



# **A New Chapter in Regional Security: An Analysis of the Pakistan-Saudi Arabia Strategic Defense Agreement**

**Policy Advisory Board**

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## Foreward



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As **Pakistan's foremost business voice**, the **Federation of Pakistan Chambers of Commerce and Industry (FPCCI)** remains steadfast in its mission to drive **business-friendly reforms** that promote **inclusive and sustainable growth**. By advocating for **clear policies**, forging **strong institutional partnerships**, and mobilizing **broad sectoral support**, FPCCI actively works to **stimulate trade, boost exports, and shape the nation's economic future**.

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**Pakistan and Saudi Arabia** share a deep and time-tested relationship, rooted in history, faith, and strategic trust. Over the decades, the partnership has expanded beyond religious and cultural bonds into **political, economic, and defense cooperation**, making it one of the most enduring bilateral ties in the Muslim world. Today, this relationship stands at a defining moment, with both countries aligning more closely to address evolving regional and global challenges. Strengthening this partnership means not only **enhancing security and stability** but also **unlocking vast opportunities in trade, investment, energy, and technology**.

The **FPCCI's Policy Advisory Board** has been actively engaged in broad-based consultative dialogues with stakeholders across Pakistan's business spectrum. Backed by a network of chambers and trade associations, it brings together diverse industry perspectives and plays a pivotal role in shaping **business-friendly policies** that foster sustainable economic growth.

The **Strategic Mutual Defense Agreement** between Pakistan and Saudi Arabia marks a watershed moment in the **security and political architecture of the Muslim world**. The **pact institutionalizes** a collective defense commitment, strengthens bilateral ties, and redefines **regional deterrence** at a time when rogue states like India and Israel destabilize peace through aggression and expansionism. Pakistan and Saudi Arabia have forged deterrence for regional peace and stability. Pakistan asserts itself as a credible guarantor of stability with proven military capability and strategic depth. The accord also creates opportunities beyond defense by opening avenues for economic integration, trade corridors, and cooperative engagement with Afghanistan and Central Asia, directly linking security with prosperity. Far from being confrontational, this agreement demonstrates responsible statecraft, positioning Pakistan and Saudi Arabia as central pillars of a new, self-reliant order for regional peace and global stability.



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## Executive Summary

On September 17, 2025, **Mian Muhammad Shehbaz Sharif, Prime Minister of Pakistan** and Crown Prince **Mr. Mohammed bin Salman bin Abdulaziz Al Saud, Prime Minister of Saudi Arabia**, signed a **Strategic Mutual Defense Agreement (SMDA)**, marking a significant milestone in the nearly **eight-decade-long partnership between Pakistan and Saudi Arabia**. This agreement strengthens **defense cooperation**, positioning both nations as **key players** in the **region**. The joint statement states that; *“any aggression against one country shall be considered an aggression against both”*, this agreement has **institutionalized long-standing relationships**, transforming it into a strategic alliance capable of addressing regional security challenges together.

Pakistan and Saudi Arabia have consistently demonstrated their roles as **responsible states** in the international community, **upholding principles of cooperation, peace, and mutual respect**. Neither country has ever launched aggression against any sovereign state; instead, both have **prioritized dialogue, diplomacy, and constructive engagement to resolve conflicts**. Their track record reflects a commitment to **regional stability** and global peace, making them credible partners for fostering security and development. By aligning their efforts, Pakistan and Saudi Arabia reinforce their shared **vision of promoting stability, countering terrorism, and contributing positively to the international order**. The said defence pact emerges as a natural extension of their shared vision for stability and security.

This agreement acquires added significance in the context of **rogue states** such as **India** and **Israel**, whose destabilizing behavior continues to **threaten regional and global security**. **India’s cross-border terrorism** and **expansionist ambitions**, coupled with **Israel’s genocide in Gaza**, and aggression against its neighbouring countries, including Qatar, and its pursuit of a **“Greater Israel”**, have profoundly undermined peace in the **Muslim world**. The **SMDA** sends a clear **signal of deterrence** to both states, demonstrating that **unilateral aggression will no longer go unanswered**. With Saudi Arabia’s diplomatic influence and financial muscle and Pakistan’s proven military capability, the alliance forms a powerful bulwark against such rogue conduct, reinforcing stability in the region. **Containing India and Israel** will pave the way for **greater peace** and **prosperity** in the world. The SMDA should not be misconstrued as hostility against any nation; rather, it establishes credible deterrence against rogue behavior to restrain destabilizing actions and opens space for regional cooperation and global stability which will be largely welcomed by global corridors.

