

**SAUDI ARABIA'S REASONS FOR ADVANCING ECONOMIC
COOPERATION WITH CHINA IN 2015-2024**

THESIS



**UNIVERSITAS
ISLAM
INDONESIA**

Written by:

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DEPARTMENT OF INTERNATIONAL RELATIONS

FACULTY OF PSYCHOLOGY AND SOCIO-CULTURAL SCIENCES

UNIVERSITAS ISLAM INDONESIA

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AUTHORIZATION PAGE

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No other materials are used other than those contained. I have read and understood the university's rules and procedures regarding plagiarism.

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NAJM AL DAIN SADEQ MOHAMMED SAEED BAHLEN

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ABSTRACT

This research aims to identify why Saudi Arabia needed to advance its economic relations with China. Graham Allison's theory of rational actor decision-making was used to support this analysis. According to the author of this study, Saudi Arabia and China have long-standing historical bilateral relations in general. In regards to Saudi Vision 2030, some obstacles may be preventing Saudi Arabia from achieving its goals, most notably Saudi Arabia's economic dependence on oil, problems with the dominant power in the Middle East and its primary partner the United States of America, and the conflict between Saudi Arabia and Iran. These factors prompted Saudi Arabia to make decisions to strengthen relations with one of the great powers, and they chose China as Saudi Arabia views China as a strategic partner and a potentially huge market. This decision can be considered logical given the issues. This research attempts to answer the following question: Why did Saudi Arabia advance its economic cooperation with China from 2015 to 2024? answering this question is essential to understanding Saudi foreign policy.

Keywords: Saudi Arabia, China, Belt and Road Initiative, US, Vision 2030

CHAPTER 1

INTRODUCTION

1.1 Background

The Kingdom of Saudi Arabia is the second largest country in the Arab world and the fifth largest in Asia. It covers an area of 2,149,690 square kilometres (830,000 sq mi) of land and has a long coastline on the Red Sea and the Persian Gulf. With a rich history deeply rooted in Islam, housing the two holiest sites, Mecca and Medina, Saudi Arabia's identity is intrinsically linked to religious significance (Aljohani, 2021). Its economy, historically dependent on oil exports, has undergone significant transformation in recent years. As one of the world's largest oil producers and exporters, with proven reserves exceeding 266 billion barrels, Saudi Arabia has long been a dominant player in the global energy sector (Nurunnabi, 2017). However, the decline in global oil prices has prompted the Saudi Arabia to reassess its economic foundations.

Since March 3, 1938, Saudi Arabia has become one of the world's largest oil producers and exporters. With proven crude oil reserves exceeding 266 billion barrels, Saudi Arabia is the world's largest holder, representing 16% of the world's total (Nornby, 2017). Due to its "oil and gas culture," citizens have become overly dependent on the government, resulting in a large, bloated, inefficient civil service. Anticipating the impending threat, the country's financial management developed a strategy of industrialization and the development of high-quality human capital, which has long been a national asset (Klingman, 2023).

Saudi Arabia has long relied on its oil resources to fuel its economy and maintain its political influence, with its economic relationships traditionally centered around Western countries, particularly the United States (Goz et al., 2020). Oil prices fell sharply from over \$108 per barrel in mid-2014 to less than \$30 in early 2016. This drop significantly impacted Saudi government revenue, forcing the Kingdom to reevaluate its fiscal and economic policies. Given the Kingdom's total dependence on oil, this decline caused severe economic hardship, necessitating the implementation of new fiscal policies to address the crisis (World Bank, 2018).

The Saudi people enjoyed a variety of luxuries as Saudi Arabia was able to finance social welfare programs for its citizens. However, the economy began to change, and the decline in global oil prices challenged the Saudi economy (Al-Zaid Al-Sharif, 2022). This, without contributing significantly, led to a "sense of entitlement" to diversify the oil-dependent economy. All these challenges led to Vision 2030, an ambitious national development plan launched by Crown Prince Mohammed bin Salman in 2016. This plan aims to transform Saudi Arabia from an oil-dependent country into a modern, liberal, and prosperous entrepreneurial society whose growth is based on the success of the financial, commercial, industrial, and economic sectors (Aman, 2016).

As the global geopolitical and economic landscape has shifted in the 21st century, Saudi Arabia has faced new challenges that require strategic diversification and long-term sustainability (Zhao et al., 2020). A significant part of this transformation is embodied in Saudi Vision 2030, which seeks to reduce Saudi Arabia's dependence on oil, diversify its economy, and develop new sectors such as technology, tourism, and renewable energy (Al-Naimi, 2022). Economic

cooperation between Saudi Arabia and China has become increasingly important in this context, especially as the country seeks to strengthen its position in the changing global order (Todd et al., 2022).

China has the world's second-largest economy, and the International Monetary Fund predicted in 2012 that it would become the world's largest economy by 2017. A strong economy is driving a surge in demand for oil, which is rising faster in China than in any other country (Stern et al, 2023). Oil demand is undoubtedly one of the reasons why China has been attracted to the Middle East, and Beijing and Riyadh believe that strong political relations between China and Saudi Arabia will lead to Strategic partnership between the two countries.

As an envoy to Saudi Arabia noted, it goes beyond the exchange of goods and services. Saudi Arabia is a voice of stability and moderation for China, in addition to the tremendous economic benefits it provides. A key aspect of Saudi Arabia's shift has been its evolving foreign policy. In particular, the Kingdom's growing relationship with China has been central to its diversification efforts. China, the world's second-largest economy, has seen a rapid increase in its demand for energy, driving its interest in the Middle East (Shehu, 2021). Saudi Arabia, with its abundant oil reserves, has naturally become a crucial partner for China.

Saudi Arabia Enterprises need to leverage China's long-term potential to give Saudi Arabia more financial investment, adapt to difficult circumstances, gain recognition in the industry, and cooperate for the mutual benefit of Saudi Arabia, especially in: energy conservation and—growth in Saudi Arabia in the Arabian Peninsula (Jonatha, 2020). Saudi Arabia also wants deeper ties on the political front. Since 2002, it has been the number one supplier of crude oil to China, and it is

unlikely to give up that position very soon. This relationship will lead to more Chinese investments and a stable market for its oil exports. China appreciates Saudi Arabia's distinguished leadership among global oil producers and its support for economic growth (Al-Tamimi, 2013).

The comprehensive strategic partnership relations between the two countries are prosperous, contemporary, and growing sustainably. Global and regional problems of common concern have been constantly evolving in recent years. Given Saudi Arabia's distinctive geographical location and reputation as China's window to three continents, Beijing launched the "Silk Road" restoration project (Vincenti, 2021). Saudi Arabia will play an essential role in this because China is looking for an unusual, ambitious, and important partner capable of adopting unconventional economic concepts (Azza, 2019). Saudi Arabia strengthened its economic cooperation with China from 2015 to 2024 through shifts in Saudi foreign policy.

Saudi Arabia has traditionally been the leading supporter of the United States in the Middle East. However, there has been a significant shift in oil exports, military relations, and politics since the beginning of the new century affecting trust between the two countries. This is in addition to Saudi Arabia's fear of Iran, which has always posed a threat to stability in the region. The Kingdom of Saudi Arabia used to take guarantees from the United States against any aggression from Iran, but in line with the radical shift of its policies, the Kingdom of Saudi Arabia has sought to find a solution to these threats away from the United States (Erdogan, 2022).

Despite the global oil market changes, the Kingdom of Saudi Arabia is still heavily dependent on oil. Furthermore, the Kingdom's evolving foreign policy, marked by a shift away from traditional reliance on the United States, has led Saudi Arabia to diversify its international relations, particularly with emerging economies like China, to ensure stability in its oil exports. This shift is partly driven by the growing geopolitical competition in the Middle East and the shifting dynamics of U.S.- Saudi relations, especially considering regional security concerns and the threat posed by Iran. As Saudi Arabia seeks to strengthen its regional and global position, its relationship with China has become a vital pillar for both economic stability and geopolitical strategy (Zou, 2015).

Saudi Arabia's pivot toward China during this period can be seen as a rational response to the need to maximize benefits and minimize risks, particularly as traditional alliances may no longer offer the same guarantees of economic and political support (Shehu, 2021). In conclusion, Saudi Arabia's advancing economic cooperation with China from 2015 to 2024 is a multifaceted response to the Kingdom's need for economic diversification, energy security, and strategic positioning within an evolving global landscape. This research explores why Saudi Arabia advanced its economic cooperation with China, considering the political, economic, and strategic factors involved, aiming to provide a comprehensive understanding of Saudi Arabia's evolving foreign policy and its efforts to secure its place in a rapidly changing global order. This research explores the reasons behind Saudi Arabia's deepening economic ties with China, the impact of Vision 2030, and the broader implications of this cooperation on Saudi Arabia's future growth and regional influence.

1.2 Research Question

Why did Saudi Arabia advance its economic cooperation with China from 2015 to 2024?

1.3 Research Objectives

Based on the research background explanation provided above, the research objectives are as follows:

1. To elaborate on Saudi Arabia's reasons for advancing its economic cooperation with China in 2015-2024.
2. To gain more knowledge about the relationship between Saudi Arabia and China and the possibilities and obstacles that Saudi Arabia faced when deepening its trade relations with China.

1.4 Research Scope

To obtain information and data that directly answer the objectives, the scopes in this research have been set as follows:

1. This research focuses on the relationship between Saudi Arabia and China and the reasons for its progress before and from 2015 to 2024.
2. This research assesses how Saudi Arabia's growing partnership with China aligns with its broader economic and political goals.
3. This research focuses on the understanding of Saudi Arabia's foreign policy, its role in global economic interactions, and its strategic positioning.

1.5 Literature Review

Many researchers have investigated the economic relationship between Saudi Arabia and China. Some of this research has been done on Saudi Arabia's general economic relationship, including its negatives and positives. In contrast, others have discussed China's Belt and Road Initiative, a Chinese project implemented in cooperation with Saudi Arabia in light of Vision 2030. The difference between existing research and this research is that previous authors focused on the goals of the relationship, addressing the problems, knowing the advantages, and discussing the relationship between the two parties from the beginning. This research focuses on studying the reasons that prompted Saudi Arabia to strengthen its relations with China before and from 2015 to 2024.

