

Navigating Challenges and Seizing Opportunities: Pakistan's Tightrope Walk Between Saudi Arabia and Iran

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Abstract

The animosity between Saudi Arabia and Iran has been a central topic of discourse and contention, particularly in Pakistan, where Saudi Arabia is seen as a crucial ally and Iran is a significant neighbour. As global dynamics rapidly evolve, nations are increasingly seeking sustainable economic ties, leading to a reconfiguration of geopolitical alliances. The China brokered Saudi-Iran rapprochement in March 2023 is one such example. This article utilises the hedging strategy to examine Islamabad's method of maintaining a balance in its ties with both Saudi Arabia and Iran. Furthermore, it tackles the difficulties encountered by Islamabad in maintaining these intricate partnerships and examines the possibility of a long-lasting agreement between Riyadh and Tehran. It also delineates the domains of collaboration, such as food security, combating terrorism, and engaging in projects within the China Pakistan Economic Corridor (CPEC), which could establish the basis for a prospective three-way alliance involving Pakistan, Saudi Arabia, and Iran. The analysis demonstrates that Pakistan's approach of hedging in its ties with Saudi Arabia and Iran has resulted in an intricate diplomatic balancing act. Added to that, it outlines other obstacles that have arisen throughout this procedure. The analysis concludes by emphasising the favourable potential for a lasting agreement between Saudi Arabia and Iran and highlights the need of cooperation in important areas and within the framework of CPEC as a foundation for a future three-way relationship comprising Pakistan, Saudi Arabia, and Iran.

Keywords: Saudi Arabia, Iran, China, CPEC, Energy, Food Security.

Introduction

The changing geopolitical environment and global dynamics are changing the world in unprecedented ways. Multipolarity and narrow nationalism are on the rise. The global fiscal crunch, exacerbated by the Covid 19 pandemic has affected global trade, travel, and diplomacy. This has led to increased competition for resources between countries. There have also been shifts in power dynamics and a subsequent reshuffling of global alliances. In this quest for survival, countries are trying to fashion sustainable linkages. One such example of this is the China

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brokered Saudi- Iran conciliation. On March 10, 2023, in what is being viewed as a major shift in international politics, the two countries agreed to resume bilateral relations, which had been severed since 2016. This bodes well for Pakistan which is Saudi Arabia's long-standing ally as well as Iran's eastern neighbor. For years, Islamabad has had to walk the diplomatic tightrope when it comes to balancing relations with both countries. Pakistan's balancing act has been the subject of much scrutiny and debate. While some analysts argue that Pakistan has been successful in maintaining a balanced relationship with both countries, others have pointed out the limitations Pakistan's neutrality has posed for Islamabad in terms of garnering regional influence and argue that a more assertive foreign policy needs to be adopted. Moreover, for a while now, Pakistan has been engulfed in economic challenges that have exacerbated internal discord, resulting in heightened social unrest and political instability. The prioritization of strategic goals at the expense of comprehensive economic reforms has impeded the nation's capacity to cultivate a stable and flourishing domestic environment. To confront these difficulties, the imperative of engaging in constructive dialogue and cooperation becomes evident.

In his piece titled, '*Why do Saudi Arabia and Iran compete for Pakistani support?*' Bruce Riedel discusses that Saudi-Iran rivalry has fueled sectarian conflict in Pakistan, which is a prime reason why Pakistan wants to balance relations with the two countries (Riedel, 2016). In the article "*Pakistan caught between Iran and Saudi Arabia*", Dr Zahid Shahab Ahmed argues that Pakistan cannot feign neutrality when it comes to relations with Riyadh and Tehran on account of stronger defense ties with the Kingdom. However, he states that Islamabad has had to showcase as such due to geographical and demographic factors (Ahmed & Akbarzadeh, 2020).

In the article, *Pakistan's tricky balancing act between Saudi Arabia and Iran*, Director at Middle East Institute, Dr Marvin Weinbaum states that given the economic crisis at home, Pakistan will find it increasingly difficult to maintain neutrality between Riyadh and Tehran, especially since it looks towards the Kingdom, to provide financial relief (Saleem & Bukhari, 2022). However, in the paper, *Saudi- Iran Rapprochement: Challenges for Pakistan*, the authors examine Pakistan's role as mediator between Riyadh and Tehran and state that Pakistan should keep up its efforts, since this is beneficial for it in terms of security and stability (Weinbaum, 2019).

