

Current Affairs - 3

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KSA-IRAN REAPPROCHMENT AND IMPLICATIONS
ON PAKISTAN

INTRODUCTION:

Iran and Saudi Arabia have been major rivals in the Middle East, announced in March 2023, that they intend to resume their diplomatic ties and reopen their respective embassies after the hiatus of 7 years. This historic breakthrough was achieved after the talks in Beijing superheaded by China. As a part of the agreement, Iran and KSA had reopened their respective embassies in June 2023. Diplomatic ties between Iran and Saudi Arabia were severed in 2016 after the Saudi execution of Shia cleric Nimr Al-Nimr, which sparked anger and protests in Iran. This recent development is seen as a positive step towards resolving long-standing tensions and conflicts in Middle East. The normalization of ties between Tehran and Riyadh presents implications and opportunities for Pakistan as Iran's neighbour, Saudi Arabia's partner and China's key ally. The animosity between kingdom of Saudi Arabia and Iran has had serious implications for Pakistan which tried its best to be neutral in middle east.

BENEFITS FOR EACH COUNTRY FROM RAPPROCHMENT

The normalization of ties between Saudi Arabia and Iran brokered by China has far reaching ^{benefits} ~~impacts~~ for all the three states.

1. Iran:-

Through this rapprochement, Iran will be able to play constructive role in middle east, it will also ease pressure on Iran from West ~~do~~ recently built up due to ~~Mo~~ Masha Amini's case, causing Riyal (currency of Iran) to lose half its value in international market. Furthermore, Iran's 30% of total international trade is with China. Hence, Iran will benefit from normalization of diplomatic ties with Riyadh.

2- Kingdom of Saudi Arabia

The restoration of diplomatic ties with Iran will help Saudi Arabia to reduce its reliance on United States for military assistance. It will also help Riyadh to diversify and reform its economy as the risk of confrontation will be reduced and major chunk of budget will be spent on other areas except military. This rapprochement will help to ease tensions in middle east and will attract trade and foreign direct investment in the region.

3- China:

As China is the key contributor to normalize the ties between Saudi Arabia and Iran, it will help in growing influence of China in middle east. Furthermore, stability in Persian Gulf will ensure free flow of oil imports from there. China will emerge as peacebuilder in the world. The economic agreements between China and oil importing and oil exporting countries in yuan will have far reaching impacts on the great power game of the world.

IMPLICATIONS OF DEAL ON CONFLICTS IN MIDDLE EAST

The animosity between Iran and Saudi Arabia has led to devastating wars in Yemen and Syria and instability in Lebanon and Iraq. Several Gulf States have concerns about direct threats from Iranian proxies. According to Crisis Group Analysts based in Middle East, the Saudi-Iran agreement will reduce the intensity of regional competition and may help redirect political energy to the core internal conflicts, the prospects of swift solution is slim. The rapprochement may lessen Gulf States security concerns, but it does not diminish the risk of a crisis triggered by Iran's rapidly advancing nuclear program and the threat it poses.

The agreement aims to reduce regional competition and redirect political energy towards stability and prosperity. It could contribute to ~~reduce~~ manage or resolve conflicts in Yemen, Syria, Lebanon and Iraq, and may lead to security dialogue among Gulf Arab States, Iran and Iraq. The agreement may speed up normalization of relations between Syrian regime and some other Arab countries. The conflicts in Yemen could be impacted by the deal with both Houthis and government sources expressing cautious approval and hope for change in destructive policies. The deal's success will depend on whether both sides keep interfering in the domestic politics of the countries across the region. The degree to which the agreement will lead to geopolitical shift in the region remains uncertain.

IMPACTS OF DEAL ON PAKISTAN

Pakistan have cordial relation with all the three countries: Iran, Saudi Arabia and China with diplomatic ties being restored, Pakistan can now maintain balanced diplomatic ties with both states i.e. Saudi Arabia and Iran - a much cherished moment. The agreement is a significant development for Pakistan which has welcomed the deal as a positive step towards regional peace and ~~Sta~~ stability. Pakistan has a vested interest in maintaining friendly relations with both Iran and Saudi Arabia. In past, these relationships have been

impacted by cross-border crime and terrorism and a balanced approach towards both countries is crucial for addressing such conflicts. The impact of The agreement on Pakistan is as following-

1. Pursue neutral foreign policy in Middle East:

Pakistan will no longer be pushed to walk a tightrope in Middle East. In The past Pakistan has tried its best to strike balance by not sending its troops in Yemen and not partaking in Kuala Lumpur Summit, 2019. Pakistan has an opportunity to pursue neutral foreign policy and Islamabad is in better position to strengthen relations with both countries and engage new partners in Middle East. Pakistan's friendly relations with Saudi Arabia could result in economic and political support, particularly on issues such as Kashmir. Meanwhile closer ties with Iran would be essential for improving regional security.

2. More Geo-economic cushion to Pakistan:

The agreement between Saudi Arabia and Iran will provide more geo-economic cushion to Pakistan due to China inroads in Iran, Saudi Arabia and other parts of Middle East. In CPEC, Pakistan gives the easiest route to Indian Ocean and West Asia - centrality of CPEC in Belt Road Initiative (BRI) - It will help in new economic opportunities for trade and energy ties due to BRI and help Iran and Pakistan to take advantage of their ports Gawadar and Chabahar (separated only by 72 km). Moreover, Saudi is a significant economic ally of Pakistan with large Pakistani diaspora working in the kingdom, which is a significant source of remittances.

