

AFGHANISTAN IN CHINA'S EXTENDED CPEC 2.0 STRATEGY

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The May 2025 trilateral agreement between China, Pakistan, and Afghanistan, formalizing the extension of the China-Pakistan Economic Corridor (CPEC) into Afghan territory, marked what Beijing celebrated as a turning point in Central and South Asian geopolitics. Within five months however, Pakistan and Afghanistan were exchanging artillery fire and airstrikes across their contested border. This policy brief argues that Beijing's reliance on economic statecraft as its primary instrument of regional engagement has proven insufficient for the political complexity it confronts. Beijing's trilateral diplomacy produced agreements on paper while leaving untouched the ideological-military nexus that makes the Af-Pak border one of the most volatile frontiers in Asia. The recent February 2026 rupture between Pakistan and Afghanistan, coming within months of the second China-brokered trilateral announcing CPEC extension, demands not readjustment but a fundamental reappraisal of the assumptions underlying regional engagement. The following recommendations are addressed to the international community and multilateral institutions.

- **Engage the post-conflict space:** The West's disengagement from Afghanistan created the vacuum that China is attempting to fill. Alternative connectivity frameworks such as Chabahar, INSTC, and Central Asian-linked corridors should be actively resourced.
- **Develop a critical minerals strategy for Afghanistan:** A framework modelled on Clean Energy Supply Chain initiatives in Europe and North America should enable sustainable resource development in Afghanistan without ceding extraction monopoly to China.
- **Establish a dedicated Af-Pak border monitoring mechanism:** A multilateral mechanism with real-time information sharing could interrupt escalation cycles before they reach the level of sustained military exchanges.
- **Promote inclusive regional connectivity frameworks:** Regional stakeholders should develop connectivity frameworks that include India, Iran, and Central Asian states, rather than leaving the field to bilateral Sino-Pakistani architecture.
- **Treat the Af-Pak conflict as a European security issue, not a peripheral bilateral dispute:** Each escalation cycle on the Pakistan-Afghanistan border generates displacement flows that arrive, eventually, at European borders.
- **Use the EU-Central Asia Strategic Partnership to keep Afghanistan's connectivity options open:** The April 2025 EU-Central Asia Summit upgraded the relationship to a strategic partnership with connectivity identified as a core priority. The EU's existing Border Management Programme in Central Asia and Afghanistan provides an institutional channel for engagement that should be renewed and activated rather than allowed to lapse as the security situation deteriorates.

The Architecture of CPEC Phase II: A Corridor Reborn

On September 26, 2025, Pakistan and China officially inaugurated China-Pakistan Economic Corridor (CPEC) Phase II at the 14th Joint Cooperation Committee (JCC) meeting in Beijing, formally closing the curtain on the corridor's first decade of infrastructure-heavy investments and opening what both sides have described as a more ambitious era of industrialization, technology transfer and regional connectivity.¹ Phase I of the CPEC left a substantial physical mark with Pakistan adding 8,904 megawatts to its national grid and building 888 kilometers of highways.² Yet beneath these achievements lay ballooning debt, chronic delays, opaque contracts, and a US\$9.5 billion energy-sector debt burden that came to symbolize the structural imbalance at the core of the partnership.³

Phase II of the multi-billion-dollar project has in many ways been designed to rewrite that narrative. The 14th JCC endorsed what Beijing and Islamabad jointly called the Five Corridors of CPEC 2.0: Growth, Livelihoods, Innovation, Green Development, and Regional Connectivity.⁴ These five corridors are mapped, at least on paper, onto Pakistan's own '5Es' economic framework—Exports, Energy, Environment, Equity, and Empowerment. An Action Plan for the Next Decade, signed in September 2025, lays out a comprehensive agenda covering industrial cooperation, Special Economic Zones (SEZs), agriculture modernization, maritime development, mining, and flagship connectivity projects including the ML-1 Railway upgrade, Karakoram Highway realignment, and expanded Gwadar development.⁵ Pakistan's Planning Minister Ahsan Iqbal, speaking at the 14th JCC, called for government-to-government SEZs in Karachi and Islamabad as model export-oriented hubs, attracting Chinese industrial relocation in textiles, engineering, electronics, pharmaceuticals, and electric vehicles.