Even though, if seen in retrospect, Pakistan has a slight disposition towards Saudi Arabia, it has notably maintained impartiality and has demonstrated as such on several occasions. However, all agree that over the years, it has become

increasingly difficult for Pakistan to keep up this balancing act, as tensions between Riyadh and Tehran escalate. Although much has been written on this subject, this particular research will explain the challenges Pakistan has faced while maintaining a balanced approach using the hedging strategy theory and will seek to highlight the various opportunities Pakistan has in the event of Saudi-Iran rapprochement. The latter has been made plausible due to Chinese mediation. This article will also illustrate how collaboration in domains such as food security and counterterrorism and projects within the purview of the China Pakistan Economic Corridor (CPEC) can form a baseline for a future trilateral partnership between Pakistan- Saudi Arabia and Iran. This study is organised into seven distinct sections, beginning with an analysis of the suitability of the hedging theory as a conceptual framework. The paper then examines Pakistan's diplomatic ties with the Kingdom of Saudi Arabia (KSA) and Iran, including Pakistan's attempts to reconcile between these two states. The study thereafter focuses on identifying and assessing possibilities that emerge for Pakistan, KSA, and Iran in the areas of food security and energy security, emphasising the possibility for joint actions in these crucial sectors. It will also conclude that cultivating an environment conducive to constructive dialogue and collaboration between Pakistan, Saudi Arabia, and Iran is imperative and deemed essential for the effective mitigation of shared challenges and the optimal utilization of regional opportunities.

Theoretical Framework

The “Hedging Strategy” theory best explains Pakistan’s approach towards maintaining relations with both Saudi Arabia and Iran. According to this theory, countries which are caught between rival peers or alliances can assume a hedging strategy, so that not only maintain relations, but also minimize risk while, at the same time maximizing benefits. Additionally, in this way countries can also avoid becoming dependent on any single actor and provide countries with more options in case of changes in the international system. The term originally refers to a financial exercise, where investors employ various methods to mitigate risks.

Similarly, in international relations, the term has been used to understand how states manage and balance risks in an increasingly complex and uncertain atmosphere. Countries use this strategy, when maintaining bilateral relations with multiple actors, particularly, but not limited to, potential adversaries. It involves policies that by circumventing the dominance of a single power support maximum return. Examples of hedging strategies include, diplomatic engagement, economic and military cooperation.

While no single theorist can be attributed to coining the term, various International Relations scholars have discussed this concept at length. These include Barry

Posen, Robert Jervis, and Stephen Walt. For instance, Barry Posen discusses how, in order to ensure their security amidst increasing uncertainty, states employ multiple security strategies simultaneously to ascertain their security (Posen & Ross, 1996). On the other hand, Robert Jervis argues that states apply hedging strategies to manage risks connected with different types of opponents (Jervis, 1998) and Stephen Walt has highlighted the behavior of power shifts as an impetus for states to employ hedging strategies against potential threats (Walt, 1991).

Pakistan has employed several hedging strategies in its foreign policy, in order to manage and navigate its security and stability in its intricate geopolitical environment. While some may attribute Islamabad's approach to the country's historical experiences, others argue that regional security dynamics as well as domestic politics has a primary role to play. A prime case study where Pakistan has applied this tactic has been with Saudi Arabia and Iran. As has been mentioned above, the former is a long-standing ally while the latter is an important neighbor. Hedging between both these countries has included diplomatic engagement, maintained economic cooperation and refrained from taking sides in Saudi-Iran conflicts. Furthermore, Pakistan has been involved in several mediation efforts between both countries. In essence, Pakistan's plan of action, requires the circumvention of dualities in the international arena and the listing of economic benefits.

