

Global Winds: Opening the Door for a New Middle Eastern Hegemon

written by Melissa (Mel) Sanderson | February 6, 2024

Sometimes when the wind changes direction we notice, especially if the change is sudden or sharp. More subtle changes often go unnoticed.

The same can be said for the winds of global politics. Sometimes the shift is unmissable – Arch Dukes are assassinated, countries are invaded, atomic bombs are dropped – but sometimes it largely goes unnoticed save by the savvy.

The late 1960s and early 1970s were tumultuous in the Middle East, with conflicts ranging from the 6 Day War to the Yom Kippur War drawing the US ever closer to Israel while seeking ways to broker a cessation or at least diminution of hostilities. During this period the Kingdom of Saudi Arabia began increasing its hold over Aramco (a joint US-Saudi oil extraction company) and by 1976 Saudi was the sole owner of one of the world's largest oil companies. Among other consequential developments that ensued was the establishment of OPEC and the rise of the so-called petrodollar. Taken together, a significant change to the global winds of power which elevated Saudi Arabia's economic standing and changed its future.

A similar global shift appears to be happening now, in the area of critical materials vital to "greening" various (largely Western) economies, especially the US. And once again, the Kingdom of Saudi Arabia, this time under the skillful direction of Crown Prince Mohammed bin Salman, is causing the winds of change to blow and challenge not only the West but the East as

well.

Recently ([January 25, 2024](#)), Saudi Arabia joined the so-called BRICS, an organization founded by China and Brazil in 2006 with fellow members Russia and India. South Africa joined in 2010, and in 2023 Egypt, Ethiopia, Iran, the United Arab Emirates (UAE), and Saudi Arabia were invited to join with membership effective in January 2024. The group's purpose as defined at its founding is to bring together the world's most important developing countries to challenge the political and economic power of the wealthier nations of North America and Western Europe. The inclusion of Iran evidently gave Saudi pause but the Kingdom appears to have agreed to join, reportedly at the urging of China.

Adroitly balancing that decision, the Prince recently signed an agreement expanding long-standing cooperation with Japan's Sumitomo Corp. to develop the Kingdom's critical minerals resources from mining to processing, working together with Aramco, which is gradually transforming from petroleum to a mining company, in accordance with the Prince's Saudi Vision 2030. Sumitomo already was working with various elements of the Saudi political and business community on projects ranging from reducing the "heat island" effect in Saudi's financial district to building "smart cities" of the future. The latest MOU also provides for cooperation in developing new industries in Saudi, including steel, semiconductors, and AI-enabled technologies.

The [Public Investment Fund](#) (PIF) overseen by the Crown Prince is the financial vehicle for realizing the Saudi Vision 2030. Per its website, it already has created 93 portfolio companies across 13 key sectors and has over \$700 billion in assets under management. The most recent example of a PIF-funded company is "Alat," announced on February 1 by Crown Prince Mohammed bin Salman who will personally lead its efforts within seven main

strategic business units – advanced industries, semiconductors, smart appliances, smart health, smart devices, smart building and next-generation infrastructure – to support development of Saudi Arabia as a worldwide center for sustainable technology manufacturing with an emphasis on electronics.

Such an ambitious agenda will demand more resources than Saudi itself can provide as critical minerals feedstock, and therefore the Kingdom is emerging as a key player in the latest “scramble for Africa,” particularly in the DRC (Democratic Republic of the Congo), where its ambitions may run afoul of China’s.

Saudi Arabia has signed two agreements recently with the DRC, one an MOU covering general economic cooperation and development, the other specific to the mining industry with a special emphasis on critical minerals, which the DRC has in abundance, ranging from lithium, nickel, and cobalt to copper and rare earths. Among other things, Saudi has said it will build processing capacity in Congo and also assist in developing national infrastructure.

In short, while the US and other Western nations continue debating how to secure the necessary elements to transform their economies, the Crown Prince of Saudi Arabia appears to be leading his nation boldly into a future in which Saudi could be a dominant player – perhaps even more as China’s resources begin to be depleted after decades of mining, opening the door for a new Middle Eastern hegemon.