

UNITED STATES- SAUDI ARABIA RELATIONS, 2001-2015

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DECLARATION

I declare that the dissertation entitled “**United States-Saudi Arabia Relations, 2001-2015**” submitted by me in partial fulfillment of the requirements for the award of the degree of **Master of Philosophy** of Jawaharlal Nehru University is my own work. The dissertation has not been submitted for any other degree of this University or any other university.

A handwritten signature in blue ink, appearing to read 'Prashant', is written above the name.

Prashant

CERTIFICATE

We recommend that this dissertation be placed before the examiners for evaluation.

A handwritten signature in blue ink, appearing to read 'Abdul Nafey', is written above the name.

Prof. Abdul Nafey
(Chairperson, CCUS&LAS)

A handwritten signature in blue ink, appearing to read 'Christopher S. Raj', is written above the name.

Prof. Christopher S. Raj
(Supervisor)

To,

My Maa & Papa

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Prashant Sarkar

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Chapter one

INTRODUCTION

After the 9/11 attacks in 2001, the U.S. national foreign policy level discussion has focused on trying to generalize the U.S.-Saudi Arabia are friend or not, this appears to be on a legitimate discuss with subject masters and scholars endeavoring on defend particular case polarized position through alternate. By it will be an association that is cooperative to way requiring the US furthermore the Kingdom should participate on the international relations if they such as it or not. The American policymakers observed that Saudi Arabia may be never enemy, they barely a vital accomplice. These keep tabs of the proposed dissertation would be examine to this aspects.

Those United States' position at Saudi Arabia ought further to bolster not a chance to be couched as far as companion alternately foe, yet rather likewise a key accomplice who offers a limited number for basic national interests. Their common concerns incorporate arms transfer, the Israeli-Palestinian conflict, trade, unrestricted air-sea lines for correspondence in the region. Despite these are enter issues that influence those countries, the primary strategic bond that forces the United States and Saudi Arabia to engage each other is the issue of oil, especially access, supply and security.

The United States and Saudi Arabia didn't battle side by side throughout during 'Desert Storm' yet both U.S what's to come for and Saudi Arabia needed shared national interests, previously, keeping Saddam Hussein starting with picking up extra oil fields and, subsequently, more excellent control in those area. This basic vital national interest must be paid been set up since World War ii what's U.S military with military contact for Saudi Arabia epitomizes this key relationship also strengthens those thought that those united states what's more the Kingdom need aid key partners; that must endure the pros and cons of the relationship to the profit about both nations.

The what's to come for U. S. Backs the key association eventually by demonstrating US commitment to Saudi Arabia, moving forward interoperability with Saudi forces, also deterring hostility in the region. Despite their engagement is not utilized toward the available administration, yet its significance will be in those heart about whatever military to military system. U. S. helpful military coordination in the Kingdom advertises correspondence the middle of those two nations and straightforwardly helps political, economic, and informational

endeavors meant during fortifying binds with the group nation. The U.S. Strategy empowers the Saudi administration will create a greater amount expert military fit with assume a bigger part done self-protection thereby upgrading solidness in the region, a key national investment for both nations.

Through projects, for example, the military training programs such as the “International Military Education and Training program”, Saudi Arabia has the ability would professionally create their military by perusing sending them to military schools in the United States. At the same time empowering the government to purchase military hardware. Giving work to military direction command at a sensible expense strengthens the U.S.– Saudi bilateral preparing projects figured out how eventually managed by the Saudi Arabian National Guard. This project also ensures regular close U.S.–Saudi military cooperation. At the same time, logistics, furthermore pro preparation need been upgrading the Saudi military’s worth Similarly as a preparing and coalition ally. (Ottaway, 2007)

Their association proceeds to flourish in light the two nations would suitably on support peace enhance dependability in the Gulf and additionally playing a feasible part on the international politics. Saudi Arabia assumed a valuable part in supporting the Madrid Also Oslo peace courses both planned should find a friendliness answer for the Israeli-Palestinian conflict. This proposition is thereabouts noteworthy that it need basically transformed the lifestyle Muslim nations perspective Israel and the clash by and large.

Saudi Arabia contributed significant budgetary backing in the battle against communism, not just in the West Asia but at around the globe. It likewise remained against Iranian Islamic transformation previously, 1970’s what’s more guaranteed individual other territorial Muslim countries didn’t fall would comparable radical extremism, constantly on dangerous to US interest. On the War on terror, constantly on dangerous to American interest had not just battled against Saddam Hussein in any case facilitated at coalition powers. Additionally, many American expatriates partake energizes those kingdom serving draw the nation under this 21st century.

Territorial security issues and oil protection would two variables that tie those U.S. and Saudi Arabia together. This Saudi economy is commanded Toward the oil industry which accounts to

35-40% of the country's horrible domestic production (GDP) furthermore 90-95% of send out income. For that, the Kingdom gives more or less 20% for United States' foreign unrefined petroleum and 10% about its utilization. In return, the America is Kingdom's most amazing exchanging accomplice. This trade association and the begun and that had proceeded stream about oil starting with Saudi Arabia may be a magic concern of the united states.

Saudi Arabia took special care to invest oil surpluses in America, and the context of this investment excited \$ million. In addition, Saudi imported the large majority of its military equipment from American companies. The top export categories in 2013 were vehicles, machinery, aircraft, electrical machinery, optic medical instruments, agricultural products, dairy products, vegetable oils, rice, soy bean, corn etc. The top import categories were oil, mineral fuel, organic chemicals, fertilizers, Iron, steel products, and agricultural products etc...

The Kingdom may be a part of an amount about main worldwide associations including the International Monetary Fund, World Bank and large portions territorial Islamic money related associations. A way part of the association of the petroleum exporting nations, Saudi Arabia's primary investment premium may be the adjustment of the oil industry both regionally and comprehensively. What's more exporters about oil in the world, Saudi Arabia understands its survival as a feasible monetary territorial force may be reliant upon encouraging and keeping up fantastic relations for enter oil expend in a way part of the association of the petroleum trading nations. Saudi Arabia's primary investment premium may be the adjustment of the oil industry both regionally and comprehensively counties; that the vast majority essential continuously the United States.

The occasions of 9/11 have catapulted the United States' relationship for Saudi Arabia under the spotlight. Huge numbers of Americans around their country, with incorporate persuasive parts from claiming Congress, feel deceived by the reality that 15 of the 19 terrorists were Saudis also goaded eventually perusing the lackadaisical, though not indifferent, state of mind shown to the catastrophe. Saudi Arabia upheld the Taliban legislature clinched alongside Afghanistan influenced on development about question and put chill on the benefits of the business relations.

In 2003, U.S. invasion of Iraq prewar, Saudi Arabia' stand needed been a standout amongst

lack of bias in the war. A large number wellsprings accounted for that, in spite of various American attempts, Saudi Arabia might not permit the American troops at whatever utilization of its domain as an arranging ground to the attack on Iraq. But, following the time, the Saudi administration subtly permitted the US military should deal with its air fight and propel air strike on Iraq.

Fount from numerous sources, it need demonstrated that Saudi Arabia would be the biggest hotspot about financing for Islamist aggressor aggregation which need aid Afghanistan Taliban, Lashkar-e-Taiba, ISIS, Al- Qaeda; yet the Saudi Administration may be hesitant to originate those stream of money, says Hillary Clinton. According to her, “more need to be done since Saudi Arabia remains a critical financing support base for Al- Qaeda, the Taliban, LeT and other terrorist organizations”, says an internal December 2009 paper marked by the U.S. Secretary of State. Saudi billions also found their way to other channels, such as religious charities that funded networks of Madrasa’s steeped in the conservative anti-Western Wahhabi strain of Islam that laid the ground work for the creation of al-Qaeda.

About Human Rights condition, Saudi Arabia need a standout amongst the mankind's privileges violation records nation on the reality likewise the nation over routinely imprisons and executes many individuals marked as enemies of the kingdom. The majority disturbance in the kingdom may be that civilian, political organizations and human rights organizations have not any rights and freedom of expression. Saudi’s recent law acquainted permits powers should persecute people who are non- believers, as treated primarily as enemies of the states. Most horrific and concerns thing is Saudi women rights violation. A large portion horrific that more worries thing may be Saudi women rights violation, Saudi ladies are at present to cover face on public, they must make went with by a male guardian, also they are additionally banned from driving.

In Yemen, Saudi Arabia campaigned against the Houthi rebels which need ended up the mark activity for Riyadh’s new and more emboldens international policy. Backing for the Saudi exertion essential might have been partnership maintenance, that was primary for the backup of the U.S.- Iran nuclear deal. But behind the scenes, The US is worries to the Saudi war casualties. The war has killings citizen over huge amounts clinched alongside Yemen and catastrophe excessively. This is a bad effort and experience for Yemenis as well as for the U.S;

because the terrorist would be developing intensely done in battlefield zones and Yemen's jihadist, particularly Al- Qaeda is would growing in the region with influence, since they face no tension.

On the issue of U.S.- Iran Nuclear Deal, the Kingdom has satisfied at President Obama's assurances that it could help promote stability and security to the Arabian-Gulf region. This is a change in Saudi Arabia's earlier concerns about the deal, which the Saudi government has previously said could economically empower Iran to fund more military activities in the Middle East (Edwards, Nov 04, 2015, Reuters). The other significant incident in 2015 is the Russian intervention in Syria, where U.S. led coalition against ISIS has totally failed.

The 2015 refugee crisis revealed indifference of Saudi Arabia and its wealthy neighboring states. They were criticized for close the door for not allowing refugees in their land while European countries have taking in thousands of asylum seeker. The Saudi Arabia with other Gulf states had fallen under criticism for not giving assistance for people fleeing Syria and responsible for these nations reject. The media have reported that, the Saudi Arabia alongside Qatar, and Kuwait bring criticized zero resettlement spots with Syrian refugees.

Review of the Literature

To have a glimpse of the background, it would be more fascinating and interesting to analyze the U.S. Saudi convergence of interest, U.S.- Saudi Arabia conflict, and their interest which they are maintaining from many decades, and to search the option and areas for U.S.- Saudi cooperation for peace, security of the region and the world. Though after initial setback in 1945's U.S.- Saudi policy and relations improved and both are strategic partnership can be seen as effectiveness their policy making. Many analysts and scholars have analyzed the different aspects and dimensions of U.S.- Saudi Arabia's relationship. The main purpose of this literature review is to classify different perspectives into particular theme. The classification is based upon various perceptions of most scholars considering the dynamics in areas such as interdependence, economic interests, convergence interests, national interests, threats and controversial relationship.

The research framework has been divided into three themes, first is convergence of interest, second is economic relations and third is regional issues and disagreement. The first theme will include about U.S.- Saudi Arabia's common and convergence interests. Their common approach during cold war, the U.S. and Saudi Arabia shared the view that, godless communism was a problem.

The second segment will analyze the vibrant economic relations between them. US and Saudi Arabia with a solid budgetary relationship, similarly as come to innovation, the America is Arabia's biggest exchanging partner, and the Kingdom is one of the biggest U. S. business sectors in the West Asia. Saudi Arabia is Additionally a standout amongst the heading sources of import oil for the United States.

The third part will include regional issues and disagreement which will discuss about the cause to ignite U.S.- Saudi Arabia's conflicts. Their major conflict issues are trade issue security and defense issue, Yemen crisis, declining oil prices, refugee and human rights problems, Iraq and Syria crisis and Israel- Palestinian conflicts.

Convergence of Interests

David Ottaway (2007), "The King and US: US- Saudi Arabia Relations in the Wake of 9/11", describes major turning points after 2001. After the establishment of the relationship with Saudi Arabia, U.S. companies, which had found oil resources in the Saudi desert in the early 1930, manufactured the kingdom under the world's biggest petroleum exporter and stable oil for the world. The Saudis, for returns, made their region for uses and stay military offices to U.S. forces.

Dissimilar to a significant number of other Muslim countries- including Egypt, Sudan, Kuwait, and Saudi Arabia would be today designated as a significantly non- NATO partner. The US and Kingdom talk of a key dialogue, a discretionary term from claiming symbolization that dark if those two administrations consider themselves as a key ally.

Quora Contributor (2014), "What is the History of America's Relationship with Saudi Arabia?", describes U.S. Saudi Arabia's long history and relationship. Their common approach

during the cold war, the U.S. and Saudi Arabia shared the view that, godless communism was a problem. All this while, the Saudis saw Americans a pretty decent people, not like the colonialist British with they had a relationship, though they never reached the point of hostilities. On oil, U.S.- Saudi resolved ARAMCO by allowing 100% Saudi owned Saudi ARAMCO. Saudi Arabia grow rich, but still relied on the U.S. for development facilities and military sales. Israel remained an irritating issue, but nothing more than that. The author pointed out that Saudi Arabia did not agree with U.S. policy regarding Iraq in 2003. Another point is trade remains strong between the two country.

Stephen P. Cohen (2009), in “Beyond America’s Grasp: A Century of Failed Diplomacy in the Middle East “gives a point by point historical diplomatic relations of the locale that more its suggestion for current relations. Their relations started with Woodrow Wilson’s ideality initiatives, which germinated under a confounded legacy keeps on being an issue the Arabian Gulf area because of confused legacy continues to be a problem within the U.S. and the Kingdom. Cohen examine role of main countries and important incidents, Israel-Palestine issues, including Egypt and its relevant movement, Iran and Saudi major incident, the U.S.- Saudi relations, alliance and the Israeli- Palestinian conflict. Cohen points out the U.S. Interest and policy of democracy promotion and self-determination. However, these issues have reservation in the Gulf region especially for Saudi Arabia.

Heard Falkner (2013), in his analytical article titled, “Strategic Importance of Saudi Arabia: neither a friend or foe”, just pointed the US-Saudi relations and observed that a dubious relationship built upon as a related point diversions to stability, oil fares and imports, the proceeded investment advancement in the region. Since the bilateral relations might have been made over 1933, the U.S. need created a relationship in view of the national interests. Generally, both countries attempt would a diverse set of the interest but, on reality, both nations try to project a cooperative image to the world. In reality, the United States and the Kingdom bring critical contrast and different national interest that, assuming that they appropriately not enemy, it might undermine their long period relationship and, ultimately, the depend on each other.

Economic Relations

The US Department of Commerce (2015), “Doing Business in Saudi Arabia: 2015 Country Commercial Report”, provides most important economic relationship and major business information about U.S. and Saudi Arabia. The Commerce Department describes political and economic environment of the U.S. and Saudi Arabia’s business relations. He explains about selling American goods and exports in Saudi Arabia and leading status for U.S. exports and investment. Their bilateral relations have different kind of trade regulations, customs and standards also included in his book. For developing better business, it is important develop Investment climate, this will definitely helpful for improving trade relations. Some notable points of the author’s observation are business travel, communication, business initiatives and trade, basic guide to services and his research work analyzed U.S.- Saudi market overview, market challenges, market opportunities and strategy.

Newsteam Staff (Oct, 2015), “U.S.- Saudi Relations”, Council of Foreign Relations, in his article talking about U.S. Saudi defense and counter-terrorism cooperation and trade, business opportunities, and possibilities. The Kingdom assuring U.S. foreign policy directions and economic policy toward the region, the blending for basic security, economic and more geopolitical strategy would probable should uphold solid binds the middle of those nations to their predictable future. Many wealthy families in Saudi Arabia, have number of speculations organization with have number of investments partnership with in U.S. companies as the kingdom's economy growth over the since last few decades and with their stock market opening up to investors. Furthermore, European banks are stretching operations for Saudi Arabia.

U.S. Department of State, (August 2013), The U.S. Relations with Saudi Arabia, describing U.S.- Saudi Arabia delight in solid economic relationship, likewise the US is Saudi Arabia's great benefits about and Saudi Arabia is one of the largest U.S. export markets in the Middle East region business partner. Saudi Arabia playing additionally a standout amongst the heading sources of foreign oil for the United States, giving work to more than you quit offering on that one million barrels for every day for oil of the what's to come for U. S. Market. Their bilateral trade, business and cooperation areas are defense, counter-terrorism, energy and oil, science

and technology, health, agriculture, industry, education etc.

Regional Issues and Disagreement:

Alfred B. Prados, Christopher M. Blanchard, Nino P. Tokitz (2007), in their article, “Saudi Arabia: Terrorism, Current Issues and U.S. Relation”, they have observed that, the 9/11 attacks sparked conflicting across the U.S. of for affirmed Saudi association clinched alongside terrorism or from claiming Saudi laxity about enacting against terrorist associations. This book talks about allegation of Saudi connection in terrorist funding become with the question of Saudi huge donate for Palestinian terrorist groups and religious charities and Madrasa’s financing, and suggested many betterment of current Saudi action for war against terrorism.

David Ottaway (2007, in “The King and US: U.S.- Saudi Arabia relations in the wake of 9/11”, describes major turning points after 2001. The Kingdom has become mostly unfaithful for the US and Saudi Arabia’s disagreement with U.S., Saudi seeks to establish relationship with Russia, China and European country; but after everything how U.S.- Saudi Arabia is an important partner to struggle against their insecurity. The exceptional association might have been covered in the ashes of the universe profession focus and the pentagon. Osama bin- laden might have been a standout amongst the kingdom’s large portion prestigious crew origin, that realities presented Saudi Arabia with began anti-Saudi approach in the what’s to come for U. S. Congress and the administrative organizations in the nation. Dissimilar to a large number other Muslim nations including Egypt, Sudan, Kuwait, Saudi Arabia need aid today much designated Similarly as a non-NATO partner.

Alfred B. Prados (2005), in, “Saudi Arabia: Terrorist Financing Issue”, present a viewpoint that, one of the current issue, which is terror financing issue and it is difficult to obtain evidence; because Firstly, generally a little measure of cash obliged for terrorist acts can effectively passed unnoticed. Secondly, those structure from claiming Saudi monetary framework makes budgetary transfers troublesome would follow. (3) Muslim contribution are a religious obligation. (4) Their contribution is frequently all the provided for anonymously, and gave trusts might be redirected from overall Muslim charities.

Prasanta Kumar Pradhan (2014), in “Human Rights in Islam in the Case of Saudi Arabia”, highlighted human rights problem in Saudi Arabia. The large portion paramount human Privileges issues opportunity for assembly, accounted for included citizens’ absence of the capacity of lawful activities with change their government; pervasive confinements for widespread privileges in option of outflow including on the internet, association, movement, religion freedom and absence of equivalent privileges for noncitizens and women. Savagery against women, separation built religion, race, sex, trafficking clinched alongside persons, built may be regular on Saudi region. Absence of governmental transparency with entry committed it figure out the Human Rights issues in the kingdom.

Christopher M. Blanchard (Sept. 2015), ¹in “Saudi Arabia Background and U.S. Relations”, in this Congressional Research Service content he points out that, the recent U.S. foreign policy need to more cooperate with Saudi leaders wants to help them on regional issues demonstrated to internal economic and territorial security issues. They have projected an image of continuity and consistency in outlining their diplomatic, economic, and security policy plans for 2015, but suffered many problems such as declining of oil prices, Iraq and Syria crisis, Israel- Palestinian conflicts, trade issues, defense and security issues, minorities and human rights issue etc.

Research Questions:

The proposed study would attempt to address following research question with regards to converging interests, cooperation and conflicts or disputed issues between the U.S. and the Kingdom, after 2001.

1. What are the major interests between the U.S. and Saudi Arabia that maintain good relationship after most shocking terrorist attack in 2001?
2. What are the reasons responsible for their conflict and controversial relationship? What are the areas of conflicts between them?
3. Is there growing tension between them? What are the option for developing better relationship?
4. What kind of economic relationship is promoted in their bilateral relations?

¹ Christopher M. Blanchard (Sept. 2015), Saudi Arabia Background and U.S. Relations, DIANE Publishing, 2010.

