The 2025 US-Pakistan Trade Deal: Economic Opportunities and Geopolitical Implications for South Asia

ISSN (Online): 3007-1038
Pages: 57–70
DOI: 10.55737/rl 2025.43102

https://regionallens.com

Qasim Ali Shah [1] **Tahir Mahmood** [2] **Saira Akhtar** [3] **Muhammad Ali Tarar** [4] **Sobia Maqsood** [5]

Abstract: Concluded on July 31, 2025, the U.S.-Pakistan trade agreement indicates the new course in the foreign policy of Islamabad, both in terms of economic recovery and strategic repositioning. The deal is being hailed as historic by the Pakistani Prime Minister, Shehbaz Sharif, and futuristic, with the expectation that the U.S. and Pakistan will work together to develop unexploited oil fields and a significant cut in the U.S. tariffs on Pakistani exports. The deal addresses the Pakistani burden of importing oil worth 11.3 billion dollars and gives Pakistan a window to purchase some U.S. oil for the first time. Strategically, the agreement strengthens Pakistani relations both with the U.S and China, giving it a high status during the great power rivalry. It also provides Washington with a new grip in South Asia and can potentially counter the rise of India's influence regionally. Although Pakistani authorities deny having a zero-sum approach, the deal has worsened Indo-U.S. relations, especially after Washington had imposed a 25% tariff on India over its relations with Russia. The article proposes an in-depth discussion on the agreement by presenting the case that it is a potential economic jackpot, as well as a diplomatic achievement of Pakistan, subject to the successful navigation of multiple alliances and the domestic politico-economic stability of the country.

Key Words: US-Pakistan Trade Deal, Economic Opportunities, Geopolitical Implications, South Asia

Introduction

In international relations, trade agreements often serve as instruments of both economic statecraft and geopolitical strategy (Deane et al., 2023). The 2025 U.S.-Pakistan trade deal exemplifies this duality, emerging at a time of intensified great-power rivalry and realignments in South Asia (ARY News, 2025). Announced by U.S. President Donald Trump on Truth Social, his social media platform, and swiftly lauded by Pakistan's leadership, the agreement was framed as a catalyst for an "enduring partnership in days to come" (TOI World Desk, 2025).

The core components of the deal include American assistance in exploiting Pakistan's "massive oil reserves" and a rollback of threatened tariffs on Pakistani goods from 29% to 19% (Khan, 2025). The deal's timing amid Trump's sweeping global tariff reprisals and India's reluctance to toe Washington's line on trade and Russia underscores its strategic import. It not only rescues Pakistan from imminent economic strain but also signals a recalibration of U.S. priorities in the region, with Islamabad once again gaining prominence after years of perceived neglect during the U.S. pivot to India (ARY News, 2025).

From Pakistan's perspective, this agreement is as much about geopolitical balancing as economic relief. Islamabad has grown increasingly dependent on Beijing, which has invested over $60 billion in Pakistan's infrastructure and energy through CPEC (Isaad & Sayed, 2025).

[1] PhD Development Studies, COMSATS University, Abbottabad Campus, Khyber Pakhtunkhwa, Pakistan. Email: drqasimalishah76@gmail.com
[2] Associate Professor, Institute of Agricultural Extension, Education and Rural Development, University of Agriculture, Faisalabad, Punjab, Pakistan. Email: tahir.mahmood74@uaf.edu.pk
[3] Associate Professor, Department of Rural Sociology, University of Agriculture, Faisalabad, Punjab, Pakistan. Email: dr.sairaakhtar@uaf.edu.pk
[4] Associate Professor, Department of Sociology, Ghazi University, Dera Ghazi Khan, Punjab, Pakistan. Email: alitarar2000@yahoo.com
[5] Assistant Professor, National Business School, The University of Faisalabad, Faisalabad, Punja, Pakistan. Email: sobiamaqsood.nbs@tuf.edu.pk

Citation: Shah, Q. A., Mahmood, T., Akhtar, S., Tarar, M. A., & Maqsood, S. (2025). The 2025 US-Pakistan Trade Deal: Economic Opportunities and Geopolitical Implications for South Asia. *Regional Lens, 4*(3), 57-70. https://doi.org/10.55737/rl.2025.43102

Corresponding Author: Tahir Mahmood (✉ tahir.mahmood74@uaf.edu.pk)

While some analysts hastened to portray the U.S. deal as an attempt to "wean" Pakistan away from China, Pakistani officials stress a subtler approach. Foreign Minister of Pakistan, Ishaq Dar affirmed that the U.S. is a "long-standing friend" and China a "strategic partner," insisting that Pakistan's foreign policy "is not a zero-sum game" and that it does "not wish to embroil in bloc politics". Dar even suggested Pakistan could serve as a bridge between Washington and Beijing, a win-win scenario globally, rather than choosing sides (Walla, 2025).

This positioning reflects the theoretical framework of Omni balancing within neorealism, where a state courts multiple powers to secure its regime and national interests, as well as liberal institutionalism's notion that economic interdependence can mitigate conflict (Schweller, 2010).

By engaging both the U.S. and China, Pakistan seeks to maximize benefits from all partners, attracting Western investment and technology without forfeiting Chinese capital and support.

For the United States, the deal is part of a broader protectionist and transactional policy under Trump's second term (2025–2029). Faced with what he decries as unfair trade; Trump has leveraged tariffs to extract concessions worldwide. In South Asia, his approach has bifurcated: India, a fellow democracy and Quad member, was slapped with a 25% tariff and "secondary" penalties for buying Russian oil and arms, while Pakistan, a treaty ally of the Cold War era now in China's orbit, was offered a lifeline (TOI Business Desk, 2025). Trump's blunt remark, "I don't care what India does with Russia. They can take their dead economies down together, for all I care", typified the strain in U.S.-India ties and suggested a punitive edge to favouring Pakistan (Mollan, 2025). In contrast, he praised the Islamabad deal, even quipping that Pakistan "maybe [will] be selling oil to India someday!", a provocative notion highlighting how dramatically regional alignments could shift (Asian News International, 2025).

It is amid these developments that skepticism has emerged on the actual oil endowment of Pakistan and the reasons behind the deal. In contrasting the size of Pakistani reserves with those in the United States, Trump referred to Pakistan having vast reserves, yet the proven conventional crude reserves of this country are officially between 234 and 353 million barrels and therefore ranking quite low by world standards (around 50th). The figure of 9.1 billion barrels that is cited was a technically recoverable shale amount in a U.S. study in 2015, not discoveries that have been extraction ready. In recent decades, no significant new oil finds in Pakistan have been confirmed, which makes some experts and opposing voices question the projections of the "massive reserves" to be hyperbolic. According to them, Washington might be keen on having its influence in South Asia, either to checkmate China regarding its CPEC activities, or to push the rising independent India (Kiani, 2015).

