

Geopolitical Realignment in the Middle East: The Restoration of Iran-Saudi Arabia Relations and Its Strategic Impacts Upon Pakistan post-2023

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Abstract: *The peace agreement signed between Saudi Arabia and Iran in China in March 2023 marked the end of a seven-year diplomatic rift between the two Gulf rivals (Iran and Saudi Arabia). China has been striving to reconcile the Iran-Saudi animosity and antagonism. This research paper seeks to evaluate China's involvement in this widely regarded diplomatic triumph. It also explores the recent process of reconciliation and normalization of diplomatic relations between two longstanding regional rivals Iran and the Kingdom of Saudi Arabia (KSA). The paper further analyzes the strategic implications of this rapprochement for Pakistan. It also discusses prospect for enhanced peace, stability, cooperation, and development in region and beyond the region. It also accentuates the achievements of China after peace process of 2023 and contemporary diplomatic challenges for both Iran and Saudi Arabia.*

Keywords: *Iran, Saudi Arabia, Rapprochement, China, Strategic interests of Pakistan*

Introduction

The political landscape of the Middle East has evolved into a form of bloc politics, dominated by the strategic rivalry between Saudi Arabia and Iran, each striving to safeguard and extend its sphere of influence. This rivalry intensified following the 1979 Iranian Revolution, which introduced a sectarian dimension to their competition¹. The fall of Saddam Hussein further deepened this religio-political conflict, transforming it into a broader geostrategic contest. The onset of the Arab Spring significantly reshaped the regional environment, with uprisings and conflicts in Yemen, Bahrain, Libya and Syria providing both Tehran and Riyadh opportunities to assert dominance, often at the other's expense. These interventions have had a profound impact on the political dynamics of the Middle East².

The Arab Spring also initiated structural transformations within several states; regime changes in Tunisia and Egypt, along with crises in Iraq, Syria, and Yemen, disrupted traditional political hierarchies and created a power vacuum. This vacuum was quickly exploited by Iran and Saudi Arabia

¹ Muhammad Nadeem Mirza, Hussain Abbas, and Irfan Hasnain Qaisrani, "Structural Sources of Saudi-Iran Rivalry and Competition for the Sphere of Influence," *SAGE Open* 11, no. 3 (July 2021), <https://doi.org/10.1177/21582440211032642>.

² Jonathan Marcus, "Why Saudi Arabia and Iran Are Bitter Rivals," *BBC News*, September 16, 2019, <https://www.bbc.com/news/world-middle-east-42008809>.

to expand their regional presence³. The complexity of their rivalry is compounded by underlying sectarian and ideological divisions, which have far-reaching implications not only for both nations and the Middle East but also for the broader Muslim world. The collapse of Saddam's regime necessitated a recalibration of regional power dynamics and compelled Middle Eastern states to reassess their relations with external powers⁴. On March 10, 2023, Iran and Saudi Arabia two long-standing rivals in the Middle East announced the restoration of diplomatic ties following a seven-year suspension. This diplomatic breakthrough was facilitated by China, which is increasingly asserting its economic and political influence in the region.

For Iran, renewed ties with Saudi Arabia may offer a pathway to alleviate regional isolation and reduce Western pressure⁵. Pakistan, which maintains deep-rooted religious, cultural, and strategic connections with both Iran and Saudi Arabia as well as a close partnership with China is likely to experience considerable effects from this trilateral engagement. If Iran and Saudi Arabia remain committed to gradually strengthening their bilateral relationship, Pakistan may be relieved of the persistent challenge of balancing between the two powers. Pakistan's Middle East policy has consistently been shaped by a combination of economic considerations and religious affiliations, making neutrality both necessary and difficult to maintain⁶.

Conceptual Framework

Regional Security Complex (RSC) was proposed by Barry Buzan, in his 1983 work *People, States and Fear* has expanded in the post-Cold War era, particularly through the contributions of scholars associated with the Copenhagen School, notably Buzan and Ole Wæver. Challenging the traditional focus on political and military dimensions of security, these scholars advocated for a more comprehensive framework⁷.

Economic, societal and environmental sectors too, thereby broadening the analytical lens beyond conventional paradigms. The (RSC), as articulated by its originators, serves as a conceptual framework for understanding the evolving dynamics of international security in the post-Cold War era. It rests on the premise that the regional level offers the most appropriate foundation for security analysis⁸. Application of this core assumption of to the case study of Iran-Saudi Arabia relations has uncovered important changes in the Middle Eastern security architecture. Politically, the restoration of diplomatic ties accentuates a recalibration of leadership roles in the region reducing the zero-sum rivalry that once characterized their foreign policies. This détente opens new avenues for diplomatic engagement, particularly for mediating regional conflicts and strengthening multilateral institutions such as the Organization of Islamic Cooperation (OIC), while reducing political polarization across the Middle

³ Fakhar Alam, "Saudi-Iran Rivalry and Its Impact on Regional Politics," *European Journal of Social Science Studies* 2, no. 9 (2017), <https://doi.org/10.46827/ejss.v0i0.275>.

⁴ Zahid Shahab Ahmed and Shahram Akbarzadeh, "Sectarianism and the Organization of Islamic Cooperation (OIC)," *Territory, Politics, Governance* 9, no. 1 (August 1, 2019): 76-93, <https://doi.org/10.1080/21622671.2019.1643779>.

⁵ Rabia Akhtar, *The Saudi-Iran Rapprochement and Its Implications for Pakistan*, March 2023, <https://pide.org.pk/research/the-saudi-iran-rapprochement-and-its-implications-for-pakistan/>.

⁶ Syed Ali Abbas, "Implications of the Iran-Saudi Deal for Pakistan," *South Asian Voices*, May 9, 2023, <https://southasianvoices.org/implications-of-the-iran-saudi-deal-for-pakistan/>.

⁷ Barry Buzan, Ole Wæver, and Jaap de Wilde, *Security: A New Framework for Analysis*, vol. 1 (Boulder, CO: Lynne Rienner Publishers, 1998), https://www.academia.edu/39047709/Buzan_Waever_and_De_Wilde_1998_Security_A_New_Framework_For_Analysis.

⁸ Leszek Sadurski, "Regional Security Complex Theory: Why Is This Concept Still Worth Developing?" *Athenaeum: Polish Political Science Studies* 75, no. 3 (2022): 137-53, <https://doi.org/10.15804/athena.2022.75.08>.

East.

In terms of military, the cessation of overt hostility between Iran and Saudi Arabia ultimately decreases the intensity of proxy warfare that has plagued the region, particularly in Yemen, Syria, and Iraq. For Pakistan, which has often been wary of entanglement in sectarian or military alignments, this change in Iran-Saudi relations could lessen the external pressure to militarily favor one bloc over the other. A more stable military balance in the Middle East may also reduce the arms race and regional demand for foreign military bases and external intervention. Moreover, this realignment could enhance cooperation on counterterrorism initiatives, border security, and naval security in critical areas like the Strait of Hormuz and Arabian Sea (zones of direct strategic interests to Pakistan).

Furthermore, this realignment between Iran and Saudi Arabia has positive impacts on economic relations. Both states can enhance regional integration and trade. It would be beneficial for Pakistan to run trade relations smoothly with the Middle East and Central Asia. It also helps Pakistan to connect with China through initiatives like the China-Pakistan Economic Corridor (CPEC). Diminishing geopolitical friction could enable joint investments in energy pipelines, infrastructure development and bilateral trade, particularly in energy-deficient regions of Pakistan. A cooperative economic order in West Asia also improves Pakistan's remittance flows and labor security, given the large expatriate workforce in Saudi Arabia and Iran.