There are also certain challenges associated with hedging strategies. Maintaining multiple relationships can not only be challenging, but also costly in terms of resource utilization and employing diplomatic efforts. Furthermore, such approaches may be seen as unreliable and dodgy and can be a dent on a country's reputation. Overall, this method can be an effective way to limit potential losses, but at the same time, require careful consideration. Overall, this theory provides a suitable structure for understanding how countries manage their risks in international relations and sideways, it also highlights the importance of balancing competing interests in order to maximize their options.

Briefer on Pak-Saudi Ties

Over the years, Pakistan and Saudi Arabia have developed close linkages; though initially premised on religion, these have grown to include strong security ties and economic associations as well. In the course of time, the leadership in Pakistan has also forged close links with top tier Saudi officials. Pakistan is considered an important part of the Saudi security blueprint. The two countries have been engaged in defense cooperation since the 1960s. In the 1969 conflict with Yemen, Pakistan pilots were at the helm of the Saudi Royal Air Force and ten years later,

Pakistan played a significant part in protecting the Holy Kabbah. The two sides signed a defense agreement in 1982 (Weinbaum & Khurram , 2014). This institutionalized the placement of Pakistani troops in the Kingdom. Currently, more than 1800 Pakistani servicemen are serving in Saudi Arabia. The defense pact has developed to include, among equipment purchase, advisory and training purposes as well.

In the economic arena, bilateral trade figures between Pakistan and Saudi Arabia do not reflect the claims of close ties these countries are supposed to have. In 2021- 2022, trade was around \$ 3 billion per annum (Observatory of Economic Complexity, n.d.). However, Saudi Arabia is the largest remittance source for Pakistan. In order to meet the Kingdom’s manpower requirements, a huge number of Pakistani workers migrated to KSA in the 1970s and this started trade relations between both countries. Remittances are an important component of Pakistan’s Gross Domestic Product (GDP), making up approximately nine percent in the year 2020. From this, nearly sixty percent comes from the Kingdom, which is currently home to approximately two million Pakistani workers. In 2021, the Ministry of Human Resources and Social Development (MHRSD) introduced its Skill Verification Programme (SVP) in Pakistan which aims to raise overall labor productivity by training the workforce in line with international standards in order to meet the needs of the Saudi market (Saudi Gazette, 2022). In November 2022, Pakistan’s National Vocational and Technical Training Commission and Takamol - a semi-holding Saudi company- officially launched an assessment of skilled workforce under the SVP. If successful, this will help make the Pakistani workforce more competitive, when it comes to other labor exporting countries, especially in South Asia.

More often than not, Saudi assistance has served as a lifeline for Pakistan. For instance, after Pakistan conducted its nuclear tests in 1998, the Kingdom provided Pakistan with 50,000 barrels of free oil every day for twelve months, to help Pakistan manage the sanctions. More recent instances of Saudi generosity, include \$ 6 billion in alleviation of debt in 2018 and the signing of \$20 billion in MoUs, encompassing various fields, which would steer Pakistan towards economic recovery. According to Pakistani officials, in the period April to November 2022 alone, Saudi Arabia has provided “more than \$900 million in aid and \$500 million for importing oil.” (Al Jazeera, 2023) In 2023, when Pakistan’s foreign reserves fell to exceptional levels, Saudi Crown Prince Mohammad Bin Salman issued directives to assess if Saudi investment in Pakistan could be increased to U.S.\$10 billion. This will serve to phase in much needed Foreign Direct Investment (FDI). The crown prince also ordered the Saudi Development Fund (SDF) to explore increasing Saudi deposits in Pakistan’s central bank. On January 12, 2023, the

SDF also signed an agreement to provide oil derivatives amounting to U.S.\$1 billion.

One thing which stands out in the Pakistan- Saudi relations is that even when the two sides have had differences (such as in 2019 and 2020), Saudi Arabia has always come to Pakistan's support when needed. The famous words of former Saudi intelligence chief, Prince Turki bin Faisal, that the relations between Pakistan and Saudi Arabia were "probably one of the closest relationships in the world between any two countries without any official treaty" have so far appeared to be undoubtedly true (Riedel, 2016).

