

## Pakistan's Strategic Balancing Act between Iran and Saudi Arabia: A Foreign Policy Analysis Since 2020

Ayesha Khalid

M.Phil Scholar, Department of Political Science and International Relations,  
University of Management and Technology, Lahore, Pakistan.

Email: [f202411008@umt.edu.pk](mailto:f202411008@umt.edu.pk)

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### ABSTRACT

Since 2020, Pakistan's foreign policy has long been a consistent balancing act between its long standing geographic and cultural ties with Iran and its enduring alliance with Saudi Arabia. This strategic balance is a complicated and nonstop endeavor determined by various geopolitical, security, religious and economic considerations. Positioned at the crossroads of South Asia and the Middle East, Pakistan maintains historically significant and multifaceted relationships with both countries, each exerting considerable control over its regional affairs. This study retains considerable relevance in the evolving geopolitical landscape, as it develops into how Pakistan being a Muslim majority nation with strategic bilateral relations with the two Iran and Saudi Arabia, steers its foreign affairs advised regional tensions and shifting alliances. Specifically in the light of contemporary political dynamics of Middle East, the Saudi-Iran détente and Pakistan's consolidating ties with China, made it crucial to understand Pakistan's strategic balancing act as a middle power since 2020. The paper explores key events, policy decisions, and diplomatic engagements that reflect Pakistan's efforts to remain neutral and relevant in an increasingly polarized region. It also considers how sustainable this balancing strategy is in the long run.

**Key Words:** Foreign Policy, Geopolitics, South Asia, Middle East, Contemporary Political Dynamics, Diplomatic Engagements.

### Introduction

Pakistan, positioned at the crossroads of South Asia and the Middle East, maintains historically significant and multifaceted relationships with both Iran and Saudi Arabia. Iran, being Pakistan's southwestern neighbor is a Shia majority state that is world's largest Shia population. Iran has long been acted as a major regional player especially in Middle Eastern part of the world mainly due to its strategic geopolitical position, vast energy resources and economic potential, deleterious and ideological reach, military strength and security function and last but not the least due to its active role in regional alliances and conflicts. Although Pakistan since its inception shared close ties with Iran, as Pakistan has the second largest Shia population after Iran that is approximately 15 to 20% of Pakistan's total population. The relations with neighborhood Iran are also crucial as it supplies

energy such as natural gas and economic security to Pakistan. Both states are involved in major regional security cooperation. Additionally Iran's cooperation on border security along Pakistan's frontier with Afghanistan and on Baluchistan remains pivotal to regional stability. Hence, Pakistan engages in a strategic balancing act in order to ensure its sectarian harmony, to safeguard its economic interests and to address its original security concerns.

Saudi Arabia, on the other hand, is a Sunni majority state and an energy giant, leader of Islamic world and another pivotal geostrategic great power in the region. From the very inception of Pakistan, both states Saudi Arabia and Pakistan are related in close bilateral ties that are deeply rooted in religious economic and strategic interests. Pakistan has a majority of Sunni Muslim population and therefore has a great respect for Saudi Arabia. Moreover, both states have deep religious connections as Saudi Arab is a home to Muslim holy places like Mecca and Medina due to which Pakistani pilgrims frequently visit there. Saudi Arabia also provides financial support to Islamic institutions and extends other form of financial aid and loans to Pakistan. By hosting over 2 million of Pakistani workers serves as a great source of remittances. Saudi Arabia being a powerful exponent of world's oil market, is the biggest supplier of oil to Pakistan. It also plays a particularly significant role in a region by aligning Pakistan and others to Gulf States. Through its leadership in alliances like OIC and OPEC, it emerged a central custom of original interests. Furthermore both states have long been a part of defense and military cooperation. In short driven by mutual religious, security and economic interests both Saudi-Pak bilateral relationships have been historically strong (Ali, Askari & Khan, 2023).

### **Importance of Iran-Saudi Arabia Rivalry in Middle Eastern Politics**

The Iran Saudi rivalry is among the most significant driving forces in the Middle Eastern politics. It inculcates shaping regional alliances intensifying tensions and determining Power Distribution throughout the region. Both powers aim to become the regional hegemony and their power balance creates bipolar order, where Iran conducts the "resistance axis" (anti West and anti-Israel) on the contrast the Saudi Arab, by supporting pro-western and Sunni led monarchies leads the "status quo bloc". This competition for domination shapes alliances, influences international arrangements and regional policies.

