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## **REKO DIQ: THE EMERGING GEOECONOMIC COMPETITION**

### **ABSTRACT**

Reko Diq has emerged as a strategic geoeconomic flashpoint in South Asia, attracting growing American and Saudi interest while situated within the broader ambit of the China-Pakistan Economic Corridor. The project reflects Pakistan's shift toward diversified Gulf and Western financing beyond China. As it advances toward production, Reko Diq symbolizes how critical minerals are reshaping regional power alignments.

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# Reko Diq: The Emerging Goeconomic Competition

## Introduction

The Reko Diq copper–gold project in Pakistan’s Balochistan province has evolved into a significant goeconomic and geopolitical development in South Asia. With an estimated investment of nearly \$7 billion and projected production beginning in 2028, the project now reflects the strategic convergence of the **United States, Saudi Arabia, China, and Pakistan**. Reko Diq is no longer merely a mining initiative; it has become a test case of how critical minerals are reshaping power alignments in the Indo-Pacific and the broader West Asian region.

## Reko Diq in the Great Power Context

The project is being developed by **Barrick Mining Corporation** in partnership with Pakistani federal and provincial authorities. Its geopolitical importance stems from the evolving



financing and ownership structure around it.

The United States has committed approximately \$1.3 billion through the **Export- Import Bank of the United States**, reflecting

Washington’s broader strategy to secure critical mineral supply chains for renewable energy systems, electric vehicles, and defense manufacturing. Additional backing from the International Finance Corporation and the Asian Development Bank enhances the project’s institutional credibility and risk-sharing architecture.

## The Saudi Investment Dimension

A critical addition to this evolving structure is Saudi Arabia’s potential equity participation. Under Vision 2030, Riyadh has aggressively expanded its global mining footprint through the **Public Investment Fund** and its mining arm, **Ma’aden**, particularly via Manara Minerals.

For Saudi Arabia, Reko Diq serves three strategic objectives:

1. **Upstream mineral security** – securing long-term copper supply essential for industrial diversification.
2. **Goeconomic positioning** – expanding Saudi capital presence in South Asia.

3. **Strategic proximity** – strengthening influence near the Strait of Hormuz and emerging Eurasian–Gulf trade corridors.

Saudi investment would also deepen Islamabad–Riyadh economic interdependence, moving their relationship beyond traditional financial bailouts and remittance flows toward structural resource cooperation.

### **Pakistan’s Strategic Shift: From China-Centric to Multi-Vector Financing**

One of the most significant dimensions of Reko Diq is Pakistan’s evolving external financing pattern. For over a decade, Islamabad’s large-scale infrastructure financing was heavily anchored in the **China-Pakistan Economic Corridor**, China’s flagship Belt and Road Initiative corridor.

However, Reko Diq signals a calibrated shift:

1. **Reduced Exclusive Dependence on China** – Unlike earlier CPEC projects dominated by Chinese state-backed financing, Reko Diq’s funding architecture is Western- and Gulf-oriented.
2. **Entry of U.S.-Backed Capital** – The involvement of U.S. export credit financing marks a departure from China-led development frameworks.
3. **Gulf Sovereign Wealth Participation** – Saudi interest indicates Pakistan’s increasing reliance on Gulf equity rather than Chinese debt-heavy models.
4. **Multilateral Institutional Backing** – The role of IFC and ADB introduces governance standards and financial transparency frameworks typically absent in bilateral Chinese infrastructure deals.

This does not imply Pakistan is abandoning China; rather, it reflects strategic diversification. However, the symbolism is significant. In a province central to CPEC’s geography, Pakistan is now inviting American and Gulf capital into what was previously perceived as Beijing’s strategic zone. The reasons behind this recalibration include:

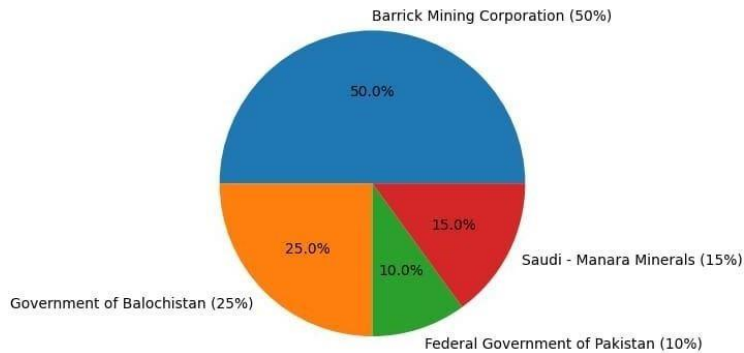
- Pakistan’s debt sustainability concerns.
- The need for broader international investor confidence.
- Balancing external power influence.
- Signaling strategic autonomy amid intensifying U.S.–China rivalry.