The centerpiece of Phase II's strategic ambition, however, lies not in Pakistan's industrial zones but further west. The Regional Connectivity Corridor of CPEC 2.0 is the formal scaffolding for extending the corridor into Afghanistan—a country at the convergence of South, Central, and West Asia, and whose integration into the BRI network has been a Chinese strategic objective since well before the Taliban's return to power in 2021.⁶ The May 2025 trilateral agreement made this explicit with the seven-point program including infrastructure connectivity, trade facilitation, counterterrorism cooperation, and energy cooperation as the first four planks of Afghan integration.⁷ The planned overland routes run from Torkham to Kabul in the east and from Chaman toward Kandahar in the south, threading Afghanistan into a Pakistani infrastructure spine that CPEC Phase I built and which Phase II is meant to industrialize (see Table 1).

What that program does not resolve, and what Beijing's drafters appear to have treated as a downstream problem, is the fundamental instability of the bilateral relationship it depends upon. Afghanistan and Pakistan do not simply have a difficult border; they have a disputed one whose terms no Afghan government has ever formally accepted. The Taliban, which draws significant domestic legitimacy from nationalist as well as Islamist commitments, is no exception. The Tehreek-i-Taliban Pakistan (TTP) operates from Afghan territory not despite Taliban governance but in some measure because of the ideological and tribal bonds that make the Taliban unwilling, and in places unable, to dismantle it. Pakistan's military facing domestic pressure to act, cannot indefinitely absorb these strikes as the price of Chinese-brokered diplomacy. The October 2025 border clash followed by the recent February 2026 'Open War', escalated by Pakistani airstrikes into Afghan territory, and met with Taliban military retaliation demonstrated exactly how quickly those tensions can reach breaking point.

The Regional Connectivity Corridor of CPEC 2.0 is therefore not just an infrastructure question. It is as much a political bet as an economic one, premised on the assumption that economic incentives can stabilize a relationship whose instabilities run deeper than any investment package can reach. Phase II was announced against a backdrop in which that bet has already been partially called.

Table 1: CPEC Phase I vs. Phase II - A Comparative Overview

Dimension	CPEC Phase I (2015–2025)	CPEC Phase II (2025–2030+)
Primary Focus	Energy, highways, Gwadar port development	SEZs, industrialization, digital economy, agriculture
Investment Value	~\$46 billion (Phase I portfolio, per Minister Iqbal, 14th JCC)	\$8.5 billion+ in new pledges
Geographic Scope	Pakistan (Xinjiang to Gwadar)	Pakistan + Afghanistan extension; Central Asian linkage
Flagship Projects	Sahiwal & Port Qasim power plants, Gwadar airport	ML-1 upgrade, KKH realignment, Gwadar expansion, SEZs
Governance	JCC; slow implementation	Biannual JCC + quarterly Working Groups proposed; stalled post Pak-Af conflict
Afghan Dimension	Absent (referenced in BRI documents only)	Formally endorsed May 2025; tested by October 2025 and February 2026 conflict

Sources: CPEC Secretariat, ‘14th JCC Meeting Communiqué,’ September 26, 2025;⁸ Pakistan-China Investment Conference communiqué, September 2025; Accords worth \$8.5bn signed during PM’s China visit;⁹ author’s assessment.