5. What are strategic convergence of interests between the U.S. and Saudi Arabia?

Hypothesis:

1. Multilateral or bilateral cooperation within the United States and Saudi Arabia is necessary condition for sustainable peace and security in the West Asia.
2. Economic and strategic interdependence ensures United States and Saudi Arabia bilateral relations from conflict to cooperation.

Research Methodology:

The methodical approach applies in this research would be analytical, descriptive, explanatory in nature. Research will also use quantitative techniques and qualitative methods. The study would also analyze empirical data on the basis of real fact. The research will examine primary source of U.S. Government official report, speeches, Congress official library report, treaties and agreements, interview reports, government foreign policy statements, and historical biographies data.

For secondary source books and articles, newspaper reports and web sources will be consulted. For examining two hypotheses, the deductive methods will be used. The independent variable are their national interests, role of leadership that influence the bilateral relationship, on the other hand dependent variables includes economic interests etc, and interference variables are regional issues. The study will analysis the international relations game theory, of win- win theory, because U.S.- Saudi Arabia's relationship also based on common interest. In this context, this study will try to generate empirical evidence to prove that the U.S.- Saudi Arabia relations has various dimensions.

Rationale and Scope of the Study:

Rachel Bronson (2015), *Thicker than Oil: America's Uneasy Partnership with Saudi Arabia*, in

this book she points out that, from seventy years, the United States and Saudi Arabia were solid partners. Then came the 9/11 attacks, which sorely tested that relationship, and indicates why the partnership became so intimate and how the countries' shared interests to analyzed the today's most pressing problem of Islamic radicalism across the world. Drawing on a wide range of their colorful stories of diplomatic successive and failure facts, Bronson searched a history of close, and always controversial, contacts. She points out the reason of the popular belief in the relationship was never simply about oil for security. Saudi Arabia's geographic position and Islam centric foreign policy figured prominently in American efforts to defeat godless communism. Interestingly, Bronson outlines the issues confronting their relationship and tells the story of how oil came to dominate U.S. domestic and foreign policy.

Thomas W. Lippmann (2012), *Saudi Arabia on the Edge: The Uncertain Future of an American Ally*², analyzed that, all nations in the world that are vital to the strategic and economic interests of the United States, with Saudi Arabia they properly not understood each- others. The Kingdom's unique place in Islam makes it responsible to a constructive relationship between the non-Muslim West and the Muslim world. For all its wealth, the country faces various challenges that it infrastructure shortage to meet: a restless and young population, a new generation of Saudi educated women demanding freedom in the closed society, political stage nation under a dictatorial leadership, religious extremism and education backwardness, social division, chronic unemployment, shortages of food and water, and troublesome neighbors.

Aforementioned viewpoints of many authors, it is clearly depicted that, the US-Saudi Arabia relationship has various dimensions, on the one hand both have good relations but on the other, they have also controversial relations. Though they have interdependent between themselves, but the presence of infringement and complexities are often existing in their present relationship status. To analyze their complex and contradictory relations, the reason behind their complexities, and for betterment of relationship, it is important to go back to their historical relationship and follow the cognitive research.

The scope of the study including between 2001 to 2015. Since 2001, the U.S. and Saudi Arabia's relations turned suspicious and conflict mode, because the major incident of 9/11 attack on the U.S.! From 2001 to 2015, important landmarks were 2003 U.S. invasion in Iraq,

² Thomas W. Lippman(2012), *Saudi Arabia on the Edge: The Uncertain Future of an American Ally*, Potmac Block, Washinton D.C, 2012.

Arab Spring, air strikes on ISIS, Yemen crisis, refugee crisis, and Iran Nuclear Deal which Saudi Arabia has expressed satisfaction that it could help bring stability and security to the region. The scope would also include U.S.-Saudi economic relations and their main conflicting issues.

Tentative Chapters:

The study will be divided in five chapter which will be as follows-

Chapter No. 1. Introduction.:

This chapter would be introductory chapter contains brief U.S.-Saudi relations since 2001, scope, rational and significance of the study and research methodology, hypothesis and literature review of this research topic will be discuss.

Chapter No. 2. U.S.- Saudi Strategic Partnership:

This chapter will describe U.S.- Saudi Arabia's strategic relations, areas of cooperation, mutual friendship and interest etc. It will also look into their interdependence and bilateral relationship as well as interest.

Chapter No. 3. U.S.- Saudi Arabia Economic Cooperation:

This chapter will deal U.S.- Saudi Arabia's economic interest, economic relations, total import-export, economic and trade issues, total deficit, and economic expenditure. It will also concentrate their growing and declining economic relations and tie.

Chapter No. 4. Areas of Conflicts in U.S.- Saudi Arabia relation

This chapter will discuss the conflict between U.S. and Saudi Arabia after 2001, and major disagreement issues and impact. The chapter will go into detail over what things and how to responsible for differences over them.

Chapter No. 5. Conclusion:

This chapter would provide a detail information of U.S.- Saudi Arabia relations by drawing conclusions from all of the preceding chapters and will give some suggestion for their better rapprochement.

Chapter Two

UNITED STATES- SAUDI ARABIA STRATEGIC PARTNERSHIP

The US- Saudi relations primarily based on strategic importance of Saudi Arabia and its oil resources. After the 9/11 incidents, the US national foreign policy level discussion concentrated on arrange to US-Saudi Arabia is strategic partner or not. However, US democratic state structure is anti-thesis to authoritative monarchical regime of Saudi Arabia. Nevertheless, it is an ally that is cooperating on nature requiring both those the United States and The Kingdom(KSA) to collaborate on the international relations if they such as alternately they like or dislike each other. However, US policymakers perceived that Saudi Arabia is a strategic partner, never foe or friend.

Saudi Arabia is situated geographically at a significant position in the West Asia between the Middle East and Red Sea, near the Persian Gulf shipping routes. Saudi Arabia may be found around Arabian landmass on Western Asia, appended of the nearly about Yemen and of the west in attached north of Oman and the Emirates. Its northern limit starts from the Persian Gulf of the Gulf of Aqaba. For its west side, the red ocean sighted attached, and the Middle Eastern Gulf of the east side, on that a major aspect Bahrain and Qatar Additionally spotted. Their common territory fringe of Arabia with the vital Syrian desert. Additionally, recent Saudi borders are similarly flanked for its southern neighbors on the Arabian Peninsula. Saudi Arabia comprises about more than half of the Arabian Peninsula and approximately twenty percent size of the Unites States. (mentioned in map no.2.0)

Saudi Arabia is home of the two most prestigious holy places, Mecca and Medina for Muslims and has been source of global Islamic fundamentalism in the region. It is explicit to say about the cluster of powerful dictators in the West Asia suspected of dictatorship and oppression of their citizens. Saudi Arabia, has monarchical system ruled by the Saudi dynasty, its unique relationship with the Islamic religion and its oil wealth, makes most important in much of the international Muslim community and world. The partners have 70 years long- standing economic and defense partnership. Since early period of relationship, established a number of formal and informal agreements by the US Administrations. Their military to military training and cooperation have demonstrated a strong US security commitment to Saudi Arabia. (US Dept. of State, 2009)

Additionally, the presence in abundance of the world's most specific and natural element, oil, makes it an important country for the United States. West Asia has long been a cradle of

attraction for major powers like France, Russia, UK and US. In the 18th and 19th century US took only sporadic interest and it involved slightly in Mediterranean, Arab and especially Saudi Arabia for its economic interest. The post war challenges and weak position of Great Britain made it difficult to sustain its economic and military commitments to the Arab countries. It was the growing power of Soviet Union which challenged this weakness and forced the US to assume its responsibility in the area. The US perceived its responsibility and role as guardian of Western interests in Arab World and subsequently to build up a deterrence against Soviet Union. (Heard Falkner III, 2003)

The Provisional Agreement signed in 1933 was the only formal act of diplomatic relations between the two countries initially established. The US oil companies, which had discovered most valuable oil assets in the Saudi territory in the right on time 1930's, based the kingdom under the world's topmost petroleum exporter and a major supplier for oil for the US demands. (Quora, 2014)



Map No. 1: Strategic location of Saudi Arabia.

Source: Google Maps.

Partnership of the two countries were initiated in the Franklin Roosevelt era when they established very robust bilateral ties in 1942. There were two clear instances which reflects relations between the two countries get strengthened. The first was the granting of an air base by King Abdul Aziz to the United States during the Second World War. The second was the historic meeting with American President, Franklin Roosevelt, after the Second World War to conclude the strategic agreement. (Kinzer, 2011)

When World War II was nearly at the end of February 1945, the US President Franklin D. Roosevelt and Saudi King Abdul Aziz met in a US battleship in the Suez Canal and Signed a strategic partnership deal. In the early face of 1947, the US President Truman committed protect Saudi territory. In response, The Kingdom allowed in their territories to military facilities available for the US forces in order to assure protection of the Saudi territorial integrity. That could be specific in George Lengzowski's statements, "What followed could be described as a multiple increase of diplomatic, military, technical and economic contacts between the United States and Saudi Arabia". (Steven, 1978)

Two development in the immediate post war period become primary determinants of United States-Saudi political relations. The first was the advent of the Cold War, its strategic location the in the Red Sea shipping roots and second is the direct air root to India made Saudi Arabia an important country since Cold War.

A number of formal and informal agreements and statements by the US Administrations to Saudi Arabia, conformed arms sales, military training arrangements, and military deployments have demonstrated a strong US security commitment to the Saudi monarchy since establishment of their relationship. On the one hand, security commitment was established on ensured economic cooperation and stood against the Communism and the other it was tested by regional conflict in the Cold War. On the Cold War period, Saudi Arabia and their leaders have the ability to say regarding for Mecca and Medina as they have US as a strong ally causes international religious influential country. It need made due those terrorism- prompted strains

of the post frosty war period generally intact, and has continued as new arms bargains to Saudi Arabia, the biggest Previously, us history need aid actualized. Transition to a new generation of leadership in the Al Saud family, evolution in the Saudi economy, and instability in the regional security environment may continue to create challenges and opportunities for the US-Saudi relationship. Their powerful and strong influence on US- Saudi relationship had American strategic interests and regional stability. (Cohen, 2009)

In the eye of US, Saudi Arabia's extensively playing its converting role of a fundamentalist interpretation of Islam, commonly referred to as Wahhabi Islam in Saudi Arabia and the world was not a reason of highly concern because it had an anti-Communist resistance. The US provided for Saudi Arabia to security, markets, and an aversion towards Communist expansion, something that threatened Saudi national security directly and indirectly through proxies from the Egypt and Yemen, and through disruption of their citizens. Both the partners have benefited mutual opportunities to weave their way through complicated international situations to supporting each other. In this aspect, Bernard Lewis had given a notion that, "holly Muslims and the followers of this religion will never tolerate this ongoing situation of where the atheist faith can expand and generate new blockades in their way ahead. True to these words, Saudi Arabia stood strongly to control the spread of communism in the country." (Kevin, 2003)

Compare to the past, the US-Saudi partnership is even more significant in today. Even though larger number of Saudis have studied in the United States and many Americans also travels in the Kingdom, but many of them have a limited understanding about each other. For most people in both countries, in focus the United States and the Kingdom are agreed to agreements together by common share interest not ties for common approach. Strategic position of Saudi Arabia and its religiously motivated foreign policy figured prominently in American efforts to defeat "godless communism." (Blanchard, 2015)

Oil as a strategic element:

Obviously, oil is a critical thing in the US-Saudi relationship, it is the whole other Saudi dealings. In generally, the United States' relationship with Saudi Arabia has been classified as a basic bargain of oil for security in the world. (Lipmann, 2004)

Saudi Arabia's increasingly prosperous economy dominated by oil. This became the key to Saudi Arabia's economy, its future and source of many of its dilemmas and concerns also. However, if geography had blessed it with oil, history had been relatively less kind. For just as Saudi Arabia came into its own as an economic power to be reckoned with in the Arab world, it's surrounding environment was in continuous turmoil. (oil strategy mentioned in map no. 2)



(Map 2: Saudi Arabia, important oil strategy, and sea roots, which most strategic important for US.

Source: Google Maps.

The Kingdom has to maintaining its oil prices and put oil on the market regularly during times of crisis is the most obvious benefit the United States obtaining from good relations. In response after September 11, for example, Saudi Arabia increased oil shipments to the United States in order to keep prices stable. It also augmented oil production just before Operation

Iraqi Freedom commenced, a time when political strife in Venezuela and Nigeria threatened to increase oil prices dramatically. In return for this, the United States extends to Saudi Arabia's leadership a security umbrella, including a commitment to its territorial security and integrity. Indeed, since the September 11 terrorist attacks Saudi Arabia has been seeking to re-balance its relations with the world major power. As a result, the Saudis have been following a hedging strategy towards the United States, by developing a more robust relationship with Asian powers. US- Saudi relations have improved dramatically since post September 11, Nevertheless, Riyadh and Washington differ, often widely, on preferred strategies. ((Williams, 2005))

STRATEGIC CONVERGENCE OF INTERESTS

After 2001, the US-Saudi relationship characterized new dimension by new issues, including counter-terrorism, political reform, and stability in Afghanistan and Iraq, these are populated today's political goals and are rarely interpreted the similar directions by the two countries.

For Saudi Arabia, US is not merely a symbol of modernity, but for decades has been the prime agent of modernization. Saudi Arabia is important partner with whom the US has on over seven decades long history of close political-military relations. Despite the relations between Washington and Riyadh being badly damaged by the 9/11 attacks, post US invasion of Iraq and evolving of the Arab Spring, common strategic interests and pressures generated by the arms industry and recession helped smooth differences. (Black, 14 September 2010) According to US, an influential country in the Gulf region and the largest energy supplier in the world, Saudi Arabia has played an important role in maintaining the peace and stability of the region, pushing forward the regional economic development, enhancing Arab countries solidarity, promoting dialogue among different safeguarding and stability of international energy supply. (Yang, 29 September, 2008)

After analyzing the historic involvement of Saudi Arabia, it reveals Riyadh has three main foreign policy objectives-

Firstly, maintaining a strategic partnership with the US, which is most necessity to its security. Secondly, maximizing its global and regional political influence through its financial and

Islamic soft power. Thirdly, maximizing the economic and geopolitical benefits from being the most important oil producer in the world, and- lastly, the neo-conservative design for the Middle East was based upon the argument that the US policy dictatorship and traditional regime to control the oil had outlived its usefulness. (Rashid, 2002)

The US- Saudi military relationship is long standing and a centerpiece of the US-Saudi political relationship. In this regard, the US Center for Strategic and International Studies expert Antony Cordesman argues-

“The US- Saudi security cooperation is becoming steadily more important as Iran expands its capabilities for asymmetric warfare in the Gulf, increases its long-range missile forces, and moves forward a capability to build and deploy nuclear weapons. The same is true of the enduring threat from terrorism, dealing with Iraq’s weakness and uncertain political leadership, the problems of Yemen and Syria, and instability and piracy in the Red Sea area and Indian Ocean”. (Cordesman,14 September 2010)

The US government responded to support victims of the incidents, rebuilding its collapsed structures, action plans for the war against terrorism investigation of Iraq and Afghanistan. A discussion was take place at the White House about whether the US should first attack Afghanistan, the Taliban regime and al-Qaeda, or Iraq) The US government strategy was to impress the world with just shock and awe policy, initiating that when people saw how powerful the US war machine was the world cover in fear and surrender to the one mighty superpower. The US quickly overthrow the Taliban regime in Afghanistan in the fall of 2001 and the invasion of Iraq was soon to follow in March 2003. (Michael C. Williams, 2005)

The Afghanistan Invasion

Osama Bin Laden had been wanted from 2001 for the sudden attack on the World Trade Center. In the aftermath of the attacks, many US citizens held the view that the attacks had changed the world forever. The Bush administration announced a war on against terrorism, with the goal of bringing Osama bin Laden and al-Qaeda. On October seven, 2001, the War in Afghanistan began when U.S and British forces started air raid campaigns in Afghanistan targeting Taliban

and Al-Qaeda camps. (Prados, 2007)

On the war against terrorism, the country with the most to lose by cooperating with President Bush was Saudi Arabia. Because the Kingdom was one of the only three countries that had diplomatic close ties with the Taliban regime in Afghanistan, which was in the American hit list for granting sanctuary to Osama bin-Laden. The Kingdom had close ideological, political and economic ties with the Taliban government. (US Department of State, 2006)

American official led by the President Bush lobbied extensively around the world to build an international coalition under the UN umbrella, the absence of conclusive evidence to convict Osama bin-Laden for the crime and his links to Afghanistan's Taliban regime genuinely mystified the Saudi people in the Kingdom. (Perl, 2001)

From many sources, the kingdom of Saudi Arabia condemned the atrocious terror attacks of September 11, and sympathized with the US. However, Saudi Arabia refused to allow the US to use its airfields for the strike on Afghanistan. It vacillated over the decision to allow the American military to the use of bases on its soil for several weeks. It was only after considerable pressure from the US citizens, public opinions to boycott Saudi Arabia and end diplomatic relations, then the Kingdom announced wholehearted support to stand against the perpetrators of the attacks (Fisk, 2001)

Though the war on Afghanistan, the Bush Administration disapproved of what it perceived as Saudi indifference, Saudi Arabia was only the second last country to snap diplomatic ties with the Taliban after pressure from the US. The Taliban suffered irreversible isolation after the Kingdom chose to do so. The Kingdom had frustrated American policy makers with its halfhearted cooperation on security issues, regional diplomacy and intelligence cooperation. It had not allowed American airplanes to use facilities in the Kingdom for strikes against Afghanistan. The US felt that it had long allowed itself to depend considerable on the secretive royal family for information. Hence, the Bush Administration excluded Saudi Arabia from among the allies who were informed in advance of the US moves to freeze the advantages for associations organizations links to terrorism. (Terrorist Attacks Commission, 2004)

The US and its allies drove the Taliban from power and built military bases near major cities

across the country. Most al-Qaeda and Taliban were not captured, escaping to neighboring Pakistan or retreating to rural or remote mountainous regions. The effort groups problematical as casualties mount, with the number of US soldiers killed well over 1400 by February 2005 and the number reaching 2600 by the summer of 2006. In February 2008, at least 3940 American soldiers had died in the war and almost 29,000 had been wounded. ()

Operation Iraqi Freedom

The US response after 9/11, the US neo-conservative group warned in early mid- September 2001 to President Bush about his failure to promptly remove Saddam Hussein from power. The neocons unleashed a string of media reports, claiming to be based on scholarly discussion by the US, that sought to implicate Saddam Hussein both in the 9/11 attacks and the anthrax tragedy. They also investigated potential links between the mastermind of the 9/11 attacks, Osama bin-Laden and Saddam Hussein. (Kakutani, 2001)

The US President Bush duly notified the United Nations Security Council in October 2002 through a legal document that counter terrorism attacks might be extended beyond Afghanistan. Subsequently, the Bush Administration publicly began speaking about the dangers posed by Saddam Hussein and Iraq. President Bush led the rhetoric, ‘Afghanistan is still just the beginning’. He mentioned for the threat of mass destructive weapons and terrorism emanating from Iraq and strongly asserted that there was an imminent threat to the US. (Sharma, 2001) he made clear that that anyone who harbored or funded a terrorist was also a terrorist-

“If they develop weapons of mass destruction that will be used to terrorize nations, they will be held accountable. As for Mr. Saddam Hussein, he needs to let inspectors back in his country, to show us he is not developing weapons of mass destruction. Part of war against terrorism was to deny weapons getting in the hand of nations that will use them.” (Kehr, 2006)

The National Security Adviser Condoleezza Rice stated that, “We do not need the events of 9/11 to tell us that this is a very dangerous man who is a threat to the region and a threat to us. There could only be one reason that he has not wanted UN inspectors in Iraq and that’s so he can build weapons of mass destruction”. (Ibid)

Saudi Arabia had acted as the launch pad for the US led Gulf War in 1991. it played host to US Air Force units which conducted overflights to enforce a no-fly zone over southern Iraq between the Gulf War of 1991 and Operation Iraqi Freedom in 2003. when the war started, the royal family was again caught in a different situation between supporting a longtime ally's unilateral goal and opposing it. Prince Saud Alfysal, Saudi Arabia's foreign minister argued, - "Under the present circumstances with no evidence that there is a threat destruction from Iraq, I do not think Saudi Arabia will Join in". (Saud Al Fysal, 2002)

There was considerable dilemma in choosing between the solid relations established with the US and the domestic unrest that al-Qaeda and other terrorist organizations threatened to unleash if the Kingdom cooperated. Saudi Arabia's decision was also crucial for the US as the Kingdom was an important cog in the American plans for Iraq. (Prados, 2003)

The war launched by the US on Iraq in March 2003, began with offensive operations started with hostile operations joined together with all the while air furthermore ground offensive, in contrast to Iraqi resistance. Significantly, this option required the continued cooperation of regional nations like Turkey and Saudi Arabia for substantially hosting areas and air bases and required months to deploy the required forces. Although Saudi Arabia did not usually object to small scale US responses to Iraqi aircraft or air defense units challenging allied aircraft conducting these overflights, Saudi authorities were opposed to large-scale allied military action against Iraqi targets. (Michael, 2005).