A study by Ahmed Arshad was published in 2020 entitled *Economic Relations between China and Saudi Arabia*. This study focused on the importance of Saudi Arabia as a partner to China, as China's leading trading partner in West Asia, including the Middle East and the Arab League. For the past years before 2015, due to the vast oil exports going to China from Saudi Arabia, China had been Saudi Arabia's largest trading partner in 2011, surpassing the United States. (Arshad, 2020). However, this study did not explain the importance of Saudi Arabia to China economically, and the extent of the expansion of relations between them.

The second example of existing literature is a study by Cai, Chenghao, Bao, and Chengzang titled "Beyond Energy Cooperation: People-to-People Exchanges between China and Saudi Arabia", published in 2024. This research focused on Saudi Arabia's strategic connection with China and the importance of cultural communication between the two countries when they established a comprehensive

strategic cooperation in January 2016. In addition to their regular collaboration in the energy sector, this alliance is expected to provide China and Saudi Arabia with new and enhanced opportunities, strategically expanding cooperation opportunities across other areas (Cai and Bao, 2024). The study's limitations were that it focused on the strategic ties between Saudi Arabia and China in the energy sector, the new prospects for this relationship that may arise, and the importance of cultural communication between the two countries.

The third example is a study conducted by Jonathan Fulton. Entitled "Situating Saudi Arabia in China's Belt and Road Initiative," it was published in 2020. This research focused on the advantages of Saudi Arabia to the Chinese market for the Belt and Road Initiative given Saudi Arabia's strategic location, status as a major energy supplier, and importance to the Muslim community worldwide. Saudi Arabia is geographically well placed to benefit from the Belt and Road Initiative's land and sea connectivity goals (Jonatha, 2020,3). Fulton's study was limited to focusing on the positives and features that made Saudi Arabia become the first partner of China in the East through the Al-Hazm Initiative.

The fourth example of literature is a study that was conducted by Shamim, Nasim, and Shah titled "The Role of Chinese Diplomacy in the Middle East and the Saudi-Iranian Peace Agreement: Implications for the Region". This study was published on November 1, 2023 and focused on China's economic growth and its ability to overtake the United States as the world's largest economy within a few years. Thanks to its economic projects, China has joined the diplomatic arena, establishing favorable relations with Middle Eastern countries. (Shamim, Nasim, and Shah, 2023) The study was limited to Chinese engagement in the Middle East,

economic and diplomatic initiatives, and how China has positioned itself as a regional peacemaker.

The final example is a study conducted by Al-Faraj Abdullah entitled “Stages of Economic Development: The relationship between Saudi Arabia and China” published on 8-30-2021. This study focused on the stages of growth of communications within Saudi Arabia . After the rapid rise of the Chinese economy, economic relations between Saudi Arabia and China developed through several stages. During the current period, Saudi Arabia's Vision 2030 and the Chinese Belt and Road Initiative have greatly strengthened bilateral relations (Al-Faraj, 2021). This study was, however, limited to the development of relations between Saudi Arabia and China in recent years and the growth rates between the two countries.

Most of the topics covered by the five studies on Saudi-China relations mentioned above relate to China’s involvement in the Middle East, its economic and diplomatic efforts, the degree of growth in their relationship, Saudi Arabia’s economic importance to China, and China’s role as a regional peacemaker. In addition, the existing literature addresses the advantages and benefits that led to Saudi Arabia becoming China’s first partner in East Asia. This present study differs from previous research in that it examines the links and factors behind Saudi Arabia’s progress in its economic cooperation with China from 2015 to 2024 to attain a better understanding of the relationship.

1.6 Research Framework

This study aims to study the reasons for the progress of the Saudi Arabia of Saudi Arabia in its economic cooperation with China by examining the factors and

common interests between the two countries and what prompted the Saudi Arabia of Saudi Arabia to strengthen its economic cooperation in the period (2015-2024) to answer the question posed in the research.

The researcher used rational actor theory to study the factors that prompted Saudi Arabia to strengthen its relations with China in this research. It is a branch of decision theory, according to Graham T. Allison, who states in his book *The Essence of Decision: Explaining the Cuban Missile Crisis* that there are three models used to analyze the foreign policies of countries around the world, which are the rationality of the actor, the organizational process, and government policy (Allison.1971). In this study, the rational actor that the researcher will use to analyze according to Graham Allison, there are four stages in rational actor's decision-making process:

1. Goals and objectives

Preferences for the outcomes of many uses based on their values and objectives are known as goals and objectives. The debate can be portrayed like this.

2. Alternatives

Researchers must decide by selecting from a set of options that will thereafter be provided to show that the option selected is the most logical among the available options.

3. Consequences

Analyzing the effects of each decision outcome from the selected alternative.

4 Choice

Choice is the collection of logical justifications for selecting an alternative whose implications have been thoroughly considered, making it the most advantageous option for making decisions.

These areas include political science, economics, game theory, and rational actor theory, which provide notions to build our less structured presumptions to make consistently sensible decisions.

(Allison, G. T., & Zelikow, P.1971)

The researcher chose the concept of rational actor theory because the Saudi government is an actor in developing relations between Saudi Arabia and China. Saudi Arabia has taken reasonable considerations and made decisions consistent with national interests. It works to solve the problems in the Saudi state, such as problems in the economic sector, as the Saudi Arabia of Saudi Arabia was previously dependent on oil only. Still, in light of the vision of the Saudi Arabia of Saudi Arabia, it seeks to find alternatives to it—supporting its economy if the country runs out of oil. In addition, no one intervened. External parties in the decision-making process: Saudi, the government alone made all the decisions, and the researcher believes this theoretical idea directly relates to the topic. The rational actor model of decision-making is why policy actors use probability to address problems consistently and predictably (Allison, 1971).

1.7 Provisional Argument

Through observing the revival of international cooperation between Saudi Arabia and China, and analyzing it using the rational actor theory in decision-making through "goals and objectives, alternatives and outcomes, and choice", Saudi Arabia's decision to strengthen its relations with China was because one of its most important goals was to find an alternative strategic partner to the United States. Furthermore, Saudi Arabia sought to enhance the country's economic and security aspects, improve its relations with Iran, and seek the success of the Belt and Road Initiative ("Silk Road"). This would greatly enhance the Saudi economy and ensure stability in the region. Saudi Arabia had many alternatives from the great powers to strengthen its relations with. The first of which is the United States, with which Saudi Arabia could try to restore relations and make them stronger than before. Also an option were the European Union countries and also the United Arab Emirates. As for the consequences of the Saudi decision, the country is likely to face political, economic and military consequences from the United States, as China is considered the United States' first economic enemy. As for the choice of China by Saudi Arabia, it came on the basis that China is a reliable economic and security ally and Saudi Arabia is adopting a new approach in international relations. These were the driving factors for Saudi Arabia progressing in its economic relations with China between 2015 and 2024.

1.8 Research Method

1.8.1 Type of the Research

The research employs a qualitative, descriptive, and analytical research method based on secondary data. It primarily focuses on understanding and interpreting the factors that led to Saudi Arabia's economic cooperation with China from 2015 to 2024. This approach is suitable because the study does not rely on numerical data or statistical analysis but instead examines historical events, economic policies, and geopolitical shifts. By using a descriptive method, this research aims to provide a detailed account of Saudi Arabia's evolving foreign relations and economic strategies.

Furthermore, the analytical aspect of the study involves evaluating existing literature, official reports, and academic discussions to uncover patterns and motivations behind Saudi Arabia's decisions. The study also incorporates document analysis, as it relies on secondary sources such as scholarly articles, government reports, and economic reviews rather than direct data collection through surveys or experiments. This approach, which entails cooperation between researchers and the people being researched to create a product that would improve their relationship, is one that sociologists frequently employ.

1.8.2 Subject and Object of the Research

The subject of this research is Saudi Arabia's economic cooperation with China from 2015 to 2024. The study examines the reasons behind Saudi Arabia's decision to strengthen its economic ties with China, analysing the political, economic, and strategic factors influencing this shift. The object of the research

refers to what is being studied or analysed within the research framework. In this case, the object is the economic, political, and strategic relations between Saudi Arabia and China, particularly in the context of Vision 2030, geopolitical shifts, trade policies, and energy cooperation. This research investigates how and why Saudi Arabia advanced its cooperation with China, what challenges and opportunities arose, and how this shift impacts regional and global economic dynamics.

1.8.3 Method of Data Collection

The data used as the foundation for the data processing method in this study were gathered from several secondary data sources. Written materials and media, including books and academic texts comprising articles from reputable international journals and other publications, are examples of reference sources. Additionally, this research uses reputable and trustworthy worldwide news sources as references.

1.8.4 Process of the Research

The research process began with an extensive literature review, where various academic sources, reports, and articles relevant to the study question were gathered. This phase aimed to establish a strong theoretical foundation and identify key themes related to Saudi Arabia's economic cooperation with China between 2015 and 2024. Once the necessary literature had been collected, the data underwent independent evaluation to ensure its reliability, relevance, and alignment with the research objectives. This involved critically analysing sources to distinguish valuable insights from less relevant information.

To refine the conceptual framework of the study, discussions were held with a lecturer to identify and incorporate appropriate theoretical concepts. This phase involved reviewing the collected data, reassessing the applied concepts, and ensuring logical coherence in the analysis. Necessary revisions were made to improve clarity, precision, and depth in the literature analysis. By following this systematic approach, a rigorous and well-supported examination of Saudi Arabia's strategic economic shift towards China was ensured.

1.9 Thesis Outline

There are four chapters in this thesis as outlined below:

Chapter 1 Included in this chapter are the research background, the problem formulation that serves as the primary focus of the chosen research topic, the research objectives that the author hopes to accomplish to solve the problem, the significance of the research that explains the connection between the problem formulation and the study of international relations, the scope of the research, the literature review that includes a brief discussion of the references used in this study, the theoretical basis that serves as the analytical tool for the research topic, and the research methods that include the type of research, subject and object of the study, and the data collection method.

Chapter 2 This chapter introduces the research topic and background of Saudi-Chinese relations and the Saudi Vision 2030. It also addresses the interests of these relations for China and contains the research methods and theoretical framework.

Chapter 3 This chapter presents the results of qualitative research, including examination of primary and secondary sources of information. The author uses his analysis of findings to address the problem as formulated using the theoretical framework chosen for this research. With accurate and unique results, the author of this chapter adequately studies the subject of study in line with the science of international relations studies.

Chapter 4 This chapter summarizes the research findings and conclusions.

