



Social Sciences Spectrum

A Double-Blind, Peer-Reviewed, HEC recognized [Y-category](#) Research Journal

E-ISSN: [3006-0427](#) P-ISSN: [3006-0419](#)

Volume 05 Issue 04, 2026

Web link: <https://socialsciencesspectrum.com/index.php/sss>



Check for updates

Strategic Implications of China-India Geo-Economic Competition for Pakistan (2015-2025)

Sara Saleem¹ Dr. Shahid Ali²

Article Information [YY-MM-DD]

Received	2026-08-10	Revised	2026-09-17	Accepted	2026-10-13
-----------------	------------	----------------	------------	-----------------	------------

Citation (APA):

Saleem, S & Ali, S (2026). Strategic implications of China-India geo-economic competition for Pakistan (2015-2025). *Social Sciences Spectrum*, 5(4), 293-305. <https://doi.org/10.71085/sss.05.04.621>

Abstract

The increasing geo-economic competition between China and India has significantly reshaped South Asia's strategic landscape, positioning Pakistan at the center of an evolving regional power contest. This study analyses the fundamental drivers of Sino-Indian geo-economic competition and its strategic ramifications for Pakistan's economic development, security posture, and foreign policy orientation. China's expansion through the Belt and Road Initiative, particularly the CPEC, reflects the growing centrality of economic statecraft in contemporary power politics. India, perceiving these developments as a challenge to its regional primacy, has responded through strategic partnerships, maritime expansion in the Indian Ocean Region (IOR) and deeper alignment with the United States. The study explores the implications using the competitive lens to examines how China-India geo-economic competition affects Pakistan. The findings suggest that while CPEC offers Pakistan substantial economic opportunities, it simultaneously intensifies regional security dilemmas and strategic rivalry. The study concludes that Pakistan's long-term strategic stability depends on its ability to maintain its diplomatic balance in its relations with other countries and to preserve its strategic autonomy aims great power competition.

Keywords: Geo-economics, China-India Rivalry, Pakistan, CPEC, BRI, Neo-realism, Indian Ocean Region.

¹ PhD Scholar, Department of International Relations Lahore College for Women University, Lahore, Punjab, Pakistan.

² Assistant Professor, Department of International Relations Lahore College for Women University, Lahore, Punjab, Pakistan.

Email: shahidali436@gmail.com

Corresponding Author: Sara Saleem, Correspondence through: sarasaleem80@gmail.com



Content from this work may be used under the terms of the [Creative Commons Attribution-Share-Alike 4.0 International License](#) that allows others to share the work with an acknowledgment of the work's authorship and initial publication in this journal.

Introduction

China and India are the two rising powers with huge population; they have common ambitions as both want to expand their influence in the South Asia region. Despite having common ambitions both see each other with suspicion, their aim is to contain each other influence and expand their regional strategic interest in South Asia and Indian Ocean. For China the region of South Asia is important because it supports its foreign policy goals. The region gives China access to the world markets through Indian Ocean region. South Asia plays an important role in international politics due to its geostrategic location. Its strategic geographical position links it directly to the Middle East and other key global regions, enhancing its role in international connectivity and trade (Bradnock, 2016). The region of South Asia has substantial geopolitical importance for both countries. China has strengthened relations in South Asia through investments and infrastructure. The study explores that since 2018 China has invested over US\$150 billion in Bangladesh, Maldives, Myanmar, Pakistan, Nepal, Sri Lanka and Afghanistan. China is now the largest overseas investor in Maldives, Pakistan, and Sri Lanka. This has worried India who fears that China may significantly impact its own sphere of influence and even encircle India with a 'String of Pearls'. India has its own economic and security interest in the region specially after the BRI India is keen to expand its access to important markets, trade routes to expand its influence against China (Donnellon,2023).

The strategic competition between Xi Jinping and Modi has intensified within the maritime rimland, with the BRI introducing a transformative layer to the contest. Ensuring the security of sea lanes is paramount for India, as a significant portion of its trade passes through the Indian Ocean. China has developed naval bases in countries such as Pakistan (Gwadar) and Djibouti, which are seen as part of its broader strategic goals under the BRI. India keeps a close watch on developments to protect its strategic interests. As both countries ascend on the world stage, they vie for recognition and leadership positions in international organizations and forums.

