILITY**

- Pakistani citizens with strong academic histories, residing and working in Pakistan and committed to returning and serving Pakistan are welcome to apply.
- All disciplines are eligible except clinical medicine. Applicants are especially encouraged in Energy, Water, Agriculture, Health, and Education.
- Eligible Master's applicants will have a four-year Bachelor's degree or a Bachelor's and Master's combination (16 years of formal education) and PhD applicants will have Master's, MPhil, or a comparable degree (18 years of formal education) from an accredited university.
- Proficiency in English as a Foreign Language (CEFR) is required for all applicants. The Test of English as a Foreign Language (TOEFL) will be required for non-listed applicants.

**DEADLINE FOR APPLICATIONS: MAY 17, 2017**

This is a national program. However, women, people with disabilities, and students from FATA, Khyber Pakhtunkhwa, AJK, Gilgit/Baltistan, Balochistan, Northern Sindh and Southern Punjab are especially encouraged to apply.



**APPLY NOW FOR GRADUATE STUDY IN THE UNITED STATES**

# FULBRIGHT 2026

**About the Fulbright**  
Fulbright is the flagship scholarship program of the U.S. Government. The Fulbright scholarship is managed by the United States Educational Foundation in Pakistan (USEFP) under Fulbright policies and regulations. The scholarship funds graduate study in the United States for a Master's or PhD degree, including tuition, required textbooks, airfare, a living stipend, and health insurance. Pakistani Fulbrighters are studying at universities all over the United States.

**Application Process**  
For more information on eligibility and to download an application form, visit [www.usefp.org](http://www.usefp.org). Complete application with all the required documents must be submitted online. Paper applications will not be considered.

**Applicants from underserved communities and/or with diverse backgrounds are strongly encouraged to apply.**

**Eligibility**

- Pakistani citizens with strong academic histories, residing (throughout the scholarship process) in Pakistan and committed to returning to and serving Pakistan, are welcome to apply.
- All disciplines are eligible except clinical medicine. People in the fields of energy, water, agriculture, health, education, environment, and climate change are strongly encouraged to apply.
- Eligible Master's applicants will have a four-year Bachelor's degree or a Bachelor's and Master's combination (16 years of formal education) and PhD applicants will have a Master's, M.Phil., or a comparable degree (18 years of formal education) from an accredited university.
- The Graduate Record Examination (GRE) is required for all applicants.
- The Test of English as a Foreign Language (TOEFL) will be required for all the selected candidates.
- Applicants should be prepared to complete grants without accompanying dependents, if need be.

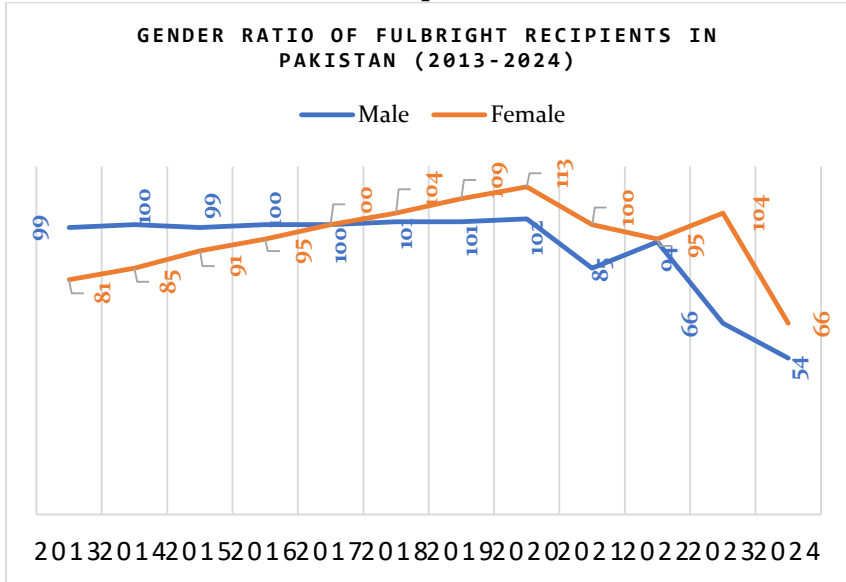
Plagiarism, fraudulent publications, or other misrepresentation will lead to disqualification at any stage of the program. The use of generative artificial intelligence software to write Fulbright application essays is prohibited.

