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CPEC and the Changing Dynamics of US-Pakistan Relations (2015-2025): A Geopolitical Perspective

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Abstract

This study examines the changing dynamics of US-Pakistan relations in the context of the China-Pakistan Economic Corridor (CPEC) from 2015 to 2025. CPEC, which was launched in 2015 as a flagship project of China's Belt and Road Initiative, added a new economic and strategic facet to Pakistan's ties with the United States. This study examines CPEC's impact on bilateral relations during this era, especially against the backdrop of emerging strategic rivalry between the United States and China. It uses a qualitative case study methodology and secondary sources such as academic research, think-tank reports, official documents, and trustworthy media publications. The analysis follows the neorealist framework and what has been called 'small state hedging'. The findings indicate that CPEC was not only a strategic concern for Washington but also began to shape its perception of Pakistan and became an important component of bilateral relations, though not the only one. Other important elements were developments in Afghanistan, US-India strategic cooperation, counterterrorism issues, and Pakistan's economic problems. Emerging dialogue between Washington and Islamabad in 2025 on counterterrorism, trade, mineral resources, and other issues suggests a shift toward selective cooperation. The study concludes that Pakistan has pursued a hedging strategy by maintaining its strategic partnership with China while seeking constructive relations with the United States. Nevertheless, the sustainability of this approach depends on regional developments and Pakistan's economic and diplomatic capacity.

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Introduction

After 2001, Pakistan became a front-line state in the Afghan war, and the United States gave it large amounts of aid. At the same time, Pakistan kept a long friendship with China. That friendship began in the early 1950s, when Pakistan became the first Muslim-majority country to recognise the People's Republic of China, and it grew through the decades that followed. For a long time, the two relationships could sit side by side. Around 2015, that became much harder.

During Xi Jinping's visit to Islamabad in April of 2015, China was seen to offer approximately US$46 billion to finance the China-Pakistan Economic Corridor (CPEC), a project that includes a deep-sea port at Gwadar, railways, roads, and power plants to connect China's Xinjiang region to the Arabian Sea. By April 2017, Pakistani officials were claiming the total was $62 billion (Rafiq, 2017), and more recent reports are still quoting this number (The Diplomat, 2025). Washington's attitude towards Islamabad also went through a number of shifts during the same 10-year period. From quiet concern

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to open criticism, to suspended aid, to deep distrust following Afghanistan's exit in 2021, to a warm reset in 2025.

Research Question

1. How did CPEC influence the direction of US-Pakistan relations between 2015 and 2025?
2. Was CPEC the main cause of the change, or one cause among several?

The paper is based on the BS-level thesis of Israr Ullah from the Department of Pakistan Studies under the supervision of Muhammad Haroon at Kohat University of Science and Technology (KUST). That thesis argued that CPEC was a catalyst for changing the Washington policy towards Pakistan and China. Four ideas from it make their way into this paper: i) the neorealist reading of great-power rivalry, ii) the idea of Pakistan as a rational and strategic entity, iii) the importance of competing narratives and financial institutions and iv) the partition of the region by competition. This paper is not a statement of the thesis. It challenges these concepts with other journal articles, policy documents and recent reporting, including the events of the past year 2024 and 2025, which are scarcely mentioned earlier. There are eight sections in the remainder of the paper. Section 2 is a review of the literature; Section 3 is a theory, followed by Section 4, where the method is explained. A brief background is presented in Section 5, and the decade is broken down into five phases in Section 6. The importance and relevance of CPEC are discussed in Section 7, its conclusion in Section 8 and its limits and recommendations in Section 9.