The Saudi–Pakistan Defense Agreement brings tangible benefits for both partners, strengthening their security, economic, and diplomatic positions. For Pakistan, the pact not only enhances its deterrence capability but also allows it to leverage Saudi Arabia’s vast diplomatic influence, particularly in **Afghanistan**, to resolve persistent security challenges along its western frontier. By jointly influencing Afghanistan, both countries can unlock its potential as a **transit hub**, opening access to **Central Asian markets** and generating economic prosperity for the **Afghan people and region**. This stability, in turn, will foster stronger **regional trade linkages** connecting **China, Saudi Arabia, Pakistan, Afghanistan**, and the **Central Asian republics**.

## 1. Introduction: From Brotherhood to Strategic Alliance

On September 17, 2025, Pakistan and Saudi Arabia formalized a new phase of their bilateral relations with the signing of the **Strategic Mutual Defense Agreement** in Riyadh. The accord, announced by Prime Minister Muhammad Shehbaz Sharif and Crown Prince Mohammed bin Salman, represents the culmination of nearly eight decades of close political, military, and economic ties between the two brotherly countries. It establishes a binding framework that elevates their long-standing cooperation into a formalized strategic alliance.

At the heart of the agreement lies a transformative collective defense clause: ***“any aggression against either country shall be considered an aggression against both.”*** Modeled on Article 5 of the North Atlantic Treaty (1949), this provision institutionalizes a joint security commitment, establishes a structured mechanism for deterrence and response, and marks a decisive shift from ad-hoc cooperation to a predictable and durable Pakistan–Saudi Arabia security partnership.

The timing of this pact is particularly significant. Saudi Arabia, like other Gulf states, has increasingly been exposed to Israel’s series of aggressions against the neighbouring countries. Regional instability—exemplified by **Israel’s recent attack on Qatar**—has further underlined the need for a **credible security partner** which is globally acceptable. In this context, Pakistan provides **unmatched military capability, nuclear deterrence, and tested defense capabilities**, as demonstrated during the **May 2025 conflict with India**, where New Delhi’s miscalculated aggression was met with swift and effective Pakistani response. For Riyadh, aligning with Pakistan ensures a reliable partner in an evolving security landscape; for Islamabad, it represents recognition of its strategic weight and military capability.

Beyond defense, the agreement carries important economic and geopolitical significance as a byproduct. Historically, military alliances have often laid the foundation for economic integration, industrial cooperation, and technological advancement. If effectively operationalized, this pact could open avenues for **joint defense industries, energy partnerships, trade expansion, and technology transfer**, generating dividends well beyond the security sphere. It also sets the groundwork for a broader collective security framework for the Gulf and wider Islamic world.

## 2. Pakistan - Saudi Arabia Relations: Strategic, Religious, and Economic Partnership

**Saudi Arabia was among the first countries to recognize Pakistan shortly after its independence in 1947, and diplomatic relations were established just a month later, in September 1947.** This marks the beginning of a **special relationship**, deeply rooted in centuries-old religious, cultural, and commercial ties between the two nations. This strong partnership is built on shared religious values, a deep cultural connection, and a mutual commitment to each other's well-being, making it the foundation of their special relationship. As we explore the evolution of this unique bond, it reflects a comprehensive diplomatic, religious, military, and economic partnership that continues to evolve, shaped by mutual respect, support, and shared interests.