China, with its BRI project, draws India's attention, seeing it as a strategic threat. However, India, with its 'Act East policy', 'tries to boost its ties with Southeast Asian nations to counterbalance China. India has strengthened its ties with the US, Japan, and Australia for regional cooperation and aims to counterbalance China's rising influence in the Indo-Pacific. Pakistan is central to this competition due to its strategic partnership with China and tensions with India. While Chinese investment offers economic opportunities, the competition also creates challenges for Pakistan's security, diplomacy, and strategic autonomy. It has impacted Pakistan in many ways like Pakistan on one hand enjoys the fruits of CPEC on the other hand over dependence on China creates internal domestic problems for Pakistan as it must deal with security issues in Baluchistan and KPK. India watches the China-Pakistan collaboration with suspicion and creates problems for Pakistan due to which it is isolated with major economic forums.

So, the paper explores how the geo-economic competition between China and India affect Pakistan's economic, strategic, and foreign policy interests? South Asia has emerged as a key arena of geo-economic competition between China and India. China's Belt and Road Initiative, particularly CPEC, and India's counterstrategies, have intensified regional competition. However, existing scholarships have not adequately examined these implications from a Neo-realist perspective. This study therefore analyzes how China-India geo-economic competition affects Pakistan's economic development, security, and foreign policy.

Most recent studies stress on China-India growing geoeconomic competition in South Asia. As

Mohan (2021) explores the “transformative impact of China’s uplift on India’s regional and bilateral policies”. He analyzed the geostrategic value of China’s access to the Gwadar Port, which is located approximately 400 kilometers from the strategic Strait of Hormuz and serves as an important link between Xinjiang and the Indian Ocean. Beyond its commercial implications, the Gwadar Port could potentially serve as a naval support base for Chinese forces in the region. The Chinese investments in South Asia certainly draw the attention of India, as neighboring countries are attracted to these projects. To counter growing Chinese influence, India has aligned itself by joining organizations such as BIMSTEC, QUAD, and MUSAM.

The purpose of these alliances is to reduce China’s growing influence in South Asia while protecting India’s regional interests. Chaudet (2018) in the book “Regional Dynamics and Strategic Concerns in South Asia” argues that BRI reflects China’s geo-economics policy in South Asia and especially through the CPEC project. China’s rise is distinguished by a shift in strategic culture towards geo-economics rather than geopolitics and therefore, China emphasizes the role of markets and the effectiveness of economic tools to shape global geopolitics and regional security. Chinese diplomacy has turned to a new era of infrastructure development throughout Asia. Pakistan is expected to reap long-term rewards from the CPEC project.

At the same time, India is portrayed as having apprehensions about Chinese investments in South Asian countries, possibly due to geopolitical influence and competition concerns. Chakma and Xiudian (2022), in their book “The BRI Initiative and the Politics of Connectivity” assesses the impact of BRI projects on South Asian states and India’s strategic reactions. They explore how changes in connectivity and infrastructure politics in Asia have influenced South Asian politics. The authors investigate the escalating rivalry between two maritime powers in the IOR and provide a brief historical overview of the Sino-Indian rivalry, characterized as a managed and intensified conflict. The writer analyzes two case studies, first focusing on the China-Pakistan relationship within the BRI context and its implications for Indian security. Secondly, by drawing overarching insights from the India-China power struggle in their shared neighborhood, the changing dynamics of Sino-Indian rivalry in South Asia are a consequence of the BRI.

Pant (2019) argues that China’s expanding economic footprint in South Asia has compelled India to recalibrate its foreign policy through strategic partnerships such as the Quad and greater engagement in the Indo-Pacific. He is of the view that India perceives BRI as an economic tool that seeks to reshape the region’s geopolitics. This indicates that the economic connectivity will characterize geopolitical competition in South Asia by pursuing strategic interests. The strategic implications of China-Pakistan relations have been discussed (Fisher & Fisher, 1998). These authors focused on the nuclear aspect of China-Pakistan relations and suggest that Chinese support would alter the regional balance of power. Bukhari (2015) considers the Indo-US strategic alliance and contends that Islamabad’s security policy posture now finds itself in a dilemma to deal with the evolving strategic partnership with a major rival. Taken together, the preceding research has demonstrated how major power competition aggravates regional security dilemmas.

While the preceding studies have considered the BRI and CPEC in their implications for regional geopolitics, this study has sought to evaluate the two with a focus on broader geo-economic competition. However, how the heightened geo-economic confrontation between Beijing and New Delhi affects Pakistan’s economic prospects, strategic autonomy, regional security, and foreign policy strategy has barely been discussed in the preceding works. In addition, the impact of India’s and China’s growing economic and strategic competition on Pakistan’s grand strategy has barely been evaluated through a Neo-realist theoretical framework in the previous literature. This work

will contribute to a substantive analysis of the impacts of China-India geo-economic competition on Pakistan's geopolitics.

