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Saudi Arabia's Looming Security Challenges

Saudi Arabia has long looked to the US as a major guarantor of its security. However, the fundamental dynamics of this partnership are set to change. Samir Tata considers some of the threats that Saudi Arabia is likely to face in the future and how it may choose to respond to them.

By Samir Tata for ISN

The cornerstone of Saudi Arabia's national security strategy has been the de facto alliance with the United States that has been in place since 1932. The basic bargain was, that in return for US control over access to Saudi oil, Washington would guarantee the political, military and economic security of the kingdom. Over the next decade, however, Saudi Arabia and the United States will have to transform the nature of their security arrangement from that of an informal 'client-patron' relationship to a more formal - albeit limited - partnership. For Washington, the key drivers of the new partnership will be quite simple. The US wants to deny its adversaries access to the Persian Gulf's energy resources and streamline its security commitments to reflect an era of fiscal and economic austerity. For Saudi Arabia, things are a little more complicated.

The Specter of Energy Insecurity

According to the [Energy Information Administration](#) (EIA), Saudi oil exports in 2012 amounted to 7.5 million barrels per day (bbl/d) based on 9.8 million bbl/d of crude oil production. Total proven oil reserves of about 265 billion barrels also means that Saudi Arabia will continue to be a major oil producer for years to come. Oil exports are, therefore, the lynchpin of the kingdom's economic security and account for 80% of government expenditures. Yet the specter of energy insecurity continues to loom large over Saudi Arabia.

Soaring domestic oil consumption not only threatens to undermine the economic security of the country but also reduce it to a strategic non-entity as it morphs from net exporter into a net importer of oil. A recent analysis brief by the EIA suggests that Saudi domestic oil consumption amounted to 3 million bbl/d in 2012 is on a trajectory to reach 8 million bbl/d by 2030. Assuming that Saudi Arabia maintains crude oil production at current levels of about 10 million bbl/d the amount of oil available for export will inevitably plummet. A December 2011 report from Chatham House [warns](#) that "Saudi Arabia's energy consumption pattern is unsustainable ... This means that on a 'business as usual' trajectory it would become a net importer in 2038."

Three major factors are driving the explosive growth in Saudi oil consumption. First, highly subsidized and artificially low prices for domestic energy have led to the inefficient use of personal transportation. Second, the widespread use of air-conditioning in homes is straining electric power generating

capacity. Third, the inexorably rising demand for water is generating increased demand for electric power to run additional desalination plants. Consequently, attempts to reform domestic energy pricing policies is likely to be difficult and may result in highly destabilizing social unrest that could threaten the monarchy.

The Nuclear Option

In order to preserve vital oil export revenues Saudi Arabia is increasingly turning to renewable energy alternatives such as nuclear and solar power for electricity generation. In a [recent paper](#) presented at Harvard University, Prince Turki Al Faisal confirmed that the kingdom saw nuclear energy as an alternative power source for domestic electricity and desalination plants. It is expected that this will minimize consumption of fossil fuels thereby safeguarding oil exports. The EIA appears confident that Saudi Arabia can meet its objectives. According to its estimates, the country should be capable of generating approximately 41 GW (gigawatts) of additional electric power via its nuclear and solar powered plants by 2032.

In this respect, the United States has a unique opportunity to help shape a peaceful Saudi nuclear energy program. Consistent with the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), the United States should be prepared, for example, to participate in the enrichment of uranium in Saudi Arabia to fashion fuel rods for nuclear reactors. Such an arrangement would, in turn, provide reassurance to the Saudis that their domestic energy security would not be subject to disruptions in the supply of nuclear fuel. To alleviate any concerns with respect to a potential diversion of enriched uranium to a nuclear weapons program, Saudi Arabia should be encouraged to accede to both the International Atomic Energy Agency (IAEA) Safeguards Agreement and the Additional Protocols Agreement, the latter of which is the most stringent form of nuclear inspections conducted by the IAEA.

Vulnerable Oil Exports

Yet despite such close ties with the United States, the economic security of Saudi Arabia is, in fact, anchored in the East. In 2012, approximately 54% of Saudi oil exports went to Asia, primarily China, India, Japan and South Korea. All Saudi oil exports to Asia currently are loaded on to tankers at ports on the Persian Gulf (principally Ras Tanura) and flow through the Strait of Hormuz to the Arabian Sea and Indian Ocean. This means that, in the event of tensions, Iran has the potential to seriously disrupt and possibly block the flow of Saudi oil through this critical chokepoint.

Saudi Arabia's port of Yanbu on the Red Sea potentially provides an attractive alternative in the event of the closure of the Straits of Hormuz. With a capacity of approximately 5 million bbl/d, the East-West pipeline connects the Saudi oil fields of the Eastern Province to the port. Yet this is by no means an ideal alternative. Sending oil exports through the Bab al Mandab and into the Gulf of Aden places them at the mercy of pirates operating from safe havens along the Somali coast. The journey could become even more hazardous should the militant Islamist group [al-Shabaab](#) consolidate its hold over parts of the country and align with the pirates.

