

# Saudi investments to aid Pakistan

Dubai, United Arab Emirates

A record investment package being prepared by Saudi Arabia for Pakistan will likely provide welcome relief for its cash-strapped ally, while also addressing regional challenges, analysts say.

At the heart of the investment is a reported \$10 billion refinery and oil complex in the strategic Gwadar Port on the Arabian Sea, the ultimate destination for the massive multi-billion dollar China Pakistan Economic Corridor, which lies not far from the Indo-Iranian port of Chabahar.

Two Saudi sources have confirmed that their

apparent to the Gulf kingdom's throne, Crown Prince Mohammed bin Salman, will visit Islamabad shortly, without giving a date.

And a number of major investment deals are expected to be signed during a visit, officials from both countries have said.

Riyadh and Islamabad, decades-old allies, have been involved for months in talks to hammer out details of the deals in time for the

high-profile visit.

"The outcome of the talks so far has been very positive and this is going to be one of the biggest-ever Saudi investments in Pakistan," a Pakistani senior finance ministry official said.

"We hope that an agreement to this effect will be signed during the upcoming visit of the Saudi crown prince to Pakistan," said the official, requesting anonymity.

*The Wall Street Journal* reported last month that both Saudi Arabia and the United Arab Emirates, Islamabad's biggest trading partner in the Middle East, have offered Pakistani Prime Minister Imran Khan some \$30 billion in investment and loans.

## Saudi lifeline

Riyadh investments are expected to provide a lifeline for Pakistan's slumping economy which was downgraded in early February by S&P ratings agency from a B to a B-, Saudi economist Fadh al-Bouenain said.

"Saudi investment to Pakistan comes within an economic aid package aimed at relieving the stress of external debt and a shortage of foreign currency, besides boosting the sluggish economy," Bouenain said.

The OPEC heavyweight also aims to achieve strategic and commercial goals with invest-

ments in infrastructure and refinery projects, he said.

Saudi Arabia and its Gulf partner, the UAE, have already deposited \$3 billion each in Pakistan's central bank to help resolve a balance of payments crisis and shore up its declining rupee.

They have also reportedly deferred some \$6 billion in oil imports payments as Islamabad has so far failed to secure fresh loans from the International Monetary Fund.

Khan has already visited Riyadh twice since taking office in July and in October attended a prestigious investment conference.

Khan also visited Qatar and Turkey, as well as China seeking investments.

"One of the goals for Saudi Arabia expanding investments in refining worldwide is to secure market share and sustainable exports in the face of international competition," Bouenain said.

Saudi Energy Minister Khalid al-Falih visited Gwadar in January and inspected the site for the proposed oil refinery at the deep sea port, just 70 kilometres (45 miles) away from its Iranian competitor, Chabahar.

He was quoted by local media as saying the kingdom was studying plans to construct a \$10 billion refinery and petrochemicals complex in Gwadar.

## Cutting supply times

Like most oil suppliers, the world's top crude exporter has been investing heavily in refinery and petrochemicals projects across

the globe to secure long-term buyers of its oil.

A pipeline from Gwadar to China would cut the supply time from the current 40 days to just seven, experts say.

Developed as part of China's Belt and Road Initiative with investments worth some \$60 billion, Gwadar is being billed as a regional industrial hub of the future, easily accessible for Central Asia, Afghanistan, the Middle East and Africa.

"Pakistan needs a rich partner to enter as a third party besides China, capable of injecting needed cash," Bouenain said.

But so far China has rejected other partners for the corridor that seeks to connect its western province Xinjiang with Gwadar, including Saudi Arabia and UAE, said James M.

Dorsey, a senior fellow at Singapore's S. Rajaratnam School of International Studies.

This is despite calls by Khan "for the Chinese investments to be restructured to in-

clude agriculture and job-creation sectors and not only infrastructure", Dorsey told AFP. Any Saudi investment in Gwadar will also have geopolitical dimensions, Dorsey said.

Iran late last year inaugurated Chabahar which provides key supply route to landlocked Afghanistan and allows India to bypass Pakistan.

India has seen Chabahar as key way both to send supplies to Afghanistan and to step up trade with Central Asia as well as Africa.

But Riyadh is not expected to get involved in any Indo-Pakistani rivalry and the kingdom also has major strategic energy deals with New Delhi, where demand for oil is growing fast.

Indeed in April, the Saudis signed a \$44 billion deal to build a huge refinery and petrochemicals complex in western India.



Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince of Saudi Arabia



Imran Khan, Pakistan Prime Minister

The outcome of the talks so far has been very positive and this is going to be one of the biggest-ever Saudi investments in Pakistan

PAKISTANI SENIOR FINANCE MINISTRY OFFICIAL

## Rotana to promote Bahrain's tourism and hospitality sector

TDI | Manama

Rotana, one of the leading hotel management companies in the region with hotels across the Middle East, Africa, Eastern Europe and Turkey, has bolstered its collaboration with Bahrain Tourism and Exhibition Authority (BTEA) and Gulf Air.

Together with its partners, Rotana will undertake new initiatives to promote the Kingdom's tourism and investment opportunities in key international markets, Guy Hutchinson, Acting CEO of Rotana, said at the 'Rotana Hotels 2019 GCC Roadshow'.

Guy Hutchinson, Acting CEO of Rotana, said: "We expect to see a sharp rise in international overnight visitation in the coming years on the back of new initiatives by both the public and private sectors to promote the Kingdom's tourism. Furthermore, the country's thriving meetings, incentives, conferences and exhibitions (MICE) industry



Guy Hutchinson

and fast-growing FinTech ecosystem will further energize the travel and tourism sector, attracting new investments and visitors."

Bahrain welcomed 10.3 million tourists in 2018, up from 9.7 million the previous year and experienced a 22.3 per cent increase in the number of tourism nights spent in the country to reach 9.8 million, compared with 8 million in 2017. Similarly, the Kingdom's hospitality sector saw positive growth in the average length of stay per tourist, which increased by 18.9pc, from 2.4 nights in 2017 to 2.8 last year.

## Riffa Views taking a green step



Officials following the deal signing

TDI | Manama

Riffa Views yesterday signed a memorandum of understanding (MoU) with a leading renewable energy solutions company, Next Energy, for the deployment of a solar power system to generate electricity.

The move, according to Osama Al Khajah, Chairman

of Next Energy, will eliminate 45,529 tons of carbon dioxide (CO2) from Riffa Views footprint.

This, he said, is equivalent to planting 1,060,584 trees, or driving reduced by 145,659,066 km, or 4,642,881 gallons of gasoline or displacing CO2 emissions from the annual electric use of 5,154 homes or burning of 22,176 tons of coal.

Yasser Alraee, Managing Director of Riffa Views, stated: "Since inception, Riffa Views has used recycled water for irrigation of common area landscaping, using its own treatment plant. The solar power project is another major step towards creating a self-sustainable community that shall help to preserve the environment."

## S. Korea announces hike in payment for US troops

Seoul, South Korea

Seoul said yesterday it agreed to hike its payment for maintaining American troops on its soil.

The two countries have been in a security alliance since the 1950-53 Korean war, which ended with an armistice rather than a peace treaty -- with more than 28,000 US troops stationed in the South to guard against threats from Pyongyang.

But US President Donald Trump has repeatedly complained about the expense of keeping American forces on the peninsula.

The negotiations ended with South Korea's foreign ministry saying Seoul will pay about 1.04 trillion won (US\$924 million) in 2018, 8.2 per cent more than what it offered under a previous five-year pact which expired at the end of last year.