This perception is found even in the Pakistani social media and other editorial circles, where the mood is one of skepticism over the official propaganda of the deal as a sort of humongous economic development and a landmark of a diplomatic deal. This article offers a comprehensive analysis of the 2025 U.S.-Pakistan trade deal. It begins by placing the agreement within the broader history of U.S.-Pakistan economic ties, which have traditionally been shaped more by security concerns than by trade. It then unpacks the key components of the deal, outlining the economic and strategic benefits for both nations. The analysis moves on to assess how the agreement could shift South Asia's geopolitical balance, potentially boost Pakistan's and China's positions while complicate India's strategic calculus. A focused section examines the deal's disruptive impact on Indo-U.S. relations, particularly in light of recent tariffs and Washington's apparent tilt toward Islamabad. The conclusion provides a forward-looking assessment of how Pakistan can leverage this opening while managing the risks of balancing great power interests. Drawing on official statements, trade data, and reporting from Reuters, AP, and policy institutes, the article aims to provide a nuanced, evidence-based perspective on whether this deal marks a turning point for Pakistan's global role or a risky maneuver in an already volatile region.

Historical Context of U.S.-Pakistan Trade Relations

To appreciate the significance of the 2025 trade agreement, it is essential to trace the evolution of U.S.-Pakistan trade ties, which have historically been entwined with security alliances and regional geopolitics. Since Pakistan's independence in 1947, economics and trade with the U.S. have often been subordinate to strategic considerations, a pattern of "transactional" engagement that Pakistani officials openly lament (Markey, 2013). Over the decades, periods of close cooperation coincided with exigencies of the Cold War and the War on Terror, while lulls set in whenever strategic priorities diverged.

Early Cold War (1950s–1960s): Shortly after the achievement of independence, Pakistan became a part of U.S.-led defence alliances, SEATO (1954) and CENTO (1955), in an attempt to secure itself against India and was paid over 2 billion dollars as aid by the year 1969. The bilateral trade was low and concentrated on jute, cotton and machinery. The relationship went sour after the 1965 war when the U.S. barred arms. Towards the end of the 1960s, Pakistan shifted towards China and this led to an emerging strategic triangle (Zaman, 2014).

1970s–1980s: In the 1970s, the relationship between the two nations warmed briefly when Nixon used Pakistan to establish a relationship with China. However, the strategic relationships diminished following the 1971 war and the formation of Bangladesh. Pakistan-U.S. relations were at their highest in the 1980s during the Soviet-Afghan war, when it received an influx of U.S. aid of 3.2 billion dollars as a frontline ally. By 1989, Trade exceeded $1 billion. The relationship chilled in the post-Cold War environment, as America slashed the aid to Pakistan under the umbrella of the Pressler Amendment, due to its nuclear program. In the 1990s, there was stagnation in trade and sanctions were in effect simultaneously, as the U.S. was focusing on the Indian market, as this was growing.

Post-9/11 (2001–2010s): Following 9/11, Pakistan again fell to the forefront of U.S. collaborator in the War on Terror under General Musharraf. Having been designated a Major Non-NATO Ally in 2004, it received more than 33 billion dollars of American aid by 2014, including 14 hits of Coalition Support Funds and almost 7.5 billion of civilian aid. Trade continued to soar and to exceed the $5 billion point by the year 2010, but a Free Trade Agreement was never realized. Investment was also minimal, especially because of its instability, yet it experienced growing exports to the U.S. The trust deteriorated in the aftermath of the 2011 Osama bin Laden raid and drone attacks, which contributed to the resentments of the Pakistani people. In the late 2010s, the U.S. began to pay more attention to India, reinforcing its strategic and nuclear relations, whereas the amount of aid was reduced significantly in Pakistan (Muscat, 2013).

Trump's first term (2017–2021): In 2018, the U.S withdrew $2 billion in security assistance, and President Trump claimed Pakistan had lied and been deceitful in its terrorism (Bilal et al., 2025). Nonetheless, trade was still strong, even expanding. The bilateral trade reached the level of $7.3 billion by 2024, with Pakistan keeping the balance of trade at $3 billion, the largest trade partner in exports. Nipping at the heels of the cold politics was the economic interdependence. In the meantime, the economy of Pakistan deteriorated, and its external debts increased to more than 80 per cent of the GDP, the reserves dwindled below 5 billion USD, and IMF bailouts were in a repetitive pattern. Strong economic connections with the U.S. were regarded by the Pakistani policy makers as lifelines in this crisis (Khan, 2024).

Recent Prelude (2022–2025): Prior to the 2025 trade agreement, global politics, and in particular the Ukraine War and U.S.-China competition, impacted the U.S.-Pakistan relations. Washington was annoyed with Pakistan's neutrality on Ukraine, whereas Pakistan continued to develop its relations with China through CPEC and energy projects. China emerged as the major creditor and investor of Pakistan. Then, in June of 2023, Pakistan too started importing the discounted Russian crude, further straining American patience. The Biden administration almost left Pakistan at the periphery and concentrated on India. However, when Donald Trump came back to power in January 2025, the situation started to change unexpectedly (India, 2023).

Trump introduced blanket tariffs against what he termed "trade offenders". He threatened Pakistan in April 2025 with a 29% tariff on exports, particularly textiles, which comprise more than 70 percent of the Pakistani exports to America (Desk/Reuters, 2025). At the same time, India was suddenly hit with a 25 percent tariff because of its oil imports in Russia, which is another indication of Trump not being very pleased with New Delhi (Jazeera, 2025a).

It was the brinkmanship of classic Trump: Something to be threatened high and then made a deal. Pakistan acted accordingly. A delegation led by Finance Minister Muhammad Aurangzeb spent July 2025 in Washington talking with

Commerce Secretary Howard Lutnick and USTR Jamieson Greer. Instead of conceding the tariff increase, Pakistan proposed to increase LNG, coal, and agriculture imports of the United States to trade balance and took suggestions of any trade reforms to bring American investments (Iqbal, 2025). Political diplomacy supported this initiative: Islamabad lauded the efforts of Trump in brokering a cease fire in the May 10, 2025, Kashmir skirmish including even nominating Trump to the Nobel Peace Prize (Staff, 2025). This was done to attract the ego of Trump and renew the interest of Washington.

An agreement was imminent by the end of July. The July 31, 2025 agreement is the step back towards practical cooperation, with the tensions between India and Pakistan and the Chinese alliance with Pakistan. It is the culminating cycle of U.S.-Pakistani relationships, transactional but long-term, strategic (Agencies, 2025). The next step that Pakistan faces is not to repeat the patterns of the previous aid dependency and establish sustainable balanced economic relations.

Details of the 2025 Trade Agreement

The bilateral free trade agreement that the U.S. and Pakistan agreed to is limited on July 31, 2025, and has two main pillars which are energy cooperation (in this case oil exploration and trade), as well as tariff reductions to widen market access. Although perhaps not comprehensive as a comprehensive Free Trade Agreement, it is nevertheless broad-based in nature covering both the short-term trade irritants together with positioning future long-term investment in the Pakistani economy. The contents of the deal as hinted at in statements made by the government, and reported by the media can best be summed up as follows:

1. Joint Development of Pakistani Oil Reserves: The focal point of the 2025 agreement will be the American cooperation in extracting the untapped oil reserves in Pakistan. Trump is going to work on the so called immense Oil Reserves of Pakistan, American companies, it is believed that it is ExxonMobil or Chevron that will join in the exploration and search of oil in Balochistan, Sindh, Punjab and the offshore regions (Ahmed, 2025, July 31).

