

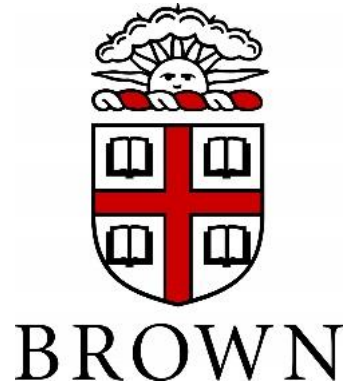
# Demystifying Saudi Arabia

*Shrouded in Mystery, Playing on World Stage!*

**Naeem Zafar**

@naeem

[www.NaeemZafar.com](http://www.NaeemZafar.com)



# Agenda

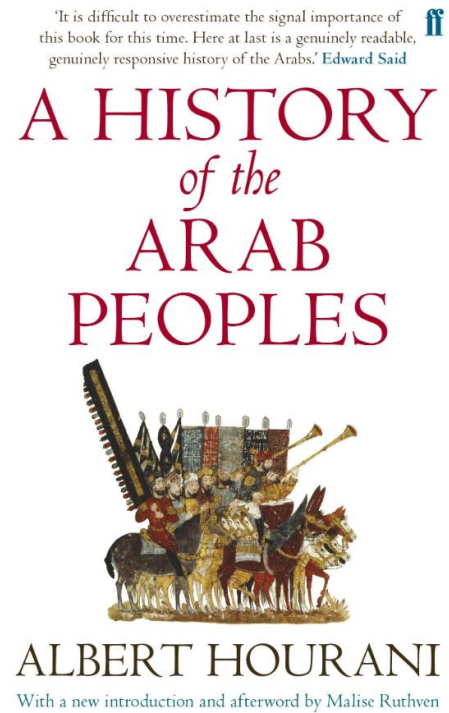
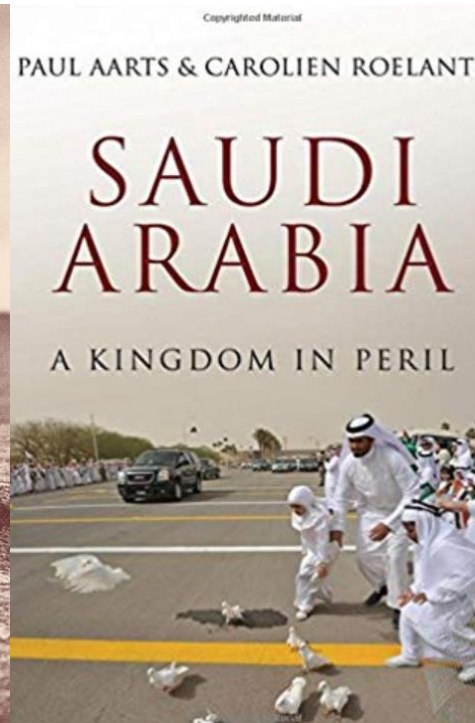
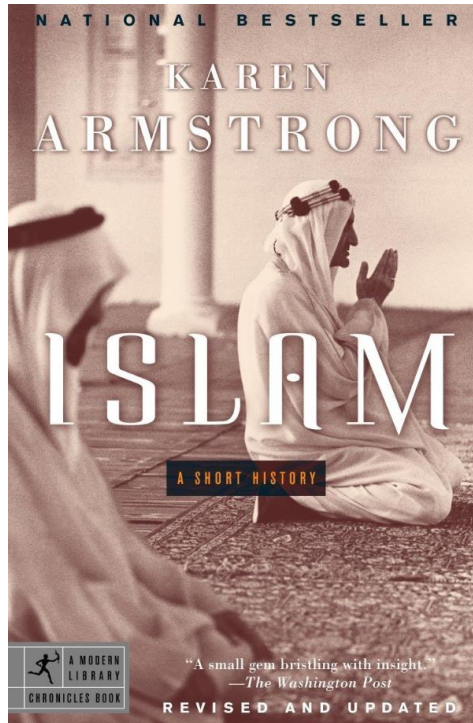
- Political history
  - The geographical history
  - Political structure & evolution
  - Conflicts & current geo-politics
- Culture
  - The people of KSA
  - Tourist's guide to KSA (Kingdom of Saudi Arabia)
  - The food