Moreover, Iran Saudi rivalry manifested in proxy wars and sectarianism throughout the region. These conflicts instigate severe regional instability, calamity and disintegration of states. The quest for leadership between both players demonstrated in regional conflicts, such as: In Yemen, where Iran leads the Houthis against the Saudi military coalitions. Other examples include: Syria where Iran assists Bashar al-Assad and Saudi supported Sunni agitators. Likewise in Lebanon and Iraq, where Saudi leads Sunni leadership against Iran backed rebel groups like Hezbollah and Shia militias. In addition to this, Iran Saudi rivalry attracts major power attention (like U.S, Russia and China), influences their

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strategies by representing the regional as the stage of global power competition. Also both rivals Iran and Saudi are members of OPEC. There has long been involved in tactical oil diplomacy influence in tactical oil diplomacy to influence each other and to affect global economy. Their rivalry does not end there, but extends beyond bilateral tensions, revealing the region's darker realities by obstructing regional cooperation. The blocked corporation weakened regional institutions like the OIC and Arab League that directly halts unified response to crises like Palestine, economic downturns and climate change.

### **Research Objectives and Significance**

The core research objectives of the study include analyzing Pakistan's foreign policy management between Iran and Saudi Arabia since 2020. Secondly to examine the Iran-Saudi détente and other key factors that have influenced Pakistan's strategic balancing approach between both regional players.

This study retains considerable relevance in the evolving geopolitical landscape, as it develops into how Pakistan being a Muslim majority nation with strategic bilateral relations with the two Iran and Saudi Arabia, steers its foreign affairs advised regional tensions and shifting alliances. Specifically in the light of contemporary political dynamics of Middle East, the Saudi-Iran détente and Pakistan's consolidating ties with China, made it crucial to understand Pakistan's strategic balancing act as a middle power since 2020.

### **Conceptual Framework Strategic Balancing in IR**

In international relations, the strategic balancing or balancing approach indicates towards a state's approach to maintain a stable state or equilibrium between other major powers. It includes balancing of soft power (alliances and diplomacy) (Askari, 2024) and hard power (military strength) in order to avoid domination or control by any single side (Fatima, 2023).

The strategic balancing act refers to the ongoing and careful management of competing demands, resources and priorities within an organization to achieve stability and effectively meet strategic objectives (Sheldon, 2024).

### **Significance in Pakistan's Foreign Policy**

The strategic balancing approach is instrumental in adjusting Pakistan's foreign policy as it provided a country with an opportunity to manage its complex affairs with great powers while protecting its own national interests. In the dynamic and globalized world, where Pakistan is surrounded by various competing forces; both at regional and global level like China, Saudi Arab, Iran, India, US and others, requiring a careful navigation of its economic, security and diplomatic affairs. Only through careful navigation and allocation of resources, Pakistan can maintain

stable international or regional standings without alienating any key partners. This can be better understood through the case of Pakistan's strategic balancing in Middle East, where Pakistan is caught in the Middle East of Middle Eastern key geopolitical rivalries Iran and Saudi Arabia.

Iran and Saudi Arabia are the two superpowers in the Middle East and that Middle East as a whole is considered a quite significant region for Pakistan because of the following reasons. Firstly, because of its great economic importance. As Pakistan gets billions of dollars in remittances from the Middle Eastern countries that directly strengthen foreign reserves by reducing trade deficits and providing millions of Pakistani workers and their families (Anwar, 2025). Through Saudis multi-billion deposits, Pakistan stabilizes its reserves and Secondly, Middle East is crucial because of its energy and trade potential. Most of the requirement of our oil and gas are being fulfilled by Saudi Arabia Iran and the other Gulf States. Through Gulf's, specifically Riyadh's oil credit arrangements, Pakistan meets increasing costs. Thirdly, because of our religious dynamics. Pakistan has both Sunni majority that is more culturally aligned with Saudis and significant Shia population that make Iran even more important for our internal harmony. There exist our strong religious and cultural ties with both Iran and Saudi Arabia represents emotional and social connection towards the region. Fourthly due to strategic and diplomatic relations with key political allies like Saudi Arabia and neighborhood Iran. Lastly, In this regard the frontier management and the regional security and its stability is also a key point. Peace in the Middle East means peace in Pakistan. Otherwise, turbulence in the gulf or Iran can spill over into Pakistan involved sectarian violence and border tensions (specifically Pakistan's western frontiers-Baluchistan border).