Recent U.S. Geological Survey and petroleum ministry surveys of Pakistan will further narrow down the figures on shale oil especially after an estimate in 2015 saw that recoverable shale oil could amount to 9.1 billion barrels (Desk, n.d.-b).

To start with, Cnergyico also entered into an agreement to get 1 million barrels of U.S. crude to be supplied by Vitol, which will reach its port in October 2025. In case of feasibility, the monthly importation of oil into the United States could supply 20 percent of the oil requirement in Pakistan, lowering the dependence on the Middle East suppliers and relieving the burden on the import bill. Pakistan is only producing 85,000 bpd that are consumed by more than 450,000 bpd (Brecorder, 2025).

Fracking presents an environmental threat where water is already scarce, and quake-prone (Shar et al., 2022). Another factor is the issue of security, particularly in insurgency stricken Balochistan where U.S. properties would be vulnerable to attack by militants such as the BLA (Khetran, n.d.). However, Islamabad is also viewing it as an opportunity to reduce energy bills along with increasing the local production by using U.S. technology and investment.

2. Tariff Reductions and Trade Concessions: The second crucial area of the 2025 deal was about the tariff dispute. Trump threatened a sharp increase in Pakistani exports of 29%, but Pakistan negotiated down to a limit of 19%, which is higher than that between the U.S. and Pakistan before 2025, but the same as between the U.S. and Indonesia and Vietnam (PTI, 2025a). The final rate was confirmed by Reuters and Pakistan also got anti-dumping duties on steel and chemicals removed.

Pakistan in turn promised to remove tariffs on more than 4,000 of the different lines of US goods, counting machines, produce and information technology devices, amongst others, and vowed to streamline regulations in an effort to welcome American corporations, by opening the trade market and some of their $3 billion surplus to a long-term investment and goodwill, this was an obvious strategy of Islamabad, as the early indicators include the rising

Pakistani needs of boeing cars and the American commodities accessed as agricultural products such as soybeans and cotton (Janjua, 2025).

The deal was dubbed as a win-win, progressive deal though GSP benefits were not reinstated. This cap of 19 percent in 2025, when it will come into effect on August 7, 2025, was a reprieve to the textile industry in Pakistan that accounts to more than 70 percent of exports into the U.S. The industry analysts are estimating that the export of textile products will increase by 500 million dollars by the year 2026 because of the increasing competitiveness with India that will be charged a 25% tariff (Aazim, 2025).

3. Investment and Economic Cooperation: In addition to oil and tariffs, the 2025 agreement will establish a more extensive cooperation framework between U.S and Pakistan on technology, minerals, farming, and money. Trump showed interest in long-term investment in Pakistan by pointing to the potential of the country in the areas of mines and minerals, IT, cryptocurrency and others (Mehmood, 2025).

Pakistan also wants the U.S. FDI in the field of technology, and it is inviting American companies to open a research and development centre in Karachi, Lahore and Islamabad, which have a young population and a majority of them speak English (Correspondent, 2025). The U.S. mining companies too are being lured to tap the mineral resources of Pakistan, starting with copper and gold in Balochistan (Reko Diq in particular), and rare earth elements in Khyber Pakhtunkhwa (MINING.COM, 2025). Cryptocurrency became a surprise topic, and US investors showed interest, provided the sector is regulated in Pakistan (PT Profit, 2025).

Finance minister Aurangzeb highlighted that the spirit of the deal is to match investment with trade, and the focus will be on investment into refineries, ports and tech startups (Adorasoft, n.d.). This stands as a strategic transformation in the case of Islamabad and a shift to sustainable growth through FDI.

Another element is infrastructure financing. Although China has funded investment in large-scale infrastructure in Pakistan through CPEC, other countries are now seeking to finance projects regarding cleaner and more transparent connectivity, such as the U.S. and its allies like Japan. It has been discussed that we revive the stalled Diamer-Bhasha dam in Gilgit-Baltistan and fund it with American co-financing too, and the U.S. to upgrade Pakistan's power grid, and LNG terminals. Symbolically, the U.S. DFC increased its portfolio in Pakistan twice to reach USD 1 billion, which will be focused on SME loans and clean energy (Aamir & Rana, 2013).

Different priorities are seen in public messaging. In Pakistan, PM Sharif lauded the leadership of Trump and stated trade between both countries had the potential to grow by doubling to 15 billion dollars in the next two decades (Yasser, 2025). It was all about oil as Trump noted on his Truth Social post, where he mentioned energy opportunities and a possible future of exporting oil to India (The News International, 2025). The White House only approved relief of tariffs after it was done by Pakistan to indicate that they did not want to seem to be giving too much.

On the domestic level, the deal received polarising sentiments. The markets rallied and entrepreneurs, especially textile leaders, celebrated this. However, the critics wondered out loud about the oil reserve hype, given the history of disappointments, such as the unsuccessful 2019 ExxonMobil drilling offshore (Chernov & Sornette, 2019). Analysts caution that shale oil development may take years to come into fruition, and it may even need infrastructure that is presently unavailable in Pakistan (Khan & Ahmed, 2023). There are critics who view the transaction as a strategic power move by the U.S in the cover of energy partnership. Geologist Irfan Ahmed concluded, in the moderate vein, that should the Americans discover something, they would be fortunate, but should they not, then they should not be in debt or polluted environments (Ahmadani, 2025).

In general, the 2025 agreement is a win-win. It defers stiff import taxes to Pakistan and provides avenues to energy exploration, besides providing the Americans with access and a command post to China. This can only be successful on the condition that Pakistan can deliver on promises of imports and reforms, and the U.S. on investments and transfer of technology. There will be much importance in sustaining cooperation, as ties between them have not always been equal. For now, the deal marks a hopeful new phase.

The information below summarises its key components and projected impacts:

Oil Development

Joint venture with one of the largest oil companies in the United States; first export to the United States (1 million barrels WTI in October 2025). PLP should focus on shale prospects and offshore in Pakistan (Balochistan, Sindh). Bring domestic production to 200k barrels/day (optimistic projection); cut oil import bill by 20% or about $2-3B a year; the transfer of technology in drilling and fracking (Bhutta, 2025).

Tariff Reduction

U.S. import-duty cut on Pakistan goods from 29% to around 19%; Pakistan eliminates tariffs on 4,000 U.S. goods; resolves anti-dumping issues. Saving Pakistan's U.S. export market poses (textiles $5B/yr), and possibly, U.S. exports to Pakistan grow by (oil, machinery, agriculture), maybe doubling to $ 4 B, helping the Pakistani consumers and suppliers (Pcma_Pk, 2025).

