

VIEWS

ASIA VIEWPOINT

Saudi Arabia: From a regional power to a global player

BY DERWIN PEREIRA



On a visit to the Kingdom of Saudi Arabia (KSA) earlier this month, I was struck by how traditional modernity can be. That sounds like a contradiction in terms, but the contradiction is only apparent. After all, what is traditional today was modern once, and what is modern today will become traditional one day. The point is to anchor fleeting tradition in the modernity of the moment so that culture continues to contour the development of the nation.

My work took me to Riyadh, where the future is clearly visible in the present. Highways and skyscrapers, two of the markers of modernity, define Saudi Arabia's capital city. I saw the construction of houses and office buildings on a scale so massive that the modernisation of Singapore in the 1970s came to mind immediately.

But I also wanted to see what Saudi Arabia has emerged from. So, I visited the Turaif District in ad-Dir'iyah, north-west of Riyadh. Its traditional mud-brick architecture literally transports you back to this beautiful Kingdom's past through old streets, heritage landmarks and unique natural beauty. Located on the banks of the Wadi Hanifah, it is a world-class cultural suburb, housing museums in its old buildings. It is a Unesco World Heritage site. According to Unesco, the property, founded in the 15th century, was the first capital of the Saudi Dynasty and bears witness to the architectural style of the Najd region that existed in the heart of the Arabian Peninsula. Its political and religious role expanded in the 18th and early-19th centuries. The citadel at at-Turaif acted both as the centre of the temporal power of the House of Saud and as the spiritual home of the reformist Salafiyya movement in Islam that swept Saudi Arabia and other parts of the Sunni world.

In Riyadh, I had the privilege of meeting His Royal Highness Prince Turki al-Faisal al-Saud. He is the former Director of the General Intelligence Directorate and was Saudi Arabia's Ambassador to the United States and the United Kingdom. He is the Founder and Trustee of the King Faisal Foundation and Chairman of the King Faisal Centre for Research and Islamic Studies. His erudition, carried lightly with the habitual modesty of a true intellectual, opened the doors of my mind to the high culture of a country and a region about which I had known little till then. Conversations with his advisors at the Centre were extremely fruitful as well.

What I gathered from my visit, short though it was, was that Saudi Arabia is employing the self-confidence gained from the modernity of its traditions to do two things: transform itself within and expand its influence from being a regional power to a global player.

Both goals are inherent in Vision 2030, its blueprint for national success and excellence. Launched in 2016, the roadmap leverages the Kingdom's unique strengths: its pivotal role in the Arab and Islamic worlds, its strong investment capabilities and its strategic geographical position. Vision 2030 seeks to diversify the economy, empower citizens, create a vibrant environ-



ment for both local and international investors and establish Saudi Arabia as a global leader. The Vision is designed to unfold in stages, each lasting five years and building on the last.

The frenetic construction activity that defines the Saudi skyline is a concrete part of a national transformation that is more broadly economic and ultimately social. On the economic front, diversification away from oil is one of the successes of Vision 2030. According to the World Economic Forum (WEF), non-oil activities now constitute 52% of Saudi GDP, "marking a historic shift in an economy traditionally dominated by hydrocarbon revenues". With projections of 6.2% growth in non-oil sectors by 2026, "the country is demonstrating that its economic diversification isn't merely aspirational — it's becoming a reality".

WEF adds: "The country's US\$700 billion (\$902 billion) Public Investment Fund could help fill the massive global climate finance gap, positioning it as an essential partner in clean energy transitions. Rising disaster costs threaten fossil fuel infrastructure, yet create demand for Saudi expertise in heat-resilient construction and water management. By becoming a major climate financier, Saudi Arabia could maintain global influence even as oil markets decline, while gaining preferential access to emerging green technologies."

That is the way to go. The revenues earned and saved from Saudi Arabia's oil resources are now turning into financial instruments to preserve the nation in a post-oil future.