Literature Review

Ahlawat (2025), in his analysis of the changing US-Pakistan relationship following the India-Pakistan military tensions of May 2025, described a noticeable improvement in bilateral engagement between Washington and Islamabad. However, he questioned whether this improvement represented a permanent change in US policy or merely a temporary development influenced by regional circumstances. Similarly, Kaur (2026), in her analysis of US trade and economic policy towards Pakistan, argued that Pakistan gained some economic opportunities from Washington's new tariff approach. She highlighted the potential importance of Pakistan's offers concerning oil and mineral resources in developing closer economic cooperation with the United States. Furthermore, Profit (2025), in its reporting on the proposed US-backed port development at Pasni, highlighted the growing strategic and economic importance of Pakistan's coastal areas. However, such reports should be treated cautiously until the relevant plans and agreements are officially confirmed. Likewise, Dawn (2025d), in its coverage of the reported $500 million minerals memorandum, highlighted the growing importance of Pakistan's mineral resources in its economic engagement with the United States. Collectively, these recent developments suggest that US-Pakistan relations are increasingly influenced by trade, mineral resources, regional security, and strategic competition involving China.

In the US-Pak relationship after the India-Pak military tensions of May 2025, Ahlawat (2025) highlighted that there was an improvement in bilateral engagement between Washington and Islamabad. He was uncertain, however, about whether the change was a fundamental shift in US policy or just a “temporary development” shaped by regional dynamics. In the same way, Kaur (2026) also in her study on the US economic and trade policy towards Pakistan has claimed that Pakistan benefited from some economic opportunities from Washington's new tariff policy.

According to Rafiq (2017), in his report on CPEC, the Pakistanis were virtually in consensus on supporting CPEC regardless of political party and regional boundaries. But he said that it is necessary to have more effective institutional leadership through consensus to run the project well. The author also made an argument that the success of CPEC should be judged not by the volume of oil and gas but according to its impact on industrial development, exports, job creation and overall economic

development. Likewise, Hillman (2018) pointed out in his research on China's Belt and Road Initiative that there was insufficient reliable information on several Chinese infrastructure projects. The author also noted that the lack of transparency in the early stages of these projects posed a challenge to understanding the true cost and benefit of these projects over the long term. In his book The China-Pakistan Axis by Small (2015), he called the China-Pakistan partnership a significant geopolitical relationship in Asia. The author said that common security concerns about India and Afghanistan influenced this relationship. Similarly, Markey and West (2016), in their study on CPEC and the geopolitics of the region, asserted that the corridor was not just significant in terms of Pakistan's economic development but was also linked with the broader competition between the United States and China. The Diplomat (2025) also recently noted that the economic woes of CPEC were also connected with the issues of its financing, in addition to Pakistan's own domestic economic shortcomings, including the failure to manage the power sector well.

Rogers et al. (2023), in their study of Pakistan's foreign policy and strategic choices, argued that Pakistan's behaviour towards the United States and China can best be understood through the concept of hedging. They explained that Pakistan does not want to become completely dependent on either major power. On one hand, Pakistan remains concerned about excessive dependence on China and the possible economic and strategic consequences of such dependence. On the other hand, it is also concerned about the changing US strategic approach towards South Asia, particularly Washington's growing cooperation with India. Therefore, Pakistan attempts to maintain working relations with both countries while protecting its own national interests. The theoretical foundation of this approach was explained by Kuik (2008) in his study, The Essence of Hedging: Malaysia and Singapore's Response to a Rising China. He argued that smaller and middle powers often avoid making a clear choice between balancing and bandwagoning. Instead, they adopt a mixed foreign policy approach to manage uncertainty, reduce strategic risks, and maintain relations with competing major powers. These arguments help explain why Pakistan continues to maintain relations with both Washington and Beijing despite their growing strategic competition.

Wells (2019), in her speech at the Wilson Centre on CPEC and Pakistan's Economic Future, expressed serious concerns about the transparency and financial implications of the China-Pakistan Economic Corridor. She said that CPEC is not a case of foreign aid and cautioned that if this project agreement is not transparent, it could further deepen the financial problems and debt burden of Pakistan (ANI, 2019; ETV Bharat, 2019). China, in turn, in its report on China's response to the criticism by the American officials on CPEC, stated that the concerns expressed by the American officials were nothing to be worried about and CPEC was a project of economic cooperation and mutual development. On the other hand, Gul (2019) reported that China harshly rebutted the concerns raised by the American officials and termed CPEC as a project of economic cooperation and mutual development.

