

## **ISSUE BRIEF**

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## PRIME MINISTER SHEHBAZ SHARIF'S VISIT TO QATAR: CEMENTING TIES FURTHER

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



Rooted in culture, religion and geographical proximity, Pakistan has traditionally enjoyed very good relations with Qatar as has been the case with all Gulf Cooperation Council (GCC) countries. Pakistan's relationship with Qatar is largely built on political, economic and military ties. Since the establishment of ties in 1971, the bilateral relationship has grown to deeper engagement in many areas.

Pakistan and Qatar complement each other strategically and economically and share common goals for global and regional peace and security. For Pakistan, a sound economic relationship can reap many benefits as the country struggles with a weak economy, still dealing with the after effects of the pandemic and a balance of payments crisis. Investment from Qatar can have a positive impact on the economy of Pakistan and help it steer out of the present crisis. The orientation on bilateral, regional and international issues make it easy for Qatar and Pakistan to cooperate in various fields and this was evident by the recent two day visit of Prime Minister Sharif to Qatar from August 23-24, 2022. The visit was aimed at further strengthening the already strong bonds between the two states and seeking new opportunities for Pakistan's various sectors like infrastructure development, food security, renewable energy, tourism, hospitality and industrial development.1

According to Qatar's Amiri Diwan, the Qatar Investment Authority (QIA) has announced that it aims to spend \$3bn in various commercial and investment sectors in Pakistan. It was also stated that the

Pakistan PM Shehbaz Sharif visits Qatar seeking trade, investment, https://www.aljazeera.com/news/2022/8/23/pakistan-pm-visits-qatar-seeking-trade-and-investment

two countries aspired to enhance economic partnership by raising trade exchange and promoting investments through the Qatar Investment Authority respectively. Prime Minister Sharif also urged the business community in Qatar to look into opportunities provided by the China Pakistan Economic Corridor (CPEC), which can be a source for the promotion of regional connectivity. The Pakistani premier also called for the up gradation of bilateral relations between the two countries, by making economic cooperation the pivot of bilateral ties. This is a very important aspect in an age of geo-economics, when the world is rapidly transforming.

There are prospects that Pakistan will provide security to Qatar for the upcoming World Cup to be held from November 20, to December 18, 2022, which has been duly approved by the Pakistani government, on the request of Qatar.<sup>2</sup> If Pakistan is able to attain responsibility for the security, then it will highlight Pakistan's military professionalism further and open newer avenues for further cooperation in the future.

In such testing times, the visit signifies the deepening bonds between the two brotherly nations. Moreover, regional rivalries and conflicts have not had an impact on the relationship between the two countries, as can be seen during the blockade of Qatar in 2017, when Pakistan held a neutral stance.

Afghanistan is also considered a point of strategic convergence between the two states since both countries have played pivotal roles by facilitating the peace process in Afghanistan. Repeatedly, Qatar and Pakistan have reiterated that there is no military solution to the problem in Afghanistan. This shows the common concern for peace and stability in Afghanistan, which is duly supported by Qatar and Pakistan alike. The proactive role that both countries have played is a testament to their commitment to regional stability. Views of Pakistan and Qatar also converge when it comes to the conflict between Iran and the United States as a resolution to that conflict would bode well for both the countries.

Coming to trade ties, Qatar and Pakistan enjoy meaningful relations and the volume of bilateral trade had grown by 63 percent by the year 2019. By the end of 2020, it was reported that commerce between the two countries had risen to \$2.6 billion respectively. Furthermore, in 2019, during the visit of Sheikh Tamim Bin Hamad Al-Thani, Pakistan secured a \$3 billion assistance package in the form of deposits & direct investments along with the signing of MOU's in tourism, business and

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Pakistan Army to provide security for FIFA WC in Qatar, Express Tribune, https://tribune.com.pk/story/2372536/pakistan-army-to-provide-security-for-fifa-wc-in-qatar

exchange of financial intelligence.<sup>3</sup> The bilateral trade volume registered an almost 100 percent increase from 850\$782m in 2016 to \$1.6bn in 2017.<sup>4</sup> This is also been the result of the launch of a maritime route between Hamad Port and Pakistan's Karachi Port which contributed to the increase in import and export movement between the two countries. Remittances from the Pakistani community living in Qatar amount to a major percentage of remittances from the Gulf countries. More than 200,000 Pakistanis work and reside in Qatar. Pakistan is also a major buyer of LNG from Qatar. Moreover, a 10-year liquefied natural gas (LNG) agreement being described as the lowest-ever publicly disclosed price under a long-term contract in the world was also signed in February 2021 between the two countries.<sup>5</sup>

While there is immense potential in the relationship between the two countries, unfortunately the relationship is not where it could potentially be. There are immense opportunities for Pakistan in taking the bilateral relationship forward and the country must find a niche for itself in Qatar's Vision 2030 as Qatar is one of the fastest growing economies in the world. It is also the world's largest liquefied natural gas producer and has become a major destination for foreign investment. Therefore, Pakistan can find enormous opportunities in Qatar and is well on its way to enhancing the relationship towards an upward trajectory.

Qatar Pakistan Bilateral Relations, https://islamabad.embassy.qa/en/qatar---pakistan-relations/bilateral-relations

<sup>850</sup> Qatari Pakistani Firms Operate in Qatar, https://www.qatarchamber.com/850-qatari-pakistani-firms-operate-in-qatar/

Khaleeq Kiani, "Pakistan, Qatar sign 10-year LNG supply contract," Dawn, February 27<sup>th</sup>2021, https://www.dawn.com/news/1609619