CHAPTER 2

CHINA-SAUDI ARABIA RELATIONS AND SAUDI VISION 2030

This chapter specifically addresses the economic relations between Saudi Arabia and China, their history, and their current status in general. Focusing on the history of these ties and how they have evolved to the present, the chapter examines significant events such as official visits and economic agreements, as well as the general framework of cooperation between the two countries in light of global economic transformations, taking into account Saudi Vision 2030 and its objectives, as well as China's financial plan to strengthen relations with Saudi Arabia.

2.1 Economic Ties Between Saudi Arabia and China and Saudi Vision 2030

2.1.1. History of economic relations between Saudi Arabia and China

China and Saudi Arabia have had a close relationship for almost 80 years; as time has passed, their relationship has accelerated until the two nations have found themselves in a comprehensive strategic alliance across several domains. According to Chinese historical sources, the first recorded meeting between senior officials from the two nations occurred in April 1955 at the Non-Aligned Movement Conference in Bandung; Chinese Premier Zhou Enlai and Saudi Foreign Minister Prince Faisal bin Abdulaziz met and, according to people familiar with the history of Saudi-Chinese relations, the meeting helped pave the way for the new China to engage with the Islamic world and the Middle East early in the 1980s. Saudi Arabia established close ties with China in November 1985 when the Sultanate of Oman

hosted the first formal summit between the two nations, marking the beginning of formal bilateral relations (Al-Washm et al, 2024). This was despite Saudi Arabia's opposition to communist governance at the time.

The Saudi government and officials had, however, had long-standing and mostly continuous informal contacts with Muslims on the Chinese mainland. The governments of Saudi Arabia and the People's Republic of China continued to communicate with one another, establishing diplomatic ties between Saudi Arabia and the People's Republic of China, which was widely anticipated between 1978 and 1989; the two governments started interacting, the presidents of the two states began speaking more directly, and a determined effort was made to build diplomatic ties through a memorandum of understanding on oil cooperation. This was signed in 1999 after the 1988 missile deal, which marked the beginning of these interactions (Ismail, 2011). The 1998 missile deal was the most significant beginning for formal relations, which grew and strengthened.

As a result of the missile agreement, Saudi Arabia and China established diplomatic relations following Prince Bandar's visit to Beijing in July 1990; relations were opened due to a secret arms agreement between the two countries. Once ties were established, China became an important customer for Saudi oil exports, and Saudi Arabia continues to supply China with more energy than any other country. In addition to trade, Saudi Arabia's aspirations expanded to high-level contacts with Beijing (Bruce, 2020). China became one of the most important buyers of Saudi oil, thanks to the secret arms agreements and the missile agreement that marked the beginning of formal Saudi-Chinese relations.

Throughout various political and economic difficulties, the connection grew more substantial. This was made possible mainly by political leaders visiting more frequently. These visits consistently sent significant political messages and had a crucial role in determining the direction of bilateral ties. For instance, a strategic partnership deal on oil was reached during President Jiang Zemin's first significant visit in 1999, which enhanced the energy dynamic by enabling Saudi businesses to engage in China's downstream refining process and Chinese companies to invest in Saudi Arabia's domestic oil market energy sales in 2000, the value of Saudi Arabia's fossil fuel exports to China was \$1.5 billion. By 2010, that amount had increased to almost \$25 billion (Jonatha, 2020). Investment and economic ties between Saudi Arabia and China took off following the 1999 strategic cooperation agreement on oil and investment volumes reached high levels, demonstrating the strength of these two nations' economic ties.

Based on the explanation, the economic relationship between Saudi Arabia and China has evolved significantly over the past few decades. Initially, interactions were minimal, with limited trade and diplomatic engagement. However, the 1990s marked a turning point as both nations recognized mutual benefits in strengthening ties.

2.1.2 Current Economic Relations Between Saudi Arabia and China

The relationship between the two countries has witnessed significant development over the past years, making this development the cornerstone for the beginning of a deeper strategic partnership. In January 2016, the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, affirmed that the

Kingdom of Saudi Arabia and China had maintained steady growth in their friendly relations over the past 25 years and that the two countries were working on achieving stability and enhancing global peace and security (Saudi Press Agency, 2017).

The economic relationship between Saudi Arabia and China has expanded beyond energy into various sectors, reflecting a comprehensive strategic partnership. China has emerged as Saudi Arabia's largest trading partner, with bilateral trade reaching unprecedented levels. This growth aligns with Saudi Arabia's Vision 2030 which aims to diversify its economy and reduce dependence on oil revenues. China's Belt and Road Initiative complements this vision, leading to joint investments in infrastructure, technology, and renewable energy projects within the kingdom.

2.2 Economic Diversification Through Saudi Vision 2030

2.2.1 A Comprehensive Look at Saudi Vision 2030

The Saudi government's Vision 2030 seeks to diversify sources of income and reduce Saudi Arabia's over-reliance on oil revenues. Vision 2030 also aims to enhance cooperation with the private sector and promote justice and openness. However, Saudi Arabia has made significant progress in many areas and it could create many industries and achieve sustainable development in all public facilities without wasting much money if oil revenues are appropriately managed (Esmail, 2024). With a much smaller budget than its predecessor, Saudi Arabia has succeeded in developing most of its Saudi sectors and has made progress in many

areas in its quest to achieve the new Saudi vision to prevent problems caused by oil price volatility.

Vision 2030 is based on three profitable pillars that capitalize on Saudi Arabia's strengths: its cultural heritage as the heart of the Arab and Islamic world; its impressive investment capabilities that will propel the economy to new heights through diversification and exploitation, a transformation that relies primarily on energy; and its young population that makes up more than half of Saudis. Saudi Arabia's geographic location at the intersection of three continents and along vital global shipping lanes, also gives it a unique and influential position on the world stage (Saudi Press Agency, 2017).

Saudi Vision 2030 has also helped build leadership capabilities and lay the foundation for future Saudi leaders. Saudi Arabia is reshaping its economy towards prosperity and sustainable growth by introducing various projects and programs, such as the Misk Academy, human resources programs, and social development. Many areas, including women's empowerment, employment, leadership development, and quality of life, are changing in Saudi Arabia. These components represent the goals and principles of Saudi Vision 2030 (Afnan, 2024).

Key economic indicators have improved as a result of the growing victories achieved by Saudi Arabia. According to external data and sources, within the framework of the principles and objectives of Saudi Vision 2030, Saudi Arabia's economy is currently at a pivotal turning point in its quest to achieve this vision. Saudi Arabia's economy enjoys strength and flexibility thanks to the ongoing structural and economic reforms implemented after the launch of Saudi Vision 2030, which support investment development and economic growth through a set

of sectoral and regional programs, projects and strategies, most notably the progress of economic relations between Saudi Arabia and China.

In conclusion, Saudi Vision 2030 aims to reduce the Kingdom's dependence on oil by diversifying its economy across sectors such as tourism, technology, renewable energy, and manufacturing. This strategic plan seeks to transform the socio-economic landscape by promoting private sector growth and enhancing women's participation in the workforce. The economic diversification through Saudi Vision 2030 also helped build leadership capabilities and lay the foundation for future Saudi leaders.

2.2.2 Saudi-Chinese Relations in light of Saudi Vision 2030

The impact of strategic investment and cooperation between Saudi Arabia and China on economic growth is beneficial to the economic development of each country. Saudi Arabia, which is developing its leadership strategy for economic cooperation with China, benefits from Chinese investment and needs it to achieve the goals of Saudi Vision 2030, which includes diversifying the economy and establishing essential industries.

Chinese investment supports many Saudi sectors, such as infrastructure, energy, and petrochemicals, stimulating economic growth and opening up new business opportunities in Saudi Arabia. Economic cooperation and investment between China and Saudi Arabia improve bilateral relations. Economic cooperation between the two countries attracts more companies and investments and promotes trade, technological progress, and cross-cultural ties in China. Foreign investment contributes to economic diversification and increases the nation's competitiveness

on the global stage. China can secure energy supplies and other resources supporting its economic growth by investing in Saudi Arabia.

In conclusion, the alignment of Vision 2030 with China's Belt and Road Initiative (BRI) has fostered a robust partnership between the two nations. China's investments in Saudi infrastructure, energy projects, and technology sectors have been pivotal in advancing the Kingdom's diversification goals. This synergy not only strengthens economic ties but also positions both countries to achieve their long-term strategic objectives.

2.2.3 Agents Involved in Saudi-Chinese Economic Relations

First, King Salman bin Abdulaziz, Custodian of the Two Holy Mosques and King of Saudi Arabia, was the main driver behind the advancement of economic relations with China. In 2016, he emphasized the importance of Sino-Saudi relations. King Salman bin Abdulaziz and Chinese President Xi Jinping, the second driver behind the two countries' diplomatic progress, signed several memoranda of understanding and a comprehensive strategic partnership agreement (Al-Obaidi, 2022).

Crown Prince Mohammed bin Salman also played a pivotal role in guiding Saudi economic policies toward closer ties with China. The goal of Saudi Vision 2030, launched in 2016, was to reduce dependence on oil and develop the Saudi economy in line with China's industrial and investment capabilities. Cooperation focused on infrastructure and energy marked a turning point in this relationship. This underscores the importance of building strategic alliances with major powers

to achieve national goals, for which China was chosen to implement these goals through strategic relations.

In conclusion, the strategic vision of King Salman, Crown Prince Mohammed bin Salman, and President Xi Jinping has been fundamental to the development of Saudi-Chinese trade relations. Based on the rational actor model, their actions embody a logical strategy for achieving global expansion and economic success, consolidating China's position as a partner in Saudi Arabia's sustainable development.

2.3 China's Strategic Advantages In Partnering With Saudi Arabia

2.3.1 Saudi Arabia's Strategic Location and Leadership in the Middle East

The most powerful of the 22 Arab countries in the Middle East and North Africa is Saudi Arabia, and the mutual desire for friendly geopolitical and economic cooperation drives the relationship between Saudi Arabia and China. Although Russia is now China's largest oil supplier, China remains the largest customer of Saudi Aramco, the Saudi state-owned oil and natural gas company. Bilateral relations between Saudi Arabia and China are based on significant trade and investment (Wun-kong, 2024).

Saudi Arabia is the most influential Arab country and a dominant power in the Middle East. This is believed to be the main reason China is keen to maintain close relations with it: to implement its strategic Silk Road plans, which it can only implemented with Saudi approval. Most Arab countries are subordinate to the Saudi

state, and China has many interests in the Saudi state because it owns Aramco, the world's largest oil company, from which it imports its oil (Ghulam, 2024).

