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Analyses

Sketching Synergies in Pakistani-Qatari Relations

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Pakistan's Prime Minister, Imran Khan, made his maiden visit to Qatar in January 2019 where the main focus was on enhancing energy cooperation as well as employment opportunities for the Pakistani expats residing there. [AFP]

The ink on the Al-Ula agreement between Qatar and the blockading Gulf countries had not yet dried when a flurry (1) of high-level visits started between Pakistan and Qatar. On 30 January 2021, Pakistan's Chief of Army Staff General Qamar Javed Bajwa, along with other military officials paid a two-day visit to Qatar where he met with Qatar's Emir, Sheikh Tamim Bin Hamad Al-Thani. During the trip, matters pertaining to regional geopolitical topics as well as increased collaboration on the defence and security front were discussed. Following this trip, an exchange of visits between the two sides increased, all poised towards greater socio-economic integration as well as energy cooperation. In tandem, a 10-year liquefied natural gas (LNG) agreement being dubbed the "lowest-ever publicly disclosed price under a long-term contract in the world" (2) was also signed in February 2021 between the two countries. It is also important to mention that recent changes in the Gulf, particularly the softening stance of many Gulf countries towards Israel has somewhat decreased Pakistan's relevance as a security denominator in the Gulf region. Islamabad's outright refusal to recognise Israel has opened doors for India which forms a perfect nexus with Israel in various sectors including defence and technology. Moreover, Prime Minister Modi's efforts to strengthen links with the Gulf is increasingly evident in arenas where it was deemed that Pakistan previously had a stronghold such as the export of manpower and even in the military domain following the Indian Chief's "historic visit" in 2020. (3)

The increased sojourns between Pakistan and Qatar have raised questions as to the driving force or forces behind the visits, particularly in the backdrop of Pakistan's souring relations with its once leading partner Saudi Arabia. Some academics have conjectured that the primary purpose of the increased outreach is a growing awareness in Islamabad of Pakistan's diminishing relevance in the Gulf security architecture – something they are trying to rectify by creating a niche in other avenues. Due to a number of strategic convergences, Qatar offers the most viable and sustainable route.

Pakistani-Qatari ties: an overview

Pakistan and Qatar have well-established relations which are premised on a shared religion, cultural affinities and geographical proximity. Primarily due to frequent visits by leadership on both sides, particularly in recent years, the relationship has expanded to include political, security and economic dimensions as well.

Though Pakistani-Qatari ties have always been on a smooth trajectory, the real uplift in relations came during the Gulf crisis in 2017 when Pakistan maintained a neutral stance and preserved its bilateral relations with Qatar. Pakistan's objectivity was further accentuated when India withheld its export shipments to Qatar for a while at the start of the crisis. Pakistan, on the other hand, with the objective of boosting trade, partook in the launch of an Express Ferry Service which connected the Port of Karachi and Hamad Port in September 2017. (4)

Pakistan's Prime Minister, Imran Khan, made his maiden visit to Qatar in January 2019 where the main focus was on enhancing energy cooperation as well as employment opportunities for the Pakistani expats residing there. The trip was reciprocated by Sheikh Tamim Bin Hamad Al-Thani in June 2019, during which a number of memoranda of understanding (MoUs) covering a wide array of avenues such as tourism, business and exchange of financial intelligence were signed. At the conclusion of the Emir's trip, Pakistan, which at the time was avoiding a complete International Monetary Fund (IMF) bail out, managed to secure a \$3 billion assistance package in the form of deposits and direct investments from Qatar. (5)

During 2019, the volume of bilateral trade had grown by 63 percent. (6) By the end of 2020, it was reported that commerce between the two countries had risen to \$2.6 billion. At the moment, there are around seven Pakistani-owned companies operating in the Qatari market

as well as fourteen hundred joint enterprises. (7) The number is expected to increase in light of economic reforms undertaken by the Qatari government for facilitation of Pakistani businessmen. On the social front, since 2018, the Qatari leadership has been contributing towards educating at least 1 million out of school children in Pakistan and has engaged in efforts towards fighting polio. (8)

For Pakistan, remittances make up around 86 percent of the country's secondary balance. Nearly 60 percent of these are from the Gulf countries. According to data from December 2020, remittances from the Pakistani community living in Qatar amounted to almost 27 percent of remittances from the Gulf countries (not including those from Saudi Arabia and the United Arab Emirates). (9) The majority of Pakistani expats are engaged in FIFA- related projects. In 2019, Pakistan offered to provide security during the FIFA World Cup in 2022. (10) In the energy sector, prior to the 2021 agreement, Pakistan and Qatar had signed a 15-year (later extended to 20 year) agreement in 2016, according to which Qatargas would export 3.75 million tons of LNG annually as well as 2,000 megawatts of power to the national grid. Previously, Al Mirqab, a private Qatari firm, had also made an investment (49 percent) in setting up the Port Qasim power plant in 2014. (11)

Based on their strategically pivotal locations, which demands plaiting of certain security narratives, both countries have signed various MoUs in defence cooperation. The two countries have always had sound relations in the security paradigm extending to joint training, exercises, deputations and purchase of military equipment. A large number of Pakistanis serve in the Qatari Armed Forces as well as in key advisory roles. Recently, officials from both countries have discussed ways to enhance aviation and naval cooperation. Projects pertaining to defence production and JF-17 aircraft projects are also in the works.