Analyzing security solely at the national level is often too limited, while the global level tends to be overly broad and abstract, failing to capture the diverse and localized nature of security challenges. The state-centric view prioritizes individual states as primary actors, whereas the global approach overlooks the variations in security concerns across different regions. Positioned between these extremes, the regional level offers a balanced perspective by linking national and global security⁹. In the case of the Iran-Saudi Arabia rapprochement post-2023, the regional approach proves particularly effective in understanding both the sources of conflict and the prospects for cooperation. The Middle East has functioned as a distinct security complex, where the security of one state is intricately linked to that of others, particularly in the Gulf sub-region. Iran and Saudi Arabia's antagonism had far-reaching impacts from Lebanon and Syria to Yemen and Bahrain shaping the strategic behavior of regional actors, including Pakistan.

It is within this regional context that the majority of significant interactions and developments shaping international security are observed. Regional security complexes are constituted by the states within them; thus, analyzing security from a trans-state perspective does not imply a reduction in the significance or agency of states. Within the framework of Regional Security Complex (RSC) theory, states remain the principal actors in international relations. They play a central role in the formation of regional structures and are primarily responsible for the processes of securitization that define the security dynamics within these regions¹⁰. The long-standing rivalry between Iran and Saudi Arabia was not due to structural regional dynamics. Such strained relations between both countries depend upon strategies and policies (domestic and foreign) of each state. These strategies involved state-centered securitization processes, such as framing each other as existential threats, mobilizing sectarian identities, and competing for leadership of the Islamic world. Their engagement in proxy wars in Yemen, Syria, Iraq and Lebanon has showed their constructive roles in such regional conflicts.

A regional security complex does not necessarily correspond to a conventional geographical region; rather, it functions as a socially constructed analytical framework shaped by the security-related

⁹ David A. Lake and Patrick M. Morgan, Regional Orders: Building Security in a New World, *American Political Science Review* 92, no. 3 (September 1998): 752–53, <https://doi.org/10.2307/2585563>.

¹⁰ Derrick Frazier and Robert Stewart-Ingersoll, "Regional Powers and Security: A Framework for Understanding Order within Regional Security Complexes," *European Journal of International Relations* 16, no. 4 (April 21, 2010): 731–53, <https://doi.org/10.1177/1354066109359847>.

interactions of actors within the international system. While it is influenced by geographic proximity, this is understood more in terms of spatial relations than fixed, universally recognized physical boundaries. Such complexes consist of states located near one another, yet their security dynamics may not align with traditional geographical or geopolitical classifications¹¹. Iran and Saudi Arabia are geographically proximate, but the regional security complex they influence extends well beyond the confines of the Persian Gulf, incorporating actors and dynamics across the broader Middle East and into parts of South and Central Asia. For Pakistan, this reconceptualization holds significant strategic relevance. Although geographically situated in South Asia, Pakistan's security has been closely tied to the Middle East due to religious affiliations, economic dependencies, and transnational sectarian dynamics.

As a result, the structure and boundaries of a regional security complex may diverge from commonly accepted notions of regional divisions. A regional security complex refers to a set of states or units whose security dynamics particularly the processes of securitization is so deeply interconnected that their security issues cannot be effectively understood or addressed in isolation¹². For decades, Iran and Saudi Arabia has been involved in intense processes of securitization, portraying each other as existential threats to political legitimacy, religious identity and regional stability. These narratives not only shaped their bilateral relationship but it also has an impact on regional instability. The strained relations between Iran and Saudi Arabia also affected the domestic structure of other regional states. The 2023 diplomatic normalization between two states, brokered by China, marked a shift toward peace settlement in the region. That diplomatic normalization shapes the strategic structure of Middle East.

The configuration of such a complex is not static and may evolve in three distinct ways: by maintaining the existing status quo, undergoing internal transformation, or experiencing external transformation¹³. A notable and somewhat atypical occurrence within this framework is known as "overlap." This situation arises when one or more global powers become directly embedded within a regional complex, thereby overriding or diminishing the region's inherent security dynamics. It is important to distinguish this from conventional superpower intervention, as overlap implies a more sustained and embedded presence that alters the structural balance of the regional security arrangement¹⁴. The People's Republic of China's direct facilitation of the Iran-Saudi reconciliation is a striking example of this. China's role goes beyond that of a distant mediator and as strategic investor reshape the security landscape of Middle East. The efforts of China undermine the dominance of USA and has been promoting multipolar diplomacy in the region.

Historical Perspective of Iran-Saudi Relations

The historical trajectory of Iran–Saudi Arabia can be observed by a longstanding interplay of rivalry, occasional cooperation and sustained conflict. Rooted in centuries of historical contention, the discord between Persia (modern-day Iran) and the Arabian Peninsula (now represented by Saudi Arabia) has been driven by territorial ambitions, sectarian divisions, and divergent visions for regional leadership. The formation of modern nation-states in the 20th century, alongside the emergence of revolutionary

¹¹ Andrzej Kuształ, "Theoretical Foundations of Regional Security in International Relations – The Overview," *Wszelkie Prawa Zastrzeżone przez Konsorcjum BazTech* (2017): 17–30, <https://yadda.icm.edu.pl/baztech/element/bwmeta1.element.baztech-0bf5032e-c185-4fde-845e-6f91637e00db>.

¹² Martin Stone, Security According to Buzan: A Comprehensive Security Analysis (*Groupe d'Études et d'Expertise "Sécurité et Technologies" GEEST*, December 2013), 1-11, https://defenseetsecuriteinternationale.wordpress.com/wp-content/uploads/2013/12/security_for_buzan-mp3.pdf.

¹³ Buzan, Wæver, and de Wilde, *Security: A New Framework*.

¹⁴ Danilo Santos Amable, "Theorizing the Emergence of Security Regions: An Adaptation for the Regional Security Complex Theory," *Global Studies Quarterly* 2, no. 4 (October 28, 2022), <https://doi.org/10.1093/isagsq/ksac065>.

ideologies and the strategic alignments of the Cold War era, further intensified the complexity of their bilateral relationship¹⁵. Positioned as influential actors within the Persian Gulf, both Iran and Saudi Arabia possess considerable energy reserves, command access to vital maritime routes, and hold substantial geopolitical weight. Their mutual quest for regional supremacy manifests through indirect confrontations, diplomatic rivalry, and shifting strategic alliances, all of which contribute to heightened tensions and enduring instability across the Middle East¹⁶. The evolving dynamics of Iran–Saudi Arabia relations carry significant implications for regional stability, security, and the broader geopolitical landscape of the Middle East. Heightened tensions, ongoing proxy confrontations, and entrenched sectarian divisions contribute to an elevated risk of conflict escalation and humanitarian emergencies. These developments not only undermine peace efforts within the Persian Gulf but also exacerbate broader patterns of geopolitical volatility across the region, presenting complex challenges to long-term security and diplomatic engagement¹⁷.

A comprehensive historical review of Iran–Saudi Arabia diplomatic relations since the 1950s reveals a recurring pattern of cooperation throughout much of the Cold War period. During the early years, their alignment was evident across various regional developments. Both states shared converging interests in Egypt following the 1952 overthrow of King Farouk by Gamal Abdel Nasser's republican coup, and Saudi Arabia received implicit Iranian backing during its 1956 territorial dispute with Abu Dhabi over the Buraimi Oasis¹⁸. Additionally, the two countries jointly supported the Hashemite monarchy in Jordan during the 1958 uprisings and cooperated to counter a potential socialist coup in Lebanon that same year. In the 1960s, their collaboration extended to multilateral platforms, co-founding organizations such as the Organization of the Petroleum Exporting Countries (OPEC) and the Organization of Islamic Cooperation (OIC), as well as establishing the Arab–Iranian Friendship Organization¹⁹.

From 1962 to 1965, Iran supported Saudi Arabia in its proxy conflict with Egypt in North Yemen. Further strengthening their bilateral ties, the two nations signed the 1969 Agreement concerning the islands of al-‘Arabiya and Farsi. The 1970s marked the peak of their alliance, as both served as key pillars of the U.S.-led regional order. High-level diplomatic exchanges were frequent, and they jointly worked to curb Iraqi regional ambitions and support pro-Western regimes, notably in Oman. The closeness of this alliance was symbolically underscored when Iran declared a national week of mourning following the assassination of King Faisal in 1975²⁰.

