



# Policy Journal of Social Science Review



**From Geopolitics to Geo-Economics: Dynamics,  
Constraints and Potentials in Saudi Arabia-  
Pakistan Relations**

**Muhammad Jahanzaib<sup>1</sup>**

**From Geopolitics to Geo-Economics: Dynamics, Constraints and Potentials  
in Saudi Arabia-Pakistan Relations**

**Muhammad  
Jahanzaib**

PhD in International Relations from International Islamic University, Islamabad, specializing in the interplay of geo-politics and geo-economics in Pakistan's foreign policy. A gold medalist in M.Phil. and M.Sc. International Relations, he has authored several impactful publications, focusing on economic diplomacy, regional cooperation, and the geo-economic dimensions of South Asia and beyond. E-mail: [jahanzaibdgc@gmail.com](mailto:jahanzaibdgc@gmail.com). ORCID: 0009-0007-1711-9357

**Abstract**

This study examines the post-2008 shift from geopolitics to geo-economics in Kingdom of Saudi Arabia (KSA) and Pakistan relations, analyzing its dynamics, constraints and potentials through the lens of neoliberalism. Historically; rooted in religious, cultural and strategic affinities, the bilateral relationship has increasingly prioritized economic interdependence, driven by neoliberal principles of free markets, privatization and global integration. Utilizing qualitative analysis of foreign policy documents, economic agreements and financial indicators, the research highlights key trends i.e. expanding trade volumes, Saudi investments in Pakistan's energy and infrastructure sectors (e.g., Gwadar, Reko Diq mining) and labor migration sustaining vital remittance flows. However, challenges persist, including Pakistan's trade deficit and debt with KSA, geopolitical complexities and balancing neutrality in regional conflicts. The study identifies opportunities for Pakistan in aligning Saudi Vision 2030 with KSA's economic diversification goals, particularly in IT, tourism, trade and agriculture. Findings underscore the interplay of economic and strategic imperatives, revealing that while geo-economic reorientation fosters mutual growth, it also necessitates navigating geopolitical aspects. The paper concludes that sustained optimum cooperation requires - leveraging economic potentials, prioritizing geo-economics, mediating regional disputes and enhancing cultural diplomacy - to uphold the partnership's potential amid evolving global and regional dynamics.

**Keywords:** Pakistan, KSA, Neoliberalism, Geo-Economics, Challenges, Opportunities

## **INTRODUCTION**

Pakistan and Kingdom of Saudi Arabia (KSA) developed harmonious ties over the years since establishment that strengthened their common interests in geo-politics and geo-economics. Pakistan became independent and the diplomatic partnership allowed both states to support each other at United Nations (UN) and Organization of Islamic Conference (OIC). The two countries share healthy collaboration along with defense cooperation as well as economic exchanges between labor markets, and several financial sectors and religion. Pakistan and Saudi Arabia have been part of numerous strategic alliances with economic agreements and security, but post 2008 the tilt and prioritization towards geo-economics has been observed (Jahanzaib & Khan, 2024). Hence, the study poses questions as follows: How has the shift from geopolitics to geo-economics influenced KSA-Pakistan relations post-2008 with its key impacts? How do geopolitics and geo-economics interplay in shaping Pakistan's imperatives, constraints and potentials in its relations with KSA? These pertinent questions will be addressed theoretically and empirically. This research employs neo-liberalism as a method for studying interactions particularly economic (Keohane and Nye, 2011).

A thorough analysis evaluates how neo-liberalism shapes the diplomatic relations of Pakistan and KSA. The principles of free market economics, privatization and minimal state involvement designed contemporary economic development strategies as well as foreign interactions for these countries. The implementation of neoliberal reforms allowed both countries to form friendly economic relations while opening up their trade through foreign investment brought by capital inflows (Jahanzaib, 2024). The economic exchanges built strong relations between countries while ensuring foreign investments lead to increased stability. These countries pursued foreign policies based on neo-liberal principles and they aim to expand their soft power both nationally and internationally through financial strategies and diplomatic alliances. Economic partnerships based on neo-liberalism principles serve as diplomatic tools for establishing relationships that boost economic trade and political connections in the region (Ahmed, 2023).

The study examined Pakistan-KSA diplomatic relations by analyzing both their neo-liberal economic models along with their geopolitical relations. The study aimed to research the influence of geo-economics prioritization on trade and investment leading to better partnership. This study also intended to discover the potential benefits and difficulties inherent in their partnership structure. This investigation evaluated Pakistan-KSA diplomatic relations in the light of neo-liberalism to demonstrate its impact on both economic partnerships and diplomatic relations. (Sheikh, 2024).

## **LITERATURE REVIEW**

Global diplomacy sees geo-economics emergence as a primary trend which is perfectly demonstrated through the KSA-Pakistan relations. The document evaluates how political and economic shifts modify the intergovernmental relationship between Saudi Arabia and Pakistan. A long-standing friendship between KSA and Pakistan exists because they share religious heritage and traditional culture and their mutual historical connections (Consulate of Pakistan in

Jeddah, n.d.). Both countries established peaceful diplomatic ties since Pakistan's founding year of 1947 when KSA became one of the first nations to extend recognition (Embassy of Pakistan in Saudi Arabia, n.d.).

