

Saudi-American Forum



SAF Item of Interest

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Saudi Arabia: Don't Let Bin Laden Win!

By Anthony H. Cordesman

The West, and particularly the United States, is running a growing risk of handing Osama Bin Laden a major victory. Ever since the attack on the World Trade Center and the Pentagon on September 11, 2001, there has been an increasing tendency to treat Saudi Arabia, not Bin Laden, as the enemy. The result has been a flood of criticism of the Saudi leadership, Saudi social practices and the Saudi interpretation of Islam. In some cases, an entire society is treated as if it were composed of terrorists. The latest attacks on the largely Western compounds in Riyadh may make this situation worse. In fact, they could help provoke precisely the kind of western flight from Saudi Arabia and “clash of civilizations” that Bin Laden wants.

We need to think very carefully before this happens. It already is all too clear that victory in Iraq does not mean that Iraq is going to emerge as a strong, secular and pro-Western oil state. In any case, the US Department of Energy projects that global demand for oil is going to require total Gulf oil exports to increase from roughly 14.8 MMBD in 2000 to 33.5 MMBD in 2020 even if a major increase takes place in production in some areas outside the Gulf and in alternative sources of energy. This is an increase of over 125%, and it means that Gulf oil exports will rise from 35% to 47% of the projected world total. These same DOE projections show that even if Iraqi oil production capacity increases to 5.5 MMBD by 2020, and Iranian production capacity increased from 3.8 MMBD to 4.7 MMBD, Saudi production capacity would have to more than double from 10.6 MMBD to 22.1 MMBD. The end result is that Saudi production capacity is estimated to increase from around 14% to 18% of total world production capacity.

Oil is a global commodity, and there are no good, easily transportable substitutes. If oil doesn't flow at moderate market prices to all consumers, the world must compete for the remaining supply at higher prices. Moreover, Saudi Arabia is the only major exporter that has been consistently willing to invest in surplus production capacity – normally around two million barrels a day – and alter supply to keep oil prices moderate and competitive. It played a key role in stabilizing oil prices and supplies during the Iraq War, as it has in many crises in the past. Saudi Arabia is also a key trading partner with Europe, Japan and the US. It exports between \$66 and \$78 billion worth of goods a year, depending on petroleum prices, and imports around \$30 billion a year. The US gets about 20% of the resulting import income; Japan gets 9%, and Germany and the UK get about 7% each. Equally important, the Saudi government and private Saudi citizens invest heavily in the US and Europe. This total is still probably in excess of \$500 billion in spite of the repatriation of capital since 2001.

The recent focus on US military withdrawals from Saudi Arabia should not disguise the fact that Saudi Arabia has also been a strategic ally and will remain one if it gets support from the West.

This cooperation continued in spite of the fact Saudi Arabia opposed the Iraq War, and the of tensions over the aftermath of the terrorist attacks on the US on September 11th, 2001. Saudi Arabia allowed overflights by US and British aircraft and missiles and allowed the expanded use of Saudi airbases for “No Fly Zone” missions that helped weaken Iraqi air defenses before and during the war. Saudi Arabia also provided fuel at minimal cost for AWACS and E-8C missions on Saudi soil, allowed the use of the Combined Air Operations Center (CAOC) to manage Coalition air operations, and made facilities at Arar available for Special Forces search and rescue missions. Above all, Saudi Arabia ensured the flow of oil exports in ways that helped compensate for the loss of Iraqi and Venezuelan exports.

While US combat forces will leave Saudi Arabia following the Iraq War, it is important that US advisory teams will remain, that the Kingdom is still taking delivery on tens of billions of dollars worth of Western military exports, that joint exercises continue, and Saudi Arabia may be of great value to the US and Britain in the future. To put these trends in perspective, Saudi Arabia took delivery on \$29.3 billion worth of arms during 1998-2001: \$12.8 billion from the US, \$14.6 billion from major Western European states, \$1.8 billion from the rest of the world and only \$100 million from other countries.

Saudi Arabia is a different culture, and it is a state with many flaws. It has been slow to react, and has dealt with security problems by retreating into denial. It badly needs better direction of its internal security efforts, and almost certainly needs a younger, more capable, and more active Minister of the Interior than Prince Nayif.