Reko Diq thus becomes an example of Islamabad attempting to rebalance its economic diplomacy, leveraging Gulf liquidity and Western institutional capital while avoiding overreliance on China.

### **Ownership Restructuring of Reko Diq: Entry of Saudi Arabia and Rebalancing of Federal Stake**

The total ownership structure of Reko Diq is divided into **50% held by Barrick Mining Corporation, which serves as the project operator, and 50% held by Pakistani stakeholders.** Within Pakistan’s share, 25% belongs to the Government of Balochistan (including a free-carried interest), while 25% is held by the Federal Government of Pakistan through state-

Reko Diq Ownership Structure (Proposed 2026)



owned entities. Saudi Arabia, through **Manara Minerals**, is **negotiating to acquire 15%** of the overall project equity, which would be carved out of the federal government’s 25% stake. If finalized, this would **reduce Islamabad’s holding to around 10%**, while **preserving Barrick’s 50% operational control and**

**maintaining Balochistan’s**

**full 25% share**, thereby reshaping the project into a Barrick–Pakistan–Saudi strategic partnership.

### The Baloch Insurgency: The Core Risk Variable

The security environment in Balochistan remains the single most volatile variable shaping the trajectory of Reko Diq. In January 2026, militants affiliated with the **Baloch Liberation Army (BLA) launched coordinated attacks across multiple districts, including Quetta, Gwadar, and Nushki**, targeting police stations, paramilitary checkpoints, and government installations. The scale and synchronization of the assaults, among the most significant in recent years, underscored both the operational capacity of insurgent networks and the fragility of state control in peripheral districts. Security forces responded with large-scale counter-operations over the following days, reporting the killing of dozens of militants while also suffering casualties among security personnel. These incidents followed a broader pattern of violence in late 2025 and early 2026, including ambushes, suicide attacks, and infrastructure sabotage aimed at undermining state-backed development initiatives.

For investors and multilateral lenders backing Reko Diq, such episodes are not abstract security concerns but concrete risk multipliers. Large-scale insurgent offensives raise insurance costs, complicate logistics, and increase the reputational sensitivity of operating in conflict-affected regions. At the same time, Islamabad’s intensified military posture around strategic economic sites signals that the state views mineral development as inseparable from national security. The persistence of financing commitments despite these attacks suggests that stakeholders calculate the long-term strategic and economic returns of Reko Diq to outweigh the immediate instability. In this sense, the insurgency does not merely threaten the project, it amplifies its geopolitical significance, turning Reko Diq into both an economic venture and a test of the Pakistani state’s ability to secure and govern its most resource-rich yet politically contested province.

### Indian Assessment

For India, Reko Diq is not an immediate strategic threat but a structural signal. It reflects:

- The rise of geoeconomics as a driver of regional alignments.
- Pakistan’s effort to rebalance away from exclusive Chinese dependence.
- The growing role of Gulf sovereign capital in South Asia.

- The centrality of critical minerals in shaping twenty-first-century geopolitics.

India’s view is therefore measured but alert. The appropriate response is not confrontation but strategic consolidation, strengthening mineral diplomacy, maritime awareness, Gulf engagement, and Indo-Pacific partnerships to ensure long-term national advantage.

### Possible Future Scenarios (2026–2030)

If security conditions stabilize and construction remains on schedule, Reko Diq could begin phased production by late 2028, with projected annual output of roughly 200,000–300,000 metric tons of copper and 250,000–400,000 ounces of gold at full capacity. At moderate global price assumptions, this could translate into \$2–3 billion in annual export earnings, potentially adding close to 1% to Pakistan’s GDP during early production years. Backing



from the Export-Import Bank of the United States, alongside financing involving the **International Finance**

**Corporation and the Asian Development Bank**, suggests that lenders expect long-term commercial viability despite current instability. However, if insurgent violence in Balochistan continues at high intensity, production timelines could slip beyond 2028, raising security and insurance costs by an estimated 30–50% and reducing projected export

inflows by up to one-third in early years. China is not thrilled in the zero-sum sense

but it already has Saindak Copper-gold mine, run by Metallurgical Corporation of China, securing gold/copper flow to Beijing.

