

## **A Saudi-Pakistani Reset: Business as Usual?**

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“Saudi Arabia and Pakistan are back on track,” declared ‘Ali ‘Awadh ‘Asseri, a former Saudi ambassador to Pakistan, following Pakistani Prime Minister Imran Khan’s state visit to Riyadh in May 2021.<sup>1</sup> Khan’s visit ended a two-year diplomatic rift that had marred a close relationship spanning seven decades.<sup>2</sup> The Pakistani Prime Minister’s visit reopened vital channels of communication that had been shut for almost a year and signaled a “reset” in Saudi-Pakistani relations.<sup>3</sup> The rift between Pakistan and Saudi Arabia began in 2019 and peaked in 2020, while the year 2021 was marked by calls for a reset in their relations.<sup>4</sup> Saudi Arabia’s deepening ties with India remain at the heart of the Saudi-Pakistani split, and they are unlikely to change despite any presumptive diplomatic reset between Pakistan and Saudi Arabia. Saudi Arabia’s increasing engagement with India as a key energy client is just one aspect of a broader transformation the Kingdom is experiencing under Saudi Crown Prince Mohammed bin Salman.<sup>5</sup> At the same time, Pakistan is in a deep economic crisis and is looking for foreign investment in major infrastructure projects to generate employment in the country.<sup>6</sup> In 2021, Pakistan declared its intention to pursue a foreign policy guided by its focus on economic security over its geopolitical interests.<sup>7</sup> Therefore, the long-term prospects for the Saudi-Pakistani reset depends on Pakistan’s ability to accept Saudi Arabia’s more even-handed India-Pakistan policy and the Saudis’ willingness to invest in an economic partnership with Pakistan.

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<sup>1</sup> Ali Awadh Asseri, “[Saudi Arabia and Pakistan are back on track](#),” *Arab News*, May 8, 2021.

<sup>2</sup> “[Saudi Arabia-Pakistan agree to mend strained ties](#),” *Al Jazeera*, May 8, 2021.

<sup>3</sup> Kamran Yousuf, “[Reset in Pak-Saudi ties](#),” *Tribune*, May 10, 2021.

<sup>4</sup> Arwa Ibrahim, “[Pakistani Prime Minister Khan visits Saudi Arabia to reset ties](#),” *Al Jazeera*, May 7, 2021; Arif Rafiq, “[After last year’s crisis, Pakistan and Saudi Arabia pursue a reset](#),” *The Middle East Institute*, March 11, 2021.

<sup>5</sup> Kinda Bakr, “[Saudi Arabia - India: Strategic Partnership](#),” *Gulf Research Center*, May 4, 2021.

<sup>6</sup> “[Pakistan’s unending economic crisis: Imran govt needs \\$51.6 billion external financing over two year period](#),” *WION*, October 20, 2021.

<sup>7</sup> “[Pakistan’s priorities have shifted from geo-political to geo-economic, says Qureshi](#),” *Dawn*, February 24, 2021.