### 2.1. Pakistan Saudi Arabia Religious Relationship

The relationship between **Pakistan and Saudi Arabia** is anchored in a profound religious and spiritual bond that transcends politics and economics. Pakistan, founded on Islamic principles, holds a unique affinity with Saudi Arabia as the custodian of the two holiest sites of Islam—Makkah and Madinah. This connection is not merely symbolic; it reflects the deep reverence and emotional attachment of the Pakistani people to the Holy Land, manifested through millions of pilgrims performing Hajj and Umrah each year. These journeys not only strengthen individual faith but also create people-to-people linkages that reinforce the spiritual and cultural bond between the two nations. For many Pakistanis, Hajj and Umrah represent lifelong aspirations, and Saudi Arabia's facilitation of these sacred pilgrimages further cements goodwill and mutual respect. Both nations draw strength and guidance from the Quran and Sunnah, which shape their constitutional values and societal outlook. This shared spiritual foundation, enriched by the continuous flow of pilgrims, nurtures an enduring brotherhood that makes the Pakistan–Saudi Arabia relationship not just a strategic alliance but a sacred bond rooted in faith, history, and shared destiny.

### 2.2. Pakistan - Saudi Arabia Diplomatic Relationship

The diplomatic partnership between **Pakistan and Saudi Arabia** has evolved into one of the closest and most enduring alliances in the Muslim world. Rooted in shared Islamic values, mutual trust, and strategic cooperation, this relationship has consistently adapted to changing geopolitical realities. Over the decades, the two nations have not only supported each other diplomatically but also stood side by side during regional conflicts, economic challenges, and global negotiations. Their engagements reflect a bond that is both historic and forward-looking, blending religious solidarity with strategic depth. The key diplomatic engagements between Pakistan and Saudi Arabia includes:

- a) **1951 - Treaty of Friendship:** Pakistan and Saudi Arabia formalized their relationship through the signing of the Treaty of Friendship, laying the foundation for diplomatic and economic cooperation.
- b) **1974 – OIC Summit in Lahore:** Pakistan hosted the **2nd Islamic Summit Conference** under Prime Minister **Zulfikar Ali Bhutto**, attended by **King Faisal of Saudi Arabia** and **other Heads of the States**. This landmark event strengthened Pakistan's leadership in the Islamic world and reinforced Islamabad–Riyadh ties.
- c) **1970s–1980s – Zia-ul-Haq Era:** Relations peaked under President **General Zia-ul-Haq**, with strong government and personal ties with Saudi Arabia. Pakistan deployed troops to Saudi Arabia for its defense, while Riyadh provided extensive **economic aid, oil supplies, and financial support**. The Afghan jihad further cemented mutual cooperation.
- d) **1988 – Faisal Mosque, Islamabad:** The Shah Faisal Mosque in Islamabad was inaugurated on 18 June 1988 by **President General Muhammad Zia-ul-Haq**. It was attended by **Prince Sultan bin Abdulaziz Al Saud** from the Saudi side, in memory of **King Faisal bin Abdulaziz Al Saud**.
- e) **1998 – Post-Nuclear Sanctions Relief:** Following **India's nuclear tests in 1998**, Pakistan responded with **five nuclear detonations** of its own, a move that triggered wide-ranging international sanctions. At this critical juncture, **Saudi Arabia** extended vital support by providing oil supplies on deferred payments and financial assistance, enabling Pakistan to withstand economic pressures and stabilize its economy during one of the most challenging periods in its history.
- f) **2000s – Economic and Defense Cooperation:** Frequent high-level visits strengthened collaboration in **energy, investment, and military training**, with Pakistan continuing to station military personnel in Saudi Arabia.
- g) **2014 & 2018 – Bailout Packages:** Saudi Arabia extended **USD 1.5 billion** during then Prime Minister Muhammad Nawaz Sharif's government to help Pakistan shore up its foreign reserves. Whereas, in 2018 during Prime Minister Imran Khan's tenure, Saudi Arabia committed a **USD 4.2 billion package** i.e. **USD 3 billion** deposited in State Bank of Pakistan and **USD 1.2 billion (actual USD 595 million) of deferred oil payment** facility for one year.
- h) **2019 – Crown Prince Mohammed bin Salman Visit:** During his visit to Islamabad, Saudi Arabia pledged **\$20 billion investment**, including in the Gwadar Oil Refinery project, marking a new phase in economic partnership.
- i) **2023 – Economic Crisis Support:** Saudi Arabia once again played a decisive role in ensuring Pakistan's **IMF bailout**, by depositing \$2 billion in Pakistan's central bank reserves.
- j) **April 7–9, 2024 – First Foreign Visit of PM Shehbaz Sharif:** The Prime Minister's first overseas trip of his second term was to Saudi Arabia. Discussions with Crown Prince Mohammed bin Salman led to an agreement to accelerate a **US\$5 billion Saudi investment package** and finalize **34 MoUs worth US\$2.8 billion**, of which **US\$560 million** became binding projects.

