

Saudi Arabia - IRAN Peace Deal:

→ Introduction:

- Saudi and Iran officials recently agreed to revive the 2016 Saudi-Iran peace deal. China initiated the two-way discussions in Beijing resulted in the Saudi-Iranian normalisation.
- The rivalry between these two countries has long been a source of instability in the region and the potential normalization deal has been a topic of speculation in recent years.

→ What was the conflicts between Iran and Saudi Arabia?

1- Religious differences:

Iran is a pro-dominantly Shiite Muslim country, while Saudi Arabia is predominantly Sunni Muslim. The two sects have different beliefs and practices and this was led to tensions and conflicts between the two countries.

2- Political influence:

Both Iran and Saudi Arabia are major powers in the Middle East and have sought to increase their political influence in the region. This has led to competition and conflicts over issues such as control of oil resources, support for different political factions and proxy wars in countries like Yemen, Syria and Iraq.

3- Ideological difference:

Iran is an Islamic republic with a revolutionary government, while Saudi Arabia is an absolute monarchy with conservative religious values. These ideological differences have contributed to tensions between the two countries.

4- Historical grievances:

Iran and Saudi Arabia have a long history of animosity dating back to the early days of Islam. They have been involved in conflicts and power struggles for centuries.

5. Oil Prices:

Iran and Saudi Arabia are both major oil producers, and their competition for market share has led to disagreements over production levels and prices. This has further strained relations between the two countries, particularly as oil prices has fallen in recent years.

→ About to the Saudi-Iranian Normalisation Deal:

The key outcomes of the Saudi-Iran peace deal are.

- 1- Both countries plan to reopen their embassies in Riyadh and Tehran.
- 2- Both countries will respect the sovereignty of other countries and not get involved in each others business.

For example, Saudi Arabia agreed to rein in Iran International, a satellite news channel. On the other hand Iran has agreed to curb cross-border attacks on Saudi Arabia by Houthi rebels in Yemen.

- 3- Agreed to implement a security cooperation agreement signed in 2001 and a general economic, trade and investment agreement signed in 1998.

Apart from these, both countries will also get together to work out the details of peace deal. China will organise a conference between Iran and the six Gulf monarchies to help maintain peace in the region.

→ Diplomatic Challenges in implementing the Saudi-Iranian Deal:

- 1- Reviving the resolving regional tensions:

There are ongoing rivalries and conflicts in the region particularly between Saudi Arabia and Iran, that requires diplomatic efforts to manage and reduce tensions.

2- Reviving the JCPOA:

The Joint Comprehensive Plan of Action (JCPOA) a nuclear agreement with Iran, needs to be revived and renegotiated to ease sanctions and address concerns about Iran's nuclear program. However, domestic politics in the US and Israel could pose challenges to this process.

3- Engaging with China:

China's growing role in West Asian affairs poses challenges for Indian diplomacy. India needs to engage with China in the region and work together to further mutual and regional interest while also prioritizing the management of its ties with China.

→ Global Implications of Saudi-Iranian Deal:

1- Regional Stability:

The two nations are involved in conflicts in Syria, Yemen and Iraq, among other places. Normalisation could lead to a de-escalation of these conflicts and a reduction in the regional tensions.

2- Global Energy Markets:

Saudi-Arabia and Iran are two of the world's largest oil producing nations and their relationship impacts global energy markets. Any agreement between the two nations could affect the price of oil and gas globally.

3- Religious Divide:

The Sunni-Shia divide has been a source of tension between Saudi-Arabia and Iran and it has fueled conflicts in the region. The Saudi-Iran peace deal could help ease this divide and reduce religious tensions.

4- Geopolitical balance:

Saudi Arabia and Iran are two of the most influential countries in the middle east and their normalization could shift the balance of power in the region.

5- China "quasi-mediation diplomacy":

China has signed a shift in its approach towards the middle east. It is moving away from hard security concerns towards "quasi-mediation diplomacy". The strategy aims to promote China's commercial, diplomatic and political interests. The recent Saudi-Iran accord is the first manifestation of this approach, reducing regional tensions and paving the way for further dialogue.

→ Implications for Pakistan:

- Iran and Saudi Arabia attempt to resolve their issues through negotiations. Improved regional peace and stability may increase Pakistan's commercial and economic engagement potential with middle east and Central Asia.
- Pakistan can use this opportunity to seek crucial investments from both countries to ensure the China-Pakistan Economic Corridor's success. Saudi Arabia and Iran are participants in the BRI.
- This normalization would bring both parties to resolve issues through negotiations, which could help reduce sectarianism and extremist groups influence outside their borders through proxies.

→ Investing in Pakistan:

Iran has vast resources of tapped natural gas and energy resources that could help Pakistan's gas and electricity transmission systems to overcome the burgeoning energy crises.

Similarly, it would benefit Pakistan to attract investments from Saudi-Arabia to develop its oil and gas sector — particularly in exploration and production — which could help reduce the country's reliance on imported oil, shoring up foreign exchange reserves.

→ Support multilateral forums:

Pakistan and India are members of the Shanghai Cooperation Organization (SCO); Iran recently joined, and Saudi-Arabia has agreed to participate as a dialogue partner.

Increased collaboration between Iran and Saudi-Arabia within the SCO could create an opportunity for Pakistan and India to engage in constructive dialogue.

For instance, in a recent positive development, Pakistan's foreign minister agreed to attend the May 2023 SCO foreign ministers meeting in India.
