**US Dilemma: Pak-China**

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In the last article, I recapped part of my recent discussions with officials of the US government and think tanks in Washington. The article focused on their concern with the current state of affairs in Pakistan and the future direction of the country. What follows is the rest of the discussion on another US conundrum: how to handle the Pakistan-China relationship and their perception of the oversized Chinese influence in Pakistan. Understandably, and for good geo-strategic reasons, US colleagues are concerned. I admitted that I am no expert on Pak-China relations; however, as a keen observer of the political and economic developments, I offered them the following insights.

The foundation of Pakistan and China’s friendship goes back to 1951 when one of the first high-powered delegations from Pakistan visited China for many months to establish the groundwork for a long-term partnership and future cooperation. Incidentally, the delegation comprised Sheikh Mujib-ur-Rahman (the future founder of Bangladesh), Miangul Aurangzeb (Crown Prince of Swat), and many other notables, and was led by Sufi Abdul Hameed (who happens to be my grandfather). Since then, Pakistan and China have enjoyed a very close friendship, which culminated in a massive economic partnership named CPEC. It is arguable who is benefiting more from these investments, but be that as it may, it has had both positive and negative impacts on the historic relationship.

On the positive side, Pakistan and China have become more economically and strategically intertwined since the CPEC road projects have facilitated transportation and trade between the two countries. They have also brought billions of dollars in savings to China through the reduction in transportation time and costs for Chinese exports to the Middle East, Africa, and Europe. Concurrently, Pakistan has benefited from Chinese FDI and has gained advanced infrastructure.

On the flip side—and it pains me to note this—since Chinese and Pakistani people have been interacting directly, they have discovered that their cultures, religions, work ethics, and moralities are very different. So, while the G2G (government-to-government) relationship may have been strengthened or at least become indispensable, the P2P (people-to-people) and B2B (business-to-business) relationships have come under stress. I do not see this reversing, only worsening over time unless the governments of both countries launch cultural sensitivity programmes for their respective populations to foster better mutual understanding.

Based on these observations, my advice to my US friends was: do not fret over the Pak-China relationship because it will continue to follow its own course. On the contrary, any effort by the US to undermine the Pak-China relationship will serve no good purpose. No one, in my experience, has ever gotten taller by pulling someone else down; thus, the US should not attempt to undermine Chinese influence in Pakistan. In fact, the US should rethink its strategic partnership with Pakistan, which to date has always been transactional and based on regional military adventurism—or perhaps more bluntly put, Pakistan has served as a mercenary force and a front-line proxy state for US wars in the region. The US needs to reconsider its role in the world—not just in Pakistan—and perhaps move away from being the policeman and military strongman of the world, and instead morph into an economic partner. That is how China is commercially colonising the world without firing a shot, and the US should learn from the Chinese model!

The US should also push for closer economic ties in Pakistan with a focus on B2B partnerships in the SME and social sectors. In the past, most investments in Pakistan have been by US multinational corporations, which typically involve US big players dealing with Pakistani state actors. Partnerships between US and Pakistani SMEs would benefit the largest segment of business entities in both countries and lead to more P2P interactions, fostering better economic and cultural ties.

There are many areas of potential partnership that should be studied by both governments, and “thrust investment sectors” should be identified (agro-processing, higher education, skilled workforce development, tourism, healthcare and elderly care workforce, IT, manufacturing, etc.). For these sectors, investment loan guarantees, tax holidays, and other incentives could be launched to encourage increased partnerships.

At this point, one of the US colleagues noted that in the recent past, they had brought together Government of Pakistan and Pakistani business representatives with US businesses to foster B2B partnerships. However, these sessions have not amounted to much since a clear vision or plan has not been offered by the Pakistani side. I agreed that perhaps Pakistani delegations are not well prepared, but US corporations can certainly conduct their own due diligence and identify areas of investment.

For example, I pointed out that Pakistan has gone from a handful of foreign auto manufacturers to around 20 in the past decade, and I can surmise that a Jeep, Ford, Chevy, or another US make would command a much more loyal clientele than their Chinese counterparts, simply because US brands are trusted for their quality. A country of 250 million is the fifth-largest market by population in the world, and the US needs to view it as an economic partner and a sizable market rather than a regional military outpost—and the US must stop worrying about the Pak-China relationship.

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