### 2.3. Pak-Saudi Strategic Defence Cooperation

The defence partnership between **Pakistan and Saudi Arabia** stands as one of the most enduring and strategically significant dimensions of their bilateral relationship. Rooted in trust, exclusivity, and shared security concerns, this cooperation has evolved into a comprehensive framework of **military deployments, joint exercises, training programs, and defence agreements**. For Saudi Arabia, Pakistan has served as a **credible security partner**, while for Pakistan, Riyadh has been a **steadfast partner** offering political, financial, and strategic support during critical times. Together, the two nations have institutionalized defence ties that extend well beyond conventional military cooperation, encompassing counter-terrorism, regional security, and strategic deterrence. Key milestones in Pak-Saudi defence cooperation include:

- a) **1967 - Defence Cooperation Agreement:** Pakistan and Saudi Arabia signed their first formal military cooperation pact, laying the foundation for Pakistani troops' deployment in the Kingdom.
- b) **1970s – Pakistani Military Deployment:** Thousands of Pakistani troops were stationed in Saudi Arabia at Riyadh's request to strengthen its defence architecture. Pakistani pilots also flew Saudi fighter jets, significantly contributing to the modernization of the Royal Saudi Air Force.
- c) **1982 – Defence Protocol:** A wide-ranging defence cooperation protocol was signed, formalizing Pakistan's role in training Saudi military personnel and strengthening joint operational readiness.
- d) **1990–91 – Gulf War:** Pakistan deployed more than **11,000 troops**, including air and ground forces, to defend Saudi territory and safeguard the holy sites of Makkah and Madinah during the First Gulf War.
- e) **2004 onwards – Al-Samsaam Exercises:** Pakistan and Saudi Arabia initiated biennial **counter-terrorism exercises**, reflecting a joint focus on modern security threats.
- f) **2016 – North Thunder Military Exercise:** Conducted in Hafr al-Batin, this was the largest multinational exercise in the region at the time, with Pakistan playing a frontline role alongside Saudi forces.
- g) **2018 – Islamic Military Counter Terrorism Coalition (IMCTC):** Headquartered in Riyadh, this coalition appointed **Gen. (R) Raheel Sharif** of Pakistan as its first Commander-in-Chief, reflecting Saudi trust in Pakistan's military leadership.
- h) **2025 – Strategic Mutual Defense Agreement:** Signed on **17 September 2025** in Riyadh by **Prime Minister Shehbaz Sharif** and **Crown Prince Mohammed bin Salman**, this pact declared that **any aggression against one country would be considered aggression against both**, mirroring NATO's Article 5 principle.

### 2.4. Pakistan's Workers in KSA and Remittances Inflow

A central pillar of Pakistan–Saudi Arabia relations is the **Pakistani expatriate community in KSA**, more than **2.5 million people**, which is the huge overseas workers working in the



Kingdom. Over the decades, Pakistani workers—ranging from skilled professionals to industrial and construction laborers—have made invaluable contributions to **Saudi Arabia’s infrastructure, healthcare, services, and industrial development**, directly supporting the Kingdom’s modernization and growth.

The Pakistani diaspora in Saudi Arabia has sent home **US\$9.35 billion in remittances in 2024**, making the Kingdom the **single largest source of remittances to Pakistan**. This figure accounts for nearly **24% of Pakistan’s total inflows**, underscoring its critical importance for **Pakistan’s balance of payments, household livelihood, and rural development**. Beyond its financial value, these remittances serve as a lifeline for millions of families, fueling consumption, investment, and poverty alleviation across Pakistan.