Investment & Sectors

The FDI in the U.S. was promoted in the energy (refineries, LNG), infrastructure (ports, railways), IT and tech startups, mining of minerals and rare earths, and fintech/crypto industries. Also, agricultural cooperation (high-yield seeds, irrigation technologies) is envisaged (Pti, 2025b). New U.S. investment in Pakistan could cumulatively reach $5-10B by 2030, assuming stability in security; up to 100,000 jobs created in Pakistan in manufacturing and services; more productive, easier access to U.S. technology in agriculture and information technology (Khurram, 2024). Pakistan importing U.S. products also increases balancing the trade and sustaining politics.

Strategic Implications for South Asia

The U.S.-Pakistan trade agreement in 2025 is much more than just a trade agreement; it is strategic recalibration with spill-over effects to South Asia. It holds the possibility of alleviating economic burden and energy exploitation in Pakistan. Yet, it also changes the geopolitical order of the region, which includes the issues of energy security, U.S.-China rivalry, insurgency in Balochistan, and the tense India-Pakistan relationship (Haq, 2025).

Energy-wise, Pakistan has a reasonable chance that with U.S. assistance, it can tap domestically available oil and gas and ease its current importation bill, which is at $11 billion at a year at least, obtain strategic independence against Gulf suppliers, and even become an energy exporter (Desk, n.d.-a). Nonetheless, this is subject to the output of resources. Disappointment would cause governmental disappointment and U.S. grievance. The transaction can also have regional implications in terms of the politics of oil pipelines, where the Iran-Pakistan pipeline may be shelved in favour of the U.S.-backed TAPI pipe, which makes Pakistan less of an independent and more of a U.S./and Gulf-backed state (Afzal, 2024).

Geopolitically, the deal will ensure Washington has a counterbalance to CPEC as recommended by China to dominate Pakistan. Although we might define this action as the desire of the U.S. to draw Pakistan out of the Chinese plane, Islamabad is adamant that this action must be balanced. It intends to enjoy the advantages of each of the powers, with the capital of the U.S., complementing the Chinese infrastructure. Pakistan may be a one-of-a-kind beneficiary of the U.S.-China rivalry, if it is managed efficiently. Nevertheless, tensions might occur, especially as the U.S. is quite active in the regions where China has invested as a strategic port in Gwadar (Ali, 2020).

In Balochistan, it is the wildcard. The province is rich in oil and minerals and is also the epicentre of separatist insurgency. The U.S. oil activities in the country would expose it to attacks by rebels such as the BLA, which may involve the U.S. in the counterinsurgency efforts in the country (Stokes, 2007). The threat of U.S.-Pakistan proximity, which India is suspected of supporting Baloch militants, may lead the former to heighten low-key efforts. On the contrary, when resource revenues are distributed to locals equitably, then this may just destabilise separatist discourse and stabilise the province (Markey, 2016).

India is very uncomfortable. The deal undermines the Indian policy of isolating Pakistan on the diplomatic and economic fronts. Such an eventuality can be addressed by Pakistan improving its economy and its positions bolstered with U.S. support. India may then forcefully counter this by escalating its defence expenditures or seeking out others, such as Russia or even Iran, to act as a strategic depth. Kashmir is also looming in the background. Pakistan now considers the U.S. as a possible mediator, something that India violently resists by virtue of Trump mediating a ceasefire in May 2025 (Ranjha, 2025). A diplomatic incident is always a possibility if the U.S. administration enforces its strict actions further.

On the higher level, the agreement disturbs the great-power alignments. It shakes up the U.S.-India axis and China-Pakistan effectively, bringing them new fluidity. Given Trump's escalation of tariff wars, India, although discreetly drifting away, is an ally that the U.S. cannot afford to lose as Pakistan moves closer; this is an advantage that China could leverage as the U.S. alliances grow apart (Markey, 2020). The U.S. seeks to balance India-Pakistan at the same time, which is a complicated challenge, especially when future white house administrations or, in the case of the Taiwan issue, China's relations with the U.S. deteriorate.

In short, the 2025 trade deal promises Pakistan some strategic breathing space, economic optimism and international relevance. But at the same time, it also raises the anxieties of India, it tests the diplomacy of the U.S. and its re-sparks the old security fault lines. It can only succeed through follow-through, strategic balance, diplomacy and a commitment by all to not look at win-lose situations. Handled wisely, it could usher in a new era of pragmatic cooperation; handled poorly, it could push South Asia closer to the edge.

Impacts on Indo-U.S. Relations

The 2025 U.S.-Pakistan trade agreement caused a major strain to the U.S.-India relationships, as the trade agreement was announced days before Trump imposed a blanket 25% tariff on all Indian exports to the US on the grounds of protectionism and ties with Russia through its oil and defence purchases (Jacob, 2025).

The tariff rates were more severe than those of other leading economies and perceived back in India as economic and geopolitical scolding. America is the biggest export destination of India. Therefore its effects were instant: shares were down, the rupee had fallen, and the textile, steel and agriculture industries were prepared to suffer. Economists forewarned that it would cost the economy 0.5 percent (Inamdar, 2025).

The official reaction of New Delhi was very sober yet indicated displeasure. Seen as a betrayal of the long-hyped U.S.-India strategic partnership, behind the scenes, Indian officials were privately in shock, they said, and the rift further widened when Trump publicly made comments that India was a country with a dead economy (Times, 2025). Rahul Gandhi, the leader of the opposition, criticised Modi by saying that he had too many personalised relationships with Trump and failed to diversify foreign policy. With elections coming up in 2026, this aspect of Modi became affected on a national scale (TOI News Desk, 2025).

Nonetheless, in the given asymmetry, Delhi has no other choice to make. Delhi is currently playing it safe by pursuing a dialogue even as it takes a fresh look at its core strategic calculations.

Trust and Strategic Alignment Erode: What the Indian strategists most feared, in addition to the economic blow, was the feeling of not being able to rely on the United States as a stable partner anymore. During the past 20 years, India had taken steps toward Washington, dispelling the suspicion that existed during the Cold War and forging what many people regarded as a sort of alliance. The more important events, such as the 2008 Civil Nuclear Agreement, the multimillion-dollar deals of weapons supplied by the U.S. with such platforms as P-8 Poseidons and Apache helicopters, and India being invited to Quad discussions on the Indo-Pacific security, have all indicated the rising inclination (WGI, World, 2025).

However, the sudden tariff addition and the disdainful talk of Trump were shocking to the Indian confidence. When one change of government could result in some form of punishment of India, then the so-called strategic partnership was starting to look as patched together. According to analysts, it was the first instance that the U.S. was taking broad sweeping measures to harm the economy of India, unlike previous fluctuations. India was slipping out of Washington by being sensitive to its feelings and creating shock effects on its international relations as observed by one Indian outlet.