A number of reports, indicates that, the Saudi Arabia informally agreed to support the US by giving permission to the use of the Prince Sultan Air Base and agreed for command and control, special operation and refueling missions to be staged out of the country. (Heard, 2003) They also provide logistical support to US-led forces permission to conduct refueling, reconnaissance, surveillance, and transport missions from bases in Saudi Arabia; landing and overflight clearances; and use of a US-built facility in Saudi Arabia known as the command Air Operations Center (CAOC) to coordinate military operations in the region. This was subsequently confirmed by Saudi Defense Minister Prince Sultan bin Abd al-Aziz when he announced that his government was allowing US troops to use two airports in northern Saudi Arabia for 'help in a technical matter'. Crucially, the Kingdom also agreed to keep delivering

oil to maintain prices through the Iraq war. (Blanchard, 2015)

In addition to support noted above, the officials said the Saudi royal family permitted the staging of special forces operations from inside Saudi Arabia, allowed some 250- 300 mainly transport and surveillance planes to fly missions from Saudi Arabia, and provided tens of millions of dollars in discounted oil, gas, and fuel for US forces

The invasion in 2003, the George W. Bush Administration began to argue that the military operation in Iraq was primarily about bringing 'Democracy' to the Middle East. This rationale, however, had secretly been suggested before the war. It is useful to consider this turn in the rationale for the war and whether it can be taken seriously as a plank of contemporary U.S. foreign policy. By the summer of 2004, while the U.S. had set up an interim government in Iraq, transferred sovereignty, and promised election. The Iraq was put under military rule by the new Iraqi government. (Larry Everest, 2004)

The War on Terrorism

On September eleven, 2001 in the US killed nearly three thousand peoples, fifteen of the 19 terrorists were Saudi Arabian origin. The US Department of states stated that, terrorism can be described as the calculated use of unlawful violence or threat of unlawful violence to inculcate fear; intended to coerce or to intimate governments or religious, or ideological dimension.

After of those deadly terrorist attacks that began in 2003, the Kingdom of Saudi Arabia launched a wide-ranging counter-terrorism campaign. Central to Saudi counter-terrorism efforts has been the use of unconventional soft measures designed to combat the intellectual and ideological justifications for violent extremism. The primary objective of this strategy is to engage and combat an ideology that the Saudi government asserts is based on corrupted and deviant interpretations of Islam. The impetus for this soft approach came in large part from the recognition that violent extremism cannot be combated through tradition security measures alone. This Saudi strategy is composed of three interconnected programs aimed at prevention, rehabilitation, and post- release care. (US Dept. of State, 2010)

According to the US Treasury Department, the United States and Saudi Arabia have worked together in jointly designating several entities as supporters of terrorism. According to the State Department report, a Financial Intelligence Unit (FIU), originally chartered under 2003 anti-money laundering and anti-terrorism legislation, opened on September 10, 2005. As counter terrorism efforts, focused some principal points of threats posed by al-Qaeda and ISIS.

Al-Qaeda

On September eleven, 2001, Suicide attacks in the US kill nearly 3,000 people. Since the Saudi links to the 15 hijackers involved into September 11, 2001 attack was established. The fact that Osama bin Laden and fifteen of the hijackers were of the Saudi origin,

Al-Qaeda was led by Osama Bin Laden, members of al-Qaeda pledged an oath of allegiance to Osama Bin Laden and al-Qaeda. Those who were suspected of collaborating against al-Qaeda were to be identified and killed fourth, al-Qaeda opposed the United States Government because of the arrest, conviction and imprisonment of persons belonging to al-Qaeda or its affiliated terrorist groups or those with whom it worked. For these and other reasons, Bin Laden declared a jihad, or holy war, against the United States, which he has carried out through al-Qaeda and its affiliated organizations. (9/11 Commission, 2004)

In June 2004, three American nationals were killed during within a week. And in December that year, terrorists stormed the American consulate, killing five staff members. Attacks by Al Qaeda in Peninsula have continued. The September 11 attacks on the Pentagon and the World Trade Center in the United States in 2001. When American-led coalition forces invaded Iraq on March 20, 2003, Al-Qaeda-linked groups swung into action. On October 21, 2004, they united as "Al-Qaeda in Iraq" under the leadership of Abu Musab al-Zarqawi, a Jordanian who was killed by American forces on June 7, 2006. More than 2,200 suspects arrested, and more than 120 militants killed, in that terror activities during 2003- 2008. (US Dept. Of State, 2004)

Al-Qaeda remains a major Saudi security concern. The authorities crushed a violent militant campaign in 2003-2006, but many Al-Qaeda operatives then joined their counterparts in Yemen. Riyadh fears the turbulence in territory now beyond government control. (McDowell,

27 March 2012) Saudi Arabia has also been compelled to play a more active role in Yemen in the last few years, as its southern neighbors threatens to become a failed state as well as a large-scale incubator of extremist militancy (Gulf Monitor, December 2012). A massive increase in weapon purchases last year reveals the concerns of the regime about a more volatile regional situation.

In March, 2010, Ministry of Interior announced that 113 militants have been arrested in round-ups throughout the kingdom in the past five months, they were from Saudi, Yemeni, and Somalia, and Bangladesh. On May 1, 2011, US Special Forces killed Osama Bin Laden at a compound near Abbottabad, in Pakistan. (ibid)

ISIS

According to the US State Department. ISIS, as the group has been identified as the Islamic State of Iraq and Syria. Different translations of the Arabic name al-Baghdadi gave his organization have spawned other English-language versions such as the Islamic State of Iraq and al-Sham (also ISIS) or the Islamic State of Iraq and the Levant (ISIL). It is also known as Daesh, based on an Arabic acronym.

In addition, former senior US military officials who served in Iraq and helped train the Iraqi security forces said that ISIS has been able to take advantage of government forces who lack the motivation to put up a good fight against ISIS in some areas. (Staff, 2015)

ISIS has been especially ruthless in its targeting of minorities in areas that have come under its control. In addition to the scores who have been brutally murdered, countless Christians, Yazidis and other minorities have been forced to flee areas they've called home for centuries. In August 2014, thousands of Yazidis had to be rescued by Kurdish forces after being trapped with very little food and water in harsh conditions on the Sinjar mountains where they hid from ISIS. ISIS also brutalizes fellow Sunni and Shi'a Muslims who do not ascribe to its extreme interpretation of the religion, and the group has destroyed priceless archaeological sites. U.S. President Barack Obama stated that, "Its let's be clear about ISIL(ISIS), they have rampaged

across cities and villages, killing innocents, unarmed civilians in cowardly acts of violence. No just god would stand for what they did yesterday and what they do every single day.” (Blanchard, 2015)

In response, Saudi Arabia has, over the past decade, installed and developed what has been called “However, despite the program’s ostensibly high success rate, it has proven unable to rehabilitate the most radical and dangerous militants. Furthermore, the program’s utility as a model for other nations is limited by its reliance on Saudi-specific factors.

In 2014, Iraq and Syria crisis, Saudi Arabia help the U.S.-led coalition against ISIS. That joint effort began last August 2014, when Saudi Arabia took part in air strikes against ISIS positions in Syria and Iraq. The Saudis also announced they would host a facility where some 5,000 moderate Syrian rebels will be trained by U.S. special forces. (Michael, 2005)

Piracy

Piracy is a criminal offence but it is also a component of transportation law as pirate ships were subject to seizure and transfer of ownership to the jurisdiction of the seizing ship. Modern pirates now don night-vision goggles; carry AK-47, heavy machine guns, and rocket launchers, using sophisticated speedboats mounted with heavy mortars to target ships.

According to IMB (International Maritime Bureau), “the act of boarding any vessel with intent to commit theft or any other crime, and with an intent or capacity to use force in furtherance of that act; That means piracy is an act of robbery or criminal violence at sea through illegal use of force by non-state agents, particularly known as ‘Pirates’”. (IBM,2000)

Pirates operated from a mother ship and were equipped with night-vision systems and heavy weapons Nearly 20,000 ships pass through the Gulf of Aden each year, heading to and from the Suez Canal. No direct ties between pirates looking for a fast buck and the Islamic extremists looking to attack America or her allies. But informal links are there, mired in Somalia’s complex and combative clans. In recent times there have been severed incidents of brutal hijacking of ships off the Somali coast by Somali pirates, which grabbed the global media

attention. As a result, the U.S. has started a multinational effort to patrol the waters. (US Dept. of State, 2015)

Including eleven Arab states in the Gulf and the Red Sea to establish a joint naval task force to go after Somali pirates plaguing the Gulf of Aden and now extending their operations to the mouth of the Strait of Hormuz. Their next joint action plan is, on June 29, particularly vital oil and gas exports which pass the Red Sea to the Suez Canal and the Mediterranean”. Pirate attacks are also beginning to present a greater threat to the Persian Gulf and Strait of Hormuz creating greater urgency in the region for cooperation on combating piracy. (Michael, 2005)

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.

Israel- Palestinian Conflicts

US ties to Israel, and Saudi ties to the Palestinians, divided the two states during each of the Arab-Israel conflicts and the oil embargo in 1973. In 2002, at the Beirut summit of the Arab League, all the Arab states except Libya signed a peace initiative proposed by Saudi Arabia. The plan offered an end to the Arab-Israeli conflict, including recognition of Israel, peace agreements and normal relations with all the Arab states, in exchange for a full Israeli withdrawal from all the territories occupied including the Golan Heights, a just solution to the Palestinian refugee problem to be agreed upon in accordance with UN General Assembly Resolution 194. The treaty established an independent Palestinian state in the West Bank and Gaza Strip, with East Jerusalem as its capital. The Arab League renewed its peace initiative in 2007. (History, January 16 2008)

At a second bilateral meeting between President Bush and then Crown Prince Abdullah in Texas on April 25, 2005, a joint statement by the two leaders contained the following: “With regard to the Palestinian-Israeli conflict, the United States and the Kingdom of Saudi Arabia desire a just, negotiated settlement where in two democratic states, Israel and Palestine, live side by side in peace and security.” In 2005, Saudi Arabia announced the end of its ban on

Israeli goods and services, mostly due to its application to the World Trade Organization, where one-member country cannot have a total ban on another. (Qura, 2014)

Iran Nuclear Deal

Negotiations for a framework deal over the nuclear program of Iran took place between the foreign ministers of the countries at a series of meetings held from 26 March to 2 April 2015. The P5+1 (United States, United Kingdom, Russia, China, France Germany with the High Representative of the European Union for Foreign Affairs and Security Policy) and the Islamic Republic of Iran welcome this historic Joint Comprehensive Plan of Action, which would ensure that Iran's nuclear program will be exclusively peaceful, and mark a fundamental shift in their approach to this issue. (NY Times, May 21, 2015)

While talking about 2015 "Iran Nuclear Deal", Saudi Arabia has expressed satisfaction at President Obama's reassurances over the recent Iran nuclear deal—agreeing that it could help bring stability and security to the region. This is a move on from Saudi Arabia's earlier concerns about the Iran deal, which the Sunni government has previously said could economically empower Shiite-run Iran to fund more military activities in the Middle East. (Edwards, Nov 04, 2015)

Areas of Cooperation between United States and Saudi Arabia

For Saudi Arabia, America is not merely a symbol of modernity, but for decades has been the prime cooperator of modernization. On November thirteen, 2005, U.S. and Saudi officials announced a strategic dialogue to expand cooperation in six key areas: counter-terrorism, military affairs, energy. The United States and Saudi Arabia are working together to address a number of critical bilateral and regional issues, including resolving the crisis in Syria, preventing Iran from obtaining a nuclear weapon, counter-terrorism efforts to combat.

Defense Cooperation

The US-Saudi defense relationship has been also a major outlet for American arms and defense supplies. Saudi Arabia depends on the United States for both most of its arms and for training and support. The United States and Saudi Arabia currently are enhancing partnerships on critical infrastructure and border security, including on the Interior Ministry’s multibillion dollar initiative to enhance land and coastal border defenses. Saudi Arabia is the biggest military spender in the Gulf. The US Defense Security Cooperation Agency has documented the history of arms sales to Saudi Arabia. (Grimmett and Kerr, 24 August 2012)

The US arms agreements with Saudi Arabia were extraordinary, and present by far, the largest share of US agreements with the world or the developing world in 2011. In 2011, Saudi Arabia ranked first in the value of arms transfer agreements among all developing nations weapons purchases, concluding US \$ 33.7 billion in such agreements. (ibid).

US still spends five times as much as defense, but on present trends China’s defense Spending could overtake America’s in the next few decades.

Table 1 : Saudi Arabia’s military expenditure, 2001-2011 (US \$ billion)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenditure	25.1	21.9	21.1	24.6	29.6	33.8	38.9	38.2	39.2	45.2	48.5
% of GDP	11.5	9.8	8.7	8.4	8.0	9.2	9.2	8.2	9.4	10.4	8.7

Source: adapted from SIPRI Yearbooks 2010, 2011.

Table 2: Basic facts about Saudi Defense.

Military	
Defence spending	10 percent of GDP (2005)

Active armed forces	233,500 (2010)
Manpower filter military service	7, 560, 216 men (2010 est.)
Military service	Voluntary, age 18 or older

Source: ABC- CLIO World Geography database, CIA World Factbook.

Within this context, the Obama Administration hopes the proposed sales of the largest arms deal in American history to Saudi Arabia, will help ‘sustain long-term relationship to ensure continued US influence for decades’. (The Economist, 15 September 2010)

The supporters of the arms deals argue that there are other strategic aspects to the deals- first, US arms sales to Saudi Arabia help sustain American influence in Riyadh. Second, from a US viewpoint, these arms transfers are part of a new post- Iraq war security structure that can secure the flow of energy exports to the global economy (Cordesman, September 14, 2010)

According to a record by the Washington Post published in Jan 2010, the Obama administration was quietly working with Saudi Arabia to sped up arms sales and rapidly upgrade defenses for oil terminals and other key infrastructure in bid to thwart future military attacks from terrorists. The new force is expected to grow to at least 35,000 members, trained and equipped by US personnel and overseen by US Central Command (Burns, 19 May 2011).

Saudi Arabia’s major challenge including al- Qaeda, ISIS and terrorist threats, piracy, and trade related issues that already pointed out, some most critical concerns are following bellow-

Iraqi instability

Saudi Arabia has good reasons to be concerned about any potential threat from Iraq. It shares an 814 kilometer of border with Iraq and is within 5 minutes flying time from air bases in Southern Iraq. Many of Saudi Arabia’s most critical oil fields, oil export facilities, electric power and desalination plants are within a few minutes flying time, and could be reached within roughly one or two days from Iraq by an unopposed armored unit. Iraqi instability and

insurgency started since 2003 US invasion of Iraq.

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Syria crisis

Syria's civil war is the worst humanitarian crisis of this time. Half the country's prewar population- more than 11 million people have been killed or forced to flee their homes. Saudi's air force has targeted ISIS with air strikes since the US campaign began in Syria in September 2014, but the Gulf kingdom is now ready to provide ground forces to defeat the armed group.

Yemen crises

Yemen crises began since 2011, but it has been more complicated when pro- Houthi militias abducted the Yemeni president's chief of staff, President Hadi gave orders to the army to take over the security of the capital. The Saudi Arabian led intervention began in 2015 to influence the outcome of the Yemeni civil war.

Counter-terrorism Cooperation

The United States and Saudi Arabia have been working together to help various nations in the region counter shared terrorist threats. Saudi officials maintain that they are working closely with the United States to combat terrorism, which they say is aimed as much at the Saudi regime as it is at the United States. In October 2001, the Saudi government announced that it would implement U.N. Security Council Resolution 1373. Subsequently, the State Department reported that Saudi Arabia had established a Financial Intelligence Unit (FIU) on September 10, 2005, to collect intelligence on terrorist financing activity. (Ottaway, 2007)

The impetus for this soft approach came in large part from the recognition that violent extremism cannot be combated through tradition security measures alone. This Saudi strategy is composed of three interconnected programs aimed at prevention, rehabilitation, and post-release care. (Blanchard, 2015)

108th Congressional initiatives of the US for counter-terrorism reveals joint actions. Initiatives of section 7105(a) contains findings that review problems in the bilateral relationship but note improvements in counter- terrorism cooperation between the two countries since mid-2003.

Next, section 7105(b) expresses the sense of Congress that “there should be a more robust dialogue between the people and Government of the United States and the people and Government of Saudi Arabia.” Section 7120(b) requires the President to submit to Congress within 180 days a strategy for collaboration with Saudi Arabia, as part of a larger report on US government activities to implement the provisions of this act. (US Dept. of State, 2010)

The Targeting Terrorists More Effectively Act of 2005, introduced on January 24, 2005, contains sections on Saudi Arabia including a statement of US policy to work with the Saudi government to curtail terrorist financing through a variety of methods; findings that Saudi Arabia has an uneven record in fighting terrorism; and a requirement that the President submit a report to designated congressional committees containing a long-term strategy for US-Saudi engagement and for effective prevention of terrorist financing (109Th congressional initiatives).

Bilateral Trade and Investment

US exports to Saudi Arabia exceeded \$35 billion in 2013, including direct exports of \$19 billion and roughly \$2 billion in service exports. Indirect exports and other goods and services were valued at an additional \$15 billion. The bilateral Trade and Investment Framework Agreement provides a forum for the United States and Saudi Arabia to explore ways to advance economic relations. Among other successes, Saudi Arabia has followed up on its commitment to improve its intellectual property rights regime since being removed from the United States Trade Representative’s Special 301 Watch List in 2010. Continual improvements in its intellectual property rights regime facilitate the Kingdom’s efforts to develop a diversified knowledge economy and improve the investment climate for US businesses. (US Dept. of Commerce, 2013)

Energy Cooperation

The United States and Saudi Arabia hold an annual Bilateral Energy Dialogue to explore broader energy cooperation, including potential cooperation on advanced geothermal research and other issues relating to alternative energies. During the cold war the U.S.- Saudi relationship has been characterized as ‘oil for security’. The US energy needs were partially met by the first oil producer country in the world in exchange for guaranteeing the long term

security of the kingdom under the US military umbrella. (Petrini, 2006) In this regard, Kaiser and Ottaway described the Saudi-American relationship in very interesting words...