## February Monthly News Summary

### Politics: Internal Politics

S.No	Date	News Heading	Source
1	20-02-2026	<a href="#">Saudiization in key professions reached 70%, telecom employment rose to 406,000</a>	SPA
2	20-02-2026	<a href="#">Nearly 100,000 social security beneficiaries enabled through employment &amp; training programs</a>	Arab News
3	17-02-2026	<a href="#">Saudi ministers highlight progress made in push toward sustainable Vision 2030 outcomes</a>	Al Arabiya
4	17-02-2026	<a href="#">New initiative to train 900 Saudis in media sector</a>	Arab News
5	10-02-2026	<a href="#">Viral Portrait of Sex Criminal Epstein &amp; Arab Sultan Looking at the Kiswah</a>	CNBC Indonesia
6	03-02-2026	<a href="#">Saudi Arabia Sets New Benchmarks in Privatization, Healthcare Innovation, and Venture Capital</a>	Alriyadh Daily
7	23-02-2026	<a href="#">GCC secretary general receives EU ambassador to Saudi Arabia to discuss Joint Action Programme</a>	Arab News

### Foreign Policy: Foreign Powers & External Actions

S.No	Date	News Heading	Source
8	24-02-2026	<a href="#">Faizali Idizoda's trip to Saudi Arabia to strengthen inter-parliamentary cooperation</a>	Sadoi Mardum
9	24-02-2026	<a href="#">Parliamentary relations with Arabia are strengthening (Tajikistan)</a>	Sadoi Mardum
10	24-02-2026	<a href="#">Saudi deputy FM meets South Sudanese president to discuss international developments</a>	Arab News
11	24-02-2026	<a href="#">Saudi entertainment chief, Egyptian culture minister discuss music, opera and cinema projects</a>	Arab News
12	24-02-2026	<a href="#">Prince Faisal, Rubio discuss economic cooperation and regional security</a>	Al Arabiya

13	24-02-2026	<a href="#">Saudi Arabia calls on Iraq to respect Kuwait's sovereignty regarding maritime coordinates</a>	Al Arabiya
14	25-02-2026	<a href="#">Saudi ambassador presents credentials to Nepalese president</a>	Arab News
15	23-02-2026	<a href="#">Egypt's al-Sisi meets Saudi Crown Prince in Jeddah for Ramadan iftar</a>	Al Arabiya
16	22-02-2026	<a href="#">2nd phase of major Türkiye-Saudi renewables deal to be signed at COP31</a>	Daily Sabah
17	22-02-2026	<a href="#">Saudi Arabia issues 1.4 million visas for Bangladeshis, 750,000 for work</a>	Daily Inqalab
18	20-02-2026	<a href="#">Saudi mediation secured release of 3 Pakistani detainees</a>	SPA
19	20-02-2026	<a href="#">Saudi donated 5 tons of dates to Turkmenistan as humanitarian outreach</a>	SPA
20	20-02-2026	<a href="#">Indonesia &amp; Thailand joined Saudi-led Global Halal Mark alliance</a>	SPA
21	17-02-2026	<a href="#">Saudi Arabia and 7 other countries condemn Israel's West Bank land grab</a>	Arab News
22	17-02-2026	<a href="#">Iran, Saudi Arabia stress bolstering parliamentary relations</a>	Mehr News
23	10-02-2026	<a href="#">Pakistan showcases fiscal turnaround, reform agenda at Saudi-hosted forum</a>	DunyaNews TV
24	14-02-2026	<a href="#">Pakistan and Saudi Arabia sign significant strategic and defence pact</a>	Dawn
25	03-02-2026	<a href="#">Saudi Arabia and India security working group meet to discuss terrorism</a>	Dawn
26	02-02-2026	<a href="#">Erdogan to visit Saudi Arabia, Egypt in first foreign trip of 2026</a>	Türkiye News