Defence cooperation is one of the sensitive areas that might be affected. India had been ramping up its weapons purchases with the U.S and was also looking into purchasing deals of drones and fighter jets. Presently, issues of political trustworthiness can see India defer or abandon such purchases and chase other suppliers in lieu of European ones or local options (Jazeera, 2025a). Finally, such trust-based structures as shared exercises or intelligence-sharing can be reviewed. Even institutional agreements such as BECA and LEMOA, which paved the way to logistics and working interoperability, might stall should there be corruption of political trust (Chaudhuri, 2025).

This also has the potential to harm strategic technology collaboration in such areas as AI, cyber, and space.

The Indian part in the U.S. Indo-Pacific approach can also change. In case New Delhi feels aggrieved, it would lose its zeal in terms of coordination against China. India can be even further shifted towards other forums such as BRICS and SCO, portending a restoration of more non-alignment. India, a BRICS member, has also criticised the US government many times. When President Donald Trump called India a dead economy, this was seen as a blow and a negative approach towards India (Team, 2025).

In reaction, India has ratcheted up its independence. According to officials, the Russian oil imports would continue even with the pressure that the U.S was exerting, given the need for price stability (PTI, 2025c). The general issue of New Delhi is obvious enough: force will not help. India can afford to flex its muscles and be more independent in international meetings and strategic action than be beholden to America.

Opportunities for Reset or Realignment: In spite of strained relations, India and the U.S. are engaging in dialogue. The U.S. delegation is likely to travel to India after the tariff deadline, and the two countries will have complementary interests to act on, such as counterterrorism and the management of Chinese ascendancy (Tribune News Service, 2025).

This is the reason why some analysts feel that it is possible that there will be a compromise where India will be cajoled to agree to allow the tariffs to be lowered and that they may be able to agree to do this by gradually cutting out their reliance on Russian arms or by starting to purchase some of the U.S. shale oil in exchange to the tariffs being lowered perhaps to 15 percent. Indications of peace efforts between Trump and India are being discussed as the former has hinted that negotiations are underway, and while U.S. institutions like congress and the Pentagon uphold good relations with India, the standoff between the two countries can be brought down (Afp, 2025).

Nevertheless, the Indian perceptions have changed. The media presents the move by the U.S. as a betrayal, awakening mistrust that is mired in events such as the 1971 USS Enterprise deployment and nuclear test sanctions imposed following the year 1998 (King & Karabell, 2003). It is probable that regardless of certain future governments taking a new direction, India will become more self-reliant (through the promotion of the Atmanirbhar Bharat initiative, etc.) and trade more extensively with other partners such as the EU, UK, or ASEAN countries. The plan aims to spend 10 billion on semiconductor production, which is indicative of India wanting to have less dependence and leverage (HDFC Mutual Fund, 2025).

Interestingly, conflict with the U.S. may drive India towards some form of cooperation with China. Strategic rivalry cannot be denied, but the two are at the same time opposed to Western protectionism and they might meet on common ground in other forums such as BRICS. Beijing can take a step forward to avoid alienating India from the U.S., and India can adopt a less aggressive approach to counter the efforts by America to use India as a strategic counter to the region.

Implications for the Quad and Indo-Pacific: The Quad would become lacklustre in case India-U.S. relationships become more strained. India can go so far as to diminish its engagement or restrict intervention into the symbolic movements diluting their solidarity and it may also reject or stall any proposal rich on security matters and the Quad should be soft, equally, Indian interest in the newer U.S.-led groupings such as I2U2 or supply chains could dwindle (Sirohi, 2020).

Such a move can be countered by countries such as Japan and Australia, which can use economic inducements to keep India in its place. The fact that India was the indisputable biggest loser in terms of tariffs imposed by the U.S. and the rates were higher than in the cases of Japan, the EU, or Vietnam, has made Indian policymakers puzzled about the motives of the U.S and how valued India actually is by the U.S. or whether the Indian government is coerced (State of U.S. Tariffs: July 30, 2025, n.d.).

Restoration of trust will probably demand senior-level U.S. engagement, perhaps by Trump himself, guaranteeing Delhi that the friendship is still alive.

To conclude, the Pakistani trade deal, coupled with tariffs against India, has created a big crack in the Indo-U.S. relationship. In economic terms, India is experiencing imminent loss and how it can accustom its industries and broadcasters to this situation. Politically, the action has made anti-U.S. agendas even more powerful and provided opposition with a practical criticism of the foreign policy of Modi. On the strategic front, it casts uncertainties over India in the American-Chinese conflict, and it might advance India into the strategic autonomous direction. India may strengthen its partnership with Russia, maintain an open channel with China, and preside as bloc leader in blocs such as BRICS and SCO that are alternatives to the U.S.-led organisations.

Conclusion

The U.S.-Pakistan trade agreement of 2025 is an indication of the strong interpenetration between economics and geopolitics in the changing order in South Asia. Superficially, it provides Pakistan with an economic lifeline by shunning U.S. severe tariffs, securing the potential promised energy investments, and potentially rejuvenating the nationally crucial areas of hydrocarbons to technology (Codings, 2025). To a nation that is struggling with debt, energy crisis and scarce capital, the development is a lifeline. It also confirms the savvy Pakistan diplomacy to interface with Washington without offending Beijing so that Islamabad can explore strategic autonomy between American technologies and markets and Chinese infrastructure and bankrolling. Such a balancing act, when maintained, enhances the economic strength of Pakistan as well as global economic bargaining power.

The transaction has other dimensions that go beyond economics, such as the U.S and Islamabad renewing security ties on different conditions. It is presented as trade, but it will only do well when the players collaborate on security, notably, securing oil infrastructure in hot spots. The results of this have already started to show, as Pakistan has thanked the U.S for their diplomacy in reaching a ceasefire with India and the U.S seemingly has become willing to use economic incentives to influence the outcome of Pakistan in helping to bring peace to the region (Staff, 2025). With proper finesse, U.S. re-engagement should be in a position to guide Pakistan into more responsible security conduct, possibly causing it to use fewer nuclear signals or militant proxies. It might even aid new negotiations with India or lead Islamabad to stifle the extremist networks as part of an expanded enlistment.

Nevertheless, it is also the source of actual risks. There is already an outcry in India, the country that feels economically taxed and Pakistan gratified. The belief that the United States is being biased toward Pakistan can cause India to align itself in a more aggressive attitude, increase their defence expenditure and diminish their collaboration with the United States, jeopardising the greater American aims in Asia (Syed, 2025).

In the case of Pakistan, there should be a controlled expectation. There is hope of significant oil reserves that might turn out to be false, and hopeful spirits might fly out of the window the moment the exploration turns out to be unsatisfactory. This would resonate with what happened in the previous phases of great expectations, but ending up frustrated by one another. There is also uncertainty that the U.S. views Pakistan primarily as a strategic lever to push against India, or to check China and which stirs doubts that it will be abandoned when the strategic wind changes direction again. Should tensions between the U.S. and China increase, then the neutral status of Pakistan may be called into question and require the country to make compromises regarding its delicate balance policy.