“The relations were always more like an arranged marriage than a romantic union..., the alliance has been convenient for both parties, giving Saudi Arabia the security it craved in a dangerous neighborhood while assuring the US A reliable supply of oil at newly always- an affordable price. (Kaiser and Ottaway, 11 February 2002)

On May 16, 2008, U.S. President George Bush was in Saudi Arabia, for meetings with King Abdullah and Saudi officials during a three country visit to the Middle East. The ceremonies and briefings in Saudi Arabia marked the 75th anniversary of diplomatic relations between the Kingdom and the United States and featured the signing of a number of agreements to strengthen the relationship. National Security Adviser Stephen Hadley describes that, “Saudi Arabia will join the 70 partner nations of the Global Initiative to Combat Nuclear Terrorism. Finally, the Secretary of State and the Saudi Foreign Minister signed a Memorandum of Understanding in the area of peaceful civil nuclear energy cooperation. This will pave the way for Saudi Arabia’s access to safe, reliable fuel sources for energy in terms of nuclear reactors, and also be part of Saudi advancing the cause of non-proliferation in the Middle East.” (US-Saudi Relations Service, May 16, 2008)

Citizen Exchange Cooperation

The United States and Saudi Arabia have a decades long history of citizen exchanges. The Kennedy-Lugar Youth Exchange and Study (YES) program was established in October 2002. The Bureau of Educational and Cultural Affairs of the US Department of State, along with the US exchange community, recognized the importance of youth exchange as a key component to building bridges between citizens of the US and countries around the world, particularly those with significant Muslim populations. The YES program was officially launched in Saudia Arabia in 2005 in hopes to expand communication between the people of the United States and Saudi Arabia in order to promote mutual understanding and respect. (US Dept. of State, 2010)

Another youth exchange program is a three-week leadership and entrepreneurship development program running in the United States for 38 Saudi university students ages 20-25. Once they

return to Saudi Arabia, participants carry out an innovative project that they design while in the United States. (US Embassy in Saudi Arabia) The goals of this program are to promote mutual understanding between the people of the United States and the people of Saudi Arabia, prepare young leaders to become responsible citizens and contributing members of their communities, and develop leadership and entrepreneurial skills among Saudi youth. (ibid)

Citizenship exchange program supporting US-Saudi partnerships that include a focus on the development of exchanges, projects and partnerships between US and Saudi youth or women; or that involve the development of professional linkages in business, healthcare or media, including social media; or that build on Saudi efforts to modernize and build a knowledge-based economy. It's could expand Saudi-US educational partnerships; or that are submitted by or involve alumni of exchange programs sponsored by the U.S. or Saudi governments. (Petrini, 2006)

Educational Programs

Saudi-American Education support innovative forms of collaboration between Saudi Arabia and US is now accepting proposals from Saudi and US non-governmental and community organizations, universities, professional and cultural exchange activities. Objectives of this program to promote dialogue and partnership between the people of the United States and the Kingdom of Saudi Arabia. (US dept. of Energy, 2011)

There are more Saudi students in the United States now than ever before, with approximately 80,000 Saudi students in the United States representing Saudi Arabia's future political, business, and social leadership. US education and the American experience help to shape Saudi Arabia's future workplace and national outlook and will encourage new perspectives on diversity, tolerance, and global affairs. (ibid)

Environmental Programs

On December 2, 2008, Saudi Arabia and the United States signed an agreement for cooperation

in science and technology. The agreement will also facilitate mutual efforts to develop national and regional capacities in monitoring and protecting the marine environment, studying and identifying ways to mitigate negative aspects of climate change and learning how to better conserve energy resources (US Department of State January, 2009).

The Department of Energy, through an MOU signed in 2010, and the EPA are also working to enhance cooperation with the Kingdom on research and application of carbon capture, use and storage. Saudi Arabia joined the Global Methane Initiative in January 2014, providing a vehicle for enhanced cooperation with the U.S. Environmental Protection Agency (EPA) to reduce emissions of a powerful greenhouse gas. (ibid)

Science and Technology Cooperation

In keeping with its interest in developing knowledge- based industries, Saudi Arabia has significantly expanded its scientific research and technological development. On 2 December 2008, Saudi Arabia and the United States signed an agreement for cooperation in science and technology. Claudia McMurray, assistant secretary of state for oceans, environment and science, inked the agreement with Prince Turk bin Saud, vice president of the King Abdul-Aziz City for Science and Technology (KACST). “The joint committee will initially focus on research and industrial development in the private sector. We will also attract industrial investments in the process,” said Prince Turk. (US Department of States, January 20, 2009)

The success of Saudi Arabia’s leadership in advancing science and technology activities in the country and region is evident in the Kingdom’s significant decision to implement a five-program to upgrade its science and technology infrastructure. The agreement will benefit the US by giving its scientists greater access to new research opportunities, US academic institutions the chance to form new partnerships with centers of learning in the Middle East, and the US science and technology business community new ways to be more globally competitive. (Ibid)

Health Cooperation

The history of the relations between the two countries in the field of healthcare dates back to decades, as the United States is considered as one of Saudi Arabia's most important partners in developing the Kingdom's healthcare sector. The US and Saudi Arabia have been from American scientists to Arab, a crossroads of. The partnership has witnessed exchanging of expertise and a series of bilateral visits by officials and specialists. The meeting resulted in the signing of a Memorandum of Understanding (MOU) between the Saudi Ministry of Health and the HHS, covering the following fields- health research and technology transfer, allowing the Kingdom's hospitals and medical staff to have access and training to the latest medical technology, as well as controlling of communicable and non-communicable diseases through the implementation of current best practices in the field. (US dept. of Commerce, 2015)

That is to be added to developing human resources in the health sector in order to develop specialists in the healthcare, in addition to providing health information systems, which allow the efficient access to manage healthcare in a manner that enhances patient care services.

The United States and Saudi Arabia have been strategic partners during most of the post war era. In generally, the United States and Saudi Arabia have cooperated closely in shaping Gulf and regional security during most of the more than 70 years. Oil, is an important factor in the US-Saudi relationship, as it is in all other Saudi dealings. Saudi relies on oil exports for 90 to 95 percent of its total export earnings. Traditionally the United States relationship with Saudi Arabia has been characterized as a basic bargain of oil for security. Keeping oil prices stable was prime to U.S. strategic foreign policy and interest.

For Saudi Arabia, America provided security, markets, and stood against communist expansion, something that threatened Saudi borders directly. Mutually supporting interests gave leaders on both sides opportunities to weave their way through complicated international politics and benefit from the support to each other.

Chapter 3:

US- SAUDI ARABIA ECONOMIC COOPERATION

The US and Saudi Arabia appreciate solid financial relations, as like America is Saudi Arabia's biggest exchanging partner, as more KSA is a standout amongst the biggest US long term commercial partner in the West Asia. The US and Saudi Arabia bring marked a profession financing ties. Saudi Arabia is a standout amongst the heading wellsprings of trading oil of the United States, more than one million barrels' oil gives for every day of the American market. Though Saudi Arabia has divergence from U.S. foreign policy objectives in the region, but the mutual interest of both countries in the combination of common economic, security, and geopolitical interests draw them together to maintain strong partnership for a foreseeable future.

As Saudi Arabia Investment Authority(SAGIA), representative Amr Dabbagh, who includes that what's to come for U. S. companies spoken to those greater part in the eighteen percent hop for venture provisions 17 the the agency received in the first half of 2005 says, "We have developed a mechanism to manage our investment environment and improve our competitiveness ratings"(Department of State, 2011).

American companies have been operating in Saudi Arabia at very large scale since the discovery of petroleum in the 1930's. The Arabian oil company began to develop the kingdom's oil industry and since then has been a prime force in building of modern Saudi Arabia. Only the US and the Soviet Union, from a position of Persian Gulf states have declined in recent years, the US remains major oil, particularly from Saudi Arabia, is important to US prosperity and that of its allies in Western Europe and the Far East. Any interference with these oil supplies would affect adversely all oil importing nations, including the US, by increasing oil prices throughout the world. (The Middle East Quarterly, March 2000)

Cooperation between two countries is growing in such fields as technical training and education, agriculture, science, technology, transportation, government administration, industrialization, and solar energy research. Since the US recognized Saudi Arabia in 1933, the Saudi government has increasingly turned to the US government and private organizations for technical expertise and assistance in developing its human and natural resources. About 80,000 Saudi students are being trained in American colleges, universities, and technical schools. Many key positions in the Saudi Government, the military and the private sector are held by individuals who have been educated or trained in the US. (Alfred, 2006)

The US exported US \$18.679 billion to Saudi Arabia in 2014, their second largest export market in the Gulf behind the United Arab Emirates, and the Kingdom is America's 12th largest trading partner. Major US exported products include passenger automobiles, trucks and buses, industrial machinery, construction or building equipment, civil aircraft, defence system, IT, health care products. (Christopher M. Blanchard, 2016)

Table No. 3: U.S. trade with Saudi Arabia, 2001-2014

Year	Exports	Imports	Balance
2001	5,957.6	13,272.2	-7,314.6
2002	4,780.8	13,149.9	-8,369.1
2003	4,595.7	18,068.6	-13,472.9
2004	5,256.7	20,958.7	-15,701.9
2005	6,805.4	27,192.6	-20,387.2
2006	7,639.5	31,689.0	-24,049.5
2007	10,395.9	35,626.0	-25,230.1
2008	12,484.2	54,747.4	-42,263.2
2009	10,792.2	22,053.1	-11,261.0
2010	11,506.2	31,412.8	-19,906.6
2011	13,923.7	47,476.3	-33,552.7
2012	17,961.2	55,667.0	-37,705.7
2013	18,960.2	51,806.7	-32,846.5
2014	18,704.9	47,040.8	-28,335.9

(All figures are in millions of U.S. dollars. Details cannot be equal totals due to rounding.)

Source: U.S. Census Bureau, US Dept. of Commerce.

Analyze after above mentioned chart, US trade with Saudi Arabia has increased with both export and import sectors. Compare to the export, import grows steadfastly and its created huge business deficit in their bilateral business relations.

U.S. Table N. 4: trade with Saudi Arabia, 2015

Month	Exports	Imports	Balance
January	1,527.7	2,155.6	-627.9
February	1,269.9	1,548.4	-278.6
March	1,747.7	1,562.5	185.2
April	1,822.9	2,159.0	-336.0
May	1,576.5	2,037.5	-461.0
June	1,568.2	2,100.2	-532.0
July	1,621.4	2,433.0	-811.6
August	1,627.9	1,727.2	-99.3
September	1,865.3	1,791.1	74.2
October	1,358.8	1,260.6	98.2
November	1,958.3	1,451.8	506.6
December	1,745.5	1,853.7	-108.2
TOTAL 2015	19,690.2	22,080.5	-2,390.3

Source: U.S. Census Bureau, US Dept of Commerce, foreign trade 2016

(All figures are in millions of U.S. Dollars. Details cannot be equal totals due to rounding.)

The Economic Complexity Index (ECI) published that the US is the second biggest export economy of the world and the fifth most complex economy. In the year 2014 the United States of America exported \$1.45, which made US second largest exporter in the world. The most recent exports are led by Refined Petroleum which represent 7.11% of the total exports of the United States, followed by cars, which account for 4.18 %. (US MIT Education Atlas, 2014)

US import from Saudi Arabia

Kingdom of Saudi Arabia is the largest crude oil preserver of the world. KSA has great influence on energy market of the world and the United States has been protecting Kingdom of Saudi Arabia and other Persian Gulf oil producers, it has been a major aspect of US foreign policy for years. Since early 1970s Saudi Arabia and the Organization of Petroleum Exporting Countries, or OPEC, tried to steer oil markets, first by setting prices and then adjusting supply. (David Ottaway, 2009)

Saudi Arabia and OPEC had to face a new challenge in 2014 because of the United States shale gas revolution. In light of rising shale production of United States, KSAs oil exports to the America reduced by more than 50 percent from April to December 2014, dropping to 788,000 barrels per day in January 2015 before rebounding to over a million barrels per day in June 2015, according to the EIA. Oil prices crashed from a June 2014 peak of \$110 per barrel to less than half that in 2015 and less than \$27 per barrel in early 2016. It has since begun to recover slowly, but it is unclear if this trajectory will continue. (US Dept. of Trade Representative, 2016)

The kingdom's subsequent increase in output helped force U.S. drillers to cut shale rigs by 75 percent since September 2014; however, the break-even point for shale has fallen considerably since this time.

Table No.5: U.S. Imports from Saudi Arabia of Crude Oil and Petroleum Products (Thousand Barrels)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2001	55,910	50,397	55,427	49,743	54,885	52,918	53,106	56,894	44,344	44,393	46,280	42,456
2002	45,124	41,259	48,306	46,688	48,470	47,929	43,163	44,779	45,931	52,389	45,335	57,139
2003	57,066	40,512	58,466	62,085	71,461	60,054	58,896	47,581	52,463	44,966	50,416	43,700
2004	45,792	39,712	47,472	35,301	47,093	44,940	51,295	57,801	51,964	51,022	51,198	46,547
2005	51,257	44,064	51,169	45,425	48,992	47,891	52,453	49,274	41,689	41,884	41,099	45,626

2006	42,432	40,630	42,272	47,836	46,241	45,866	40,712	46,933	46,918	42,856	45,218	46,229
2007	47,800	32,573	38,557	44,628	50,020	46,009	44,529	46,463	46,798	43,744	48,595	52,271
2008	46,581	46,632	47,806	43,867	49,719	43,924	52,389	48,759	42,942	46,104	45,428	45,599
2009	42,222	31,290	29,981	31,698	34,150	28,759	32,430	22,585	31,340	29,233	25,737	27,180
2010	29,856	25,148	35,615	37,706	33,994	33,743	32,641	35,078	32,804	35,073	34,573	33,896
2011	34,126	31,197	34,356	33,204	37,290	35,059	41,110	33,331	44,370	34,714	36,658	40,605
2012	44,103	41,181	42,439	47,901	47,730	43,683	45,448	37,816	38,744	39,011	39,487	32,052
2013	30,347	28,887	39,796	33,269	44,632	42,928	40,870	41,290	46,701	42,211	46,893	47,110
2014	45,311	40,986	44,765	48,218	38,476	30,504	38,198	27,802	30,157	25,741	30,421	25,190
2015	25,418	26,458	32,472	36,147	37,518	32,324	36,355	31,166	25,876	30,480	37,073	34,767

Source- US Census Bureau, 2015.

Saudi Arabia is the biggest petroleum producer in a world, it is estimated that Saudi Arabia has the largest oil reserves, by the Energy Information capacity, and also has some of the gas reserves. Estimated by the Energy Information Administration (EIA) of the United States Department of Energy that Saudi oil production will increase from 1.6 million barrels per day(MMBD) IN 2006 TO 13.7 MMBD by 2025 in the reference case and 16.8 MMBD by in the low case price. To put these numbers in perspective, the EIA estimates that total world production of liquids was 84.2 MMBD in 2006, would be 106.5 MMBD in the reference case, and would be 122 MMBD in 2030 in the low price case. (EIA, 2015)

US Saudi Relations have improved dramatically since post 9/11; nevertheless, Riyadh and Washington differ, often widely, on preferred strategies. The US and the Kingdom Saudi Arabia are drifting apart on energy. For decades both countries saw mutual benefit in holding down oil prices. But now, with Riyadh stepping up foreign aid and embarking on a US \$ 130 billion domestic subsidy program to prevent internal unrest, it needs steeper oil prices. (Richter and Banerjee, June 2011) Riyadh is less certain about the strength of its alliance with Washington and may thus be less willing to incur the costs and risks involved in contributing to the US-Saudi relationship in these ways. (Levi and McNally, 2011)

Saudi Arabia is talking measures to keep the Gulf in US strategic considerations. Saudi

ARAMCO and Royal Dutch shell operate three refineries and 8,900 gasoline stations, mostly in the east and southeast, which ensure a US market share for Saudi crude irrespective of US production. Any disruption of Saudi exports to the US will lead to shortages and soaring prices. (Downing, December 2012) Even a US that is less dependent on imported energy won't be able to escape the logic of geopolitics and will still be deeply engaged with the world. (Yergin, November 2012) US oil prices still depend on what happens abroad not the source or quantity of US import. Indeed, The IEA warned that a fall in oil imports would not insulate the US from development in international markets or end its vulnerability to price spikes. (Crooks and Guy, November 2012)

Table No. 6. Oil imports by US, 2001-2011(selected indicators)

(Mineral, fuels, oils, distillation products, etc.)

Years	OPEC's yearly basket price(US \$)	Total (US \$ billion)	Percentage of US imports total	From OPEC (Us \$ billion)	From Middle East (US \$ billion)
2011	107.46	464.3	20.5	187.4	77.1
2010	77.45	362.7	18.4	148.4	52.1
2009	61.06	279.1	17.4	110.9	39.3
2008	94.45	501.9	23.1	226.4	88.8
2007	69.08	372.3	18.4	164.4	55.2
2006	61.08	345.1	17.9	150.2	51.6
2005	50.64	298.07	17.2	125.6	45.0
2004	36.05	216.4	14.1	91.4	35.5
2003	28.10	163.2	12.5	64.4	27.4
2002	24.36	122.08	10.1	46.4	20.4
2001	23.12	129.1	10.9	53.1	23.3

According to Steve Yetive, the US spends around US \$40 to 50 billion per years to protect the free flow of oil from the Arabian Gulf to the global economy, more than the entire defence budgets of all but a few countries. (Yetiv, 6 April 2011)

The most immediate impact of the shale gas bonanza has been on America itself. Fatiha Birol, the IEA's chief economist, stated recently "it means that the people who had written off the US economy have made a big mistake". The US current account deficit is going down rapidly, this will strengthen US (Kempe, 26 November 2012) by increase in domestic crude oil production over the next decade, the US will be able to cut down if any possibilities they want.