Strategic convergences

Energy sector

A number of strategic convergences align Pakistan and Qatar and make for a mutually constructive partnership. First and foremost is cooperation in the energy realm. It is no secret that the rapidly changing need of Asian oil importers is inciting oil producers in the Middle East to accelerate their efforts towards provision of both oil and hydrogen to their existing clients in a strategic manoeuvre aimed at averting loss of future revenues to exporters like Australia. Increasing LNG demand in Asia can be determined from the fact that in January

2021, LNG imports reached an all-time high of 28 million tons of which 23 percent came from Qatar. (12) While Qatar's exports to Asia have increased, there has been a simultaneous dip in its exports to Europe.

In December 2020, it was alleged that mismanagement (regarding LNG imports) on the part of authorities had caused Pakistan to lose around \$200 million for the winter season 2020-2021. (13) In this backdrop, the February 2021 LNG deal between Pakistan and Qatar was a piece of good fortune for the former. According to the agreement, Doha would provide Islamabad 3 million tons of LNG for the next ten years at a rate 31 percent lower than the one in the previous contract. The deal, which will come into effect in January 2022, will save Pakistan a total of \$3 billion in LNG imports over the next decade. (14)

Trade and investment

Trade and investment is another crucial meeting point for Pakistan and Qatar. There is already a joint ministerial commission (JMC) in place with the function of reviewing existing economic relations and identifying new opportunities for mutually constructive cooperation between the two countries. For Qatar, Pakistan is a seedbed of prospects in terms of renewables, especially solar, wind and hydro-power projects, as well as in terms of provision of food security. Likewise, for Pakistan, collaboration with Qatari oil and gas sector companies would help enhance both upstream and downstream projects in Pakistan. Pakistan holds comparative advantages in cotton and textile while Qatar does in oil and gas exploration. Moreover, avenues such as tourism, small-medium enterprises (SMEs), chemicals and exchange of technology hold mutually enriching opportunities.

It should not be forgotten that in Qatar's national rejuvenation project, Vision 2030, one of the main focus points is developing local food and agriculture products, an avenue in which Pakistan holds a comparative advantage. Qatar is well aware of this. A Qatar Chamber official said as much when he stated that his country considers Pakistan as its "main strategic partner in the fields of food security and food supply." (15) The China-Pakistan Economic Corridor (CPEC) posits an ideal apparatus for synergy in the food cooperation realm. In 2019, Qatari leadership expressed their desire to invest in the food storage facilities which will be established in the Special Economic Zone (SEZ) in Gwadar. (16) Pakistani officials have already said that they would facilitate investors from Qatar. There is no doubt that Qatari investment

would give much needed confidence to other Gulf nations to invest in Pakistan – which, given Pakistan’s present economic situation, is urgently required.

Manpower

As previously mentioned, the remittance sector is a vital part of Pakistan’s economy. Hence, it is important that Pakistani manpower develops a niche in the Gulf especially with rising unemployment due to the coronavirus pandemic. The FIFA World Cup that will be hosted by Qatar in 2022 provides a timely contingency plan. Concurrently, in line with its Vision 2030, Qatar is seeking to conserve a skilled and productive workforce and is introducing major changes in its labour market in this context. (17) The efforts of the Pakistani government seemed to have paid off when in March 2021, a Qatari official revealed that Doha is planning to increase existing employment opportunities and recruit more than 150,000 Pakistanis. (18)

Regional stability

Regional stability is an important field of discussion for both Pakistan and Qatar especially in Afghanistan. Time and again, Pakistan and Afghanistan have been referred to as conjoined twins, which is why it goes without saying that any disturbance in either country has direct implications on both sides. Meanwhile, Qatar has played a pivotal role in facilitating the peace process in Afghanistan by bringing together both the Afghan government and the Taliban to the negotiating table in Doha in 2020. There is a strategic convergence (19) of views between Pakistan and Qatar when it comes to facilitating peace in Afghanistan. Both sides support an Afghan-led and -owned process and have reiterated each other’s stance that there is no military solution to the conflict in Afghanistan. (20)

Another dispute settlement on which both Pakistan and Qatar converge is the conflict between the United States and Iran. Soon after the Gulf crisis was resolved in January 2021, Qatar offered to mediate between the United States and Iran. An agreement between the two nations would bode well not only for Qatar but for Pakistan as well because, firstly, for both countries, any outright conflict between the United States and Iran would automatically place them on the frontlines, and secondly, a reduction in sanctions would open doors for uninhibited trade in the region. Resolution has been made all the more important in the backdrop of the announcement of the 25-year strategic plan between Iran and China, the regional benefits of which would significantly increase if sanctions on Iran are lifted.

The future of Pakistani-Qatari relations

Needless to say, that the global downturn as a result of the coronavirus pandemic has necessitated the exploration of new viable avenues for development. Sustainable reciprocal understanding cemented in sound policies are needed now more than ever in these uncertain times. The space for competition in and within the Gulf is rapidly disappearing, which the leaderships in Islamabad and Doha are well aware of.

In this regard, improving ties with Qatar provides Pakistan an opportunity to make itself relevant again within the Gulf as well as a chance to bring in much needed foreign investment. Similarly, due to its strategic location and competence in the domain of agriculture, Pakistan holds tremendous opportunity for Qatar to realise its national rejuvenation plans. If Pakistani-Qatari ties maintain their current course of communal collaboration, keeping in mind the domino effects of globalisation, their alliance will herald benefits for the region at large.

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