The inner aspect counts as well. To have this deal be considered a real success, the gains had to filter down to the regular people of Pakistan. Provided that the investments can spur development of jobs, alleviate the energy crisis, as well as trim the import burden factor, then there will be a popular opinion towards getting much closer to the Washington (Jazeera, 2025b). However, when elite groups are the only beneficiaries, or when the negative effects of environmental degradation and disquiet in local regions (particularly Balochistan) are on the increase, the reaction may prove to be considerable. Balochistan insurgency is a menacing threat (Hummel & Hummel, 2025). If militants attack the workers or the U.S. government, or if the province perceives no benefit in the extraction of the resources, such a development might only compound the resentment and cause further destabilisation of the region.

And, in terms of heavyweight politics, the deal underscores the porousness of relationships in the new era that started in the 2020s. The U.S. is employing trade instruments to realign its ties, that is, flirting with Pakistan and shoving India (Agencies, 2025). As China monitors the situation, it is likely to counter it by strengthening its grip on Pakistan through accelerated implementation of CPEC or by taking steps towards India in case India aligns with Washington. This, in the longer term, might result in a more multipolar South Asia where an alignment is fluid and based on transactional grounds. Pakistan can become more economically integrated, diplomatically agile, India more independent and sceptical of the West and China, and a better place to take advantage of the local opportunities. This will either result in a balance or confrontation, which shall depend on how these powers handle suspicion, conflicting ambitions and the new assertiveness of small states.

Policy Recommendations

For Pakistan: Utilise the opening up of the economy but do so carefully. A reality that needs to be worked on by adhering to U.S. promises, like increasing imports and protection of investments, to gain credibility and keep China updated to evade conflict. Exploit the tariffs reprieve to make overdue reforms in tax and energy sectors. To bring the province of Balochistan to a stable state through political dialogue and a security approach, with the condition that oil development projects will be implemented. Not to over-reliance on any one of the partners, continue to engage the U.S., China, and even India to a limited thaw to stabilise the environment of growth.

For the United States: In order to enhance stability in the region, curb perceptions of bias. Goodwill gestures should follow up delayed tariffs and exemptions with India after the Pakistan deal. Unobtrusively work out joint ambitions with China in Pakistan, such as joint infrastructure development to demonstrate that the ambition is not a zero-sum game. Approach Pakistan clearly, and it should be clear that the economic aid should not help with militarisation, but with the development of Pakistan. The investments of the U.S. should not encourage any unintentional cross-border tensions.

For India: remain industrious even when met with setbacks, fight back where it counts, but leave the dialogue open and close the tariff dispute. Turn the challenge into an opportunity to further develop the reforms of Atmanirbhar Bharat, increase the range of trade partners, and enhance competitiveness. At least in Pakistan, there is a comforting realization that we have a stable neighbour, even though it sucks, since at least we have a stable neighbour that is at least focused on development. Maintain a defence position without escalating it to provide hardliner narratives. Be patient, protect relations with the U.S. but also have strategic independence.

Final Analysis: The U.S.-Pakistan trade deal is the beginning of an age in which there are no fixed groups of nations but where there are loose groupings based on common interests. The validity of Pakistan as a regional pivot is evident through its successful international politics. It lies in its capability to convert investment into inclusive growth, and the U.S. should strike a balance between the regional interests. India, on its part, has to steer through the turbulence without losing the overall vision. By making sure everyone keeps a cool head, this arrangement can, perhaps, bring a new dawn to the South Asian region a transition of South Asia beyond the rivalry to rectification.

References

Aamir, S., & Rana, S. (2013, July 24). *Diamer Bhasha Dam US approves grant for due diligence feasibility study.* The Express Tribune. https://tribune.com.pk/story/581470/diamer-bhasha-dam-us-approves-grant-for-due-diligence-feasibility-study.

Aazim, M. (2025, June 30). *Is the textile sector recovering?* DAWN.COM. https://www.dawn.com/news/1921167

Adorasoft. (n.d.). *Finance Minister highlights macroeconomic gains, investment opportunities at 'Pakistan Access Day.* Pakistan High Commission London. https://www.phclondon.org/pressrelease/finance-minister-highlights-macroeconomic-gains-investment-opportunities-at

Afp. (2025, August 4). *Trump warns of higher tariffs if India keeps buying Russian oil.* The Express Tribune. https://tribune.com.pk/story/2559598/trump-warns-of-higher-tariffs-if-india-keeps-buying-russian-oil.

Afzal, S. (2024, December 5). The revival of the TAPI pipeline: a milestone for regional connectivity and economic growth. *Modern Diplomacy.* https://moderndiplomacy.eu/2024/12/05/the-revival-of-the-tapi-pipeline-a-milestone-for-regional-connectivity-and-economic-growth/

Agencies. (2025, July 31). *Pakistan US seal trade deal.* The Express Tribune. https://tribune.com.pk/story/2558820/pakistan-us-seal-trade-deal.

Ahmadani, A. (2025, August 2). *Pakistan's energy potential in spotlight amid U.S. interest in Indus basin.* Profit by Pakistan Today. https://profit.pakistantoday.com.pk/2025/08/02/pakistans-energy-potential-in-spotlight-amid-u-s-interest-in-indus-basin/

Ahmed, M. (2025, July 31). *Pakistan and US reach a trade agreement to develop oil reserves and reduce tariffs.* AP News. https://apnews.com/article/pakistan-washington-trade-deal-oil-reserves-development-b891d26a9047cba4c13f098be7e068d1

Ali, S. M. (2020, December 1). *The U.S.-China Strategic Rivalry and Its Implications for Pakistan • Stimson Center.* Stimson Center. https://www.stimson.org/2020/the-u-s-china-strategic-rivalry-and-its-implications-for-pakistan/

ARY NEWS. (2025, August 1). *Pakistan wins US tariff deal; Trump cites oil reserves pact.* ARY NEWS. https://arynews.tv/pakistan-says-it-wins-us-tariff-deal/

Asian News International. (2025, July 30). *"Maybe They'll Sell To India": Trump Announces "Massive" Oil Partnership With Pak.* NDTV. https://www.ndtv.com/world-news/donald-trump-announces-trade-deal-oil-partnership-with-pakistan-8988229.

Bhutta, Z. (2025, June 12). *15 hike in oil refining planned.* The Express Tribune. https://tribune.com.pk/story/2550400/15-hike-in-oil-refining-planned.

Bilal, H. M., Anwar, T., & Ali, A. (2025). An Analysis of Pakistan-US Economic Relations during Trump Era (2017-2021). *Annals of Human and Social Sciences, 6*(1), 173-183. https://doi.org/10.35484/ahss.2025(6-I)16

Brecorder. (2025, August 1). Cnergyico seals import deal: Pakistan to get first US oil shipment. *Brecorder.* https://www.brecorder.com/news/40375706/cnergyico-seals-import-deal-pakistan-to-get-first-us-oil-shipment.