In its editorial opinion on CPEC, Dawn (2019) comments by Alice Wells admitted that some of the concerns about the economic impact and transparency are legitimate. The editorial, however, questioned the way US concerns were being discussed and what real economic options Washington is offering Pakistan. In his policy analysis of U.S.-Pakistan economic relations, Rafiq (2019) has suggested that the United States, rather than giving more aid, should pay increased attention to trade in the future to retain its influence on Pakistan. The author stated that the overall economic engagement between Pakistan and China was more uneven than that between Pakistan and the United States, which Pakistan had already been more inclined to do. The author further stated that the trade relationship with the United States is comparatively more balanced than the overall economic engagement between Pakistan and China, which Pakistan was more inclined to do. In addition, Dawn (2018) reported on Mike Pompeo's remarks about Pakistan and Chinese debt that Washington had a concern that the

potentially unlimited amount of Chinese money could limit Pakistan's future economic and foreign policy options. These concerns have been echoed by Wells (2019) in her public censure of CPEC (ANI, 2019).

Many works look at CPEC alone, or at US-Pakistan ties alone. Fewer follow both together across the whole ten years from 2015 to 2025, and fewer still use the 2025 reset to test older arguments. This paper tries to do that.

Theoretical Framework

The paper uses two ideas together.

Neorealism: Kenneth Waltz (1979) said that there is no world government in the international system, and therefore states must secure their own safety, while the distribution of power among states determines the behaviour of states. Besides wanting safety, great powers seek to possess more power than their rivals, particularly in their own region, writes John Mearsheimer (2001). In this perception, rising China will be pushing outwards, while a more powerful and established U.S. will attempt to hold back. CPEC is in line with this picture. It provides China with a land-based route to the Arabian Sea, thus lessening the importance of sea lanes that the US Navy might close someday. Washington would then read the project as a change in the balance of power, rather than just a road-building project. The same reason was selected for this view, which is the primary lens in the BS thesis (Ullah, 2026). This concern about the sea lanes is a classic concern of Chinese strategic debate and is referred to as the "Malacca dilemma" (Storey, 2006).

Hedging: Neorealism has a good explanation for the great powers but not much to offer to a middle-sized state like Pakistan. This is something that the paper has been doing with hedging. Kuik (2008) defined it as a combination of counterproductive acts: a state is willing to accept a certain influence from a more powerful state, but also intends to have the option to reject it. The concept has been extended to Pakistan by Rogers et al. (2023). It also sheds light on Islamabad's efforts to maintain momentum with CPEC, with the simultaneous warming to Washington in 2025. Hedging is a form of the two insurance companies in simple terms. The state is not entirely confident in either partner, and maintains connections with both.

The BS thesis also compared liberal institutionalism and dependency theory (Ullah, 2026). Both are useful for side questions, such as debt and global finance, and the paper returns to them in the discussion. But neither explains the power politics at the centre of the story as well as the two lenses above.

Methodology

The study is qualitative and a descriptive-analytical case-study design, with CPEC as the case. It does not rely on interviews or surveys. It uses secondary sources, grouped into four kinds: peer-reviewed articles and books; think-tank and congressional papers; official statements and reports from governments and international bodies; and news reports from Pakistani, US and international outlets. Using all four helps balance the views. A Pakistani newspaper, a US diplomat and a Chinese spokesperson often describe the same event in very different ways, and the paper tries to show each. A case study suits this topic because the question is about how and why events unfolded, and because CPEC cannot be separated from the setting around it (Yin, 2018). To check the evidence, the paper compares reports of the same event across sources and uses direct statements where possible, such as the reports of Wells's speech and the State Department's listing of the BLA. It treats Indian, Pakistani, Chinese and US outlets with equal care, because each has its own viewpoint.

