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## **Pakistan-Bahrain Relations: Strengthening Ties with the Gulf**

*This paper focuses on the growing relationship between Pakistan and Bahrain. An analysis of this relationship shows that its key impetus was the visit of Bahrain's King Hamad to Pakistan in 2014. This led to the follow up visit of Pakistan's Prime Minister Nawaz Sharif to Manama (Bahrain) in 2015. Bilateral political consultations took place in 2016. Bahrain's Minister of Foreign Affairs Shaikh Khalid Bin Ahmed Mohammed Al Khalifa visited Pakistan from the 5-6 February 2017. There are four areas of interest that formulates relations between the two countries Trade, Foreign Direct Investments (FDI), Employment of Pakistani labour in Bahrain, as well as Defense and security cooperation.*

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The Kingdom of Bahrain is a small Island State located in the Persian Gulf. It has an area of 717 Square Kilometers, around the size of Singapore.<sup>2</sup> Bahrain has a population of about 1.4 million and a Gross Domestic Product (GDP) per capita of \$24,119.<sup>3</sup> Its nomenclature in Arabic

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<sup>2</sup> "Bahrain country profile." BBC News, BBCwww.bbc.com/news/world-middle-east-14540571.

<sup>3</sup> "Bahrain, Report for Selected Countries and Subjects." International Monetary Fund, www.imf.org/external/pubs/ft/weo/2016/02/weodata/weorept.aspx?sy=2016&ey=2019&scsm=1&ssd=1&sor

means “two seas”.<sup>4</sup> The Citizens of Bahrain are predominantly Shia Muslims while the Kingdom is ruled by a Sunni Royal Family. Bahrain is a part of the Gulf Cooperation Council (GCC) and a member state of the Organization of Islamic Cooperation (OIC). Pakistan has strong relations, bilaterally with each of the GCC countries and it is also a member of the OIC. Bahrain was one of the first countries in the Gulf to discover oil and build a refinery.<sup>5</sup> However, due to its low production level of oil compared to its neighbours Bahrain also become the first post-oil economy in the Persian Gulf. In 2004 under the administration of the then United States President George. W. Bush. The United States and Bahrain signed a Free Trade Agreement (FTA) which came into effect on 11 January 2006. This was condemned by Saudi Arabia for hindering regional integration.<sup>6</sup>

Pakistan and Bahrain share a very longstanding and concrete relationship, marked with the absences of any bilateral contentious issues. They also have historic, cultural, social and religious commonalities with each other. Bahrain is currently home to 100,000 members of the Pakistani Diaspora.<sup>7</sup> A significant portion of the Bahrain Police Force comprises of officers of Baloch origin.<sup>8</sup> They are also many other Pakistanis serving in the Bahrain National Guard (BNG). As pointed out by the BNG Commander Lt. General Shaikh Mohammad bin Isa bin Salman Al-Khalifa “many senior defense forces personnel of Bahrain, holding key positions, are graduates from military institutes of Pakistan and regard the country as their second home” and that “defense cooperation and employment of Pakistani defense personnel will continue in the Bahrain Defense Forces.”<sup>9</sup> This provides a very high level of trust and goodwill between Bahrain and Pakistan.

Over the recent years, bilateral relations between Pakistan and Bahrain have seen a surge in intensity. The impetus for this can be traced to the maiden Visit of Bahrain’s King Hamad bin Isa Al Khalifa to Pakistan from 18-20 March 2014.<sup>10</sup> This visit was not any ordinary exchange

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<sup>4</sup> Same as in source 2

<sup>5</sup> Ibid

<sup>6</sup> Ibid

<sup>7</sup> “Opening Statement by Adviser to the Prime Minister on Foreign Affairs, Co-Chair Pak-Bahrain Joint Ministerial Commission.” Ministry of Foreign Affairs-Pakistan [www.mofa.gov.pk/pr-details.php?mm=NDczNw%2C%2C](http://www.mofa.gov.pk/pr-details.php?mm=NDczNw%2C%2C).