The May 2025 Breakthrough: How Afghanistan Entered the CPEC Frame

In a carefully choreographed gathering, Chinese Minister of Foreign Affairs Wang Yi, Pakistan’s Deputy Prime Minister Ishaq Dar and Afghanistan’s Acting Foreign Minister Amir Khan Muttaqi collectively announced what diplomats had only whispered about for years; CPEC would be extended to Afghanistan.¹⁰ The agreement was not merely symbolic but had also followed months of shuttle diplomacy by China’s special envoy Yue Xiaoyong and produced a concrete diplomatic upgrade where both Pakistan and Afghanistan agreed to exchange ambassadors for the first time since Taliban’s seizure of Kabul in 2021.¹¹ In August, a second trilateral convened in Kabul, reinforcing the framework with pledges on counterterrorism cooperation and drug interdiction.¹²

From Beijing’s vantage point, the logic of this move was clear. Afghanistan sits at the nexus of South, Central, and West Asia, and its inclusion in CPEC offers China a land bridge that could eventually connect Gwadar on the Arabian Sea to the markets of Central Asia, bypassing maritime chokepoints that remain vulnerable to geopolitical threats. Two of the Belt and Road Initiative’s six corridors, CPEC and the China-Central Asia-West Asia Economic Corridor, run through countries bordering Afghanistan, making Kabul’s integration into the BRI network a strategic imperative rather than a diplomatic nicety.

For Pakistan, the calculus was equally clear. Relations with the Taliban had deteriorated sharply following Kabul’s refusal to meaningfully curb cross-border attacks by the TTP, and bilateral coercive tools have since comprehensively failed. China’s mediation offered Islamabad a face-saving path back to engagement with the promise of economic investment providing the incentive to reopen channels that political and military pressure had not been able to restore. The Chinese formula of peace through prosperity, Islamabad

calculated, was more likely to produce results than continued coercion. The Taliban on the other end had its own reasons to engage; China's economic promises represent a rare channel for revenue and external legitimacy in an era of international isolation and sanctions.

That all three parties found reasons to participate in the same framework does not mean they share the same objectives. China's engagement with Afghanistan under the Taliban is driven by an interlocking set of interests that goes well beyond neighborhood diplomacy, and understanding what Beijing actually seeks from the trilateral requires examining each imperative in turn.

China's Strategic Calculus: Minerals, Security, and Geopolitical Depth

Three strategic imperatives define Beijing's approach and each has been complicated, though not invalidated, by the recent conflict between Islamabad and Kabul. Afghanistan is, in the now-famous formulation of a 2010 U.S. Defense Department memo, the 'Saudi Arabia of Lithium.'¹³ The country's Ministry of Mines and Petroleum estimates its subsoil may hold 60 million tons of copper, 2.2 billion tons of iron ore, 1.4 million tons of rare earth elements, and an enormous, as-yet-fully-surveyed reserve of lithium.¹⁴ At aggregate estimated values exceeding US\$1 trillion, these deposits represent the most concentrated pool of critical minerals not yet systematically exploited anywhere in the world.

China has moved methodically to position itself as the primary external claimant to this wealth (see Table 2). The Metallurgical Corporation of China (MCC) and the Jiangxi Copper consortium hold a 30-year concession for the Mes-i-Aynak copper deposit, estimated at over US\$100 billion, though construction has been plagued by delays, security threats, and contractual disputes. A Chinese firm proposed a US\$10 billion investment in Afghanistan's lithium reserves with a

promise of 120,000 jobs.¹⁵ By 2022, China had already committed to granting zero-tariff access to 98 percent of taxable Afghan exports, a strategic economic concession designed to consolidate goodwill and market access simultaneously.¹⁶ Yet the Taliban's willingness to sustain these arrangements has proven contingent on its own political calculations. In June 2025, even as the August trilateral loomed, the Taliban cancelled the Amu Darya oil deal citing inadequate benefit transfers while the Mes-i-Aynak remains scattered.¹⁷ The October conflict further complicated the operating environment for Chinese firms on the ground.

