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Q no 1

US Double Tariffs on India's Economic and Geo-Political Implications

(1) Introduction

~~In 2025~~, the United States imposed double tariffs on Indian steel, aluminum, and pharmaceutical exports, citing "unfair trade practices" and concerns over India's digital trade barriers. This move has reignited debates about trade protectionism, economic nationalism, and strategic alignment in an era of shifting global power. The development is not merely economic, it carries profound geopolitical ramifications, influencing India's regional stature, its alignment with China, and the Larger Indo-Pacific power architecture. As Joseph Nye remarked, "Economic power is the

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foundation upon which political culture rests." Thus, evaluating this tariff escalation reveals its multifaceted implications for both ergional economies and global power politics.

(2) Timeline of US-India Relations (1947-2025)

Period	Key Features
1947-71	Uneasy cooperation: US-Pakistan alignment under SEATO and SENTO, limited US economic aid to India.
1971-91	Strategic estrangement; India-Soviet Treaty of 1971; US sanctions following India's 1974 nuclear test.
1991-2008	Post-liberalization rapprochement

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	deepening economic and defense ties leading to the 2008 Civil Nuclear Agreement.
2008-20	Expanding strategic partnership; QUAD revival, major defense agreements (LEMOA, COMCASA), growing trade friction.
2020-25	Economic friction amid strategic alignment, digital trade disputes, Indo-Pacific defense cooperation, and US tariffs under the "Fair Trade and National Competitiveness Act 2025."

(3) Economic Implications on the Regional Level

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(3.1) Trade Disruption and Supply Chain fragmentation

The US tariffs (doubling from 10% to 20%) on Indian steel and aluminium threaten $12 billion worth of exports. This impacts South Asian supply chains, as Indian raw materials are key to Bangladesh's and Nepal's infrastructure industries. The move risks pushing regional industries towards Chinese suppliers, undermining Indo-Pacific economic diversification. While intended to protect U.S industries, such tariffs destabilize regional trade balance and weaken Washington's own ~~trade~~ own Indo-Pacific economic strategy.

(3.2) Inflationary Pressure and Industrial Retardation

Higher tariffs reduce India's export competitiveness

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creating a 2-3% drop in manufacturing output as per IMF report 2025. The domino effect hits small and medium enterprises (SMEs) and employment in states like Maharashtra and Gujrat. Although India seeks to offset losses via ASEAN and EU markets, short-term inflationary pressures risk slowing its 6.7% projected GDP growth. Regional inflation could ripple across SAARC economies tied to Indian imports.

(3.3) Weakening of Regional Economic Integration

The tariffs jeopardize India's leadership in regional supply initiatives like BIMSTEC and IPEF. By pushing India to adopt protectionist countermeasures, they undercut its role as a Stabilizer in South Asian trade corridors. The US decision contradicts its "Free and Open Indo-Pacific" vision,

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alienating a strategic ally while empowering China's regional Comprehensive Economic Partnership (RCEP) dominance.

(4) Economic Implications on Global Level

(4.1) Strain on Global Trade Liberalization

The move signifies a reversal of globalization, as both the U.S. and India adopt retaliatory tariffs. The WTO warns of a potential $30 billion contraction in bilateral trade if escalation persists. Thus, the episode underscores the erosion of global trade norms and the weaponization of tariffs in power politics, weakening multi-lateralism.

(4.2) Reconfiguration of Global Supply

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As the US restricts Indian exports, global firms may relocate operations to Vietnam, Indonesia, or Mexico diverting investment from India. Thus, the India's ambition to become the "factory of the democratic world" as per Prime Minister Modi's 2023 G20 Statement, faces setback, while China's manufacturing resilience regains advantage.

(4.3) Impacts on Global Energy and Tech Markets

India's growing role in solar panel manufacturing and generic pharmaceuticals faces setbacks, raising costs for Western consumers. Ironically, this undermines Washington's own clean energy transition and medical affordability goals, revealing the contradictions of protectionist policies.

