

# MP-IDSA *Commentary*

## From Hostility to Cooperation? China's Efforts at Mediation between Pakistan and Afghanistan

*Namita Barthwal*

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### **S***ummary*

Deep-rooted tensions between Pakistan and Afghanistan will continue to hinder progress on mutually beneficial projects despite Beijing's efforts.

## Introduction

China’s attempts to mediate and resolve tensions between Pakistan and Afghanistan marks one of its most visible diplomatic interventions in the region. On 21 May 2025, Chinese Foreign Minister Wang Yi chaired a trilateral meeting with the foreign ministers of Afghanistan and Pakistan in Beijing.<sup>1</sup> China’s core interest relates to extending the China–Pakistan Economic Corridor (CPEC) into Afghanistan. By easing tensions, China envisions transforming Afghanistan into a land bridge connecting Central Asia to Southern and Western Asia under its Belt and Road Initiative (BRI).

At the meeting, China and Pakistan invited Afghanistan again to join the CPEC.<sup>2</sup> Although the acting Afghan Foreign Minister Amir Khan Muttaqi expressed his support for regional integration, Kabul has not yet officially confirmed its participation in CPEC.<sup>3</sup> Pertinently, China has also been encouraging Afghanistan to utilise Gwadar Port in Pakistan for trade. However, strained relations between Pakistan and the Taliban have stalled progress.

In a significant diplomatic breakthrough, China facilitated an agreement between Pakistan and Afghanistan to exchange ambassadors— marking an elevation in ties that previously operated only at the level of Chargé d’Affaires. With this step, Pakistan joins China, Russia, and the UAE in formally accepting Taliban-appointed diplomats. While Beijing has pledged to support stronger relations between the two countries, deep-rooted tensions continue to hinder meaningful progress.

## The TTP: A Persistent Obstacle

The most pressing issue is the presence of the Tehrik-i-Taliban Pakistan (TTP) in Afghanistan. Since the time Taliban seized power in Kabul in 2021, relations between Islamabad and the Taliban regime have sharply declined. Pakistan accuses the Taliban regime of providing sanctuary to the TTP, a banned outfit responsible for a surge in cross-border attacks. In 2024 alone, the group and its affiliates caused 520 fatalities in Pakistan—including 312 security personnel—while 633 others were injured.<sup>4</sup>

The TTP has also targeted Chinese interests, claiming responsibility for deadly attacks on the Dasu Hydropower Project in 2021 and 2024, which resulted in the

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<sup>1</sup> [“Wang Yi on the Outcomes of the Trilateral Meeting of Foreign Ministers of China, Afghanistan and Pakistan”](#), Ministry of Foreign Affairs, The People’s Republic of China, 21 May 2025.

<sup>2</sup> Ibid.

<sup>3</sup> Abid Hussain, [“Pakistan, Afghanistan Move Towards ‘Restoring Ties’ in Talks with China”](#), *Al Jazeera*, 23 May 2025.

<sup>4</sup> [“Pakistan Security Report 2024”](#), *Pak Institute for Peace Studies*, January 2025.

death of 14 Chinese engineers and workers. These incidents have heightened Beijing’s security concerns regarding its investments and personnel in Pakistan.<sup>5</sup>

During the trilateral meeting, Pakistan’s Foreign Minister Ishaq Dar raised an alarm over the existence of safe havens for the TTP in Afghanistan. In response, Chinese Foreign Minister Wang Yi urged the parties to “oppose all forms of terrorism” and “jointly counter terrorist forces of concern to each side”.<sup>6</sup> While China’s stance signals a growing willingness to mediate, whether this can translate into effective pressure on the Taliban remains uncertain.

The TTP remains the greatest obstacle to rebuilding trust between Islamabad and Kabul. Pakistan, despite having provided shelter to Taliban leaders during their insurgency, is frustrated by the Taliban’s refusal to act against the group. Operating with impunity in Afghanistan’s eastern provinces of Kunar and Nangarhar, the TTP continues to launch cross-border attacks into Pakistan—further straining bilateral relations.<sup>7</sup>

The Taliban, however, have compelling reasons for avoiding action against the TTP. Both groups share an ideological bond rooted in Deobandi Sunni Islam, and many TTP fighters supported the Taliban in their insurgency against US-led forces. Additionally, the Taliban view the TTP as a useful strategic asset in negotiations with Pakistan—particularly on contentious issues like the Durand Line, treatment of Afghan refugees and trade restrictions. With internal threats mounting from the Islamic State-Khorasan Province (ISKP) and National Resistance Front (NRF), the Taliban remain reluctant to open another front by confronting the TTP.