Briefer of Pak-Iran ties

Similar to its relations with Saudi Arabia, Pakistan's relations with Iran are rooted in deep religious as well as historic commonalities. The two countries also share similar ethnic and cultural linkages on account of being neighbors. Iran was the first country to recognize Pakistan in 1947, and this fact formed a fundamental service point for the two nations. Interests between the two sides congregate on a number of issues, including the situation in Afghanistan post the Taliban takeover in 2021, fight against terrorism, and in recent times their relations with China. Both countries are members of a number of regional as well as international platforms such as the Economic Cooperation Organization (ECO) and the Organization of Islamic Cooperation (OIC). Now that Iran has become a full member of the Shanghai Cooperation Organization (SCO), it will give more opportunities of collaboration for Islamabad and Tehran.

Unfortunately, despite being a neighbor, Pakistan's bilateral trade with Iran is well below the potential of \$ 5 billion. Steps (subject to implementation) have been taken to rectify this. For instance, 39 MoUs were signed in January 2023 to make this achievable (Dawn, 2023). Similarly, in April 2021, twelve border markets were also proposed, of which two are currently operational. Presently, according to Iranian officials, Iran exports nearly 200 MW of electricity to Pakistan and provision of a further 100 MW was agreed in June 2022. The two countries are also working towards improving connectivity infrastructure. An example of success in this domain has been the Islamabad-Tehran-Istanbul (ITI) cargo train service, which in 2022, was restored after 10 years (Anadolu Agency, 2021). The Pakistan- Iran border which has been called a friendship border has three border crossing points.

A major caveat in Pakistan-Iran relations, has been the delayed construction of the Iran-Pakistan (IP) Pipeline. A major hindrance here has been US sanctions. Iran has already completed its side of the pipeline since 2011 and the penalty for

non-completion will come into effect in 2024. Pakistan is at the risk of losing \$18 billion if Islamabad aborts the agreement (The Express Tribune, 2023). Another complication in relations has been the incidents of border unrest. These include increasing episodes of shelling, exchanges of mortar fire and smuggling. The fact that minorities reside on either side of the border, has been often exploited by external extremist elements. Added to this is the still peculiar case of Kulbushan Jadav, the Indian spy who traversed the Pakistani border from Chabahar (BBC News, 2019).

In his book, *Iran and Pakistan: Security, Diplomacy and American Influence*, Alex Vatanka writes that “on paper, Iran and Pakistan are engaged in a number of efforts designed to further political and economic integration — from membership in the Economic Cooperation Organization (ECO) to a host of bilateral agreements on trade[and]security cooperation. There is, however, relatively very little to show for all of this — and depth in the relationship is still missing” (Vatanka, 2015). This comment provides an unerring depiction of the state of relations between Pakistan and Iran. Despite having deep religious and ethnic bonds, however, in terms of indicators of successful bilateral ties, which include political alignment and sound economic ties, the two countries still have a great deal to be desired.

Saudi-Iran Differences: Challenges for Pakistan

The discord between Riyadh and Tehran has had significant implications for Pakistan, both on the domestic and international front. While Pakistan has maintained good relations with both countries, the rivalry has oftentimes put Islamabad in a difficult position and it has sought a policy of neutrality, which avoids taking risks.

Pakistan’s populace comprises almost 20 - 25 percent Shia (International Crisis Group, 2022) , which constitute a significant minority in the country’s demographic layout. Since, it is perceived that tensions between Riyadh and Tehran are rooted in religious difference, any dispute between them automatically exacerbates tensions within Pakistan, which leads to increased sectarian disturbance. Here it is important to note, that with time, the patience threshold in Pakistan is diminishing and it only takes a spark to ignite a fully-fledged battle. The sectarian divide is also exploited/fueled by extremist elements in Pakistan, thus further worsening the security situation, particularly in Balochistan province which borders Iran. Adding to this is the fact that Riyadh and Tehran have been on opposing sides in various conflicts in the Middle East, including in Syria and Yemen. There is danger that these conflicts could, by domino effect, spill over into Pakistan as well.

Secondly, there are economic implications for Pakistan. Over the years, Islamabad has had to tread carefully, so as to avoid being caught in the barrage of sanctions and restrictions between the two countries. Both Saudi Arabia and Iran are important economic partners for Pakistan- the former in terms of remittances, investment and oil imports and the latter in terms of trade and also energy imports. Furthermore, the Riyadh- Tehran rivalry has made it difficult for Pakistan to take advantage of numerous economic opportunities in the region. Hurdles include trade disruptions, disarray in the oil market, lack of foreign investor confidence who do not want to invest amidst instability and conflict and impediment in regional cooperation in general.