The analysis is thematic. The decade is divided into five phases (2015-2017, 2018-2019, 2020-2022, 2023-2024 and 2025). In each phase, the paper asks three things: what Washington did, what Pakistan and China did, and how CPEC fits into the story. The limits of this method are discussed in the conclusion. The approach follows the steps described by Braun and Clarke (2006): reading the sources closely, noting repeated patterns, and grouping them into themes such as debt, security and rivalry.

Background: A Triangle That Was Already Tense

CPEC did not create the Pakistan-China-US triangle. It landed in the middle of one that already existed. Pakistan helped arrange early contact between Washington and Beijing in the early 1970s, and it stayed close to China through the decades that followed (Rafiq, 2017). With the United States, the relationship rose and fell with the wars in Afghanistan. Washington leaned on Pakistan when it needed help in the region, and it grew frustrated when it felt that help was not enough. The US side of the story was uneven. In the 1950s, Pakistan joined US-led security pacts, and in 1990 US military aid was cut off over Pakistan's nuclear programme (Kux, 2001). After 2001, aid returned, and in 2009 the Kerry-Lugar-Berman Act authorised $1.5 billion a year in civilian aid. Yet the killing of Osama bin Laden in Pakistan in 2011 put new strain on ties (Epstein & Kronstadt, 2011). In short, the triangle already had a long history of mixed trust before CPEC.

Two changes in the early 2010s made the triangle tighter. First, in October 2011, US Secretary of State Hillary Clinton wrote that the United States would shift more of its attention to Asia, a move that became known as the "pivot" (Clinton, 2011). The Middle East and South Asia would matter less than before, and China would matter more. Second, China's Belt and Road Initiative, announced in 2013, gave Beijing a large program to match its growing economy. CPEC became its best-known project. So when CPEC was launched in 2015, Washington was already thinking about how to respond to China's rise. Pakistan, meanwhile, was a country that the United States had long judged mainly through the Afghan war (Small, 2015).

Analysis: The Decade in Five Phases

2015-2017: Launch, enthusiasm and a distracted Washington

The Pakistan-based CPEC started in the wake of high support from within Pakistan. In 2015, China had announced the plans for investment of about $46 billion and Rafiq (2017) found that all the parties and regions of Pakistan supported the corridor. Additionally, Rafiq warned of the dangers and highlighted the gravity of the situation. It was required to have a more robust and consensus-led leadership to run the project, and its effectiveness demonstrated through jobs, industrialisation, and exports, rather than large numbers. He said that CPEC has the potential to alleviate Pakistan's problems of Balochistan insurgency, provided it respects the political rights of the local people. The corridor is also of strategic importance to China. The Strait of Malacca is the link through which most of China's oil and trade flows, and is something the country's leaders have always feared could be cut off in a crisis. This concern is referred to as the "Malacca dilemma" (Storey, 2006). One solution to this is a land and port link via Pakistan (Markey & West, 2016).

In August 2017, President Donald Trump announced a new South Asia strategy for the Afghan war (Associated Press, 2018). In these years, the views of Pakistan on the US were dominated by the Taliban and Haqqani network with CPEC being in the background. Meanwhile, Washington was warming to great power competition. China and Russia were listed as "influential" powers that pose a threat to American influence and interests in the December 2017 U.S. National Security Strategy (The White House, 2017). This is important to our question. In fact, it demonstrates that the tensions

between Washington and Islamabad are not new with CPEC. The tension was there, and CPEC provided a new form.

2018-2019: Pressure from several directions

The pressure was on very fast. In early January 2018, Trump criticised Pakistan in public and the State Department stated that it is withholding security aid from Pakistan until it takes “decisive action” against the Afghan Taliban and the Haqqani network. There was no civilian assistance affected (Associated Press, 2018). The figure is estimated to be around USD 2 billion (Arab News, 2018), depending on the programmes considered. Terrorism- and Afghanistan-not CPEC was the reason cited.

