

Question: 03

KSA-Iran rapprochement would have far reaching positive implications on the conflicts in the Middle East but would also have far-reaching impacts on Pakistan.

INTRODUCTION

The Chinese-brokered diplomatic deal between the two major Middle East powers, Iran and Saudi Arabia has breathed new life into the hopes for the resolution of regional conflicts, to establish peace in Middle East. Despite years of hatred, both states are willing to engage in talks and find common ground. Normalization between Iran and Saudi Arabia has a ripple effect across the region, paving the way for similar rapprochement between Tehran and other estranged Arab countries. This deal would bring the security and economic benefits in Middle East. On the other hand, it has also impacted the Pakistan, a key player in the region. Before this normalisation deal, balancing between Tehran and Riyadh has been a delicate

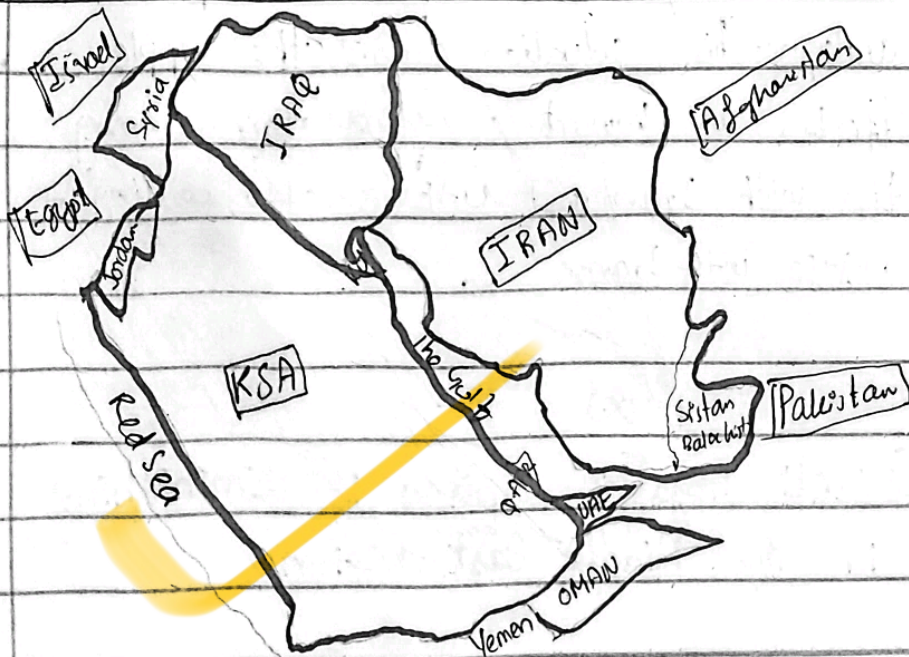
diplomatic task. However, now Pakistan can gain benefits from the both oil rich countries to boost economy. It can also facilitate Pakistan to resolve the issue of Kashmir at international level - with the help of Muslim Unity. The Iran and Pakistan are neighbours also, so this deal would help to multiply the advantages related to economy; CPEC.

"There is nothing in the world so good as good neighbours."

Historicizing the fragile relation of KSA and Iran

KSA and Iran both are Muslim countries but KSA is 'sunni' majority and Iran is 'shia' majority. This sectarian division has always been the top reason of conflicts. Historically, Iran and Saudi Arabia had a complex relationship, they have often found on opposite sides of regional conflicts. For example in Syria, Iran supported the

: government of Bashar al-Assad and KSA backed the opposition fighting groups. Tensions between KSA and Iran have been fueled by various factors, like pro-USA policy of KSA, regional competition, religious ideology and geopolitical rivalries. These tensions have had significant implications for the broader Middle East region. However, in March 2023, after discussions brokered by China, Iran and Saudi Arabia agreed to reestablish relations.



SAUDI ARABIA AND IRAN ; A regional neighbour' overview

All these neighbours are immediate beneficiaries of this peace deal.