# BLACK WAVE

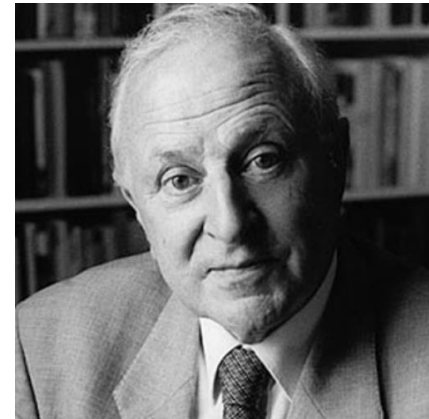
SAUDI ARABIA, IRAN, AND THE  
FORTY-YEAR RIVALRY THAT  
UNRAVELED CULTURE, RELIGION,  
AND COLLECTIVE MEMORY  
IN THE MIDDLE EAST

**KIM GHATTAS**

Author of the *New York Times* bestseller *THE SECRETARY*



**Kim Ghattas    Karen Armstrong    Paul Aarts    Albert Hourani**



# Kingdom of Saudi Arabia

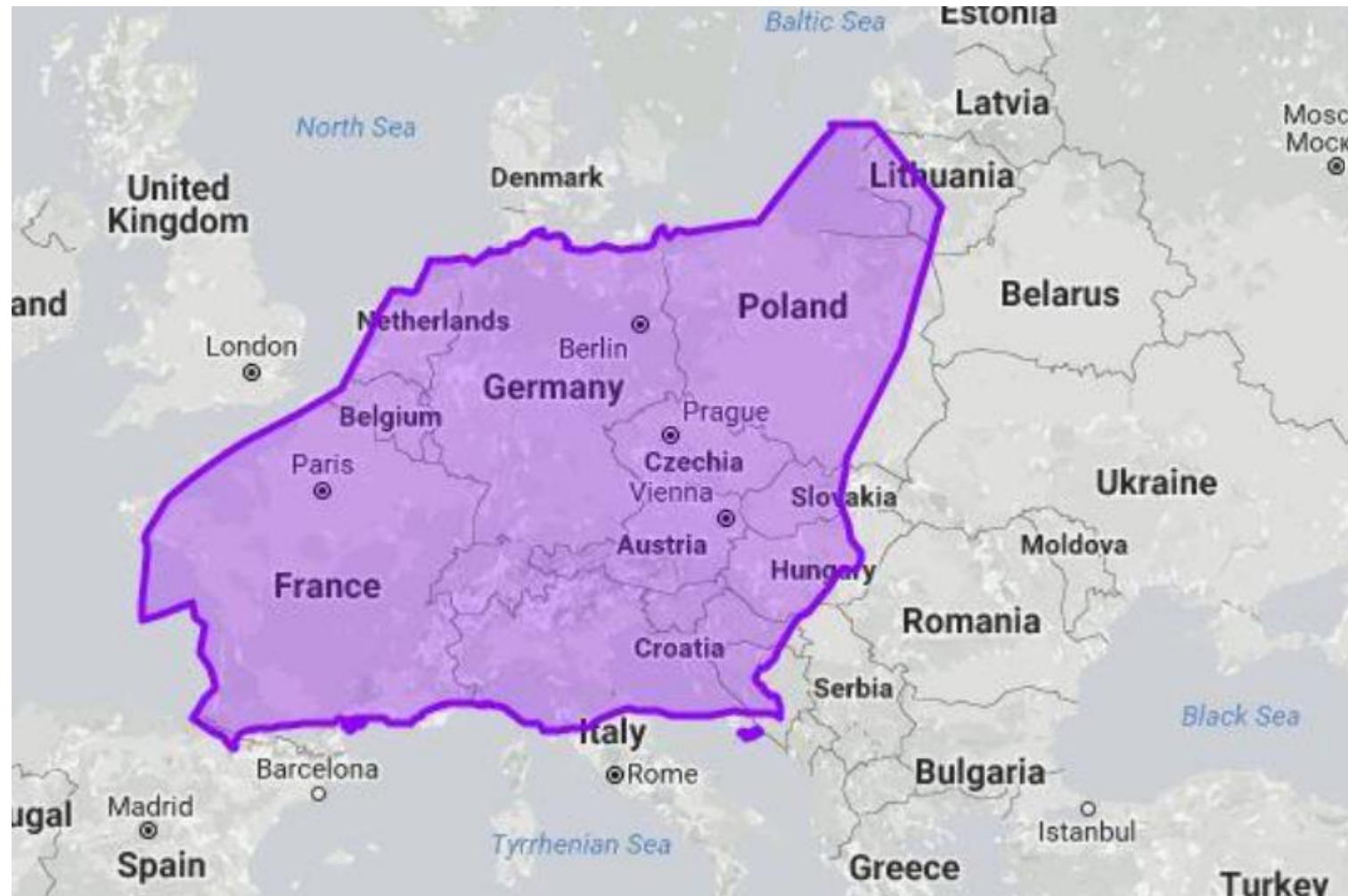
- 2<sup>nd</sup> largest oil reserves in the world
- 830,000 sq. miles in area
  - 5 times bigger than California
- Population 34 million
- GDP \$1.8 Trillion (PPP\*)
  - \$780B nominal
  - Per capita \$56.8K (PPP), \$26.5K nominal