Giant oil exporter Saudi Arabia is expecting to finalize an atomic energy plan this year but the US nuclear industry may miss out on multi- billion contracts to turn it into a reality unless Washington and Riyadh sign as a non-proliferation deal soon. It has signed nuclear cooperation deals with countries able to build reactors, including the US, France, Russia, China, and Riyadh needs to move relatively quickly if it is to achieve its goal of opening its first nuclear plant by 2020. (Yetiv, 6 April 2011)

US Exports to Saudi Arabia

Saudi Arabia is one of the largest trading partner of the United States of America with bilateral trade of \$71 billion in 2013, it is also 19th largest hub for US exports. In 2013 US exports to Saudi Arabia exceeded \$19 billion, an increase of 6 percent from 2012. The Saudi economy- the largest in the Middle East and West Asia region, has been growing a robust pace. (Office of the US Trade Representative)

Every visitor to KSA must have a Saudi sponsor in to get a business visa to enter Saudi Arabia. In May 2008, the US and Saudi Arabia signed an agreement to 5-year, multi entry visas for business travellers by both sides. This agreement was a significant step forward in the visa process and helped business flourish. The US Department of Commerce in Saudi Arabia assists US exports and service companies to identify market opportunity, business partners, and are regularly advocating greater transparency in commercial rule of law, and public procurement. Foreign companies can get a license from the Saudi Arabian Investment Authority (SAGIA) to set up an industrial or a non-industrial project in Saudi Arabia. SAGIA has a broad mandate on all matters relating to foreign investments in industry, services, agriculture, and contracting. (Politics, May 2011)

American exporter is not required to appointment a local agent or distributor to sell Saudi Companies, but commercial regulations restrict importing for resale and direct commercial marketing within the Kingdom of Saudi nationals, wholly Saudi-owned companies, and Saudi-foreign partnership where the foreign partner holds 25 present equities. In July 2001, the Council of Ministers cancelled a decree compelling foreign companies with government contracts to appoint a Saudi agent. The old decree also specified a maximum commission of 5 percent. Some government contracts, however, still require a minimum participation by a Saudi entity. Even though no longer legally required, they (US) recommend that US companies seeking to do business with Saudi government agencies appoint a Saudi service agent. Sales commissions are entirely negotiable between the US party and the Saudi agent or distributor, but typically range from 3 to 10 percent depending on the products or services and the duties required of the service agent. Whether or not sales commissions are to be paid, and the percentage thereof, should carefully be spelled out in any agency or distribution contract. (US Dept of Commerce, 2015)

U.S. Defence sales to Saudis

Saudi Arabia is one of the largest arms buyer of Unites States of America now a day. The United States has also engaged Saudi Arabia in discussions to create an air and missile defence system with greater distant capability against the regional rival that Saudis fear most, Iran. It is mainly keeping Iran in mind that the Saudis are moving ahead with \$60 billion arms deal that will provide dozens of new U.S.-built F-15 combat aircraft to Saudi Arabia likely to ensure its air superiority over Iran for years. These moves together take both the countries towards a historic expansion of their relationship that is 66-year-old and is built on America's oil appetite, sustained by Saudi's dependence on U.S. military reach and is further tightened by a shared worry about the threat of al-Qaida. The Saudis' security worries were heightened by a failed al-Qaida car bombing in February 2006 of the Abqaiq oil processing facility, one of the largest in the world. (EIA, 2015)

The State Department cable said a subsequent U.S. assessment of Abqaiq security standards

determined that it remained highly vulnerable to other types of sophisticated terrorist attacks. That warning was conveyed to top Saudi officials on Oct. 27, 2008. "The Saudis remain highly concerned about the vulnerability of their energy production facilities," the cable said. "They recognize many of their energy facilities remain at risk from al-Qaida and other terrorists who seek to disrupt the global economy." (The US Defence Security Agency, 2015)

U.S. officials said the arms deal might be expanded to include naval ships and possibly more advanced air and missile defence systems. The Saudis want to upgrade their Patriot air defences to the latest U.S. version, which can knock down short-range ballistic missiles in flight. And they have expressed interest in a more capable system designed to defend against higher-flying, medium-range missiles. (Ibid)

The United States has worked with Saudi Arabia to develop long-term procurement plans that will improve the kingdom's capabilities, help defend against terrorist or extremist attacks, and fight alongside the United States against any escalation to large-scale conflict. New U.S. arms sales to Saudi Arabia are part of this effort, although major additional sales are underway or planned for key states like Kuwait and the UAE. (EIA, 2015)

Implementation of this sale will require the assignment of U.S. Government and contractor representatives to the Kingdom of Saudi Arabia for delivery, system checkout, and logistics support for an undetermined period of time. The prime contractors will be Lockheed-Martin in Bethesda Maryland; General Electric Aviation Systems in Sterling Virginia; and Rolls Royce Corporation in Indianapolis, Indiana. There are no known offset agreements proposed in connection with this potential sale. There will be no adverse impact on U.S. defence readiness as a result of this proposed sale. (Ibid)

Table No. 7: The Government of Saudi Arabia has requested a possible sale of Major Defense Equipment (MDE):

Sr. no.	Name	Quantity
1.	UH-60M Black Hawk Utility	9

	Helicopters	
2.	T700-GE-701D Engines	21(18 installed and 3 spares)
3.	Embedded Global Positioning Systems with Inertial Navigation System (GPS/INS)	20 (18 installed and 2 spares)
4.	AN/AAR-57, Common Missile Warning Systems (CMWS)	12 (9 installed and 3 spares)
5.	M240H 7.62mm Machine Guns	20

Also included are the following non-MDE items and support; Ballistic Armor Protection System; aircraft warranty; air worthiness support; spare and repair parts; communications equipment; personnel training and training equipment; site surveys; tool and test equipment; ground support equipment; repair and return; publications and technical documentation; Quality Assurance Team (QAT); U.S. Government and contractor engineering, technical and logistics support services; and other related elements of logistics and program support. The estimated cost is \$495 million. (EIA, 2015)

New US Arms Sales to Saudi Arabia (Under President Obama)

The Department of Defence has not yet notified Congress of all of the details of a major new arms sale to Saudi Arabia, but it is clear what this sale could have a direct value well in excess of \$50 billion, and mean maintaining a de facto military partnership with Saudi Arabia for at least the next decade. In fact, it means the Saudi Air Force will remain critically dependent on US military and contractor support. According to press reports from Bloomberg News and the Wall Street Journal, and work by the WINEP, the sale will include:

Firstly, 84 new Boeing F-15 combat aircraft, virtually ensuring Saudi air superiority over Iran for the next decade, as well as a far higher level of interoperability with US air forces. The

radar equipment on these aircraft is yet to be announced, but it may give the Saudi Air Force far more capability to deal with the kind of small, dispersed target sets that match Iran's development of dispersed elements of Iran's Islamic Revolutionary Guards Corps and the threats posed by its focus on asymmetric warfare. (US Dept. of Commerce, 2015)

Second, refurbishing and upgrading 70 existing Saudi F-15S strike aircraft that will help achieve the same objectives.

Third, new air munitions, probably including air to surface missiles with the same precision and ability to fire from outside the range of Iranian air defenses as those used by the US Air Force.

Forth, up to 60 AH-64D Longbow Apache attack helicopters, and upgrades to 12 existing AH-64As that can be used to deal with threats in areas like the Yemeni border, defend coastal and offshore targets, and counter internal threats from any major terrorist attack.

Sixth, 72 UH-60 helicopters, in addition to the 22 UH-60s now in Saudi forces, greatly enhancing Saudi air mobility and capability to react to any major threat in the Gulf or on its borders.

Seventh, upgrades to Saudi Arabia's Patriot PAC 2 missile forces that will improve both air defence against any Iranian air threat and begin to give Saudi Arabia meaningful missile defense capability against a growing Iranian missile threat.

And lastly, a mix of new patrol ships like the Littoral Combat Ship and other naval weapons that will help defend Saudi coastal waters and offshore facilities, and deal with the major emerging threat from the naval branch of Iran's Islamic Revolutionary Guards. (Ibid)

The US Congress had not blocked any sales to the GCC states since the Gulf war, although a section of the expressed strong reservations about sales of an armament packages. Some Congressional members believed that sales of sophisticated equipment to Saudi Arabia could erode Israel's 'qualitative edge' over its Arab neighbours, if the Gulf States were to join a joint Arab military actions against Israel or missile technology that could violate international conventions. (Ibrahim,1998)

However, successive US administrations have supported the idea of arms sales by maintaining that the Gulf States were too depend on US training, spare parts, and armament codes to be in a position to use sophisticated US made arms against Israel or any other US ally.

Leading Sector for US Export and Investment

The growth in this sector is based on Saudi's desire to own business and a widely held appreciation for western methods of conducting business. American franchises dominate the market and more US brands have recently obtained a foothold here, including Krispy Kreme, TGIF, Gap and Lurves. American companies face growing competition from local and foreign companies in the following sectors- car rental agencies, fast food and business services. Franchising opportunities are known to exist in many business categories, including restaurants, mail and package services, printing, apparel, Laundry and dry cleaning services, automotive parts and services, and convenience stores. There are more than 300 foreign companies that have founded franchises in Saudi Arabia. (US Department of Commerce, 2015)

Water Resources Instrument

Saudi Arabia is stipulated to be the third largest consumer of water per capita in the world, but has dwindling groundwater resources available. The country continues to grapple with water shortage situation that is driven with the rising consumption of a growing population and continued economic growth. With the rapid development of cities, massive urbanization and industrialization coupled with growing population levels, the government of Saudi Arabia is faced to take drastic measures in revamping its water politics. (The Saudi Ministry of Water and Electricity, 2014) This dilemma offers significant opportunities to U.S. companies with the expertise, experience and technologies needed to address Saudi's critical water issues.

The primary source of water for its citizens were the 36 governmental run desalination plants on the Red Sea and the Arabian Gulf coasts that supply 60-70 percent of the kingdom's needs, with the rest met by ancient underground aquifers, which constitute about 23 percent, and the remaining 7 percent coming from wastewater recycling. Saudi Arabia is known to be the biggest user of desalinated water in the world, with demand growing at close to 4 percent each year. (The Saudi National Water Company, 2015)

Construction Instrument

There are good opportunities for US companies in the following areas- earth moving machinery and equipment, railway infrastructure, construction tools, construction equipment, and earth drilling equipment. Construction chemicals, safety and security equipment, tools and hardware equipment, rock tools and systems, drill rigs and rock drills, load and haul equipment, continuous mining and tunnelling machines, crushers and screens, bulk materials handling equipment, breakers and demolition tools, safety and environmental products, project management services, training services for skilled workers such as electrical and mechanical engineers. (SAGIA, 2015)

Education and Training Services

Saudi Arabia's education system is currently experiencing an astonishing transformation. Only has the Saudi Government increasing budgetary allocation in support of education and manpower development projects since 2000, but it has increasingly been opening its doors to US universities, institutions, and major corporations. (The Saudi Ministry of Interior, 1015) The Saudi Government has earmarked an estimated alone through 2020. The Saudi Government allocated approximately 25% of the 2015 budget, or \$57.9 billion, to education and human resource development in an effort to address unemployment among Saudi nationals. (The Saudi Ministry of Education, 2015)

The kingdom has identified technical and administrative as an essential sector of education to support the country's economic and social development. Graduates of training programs in health care, agriculture, teaching and other areas are steadily filling position at industrial, agricultural and social institutions throughout the country. (The Saudi Ministry of Labor, 2015)

Pollution Control Equipment

The Saudi market offers significant potential for pollution control equipment driven by the increasing number of large project in power generation, cement, desalination, and

petrochemicals, and metal sectors. The environmental industry in Saudi Arabia has recently become an emerging and growing area of business opportunities for US firms. (Saudi Green Building Forum, 2015)

Saudi annual imports of air pollution control and monitoring equipment stands at \$ 50 million, with US companies leading other country suppliers at US \$ 37.5 million, almost 75 percent of total imports. Saudi Arabia offers enormous potential business to US companies operating in pollution control, opportunities exist in ambient surveys, air quality surveys, and emission source testing for gases and particulars. Remote controlled monitoring devices, environmental monitoring stations, oil spill cleaning works and environmental laboratories. (US Department of Commerce, 2015)

Automotive Parts, Service and Instrument

Saudi Arabia continues to be largest market for automotive industry in the Middle East. Saudi Arabia's consumption of automobiles and auto parts is largely met through imports, and automotive imports comprise a substantial share of imported good. Saudi Arabia projects automobile purchases to top 1 million units per annum by 2015(Saudi Arabian Industrial Clusters, 2015).

Saudi Arabia's industrial standards and conformity assessments are a significant market barrier for U.S. exporters. US manufacturers have faced stiff competition in the market, especially from Japanese and South Korean manufacturers. Japan, US Australia, Germany, and South Korea are the key players in the Saudi automotive market representing more than 80 percent of all vehicle imports. Flexible finance and instalment option have always been popular with the discerning Saudi customer. (US Department of Commerce, 2015)

Electrical Power System

The power generation, transmission, and distribution industry in Saudi Arabia is currently one of the fastest growing and most lucrative in the Middle East. With one of the world's highest

population growth rates and a rapidly expanding industrial base, Saudi Arabia has an ever-growing need for electricity and power sources

The Saudi Government seeks private investment to expand generation capacity, unify its national electricity grid and switch its power plants from heavy oil to natural gas. There are some of the areas that will have good potential in the power generation sector given below- Gas turbine units, steam turbine units, turbine spare parts and accessories, power plant design engineering firms, power plant consulting firms, products and services related to the power industries- valves, compressors, pumps, spare parts, turbine filters, training services. (SAGIA, 2015)

Defense Industry Equipment

Saudi Arabia is expected to increase its defence spending over the coming years, driven by both internal and external security threats, and aided by the huge continuing global demand for Saudi oil, as well as record high oil price. Saudi Arabia is the largest importer of defence equipment in the region, and one of the largest worldwide, yet it is not a large exporter of arms. (Saudi Ministry of Defence, 2015)

Approximately 35 percent of Saudi government expenditures are set aside for defence and homeland security. The kingdom of Saudi Arabia seeks defence technologies and material to include ballistic missile defence, maritime security, royal guard, modernization, armour, C4ISR and other requirements to satisfy the defence needs, given the current regional defence condition in the Middle East. U.S. defence contractors that include a training component of the local labor force when bidding on contracts can significantly enhance their prospects over foreign competitors. (US Department of Commerce, 2015)

Medical Instruments

The Saudi health-care sector remains the largest in the region in terms of expenditures, size, activity, and potential. Annual spending on health care is estimated at over 26 billion. Over 85

percent of health care expenditure are accounted by the public sector, more than 85 percent by the Saudi Government. (The Saudi Ministry of Health, 2015)

Affluence has also affected lifestyle of Saudis bringing with it diseases such as obesity, diabetes, coronary diseases, and cancer. A large growing population of smokers-compounded by desert climate conditions has led to rise of pulmonary and breathing diseases, as well as lung and throat cancers. Other major diseases of concern include breast cancer, kidney diseases, and cases of tuberculosis. (WHO, 2015)

For example- over 30 percent of the Saudi population is classified as overweight. Asthma affects 10-15 percent of children, more than 22 percent of the populations are regular smoker, HIV positive people may be as high as 80, 000 according to unofficial estimates, as estimates 17 percent of the population is diabetic. (WHO, 2015)

In addition to the Ministry of Health's annual requirement for equipment and instruments, the Gulf countries also presents excellent opportunities for US companies to participate in a six-country annual bid for various items, including- medicines, vaccines, insecticides, dental supplies, chemicals, radio- pharmaceuticals, renal dialysis equipment and supplies, laboratory instruments and disposables. (The Saudi Ministry of Health, 2015)

Oil and Gas Field Machinery

Saudi Aramco made significant progress toward shaping their business in 2013. The country has an output capacity of 12.5 million barrels per day (bpd). In 2014, Saudi Aramco discovered eight new oil and gas fields in the east of the country and will require U.S. assistance in all sectors of development. In the same year, Saudi Aramco produced approximately 9.5 million bpd on average and exported a total of 2.5 billion barrels globally, according to internal sources. (Saudi Aramco, 2015)

These include- oil and gas field drilling machinery and equipment, casing, pipes, pipe fitting, and volves, drilling chemicals, pumps, heat, tower coders, anti- corrosion systems, marine

equipment and services, offshore platforms, filtration systems, pressure vessels, storage systems, production equipment and services, packing, seals, gaskets, bearings, rope, wire, rope and chain, safety and environmental protection services, pollution and spill control services, flexible pipe, valves and actuators, and many more other items related to the oil and gas industry(The Saudi Ministry of Defence, 2015).

In a published news report, Saudi Aramco is planning to spend tens of billions of US dollars between 2010-2014 on these projects. Table No. 8

Projects	Number of Projects	Value (\$ billions)
New process facilities	7	15.0
Offshore facilities	6	5.5
Maintenance programs	10	5.5
Plants improvements	45	3.0
Pipelines	17	2.2
Civil engineering	37	2.2
Electrical or communications	22	1.2
Total	154	35.1

(Source- US Department of Commerce, 2015)

Chemical Production Machinery

Saudi Arabia petrochemical industry currently accounts for more than 75 percent of the Gulf Cooperation Council (GCC) countries total production. Saudi Arabia being a net importer, the country has emerged as a leading exporter in the petrochemical sector. (Saudi Aramco, 2015). Primary drivers for this turnaround have been strong infrastructure, significant cost advantage due to lower average variable and fixed costs, and competitive and fixed natural gas prices. These factors have also resulted in substantial investment inflows into the sector.

Saudi Basis Industrial Corporation (SABIC), which is 70 percent owned by government, manufacturing and compounding complexes are spread across the world. Total production in

2010 by SABIC's business units is as follows- Table No. 9

Material	Metric Tons (Thousands)
Fertilizers	7,043
Innovative Plastics	1,231
Basis Chemicals	42,265
Polymers	10,667
Metals	5,191

There is significant demand for the products and services of American manufacturers or suppliers of industrial equipment used in the petrochemical industry. US companies are expected avail themselves of excellent opportunities evolving from new projects undertaken by the joint stock company SABIC and private sector petrochemical companies. (Offshore Technology Conference, 2016)

Telecommunication Services

The Government foresees the kingdom's telecommunications revenues to exceed 60.6 billion Saudi Riyals, by 2011, up from 40 billion in 2010. The Saudi Arabian telecommunications and information technology industries represent over 55% and 51% of the total Middle East markets, respectively. TS spending have grown over 10% annually to reach \$7.3 billion in 2014. Liberalization is occurring across the telecom industry, driving increases in competition, service levels and usage (Saudi Communications and Information Technology Commission, 2014).

Saudi Arabia is expected to need a significant amount of technology, software and hardware to creat the new digital infrastructure that the government is hoping for- Fibber-optic satellite links, wideband transceivers, network protocol software and system, DSL access switches, enabling multi-service transmission equipment, broadband wireless access system. (The Saudi Ministry of Interior, 1015)

Air- Conditioning and Refrigeration Instruments

The air- conditioning market in Saudi Arabia is the largest market in the Middle East, with demand of over 2 million units per year, accounting for about 45 percent of the entire Middle East market. The geographical fact remains Saudi Arabia is a very hot country especially during the summer season. Air- conditioning products are considered a necessity and are installed in almost all buildings throughout the country. (US Department of Commerce, 2015)

The growth in Saudi Arabia's air- conditioning and refrigeration sector has created a massive subsidiary market for components and spare parts. As time passes, these units naturally need more and more maintenance and repair. Across the kingdom, a variety of food and beverage outlets and cold- storage centres, including hotels, restaurants, supermarkets, malls, and catering service centre are being constructed. This adds further impetus to the already thriving air-conditioning ventilation and heating sectors. (Sagia, 2015)

Security equipment and services

Homeland security is another growing sector today. Initially the focus was on infrastructure protection, border protection, and protecting oil and gas facilities. Saudi Aramco, the world's largest oil company is also one of the largest non-military end users of security items, and the majority of its security requirements have been sourced from the US. (The Saudi Ministry of Interior, 1015)

The Saudi relies heavily on imports, despite previous efforts to create a degree of self-sufficiency in its security production. There is strong receptivity to US security products and services, due to recent merger in the international security market, there are six major groups, namely TYCO, Honeywell, GIF, UTC, Schneider and Bosch. Out of these, the first five from USA. US manufacturers dominate the market with other European manufacturers actively trying to win a share of the market. The US leads with around 42-58 percent of the market. (The Saudi Ministry of Interior, 2015)

Securing the flow of oil from producers to consumers is a crucial global concern. Saudi Arabia,

the world's largest oil exporter, understands the importance of uninterrupted flow of oil, and it knows that one successful terror attack on the Saudi oil industry would send oil prices skyrocketing to record highs, resulting in a deep global recession- a losing proposition for all involved. (Saudi Aramco, 2014)

Agricultural Sectors

Saudi Arabia imports of rice, baby milk and animal feed (soybean meal, feed, corn, barley, rice, sorghum, palm kernel meal, wheat bran, alfalfa, pellets, soybean hulls, sunflower hulls, and rice bran) From US are subsidized; while coffee, tea and fresh red meat enter the country duty-free (US Department of Commerce, 2015).

Prohibition, Restriction and major difficulties in their economic relations

The law of the Saudi Arabia is the Holy Qur'an bases Sunnah and Sharia. Unlike other jurisdictions in the Muslim countries and societies where Sharia's law is applied only in specific contexts in the KSA, Sharia's law is the law of the land in all cases, and other laws are enforceable only to the extent that doing so does not violate the precepts of Sharia's. One critical distinction between Sharia's and other legal systems involves the concept of interest as applied in the KSA. Terms in contracts involving payment or receipt of interest are not generally enforceable, which affects numerous aspects of contracting from payment arrangements, late payment penalties, shipping terms, insurance terms, and damages, where concepts of interest are typically ingrained into terms and clauses and assumptions applied in other jurisdictions. (Saudi Aramco, 2015)

If any country wants to established trade relations with Saudi Arabia, then first she should follow the Saudi Sharia rules and restrictions. Although the Saudi Government encourages foreign investment, a US firm is strongly encouraged to seek in-country legal counsel on the best approach. The US Commercial Service can assist by providing a list of local attorneys, which may be associated with American law firms. The importation of certain products is either prohibited or requires special approval from competent authorities. Importing the following products requires approval by Saudi authorities- agricultural seeds, live animals, books,

periodicals, movies and tapes, religious books and tapes, chemical and harmful materials; wireless equipment, horses, products containing alcohol, natural asphalt; and archaeological artefacts. (UK Trade and Guide, February 2016)

Saudi Arabia operates a dual taxation system, with KSA nationals and entities owned 100% by other nationals of the Gulf Cooperation Council paying zakat, a wealth tax based on 2.5% of the total capital held by a person. Foreign entities, which include almost every company owned by non-GCC persons, are subject to the requirements of the income tax law. When the two entities operate jointly, accounting requirements to determine tax assessments can be an unusually challenging, but in principle, the tax obligations of the mixed parties will be incurred separately by each party in proportion to their holdings.