In June 2018, Pakistan was placed on the ‘grey list’ of the Financial Action Task Force (FATF) of countries to be subjected to heightened monitoring, and remained on the list for four years (Dawn, 2022). Such a listing put a strain on an economy already strapped for foreign funds and made the bankers and investors cautious. When the new government of Pakistan sought an IMF loan in July 2018. Washington would be monitoring the Fund's actions and "IMF funds should not be leveraged to pay the Chinese" (Dawn, 2018), said US Secretary of State Mike Pompeo. The IMF's biggest shareholder is the United States, and its words are given weight there. China has responded that the IMF has rules as well (Reuters, 2018). This is the first time CPEC-related borrowings have been a part of the US statements.

The highest peak was in November 2019. However, CPEC was not aid, said Alice Wells. Most of it was loans - or other financing - and many of the profits of Chinese state companies were remitted back to China, she said (ANI, 2019). She said that low transparency had the potential to increase costs and create an opportunity for corruption. She also mentioned that there is an estimated $15 billion in debt owed to the Chinese government and $6.7 billion in commercial debt (ETV Bharat, 2019). The reply came from the ambassador of China in Islamabad, who claimed she did not have accurate information, requested her to provide evidence and stated that CPEC was also open for US Investment (Gul, 2019). A Dawn editorial (2019) was a middle way. It stated that the debt troubles were legitimate but the speech would have no role in relation and Pakistani ministers had already said that CPEC would be implemented. A second, simple point that was made in the editorial is that it's easier for those to take criticism of CPEC when Washington has a viable alternative for them.

The neorealist reading seems to apply to this phase. Washington was taking to consider CPEC as a part of China's rise and Pakistan was in the middle of the debate. However, the aid freeze was not related to CPEC, and neither was the grey list. They were on the subject of terror. The two strands were parallel to each other. In other words, Washington was ‘going at Pakistan from two angles’: the Taliban and China.

2020-2022: The Afghan exit and a long silence

The relationship became distrustful after the withdrawal of the US troops from Afghanistan in August 2021, and contact was reduced to intelligence and counterterrorism agency-to-agency (Ahlawat, 2025). That's a no-brainer. Pakistan was long a favorite of Washington due to the Afghan war, and upon its conclusion, much of its value was lost. In October 2022, Pakistan was delisted from the grey list by FATF following the completion of all 34 action points given to it (Dawn, 2022). This removed one financial burden on Islamabad that it had been facing since 2018.

The evidence in the talks between the U.S. and Pakistan on CPEC is limited. Again, Afghanistan ruled the ball. During these years, Rogers et al. (2023) believe that Pakistan was scared of two things: its

reliance on the United States, which seemed to be getting closer to India and too much entanglement with an emerging China. Hedging began with that double worry. Meanwhile, CPEC strengthened ties between China and Pakistan, along with security concerns. In July 2021, a bomb attack on a bus carrying workers to the Dasu hydropower project killed 13 people, including nine Chinese nationals. In April 2022, a suicide attack at the Confucius Institute of the University of Karachi killed three Chinese teachers (Dawn, 2024a, 2024c). So in these years, CPEC mattered less in Washington's thinking and more in Beijing's demands on Islamabad.

2023-2024: Rollovers, the IMF and the safety of Chinese citizens

In September 2024, the IMF board approved a $7 billion Extended Fund Facility for Pakistan. The programme depended on friendly lenders keeping about $12 billion in loans in place: $5 billion from Saudi Arabia, $4 billion from China and $3 billion from the UAE (Dawn, 2024b). The BS thesis argued that US influence inside the IMF and World Bank shapes how projects like CPEC are judged (Ullah, 2026). Pompeo's 2018 remark shows that Washington did try to influence how Fund money would be used. But in 2024, the programme went ahead with China among the lenders, giving assurances. That suggests the Fund cannot be read as a simple tool of US policy. The cost of CPEC was also becoming clearer at home. By June 2025, Pakistan still owed Rs423 billion to Chinese-linked power plants, and in August 2025 it decided to pay over Rs100 billion of that ahead of the prime minister's visit to Beijing (The Express Tribune, 2025).

