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# New Economic Ties Deepen the Saudi-Pakistani Strategic Partnership

by [Umer Karim](#)

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## ABOUT THE AUTHORS

### [Umer Karim](#)

Umer Karim is a doctoral researcher at the University of Birmingham focusing on Saudi foreign policy, decision making, and its implications for the politics and security of the Middle East.



### Brief Analysis

**P**akistan and Saudi Arabia share a long history of close bilateral ties, with bonds of religion and mutual interest dating back to the Saudi support for the independence struggle by the Muslims of the subcontinent during the 1940s. Over the years, this bilateral relationship has matured into a strategic partnership, owing much to the blossoming of strong inter-personal ties between the ruling elites on both sides, a shared foreign policy outlook vis-à-vis both regional and international events, and collaboration in the security domain. These ties are further strengthened by the need for regional allies due to longstanding tensions between Saudi Arabia and Iran and between Pakistan and India, while domestic political changes within the two countries have also shaped the relationship's development.

Though originally limited to visits between top political leadership, coordination spelled out by agreements has since developed between the two countries' military elites. Security—in particular the [agreement on defense cooperation](#) that brought Pakistan's military and air force trainers to Saudi Arabia—became integrated into the relationship in the aftermath of the 1967 Arab-Israel war. This strategic alignment further took form as both sides aligned on the same side of the global political divide during the Cold War as each became key security partners of the United States on their respective regional frontlines.

In the aftermath of the Iranian revolution, the security understanding among the two sides was further regularized by the [1982 Protocol Agreement](#) regarding Deputation of Pakistani Armed Personnel and Military Training, which paved the way for the deployment of nearly 15,000 Pakistani troops in the Kingdom. In practice, these deputations created a unique bond between the Pakistani security institutions and Saudi Royalty. This special relationship was made conspicuous by Saudi Defence Minister Prince Sultan bin Abdelaziz al-Saud's [visit](#) to the Pakistani nuclear installations in 1999—the first foreigner to visit.

This military factor has also meant that when inter-governmental ties have come under strain, military ties have

remained a guarantor of the stability of the relationship. A case in this regard has been the tenure of the Pakistan Peoples Party (PPP) government of 2008-2013, which the Saudis perceived as heavily tilted towards Iran. The Saudi leadership was visibly pleased with the departure of the PPP government and the arrival of Nawaz Sharif—head of the pro-military Pakistan Muslim League party—at the helm of affairs with whom they historically maintained a favourable association.

With a generous [loan package](#) of 1.5 billion offered in 2014, the Nawaz government appeared to have full Saudi support. Yet ties became strained by Pakistan's refusal to join the Saudi-led military intervention in Yemen the following year. Again, the Pakistani military high command remained engaged with Saudi decision makers and took two vital steps to assuage the Saudi concerns. First, the Pakistani military fully backed the Saudi initiative of an Islamic Military Counter Terrorism Coalition (IMCTC) and complied with the Saudi request that Pakistan's former Army Chief General Raheel Sharif lead the coalition. This apparent support was later reinforced by the military's [decision to send additional Pakistani troops](#) under the auspices of the 1982 agreement to join 1,600 Pakistani troops already stationed in the Kingdom. Although these measures ended the tension gripping the bilateral ties, disquiet in the relationship remained.

### **Imran Khan and MBS: A New Beginning?**

Notably, the Saudi request for Pakistan to participate in the Yemen campaign marked the first significant political interaction between the new generation of Saudi decision makers and Nawaz Sharif's government. At the same time, Nawaz Sharif forged extremely cordial and longstanding ties with the ruling family of Qatar and President Erdogan of Turkey. This state of affairs made the bilateral relationship lustreless. And as Nawaz Sharif came under increased political pressure in the wake of the Panama Papers scandal, his attempts to persuade the Saudi leadership to intervene politically within Pakistan met only with [failure](#).

Thus, Imran Khan's victory in Pakistan's July 2018 elections has marked a renewed vibrancy in Saudi-Pakistani relations. Domestically, Khan altered the nature of Pakistan's civil-military relationship by openly expressing trust in the country's military. The new government's realization that Pakistan was in dire economic straits—including a financing gap of [more than \\$12 Billion](#)—also pushed Khan's government to re-engage with Pakistan's traditional allies, Saudi Arabia in particular. Khan's maiden trip to Saudi Arabia as his first trip abroad as Prime Minister cemented this emphasis on rebuilding ties with the Kingdom. Meanwhile, in order to cement this personal diplomacy, Pakistan also brokered a [meeting](#) between the Taliban and the U.S. special peace envoy Zilmay Khalilzaad in Abu Dhabi, helping bring back both the Kingdom and United Arab Emirates as stakeholders in the Afghan peace process.

