



Updated March 25, 2024

## Saudi Arabia

### A Changing Kingdom and Partnership

The kingdom of Saudi Arabia, ruled by the Al Saud family since its founding in 1932, wields considerable global influence through its administration of the birthplace of the Islamic faith and by virtue of holding the world's second largest proven oil reserves. In exchange for protection, advice, technology, and armaments from the United States, the Saudi government has welcomed American investment in the kingdom and has served as a U.S. security and counterterrorism partner for decades.

The Biden Administration has pursued a policy of reengagement with Saudi Arabia after an initial period of reevaluation, limited retrenchment, and apparent strain in the bilateral relationship linked to Saudi participation in the war in neighboring Yemen, human rights concerns, and U.S. concerns about Saudi policies that influence global oil prices. Mutual interests and close security ties built on decades of arms sales, training, and advisory support anchored the relationship through recent difficulties.

President Biden visited the kingdom in July 2022 and the two governments are pursuing cooperative global infrastructure investment and communications technology initiatives. Negotiations over possible U.S.-Saudi agreements to incentivize Saudi-Israeli normalization were disrupted by the October 2023 terrorist attacks on Israel and ensuing Israel-Hamas war, but have since resumed. In February 2024, Saudi Arabia linked possible normalization with Israel to recognition of an independent Palestinian state “on the June 4, 1967 borders with East Jerusalem as its capital,” among other conditions (see below). Senior U.S. and Saudi officials remain in regular contact concerning the Israel-Hamas war and regional security issues, including attacks on international shipping in the Red Sea and Gulf of Aden by the Yemen-based Ansar Allah/Houthi movement. Congressional oversight of U.S.-Saudi bilateral cooperation continues, and Congress may review any proposed U.S.-Saudi agreements in support of Israeli-Saudi normalization.

### Leadership and Public Confidence

Under the leadership of King Salman bin Abd al Aziz Al Saud (born 1935) and his son, the Crown Prince and Prime Minister Mohammed bin Salman (born 1985, aka MBS), Saudi Arabia is pursuing an economic and social transformation agenda at home and a multifaceted foreign policy involving complex relationships with the United States, U.S. rivals, other G-20 economies, and the developing world. These initiatives suggest Saudi leaders are attempting to leverage the kingdom's potential and resources to retain and expand Saudi influence in a world shaped by great power competition and expectations of global energy transition and reduced fossil fuel consumption.

State policy changes have created more opportunities for Saudi women to participate in the kingdom's economy and public life, amid strict limitations on activism, expression, and dissent that spur U.S. and international human rights concerns. In his roles as Crown Prince and Prime Minister, Mohammed bin Salman acts as the kingdom's principal decision maker. The king's age and health challenges suggest that a leadership transition could occur at any time.

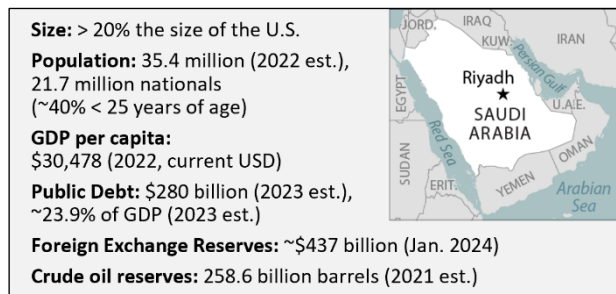
Saudi leaders appear to have considerably narrowed opportunities for citizens to express dissent since 2017. Security forces have detained dozens of activists, clerics, Islamist figures, and journalists, releasing some conditionally during 2021 and 2022. In late 2017, authorities imprisoned dozens of wealthy individuals (and potential family rivals of the crown prince) for months as part of a nominal anticorruption campaign. Reports of additional detentions and questioning of leading royals since 2020 drew attention to reported succession tensions.

Saudi decisionmaking has shifted from what had been a relatively risk-averse posture rooted in rulers' concerns for maintaining elite consensus, to one characterized by bolder, centrally directed changes. The Crown Prince's leadership and decisions have challenged key interest groups, including factions of the royal family, business elites, and conservative religious figures, creating new opportunities for the kingdom while raising the potential costs of failure.

### Vision 2030 and Social Change

The centerpiece of Saudi leaders' domestic agenda is the *Vision 2030* initiative, which seeks to transform the kingdom's economy by diversifying the government's sources of revenue and reducing long-standing oil export dependence through investment and private sector growth.

Figure 1. Saudi Arabia



Source: CRS, using ESRI and U.S. State Department data.

Successive Saudi leaders have pursued these goals, but with more narrow and gradual targets than those of *Vision 2030*. Historically, Saudi policymakers have faced challenges in balancing these types of reforms with concerns for the preservation of regime and national security, social stability, and cultural and religious values. The kingdom's finances and ability to implement its ambitious economic

and green energy transformation agendas remain dependent on revenue derived from oil exports.