## ***Disruption in Saudi-Pakistani relations***

“Mr. Prime Minister, consider me in Saudi Arabia, the ambassador of Pakistan,” asserted Crown Prince Mohammed bin Salman on his visit to Pakistan in February 2019.<sup>8</sup> The Saudi Crown Prince’s visit came shortly after the Kingdom extended a \$6.2 billion loan and credit facility to rescue Pakistan’s depleted foreign exchange reserves in 2018. During his celebrated visit, which was marked as a public holiday in his honor, the Saudi Crown Prince received Pakistan’s highest civilian award.<sup>9</sup> When the Saudi Crown Prince announced an additional \$20 billion investment plan in Pakistan, Saudi-Pakistani relations appeared robust. Shortly after departing from Pakistan, the Saudi Crown Prince embarked on an official visit to India. In contrast to the festivities that marked the Crown Prince’s Pakistan visit, his arrival in New Delhi was clouded by the Pulwama attack in Kashmir less than a week before, in which a suicide bomber drove an explosives-laden vehicle into an Indian military convoy killing more than 40 army personnel.<sup>10</sup> India has invariably alleged Pakistan’s culpability in enabling militant organizations to operate in its territory and carry out cross-border attacks, which Pakistan has firmly denied. During his India visit, the Saudi Crown Prince did not mention the attack and instead highlighted the areas in which Indo-Saudi ties were deepening, such as defense cooperation, energy contracts, and financial investments across the public and private sector.<sup>11</sup> But the real diplomatic gain for India was its invitation as the “guest of honor” to an Organization for Islamic Cooperation (OIC) summit hosted by the UAE that came shortly after the Saudi Crown Prince’s visit.<sup>12</sup> The Saudi-based OIC, an international organization of 57 member states with majority or large Muslim populations, has been critical to Pakistan’s diplomatic campaign against India ever since it was founded in 1969.<sup>13</sup> The UAE’s invitation to India was an unprecedented development that was unlikely to have come about without Saudi Arabia’s express approval. Both the UAE and Saudi Arabia shrugged off Pakistan’s vehement protests against India’s invitation leading to the

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<sup>8</sup> “[MbS won hearts of Pakistanis by saying 'consider me Pakistan's ambassador to Saudi Arabia': PM](#),” *Geo News*, February 18, 2019.

<sup>9</sup> Michael Safi, “[A public holiday and gold-plated gun: Saudi crown prince feted on Asia tour](#),” *The Guardian*, February 19, 2019.

<sup>10</sup> Sameer Yasir and Maria Abi-Habib, “[Kashmir Suffers From the Worst Attack There in 30 Years](#),” *The New York Times*, February 14, 2019.

<sup>11</sup> Elizabeth Roche, “[What Mohammed bin Salman’s visit has done to boost Saudi-India ties](#),” *Mint*, February 22, 2019.

<sup>12</sup> Press Trust of India, “[India invited as ‘guest of honor’ to OIC meet, Sushma Swaraj to attend](#),” *The Print*, February 23, 2019.

<sup>13</sup> Ketan Mehta, “[OIC and its views on Kashmir: India’s Achilles heel in the Islamic world?](#),” *Observer Research Foundation*, October 14, 2019.

Pakistani foreign minister boycotting the OIC meeting.<sup>14</sup> The episode marked the beginning of a tempestuous period in Pakistan-Saudi relations with India being at the center of the dispute.

In August 2019, India abrogated Article 370 of its constitution that accorded the state of Jammu and Kashmir special status when it became part of India following the end of British colonial rule in 1947.<sup>15</sup> The Indian government asserted its objective was to improve the state's integration into the country, but to Pakistan it signaled an end to the possibility of any future discussion on Kashmir's status.<sup>16</sup> In retaliation, Pakistan mounted a diplomatic offensive to rally international condemnation and possible action against India over what it termed was a unilateral move to change the status quo of a disputed territory. However, the international response to India's move was largely muted. Only Turkey, Malaysia, and Iran sided with Pakistan.<sup>17</sup> In particular, Pakistan lobbied for Saudi Arabia's support against India through the offices of the OIC but the Saudis appeared reluctant to damage their growing ties to India.<sup>18</sup> When its appeals to Saudi Arabia to convene an OIC meeting on Kashmir were ignored, Pakistan endorsed an international Islamic summit hosted by Malaysia in December 2019 from which Saudi Arabia was deliberately excluded.<sup>19</sup> Ultimately, in spite of being one of its primary sponsors alongside Turkey and Iran, Pakistan pulled out of the summit just days before, after coming under enormous pressure from Saudi Arabia.<sup>20</sup> A year later, in August 2020, Pakistan again insisted that the Saudi-based OIC deliberate on contentious policies implemented by India in Kashmir. When Saudi Arabia refused Pakistan's repeated requests, Pakistan threatened to convene its own meeting outside the OIC backed by the Saudi-rival bloc of Turkey-Iran-Malaysia. Saudi Arabia had been facing Pakistan's protests over its inaction on the Kashmir issue for over a year. But the tipping point for Saudi Arabia was Pakistan's threat to circumvent the OIC on Kashmir, effectively undermining the Kingdom's presumed leadership of the Muslim world.<sup>21</sup> Saudi Arabia responded by withdrawing the \$3 billion loan it had

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<sup>14</sup> "[Pakistan will not attend OIC meeting over invitation to India. FM tells joint sitting of parliament](#)," *The News International*, March 1, 2019.