Iranian Revolution in 1979: Turning Point

It is widely acknowledged that the 1979 Islamic Revolution marked a significant turning point in Iran’s foreign policy orientation. Conventional interpretations often suggest that this domestic upheaval was

¹⁵ Farah Yasin, “Perception and Power: Iran-Saudi Relations in the Persian Gulf,” *International Journal of Law and Criminology* 4, no. 3 (March 1, 2024): 1–6, <https://doi.org/10.37547/ijlc/Volume04Issue03-01>.

¹⁶ Hossein Sadeghi and Hassan Ahmadian, “Iran-Saudi Relations: Past Pattern, Future Outlook,” *Iranian Review of Foreign Affairs* 1, no. 4 (Winter 2011): 115–48, https://ciaotest.cc.columbia.edu/journals/irfa/v1i4/f_0021754_18000.pdf.

¹⁷ Reza Rahimi, “Regional Competition and Cooperation between Iran and Saudi Arabia, Emphasizing the Restoration of Diplomatic Relations in 2023,” *Scientific Quarterly of Islamic World Political Research* 13, no. 4 (November 11, 2023): 29–57, <https://doi.org/10.21859/prw-130401>.

¹⁸ Emir Hadžikadunić, *Iran–Saudi Ties: Can History Project Their Trajectory?* (October 2011), <https://mei.nus.edu.sg/wp-content/uploads/2019/10/Insight-215-Saudi-Iranian-Ties.pdf>.

¹⁹ Simon Mabon, *Saudi Arabia and Iran: Soft Power Rivalry in the Middle East* (2015), <https://www.torrossa.com/it/resources/an/5211510>.

²⁰ Huda S. Ali, “Saudi-Iranian Rapprochement and Its Implications for the Security and Stability of the Middle East: A Case Study of Yemen and Syria,” *Jurnal Teropong Aspirasi Politik Islam* 19, no. 2 (2023), <https://doi.org/10.24042/tps.v19i2.17713>.

the catalyst for the deterioration of Iran-Saudi Arabia relations, with the newly established Islamic Republic contesting the legitimacy of the Saudi monarchy's claim to leadership within the Muslim world. However, it is essential to distinguish between internal political transformations and broader systemic dynamics. Contrary to popular belief, antagonism between Tehran and Riyadh did not emerge instantaneously following the revolution²¹. Key revolutionary milestones including the exile of Shah Mohammad Reza Pahlavi on 16 January 1979, the triumphant return of Ayatollah Ruhollah Khomeini on 11 February, the abolition of the monarchy, and the introduction of a new ideological framework did not immediately disrupt diplomatic ties.

In fact, as early as July 1979, Iran's first post-revolutionary Prime Minister, Mehdi Bazargan, hosted a Saudi delegation, during which both sides conveyed optimism for improved bilateral relations²². At the time, King Khalid of Saudi Arabia characterized the revolution as a positive development likely to foster greater mutual understanding, while Prince Fahd expressed deep respect for Iran's new leadership. Furthermore, Iran's provisional government-maintained communication with the United States a close ally of Saudi Arabia. Notably, Bazargan and Foreign Minister Ebrahim Yazdi met with U.S. National Security Adviser Zbigniew Brzezinski in Algiers in early November 1979, signaling a continued openness to diplomatic engagement. The strategic environment of the early 1980s presented an ideal context for the practice of "buck passing". This a concept commonly observed in multipolar systems, particularly when states facing threats do not share direct borders with the aggressor²³.

In such scenarios, vulnerable states often seek to deflect the burden of containment onto others. This framework helps explain Saudi Arabia's support for revisionist and anti-imperialist Iraq during its conflict with Iran, a state with which Riyadh shares no contiguous border. As Mearsheimer²⁴ notes, status quo powers frequently attempt to delegate the task of balancing threats to others rather than engage directly. Saudi Arabia perceived both Iran and Iraq as major regional powers capable of exerting considerable influence within the Gulf, thus posing potential threats to its own security. Similarly, the United States had strategic incentives to adopt a buck-passing approach²⁵. Both Tehran and Baghdad challenged the prevailing international order and opposed U.S. dominance in the region. From Washington's perspective, a prolonged conflict between these two rivals could serve to weaken both, aligning with the infamous remark by Henry Kissinger: "*It's a pity both sides can't lose.*" In this context, Iraq emerged as a convenient "*buck-catcher*" within the regional subsystem a militarily robust, revisionist Arab state that was ideologically opposed to Iran and well-positioned to serve as a counterweight in the unfolding power struggle between Tehran and Riyadh²⁶.

Iran-Saudi Relations From 1979-Present

Bilateral relations between Iran and Saudi Arabia significantly worsened during the 1980s, particularly due to Riyadh's support for Saddam Hussein's regime during the Iran-Iraq War (1980–1988). Tensions were further inflamed by violent incidents involving Iranian pilgrims and Saudi security forces during the Hajj in 1986 and 1987, culminating in the storming of the Saudi embassy in Tehran in 1987. These developments led to the official severance of diplomatic ties in 1988. Although relations were restored

²¹ Banafsheh Keynoush, *Saudi Arabia and Iran: Friends or Foes?* (Comparative European Politics: University of Sheffield, 2016), <https://link.springer.com/book/10.1007/978-1-137-58939-2>.

²² Alam, "Saudi-Iran Rivalry and Its Impact on Regional Politics."

²³ John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W. W. Norton, 2001), 267–68, <https://doi.org/10.1017/CBO9780511816635.007>.

²⁴ Mearsheimer, *The Tragedy of Great Power Politics*, 269.

²⁵ Shahram Azimi, "The Story Behind China's Role in the Iran-Saudi Deal," *Stimson Center*, March 13, 2023, <https://www.stimson.org/2023/the-story-behind-chinas-role-in-the-iran-saudi-deal/>.

²⁶ Mohammed Al-Sulami, "Seven Years of Estrangement and Bitter Rivalry between Saudi Arabia and Iran Come to an Abrupt End," *Arab News*, March 11, 2023, <https://www.arabnews.com/node/2266801>.

in the 1990s, they deteriorated once again in 2016 following renewed attacks on the Saudi embassy in Tehran by protesters angered by the execution of a prominent Shia cleric by Saudi authorities²⁷.

Table: Major Events Shaping Iran-Saudi Relations From 2000-2024

Years	Event	Nature	Brief Description
2001	Incident of 9/11	Negative	Although both states condemned the attacks, sectarian fault lines and Saudi suspicion of Iran's anti-American rhetoric deepened.
2003	Iraq Invasion by USA	Negative	Collapse of Saddam's regime enabled Iran to expand influence in Iraq, alarming Saudi Arabia.
2005	Ahmadinejad Elected President (Iran)	Negative	Iran's assertive foreign policy and nuclear ambitions led to heightened tensions with Saudi Arabia.
2006	Hezbollah-Israel War	Negative	Saudi Arabia opposed Iran's support for Hezbollah, revealing deep strategic divergence.
2007	Mecca Accord on Palestinian Unity	Positive	Iran and Saudi Arabia supported Palestinian reconciliation, signaling limited cooperation.
2011	Arab Spring/Syrian War	Negative	The Arab Spring saw protest movements against the status quo across the Middle East. Saudi Arabia accused Iran of inciting protests in Bahrain against the royal family and sent more than 1,000 soldiers to stop the demonstrations. Iran denied the accusation. The rivals squared off again after the Syrian war erupted in 2011. Shia-ruled Iran backed President Bashar al-Assad and provided him with military forces and money to battle Sunni rebels. Sunni-majority Saudi Arabia backed the rebel groups but later joined a US-led coalition formed to fight ISIL (ISIS) from 2014.
2015	War in Yemen	Negative	When the civil war in Yemen began in 2015, Saudi Arabia backed its internationally recognized government and targeted Houthi rebel strongholds. The Houthis are aligned with Iran.
2015	Mecca Stampede	Negative	The 2015 stampede in Mecca, which occurred during the annual Hajj pilgrimage, significantly escalated tensions between Iran and Saudi Arabia. Tehran criticized Riyadh for alleged administrative failures in managing one of Islam's most sacred gatherings. The incident resulted in the deaths of approximately 2,000 pilgrims, including over 400 Iranian nationals, intensifying diplomatic strain between the two countries.
2016	Saudi Arabia cuts ties	Negative	Four months following the Mecca stampede, Saudi Arabia carried out the execution of prominent Shia cleric and vocal government critic, Sheikh Nimr al-Nimr. His execution sparked widespread outrage in Iran, leading to