**2.5. Pak-Saudi Bilateral Trade**

Bilateral trade between Pakistan and the Kingdom of Saudi Arabia stood at a trade volume around **US\$4.4 billion** (imports of \$3.7 billion vs Exports \$704 million) in **2024-25**. Pakistan primarily imports mineral fuels, mineral oils, plastics, and organic chemicals from Saudi Arabia, while exporting cereals, meat, and dairy products to the Kingdom. In 2024-25, Pakistan’s imports from Saudi Arabia declined by **16.42%**, while exports showed relative stability, recording only a marginal decrease of **0.84%**. This resilience in trade demonstrates the continuity of economic ties, underpinned by mutual trust and shared interests. Both sides are now working to expand this partnership by diversifying trade baskets, encouraging joint ventures, and enhancing cooperation in new sectors such as renewable energy, food security, and technology.

**Table 1: Pakistan-Saudi Arabia Bilateral Trade**

Indicators	2024-25 (US\$ million)	2023-24 (US\$ million)	% Change
Pakistan’s Exports to Saudi Arabia	704.31	710.29	-0.84%
Pakistan’s Imports from Saudi Arabia	3,754	4,492	-16.42%
Pakistan’s Trade Deficit with Saudi Arabia	(3,049.69)	(3,781.71)	-19.35%

Source: PBS

### 3. Institutionalizing Trust: The Strategic Defense Pact and Its Significance

The **Strategic Mutual Defense Agreement** between Pakistan and Saudi Arabia represents a historic elevation of **bilateral ties**, transforming decades of **religious affinity**, **diplomatic engagement**, and **military cooperation** into a formalized security partnership. Rooted in shared values and a mutual commitment to safeguarding regional stability, the pact goes beyond traditional defense arrangements—it institutionalizes trust, strengthens deterrence against common threats, and aligns both nations at the center of a new Middle Eastern security order. This agreement not only reaffirms the depth of Pakistan–Saudi relations but also signals a strategic shift towards regional self-reliance in security.

#### 3.1. Significance for Pakistan

For Pakistan, the Strategic Mutual Defense Agreement with Saudi Arabia represents far more than a traditional security pact—it is a strategic breakthrough that strengthens the country's role as a partner in ensuring peace and stability in Saudi Arabia. At a time when Pakistan faces mounting external challenges—ranging from **Indian hostility** to shifting power alignments in the Middle East—the agreement provides Islamabad with both a **political** and **economic shield**. By formalizing defense cooperation with Saudi Arabia, Pakistan gains sustained access to energy and financial support, critical for stabilizing its economy and ensuring long-term resilience.

Equally important, this pact amplifies Pakistan's strategic relevance. It recognizes **Pakistan's nuclear capability** and **military professionalism** as core assets for regional security, thereby elevating its stature as a credible deterrent against Indian aggression against Pakistan and Israeli adventurism against Arab States specially Gaza. This pact enhances Pakistan's diplomatic bargaining power, allowing it to project influence not just in the Gulf but also across the broader Islamic world.

On a deeper level, the agreement reflects a **trust-based partnership** where Saudi Arabia acknowledges **Pakistan's reliability as a security partner** at a time when global powers appear increasingly hesitant to make firm commitments in the Middle East against Israel's genocide. For Pakistan, this trust translates into diplomatic weight, economic dividends, defense production and a strengthened position in shaping the region's future security architecture.

In essence, the **SMDA** provides Pakistan with a rare opportunity: to transform its traditional friendship with Saudi Arabia into a structured alliance that not only meets immediate security needs but also redefines Pakistan's long-term strategic identity as a balancing force in a volatile region due to its nuclear capabilities.

### 3.2. Significance for Saudi Arabia

For Saudi Arabia, the Strategic Mutual Defense Agreement with Pakistan is a landmark step in reshaping its security architecture amidst rapidly changing regional and global dynamics. As the Kingdom supplements its security strengths in addition to traditional Western security guarantees, Pakistan emerges as a natural and trusted partner—one with proven military capabilities, nuclear deterrence, and a longstanding record of non-partisan and responsible state. This **pact ensures** that **Saudi Arabia does not navigate external threats alone**, particularly during a period marked by **Israeli aggression** in **Gaza, Iran, Qatar, Yemen, Lebanon, Syria, Tunisia**, and more, highlighting **Israel's emergence** as a regional 'thug' in its **quest** for a 'Greater Israel'.