## Economy

S.No	Date	News Heading	Source
27	24-02-2026	<a href="#">Saudi Arabia's 2025 budget: 1.11 trillion riyals in revenue recorded</a>	Al Arabiya
28	24-02-2026	<a href="#">Saudi Arabia, UAE, Malaysia lead Islamic fintech as market eyes \$341bn</a>	Arab News
29	24-02-2026	<a href="#">Indonesian Government plans to export 2,280 tons of rice to Saudi Arabia</a>	CNBC Indonesia
30	24-02-2026	<a href="#">Saudi Arabia's budget deficit widens to \$25.3bn in Q4 2025</a>	Al Arabiya
31	20-02-2026	<a href="#">ICT market now worth \$50.7bn</a>	Arab News
32	20-02-2026	<a href="#">Saudi oil exports to China increased after Asian price adjustments</a>	Dawn
33	20-02-2026	<a href="#">Middle East sustainable bond issuance projected at \$20-25bn in 2026</a>	CNBC
34	20-02-2026	<a href="#">MSC inaugurated logistics hub at King Abdulaziz Port (SAR 150M investment)</a>	CNBC
35	15-02-2026	<a href="#">Cristiano Ronaldo invested US\$7.5 million in health-tech platform</a>	Arab News
36	12-02-2026	<a href="#">Saudi Arabia eyes Pakistan's rice sector for corporate farming</a>	Dawn
37	10-02-2026	<a href="#">Prabowo Government Wants to Export Rice to Saudi Arabia (Video)</a>	CNBC Indonesia
38	03-02-2026	<a href="#">US Approves \$15.7B in Potential Arms Sales for Saudi Arabia, Israel</a>	RealClearDefense
39	02-02-2026	<a href="#">Saudi Arabia set to announce multi-billion-dollar investment package in Syria</a>	Al Arabiya
40	02-02-2026	<a href="#">Saudi Arabia Funds \$40 Million for Industrial Projects</a>	SPA
41	02-02-2026	<a href="#">Saudi Capital Market Authority reviews foreign ownership limits in local stocks</a>	Arab News

42	02-02-2026	<a href="#">Sri Lanka exports to Saudi reached \$137.85mn in 2025</a>	SPA
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### Social Harmony & Sports

S.No	Date	News Heading	Source
43	24-02-2026	<a href="#">Saudi Arabia opens Hajj registration for citizens and residents via Nusuk</a>	Al Arabiya
44	24-02-2026	<a href="#">2026 Formula 1 cars to redefine competitive landscape at Saudi Grand Prix</a>	SPA
45	22-02-2026	<a href="#">Cristiano Ronaldo rules out leaving Al-Nassr: "I'm from Saudi Arabia"</a>	Metropoles
46	16-02-2026	<a href="#">Global star Tyla, Egyptian icon Marwan Moussa to perform at Saudi Arabian Grand Prix</a>	Arab News
47	16-02-2026	<a href="#">4 of a family among 5 Bangladeshis killed in Saudi road crash</a>	UNB
48	15-02-2026	<a href="#">Al-Nassr beat Al-Fateh 2-0 as Ronaldo scores on return</a>	ANI
49	15-02-2026	<a href="#">Forever Young wins Saudi Cup for the second time in a row</a>	Mainichi
50	10-02-2026	<a href="#">Ronaldo returns to field after PIF accepts main contract demands</a>	Bass
51	04-02-2026	<a href="#">Rumors of angry Ronaldo leaving Al Nasr</a>	The Daily Inqalab
52	02-02-2026	<a href="#">RI Citizens Willing to Travel Abroad in 2025 (Saudi Arabia 18%)</a>	CNBC Indonesia
53	02-02-2026	<a href="#">Saudi Arabia gears up to host 2026 AFC Women's Asian Cup</a>	Arab News
54	02-02-2026	<a href="#">King Salman Center for Relief distributes aid in Gaza and Sudan</a>	SPA
55	02-02-2026	<a href="#">Cultural initiatives launched to preserve Saudi heritage in historic Jeddah</a>	SPA
56	02-02-2026	<a href="#">Saudi Ministry of Health launches nationwide mental health awareness campaign</a>	SPA

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7. Arab News. (2026, January 22). Pakistan, Canada explore deeper mineral investment as Reko Diq mine project advances. <https://www.arabnews.com/node/2630213/amp>
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