

The mineral wealth of Pakistan : Opportunities and Challenges

1) Introduction

Thesis statement :

Mineral wealth of Pakistan offers both opportunities and challenges. The country could leverage its ~~economic~~ ^{mineral} resources to spur economic development, regional influence and technological advances. However, the fear of elite capture, institutional decay and security challenges must be addressed to get the desired benefits.

~~2) Opportunities and Challenges~~

2) Overview of Pakistan's mineral wealth

3) Opportunities in mineral wealth for Pakistan

a) Economic development due to foreign investment

b) IT IF shackles can be broken down via these resources.

c) Pakistan's geographical location ease the transport of minerals

d) Mineral's Harmonization Framework for ease

of doing business

e) Local population's social benefits

f) Great labor force of Pakistan can ease the country's unemployed burden

g) ~~Transfer~~ of technology and

④ Challenges Pakistan faces for mineral wealth

- a) Resurgence of Terrorism in Khyber Pakhtunkhwa and Balochistan
- b) Constitutional overlap between federal and provincial government
- c) Institutional decay delays the process
- d) Faulty ^{or} ~~agreements~~ ^{agreements} can ~~lose~~ ^{spoil} the benefits
- e) Elite capture and local mis-participation
- f) Lack of technology and skilled labour
- g) Environmental degradation due to mining

⑤ How ^{to overcome} these challenges

- a) Proper agreements to boost local industries
- b) Proper share of local population to counter insurgency
- c) Skilled labour & technological education of Pakistani residents

⑥ Conclusion

Mineral wealth is an established fact but the current tug of war initiated by the President of United States; Donald Trump, ~~has~~ for rare earth minerals has ~~increased~~ ^{increased} the importance of the countries possessing them. Pakistan, an untapped reservoir of minerals, has also gained ~~enough~~ immense importance due to this reason. However, the mineral wealth of Pakistan, has its own opportunities and challenges. The country can boost its economy and regional influence due to these minerals. They can use this ~~economic~~ opportunity for technological advancement & local population welfare. ~~It can also~~ ~~generate~~

~~benefit~~ ~~from~~ The government ~~has~~ ^{keens} interest in the issue can also ~~address~~ ^{take benefit from} the ~~issue~~ of large number of workforce, ^{the} country has. However, these deposits cannot be turned into mines overnight. It offers its own challenges: resurgence of terrorism, institutional decay, the ~~joint~~ ^{constitutional} overlap of federal & provincial autonomy over mineral resources, fear of elite capture, lack of skilled labour and technology, and environmental degradation. The challenges can be met by ~~getting~~ ^{getting} ~~making~~ ^{making}

Proper agreements, giving local population their due share and educating local population in modern technology rather than relying on foreign labour - Hence, mineral wealth of Pakistan offers both opportunities and challenges.

It could leverage these mineral resources to spur economic development, technological advances & regional influence. However, the fear of elite capture, institutional decay and security challenges must be addressed to ~~get~~ get the desired benefits.

Pakistan is blessed with mineral resources in all its four provinces, from the mountains of Balochistan, to the plains of Punjab & Sindh, to the rugged terrains of Khyber Pakhtunkhwa and Gilgit Baltistan. There are almost 92 minerals, of which 52 minerals are mined. There are almost 5000 mines in the country of which Rekodik (copper-gold) in Balochistan, Khewra Salt mines in Punjab, and chromite mines in Khyber Pakhtunkhwa. Additionally, recently discovered copper-gold ^{deposits} ~~mines~~ in Balochistan & hydrocarbons in Khyber Pakhtunkhwa has signified the country's importance.

in the global world (Zamin Haideri, Pakistan Mineral's Wealth, April 2025). However, majority of minerals are in Khyber Pakhtunkhwa and Balochistan, where security situation is deteriorated. This creates a challenge for the foreign investment as local investors does not have skills nor technology to unearth these minerals and then process it. Hence, to get advantage of these resources, challenges must be addressed.

