



# RCAS Commentary

## Saudi Arabia Balances Defense Cooperation

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## About RCAS

香港亞洲研究中心| The Hong Kong Research Center for Asian Studies (RCAS) is a nonprofit research organization focusing on Asian affairs. It is a newly established institution founded in February 2022 by Dr. Nian Peng in Haikou and subsequently moved to Hong Kong in September 2023. We currently have an international research team with nearly 100 resident/nonresident researchers from China and other countries.

RCAS aims to become a leading research institute and think tank on Asian affairs in the Indo-Pacific region. To date, RCAS has conducted research programs on maritime disputes in the South China Sea (SCS), China's relations with the Indo-Pacific states, the Belt and Road Initiative (BRI), terrorism/counterterrorism in the Afg-Pak region, and so on. It is committed to promoting maritime cooperation, regional integration, and regional peace in the Indo-Pacific region at large.

RCAS has published nearly ten books in Chinese and English and more than 20 papers in SSCI/SCOPUS/CSSCI-indexed journals. Recent English publications include *Populism, Nationalism and South China Sea Dispute: Chinese and Southeast Asian Perspectives* (Singapore: Springer Nature, 2022); *Pakistan's Foreign Policy: Contemporary Developments and Dynamics* (London: Routledge, 2022); *Crossing the Himalayas: Buddhist Ties, Regional Integration and Great-Power Rivalry* (Singapore: Springer Nature, 2021); *The Reshaping of China-Southeast Asia Relations in Light of the COVID-19 Pandemic* (Singapore: Springer Nature, 2021); *Territorial Disputes, The Role of Leaders and The Impact of Quad: A Triangular Explanation of China-India Border Escalations* (2023); *Managing the South China Sea Dispute: Multilateral and Bilateral Approaches* (2022); *China-Pakistan Cooperation on Afghanistan: Assessing Key Interests and Implementing Strategies* (2022); *Hedging Against the Dragon: Myanmar's Tangled Relations with China since 1988* (2021); and *China-Pakistan Conventional Arms Trade: An Appraisal of Supplier's and Recipient's Motives* (2020).

RCAS has also published hundreds of articles, and its researchers have been interviewed in various local and international media outlets, such as *The Diplomat* in the United States, *East Asian Forum (EAF)* in Australia, *Bangkok Post* in Thailand, *Jakarta Post* in Indonesia, *Lian He Zao Bao*, *Think China* in Singapore, *South China Morning Post (SCMP)*, *China-US Focus* in Hong Kong, *CGTN*, *Global Times*, *World Affairs* in China. RCAS researchers have actively participated in international conferences or study visits in the United States, India, Pakistan, Sri Lanka, Nepal, Myanmar, Cambodia, and other places.

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On Aug. 9, the U.S. State Department announced that it was lifting its ban on offensive weapon sales to Saudi Arabia, reversing the Biden administration's three-year-old position. The announcement came less than two months after the Saudi defense minister, Prince Khalid bin Salman, visited China.



▲ The U.S. State Department announced that it was lifting a ban on U.S. sales of offensive weapons to Saudi Arabia on Aug 9, reversing a three-year-old policy to pressure the kingdom to wind down the Yemen war. (China-US Focus)

Earlier, the administration had briefed members of Congress, as required by law under which all major international weapons deals must be reviewed in advance. This underscores the seriousness with which the U.S. government has been addressing issues of defense collaboration with the Saudis.

Recently, there has been a flurry of events between the United States and Saudi Arabia. Recently, a senior U.S. interagency delegation met with Crown Prince Mohammed bin Salman in Jeddah to discuss regional issues and integrated air and missile defenses. This followed a Saudi delegation's visit to Washington to explore cooperation in advanced technologies and artificial intelligence.

In parallel-and most significantly in its ultimate consequences for the Middle East-the two countries have been finalizing a comprehensive defense pact. As widely reported

in the media, the proposed pact consists of a bilateral defense agreement, a nuclear deal and the normalization of relations between Saudi Arabia and Israel. Under the pact, the U.S. will provide a security guarantee to Saudi Arabia against any attacks.

Although the proposal is not final and faces some high hurdles, including passage by Congress, the U.S. and Saudi Arabia held unprecedented in-depth discussions during the negotiation process on the whole spectrum of their relationship. Saudi Arabia will be legally bound to the U.S. regional security structure and limit any strategic cooperation with China and Russia.

Riyadh no longer tying its options to Washington alone. In late June, Defense Minister Khalid bin Salman visited China and met his Chinese counterpart, Admiral Dong Jun, and other defense officials. Although few details were shared about the discussions, the visit captured attention. The backdrop of intensifying tensions in the Middle East and West Asia, as well as China's growing prestige and its mediation role in the region are notable.

In recent years, China has made inroads in the Saudi defense sector, which once was the sole domain of the United States. Beijing started supplying small-scale weapons to the kingdom. Saudi Arabia purchased combat drones from China, and both sides initiated naval exercises. At the World Defense Show in Riyadh earlier this year, China set up the largest pavilion, while a J-10, one of China's latest fighters, participated in the airshow.

Some analysts reported that China expressed its willingness to sell its HQ-22 air defense system and Wing-Loong-10B drone if Riyadh was interested. China also reportedly assisted Saudi Arabia in the domestic production of ballistic missiles and drones. Although China's share of Saudi Arabia's overall arms industry remains limited relative to a decade ago, it has made notable advancements. For example, its arms transfers to Saudi Arabia increased by nearly 400 percent between 2016 and 2020, compared with transfers between 2011 and 2015.