To understand the competition between China and India, it is essential first to examine the meaning of Geo-economics. In an integrated world, economic diplomacy is a more effective tool for achieving political goals. The existing international system prioritizes economic strategies over military intervention to advance national interests. In today's international system the traditional means of diplomacy are replaced by economic tools; trump trade war its tariff against China and other states are a primary example.

As highlighted by Blackwell and Haris that "geoeconomics" is a useful way for countries to show their power through economic strategies, rather than just geographical factors. This approach changes the whole idea that geopolitics is a zero-sum game in which one loses and the other wins. Instead, geo-economics opts for a more cooperative approach where many countries benefit from the outcome, creating a positive-sum situation. They further explained that geoeconomics is used to advance and protect core state interests, leading to more favorable outcomes. They emphasized how the economic policies of external actors shape a state's strategic and geopolitical objectives.

Similarly, in another definition by Edward Luttwak who introduced the term geo-economics in a semi-scholarly article published in the conservative magazine *The National Interest* in 1990. He argued that although post-Cold War international relations would continue to be shaped by rivalry among states, the primary instruments for advancing adversarial objectives would shift from military force to economic means. Therefore, economic instruments support and safeguard state priorities and yield favorable strategic outcomes, a fusion of geoeconomics. These above perspectives demonstrate that geo-economics cannot be understood simply as the use of economic resources for commercial gain. Economic instruments can also generate political influence, strategic leverage and changes in regional power relations. In the context of China and India, infrastructure investment, trade, connectivity and economic partnerships therefore become instruments through which both states seek to strengthen their relative position in South Asia.

In the 21st century, many nations consider military conflicts costly and more damaging. China used economic tools and soft power measures to exert pressure on countries to achieve its objectives. China is extending its influence across East and Central Asia, Africa, and Latin America to advance its political objectives. In this era, many Western nations-imposed sanctions on other states to achieve their objectives. For instance, the US imposed sanctions on Russia in response to its territorial acquisition of Crimea and its armed intervention in Ukraine, as a means of penalizing it by targeting its energy exports to Europe. Likewise, the Biden administration-imposed restrictions on semiconductor technology exports to China, aiming to curb its military and economic capabilities. Similarly, China has strategically limited Japanese car imports and withheld rare earth exports to undermine Japan's stance on territorial and sovereignty issues in the East China Sea. The thing that is revealed from these examples is that powerful countries like the US and China can manipulate the global economy. These sanctions or threats serve their national interests by imposing restrictions on the adversary nations. (Khan & Shamim 2022).

A qualitative and analytical method was used in the study. There were several techniques used in the study, including content analysis which helps to examine the textual content and documentaries. Secondary sources were employed, including books, journals, documents, and electronic sources. Neo-realism is used as a theoretical lens to examine the China India geo-economic competition and its implications on Pakistan.

Theoretical Framework

Since the advent of 21st century states have increasingly employed geo-economics as a tool of foreign policy. The study employs Neo-realism, also known as structural realism which highlights the inherently anarchic nature of the international system and the allocation of power across states. The study uses the competitive lens to explain the growing competition between China and India.

In the absence of central authority, states operate within a self-help framework and prioritize survival. In today's international system there is growing competition for more technology and resources to maintain that balance. According to Waltz, anarchy restricts state behavior in the unordered international system. The reason behind this is the non-existence of a central authority to enforce rules and regulate the system. The primary factor to be assessed is capability, meaning that each country's strengths will be evaluated. For example, India's power will be measured by its military strength and gross domestic product (GDP). They are not clear about the intentions of other states; he says that the functions of all the states are the same, which makes them different from one another only in their capabilities. To analyze the China-India power competition, the research intends to examine their capabilities. China's strong GDP, high innovation rate, technological advancement, and military size all make it more powerful than India in the geo-economic competition (Waltz 1979).

China-India competition reveals that both states seek to enhance relative capabilities through economic expansion, infrastructure development, and strategic partnerships. Meanwhile, China, with its BRI initiative and its Asian Infrastructure Investment Bank, is trying to project its own economic preference globally. The growing reliance of other states on Chinese products not only affects the economy of these countries but also plays a pivotal role in influencing the composition of their GDP. It is steadily and inevitably moving towards world domination. Advancements in artificial intelligence, computer-aided learning, and cyber capabilities have enabled not only the control of other countries' economic potential, but also the offering of comprehensive packages to emerging markets — including loans, infrastructure development, and manufacturing support — in exchange for diplomatic compromises (Crawford, 2024).