**DEADLINE  
March 5, 2025**

Applicants from underserved communities and/or with diverse backgrounds are strongly encouraged to apply.

Graph 6 below shows the gender ratio of Fulbright recipients in Pakistan. Until 2018, approximately half of the recipients of the Fulbright Program were women; however, since 2018, the number of female recipients has exceeded that of their male counterparts.

Graph 6



Source: Self-Compiled<sup>10</sup>

The Fulbright Program in Pakistan has contributed significantly to educational exchange and social inclusion by targeting women and individuals from historically marginalized regions such as the former Federally Administered Tribal Areas (FATA), Khyber Pakhtunkhwa, Azad Jammu and Kashmir (AJK), Gilgit-Baltistan, Balochistan, Northern Sindh, and South Punjab. However, the program operates in complex socio-political environments marked by conflict and limited access to state resources, sometimes leading to radicalization. These dynamics underscore the need for ongoing, context-sensitive evaluation. Collaboration among HEC, policymakers, and other stakeholders is vital to sustaining Fulbright’s positive developmental impact.

Some critics believe that returning scholars, having been exposed to Western ideologies and perspectives, introduced views into academic and social spaces that may not always align with Pakistan’s national interests.

The tensions observed today, especially among the youth, could be seen not as deliberate efforts to challenge the state but as part of the natural friction accompanying rapid social and intellectual transformation.

Pakistan's unique position in the Fulbright Program, lacking reciprocity in hosting US students, also warrants attention. Pakistan is the only top Fulbright recipient country exempt from hosting US students under the '**Fulbright US Student Program.**' This absence of two-way exchange limits Pakistan's opportunity to shape its global narrative and foster deeper mutual cultural understanding.

The Higher Education Commission (HEC) of Pakistan does not directly participate in the selection process for Fulbright scholarships, which the US Embassy in Pakistan manages through the USEFP. Furthermore, transparency issues surrounding the Fulbright Program present another significant concern. To obtain data on recipients' demographics, selection, subjects, career paths, and funding details, the researcher visited Pakistan's HEC, wrote a letter to the US Embassy, and wrote multiple emails to USEFP. Unfortunately, these key institutions have not been forthcoming with such data.

Moreover, the program's disciplinary focus, favoring Social Sciences, Arts, and Humanities over cutting-edge science and technology disciplines, prompts a discussion on its alignment with Pakistan's developmental requirements. In a rapidly evolving world, is the Fulbright Program equipping Pakistan with the skills necessary to compete?

The lack of comprehensive data on Fulbright recipients from Pakistan hinders effective tracking of talent migration, intellectual capital, and potential brain drain. Without accurate records, it becomes difficult to assess how US-educated scholars contribute to national development or otherwise. This limited transparency raises questions about possible foreign influence and the implications for national security.

The Fulbright program should be a two-way exchange, fostering mutual benefit for Pakistan and the US. Enabling Pakistani scholars to study in the US while encouraging American students to engage with Pakistan can enhance cultural understanding, promote knowledge-sharing, and strengthen diplomatic, educational, and economic ties.

HEC should play a more significant role and take proactive measures to safeguard Pakistan's intellectual and cultural autonomy. This includes active participation in the selection process and subject allocation to maintain transparency. HEC should also establish a centralized data bank and monitoring system to track scholarship recipients' demographics, subjects, career paths, and funding details.

Furthermore, a thorough, periodic review of the performance and impact of international scholarships is essential to ensure their relevance and effectiveness. Consistently addressing these factors will help sustain the effectiveness and credibility of such initiatives.

There is a need to review other international scholarships offered to Pakistani nationals, like the Chevening Scholarship (UK government-funded) and the DAAD (Deutscher Akademischer Austauschdienst) Scholarship (German government-funded program), on similar lines.