<sup>8</sup> Long, Roger D., Yunas Samad, Ian Talbot, and Gurharpal Singh. *State and Nation-Building in Pakistan: Beyond Islam and Security*. London: Routledge/Taylor & Francis Group, 2016, pp 129

<sup>9</sup> “COMMANDER NATIONAL GUARD OF BAHRAIN CALLS ON THE PM.” Prime Minister's Office, Pakistan, [www.pmo.gov.pk/press\\_release\\_details.php?pr\\_id=733](http://www.pmo.gov.pk/press_release_details.php?pr_id=733).

<sup>10</sup> “State Visit of His Majesty King Hamad bin Isa Al Khalifa, The King of the Kingdom of Bahrain to the Islamic Republic of Pakistan (18-20 March 2014).” Ministry of Foreign Affairs – Pakistan

of pleasantries but one that set in place a sustained and systematic process of growing bilateral relations between Pakistan and Bahrain. King Hamad was accompanied by a high-level delegation which included the Foreign Minister of Bahrain Sheikh Khalid Bin Ahmed Bin Mohammed Al Khalifa. On trade between Pakistan and Bahrain the Bahraini Monarch had observed that, “Although we are new countries we have been trading partners since 7000 years when the Indus Valley civilization had trade with Dilmun civilization”<sup>11</sup> During his visit, Pakistan and Bahrain signed six memorandums of understandings (MOUs) and two agreements.<sup>12</sup>

The MOUs signed were on the “establishment of a Joint Ministerial Commission (JMC) for bilateral cooperation, cooperation between Ministries of Interior, cooperation in the fields of water and power, cooperation in food security in particular rice, labour and occupational training and also a MOU between the Economic Development Board of Bahrain and Board of Investment (Pakistan). Agreements on Air services as well as on the promotion and protection on investments were also signed.<sup>13</sup> In this visit Pakistan and Bahrain “acknowledged the close relations between Pakistan and the GCC countries and reiterated their commitment to further strengthen cooperation, including the finalization of the Pakistan-GCC Free Trade Agreement.”<sup>14</sup>

Bilateral cooperation between Pakistan and Bahrain was first institutionalised in 1983 when the Pakistan-Bahrain Joint Economic Committee (JEC) was founded.<sup>15</sup> The JEC was operated at the senior officer level hence; the JMC is an upgrade of the JEC.<sup>16</sup> This is a reflection of the continuous progress of bilateral relation between the both countries.

Bahrain’s arable land is only 2.1 percent of its total area out of which less than half is equipped with irrigation facilities.<sup>17</sup> Therefore, Bahrain is highly reliant on imports to feed its population. On the other hand, Pakistan has much greater agrarian capacities. This an avenue for Bahraini agricultural companies to invest in Pakistan and in return export the crop produce

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[www.mofa.gov.pk/pr-details.php?mm=MTgyNg%2C%2C](http://www.mofa.gov.pk/pr-details.php?mm=MTgyNg%2C%2C).

<sup>11</sup> “Adviser to Prime Minister on National Security and Foreign Affairs H.E. Mr. Sartaj Aziz calls on His Majesty King Hamad Bin Isa Al Khalifa of the Kingdom of Bahrain.” Ministry of Foreign Affairs -Pakistan [www.mofa.gov.pk/pr-details.php?mm=MTgyMQ%2C%2C](http://www.mofa.gov.pk/pr-details.php?mm=MTgyMQ%2C%2C).

<sup>12</sup> Same as in source 10

<sup>13</sup> Ibid

<sup>14</sup> Ibid

<sup>15</sup> Same as in source 7

<sup>16</sup> Ibid

<sup>17</sup> “Bahrain Arable Land (% of land area).” World Bank Data, [www.data.worldbank.org/indicator/AG.LN.D.ARBL.ZS?locations=BH](http://www.data.worldbank.org/indicator/AG.LN.D.ARBL.ZS?locations=BH).

back to Bahrain. The Bahraini investments will increase the agricultural output of Pakistan as it will lead to enhanced funding for research and development in the sector. This will contribute to keeping food inflation in Pakistan under control. It will also make Pakistan a more autarkic State. Bahrain's proximity with Pakistan makes it cost efficient to import from. This explains the rationale behind the idea of food cooperation between Bahrain and Pakistan.