Security was the other test. In March 2024, a suicide bomber killed five Chinese engineers near Besham, on their way to the Dasu project (Dawn, 2024a). The United States condemned the attack (Arab News, 2024). In October 2024, a suicide bombing near Karachi's airport killed two Chinese nationals. The Baloch Liberation Army (BLA) claimed it, and China demanded that Pakistan close its security gaps and give full protection to CPEC projects and personnel. At least 21 Chinese nationals had been killed in Pakistan since 2017 (Gul, 2024). The National Counter Terrorism Authority told lawmakers in December 2024 that 20 Chinese citizens had been killed and 34 injured in 14 attacks since 2021 (Dawn, 2024c). Security is CPEC's weakest point, and it is where Beijing's patience is tested most.

2025: A transactional reset

2025 brought the sharpest turn of the decade. After the four-day India-Pakistan conflict in May 2025, Trump took credit for a ceasefire. India rejected his role, while Pakistan welcomed it and backed him for the Nobel Peace Prize (Ahlawat, 2025). In June, Pakistan's army chief, Asim Munir, received an unusual invitation to lunch at the White House (Kaur, 2026). Trade followed diplomacy. After a deal finalised on 31 July 2025, US tariffs on Pakistani goods were cut from 29 to 19%, and Trump said the two countries would work together on Pakistan's oil reserves (Dawn, 2025a, 2025b). Tariffs on Indian goods were later raised to 50% (Kaur, 2026). The tariff cut matters because the United States is Pakistan's largest export market. Pakistan sold about $6.03 billion of goods there in 2024-25, mostly textiles (Business Recorder, 2025).

On 11 August 2025, the US State Department listed the BLA and its Majeed Brigade as a Foreign Terrorist Organization (Dawn, 2025c). Pakistan had long asked for this, and the BLA is the group that has attacked Chinese targets. In September 2025, Prime Minister Shehbaz Sharif and Chief of Army Staff Asim Munir visited Washington. The visit revived the counterterrorism dialogue and produced understandings on critical minerals and hydrocarbons (Ahlawat, 2025). A US company, US Strategic Metals, signed a memorandum of understanding with Pakistan's Frontier Works Organization and announced plans to invest about $500 million in mineral processing (Asia Times, 2025; Kaur, 2026;

Dawn, 2025d). Note that this was a memorandum, not a finished investment. Its value depends on whether it turns into contracts.

This does not suggest that CPEC has become less important in Pakistan's strategic calculations. Ahlawat (2025) points out that China would be concerned about any growing US presence in Balochistan, particularly because of the province's proximity to Gwadar Port. In October 2025, the *Financial Times* reported that advisers to Field Marshal Munir had presented US officials with a proposal for a US-backed port at Pasni, located along the Arabian Sea near Gwadar (Profit, 2025). However, Pakistani military sources dismissed the report, describing the idea as a commercial proposal rather than an official government policy (Dawn, 2025d). Nevertheless, the reported proposal reflects the growing strategic importance of Balochistan and the close attention both Washington and Beijing are paying to developments in the region.

Ahlawat (2025) further suggests that the improvement in US-Pakistan relations may be temporary rather than a sign of a long-term strategic shift. Developments reported in late 2026 appear to support this concern. Analysts observed that the positive diplomatic engagement had produced limited practical results, with several memorandums of understanding yet to move beyond the initial stage and a proposed trade agreement still unsigned (The Diplomat, 2026). Similarly, an October 2026 report by *Al Jazeera* noted that Pakistan had gained greater diplomatic visibility, although questions remained about the actual benefits of its renewed engagement with Washington (Al Jazeera, 2026). Although these developments fall beyond the timeframe covered by this paper, they provide a useful perspective for assessing the optimism surrounding US-Pakistan relations in 2025.