²⁷ Hadžikadunić, *Iran-Saudi Ties*.

			protests during which demonstrators attacked and set fire to the Saudi embassy in Tehran. In response, Iran's Supreme Leader, Ayatollah Ali Khamenei, issued a stern warning of "divine retribution." Subsequently, Saudi Arabia severed diplomatic relations with Iran, marking a significant deterioration in bilateral ties.
2016	Iran suspends Hajj participation	Negative	In the same year, Iran halted its participation in the Hajj pilgrimage, citing concerns over the safety and treatment of its pilgrims. In a parallel development, Saudi Arabia launched a Persian-language television channel dedicated to covering the pilgrimage, widely interpreted as a soft power initiative targeting Iranian audiences.
2017	Qatar Diplomatic Crisis	Negative	Iran supported Qatar, while Saudi Arabia led a blockade against it, increasing rivalry.
2018	US Withdrawal from JCPOA	Negative	Saudi Arabia welcomed Trump's move, while Iran condemned it; deepened regional polarization.
2019	Attack on Saudi Aramco Oil Facilities	Negative	Houthis claimed responsibility, but Saudi Arabia and the US blamed Iran. Strategic tensions surged.
2021	Iraq-mediated Talks between Iran and Saudi Arabia Begin	Positive	Secret dialogue efforts signaled cautious rapprochement.
2022	Continued Backchannel Diplomacy	Positive	Both states held several rounds of talks in Baghdad, indicating mutual interest in de-escalation.
March 2023	China-Brokered Agreement to Restore Diplomatic Ties	Positive	Landmark agreement announced in Beijing to normalize relations after 7 years.
June 2023	Embassies Reopened in Riyadh and Tehran	Positive	Formal diplomatic presence resumed; seen as a significant milestone in normalization.
2024	Regional Cooperation in Red Sea Security and BRICS Membership	Positive	Both Iran and Saudi Arabia joined BRICS and began limited coordination in regional trade/security, indicating strategic convergence.

Restoration of Iran-Saudi Relations

After the decades, two prominent and historical rivals naming Iran and Saudi Arabia reestablished amicable relations. The settlement between both states took approximately five rounds. The states from regions and beyond the region played their significant part in reconciliation process. The main mediator was China, who push both states to table talks. The establishment of cordial relations between Iran and Saudi Arabia have positive implication for regional and external power²⁸.

Role of Regional Players

Iraq

Iraq and Saudi Arabia have historically competed for regional leadership in the Middle East, resulting in a relationship marked by fluctuating tensions and occasional cooperation. Hostilities deepened following Iraq's invasion of Kuwait in 1990, leading to a prolonged period of estrangement that

²⁸ Muthana Salami, "Saudi-Iranian Reconciliation and Its Impact on Iraq," *EISMEA*, May 19, 2023, <https://eismena.com/en/article/saudi-iranian-reconciliation-and-its-impact-on-iraq-2023-05-19>.

persisted until the U.S.-led invasion of Iraq in 2003. Diplomatic ties were formally reestablished in 2015 after nearly a quarter-century of disengagement. In the years since, Iraq's political landscape has been widely perceived as heavily influenced by Iran, adding complexity to Baghdad's regional interactions²⁹. Iraq has found itself at the intersection of regional and international rivalries, particularly since the 1990s, a period defined by persistent instability beginning with the Gulf crisis. In light of evolving regional dynamics most notably the recent rapprochement between Riyadh and Tehran it has become increasingly important for Iraq to recalibrate and normalize its relations across the Middle East.

Such regional de-escalation serves the interests of both Iraq, which is working to solidify its post-2003 foreign policy, and Saudi Arabia, which is actively seeking to extend its regional influence and foster new economic and security partnerships³⁰. In their pursuit of economic development, regional states have long sought to strike a balance between geopolitical interests and economic imperatives. For years, the Gulf Cooperation Council (GCC) countries largely perceived Iraq as aligned with Iran, leading to a degree of apprehension and cautious engagement in their dealings with Baghdad. Nevertheless, Iraq assumed a constructive role in mediating regional tensions by facilitating indirect dialogue between Saudi Arabia and Iran a process that ultimately led to a major diplomatic breakthrough, with China playing a central role as mediator³¹. Between 2020 and 2022, Baghdad hosted five rounds of negotiations between Iran and Saudi Arabia, underscoring its efforts to serve as a neutral facilitator rather than a partisan actor in regional rivalries. This diplomatic initiative reflects Iraq's commitment to an independent foreign policy that prioritizes regional reconciliation and stability. Concurrently, Saudi Arabia views enhanced ties with Iraq as part of its broader foreign policy strategy, which seeks to expand diplomatic outreach beyond the confines of the GCC and foster greater regional cooperation³².

Role of External Players (Great Powers)

China as Mediator in Iran-Saudi Arabia Reconciliation Process

During President Xi Jinping's attendance at the GCC summit, a sequence of high-level diplomatic engagements unfolded among China, Iran, and Saudi Arabia. In the wake of Xi's outreach to Tehran, Iranian President Ebrahim Raisi conducted an official visit to China in February 2023. Soon after, on March 6, Ali Shamkhani, Secretary of Iran's Supreme National Security Council, arrived in Beijing. Over the course of several days, he engaged in negotiations with Saudi Arabia's National Security Adviser, Musaid Al Aiban, and other key officials³³. These efforts culminated in the release of a Joint Trilateral Statement on March 10, signifying the formal resumption of diplomatic relations between Iran and Saudi Arabia. Seven years after their ties were severed. Although China played a prominent role in facilitating the restoration of diplomatic ties, its involvement was comparatively limited when weighed against the internal motivations of Tehran and Riyadh and the earlier mediation efforts led by

²⁹ Syed Akram, Issue Brief on "*Iraq Saudi Relations: A Current Appraisal*", November 8, 2024, Institute of Strategic Studies Islamabad, <https://issi.org.pk/issue-brief-on-iraq-saudi-relations-a-current-appraisal/>.

³⁰ Simon Royle and Simon Mabon, "Iraq and the Evolution of Saudi-Iranian Relations," in *Saudi-Iranian Relations Since the Arab Spring*, ed. Edward Wastnidge and Simon Mabon (Manchester: Manchester University Press, 2022), <https://doi.org/10.7765/9781526150844.00010>.

³¹ Nussabih Younis, "Mediation Nation: Iraq's New Role in Iranian-Saudi Talks," *European Council on Foreign Relations*, May 14, 2021, <https://ecfr.eu/article/mediation-nation-iraqs-new-role-in-iranian-saudi-talks/>.

³² Mohammed Seloom, "*From Rivals to Allies: Iran's Evolving Role in Iraq's Geopolitics*," Middle East Council on Global Affairs, April 2024, https://mecouncil.org/publication_chapters/from-rivals-to-allies-irans-evolving-role-in-iraqs-geopolitics/.

³³ Azimi, "*The Story Behind China's Role*."

Iraq³⁴.

