



PAKISTAN-SAUDI RELATIONS: RECENT DEVELOPMENTS

By
Arhama Siddiqi
Research Fellow

Centre for Afghanistan, Middle East & Africa (CMEA), ISSI

Edited by
Amina Khan

June 4, 2021

(Views expressed in the brief are those of the author, and do not represent those of ISSI)



Prime Minister Imran Khan recently concluded a three-day trip to the Kingdom of Saudi Arabia from May 7 to May 9. This was his seventh visit to the Kingdom since he took office in 2018.

Prior to his arrival Pakistan Chief of Army Staff, General Qamar Javed Bajwa had arrived in the Kingdom where he met his counterpart General Fayiadh Bin Hamed Al Rowaily and among other things discussed the need for greater military to military cooperation between Pakistan and Saudi Arabia.

The Prime Minister was warmly welcomed by Crown Prince Muhammad bin Salman at Jeddah airport before bilateral talks were held in Jeddah's Al-Salam Palace. The two sides reaffirmed the need for deeper cooperation and exchanged views on how to strengthen economic and trade relations between the two countries through exploration of investment opportunities in light of Saudi Arabia's Vision 2030 and development goals of Pakistan. The talks were also directed towards increasing collaboration in other fields, including energy, science, technology, agriculture and culture.

In order to further strengthen and diversify bilateral relations, the following agreements and Memoranda of Understanding were signed;¹

¹ "Joint Statement for the visit of the Prime Minister of the Islamic Republic of Pakistan to the Kingdom of Saudi Arabia," *Ministry of Foreign Affairs Pakistan*, May 8, 2021.

- Agreement on Establishment of Saudi-Pakistan Supreme Coordination Council (SPSCC);
- MoU on Combating Illicit Traffic in Narcotics, Drugs, Psychotropic Substances and Precursor Chemicals;
- Framework MoU between Saudi Fund for Development (SFD) and Islamic Republic of Pakistan for financing projects in Energy, Hydropower Generation, Infrastructure, Transport & Communication and Water Resource Development;
- Cooperation Agreement in the Field of Combating Crimes; and
- Agreement on Transfer of Convicted Prisoners.²

Regarding Afghanistan, the two leaders agreed that peace in Afghanistan was critical for global security and agreed to work closely together with the international community in facilitating peace in Afghanistan. On the situation in Palestine, both sides reaffirmed their support for the right of self-determination of Palestinians.³

Similar to the Foreign Minister's visits to the United Arab Emirates (UAE) and Iran recently, the Prime Minister highlighted the pivotal role of the Pakistani diaspora in the progress and development of Pakistan as well as the contribution towards prosperity of their host countries.⁴

The Prime Minister also had a meeting with the Secretary General of the Organization of Islamic Cooperation (OIC), Dr Yousef A. Al-Othaimen, in Makkah where he underscored the need of a collective endeavour by Muslim leaders to counter growing Islamophobia and the false linkage between Islam and terrorism.⁵ On the occasion, he also stated that the international community needs to take substantive steps to protect the legitimate rights of the Palestinians and stated that the OIC must play its rightful role in this regard. The Prime Minister and Secretary General OIC also discussed Pakistan-OIC collaboration on a range of issues during which the former stated that Pakistan was looking forward to hosting the 48th Session of the Council of Foreign Ministers this

<http://mofa.gov.pk/wp-content/uploads/2021/05/Joint-Statement-for-the-visit-of-the-Prime-Minister-of-the-Islamic-Republic-of-Pakistan-to-the-Kingdom-of-Saudi-Arabia.pdf>

² Ibid.

³ "Saudi, Pakistani leaders reaffirm support for Palestinians," *Anadolu Agency*, May 9, 2021. <https://www.aa.com.tr/en/middle-east/saudi-pakistani-leaders-reaffirm-support-for-palestinians/2234124>

⁴ "National economy stabilising after passing through difficult times, claims Imran" *Daily Times*, May 10, 2021. <https://dailytimes.com.pk/754606/national-economy-stabilising-after-passing-through-difficult-times-claims-imran/>

⁵ "OIC chief, Pakistan PM discuss Islamophobia in non-OIC countries," *Arab News*, May 10, 2021. <https://www.arabnews.com/node/1856351/amp>

year. Separately, the Pakistani premier also met with the Secretary General of the World Muslim League (WML), Mohammad Al Issa where the importance of combating Islamophobia was again highlighted.⁶

Pakistan's Economic Outlook Towards the Gulf

Recently, the Pakistan leadership has been markedly engaging with the Gulf countries keeping economics at the forefront in a clear shift from focus on geo-politics and geo-economics. Recent visits include, Foreign Minister Shah Mahmood Qureshi's trips to the Emirates, Iran and Iraq. During these visits, apart from increasing trade links, the focus was on highlighting the role of Pakistani diaspora as well as countering rising Islamophobia.