Additionally, the geopolitical and economic significance of Middle East and key players there (Saudis, Iran and gulf nations) has made this imperative for Pakistan to pursue the act of balancing to pursue regional stability, safeguard its national interests and sustain constructive ties with essential partners. Moreover, Pakistan's approach of strategic balance ensures that it can advance strategic goals like regional security, adapt to dynamic geopolitics and uphold its integrity in our intensely polarized international arena.

## **Historical Background**

### **Brief history of Pakistan-Saudi Relations (Pre-2020 overview):**

Pakistan considers Saudi Arabia as a key strategic ally as it has always advocated Pakistan on the issues related to strategic interests. The formal foundations of friendship between the two countries were dated back to the 1950s and 60s, when two were engaged in bilateral, military, political, economic and diplomatic ties (Sial, 2015). Although before 1960s, early relations were highly influenced by religious solidarity as both countries are Islamic states. In official narratives, these relations were portrayed as brotherly relations. Saudi Arabia being a strong ally backed Pakistan during Indian-Pakistan wars of 1965 and 1971. Riyadh has also

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been supporting Pakistan's stance on Kashmir issue. In the decades of 1960s and 1970s, there was seen growing cooperation and deepening of ties between Kingdom of Saudi Arabia and Pakistan significantly in the context of economic, security and military engagements. During 1970s when Prime Minister Zulfikar Ali Bhutto was in power, dear was seen as strategic deepening of bilateral relations with Saudi Arabia. Riyadh also provided huge financial assistance to Pakistan at the time of oil crisis in 1973. Saudi government also supported financially and diplomatically when pans Islamism movement led by Pakistan. Riyadh also showed sympathy towards Pakistan at the time of Indian nuclear tests in 1974. The two countries were also involved in defense and military collaborations. Pakistan in order to impart it military support and manpower to Saudi Arabia, deployed troops for defense and training purposes there. The 1980s was the era of peak military strategic cooperation between both states; mainly the reason was Afghan jihad war when Russian troops intervened In Afghanistan. Increased Saudi funding at the time of a flaw in war made Saudi Wahhabi ideology influential across Pakistan. Under the US-led umbrella of regional security, both Pakistan and Saudi Arab got closer in the time of Soviet intervention in Afghanistan and Iranian revolution in 1979. In turn Pakistan provided huge diplomatic and military support at the time of Saudi-Iraq (Gulf War 1991). Pakistan, after the nuclear tests of May 1998, faced severe international sanctions and became isolated. But so they provided great help to Pakistan in the form of cash grants and oil on deferred prices.

Then during 2000s, both states were aligned in post 9/11 corporations and against counter terrorism. But these relations then gradually started to change from brotherhood to real politick in the decade of 2010s. In short, analysis of foreign relations between Kingdom of Saudi Arabia and Pakistan shows that there exists crisis based cooperation between the two. For instance, at the time of crises like during Gulf War or economic bailouts relation often deepened. While on the other times, when Pakistan pursued neutral stance during Yemen war and at the time of post Kashmir developments Pakistan also faced significant restraint or tensions in its relations with Saudi Arabia. However, the last several years marked by pragmatism and strategic recalibration, as Pakistan strived to balance between Saudi agenda and its own economic and regional ambitions.

### **Brief History of Pakistan Iran Relations Pre 2020 Overview**

The historical relations between Iran and Pakistan marked with the warm beginnings. Iran was the state who firstly recognized Pakistan after inception. The early few decades, before Iranian revolution in 1979, were consists of warm and friendly relations. Iran stood by Pakistan during the Pakistan-Indian wars. Also it provided diplomatic, economic and military assistance to Pakistan in its tough times. Iran, under shadows, acted as a crucial regional ally for Pakistan in promoting stability. Both were key strategic partners under the umbrella of strategic alliances like Central Treaty Organization (CENTO in 1955) and

Regional Cooperation for Development (RCD in 1964). All begins with early military cooperation, as both states were wary of communist expansion, led to close security ties that include military and intelligence exchanging (ISI and SAVAK Iranian intelligence). Though, early years were marked with the modest but increasing trade mainly in the form of textiles and oil.

