



Diversifying Saudi's security: Would the US security architecture in the Middle East be threatened?

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Published as part of debate #1 of the SALAM project, Spring 2023

The relationship between arms sales and stability is highly contested in literature. On one end of the spectrum, there are those who argue that arms sales fuel instability and heighten the security dilemma of global actors, leading them into an arms race and increasing the risk of conflict. On the other, there are those who argue that arms sales, especially with great powers, supports stability by assuring the latter's commitment to the security of its allies, and hence deterring enemies from launching offensive attacks.

The Obama and Trump administrations cited regional stability as one of the main reasons for exporting weapons to US allies around the world¹. This is particularly valid for states with acute external threats, who need weapons, and powerful allies to deter their enemies².

In the Middle East, the relationship between arms sales and regional stability is a highly contested issue as well. Some have claimed that US arms sales to Saudi Arabia fueled the Saudi war in Yemen causing the worst humanitarian crisis³, while the Biden administration approved arms sales to Saudi Arabia in 2022 citing the need to help Riyadh to defend itself against Iranian threats⁴.

The paper will test the assumption that Riyadh's efforts to localize defense industries, and to diversify its defense partners, will ultimately assist ongoing efforts to achieve regional stability by addressing the vulnerabilities that the Saudi military suffers from, rather than exacerbate regional arms race.

In this context, defense partnership should not be understood only from the prism of arms sales, but also from the perspective of enhancing strategic partnerships with superpowers and courting them to be a security provider in the region. In the same vein, it argues that American reluctance to provide arms sales and protection for Saudi Arabia was one of the main causes of the tensions in the bilateral relations and pushed Riyadh to diversify its security partners.

1 IISS, 2022. Arms Sales and Regional Stability: An Assessment. London : IISS, 2022. pp. 12 - 13.

2 Jang, Yeongkyun and Jae-Suk, Yang. 2022. The Dynamics of the Global Arms Trade Network: States' Stability and Instability . Defence and Peace Economics. June 23, 2022, pp. 1 - 2 .

3 Riedel, Bruce. 2021. It's time to stop US arms sales to Saudi Arabia. Brookings. February 04, 2021. <https://shorturl.at/duPR9>

4 Lee, Matthew. 2022. US approves massive arms sale to Saudi, UAE to counter Iran . AP News. August 02, 2022. <https://bit.ly/3NJQzo4>



A Shift in a Strategic Alliance

For years, the strategic relationship between the United States (US) and the Kingdom of Saudi Arabia (KSA) has been based on bargaining oil for security⁵, as Saudi Arabia will continue to guarantee oil flows in the international market in return for enjoying the security umbrella of the US. For years, this formula served both countries' interests.

However, several factors led the Saudi leadership to question the viability of this relationship. The first of them had to do with Tehran's involvement in the September 2019 attack against Saudi oil terminals in Abqaiq and Khurais⁶. This incident brought the trustworthiness of the American defense umbrella into question, as it seemed to demonstrate that the US was not capable of deterring the Iranian threat in the first place and was not willing to punish the Islamic Republic after the attacks.

Former president Donald Trump declared, on September 16, 2019, that the attack was "on Saudi Arabia and not on the US", thus signaling that Washington was not going to retaliate against the attacks, meanwhile sending about 3,000 additional soldiers to reassure the Kingdom⁷. Trump even stated that he "would certainly like to avoid war" with Iran⁸.

For the Saudis, the implications were clear: this confirmed not only that the role of the US as a security guarantor was undermined, but also that vulnerabilities in Saudi defenses were potentially exacerbated by their over-reliance on the US until then.

The second factor is a perceived lesser commitment by Washington to Riyadh's security notably illustrated by the decision by the US administration, like some other Western countries, to curtail its arms exports to Saudi Arabia in 2019. In addition, the Biden administration adopted policies that the Saudi leadership deemed threatening to the Kingdom's security, like Washington's decision in September 2021 to withdraw some American Patriot defense systems from Saudi Arabia despite continued attacks by Houthi militias from Yemen⁹. The withdrawal of these defense systems came amid changing priorities of the American administration, as it directed these defense systems to Southeast Asia to assist in confronting rival powers, namely China, thus implementing former president Barack Obama's "pivot to Asia" policy¹⁰.