Table 2: Key Chinese Resource and Investment Engagements in Afghanistan

Year	Sector	Deal / Action	Status (as of Feb 2026)
2008 / 2024	Copper	Mes-i-Aynak; MCC/Jiangxi Copper 30-year concession (US\$2.9 billion contract value). Access road groundbreaking ceremony conducted on July 24, 2024. ¹⁸	Nominally active; no extraction commenced; project stalled
Jan 2023	Oil & Gas	25-year contract; CAPEIC to invest US\$150 million annually, rising to US\$540 million over three years. Amu Darya basin, northern Afghanistan. ¹⁹	Cancelled by Taliban, June 17, 2025, citing contract violations
Apr 2023	Lithium	Gochin Company proposed US\$10 billion investment with promise of 120,000 direct jobs; no contract signed. ²⁰	Proposal only; no contract; no further developments confirmed

Year	Sector	Deal / Action	Status (as of Feb 2026)
Oct 2024	Trade	China expanded zero-tariff treatment to 100% of Afghan tariff lines effective 1 December 2024; ²¹ Afghan exports to China +37% in Q1 2025.	Operational; trade growing despite October 2025 conflict
May 2025	Infra-structure	Trilateral CPEC extension agreement; road and rail feasibility studies proposed at Beijing meeting.	Framework agreed; implementation on hold since October 2025 conflict

The Security Imperative

No issue animates Beijing's Afghan policy more than the security of its western flank. China shares roughly a 92 kilometers of border with Afghanistan through the Wakhan Corridor—a potential transit route for Uyghur militants of the East Turkistan Islamic Movement (ETIM), which China designated a terrorist organization and whose members it believes are sheltering in northeastern Afghanistan. Despite Beijing's repeated demands, the Taliban has responded with relocation rather than repatriation, moving ETIM members away from the Chinese border but without dismantling their networks.²² Although China has leveraged both diplomatic entreaties and economic incentives to press for compliance, the Taliban's longstanding ideological affinity with pan-Islamic militant networks makes full acquiescence unlikely. What Beijing has extracted rather, in exchange for economic incentives through the CPEC, is a tacit understanding where Kabul will not become an active launch-pad for attacks on Chinese interests, but neither will it become a counterterrorism partner in any meaningful operational sense.

The TTP, however, has complicated these dynamics. With around 14 attacks on CPEC infrastructure recorded between 2021 and late 2024, killing 20 Chinese nationals and injuring 34, the TTP has emerged as a direct threat to Beijing's Pakistani investments.²³ The trilateral framework implicitly tasks Afghanistan with restraining TTP cross-border operations, and the Taliban has reportedly pledged that Afghan territory will not be used to destabilize Pakistan. However, since the trilaterals, each TTP attack on Pakistani soil has generated a Pakistani military response; each Pakistani strike on Afghan territory has inflamed Taliban sovereignty grievances and each Taliban military retaliation has ended up closing the border crossings through which CPEC goods would have eventually passed. This cycle is not a sequence of discrete failures, but it has become the de-facto structural condition of the corridor's Afghan extension.

China's response to this structural condition has not been to address it directly. Beijing has neither the leverage to compel Taliban action against the TTP nor the appetite for the security guarantees that such conditions would require. Instead, it has constructed a parallel architecture of economic and informational instruments designed to manage the relationship's instabilities rather than resolve them. That architecture operates across the primary domain of influence operations across both Afghanistan and Pakistan. The extent to which it has proven adequate to the task is examined in the following section.

China's Influence Architecture: The Soft Power Ecosystem and Its Limits

The activities of China's state media in the Af-Pak region are among the most systematic exercises in narrative management currently underway in the developing world. However, China's media expansion into Afghanistan since 2021 cannot be understood in isolation from the media