The agreement provided China with a valuable platform to project itself as a responsible global power. The development came a year after President Xi Jinping introduced the Global Security Initiative (GSI), in which he underscored the importance of resolving disputes through peaceful dialogue and negotiation. In his remarks, Xi called on nations to approach the rapidly changing international landscape with a spirit of cooperation and unity, advocating for the resolution of complex, interlinked security issues through mutually beneficial strategies³⁵. Although earlier rounds of negotiations between Iran and Saudi Arabia were facilitated by regional actors such as Iraq and Oman, the final agreement required the involvement of a global power capable of offering credible guarantees and sustained support. Given the adversarial nature of U.S.-Iran relations, China emerged as the most viable intermediary. Beijing maintains constructive relations with both Tehran and Riyadh and, crucially, has demonstrated a willingness to assume the role of a responsible and impartial mediator³⁶. China's participation signaled a serious diplomatic commitment from both parties, reducing the likelihood of symbolic gestures or strategic posturing. Moreover, both Iran and Saudi Arabia appear to expect China to play an informal supervisory role in ensuring compliance with the terms of the agreement. While the formal text of the accord does not explicitly assign China this function, Saudi analysts have expressed support for Beijing's potential oversight. They contend that Iran risks jeopardizing its strategic relationship with China should it violate the agreement's terms³⁷.

Above The Fray: Diplomatic Strategy of China in Middle East

China is actively pursuing a strategy of "positive balance" in the Middle East—an approach grounded in two key principles: refraining from taking sides and avoiding the creation of adversaries. In a region marked by persistent conflicts and rivalries, Beijing has sought to cultivate strong diplomatic and economic ties with all major actors, while deliberately steering clear of entanglement in their disputes. This strategy has enabled China to maintain cordial relations with Iran, Israel, and Saudi Arabia simultaneously, without aligning itself with any particular bloc (Guangda 2022). China does not possess military alliances or defense agreements with any Middle Eastern state, nor does it operate military bases in the region. Instead, it leverages its economic presence to exert influence. This neutral and pragmatic posture has enhanced China's credibility as a potential mediator and conflict-resolution actor in the region³⁸.

China's Interests Behind Restoration of Iran-Saudi Relations

Saudi Arabia holds strategic significance for China, serving as both a key regional partner and its largest supplier of crude oil. The substantial economic potential of Sino-Saudi relations has underscored Beijing's interest in maintaining and deepening its engagement with the Kingdom. Between 1995 and 2022, Chinese imports from Saudi Arabia surged from \$264 million to \$68 billion, reflecting an average annual growth rate of approximately 21%. In 2022 alone, crude oil constituted around \$56.1 billion

³⁴ Mojtaba Haghiri and Jonathan Scita, "The Broader Context Behind China's Mediation Between Iran and Saudi Arabia," *The Diplomat*, March 14, 2023, <https://thediplomat.com/2023/03/the-broader-context-behind-chinas-mediation-between-iran-and-saudi-arabia/>.

³⁵ Al-Sulami, "Seven Years of Estrangement."

³⁶ Yongjin Zhang, "Crucial yet Limited: China's Role in the Saudi-Iranian Rapprochement," *Asian Journal of Middle Eastern and Islamic Studies* 18, no. 3 (December 9, 2024): 243–59, <https://doi.org/10.1080/25765949.2024.2411104>.

³⁷ Wang Yi, "China-brokered Saudi-Iran Deal Driving 'Wave of Reconciliation', Says Wang," *Al Jazeera*, August 21, 2023, <https://www.aljazeera.com/news/2023/8/21/china-brokered-saudi-iran-deal-driving-wave-of-reconciliation-says-wang>.

³⁸ Azimi, "The Story Behind China's Role."

about 82% of China's total imports from Saudi Arabia³⁹. Although Saudi Arabia was historically China's top crude oil supplier, it was overtaken by Russia following China's diversification of its energy sources in response to the 2022 Ukraine conflict and the subsequent U.S.-led embargo on Russian oil.

China's involvement in facilitating rapprochement between Riyadh and Tehran is far from altruistic; rather, it reflects a calculated strategic move aligned with Beijing's expanding interests in the Gulf region. Stability in the Middle East is crucial for advancing China's broader geopolitical agenda, particularly concerning its economic and energy imperatives⁴⁰. The Gulf holds considerable importance for China due to its heavy reliance on Middle Eastern oil and its growing economic footprint in the region. Since surpassing the United States in 2017 to become the world's largest crude oil importer reaching 8.4 million barrels per day (bpd) China has remained highly dependent on energy supplies from the Gulf. In 2022, Saudi Arabia emerged as China's leading oil supplier, providing approximately 1.75 million bpd. Despite ongoing U.S. sanctions, Iran continues to be China's third-largest oil source, following Saudi Arabia and Russia⁴¹.

In addition to oil imports, Beijing has cultivated deep economic linkages through joint ventures with Gulf-based companies. A notable example is the memorandum of understanding signed in August 2022 between Saudi Aramco and China's Sinopec, which outlines multiple areas of future collaboration within Saudi Arabia. Their existing partnerships include the Fujian Refining and Petrochemical Company (FREP) and Sinopec Senmei Petroleum Company (SSPC) in China, as well as the Yanbu Aramco Sinopec Refining Company (YASREF) in Saudi Arabia. While the Saudi-Iran détente represents a diplomatic victory for Beijing, it remains a precarious endeavor⁴². The sustainability of this peace remains uncertain, raising questions about China's ability to balance its relationships with both Saudi Arabia and Iran. Nonetheless, the initiative signals Beijing's intent to expand its diplomatic influence in Middle Eastern affairs, presenting itself as a credible alternative to the United States under the framework of its Global Security Initiative (GSI).

China has actively worked to strengthen its partnership with Iran, although this relationship has yet to reach the same level of strategic depth as Beijing's ties with Saudi Arabia. Between 2012 and 2019, China emerged as Iran's largest foreign investor. Since the early 2000s, Chinese exports to Iran have experienced substantial growth, rising from \$713 million in 2000 to a peak of \$24 billion in 2014, before declining to \$9.6 billion by 2019⁴³. In 2016, the two countries expanded their bilateral engagement through a comprehensive strategic cooperation agreement, a move that did not hinder Beijing's parallel cooperation with Riyadh under a similar framework. Further consolidating this partnership, China and Iran signed a 25-year cooperation agreement in 2021, outlining an ambitious \$400 billion plan aimed at developing Iran's economy, defense sector, and technological infrastructure. However, the full implementation of this agreement has been impeded by ongoing U.S. sanctions. Should these restrictions be lifted, Iranian analysts project that trade between the two nations could potentially rise

³⁹ Aparajita Jash, "Saudi-Iran Deal: A Test Case of China's Role as an International Mediator," *Georgetown Journal of International Affairs*, June 23, 2023, <https://gjia.georgetown.edu/2023/06/23/saudi-iran-deal-a-test-case-of-chinas-role-as-an-international-mediator/>.

⁴⁰ Alain Frachon, "China Has Stepped into the Fray in the Middle East, Taking Advantage of the Relative Withdrawal of the United States," *Le Monde*, March 16, 2023, <https://www.lemonde.fr/en/opinion/article/2023/03/16/>.

⁴¹ Yun Sun, "Forecasting China's Strategy in the Middle East over the Next Four Years," *Brookings*, December 19, 2024, <https://www.brookings.edu/articles/forecasting-chinas-strategy-in-the-middle-east-over-the-next-four-years/>.

⁴² Jeffrey Reeves, "China's Expanding Influence in the Middle East and North Africa," *Peacediplomacy*, February 24, 2025, <https://peacediplomacy.org/2025/02/24/chinas-expanding-influence-in-the-middle-east-and-north-africa/>.

⁴³ Fanie Mokolomban, "China's Role Behind the Reconciliation in the Middle East," *Modern Diplomacy*, May 5, 2025, <https://moderndiplomacy.eu/2025/05/05/chinas-role-behind-the-reconciliation-in-the-middle-east/>.

to \$60 billion over the long term⁴⁴.