As one of the largest oil consumers from the Gulf states, the Gulf is important to China's Belt and Road Initiative, which entails significant spending on ports, infrastructure, and logistics to increase connectivity and enhance trade routes. Every GCC state has signed cooperation agreements related to the Belt and Road Initiative. Iran has also entered a rare case of rapprochement between Tehran and its Gulf rivals and its strategic partnerships and investments with countries such as Saudi Arabia (Divya, 2024).

In conclusion, Saudi Arabia's geographical position and its influence in the Arab-Islamic world make it an attractive partner for China. Collaborations in energy, infrastructure, and technology sectors have been mutually beneficial, enhancing China's presence in the region while supporting Saudi Arabia's diversification efforts.

2.3.2 China's Pursuit of Dominance in the Middle East

In 2016 and 2017, as part of a broader effort to improve relations with Saudi Arabia, China offered Saudi Aramco a 5% stake in its initial public offering. This deal would have been highly beneficial to China as one of the main benefits of being a leading member of OPEC is having priority over Saudi oil production, allowing control of oil prices. China's close relationship with Saudi Arabia gives it the backing of a significant figure in the Islamic world. Beijing expects the broader Belt and Road Initiative to allow it to increase its power in the Middle East and beyond Saudi Arabia, which is one of the two key sectors of the new Sino-Arab cooperation

(Fernandez, 2024). China aims to consolidate its global hegemony, including in the Middle East, under the auspices of the Silk Road economy and Saudi-Chinese relations in general. As discussed, China can implement its plans in this regard.

In China, the Arab world is essential to its "comprehensive diplomacy." In the coming decade, the Arab world will be crucial to China's efforts to increase its soft power, open up foreign markets, and improve energy security, especially in the region's absence of the US pole. China's long-term development depends on the Arab world, while China's economic expansion also greatly enhances the economic growth of Arab countries (Yan, 2025). China relies heavily on the Arab world to secure foreign investment projects, combat Somali piracy, and rescue its citizens in times of need. Since both China and Saudi Arabia are developing countries, their economic approaches complement each other. By helping these countries, China can safeguard its territorial integrity and national unity, which are its most essential interests.

China's growing engagement with Saudi Arabia reflects its broader ambition to establish itself as a dominant player in the Middle East. As the world's largest importer of oil, China views Saudi Arabia as a crucial partner in ensuring long-term energy security. Beyond oil, China is expanding its influence through strategic investments in infrastructure, technology, and defense cooperation. The Belt and Road Initiative (BRI) has facilitated large-scale Chinese investments in Saudi Arabia's transport, logistics, and industrial sectors, reinforcing economic interdependence between the two nations (Sun, 2020).

In addition to economic partnerships, China has increased its diplomatic presence in the Middle East, positioning itself as an alternative to Western powers.

Unlike the United States, which maintains military alliances and strategic security commitments in the region, China has pursued a non-interventionist policy that appeals to Gulf states. This approach allows China to maintain strong relations with both Saudi Arabia and its regional rivals, such as Iran. By aligning with Saudi Vision 2030, China is not only deepening its economic footprint but also strengthening its geopolitical leverage in a region that has long been dominated by Western influence (Zhao, 2021).

In conclusion, China's strategic engagement with Saudi Arabia is a key component of its broader ambition to expand influence in the Middle East. Moreover, China's involvement in emerging sectors like artificial intelligence, 5G technology, and renewable energy projects in Saudi Arabia reflects its ambition to lead in the technological sphere while reducing Western influence over Middle Eastern economies. The partnership between Saudi Arabia and China is thus not just about economic gains but also about a broader geopolitical shift that could redefine power dynamics in the region over the coming decades (Wang, 2022).

CHAPTER 3

**SAUDI ARABIA’S REASONS FOR ADVANCING ECONOMIC
COOPERATION WITH CHINA IN 2015-2024 FROM THE PERSPECTIVE
OF RATIONAL ACTOR DECISION-MAKING THEORY**

This chapter discusses the factors that motivated Saudi Arabia to make significant progress in its economic relations from 2015 to 2024 from the perspective of Graham Allison's rational actor decision-making process, which includes four stages: goals and objectives, alternatives, consequences, and choice. Here, data from both primary and secondary sources have been analyzed with a focus on Saudi Arabia's primary challenges in enhancing its trade relations with China.

**3.1 Goals and Objectives for The Advancement of Saudi Arabia and
China Relations**

The shift in Saudi Arabia’s economic policy has been extensively studied in recent years, particularly in the context of global power shifts and regional economic diversification strategies. Several scholars have analysed the Kingdom’s evolving trade dynamics and strategic economic partnerships using decision-making models such as Allison’s rational actor framework. One of the key aspects of Saudi Arabia’s economic transformation has been its Vision 2030 initiative, which aims to reduce oil dependency and foster foreign investments (Al-Falih, 2018). This vision aligns with China’s Belt and Road Initiative (BRI), making China a strategic economic partner (Zhao, 2019). Scholars highlight that the

increasing trade volumes between Saudi Arabia and China indicate a calculated economic maneuver rather than a mere shift in alliances (Wang & Li, 2020).

Saudi Arabia's primary objective in shifting its economic focus toward China aligns with its broader Vision 2030 strategy, which seeks to diversify the national economy and reduce dependence on oil revenues. The Kingdom aims to leverage China's role as a global economic powerhouse to secure more robust trade partnerships, attract investments, and enhance technological collaboration. Additionally, aligning with China allows Saudi Arabia to mitigate risks associated with U.S. economic and political fluctuations while ensuring stable demand for its energy exports.

3.1.1 Saudi Arabia's Objective in Shifting from a U.S. Influence to Strengthening Relations with China

Relations between Saudi Arabia and the United States have developed significantly over the years due to the importance of Saudi oil and the country's strategic position in the Middle East; the United States dominates the Middle East and is Saudi Arabia's leading strategic partner (Cerioli et al, 2023). At the beginning of the twenty-first century's first decade, especially after the Arab Spring, relations between Saudi Arabia and the United States became tense as America shifted its interests from the Middle East to other vital regions. Both countries are still generally important to each other as they consider each other an important ally, but Saudi Arabia is concerned about these changes, as the United States was Saudi Arabia's leading partner in most areas.

US President Obama's administration declared in November 2011 that US foreign policy would henceforth be more strategically oriented toward the Asia-Pacific area. In a speech on January 5, 2012, Obama stated that the US would shift its military resources to concentrate more on this area while lowering its military presence in other areas, such as the Middle East and Europe. As the "first Pacific president," Obama entered office with the conviction that the United States needed to reestablish and strengthen its historical level of engagement in Asia because the George W. Bush administration had given little consideration to regional challenges in Asia. China's Asia strategy grew more assertive in 2010, and US military engagement in Iraq and Afghanistan drastically decreased in 2011 (Jones, 2012).

The concern is primarily due to the United States' shift away from its historical position as a stabilizing force in the Middle East. Saudi Arabia has realized that U.S. influence in the region has waned, creating a vacuum that has allowed states like Iran to foment unrest in the region. Around 2015, Saudi Arabia was experiencing isolation and insecurity as the United States prioritized domestic issues and pivoted toward Asia (Richter, 2020).

Global oil markets have also witnessed a radical transformation due to American shale oil, and Saudi Arabia, as one of the world's largest exporters, has been affected by this. After the United States surpassed Russia and Saudi Arabia to become the world's largest crude oil producer, it began exporting crude oil after a hiatus of more than forty years. The country's crude oil imports have declined significantly. The structure of global crude oil trade has been influenced considerably by American shale oil; declining global oil market shares and declining financial income have impacted other producers, including OPEC. The

success of American shale oil is primarily due to technological developments that have increased economic viability and reduced costs (Rodan, 2023).

Furthermore, the Saudi has been compelled to reconsider its foreign policy and look for new partnerships, especially with China, which follows a non-interference policy. For instance, China's long-standing foreign policy tenet of non-interference in the domestic affairs of African governments has been strengthened by its growing emphasis on peace and security. China is a unique strategic ally compared to the United States because of its adaptable pragmatism, enabling Beijing to engage in Africa's security and peace landscape without explicitly sacrificing its long-standing position of non-interference (Gazebo & Lema, 2022).

Saudi-Chinese relations have been significantly strengthened by the Kingdom's decision to strengthen ties with China rather than the United States, laying the foundation for a deeper strategic alliance. Perhaps the best indication of the deeper and more visible progress achieved in the first few months of 2016 is the words of Saudi King Salman, given previous interactions between Saudi Arabia and China and the high levels of investment. The agreement and memorandum of understanding signed by Saudi Arabia, including the Maritime Silk Road Initiative and production capacity cooperation, are expected to significantly improve Saudi-Chinese relations in light of China's efforts to re-establish the Silk Road (Tortajada, 2021).

For decades, Saudi Arabia and the U.S. maintained a strategic alliance based on energy security and military cooperation. However, several factors have

prompted Saudi Arabia to recalibrate this relationship and seek closer ties with China:

- **U.S. Energy Independence:** The rise of American shale oil production has reduced the U.S.'s reliance on Saudi crude, diminishing the energy-based foundation of their partnership.
- **Geopolitical Uncertainty:** The U.S.'s shifting focus toward the Indo-Pacific region and reduced military commitments in the Middle East have created concerns about Washington's long-term reliability as a security guarantor.
- **Non-Interference Policy of China:** Unlike the U.S., which conditions its partnerships on human rights concerns and political reforms, China follows a policy of non-interference, making it a more predictable and pragmatic economic partner.

From a rational decision-making perspective, Saudi Arabia assessed these factors and determined that expanding economic cooperation with China would provide more stable, long-term benefits without compromising its strategic autonomy.

3.1.2 Saudi Arabia's Aim to Improve Ties with Iran via China

The political situation in the Middle East has witnessed long-standing tensions between Saudi Arabia and Iran, primarily due to geopolitical factors. However, sectarian and ethnic issues have also played a role and influenced the views of other countries. Now, developing and diversifying the economy is one of the most essential overarching goals of Vision 2030. Prince Mohammed bin Salman is working to diversify the Saudi economy through Vision 2030 by strengthening

relations with other countries. But, conflicts in the Middle East are one of the biggest challenges facing Saudi Arabia and could hinder this economic growth.