When King Hamad was in Pakistan, Prime Minister Nawaz Sharif said "We would welcome Bahraini investments in mega projects in the field of energy, downstream oil industry, port development, mining and minerals, infrastructure, banking and financial sectors..... We would like Bahrain to increase its imports from Pakistan of high quality Basmati rice, Halal meat products, poultry, textiles and clothing, sports goods, surgical instruments, carpets, marble and cutlery. Cooperation in agriculture and food sectors would be mutually beneficial also"<sup>18</sup>

At this juncture, if one analyses the MOUs and agreement that were signed during the 2014 King Hamad visit. It can be inferred that the focus of the Pakistan-Bahrain relationship is on the following four areas Trade, Foreign Direct Investments (FDI), Employment of Pakistani labour in Bahrain, and Defense and security cooperation. Before King Hamad departed Pakistan he invited Prime Minister Nawaz Sharif to Bahrain at a mutually convenient time. This was materialised when Nawaz Sharif visited Bahrain from 7-8 January 2015.<sup>19</sup>

This visit was marked by King Hamad conferring upon Prime Minister Nawaz Sharif the "Shaikh Isa bin Salman Al Khalifa First Class Medal" (highest civilian award in Bahrain) in recognition of his contribution towards further strengthening the relationship between Pakistan and Bahrain.<sup>20</sup> The two countries also used this opportunity to sign another five MOUs and one more agreement. The following MOUs were signed "twinning of Islamabad, capital of the Islamic Republic of Pakistan and Manama, capital of the Kingdom of Bahrain", education and higher education, cooperation in the field of culture and arts, co-operation in the field of small and medium enterprises development as well as an MOU between the University of Bahrain and Quaid-i-Azam University.<sup>21</sup> An "agreement on exemption from Short Stay Visa for Diplomatic and Special Passport holders (Bahrain) and Diplomatic and Official Passport

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<sup>18</sup> "KING OF BAHRAIN CALLS ON PM MUHAMMAD NAWAZ SHARIF." Prime Minister's Office, Islamabad, Pakistan, [www.pmo.gov.pk/press\\_release\\_details.php?pr\\_id=396](http://www.pmo.gov.pk/press_release_details.php?pr_id=396).

<sup>19</sup> "VISIT OF THE PRIME MINISTER OF PAKISTAN TO BAHRAIN, 7-8 JANUARY 2015." Prime Minister's Office, Islamabad, Pakistan, [www.pmo.gov.pk/press\\_release\\_details.php?pr\\_id=723](http://www.pmo.gov.pk/press_release_details.php?pr_id=723).

<sup>20</sup> "PAKISTAN-BAHRAIN JOINT PRESS STATEMENT 2015." Prime Minister's Office, Pakistan, [www.pmo.gov.pk/press\\_release\\_details.php?pr\\_id=734](http://www.pmo.gov.pk/press_release_details.php?pr_id=734).

<sup>21</sup> Ibid

holders (Pakistan)” was also inked.<sup>22</sup> King Hamad was presented with the Instrument of Ratification (IoR) of the agreement for the promotion and protection of investments that was signed when he visited Pakistan in 2014.<sup>23</sup> It was also announced that Bahrain would build a King Hamad University Hospital as a gift to Pakistan.<sup>24</sup> This was appreciated by the Pakistani Prime Minister.

King Hamad and Prime Minister Nawaz Sharif agreed upon “enhancing cooperation in the fields of energy, youth and sports, advancement of women, social works and human resource development, agriculture, marine resources, cattle breeding, poultry and fish-farming.”<sup>25</sup> Pakistan also recognised Bahrain as an “ideal gateway to the GCC markets.” Pakistan and Bahrain also reiterated their commitment towards concluding the Pakistan-GCC Free Trade Agreement.<sup>26</sup>