At the same time, Saudi Arabia has already made striking improvements in many aspects of its counterterrorism activities since 2001 in every area from controlling the flow of money to suspect organizations to tightening surveillance and internal security methods. Saudi Arabia also deserves credit for joining with the younger and more progressive princes, Saudi technocrats, and the Kingdom’s progressive businessmen, clergy, and educators to seek broad economic reform and more than double the size of the Majlis and make it more representative. Other reforms include the integration of male and female education and reform of the educational process. No other Arab leader has done more to try to restart the Arab-Israeli peace process.

If the West turns away from Saudi Arabia, or Western governments and businessmen abandon it rather than support it in the war against terrorism, the future for both sides is grim. Bin Laden may achieve his goals, but the end result will be lasting and growing instability in world energy markets and the global economy. It will also ensure that Saudi Arabia will not get the investment and Western support it needs for economic reform. This is critical because Saudi Arabia no longer has anything like the same oil wealth in per capita terms. Oil export income per capita was \$2,563 in 2001, in constant 2000 dollars, versus \$23,820 in 1980.

The end result will be far more explosive problems with terrorism than exist today. The Saudi population has already more than doubled since 1980, from 9.6 million to 23.5 million. The UN estimates it will rise to 36.1 million by 2020, even with a significant cut in the birth rate. Saudi Arabia’s population is extremely young, – 53% is 20 years of age or younger – and the most unstable age group in terms of terrorism already has an estimated 25% direct or disguised unemployment and will increase from around 1.8 million today to 3.2 million by 2020. The

result of failing to create a partnership may not be the “Fourth World War” that America’s sicker neoconservatives already fantasize about, but it will be very grim indeed.

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ABOUT THE AUTHOR

Dr. Anthony Cordesman holds the Arleigh Burke Chair in Strategy at the Center for Strategic and International Studies and is Co-Director of the Center's Middle East Program. He is also a military analyst for ABC and a Professor of National Security Studies at Georgetown. He directs the assessment of global military balance, strategic energy developments, and CSIS' Dynamic Net Assessment of the Middle East. He is the author of books on the military lessons of the Iran-Iraq war as well as the Arab-Israeli military balance and the peace process, a six-volume net assessment of the Gulf, transnational threats, and military developments in Iran and Iraq. He analyzes U.S. strategy and force plans, counter-proliferation issues, arms transfers, Middle Eastern security, economic, and energy issues.

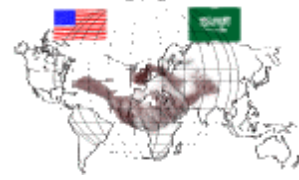
Dr. Cordesman served as a national security analyst for ABC News for the 1990-91 Gulf War, Bosnia, Somalia, Operation Desert Fox, and Kosovo. He was the Assistant for National Security to Senator John McCain and a Wilson Fellow at the Woodrow Wilson Center for Scholars at the Smithsonian. He has served in senior positions in the Office of the Secretary of Defense, the Department of State, the Department of Energy, and the Defense Advanced Research Projects Agency. His posts include acting as the Civilian Assistant to the Deputy Secretary of Defense, Director of Defense Intelligence Assessment, Director of Policy, Programming, and Analysis in the Department of Energy, Director of Project ISMILAID, and as the Secretary of Defense's representative on the Middle East Working Group.

Dr. Cordesman has also served in numerous overseas posts. He was a member of the U.S. Delegation to NATO and a Director on the NATO International Staff, working on Middle Eastern security issues. He served in Egypt, Iran, Lebanon, Turkey, the UK, and West Germany. He has been an advisor to the Commander-in-Chief of U.S. Forces in Europe, and has traveled extensively in the Gulf and North Africa.

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The Forum is a resource for Americans who value the relationship between the United States and Saudi Arabia and who want to act in response to erroneous and misleading depictions of the relationship in the media and elsewhere. The Forum is a vehicle for stakeholders in the Saudi-U.S. relationship to contribute their experiences and their ideas and opinions on the issues of the day.

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