\***GDP PPP (purchasing power parity)** is **gross domestic product** converted to international dollars using **purchasing power parity** rates. An international dollar has the same purchasing power over **GDP** as a U.S. dollar has in the United States



# 3X Bigger Than Texas

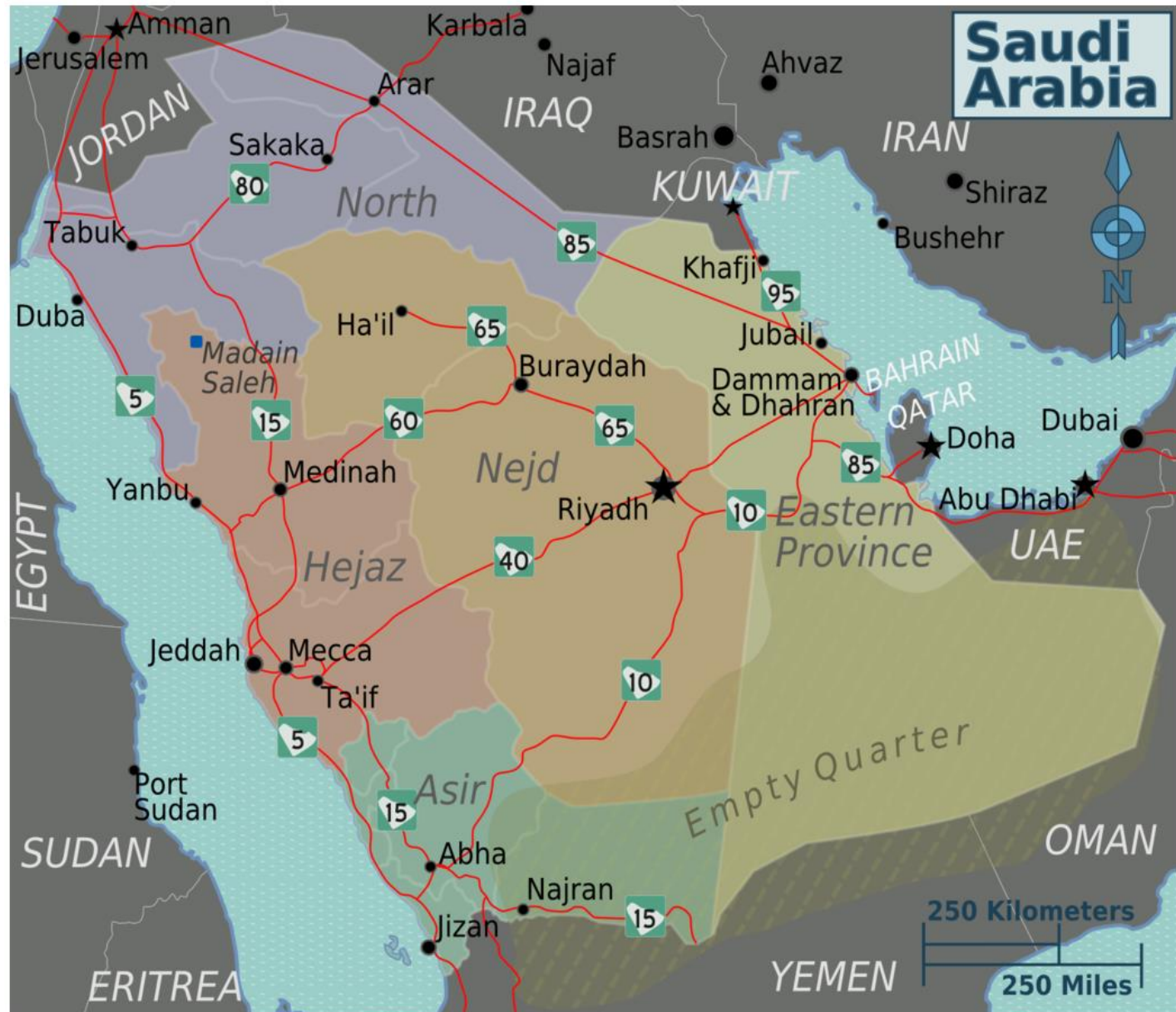




# 95% of KSA is Desert!







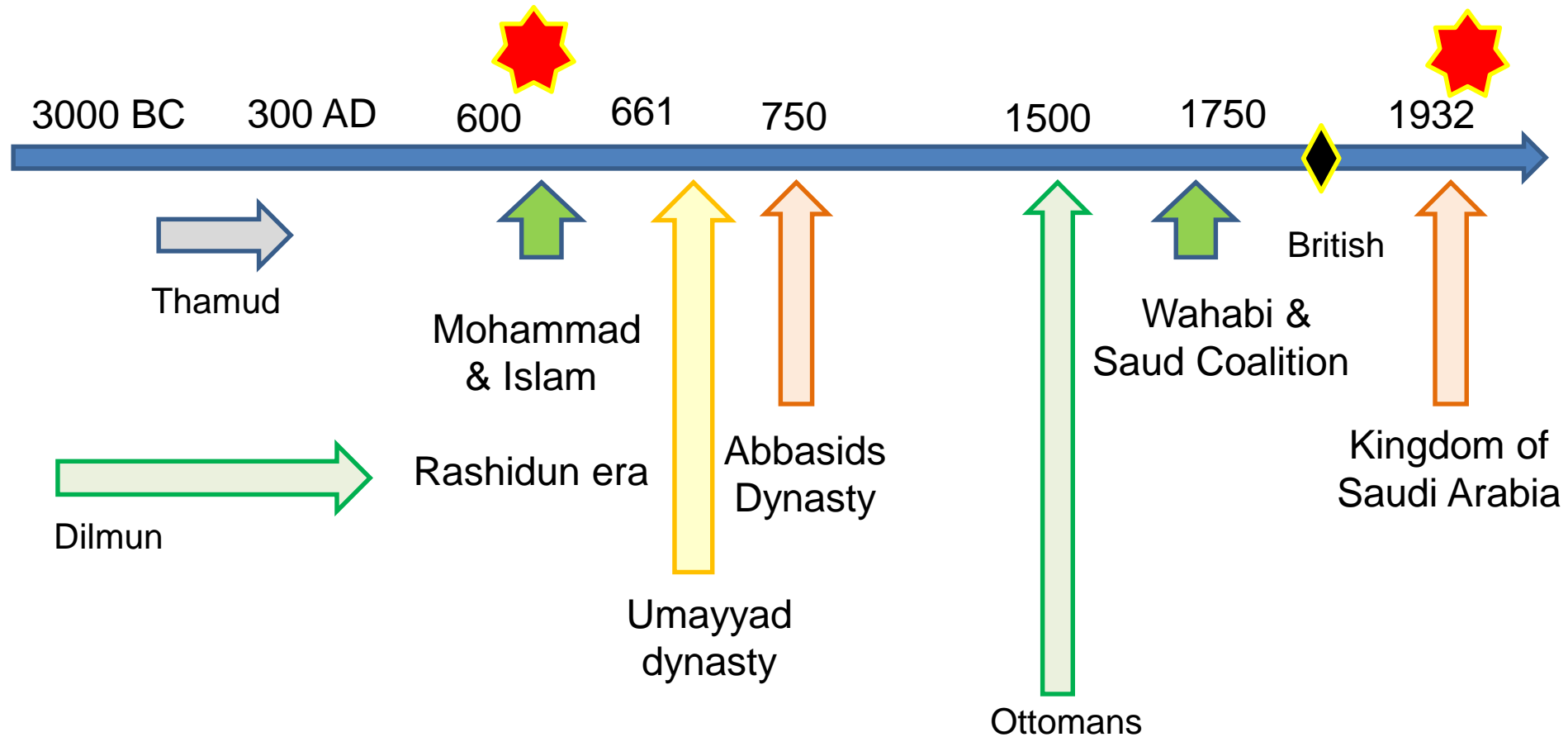


# History of this Land

# History of the Arabian Peninsula

- Pre-Islamic
- Islamic [610 AD to 1800]
- European entanglements [1800-1920]
- House of Saud [1920 – now]

