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Report – Webinar

“Saudi Vision 2030: Opportunities for Pakistan”

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The Centre for Afghanistan, Middle East & Africa (CAMEA) at the Institute of Strategic Studies Islamabad (ISSI) organized a webinar on Saudi Vision 2030: Opportunities for Pakistan. The distinguished speakers included: Ambassador Ali Awad Alasiri, former Ambassador of the Kingdom of Saudi Arabia to Pakistan, Ambassador Rizwan Saeed Sheikh, Pakistan's Permanent Representative to the OIC, Senator Sehar Kamran, Patron in Chief, Centre for Pakistan & Gulf Studies-CPGS, Dr. Muhammad Azam Roomi, Professor of Entrepreneurship at Prince Mohammed Bin Salman College (MBSC) of Business & Entrepreneurship, King Abdullah Economic City. Ambassador Aizaz Ahmad Chaudhry, Director General ISSI, and Ambassador Khalid Mahmood, Chairman BOG, ISSI, also took part in the discussion.

During her opening remarks, Ms. Amina Khan, Director CAMEA said that Vision 2030 is an all-inclusive document, which follows principles of sustainable development and caters to the future needs of the Kingdom. Saudi Arabia has identified diversification of the economy as a leading factor to achieve its goals of boosting non-oil sectors and exports. Pakistan and Saudi Arabia have always shared close ties, primarily based on religious affinity. They also share decades-long strategic ties and have on numerous occasions supported each other both diplomatically and economically. Hence, Pakistan is well placed to benefit from Saudi economic reforms and the opportunities provided by Vision 2030.

Ambassador Aizaz Ahmad Chaudhry in his welcome remarks said that the whole region is buzzing with the theme of geo-economics. Saudi Vision 2030 is presenting a new face of the Kingdom, one where the Kingdom is more focused on economic development. Saudi Arabia is opening up for the world and the Saudi society is becoming more vibrant as compared to the past. Moreover, its economy is being diversified by the introduction of new avenues for economic growth rather than just relying on oil exports. Pakistan should benefit from this shift of Saudi Arabia towards geo-economics. At the moment, the Saudi economy is thriving and Pakistan would do well to explore ways to benefit from it, he said.

Ambassador Ali Awad Alasiri said that Saudi Vision 2030 is a big achievement for the Kingdom. He mentioned that both Saudi Arabia and Pakistan have seen a very big transformation in their relationship under the dynamic leadership of Crown Prince Muhammad bin Salman and Prime Minister Imran Khan. Vision 2030 offers a number of economic

opportunities to Pakistan and Saudi Arabia to further enhance their bilateral relations. There are a number of economic opportunities which are emerging for Pakistan. Case in point, how Pakistan can send its engineers and technicians to provide support in the mega project—NEOM city. Moreover, both Pakistan and Saudi Arabia can sign a number of agreements in areas of mutual interest like agriculture, health, sports, energy, tourism, labour etc.

He suggested that the chambers of commerce in Pakistan must be proactive to market the products of Pakistan in Saudi Arabia and at the same time both nations should lower their trade barriers for each other as well as improve communication. Furthermore, both Pakistan and Saudi Arabia should think of legal and technical methods to ensure that both parties are safe and have an equal share in the advantages of bilateral trade. It is high time that the relationship of love and affection between the two countries is translated into concrete economic activity.

While responding to the question about possible Saudi investments in CPEC related projects and establishing Special Economic Zone in Pakistan, Ambassador Alasiri said that Saudi Arabia have signed multiple agreements with Pakistan in February 2019 and planned for investing \$20bn in several sectors of economy, which includes establishing an oil refinery and petrochemical complex at Gwadar. Despite this huge investment, at the moment economic relations are still limited, but Pakistan should not squander the opportunity of actively benefiting from Saudi Vision 2030, he concluded.

Senator Sehar Kamran said that Saudi Vision 2030 is a comprehensive document that has been built upon eight pillars which include health care, living standards, sustainability of resources, social development, government's efficiency, labour market, enabling private sector, tourism and national heritage.

The vision aims to reduce the dependency of the Kingdom on oil and diversify its economy. It aims to build the future of Saudi Arabia around three themes: a vibrant society, a thriving economy, and an ambitious nation. She went on to underline the principles behind the vision and objectives aimed to achieve under the Vision. She said that Pakistan has always been a trusted partner of Saudi Arabia. Both countries can benefit from their bilateral relations in a number of areas of mutual interest. Saudi Arabia can get help from the Pakistani technicians and experts in developing the IT sector, especially in the NEOM city.

She further highlighted that there is vast potential in research and development, academic collaborations, student exchange programs and in the health and agriculture sectors. Pakistan can also provide sports goods to Saudi Arabia. In addition, she proposed the establishment of a “Saudi-Pak Friendship Centre” on the model of “Pak-China Friendship Centre” which might prove beneficial for deepening bilateral relations especially economic ties.

With regards to defence cooperation between two countries, Senator Sehar said that Pakistan can assist Saudi Arabia in developing its defence sector, as Pakistan manufactures military equipment itself and sells arms to more than 40 countries worldwide ranging from small arms to heavy vehicles and aircrafts. She hoped that these elements would strengthen the strategic cooperation between the two countries.