Discussion: Was CPEC the Catalyst?

Evidence is provided that will allow for a thoughtful response. CPEC was important, but on a different level than a one-cause narrative would imply. This section examines five points where CPEC was important, where it was less important, what hedging does, which claims are difficult to substantiate, and what the debt record reveals.

Where CPEC clearly mattered. First, it altered the US policy's language. Until 2018, the main grievance of the United States against Pakistan was the presence of the Taliban and terrorism. There had been talks about debt, transparency and Chinese influence, and by 2018 and 2019, Wells even mentioned that CPEC was not aid anymore, but financing (ANI, 2019). Secondly, it helped to bring visibility to Pakistan as a player in a bigger game. This is to be expected in neorealism. The rising power seeks ways to reduce its vulnerability to sea lanes (Storey, 2006), while the established power attempts to moderate its rise (Mearsheimer, 2001; Waltz, 1979). CPEC came at a time when the United States had already identified China as a challenge in its 2017 National Security Strategy (The White House, 2017). Thirdly, it provided China with a strong interest in the stability of Pakistan. The attacks in Dasu in 2021 and 2024 and in Karachi in 2022 and 2024 had placed pressure on Pakistan regarding security from Beijing (Dawn, 2024a; Gul, 2024). This indicates that Pakistan is now facing Chinese interest in its security affairs.

Where CPEC mattered less. The 2018 'aid freeze' and the FATF listing were not linked to the corridor (Dawn, 2022), but to the Taliban and the issue of terrorism. As for the distrust following 2021, that would be due to the end of the Afghan war as well as Washington's increasing cooperation with India (Rogers et al., 2023). The 2025 reset was driven by the India-Pakistan conflict, interest in critical minerals and the way of one US president (Ahlawat, 2025). There's also an easy test. If the coldness of the United States was because of CPEC, then the heat of 2025 should not be felt when this project is on the ground. It did. A paper that was to shift the blame entirely onto CPEC missed all this. The

paper here adds some caution to the BS thesis, which has made CPEC the catalyst of the shift (Ullah, 2026). One (better) word may be just one of multiple catalysts.

What hedging adds. Pakistan did not give up CPEC in order to secure goodwill from Washington, and it did not cool down towards Washington to serve the interests of CPEC. It did it all. Early September 2025 was when Sharif met Xi Jinping in Beijing (The Diplomat, 2025). The same month he was in Washington (Ahlawat, 2025). It's because of the practicalities. The biggest market for exports is the United States, followed by Pakistan while the biggest supply of infrastructure finance under CPEC is from China (Rafiq 2017, Business Recorder 2025). The loss of either spouse would be very expensive. This exemplifies Kuik (2008), who saw hedging as being a combination of opposing moves, and Rogers et al. (2023) on Pakistan's double worry. Similarly, it is useful to support the thesis of Pakistan as a rational actor who adapts to the structure that it confronts (Ullah, 2026). On the Washington side is its own hedge. Washington has warmed towards Pakistan and maintained its value for India, which it seeks in the Indo-Pacific (Ahlawat, 2025).

The claims are hard to prove: The thesis raised some good points, such as the deliberate attempts of Washington to keep a strained relationship between India and Pakistan and global financial institutions primarily acting for Washington's interests (Ullah, 2026). Claims cannot be properly tested here because of the absence of public evidence. The narrowest of the two is what can be shown. In 2018, US officials did attempt to influence the IMF's opinion of Chinese loans (Reuters, 2018) and in 2019 they did make an attack on CPEC's transparency record (ANI, 2019). The IMF's 2024 decision serves as an illustration of its limits of influence (Dawn, 2024b). There are also a number of unproven 2025 stories. The Financial Times has reported on the Pasni port plan, but the Pakistani military sources described it as merely a commercial concept (Dawn, 2025d), and therefore it cannot be considered a policy.