In conclusion, the US and Saudi Arabia has 70 years long partnership primarily in economic interest basis. A significant offshoot of the explosive growth of Saudi oil revenues in the 1970's was the ability of the Kingdom to purchase advanced armaments in large quantities. With actively growing conflict among the Muslims countries enraging and with a rise in fundamentalist groups in the region, who resorted to violent methods for redressed of their grievances, the American defence of the Kingdom quickly shifted from the goal of preserving oil supplies to protecting an emerging market for arms system and big engineering projects in the Post 9/11 era.

Chapter 4

AREAS OF CONFLICT IN US- SAUDI ARABIA RELATIONS

The United States and Saudi Arabia have similar, but not same national interests. These differences bind at the two countries both strategically, politically and economically. The US national interests are maintaining peaceful relations with other countries; protecting the nation from any kind of harmful activities; economic, personal, and political freedom and expressions; and respect for human rights and dignity are the pillars of American society and foreign policy. In this regard, President George W. Bush stated on September 2002, in The National Security Strategy of the US, says,

“In the twenty-first century, only nations that share a commitment to protecting basic human rights and guaranteeing political and economic freedom will be able to unleash the potential of their people and assure their future prosperity. People everywhere want to be able to speak freely; choose who will govern them; worship as they please; educate their children – male and female; own property; and enjoy the benefits of their labor. These values of freedom are right and true for every person, in every society and the duty of protecting these values against their enemies is the common calling of freedom-loving people across the globe and across the ages.... Freedom is the non– negotiable demand of human dignity: the birthright of every person in every civilization. Throughout history, freedom has been threatened by war and terror. It has been challenged by the clashing wills of powerful states and the evil designs of tyrants; and it has been tested by widespread poverty and disease. Today, humanity holds in its hands the opportunity to further freedom’s triumph over all these foes. The United States welcomes our responsibilities to lead in this great mission.” (Gorge W. Bush, September 2002)

Like the United States, Saudi Arabia is also guided by national interests. These national interests determine the direction the country is to take and provide the framework for her international behavior. These national interests are harder to discern, in comparison to the United States, but can be inferred from foreign policy goals and objectives. Saudi Arabia’s national focus is maintaining its position as the dominant country in the region; maintaining internal security; defending Muslim interests and holy sites; fostering good relations with oil consuming nations; promoting unity among regional Muslim countries and funding for Muslims charities, Madrassa’s worldwide and promoting fundamental Islamic values in the world. (Background Note: Saudi Arabia, 2006)

Observed after above mentioned notes, both US and Saudi Arabia have different national interests and it is primarily responsible for their disagreement and conflicting relationship. For example, US interests and foreign policy promotes democratic values, but Saudi national interests and foreign policy promoting dictatorship and anti-western Wahhabi thoughts, which is responsible for conflicts rather than cooperation. (Ibid)

The events of September 11th have catapulted the United States relationship with Saudi Arabia into the limelight. Many Americans around the country, to include influential members of Congress, feel betrayed by the fact that 15 of the 19 terrorists were Saudis and angered by the lackadaisical, if not indifferent, attitude displayed toward the tragedy. Saudi involvement in the September 11, 2001 attacks, and terrorist activities allegedly of Saudi laxity in acting against terrorist groups kindled criticisms within the United States. It is surprised that, scholars have pointed to the high percentage of Saudi origin, 15 out of 19 among the hijackers were Saudi nationals. (Kehr, 2006)

Conflicting issues between the US and Saudi Arabia are discussed through following major point-

The 9/11 Attack

On September eleven, 2001, Arabic origin 19 militants, associated with the Islamic terrorist group al-Qaeda hijacked four airliners and carried out suicide attacks against targets in the United States. Two of the planes were flown into the towers of the World Trade Center in New York City, a third plane hit the Pentagon just outside Washington, D.C., and the fourth plane crashed in a field in Pennsylvania. Often referred to as 9/11, the attacks resulted in extensive death and destruction, triggering major U.S. initiatives to combat terrorism and defining the presidency of George W. Bush. Over 3,000 people were killed during the attacks in New York City and Washington, D.C., including more than 400 police officers and firefighters. (History of the 9/11 attacks)

The attackers were Islamic terrorists from Saudi Arabia and several other Arab nations.

Reportedly financed by Saudi fugitive Osama bin Laden's al-Qaeda terrorist organization, they were allegedly acting in retaliation for America's support of Israel, its involvement in the Persian Gulf War and its continued military presence in the Middle East. Some of the terrorists had lived in the United States for more than a year and had taken flying lessons at American commercial flight schools. Others had slipped into the country in the months before September 11 and acted as the "muscle" in the operation. The 19 terrorists easily smuggled box-cutters and knives through security at three East Coast airports and boarded four flights bound for California, chosen because the planes were loaded with fuel for the long transcontinental journey. Soon after takeoff, the terrorists commandeered the four planes and took the controls, transforming ordinary commuter jets into guided missiles. (9/11 report, 2004)

After these wild attacks, US citizens were angry with Saudi Arabia, because the mastermind of this attacks was Saudi origin. Operation Enduring Freedom, the American-led international effort to destroy the Taliban regime in Afghanistan and topple Osama bin Laden's terrorist network based there, began on October seven. Within two months, U.S. forces had effectively removed the Taliban from operational power, but the war continued, as U.S. and coalition forces attempted to defeat a Taliban insurgency campaign based in neighboring countries. Osama bin Laden the mastermind behind the September 11th attacks, remained at large until May 2, 2011, when he was finally tracked down and killed by U.S. forces at a hideout in Abbottabad, Pakistan. (US, Department of State, 2015)

The Afghan Invasion

First of all, Saudi Arabia's relationship with Afghanistan exploded into view on September 11, 2001. The attacker al-Qaeda was based in Afghanistan. The Kingdom had all type of political, ideological and economic relationship with the Taliban government. The kingdom also had diplomatic relations with the Taliban regime in Kabul, which was in the American hit list for providing funds and support to Osama bin- Laden. Saudi national Osama bin Laden, the 9/11 mastermind and al-Qaeda chieftain, was given refuge by the Taliban in Afghanistan.

Saudi Arabia funneled money and fuel directly to Afghans, as well as through Pakistan's covert intelligence agency, the ISI. The Saudis gave nearly "\$4 billion in official aid to the

Mujahedeen between 1980 and 1990, which did not include unofficial aid from Islamic charities, foundations, the private funds of Princes and mosque collections." Pakistan and Saudi Arabia turned their funding support to Saudi-trained Wahhabi leaders. (Wahhabism is a conservative brand of Sunni Islam, and is the dominant form of Islam in Saudi Arabia). These pro-Wahhabis Pashtuns would eventually form the core of the Taliban's leadership. (Ahmed Rashid, 2000)

On September 20, 2001, in a speech to a joint session of Congress, President Bush stated, "Any nation that continues to harbor or support terrorism will be regarded by the United States as a hostile regime." No distinction was made between a harboring state and the terrorists it was harboring. The U.S. government insisted that the Taliban immediately hand over the terrorists and close the training camps or face an attack from the United States. When they refused, "Operation Enduring Freedom" was launched on October 7, 2001, less than a month after the attacks of 9/11. (US Dept. Of State, 2015)

The terrorists did not have the capacity to destroy the United States militarily, so they set their sights on symbolic targets instead. The Twin Towers, as the centerpieces of the World Trade Center, symbolized globalization and America's economic power and prosperity. The Pentagon, as the headquarters for the U.S. Department of Defense, serves as a symbol of American military power. It is thought that Flight 93 was headed to the Capitol building, the center of American legislative government. (Perl Raphael, 2007)

Despite their success in causing widespread destruction and death, the September 11 attacks were a strategic failure for al-Qaeda. Following September 11, al-Qaeda—whose name in Arabic means "the base", lost the best base it ever had in Afghanistan. Later some in al-Qaeda's leadership, including those who, like Egyptian Saif Al-Adel, had initially opposed the attacks tried to spin the Western intervention in Afghanistan as a victory for al-Qaeda. In June 2011, President Barack Obama announced the beginning of large-scale troop withdrawals from Afghanistan, with a final withdrawal of U.S. forces tentatively scheduled for 2014. (The Encyclopedia Britannica)

Operation Iraqi Freedom

After the attacks on September eleven, 2001, and the overthrow of the Taliban and al-Qaeda in Afghanistan, the United States Government turned its attention to Iraq and the regime of Saddam Hussein. Saudi Arabia's support to the Taliban government in Afghanistan created a climate of mistrust and placed a chill on economic relations. Citing intelligence information that Iraq had stockpiled and continued to develop weapons of mass destruction (WMD) such as poison gas, biological agents, and nuclear weapons, as well as harboring and supporting members of Osama Bin Laden's al-Qaeda terrorist network, the United States and Great Britain led a coalition to topple Hussein's regime in March 2003. (Fisk, 2003)

In 2002 the new U.S. president, George W. Bush, argued that the vulnerability of the United States following the September 11 attacks of 2001, combined with Iraq's alleged continued possession and manufacture of weapons of mass destruction and its support for terrorist groups which, according to the Bush administration, included al-Qaeda, the perpetrators of the September 11 attacks made disarming Iraq a renewed priority. The US President Bush mentioned about the threat of weapons of mass destruction and emanating from Iraq and strongly asserted that there was an imminent threat to the US. He made it clear that anyone who harboured or funded a terrorist also was a terrorist. (ibid)

“If Mr. Saddam Hussein develop weapons of mass destruction that will be used to terrorize nation, they will be held for accountable. As for Saddam, he needs to let inspectors back in his country to show us he is not developing weapons of mass destruction. Part of the war against terrorism was to deny weapons getting in the hand of nations that will use them.” (Kehr, 2006)

UN Security Council Resolution 1441, passed on November 8, 2002, demanded that Iraq readmit inspectors and that it comply with all previous resolutions. Iraq appeared to comply with the resolution, but in early 2003 President Bush and British Prime Minister Tony Blair, declared that Iraq was actually continuing to hinder UN inspections and that it still retained proscribed weapons.

In 2003, U.S. invasion of Iraq prewar, Saudi Arabia's position had been one of neutrality in the conflict; worldwide media reported that, despite numerous American attempts, Saudi Arabia would not offer the American military any use of its land as a staging ground for the invasion of Iraq. Saudi opposed the US war on Iraq, on March 19, 2003, a commitment by King Fahd stated that, "Saudi Arabai will not participate in any way in the war on Iraq". (Blanchard, 2007)

Major combat operations were declared over on May 1, 2003. However, Iraq remained unstable, with little security and massive looting. The situation continued to deteriorate and coalition forces soon found themselves facing an insurgency caused by a number of factors, including lack of infrastructure and basic services for citizens, as well as ethnic and religious tensions among various groups. Since 2003, the U.S. Air Force has maintained a continuous presence in Iraq. (Dennis, 2008)

Terrorist Financing

The attacks of September 11, 2001, caused angry reaction within the United States of alleged Saudi involvement in terrorism or of Saudi laxity in enquiry against terrorist groups. One area of particular concern is the suspicion that public or private funds may be flowing from Saudi Arabia and of her Middle East countries to finance international terrorist activities. (Prados, 2009)

Since September 11, U.S. government officials expressed concern that "wealthy donors in Saudi Arabia are still funding violent extremists around the world, from Europe to North Africa, from Iraq to Southeast Asia.". (John W. Snow, September 2003) The Iraq Study Group report stated that "funding for the Sunni insurgency in Iraq comes from private individuals within Saudi Arabia and the Gulf States." The final report released by the National Commission on Terrorist attacks on the United States indicates that the Commission "found no evidence that the Saudi government as an institution or senior Saudi officials individually funded Al Qaeda.". (Daniel Glaser, November 8, 2005)

From many sources, it has proved that Saudi Arabia is the largest source of funding for Islamist

militant group which are Afghanistan Taliban, Lashkar-e-Taiba, ISIS, Al- Qaeda; but the Saudi government is reluctant to stem the flow of money, says Hillary Clinton, in December 2009. Saudi billions also found their way to other channels, such as religious charities that funded networks of Madrasa's steeped in the conservative anti-Western Wahhabi strain of Islam that laid the ground work for the creation of al-Qaeda. (The 9/11 Commission Report, July 2004)

The 9/11 Commission insisted in its 2004 report, however, that it "found no evidence that the Saudi government as an institution or senior Saudi officials individually funded" al-Qaeda. Whatever its role, what is clear is that Saudi Arabia's support for violent extremist groups is well documented. Such support continues to this very day. In Syria, the Saudi monarchy has backed al-Nusra al-Qaeda's Syrian affiliate. The U.S. government has bombed al-Nusra, but its ally Saudi Arabia is funding it. Yet despite its brutality and support for extremism, the U.S. considers the Saudi monarchy a "close ally." The State Department calls Saudi Arabia "a strong partner in regional security and counterterrorism efforts, providing military, diplomatic, and financial cooperation." It stated in September 2015 it "welcomed" the appointment of Saudi Arabia to the head of a U.N. human rights panel. "We are close allies," the State Department remarked. (International Relations, May 21, 2002)

As previously mentioned, Saudi Arabia practices a very fundamentalist version of Islam called Wahhabism. Fundamentalism is defined as a worldview in which the "believes" conducts his life according to the fundamental requirements of his faith, searches for answer to all type of questions in the scriptures, and suppose the idea that all power should be used to secure religious objectives. Considered by many in the West, especially those in the media, to be an extremely intolerant ideology, it spews hate towards non-Muslims and views them as infidels. This hate is communicated throughout the country in a number of ways, most notably through the school system. (Michael Lopez-Calderon, 15 May 2002)

Wahhabism, and its extreme views of intolerance are drilled into the minds of Saudis day in and day out because there is no separation of church and state. The youth of Saudi Arabia and their views toward the international community are shaped by these teachings; teachings that spout hate towards those who are different. This hate manifests itself in a culture that loathes Jews, Americans, and Westerners in general. With such animosity present in the country, it becomes a

magnet 43 for terrorist organizations such as Al Qaeda to recruit its members. (Davis and Bereuter, 15 October 2002)

Human Rights Violation

Despite close cooperation on security issues, the US remains concerned about human rights conditions in Saudi Arabia. About Human Rights condition, Saudi Arabia has one of the worst human rights records in the world as the country routinely imprisons and executes thousands of people labeled as “enemies of the kingdom”. The recent crackdown in the kingdom is targeting civil and political organizations and human rights organizations. Saudi Arabia’s next abuse side is persecution of minorities, non- Muslims and Shiites. Saudi’s recent law introduced allows authorities to persecute people who are non- believers, who are treated as enemies of the states. (Prados, 2013)

Most horrific and concerns thing is Saudi women rights violation. The issue of status of women in Islam has always been a controversial one. A large number of these women live in highly restricted social and political boundaries. The social restrictions and taboos imposed on them by the male dominated societies have often been debatable issues in modern times. But the irony is that the restrictions and taboos imposed on women have been sanctified by the Holy Quran. The countries and people who follow the faith strictly, are therefore, not ready for any kind of reform in the laws regarding the role, rights and status of women in their societies (John Esposito, 1998).

Throughout much of Arabia, women had often been treated as chattel, as property with no rights in a totally male-dominated society. The tribal societies of pre-Islamic Arabia were, in every sense of the term, patriarchal societies, in which women's only identity and rights came from their status as wives, mothers, or daughters. The Quran outlawed female infanticide, emphasized women's right to contract marriage, granted her inheritance rights and control over her dower and property, and sought to protect the right of widows and orphans. Though polygamy continued to be permitted, the number of wives was restricted to a maximum of four and guidelines were provided for the just and equal treatment of co-wives. (Ibid)

The Gulf War of 1991 acted as a catalyst to the dissenting voices to be aired openly, though the kingdom does not allow freedom of speech, freedom of assembly etc. The opposition voices that came up against the government were brutally suppressed by the authorities. The opposition leaders and their followers were arrested, jailed and tortured. Some also went into exile fearing life and to run their opposition activities from outside the country. (Weisman, Sept. 28, 2005)

human rights violations of the Shia minorities in the kingdom who, from the very beginning, have been neglected by the state, because of the theological differences accruing between the dominant Wahhabi ideology and the Shia Islam. The Shias have been discriminated by the state in many respects. Their basic rights have been violated and they have, since long, been demanding to be assimilated into the mainstream Saudi society.

Kidnapping US Girls and Children

It would seem unthinkable that dozens of American citizens could be held against their will in a country with which US has long had cordial relations. It's not only children to Saudi fathers who are kidnapped and held hostage in Saudi Arabia. There have been many accusations over the year where Arab prince's in their private jets and diplomatic status have kidnapped children, young girls and models during visits to the U.S. and Europe who have never been heard of again. As noted in prior issues, US girls and boys are considered high end product and are special ordered by the Saud family. These pictured are but a few of the many kidnapped US children. (Daniel, 2003)

In 2002, the House Government Reform Committee conducted a series of hearings to expose the plight of American women and children trapped in Saudi Arabia due to a combination of the Saudi government's interpretation of Islamic law (sharia) and the U.S. government's indifference. The staff of the Committee created this video to give voice to the victims. It contains highlights of hearings and news clips about the Committee's investigation into international child abduction, kidnapping, oppression of women in Muslim countries, State Department policies, and the rights of American citizens living abroad to seek shelter in U.S.

Embassies. (Wall Street Journal, June-July, 2002)

Yemen Crisis

In Yemen the main fight is between forces loyal to the beleaguered President, Abdrabbuh Mansour Hadi, and those allied to Zaidi Shia rebels known as Houthis, who forced Mr Hadi to flee the capital Sanaa in February. The Houthis are minority Shia from the north, and their declaration has not been recognized by Sunni tribesmen and southern leaders, threatening Yemen with a further descent into chaos. Yemen's security forces have split loyalties, with some units backing Mr Hadi, and others the Houthis and Mr Hadi's predecessor Ali Abdullah Saleh, who has remained politically influential. Mr Hadi is also supported in the predominantly Sunni south of the country by militia known as Popular Resistance Committees and local tribesmen. Both President Hadi and the Houthis are opposed by al-Qaeda in the Arabian Peninsula (AQAP), which has staged numerous deadly attacks from its strongholds in the south and south-east. (International Business Times Oct 2015)

The picture is further complicated by the emergence in late 2014 of a Yemen affiliate of the jihadist group Islamic State, which seeks to eclipse AQAP and claims it carried out a series of suicide bombings in Sanaa in March 2015. After rebel forces closed in on the president's southern stronghold of Aden in late March, a coalition led by Saudi Arabia responded to a request by Mr. Hadi to intervene and launched air strikes on Houthi targets. The coalition comprises five Gulf Arab states and Jordan, Egypt, Morocco and Sudan. (International Business Times Oct 2015)

In Yemen, Saudi Arabia campaigned against the Houthi rebels which has become the signature initiative for Riyadh's new and emboldens foreign policy. The U.S. support for the Saudi effort primarily was alliance maintenance, which was a necessity for the backdrop of the U.S.- Iran nuclear negotiations, but behind the scenes, Washington has concerns for the Saudi war efforts. The bombing is killing civilian in large numbers in Yemen and humanitarian disaster too. This is a bad effort and experience for Yemenis as well as for the U.S.; because the terrorist is growing heavily in conflict zones and Yemen's jihadist- especially Al- Qaeda and IS are gaining

territory and influence, since they face no pressure. Local al-Qaeda affiliates and Isis have also exploited the chaos to make inroads into the country's territory. (Brian Ross, September 2007)

Western intelligence agencies consider AQAP the most dangerous branch of al-Qaeda because of its technical expertise and global reach. The US has been carrying out operations, including drone strikes, against AQAP in Yemen with President Hadi's co-operation, but the Houthis' advance has meant the US campaign has been scaled back. (Ibid)

Allies of the exiled Yemeni government intensified their ground operations this week, as Yemen Post announced that 6,000 civilians have been killed in seven months of war. This number has not been independently confirmed, but a recent report from the World Health Organizations says that 5,564 people have been killed, more than half of whom are civilians, and roughly 26,568 have been injured since Saudi Arabia began its operation in Yemen – exceeding the civilian death toll for the same period in Syria. (International Business Times Oct 2015).