By anchoring Pakistan within its security framework, Saudi Arabia gains access to one of the most **battle-tested militaries** in the Muslim world, strengthening its deterrence against potential threats. The pact also broadens Riyadh's defense options beyond conventional alliances, positioning Saudi Arabia at the forefront of a new, regionally driven security order that reflects Gulf priorities rather than external dictates.

Ultimately, this pact allows Saudi Arabia to balance its economic modernization under **Vision 2030** with enhanced national security, ensuring that regional stability underpins its long-term growth ambitions. It represents a forward-looking strategy: securing the Kingdom's sovereignty while elevating its influence in shaping the future security landscape of the Middle East and the wider Muslim Ummah.

## 4. Strategic Benefits for Pakistan under the SMDA

The ***Strategic Mutual Defense Agreement*** between Pakistan and the Kingdom of Saudi Arabia represents a watershed moment in Pakistan's security and foreign policy trajectory, offering a wide array of military, economic, and geopolitical benefits. It formalizes a mutually beneficial arrangement under which Pakistan's defense and nuclear capabilities serve as a guarantor of regional peace and prosperity.

### 4.1. Strategic Shield with Saudi Arabia

Throughout history, **China** and **Pakistan** have **unwaveringly** supported **each other** during **crises** and **challenges**. In the wake of the **recent conflict** with **India** in **May 2025**, **China** has **provided significant diplomatic** and **military backing** to **Pakistan**. With the recent **defense agreement** between **Pakistan** and **Saudi Arabia**, Pakistan's **role** on the **global stage** has become **increasingly pivotal**, positioning it to **further enhance** its **significance** in the realms of **economy**, **trade**, and **investment**.

### 4.2. Enhanced Geopolitical Role in the Muslim World

As the **only nuclear-armed Muslim state**, Pakistan's role has long been seen as **central** to **safeguarding** the sovereignty of **Saudi Arabia** and the **sanctity of the Holy Mosques**. This pact formally elevates that role, strengthening Pakistan's influence not only within the Muslim Ummah but also in multilateral organizations such as the Organization of Islamic Cooperation (OIC) and the United Nations. Pakistan emerges as a responsible nuclear state with self-defence posture, and its constructive role in all multilateral forums reflects that Pakistan is a guarantor of international peace and prosperity. On the other hand, India and Israel have consistently demonstrated behavior characteristic of rogue states, pursuing expansionist designs, sponsoring cross-border terrorism, and engaging in policies that undermine regional peace and stability.

### 4.3. Deterrence Against India

One of the foremost benefits of the ***Strategic Mutual Defense Agreement*** for Pakistan lies in the recalibration of the regional balance of power. With Saudi Arabia's explicit backing, Pakistan emerges as a key player in South Asia. For India, this significantly raises the cost of aggression, as **New Delhi** must now factor the prospect of a **combined military** and **economic response** from Pakistan and Saudi Arabia.

### 4.4. Implications for Afghanistan

Pakistan and China have already engaged the **Afghan Taliban government** to curb terrorist attacks in **Khyber Pakhtunkhwa** and **Balochistan** originating from Afghan soil. The new Pak-Saudi defense pact will further supplement Pakistan-China efforts to tackle this menace enabling Pakistan-China-Saudi Arabia to access **Central Asian markets**

which will also be transformative for Afghanistan's economic prosperity and well-being of Afghan people. The resolution of security issues arising from Afghanistan will open doors of economic prosperity for Saudi Arabia, Pakistan, China, and Afghanistan.

#### **4.5. Advanced Military Modernization and Knowledge Transfer**

The agreement envisions the development of defense cooperation and the strengthening of joint deterrence, which points toward opportunities for military modernization, defence production, etc. Although this pack offers a nuclear umbrella to KSA, it does not include proliferation of nuclear weapons. Pakistan, with its **hard-earned expertise in counter-terrorism** and **asymmetric warfare**, is well-placed to contribute training and operational knowledge to Saudi forces. In turn, Pakistan could develop advanced weaponry, missile systems, and modern equipment financed by Saudi Arabia, thereby further upgrading its defense capabilities.