Iran-Saudi Arabia rapprochement: a smooth restart of positive implications in Middle East

(1)

Normalization between Tehran and Riyadh;
ripple effect across the region

The peace agreement is primed to restore relations, and the recent developments including opening of embassies, issuance of invitations and diplomatic dialogue. This situation caused the ripple effects, as Kuwait is also normalising ties with Iran and UAE is also willing to engage with Iran.

(2)

Israeli negative shadow is diminishing
in the Middle East Region

Israel considers the rapprochement as the potential barrier in the formulation of anti-Iran alliance. But as this deal has been finalized, the Israel's dreams to continue Abraham Accord diminished.

②

(3)

Massive trade potential as both are oil rich countries

Iran and Saudi Arabia, the two great oil producing rivals of the Middle East, have agreed to restore ties and reopen their embassies seven years. The normalisation of these relations started when Iran finance minister visited Saudi Arabia, where he participated in the annual summit of the Islamic Developmental Bank.

(4)

The Proxy conflicts decreased due to normalisation

Iran and KSA both had proxy wars in the middle east region, also named as New Middle Eastern Cold war. They both supports the opposite parties, as Iran supported Bashar ul-Assad in Syria, and KSA supports the opposite, but now these proxies will lower down.

(5)

Diplomatic Relations re-established to foster peace in Middle East

The relations have been established between

Iran and KSA, and it brings the peace in Middle East. The diplomatic ties have moved geopolitics conditions to the geoeconomics.

(6)

Security cooperation improved between both countries as both wants to decrease the west influence.

After the Saudi-USA strained relationship, the mistrust between them has diminished. The petro-dollar deal is now weakening, and KSA wants diversification, and for that he needs new players, and China is a good option. On the other hand, Iran sanctioned by USA, already has tense relation so they both can cope this west influence.

(7)

Economic stability through regional communication; Chahbar port a major point in BRI.

The major economic corridor to strengthen the world economies, BRI formulated and Iran's port is its major choke point. Economy can bring balance and prosperity in Middle East.

(8)

The 'two-nation solution' related to the Palestine issue would be established in International community

The long-decade conflict of Palestine is there, and now Hamas invasion has aggravated the turmoil. There is a dire need of solution, to save those innocent lives, and it can be done by Muslim Unity; Iran-KSA deal can play its role.

The smooth relations of KSA and Iran have far-reaching impacts on Pakistan as

(a)

The border security concerns should be tackled bilaterally with neighbour country Iran.

Pakistan and Iran shares border but the militant groups are causing the disturbances. Both countries can resolve this issue but putting efforts collectively to secure border, and strengthen ties.

(b)

Pakistan can easily maintain the fraternal relations with Muslim countries; article 40 of constitution

According to article 40 of constitution, it is important for Pakistan to remain good relations with all Muslim nations. As the KSA and Iran comes closer, it is good for Pakistan, to reciprocate in same way. This will strengthen their ties and economic and regional stability.

(c)

The concerns of deterioration of relations with Iran ^{as closing to KSA} would be diminished

Pakistan is a 'sunni' majority country, likewise is Saudi Arabia. But almost 20% or 25% population is Shia Muslim, but as in the case of KSA, Pakistan shares strong, cordial relations with them from the very start due to their historical perspective. As for now, the Iran and Saudi Arabia are moving towards normalisation, it is now easy to maintain ties with both, without any delicate balance of democracy.

(3)

(d)

Reducing tensions between KSA and Iran creates a unique opportunity for Pakistan to rally the Muslim world in support of Kashmir cause

"Kashmir conflict" is an international conflict, but now it has become a challenge for Pakistan. The majority of population is Muslim in Kashmir, and it is their right to decide their destiny. However, the world is silent, due to India's growing economy and stability. So, Muslim world can collectively raise their voice to resolve this.