The biggest opportunity mineral wealth can offer Pakistan is the economic development of the country due to foreign investment.

Our current GDP can become double due to these resources. It is assumed that

initial phase of Reko-Dik would bring almost 6 Billion US dollars followed by an expansion phase of 3 billion US dollars. An agreement

of 500 million dollars has been signed between

(Frontier Works Organization & US Strategic Metals in Sep, 2025 (Simra Sohail, Pakistan's Mineral Moment, Oct, 2025). Hence, foreign investment can help

Pakistan in boosting its economy.

(This economic development can help
Pakistan to get free from the shackles
of IMF programmes. The country is dependant
on IMF programmes for its economic development,
but by investing in these resources, Pakistan
can be free from IMF packages. As
said by the Prime Minister of Pakistan,
Shehbaz Sharif, in Pakistan's mineral economic

forum (2025) that if we were able to
harvest these resources, I am very sure

that Pakistan will say good bye to IMF (www.dawnnews.com)
Shehbaz address to PMEEF
April, 2025

Hence, by seizing the opportunity of mineral
resource, Pakistan can say good bye to
IMF.

The great opportunity for Pakistan is
its geographical location. Pakistan lies at the
confluence of South Asia, Middle East and Central
Asia. Pakistan is an integral part of China's
Belt Road Initiative via CPEC. The ~~great~~

infrastructure development, and specialized economic

zones along CPEC routes can ~~add up~~ help

Pakistan ^{in the transport of these minerals} greatly. Hence, geographical location ~~is~~ can help

Pakistan benefit greatly from these resources.

The extra-advantage of geographical location is backed by the newly formulated minerals harmonization framework. This will help create doing business for the investors. This framework includes: public private partnerships, digital mapping, advance technology & local participation. An

example of this is the renewed agreement of Reko-Dik which is a joint venture of Federal Government, Provincial Government and

Barrick's gold under PPP model.

Hence, newly formulated minerals harmonization framework can help in boosting investor's confidence.

~~Foreign investment in mineral sector can~~

The new mineral harmonization framework also advocates for local population's employment. It ~~also~~ encourages the companies for local preference in employment. As it will help local population benefiting from these investments.

As announced by National Resources Limited Chairman, Mr. Tabbal, that their current local employment ratio is over 90%. ~~It is necessary that~~

He further declared that they are actively participating in social works for the region like ^{education} schools, health and clean drinking water.

(Dawn, Pakistan Eco Mineral Forum, April 2025).

Hence, local employment and social work can be gained from this opportunity.

This local employment will also help reduce the unemployed labour force of the country. According to UNDP report 2024, the labour force of Pakistan is 200.11 million of which almost 6 millions are unemployed.

This will also help the country in easing its burden of unemployed youth and also safeguarding their welfare of locally mines' workers as it will enable government to implement international labour laws. Hence, ~~the~~ labour unemployed force of Pakistan can be reduced.

However, the opportunities ~~are~~ also have some challenges to overcome and the biggest one of it is the resurgence of terrorism in Balochistan and Khyber Pakhtunkhwa. It is noteworthy that majority of these minerals are in these two provinces, facing severe security challenges. According to Pakistan Institute for Peace Studies (Jan, 2026) that

terrorism have raised 34% in the year 2025, claiming 1034 lives & 1366 injured. It is because of ^{resource} terrorism, that investors are avoiding investment.

Apart from security challenges, the constitutional overlap of federal and provincial governments over mineral resources is also deterring investors. After the 18th amendment, all mineral resources except those of nuclear capability falls under the domain of provinces. However, foreign investment, environmental clearance & fiscal reserves are still in the hand of the federal government ~~creating~~ causing disharmony. Reko-Dig is the best example for this where it got rights from federal ^{govt} first before 18th amendment but after the amendment, a constitutional battle caused it to delay its mining operation. Hence, this overlap of power is hurting investors in their investment.

The federal - provincial power overlap is further aggravated by the institutional decay. It is because ~~due to 18th amendment, the~~ provinces are unable to properly develop institutions for mineral resources. They are still dependant on federal's Geological Survey of Pakistan & Pakistan Mineral Development Corporation.