landscape it is entering. Independent media in Afghanistan has effectively been replaced by Taliban-controlled state media, supplemented by a small number of outlets operating in exile and a handful of foreign broadcasters. It is into this vacuum that Chinese state and state-linked media have moved with purpose. CCTV and CGTN continue to maintain offices in Kabul. Axon Media Network's CRI Pashto, part of the China Radio International franchise, runs twice-daily programs broadcast in Kabul and Kandahar and has accumulated over three million followers across social media platforms—a reach that competes with established Afghan outlets and exceeds many of them.²⁴ Private Afghan broadcasters, including Shamshad TV and Axon Media itself, have received Chinese financial assistance; the Bakhtar News Agency, the Taliban's official state media apparatus, has deepened its cooperation with Chinese outlets through joint programming, content sharing, and technical support. In May 2025, the editor-in-chief of the Bakhtar News Agency travelled to Zhejiang Province as part of a Chinese-hosted delegation of Afghan journalists, alongside representatives of Tolo News and Shamshad TV, touring media enterprises and high-tech industrial facilities in Hangzhou, Jinhua, and Yiwu.²⁵ The visit was documented by China Daily and framed as cultural exchange; its function as a structured exercise in narrative alignment was less prominently noted.

The editorial parameters governing this expanded presence have also been documented by multiple sources. Afghan journalists employed by Chinese outlets in Kabul stated explicitly that they were instructed to produce only positive content and told to produce documentaries and reports that strengthen China's relations with the government. Former Afghan employees of CCTV and CGTN also stated that Chinese outlets had previously provided content to Afghan

channels emphasizing corruption, insecurity, and political dysfunction under the Ghani government, material that served Beijing's interest in undermining Western-backed governance, and that coverage had shifted after 2021 toward regional political and security issues, particularly Afghanistan-Pakistan tensions. The editorial line has thus tracked Beijing's strategic interests at each phase rather than any stable journalistic principle (see also Table 3).

Jawed Qaim, who served as the last ambassador of the pre-Taliban Afghan government to China, framed Beijing's media engagement in explicitly strategic terms in an interview: "Media investment can be part of China's broader economic and political strategy. They want to promote their projects in Afghanistan and improve their image across the region."²⁶ The journalist training dimension also replicates a model that Beijing has refined extensively across its engagement in Africa. The All-China Journalists Association—the principal state-backed body representing journalists in China, and operating within the Communist Party of China's (CPC) Propaganda Department, operates exchange programs that bring journalists from BRI partner countries to China for training modules combining technical skills with immersion in Chinese media practice.²⁷ The Reporters Without Borders, surveying journalism unions worldwide, found clear indications that these exchanges produced measurable impact on the willingness of participating journalists to report critically on Chinese interests in their home countries.²⁸ In Pakistan, Xinhua's content-sharing agreements with domestic wire services have long embedded pro-CPEC narratives into the national media ecosystem; Pakistani editors and broadcasters who have participated in Chinese journalist training programs have been subsequently positioned within newsrooms that receive Xinhua content as part of their daily feed.

Table 3: China's Influence Tools in Pakistan and Afghanistan: Reach, Effectiveness and Crisis Resilience

Tool	Pakistan (Reach)	Afghanistan (Reach)	Assessment after October 2025
State media (Xinhua, CGTN, CRI)	High — content-sharing with major outlets	Growing — CRI Pashto, Bakhtar cooperation	Effective in peacetime narrative; ineffective in crisis information environments
Financial leverage (debt, trade)	Very High — \$9.5b energy debt; \$65b total CPEC	Moderate — zero-tariff access; \$7b+ mining pledges	High structural leverage; border closure exposed vulnerability of trade dependency
Diplomatic co-optation (trilateral)	High — China as indispensable mediator	High — was among the first major power engaging Taliban	Framework intact but exposed as non-binding; October 2025 and February 2026 clashes prove trilateral redundant
People-to-people (scholarships, training)	Moderate — 10,000 PhD pledged for Phase II	Low — Afghan students to Chinese universities	Long-term; crisis-resilient; returns highly uncertain
Infrastructure diplomacy (roads, ports, SEZs)	High — Gwadar, highways	Low — major projects still stalled	Extension aspirational; recent conflict closed important routes indefinitely
Security cooperation	High — joint exercises; Chinese security deployment and defense cooperation	Very Low — ETIM compliance limited; ISKP active; TTP prevalent	Structural failure: China has not been able to prevent Pak-Afghan military escalations

Author's assessment based on sources cited in endnotes.