# History of the Arabian Peninsula

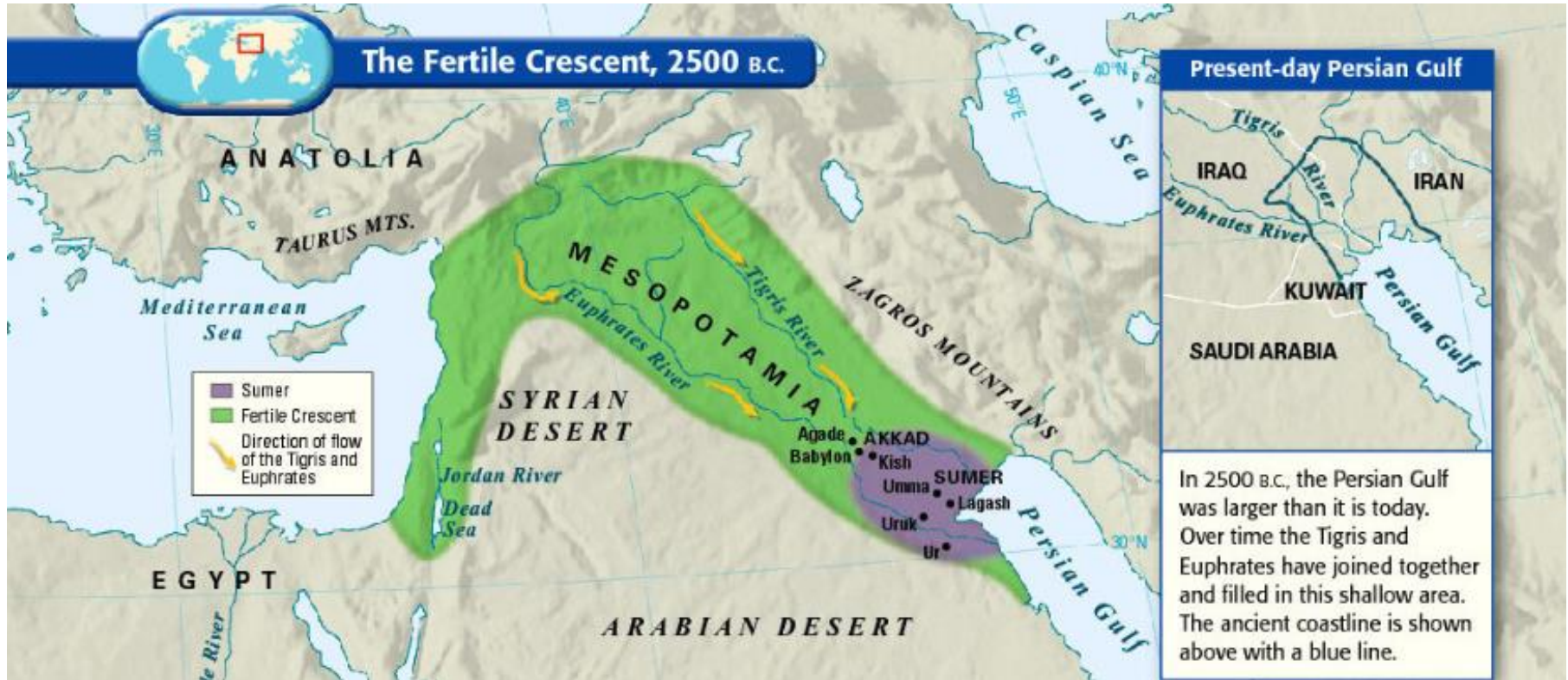


# Ancient Arabia





# Fertile