Pakistan transforms its focus from geopolitics to geo-economics because of global trends towards integration and economic diplomacy along with globalization contours. The government of Pakistan has started to direct its foreign policy by prioritizing economic deals based on trade, and investment support and business alliances (Jahanzaib & Khan, 2024). Economic diplomacy has been seen as a dominant feature of foreign policy and through the China-Pakistan Economic Corridor (CPEC), Pakistan experiences a geo-economic evolution which is reflected in all its strategic alliances most notably its Saudi Arabian relations (Jahanzaib & Ahmed, 2024).

Saudi Arabia contributes to Pakistan's development by employing geo-economic principles to invest in both sector infrastructure and energy. The diplomatic interests between Saudi Arabia and Pakistan constantly strengthen because both governments want to enhance regional business connections and expand commercial exchange (Shaikh, 2024). Geo-economic constraints together with geopolitical limitations restrict its complete accomplishment. As per subsequent research, Pakistan's geo-economic transition requires the reasonable combination of economic development initiatives and geo-political improvements to reach maximum strategic alliance potential. The strength of Pakistan's economic diplomacy continues to improve (Jahanzaib, 2025) yet the cost and benefit ratio has to be improved for better economic gains (Gul, Asghar, & Khalid, 2021).

Both countries implement economic diversification strategies that influence their geo-economic foreign relations according to academic literature. The economic vision of Saudi Arabia for 2030 focuses on lowering oil dependence while building international investment capacity (Nawaz, Mohsin, & Naeem, 2024). Pakistan works to gain its geostrategic advantages and its position in regional market partnership through which it aims to attract Saudi investment (Ahmed, 2023).

The transformation from geo-political to geo-economic relations between Pakistan and KSA is clearly evinced but deeper investigation is required to understand both countries' functional dynamics, impacts, limitations alongside relationship enhancement potential.

### **THEORETICAL FRAMEWORK**

An examination with the lens of neo-liberalism is utilized to explain the diplomatic relations particularly economic between Pakistan and KSA. The following section exhibits a summary of essential concepts from the neo-liberalist theory which generates the theoretical foundation for this research paper.

Neoliberalism champions free market capitalism, privatization, deregulation and a reduced role for the state in economic activities. Neoliberalism established itself as the main economic theory which guides national policies worldwide and runs global financial systems and international commercial systems in the late 20th century. The establishment of market systems through minimal state control by neoliberalism allows maximum resource use and

creativity which drives economic growth (Bessner & Guilhot, 2015). Along, in geo-politics neo-liberalism helps explaining the soft dimensions of power mostly steered by economic contours. Complex interdependence is one of the main tenant of neo-liberalism that refers to the multifaceted and reciprocal relationships between states, markets and non-state actors, where economic, political, and social interactions create mutual dependencies that transcend traditional power hierarchies, fostering cooperation but also vulnerability to global disruptions (Harvey, 2007).

The International Financial Institutions (IFIs) serve as fundamental economic channels while functioning as geopolitical tools in economic cooperation through neoliberal principles. The International Monetary Fund (IMF), Islamic Development Bank (IDB), World Bank and regional development banks extend their financial assistance, lending services and expert knowledge to important worldwide countries. Civil society organizations including Non-Government Organizations (NGOs), Multi-National Companies (MNCs) and advocacy groups have consolidated their position in the global economic framework by focusing on human rights safeguards alongside environmental protection and fair trade practices. These groups exert governance influence over global economics which impacts both governmental agencies and international institutions (Keohane, 2011).

Free trade combined with open markets and global capital operation through nationwide economic procedures now serves as the key basis for economic diplomacy and international negotiations as evinced by neoliberal ideas. The tenants of neoliberal ideology established the World Trade Organization (WTO) also creating regime of regional trade agreements to reduce trade barriers which led to economic integration globally. Through economic diplomacy the states implement neoliberal ideas to attract Foreign Direct Investments (FDIs), creating transnational partnerships for global economic optimization by enhancing international market competitiveness (Jahanzaib, 2024). The framework of neoliberalism helps create improved connections for exploring joint ventures regarding Free Trade Agreements (FTAs) and sector-level partnerships (Harvey, 2007).

The aspects of KSA-Pakistan relations such as trade and energy projects along with technology transfer and investment potential can be effectively analyzed through the neoliberal theoretical approach because of the economic relationships between the two states. Neoliberalism promotes the development of market systems alongside minimal state intervention thus matching the current international diplomatic strategies adopted by both Pakistan and Saudi Arabia. The Pakistani government has intensified its bilateral cooperation with China under the Belt and Road Initiative (BRI) as well as with KSA and other countries (Jahanzaib & Ahmed, 2024). Thus, neo-liberalism adequately explains this partnership to build up regional economic strength and likewise its interplay and cooperation in geo-politics. International platforms allow multiple nations to showcase global relationship growth through platform activities that produce economic partnerships and joint security frameworks for the modern interconnected world (Macdonald, 2014). A new diplomatic and economic bond between Pakistan and KSA has been observed post 2008 which favors immediate trade

partnerships and multi-tier bilateral relations. Neoliberal contours have enabled these countries to seek foreign investment through economic market oriented incentives.

#### **METHODOLOGY**

This research applies qualitative research methods to examine government sources, trade agreements and diplomatic exchanges of Pakistan and KSA. It carries out analysis involving their trade statistics, investments and economic indicators.