The kingdom also lacks an alternative land-based pipeline network to redirect its oil exports to key Asian markets. Transportation routes that have been discussed in the past include a pipeline network connecting Saudi Arabia, Iraq, Iran, Pakistan and China as well as options involving India and the Central Asian Republics. The development of these alternatives will inevitably depend upon détente prevailing between Saudi Arabia, Iraq and Iran. However, given the prevailing sectarian divide between Sunni Saudi Arabia and Shia Iran, détente based around pipeline diplomacy would be a remarkable achievement, at least in the short- to mid-term.

Rethinking Saudi Security Strategy

If Saudi Arabia is to successfully reorient its oil exports from the Persian Gulf to the Red Sea, it will also have to rethink its entire national security strategy. To begin, the kingdom will have to work closely with the United States to ensure, among other factors, that its anti-missile, anti-terrorist and anti-piracy capabilities are significantly upgraded. The military and security forces will also have to go through an extensive process of retraining. And as it will take time to restructure and train Saudi forces to safeguard an extended oil infrastructure it will be important to have access to well trained, professional military forces on a temporary basis. Since Western military contractors are not a viable option (they are largely non-Muslim), an alternative might be the stationing of Pakistani forces in Saudi Arabia to serve alongside Saudi counterparts. This would not be unusual given that Pakistani troops were previously stationed in the country between 1979 and 1987.

The development of cooperative relationships with the region's most fragile states will also be a critical imperative. Specifically, as Saudi Arabia develops Yanbu and other ports on the Red Sea as the focal point for its oil exports it will have to work closely with Somalia and Yemen to counter the threat of piracy and terrorism. Saudi cooperation with these states will have three key facets. First, there will have to be formal military coordination and communication to facilitate a significant and continuous Saudi naval and air presence in the Gulf of Aden. In the case of Yemen, military cooperation would include coordinated patrols (troops as well as drones) to prevent insurgent activity from spilling over to Saudi Arabia. Second, as widespread poverty in both Somalia and Yemen is the root cause of piracy and terrorism, Saudi Arabia will have to resort to "checkbook diplomacy" and underwrite major economic development programs (ideally in cooperation with multilateral development institutions such as the World Bank) to help turn around these failing states. Third, as the US is heavily involved in combating Somali piracy and al Qaeda insurgents in Somalia and Yemen, Saudi Arabia will have to ensure that there is clear communication and coordination among the various parties to avoid confusion and misunderstanding.

Finally, Saudi Arabia should disengage from any military involvement - albeit by proxy - in the Levant and instead redouble its efforts on tackling the security challenges it faces closer to home. Saudi involvement in proxy conflicts in Syria and Lebanon does not advance its vital national interests, but does run the very real risk of threatening Israel. It is plausible that military aid granted by the kingdom to Sunni rebel groups fighting to oust the Iranian-backed President Bashar al Assad might fall into the hands of al Qaeda affiliated Sunni extremists. This raises the prospect of diverted military aid being used against Israel in an attempt to regain the [Golan Heights](#), Syrian territory lost as a result of the June 1967 Israeli-Arab War. A crisis in US-Saudi relations and Israeli retaliation would perhaps be inevitable.

Time for a Reset

Ultimately, Saudi Arabia not only wants to safeguard its status as the world's largest exporter of oil, but also the rule of the al-Saud dynasty. Clearly, the signs are that the kingdom will need to do more, especially when it comes to safeguarding against a conventional military attack. The Saudis are acutely aware of the financial and economic constraints that will limit the willingness of the US to bear the primary burden of defending the kingdom. Accordingly, the basic 'oil for security' bargain should be recalibrated and clarified to reflect current realities.

But how might both sides go about squaring the circle? It is possible that a reset would be calibrated in such a way to ensure that the US preserves its influence over Persian Gulf energy resources while Saudi Arabia benefits from the US nuclear umbrella. At the request of the US, Saudi Arabia would agree to suspend oil sales to its nuclear-armed adversaries. In return, the US would protect Saudi Arabia against the threat of a possible nuclear attack by the likes of Iran. Such a redefinition of

Saudi-US ties will undoubtedly be controversial and, in the short term, lead to heightened geopolitical tensions across the region. However, both Washington and Riyadh need to think differently if they are to update and renew defense relations for another 80 years.

For additional reading on this topic please see:

[The Middle Eastern 'Great Game'](#)

[Saudi Arabia's Domestic Sectarian Politics](#)

[Atomic Kingdom: If Iran Builds the Bomb, Will Saudi Arabia Be Next?](#)

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