Unlike other Pakistani politicians, Khan does not have a previous history with the Kingdom or its older generation of royals. This has actually helped him in forging a new and vibrant relationship with the Saudi Crown Prince Mohammad Bin Salman (MbS) both known for their discursive emphasis on curbing corruption and governance reform.

### **Economic Partnership**

The cornerstone of this new partnership has been a re-configuration of the two countries' bilateral relationship to further emphasize its economic components. In his parleys with the Saudi side, Khan managed to secure a [\\$6 billion aid package](#) for Pakistan from Saudi Arabia—four times the size of the Kingdom's earlier 2014 loan. This package includes \$3 billion as balance of payment support along with a one-year deferred payment facility of up to \$3 billion for oil imports; it has proved instrumental in giving Pakistan breathing space in its current economic crisis.

A more interesting development is the Saudi decision to further entrench itself within Pakistan by setting up a [\\$10 billion oil refinery](#) in the strategically important southwestern coastal town of Gwadar, a city whose port has been

developed by China as part of the China-Pakistan Economic Corridor. This investment may very well change the regional energy and security landscape. Additionally, the Saudi side has agreed to provide funds for power generation projects while also showing an interest to invest in the petrochemical, mining, construction, power generation and agriculture fields. Also crucial is the institutionalization of this cooperation by constituting a coordination council to oversee the practical implementation of these projects.

### **Enhanced Security Cooperation**

With a new emphasis on economic ties and financial agreements, the question remains over what to expect in the avenue of security cooperation, always central in the bilateral relationship. Pakistan's top military brass remains deeply connected to Saudi security circles: the current Pakistani Army Chief General Bajwa served in Saudi Arabia for three years on deputation while the Intelligence Chief General Asim Munir served as a Military Attaché in Riyadh.

Since the Saudi decision to support Pakistan financially, a flurry of high ranking Saudi defense officials have visited the country. First to arrive was Saudi Assistant Minister of Defense Muhammad Bin Abdullah Al-Ayesh, followed by the Saudi Chief of General Staff General Fayyadh Bin Hamid Al Ruwaili. The latter [co-chaired the Joint Military Cooperation Committee \(JMCC\) meeting](#) of Saudi Arabia and Pakistan alongside Chairman of Joint Chiefs of Staff Committee Gen Zubair Mahmood Hayat—who as CJSC has an [almost exclusive jurisdiction](#) over nuclear forces and assets and has also notably served as the Chief of Strategic Plans Division of Pakistan overseeing the country's nuclear arsenal. It was reported that all aspects of military relations and regional security situation were discussed during this meeting between the two delegations. He later on also met Army Chief General Bajwa and was also awarded the Nishan-e-Imtiaz (Order of Excellence) military award by the President. These meetings may well suggest a drive towards diversification of Pakistani-Saudi defence interactions from conventional tiers of cooperation to more strategic ones in order to comprehensively address the changing threat perception in the region.

Yet the most critical of this series of meetings has been the visit of former Pakistani Army Chief and head of the IMCTC General (retired) Raheel Sharif to the Kingdom just days before MbS's scheduled visit to Pakistan. On his return, which was during the Crown Prince's visit, General Raheel met the Army Chief and PM Khan, triggering [speculation](#) that he delivered a message from the Saudi side to increase Pakistan's commitment to the IMCTC. This can possibly mean an additional detachment of Pakistani troops to serve under the banner of IMCTC and a push to make it into a force engaged in kinetic operations.

It is clear that a new pattern within the Pakistani-Saudi relationship is emerging that incorporates economic initiatives of strategic nature into the two countries' traditionally security-oriented ties. This new strategic calculus is in essence the result of the inter-personal bond that has recently emerged between the troika of PM Khan, Army Chief General Bajwa and Saudi Crown Prince MbS. Yet at the same time, there is a new emphasis by both sides to institutionalize the bilateral relationship and move away from relying on personal friendship between the two leaderships to preserve ties.

In many ways, the mutual benefits of this new shift are clear. Forging a strategic connection with Pakistan furthers Saudi attempts to expand its engagement and ability to rely on partners in the East in light of the recent difficulties in its relationship with several Western states. For Pakistan, strengthening ties with the Kingdom hold the promise of much needed economic and political support. Yet as Pakistan continues to deepen its involvement with Saudi Arabia, the country will inadvertently alter its relationship with other stakeholders in the Middle East. Thus, its recent efforts may ultimately create a new regional security and political order which presents significant challenges to its strategic goals. ❖

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