CAPS POST-EVENT REPORT

Title: “Diversifying Investment Landscape of Balochistan: China and Beyond”

Event Date: October 3, 2025
Venue: CAPS Office, Islamabad
Moderator: Yusra Sarwar, Researcher, CAPS

Pakistan has recently announced its plan for diversifying the investment landscape in Balochistan. In this new phase, it is looking beyond China to include other countries from the Asia Pacific region. In this context, CAPS hosted a roundtable discussion with Mr. Adnan Amir, a senior journalist from Nikkei Asia. He noted that the Canadian Company Barrick Mining has a 50% stake in the Reko Diq project. The remaining shares are equally divided between the Federal and Balochistan Governments. Contrary to some news reports, it is not Japan that is investing in the project but rather an independent Japanese company, Komatsu Mining Equipment Company. Moreover, international organisations such as the World Bank, Asian Development Bank, Export-Import Bank of the United States, Japan Bank for International Cooperation, Export Development Canada, have collectively pledged more than $6 billion. However, these are just pledges, yet to be materialized.

Mr Amir noted that Reko Diq is just a small part of the resource-rich Tethyan Belt, which has huge reserves of gold and copper. If explored in the long run, it can be used to generate a lot of profit for Pakistan. However, this is not a sustainable strategy and will not be able to solve Pakistan’s economic woes in the long run.

US companies are also investing in Balochistan’s mining sector. The Frontier Works Organization has signed an MoU with US Strategic Minerals, which will invest $500 million to explore minerals mainly in Balochistan. Furthermore, National Logistics Corporation (NLC), has also signed an MOU with Mota Engel Group, which is a Portuguese company but it also has a significant presence in America.

For the development of ML1, the largest CPEC project in terms of value, ADB is inspecting it for possible funding as China is apparently encouraging Pakistan to engage more partners. This change in policy stems from China’s desire to spread the economic as well as security risks. Past experiences of delayed payments and other bureaucratic hurdles, as well as the security situation in Balochistan has led China to support Pakistan’s bid to engage other actors to invest in CPEC projects.

Replying to a question, he was of the point of view that the Baloch insurgency is a significant impediment in developing Balochistan’s mineral sector. Whilst there is undeniable involvement of foreign hostile actors, the main actors are locals. He highlighted that Pakistan’s government’s thinking that the involvement of western actors would help in stabilizing Balochistan is misplaced. He said that the inclusion of Majeed Brigade in the US Foreign Terrorist Organization List is a symbolic victory at best and will have no practical implications. He also opined that insurgents exclusive focus on targeting Chinese nationals and going soft for other nation's projects stemmed from the desire to not create additional enemies. However, this policy may be changing as Baloch insurgents have now issued threats against Reko Diq as well.

Mr Amir pointed out that the diversification of actors in Balochistan's mineral sector will not complement Chinese investments. He gave the example of Gawadar Port which may not be used for the export of mineral products. He also explained that Chinese loans were cheaper as compared to ADB loans with there being a 4-5% difference in interest rates, possibly due to geopolitical reasons.


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