During his visit, Prime Minister Nawaz Sharif also met Bahrain’s Labour Minister Jameel bin Mohammad Ali Humaidan.<sup>27</sup> He said that “Pakistan would be happy to provide manpower to Bahrain to meet its requirements.”<sup>28</sup> The Labour Minister then told Nawaz Sharif that “Pakistanis living in Bahrain are contributing to the stability and socio-economic development of Bahrain”<sup>29</sup> and that “hiring of Pakistani professionals and labour would continue to be facilitated.”<sup>30</sup> He was invited by Prime Minister Nawaz Sharif to lead a delegation to Pakistan and see what it has to offer Bahrain. Given that Pakistan is heavily dependent on remittances to meet its balance of payment requirements, Bahrain offers an attractive source of foreign currency influx. Between the period July-April 2016, Pakistan received US\$371.4 million in worker remittances from Bahrain.<sup>31</sup> This money is largely directed at the economically weaker segments of Pakistani society thus this plays a role in poverty alleviation. It is often the case that one family member working in Bahrain can earn enough to fund the entire household in

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<sup>22</sup> Ibid

<sup>23</sup> Ibid

<sup>24</sup> Ibid

<sup>25</sup> Ibid

<sup>26</sup> Ibid

<sup>27</sup> “PM MEETS THE LABOUR MINISTER OF BAHRAIN.” Prime Minister's Office, Pakistan, [www.pmo.gov.pk/press\\_release\\_details.php?pr\\_id=728](http://www.pmo.gov.pk/press_release_details.php?pr_id=728).

<sup>28</sup> Ibid

<sup>29</sup> Ibid

<sup>30</sup> Ibid

<sup>31</sup> “Overseas Pakistanis send \$16 billion in remittances, up 5.25%.” The Express Tribune, [www.tribune.com.pk/story/1100856/overseas-pakistanis-send-16-billion-in-remittances-up-5-25/](http://www.tribune.com.pk/story/1100856/overseas-pakistanis-send-16-billion-in-remittances-up-5-25/).

Pakistan. This provides the motivation for the Pakistani government to secure employment opportunities for its citizens in Bahrain.

On 12 July 2016, the inaugural Pakistan-Bahrain Bilateral Political Consultations took place in Islamabad at the Assistant/Additional Secretary level of the respective Ministries of Foreign Affairs.<sup>32</sup> This saw the signing of another MOU for the establishment of King Hamad University of Nursing and Associated Medical Sciences in Islamabad. “The university will have the capacity of educating and training 2000 nursing staff with 500 of them graduating annually.”<sup>33</sup> They will then be inducted into hospitals in Bahrain thus helping the country to meet its healthcare needs. This will be a significant step towards women empowerment as the Pakistani nurses would be able to work abroad in a dignified profession and contribute to Pakistan’s remittances. In effect, this will play a developmental role for the betterment of Pakistan. As Quaid-e-Azam Muhammad Ali Jinnah said “no nation can rise to the heights of glory unless your women are side by side with you.”<sup>34</sup> As such this move is in line with Mr Jinnah’s vision of Pakistan.

The relations between Pakistan and Bahrain were recently taken to a higher level when Bahrain’s Minister of Foreign Affairs Shaikh Khalid Bin Ahmed Mohammed Al Khalifa visited Pakistan from the 5-6 February 2017. The purpose of his visit was to jumpstart the first session of the JMC. This was co-chaired by the Shaikh Khalid and Pakistan’s de facto Foreign Minister Mr Sartaj Aziz. “Mr. Sartaj Aziz invited Bahraini businessmen to invest in Pakistan, especially in the energy, infrastructure and agriculture sectors, urging them to take advantage of the lucrative incentives on the offer for foreign investors.”<sup>35</sup> The Bahraini Foreign Minister noted that “Pakistan-Bahrain relations reflected a consistently strong bond of friendship which was devoid of any irritant or divergence of interests on important issues.”<sup>36</sup> As Pakistan and Bahrain bilateral trade currently stands at a mere US\$200 Million there is a firm desire on both sides to increase trade volumes.<sup>37</sup> In his opening address to the JMC Mr Sartaj Aziz underlined that “our bilateral trade is presently much below the potential of both countries. Leadership of

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<sup>32</sup> “Pakistan-Bahrain Bilateral Political Consultations 2016.” Ministry of Foreign Affairs- Pakistan, [www.mofa.gov.pk/pr-details.php?mm=MzkzOA%2C%2C](http://www.mofa.gov.pk/pr-details.php?mm=MzkzOA%2C%2C).