A similar transformation is underway on the social front. Under the liberating scope of reforms enabled by Crown Prince Mohammed Bin Salman, the guardianship system, under which men exercised near-total authority over women, has been relaxed (women can now drive); and millions of women have entered the workforce, going beyond their traditional roles in health and education to become business owners, bankers and border officers. I was amazed at the brisk yet courteous professionalism of the women at the reception of the Mandarin Oriental Al Faisalah in Riyadh, where I stayed, who would equal if not outstrip their counterparts in the rest of Asia and the West in the quality of their service.

The transformation of the domestic sphere

has led Saudi Arabia to embark on an exciting international journey: from being a regional power to becoming a world player.

The world's a stage

Saudi Arabia has been a regional power for decades. It has the largest economy in the Arab world and possesses one of the largest military budgets in the Middle East. Saudi Arabia's dominance is underpinned by its vast oil reserves and by its role as the natural leader of the Sunni Muslim world.

It has its detractors, principally Iran, whose role as the leader of the Shi'ite Muslim world is buttressed by a strong military and by its religious access to Shi'ite populations, often restive, that are spread across and beyond the region. There are other substantial military actors in the Middle East such as Türkiye, Egypt and, of course, Israel. Saudi Arabia's regional credentials were enhanced by the war between Israel and Gaza that followed the Hamas terrorist attack on the Jewish state in October 2023 and by the fall of the Iran-supported Syrian regime in December 2024.

Also, unlike Iran, whose foreign policy is predicated on unrelenting religious hostility towards Jewish Israel and towards Israel's ultimate security guarantor, America, Saudi Arabia's moderate and pragmatic foreign policy is based on realistic parameters of Sunni coexistence with both Muslim and non-Muslim nations.

That is what appeals to a swathe of countries in Asia, ranging from powerhouse China in the continent's north-east to India in its south, with Southeast Asian nations lying in between — to say nothing of America and Europe. That is quite a bit of the world's map. In these insurgent times, it is no mean achievement for a regional power — Saudi Arabia, that is — to be courted by both America and China, the two superpowers whose rivalry could tear the international system apart.

How Saudi Arabia is turning the international goals inherent in Vision 2030 into reality is seen in its responses to two global developments. One is the invitation for Saudi Arabia to join BRICS, an informal bloc consisting of five core members — Brazil, Russia, India, China and South Africa — to which four other countries have joined: Egypt, Ethiopia, Iran and the United Arab Emirates.

The prize is potentially immense. These countries represent 37% of global GDP (based on pur-

chasing power parity) and 44 per cent of the world's population. BRICS accounts for 41 % of global oil supplies. Yet, Saudi Arabia, in spite of its support for the Global South, is hesitant to join a grouping that is opposed intrinsically to the Global North. Riyadh values its ties with Washington, ties that have withstood the vagaries of the Cold War and the era that has followed it.

The other global development is the inauguration of the India-Middle East-Europe Economic Corridor (IMEC) in 2023. That trans-continental trade corridor would increase economic integration between the Indian, Middle Eastern and European markets. "KSA will have a place at the table that determines the future of the region, no matter what that table looks like or who else is seated at it," writes Ahmad Ghosn of Lebanon's Research and Strategic Studies Centre.

Saudi Arabia is in a stronger position than another aspirant to regional power, Türkiye, which wishes to connect the Persian Gulf with Europe through a railway and highway through ports in the United Arab Emirates, Qatar and Iraq.

This is but one of the many instances of connectivity that would transform Saudi Arabia from a regional power into a global player. In embarking on the Asian phase of its new global journey, it would be important for Riyadh to not fall into the trap of viewing Asia solely through America's rivalry with China, its treaty relationships with Japan and South Korea and its engagement with India.

Those countries are important, but so are the member-states of the Association of South-east Asian Nations. They act as a buffer between exclusive Chinese and American claims to East Asia: They could be a destination for Saudi economic investment in a world where the old certainties are over. That is true of the Middle East, as well, of course. ■

The writer is the founder and CEO of Pereira International, a Singapore-based political and strategic advisory consulting firm. An award-winning journalist and a graduate alumnus of the Kennedy School of Government at Harvard University, he is also a member of the Board of International Councillors at the Center for Strategic and International Studies in Washington, DC. This article reflects the writer's personal views