<sup>15</sup> "[Article 370: What happened with Kashmir and why it matters](#)," *BBC News*, August 6, 2019.

<sup>16</sup> Press Trust of India, "[Abrogation of Article 370 led to complete integration of J&K with Indian Union: Amit Shah](#)," *Times of India*, August 24, 2019.; Naeem Salik, "[Kashmir and the Abrogation of Article 370: A Pakistani Perspective](#)," *Future Directions International (FDI)*, August 27, 2019.

<sup>17</sup> MK Bhadrakumar, "[Why did Turkey, Iran, Malaysia speak on J&K?](#)," *rediff.com*, March 24, 2020.

<sup>18</sup> Bilal Kuchay, "[Why have Saudi Arabia, UAE failed to condemn India over Kashmir?](#)," *Al Jazeera*, September 12, 2021.

<sup>19</sup> Prashant Waikar and Mohamed Nawab Mohamed Osman, "[The 2019 Kuala Lumpur Summit: A Strategic Realignment in the Muslim World?](#)," *Berkley Forum*, Berkley Center, George Washington University, February 24, 2020.

<sup>20</sup> "[Qureshi asks OIC to stop dragging feet on Kashmir meeting](#)," *Dawn*, August 6, 2020.

<sup>21</sup> Asad Hashim, "[Pakistan-Saudi rift: What happened?](#)," *Al Jazeera*, August 28, 2020.

lent Pakistan in 2018.<sup>22</sup> This episode signified a low point in the Saudi-Pakistani relationship.

### ***History of Saudi-Pakistani strategic relations***

Prince Turki bin Faisal, the former chief of Saudi intelligence, once described Saudi-Pakistani relations as “probably one of the closest relationships in the world between any two countries.”<sup>23</sup> The two countries share deep religious and political ties consolidated through strategic defense and economic cooperation. In the 1980s, Saudi Arabia was a principal sponsor of Pakistani-run Afghan *mujahideen* training camps against the Soviet invasion of Afghanistan. During the same period, Saudi Arabia also invested in the establishment of hundreds of *madrasas*, or religious schools, in Pakistan that disseminated the Wahhabi stream of Sunni Islam that is dominant in Saudi Arabia in order to counter the spread of Iran’s revolutionary Shi’i ideology.<sup>24</sup> Subsequently, the Wahhabi ideology became widespread among Sunni Muslims in Pakistan, replacing the more liberal Sufi Islam traditionally practiced in the Indian subcontinent, and increasing Saudi influence in Pakistan. Pakistan has the second largest Muslim population in the world with 200 million Muslims.<sup>25</sup> Saudi Arabia’s custodianship of Islam’s holiest sites confers its overwhelming popular support among Pakistani Muslims.<sup>26</sup> According to Pakistani PM Imran Khan, “Every Pakistani Muslim wants to go to Mecca and Medina...So whatever happens, we will always have this relationship of the heart with Saudi Arabia.”<sup>27</sup>

In 2018, Pakistan added 1,000 Pakistani troops to 1,600 Pakistani soldiers already deployed in Saudi Arabia as part of a bilateral security pact between the countries.<sup>28</sup> There has been speculation of Saudi funding for the Pakistani nuclear program in exchange for guarantees that the Saudis could develop nuclear capabilities through technology transfer or the direct acquisition of nuclear warheads from Pakistan.<sup>29</sup>

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<sup>22</sup> Dipanjan Roy Chaudhury, “[Saudi Arabia ends a loan and associated oil supply to Pakistan following threats to split OIC](#),” *The Economist*, August 14, 2020.