Thirdly, there are geopolitical challenges in that since Pakistan is considered a crucial player in the region, both on account of its geographical location and nuclear capability. This makes it vulnerable to the effects of interstate rivalries. Simultaneously, Pakistan's relations with both KSA and Iran are also affected by international forces such as the US, which complicates Pakistan's efforts to maintain neutrality. The balancing approach has also been affected by domestic politics in Pakistan, where some political groups have closer links with Iran, while others have strong connections with the Saudi leadership. This has created tensions and tried to influence Pakistan's foreign policy in the past.

Pakistan's Attempt at Rapprochement and Balancing

Pakistan has time and again demonstrated its commitment to promoting stability and security in the region. However, complex geopolitical dynamics and deep-rooted distrust between the Saudi Kingdom and Iran have made it difficult for Pakistan to achieve any sustainable results. Both these countries are important countries because among other things, Saudi Arabia is a leading figure in the Gulf Cooperation Council (GCC) and a key US ally, while Iran has strong relations with China and Russia. Hence maintaining a balance for Pakistan is essential since it helps Islamabad maintain strategic sufficiency.

Moreover, since Pakistan has always pursued a policy of conflict resolution and stability, for instance in Afghanistan, therefore, any unconscious realignment within the Saudi-Iran conflict, may be detrimental to Islamabad's objectives towards achieving regional stability. The Pakistan Government has time and again advocated for peaceful resolution of conflicts which has allowed it to maintain neutrality and in the context of the Saudi-Iran discord, Pakistan has attempted to de-escalate tensions in several ways.

Firstly, through diplomatic outreach, Islamabad has sought to bring both countries to the negotiating table. In this regard Pakistani leaders from various governments

have made several visits to both countries. In 2016, at the height of the war in Yemen, former Prime Minister Nawaz Sharif made trips to both Riyadh and Tehran, with the objective of easing tensions between both sides (Haider, 2016). During his visit he met Saudi King Salman bin Abdulaziz Al Saud and Iranian President Hassan Rouhani, whence he encouraged the two to engage in constructive dialogue. In 2019, then Pakistani Prime Minister Imran Khan visited both countries and offered to act as peacemaker between both sides (RFI, 2019).

Secondly, in terms of military cooperation, Pakistan has maintained close ties with both Saudi Arabia and Iran and has used this fact to encourage discourse between them. In 2019, former Pakistan Chief of Army Staff, General Qamar Bajwa visited Iran in what was viewed as an attempt at diffusing Saudi-Iran tensions and viewed as a welcome initiative towards mitigating regional tensions (Ali, 2019). Islamabad has strived for balancing neutrality by avoiding all and any action which may depict contradiction and seen as favoring one side over the other. A prime example is when in 2015, Pakistan's parliament voted to not send its troops to participate in the Saudi-coalition fighting the Houthi rebels in Yemen, all the while also side stepping any action or activity which would outright support Iranian undertakings in the region. Instead, focusing on economic linkages, Pakistan has tried to maintain conducive trade relations with both countries in an effort to promote regional and economic integration.

Both Saudi Arabia and Iran have appreciated Pakistan's attempts. During a 2019 interview with media, former Iranian Foreign Minister Javad Zarif welcomed Pakistan's efforts to mediate between Riyadh and Tehran (The Express Tribune, 2019). Similarly, during Mr. Khan's visit to Riyadh, he indicated that the Saudi side had agreed to 'process forward' on this issue (Al-Monitor, 2019). All things considered, even if Pakistan's efforts have not amounted to anything sustainable, they have in modest propriety been successful in that, tight as it may be, Pakistan has managed to balance bilateral relations with both countries.

Opportunities for Pakistan

As mentioned previously, Pakistan has been the target of much sectarian violence over the years. Conciliation between Saudi Arabia and Iran could help reduce these tensions significantly and encourage a more peaceful environment based on tolerance. Improved relations between Saudi Arabia and Iran could open up new opportunities for Pakistan, especially in terms of trilateral cooperation, which would undoubtedly help stabilization and development of not only these countries, but the region at large.