More broadly, this decision is taken as a reflection on American declining interest in the Middle East that could pertain to a premature assessment of its independence from the region's oil. This was reflected in former US president Trump's statement: "we don't need Middle East oil"¹¹. The American miscalculation was clear when Saudi Arabia declined Washington's request to increase oil production in the second half of 2022, deciding

5 Saab, Bilal Y. 2023. After Oil-for-Security: A Blueprint for Resetting US-Saudi Security Relations. Middle East Institute. February 17, 2023. <https://bit.ly/3pk7NOK>

6 Ozkarasahin, Sine. 2022. China Makes a Move in the Middle East: How Far Will Sino-Arab Strategic Rapprochement Go?, December 30, 2022, China Brief Volume, Vol. 22. p. 24.

7 Finley, Mark and Krane, Jim. 2019. The U.S. Response to Attacks on Persian Gulf Oil Infrastructure and Strategic Implications for Petro-States . Baker Institute for Public Policy. October 29, 2019. <https://bit.ly/429LLj>

8 Reid, Gabrielle. 2019 . Attack Of The Drones: The Regional Implications Of The Abqaiq-Khurais Strikes. S-RM Intelligence and Risk Consulting. September 19, 2019 . <https://bit.ly/3yAS3Ij>

9 Mitchell, Ellen. 2022. US transfers Patriot missiles to Saudi Arabia. The Hill. March 21, 2022. <https://bit.ly/3T5C8Lt>

10 Alghannam, Hesham. 2020. Why did the US pull two Patriot missile batteries out of Saudi Arabia? Gulf State Analytics. June 18, 2020. <https://bit.ly/3mxxgymR>



instead to coordinate with Moscow through OPEC plus and to decrease oil production. Some US congressmen retaliated by calling for ending arms sales for the Kingdom, thus indicating continued tensions in the Saudi – American relations¹², and further raising questions, for Saudis, about the reliability of the US security umbrella in the long run.

Finally, the American inability to curb the Iranian nuclear and ballistic program, even as Iran seems to become a nuclear threshold country, has been a troubling development for the Saudis. The US made it clear that it will not assist Saudi efforts to develop a civilian nuclear program unless Riyadh signs the additional protocol and renounces its right to enrich uranium, even for peaceful purposes. Saudi Arabia refused both conditions¹³.

It also seems clear that the US is not willing to provide Saudi Arabia with extended nuclear deterrence, as it would significantly increase its commitment to the region, at a time when it is already shifting its attention to European and Asian theaters¹⁴. Taken together, these factors have led the Saudi leadership to feel abandoned by its ally, and to see the US as incapable, unwilling, or both, in helping Saudis against Iran's multifaceted threats.

Rectifying structural weakness

One can argue that Riyadh's displeasure with the American policy towards the Middle East could be dated back to 2015, when Washington and Iran signed the nuclear deal, without taking in consideration Riyadh's security concerns. In addition, Washington's continued criticism of the Saudi war in Yemen, and the former's curtailing the sale of certain weapon systems to the latter pushed Riyadh to rethink its defense posture and rectify its dependence on the US.

At the same time, the increased Saudi spending on armaments, due to the Yemeni war, constrained the resources available to invest in civilian infrastructures, which had the potential to undermine long-term economic growth and thus ultimately decrease the resources available for military spending¹⁵. One possible solution to this dilemma was to invest in developing defense industries, and thus decreasing the amount of money directed to foreign procurement of arms, while these industries may be transformed into drivers of economic growth, either by creating employment opportunities for Saudi nationals, or by exporting arms to other countries¹⁶.