<sup>23</sup> Sib Kaifee, “[Saudi-Pak Ties: 'One of the closest relationships in the world'](#),” *Arab News*, February 17, 2019.

<sup>24</sup> Madiha Afzal, “[Saudi Arabia’s hold on Pakistan](#),” *Brookings Institution*, May 2019.

<sup>25</sup> Bidanda M. Chengappa, “[Pakistan: The Role of Religion in Political Evolution](#),” *Strategic Analysis*, Institute for Defense Studies and Analyses, March 2001; “[Population census](#),” *Pakistan Bureau of Statistics*, Government of Pakistan, 2017.

<sup>26</sup> “[Muslim views towards major countries](#),” *Pew’s Research Center*, 2008.

<sup>27</sup> “[Exclusive Al Arabiya interview with Pakistani PM Imran Khan](#),” *Al Arabiya News*, February 20, 2020.

<sup>28</sup> Nadir Guramani, “[Govt refuses to divulge 'operational details' of Pakistani troops' deployment to Saudi Arabia](#),” *Dawn*, December 6, 2021.

<sup>29</sup> Simon Henderson, “[Saudi Arabia and Pakistan may have just renewed a secret nuclear weapons pact](#),” *Business Insider*, February 4, 2015; Reshma Kazi, “[Saudi Arabia’s Nuclear Thinking and the Pakistani Connection](#),” *Institute for Defense Studies and Analyses*, January 7, 2014.

While Saudi Arabia has firmly denied funding the Pakistani nuclear program, its promise of 50,000 barrels of free oil was pivotal in Pakistan's decision to conduct its first nuclear weapons test in 1998.<sup>30</sup> The Saudi commitment enabled Pakistan to withstand economic sanctions imposed on it by the US and the EU following the nuclear tests. Saudi Arabia has regularly provided Pakistan significant economic support in the form of loans, grants, and oil credit facilities. In 2014, Saudi Arabia provided Pakistan with a \$1.5 billion grant to support its foreign reserves and meet debt-obligations. A senior advisor to the Pakistani Prime Minister stated that "the grant given by Saudi Arabia is unconditional and in return Pakistan is not supposed to give anything to the kingdom."<sup>31</sup> Saudi Arabia is also host to the largest Pakistani expatriate population and the leading employer of Pakistanis abroad.<sup>32</sup> In the fiscal year 2020-21, remittances from over two million Pakistani migrant workers in Saudi Arabia accounted for \$7.6 billion of \$29.4 billion that Pakistan received in total.<sup>33</sup>

### ***Past and present Indo-Saudi relations***

Saudi Arabia's relations with India have historically rested on economic interests.<sup>34</sup> India's relations with the Saudis have been driven by its energy needs and the Indian diaspora in the Kingdom. In the fiscal year 2019-20, Saudi Arabia was India's fourth largest trade partner with bilateral trade valued at \$33 billion; Saudi Arabia supplied 18 percent of India's crude oil.<sup>35</sup> In the fiscal year 2016-17, India received \$9.2 billion in remittances from 3.06 million Indians employed in Saudi Arabia.<sup>36</sup> India has one of the largest Muslim populations in the world with 172 million Muslims, and the annual pilgrimage to Mecca and Medina has been another aspect of India's relations with Saudi Arabia.<sup>37</sup>

In the past, Saudi Arabia's support for Pakistan against India on the issue of Kashmir limited the scope of Indo-Saudi relations.<sup>38</sup> But in recent years, Saudi Arabia and India

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<sup>30</sup> Bruce Riedel, "[Saudi Arabia: Nervously Watching Pakistan](#)," *Brookings Institution*, January 28, 2008.

<sup>31</sup> "[Pakistan won't send arms to Syria: Sartaj Aziz](#)," *Dawn*, March 14, 2017.

<sup>32</sup> "[Labor Migration Report 2020](#)," *Bureau Of Emigration & Overseas Employment*, Government of Pakistan.