- *Economic Opportunities*

In terms of economics, since both the Kingdom and Iran are major sources of energy production, easing of tensions between them could lead to stabilization of oil prices and thus greater economic stability in the region. Moreover, it could lead to the creation of new trade routes as well as expansion and improvement of existing ones, hence benefitting businessmen and traders on all sides. Furthermore, all three countries have significant infrastructure needs, particularly in the areas of transportation, energy, and water. Hence, they can work together to develop infrastructure projects that enhance connectivity and promote regional development.

Furthermore, each of these countries has comparative advantages with each other. For instance, Pakistan produces high quality medical equipment and sports goods and has a growing IT and software industry; Saudi Arabia has a diverse chemical industry and Iran has a substantial construction industry and produces a range of building materials. Saudi Arabia is investing heavily in infrastructure development, Pakistan can provide the required man-power and Iranian companies can supply construction materials to meet this demand. Both Saudi Arabia and Iran can potentially invest in the development of infrastructure projects in Pakistan, such as ports, highways, railways, and energy projects, which can provide a significant return and enhance economic cooperation between the three countries. Similarly, both Saudi Arabia and Iran have significant healthcare sectors, thus providing an opportunity for Pakistan to increase its exports in these areas to these countries.

Here it is also important to note that in June 2023, the leadership of Pakistan's civil and military sectors came together to form the Special Investment Facilitation Council (SIFC). This organization serves as a centralized entry point created to simplify investor contacts, encourage collaboration between government agencies, and quicken project development procedures. The head of the army, provincial governors, and federal ministers make up the SIFC, which is headed by the prime minister. By using a holistic, collaborative strategy across all governmental bodies, encompassing all stakeholders, it was created to expedite lengthy business operations. Its main goal is to use local and international investments to unlock the potential in Pakistan's vital industries, including defence manufacturing, agriculture, mining, information technology (IT), and energy. It is also noteworthy that Saudi Arabia and the United Arab Emirates have pledged to spend \$25 billion in Pakistan over the next two to five years, respectively.

Furthermore, the Pakistan Minerals Summit, in August 2023 focused on opening up business prospects inside Pakistan's enormous mineral endowment, believed

to be worth an astounding \$6 trillion, brought together global investors and industry professionals in Islamabad. This mining conference, headlined "Dust to Development: Investment Opportunities in Pakistan," resulted from a partnership between the SIFC and the Barrick Gold Corporation, a company with headquarters in Canada. This partnership was successfully organised by Pakistan's Ministry of Petroleum. Pakistan is a country that has been gifted with significant, undeveloped mineral deposits, a priceless resource with an estimated worth of \$6 trillion. Notably, the massive Reko Diq gold and copper mines, which are strategically located in the southwest region of Baluchistan and are expected to start operating in December, are on the verge of advancement. A delegation of investors from Saudi Arabia visited Pakistan the same month and showed a significant interest in investigating business opportunities in the mining industry, displaying their eagerness to capitalise on the substantial mineral riches located in Reko Diq.

However, all said, recognising the strategic relevance of the Baluchistan area and its proximity to Iran are essential when highlighting its significance. Due to their close vicinity, terrorism and other disruptive forces must be combated cooperatively and strategically in order to guarantee the success and safety of any projects in this part of Pakistan. Other avenues for trilateral partnerships of these three countries are in energy cooperation particularly the development of joint energy projects such as power plants and refineries and trade and investment, where the three countries can work together to eliminate trade barriers and promote integration in complementary sectors.

- ***Food Security***

In terms of food security, rapprochement between Saudi Arabia and Iran, could be a catalyst for resolving food security problems for the Kingdom which is highly dependent on food imports to meet its domestic food demand. Pakistan is an agro-based economy and conciliation between Riyadh and Tehran can lead to the development of more efficient supply chains for agricultural products which would in turn result in improved distribution of food and simultaneous reduction in wastage of food. Furthermore, by trading with each other, these countries can enhance their food security by ensuring a failsafe supply of food at economical prices. Moreover, it would provide greater market access for all three countries.