China is arguably the leading global practitioner of geo-economics. A prime example of using geo-economics as a strategy for pursuing world dominance is the approach taken by modern China, especially under the leadership of Xi Jinping. Under this generation, China has employed economic tools to further its geostrategic goals, shape the international community, and subtly promote its technological devices and networks. By increasingly making other nations reliant on these goods and services, China exerts considerable influence over the control and development of various components of their GDP (Lipkan ,2023).

Today, economic strength functions as the foremost instrument for securing political objectives. It remains arguably the paramount pillar, and in a world where direct military engagement between major states is both costly and fraught with serious consequences, economic leverage is becoming increasingly decisive in shaping the hierarchy and influence of states. Huntington's assertion that future conflicts and the configuration of the global order would be driven primarily by economic power effectively advocated for a strategy of enhancing economic authority among major powers.

These perspectives demonstrate that geo-economics cannot be understood simply as the use of economic resources for commercial gain. Economic instruments can also generate political influence, strategic leverage and changes in regional power relations. In the context of China and India, infrastructure investment, trade, connectivity and economic partnerships therefore become

instruments through which both states seek to strengthen their relative position in South Asia. Neo-realism contributes to this study by explaining how economic cooperation can coexist with strategic competition. Although China and India maintain substantial commercial ties, their rivalry over infrastructure, investment, technology, and regional connectivity reflects broader concerns about relative power and strategic positioning. Together, neo-realism and geo-economics provide a framework for examining how this competition creates both opportunities and constraints for Pakistan.

Background

China and India are the two leading emerging economies of Asia. After their independence, they shared the slogan “Hindi-Chini Bhai Bhai”, highlighting their historical, cultural, commercial, and ideological connections that spanned over two thousand years. After China was founded in October 1949, India was the first non-communist country to acknowledge and establish diplomatic relations with the new Chinese government. Before 1962, China and India shared peaceful relations; they believed in the five principles of Panchsheel, peaceful coexistence. Nehru supported China’s liberation from Japanese occupation, influencing the boycott of its products and even funding medical missions to China. He also supported China's membership in the UN, as he did not agree with the idea that communism was a global threat. The depth of their friendship was reflected in the “Hindi-Chini bhai bhai” slogan.

Relations between China and India became strained after the 1962 war. During the conflict, China captured the Aksai Chin region, securing a victory. Following the war, India shifted its foreign policy towards China and grew closer to the United States. Meanwhile, China strengthened its ties with other South Asian countries, particularly Pakistan (Patel ,2023).

In the 1980s, a major turn in relations came when President Rajiv Gandhi visited China in 1988, which proved to be a positive step in improving the engagement between China and India (Shamim & Imran 2022). After the dissolution of Soviet Union and the termination of Cold War bloc politics ended, both nations moved toward "normalization" of their relationship. The normalization here means exchange of visits, prospects for trade and economic collaboration and demarcation of LAC, which both governments agreed to preserve peace and tranquility. However, normalization does not mean that both leave behind their point of divergence (Mansingh, 1994).

Both countries opened their economies to the outside world. With the emergence of globalization, states` interdependence increased, and they began to emphasize economic measures. In the 21st century, traditional China–India competition expanded into geo-economic competition, in which both states compete through trade, connectivity and infrastructure projects, and regional partnerships to advance their strategic interests.

Sources of China-India Geo-economic competition in South Asia

1: Infrastructure & Connectivity Rivalry: China has also invested in Sri Lanka and Bangladesh by constructing ports such as Hambantota and Chittagong and providing financial support. The Bay of Bengal has untapped oil and natural gas reserves, motivating both countries to invest in Bangladesh, which exports raw materials and ready-made textiles at competitive prices. It emphasizes India's concerns about neighboring countries participating in China’s BRI project. It addresses the substantial Chinese investments and influence in Sri Lanka, particularly in the form of development assistance and financial aid from Chinese banks.

Chinese investments in ports and infrastructure create economic linkages with South Asian states while simultaneously expanding China's strategic presence. India's concern over these projects has encouraged it to develop alternative connectivity and partnership mechanisms. Consequently, South Asian states are increasingly becoming sites of competing geo-economic strategies, giving countries such as Pakistan both opportunities for economic engagement and risks of strategic polarization.

3 Maritime Competition in the IOR: This ocean acts as a key route for global trade, particularly for securing energy supplies. It also represents a potential zone of strategic rivalry with a rising China and an important platform for security collaboration with the United States (Chung Binh & Mi, 2022). Most of the world trade is carried out by sea. Both China and India recognize the strategic importance of the Indian Ocean, which is rich in natural resources, coal, and oil. The IOR contains key SLOCs and strategic maritime choke points that facilitate the passage of substantial cargo shipments from the Persian Gulf, Africa, and Europe. The quest for resources brought these two regional titans to compete in the IOR India's primary strategic anxiety in the IOR is China, India has seen all these activities with suspicion. China is not only expanding in the IOR but also establishing close political links with India's neighbors.