<sup>33</sup> Kashif Abbasi, "[Pakistan, Saudi Arabia sign deals on workers' recruitment, skills](#)," *Dawn*, December 6, 2021; Muzaffar Rizvi, "[Pakistan receives record \\$29.4 billion remittances in 2021](#)," *Khaleej Times*, July 15, 2021.

<sup>34</sup> Marvin G. Weinbaum and Abdullah B. Khurram, "[Pakistan and Saudi Arabia: Deference, Dependence, and Deterrence](#)," *The Middle East Journal*, Volume 68, Number 2, Spring 2014, pp. 211-228.

<sup>35</sup> "[India-Saudi Arabia Economic and Commercial Relations](#)," Website of the Embassy of India, Riyadh, Saudi Arabia, accessed on December 28, 2021.

<sup>36</sup> "[India's Inward Remittances Survey 2016-17](#)," *Reserve Bank of India*, August 9, 2018; Zakir Hussain, "[India-Saudi Arabia relations: New bilateral dynamics](#)," *Middle East Institute*, April 25, 2017.

<sup>37</sup> "[Religious composition of India](#)," *Pew Research Center*, September 21, 2021.

<sup>38</sup> Kanchi Gupta, "[India and Saudi Arabia: The Scope for Greater Security Cooperation](#)," *Observer Research Foundation*, Issue brief #80, November 2014.

have progressively pursued a relationship that reduces Pakistan's prominence in the two countries' bilateral agenda. "The relationship between India and the Arabian Peninsula is in our DNA," declared the Saudi Crown Prince during his visit to India in February 2019.<sup>39</sup> India is one of the eight countries designated as strategic partners under the Saudi Crown Prince's Vision 2030 program.<sup>40</sup> Between 2000 and 2016 the total Saudi foreign direct investment (FDI) in India was \$64.19 million, but in 2020 alone Saudi Arabia made investments of \$2.81 billion in the Indian private sector.<sup>41</sup> Saudi Arabia's Aramco and the UAE's ADNOC are presently pursuing a partnership with the Indian government to build a \$44 billion oil refinery and petrochemical plant in India. India's oil imports from Saudi Arabia saw a 9.46 percent increase after US sanctions on Iran in 2018 led India to increase its oil supply from other sources.<sup>42</sup> Whereas Saudi-Indian relations have been dominated by the petroleum trade, defense cooperation is increasingly becoming a prominent part of their bilateral ties. The Indo-Saudi Strategic Partnership Council (SPC) was formed in 2019 and placed special emphasis on efforts to improve intelligence sharing and security collaboration between the two countries.<sup>43</sup> The Indian Army Chief's visit to Saudi Arabia in December 2020 and the India-Saudi joint naval exercise in August 2021 were the first in the history of India-Saudi relations.<sup>44</sup>

### ***Saudi Arabia's revision of India-Pakistan policy***

At the heart of the Pakistan-Saudi diplomatic rift lies Pakistan's sensitivity to the Kashmir issue and its reluctance to accept Saudi Arabia's more even-handed approach to Indo-Pakistani relations. Pakistan and Saudi Arabia have shared a strong relationship established over decades of close cooperation, which includes a tacit acknowledgment of each other's independent pursuit of interests outside their partnership. This was apparent from Saudi Arabia's relationship with India and

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<sup>39</sup> President of India, "[Ceremonial Reception of Mohammed Bin Salman, Crown Prince of Saudi Arabia, at Rashtrapati Bhavan](#)," *YouTube*, uploaded on February 20, 2019, 10:35.

<sup>40</sup> Dipanjan Roy Chaudhury, "[In big push, Delhi & Riyadh set up Strategic Partnership Council](#)," *The Economic Times*, October 30, 2019.

<sup>41</sup> Subhajit Roy, "[G20 Summit: PM Modi meets Saudi Crown Prince, mechanism to enhance investments in India to be set up](#)," *The Indian Express*, December 1, 2018; "[India-Saudi Arabia economic and commercial relations](#)," *Embassy of India in Riyadh, Saudi Arabia*.