Crescent: Cradle of Civilization



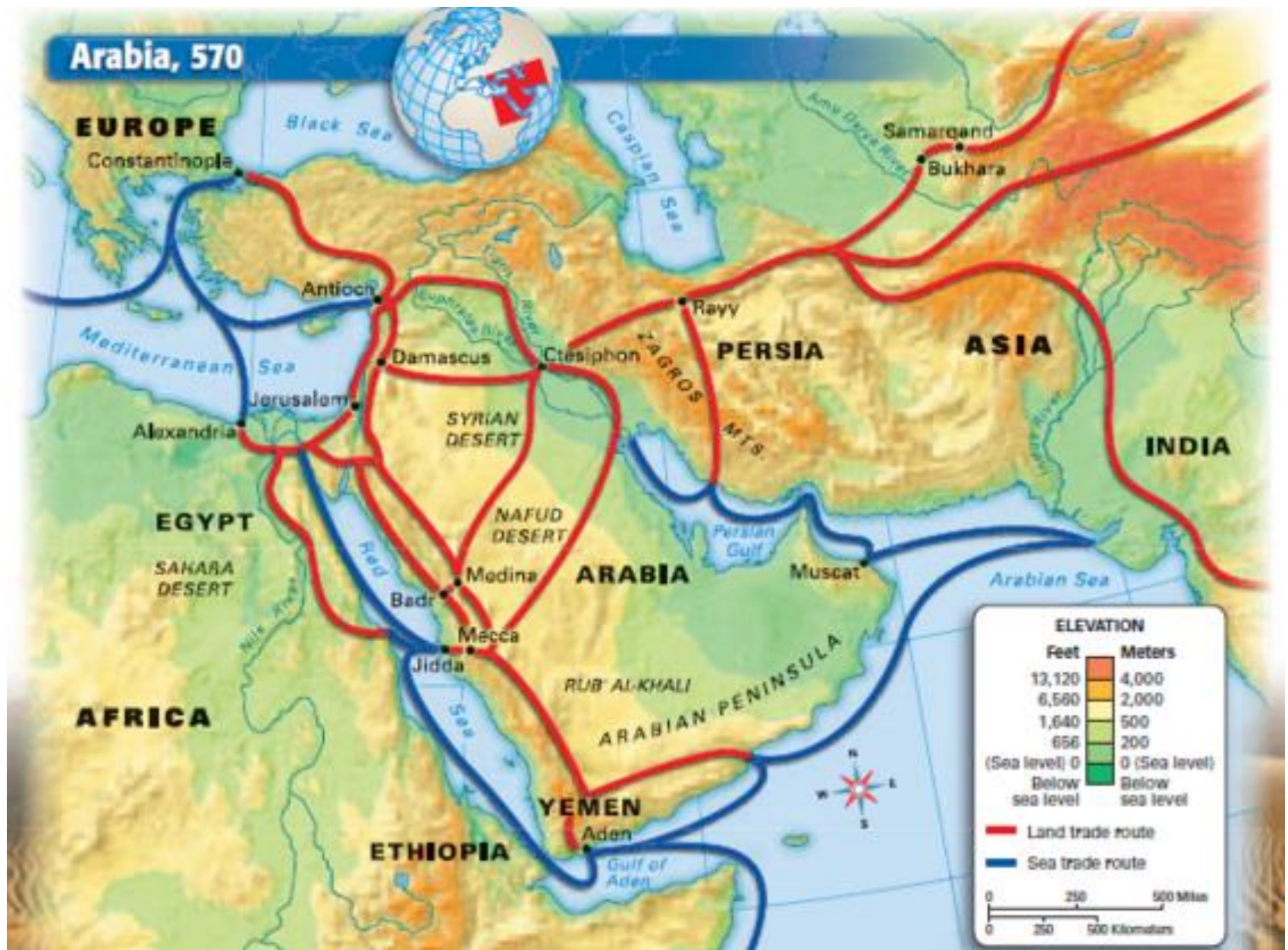
# Fertile Crescent: Cradle of Civilization