<sup>33</sup> Ibid

<sup>34</sup> Cited in, Ayesha Jalal. *The struggle for Pakistan: A Muslim Homeland and Global Politics*. Cambridge, MA: The Belknap Press of Harvard University Press, 2014. pg 251

<sup>35</sup> “Foreign Minister of Bahrain arrives in Pakistan to attend JMC; meets Adviser Sartaj Aziz.” Ministry of Foreign Affairs –Pakistan, [www.mofa.gov.pk/pr-details.php?mm=NDcyNg%2C%2C](http://www.mofa.gov.pk/pr-details.php?mm=NDcyNg%2C%2C).

<sup>36</sup> Ibid

<sup>37</sup> “PM DEPARTS FOR BAHRAIN.” Prime Minister's Office, Pakistan, [www.pmo.gov.pk/press\\_release\\_details.php?pr\\_id=726](http://www.pmo.gov.pk/press_release_details.php?pr_id=726).

both countries are fully cognizant of this fact. .... You would recall, Excellency, that during the King of Bahrain's visit to Pakistan, Prime Minister Muhammad Nawaz Sharif had particularly emphasized strengthening of bilateral relations, especially in trade, investment and energy.”

<sup>38</sup> Mr Sartaj Aziz also stressed on the need for enhanced business to business contact and for more interaction between the chambers of commerce of Pakistan and Bahrain. On the subject of Pakistan’s commitment to increase export of manpower to Bahrain, Mr Sartaj Aziz said that “Pakistan has a surplus of properly trained and certified skilled and semi-skilled manpower in various sectors including engineering, medical and education etc. The National Vocational and Technical Training Commission (NAVTTTC) and the Technical Education and Vocation Training Authority (TEVTA) of Pakistan are providing tailor-made courses to potential workers seeking jobs in the Gulf countries.” <sup>39</sup> This proves that assisting its people to gain employment in the Gulf is a key element in the public policy of the Government of Pakistan. The initiative of a Gulf centric skill development program of Pakistan seems to be influenced by the expectations of increasing remittances in mind.

As the United States puts in place restrictive work visa policies in an effort to “save American jobs”, the Gulf provides an alternative destination for Pakistani labour. Although the policy of exporting skilled manpower will lead to brain drain and erosion of human resource potential of Pakistan in the long term, it plays a crucial role in the country’s short and medium term development.

Mr Sartaj Aziz also said that “the latest investments being made by the People's Republic of China are a testimony to the confidence that investors enjoy in Pakistan. On behalf of the Government of Pakistan I can assure you of an investment-friendly regime that offers lucrative financial incentives and conducive business environment in the dedicated 'Special Economic Zones'. There will be very profitable investment opportunities for Bahraini investors in the industrial parks being established under CPEC.”<sup>40</sup>

This shows that getting investments from China is not just about the Chinese projects itself but it’s a stamp of confidence on Pakistan’s worthiness for investment. This endorsement from China can then be used to market Pakistan to other countries as a viable destination for FDI. This is a strategy that is smartly being deployed by Pakistan to increase foreign investment in

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<sup>38</sup> Same as in source 7

<sup>39</sup> Ibid

<sup>40</sup> Ibid

the country. It can also be used by other South Asian countries that have strong relations with China such as Sri Lanka and Bangladesh hence; they should learn this tactic from Pakistan.

The growing relations between Pakistan and Bahrain are a manifestation of the efforts of the leaders on both sides to take their relationship to greater heights. Bahrain's position as the incumbent chair of the GCC makes it an important country for Pakistan to engage with to secure the highly anticipated Pakistan-GCC Free Trade Agreement. It also displays the foreign policy agenda of Pakistan to strengthen relations with to Gulf. This is in tandem with the policy of maintaining cordial relations with all Muslim countries that has been an instrument of Pakistan's foreign policy since its genesis. It is noteworthy that the Pakistan-Bahrain relation is now capsulated in an institutionalised framework this will eventually lead to bilateral cooperation in all sectors. As such Bahrain has the potential to be Pakistan's closest ally in the Gulf.

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