One of the goals of Saudi Arabia is to stabilize the political situation in the Middle East, and Iran has a significant stronghold in most conflicts. Since cooperation with the United States has not solved these conflicts, Prince Mohammed bin Salman initiated a radical change in Saudi Arabia's regional policies to ease tensions with Iran by strengthening relations with China. Since the close ties formed between China, Russia and Iran have allowed Saudi Arabia to leverage its alliances with Beijing and Moscow to pressure Tehran to adopt responsible regional policies; thus, it makes sense for Riyadh to deepen its economic relations with Beijing (Aloush, 2023).

Middle Eastern countries' dependence on US military, economic, and diplomatic aid has steadily declined. China's rise in the Middle East has exacerbated regional fluctuations in US power and influence, and its presence in the region could significantly undermine US hegemony there (Shamim, Nasim, & Shah, 2023). This is because China operates with impartiality. Its strategy is maintaining neutrality and engaging in economic diplomacy to prevent bias. By promoting multilateral discussions and frameworks, China is cementing its position as a stabilizing force that supports regional development and stability without becoming embroiled in regional conflicts (Ahmed, Arslan, Niaz, & Mustafa, 2024).

China mediated a high-profile rapprochement between Saudi Arabia and Iran in March 2023 (Lons, C. 2024). Beijing's emphasis on reunion talks between Riyadh and Tehran highlights its geopolitical and security advantages in the Middle East. China has long defended its national economic interests while maintaining a

critical distance from the political concerns of its allies. However, as the political environment for China's relations with Saudi Arabia has improved, the level of Beijing's engagement with these countries has changed in tandem with the geopolitical landscape in the Middle East (Tehreem et al, 2024). This supports Saudi Arabia's goals of strengthening its economy and achieving regional political stability. China has acted as a mediator to help Saudi Arabia and Iran, the two most important countries in the Middle East, reach a rapprochement. Economic growth and a stable political climate go hand in hand. The two countries have been fighting for decades, But they were able to come together thanks to Chinese intervention.

Saudi Arabia and Iran have long been regional rivals, with tensions fueled by sectarian differences and conflicting interests in Yemen, Syria, and Iraq. However, the normalization of relations between the two countries, brokered by China in 2023, marks a significant geopolitical shift. The decision to engage with Iran through China is rooted in several rational considerations:

- **Regional Stability and Economic Growth:** Prolonged hostilities with Iran have undermined security and economic stability in the Gulf. By improving relations, Saudi Arabia aims to create a more predictable environment for investment and trade.
- **China's Role as a Neutral Mediator:** Unlike Western powers, which are often perceived as biased actors in Middle Eastern conflicts, China maintains positive relations with both Saudi Arabia and Iran. This neutrality made it an effective intermediary in facilitating dialogue and de-escalation.
- **Reducing Overreliance on Western Diplomacy:** By leveraging China's influence, Saudi Arabia has diversified its diplomatic avenues, reducing its

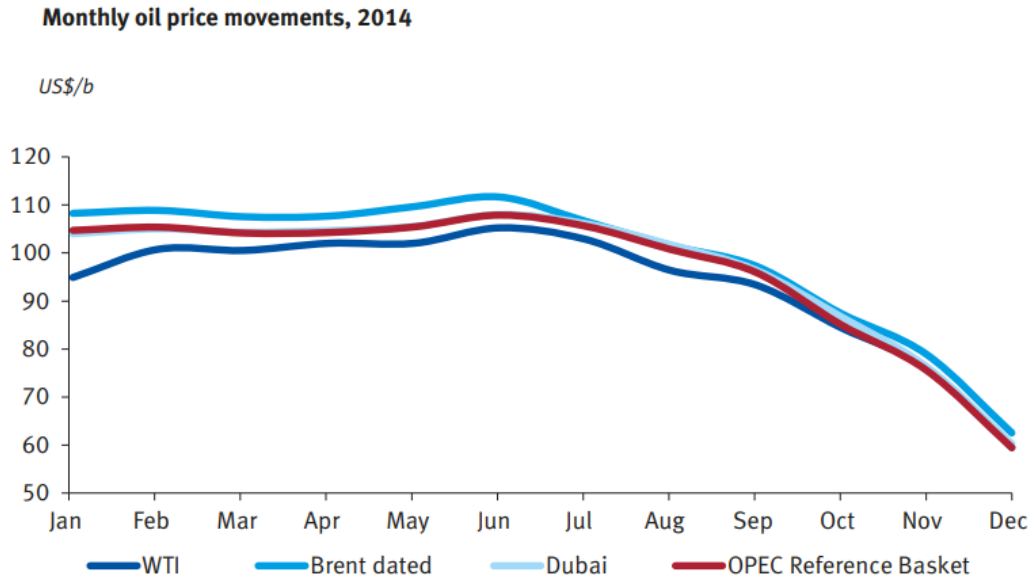
dependence on Western-mediated negotiations and increasing its bargaining power in regional affairs.

In line with the Rational Actor Model, Saudi Arabia identified the benefits of improved Saudi-Iran relations, assessed China's capacity to act as a stabilizing force, and strategically utilized this opportunity to enhance regional security and economic prospects. Saudi Arabia's strategic shift toward China, analyzed through the rational actor model, reflects a calculated approach to securing economic stability, technological advancement, and energy market dominance. By balancing risks and opportunities, the Kingdom has positioned itself as a key player in China's economic expansion while maintaining a level of engagement with traditional Western allies. This decision underscores the evolving nature of global economic power dynamics, where adaptability and diversification are crucial for sustaining long-term growth and geopolitical leverage.

3.1.3 Saudi Arabia's Goal in Economic Diversification Leveraging Chinese Investments and the Belt and Road Initiative

The drop in global oil prices in 2014, which quickly rose to the top of the list of economic threats, was the first external issue that led to a change in Saudi policy. For four years, oil prices had been stable at around \$110 per barrel, but in 2014 they fell below \$50 per barrel and after seven months oil demand declined due to the slowdown in the global economy. Negative net exports, high unemployment rates, low foreign exchange reserves, declining foreign investment, and strict laws and regulations on women's rights were the internal reasons that necessitated a new Saudi approach (Khoirunnisa et al, 2024).

Table 1.1 Average Oil Prices for 2014 .



As shown in the table, a sharp drop in oil prices was recorded starting in June, significantly impacting the economies of oil-producing countries (OPEC, 2014). The drop in oil prices in 2014, which Saudi Arabia considered the biggest threat to it as one of the countries whose economies is heavily dependent on oil, led to a new strategy in Saudi Arabia in all areas. Saudi Arabia sought to diversify its economic sources and follow a new Saudi approach in all areas.

Moving the Saudi economy away from oil and towards other resources that can boost the economy in the absence or presence of oil has become a priority and a significant goal for Saudi Arabia in recent years. Given the importance of the geographical location of the Kingdom of Saudi Arabia, Saudi Arabia's vision calls for building new cities and modernizing existing ones, thus revitalizing the entire region (Sulaiman, L. 2024) .

The most important goals of Vision 2030 are to diversify sources of income, develop the economy, and move from 19th to 15th place globally and from 25th to one of the top ten in the Global Competitiveness Index. According to an article in Asharq Al-Awsat newspaper, instead of focusing only on oil and gas, Saudi Vision 2030 requires diversifying the economy and establishing many strategic relationships. President Xi Jinping and King Salman bin Abdulaziz, Custodian of the Two Holy Mosques, signed a comprehensive strategic partnership agreement between the two countries. It is necessary for Saudi Arabia to cooperate with a country the size of China in production and manufacturing, as it is one of the largest industrial countries in the world (Al-Obaidi, 2022).

In light of the previous relations between Saudi Arabia and China, relations witnessed more profound and remarkable progress in the first few months of 2016. Statements of King Salman, King of Saudi Arabia, are the best evidence of this. Saudi-Chinese relations are advanced significantly through the Silk Road agreement and the memorandum of understanding signed by Saudi Arabia, which included the Maritime Silk Road Initiative and cooperation in the field of production capacity (Mou et al, 2021).

The two nations collaborate in technical and technological areas like the Internet, artificial intelligence, and digital technology within Saudi Arabia's Vision 2030 framework and the Belt and Road Initiative. Chinese companies can also start digital infrastructure construction projects, promote artificial intelligence quickly and affordably, develop and train information and communications technology, and launch satellites. China's ambitious Belt and Road Project, which satisfies China's increasing desire for energy cooperation, is an exception to Saudi Arabia's Vision

2030 initiative. This will promote complete reform of Saudi Arabia's energy industry while encouraging more collaboration in the energy sector (Al-Munaie, 2022).

Saudi-Chinese relations have grown significantly on many fronts. Following Saudi Arabia's discussion of the possibility of bilateral cooperation between the two nations, under the framework of Vision 2030 and China's "Belt and Road" initiative, twelve memorandums of understanding and agreements were established between the two nations. Relations with China have expanded beyond economics since Saudi Arabia added Chinese to its education curricula, hired 171 Chinese male and female teachers to teach the language in 2024, and sent 100 male and female teachers to China to earn master's degrees in language instruction. China is one of Saudi Arabia's most prominent investors, having invested \$16.8 billion in 2023, up from \$1.5 billion in 2022, while Saudi Arabia's investments in China totalled 75 billion riyals (Al-Otaibi, 2024).

The range of China-Saudi relations has expanded dramatically over the last few years, particularly from 2016 to 2024. Growth has been made possible by the 2016 agreement, which called for comprehensive strategic engagement in all areas, including defense production, nuclear and renewable energy, infrastructure, telecommunications, high technology, industry, finance, transportation, and energy commerce. The relationship between Riyadh and Beijing has evolved from secondary importance to a "comprehensive strategic partnership" in tandem with the gradual expansion of political ties.

Chinese investment supports many Saudi sectors, such as infrastructure, energy, and petrochemicals, stimulating economic growth and opening up new business opportunities in Saudi Arabia. Economic cooperation and investment between China and Saudi Arabia improve bilateral relations. Economic cooperation between the two countries attracts more companies and investments and promotes trade, technological progress, and cross-cultural ties in China. Foreign investment contributes to economic diversification and increases the nation's competitiveness on the global stage. China can secure energy supplies and other resources supporting its economic growth by investing in Saudi Arabia. The alignment of Vision 2030 with China's Belt and Road Initiative (BRI) has fostered a robust partnership between the two nations. China's investments in Saudi infrastructure, energy projects, and technology sectors have been pivotal in advancing the Kingdom's diversification goals. This synergy not only strengthens economic ties but also positions both countries to achieve their long-term strategic objectives.