Along with its *Vision 2030* initiative, the state has made major but sensitive social changes. Authorities reversed the kingdom's ban on women driving in June 2018, in part to expand women's participation in the workforce. Parallel changes have created more public space for women in some social and cultural events. Authorities have partially amended male guardianship rules restricting women's autonomy and have acted to provide for more uniform judicial rulings in related cases. Many younger Saudis welcome changes made to date and call for more; roughly two-thirds of Saudi nationals are under the age of 35. Other Saudis express opposition or concern about the changes' potential effects on religious and social values.

### Human Rights

More aggressive human rights restrictions have accompanied recent social change. The imprisonment and trial of several women's rights activists and other vocal figures prompted congressional scrutiny of the kingdom's use of its Specialized Criminal Court and anti-terrorism laws to confront dissent. Since December 2020, Saudi courts have reduced or suspended sentences for some prominent detainees and released others conditionally, while imposing new lengthy sentences on others. In February 2021, the U.S. intelligence community released a report assessing that the Crown Prince "approved an operation in Istanbul, Turkey to capture or kill" Saudi journalist and U.S. resident Jamal Khashoggi. Saudi officials disputed the report's conclusions.

### Saudi Nuclear Plans

Saudi leaders seek to recast the role of energy resources in the kingdom's economy and plan to develop domestic civilian nuclear power infrastructure. In 2022, they solicited technical bids related to the planned construction of two nuclear power reactors. The Trump Administration expedited consideration of required regulatory approvals for U.S. nuclear firms to provide marketing information to Saudi officials. Saudi officials have not forsworn uranium enrichment. They state that they intend to use domestic uranium resources to produce nuclear fuel. Saudi nuclear facilities are subject to International Atomic Energy Agency (IAEA) safeguards, though some press reports have located possibly undeclared sites. The IAEA has reviewed declared Saudi nuclear infrastructure and recommends adoption and implementation of an Additional Protocol.

## Saudi Foreign Policy

### Iran and Yemen

After a long estrangement, Saudi Arabia and Iran in 2023 reached an agreement facilitated by Iraq, Oman, and China to reestablish diplomatic relations and reopen their respective embassies. Saudi officials remain concerned about Iranian support for armed actors, especially the Ansar Allah/Houthi movement in Yemen, Lebanon's Hezbollah, and Shia militias in Iraq. Saudi officials praised the Trump Administration's decision to withdraw from the Joint Comprehensive Plan of Action (JCPOA) in 2018, and the Crown Prince has said that if Iran obtains a nuclear weapon, Saudi Arabia will follow suit.

Saudi Arabia opposed the 2014-2015 Houthi ouster of the Republic of Yemen government (ROYG), and, in March

2015, organized a military coalition of mostly Arab states in efforts to reverse Houthi military gains. Iran has provided arms and aid to the Houthis, who have attacked international shipping and sites in Saudi Arabia and the United Arab Emirates (UAE). An April 2022 truce between the ROYG and the Houthis has held, bringing a halt to cross border missile attacks from Yemen and to Saudi-led coalition airstrikes. The Biden Administration continues to provide defensive support to the kingdom and endorses Saudi dialogue with Iran and parties to the Yemen conflict.

### Israel, the Palestinians, and Possible Normalization

Saudi Arabia publicly supports key Palestinian demands, while Saudi leaders have engaged quietly with Israel about shared concerns over Iran. Saudi Arabia has called for a ceasefire in the war between Israel and Hamas, and Saudi officials indicate that they remain open to possible normalization with Israel while insisting on a solution that enables Palestinian statehood. The Biden Administration has identified Saudi-Israeli normalization as a U.S. national security interest and is engaged in talks with senior Saudi and Israeli leaders on the issue, saying in March 2024 that U.S. and Saudi officials were making "good progress."

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"...there will be no diplomatic relations with Israel unless an independent Palestinian state is recognized on the 1967 borders with East Jerusalem as its capital, and that the Israeli aggression on the Gaza Strip stops and all Israeli occupation forces withdraw from the Gaza Strip. The Kingdom reiterates its call to the permanent members of the UN Security Council that have not yet recognized the Palestinian state to expedite the recognition of a Palestinian state on the 1967 borders, with East Jerusalem as its capital."

— Saudi Foreign Ministry Statement, February 7, 2024

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### Relations with China and Russia

Saudi Arabia is a major source of oil imports for the People's Republic of China (PRC). Sino-Saudi economic and diplomatic ties have deepened since the 1990s. PRC President Xi Jinping visited Saudi Arabia in 2022, and Saudi officials joined other Arab officials in China in November 2023 to demand a ceasefire in Gaza. Media reports claim that China has provided the kingdom with ballistic missile production technology and that the two governments have cooperated on a uranium milling plant.

Saudi Arabia coordinates with Russia on oil production decisions, although the two producers at times have differed over output. Saudi Arabia voted at the United Nations to condemn Russia's 2022 invasion of Ukraine. Saudi officials have offered to mediate between Ukraine and Russia and have facilitated related prisoner exchanges.

### Saudi-U.S. Relations

More than 2,000 U.S. military personnel are deployed to Saudi Arabia to counter and deter Iranian threats and to implement defense and security cooperation programs. U.S.-Saudi harmony or discord over the Israel-Hamas war and its aftermath could affect prospects for U.S.-Saudi collaboration on other issues, including potential Saudi-Israeli normalization and other U.S. priorities.

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