The competition in the IOR that control over port, sea lanes and connectivity routes provides not only commercial benefits but also strategic influence. For Pakistan, this competition is especially critical because Gwadar is located at a crossroads in China's connectivity plans and India's maritime interests. Consequently, Pakistan's maritime significance can increase the country's strategic value, but it can also make the country more susceptible to regional rivalries.

Strategic Implications for Pakistan

Pakistan bordered by India, China, Afghanistan and Iran, which makes it's an important place in South Asia. Due to its geographic location and close ties with China and at the same time its adversarial relationship with India, it is the one most affected by the China India growing competition. After the US withdrawal from Afghanistan, there was a major shift in US-Pakistan Relations. Pakistan's inclusion in the FATF grey list and US defense cooperation with India pushed Pakistan closer to China. (Naseer,2022). China, with its CPEC, has a strong presence in Pakistan, which is a source of tension for India, and is working to counter China's influence with different strategies.

CPEC represents an opportunity for Pakistan to establish key trade routes and access to the markets of Central Asia. It facilitates industrial and manufacturing growth, contributes to job creation, and promotes infrastructure development — ultimately minimizing logistical overheads and fostering international capital inflows. This cannot only accelerate Pakistan's economic expansionism but also elevate its geopolitical weight.

Pakistan is currently experiencing severe electricity shortages. However, through investment in power architecture, the country can address this challenge over time. Additionally, CPEC plays a vital role by creating special economic zones in Pakistan's underdeveloped regions, enhancing the country's regional connectivity.

1 Economic Opportunities: Pakistan is struggling with an acute energy crisis due to mismanagement. In this crucial time of need, China is assisting Pakistan by constructing dams, some of which have already been completed. In this context, China has supported Pakistan's energy sector through investments in hydropower and other energy projects under CPEC. There are many projects in Pakistan that are funded mainly by China, such as Karot Hydropower and

Suki Kinari Hydropower. These projects aim to store water and generate approximately 4,500 MW of hydropower (Ghumaro & Hameed 2016). Moreover, the establishment of Special economic zones is one of the focused areas of the CPEC project. Pakistan aims to promote industrial development in underserved regions through initiatives such as the Rashakai Economic Zone in Nowshera.

Gwadar Port offers Pakistan a strategic opportunity to solidify industrial partnership and economic cooperation with the Eurasian heartland, which possess some of the world's largest oil and gas reserves. The development of the new Gwadar deep-sea port on the Balochistan coast, along with its connected routes to Afghanistan, effectively shortens the distance between Pakistan and Central Asia by 500 km. Consequently, it will facilitate the flow of Central Asia's immense energy endowments to overseas centers, generating substantial revenue for Pakistan through transit fees.

2 Security Implications: A destabilizing arms race is occurring between India, Pakistan, and China due to regional tensions. The process of nuclearization in South Asia and Pakistan's response to India's 1998 nuclear tests established strategic nuclear deterrence between the two countries; however, the continued development of their arsenals by India and Pakistan has led to renewed tensions (Keeny, 1998).

China's strengthening of its strategic relationship with Pakistan, including cooperation in the fields of civilian nuclear energy and conventional and strategic missile systems, has fueled India's security concerns. Although India's original driving force for developing a nuclear arsenal was its rivalry with Pakistan, China's growing capabilities and its strategic partnership with Pakistan have exacerbated India's perception of being encircled by enemies. India's efforts to modernize its conventional and nuclear forces in response to China's growing military prowess have, in turn, prompted China and Pakistan to take similar measures to maintain deterrence and regional stability. China is Pakistan's largest arms supplier. Most recently, Pakistan signed a deal with China to purchase eight conventional diesel-electric submarines. While these submarines are not nuclear-powered, they contribute to Pakistan's sea-based deterrent against India. At the same time, their acquisition represents Islamabad's response to New Delhi's military build-up, which Islamabad views as a threat to its national security (Kristensen & Korda, 2025; Salman & Topychkanov, 2021).

The rivalry between India and Pakistan is part of a larger strategic competition involving China and the United States. China's nuclear and missile modernization is primarily driven by its strategic competition with the U.S. and its perception of the threat posed by American ballistic missile defense (BMD) systems. In turn, India modifies its strategic posture in response to China's military modernization and growing power-projection capabilities. Pakistan, in turn, reacts to India's growing strategic and conventional military capabilities. The competition between India and Pakistan creates a 'chain' of instability and insecurity that affects the strategic postures of both China and the U.S., although neither is directly targeted by the other's military capabilities.