Qualitative Research Methodology combines document-based research to identify pivotal themes with economic development patterns between two nations. This analysis studies fundamentals through neoliberal evaluation of economic relations and interplay of it with geo-politics (Moravcsik, 1997).

The primary data basis for this investigation consists of official documents and governmental press releases of Pakistan and KSA. The study also incorporates secondary materials like various academic literature and international reports together with media news to explore the answers of this research's questions. The examination of both primary and secondary data offers sufficient strength to understand diverse aspects of bilateral relations for Pakistan and KSA.

The examination of Pakistan-KSA relations studies economic data and statistical findings as important knowledge for assessment. The analysis evaluates economic data through observations that encompass volumes of trade, balance of trade and other macroeconomic contours. The dynamics, impacts of geo-economic shift from geo-politics, the existing constraints and future potentials are explained through reviewed data post-2008. Through this segment, the analysis constructs understanding of the qualitative evaluation of bilateral relations (Ide & Mello, 2022).

#### **SAUDI ARABIA-PAKISTAN: GEO-ECONOMICS AND GEO-POLITICS**

Soon after Pakistan gained independence the country formed alliance with Saudi Arabia that strengthened through religious associations and coordinating objectives for regional peace primarily driven by geo-political concerns. During emergency situations Saudi Arabia proved to be a critical partner through providing essential diplomatic backing and monetary assistance (Asseri, 2022). Pakistan developed close military commitments through which it deployed military forces to receive economic assistance from Saudi Arabia. Pakistan managed to sustain its alliance with Saudi Arabia even though it occasionally faced tensions due to its efforts to maintain balance between Iran and Saudi Arabia (Siddiq, 2023). Both countries strengthened their bond through connections of common religion and cultural background while working together to maintain international cooperation (Consulate of Pakistan in Jeddah, n.d.).

The relationship between Pakistan and Saudi Arabia exists through the interplay of geo-political and geo-economic factors albeit, the post-2008 through the lens of neo-liberalism explains the prioritized geo-economic dimensions of their cooperation (Jahanzaib & Khan, 2024). Guided by neo-liberalism towards market capitalism, liberal economy and globalization; Pakistani officials enhanced Saudi Arabian economic partnerships through trading along with financial investment together with diaspora labor mostly from Pakistan (Asseri, 2022; Harvey,

2007). The economic relationship between Pakistan and Saudi Arabia now exists at the forefront of their bilateral diplomatic engagement (Ahmed, 2023).

The entire trade flow favored Saudi Arabia post 2008 as Pakistan depended heavily on oil imports. Saudi Arabia now places big investments in infrastructure development and energy infrastructure in Pakistan. Saudi Arabia entered a Memorandum of Understanding to construct an oil refinery in Gwadar as well as other pending projects (Gulf International Forum, 2023). Market-based economic approaches combined with neo-liberal goals encouraging Foreign Direct Investments (FDIs) creation have led Pakistan and Saudi Arabia to pursue mutual economic opportunities. The Gulf states' effort to diversify their economies along neo-liberal principles results in substantial Saudi Arabian investments across Pakistan's infrastructure energy sector and industrial facilities (MoIP, 2024).

The geo-economics relations between Pakistan and Saudi Arabia depended heavily on the employment of workers. The Pakistani diaspora community maintained its biggest presence inside Saudi Arabia. Foreign exchange reserves of Pakistan received a substantial benefit from employee remittances which functioned as vital currency funding to maintain economic stability (Arab News Pakistan, 2023; Rafiq et al., 2022). Labor migration systems between Pakistan and Saudi Arabia adopted principles from the worldwide neo-liberal trend of market integration promoted by Nye (1988).

Since 2008, Pakistan and Saudi Arabia have maintained close cooperation to fight terrorism as well as numerous regional security threats. Terrorism has been a serious concern for both nations and they collaborate on counter-terrorism efforts by exchanging security information and running coordinated operations as well as developing their capabilities (Weinbaum & Khurram, 2014). The two states maintain unified perspectives about Middle Eastern conditions together with Afghanistan (Asseri, 2022). KSA created Islamic Military Counter Terrorism Coalition (IMCTC) in 2015 to fight terrorism. The coalition's first commander was General Raheel Sharif, the former Chief of Army Staff of Pakistan in line with collective security idea of neo-liberalism between two countries (Islamic Military Counter Terrorism Coalition, n.d.).

Besides Saudi Arabia and Pakistan, there are two major states that affect their relationship namely the United States and China. The United States urge Pakistan to follow Saudi Arabian diplomatic policies by putting pressure on the country especially Iran (Kumar, 2008). Saudi Arabian interest has risen because of expanded Chinese presence in the region especially through the CPEC which led to increased economic cooperation between Saudi Arabia, Pakistan and other regional countries (Jahanzaib & Ahmed, 2024; Huang & Sayed, 2022). As part of its foreign policy approach Pakistan has chosen to develop balanced relations between Saudi Arabia and Iran. According to Ali and Ahmad (2021) Pakistan follows a non-aligned foreign policy in the Saudi-Iran rivalry because it values the role of diplomacy for addressing regional disputes in line with neo-liberalism ideals. Pakistan has successfully maintained strong relations with Saudi Arabia and Iran without getting drawn into the conflicts

involving these states (Siddiq, 2023). Pakistan follows a policy of neutrality in the Saudi Arabia-Iran proxy conflicts like occurrences in Syria, Yemen and Iraq (Khan & Sajjad, 2023).

