DEFENCE

India’s Defence and Economic Rise Takes Centre Stage as US Report Highlights China-Pakistan Ties

The 2026 US Congressional Commission report highlights China’s growing defence and strategic cooperation with Pakistan, including military equipment supplies and technical assistance during Operation Sindoor. It also examines China's influence over critical minerals, electronics, pharmaceuticals and battery supply chains, identifying potential challenges for India's industrial growth and economic security. The report underscores the importance of strengthening India's domestic defence manufacturing, technological capabilities and maritime partnerships to reinforce its strategic position in the Indo-Pacific.

By Riddhi Suthar · 22 November 2026 · 4 min read



A US congressional report highlights China's military and technological support to Pakistan, underscoring the importance of India's defence modernisation, indigenous manufacturing and strategic preparedness.

China’s reported military and technological assistance to Pakistan during Operation Sindoor has brought renewed attention to the strategic challenges facing India. However, the broader

concern extends beyond military cooperation. A 2026 report by the US-China Economic and Security Review Commission (USCC) argues that Beijing is using economic leverage, control over critical industrial inputs and its expanding military partnership with Pakistan to constrain India's rise.

The report, titled China's Other Front: India and the Future of US Strategy in the Indo-Pacific, was released on November 18, 2026. It describes India as a significant strategic competitor to China and identifies economic dependence as one of Beijing's most important sources of influence.

China's Military Support to Pakistan During Operation Sindoor

The report examines China's role during the May 2025 India-Pakistan conflict following Operation Sindoor. It states that Pakistan used advanced Chinese-origin military equipment during the hostilities, demonstrating how Beijing could strengthen its strategic partner without directly participating in the conflict.

It also refers to a May 2026 interview broadcast by Chinese state broadcaster China Central Television (CCTV), in which Zhang Heng, an engineer associated with the Aviation Industry Corporation of China (AVIC), reportedly acknowledged that Chinese personnel had provided technical assistance in Pakistan during the conflict.

The commission further cited allegations by Indian military officials that Pakistan may have received Chinese satellite imagery or other intelligence support. However, these claims have not been independently established and should be treated as allegations rather than confirmed evidence.

The report also highlights the scale of Pakistan's defence dependence on China. Citing arms-transfer data, it states that China accounted for approximately 81 per cent of Pakistan's arms imports between 2020 and 2024. This deepening defence relationship raises concerns for India about the possibility of a coordinated two-front security challenge.

Economic Dependence: Beijing's Strategic Leverage

One of the report's most significant observations is that China's economic influence could constrain India's industrial development as effectively as military pressure. Beijing's dominance in critical industrial inputs, manufacturing technology and technical expertise gives it leverage over sectors central to India's economic ambitions.

The vulnerability is visible in bilateral trade. According to the Reserve Bank of India's April 2026 Bulletin, India's merchandise trade with China reached approximately US$151.1 billion in FY2025–26, making China India's largest merchandise trading partner during the year. India's merchandise trade deficit with China widened from US$99.2 billion in FY2024–25 to US$112.2 billion in FY2025–26.

This imbalance reflects the scale of India's imports from China and the importance of Chinese supplies to domestic manufacturing. Electronics, industrial machinery, components and other intermediate goods are essential to several expanding Indian industries. Consequently, restrictions or disruptions in these supplies could raise production costs, delay manufacturing projects and affect India's competitiveness in global markets.

The USCC report identifies several areas of concern. In electronics manufacturing, it says China

has recalled engineers and withheld equipment, potentially slowing India's efforts to expand domestic production. In pharmaceuticals, it highlights how lower-priced Chinese inputs can undercut newly established Indian manufacturing facilities. It also points to China's export controls on battery technology as a potential obstacle to India's clean-energy ambitions.

Critical minerals add another dimension to this vulnerability. These materials are essential for electric vehicles, renewable-energy systems, semiconductors, electronics and advanced defence equipment. China's influence over their processing and supply chains creates risks for countries seeking to develop independent manufacturing capabilities.

Maritime Security and the Indian Ocean

The report also warns about China's growing naval, surveillance and research activities in the Indian Ocean. Increased Chinese operational presence near important sea lanes could place additional pressure on India's maritime security infrastructure.

This has direct economic implications. India relies heavily on maritime transport for international trade, energy supplies and access to global markets. Any deterioration in the security of major shipping routes could increase insurance costs, disrupt cargo movement and affect supply-chain reliability.

The commission recommends stronger India-US cooperation in maritime domain awareness, intelligence sharing, undersea security and surveillance. Such cooperation could strengthen India's ability to monitor developments across the Indian Ocean.

Strengthening India's Economic and Strategic Resilience

The report's central message is that India's long-term competition with China cannot be addressed through military modernisation alone. Reducing dependence on external suppliers, strengthening domestic manufacturing and diversifying critical supply chains are equally important.

India's production-linked incentive programmes, semiconductor initiatives, critical-mineral strategy and efforts to expand defence manufacturing are relevant to this challenge. However, building competitive domestic supply chains requires sustained investment, research and development, skilled labour and access to advanced technology.

Ultimately, Operation Sindoor has highlighted the military dimension of China's partnership with Pakistan. The wider economic challenge, however, lies in the possibility that dependence on Chinese industrial supplies could become a source of strategic vulnerability. For India, strengthening economic resilience is therefore not merely an industrial priority but an essential component of national security.