The pragmatic approach on part of the leadership in Islamabad in terms of its outreach to the Gulf has been given further impetus by the Covid19 pandemic, as a result of which a significant number of Pakistani expats in the Gulf had to return to their home country and now are seeking opportunities to return. For instance, the Emirates are home to the second-largest Pakistani diaspora community in the Gulf, with around 1.6 million expats. Remittances from the UAE - around \$4.6bn in a typical year - are very important for Pakistan's economy.⁷

Moreover, it should not be forgotten that the Foreign Minister's trip to Iran comes in the backdrop of the recent China-Iran deal which betokens many opportunities for Pakistan as well especially in the arenas of energy and trade.

Opportunities for Pakistan in Saudi Vision 2030

Saudi Vision 2030 is the brainchild of Crown Prince Mohammad bin Salman to siphon off the Kingdom from its dependence on the oil economy. Built on eight pillars – which include healthcare, tourism, agriculture and enabling the private sector- the Saudi government is endeavoring to enhance non-oil revenue to SAR 1 trillion by 2030. Without a doubt, Pakistan's bilateral engagements with time have been increasingly economic oriented. Case in point the Foreign Minister's visits to the UAE and Iran recently. In a world facing growing economic crisis compounded by the Covid 19 pandemic, utilizing all economic opportunities is the need of the hour. For Pakistan, creating a niche within Saudi Vision 2030 is of critical importance.

⁶ "PM meets OIC, MWL chiefs, urges unity to tackle Islamophobia," *Express Tribune*, May 9, 2021. <https://tribune.com.pk/story/2299126/pm-meets-oic-mwl-chiefs-urges-unity-to-tackle-islamophobia>

⁷ "Pakistan expects UAE remittances to be slashed as pandemic hits migrant workers," *CNBC*, July 10, 2020. <https://www.cnbc.com/2020/07/10/pakistan-sees-remittances-hit-as-pandemic-hits-migrant-workers.html>

- For Pakistan the remittance sector is of vital importance. Almost 86 percent of Pakistan's secondary income comprises of remittances of which almost 60 percent come from the Gulf countries, predominately the UAE and Saudi Arabia.⁸ Hence, in line with the needs of the Saudi Vision 2030, the Pakistani leadership must focus on providing the required skill set and training to its workers. Moreover, similar to as it has done in Kuwait, Pakistan can export its health care workers to the Kingdom in line with the latter's medical needs.
- The recent launch of the Saudi Green and Middle East Green Initiatives- which took its inspiration from Pakistan's Clean and Green Pakistan- showcases that environmental cooperation is an emerging arena, where both sides can collaborate. Example can include water conservation and climate smart cities.
- Pakistan can tap into Saudi Arabia's food industry. The latter imports 80 percent of its food needs and thus, Pakistan has an opportunity to ally with the Kingdom, especially in the export of dairy products, fruits and vegetables.
- Vision 2030 aims for economic diversification - a plan which would need new markets and trade routes. In this regard, the China-Pakistan Economic Corridor (CPEC) offers a number of possibilities for trade with Central Asia, East Asia and the Far East. Moreover, the Special Economic Zones (SEZs) under CPEC provide fertile grounds for Saudi investment especially in the field of agriculture.
- Pakistan has immense experience in the sports industry. Regarding manufacturing of sports items, export of sport goods to Saudi Arabia should be explored. Moreover, Pakistan has a renowned status in cricket, hockey and squash. Keeping in mind that Vision 2030 lays special emphasis on promotion of sports, Pakistan can use this status as leverage to enter in the Saudi sports industry.

Conclusion

In the past few years, Pakistan- Saudi relations have suffered some regressions which is why Prime Minister Imran Khan's recent visit to Saudi Arabia provides an opportunity for a resetting in relations. Mutual collaborations which align Saudi Vision 2030 and Pakistan's development goals provide ideal catalysts for change. However, successful implementation will have to be congruent

⁸ Country-Wise Remittances. State Bank of Pakistan
<https://www.sbp.org.pk/ecodata/Homeremit.pdf>

with efficient and effective follow- ups from both sides otherwise putting ink to paper and mere rhetoric will be no ones benefit.