Chaudhuri, R. (2025, April 22). *What is the India–United States TRUST Initiative?* Carnegie Endowment for International Peace. https://carnegieendowment.org/posts/2025/04/what-is-the-india-united-states-trust-initiative?lang=en

Chernov, D., & Sornette, D. (2019). Specific features of risk management in the industrial and agricultural sectors. In *Springer eBooks* (pp. 13–145). https://doi.org/10.1007/978-3-030-25034-8_2

Codings. (2025). *INDIA IN US'S QUAD PARADIGM.* Orcasia.org. https://orcasia.org/article/823/india-in-uss-quad-paradigm.

Correspondent, O. (2025, June 21). *IT potential showcased at US investment conference.* The Express Tribune. https://tribune.com.pk/story/2551924/it-potential-showcased-at-us-investment-conference.

Deane, F., Woolmer, E., Cao, S., & Tranter, K. (2023). Trade in the Digital Age: Agreements to Mitigate Fragmentation. *Asian Journal of International Law, 14*(1), 154–179. https://doi.org/10.1017/s204425132300036x

Desk, M. (n.d.-a). *MG Desk.* https://mettisglobal.news/pakistans-petroleum-import-bill-rises-11-yoy-in-march-sbp.

Desk, M. (n.d.-b). *MG Desk*. https://mettisglobal.news/Pakistans-untapped-Shale-reserves-back-in-focus-54143.

Desk/Reuters, W. (2025, August 1). Pakistan hit with 19pc tariff as Trump targets dozens of countries with new duties. *The Express Tribune*. https://tribune.com.pk/story/2559036/pakistan-hit-with-19pc-tariff-as-trump-targets-dozens-of-countries-with-new-duties.

Haq, A. (2025, August 3). *Transactional Ties: The Pragmatic Reality of U.S.-Pakistan Relations beyond the Oil Deal*. Modern Diplomacy. https://moderndiplomacy.eu/2025/08/03/transactional-ties-the-pragmatic-reality-of-u-s-pakistan-relations-beyond-the-oil-deal/

HDFC Mutual Fund. (2025, February 19). *India Semiconductor Mission – could see signs of success starting 2025!* https://www.hdfcfund.com/knowledge-stack/deep-dives/tuesdays-talking-points/india-semiconductor-mission-could-see-signs-success-starting-2025

Hummel, K., & Hummel, K. (2025, May 2). The Baloch insurgency in Pakistan: evolution, tactics, and regional security implications. *Combating Terrorism Center at West Point*. Combating Terrorism Center at West Point. https://ctc.westpoint.edu/the-baloch-insurgency-in-pakistan-evolution-tactics-and-regional-security-implications/

Inamdar, N. (2025, July 31). *Trump's tariffs could deal a blow to India's growth and exports*. BBC. https://www.bbc.com/news/articles/c0j91p8w20vo

India, S. (2023, January 27). *Pakistan Expects Energy Imports From Russia to Start in April 2023.* Sputnik India. https://sputniknews.in/20230127/pakistan-expects-energy-imports-from-russia-to-start-in-april-2023-665756.html

Iqbal, A. (2025, July 3). *Pakistan-US trade talks in final stretch.* DAWN.COM. https://www.dawn.com/news/1921783/pakistan-us-trade-talks-in-final-stretch.

Isaad, H., & Sayed, M. H. (2025). *Pakistan must rebuild Chinese investor confidence in its energy transition. IEEFA*.org. https://ieefa.org/resources/pakistan-must-rebuild-chinese-investor-confidence-its-energy-transition

Jacob, J. (2025, May 11). *India rejects Trump's mediation offer, reaffirms PoK as integral to sovereignty*. The New Indian Express. https://www.newindianexpress.com/nation/2025/May/11/called-pakistan-s-nuclear-deterent-bluff-no-engagement-on-kashmir-sources

Janjua, H. (2025, August). *Why are the US and Pakistan making an oil deal?* Dw.com; Deutsche Welle. https://www.dw.com/en/why-are-the-us-and-pakistan-making-an-oil-deal/a-73498835

Jazeera, A. (2025a, February 14). *India to receive billions in US weapons, including F-35 stealth jets: Trump.* Al Jazeera. https://www.aljazeera.com/news/2025/2/14/india-to-receive-billions-in-us-weapons-including-f-35-stealth-jets-trump

Jazeera, A. (2025b, June 10). *Pakistan ramps up defence spending by 20 percent after India conflict.* Al Jazeera. https://www.aljazeera.com/news/2025/6/10/pakistan-ramps-up-defence-spending-by-20-percent-after-india-conflict

Jazeera, A. (2025c, July 30). *Trump hits India with 25% tariff, extra 'penalty' for Russian oil purchases.* Al Jazeera. https://www.aljazeera.com/news/2025/7/30/trump-hits-india-with-25-tariff-extra-penalty-for-russian-oil-purchases

Khan, M. B. (2024). Trade between Pakistan and Central Asian Republics: Prospects, Issues and Way Forward. *Journal of Managerial Sciences*, *18*(1), 48-74. https://journals.qurtuba.edu.pk/ojs/index.php/jms/article/view/853

Khan, U. (2025, August 1). *US-Pakistan trade deal provokes reversal of strategic priorities – OPED*. Eurasia Review. https://www.eurasiareview.com/02082025-us-pakistan-trade-deal-provokes-reversal-of-strategic-priorities-oped/

Khan, Z. H., & Ahmed, Q. I. (2023). *Development of Unconventional Gas Potential in Pakistan* (Unpublished graduate research project). Institute of Business Administration, Pakistan. Retrieved from https://ir.iba.edu.pk/research-projects-emba/632

Khetran, M. S. B. (n.d.). Crisis in Balochistan: challenges and opportunities. In *Strategic Studies* (Vol. 24, pp. 24–27). https://www.issi.org.pk/wp-content/uploads/2014/06/1315805354_69012373.pdf

Khurram, S. (2024, July 30). *Pakistan says foreign direct investment increased by 17% during fiscal year 2024.* Arab News. https://www.arabnews.com/node/2559251/business-economy

Kiani, K. (2015, November 20). *Shale gas, oil reserves outweigh conventional stock, study reveals.* DAWN.COM. https://www.dawn.com/news/1220955

King, D. C., & Karabell, Z. (2003). *The generation of trust: Public confidence in the US military since Vietnam.* American Enterprise Institute.

Markey, D. (2020, April 8). *How the United States Should Deal With China in Pakistan*. Carnegieendowment.org. https://carnegieendowment.org/research/2020/04/how-the-united-states-should-deal-with-china-in-pakistan?lang=en

Markey, D. S. (2013). *No exit from Pakistan: America's tortured relationship with Islamabad.* Cambridge University Press.