Pakistan remained interested in building positive relations between Iran and Saudi Arabia to optimize benefits for economic advancement and energy requirements. The OIC membership for Pakistan remains advantageous from the standpoint of maintaining better diplomatic ties with Saudi Arabia and Iran because of its potential benefits to regional organizations (Zikriya & Ahmad, 2022).

The policy transition demonstrates Pakistan's dedication to developing free market capitalism, economic liberalization and regional cooperation through enhanced economic and diplomatic relationships with Saudi Arabia due to the economic focus according to Keohane & Nye (2011).

The implementation of neo-liberal policies established itself as the dominant factor determining how Pakistan and KSA conduct diplomatic relations. The open market policies promote market integration, direct foreign investment together with expanded trade exchange between these two nations. Geo-politically, ideas of complex interdependencies have been at fore front in resolution of regional conflicts. Both countries seek optimization by improving their regional network through higher levels of economic association and connectivity (Jahanzaib, 2025).

#### **IMPACTS OF GEO-ECONOMIC RE-ORIENTATION**

According to Masood & Abi-Habib (2019) Pakistan shifted its KSA foreign policy strategy from geopolitical to geo-economic alignment by playing down on traditional geo-politics and increased regional economic ties. Historical partnerships combined with religious values initially characterized the bilateral relationship between Pakistan and KSA yet post 2008, an economic prioritized approach has now taken place (Amin, 2021).

The KSA remained the largest remittance provider to Pakistan while maintaining strong trade relations. The "Vision 2030" project of Saudi Arabia created new business opportunities for Pakistan through its endeavor to reduce oil dependency and shift its economic structure (Ibrahim, 2023). This part of foreign policy introduced a geo-economic component that led to investment in Pakistani sectors including agriculture industry and services. Pakistan joined the Middle East's Future Investment Initiative (FII) summit which led to developing new business partnerships between states (MoFA, 2018).

The negotiations regarding Saudi Arabia's participation in CPEC also forwarded the strategic framework of geo-economics through infrastructure collaboration and economic cooperation (Naz, 2020). Under neoliberalism the belief exists that economic connections act as both cause and driving force behind developing friendly relationships and improved collaboration (Harvey, 2007).

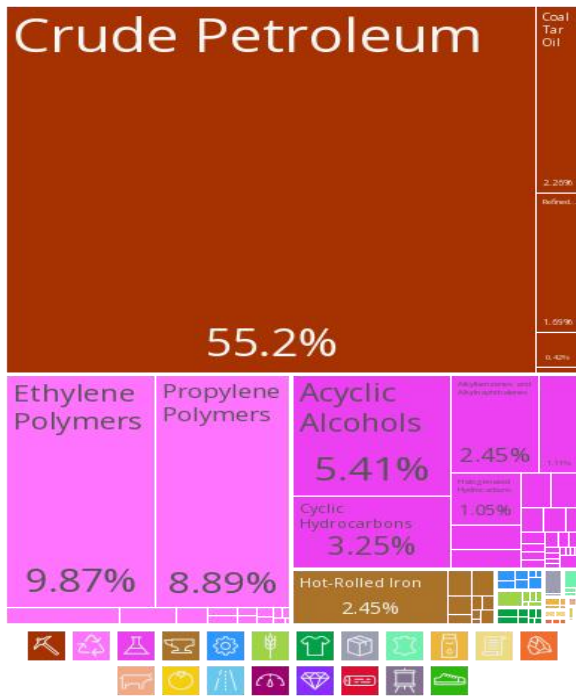
A geo-economic policy transition has become more visible post 2015. Saudi Arabia proved this shift with their promise to dedicate \$20 billion primarily to Pakistani government for economic projects when Crown Prince Mohammed Bin Salman visited Pakistan in 2019 (Masood & Abi- Habib, 2019).



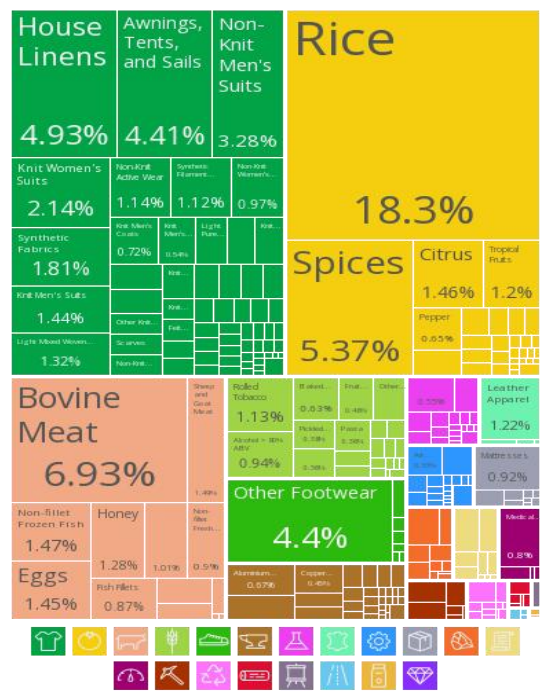
The modern free-market system has boosted economic exchanges between Saudi Arabia and Pakistan because these actors seek to access wider markets together with prospective advantages. As per data of 2021 both countries are indulged in enhancing trade as following **Figure 1 explains the products and trade volume of 2021:**

