

Vanishing Sovereignty: Pakistan's New Oil Deal, Old War and AI Policy

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In July, American President Trump posted on his Truth Social platform. "We have just concluded a deal with the country of Pakistan, whereby Pakistan and the United States will work together on developing their massive oil reserves." [1] The oil deal is part of a broader trade deal between the two countries, where the U.S. has agreed to reduce tariffs on Pakistani imports from 29% to 19%, while threatening to set punitive tariffs for India, unless New Delhi ends crude imports from Russia. Interestingly, right after the deal, Pakistan's largest oil refiner, Cnergyico, announced plans to import 1 million barrels of US crude oil, marking a shift away from its traditional reliance on Middle Eastern oil suppliers. This underlines Pakistan's robust efforts to placate the Trump administration not only with oil but also other sectors. Pakistan's Finance Ministry described the deal as the "beginning of a new era of economic collaboration, especially in energy, mines and minerals, IT, cryptocurrency, and other sectors." [2]

A close examination of the oil deal reveals that the country's leadership sees no harm in forfeiting Pakistan's resource and territorial sovereignty to appease Washington. America will gain unfettered access to exploit—in Baluchistan with additional prospects in Sindh, Punjab, and Khyber Pakhtunkhwa—untapped oil reserves. This is likely to spell the end of the China-Pakistan Economic Corridor (CPEC) and expedite America's new Middle East project, which aims to balkanize Iran, Afghanistan and Pakistan to redraw maps and give birth to new countries and regimes loyal to Pax Americana. Furthermore, if oil is ever exploited, the main beneficiaries will be American oil companies and contractors that will repatriate Pakistan's wealth disguised as free tax breaks to strengthen the U.S. economy. Pakistan's oil no longer remains a strategic asset to serve the interest of Pakistanis; it is now a commercial commodity at the mercy of America.

Ceding Pakistan's sovereignty and autonomy in exchange for massaging Trump's ego is the hallmark the country's military and civilian leaderships. In the brief war with India, where Pakistan had the upper hand, the leaderships squandered a golden opportunity to resolve the country's enduring existential issues. The water disputes governed by the Indus Waters Treaty (IWT) remain unresolved, Kashmir continues to be occupied, and CPEC—the supposed linchpin of Pakistan's economic revival—is increasingly unstable due to cross-border tensions. Rather than asserting strategic independence, Islamabad implored Trump to intervene and then nominated him for the Nobel Peace prize. This leaves Pakistan once again at the mercy of India for much needed water to grow crops and feed its rapidly increasing population. Additionally, the country must station huge number troops in defensive positions along the Line of Control (LoC), draining resources and further militarizing the region without achieving meaningful solution to its longstanding insecurity with India. This lack of

strategic foresight and persistent dependency on the U.S. belies any claims to a sovereign Pakistan.

Even Pakistan's promising technology sector—despite its immense talent—is not spared from sovereignty concessions imposed by the country's leadership. The much-publicized national AI policy, though ambitious in tone, reveals a deep reliance on imported technologies, platforms, and foreign partnerships. Without a serious effort to build local compute, data centers, and sovereign algorithms, Pakistan risks becoming a consumer of foreign AI systems rather than a producer. The policy speaks the language of innovation, but in its current form, it cements dependence on U.S. and Chinese technology giants, leaving Pakistan without control over the very systems that will shape its governance, economy, and defense in the decades ahead.

In a similar vein, the Virtual Assets Act 2025, and the Pakistan Crypto Council is no more than a façade to work with crypto companies linked to President Trump. [3] Yet again, the chief beneficiaries of Pakistan's cryptocurrency drive are U.S. companies and President Trump, while everyday Pakistanis endure persistent electricity outages and water shortages as the country's limited resources are redirected to fuel energy-hungry crypto farms tied to Trump's interests.

In all three spheres—energy, occupied Kashmir, and technology—Pakistan is favoring American interests over its sovereignty. It is surrendering its natural wealth to American companies, its hard-fought tactical gains against India to elevate Trump as a peace maker and its digital future to American platforms. Without a fundamental course correction, Pakistan's leadership will destroy the country.

Hence, the Muslims of Pakistan must take it upon themselves to prevent this rotten system presided by leaders whose sole purpose is to please the emperor Trump. This can only be achieved through the re-establishment of the Khilafah Rashidah (rightly guided Caliphate) State.

وَاعْلَمُوا أَنَّ اللَّهَ يَحُولُ بَيْنَ الْمَرْءِ وَقَلْبِهِ وَأَنَّهُ إِلَيْهِ ۖ ﴿يَا أَيُّهَا الَّذِينَ آمَنُوا اسْتَجِيبُوا لِلَّهِ وَلِلرَّسُولِ إِذَا دَعَاكُمْ لِمَا يُحْيِيكُمْ تَحْسَبُونَ﴾

“Oh believers! Respond to Allah and His Messenger when he calls you to that which gives you life. And know that Allah stands between a person and their heart, and that to Him you will all be gathered.” [TMQ Al-Anfal: 24]

References

[1, 2] Janjua H., (2025). Why are the US and Pakistan making an oil deal? DW. Available at: <https://www.dw.com/en/why-are-the-us-and-pakistan-making-an-oil-deal/a-73498835>

[3] The Pakistan Code, (2025). Available at: <https://pakistancode.gov.pk/english/UY2FqaJw1-apaUY2Fqa-apaUY2Npa5tlbA%3D%3D-sg-jjjjjjjjjjjjjj>