Debt and dependence: This side is supported by two other theories in the thesis. Such a dependency map would refer to Pakistan's dependence on loan rollovers from China, Saudi Arabia (Dawn, 2024b), and the UAE, and to the cost of repaying Chinese funding, as Wells warns. The record provides her with some help. According to one estimate, approximately $35 billion out of the total $62 billion of CPEC was made to 21 power projects, while annual capacity payments made by Pakistan to power producers have jumped from Rs384 billion to Rs2,124 billion since the Chinese plants were introduced. As of mid-2025, the outstanding amount of dues owed to Chinese power plants was Rs.423 billion (The Express Tribune, 2025). However, much of the issue is not with Chinese lending but with the terms of the contracts and inadequacies in the Pakistani power sector (The Diplomat, 2025). In that case, the liberal-institutionalist perspective would be to argue that Pakistan is still within global institutions such as the IMF and the FATF, which have rules for all. Part of the record can be accommodated on either view. However, Pakistan has a lot of partners to rely on, and that makes it too simple to say that Pakistan can only rely on China.

Conclusion

This paper examined the impact of CPEC on US-Pak relations during the time span of 2015-2025 and also the central variables that affected the change. Its response is split into two parts.

First, CPEC was an actual catalyst. It brought Pakistan into the middle of the US-China rivalry; it introduced a new perspective on Pakistan's debt and governance in Washington; and it bound China to Pakistan's security. Second, it was not just CPEC. Themes were prominently Afghanistan, terrorism, economic woes of Pakistan, the US-India relationship, and, in 2025, the sudden interest in minerals and diplomacy by the United States. Pakistan's own answer did not come with a complete move away

from China and a move back towards the United States. It was hedging. This is reflected in the record. In 2018, US officials criticized the debt that arises from CPEC (Reuters, 2018), while in 2019, Chinese citizens were attacked numerous times (ANI, 2019); and by 2025, Pakistan was engaging in back-and-forth negotiations with Beijing and Washington on minerals, ports and trade (The Diplomat, 2025).

The BS thesis that underlies this paper provided a solid base: Neorealism for great powers, rational Pakistan and a struggle for narratives and finance (Ullah, 2026). Most of that frame is reflected in the wider evidence, with one change. There were several examples of a single explanation in the author's thesis.

Limitations and Recommendations

The paper relies completely on secondary sources. It doesn't even have any interviews with the officials, and its information is mostly English-language-based, so it doesn't contain the Chinese and Urdu perspectives. A lot of the content in 2025 is news and short analysis that hasn't been rigorously tested in lengthy academic research. Additionally, the paper only runs up to 2025, meaning that later events can only be mentioned briefly. Some of them also have their own opinions. Indian, Pakistani, Chinese and US outlets could report the same event in different ways, and some 2025 reports, like Pasni, are not accepted (Dawn, 2025d).

Make CPEC contracts and terms of loan more transparent for Pakistan; transparency is the main essence of the US criticism and what Rafiq (2017) wanted. Approach security in Balochistan on both a political and policing basis. Make 2025 memorandums concrete agreements, and establish relationships that transcend a single US leader, with business organisations, Congress, and the broader policy community (The Diplomat, 2026). The first place to look is the power sector, as by mid-2025, unpaid dues to Chinese plants were at Rs423 billion (The Express Tribune, 2025).

The China question is not as important as trade is for the United States. The 2025 tariff cut followed the same path as trade, as argued by Rafiq (2019). It can be built on a strong foundation, as the trade between the two countries is already vast, with approximately $6.03 billion worth of Pakistani goods exported to the United States during 2024-25 (Business Recorder, 2025).

For researchers. Future work should add interviews and Chinese-language sources, compare CPEC with other Belt and Road corridors, and follow the post-2025 period as more data appears. The BS thesis also called for deeper study of how financial institutions and narratives shape judgments about projects like CPEC (Ullah, 2026).

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