## Trade and Transit: Growing Friction

Economic disputes have further strained bilateral ties. In October 2023, Pakistan imposed new taxes and duties on Afghan-bound goods, citing concerns that items intended for Afghanistan were being smuggled back into Pakistan. This move disrupted the Afghanistan–Pakistan Transit Trade Agreement (APTTA), placing key Afghan imports on a negative list.<sup>8</sup> The impact was immediate—thousands of containers were delayed, and Karachi Port’s Afghan cargo plummeted from 3,000 containers to just 800 containers per month. In retaliation, Afghan traders sought

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<sup>5</sup> Namita Barthwal, [“China’s Private Security Personnel in Pakistan: Implications for Regional Stability”](#), Issue Brief, Manohar Parrikar Institute for Defence Studies and Analyses (MP-IDSA), April 2025.

<sup>6</sup> [“Wang Yi on the Outcomes of the Trilateral Meeting of Foreign Ministers of China, Afghanistan and Pakistan”](#), Ministry of Foreign Affairs, The People’s Republic of China, 21 May 2025.

<sup>7</sup> Ayaz Gul, [“UN: Afghan Taliban Increase Support for Anti-Pakistan TTP Terrorists”](#), VOA News, 11 July 2024.

<sup>8</sup> Sadiqat Ghorzang, [“Significant Drop in Trade from Karachi Port to Afghanistan”](#), TOLONews, 21 May 2025.

alternative trade routes through Iran and Central Asia, diminishing Pakistan’s economic leverage in the region.<sup>9</sup>

Notably, trade via Iran’s Chabahar Port—where India has developed the Shahid Beheshti terminal—has seen an uptick.<sup>10</sup> However, for Kabul, the Chabahar Port remains limited in utility, functioning more as a conduit for humanitarian aid than a robust commercial transit route. While India has invested significantly in the Shahid Beheshti terminal and associated infrastructure, several logistical and infrastructural constraints continue to hamper its effectiveness as a trade alternative to Pakistan’s ports.

The primary challenge lies in internal Afghan connectivity. Goods arriving at Chabahar must traverse the Zaranj–Delaram Highway, a 218-km route built by India, to connect with Afghanistan’s Ring Road. However, this highway passes through volatile regions in Nimruz and Helmand provinces, which are often subject to extortion by local militias, and poor maintenance. The Ring Road itself—intended to link major cities like Herat, Kandahar, Kabul and Mazar-e-Sharif—remains partially constructed or damaged in several stretches due to decades of conflict and lack of investment.

Moreover, Iran’s logistics performance ranks poorly compared to global benchmarks. According to the World Bank’s Logistics Performance Index (LPI) 2023, Iran ranked 91<sup>st</sup> out of 139 countries, with particularly low scores in infrastructure quality and customs efficiency.<sup>11</sup> This affects cargo movement speed, predictability and overall cost-effectiveness.

Compounding the issue is the slow progress on the Chabahar–Zahedan railway, which was envisioned to connect the port to Iran’s national rail network and onward to Central Asia and beyond. India had initially pledged support through IRCON International Ltd., but geopolitical frictions, US sanctions on Iran and bureaucratic delays led to India being dropped from the project in 2020.<sup>12</sup> Although Iran resumed work on the line using domestic resources, progress has been sluggish, and completion timelines remain uncertain. With no fully functional alternative in place, Afghanistan faces mounting economic pressures. These constraints may ultimately compel Kabul to reconsider its strained ties with Islamabad and expand its reliance on Pakistan’s Gwadar Port—an outcome that aligns closely with China’s strategic objectives of integrating Afghanistan into the CPEC.

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<sup>9</sup> Ibid.

<sup>10</sup> [“Development of Chabahar Port”](#), Press Information Bureau, Ministry of Ports, Shipping and Waterways, Government of India, 26 July 2024.

<sup>11</sup> [“Logistics Performance Index”](#), World Bank, 2023.

<sup>12</sup> Suhasini Haidar, [“Iran Drops India from Chabahar Rail Project, Cites Funding Delay”](#), *The Hindu*, 14 July 2020.

## The Afghan Refugee Problem

The issue of Afghan refugees in Pakistan has been a major source of friction between Islamabad and Kabul. Under the "Illegal Foreigners Repatriation Plan" (IFRP) initiated in October 2023, Pakistan escalated efforts to deport undocumented Afghan nationals. By April 2025, nearly 60,000 Afghans had been sent back to Afghanistan, according to the United Nations International Organisation for Migration (IOM).<sup>13</sup>

Pakistan defends the deportations on national security grounds, citing concerns over illegal immigration and associated risks. However, the Afghan government and international human rights organisations have criticised the policy as being punitive and inhumane, particularly given Afghanistan's ongoing humanitarian crisis. The mass expulsions have resulted in overcrowded border crossings and overwhelmed Afghan provinces, ill-equipped to absorb the sudden influx. Many returnees face severe shortages of shelter, food and healthcare, further straining Afghanistan's fragile infrastructure. Amnesty International has called for the immediate withdrawal of the IFRP, describing it as an opaque plan targeting Afghan refugees.<sup>14</sup>

## China’s Interests

For China, Afghanistan’s strategic location and vast untapped natural resources are only one part of the equation. Positioned at the crossroads of South Asia, Central Asia and the Middle East—Afghanistan holds immense potential as a regional trade and connectivity hub.