The security implications of China-India competition demonstrate the limitations of viewing geo-economic rivalry as purely economic. Economic partnerships can strengthen strategic capabilities and consequently influence military calculations. India's perception of China's growing regional presence encourages counterbalancing, while Pakistan's strategic partnership with China is partly shaped by its security concerns regarding India. This creates a cycle in which economic cooperation contributes indirectly to security competition, reinforcing the regional security dilemma predicted by neo-realist theory. (Saalman & Topychkanov, 2021; Sethi, 2024)

3 Baluchistan and Internal Security: The intensifying China–India rivalry in South Asia carries profound implications for Pakistan, particularly in the province of Baluchistan. Local grievances persist among segments of the Baloch population, who perceive major development projects—such as those linked to the CPEC—as serving primarily Chinese and federal Pakistani interests, while neglecting local needs (Hassan, 2019). India, seeking to exploit these discomforts, has allegedly supported destabilizing activities in the region, further aggravating the fragile security environment in a province already marked by extremism and insurgency (Shamim & Khan, 2022). These dynamics not only complicate Pakistan’s internal security challenges but also highlight how external rivalries are increasingly intertwined with domestic fault lines. (Abbas, 2024).

Consequently, Baluchistan has become not only a site of domestic insurgency but also a focal point of broader geopolitical competition. The intersection of local grievances and international rivalries has contributed to increased militarization, security operations, and political tensions, thereby complicating prospects for sustainable peace and inclusive development in the region. The Baluchistan case demonstrates that this competition is not only benefiting Pakistan, but also effected its internal political landscape, the opportunities are not wisely distributed among the provinces of Pakistan which create chaos and political instability in Pakistan.

4 Over-dependence on China: Because of the border conflicts with China, India is increasing its military personnel on the border to counter China’s rising influence. India is a powerful nuclear state compared with Pakistan, which is building relations with Bangladesh, Sri Lanka, and other South Asian states. Pakistan, on the other hand, does not have a sound relationship with these states. Pakistan is focusing on maintaining its relations with China and overlooking another Western state that can be beneficial to Pakistan. Most importantly, Pakistan also has strained relations with India after the CPEC, as this hinders the growth of a healthy relationship between India and Pakistan.

Pakistan’s close economic and strategic relationship with China provides important benefits, particularly in the context of India’s growing strategic partnership with the United States. However, the challenge for Pakistan is not to have relations with China but how to maintain its relations with other countries while keeping its strategic autonomy.

5 Indo-US Strategic Partnership: The Indo-US strategic partnership, signed by India in 2006, provides the latter with cooperation in every field, from defense to nuclear. Pakistan is certainly affected by this partnership, which is intended not only to challenge China’s growing foothold in South Asia but also to strengthen India’s position in the subcontinent. India is more powerful in terms of army, population, and size. China enjoys strong support from Pakistan, where’s the US acts as a critical security partner for New Delhi.

India’s participation in QUAD, combined with agreements such as the Logistics Exchange Memorandum of Agreement and the Defense Technology and Trade Initiative with the US, enables them to share military bases and infrastructure, further increasing their defense cooperation. India has started various strategic projects to boost economic growth, such as the IMEC. This project links India to Europe via the Middle East, which raises concerns for Pakistan. Following the Indo–US nuclear agreement, Pakistan revised its nuclear doctrine by formally adopting and further advancing the concept of Full-Scale Development Nuclear Deal. The transition is indicative of Pakistan shifting away from its previous policy, Minimum Credible Deterrence (MCD), to adopt an aggressive posture towards all forms of warfare; tactical, operational, and strategic. The implementation of FSD indicates Pakistan’s acknowledgment of the changing regional security landscape created by the India-US defense relationship, and represents

a strategic adjustment designed to address a wider range of military threats. (Hanif & Muzaffar 2024)

The Indo-US partnership creates problems for Pakistan, as India's growing engagement with United States strengthens its strategic and economic position. So, it's a challenge for Pakistan to maintain its relations with the west while keeping its warm relations with China.

6 China-India Competition in the IOR: The growing strategic rivalry between China and India in the maritime theatre has altered the strategic environment of South Asia. Both countries are pursuing great-power status and energy security, and the competition has moved from land to the sea. India's naval modernization and development of a sea-based nuclear deterrent are designed to counter China's growing influence in the IOR. This competition is directly relevant to Pakistan. The development of Gwadar Port under CPEC situates Pakistan at the heart of the Sino-Indian maritime competition. India is wary of China's presence at the port, seeing it as a potential strategic asset in the Arabian Sea. In response to India's growing naval power, Pakistan has pursued its maritime deterrence, particularly through defense cooperation with China.

