[Saudi Arabia and Pakistan at Economic Cross Roads](https://nation.com.pk/21-Feb-2019/saudi-arabia-and-pakistan-at-economic-cross-roads" \t "_new)

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The recent two day visit of the Saudi Crown Prince Mohammad Bin Salman from 17-18 February 2019 ushered Pakistan-Saudi Relations into a new era. The combination of two factors deserves attention to this end. Firstly, Pakistan’s leadership particularly new government under Prime Minister Imran Khan shares a common goal with the Saudi leadership under Crown Prince Mohammad Bin Salman to introduce a body of reforms in their respective countries. These reforms include a drive against corruption, and introduction of various structural changes in their respective economies to make them adaptable to the changing global economic dynamics. Secondly, Crown Prince MBS is on a trans-regional marathon to diversify Saudi Arabia’s investments in Pakistan, India, China, Malaysia and Indonesia. This move signifies KSA’s interest to forge economic interdependence and integration with emerging global economies across the world that are likely to sustain lucrative dividends and returns on Saudi investments.

KSA and Pakistan signed several MoUs with investments worth $21 billion across different areas. The huge sum of investments and a reference made by Crown Prince MBS before departing from Pakistan suggests that KSA sees the economic landscape in the next decade changing with emerging economies like China, India and Pakistan. KSA’s ongoing investments in Pakistan, China and India also suggest that alike Pakistan and China KSA has also entered the club of binding regions in economic development. Similarly, in response to consideration of the plight of languishing prisoners by PM Imran Khan, Crown Prince Mohammad Bin Salman assured him as being Pakistan’s ambassador in Riyadh. To this end, the subsequent announcement of release of 2,107 Pakistani prisoners was received with much fanfare in Pakistan. On the second day of this unprecedented trip Crown Prince MBS was conferred with the highest state civil award Nishan-e-Pakistan.

The magnitude of investments made by Saudis in areas of power, mining, energy and agriculture, suggest that Saudi Arabia will become a key and crucial partner in Pakistan’s economic and political stability. These investments will also create incentive and serve as a confidence-boosting catalyst to foreign investors and major economic powers to capitalize the investment opportunities offered by a multi-resource rich country such as Pakistan. The country’s young, skilled human resource along with promising potential in energy, and mineral resources suggest that the country’s economy can serve productive ends in manufacturing, services, value-added chain and global knowledge economy. Moreover, the scale of the investments by Saudis suggest that the mantra and vision of regional and trans-regional economic integration with shared common economic interest is gaining traction and winning new members.

The visit of Saudi Crown Prince MBS also came at a time when Indian political leadership promised to isolate Pakistan in the wake of the Pulwama attack. After the visit of the Saudi Crown Prince, Prime Minister Imran Khan also reached out to India to share credible and actionable intelligence for acting against any groups involved in Pulwama attacks. However, he also warned that any misadventure will be met with a swift retaliation by Pakistan. Similarly, the singing of different Memoranda of Understandings in different economic avenues underscore that there are more buyers of creating economic dependence and integration with Pakistan than trading it with Pakistan’s ‘complete isolation’ in comity of nations.

Pakistan’s political leadership has also begun to introduce necessary structural reforms in its economy and has also liberalised its visa regime in order to make it more competitive with emerging and business friendly economies across the world. Pakistan’s Foreign Ministry is best set to tap the evolving dynamics in Pakistan. It can now capitalise on this major stimulus injected courtesy of Saudi investments by mobilising its economic diplomacy in attracting foreign investments in Pakistan. This new phase of economic investments in the country also creates incentives for Pakistan to fast track the reforms, particularly in ease of doing business in Pakistan and providing opportunities for local corporations to enter in consortium with foreign investors. Similarly, the government needs to reduce costs and taxes for encouraging investments across sectors.

The major takeaway from Crown Prince Mohammed Bin Salman’s state visit is the clear indication of the fact that Pakistan has succeeded in providing secure political and economic space for investments across different sectors. Pakistan is now finally at the cross roads of the world and set to become the melting pot of business interaction, economic development and hub of cultural exchanges where civilisations meet and flourish from Pakistan’s economic potential and cultural experience.