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(5) Geo-Political Implications on the Regional Level

(5.1) Strained Indo-US Strategic Partnership

The tariff imposition weakens trust between New Delhi and Washington within the Quad (US, Japan, India, Australia) framework. While defense cooperation persists, economic mistrust risks reducing India's enthusiasm for US-led security initiatives, tilting regional balance towards strategic autonomy rather than alignment.

(5.2) Opportunity for China and Regional Realignments

China may exploit this rift by offering India economic incentives under BRICS+ or the Shanghai Cooperation Organization

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(SCO). Such realignment could dilute US influence in South Asia, as India may deepen energy and infrastructure cooperation with Russia and Iran, shifting from US dependency.

(5.3) Internal Political Capital for Indian Leadership

Domestically, the Modi government uses U.S tariffs as proof of 'Western hypocrisy' to rally nationalist sentiment. Whereas this boosts internal legitimacy, it risks turning economic challenges into populist narratives, diverting attention from structural reforms needed to sustain growth.

(6) Geo-Political Implications on the Global level

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(6.1) Weakening of US Indo-Pacific strategy.

The tariffs contradicts America's claim of building a rules based Indo-Pacific. Allies like Japan and Australia view this as economic inconsistency. Hence, the US risks losing moral authority to lead in Asia, allowing China's Belt and Road Initiative (BRI) to appear as a more reliable alternative.

(6.2) Strengthening of Multipolarity

The US may find itself isolated as middle powers (India, Brazil, South Africa) Coordinate policies within BRICS+, reshaping global governance. The trade clash accelerates the global transition from US centric unipolarity to a multipolar world order. Emerging

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economies may seek regional trade pacts independent of Washington. Hence, the US led tariffs has strengthened the multipolarity.

(6.3) Challenge to Global Governance Institutions

This tariff war tests the credibility of the WTO, IMF and G20 as mediating platforms. If disputes are setteled bilaterally or through coercion rather than multilaterism, it may erode the post-war economic order built on consensus and legal parity.

(7) Conclusion

As **Mahbub ul Haq** once observed, "Economic power is the new measure of sovereignty." The US decision to double tariffs on India is not merely a trade dispute, it is a strategic recalibration in an increasingly multipolar world. Economically, it exposes contradictions in globalization; geopolitically, it tests the credibility of alliances in the Indo-Pacific. For India, this challenge may become an opportunity to diversify trade, strengthen self-reliance under Atmanibhar Bharat, and deepen South-South cooperation. For the US it is a reminder that strategic partnerships cannot thrive amid economic protectionism. Ultimately, the episode reflects the new reality of the 21st century geo-politics, where tariffs not tanks, have become the new tools of power.

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Q no 2

Balancing Between the US and China: Pakistan's strategic Tightrope

(1) Introduction

As global power dynamics shift towards multipolarity, Pakistan finds itself at the Crossroads of strategic recalibration. Its renewed engagement with the United States; particularly in trade, counterterrorism, and regional stability, comes and deep rooted strategic partnership with China through the China Pakistan Economic Corridor (CPEC), a flagship of the Belt and Road Initiative (BRI). Balancing relations between US and China is thus not merely a diplomatic choice but a survival strategy in a rapidly polarizing global order. As **Henry Kissinger** once said, "To be an independent actor, a state must balance its alignments without abandoning its interests."

(2) Timeline of Pakistan's Engagements (2000-2025)

Period	Key features
2000-2011	Pakistan-US alliance in the War on Terror, heavy aid inflows.
2013-18	Launch of CPEC deepening China ties.
2019-21	US withdrawal from Afghanistan; recalibration of Pakistan's foriegn Policy
2020-25	Renewed US engagement on trade, energy, and

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counterterrorism; China remains "all-weather ally"

(3) Pakistan's Economic Balancing between China and US: Navigating Aid and Investment

(3.1) Diversifying Economic Dependencies between Competing Powers

Pakistan's challenge lies in shifting from aid-driven relations with the US to investment based cooperation. While the US remains Pakistan's largest export market (20% of total exports as per SBP report 2024), China dominates infrastructure and energy financing. A dual-track approach, leveraging US markets for exports and Chinese capital for infrastructure, can help stabilize Pakistan's economy. However,

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overreliance on CPEC loans has increased debt servicing pressure, requiring balanced fiscal diplomacy.