3. End to Sectarian violence in Pakistan

Pakistan has been plagued by sectarian violence for decades, with Shia-Sunni tensions being exploited by extremist groups to fuel conflict and create instability. This situation has been exacerbated by regional rivalry between Saudi Arabia and Iran, as both countries have sought to exert influence in Pakistan and use sectarianism as a tool to further their geopolitical interests. Therefore the normalization of ties between Riyadh and Tehran could have a positive impact on Pakistan as it may

help to defuse sectarian tensions and reduce the influence of extremist groups.

4- Stability of Persian Gulf and Oil Imports

Pakistan can't not afford instability in Persian Gulf due to its dependence on oil imports from Middle East for energy needs. Furthermore Strait of Hormuz between Persian Gulf and Gulf of Oman is important for Pakistan as LNG passes through it. Through the agreement, a peaceful Persian Gulf is expected which is necessary for Pakistan which is going through the worst economic crisis.

~~Pakistan~~

CONCLUSION:

The restoration of diplomatic ties between Saudi Arabia and Tehran brokered by China has far reaching benefits for these three states and is important to maintain peace and stability in middle east. Also, Pakistan which has been a major contributor in bridging gaps between countries in the middle east also had far reaching implications. These ties will help to in bringing stability in the region and make China a powerful actor in Middle East, it will also help Pakistan to further its economic ties and strengthen relations with countries in the region.

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A DECADE OF CPEC: SUCCESS AND FAILURES

INTRODUCTION

The China-Pakistan Economic Corridor (CPEC) stands as a symbol of the deep-rooted and unwavering friendship between Pakistan and China, initiated in 2013. The year 2023 marked a significant milestone for China-Pakistan Economic Corridor (CPEC) as it celebrates its 10th Anniversary since its inception. As a flagship pre-project of China's Belt and Road Initiative (BRI), the CPEC has emerged as a transformative force, reshaping Pakistan's economic landscape and strengthening bilateral ties between China and Pakistan. Over the past decade, the corridor has witnessed several major achievements including the development of Gwadar Port City, energy projects, transportation infrastructure and industrial cooperation. It has also paved the way for enhanced people-to-people exchanges, fostering cultural understandings and diplomatic cooperation between the two nations. However it has also faced some shortcomings along the process.

TARGETS OF CPEC UNDER BRI:

The targets of CPEC under Belt Road Initiative include infrastructure development, economic

growth and industrialization and regional connectivity - ~~in~~ in four phases.

1- Infrastructure Development:

CPEC aimed to transform Pakistan's infrastructure by constructing modern transportation networks, including highways, railways, ports and airports. The goal was to enhance regional connectivity and enhance/facilitate trade and economic growth.

2- Energy Security.

Addressing energy crisis of Pakistan was a core objective of CPEC. The corridor aimed to develop various energy projects including coal, hydro, solar and wind power plants to boost the country's energy capacity and reduce its dependence on costly energy imports.

3- Economic Growth and Industrialization

CPEC aimed to stimulate Pakistan's economic growth by attracting foreign direct investment from China. The investment was expected to create job opportunities, spur industrialization and improve living standards for the Pakistani people.

4- Regional Connectivity.

As a part of BRI, CPEC envisioned fostering regional connectivity by creating a network of roads, railways and pipelines linking

China to The Arabian Sea through Gwadar Port. This connectivity aimed to benefit China, Pakistan and landlocked Central Asian countries.

These objectives were to be achieved in four phases. First phase, Early Harvest (2015-2018) with most of projects related to energy sector. The second phase, short-term projects upto 2020 with including roads, gwadar development, hydal and power projects. Third phase include medium projects upto 2025, targeting railways and industrial zones. The last phase includes long-term projects upto 2030 with grant projects like mines and minerals, gas sectors, transportation, tourism etc.

ACHIEVEMENTS OF CPEC SINCE LAUNCH

Since its launch The CPEC under Belt and Road Initiative have achieved success in energy sector, transport infrastructure, regional connectivity and development of Gwadar.

1. Energy Sector:-

In the energy sector, both Governments envisaged overcoming the critical issue of energy under CPEC, with multiple projects of 17,045MW (FDI of \$33 billion). As of now 13 power generation projects with a total installed capacity of 8,020 MW and one ~~HVDC~~ HVDC transmission line with evacuation capacity of 4000 MW have achieved their commercial

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operation- One energy project 884MW Sukki-kinari project is expected to be completed by July 2024. In addition, 700.7MW Azad Paltan Hydro Power Projects, 1124MW Kohala and 300MW Gwadar Coal Power Project are in the pipeline-

2- Transport Infrastructure sector:-

In transport infrastructure sector, CPEC effectively helped Pakistan improve the major transport networks from north to south and laid the foundation for resilient infrastructure including ports, airports, roads and railway lines. In the early harvest projects of CPEC, six mega infrastructure projects were completed; Havelian Thakot section of KKH, Multan-Sukkur Motorway etc.