According to the Brookings Institution, Afghanistan is estimated to have 2.3 billion metric tons of iron ore and 1.4 million metric tons of rare-earth minerals.<sup>15</sup> Meanwhile, the US Geological Survey in 2010 had valued the country’s untapped mineral wealth at over US\$ 1 trillion, including significant deposits of lithium—an essential resource for clean energy and digital technologies.<sup>16</sup>

China has taken a values-neutral, transactional approach to engaging with Afghanistan. It was the first country to appoint a full ambassador—Zhao Xing—to Taliban-ruled Kabul.<sup>17</sup> In December 2023, Afghan Ambassador Bilal Karimi resumed negotiations with the China Metallurgical Group Corporation (MCC) in Beijing to revive the Mes Aynak copper mine, believed to be the world’s second-largest deposit

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<sup>13</sup> Ibid.

<sup>14</sup> Amnesty International, [“Pakistan: Opaque 'Illegal Foreigners Repatriation Plan' Targeting Afghan Refugees Must be Withdrawn”](#), Amnesty International, 26 March 2025.

<sup>15</sup> [“Chinese Investment in Afghanistan's Lithium Sector: A Long Shot in the Short Term”](#), Brookings Institution, 2021.

<sup>16</sup> [“Afghanistan's Untapped Mineral Wealth Estimated at Over \\$1 Trillion, Including Significant Lithium Deposits”](#), *Reuters*, 14 June 2010.

<sup>17</sup> Mohammad Yunus Yawar and Charlotte Greenfield, [“China Becomes First to Name New Afghan Ambassador under Taliban”](#), *Reuters*, 13 September 2023.

of its kind. Although a 30-year concession was signed in 2008, years of conflict and the US-led military presence had stalled the project for over 16 years.<sup>18</sup>

Meanwhile, China has continued to expand its economic footprint. In January 2023, the Taliban signed a 25-year agreement with China’s Xinjiang Central Asia Petroleum and Gas Company (CAPEIC) to extract oil from the Amu Darya Basin, including the construction of Afghanistan’s first crude oil refinery.<sup>19</sup> In addition, Chinese companies have secured mining contracts across provinces such as Takhar, Logar, Ghor and Herat to extract and process gold, zinc, lead and iron ore.

Linking the CPEC to Afghanistan would provide China with a direct and cost-effective route to transport these extracted resources. While bilateral discussions have explored the use of the Wakhan Corridor—a narrow strip of land connecting northeastern Afghanistan to China’s Xinjiang province—this route remains impractical due to lack of roads, railways and essential infrastructure. In contrast, the existing CPEC network offers established infrastructure and regional connectivity. For China, integrating Afghanistan into CPEC is not just a strategic ambition—it is the most viable path forward.

## Conclusion

The extension of CPEC into Afghanistan holds immense strategic potential, which would provide China with a direct, cost-effective route for transporting critical minerals and energy resources, while also positioning Afghanistan as a crucial connector between South Asia and Central Asia. However, achieving this vision hinges on resolving deeply entrenched regional challenges. The TTP remains a major flashpoint between Pakistan and the Afghan Taliban, while trade disputes and the refugee crisis have further strained bilateral ties.

Although Beijing is actively trying to ease tensions between Islamabad and the Taliban regime, the fundamental question remains: can Pakistan and Afghanistan resolve their differences? Failure to do so would present even greater obstacles for China. CPEC is already facing delays due to persistent security concerns in Pakistan, and Afghanistan’s complex militant landscape—marked by rival factions frequently at odds—could further complicate its expansion.

For China, the stakes are high. In such a volatile environment, the risks to its investments would only multiply. Strategically and diplomatically, Afghanistan continues to remain one of the region’s most difficult terrains to navigate.

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<sup>18</sup> [“China Breaks Ground On Massive Afghan Copper Mine After 16 Years Of Delays”](#), *Radio Free Europe/Radio Liberty*, 25 July 2024.

<sup>19</sup> [“Afghanistan's Taliban Administration in Oil Extraction Deal with Chinese Company”](#), *The Hindu*, 5 January 2023.

## About the Author



**Ms. Namita Barthwal** is Research Analyst at the Manohar Parrikar Institute for Defence Studies and Analyses, New Delhi.

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