**Figure 1: Trade of Saudi Arabia and Pakistan 2021 (Source: Observatory of Economic Complexity, 2021)**

**Exports - Saudi Arabia to Pakistan**



**Exports - Pakistan to Saudi Arabia**



The Saudi Arabian export value to Pakistan reached \$3.4 billion dollars in 2021. Crude Petroleum (\$1.88B) along with Ethylene Polymers (\$335M) and Propylene Polymers (\$302M) represent the most significant Saudi Arabian products exported to Pakistan. The total export value from Pakistan to Saudi Arabia reached \$472M during 2021. The main exports from Pakistan to Saudi Arabia included Rice (\$86.2M) together with Bovine Meat (\$32.7M) and Spices (\$25.3M) (Observatory of Economic Complexity, 2021).

Since 2008, Saudi Arabian exports to Pakistan have grown by 12.9% per year to reach their value level of \$3.4B. The Pakistani exports bound for Saudi Arabia have experienced a yearly growth rate of 4.62% resulting in a 2021 total export value of \$472M. (Observatory of Economic Complexity, 2021).

The export value reached \$507M from Pakistan to Saudi Arabia during 2022 whereas exports from Saudi Arabia to Pakistan reached \$4.5B in 2022. The economic relations between Saudi Arabia and Pakistan have developed consistently during recent years. The economic partnership between Pakistan and Saudi Arabia shows strong prospects for expansion based on

the \$5.007 billion total trade volume of FY2022-23. The record indicates that during the initial seven months of fiscal year 2023-24 (July-January) export volumes from Pakistan to Saudi Arabia expanded by 27% reaching \$394 million while the previous period of 2022-23 demonstrated \$311 million. Oppositely, the import of Pakistan from Saudi Arabia experienced a 10% surge since Pakistan imported \$2.730 billion during this period (Shaikh, 2024).

The governments of Pakistan and Saudi Arabia agreed to expedite \$5 billion Saudi investment in the country during their meeting in April 2024. The Prime Minister Shehbaz Sharif held a meeting with Crown Prince Mohammed bin Salman to focus on deepening trade and investment relations (MoIB, 2024). During April 2024, Saudi Foreign Minister Prince Faisal bin Farhan Al Saud traveled to Pakistan with a delegation to finalize previously agreed economic cooperation terms and partnerships. High-level sessions along with the Saudi Arabia-Pakistan Investment Conference formed part of the visit as officials emphasized specific investment potentials in different sectors. Energy-sector expansion together with infrastructure-development and technological progress represented the sectors which received attention (MoFA, 2024-b). The agreements and visit demonstrated a deepening alliance through which both sides displayed their commitment for economic growth according to the principles of neo-liberalist paradigms (Harvey, 2007).

Saudi Arabia intended to invest 15% of the Reko Diq copper and gold mining project located in Pakistan. The investment fund emphasizes the development of infrastructure alongside road construction efforts near the project site. According to ARY News (2024) Pakistan aims to receive annual Saudi funding exceeding \$5 billion for its mining and agricultural sector developments. The information technology exports from Pakistan to Saudi Arabia reached their highest point in April 2024 at \$310 million. A substantial increase has occurred because of the investment-friendly regulations established by the Special Investment Facilitation Council (SIFC) also in concurrence with neo-liberal tenants of economic institutionalism (ARY News, 2024a). The Saudi authorities partnered with nine Pakistani trade associates in 2024 to establish Memorandums of Understanding (MoUs) which will drive Pakistani tourist traffic to rise 43%. The strategic agreements enable easier visa conditions for tourists between both countries to explore a range of destinations while seeking business opportunities and leisure travel (Dawn, 2024).

The impacts of geo economic re-orientation further reveals that Pakistan shifted from geopolitical to geo-economic priorities in line with neo-liberalism while developing its foreign policy towards Saudi Arabia.

### **IMPERATIVES, CONSTRAINTS AND POTENTIALS**

The KSA is religiously, culturally and strategically partnered well with Pakistan and worldwide Muslims as it serves as a custodial state of the Holy Mosques for worldwide Muslim followers. Energy supply emerges as a central force behind Saudi geopolitical and geo-economic dynamics since the country stands as an influential energy producer within the Gulf region (Asseri, 2022). With the prism of neo-liberalism, this section opts for an investigation of the essential national

imperatives along with constrained elements and possible opportunities that can better or optimally connect Pakistan to Saudi Arabia (Harvey, 2007).

Pakistan's fundamental reasons to maintain relations with Saudi Arabia can be divided into main areas which include economic collaboration along with diplomatic, military and religious interests. Remittances from Saudi Arabia maintain economic importance for Pakistan and the country extends financial support to overcome economic crisis moments (Masood & Abi-Habib, 2019). The diplomatic relationship between Pakistan and Saudi Arabia stands reliable because Saudi Arabia demonstrated consistent support to Pakistan during numerous conflicts and diplomatic crises. Through its Islam-based connection Saudi Arabia develops specific bonds that expand the existing relations. (Asseri, 2022).

