

# Russia and Pakistan Will Comprehensively Expand Cooperation in the Resource Sector

By <u>Andrew Korybko</u> Global Research, December 18, 2024 Region: <u>Asia</u>, <u>Russia and FSU</u> Theme: <u>Global Economy</u> In-depth Report: <u>PAKISTAN</u>

Pakistan wants to reduce its disproportionate dependence on China, hence why it prefers for Russia to modernize its resource infrastructure instead of China, which aligns with US strategic goals.

<u>Express Tribune</u> reported on the outcome of the ninth Pakistan-Russia Inter-Governmental Commission on Trade, Economic, Scientific and Technical Cooperation. The protocol that they inked comprehensively expands cooperation in the resource sector. This includes energy and mineral exploration, oilfield services, a gas pipeline, industrial communication, shared standards, equipment, LNG, coal and chemical cooperation, and hydroelectric power and water management. Here are some background briefings:

- 31 July: "Assessing The Prospects Of Pakistan's Reported Strategic Roadmap For Trade With Russia"
- 19 September: "<u>Russian-Pakistani Relations Are Surprisingly Taking On Strategic</u> <u>Dimensions</u>"
- 9 October: "It'll Take Time To Reap The Fruits Of The First-Ever Russian-Pakistani Trade & Investment Forum"

The primary obstacles to their cooperation up until this point were financial and political, the first with regard to Pakistan's infamous lack of funds and the second due to the US' influence over its government. It remains unclear how they were surmounted, but it could be that Pakistan will offer Russia preferential stakes in these projects in lieu of cash while the US might have allowed this to happen in order for its historical ally's decrepit resource infrastructure to finally modernize.

Elaborating more on the last point, private American companies might not be willing to bear the tremendous costs that this could entail due to how long it'll take to receive a return on their investments, but state Russian companies might not have the same concerns. Moreover, from the US' strategic perspective, if its own private companies can't take on these projects due to the unfavorable terms, then it's better for Russian ones to do so than Chinese ones if Washington is forced to choose.

That's because the US is competing with China for influence over Pakistan, not with Russia, which will never approach anywhere near those two's level of influence there. While it might appear to observers that Russia's strategic resource inroads in Pakistan could erode American influence, they actually serve as a counterweight to China's by denying the People's Republic more influence in this sector. The US' premier influence over Pakistan's

military, political system, and elites remains unaffected by this.

Viewed from an admittedly controversial zero-sum perspective, the gradual growth of Russian influence in parts of the Pakistani economy therefore erodes China's influence over the country, which in turn strengthens America's overall strategic position. Sanctioned Russia urgently requires new markets, and it's willing to pay higher costs for access to them so long as it's promised high rates of return in the long term through preferential stakes in these projects, thus <u>explaining its national interest</u> in this context.

Readers should also be aware that this is part of Russia's "Pivot to (South) Asia" that was described in detail <u>here</u> late last month and aims to <u>preemptively avert disproportionate</u> <u>dependence on China</u>. Pakistan also wants to reduce its own already existing such dependence on China, hence why it prefers for Russia to modernize its resource infrastructure, which aligns with US strategic goals. If this trend continues, then it'll one day be possible to speak about the Russian-US-Chinese interplay in Pakistan.

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