11 The U.S. isn't energy independent. Middle East oil still matters. Center on Global Energy Policy. January 10, 2020. <https://bit.ly/3BoHxeG>

12 Hartung, William D. 2022. Promoting Stability or Fueling Conflict? The Impact of U.S. Arms Sales on National and Global Security. Quincy Institute for responsible statecraft. October 20, 2022. <https://bit.ly/3Llh5D1>

13 Nissenbaum, Dion, Lieber, Dov and Kalin, Stephen. 2023. Saudi Arabia Seeks U.S. Security Pledges, Nuclear Help for Peace With Israel. The Wall Street Journal. March 09, 2023. <https://on.wsj.com/3LWnPk5>

14 Cohen, Allen N. 2016. Extending The United States Nuclear Deterrence Umbrella To The Middle East. AIR COMMAND AND STAFF COLLEGE AIR UNIVERSITY. May 2016. <https://apps.dtic.mil/sti/pdfs/AD1037969.pdf>

15 Rooney, Bryan, Johnson, Grant and Priebe, Miranda. 2021. How Does Defense Spending Affect Economic Growth?. RAND. 2021. <https://bit.ly/3TaZDmx>

16 Bowman, Aaron. 2012. The Military and Defense Industry: An Economic Force in the U.S. SITE Magazine. September 2012. <https://bit.ly/3yyYSu3>



All these factors pushed Riyadh to adopt two policies. First, developing an indigenous military industry, aimed to aid overcoming external sanctions on arms sales by other countries¹⁷. Second, diversifying defense partners. The first policy was evident in Saudi Arabia's Vision 2030, adopted in 2016, which aimed at creating a more diverse and sustainable economy.

As a part of this ambitious plan, Riyadh adopted an objective of increasing the domestic share of military equipment expenditure from only 2% to 50% by 2030. The General Authority for Military Industries (GAMI) was established in 2017 to fulfill this objective¹⁸ by establishing partnerships with leading defense companies (Oxford Business Group, 2018). Saudi Arabian Military Industries (SAMI) signed about 25 agreements with foreign partners to assist Riyadh in its effort to counter the partial arms embargo by the west. Among those partners were Chinese companies¹⁹.

Indeed, as the US had refused to supply its Middle Eastern allies with certain weapon systems, like drones, missiles and fifth generation fighter jets, Saudi Arabia sought alternative markets, which is why Chinese exports to Riyadh have increased by 290% in the last five years²⁰. In November 2022, several reports revealed that Riyadh signed a deal with China worth \$4 billion that included drones, air defense systems and ballistic missiles²¹.

China has already cooperated with Riyadh in its development of ballistic missiles, including technology transfer. The US confirmed in late 2021 that China helped Riyadh to build a production site for solid fuel ballistic missiles in the town of Dawadmi, 200 kilometers from Riyadh²².

Both China and Russia also offered both Saudi Arabia and the UAE, on separate occasions, to sell and co-produce fifth generation fighters. Beijing offered to sell the Shenyang FC-31 Fifth-generation multirole fighter to Riyadh in 2022, and there was even news circulated that China offered a transfer of technology and local production of some of its components²³.

Russian Rosoboronexport CEO Alexander Mikheyev, on the other hand, issued statement on February 16, 2023, confirming that his company would welcome the joint production of a fifth-generation fighter based on the Checkmate light tactical aircraft with Arab Gulf states, during his attendance of IDEX 2023. He also offered cooperation and joint development and production of air defense systems, equipment for the Navy, and weapons for the ground forces²⁴.