Wicked Middle Eastern geopolitical problems produce the ambiguous constraints that affect Pakistan-Saudi relations (Ali & Ahmad, 2021). In terms of geo-economics, Pakistan's trade imbalance with Saudi Arabia poses a significant geo-economic challenge, resulting in a substantial trade deficit for Pakistan. Moreover, Pakistan's reliance on Saudi financial assistance has led to a growing debt burden (Shaikh, 2024; The Express Tribune, 2024). In realm of geopolitics, the Saudi-Iran rivalry forces Pakistan to experience conflict because it must defend ties with both parties while choosing between them. Pakistan also faces challenges because Saudi Arabia and India continue to develop their healthy relationship with more zest (Khan & Sajjad, 2023).

Despite constraints, there are numerous prospects that advance this relationship's growth. Geo-economic relationships show potential for wider investments and trading activities particularly within sectors owning energy, trade, agriculture and information technology (Ahmed, 2023). Since regional stability concerns both countries there is opportunity to build platforms bilaterally, regionally or through OIC which enhance their geopolitical interests (OIC, 2022).

The Vision 2030 stocktaking of Saudi Arabia provides opportunities to develop business partnerships through modern sectors including entertainment, tourism and sports that move away from traditional categories (Al-Barakati, 2024). Through its successful models Pakistan can assist other Saudi Arabian industries in the services sector to accomplish objectives outlined in their Vision 2030 economic diversity initiative (MoFA, 2018). The two countries may diversify their trade beyond traditional energy industries to develop fresh opportunities for economic growth.

In order to craft optimum relationship with KSA, Pakistan requires establishing balanced political ties with Saudi Arabia and Iran to preserve its friendly relations with neighboring countries (Leverage of China can be taken being already a mediator between KSA and Iran). Prioritizing regional stability requires strict promotion of neutrality in disputes between Saudi Arabia and Iran and both countries need to focus on preservation of stability prioritized with economic activities in the region (Ali & Ahmad, 2021). As a member of the OIC, Pakistan has the responsibility to advocate Muslim country peace and harmony and actively work toward resolving regional conflicts (Ahmed & Akbarzadeh, 2023).

Building mutual comprehension between societies together with enhancing social connectivity results from cultural exchange initiatives and academic programs and travel experiences. The relationship between the two countries has an important dependency on this factor according to Asseri (2022), even though it is unrelated to political or economic interests. Pakistan must ensure that partnerships with Saudi Arabia support national foreign policy aims in order to maintain mutual benefits alongside sovereignty protection (MoFA, 2024-c).

A strategic approach combining balance and integration of bilateral dynamics will enable Pakistan and Saudi Arabia to achieve maximum effectiveness in their geopolitical and economic partnerships. Foreign policy requires to be geo-economically driven as well as adopting balanced geopolitical stances while also emphasizing on cultural diplomatic initiatives.

### **CONCLUSIONS**

The post-2008 transition from geopolitics to geo-economics has redefined Saudi Arabia-Pakistan relations, anchoring bilateral ties in neoliberal principles of market liberalization, privatization, economic interdependence and complex interdependence. This shift has yielded tangible outcomes: trade volumes surged, Saudi investments in Pakistan (e.g., \$20 billion pledged in 2019) bolstered economic resilience and labor migration sustained critical remittance flows. However, structural imbalances persist, notably Pakistan's chronic trade deficit with KSA and geopolitical sensitivities arising from the Saudi-Iran rivalry, which complicate Islamabad's neutrality in regional conflicts.

Neoliberalism's influence is evident in both nations' strategies - Saudi Vision 2030's diversification goals align with Pakistan's pursuit of FDI and CPEC-linked regional connectivity. Yet, the interplay of geo-economics and geopolitics reveals inherent tensions. While economic collaboration offers growth avenues in IT, agriculture and tourism, Pakistan must navigate Saudi Arabia's deepening ties with India and manage expectations in multilateral frameworks like the OIC.

To optimize this partnership, the priority should be on geo-economic strategies that maximize mutual economic benefits and long-term stability. Along, a multi-prong strategy is imperative: First, diversify trade beyond hydrocarbons and low-value exports by leveraging Pakistan's IT sector, mining, agriculture and Saudi tourism initiatives. Second, institutionalize geo-political dialogue to mediate regional disputes, ensuring Pakistan's neutrality does not strain strategic trust. Third, expand cultural and educational exchanges to deepen societal linkages, reinforcing diplomatic goodwill.

Ultimately, the KSA-Pakistan relationship exemplifies how geo-economic priorities can coexist with historical geopolitical alliances. Sustaining this balance requires adaptive policies that harmonize economic pragmatism with strategic foresight, ensuring mutual gains amid evolving global and regional dynamics. By addressing constraints and capitalizing on potential synergies, both nations can transform their partnership into a model of South Asia-Gulf cooperation, fostering stability and prosperity in an increasingly multipolar world.