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  - <sup>6</sup> Fulbright Foreign Student Program, accessed on November 15, 2024. <https://foreign.fulbrightonline.org/>
  - <sup>7</sup> USEFP Press Releases, THE UNITED STATES EDUCATIONAL FOUNDATION IN PAKISTAN <https://usefp.org/media-room/press-releases.cfm>.

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<sup>8</sup> Ibid. & Fulbright Foreign Student Program, accessed on November 15, 2024.  
<https://foreign.fulbrightonline.org/>.

<sup>9</sup> USEFP, <https://usefp.org/scholarships/fulbright-degree.cfm>.

<sup>10</sup> Ibid.

## About Insight and Author

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*This INSIGHT was first published on the ISSRA website in May 2025 and in the Daily Frontier Post on 1 August 2025. It can be accessed at <https://www.issra.pk/insight/2025/the-shadow-war/insight.html>. The writer is a former Research Associate at ISSRA and can be reached at [sidrajamilraza@live.com](mailto:sidrajamilraza@live.com).*

# Latin America: An Untapped Market for Pakistan

*Adrak Hussain*

## Abstract

*This INSIGHT critically explores Latin America's economic potential as a largely overlooked region in Pakistan's foreign policy and trade strategy. Despite its \$6.56 trillion GDP and growing demand for imports, Pakistan's engagement remains diplomatically thin and economically narrow. Using the DIME framework, the paper highlights existing gaps and proposes a strategic "Pivot to Latin America" policy. Strengthening diplomatic missions, diversifying exports, and fostering cultural and institutional ties are identified as key pathways for deeper South-South cooperation.*

**Keywords:** Latin America, Economic Cooperation, Potential Market, DIME Framework.

Latin America, which takes its name from the colonial legacy, is generally understood to comprise thirty-three countries in the post-colonial regions of South America, Caribbean islands, and Central America.<sup>1</sup> The area, which has a vast population of 664 million, about 9% of the world as of 2023, is rich in natural resources and home to rising economies. Hence, it is an essential market for trade and economic cooperation. This insight explores Pakistan's relations with Latin America through the diplomatic, information, military, and economic (DIME) framework. It argues that Latin America has been left untapped due to various challenges despite its growing economic significance.



Source: Britannica.com

Diplomatically, Pakistan has resident missions in only four countries in the region: Brazil, Argentina, Cuba, and Mexico. These embassies are accredited to twenty-one countries, and Pakistan's US embassy is accredited to two countries in the region, as shown in Table 1. The resident missions are not adequately staffed and lack defence sections, except the mission in Brazil, while the embassy in Cuba lacks a commerce section.<sup>2</sup>

**Latin America should not remain a missed opportunity but be repositioned as an essential component of Pakistan's market diversification and South-South cooperation agenda.**

Pakistan signed communiques to establish formal diplomatic relations with six Latin American and Caribbean countries in 2024 on the sidelines of different UN sessions.<sup>3</sup> However, no embassy in the region is accredited to these countries, and diplomatic relations are mainly limited to cooperation in international organizations. High-level visits from Pakistan to Latin America have been limited to Brazil, reflecting weak diplomatic engagement on rare occasions.

**Table 1:** Pakistan's Diplomatic Relations with Latin American Countries

Ser	Hosts of Pakistan's Resident Missions	Missions Accredited to	Countries with Diplomatic Relations but No Resident Missions or Accreditations
1.	Argentina	Paraguay, Uruguay, Peru, Ecuador, and Chile	1. Dominican Republic 2. Dominica 3. Saint Kitts and Nevis 4. Saint Lucia 5. Saint Vincent & Grenadines 6. Barbados
2.	Brazil	Bolivia, Colombia, Guyana, Suriname, and Venezuela	
3.	Cuba	Nicaragua, Haiti, Antigua & Barbuda, Honduras, Grenada, Trinidad and Tobago	
4.	Mexico	Costa Rica, El Salvador, Panama, Guatemala and Belize	
5.	US (North America)	Bahamas, Jamaica	

The Pakistani diaspora in the region is only a few thousand and is mainly restricted to Brazil, which hosts around 3000 Pakistanis.<sup>4</sup> Due to this, there is very little cultural exchange between Pakistan and the region.