Senator Sehar further mentioned that the labour market is another important pillar of Saudi Vision 2030, if the right incentives are offered, Pakistan can send its specialized and skilled manpower to the Kingdom which can help in developing human and social capital. She underscored that Pakistan needs to focus on identifying specialized fields for connecting its professionals and highly skilled manpower to the programs and projects of Saudi Vision 2030 accordingly.

Ambassador Rizwan Saeed Sheikh was optimistic that the relationship between Pakistan and Saudi Arabia would flourish under the Saudi Vision 2030. He said that both Pakistan and Saudi Arabia already have a concrete base in their relations which stems from strong historical and political relations as well as strong security and economic ties. While responding to the question about finding a missing link between the bilateral relations and how can the two countries expand their relationship, he said that we should pay attention to the problems in the public and private sectors and try to identify the fault lines which impede the economic activity between the two states. These problems, he said, must be overcome with effective measures. If done in an efficient manner, this will open windows of new opportunities for economic growth. The investment absorption capacity of Pakistan is huge especially under the China-Pakistan Economic Corridor (CPEC). Besides the 20 billion dollars Saudi Arabia has already pledged for investments, the Kingdom can also increase focus on other avenues for investments, he said.

Ambassador Rizwan added that the Kingdom is the largest economy in the region and the way the Pakistani public and private sectors have engaged the Kingdom's market was remarkable in the past, but in the current circumstances, the stakeholders need to realize the elements of competition for creating maximum stakes on both sides. He was of the opinion that shifting the entire paradigm from geo-politics to geo-economics is another element that complements the long-term interests of both countries.

In his response to the question about the Kingdom's NEOM city project which is said to generate 380,000 jobs and contribute US \$48 billion to the Kingdom's Gross Domestic Product (GDP) by 2030, Dr. Muhammad Azam Roomi said that the Saudi Vision offers a number of opportunities to Pakistan which it can exploit. He said that over the period of time, Saudi Arabia has evolved and it has learnt to benefit from effective entrepreneurship. In this regard, the Kingdom has come up with a solution revolving around the principle of effectuation. He also highlighted that Pakistan should not only focus on how Saudi Arabia can help Pakistan but should go beyond this. Pakistan should not only focus on the opportunities arising out of Saudi vision 2030, but should learn and try to emulate the Saudi Vision 2030 as a model as it is one of the best visions in the world at the moment.

Ambassador Asif Durrani shared his observations by saying that Saudi Arabia lives in our hearts. With regards to the complementarities which do exist between Pakistan and Saudi Arabia, he emphasized that Saudi Arabia has got financial and capital capabilities and Pakistan has got the capability to sweat out. Now, there is a need to bring these two complementarities between the two countries together. He added that Pakistan's human resource is capable to contribute in security and economic areas of mutual interest of both countries. So, the relevant authorities must realize this potential and add value in the target sectors. Although, Pakistan has acquired modest capabilities in industrialization as well, there is a lot to be done.

Mr. Azhar Ali Dahar, Riyadh based Minister for Trade & Investment said that the Vision 2030 is going to transform Saudi Arabia in to an economic hub. He mentioned that \$320 billion are going to be invested just into the infrastructure development in Saudi Arabia. He said that unfortunately, Pakistanis have missed this market, because many preferred to move towards Western countries. He highlighted that many Pakistani exporters face lots of challenges in Saudi

Arabia regarding procedural cost of registration and licensing the traders and products. In addition to this, current legal reforms for work force have complicated the process of visa systems and working conditions for the labour. He underscored the growing need of establishing research centres at universities and business councils at least in capitals of both countries, which could guide the decision makers and the traders to focus on innovative areas of mutual interest like standardization of products, quality assurance etc.

Mr. Azhar said that the Crown Prince Mohammed Bin Salman has encouraged the Saudi entrepreneurs to visit Pakistan and make investments. By the end of this year, Pakistan will host 30 investors from Saudi Arabia for joint investments. He highlighted that Saudi Arabia is going to face a challenge of food security. So, here both countries need to invest in food industry particularly in agriculture and livestock related sectors.

Mr. Dawood Khan a final year engineering student from Baluchistan also presented his remarks. He said that Saudi and Pakistani students can be given opportunities in terms of academic scholarships and internships, so that they could have a direct exposure of academia, society and business in each country and make their studies and skills relevant to the growing needs in the relevant walks of life. He added that most of the dry fruit of Baluchistan is exported to the European countries, so the business community in Pakistan should explore opportunities in the Gulf region too.

Ambassador Khalid Mahmood concluded the session by saying that Saudi Vision 2030 has emerged with a number of new economic opportunities for the bilateral economic ties of Pakistan and Saudi Arabia. While highlighting some of the opportunities under Vision 2030, he said that the Vision also emphasizes on sports and since Pakistan is a leading sports goods manufacturer, Pakistan can benefit from the emerging Saudi sports market. He also highlighted that CPEC has also brought in new opportunities for Pakistan to attract investments from Saudi Arabia. Collaboration in defence production, labour market, agriculture, climate change and IT are some of the sectors where the two nations can also work together. Ambassador Khalid highlighted that Pakistan needs to take practical measures instead of just setting up councils and holding meetings. He also suggested the deployment of special envoys to focus and explore opportunities for Pakistan which are emerging from the programs such as Saudi Vision 2030.