The era of 1980s and 90s in Iran-Pakistan relations were marked with strained and hostile relations due to the following reasons. Firstly, because 1979 Islamic revolution in Iran brought ideological shift there, that directly created the geopolitical divergence between Sunnis Pakistan and Shia majority Iran. The second reason was Afghan-Soviet war in 1979-1989, as both Pakistan and Iran were backing rival groups in Afghanistan (Afghan Mujahedeen vs. Hizb-e-Wahdt). Thirdly, rise of sectarian tensions in Pakistan particularly due to Saudi Iran escalation of rivalry. Fourth reason for Pakistan Iran hostile relations was Afghan civil war and their strategic divergence during 1990s. Both supporting diverging proxies, where Taliban were supported by Pakistan and North alliance was backed up by Iran. It further intensified frontier security challenges in the form of smuggling and sectarian or cross-border militancy. Lastly, due to Pakistan shift towards Arab Gulf States due to international sanctions on Iran.

The decade of 2000s, marked with pragmatic rapprochement between Tehran and Islamabad. There was seen a cautious engagement between two through the mediation of border trade or security talks and Iran-Pakistan gas pipeline project. But because of U.S. sanctions, the Iran Pakistan gas pipeline project is still not completed yet. After 2010, the foreign ties between the two signified a complex interdependence, border management and balancing act. The key development of this decade included: Pakistan's policy of non-alignment towards Iran key proxy conflicts like inhuman Syria Iraq. Other key developments included Pakistan government's efforts in Saudi-Iran mediations 2019-20, and Iran-Pakistan gas pipeline frozen. To summarize, Iran-Pakistan relations especially after revolution era marked with guarded pragmatism and calibrated diplomacy. Pakistan pursued policy of non-partisanship in proxy conflicts and security cooperation that include military-level engagement, joint border commissions but with caution.

### **Key Events and Tensions in Iran Saudi Rivalry Affecting Pakistan**

The Saudi Iran rivalry is considered as a heart of geostrategic fault line in the Middle East. The deep rooted strategic, ideological and sectarian contest between the two, has not only affected the very social fabric of Pakistan but also has made its strategic balancing approach, towards the region, even more sensitive and delicate. The onset of Saudi Arabia and Iran tensions marked with Islamic revolution in Iran. The emergence of rivalry between the two compelled Pakistan to initiate its strategic balancing efforts.

The 1979's Revolution of Iran intensified its relations with the Kingdom of Saudi Arabia, brought sectarianism in Pakistan. Both, Iran through its Shia empowerment and Saudi Arabia via Sunni mobilization shape the very domestic

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sectarian dynamics of Pakistan. Iran politicized Pakistan's Shia population by supporting Ayatollah Khomeini's model and demonstrating itself as a champion of Shia rights within Pakistan. On the other side Saudi's through proper sponsorships and providing funding to Sunni sects within Pakistan mobilized Sunni activism. The organizational emergence of Tahreek-e-Nifaze-Fiqh-e-Jafria (TNFJ) under Iranian support and Saudi's funded Sipah-e-Sahaba Pakistan (SSP) made Pakistan a proxy battleground, further complicating its social and security landscape. During 1980s and 1990s, Iran-Iraq war and Afghanistan war & emergence of Taliban there were viewed as the two events of Middle Eastern axis antagonism that directly affected Pakistan. In 2016, once again the Saudi-Iran antagonism intensified sectarian schisms globally when Riyadh executed Iranian Shia cleric Sheikh Nimr-al-Nimr. It made Pakistan entangled in a web of pressures from both sides. The year 2015 marked another event of contention between both Middle Eastern superpowers, when Saudis instituted a coalition in opposition to Iranian-Houthis in Yemen. Riyadh also requested support which declined by Pakistan, promoting neutral stance, in order to prevent sectarian fallout. Saudi Arabia and Iran, although relations have focused on security issues, with no progress in exploring economic and cultural opportunities. Both countries remain suspicious of each other. Iran's attack on Israeli territory last April has introduced new dynamics in the region (Stemmann, 2023). In light of the military capabilities of Iran and its allies, Saudi Arabia sees a formal defense agreement with the United States as a critical goal for its foreign policy. Additionally, the formation of Islamic military counter terrorism collision (IMTC) between Saudi Arabia and Pakistan was suspiciously viewed by Iran. Islamabad emphasized that the group efforts targets terrorist expansionism, not sectarian divisions.