Syrian Crisis

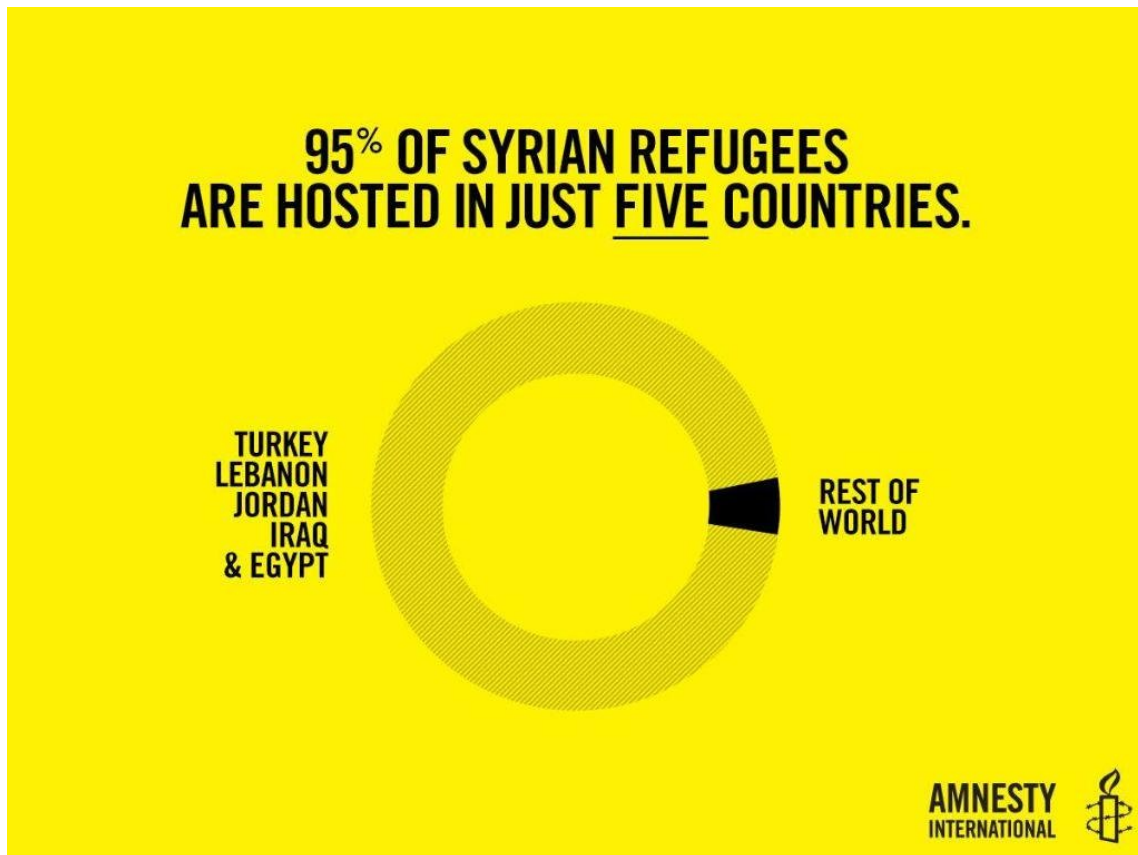
Syria's civil war is the worst humanitarian crisis of today's modern civil society. Half the country's pre-war population more than 11 million people have been killed or forced to flee their homes. At starting point of this conflict, the anti-government demonstrations began in March of 2011, part of the Arab Spring. The U.N. estimates that 6.6 million people are internally displaced. When you also consider refugees, more than half of the country's pre-war population of 23 million is in need of urgent humanitarian assistance, whether they still remain in the country or have escaped across the borders. (Middle East Journal, November 25, 2015)

An increasing number of Syrian refugees are fleeing across the border into Turkey, overwhelming urban host communities and creating new cultural tensions. Mercy Corps is working in these areas as well to help families meet their basic needs and find work. Hundreds of thousands of refugees are also attempting the dangerous trip across the Mediterranean Sea from Turkey to Greece, hoping to find a better future in Europe. Not all of them make it across

alive. Those who do make it to Greece still face steep challenges resources are strained by the influx and services are minimal. (Ibid)

The 2015 refugee crisis revealed indifference of Saudi Arabia and its wealthy neighboring states. They were criticized for keeping their doors shut to refugees while European countries have agreed to take in thousands of asylum seekers. The Saudi Arabia and other Gulf states have come under increased criticism for not providing help for people fleeing Syria an accusation these countries reject. The Saudi Arabia along with Qatar, UAE, and Kuwait have offered zero resettlement places to Syrian refugees.

As EU countries try to find the best way to deal with an influx of refugees that is unprecedented in recent years, the Gulf states have come under growing criticism for not providing more help for people fleeing Syria– an accusation these countries reject. Receiving refugee status in European states gives migrants the right to stay in the country indefinitely, guarantees access to social support, accommodation, schooling for children, language courses, and help with training for the job market. (Blanchard, 2015)



Source: Amnesty International.

Critics argue that oil-rich Gulf states rely heavily on cheap labor provided by foreign migrants, many of whom work semi-legally, in difficult conditions, are paid little and have few rights. Opening up a window of opportunity for them to extend these rights would upset an existing balance that is comfortable for the prosperous strata. The NGO 'Refugees International' says that many Syrians are living in the Gulf states as "de facto" refugees and some have fled their motherland recently; some arrived before the conflict and were unable to return. (ibid)

Islamic State of Iraq and Syria

Whether elements within Saudi Arabia support ISIS is contested. Even if Saudi Arabia does not directly support or fund ISIS, however, Saudi Arabia gives legitimacy to the extremist ideology ISIS preaches. What is not contested, on the other hand, is that Saudi elites in the business community and even segments of the royal family support extremist groups like al-Qaida. U.S. government cables leaked by WikiLeaks admit "donors in Saudi Arabia constitute the most significant source of funding to Sunni terrorist groups worldwide." "It has been an ongoing challenge to persuade Saudi officials to treat terrorist financing emanating from Saudi Arabia as a strategic priority," wrote former Secretary of State Hillary Clinton in a leaked 2009 cable. (US Dept. of State, 2009)

Supporters of the Saudi monarchy resist comparisons to ISIS. The regime itself threatened to sue social media users who compared it to ISIS. Apologists point out that ISIS and Saudi Arabia are enemies. This is indeed true. But this is not necessarily because they are ideologically different (they are similar) but rather because they threaten each other's power. (International Business Times Oct 2015)

According to the State Department, "Recent turmoil in Syria and Iraq and sophisticated usage of social media have facilitated charities outside of Saudi Arabia with ties to extremists to solicit donations from Saudi donors." (Saudi Ministry of Interior, Saudi Press Agency, March 7, 2014). In January 2014, the kingdom issued a decree setting prison sentences for Saudis found to have travelled abroad to fight with extremist groups, including tougher sentences for any

members of the military found to have done so. The decree was followed by the release in March 2014 of new counterterrorism regulations under the auspices of the Ministry of Interior outlawing support for terrorist organizations including Al Qaeda and the Islamic State as well as organizations such as the Muslim Brotherhood. (OSE Report, August 19, 2014.) The regulations have drawn scrutiny and criticism from human rights advocates concerned about further restrictions of civil liberties.

Iran-US Nuclear Deal

The U.S. and other world powers are expected to begin rolling back sanctions on Iran as part of the nuclear agreement. In exchange for Iran scaling back its nuclear program, the U.S. and its negotiating powers will allow Tehran to access some \$100 billion in frozen oil revenues.

On the issue of 2015 “U.S.- Iran Nuclear Deal”, Saudi Arabia has expressed satisfaction at President Obama's reassurances that it could help bring stability and security to the region. This is a change in Saudi Arabia's earlier concerns about the Iran deal, which the Sunni government has previously said could economically empower Shiite-run Iran to fund more military activities in the Middle East. (Edwards, Nov 04, 2015) Speaking after the meeting between Obama and Salman, Saudi Foreign Minister Adel al-Jubeir said Obama had assured the Saudi king that the agreement prevents Iran from acquiring a nuclear weapon, includes inspections of military and suspected sites, and has a provision for the snapback of sanctions if Iran violates the agreement.(Ibid)

The Joint Comprehensive Plan of Action (JCPOA) does not announce Iran's arrival as a regional hegemon, something few among Tehran's decision-making elite believe Iran has either the ideological or military capacity to achieve. Iranian leaders also know that there is little appetite for such an aggressive posture among a population weary of war with neighbors and hostile relations with world powers. Yet the agreement's Iranian proponents argue that despite limitations placed on the country's nuclear program, the deal enhances Iran's security and consolidates its regional clout. (US Dept. of State, November 20, 2015)

The breakdown in relations between Saudi Arabia and Iran complicates life for the United States, which has staked its hope for peace in the Middle East on these two rival powers playing nice. While the U.S. tries to push both countries into helping end the war in Syria, the Obama administration is also banking on Iran fulfilling its obligations of a recently signed nuclear deal, and for Saudi Arabia to exercise restraint in the face of an agreement it sees as threatening. (Ibid)

Arab- Israel Conflict

The relationship between the US and Saudi endured despite strains caused by differences over Israel. The Arab- Israeli conflict was an extremely significant concern for Saudi Arabia. In several instances US Congressional leaders opposed American weapons sales on the grounds that the Kingdom might use them against Israel. Despite assurances from Saudi officials that the weapons were only necessary for their country's defense, Congress reduced or canceled many proposed arms sales. (Robinson 2000)

Saudi Arabia's Minister of the Interior, Prince Nayef bin Abdul-Aziz expressed satisfaction at a statement made in October by President Bush, concerning his support for the creation of a Palestinian state, which many saw as an effort to increase the base of the U.S.-led coalition to include Arab states, such as Saudi Arabia. Bin Abdul-Aziz said that protests against the United States and the United Kingdom taking place in the region have to do with U.S. Support of Israel, a state that, according to Bin Abdul-Aziz, "is killing the sons of the Palestinian people and making them homeless." (Ibid)

The conflict between Arab -Palestine disrupted the Arab world and West Asia and ended a relatively easy period in America's post-Cold War experiment in balancing relations between Israel and Arab allies. The Arabian and other Middle East news media, internet made the Kingdom's youth population aware and angry at Israel military actions against the Palestinians. The youth Saudis were also engaged at the US, which was widely perceived as backing Israel. They also began to vigorously oppose the Saudi royal families ties with the US. (Prados and Blanchard, 2007)

Saudi Arabia was extremely critical of Israel during the Palestinian uprising in the occupied

West Bank and Gaza. Saudi Arabia did not establish any trade and other engagement, communication with Israel like other Gulf countries, until 2006. The kingdom provided financial support to the Palestine Liberation Organization. The Kingdom was joined with neighboring Gulf States in terminating enforcement of the so called secondary and indirect boycotts of Israel while retaining the direct boycott and adopting a more pro-active approach to peacemaking. (Ibid)

Saudi Arabia played a crucial role in the signing of the Oslo Accords between Israel and Palestine Liberation Organization in 1993. In the post 9/11 era, King Abdullah launched the Abdullah Peace Plan in 2002 and played an influential role in bringing both the warring factions, Fatah and Hamas, to sign the Mecca Agreement in 2007.

Anti- Americanism in Saudi Arabia

After 9/11, the utility of Saudi religious backdrop changed dramatically and the US grew increasingly worried of how Saudi Arabia used its religious policy in the region. Saudi Arabia's objectives of Wahhabi Islam, and its reputation for intense proselytizing, had landed it in the global attention. Saudi Arabia's religiosity, which the White House once considered an asset, had by now become a political liability. (Cornell and Spector, 2002)

Today's fundamentalist Islamic values "Wahhabism" originated from the teaching of Muhammad ibn Abdul Wahhabi in the mid-18th century. Wahhabism is an idea of the militant jihad, which had declined as a central Islamic value to be applied universally. It is become related with a dangerous history of territorial and religious expansion that led to massacre of millions who did not accept its values. Saudi Wahhabi religious leaders wisely used religious terminology to mobilize a mercenary movement to overcome the extreme itinerant opposition to their aggression. Today Al- Qaeda does, they recruited the desperate and poor to die for them in the name of Allah(God). (Huntington 2001)

After the 9/11 attacks, surprisingly, anti- American sentiments grew further in the Arab world. The growth of radical fundamentalist groups in the region like Fatah in Lebanon, Hezbollah in

Lebanon, Hamas in Palestine, Popular Struggle Front in Syria, and Wahhabi movement in Saudi Arabia targeting the US had a huge influence on the growing anti- Americanism sentiments in the region. (Youm 2001)

Several past and present American officials indicated that the increasing anti- Americanism sentiments in the Saudi Arabian Society presented a big problem for the US. As Benjamin A. Gilman Stated, -

“The US today is facing an ideological enemy that may turn out to be harder to defeat Al-Qaeda or the Taliban. It creates a culture of hatred directed at the US and its allies.” (Rushdie, 2002)

Anti- Americanism, along with fundamentalism, are currently the two significant difficult challenge for both countries, Anti- Americanism feelings in the region, especially in Saudi Arabia, have increased after 9/11. There may causes responsible for the rise of Anti- American sentiments. First, on the war on terrorism, killing innocent civilians angered Saudi citizens in the Kingdom. Next, American policies in the Middle East in favor of Israel in its conflict with Palestine also escalated tensions. (Jones and Smith 2001)

The restriction of fundamental rights like the freedom of speech and peaceful assembly, the absence of a free press, the lack of entertainment in any form and the fear of horrendous punishment, if any of the above were violated, prevented a public exchange of ideas. All of this led to increasing resentment among citizens within the Kingdom. The religious ulemas within the society took advantage of these opportunities to deliver sermons lambasting the US for its imperialist policies.

Growing Saudi- China Cooperation

Republic of China is today the world’s second largest economy and also second oil importer. China’s booming economy is leading to large increases in the demand for oil and China’s need for oil is growing faster than any other country in the world. Clearly, China is drawn to the Middle East because of its thirst for oil. The country now is the second largest oil consumer after the United States. China’s growing appetite for oil is the product of the country’s

30-year-long economic boom, which has seen expanding external trade, rising incomes, a growing population, and increasing urbanization.

The Kingdom of Saudi Arabia (KSA), which has established itself as the world's top oil exporter. Due to Saudi Arabia's dominance of the world oil market, China is increasingly focusing its attention on the Kingdom as a reliable energy partner; while Saudi Arabia sees China as an enormous potential market and strategic partner. (IMF, April 2012)

On the other hand, Saudi Arabia is adopting a "Look East" policy and sees China as one of the most important strategic markets for its oil exports. Since 9/11 terrorist attacks Saudi Arabia has been seeking to rebalance its relations with the world major powers. As a result, the Saudis have been pursuing a "hedging strategy" towards the United States, by developing a more robust relationship with Asian powers, China in particular. Furthermore, the overwhelming uprisings that swept the Arab countries in 2011 and resulted in overthrowing some Arab leaders could have very serious implications for Saudi foreign affairs in the long term. These political developments were coupled with change in the geopolitical landscape of the world's energy demand/supply which is shifting Saudi Arabia's focus towards Asia. (Statistical Review of World Energy 2012)

The mutual trust continues between the two countries through many channels. When China was struck by a severe earthquake in May 2008, Saudi Arabia donated \$60 million to the stricken areas, becoming the largest donor to the Chinese government. This certainly played a positive role in bilateral relations. For example, on the evening of June, 2008, Chinese President Jintao Hu held a telephone conversation with Saudi Arabian King Abdullah bin Abdul-Aziz. Hu said that King Abdullah offered sympathy and condolences to the Chinese government and people and swiftly provided aid to the quake-stricken area at this crucial moment when a strong earthquake shocked China's southwestern province of Sichuan. The move embodied the profound friendship of the king, the Saudi Arabian government and its people towards the Chinese people. (China's Ministry of Foreign Affairs, 6 June 2008)

According to the Chinese ex-ambassador to Saudi Arabia, Song Wei, there are two key words as far as ties between China and Saudi Arabia is concerned, they are "energy cooperation". He added, "Energy cooperation has gone far beyond a buy-and-sell relation...when I was an

ambassador to Saudi Arabia, Saudi Arabia suggested that we build a strategic cooperation, which means Saudi Arabia needs a stable market, and China needs a stable supply”. (Song Wei, February 12, 2009)

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The terrorist attacks of 9/11 put a real strain on this relationship and complicated the Saudi calculations. 9/11 caused both Riyadh and Washington to re-evaluate their “special relationship”. It was no longer realistic to imagine that Saudi religious influence could be used to promote US security and political interests within the region. (Tim Niblock, 2006) It is in this context that Riyadh has begun courting an Asian alternative. As a result, the Saudis have been pursuing a “hedging strategy” towards the United States, by developing a more robust relationship with China. A Saudi analyst summarized the Kingdom’s position when he told the Financial Times that political relationships is now a factor in the Kingdom’s calculations after the 9/11 attacks as these acts of terror had strained relations with traditional allies in the West. (Flynt Leverett and Jeffrey Bader, 2005)

Despite this rapid growing trade between the two countries, if we exclude the importance of Saudi oil exports, the total volume of trade between Saudi Arabia and China constitute less than 1.5 percent of China’s total foreign trade. On the other hand, we find that the Saudi trade with China accounted for around 14 percent of Saudi Arabia’s total foreign trade. (Ibid) This trend indicates that Saudi Arabia could be the one who is courting the Chinese market, not the other way round. It is also important to point out that when analyzing the composition of trade between China and Saudi Arabia, the large share of its trade is in small consumer goods. The Chinese exports do not contain sophisticated technology; their composition is similar to China’s

exports to most countries in the region. Its largely low-price products, including textiles, garments and toys, which have a ready market among migrant workers and the low and middle income workers in Saudi Arabia, where they do not compete with local products as they do in Africa and some other Arab countries. (Geoffrey F. Gresh, 2010)

The United States and Saudi Arabia have 70 years long period economic and defense ties. The two countries are strategic partners with a record of close cooperation especially the stable supply and price of oil on the world market. The United States and Saudi Arabia have similar, yet different national interests. US and Saudi Arabia have different national interests and it is primarily responsible for their disagreement and conflicting relationship. For example, US interests and foreign policy promotes democratic values, but Saudi national interests and foreign policy promoting dictatorship and anti-western Wahhabi thoughts, which is responsible for conflicts rather than cooperation. After the World Trade Center attacks, its divided clearly and simultaneously Saudi allegation of terror financing, differences over Iraq and Syria crisis, growing Saudi- China cooperation, Yemen crisis also responsible for their conflicting relations.