<sup>42</sup> Chandra Rekha, "[Growing Trends in India-Saudi Arabia Bilateral Engagements](#)," *Indian Council of World Affairs*, May 31, 2019.

<sup>43</sup> "[Narendra Modi announces formation of India-Saudi Strategic Partnership Council](#)," *The Hindu*, October 30, 2019; Press Trust of India, "[Saudi Arabia to enhance anti-terror cooperation with India: Envoy](#)," *The Economic Times*, September 25, 2019.

<sup>44</sup> Bilal Kuchay, "[India army chief embarks on 'historic' trip to UAE, Saudi Arabia](#)," *Al Jazeera*, December 9, 2020.

Pakistan's relationship with Iran.<sup>45</sup> Despite its closer ties to Saudi Arabia, Pakistan has taken extensive efforts to balance its relations with Iran and Saudi Arabia. However, the nature of Saudi-Pakistani relations in the past has made it increasingly difficult for Pakistan to remain neutral in the Iranian-Saudi regional rivalry. Pakistan's protests against Saudi Arabia's relationship with India are in line with its increasing divergence from the Saudis' interests in the last decade, which includes its refusal to join the Saudi-endorsed anti-Asad forces during the Syrian conflict or to send troops to boost Saudi intervention in the proxy war against Iran in Yemen.<sup>46</sup>

Amid increasing pressure on governments across the world to adopt renewable energy sources, India's voluminous energy needs present Saudi Arabia with a committed client in the uncertain oil future.<sup>47</sup> Therefore, Saudi Arabia views India as a broader economic partner for the long term and the relationship between the two countries is evolving towards one of greater interdependence. A major consequence of this is the Saudis' reluctance to antagonize India by taking Pakistan's side on an issue as sensitive as Kashmir.

India's presence at the OIC as the "guest of honor" within a fortnight of the 2019 Pulwama attack, and amid high tensions between Pakistan and India, was confirmation that Saudi Arabia's foreign policy vis-a-vis Pakistan and India had undergone a major transformation. The Kingdom's clear departure from its history of explicit support for Pakistan against India was viewed as a sign of this sea change.<sup>48</sup> Saudi Arabia's public reprimand of Pakistan a year later underlined the Saudis' desire to be viewed as an impartial mediator between the two South Asian nuclear powers which it clearly spelled out in May 2021.<sup>49</sup> In the past, India rigidly maintained that any dispute with Pakistan on Kashmir had to be resolved on a bilateral basis, but it is now gradually acknowledging the constructive role the UAE and Saudi Arabia can play in dealing with Pakistan.<sup>50</sup>

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<sup>45</sup> Giorgio Cafiero, "[Saudi Arabia and Pakistan's Evolving Alliance](#)," *The Center for Security Studies (CSS)*, ETH Zurich, December 4, 2015.

<sup>46</sup> Mateen Haider, "[Pakistan will not send ground troops as part of Saudi-led military alliance: Aziz](#)," *Dawn*, January 12, 2016; Maiteen Haider, "[Syrian crisis: Pakistan against any attempt to topple Bashar al-Assad](#)," *Dawn*, December 24, 2015.

<sup>47</sup> Marvin Lee, "[Saudi Vision 2030: What are Saudi Arabia's Plans for the Future?](#)," *Earth.org*, September 21, 2021; Samer Al-Atrush, David Sheppard, Leslie Hook and Tom Wilson, "[Saudi Arabia 2060 net zero target keeps crude in the picture](#)," *Financial Times*, October 23, 2021.

<sup>48</sup> Rajeswari Pillai Rajagopalan, "[India-Saudi security ties getting stronger](#)," *Observer Research Foundation*, February 19, 2021; Adnan Aamir, "[Saudi Arabia wins back Pakistan](#)," *The Interpreter*, Lowy Institute, June 3, 2021.

<sup>49</sup> Aamir Latif, "[Saudi Arabia ready to mediate between India, Pakistan](#)," *Anadolu Agency*, May 11, 2021.