Moreover, the role of Baloch insurgent groups at Sistan border and contribution of Jaish-al-Adl is also suspiciously viewed by Iran. Iran accused of Pakistan harboring cross border militancy and anti-Iran militants Sunni activist groups targeting Iran, compelled Pakistan to enhance border engagement with both rival states. In addition to this, the influence of US-Saudi coalition and sanctions on Iran exacerbated the situation. So, Pakistan's foreign policy towards Iran and Saudi Arabia is more like walking on tightrope, views Pakistan is in a condition that it must avoid taking sides while keeping strong ties with both. In this regard, the role of government of Pakistan's mediation efforts in the form of Imran Khan's shuttle diplomacy and act of strategic balancing is significant. The recent thaw in Iran-Saudi rivalry after China's brokered mediation is crucial as it has not only restored diplomatic ties but has also acted as a strategic breathing room for Pakistan. The recent normalization of affairs between Iran and Saudi Arabia made Pakistan's approach of strategic balancing, to some extent, less intense. It could be a good opportunity for Pakistan to act as a regional connector by focusing towards economic diplomacy and regional cooperation.

In short, the Saudi-Iran rivalry instigated sectarianism within Pakistan. Iran after revolution became Shia theocracy, politicized Shia sects in Pakistan via

funding and sponsoring organizations like TNFJ and ISO. In retaliation Saudis being Sunni monarchy funded Deobandi-Sunni madrassas and extremist sectarian groups like Lashkar-e-Jhangvi and Sipah-e- Shaba in Pakistan (Rathore, 2017). This further fueled sectarian schisms in Pakistan, turning it into sectarian fault line, complicating its domestic harmony and its internal security landscape. Additionally, Pakistan's long border with Iran remains volatile due to cross-border militant groups like Jaish al-Adl, which Iran accuses of operating from Pakistani territory. Pakistan also fears Iranian influence over domestic Shia groups. These tensions have resulted in periodic border clashes and mistrust.

Economically, Pakistan relies heavily on Saudi Arabia for oil, loans, and remittances, creating a dependency that limits Islamabad's foreign policy flexibility. At the same time, energy cooperation with Iran, such as the Iran-Pakistan gas pipeline, remains stalled due to U.S. and Saudi pressure. Thus, Pakistan's attempt to balance ties with both regional powers is complicated by overlapping sectarian, security, and economic interests, making strategic neutrality difficult to maintain.

### **Pakistan's Foreign Policy with Both States Since 2020**

Pakistan's foreign policy towards Saudi Arabia since 2020 has been mostly based on profit-centric engagement with strategic hedging. Both states has been involved in various projects like Reko diq mining stake project, oil refinery project at Gwadar and the project of renewable energy parks. These projects between Islamabad and Riyadh, demonstrates investment-based engagement. In addition to this, there has been reflected soft security alignment between the two. Instead of direct military engagement, both Pakistan and Saudi Arabia has long been involved in counter terrorism and intelligence collaborations. For example in the case of Yemen war, Pakistan deployed its military personals in Saudi Arabia for defense and training purposes, instead of direct military involvement in the conflict. Pakistan has also upheld its pro Gulf standpoint at different multilateral platforms.

Since 2020, Islamabad avail significant diplomatic initiatives towards Riyadh in order to revive its foreign investments, to attract economic aid, particularly to maintain its geopolitical relations with Saudis amid strategic competition and financial crisis. These diplomatic initiatives firstly include its states' officials visit to Riyadh throughout these years. To formalize bilateral ties, both states collectively rolled out Saudi-Pakistan Supreme Coordination Council (SPSCC) in 2021. Further, to attract investments in the fields of information technology IT, refinery, infrastructure, mining and agriculture, Islamabad has introduced a \$32 billion project portfolio in Riyadh (Karim, 2023). Second key focused areas of these initiatives are trade, development and investments. In this regard Riyadh has provided billion dollars of deposits in the form of investments in key projects like, Gwadar oil refinery in Baluchistan, Reko Diq mining stake, expansion of fast food giant Al-Baik, white oil pipeline, road shadows and other water projects (Ahmed,



2023). Thirdly, Riyadh has expanded its protection and labor diplomacy & remittances towards Pakistani diaspora under its progressive vision 2030. Lastly, the military exchanges between the two States and creation of Strategic Council are some significant initiatives with respect to strategic and security diplomacy between Saudi Arabia and Pakistan.