Saudi Arabia's participation in the Belt and Road Initiative abroad has significant strategic implications for both countries. In addition, Saudi Arabia, which serves as a gateway for trade and investment between Asia, Africa, and Europe, is crucial to China's hopes for the success of the Belt and Road Initiative in West Asia. By giving Saudi Arabia access to new markets, essential infrastructure, and the opportunity to transition away from an oil-dependent economy, the Belt and Road Initiative complements Vision 2030 and benefits both sides.

Saudi Arabia's Vision 2030 prioritizes economic diversification, infrastructure modernization, and industrial expansion. To achieve these objectives,

Saudi Arabia has actively engaged with China's Belt and Road Initiative (BRI)—a global infrastructure development strategy that aligns with the kingdom's ambitions. The key motivations include:

- **Infrastructure Development:** Saudi Arabia has received billions in Chinese investments for projects such as railways, ports, and smart cities. Notable developments include Chinese participation in the construction of NEOM, a \$500 billion megacity project aimed at transforming the Saudi economy.
- **Technology Transfer and Digital Economy:** Chinese companies like Huawei have played a crucial role in Saudi Arabia's digital transformation, particularly in 5G technology and artificial intelligence.
- **Diversifying Trade Relations:** By engaging in the BRI, Saudi Arabia has expanded trade beyond traditional Western partners, ensuring a more resilient economic framework.
- **Energy Sector Integration:** While Saudi Arabia remains a major oil supplier to China, cooperation has extended into renewable energy, with joint ventures in solar and hydrogen power projects.

From a rational decision-making standpoint, Saudi Arabia evaluated the opportunities provided by the BRI and determined that deeper engagement with China would accelerate its economic transformation, enhance technological capabilities, and create new avenues for long-term growth.

3.2 Alternatives for the Advancement of Saudi Arabia's Relations with China

Saudi Arabia had many options to significantly improve its relations with other countries, most notably repairing relations with the United States after they deteriorated, as well as improving relations with the European Union and economically powerful Gulf states, such as the United Arab Emirates. The new Saudi Vision 2030 seeks to diversify Saudi Arabia's sources of income away from oil and advance in all areas of the country's economy and politics. With Saudi Arabia now the world's largest oil producer and gaining enormous wealth as a result of the global energy crisis, Gulf leaders have enthusiastically embraced the multipolar world order, prompting most countries to seek strategic relationships.

In evaluating its economic strategy, Saudi Arabia considered various alternatives, including maintaining the status quo with the United States, deepening economic ties with the European Union, or diversifying partnerships across multiple Asian economies. However, China emerged as the most viable option due to its high demand for energy, expansive Belt and Road Initiative (BRI), and increasing influence in global trade networks. By strengthening ties with China, Saudi Arabia can benefit from infrastructure investments, technology transfers, and access to new markets beyond traditional Western partnerships.

3.2.1 Saudi-U.S. Relations in Transition

Saudi Arabia's relationship with the United States has always been strategic and stable. Saudi Arabia is also a member of the United Nations. However, in previous years, the Saudi royal family was deeply concerned about the Obama

administration's intention to use political measures to address the Iranian nuclear issue. Donald Trump is a more accommodating partner in Iran, but his conflicting policies confuse the monarchy. The two partners have also been divided on economic issues, especially energy, as America's interests have shifted to Asia. However, while some realities have emerged with the Arab turmoil, and as Riyadh works to secure its presence and stability, it must balance its relations with the United States and other international players (Cengiz, S. 2020).

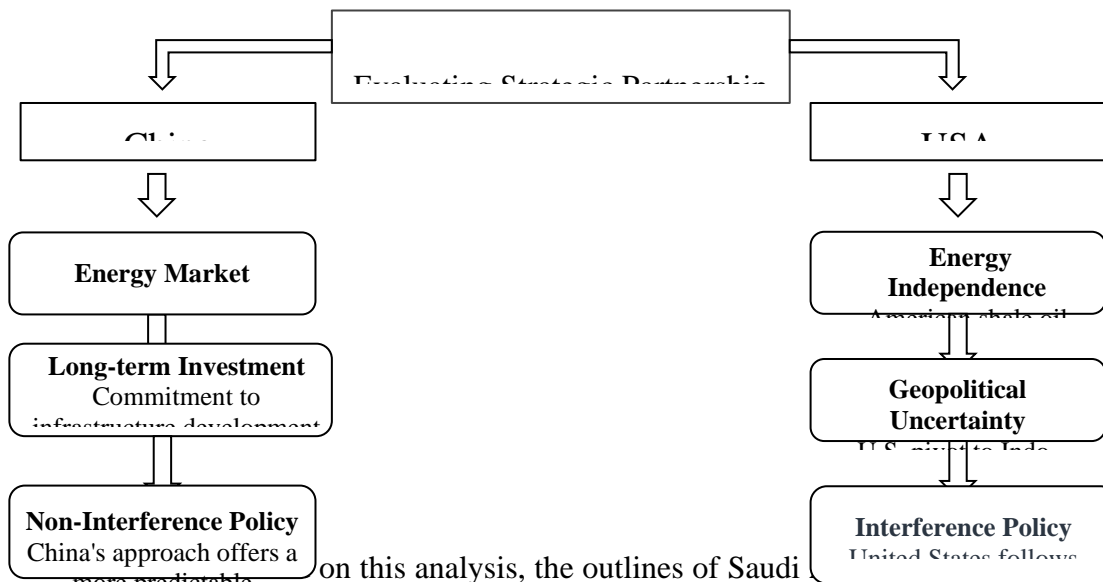
For decades, the United States has been the dominant power and leading political player in the Middle East. Saudi Arabia had the option of seeking to restore relations to their former state, benefiting from the restoration of a strategic relationship in most areas of interest to it, and avoiding the pressure that the United States might impose on it to advance its relations with China. However, the choice fell on China rather than the United States, because the Saudi government saw that the benefits of strengthening relations with China outweighed the benefits of restoring strategic relations with the United States.

Saudi Arabia and the United States shared a close alliance based on energy trade and security cooperation. However, in recent years, this relationship has undergone a transformation due to several factors. The U.S. shale oil revolution significantly reduced American reliance on Saudi oil exports, weakening the foundation of their economic partnership. Additionally, U.S. foreign policy shifts, including a reduced military presence in the Middle East and perceived inconsistency in security commitments, have led Saudi Arabia to question the reliability of the U.S. as a long-term strategic partner. Diplomatic tensions,

particularly concerning human rights issues and differing approaches to regional conflicts, have further strained the relationship.

Saudi Arabia has not renounced its ties with the United States, but the Kingdom is looking for other allies due to the limitations and unpredictability of this partnership. Given its non-interference stance, China has become a feasible and alluring alternative. For instance, China’s growing emphasis on peace and security has strengthened its long-standing foreign policy norm of non-interference in the internal affairs of African states. Compared to the United States, China is a special strategic friend because of its flexible pragmatism, which allows Beijing to intervene in Africa’s security and peace environment without overtly abandoning its long-standing non-interference stance.

Based on the above, the following mind map highlights China’s advantages compared to the challenges that Saudi Arabia may face by choosing to restore relations with the United States as an alternative.



on this analysis, the outlines of Saudi Arabia's strategic choices between the United States and China at the expense of its traditional ally, the United States, become clear. The following

section will address the dimensions of strategic cooperation between Saudi Arabia and the European Union.

3.2.2 Saudi-EU Strategic Cooperation

As for the European Union, Saudi Arabia, particularly in its relations with Paris, views its connection to Europe based on historical ties that grant it legitimacy and global standing on the international stage through its relations with European countries. Saudi Arabia also views France's permanent seat on the UN Security Council as particularly important. Despite growing international criticism, France actively supports the Saudi military campaign in Yemen, prompting Saudi Arabia to maintain close political and economic ties with these countries (Abulhasan, 2019).

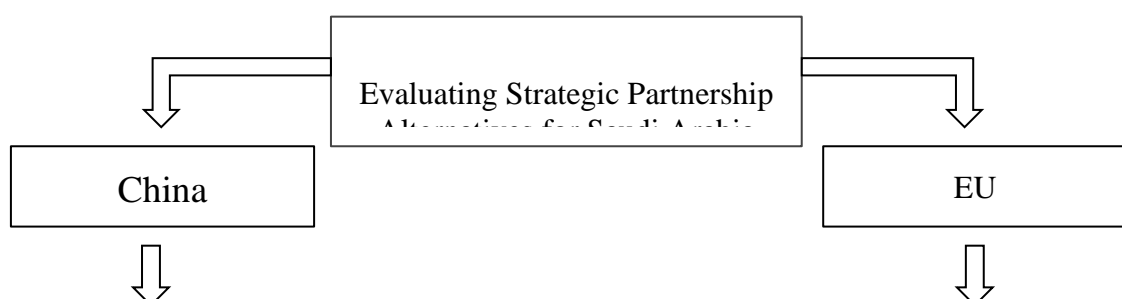
Relations between Saudi Arabia and European countries are in good condition, qualifying them for long-term strategic ties that could benefit Saudi Arabia in many areas, including economic, political, and military. European countries are geographically close to Saudi Arabia, and the European Union has long been an important trading partner for Saudi Arabia, particularly in the energy, infrastructure, and defense sectors. However, deepening relations with the European Union as an alternative to China poses several challenges. The EU's bureaucratic and regulatory frameworks often slow trade and investment agreement negotiations, making economic cooperation less flexible than China's rapid decision-making processes.

The need for consensus among member states, the complexity of the EU's institutional structure, and conflicting national interests are why delays are among

the most significant problems facing EU decision-making. For example, the principle of consensus requires all member states to agree on a policy before its implementation, often leading to lengthy discussions and compromises that exacerbate delays (Saltot, 2024).

In addition to the European Green Deal, a set of legislative measures to make the continent carbon-neutral by 2050, the EU has sought to strengthen its climate goals in recent years. The Carbon Border Adjustment Mechanism (CBAM) is central to this package. By 2030, other Gulf Arab states, among the largest exporters of oil and related commodities, will likely experience additional impacts. For example, eight exporting countries, including the United Arab Emirates and Bahrain, supply the European Union with 85% aluminum, with 8% and 3% shares, respectively. The list of the top 30 exporters to the EU also includes Saudi Arabia, Qatar, and Oman (Ghanem, 2024). The European Union's ambitious green energy policies and gradual shift from fossil fuels challenge Saudi Arabia's oil-dependent economy. Unlike China, which continues to invest heavily in the Saudi energy sector while supporting economic diversification.