## REFERENCES

- Ahmed, K. (2023, December 27). Trade with Saudi Arabia increases as Pakistan's Gulf exports surge 26.6% in current fiscal year. Arab News. <https://www.arabnews.pk/node/2432491/pakistan>
- Ahmed, Z. S., & Akbarzadeh, S. (2023). Pakistan, Pan-Islamism and the Organization of Islamic Cooperation. *Religions*, 14(3), 289. <https://doi.org/10.3390/rel14030289>
- Al-Barakati, M. (2024, April 24). Eight years since its launch, Saudi Vision 2030 is already well ahead of schedule. Arab News PK. Retrieved from <https://www.arabnews.pk/node/2498896/business-economy>
- Ali, M., & Ahmad, R. (2021). Saudi Iran Rivalry and Pakistan Foreign Policy towards Yemen Crises. *Global Foreign Policies Review*. [https://doi.org/10.31703/gfpr.2021\(iv-iv\).04](https://doi.org/10.31703/gfpr.2021(iv-iv).04)
- Amin, A., Amin, S., & Ur Rehman, I. (2022). Prospects of Islamic Military Counter Terrorism Coalition in Attaining Peace and Economic Stability in the Muslim World. *Al-Azhār*, 8(01), 180-187.
- Amin, S. M. (2021). *Pakistan's Foreign Policy: A Reappraisal*. Oxford University Press.
- Arab News Pakistan. (2024, January 25). Pakistan's special investment council aims to fast-track projects under accords concluded with UAE, Kuwait. Arab News. Retrieved from <https://www.arabnews.pk/node/2447766/pakistan>
- ARY News. (2024, June 2). Pakistan's IT exports to Saudi Arabia reach \$310m in April. ARY News. <https://arynews.tv/pakistans-it-exports-to-saudi-arabia-reach-310m-in-april/>
- ARY News. (2024, September 14). Saudi Arabia offers 15% investment in Reko Diq project. ARY News. <https://arynews.tv/saudi-arabia-offers-15-investment-in-reko-diq-project/>
- Asseri, A. A. (2022). Pakistan and Saudi Arabia: An Enduring Partnership. *Strategic Thought*, 4(1), 109-118.
- Bessner, D., & Guilhot, N. (2015). How realism waltzed off: Liberalism and decisionmaking in Kenneth Waltz's neorealism. *International Security*, 40(2), 87-118.
- Consulate of Pakistan in Jeddah. (n.d.). Pakistan-Saudi Arabia Relations. Kingdom of Saudi Arabia. <https://parepjeddah.org/pakistan-ksa-relations/>
- Dawn. (2024, August 5). Saudi Arabia inks 9 MoUs in Pakistan to boost leisure and business tourism. <https://www.dawn.com/news/1850263>
- Embassy of Pakistan in Saudi Arabia. (n.d.). Diplomatic relations between Pakistan – Saudi Arabia. Pakistan Embassy in KSA. Retrieved January 30, 2025, from <https://pakistaninksa.com/our-relationship/>
- Gul, S., Asghar, M., & Khalid, M. (2021). Shifting National Security Paradigm of Pakistan from Geo Politics to a Geo Economics Era. *Global Economics Review*. [https://doi.org/10.31703/ger.2021\(vi-i\).07](https://doi.org/10.31703/ger.2021(vi-i).07)
- Gulf International Forum. (2023, August 28). Saudi Arabia invests USD 10 billion to build Pakistan's largest oil refinery. Gulf International Forum. Retrieved from <https://gulffif.org/timeline/saudi-arabia-invests-usd-10-billion-to-build-pakistans-largest-oil-refinery/>

- Harvey, D. (2007). *A brief history of neoliberalism*. Oxford University Press.
- Hashim, A. (2015, April 10). Pakistan parliament backs neutrality in Yemen conflict. Al Jazeera. <https://www.aljazeera.com/news/2015/4/10/pakistan-parliament-backs-neutrality-in-yemen-conflict>
- Huang, M., & Sayed, M. (2022). China-Pakistan Economic Corridor and Geostrategic Development In The Middle East. *Journal of Pakistan-China Studies (JPCS)*.
- Ibrahim, D. A. (2023, September 29). Saudi Arabia making remarkable progress in high-tech shift. Arab News. Retrieved from <https://www.arabnews.pk/node/2382841>
- Ide, T., & Mello, P. A. (2022). QCA in international relations: A review of strengths, pitfalls, and empirical applications. *International Studies Review*, 24(4), 675–693.
- Islamic Military Counter Terrorism Coalition. (n.d.). Brief History. Retrieved from <https://www.imctc.org/en/AboutUs/History/Pages/default.aspx>
- Jahanzaib, M. (2024). Central Asian Republics-Pakistan Relations in a Shifting World: A Neoliberal Perspective. *Journal of Politics and International Studies*, 10(1), 109–127. <https://jpis.pu.edu.pk/45/article/view/1362>
- Jahanzaib, M. (2025). Turkey-Pakistan Relations and The Rise of Geo-Economic Statecraft. *Advance Social Science Archive Journal*, 3(01), 601–614. <https://assajournal.com/index.php/36/article/view/178>
- Jahanzaib, M., & Ahmed, Z. S. (2024). The China Factor in Pakistan's Geo-economic Tilt. *International Studies*, 61(2), 145-169. <https://doi.org/10.1177/00208817241298339>
- Jahanzaib, M., & Khan, M. (2024). The impacts of the intended transition of Pakistan from geopolitics to geo-economics. *Liberal Arts and Social Sciences International Journal (LASSIJ)*. <https://doi.org/10.47264/idea.lassij/8.2.4>
- Khan, A., & Sajjad, M. W. (2023). Between a rock and a hard place: Pakistan's foreign policy, Saudi Arabia, and Iran. In *The arms race in the Middle East: Contemporary security dynamics* (pp. 293–306). Springer International Publishing.
- Kumar, S. (2010). Pakistan's Energy Security: Challenges and Options. *Strategic Analysis*, 34, 912–924. <https://doi.org/10.1080/09700161.2010.514441>
- Macdonald, D. (2014). Is global neo-liberalism shaping the future of physical education? *Physical Education and Sport Pedagogy*, 19(5), 494-499.
- Masood, S., & Abi-Habib, M. (2019, February 18). Saudi Crown Prince Promises \$20 Billion in Investments for Pakistan. *The New York Times*. Retrieved from <https://www.nytimes.com/2019/02/18/world/asia/saudi-arabia-prince-mohammed-pakistan.html>
- MoFA. (2018, October 23). Prime Minister's visit to Saudi Arabia results in significant understandings between Pakistan and Saudi Arabia. Government of Pakistan. Retrieved from <https://mofa.gov.pk/prime-ministers-visit-to-saudi-arabia-results-in-significant-understandings-between-pakistan-and-saudi-arabia>
- MoFA. (2024b). Visit of Saudi Foreign Minister to Pakistan. Government of Pakistan. Retrieved from <https://mofa.gov.pk/press-releases/visit-of-saudi-foreign-minister-to-pakistan>