<sup>50</sup> "[UAE is mediating between India and Pakistan, says senior diplomat](#)," *Reuters*, April 15, 2021; "[MBS tells Indian NSA: Saudi Arabia understands India's approach in Kashmir](#)," *The News International*, October 3, 2019.

## ***Conclusion***

Pakistan's actions vis-à-vis Saudi Arabia over the last three years reveal a determined attempt to persuade the Kingdom to restore its former Pakistan-India policy. First, Pakistan's shift towards the Iran-Turkey-Malaysia block may have been aimed at counterbalancing Saudi Arabia's enhanced relations with India. Second, the Pakistani challenge to Saudi Arabia's dominance over the OIC may have been Pakistan's response to the erosion of its own preferential status over India in relations with the Saudis. But Saudi Arabia's foreign policy realignment towards India is pragmatic and puts the interest of the Kingdom first. The Kingdom's policy towards the Kashmir issue in the last three years is not an isolated aberration but evidence of key changes in the market for Saudi oil, which has shifted from the West to the East. These changes are expected to remain the norm and Pakistan risks expending considerable resources in pursuit of a status quo that can no longer be recovered. Saudi Arabia's pragmatic foreign policy is driven by its prioritization of economic interests over traditionally-held ideological considerations. On previous occasions, Saudi Arabia has simply rolled over debt owed by Pakistan or converted loans into grants. But with Saudi Arabia's increasing financial prudence, premiums such as the \$1.5 billion "gift" given to Pakistan in 2014 could, in fact, become a relic of Saudi-Pakistani relations in the past.<sup>51</sup> Pakistan is facing an acute financial crisis aggravated by soaring debt obligations and the economic downturn of the coronavirus pandemic.<sup>52</sup> In February 2021, Pakistani Foreign Minister Shah Mahmood Qureshi declared a "shift in Pakistan's focus from geopolitics to geoeconomics".<sup>53</sup> In December 2021, Qureshi affirmed, "The economy is in many ways our strategic compass, with a dominant presence as a priority of foreign policy."<sup>54</sup> Correspondingly, there are indications of Pakistan's desire to engage in a deeper economic partnership with the Kingdom. At the Saudi-Pakistani Investment Forum held in October 2021, Pakistani PM Imran Khan sought Saudi investments in urban development and food security sectors.<sup>55</sup> Khan stated, "It is now our earnest desire to transform this relationship into a deep, diverse, and mutually beneficial strategic partnership...We want our trade relations and investment cooperation to be commensurate with excellent political relations."<sup>56</sup>

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<sup>51</sup> "[Dar terms \\$1.5bn donation a 'gift from friends'](#)," *Dawn*, March 15, 2014.

<sup>52</sup> "[Pakistan's unending economic crisis: Imran gov't needs \\$51.6 billion external financing over two year period](#)," *WION*, October 20, 2021.

<sup>53</sup> "Pakistan transformed geo-political priorities into geo-economic priorities: FM," *Radio Pakistan*, February 24, 2021.

<sup>54</sup> "[Pakistan has shifted its focus from geopolitics to geoeconomics: FM Qureshi](#)," *Geo News*, December 14, 2021.

<sup>55</sup> Associated Press of Pakistan, "[PM invites Saudi companies, entrepreneurs to invest in Ravi City, CBD](#)," *Pakistan Today*, October 25, 2021.

<sup>56</sup> "[PM for transforming Saudi ties into strategic partnership](#)," *The News International*, November 1, 2021.



The 2021 reset could be an opportunity for Pakistan to diversify its engagement with the Saudis beyond the established defense cooperation in a manner that fits its close ally's long-term economic interests.<sup>57</sup> Such a reset would situate Saudi-Pakistani relations on firmer ground.

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<sup>57</sup> Huma Yusuf, "[Pak-Saudi relations](#)," *Dawn*, May 17, 2021; Touqir Hussain, "[External dependence](#)", *Dawn*, December 3, 2021.