Based on the above, the following mind map highlights China's advantages compared to the challenges that Saudi Arabia may face in choosing to advance relations with European countries as an alternative.



Based on this analysis, the contours of Saudi Arabia's shift toward China at the expense of European countries and become clear. The following section will address the dimensions of strategic cooperation between Saudi Arabia and the UAE.

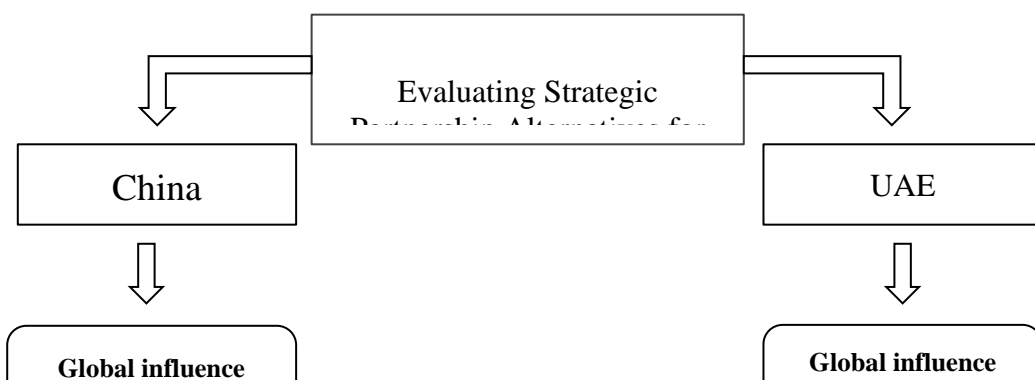
3.2.3 UAE-Saudi Partnership

As Saudi Arabia accelerated its efforts to diversify its economy, reduce its dependence on oil, and increase its regional and global influence in industries including infrastructure, aviation, tourism, and sports in recent years as part of its 2030 development program, it was expected that the UAE would compete to become a hub for investment and trade in the Gulf and the Middle East as a whole. The project to issue a unified Gulf currency and a central bank for the council was partially stalled due to the UAE's objection to the proposal to host the headquarters of the Gulf Cooperation Council Central Bank in Riyadh and its withdrawal from the Gulf Monetary Union agreement. This was one of the most prominent public economic disputes between the two countries over the past twenty years, indicating the extent of the rivalry between the two countries (Nasr, S., 2023).

Despite everything, Saudi Arabia has had the opportunity to resolve some of its issues with the UAE and choose to strengthen relations with it instead of China. The Saudi and Emirati authorities often try to downplay any mention of the differences between their countries and emphasize that the rivalry between the two Gulf neighbors is nothing new and does not affect their close relations. Saudi Arabia could benefit from the UAE's experiences in progress and development in several areas. The UAE is a significant economic power in the Middle East, but China was chosen.

Saudi Arabia and the United Arab Emirates (UAE) share strong economic and political ties, collaborating on various regional initiatives. The UAE is one of Saudi Arabia's closest Gulf allies, and their partnership extends to sectors such as trade, finance, and defense. However, while the UAE is an important regional player, it does not offer the same scale of investment and geopolitical influence as China. Additionally, economic competition exists between the two nations, particularly in sectors like tourism, logistics, and energy. Although Saudi Arabia values its partnership with the UAE, it recognizes that a global economic power like China presents greater long-term benefits in terms of trade, investment, and technology transfer.

Based on the above, the following mind map highlights China's advantages compared to the challenges Saudi Arabia may face in choosing to develop relations with the UAE as an alternative.



Based on this analysis, the features of Saudi Arabia's shift towards China at the expense of the United Arab Emirates become clear.

3.3 Consequences of the Advancement of Saudi Arabia-China Relations

Studies by Krane (2019) discuss the consequences of the U.S.-Saudi economic relationship and how shifting geopolitical interests have influenced Saudi Arabia's diversification efforts. Further research by Sun & Huang (2020) examines the technological and infrastructural advantages gained from Saudi-Chinese collaborations, particularly in renewable energy and smart city development.

Despite these strategic advantages, challenges remain. Scholars such as Smith & Jones (2019) highlight concerns over economic overreliance on China, emphasizing the need for Saudi Arabia to maintain a balanced foreign policy. Additionally, geopolitical tensions and diplomatic complexities require careful navigation to avoid alienating traditional Western allies (Ahmed, 2020).

These studies reinforce that Saudi Arabia's economic realignment toward China follows a rational actor decision-making process, driven by national economic interests, geopolitical calculations, and long-term strategic planning. Strengthening economic relations with China has had both positive and negative

consequences for Saudi Arabia. On the positive side, the Kingdom has secured long-term energy contracts, expanded its role in China's Belt and Road Initiative, and attracted significant Chinese investments in infrastructure and technology. This shift has also enabled Saudi Arabia to diversify its economic base by fostering industries such as manufacturing, renewable energy, and digital transformation.

However, there are also challenges. Increased economic reliance on China poses risks, including overdependence on a single major partner, potential geopolitical tensions with Western allies, and vulnerabilities related to China's own economic stability. Additionally, balancing relations between the U.S. and China remains a diplomatic challenge, requiring strategic maneuvering to avoid alienating key stakeholders.

3.3.1 Political Consequences of Saudi-Chinese Relations

Following the events of September 11, 2001, the US leadership decided to cooperate and focus on strengthening cooperative relations with Saudi Arabia across a wide range of topics, including the economy, education, and assistance in eliminating terrorists (Embassy of the Kingdom of Saudi Arabia, 2018). Saudi Arabia's relations with the United States are broad in many areas, especially politics.

Washington is aware of China's efforts to expand its global influence. The Middle East is one of the regions in which China wants to increase its impact. However, according to John Kirby, the Coordinator for Strategic Communications at the US National Security Council, the United States is "focusing on its partnerships in the region" (Anton, C. 2022). In a region where

the United States has long had influence, China has succeeded in increasing its attractiveness as a partner thanks to thriving economic and energy relations and improved political relations. However, the United States maintains its security and financial advantage in the competition for influence.

Since China is a state that aims to increase its power at the expense of America, the development of Saudi Arabia's relations with China will undoubtedly have some repercussions for the United States. Thanks to its long-standing presence in the Middle East and its cooperation with Saudi Arabia in many political areas, such as the right to peace, maintaining global economic stability, and combating terrorism, the United States can easily exert political pressure on Saudi Arabia to withdraw from these corporations with Saudi Arabia.

One of the major political consequences of Saudi Arabia's closer ties with China is the shift in global alliances, signaling a move toward a multipolar world. By strengthening economic and diplomatic relations with China, Saudi Arabia reduces its dependence on Western powers, particularly the U.S. This diversification strategy allows Saudi Arabia to gain greater leverage in international affairs, balancing relationships between global powers while maintaining its strategic autonomy. Additionally, China's growing presence in Middle Eastern diplomacy, evident in its mediation of Saudi-Iran relations, reinforces its role as a key player in regional stability. However, this growing Saudi-China partnership also raises concerns in Washington, as the U.S. views China's influence in the Gulf as a challenge to its historical dominance in the region.

3.3.2 Economic Consequences of Saudi-Chinese Relations

Many US policymakers are concerned that China could inadvertently use Saudi Arabia as a pawn in its attempts to undermine US supremacy in international financial markets. These concerns have grown since Saudi Arabia's Deputy Minister of Economy and Planning, Mohammed al-Tuwaijri, announced on August 24 that Saudi Arabia would pay part of its budget deficit in Chinese yuan to reduce its reliance on the US dollar. Riyadh's choice could prompt other oil-exporting countries to switch from the US dollar to the "petro-yuan," which is why many US economists are concerned about Saudi Arabia's willingness to borrow Chinese yuan (Ramani, 2018).

Saudi Arabia may use its influence in OPEC to support the Chinese yuan, OPEC's organization of twelve oil-exporting countries, Algeria, Congo, Equatorial Guinea, Gabon, Libya, Nigeria, and the United Arab Emirates. The five founding members are Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela. Washington will likely respond strongly, as the United States considers its alliance with Saudi Arabia a cornerstone of its Middle East strategy. Intense US pressure is likely to push Saudi Arabia away from China, potentially limiting economic integration between the two countries by exploiting US influence in Saudi Arabia, which still relies on US weapons to achieve its geopolitical goals in the Middle East.

The economic impact of Saudi Arabia's partnership with China has been profound. China has become Saudi Arabia's largest trading partner, with bilateral trade exceeding \$100 billion in recent years. Chinese investments in Saudi infrastructure, technology, and energy sectors have contributed to the kingdom's Vision 2030 economic diversification strategy. Through initiatives like the Belt and

Road Initiative (BRI), China has supported Saudi Arabia in expanding its logistics and transport networks, positioning the kingdom as a key trade hub connecting Asia, Africa, and Europe. Furthermore, collaborations in high-tech industries, such as artificial intelligence, renewable energy, and digital transformation, have accelerated Saudi Arabia's modernization efforts. These economic benefits have reinforced Saudi Arabia's commitment to strengthening ties with China.

3.3.3 Military Consequences of Saudi-Chinese Relations

The United States provides Saudi Arabia with direct and indirect military aid, which greatly influences its decisions, especially regarding foreign policy. For example, Saudi Arabia has long needed American security promises because it is wary and fearful of Iran, especially regarding the Iran-US nuclear deal. Most of the time, Saudi Arabia chooses peaceful solutions to problems over military solutions. Each of these solutions shows how dependent Saudi Arabia is on the United States to get things done in the complex political landscape of the Middle East.

The United States, which sees itself as the dominant power in the Middle East, will certainly not benefit from the development and progress of Saudi-Chinese relations. Since the United States has the power and has shown this in the past with the United Arab Emirates by putting a lot of pressure on the country to stop the construction of a Chinese naval base in the port of Abu Dhabi, even threatening to cancel the F-35 deal and other military agreements, it will undoubtedly try to pressure Saudi Arabia to try to block this progress. The concern in Washington is that China may help the Saudis develop a nuclear

weapons program. Whether or not this is true, the perception could provoke a strong reaction from the United States, which could use its considerable influence to pressure the Saudis to reduce their nuclear portfolio with China.