- MoFA. (2024c). Middle East. Government of Pakistan. Retrieved from <https://mofa.gov.pk/middle-east>
- MoIB. (2024). Joint statement between the Islamic Republic of Pakistan and the Kingdom of Saudi Arabia at the culmination of the visit by the President of Saudi Arabia. Government of Pakistan. Retrieved from <https://moib.gov.pk/News/61085>
- MoIP. (2024). Federal Minister for Commerce, Industries, and Interior, Dr. Gohar Ejaz, meets with Saudi Ambassador H.E. Nawaf Bin Saeed Al Malkiy on Tuesday. Government of Pakistan. Retrieved from <https://moip.gov.pk/NewsDetail/MmJhNzU0MzYtZThjNi00NzdjLWExNTktY2MzYWl3NzE5NzA3>
- Moravcsik, A. (1997). Taking preferences seriously: A liberal theory of international politics. *International Organization*, 51(4), 513-553.
- Nawaz, Z., Mohsin, M., & Naeem, M. (2024). Revisiting Pakistan's Foreign Policy with Shift in Economic and Trading Interests: A Geopolitical Scenario. *Pakistan Journal of International Affairs*. <https://pjia.com.pk/index.php/pjia/article/view/1012>
- Nye, J. S. (1988). Neorealism and Neoliberalism. *World Politics*, 40(2), 235–251.
- Observatory of Economic Complexity. (2021). Saudi Arabia and Pakistan Trade. Retrieved from <https://oec.world/en/profile/bilateral-country/sau/partner/pak?dateAvailableSelectorCountry1=exportDateCountry1Available21&dynamicBilateralTradeSelector=year2021>
- OIC. (2022, March 23). Islamabad Declaration 48th Session of OIC Council of Foreign Ministers "Partnering for Unity, Justice and Development". Retrieved from [https://www.oic-oci.org/topic/?t\\_id=33947&t\\_ref=22694&lan=en](https://www.oic-oci.org/topic/?t_id=33947&t_ref=22694&lan=en)
- Rafiq, M., Saeed, M., & Israr, M. (2022). A qualitative study of the factors driving the temporary migration of workers from the Khyber-Pakhtunkhwa, Pakistan to Saudi Arabia. *Journal of Humanities, Social and Management Sciences (JHSMS)*. <https://doi.org/10.47264/idea.jhsms/3.1.12>
- Shaikh, N. A. (2024, September 23). Pakistan-Saudi Arabia trade relations: A comprehensive overview. *Pakistan & Gulf Economist*. <https://www.pakistangulfeconomist.com/2024/09/23/pakistan-saudi-arabia-trade-relations-a-comprehensive-overview/>
- Siddiq, A. (2023). Navigating Challenges and Seizing Opportunities: Pakistan's Tightrope Walk Between Saudi Arabia and Iran. *UCP Journal of Humanities & Social Sciences*, 2(1), 1-16.
- The Express Tribune. (2024, December 5). Saudi Arabia rolls over \$3bn debt for one year. The Express Tribune. Retrieved from <https://tribune.com.pk/story/2514126/saudi-arabia-rolls-over-3b-debt-for-one-year>
- Weinbaum, M. G., & Khurram, A. B. (2014). Pakistan and Saudi Arabia: Deference, Dependence, and Deterrence. *Middle East Journal*, 68(2), 211–228. <http://www.jstor.org/stable/43698156>



# Policy Journal of Social Science Review

ISSN (Online): 3006-4635

ISSN (Print): 3006-4627

<https://journalofsocialsciencereview.com/index.php/PJSRR>



**Vol. 3 No. 1 (2025)**

Zikriya, M. I. K., & Ahmad, B. (2022). Pakistan and the Conflicts of the Muslim World: A Case Study of OIC. Pakistan Journal of Social Research.