**Rekindling relations**

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After closed-door negotiations from March 6 to March 10 in Beijing, China, a joint trilateral statement by China, Saudi Arabia and Iran announced the rekindling of good neighbourly relations between Saudi Arabia and Iran.

The agreement has stated Riyadh and Tehran’s desire to resolve disagreements through dialogue and diplomacy, resuming diplomatic relations and reopening embassies within two months and adhering to the principle of the UN Charter of non-interference in internal matters of the state.

The two countries have agreed on a follow-up meeting to designate ambassadors and discuss enhancing bilateral relations. They have also identified roadmaps and timelines to rebuild their tattered relationship. And have settled on reimplementing the Security Cooperation Agreement of 2001 and the General Agreement for Cooperation in Fields of Economy, Trade, Investment, Technology, Science, Culture, Sports and Youth 1998. They have also pledged to enhance regional and international peace and stability. This development is a turning of a new page in their bilateral relations.

Relations between Saudi Arabia and Iran became tense during the 1979 Iranian Revolution. Links were further degraded due to a series of events that amplified the ideological fissure between the two countries, such as the 2003 overthrow of Saddam Hussein, a Sunni Arab leader; the rise of proxies due to the Arab Spring in 2011 and alleged Iranian support for the rebel group Houthis in Yemen, the Hezbollah in Lebanon and President Bashar al-Assad of Syria.

Relations between the two countries soured to the point of slacking diplomatic ties in 2016 due to several violent attacks on the Saudi embassy in Tehran. The Saudis expelled Iranian diplomats and asked them to close the embassy within 48 hours. This was as a watershed moment that further invigorated ideological and regional tensions.

The recent agreement between Saudi Arabia and Iran aims to reduce decades of high distrust and tensions. Restoring ties could become a bedrock to ease support and funding for violence in the region. It could be a way for the Saudi government to end the conflict in Yemen and for Iran to dial down the backing of militant groups.

China has claimed to have no selfish interest in the rapprochement. This highlights the fact that China intends to refrain from developing a regional security or political footprint. However, China will partner with and support development and peace in the Middle East. This shows that the Chinese strategy has a somewhat divergent (from the US) tactic of scaling its imprint in the Middle East.

China wants sufficient peace to expand its economic corridor in the region, including building roads, ports, bridges and tunnels. Iran and Saudi Arabia are members of the Asian Infrastructure Investment Bank (AIIB), which aims to enhance infrastructure.

Beijing sees its expansion plans as a possibility only if violent clashes in the region were blanketed by peaceful relations between the region’s two major powers: Saudi Arabia and Iran. The agreement will support China’s aims to connect the new Silk Road, which starts from China to the Central Asian States, passes through Iran and leads to Europe. The Maritime Silk Route, passing through the Persian Gulf, also needs to ensure the security and stability of the region. The deal will serve the economic and development interests of China and the region.

Beijing is invested in having uninterrupted routes and capital to import energy from the Middle East. Iran and China have signed a ‘comprehensive strategic partnership’ to improve investment and cooperation in fossil fuel, renewable energy and security of energy supply and demand, including transportation security to China.

The restoration of ties will assist the isolated and sanctioned Iran reintegrate into the energy market. This will also be a significant effort to revive the Iranian economy and its currency that sunk to a new low of 600,000 against the dollar at the end of February 2023. But following the agreement, the Iranian currency stood at 500,000 against the dollar.

Similarly, Riyadh’s energy sector will become a critical subject. Saudi Arabia is also a top supplier of crude oil to China and the two countries are working towards purchasing oil in Yuan. The matter was discussed at the Gulf Summit in Riyadh in December 2022. China’s efforts in restoring peace in the region will further improve energy relations between the countries.

Political observers in the US see the agreement and China’s role as a mediator as a failure of the Biden Administration’s foreign policy for leaving a vacuum and pushing Saudi Arabia towards into China. However, the presence and influence of the US in the Middle East cannot be disregarded despite the presence of a rising China in the region. Although the US does not consider China’s role harmful to Saudi-US relations, it must be cautious about abandoning its presence in the Middle East.

The two powers – China and the US – will play side by side in the Middle East. And significant events like this one might overshadow one over the other. Riyadh will continue to balance its relations with the US and China to diversify its strategic and economic options. In contrast, Iran will be inclined towards the China-Russia camp rather than the US’s due to pressures on its nuclear ambitions.

Pakistan has welcomed the normalizing of relations between Saudi Arabia and Iran. The country must continue building its economic, security, health, technology, sports and people-to-people ties with both countries. It must also strengthen bilateral relations with Saudi Arabia as it enjoys substantial influence over the Gulf States and the OIC.

Peace development will reduce sectarian tensions in the region, which have a domino effect on Pakistan’s national security. To benefit from the energy supply, Islamabad could offer the Gwadar Port as a route for energy transport. The development gives hope for building strong brotherly relations among powerful Muslim countries, such as Turkey, Saudi Arabia, Pakistan and Iran. Pakistan must continue to advocate for developing solid multilateral relations within the region, as this agenda will embolden nations and bring peace and stability.

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