Containment of US's Hegemony in Middle East

The timing of the Saudi-Iran rapprochement is notably significant, as it coincides with President Xi Jinping's commencement of a third term both a symbolic and substantive affirmation of his consolidated authority. Beijing's involvement in brokering the agreement marks a strategic move to elevate its status as a global mediator, particularly within the volatile Middle Eastern landscape. This initiative aligns with broader geopolitical shifts arising from the Russia-Ukraine conflict, during which China has sought to position itself as a counterbalance to the U.S.-led global political and security framework. On February 24, the People's Republic of China released a position paper titled "*Political Settlement of the Ukraine Crisis*," emphasizing dialogue and negotiation as the only viable paths to resolution⁴⁵. In advancing its image as a responsible global actor, China has consistently portrayed itself as an advocate for peace, contrasting its approach with what it describes as the interventionist policies of the United States. Beijing has openly criticized Washington for exacerbating the Ukraine conflict, accusing it of "*pouring oil on the fire*" and labeling its behavior as both irresponsible and immoral. Moreover, China issued an unprecedented document, "*U.S. Hegemony and Its Perils*," condemning American interference in other nations' domestic affairs. While Beijing categorizes U.S. mediation efforts as undue interference, it frames its own diplomatic initiatives under the doctrine of 'non-interference' and presents them as the provision of 'good offices' in support of peaceful dialogue⁴⁶.

The Saudi-Iran agreement can be interpreted within the broader framework of Xi Jinping's Global Security Initiative (GSI), which aspires to offer a China-centered alternative to the prevailing global security architecture. The GSI emphasizes resolving international conflicts through dialogue, mutual respect, and peaceful negotiation. On February 21, China released the Global Security Initiative Concept Paper, reiterating its commitment to promoting security through political discourse rather than coercion. This document reflects the ideological foundation behind China's approach to diplomacy, which, as noted by Chinese scholar Wu Bingbing, is rooted in Beijing's distinctive perception of global security⁴⁷. Against this backdrop, China's role in mediating the Saudi-Iran rapprochement can be seen as a strategic assertion of its global influence and a manifestation of its intensifying rivalry with the United States. More specifically, this diplomatic breakthrough may be interpreted as Beijing's attempt to parallel or counterbalance U.S.-backed initiatives such as the Abraham Accords which normalized relations between Israel and several Arab states including the UAE, Bahrain, Sudan, and Morocco and the historic 1978 Camp David Accords brokered between Egypt and Israel⁴⁸.

Iran-Saudi Rapprochement: Strategic Implications for Pakistan

Over the decades, Pakistan has navigated a complex and sensitive diplomatic balancing act between Saudi Arabia and Iran. Its longstanding economic engagement with the Gulf states characterized by a substantial labor force presence and periodic financial assistance has reinforced Pakistan's dependence on these countries. Pakistan shares a 980-kilometer border with Iran, further complicating its regional posture. The persistent geopolitical rivalry between Riyadh and Tehran has often placed Islamabad in

⁴⁴ Jonathan Marks, "China's Strategic Facilitation in the Persian Gulf Security Crisis," *Stimson Center*, May 10, 2024, <https://www.stimson.org/2024/chinas-strategic-facilitation-in-the-persian-gulf-security-crisis/>.

⁴⁵ Jash, "Saudi-Iran Deal."

⁴⁶ Nima Baghernia, "China's Marginal Involvement in the 2023 Iran-Saudi Arabia Reconciliation," *Asian Affairs* 55, no. 1 (March 21, 2024): 34–51, <https://doi.org/10.1080/03068374.2024.2329615>.

⁴⁷ Greg Golub, "Significance of the Iran-Saudi Arabia Agreement Brokered by China," *Belfer Center*, March 2023, <https://www.belfercenter.org/publication/significance-iran-saudi-arabia-agreement-brokered-china>.

⁴⁸ Patrick Wintour, "Saudi Arabia Says Iran Behind Houthi Missile Attack on Airport," *The Guardian*, June 2023, <https://www.theguardian.com/world/2019/jun/12/yemen-houthi-rebel-missile-attack-injures-26-saudi-airport>.

a diplomatically uncomfortable position, compelling it to adopt a mediatory stance during periods of heightened tension⁴⁹. Aligning explicitly with either side risks undermining Pakistan's economic and strategic interests, particularly given its reliance on remittances from the Gulf and the presence of its largest expatriate population in the GCC states. Moreover, domestic considerations also influence Islamabad's approach, as approximately 15-20 percent of its population adheres to Shia Islam and tends to support stronger bilateral ties with Iran.

The normalization of relations between Saudi Arabia and Iran presents a significant opportunity for Pakistan to enhance trade and energy cooperation, potentially revitalizing its deepening strategic partnership with Tehran and the alignment of the Belt and Road Initiative (BRI) with Saudi Arabia's Vision 2030, presents Pakistan with promising new economic opportunities. Within this evolving geopolitical landscape, leveraging the geographical proximity of the Gwadar and Chabahar ports becomes strategically essential⁵⁰. Notably, prospective Saudi investments in Gwadar may materialize, especially with China's active involvement serving as a facilitator and enabler of these regional economic ventures. Both Iran and Saudi Arabia have expressed interest in investing in Pakistan, positioning them as potential key players in addressing the country's ongoing energy crisis. Iran's substantial, underutilized reserves of natural gas and other energy resources could help meet Pakistan's growing demand for gas and electricity⁵¹. Securing investments from Saudi Arabia could bolster Pakistan's oil and gas infrastructure, reduce dependency on imported petroleum, and contribute to stabilizing the nation's foreign exchange reserves.

A prominent initiative benefiting from peaceful settlement in Iran–Saudi Arabia relations is the Iran–Pakistan gas pipeline. Although Iran has fulfilled its contractual obligations, Pakistan's persistent delays risk incurring a significant penalty estimated at \$18 billion. These delays have largely stemmed from concerns over antagonizing Saudi Arabia and triggering U.S. sanctions⁵². However, with Riyadh now signaling a willingness to strengthen economic cooperation with Tehran, Pakistan has an opportunity to reassure Saudi leadership of the pipeline's strategic and economic viability. In addressing the challenge of U.S. sanctions, Pakistan should assert its sovereign right to pursue energy trade with Iran, drawing on international precedents such as India's continued trade with a sanctioned Russia. Should Iranian gas be offered at competitive rates, it could substantially alleviate Pakistan's chronic energy shortages⁵³.

Another major initiative is the proposed oil refinery in Gwadar, which has attracted considerable interest from Saudi investors. While Iran may initially view this development with skepticism, Pakistan can present a compelling argument emphasizing the project's non-threatening nature. By highlighting its potential to integrate China's trade and energy corridors with the Gulf region, Pakistan can frame the refinery as a cornerstone of broader regional cooperation in line with emerging geopolitical trends⁵⁴.

⁴⁹ Naeem Sheikh, "Saudi-Iran Rapprochement and Pakistan," *Modern Diplomacy*, March 17, 2023, <https://moderndiplomacy.eu/2023/03/17/saudi-iran-rapprochement-and-pakistan/>.

⁵⁰ Akhtar, *The Saudi-Iran Rapprochement and Its Implications for Pakistan*.

⁵¹ Abbas, "Implications of the Iran-Saudi Deal for Pakistan."

⁵² Ali Hashmi, "Importance of Saudi Arabia and Iran in Foreign Policy of Pakistan," December 1, 2024.

⁵³ M. W. Anwar, M. Saqib, and G. Mustafa, "Pakistan Relations with Saudi Arabia and Iran: Comparative Analysis," *Journal of Development and Social Sciences* 6, no. 2 (April-June 2025): 6-11, [https://doi.org/10.47205/jdss.2025\(6-II\)13](https://doi.org/10.47205/jdss.2025(6-II)13).