Moreover, there will be fertile grounds for joint investment in agriculture and food infrastructure such as irrigation systems and cold storage facilities. Additionally, since both Riyadh and Tehran have made significant investments in agriculture technology such as in precision irrigation, hydroponic farming, vertical farming, and aquaculture. Saudi Arabia has also been investing in livestock production,

with a focus on genetics and breeding, and has been promoting the use of advanced animal feed formulations to improve feed efficiency and animal health (SALIC, 2012). Rapprochement between them could lead to technological exchange which would, in a trilateral partnership, lead to the adoption of new farming techniques and improved productivity.

In July 2023, the Land Information and Management System, Centre of Excellence (LIMS-CoE) was established in Pakistan with the goal of improving contemporary agro-farming techniques on more than 9 million hectares of presently undeveloped state-owned land. It is important to note that Saudi Arabia contributed \$500 million as the first funding for this project. The Pakistan Army's Director General of Strategic initiatives will oversee this specialised centre, which will work with nations including Saudi Arabia, the United Arab Emirates, Qatar, Bahrain, and China on a range of agricultural initiatives aimed at improving Pakistan's exports.

- ***Opportunities in the China Pakistan Economic Corridor (CPEC)***

Both Saudi Arabia and Iran are important players in the global energy market. Conciliation between them could lead to enhanced connectivity. The joint development of Gwadar - a key component of China's Belt and Road Initiative (BRI) and the lynchpin of CPEC - provides one such option. Through this venture, Pakistan will benefit in terms of increased port capacity, while Iran can benefit through access to increased international markets. For Saudi Arabia, the development of Gwadar could connect it to the BRI project, which in itself portends numerous opportunities.

In 2019, it was proposed that a Saudi petrochemical complex be set up in Gwadar (Arab News, 2019). However, due to certain factors; among them the Riyadh-Tehran differences, this project could not materialize. Rapprochement could lead to the establishment of Aramco oil facilities in Pakistan. Investment in CPEC can potentially enhance trade opportunities for Iran and Saudi Arabia by providing them with new access to the Chinese market via Pakistan and simultaneously lead to diversification of markets for CPEC projects. The CPEC project can also offer Pakistan with further possibilities for importing energy resources from Saudi Arabia and Iran, and hence, enhance energy security for all three countries.

- ***Counterterrorism Cooperation***

A peaceful and stable neighborhood is crucial for any country's security. Military cooperation between Saudi Arabia and Iran could contribute to this. Pakistan, Saudi Arabia and Iran can engage in joint military exercises, which could present greater learning opportunities for all three sides. The trio could also engage in

intelligence sharing which could lead to greater cooperation in countering threats on the counter terrorism front, particularly with regard to extremist elements such as a resurgent Al-Qaeda and ISIS. Moreover, on March 29, 2023, Saudi Arabia became a member of the Shanghai Cooperation Organization (SCO). Iran is due to become a member later in the year as well. This development offers Pakistan further possibilities of collaboration, particularly in the realm of counter terrorism and regional security.

Conclusion

The relations between Pakistan, Iran, and Saudi Arabia are intricate and influenced by various factors, such as religious identity, regional influence, and geopolitical interests. Despite Pakistan's efforts to maintain cordial relations with both countries, conflicts and tensions between Iran and Saudi Arabia have affected Pakistan's domestic and regional politics.

Furthermore, for Pakistan, economic challenges have compounded domestic strife, leading to social unrest and political instability. The prioritization of strategic objectives over comprehensive economic reforms has left the nation grappling with internal discord, hindering its ability to foster a stable and prosperous domestic environment. To address the challenges, constructive dialogue becomes paramount. Hence, in order to overcome these challenges, constructive dialogue and cooperation between the Pakistan, Saudi Arabia and Iran is crucial to addressing shared challenges and opportunities in the region. Apart from economic partnerships, energy and food security, the China-Pakistan Economic Corridor (CPEC) offers a viable platform for the three countries to collaborate and form a partnership. By emphasizing diplomatic engagement and seeking common ground, all three countries can play a pivotal role in fostering stability and collaboration in the broader geopolitical landscape.

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