Similarly, military and defence cooperation is also negligible. However, Pakistan and Brazil signed a Memorandum of Understanding (MoU) in August 2019 and April 2025 on defence cooperation related to developing, producing, and trading defence products on the sidelines of the Latin American Defence and Security Exhibition.<sup>5</sup>

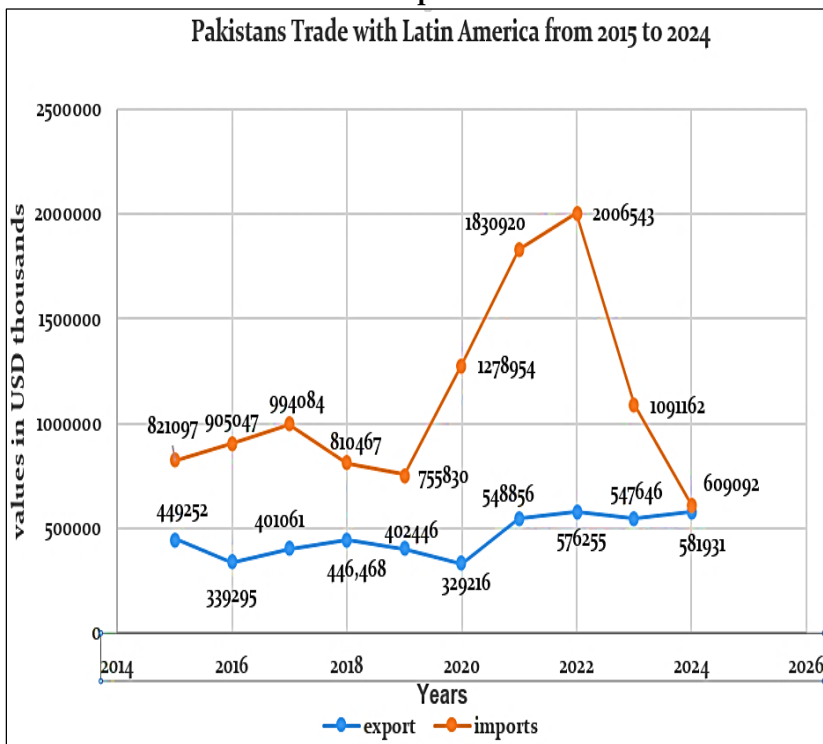
The economic outlook of Latin America shows that its collective GDP was US\$6.56 trillion in 2023 and is projected to be \$6.72 trillion in the financial year 2024-25, showing a growth of 2.2%. Its average GDP per capita income is around \$10,296, with significant variations among countries.<sup>6</sup>

It is home to rising economies like Brazil and Argentina, which are members of the G20. In 2024, imports to the region grew by 3.2% and totalled \$1.45 trillion, with machinery, chemicals, electronics, pharmaceuticals, petroleum products, food items, and textiles being the top imported categories.<sup>7</sup> In the same period, its exports grew by 4% and totalled \$1.62 trillion, with agricultural products and natural resources, primarily soybeans, coffee, sugar, copper, iron ore, and petroleum as the top exports.<sup>8</sup>

Pakistan’s trade relations with the region are minimal, and it has bilateral trade agreements with only a few countries, including Brazil, Argentina, and Chile. A Framework Agreement on trade, which was under negotiation since 2006, with the MERCOSUR (Mercado Común del Sur)—Southern Common Market, was signed and ratified by the Pakistan cabinet in September 2024.<sup>9</sup>

Pakistan’s trade with the region is mainly import-driven, as shown in Graph 1. From 2015 to 2024, the exports improved, coinciding with the COVID-19 pandemic years, during which most industries worldwide reduced their production, but Pakistan’s industries kept running. In 2024, the exports increased slightly to \$581.93 million against decreasing imports of \$609 million, narrowing the trade deficit.<sup>10</sup>