Saudi Arabia has also expanded its defense partnerships with other prominent weapons producers. In July, Saudi Defense Minister Khalid bin Salman and Foreign Minister Faisal bin Farhan made separate visits to Turkey. The Saudi state-owned defense company SAMI signed agreements with the Turkish companies Baykar, Aselsan and Fergani to localize Saudi defense industries. Riyadh also has had close defense cooperation with France, the UK and South Korea. It even made a last-ditch effort to join the development of a sixth-generation fighter jet initiated by the UK, Italy and Japan.

Saudi Arabia is the fifth-largest spender on defense globally, with an annual expenditure of nearly \$70 billion. It aims to produce 50 percent of its weapons

domestically by 2030. In 2017, the kingdom established Saudi Arabian Military Industries (SAMI) and held two World Defense Shows, in 2022 and 2024, to expand defense partnerships, attract investment, showcase its defense sector and explore joint ventures with the ultimate goal of domestic arms production.

Among Saudi Arabia's different defense partners, the roles of the U.S. and China could be decisive; moreover, both are locked in a strategic rivalry within the Kingdom. Each has advantages and disadvantages for Riyadh.

The advantages of the United States include its possession of unmatched state-of-the-art defense technology. The U.S. has remained the foremost supplier of weapons to Saudi Arabia, meeting between 70 percent and 80 percent of its needs on average throughout the decades. This long-standing dependence has also synchronized Saudi defense and strategic policies with those of the U.S.

This dependence is further reinforced by America's strategic partnerships with other Arab Gulf states (and in the wider Middle East), many of which are based on formal defense agreements. Further, the U.S. has developed strong connections with the Saudi monarchy, specifically the House of Saud, and has built lobbying networks.

The United States is a popular destination for many Saudis in terms of education, investment and settlement. Most important, the U.S. can offer security guarantees, deploy military platforms such as aircraft carriers and personnel (in significant numbers) and is ready to take military action when required.

On the flip side, the U.S. imposes its policies on recipient countries, leaving little room for maneuver. Its weapons supplies are often subject to the whims of different administrations, which change every four years and the occasional invocation of human rights issues. Further, exports are strictly controlled, there is limited freedom for recipients to use them as desired in a chosen theater. Technology-sharing prospects are scarce and the cost of weapons is high.

Some of the advantages of the U.S. are disadvantages for China. The first and foremost factor that prevents China from deepening its strategic partnership with Saudi Arabia and other Gulf monarchies is its reluctance to form military alliances. While this remains a major obstacle in building China's strategic military partnerships worldwide, it is felt keenly in Saudi Arabia, which has historically relied on external security guarantees. Second, China avoids military deployments and even collective security arrangements unless they are mandated by the United Nations. Its only military base outside its territories-in Djibouti-is defensive in nature and is intended to protect its vital energy and trade routes. Therefore, it is highly unlikely that China will deploy its military overseas in the future for the security of Saudi Arabia or any other country.

Although China has significantly improved the quality of its weapons in recent decades, it still lags behind the United States. As a matter of preference, Saudi defense planners seek sophisticated U.S. weapons.

In addition to these shortcomings, China presents several advantages. It strictly follows a policy of noninterference and never links the supply of weapons to a recipient's political systems or internal affairs. Beijing sells weapons without any conditions attached, allowing the recipients to use them as desired. Additionally, Chinese weapons are competitively priced and do not require lobbying from different groups. If an agreement is reached at the governmental level, it represents a conclusive measure for securing supplies.

Notably, China is closely aligned with Saudi Arabia's goal of domestic manufacturing to achieve self-sufficiency. It is willing to share technology, promote local production and readily grant licenses. Taking these advantages into account, along with its steady engagement with Saudi Arabia in a wide range of areas, it brings value to the strategic partnership.

What direction is Riyadh heading? Is it aligning with a particular side when it enters into a defense pact with the United States and tries to maintain balance in its defense relationships with both the U.S. and China?

Responding to these questions, many Western analysts (who generally dominate Gulf studies) believe that Saudi Arabia is using its relationship with China as a bargaining to strengthen its position in negotiations with the U.S. At its core, they argue, the U.S.-Saudi Arabian relationship is strong and will continue to exist. They point to the long-standing, multifaceted and deeply rooted strategic engagement between the two countries, which has been further reinforced by Washington's expanded alliances with other Middle Eastern countries. However, this argument overlooks some key issues:

First, it overlooks the fact that a decline in U.S. power has begun. In fact, one of the reasons behind the resurgence of Gulf monarchies is the weakening of US power. Their defiance of various U.S. policies is a testament to this. The argument also fails to acknowledge Crown Prince Mohammed bin Salman's strong desire for greater autonomy and his intention to have more control over the kingdom's affairs. Additionally, it disregards America's unwavering support for Israel over the years, which has angered the Arab population, especially after the Israeli genocide in Gaza that began in October.

A closer look at Saudi policies in recent years, suggests that the kingdom has been engaging with both the U.S. and China. Riyadh is actively negotiating a draft defense pact with the U.S. while also expanding its defense collaborations and sending its

defense minister to China. The fact that the United States is negotiating an unprecedented defense pact with Saudi Arabia-the first treaty with an Islamic country-itself indicates U.S. anxiety about China-Saudi relations and serves as a countermeasure.

The defense pact, whether it is ratified by the U.S. Congress or collapses, will be a decisive moment for Saudi Arabia and broader Middle Eastern politics. Until then, the kingdom will likely strive to maintain balanced defense partnerships with both the U.S. and China in its own best interest.

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