(e)

The economic stability would be increased with projects like CPEC, BRI and Iran-Pakistan Gas Pipeline Project

The flailing economy of the Pakistan needs the projects to strengthen their economy. Many projects are in processing but after the normalisation of the relations the Iran-Pakistan gas pipeline would be majorly important.

(f)

Normalization would facilitate the stabilization of crude oil prices, immensely benefited Pakistan's energy sector

As Pakistan's energy sector is dependant on fossil fuels, the supply chain can get benefits after the normalisation of the USA-Iran relations.

The positive impacts are notable, but there are few challenges which strained the ties of Pakistan and Iran

(a)

Pakistan's inclination towards USA can harm the sentiments of Iran's government as Iran has been sanctioned and isolated by USA

Iran has been sanctioned and isolated by USA, so the Pakistan's relations can harm, and it can affect their relationship and stability.

(b)

The nuclear enrichment of Uranium by 83% by Iran is also an alarming for security of region

The 83% of the nuclear enrichment means that more than threshold, it means that Iran is nearly to become the next nuclear state. This concept can change the narrative of their relationship in terms of immediate neighbor, security.

(c)

Chahbar port and Gwadar port are considered as competitive to each other

The economic stability is dependant upon the timely completion of the CPEC projects, but as Iran's Chahbar port is now competing the Gwadar port, making the situation complex.

(d)

The hideouts of militants groups of BLA or Jaish ul-Adl in border areas of Iran and Pakistan are causing regional instability

The recent escalation between Iran and

Pakistan in very start of 2024, after the normalisation of Iran-USA reflects the thought, that there is something else at ground level; the militancy. This can worsen the situation of stability and it should be tackled bilaterally.

Conclusion

The normalisation of the diplomatic relations of two arch-rivals in Middle East is surprising, yet it is important to bring peace in Middle East. The stability, economic strengthening and new prosperous future of Middle East is dependent on this normalisation. Moreover, improved Saudi-Iranian ties could have significant benefits for Pakistan. However, there are substantial challenges that need to be addressed in order to stabilise the Saudi-Iranian and Pakistan-Iran relationship. By doing so, Pakistan can help to create a more stable and prosperous region, while also protecting its own interests and security.

(4)

Question #01

China and Pakistan are celebrating the decade of CPEC. Critical evaluation of success and failures of the project.

Introduction

Pakistan and China's collaboration in the project 'CPEC' China-Pakistan economic corridor matures to decade-long affable cooperation between them. It was almost ten years back when China signed a multi-billion-dollar CPEC Framework Agreement with Pakistan under its remarkable Belt and Road Initiative (BRI) that remained central to Pakistan's economic growth and greater regional connectivity. The success of CPEC can be seen in several areas. It helped to improve Pakistan's infrastructure, creating new roads and bridges that enhance connectivity, also boosted trade and investments in special economic zones. However, there ^{are} also some challenges and criticisms surrounding CPEC like debt burden, regional imbalances and environmental impacts which led to its failures in few areas. Overall, the success and failure of CPEC are still

being evaluated as the project continues to unfold. It is a complex and multifaceted initiative that will have long-term implications for both China and Pakistan.

"China and Pakistan have built a model of economic cooperation for the world to learn from."

Xi Jinping

CPEC and the Sino-Pak Relationship

Pakistan and China are termed as all-weather friends or iron-friendship. The successful friendship is now creating success in context of CPEC and BRI. CPEC, short for the China-Pakistan Economic Corridor, has played a significant role in strengthening the relationship between Pakistan and China. This partnership has deep historical and strategical roots, and CPEC has further solidified their ties. China invested in many important energy sectors, infrastructure and highways to boost the economy of Pakistan and to strengthen relations.