## 5. The Strategic Mutual Defense Agreement: Implications for India, Israel, and Global Security.

### 5.1. Implications for India

The signing of the Strategic Mutual Defense Agreement between Pakistan and Saudi Arabia has taken **India by surprise**, generating concern within New Delhi's strategic and diplomatic circles. The accord comes at a time of heightened regional tensions, particularly in the aftermath of recent military clashes and "**Operation Sindoor**" in May. For India, the agreement underscores Pakistan's emerging role as a credible security partner in the Middle East, a role that directly challenges India's long-held perception of Pakistan as a secondary regional power.

Historically, India has viewed Pakistan as a smaller adversary, not a peer competitor. However, this new defense partnership with Saudi Arabia—the Kingdom being a pivotal actor in the Gulf—elevates Pakistan's **deterrence capabilities** and strengthens its military and diplomatic weight. The institutionalization of defense alignment with Saudi Arabia signals to India that Pakistan is no longer operating in isolation but is backed by a major regional partner with deep strategic influence. This development is likely to **alter South Asia's security dynamics** also, forcing India to **recalibrate its own posture**.

The agreement also raises the stakes in the event of future conflict. Any aggressive move by India against Pakistan could now be perceived as a direct threat to Saudi Arabia, with the potential of drawing Riyadh into the equation. Such a scenario would not only complicate India's military calculus but could also jeopardize its diplomatic and economic relations with the Kingdom. This concern is particularly relevant given the depth of Indo-Saudi ties. In 2024, bilateral trade reached **\$42 billion**, with Indian exports **\$12.27 billion** to Saudi Arabia, while imports of **\$29.86 billion** from **Saudi Arabia**.

Beyond trade, approximately **2.5 million Indian expatriates** reside in Saudi Arabia, contributing nearly **\$9 billion** to India's remittances in 2024. While the immediate economic partnership between India and Saudi Arabia may not face disruption, the long-term implications are more complex. The Pakistan–Saudi strategic pact introduces a new variable that could influence Riyadh's calculations in balancing its ties with New Delhi. For India, this development represents not only a diplomatic challenge but also a potential weakening of its regional position in the face of a stronger and more coordinated Pakistan–Saudi security alignment.

### 5.2. Implications for Israel

The Pakistan–Saudi Arabia Strategic Mutual Defense Agreement significantly complicates Israel's regional security calculus. For decades, Israel has pursued its policies of expansionism and aggression with relative impunity, exploiting divisions within the Arab and Muslim world. It has operated as a **rogue state**, accused globally of committing war

crimes and genocide against the Palestinian people, confident that fragmented opposition would prevent any credible collective military deterrence.

The entry of Pakistan—a nuclear-armed state with vast military capacity—into a formal defense alliance with Saudi Arabia fundamentally alters this equation. Saudi Arabia, with its unmatched financial clout and influence across the Arab and Islamic world, combined with Pakistan’s military strength and credibility, creates a **powerful and institutionalized security bloc**. This not only raises the cost of unilateral Israeli military actions but also injects an unprecedented degree of **strategic uncertainty** into Israel’s security spectrum.

Finally, this defense partnership strikes at the heart of Israel’s long-term ambition of creating a so-called “Greater Israel.” The emerging Saudi–Pakistan security axis introduces a formidable counterweight to such ambitions, signaling that unchecked expansion and military adventurism will no longer go unanswered. Instead, Israel faces a new strategic environment where deterrence is collective, credible, and increasingly institutionalized.