17 Ghantous, Ghaida and et al. 2021. UAE told the U.S. it will suspend talks on F-35 jets -Emirati official. Reuters. December 15, 2021. <https://reut.rs/3JiF3fi>

18 Ferrari, Marco. 2021. Saudi Arabia continues efforts to attract US military investment . Al Arabiya news. June 23, 2021. <https://bit.ly/3lo2iTo>

19 Helou, Agnes. 2020. Amid Western arms embargoes on Saudi Arabia, SAMI has a backup plan. Defense News. January 14, 2020. <https://shorturl.at/gtvMX>

20 Gering, Tuvia. 2023. Full throttle in neutral: China's new security architecture for the Middle East . Atlantic Council. February 15, 2023. <https://bit.ly/3l9lXQL>

21 Saudi gets huge arms deal from China worth \$4 billion. Leaders. 11 29, 2022. <https://bit.ly/3AVRIGV>

22 Ozkarasahin, Sine, op.cit.

23 Tactical Report. 2022. Saudi Arabia, China, and FC-31 fighter. July 26, 2022. <https://bit.ly/3JD6bag>

24 Helou, Agnes. 2023. Russian firm eyes options in Middle East for 'joint production' of tech, including 5th-gen fighters. Breaking Defense. February 20, 2023. <https://bit.ly/3mOwXDQ>



The gradual evolution of the international system into a multipolar world has already supported Saudi efforts to procure advanced weapons that might have been blocked by Western countries.

That was evident when Saudi defense firm Scopa stopped negotiating deals with major US and European firms and closed its American branch, laying off its employees who were former high-ranking American military officers. Meanwhile, Scopa established two sister companies, namely TAL and Sepha, which are respectively oriented toward the Chinese and Russian defense markets, thus giving a clear indication that Riyadh favors cooperation with willing partners, either from the east or west²⁵.

This new reality could push Washington to reconsider its position when refusing to sell advanced weapon systems to the region, as American companies will not only lose lucrative deals with Arab Gulf countries, but these contracts could be won by US rivals, namely Russia and China, enabling both countries to utilize a new source of revenue to further develop their military industries.

The Russian and Chinese willingness to cooperate with Saudi Arabia, coupled with increasing dependence of western countries on oil flows from the region as a direct result of the war in Ukraine, will further enhance Riyadh's negotiating position with western capitals.

This was already confirmed by the revival of defense relations between Saudi Arabia and the United States, notably through arms sales: Washington agreed to sell Riyadh 300 Patriot missiles worth more than \$3 billion in August 2022²⁶.

In March 2022, General Authority for Military Industries (GAMI) partnered with American firm Lockheed Martin in order to produce two THAAD air defense system subsystems, which are missile interceptor launchers, and canisters²⁷.

The United States is not the only Western country to reconsider its position toward the Kingdom amid recent geostrategic shifts. Even Germany, which had imposed an arms ban on Saudi Arabia since 2018 because of its war in Yemen and the murder of journalist Jamal Khashoggi, resumed its arms exports to Riyadh in late September 2022, a development that can be linked to Berlin's desire to reduce its dependence on Russian energy, and substitute it with Saudi hydrocarbons²⁸.

Furthermore, Scopa defense signed a Memorandum of Understanding with UK-based UAS Tactical Systems (U-TacS) to coproduce surveillance drones "Watchkeeper UAV"²⁹. These

25 Intelligence online. 2023. Scopa turns away from US and towards Moscow and Beijing, OFAC warned. Intelligence online. March 07, 2023. <https://bit.ly/3LoIW5i>

26 Perez, Zamone. 2022. State Department clears weapons sales to Saudi Arabia, UAE. Defense News. August 3, 2022. <https://www.defensenews.com/2022/08/02/state-department-clears-weapons-sales-to-saudi-arabia-uae/>

27 Helou, Agnes. 2022. Saudi industry to produce THAAD air defense subsystems. Defense News. March 10, 2022. [defensenews.com/industry/2022/03/10/saudi-industry-to-produce-thaad-air-defense-subsystems/](https://www.defensenews.com/industry/2022/03/10/saudi-industry-to-produce-thaad-air-defense-subsystems/)

28 Deutsche Welle. 2022. Report: Germany OKs arms sales to Saudi Arabia. Deutsche Welle. September 29, 2022. <https://bit.ly/3mTl8MI>

29 Show Business . 2022. As WDS stimulates Saudi business across the sector; SCOPA THINKS BIG. March 9, 2022. <https://bit.ly/3TdT2HP>



examples further demonstrate that Saudi Arabia is moving to enhance its defense industry with willing partners.