7 Pakistan South Asia Policy: Pakistan's South Asia policy has been India-centric since its inception, with its foreign policy largely revolving around India. Despite shared cultural and historical ties, Pakistan's relations with other South Asian nations have weakened over time. Meanwhile, India has strengthened its engagement with these countries, particularly after China began investing in regional infrastructure projects. For instance, India assisted Sri Lanka in addressing its debt crisis and recovering from economic losses and assisted other South Asian states such as Nepal, Bangladesh. In contrast Pakistan has limited engagement with these South Asian states which affected Pakistan's South Asia policy. (Abbas & Khurram ,2024)

8 Pakistan India Relations

There are many points of divergence in the relationship between China and India. The most important factor is China's close relationship with Pakistan. Although Pakistan is a member of "SAFTA", "SCO", and "The Economic Corporation Organization", it is missing from powerhouses like ASEAN and groups like "BIMSTEC", among others. India's clout and active lobbying have often prevented Pakistan's accession to these groups, resulting in Pakistan's inability to get preferential treatment to break through in these markets. India and Pakistan, both nuclear powers in South Asia, have maintained a troubled relationship since gaining independence.

India's opposition to the CPEC stems from the belief that China's long-term presence in Pakistan is driven more by geopolitical ambitions than purely economic interests. While CPEC is promoted in Pakistan as a "corridor of opportunity," there are concerns that it may eventually evolve China-Pakistan strategic cooperation into a comprehensive military alliance directed against India. (Sharma 2019). India perceives the alliance between China and Pakistan in this region as a threat to its sovereignty and territorial integrity. India has several concerns about the BRI; one is that it could lead to Chinese dominance over the IOR.

The project aims to strengthen Pakistan's strategic and economic partnership with China, capable of transforming the regional balance of power and reducing India's traditional dominance in South Asia. It opens the door for Pakistan towards Central Asia and Middle Eastern markets. However, this development raises geostrategic concerns for India, particularly in the IOR. From a military and strategic perspective, Gwadar could serve as a vital outpost for China to monitor key SLOCs from the Persian Gulf. The construction of roads and the development of ports by China are viewed as both diplomatic and military initiatives aimed at strategically encircling India. Critics argue that

China's rise and its pursuit of regional dominance could potentially relegate India to a secondary power in South Asia. (Hassan 2019).

9 China–India Strategic Shifts in Afghanistan

Afghanistan is turning out to be a major theatre in the larger geo-economic competition between China and India. As China has sought to mediate between Afghanistan and Pakistan and enhance its influence through connectivity projects associated with the Belt and Road umbrella, India has also maintained its developmental and humanitarian presence in Afghanistan despite the country's political isolation. (Ballesteros Peiró, 2023). New Delhi's long-term strategy to maintain strategic leverage in Kabul is evident in its investments in projects like the Afghan Parliament building, the Salma Dam and sectors like healthcare and education. At the same time, Afghanistan's strategic location makes it a key transit hub linking the energy rich republics of Central Asia with the resource deprived South Asian consumer hubs. The TAPI pipeline is an example of this geo-economic potential. If successfully implemented, TAPI could enhance regional interdependence and provide Afghanistan with transit revenues and employment. (Asian Development Bank, 2025) For Pakistan, however, such initiatives operate within a competitive strategic environment shaped by China–India rivalry. Islamabad must carefully balance its close partnership with China while managing regional projects that also expand India's economic presence in Central Asian states.

Conclusion

The geoeconomic competition between China and India is bringing about a structural transformation in the strategic order of South Asia. What was a territorial and geopolitical competition has now become a multi-dimensional contest involving economic statecraft, infrastructure connectivity, maritime expansion and strategic alignments? Thus Pakistan holds an important, but precarious place in this changing world. The economic engagement with China through CPEC offers Pakistan strategic infrastructure, energy security and access to the regional market. But these advantages also come with a greater strategic exposure. India's counterbalancing strategies through naval modernization, Indo-pacific partnerships and deeper cooperation with the United States reflect a greater balancing dynamic as foretold by Neo-realist theory. Pakistan is thus both a beneficiary and a frontline state in a larger great-power competition.

The key challenge for Pakistan is not just to manage its relationship with India or China but to cope with the structural pressures generated by their rivalry," the study finds. Strategic reliance on any one power is likely to limit policy autonomy and exacerbate regional polarization. Hence, the long-term stability requires a balancing strategy that optimizes economic benefits from China and diversifies diplomatic and economic partnerships. Pakistan should adopt an independent foreign policy and establish constructive relations with all South Asian countries to achieve its economic diplomacy and national interest.