### 5.3. Implications for World

The Strategic Mutual Defense Agreement between Pakistan and Saudi Arabia carries profound implications for global peace and security. Two states in particular—**India and Israel**—have consistently acted as **rogue states, pursuing expansionist agendas** and employing **cross-border aggression** as instruments of their policy. India has long destabilized South Asia through its **occupation of Kashmir, state-sponsored terrorism in Pakistan**, and **hegemonic ambitions** toward its neighbors i.e. Bangladesh, Sri Lanka, Nepal, Myanmar, and Bhutan. The widespread **persecution of Muslims** and the **assassinations of Sikh leaders**, both domestically and internationally, have garnered significant international condemnation. Whereas, Israel is continuing its campaign in Palestine, attacking Yemen, Lebanon, Syria, Iran, and Qatar, and pursuing a "Greater Israel" project that infringes on the sovereignty of other nations and destabilizes the region. Furthermore, Israel has **ignored international diplomatic efforts** and repeated **United Nations resolutions**.

This defense pact sends an unmistakable message to the aforesaid rogue states that; aggression, expansionism, and state terrorism will no longer be feasible. The agreement between Pakistan and Saudi Arabia, complemented by Pakistan’s historic partnership with China and growing alignment with other Muslim states, establishes a new deterrent framework.

This agreement is expected to ensure that India and Israel are effectively restrained, prompting them to relinquish their aggressive intentions. As a result, the world may experience an advancement towards peace and prosperity. A more stable Middle East and South Asia will foster conditions for enhanced economic integration, connectivity, and development—benefiting not only regional nations but also the global marketplace.

By reinforcing **deterrence** and **formalizing security collaboration**, this pact establishes the foundation for a new era in which conflict is minimized, aggressive actions are curtailed which is aligned with the **strategic interests** of the **USA, China, and broader international community**.



## 6. Strategic Recommendations for Pakistan

### 6.1. Deepen Economic Integration under Vision 2030

Saudi Arabia's Vision 2030 brings an unprecedented chance for Pakistan to integrate into one of the world's most ambitious transformation Agendas. Pakistan should proactively seek **joint ventures** in high-potential sectors such as construction, artificial-intelligence, tourism infrastructure, cultural exchange programs, renewable energy, and mining. By aligning Pakistani expertise and industrial capacity with Saudi Arabia's long-term plans, Islamabad can fetch durable economic gains while cementing its role as a strategic partner in the Kingdom's future.

### 6.2. Exporting Skilled Human Capital for Higher-Value Remittances

Presently, KSA hosts 2.5 million Pakistani workers, who remitted **USD 9.35 billion** in **FY2025**. This defense agreement brings an opportunity for Pakistan to expand its expatriate presence in Saudi Arabia by deploying highly skilled professionals in engineering, IT, advanced healthcare, renewable energy sectors, etc. This would not only directly serve Saudi Arabia's modernization drive but also boost Pakistan's remittance inflows significantly, moving beyond subsistence-level earnings toward sustainable economic growth.

### 6.3. Strengthening Energy Security and Clean Technology Collaboration

Energy security remains critical to Pakistan's economic stability. Building on the defense pact, Pakistan should negotiate **long-term oil agreements at a reduced rate**, while also collaborating on **renewable energy investments**—including solar, wind, and green hydrogen.

### 6.4. Diversifying Exports and Achieving a Trade Surplus

In 2024, Saudi Arabia imported goods worth **US\$ 12.75 billion** from India which includes Vehicles, Cereals, Nuclear reactors, electrical machinery, organic chemicals, articles of iron or steel, etc. Whereas, in 2024, Pakistan exported goods worth **USD 704.31** million to Saudi Arabia. Under the new dimension of cooperation, Pakistan and Saudi Arabia should work closely to develop an industrial base in Pakistan through joint ventures, as early as possible, aiming to substitute Indian exports to KSA with Pakistani products.

### 6.5. Addressing Cross-Border Security Challenges with Afghanistan and Access to Central Asia

Pakistan can utilize the recent Pak-Saudi defense agreement to support its ongoing collaboration with China in addressing the Afghan Taliban's role in cross-border terrorism in KPK and Balochistan stemming from Afghanistan. By gaining diplomatic

influence from Saudi Arabia, Islamabad can strengthen its western borders, reduce security risks, and reallocate its resources towards national development. This trilateral partnership will not only improve regional security but also open pathways to Central Asian markets (05 countries) having total trade volume of **USD 270.13 billion** in 2024 (USD 132.68 billion exports and USD 137.45 billion imports), fostering economic growth for Pakistan, China, Saudi Arabia, and Afghanistan.