⁵⁴ S. Shaikh, "Iran-Saudi Rapprochement and its Effects on Pakistan," May 2025, <https://ipripak.org/wp-content/uploads/2024/05/Saudi-Iran-Rapprochement-Web-Version.pdf>.

Post Mediation Process of Rapprochement: China and Pakistan

China

China achieved a significant diplomatic milestone in the Middle East by successfully mediating the rapprochement regarded as one of the most pivotal regional developments in 2023. The agreement prompted commentary suggesting that the United States had created a strategic void in the region one that China adeptly filled with minimal investment. The China-facilitated agreement not only underscored shifting geopolitical alignments but also reignited debates over Gulf security and the evolving dynamics of great power rivalry in the Middle East⁵⁵.

In June 2025, coordinated airstrikes carried out by Israel and the United States targeted critical Iranian military facilities, significantly escalating tensions in an already unstable Middle East. The attacks prompted widespread international condemnation and raised critical questions regarding the stance of major global powers particularly China in response to the crisis. However, China's reaction remained measured and consistent with its long-standing diplomatic approach in the region. Rather than signaling a strategic shift, Beijing interpreted the situation through familiar narratives: attributing blame to U.S. strategic misjudgment, highlighting breaches of international law, and promoting the need for a multipolar world order⁵⁶. China's response was largely confined to official statements from the Ministry of Foreign Affairs, including remarks from senior diplomat Wang Yi.

As a permanent member of the United Nations Security Council, China underscored what it viewed as violations of international norms by the United States, reinforcing its traditional emphasis on sovereignty, non-intervention, and adherence to international law. China remains acutely aware of both the regional dynamics and the limitations of its influence in the Middle East. A notable example occurred in Syria, where Beijing's strategic engagement suffered a setback. In 2024, a Chinese-backed political partner who had signed a strategic partnership agreement in Beijing was ousted from power within a year. Compounding the challenge, the Uyghur militants whom China has long designated as terrorists have since gained political legitimacy within Syria⁵⁷. The Turkistan Islamic Party (TIP), which represents these militants, has had its military wing formally incorporated into the Syrian armed forces, further complicating China's regional security concerns.

China has emerged as a key beneficiary of the 12-day conflict between Israel and Iran. The aftermath has opened avenues for Beijing to increase its purchase of Iranian oil without facing the threat of international sanctions. Additionally, China is well-positioned to secure lucrative reconstruction and infrastructure contracts as Iran seeks to rebuild its economy and industrial capacity. Strategically, the conflict has diverted U.S. attention further away from the Indo-Pacific, aligning with Beijing's broader geopolitical interests. Perhaps most significantly, the military setback suffered by Iran has diminished the likelihood of Tehran reorienting its foreign policy toward the West, thereby reinforcing its alignment with China⁵⁸.

Pakistan

The peace settlement hailed as a potential “gamechanger” and the beginning of a “brave new chapter”

⁵⁵ Mohamed Barhouma, “A Year After the China-Brokered Saudi-Iran Deal: Who Will Fill the Middle East Power Vacuum?” *Emirates Policy Center*, March 20, 2024, <https://epc.ac/en/details/featured/a-year-after-the-china-brokered-saudi-iran-deal-who-will-fill-the-middle-east-power-vacuum->.

⁵⁶ Michał Przychodniak, “China and the U.S. Bombing of Iran: A Mistaken Approach to China's Capabilities in the Middle East,” *LSE Blogs*, July 31, 2025, <https://blogs.lse.ac.uk/cff/2025/07/31/>.

⁵⁷ Barhouma, “*A Year After the China-Brokered Saudi-Iran Deal*.”

⁵⁸ Amine Aboudouh, “The Israel-Iran Ceasefire Is a Relief for China. But the War Exposed Beijing's Lack of Leverage,” *Chatham House*, July 25, 2025, <https://www.chathamhouse.org/2025/06/israel-iran-ceasefire-relief-china-war-exposed-beijings-lack-leverag>.

in Middle Eastern diplomacy prompted to Pakistani analysts to interpret this development as a pivotal move toward regional peace, with implications that extend beyond the immediate parties involved. Over the years, Pakistan has consistently sought to mediate between Tehran and Saudi Arabia, aiming to ease tensions and encourage diplomatic engagement. In 2016, then-Prime Minister Nawaz Sharif described his mediation initiative as a “sacred mission”⁵⁹. Later, in 2019, Prime Minister Imran Khan visited both Riyadh and Tehran, offering Pakistan’s diplomatic services to facilitate dialogue between the two regional powers. While these efforts were positively received by both capitals, they did not result in any tangible breakthroughs. Even prior to these attempts, a notable meeting occurred in 1997 during the OIC Summit held in Islamabad, where Iranian President Rafsanjani and Saudi Crown Prince Abdullah met on the sidelines, marking a significant moment in regional diplomacy⁶⁰.

Pakistan holds a considerable stake in the success of any Saudi-Iran rapprochement. Beyond contributing to broader regional peace and stability, improved relations between the two countries offer significant economic and strategic opportunities for Pakistan. Moreover, the agreement opens possibilities for enhanced trilateral cooperation among Pakistan, Iran, and Saudi Arabia in the domain of counter-terrorism. Intelligence sharing and joint efforts could strengthen the collective capacity to address threats posed by extremist groups such as Al-Qaeda and ISIS. Domestically, the normalization of ties between Tehran and Riyadh also holds the potential to reduce sectarian tensions within Pakistan, thereby promoting national unity and social cohesion⁶¹.

Pakistan and Iran have recently signed a series of agreements aimed at enhancing bilateral trade to a projected value of \$10 billion, while also reaffirming their commitment to collaborate more closely in combating terrorism and fostering regional peace and development. These developments come at a time when both countries have experienced heightened tensions with neighboring adversaries. The agreements, which include trade and energy cooperation, were formalized during a two-day official visit by Iranian President Masoud Pezeshkian. During the visit, Prime Minister Shehbaz Sharif reiterated Pakistan's unwavering support for Iran's right to pursue a peaceful nuclear program in accordance with the United Nations Charter. He also strongly condemned Israel’s military actions against Iran, asserting that the 12-day conflict in June marked by U.S. military support for Israel was unjustifiable⁶².

Contemporary Diplomatic Challenges in Iran-Saudi Relations: Role of Spoilers

Several factors served as impediments to reconciliation and diplomatic engagement between the two nations.

Normalization of Saudi-Israel Relations

One such factor is the prospective normalization of relations between Saudi Arabia and Israel, which poses a significant challenge to regional power dynamics and undermine the Iran-Saudi Arabia rapprochement. Iran has expressed concerns over the emergence of a potential military alliance between Saudi Arabia and Israel, perceiving it as a threat to its national security. In response, Iran is reportedly advancing its development of hypersonic missile technology as a strategic countermeasure to any

⁵⁹ Kamran Yousaf, “Pakistan to Name Focal Person for Resolving Saudi-Iran Conflict,” *The Express Tribune*, January 2016, <https://tribune.com.pk/story/1030399/pm-nawaz-army-chief-arrive-in-tehran-after-saudi-visit>.

⁶⁰ “Khan Arrives in Iran Amid Reports of Possible Mediation Role,” *Radio Free Europe/Radio Liberty*, October 13, 2019, <https://www.rferl.org/a/pakistan-khan-travels-saudi-arabia-iran-possible-mediation/30213924.html>.

⁶¹ Siddiq, “*Saudi-Iran Rapprochement: Opportunities for Pakistan*.”