September 11 incident as initiative, describing change in American foreign policy action and the global war on terror has initiated by the U.S. policy makers. Many Saudi Arabians and Middle East Muslims increasingly believes that, under the banner of the war on terror, the US divided Iraq in the Middle East for its own interests. As a result, more hatred against the United States has been increased in the Muslims countries. According to U.S. government internal sources, financial support for terrorism from Saudi individuals remains a threat to the international society and for the kingdom also, even though the Saudi government s so called initiatives against terrorism. Saudi Arabia has one of the major human rights violation records in the world as the country routinely imprisons and executes thousands of people labeled as “enemies of the kingdom”. Saudi Arabia’s worst abuse side is persecution of minorities, non-Muslims and Shiites. Saudi’s recent law introduced allows authorities to persecute people who are non-believers, who are treated as enemies of the states.

Chapter 5

Conclusion

This research work is based on the hypothesis that how the 9/11 incident affected in the bilateral relations between the United States and Saudi Arabia and how this relationship has sustained. It has been survived the terrorism induced strains of the 9/11, post-Cold War era relatively intact, and has continued as new arms sales to Saudi Arabia, the largest in the US history are implemented. Transition to a new generation of leadership in the Al Saud family, evolution in the Saudi economy, and instability in the regional security environment may continue to create challenges and opportunities for the US-Saudi relationship. Maintain regional stability and strong influence on Saudi Arabia had American strategic interests and policy. It goes to analyze the significant factors after the 9/11, here it is clear that they are interdependent and it is necessary to maintain regional peace and security as well as world peace and security. The US and Saudi Arabia are seven decades long close economic and defense ally. A series of informal agreements by successive US Administrations, and military deployments have demonstrated a strong US security commitment to Saudi Arabia.

During the Cold War, for Saudi Arabia, America provided assurance of security and a shared stood against Communist ideology, that was seriously threatened Saudi borders directly and indirectly through proxies from Yemen and Egypt, and throughout the division of their population. Both partners enjoy special importance in much of the international community because of its unique association with Islam and its oil wealth. Saudi Arabia plays a major role, maintain its influence as a key territorial power, in projecting itself as an Islamic leader whose focus is to foster solidarity among regional Muslim countries. It does this by playing a key role in mediating local conflict in the region, most importantly, the Israeli-Palestinian conflict. Saudi Arabia seeks a peaceful solution to the Israeli-Arab conflicts and worked with other Islamic countries as a member of the Arab League to solve this explosive issue.

Economic and Strategic Interdependence

Oil and regional security concerns are two factors that bind the United States and Saudi Arabia together. The Saudi economy is based on oil exports which accounts for 40 percent of the country's gross domestic product (GDP) and 85 to 90 percent of export earnings. In broad term, the United States is Saudi Arabia's biggest trading partner. This trade relationship and the continued flow of oil from Saudi Arabia is a key concern of the United States. Any significant disruption of oil from the region would have a major negative impact upon the economies of the United States and Saudi Arabia, the effects of which were felt during the oil embargo of the early 70's and the security of which has been paramount ever since.

The United States of America and Kingdom of Saudi Arabia(KSA) enjoy a long period economic relations. Oil continues to remain an important factor for both countries post 9/11 era. The War in Afghanistan and Iraq has made the US and the world at large realize the importance of Saudi oil. Saudi Arabia has made considerable efforts and kept OPEC in check to stabilize the price of oil globally. Since 11 September 2001, this relationship has stimulated the national conscience causing Americans to reevaluate its ties to Saudi Arabia. This reevaluation has manifested itself in anger and a view that Saudi Arabia is an enemy that threatens the national security interests of the United States.

The growing of Saudi Population and worldwide cuts in oil prices due to supply of more Gulf countries oil reduced Saudi Arabia's per capita earnings from exports. Although Saudi Arabia had high oil earning in 2003, it faced nearly two decades of major budget and trade deficits and government debt was nearly 100 percent of its GNP in a few years. These pressures are so severe that Saudi Arabia is not considered oil wealthy in the sense that it can, no longer, provide social services, expand it infrastructure and diversify its economy without major economic reforms and investments are critical to Saudi internal stability and this requires support from the US.

The Kingdom of Saudi Arabia condemned the atrocious terror attacks of 9/11, and sympathized with the US. However, in the first step Saudi Arabia refused to allow the US to use its airfields for the strike on Afghanistan. It vacillated over the decision to allow the American military to the use of bases on its soil for several weeks. It was only after considerable pressure from the

US citizens, public opinions to boycott Saudi Arabia, then the Kingdom announced wholehearted support to stand against the perpetrators of the attacks

The US launched war on Iraq in 2003, began with offensive operations combined with simultaneous air and ground offensive to topple Saddam Hussein. Significantly, this option required the continued cooperation of regional nations like Turkey and Saudi Arabia for substantially hosting areas and air bases and required months to deploy the necessary forces. The Kingdom was an important ally in the American plans for Iraq. Although, the US could launch an attack on Iraq without using bases inside the Kingdom, the air campaign would have been very difficult without use of the Saudi air fields.

Observed after above mentioned subjects, it is cleared that in the post 9/11 era, US and Saudi Arabia cooperating each other, because they are interdependent. In short, economic and strategic interdependence ensures US and Saudi Arabia bilateral relations from conflict to cooperation.

Bilateral Cooperation between US and Saudi Arabia is Promoting Peace and Security in the region

The imbalance in military strength in the West Asian region and concern for regional stability on the Arabian Peninsula has forged a military partnership between the United States and Saudi Arabia based upon common security. Although oil and security may bind the two countries together, there are national interests that pull the two nations apart. Their main areas of security concern include the Israeli-Palestinian conflict, trade, air and sea lines of communication in the region, and Arabian Regional Security. Although these are key issues that affect the national interests of both countries, the primary strategic ties that forces the US and Saudi Arabia to engage each other is the issue of oil for security.

During the Gulf War, Saudi Arabia was the key coalition partner that not only fought against Saddam Hussein but hosted all coalition forces. Today Saudi Arabia is host to the US military personnel enforcing the no-fly zone over Iraq or helping improve the fighting capability of the

Saudi Arabian military. Additionally, thousands of American expatriates work in the Kingdom helping pull the country into the 21st century.

Saudi Arabia played a key role in supporting the Madrid and Oslo peace processes, both designed to find an amicable solution to the Israeli-Palestinian conflict. This proposal is so significant that it has essentially changed the way Muslim countries view Israel and the conflict in general. Saudi Arabia contributed substantial financial support in the fight against communism, not only in the Middle East but around the world.

Although the Israeli-Palestinian conflict is a lightning rod issue that causes friction between the United States and Saudi Arabia, the Kingdom has not used oil as a weapon for over two decades. In fact, Saudi Arabia has made considerable efforts and kept OPEC in check to stabilize the price of oil globally. Since 11 September 2001, this relationship has stimulated the national conscience causing Americans to reevaluate its ties to Saudi Arabia. This reevaluation has manifested itself in anger and a view that Saudi Arabia is an enemy that threatens the national security interests of the United States. (Ibid)

The success of efforts to halt the fighting a cessation of hostilities, the United states and Saudi Arabia should take the lead in ensuring that this does lead to the full defeat of ISIS as an organized government and military force in both Syria and Iraq. The situation in Iraq is equally unstable, and the lack of U.S. and Saudi cooperation has been equally unproductive. It is also clear that there is no solution to stability in either Iraq or Syria if one state is a major source of instability on the others border.

As is the case with Syria, Iraq is a warning that there is a need for proactive Arab political efforts to reduce Arab and Kurdish tensions and the growing sectarian tensions within Islam. The United States can play an important role in such efforts, but Saudi Arabia and other Muslim states must take the lead in making it clear that there is Arab unity in reducing sectarian tensions. The United States needs to be far more sensitive to the fact that Yemen is a vital Saudi security interest. This is an area where the United States needs to both aid Saudi Arabia, and its partners like the UAE, in military terms, and help them limit collateral damage and civilian casualties

Handling to above all situations in the West Asian region, requires strong cooperation between US and Saudi Arabia with regional countries. American military to military contact enables Saudi soldiers to possess the tactical skills required to be interoperable with United States forces and provides them the technical skills necessary to maintain FMS equipment.

The success of American military to military contact with Saudi Arabia epitomizes and reinforces the premise that the two countries are strong strategic partners. In spite of numerous problems and differences, many destabilizing to both countries, the relationship continues because of common national interests. After above discussion, it is clear that bilateral and multilateral cooperation between US and Saudi Arabia is necessary condition for sustainable peace and security in the West Asia or Middle East region.

Suggestion points for Strong US-Saudi Relationship

The United States and Saudi Arabia have a unique kind of partnership when compared to other countries in the world. There are strategic, political, economic, military and informational elements of power that both countries use to further their domestic and international agendas. After the September 11 incident, their relationship turned cooperation to conflict mode and its need to improvement for combating challenges. For the both partners to improve this strategic partnership requires the government to Take initiatives. To be specific, there are few areas and suggestions where both nations can improve their level of cooperation and understanding for betterment of their relationship.

For Kingdom of Saudi Arabia(KSA)

Stop Financing to Religious Fundamentalist

In the aftermath of 9/11, numerous allegation has been leveled against Saudi Arabia and their citizens regarding funding for international fundamentalism, and it is a potential reason for conflict. Both for the US and Saudi Arabia, need to develop a better relationship, it is important

to step back and find out some solutions. Saudi Arabia should continue to work on economic reform and accountability to stop the flow of money to fundamentalist groups. For effectiveness of these objectives, they should work with the Saudi Ministry of Finance and National Economy to develop better internal procedures to track and take action on suspected charities and potential money laundering operations.

If Saudi Arabia wants effective action, then they can focus on visits by the media to the other country, online detailed briefings, and the effective use of educational and social networks, meetings with experts and academics are just a few areas that could be quickly and normally worked to moderate. The similar options including provide reports on ministry to ministry level advisory, the importance of major arms trafficking checking, and cooperation in counterterrorism will encourage to stop passing money to the terrorist.

Promote Moderate Religious Thought and Understanding

Anti-Americanism along with terrorism, are currently the two significant difficult challenges for the both countries. Both countries realize the need to restructure their relationship, for that, it is advisable to encourage Saudi Arabia to reevaluate its school curriculums to ensure hate and intolerance toward non-Muslims is not taught. The US also encourage Saudi Arabia to pressure the imams to practice a more tolerant form of Islam not rooted in Wahhabism.

If they develop a comprehensive public affairs campaign plan that educates Americans as well as Saudis on the positive contributions of their religion have made to the world with emphasis on enlightening the citizenry that the true form of Islam is a tolerant and compassionate religion, not one of hate and violence. The Saudi Arabia could develop to be more positive when reporting on events involving the United States. Emphasize the importance and advantages of being fair and objective.

For their better partnership they can develop a comprehensive public affairs campaign plan that educates the Muslim world on what America stands for and the efforts she is making in the Middle East. The Kingdom can establish more TV and radio stations in the region to compete

with state controlled media outlets as well as Al Jazeera, the controversial Muslim TV station in Qatar.

Fully cooperate with War on Terror

It is US responsibility to encourage Saudi Arabia to play a larger role in the war on terrorism by being more vocal in speaking out against terrorism and emphasizing the point that regardless of faith, is against Islam, but when Saudi Arabia speaks, the Muslim world listens. They should explain the joint fight against Islamic extremism and terrorism and mutual cooperation with the level of U.S. and Saudi alignment in fighting extremism and terrorism needs equal priority to curb terrorism.

Nevertheless, more needs to be done both to explain this aspect of the U.S.-Saudi partnership and to reinforce the joint effort. Both countries need to work closely together to make it clear that Saudi Arabia and other Arab states are now leading the fighting against extremism and terrorism in the Middle East, while the United States and its European allies are leading the fight in the West. It is vital that the public on both sides see this cooperation, and understanding that this is not some clash between civilizations, but part of a common struggle based on a common rejection of violence and extremism.

The partnership can develop more effective to making the U.S.-Saudi strategic relationship flexible and developing public oriented understanding level projects. They should need make the level of U.S. and Saudi cooperation more transparent, and make a broad public cooperation in both countries to communicate the public specifics of cooperation in security, counterterrorism, encourage education, regional peace and stability, trade and energy security could do a great deal to improve the level of public understanding in both countries.

For Both USA and KSA

Find out Political Solutions of West Asia and Middle East Crisis

Make key regional countries responsible for fighting the war in their region with theater efforts being synchronized and coordinated by the United States. The situation in Syria is evolving so quickly that it is difficult to assess how the United States and Saudi Arabia should improve their cooperation in the future. If there is any lesson from the past, however, it is that a lack of cooperation, pursuing unilateral options, focusing on different objectives ignoring the possible role of other outside players like Russia and Turkey, and failing to coordinate with other European and Arab states has scarcely helped.

The most effective efforts to halt the fighting spilt of hostilities, the United states and Saudi Arabia should take the lead in ensuring that this does lead to the full defeat of ISIS as an organized government and military force in both Syria and Iraq, that Syria's Arab rebels and the opposition to the Assad dictatorship remains viable and can grow in influence.

It should be clear that such an effort will not be an attempt to dominate Syria, but rather to create a new balance of power that serves the interests of all Syrians, and includes Alawites, much of the existing structure of governance, and Kurds as well as moderate Sunni rebel factions. The situation in Iraq is equally unstable, and the lack of U.S. and Saudi cooperation has been equally unproductive. The subject like Syria, Iraq is a warning that there is a need for proactive Arab political efforts to reduce Arab and Kurdish tensions and the growing sectarian tensions within Islam. The United States can play an important role in such efforts, but Saudi Arabia and other Muslim states must take the lead in making it clear that there is Arab unity in reducing sectarian tensions.

On the crisis period in the West Asian region, U.S. and Saudi cooperation and cooperation from a broader range of outside powers, cannot impose solutions from outside. If there is an iron law that has emerged out of the post-colonial era, it is that outside power can only help nations that are actively willing to help themselves. At the same time, outside efforts remain critical, more

Saudi engagement is needed in Iraq and that United States needs to work more closely and listen more carefully to its key Arab partner.

The United States needs to be far more sensitive to the fact that Yemen is a vital Saudi security interest. This is an area where the United States needs to both aid Saudi Arabia, and its partners like the UAE, in military terms, and help them limit collateral damage and civilian casualties. Regarding condition like Syria, there is no solution without some form of major nation-building activity. War has strengthened internal religious tensions, given new opportunities to extremist groups like ISIS and AQAP, and further impoverished the population of one of the poorest countries in the world and one lacking adequate water, dependent on a drug economy, and facing acute problems from population pressure. As noted earlier, it also is not enough to counter the extremist message in the Arab and Islamic worlds. Religious dialogue is critical in both defeating extremisms within Islam and in defeating the ability of violent extremist attacks to polarize U.S. and Western public opinion against all of Islam.

Work with Middle East leaders needs to find a solution to the Israeli-Palestinian conflict. Put pressure on Muslim countries to officially recognize Israel as an independent state and its right to exist. Put pressure on Israel to establish talks with the Palestinian Authority and to understand the status quo in the West Bank and Gaza is unacceptable. Finding a solution to the conflict and giving Palestine its own state will significantly reduce the hate directed towards the United States due to its alliance with Israel.

Bilateral Cooperation

The great option its continue to foster closer relations with other Arabian countries with the goal of increasing military presence in the region while simultaneously limiting American dependence on Saudi basing policies. For the kingdom's security, increase the number of American military advisors to Saudi Arabia. As military to military contact compliments the strategic, diplomatic, economic and protecting components of national power and strengthens American commitment and ties to Saudi Arabia. To lessen or eliminate this program will only sever lines of communication, cause misunderstanding, and foster distrust

On December 15, 2015, Saudi Arabia expanded its strategic leadership in the region to create what it stated was a 35-nation Islamic Military Alliance to fight terrorism headquartered in Riyadh. While some reports indicated that several countries that Saudi Arabia claimed were members had not been properly consulted, and others indicate that they would did not assume a military role, these proposals were real enough to gain considerable attention in both the Arab and Islamic worlds.

At the same time, U.S. efforts to strengthen the level of cooperation with the GCC and helping Saudi Arabia create broader elements of a broader Islamic Military Alliance may be a very different story. Saudi leadership in such efforts might greatly enhance the value of the U.S.-Saudi strategic partnership to both countries, reinforce regional deterrence, and create a new network that could help fight both terrorism and the threat posed by armed non-state actors throughout much of the Islamic world. It could also produce major potential savings over time through the creation of common facilities, effective force planning, and economies of scale through better integration of command and control, exercises and training, operating procedures, joint warfare, and intelligence, surveillance, and reconnaissance.

Such alliances are easy to discount and hard to build and sustain. It took nearly a decade to create something approaching effective NATO forces, however, even when the United States was paying for the armament of many countries through Point Four aid. The effort to strengthen both the Saudi inspired Islamic Military Alliance and the GCC should be another key part of improving U.S.-Saudi strategic partnership and cooperation, and the United States should work with Saudi Arabia to help develop as many effective ties between GCC and other friendly Arab and Muslim countries as possible.

Improve Economic Ties

The US-Saudi strategic partnerships are based on having common vital strategic interests. These common interests were clear as long as the United States was a major petroleum importer, but they are now changing from U.S. import dependence to a more complex mix of economic interdependence. On the one hand, they could reduce American dependence on Saudi oil imports by encouraging exploration and the other hand, development of alternative sources

of oil in regions such as Russia and the Caspian Sea. Meanwhile, dedicate greater resources to the research and development of alternative fuels.

These changes have illustrated that U.S. energy independence is uncertain even in terms of direct imports. The higher costs of U.S. petroleum production cannot compete with lower cost exporters at low to moderate world prices at a time when the tensions and risks of conflict in the Gulf region are creating a growing risk of a sudden crisis in the flow of Gulf exports. In short, U.S. energy dependence can no longer focus on the need for security of direct petroleum imports. It must rather focus on the strategic security of Gulf and other global petroleum exports, and their impact on the overall security of the U.S. economy at a time of growing U.S. economic interdependence of global trade with other key petroleum importers.

Greater U.S. domestic production has major economic benefits as long as it is competitive with world oil prices, but it does not reduce the importance of the U.S. strategic partnership with Saudi Arabia and other partners in securing the flow of Gulf oil, gas, and petroleum product exports. Moreover, the sheer importance of this aspect of global energy interdependence makes this a vital strategic interest where the United States would not want to see any other state assume this responsibility.

The United States and Saudi Arabia have similar, yet different national interests. These interest turns two countries to acting differently and caused conflicting relations. After the World Trade Center attacks, its divided clearly and simultaneously Saudi allegation of terror financing, differences over Iraq and Syria crisis, Saudi- China cooperation, Yemen crisis also reasonable for their conflicting relations. The United States and Saudi Arabia have 70 years long period economic and defense ties. In recent global humanitarian crisis era, it is more need to cooperation than the past. For that reason, its necessary to improve better relationship for tackling regional issues and restore the global peace and security.

In conclusion, about post 9/11 era, political thinkers and scholar's views that September 11 incident as initiative, describing change in American foreign policy action. Meanwhile, the global war on terror has initiated clear guidelines for U.S. policy makers. Since the tragedy of 9/11, academics and the media have tried to categorize Saudi Arabia as either a friend or foe when, in actuality, they are nothing more than a strategic partner. This strategic relationship has

existed for over 70 years and is based upon a limited number of national interests that bond the two countries together for the most important being oil for security. Their military to military contact reflects and reinforces this premise. With limited interests in common, each nation understands the importance of maintaining the strategic partnership; failure to do so would have a devastating impact on the economies of both countries, not to mention the world. The United States and Saudi Arabia clearly understand this, although they may never be true friends, the relationship between the two countries cannot afford to be adversarial or confrontational. With Saudi Arabia possessing the majority of the world's known oil reserves and needing protection from regional military powers, the ties that bind the United States and Saudi Arabia are symbiotic in nature. One provides protection while the other ensures the free flow of oil at best a marriage of convenience. In summary, Saudi Arabia is neither a friend nor foe but rather just a strategic partner; a partnership that requires the two countries to interact on the international levels.

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