On the other side, the analysis of Pakistan's foreign policy towards Iran demonstrated its two major policy components. First core element is "cautious or prudent engagement" and the other one is "conflict containment". There has been the Pakistan's diplomacy of crisis engagement to exhibit deterrence especially after 2024's missile strikes by Iran. Although these years marked with some selective economic engagement between Pakistan and Iran, in the form of cross-border trade, the revival of interest in Iran-Pakistan gas pipeline project through joint border markets. During these years, the border security has remained tense at Baluchistan-Sistan border. Pakistan has stressed its policy of dialogue and coordination over confrontation. In addition to this, the President of Iran Ibrahim Raisi also visited Islamabad in 2024. The main aim of his visit was to collectively focus on Iran Pakistan border developments and regional connectivity.

Iran and Pakistan both have long been collectively engaged in diplomatic exchanges, trade and border security initiatives. In the sphere of frontier security initiatives, before 2024 strikes, Tehran-Islamabad were involved in bilateral border commission meetings regularly. But the year 2024 witnessed border escalation and launch of missile strikes. Although the both sides quickly de-escalated, by renewing their border agreement, establishing joint frontier markets and patrolling to enhance peace and stability at frontiers (BSophia Saifi, 2024). In terms of Economic Cooperation, despite the fact that Iran being under major international sanctions, Pakistan has increased its trade with Tehran. To formally codify economic engagement, both states created 6 border markets in Gbad, Taftan and Panjgur on barter trade method. The Iran Pakistan gas pipeline project is also almost completed on both sides with some ongoing deliberations (Rafique, 2016). They aimed to expand their collective trade turnover up to \$5 billion. Tehran also proposed to connect Gwadar and Chabahar ports to extend connectivity (Azad, 2025). Moreover, the diplomatic cooperation between the two, upgraded its religious and cultural ties and bilateral engagement at various international forums like Organization of Islamic Cooperation (OIC) and Economic Cooperation Organization (ECO).

Despite of Pakistan's strengthening foreign policy and deepening ties with both rival Middle Eastern superpowers, Iran and Saudi Arabia, there exists some key factors that has long been influencing Pakistan's foreign policy towards these two states since 2020. First of all the key factors is Pakistan's economic dependence on Middle East especially on Saudi Arabia and Iran. As we know Pakistan being grappled with economic instability heavily reliant on Saudi's financial aid. Islamabad stabilizes its national reserves through Riyadh's multi-billion dollars of deposits. Saudi's also provided oil credit arrangements to

Pakistan, in order to help meeting rising energy costs. Moreover, Riyadh has also been remained the top of Islamabad's sources of remittances. On the other side, Tehran through its reserves of natural gas and electricity has a capability to mitigate Pakistan's energy deficits. Iran and Pakistan could be the long term energy allies, with more cheaper and closer energy sources significantly for Baluchistan, but all this depends upon, if and only if, the US would remove sanctions from Iran.

Other major factors include security challenges, influencing Pakistan's strategic balancing and foreign policy. The role of Jaish-al-Adal, Baloch insurgent groups, 2024 missile strike, shapes Islamabad's policy priorities. Yet Pakistan's strategic forbearance demonstrated its stake in maintaining peace and stability throughout the region. The proxy conflicts of Tehran and Saudi Arabia in Middle East are also posed as key components to influence policy priorities. Although Pakistan's policy to avoid distant wars, and its neutral stance demonstrated that its policy of strategic balancing is a calculated and tactical choice to maintain regional stability.

### **Pakistan's Strategic Balancing Act in Practice**

In the 21st century, Pakistan has carefully navigated its foreign policy, striving to maintain a strategic balance—especially amid the shifting alliances and tensions in the Middle East. Pakistan has embraced a pragmatic approach that truly aims to maintain economic engagement with Saudi Arabia while preserving cautious partnership with Iran. Pakistan has embraced a pragmatic approach that truly aims to maintain economic engagement with Saudi Arabia while preserving cautious partnership with Tehran. This strategy of balancing demonstrates Pakistan's overarching goal of defending its long term strategic priorities, ensuring regional stability, domestic sectarian cohesion, all while navigating the shifting both international or regional strategic contours. Since 2020, these years are marked with Islamabad's strategic balancing act with in practice. Some major efforts in this regard are given in the following. At the top of the list of key events include Imran Khan Government's mediation efforts between Iran and Saudi Arabia. In which, Khan visited both Riyadh and Tehran. In his mediation visits, he offered to the both rival governments to de-escalate tensions. Islamabad also proposed to present its good offices for further diplomatic meetings and negotiations (Mohyidin, 2023). In addition to this Islamabad and Khan also emphasized, in the United Nations General Assembly 2019 and 2020, that the any escalation between Iran and Saudi Arabia could be proved disastrous for the stability of whole region. He also promoted Islamabad's neutral stance there and called for dialogue among Muslim countries and collective efforts for peace. Although after Pakistan's efforts there have seen, to some an extent, ease in the tensions between the two states but there were no formal reconciliations in this regard.