⁶² Haider Ali Khan, “Iranian President Arrives in Pakistan on Two-Day State Visit to Push \$10 Billion Trade Target,” *Arab News*, August 2, 2025, <https://www.arabnews.com/node/2610373/pakistan>.

anticipated security risks⁶³. Unlike Bahrain and the United Arab Emirates, which have formalized diplomatic relations with Israel through the Abraham Accords, and Oman and Qatar, which maintain unofficial ties, Saudi Arabia has thus far remained outside the formal normalization framework. However, since Crown Prince Mohammed bin Salman assumed de facto leadership, the Kingdom has cautiously advanced toward establishing relations with Israel. This gradual shift, often described as a form of “creeping normalization,” is marked by increased public discourse among senior Saudi officials regarding potential diplomatic engagement, albeit under clearly defined conditions⁶⁴.

The pre-conflict environment afforded Riyadh a degree of diplomatic flexibility, bolstered by the perceived success of the Abraham Accords, a period of relative stability in the Palestinian territories, and U.S.-led efforts to develop a regional security architecture offering substantial incentives to Saudi Arabia. Concurrently, the Kingdom has made calculated moves to align itself more favorably on the global stage. These include indirect support for the Abraham Accords, modifications to educational curricula, authorization for Israeli overflights through Saudi airspace, and more balanced portrayals of Israel in state-influenced media. Despite these developments, Saudi Arabia has adopted a cautious posture in the broader Israel-Iran rivalry⁶⁵. This neutrality is becoming increasingly precarious in light of Iranian allegations that Riyadh is aiding Israel particularly through the detection and interception of Iranian missile and drone threats targeting Israeli territory.

Saudi Arabia’s skepticism about its own defense capabilities, coupled with doubts over the United States’ reliability in providing the same level of protection it affords Israel, has influenced Riyadh’s strategic calculus. As a result, the Kingdom has opted for a more pragmatic approach by seeking de-escalation with Iran⁶⁶. Since the 2019 attacks on Saudi oil infrastructure attributed to Tehran, Riyadh has prioritized diplomacy, culminating in a landmark agreement with Iran in 2023. This shift signals Saudi Arabia’s recognition of Iran’s influence in the region and reflects a strategic choice to engage rather than confront, thereby mitigating potential threats. Nevertheless, Saudi Arabia continues to view normalization with Israel as a valuable opportunity particularly for the geopolitical and economic benefits that could be secured through closer ties with the United States⁶⁷. These anticipated benefits include formal security guarantees, such as a bilateral defense pact, and American approval for uranium enrichment within Saudi territory concessions unlikely to be obtained through alternative diplomatic channels. At the same time, Israel has expressed concerns over the diminishing role of the United States in the Middle East and the growing influence of both China and Iran in regional affairs. From the Israeli perspective, the renewed diplomatic engagement between Saudi Arabia and Iran poses a potential obstacle to the formation of a unified front against Iran an objective that originally motivated the Abraham Accords⁶⁸.

⁶³ Dexter Lieber, Benoît Faucon, and Michael Amon, “Russia Supplies Iran With Cyber Weapons as Military Cooperation Grows,” *Wall Street Journal*, March 27, 2023, <https://www.wsj.com/articles/russia-supplies-iran-with-cyber-weapons-as-military-cooperation-grows-b14b94cd>.

⁶⁴ Marc Grisé and Andrew T. Evans, *The Drivers of and Outlook for Russian-Iranian Cooperation* (RAND Corporation, October 2023), 1-36, https://www.rand.org/content/dam/rand/pubs/perspectives/PEA2800/PEA2829-1/RAND_PEA2829-1.pdf.

⁶⁵ Areej A., Ikram B., and Jhandad J., “Saudi-Iran Rapprochement and China’s Growing Presence in the Middle East,” *CISS INSIGHT: Journal of Strategic Studies*, November 2023, 115-138, <https://journal.ciss.org.pk/index.php/ciss-insight/article/download/365/270/>.

⁶⁶ Yoram Guzansky, “Shifts in Saudi Arabia’s Position on Normalization,” *ISPI*, May 22, 2025, <https://www.ispionline.it/en/publication/shifts-in-saudi-arabias-position-on-normalization-209467>.

⁶⁷ Rafal Mogielnicki, “The Elusive Saudi-Israeli Normalization Deal: Why an Agreement Is Likely to Fall Short of Expectations,” *The Cairo Review*, June 2025, <https://www.thecaireview.com/essays/the-elusive-saudi-israeli-normalization-deal/>.

⁶⁸ Akram, “*Iraq Saudi Relations: A Current Appraisal*.”

Drone Strikes, Nuclear Tensions, and Diplomatic Fallout: Iran-Saudi-U.S. Triangular Relations after March 2023

Saudi Arabia and Iran have maintained a complex relationship marked by historical mistrust and strategic rivalry, with reconciliation efforts often undermined by regional security concerns and U.S. policy shifts, including the potential return of Donald Trump and his “maximum pressure” approach on Iran. Despite diplomatic thawing, critics argue that Iran’s support for proxies and militias continues to destabilize the region, as evidenced by attacks on U.S. forces in Syria. Nevertheless, both Tehran and Riyadh recognize the strategic and economic incentives for cooperation, particularly regarding regional integration⁶⁹. The Gaza conflict and Israel’s military actions against Iran in June 2025 further complicated the situation, with Saudi Arabia advocating diplomacy, limiting Gulf involvement in U.S. strikes, and balancing responses to Iranian and Israeli actions to safeguard regional stability, economic interests, and domestic welfare. While Israeli operations, such as Operation “Rising Lion,” achieved tactical successes against Iran’s military leadership and nuclear facilities, the campaign has not fully dismantled Iran’s nuclear capacity, highlighting the fragility of regional power dynamics and the ongoing necessity for careful diplomatic engagement between Saudi Arabia, Iran, and their allies⁷⁰.

Conclusion

To encapsulate the whole writing, it has been observed that China has successfully facilitated a rapprochement between Iran and Saudi Arabia two long-standing ideological and strategic rivals marking a significant step toward achieving stability and security in the Middle East. In a more peaceful regional environment, it is likely that these influential powers will be better positioned to address ongoing conflicts, particularly in Yemen and Syria, and contribute to broader regional reconciliation. China has emerged as a strategic challenger to the United States, which has historically relied on assertive and interventionist policies to maintain its influence in the region. In contrast, China’s approach, shaped by its economic and strategic interests, emphasizes non-interference and cooperation, positioning itself as a constructive actor within the Middle East. The analysis of recent developments suggests that China’s objectives are twofold: to restore peace and stability in the region and to advance its economic agenda. These efforts have already yielded substantial benefits. For instance, by 2015, China had become the world’s largest importer of crude oil, with approximately 50 percent of its supply sourced from Middle Eastern countries. Furthermore, China’s recent mediation between Saudi Arabia and Iran a diplomatic breakthrough has significantly bolstered the prospects of its Belt and Road Initiative (BRI), which seeks to enhance connectivity between Asia, Europe, and Africa. Beyond China, Pakistan also facilitated from reproachment of Iran-Saudi relations in economic, political and strategic terms. The restoration of diplomatic relations between Iran and Saudi Arabia carries significant and promising implications for Pakistan, given its unique geopolitical position as Iran’s immediate neighbor, a long-standing ally of Saudi Arabia, and a strategic partner of China. Pakistan was among the first nations to publicly endorse this breakthrough in regional diplomacy. In an official statement released shortly after the announcement, the Pakistani Foreign Office emphasized its support, stating that the country firmly believes that this important diplomatic breakthrough will contribute to peace and stability in the region and beyond. This normalization not only aligns with Pakistan’s broader foreign policy goals but also opens new avenues for regional cooperation and strategic engagement.

⁶⁹ Steven Cook, “Saudi-Iranian Rapprochement Has Failed to Bring De-escalation,” *Foreign Policy*, June 12, 2023, <https://foreignpolicy.com/2023/06/12/sau-di-iran-rapprochement-normalization-deal-china-de-escalation-yemen-syria/>.

⁷⁰ Mahsa Nikoubazl, “Israel Strikes Iran. What Happens Next?” *Brookings*, June 18, 2025, <https://www.brookings.edu/articles/israel-strikes-iran-what-happens-next/>.

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