A new strategic reality

One of the definitive junctures that the Middle East security architecture witnessed is the Chinese mediation between Saudi Arabia and Iran to restore diplomatic relations, in March 2023. This development made it clear that China is no longer an economic player that is dependent on the security umbrella of the US around the world, as it gives a clear indication that the Beijing is willing to play a security role in the region³⁰, especially as the US was clearly sidelined from the deal, that was negotiated without its foreknowledge³¹.

However, as White House National Security Council spokesman, John Kirby, stated, American sanctions can also be considered to have played a role in forcing Iran to sit on the negotiating table³². Thus, Chinese mediation coupled with American sanctions against Iran have assisted in the efforts to reach a *détente* between the two archrivals.

Furthermore, it shouldn't be ignored that the US remains the main security provider for the Gulf region, and its military presence in the region is unrivaled, either by China or Russia, until now, and thus Washington will remain the main security guarantor for the region for the foreseeable future.

Thus, one could argue that Saudi Arabia is moving forward to enhance its defense industries, seeking partnerships with both Western and Eastern powers, to buttress its army, and localize defense industries through co-production with leading defense companies.

Riyadh's policies in this regard are systematically presented by the Saudi leadership as being defensive rather than offensive, aiming to enhance the Kingdom's security and protect it from Iranian threats. Saudi Arabia's calm reaction to the 2019 attack can be said to confirm its refusal to engage in offensive actions, as is also arguably illustrated by its willingness to directly negotiate a deal with Houthis in Yemen from early 2023. Critically, a de-escalation there and more broadly in the region is unlikely to lead to a reduced focus on acquiring a credible military arsenal (both from outside sources and at home), because a lasting peace in the region requires a strong army.

Despite increasing rivalry between Beijing and Washington in Southeast Asia, both powers have sought to enhance stability in the Middle East, even though their policies remain uncoordinated. Taking into consideration the above-mentioned facts, tensions in the American – Saudi relations need to be resolved through dialogue, since the strong relations between Washington and Riyadh were pivotal for regional stability for several decades.

³⁰ Atlantic Council. 2023. Why did China broker an Iran-Saudi detente?, March 10, 2023. <https://bit.ly/3LnwH94>

³¹ Sennett, Ellie and Lowry, Willy. 2023. US sidelined as China brokers Saudi-Iran diplomatic breakthrough. The National. March 10, 2023. <https://bit.ly/3YJJKw>

³² Hernandez, Michael. 2023. US claims some credit for restoration of Saudi-Iranian ties. Anadolu Agency. March 10, 2023. <https://bit.ly/3lbFFvc>



PRISME

Pathways to Renewed and Inclusive
Security in the Middle East



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PRISME

Pathways to Renewed and Inclusive
Security in the Middle East

PRISME Initiative

PRISME aims to redefine the conception of “security” in the Middle East and North Africa, as the starting point for strategic relations between MENA countries and their European and North American partners. It does so in pursuit of effective, collaborative approaches to ensuring a more peaceful and stable future. To this end, PRISME sponsors dialogue and debate between foreign policy professionals across diverse backgrounds and perspectives. These include individuals in governments, thinktanks and academic institutions located in the MENA region, Europe and North America, with a specific focus on engaging young and emerging thinkers and practitioners. Its goal is to re-define security in the Middle East, broadening the definitions of what it looks like, for whom, how it can be achieved, and how outside actors can contribute to it.

SALAM Project

SALAM (Sustaining Alternative Links beyond Arms and the Military) proposes to rethink the centrality of the arms trade in international relations with and among Middle East & North Africa (MENA) countries.

It fosters and amplifies ideas from a network of scholars and practitioners working in and with the Middle East. Issues they will address include the arms trade’s advertised role in cementing bilateral and multilateral ties between North America, Europe and the MENA region; the opportunity costs of over- or sole reliance on weaponry as security; and alternative modes of engagement that might redefine a shared strategic agenda.