Markey, D. S. (2016, May 12). *Behind China's gambit in Pakistan.* Council on Foreign Relations. https://www.cfr.org/expert-brief/behind-chinas-gambit-pakistan

Mehmood, A. (2025, February 3). *US plans billions in investment for Pakistan, signaling potential shift in bilateral relations - the media line*. The Media Line. https://themedialine.org/by-region/us-plans-billions-in-investment-for-pakistan-signaling-potential-shift-in-bilateral-relations/

MINING.COM. (2025, May 23). *Pakistan to offer US firms concessions on mining investment in tariff talks.* MINING.COM. https://www.mining.com/web/pakistan-to-offer-us-firms-concessions-on-mining-investment-in-tariff-talks/

Mollan, C. (2025, August 1). *Russia oil imports "a point of irritation" in India-US ties, says Rubio*. BBC. https://www.bbc.com/news/articles/cyvn35dej19o

Muscat, C. (2013). *A comparative analysis of the George W. Bush and Barack Obama administration's foreign policy in the context of the war on terror : case study : Pakistan.* https://www.um.edu.mt/library/oar/handle/123456789/9156

Pcma_Pk. (2025, July 29). *Pakistan, US reach trade framework ahead of Trump's July 9 tariff deadline*. Pakistan Chemical Manufacturers Association. https://pcma.org.pk/pakistan-us-reach-trade-framework-ahead-of-trumps-july-9-tariff-deadline/

PT Profit. (2025, July 10). *President Zardari clears Virtual Assets Ordinance to regulate cryptocurrencies*. Profit by Pakistan Today. https://profit.pakistantoday.com.pk/2025/07/10/president-zardari-clears-virtual-assets-ordinance-to-regulate-cryptocurrencies/

Pti. (2025a, August 1). "Balanced", "forward-looking": Pakistan hails 19% tariffs under US trade deal. *The Economic Times*. https://economictimes.indiatimes.com/news/international/world-news/balanced-forward-looking-pakistan-hails-19-tariffs-under-us-trade-deal/articleshow/123043496.cms

Pti. (2025b, August 3). US penalty risk on Russian oil may add USD 9-11 billion to India's import bill. *The Economic Times*. https://economictimes.indiatimes.com/news/economy/foreign-trade/us-penalty-risk-on-russian-oil-may-add-usd-9-11-billion-to-indias-import-bill/articleshow/123071472.cms

Ranjha, T. A. (2025, May 14). *US mediation on Kashmir.* The Nation. https://www.nation.com.pk/14-May-2025/us-mediation-on-kashmir

Reuters. (2025, July 31). *Pakistan says it wins U.S. tariff deal; Trump cites oil reserves pact.* NBC News. https://www.nbcnews.com/world/asia/pakistan-says-wins-us-tariff-deal-trump-cites-oil-reserves-pact-rcna222159

Reuters. (2025, June 25). *Pakistan US to finalise trade deal next week.* The Express Tribune. https://tribune.com.pk/story/2552647/pakistan-us-to-finalise-trade-deal-next-week

Schweller, R. L. (2010). Unanswered threats. In *Princeton University Press eBooks.* https://doi.org/10.1515/9781400837854

Shar, A. M., Ali, M., Bhutto, D. K., Alanazi, A., Akhondzadeh, H., Keshavarz, A., Iglauer, S., & Hoteit, H. (2022). Cryogenic liquid nitrogen fracking effects on Petro-Physical and morphological characteristics of the Sembar shale gas formation in the lower Indus Basin, Pakistan. *Energy & Fuels*, *36*(22), 13743–13752. https://doi.org/10.1021/acs.energyfuels.2c02257

Sirohi, S. (2020, December 3). *China tensions: Can the US or the Quad come to India's help?* The Wire. https://m.thewire.in/article/diplomacy/india-china-tensions-us-quad-military-help

Staff, A. J. (2025, May 10). I*ndia and Pakistan agree ceasefire: What does it mean?* Al Jazeera. https://www.aljazeera.com/news/2025/5/10/india-and-pakistan-agree-ceasefire-what-does-it-mean

State of U.S. tariffs: July 30, 2025. (n.d.). The Budget Lab at Yale. https://budgetlab.yale.edu/research/state-us-tariffs-july-30-2025

Stokes, D. (2007). Blood for oil? Global capital, counter-insurgency and the dual logic of American energy security. *Review of International Studies*, *33*(2), 245–264. https://doi.org/10.1017/s0260210507007498

Syed, B. S. (2025, June 11). *Defence budget sees major boost amid India tensions.* DAWN.COM. https://www.dawn.com/news/1916437

Team, V. I. E. (2025, June 27). *SCO Summit 2025: India's bold stand against terrorism reshapes regional diplomacy.* VISION IAS Blog. https://www.visionias.in/blog/current-affairs/sco-summit-2025-indias-bold-stand-against-terrorism-reshapes-regional-diplomacy

The News International. (2025, August 4). *Trump's South Asia strategy*. https://www.thenews.com.pk/print/1333026-trump-s-south-asia-strategy

Times, J. (2025, August 3). *India aghast at Donald Trump's 'dead' economy dig and 25% tariffs.* The Japan Times. https://www.japantimes.co.jp/business/2025/08/02/india-aghast-trump/

TOI Business Desk. (2025, August 3). *India buying Russian oil an 'irritant' for Trump administration! How much crude does India get from Russia & will it stop after US penalty warning? Top 10 points.* The Times of India. https://timesofindia.indiatimes.com/business/india-business/india-buying-russian-oil-an-irritant-for-trump-administration-how-much-crude-does-india-get-from-russia-will-it-stop-after-us-penalty-warning-top-10-points/articleshow/123077345.cms

TOI News Desk. (2025, July 30). *'If PM says something . . . ': Rahul Gandhi says Modi unable to refute Trump's ceasefire claims; dares him to call US President "liar."* The Times of India. https://timesofindia.indiatimes.com/india/if-pm-says-something-rahul-gandhi-says-modi-unable-to-refute-trumps-ceasefire-claims-dares-him-to-call-us-president-liar/articleshow/122993502.cms

Tribune News Service. (2025a, July 29). *US delegation to visit India for trade negotiations on Aug 25, says official - The Tribune.* The Tribune. https://www.tribuneindia.com/news/business/us-delegation-to-visit-india-for-trade-negotiations-on-aug-25-says-official/

Walla, K. (2025, July 27). *Pakistan's Ishaq Dar on a trade deal with Trump, balancing the US and China, and peace with India - Atlantic Council*. Atlantic Council. https://www.atlanticcouncil.org/blogs/new-atlanticist/pakistans-ishaq-dar-on-a-trade-deal-with-trump-balancing-the-us-and-china-and-peace-with-india/

wgi.world. (2025, February 18). *From Strategic Partnership to Mega Partnership: A Bird Eye View of India-USA Romance in MODI 3.0 and TRUMP 2.0 Era*. World Geostrategic Insights. https://www.wgi.world/from-strategic-partnership-to-mega-partnership-a-bird-eye-view-of-india-usa-romance-in-modi-3-0-and-trump-2-0-era/

Yasser, Y. (2025, July 31). *Pakistan says successfully concluded "landmark trade deal" with US*. Amwal al Ghad. https://en.amwalalghad.com/pakistan-says-successfully-concluded-landmark-trade-deal-with-us/

Zaman, A. (2014). *The Troubled Pakistan-US Relationship: A Diplomatic History, 1947-2012* (Doctoral dissertation, University of East Anglia).