Policy Recommendations

The recent February 2026 rupture between Pakistan and Afghanistan, coming within months of the second China-brokered trilateral announcing CPEC extension, demands not readjustment but a fundamental reappraisal of the assumptions underlying regional engagement. The following recommendations are addressed to the international community and multilateral institutions.

For the International Community

- **Engage the post-conflict space:** The West's disengagement from Afghanistan created the

vacuum that China is attempting to fill. The February/October conflict has partially re-filled that vacuum with violence. Alternative connectivity frameworks such as Chabahar, INSTC, and Central Asian-linked corridors should be actively resourced. The moment when neither Beijing nor Islamabad has a functioning mechanism in Afghanistan is precisely when external alternatives carry the most weight.

- **Develop a critical minerals strategy for Afghanistan:** Afghan lithium, copper, and rare earth deposits are a global resource. A

framework modelled on Clean Energy Supply Chain initiatives in Europe and North America should enable sustainable resource development in Afghanistan without ceding extraction monopoly to China and without requiring the Taliban's compliance with a CPEC timetable that recent Afghan-Pak conflicts have made indefinite.

For Multilateral Institutions

- **Establish a dedicated Af-Pak border monitoring mechanism:** Multilateral institutions and all relevant stakeholders should host a standing border monitoring and early warning mechanism. The October 2025 nor the recent February fighting were unpredictable; warning indicators were visible for months. A multilateral mechanism with real-time information sharing could interrupt escalation cycles before they reach the level of sustained military exchanges.
- **Promote inclusive regional connectivity frameworks:** Regional stakeholders should develop connectivity frameworks that include India, Iran, and Central Asian states, rather than leaving the field to bilateral Sino-Pakistani architecture. Connectivity that bypasses or excludes major regional actors generates the very rivalries that has long fragmented regional economic integration.

For Europe

- **Treat the Af-Pak conflict as a European security issue, not a peripheral bilateral dispute:** Each escalation cycle on the Pakistan-Afghanistan border generates displacement flows that arrive, eventually, at European borders. Pakistan's mass deportations of Afghan nationals during the October 2025 conflicts accelerated secondary movement through Iran and Turkey, where more than 100,000 registered Afghan refugees and asylum seekers are already in transit toward Europe.²⁹ The Euro-

pean Commission's own Regional Multi-Annual Action Plan for Afghanistan acknowledges that Afghanistan represents one of the most severe and enduring displacement crises in the world. A sustained Pakistan-Afghanistan conflict does not stabilize this picture. The EU's existing Border Management Program in Central Asia and Afghanistan provides an institutional channel for engagement that should be renewed and activated rather than allowed to lapse as the security situation deteriorates.

- **Develop a European position on Afghan mineral governance:** Afghanistan's lithium, copper, and rare earth deposits are of strategic relevance to European supply chain diversification. Europe has a clear interest in ensuring that extraction proceeds under transparent governance rather than by default ceding the field entirely to Chinese firms operating without accountability frameworks. This does not require direct European investment in Afghanistan's extractive sector, but it requires diplomatic pressure for transparent competitive bidding, public royalty disclosure, and environmental oversight as conditions of any normalized engagement with Kabul. The absence of a European position on this question is itself a policy choice with consequences.
- **Use the EU-Central Asia Strategic Partnership to keep Afghanistan's connectivity options open:** The April 2025 EU-Central Asia Summit upgraded the relationship to a strategic partnership with connectivity identified as a core priority.³⁰ The Trans-Caspian Middle Corridor, which connects Central Asia to Europe without transiting Russian or Chinese-controlled routes, depends on regional stability that a Pakistan-Afghanistan conflict directly threatens. This situates Afghanistan within a broader strategic framework that extends beyond