Major projects related to CPEC

Energy Projects

- Sahiwal Coal Project (1320MW)
- Karot Hydropower power (720MW)
- Quid-e-Azam Solar Park (1000MW)

Economic Zones

- Gwadar Port Free Zone
- Ras hakai Special Economic zone
- Allama Iqbal Industrial city

Highways and infrastructure

- Karakoram Highway
- Lahore-Multan Motorway (230 km)
- Sukkur-Multan Motorway (392 km)

These are just a few examples of the significant projects under CPEC. They play a vital role in boosting energy production, facilitating economic growth, and improving transportation infrastructure in Pakistan. The relationship between Pakistan and China is like a bond that is unbreakable and now CPEC is making it more resilient. This project has successes as well as failures.

Success related to the CPEC in context of Pakistan

(a)

CPEC is basically an economic perspective but it enhanced the strategic partnership.

The strategic location of Pakistan is important but also made it vulnerable.

The China-emerging power and Pakistan's friendship is strengthening by CPEC, and this economic corridor is also improving the security and stability conditions especially to counter India.

(b)

Enormous economic benefits on the soil of Pakistan with CPEC

The multidollar project is continuously enhancing the economic perks in the South Asian region. The infrastructure, special economic zones (SEZs), energy projects all are working to shape the developed economy. Also provides job opportunities, foreign investment in the country to boost economy.

6

(c)

CPEC has opened up new avenues for trade between Pakistan and China

The China wants to increase the connectivity on the globe but CPEC is its flagship project, and it increases the trade among countries. During the last 26 years the exports of Pakistan to China have increased at an annualized rate of 1.1%, from \$21.5M in 1995 to \$3.25B in 2021. So, CPEC is strengthening the trend of trade between China and Pakistan.

(d)

CPEC has addressed Pakistan's energy crisis by supporting the development of various energy projects

According to the statistics of the Pakistan Economic Survey 2019-2020, Pakistan acquired the installed capacity of 35,972 MW in 2020. In the same year, Pakistan's consumption capacity stood around 25,000 MW. Previously, the structural problems of power sector has been addressed under CPEC and it is addressing the Pakistan energy issues.

(e)

The regional connectivity has enhanced as CPEC is a flagship project of BRI

Pakistan is in heart of South Asia, and its location value has been enhanced by CPEC. Pakistan is the gateway between Central Asia and South Asia. The CARs, Middle East and South Asia are now connecting under the flag of BRI.

Failures of the CPEC; challenges and criticisms on this project

(a)

Debt burden; major concern for the Pakistan

The energy sector remains mired in huge losses and massive circular debt issue. During the FY 2020-2021, Pakistan's energy sector recorded all time circular debt of 498 billion. CPEC has done little addressing the issue of circular debt in the power sector.

(b)

CPEC led to the regional imbalance in SOUTH ASIA

The economic turbulence in South Asia has aggravated

as US wants to contain China, and that is why supporting India, they have formulated project B3W, IMEF, IMEC and many other projects to contain BRI. This led to regional imbalance and also affects the BRI.

(c)

The tense relation aggravating between IMF and Pakistan

IMF is not lending money to Pakistan as the pro-west IMF assumed that Pakistan would pay back the loan of Chinese country. This situation is impacting severely the economy of Pakistan, and indirectly impacting the CPEC projects completion.

(d)

Security challenges are increasing in Balochistan led to delay in projects completion

The CPEC not only brought economic opportunity but also the bad era of militancy. These security challenges are creating setback while the completion of these projects.

(e)

The construction of infrastructure projects under CPEC has raised concerns about environmental impacts

Although the CPEC is bringing prosperity but at the cost of climate crisis. The analysts are concerning over the high consumption of energy in the projects that have done under CPEC. Energy consumption will increase 41% by 2030. Commercial and industrial consumption will increase 41% and 136%, respectively.

Critical Analysis

CPEC is an essential constituent of BRI. The main agenda of China is to develop its western part by the utilisation of its surplus capacity of construction companies, engineering industries and many other industries. It is true that it benefits Pakistan, but another is imperialism. This friendship of China-Pak is fine, but national interest is always top priority. The case of Sri Lanka is in front of the world. The policy maker should always make policies to get benefit from this project, rather than indulge in the debt crisis.