In conclusion, Saudi Arabia's growing relationship with China has also extended into military cooperation. In recent years, Saudi Arabia has diversified its arms imports by purchasing Chinese military technology, including ballistic missiles and drone systems. This shift reduces Saudi dependence on Western arms suppliers and provides the kingdom with alternative defense partnerships. Additionally, cybersecurity and intelligence-sharing agreements with Chinese technology firms have raised concerns about digital sovereignty and security risks. While Saudi Arabia still maintains strong security ties with the U.S., its engagement with China in defense sectors signals a strategic recalibration in its military partnerships.

3.4 Saudi Arabia Chooses China to Advance Relations

Based on an analysis of objectives, alternatives, and consequences, Saudi Arabia's rational choice was to deepen its economic relations with China while maintaining a degree of cooperation with Western allies. The decision reflects a pragmatic approach to economic growth, energy security, and geopolitical positioning. The Kingdom's continued investments in China-driven projects and agreements underscore its commitment to this strategic realignment, ensuring long-term economic benefits while managing potential risks.

3.4.1 Choosing China as a Reliable Economic and Security Ally

Given the strategic reasons that prompted Saudi Arabia to choose China, the country's leaders must have thought carefully about this choice. Indeed, Saudi decision-makers are aware that the progress of Saudi-Chinese relations will involve some pressures and may even lead to sanctions, as have been mentioned earlier. However, there is no doubt that the positive effects will be more important for Saudi Arabia, indicating that Saudi Arabia has made the right choice in light of this new approach. It moves Saudi Arabia from its cautious and compromising decades-long strategy towards a bold, urgent and successful national, regional and global approach.

In recent years, Saudi Arabia has no longer relied on the United States as a reliable economic and security ally and is showing signs of trying to create a global network of relations with major countries by following the new Saudi approach. The primary choice fell on China during the reign of King Salman and his Crown Prince. Saudi Arabia has traditionally relied on the United States on many issues. But now, when Houthi drones attacked Saudi Aramco's oil facilities in Abqaiq in 2019, it became abundantly clear that the United States had done little to defend Saudi oil infrastructure while the Biden administration chose to remove the country's air defense system when it was threatened by Houthi ballistic missiles. This led to Saudi Arabia no longer viewing America as a reliable guarantor, which was one of the main reasons for choosing China as the country that could replace the United States in both the security and economic spheres. Saudi Arabia can now place a higher value on interactive economic relations with emerging Asian powers by choosing China.

Saudi Arabia's "Look East" policy has become more prominent from this perspective; it aligns with the strategic and economic needs of Saudi Arabia and China (Zou, 2015). Since the beginning of the transformation in Saudi Arabia in most economic and political fields, in addition to the start of the "Neom" city project to build the necessary infrastructure to enhance Saudi Arabia's position as a center for international trade, transportation and global supply chains, the country has been trying to follow the new approach to attract foreign investments, especially from countries that work with technology, such as China.

China has proven to be a stable and long-term economic partner for Saudi Arabia. Unlike the U.S., which frequently shifts its foreign policy focus based on domestic political changes, China offers consistent diplomatic engagement and economic collaboration. Saudi Arabia values China's commitment to large-scale investments, technological advancements, and infrastructure development, which align with the kingdom's Vision 2030 goals. Furthermore, China's demand for energy ensures a strong market for Saudi oil exports, maintaining the economic foundation of the partnership. In addition to economic cooperation, China provides an alternative security partnership, reducing Saudi Arabia's reliance on Western military support and expanding its strategic options.

3.4.2 The New Saudi Approach to Economic Relations.

China has begun to establish itself as a key pillar of the Gulf states' economic and geopolitical diversification. On March 15, 2022, Saudi Arabia announced that it was actively negotiating with Beijing to price a portion of its oil shipments to China in yuan, in light of the Ukraine war and economic and energy ties. If

implemented and sustained, this move not only challenges the US dollar's dominance in the global oil market but also heralds a Saudi pivot toward Asia (Ali, 2025).

Considering Saudi Vision 2030, a strategy aimed at diversifying the country's economic resources rather than relying exclusively on the oil trade, Riyadh has embarked on a national plan to localize key industries, including the establishment of factories specializing in high-tech sectors, drone projects, electric vehicles, and other pharmaceutical industries. When considering the ideal partner to implement Saudi Arabia's goals in these areas, China is considered the ideal and strategic partner from the Kingdom's perspective. China is a leading country in all of the above fields, and this is what the Kingdom of Saudi Arabia seeks. As China grows as an economic power, it is guiding global monetary cooperation and promoting reforms in the international economic pattern, acting as the center and hub for changes in the global economic pattern. All of these signals and initiatives are in the Kingdom's interest. Its cooperation with China will include developing Saudi Arabia in key areas such as technology, its global hegemony and position, and the new and radical transformation within the Kingdom.

In conclusion, Saudi Arabia's new foreign policy strategy prioritizes diversification and multipolar engagement. While maintaining its historical relationships with the U.S. and Europe, Saudi Arabia is actively building stronger ties with emerging global powers like China. This approach allows Saudi Arabia to maximize economic opportunities, enhance regional influence, and secure its long-term development goals. By embracing Chinese investments and technological

collaborations, Saudi Arabia is positioning itself as a global economic powerhouse with a balanced and flexible foreign policy.

Saudi Arabia's strategic shift toward China, analysed through the rational actor model, reflects a calculated approach to securing economic stability, technological advancement, and energy market dominance. By balancing risks and opportunities, the Kingdom has positioned itself as a key player in China's economic expansion while maintaining a level of engagement with traditional Western allies. This decision underscores the evolving nature of global economic power dynamics, where adaptability and diversification are crucial for sustaining long-term growth and geopolitical leverage.

Table 1.2

Goals and Objectives	Alternatives	Consequences	Choice
<p>Reducing American influence: The United States' quest for a new strategic ally resulted from its strategy change towards Asia and decreased reliance on Saudi Arabia.</p>	<p>Repairing relations with the United States: This option involves restoring the strategic partnership with the United States, but this option is limited by the shift in American policy</p>	<p>Political Consequences: reduced dependence on the United States, increased influence in a multipolar world, but risks of strained relations with the West.</p>	<p>Choosing China as an economic and security ally: China offers a stable, long-term partnership, massive investments, and strong demand for oil, which supports the</p>

	and the decline in dependence on Saudi oil.		goals of Vision 2030.
<p>Improving Relations with Iran: Using China as a mediator to improve relations with Iran to ensure regional stability. This was achieved in 2023 through China's mediation to restore relations between Saudi Arabia and China.</p>	<p>Strengthening cooperation with the European Union: Building stronger economic and political ties with the European Union, but the European bureaucratic framework and green energy policies limit the attractiveness of this option.</p>	<p>Economic Consequences: Increased bilateral trade (exceeding \$100 billion), investments in infrastructure and technology, but there are risks of overreliance on China.</p>	<p>The new Saudi approach: Adopting a multipolar foreign policy to achieve economic and security stability, while leveraging Chinese technology and the Belt and Road Initiative.</p>
<p>Economic Diversification: Through Vision 2030, Saudi Arabia goals to lessen its reliance on oil while taking advantage of Chinese investments in renewable energy, technology, and infrastructure.</p>	<p>Partnership with the UAE: Strengthening relations with the UAE as a regional power, but economic competition between the two countries reduces the feasibility of this option compared to China.</p>	<p>Military Consequences: Diversification of weapons sources through military cooperation with China (such as ballistic missiles), but this could raise American concerns about nuclear programs.</p>	

CHAPTER 4

CONCLUSION

4.1 Conclusion

Since achieving the goals of Saudi Vision 2030 is one of the most critical priorities of the Kingdom of Saudi Arabia, it has sought to develop Saudi-Chinese

relations. It is essential to strengthen Saudi ties with a superpower country like China as it will help Saudi Arabia achieve most of its economic and technological development goals and not rely on oil alone. The new Saudi approach sought cannot be achieved without regional stability. Thus, Saudi Arabia has sought to not be within the framework of American hegemony only and rely on it entirely, as Saudi Arabia has felt let down by its total reliance on the United States from a security perspective in previous years.

The advancement of relations with China was chosen among other options, such as returning to strengthen ties with the United States or advancing ties with the European Union or the Emirates. As for the sanctions or pressures that the United States might exert to try to obstruct this relationship, Saudi Arabia chose to ignore this. The benefits and interests Saudi Arabia will gain from Chinese relations prevail over other options or any obstacles or pressures it may face. Through economic ties between Saudi Arabia and China, new technology centers have been established to help develop technologies in the Middle East. Saudi Arabia has effectively achieved its goals in creating the Internet of Things, artificial intelligence, other information technologies, and digital industries. Through cooperation with China, Saudi Arabia can play a significant role in the region's stability and development, given the political and geographical changes. In addition to the value of building the Digital Silk Road, which aims to provide full connectivity and cultural enrichment for the Belt and Road Gateway, the Internet of Things, artificial intelligence, information details, and digital industries are essential for new technology. All of this is helping Saudi Arabia develop within the political reality.

An important factor contributing to the current Sino-Saudi relations is China's increasing political engagement in the Middle East, which helps ensure the security and stability of Saudi Arabia. Relations with China have greatly affected the stability of Saudi Arabia's security. Iran is Saudi Arabia's number one enemy, and China has a significant influence on Iran. Because of its economic cooperation agreement with Tehran and its status as a major customer of Iranian oil, China is the only country that can reassure Saudi Arabia and put pressure on Iran without the need for the United States to do so. Overall, Saudi Arabia has chosen China wisely, considering its transformation in many areas, including technology and economic development, and its pursuit of stability in the Middle East. All these factors indicate that Saudi Arabia's choice of China was rational.

4.2 Recommendations

There are a number of recommendations that the Saudi government could take advantage of to improve the potential for progress in relations with China and balance Saudi Arabia's foreign relations. Saudi Arabia could focus on cultural exchange and tourism, in addition to the economic and political aspects, to ensure that relations between the two countries improve to a greater level. Programs focusing on cultural understanding, tourism, and educational exchange can help people get to know each other on a broader scale, beyond governments, making the two countries more connected economically and culturally. On the political side, Saudi Arabia should try to balance US-China relations so that the relationship remains strategic with China and also the United States, which could lead to further stability in the Middle East and Saudi Arabia. For example, Saudi Arabia should

follow the approach of Indonesia, which has balanced relations with all countries in the world, which makes its economic rise and stability easier.

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