According to a report by Pakistan Planning Commission in 2015, that Balochistan Directorate of minerals and mines have less than 200 technical staff. Hence, for a province which has the majority of minerals, this situation clearly tells the story.

This institutional decay results in faulty agreements that spoil the benefits. It is because due to lack of knowledge or corruption, faulty agreements are signed with little or no advantage to the country.

It is practiced all over the world that minerals are locally processed, furnished & then exported.

However, in Saindak raw copper was exported with little benefit to the country.
(Syed Ali, Pakistan mineral's wealth, Oct 2015)

Hence, the prevention of these ^{faculty} investment
is a greater challenge.

These faculty agreement cause these
resources to be captured by elite with
little benefit to local population. It

is, because ~~of this reason, local m~~

believed that Balochistan's unrest is partly of
the belief that locals think that their resources
are looked away without giving them due
share. Best example for this is SUI Gas,
where local population received little benefits
while other regions reaped disproportionate benefits.

(Anas Salman, Pakistan Mineral Economic Development, Jan, 2026)

Hence, due to local misrepresentation, and elite
capture, little benefit can the country get.

This misrepresentation of local population also
has resulted in lack of technology & unskilled
labour. It is because, the due share from
the resources obtain was never invested in
local population's education and development.

In his address to Pakistan Economic Forum, COAS said that

Pakistan is in dire need of skilled labour, engineers, geologists & technicians to ~~mine~~ mine these resources. ^(The News, COAS address, April 2025) Hence, lack of technology & skilled labour ~~also~~ has slowed the recovery of these minerals.

This lack of skilled labour & technology has deteriorated the environment. It is because

the local mines investors have little or no regard for environmental concerns. This environmental degradation results in deteriorated effect on local population. It was found that water near ^{underground} Thar Coal power plant ~~was~~ contaminated by heavy metals like mercury, fluoride, chromium etc.

(Usman Hanif, Thar Coal poisoning, Apr 2023)

Another example of this is Sehawal Coal Power plant. Hence, little concern to environment ~~is~~ during mining ~~aggravated~~ the ~~the~~ endangers the local population.

These challenges can be overcome by proper planning & agreements. It is because, due attention must be given while signing an agreement. These ~~not~~ agreements must involve proper economic chain i.e. local processing and exporting finished products. As Prime Minister announced in his address to Pakistan's Mineral Economic forum that they must develop downstream industries to develop goods locally & then export. This is the base of international agreements (Apr, 2025). Hence, by proper agreement to ~~avoid~~ any local industries can be setup & economy can be developed.

These agreements must also include the share of local population which will help in terminating the insurgencies in these regions. It is because, terrorism is fuelled by unemployment & lack of social welfare.

We can adopt international examples to boost local population. An example is that of Ghana, which set aside a certain percentage of revenues for local governments and the communities, that has led to considerable improvements in education infrastructure & health services in mining areas.

(Lujala, Ghana Mineral Developments 2020).

Hence, by ~~developing~~ ^{giving} local population a their due share, insurgencies can be reduced.

Apart from giving local population their due share, we also need to educate

these local in skilled mining and technologies

This will help the country to be free from foreign geologists for mining and surveys. As

Gen. Asim Munir announced that we are sending

local students to developed nations for studying these technologies. He announced that there are

almost 27 students from Balochistan are studying in Argentina and Zambia.

Hence, educating local students can free us from foreign aid in surveys!

Closing the discussion, mineral wealth offers great opportunities for Pakistan in economic development. ~~By saying goodbye to IITF~~, independence from IITF, local social welfare & decreasing the unemployment burden. However, the challenges of terrorism, constitutional overlap in powers, institutional decay, party agreements, elite capture, lack of technology & environmental degradation must be addressed. To overcome these challenges, proper agreements, local participation and education must be paid due attention. By acting on these remedies, one may hope that Pakistan can easily turn these resources into a blessing.