> According to IMF 2024, 30% of Pakistan's external debt is owed to China - a figure demanding prudent diversification.

(3.2) Technology and Energy Cooperation between mighty Powers

The US's Green Alliance Framework 2023 offers Pakistan access to renewable technology and climate finance, complementing China's solar and hydel investments. A balanced energy diplomacy, importing clean tech from the US while developing local capacity through Chinese expertise, can transform Pakistan's energy landscape and reduce circular debt. As reported by The Economist 2024, Pakistan could save up to $2 billion annually by integrating green technologies from both partners.

(3.3) Pakistan can balance through trade routes and Regional Connectivity:

While China's CPEC enhances connectivity with Central Asia, Pakistan's engagement with the US through IMEC discussions can diversify its trade routes. Strategic participation in both frameworks enhances regional integration while avoiding bloc politics. However, Pakistan must ensure that such diversification does not provoke strategic suspicion from China.

(4) Geo-Political Balancing: Implications of Pakistan's Dual Alignment with the US and China

(4.1) Managing Rivalries in South Asia

Pakistan's balancing act is complicated by US-India strategic alignment under the QUAD. To offset this, Pakistan can deepen regional diplomacy with Iran, Turkeye, and Central Asia, projecting itself as a bridge rather than a buffer. China's support in regional infrastructure can be complemented by US influence in conflict mediation.

Hillary Clinton once described Pakistan as "Too Strategic to fail" – a sentiment still relevant to South Asian stability.

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(4.2) Afghanistan and Counterterrorism Diplomacy

The US seeks Pakistan's Cooperation in preventing terrorism resurgence post-Afghanistan withdrawal. Pakistan can utilize this security engagement to rebuild trust and gain access to defence technology. At the same time, coordination with China on border security and intelligence can reinforce internal stability without overdependence on either bloc.

> According to SIPRI 2024, Pakistan's defence imports from China constitute 74% of total arms purchase, diversification remains key.

(4.3) Middle East Balancing

Pakistan mediation efforts between

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Suadi Arabia, Iran and China highlights its diplomatic flexibility. By aligning its foreign policy with economic pragmatism rather than bloc loyalties, Pakistan can position itself as a neutral interlocutor in the Muslim world- an approach both the US and China find strategically valueable.

(4.4) Multipolar Diplomacy

In a multipolar world, Pakistan can adopt a '**multi-vector foreign policy**'- maintaining defence cooperation with China, trade relations with the US, and energy ties with the Gulf. Such strategic autonomy echoes the 'non-alignment 2.0' model practiced by ASEAN nations. In this context **Zbigniew Brzezinki** argued that geoplitical success lies in strategic flexibility, not ideological rigidity.

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(4.5) Strengthening Institutional Diplomacy

Pakistan's National Security Policy 2022-26 emphasizes geo-economics over geopolitics. Institutionalizing this approach through the Special Investment Facilitation Council (SIFC) allows Pakistan to balance both powers on the basis of economic merit rather than strategic favoritism.

(5) Conclusion

Pakistan's foreign policy in 2025 stands at a delicate equilibrium between Washington and Beijing. The key lies in strategic pragmatism, not alignment. By diversifying partnerships, pursuing geo economic diplomacy and prioritizing national interests over bloc politics, Pakistan can convert its geographic vulnerabilities into diplomatic leverage. As **Quaid-**

e-Azam Muhammad Ali Jinnah ~~envisioned~~, Pakistan must be "a friend to all and an enemy to none." Only through balanced diplomacy can Pakistan secure stability, sovereignty, and sustained development in a fracturing world order.

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Good attempt