immediate crisis management and demands greater focus

Summing Up: A Gamble with Unequal Stakes

The China-Pakistan-Afghanistan trilateral is, at its core, a high-stakes gamble. When Wang Yi, Ishaq Dar, and Amir Khan Muttaqi posed together in May 2025, Beijing had reason for cautious optimism. Two rounds of trilateral diplomacy in three months, an ambassadorial upgrade, and a formal CPEC extension framework suggested that China's model of 'peace through prosperity' was gaining traction in one of the world's most difficult diplomatic environments. By October, Pakistani aircraft were striking Afghan territory, the border crossings were closed, and China was publicly calling on both partners to protect its nationals. By February, the conflict entered uncharted territory of an "Open War" between the two neighbors. The distance between those two moments is the measure of the gamble's current condition.

The recent rupture does not mean the CPEC extension to Afghanistan is over. China is betting that economic incentives can discipline a Taliban government that has now demonstrated its willingness to cancel Chinese contracts in June, fight Pakistan in October, and court India in the same month; all within a single year. Islamabad was seemingly betting that China's mediation would stabilize a relationship in which the fundamental bone of contention, the TTP's sanctuary in Afghanistan, has not been addressed by any amount of Chinese-brokered dialogue. The Taliban is wagering that it can extract maximum economic benefit from multiple external patrons without giving in to any of them.

What the influence operations section of this brief makes clear is that China's capacity to manage these relationships is more constrained than its media footprint and financial leverage suggest.

Beijing has built a substantial presence in Afghan information space, but as the clashes between Kabul and Islamabad demonstrated, Beijing's presence shapes elite discourse during stable periods and loses traction the moment military facts take over the information environment. The editorial alignment Chinese outlets have cultivated with Taliban-controlled state media did not give Beijing any capacity to moderate the narrative once Pakistani airstrikes and Taliban retaliation began. Soft power, in other words, is not a substitute for the hard political work of resolving disputed issues; it is a complement to that work, and a complement that functions only when the underlying relationship is not in active crisis.

The financial leverage picture is similarly double-edged. Pakistan's US\$9.5 billion energy-sector debt to China gives Beijing structural influence over Islamabad's economic decisions but has not translated into the security outcomes CPEC requires. In Afghanistan, zero-tariff access and mining concessions have given the Taliban revenue and external engagement without producing the compliance that Beijing anticipated; the June 2025 contract cancellation and the October military escalation occurred against a backdrop of expanding Chinese economic engagement. Economic statecraft, the evidence suggests, works as an entry point into the relationship but not as a disciplining mechanism within it.

These are not grounds for concluding the project will fail. China has resources, patience, and a model of engagement that the Taliban finds distinctly less threatening than Western conditionality. The Gwadar-to-Kabul vision could, over a decade, genuinely transform the connectivity of a landlocked country that has known little but isolation and conflict. And the trilateral framework, even if it failed to prevent recent escalations, remains the only multilateral mechanism currently in operation that includes Pakistan, Afghanistan, and a major external power in the same room.

But the risks are structural, not merely operational. Pakistan cannot sustain the debt burden its existing CPEC commitments entail without a Phase II that delivers genuine industrial transformation and there is little evidence that transformation is imminent. Afghanistan cannot become a stable corridor for Chinese investment while ISKP remains active, ETIM remains present, and when the Taliban's own internal cohesion is untested by the governance demands that large-scale infrastructure development will impose.

The CPEC extension depends on a stable Af-Pak bilateral relationship, and that relationship is unstable not because of diplomatic failures but because its core tension lies beyond the reach of the instruments China has deployed. Economic incentives, media presence, and diplomatic choreography are the tools Beijing has available. The problem requires something none of them can supply; a political settlement between Pakistan and Afghanistan that neither party has shown any willingness to reach on terms the other would accept. And, that is the gamble still outstanding.

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