

**POLICY BRIEF**

# **U.S. Sanctions on Pakistani Entities**

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## **Executive Summary**

On December 18, 2024, the United States imposed sanctions on four Pakistani entities, including the National Development Complex, under Executive Order 13382 for alleged involvement in ballistic missile proliferation. These measures align with a broader trend of U.S. sanctions targeting Pakistan's strategic programs while exhibiting leniency toward India in similar contexts. Pakistan views this disparity as undermining strategic stability in South Asia and perpetuating nuclear asymmetries. Despite these sanctions, Pakistan remains committed to advancing its strategic capabilities to address security threats from India. Pakistan has also implemented robust non-proliferation measures through legislation and international agreements, challenging the effectiveness and fairness of these sanctions. Such actions raise concerns about the impartiality of U.S. non-proliferation policies and their impact on regional stability.

## **U.S. Sanctions on Pakistani Entities**

### **Issue**

On 18 Dec 2024, the US imposed sanctions on four Pakistani entities, for their alleged involvement in ballistic missile program, pursuant to Executive Order (E.O.) 13382,<sup>1</sup> which targets proliferators of weapons of mass destruction and their means of delivery. According to the US State Department, the four entities include; National Development Complex (NDC), Akhtar and Sons Private Limited, Affiliates International and Rockside Enterprise.

### **Past Instances**

This is not the first time that the US has imposed sanctions on Pakistani entities and entities/firms of other countries on the allegations of helping Pakistan advance its ballistic missile program. Earlier in April this year, the US imposed sanctions on three Chinese and one Belarusian company for allegedly providing Pakistan with components which could advance its ballistic missile program.<sup>2</sup> Later in October this year, 26 entities mostly based in Pakistan, China and UAE were subjected to similar sanction by the US on the pretext of having violated export controls and their alleged involvement in weapons program of concern.<sup>3</sup> Although the imposition of similar sanctions on commercial entities has been a regular feature of US' approach vis-à-vis Pakistan's strategic program since its inception; however, imposing sanctions on a government entity like NDC with mere doubt and suspicion is irresponsible and has been communicated as such by Pakistan's foreign office.<sup>4</sup>

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<sup>1</sup> Executive Order 13382 of June 28, 2005 (E.O. 13382), takes additional steps to deal with the proliferation of WMD and the means of delivering them. The Executive Order blocks the property of specially designated WMD proliferators and members of their support networks. The action effectively denies those parties access to the U.S. financial and commercial systems.

<sup>2</sup> "Alleged supplies to missile programme: US imposes ban on four entities," *Business Recorder*, 21 April 2024, available at <https://www.brecorder.com/news/40299573>

<sup>3</sup> "US imposes curbs on Pakistani, Chinese and Emirati firms," *Dawn*, 22 Oct 2024, available at <https://www.dawn.com/news/1866824>

<sup>4</sup> "Pakistan's reaction to the imposition of US sanctions on National Development Complex and three commercial entities," *MOFA*, 19 Dec 2024, available at <https://mofa.gov.pk/press-releases/pakistans-reaction-to-the-imposition-of-us-sanctions-on-national-development-complex-and-three-commercial-entities>

## **Rationale**

The rationale of imposing nuclear and missile related sanctions is three tier; bureaucratic, political and strategic. For instance, in 2018, the US imposed sanctions on seven Pakistani companies<sup>5</sup> over suspicion that they have links to the nuclear trade, potentially sabotaging Pakistan's non-proliferation credentials and hurting its ambitions to become a member of Nuclear Suppliers Group (NSG). While on the other hand, India was given an exceptional NSG waiver in 2008 despite its recorded history of proliferation. Similarly, India was also given an India-specific CAATSA waiver in July 2022 for its purchase of S-400 missile defense system from Russia while China was sanctioned for the same in September 2018. Furthermore, the US also wants to cap and limit Pakistan's strategic capability particularly in terms of long range missiles and has indicated the same through official and unofficial channels in order to serve the interest of its allies (Israel).

## **Analysis**

- This US' approach reflects poorly on its so-called non-proliferations norms. The US' exceptionalism towards India with regards to advanced military procurements and acquisitions under the ambit of Indo-US strategic partnership and associated defense cooperation agreements (DTTI, LEMOA, COMCASA and BECA) is exacerbating conventional and nuclear asymmetries between India and Pakistan which are detrimental to the overall strategic and deterrence stability in South Asia.
- The US' hypocrisy in its approach vis-à-vis India and Pakistan is evident from the recent statement by US' Deputy National Security Adviser Jon Finer (20 Dec 24), which is alarming as it labels Pakistan's long range missile capability as an "emerging threat" to the US while conveniently overlooking the long-range missile capability of India in terms of Agni-V (5400km) and development of Agni-VI (12000km). Indian ICBM capability could mean that it is working towards eventualities where it may find itself in a deterrent relationship with states other than Pakistan and China.
- Pakistan, has time and again, reiterated that it's nuclear and missile program is India-centric and does not have any extra-regional factors associated with development of its strategic capability. Shaheen-III, usually subjected to criticism, for its long range

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<sup>5</sup> "U.S. sanctions Pakistani companies over nuclear trade," *Reuters*, 26 Mar 2018, available at <https://www.reuters.com/article/world/us-sanctions-pakistani-companies-over-nuclear-trade-idUSKBN1H20IK/>

(2750km) is well within Pakistan's deterrence requirement to cover the entire spectrum of threat emanating from India at tactical, strategic and operational levels.

- Despite being frequently subjected to these sanctions, Pakistan is not dissuaded from pursuing and advancing its strategic program to cater to the evolving threat environment, questioning the very effectiveness of these sanctions. These biased sanctions are counterproductive as they ignore the indigenous efforts of Pakistan to develop and sustain a credible nuclear deterrent against genuine security threats from India.
- Such instances are blown out of proportion by the international media for the obvious reasons of sabotaging Pakistan's image of a responsible nuclear weapon state which on the contrary has taken extensive measure to ensure outwards non-proliferation through its Strategic Export Control Act of 2004. The legislative, regulatory, administrative and enforcement measures of its export control regime are at par with the standards followed by the NSG, the Missile Technology Control Regime (MTCR) and the Australia Group. The table below indicate Pakistan's participation in treaties and arrangements that ensure nuclear non-proliferation.

<b>Pakistan's Participation in International Nuclear Non-Proliferation/Export Control Regime/Safety and Security Arrangements</b>	
Convention on Physical Protection of Nuclear Materials (CPPNM)	✓
CPPNM Amendment	✓
Convention on Nuclear Safety (CNS)	✓
IAEA Code of Conduct on the Safety and Security of Radioactive Sources, and the IAEA Incident Trafficking Database (ITDB)	✓
Convention on Assistance in Case of a Nuclear Accident or Radiological Emergency	✓
Convention on Early Notification of Nuclear Accidents	✓
Nuclear Suppliers Group (NSG)	x
Australia Group (AG)	x
Missile Technology Control Regime (MTCR)	x
Wassenaar Agreement (WA)	x
Global Initiative to Combat Nuclear Terrorism (GICNT)	✓
Non Proliferation Treaty (NPT)	x