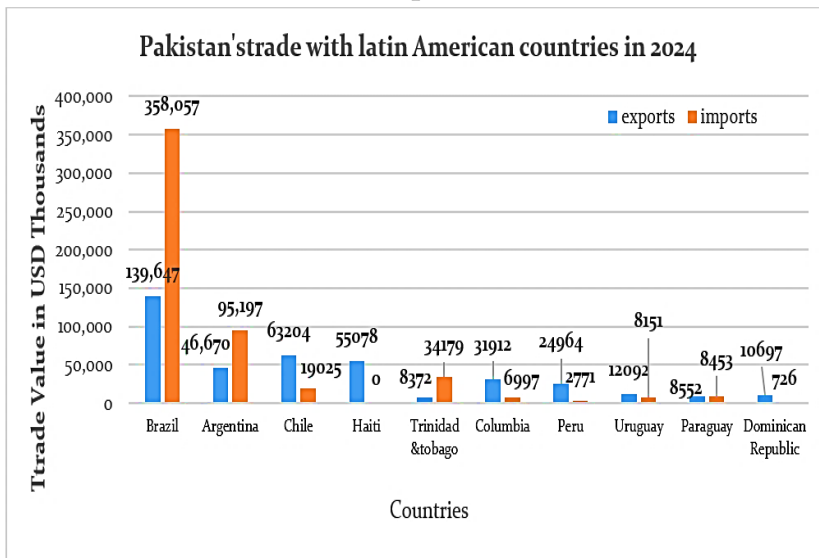
**Graph 1**



Source: Self-Compiled

Graph 2 shows Pakistan's trade with Latin American countries in 2024. Pakistan has relatively more trade with countries like Brazil, Argentina, Chile, Haiti, Colombia, Trinidad, and Peru.<sup>11</sup> There is a trade deficit with major trading partners like Brazil and Argentina, although exports to these two are higher than to other countries. The negligible trade with other countries indicates that the region has been unexplored.

**Graph 2**



**Source:** Self-Compiled<sup>12</sup>

Pakistan's exports to the region include textiles and apparel, pharmaceuticals, sports items, rice, house linen, leather, rubber tyres, etc.<sup>13</sup> The principal imports include food products, raw cotton, inorganic chemicals, iron, and steel.<sup>14</sup>

Economically, while there are signs of improvement in trade, Pakistan's engagement with Latin America remains unsatisfactory, narrowly focused, and import-driven. The lack of diversification in export offerings, bureaucratic delays in formalising trade agreements like the PTA or FTA with MERCOSUR, and weakness in aligning with market demands reveal deeper issues in Pakistan's external economic strategy.

This strategic neglect is primarily underscored by a lack of awareness about the Latin American market, leaving it untapped. In the evolving world order characterised by the decline of unipolarity, the emergence of multipolarity, geopolitical competition, and trade wars among major powers such as China and the USA, there is an increasing need for international partnerships to explore new options and reduce dependence on conflicting powers. Hence, Latin America should not remain a missed opportunity but be repositioned as an essential component of Pakistan's market diversification and South-South cooperation agenda. To that end, a "Pivot to Latin America" policy may be required, focusing on developing stronger diplomatic, trade, and defense ties with the region.

To begin with, Pakistan needs to enhance the capabilities of its existing missions and consider establishing additional resident missions, considering the region's geographical conditions and population. The performance of embassy staff must be evaluated by linking them with trade indicators.

Pakistan must improve market awareness through public-private partnerships and diplomatic interaction with regional countries. Export diversification, driven by research-based market knowledge, is necessary. It must focus on areas that bypass the challenges, such as exporting IT and software services and signing preferential trade agreements (PTAs) and free trade agreements (FTAs) without delay. Special attention should be given to enhancing bilateral trade relations with smaller economies.

Frequent visits by high-level government officials must be conducted to establish better relations underpinned by much-needed bilateral and multilateral agreements. Additionally, people-to-people contacts with the region must be expanded through scholarship programs, cultural exchange programs, and other soft-power initiatives, fostering deeper ties and long-term cooperation.

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## About Insight and Author

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*This INSIGHT was first published on the ISSRA website in June 2025 and in the Daily Pakistan Observer on 11 June 2025. It can be accessed at <https://www.issra.pk/insight/2025/Latin-America-An-Untapped-Market-for-Pakistan/insight.html>. The writer is an Assistant Research Associate at ISSRA and can be reached at [adrakhussainoi@gmail.com](mailto:adrakhussainoi@gmail.com).*



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