Conflict of Interest

The authors showed no conflict of interest.

Funding

The authors did not mention any funding for this research.

References

- Abdul. "Regional Power Struggle: Can India Match China's Influence in South Asia?" *Eurasia Review: News and Analysis*, 2024. <https://www.eurasiareview.com>
- Ahmad, Bakhtair. "China Economic Relations: Implications for Pakistan." *Journal of Education and Social Research*, June 2021.
- Ali, M. S. "Great Powers Must Act More Responsibly in South Asia." *The Express Tribune*, 2023. <https://tribune.com.pk>
- Abbas, Dr. "Pakistan South Asia Policy." *The Nation*, 2024. <https://nation.com.pk>
- Bukhari, Syed Shahid Hussain. "Indo-US Strategic Partnership and Pakistan's Security: A Theoretical Evaluation." *Journal of Political Studies* 22, no. 1 (2015): 113–125.
- Ballesteros Peiró, A. (2023). India and Pakistan as the pivot of China's South Asia strategy. CIDOB.
- Fisher, Richard, and John D. Fisher. "The Strategic Implications of China's Nuclear Aid to Pakistan." *The Heritage Foundation*, 1998. <https://www.heritage.org>
- Hassan, Khalid. "CPEC: A Win-Win for China & Pakistan." *Human Affairs* 30 (2019): 212–223.
- Jain, R. (2018). China's Economic Expansion in South Asia Author. *Indian Journal of Asian Affairs*, 31, pp. pp21-36. <https://www.jstor.org/stable/10.2307/26608821>
- Keeny, S. M., Jr. (1998, May). South Asia's nuclear wake-up call. *Arms Control Today*. <https://www.armscontrol.org/act/1998-05/focus/south-asias-nuclear-wake-call>
- Rana, Amir. "Connecting South Asia." *Dawn*, November 17, 2004.
- Rizzi, Alberto. The Infinite Connection: How to Make the India-Middle East-Europe Economic Corridor Happen. *European Council on Foreign Relations*, 2024. <https://ecfr.eu>
- Lobell, S. E. (2010). Structural realism/offensive & Defensive Realism. (1 March 2010). <https://doi.org/10.1093/acrefore/9780190846626.013.304>
- Mearsheimer, J.J. (2001). *The Tragedy of Great Power Politics*, Norton Company New York.
- Malik, Maria. "Balochistan, Baloch and the China-Pakistan Economic Corridor." *Journal of Political Studies* 26, no. 2 (2019): 173–186.
- May, G. D. (2023). India and China's rivalry is reshaping South Asia. Australian Strategic Policy Institute
- Mansoor, Safia. "Power Politics in South Asia: Analyzing India-US-China-Pakistan Strategic Quadrilateral." *Journal of Peace and Diplomacy* 2, no. 1 (2021). <https://doi.org/10.59111/JPD.002.01.011>
- N. (2019). Sino-Indian Quest for Hegemony in South Asia: Implications for Pakistan. IGCC: Uic Institute on Global Conflict and Cooperation
- Sharma, Ritu. "China's Inroads into South Asia: Impact on India." *Journal of Emerging Technologies and Innovative Research* 5, no. 10 (2018) <https://www.jetir.org/papers/JETIR1810A24.pdf>.

- Scholvin, Sören, and Mikael Wigell. *Geo-Economics and Power Politics in the 21st Century. Routledge Global Security Studies*, 2019.
- Shamim, A., and M. A. Khan. "China-India Relations: A Critical Analysis of Convergence and Divergence." *Orient Research Journal of Social Sciences* 7, no. 1 (2022): 14–22.
- Sethi, M. (2024, November). Southern Asia 26 years after the nuclear tests. *Arms Control Today*.<https://www.armscontrol.org/act/2024-11/features/southern-asia-26-years-after-nuclear-tests-review>
- Wigell, Mikael. "Conceptualizing Regional Powers' Geoeconomic Strategies: Neo-Imperialism, Neo-Mercantilism, Hegemony, and Liberal Institutionalism." *Asia Europe Journal* (2016). <https://link.springer.com/article/10.1007/s10308-015-0442-x>.
- Vaid, Manish. "India's and China's Divergent Energy Paths in Sri Lanka." Observer Research Foundation, 2024. <https://www.orfonline.org>
- Khan, Z. A. (n.d.). China's Gwadar and India's Chahbahar: An analysis of Sino-India geo-strategic and economic competition.
- Zakeria, I., Romaniuk, S. N., & Csicsmann, L. (2025, October 17). China–India rapprochement and its strategic implications for Afghanistan. *Situation Reports*.