In December 2021, Islamabad also hosted a summit of organization of Islamic cooperation OIC, which was considered as a strategic move by Pakistan to

demonstrate, firstly its diplomatic relevance in the region. Secondly, to showcase its policy of non-interventionism and neutral standing in the Muslim world (Rehman, 2021). In 2023, Pakistan also warmly acknowledged and welcomed China-brokered Riyadh-Tehran normalization that ended seven consecutive years of hostility between the two rival superpowers. This deal has not only strengthened Pakistan's border security along Iranian frontiers, but also bolstered prospects for trade and strategic regional connectivity. The Islamabad's dual-track strategy of economic diplomacy simultaneously showcased in Saudi's investments in Gwadar and Iran Pakistan gas pipeline project, and its constructive and non-alignment policy towards Middle East, is the true manifestation of its strategic balancing in practice. The country's balancing approach demonstrates nuanced and pragmatic foreign policy that aimed at neutrality and peaceful coexistence in a polarized region of Middle East.

### **Key Challenges and Risks**

Pakistan has been facing multiple diplomatic challenges, in order to balance its relations between Iran and Kingdom of Saudi Arabia. Pakistan's but domestic sectarian dynamics, economic dependence and border tensions are posed as some significant challenges in this continuum. And these challenges are not ends here, but some other major powers and external influences like U.S, China, India and Gulf States, also directly or indirectly shape Pakistan's policy choices.

The international sanctions on Iran Pakistan gas pipeline project and United States' stance on Abraham accords acted as a crucial hurdle in Pakistan's way of maintaining relations with Iran and Saudi Arabia. Moreover, the Chinese projects include its Belt and Road Initiative BRI and Gwadar port, are to some extent, posed the rival to Iran's Chabahar port and deepening Iran-Indian ties. In addition to this, the Gulf nations are not lagged behind in this regard and playing a crucial role. Especially after 2024 Iran-Pakistan missile strikes across border, United Arab Emirates UAE forced Islamabad towards normalization with Iran. Pakistan's economic survival is also dependent on gulf's financial life lines; in the form of financial aid, trade, energy and oil and remittances, which prevented Pakistan from economic default in 2022-2023.

Contemporary, other challenges include increasing Saudi-Indian rapprochements in the region that acts as direct threat towards Pakistan. Further, the role of alliances like I2U2 in the region, the Gulf-Indian trade of more than \$180 billion (Pant, 2024). These factors and increasing regional engagements act as challenges that not only have declined Pakistan's strategic value in the region, but also pose as a crucial diplomatic challenge for Pakistan to maintain its relations with both states. In addition to this, the Iran-Pakistan border security and sectarian

dynamics has also long been acted as a significant challenge for Pakistan. The border strikes along Iran-Pakistan border, showcased Iran' willingness towards escalation, if Islamabad reflects any tolerance towards anti-Iranian militants within Pakistan (Iran warns Islamabad it could strike militants inside Pakistan, 2017). In economic perspective, Pakistan is a weak state hugely reliant on both Iran and Saudi Arabia, and does not afford to lose Saudi's financial aids and at the same time need Iranian energy resources. Hence, financial and energy dependence is also considered as a key challenge for Islamabad. Pakistan must need to maintain its neutral stance, delicate and strategic approach, while safeguarding its national interests and internal stability.

## **Future Prospects**

In the light of ongoing evolving new strategic dynamics of Middle East, the following recommendations provide insights into possible future directions. Pakistan, to protect its national or geo-strategic interests, must have to continue its policy of pragmatic hedging. Secondly, Pakistan must have to ease its border tensions and curb ever escalating sectarian dynamics. Thirdly, Pakistan should have to expand its economic relations beyond the Gulf, to strengthen its economic resilience. And last but not the least, Pakistan must have to avail the opportunity to strengthen its ties with both Middle Eastern superpowers, and must act as a regional connector, especially after the recent China's brokered thaw in Saudi-Iran relations. However, realizing these prospects will require addressing existing constraints and ensuring long term stability.

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