- Birthplace of human civilization
- Called "the fertile crescent" because of its lush soil, the "crescent" of land mostly includes modern-day Iraq, Syria, Jordan, and Israel-Palestine
- People started farming here in 9000 BC, and by around 2500 BC the **Sumerians** formed the first complex society that resembles what we'd now call a "country," complete with written laws and a political system

# Arab Trade Routes: Med to Red Sea









# Mecca was under the Protection of Quraysh Tribe



# Mohammad Was Born in Quraysh, Orphaned & was Raised by Uncle





# 570 AD: Mohammad is Born in Mecca → Becomes a Trader



# Life of Mohammad: Prophet of Islam

- Marries at 25, with a 40-year old rich widow who had a trading business
- He becomes a trader carrying merchandize to the Red Sea
- Becomes discontent, spends time alone meditating in a cave
- Receives first revelation of Islam at age 40 (610AD)





# Life of Mohammad: Prophet of Islam

- Starts preaching locally by 613 AD– meets a lot of resistance
- Followers grows but challenging establishment threatens life
- Migrates to Medina in 622 AD with his followers & establishes government
- Mohammad dead in 632 AD (age 63)

# Five Pillars of Islam

1. Confession of faith in God & Muhammad as his messenger
2. Fasting during the month of Ramadan
3. Daily prayers – 5-times a day (hygiene & flex)
4. Pay alms/charity 2.5% of *wealth to the poor every year*
5. Once in life pilgrimage to Mecca (if possible)

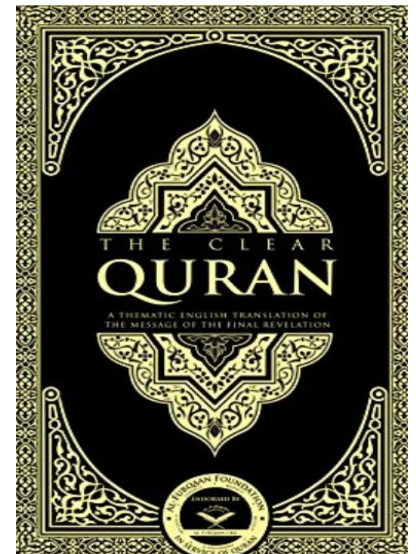
# Similarities & Differences

- Islam recognizes & tells stories that are similar to what is in the bible
  - Adam, Noah, Abraham, Joseph, Jesus, Moses, resurrection, virgin birth, heaven, hell etc.
- Differs in the concept of trinity
- Establishes Muhammad as the final & last prophet



# Why Islam Spread so Fast?

- Islam provided rules & governing structure
- Government must protect all non-Muslims if they pay a tax (or convert to Islam)
- Islam introduced:
  - Women's rights (ownership of property, divorce...)
  - Inheritance rights
  - Protection for minorities



# How Islam Differs

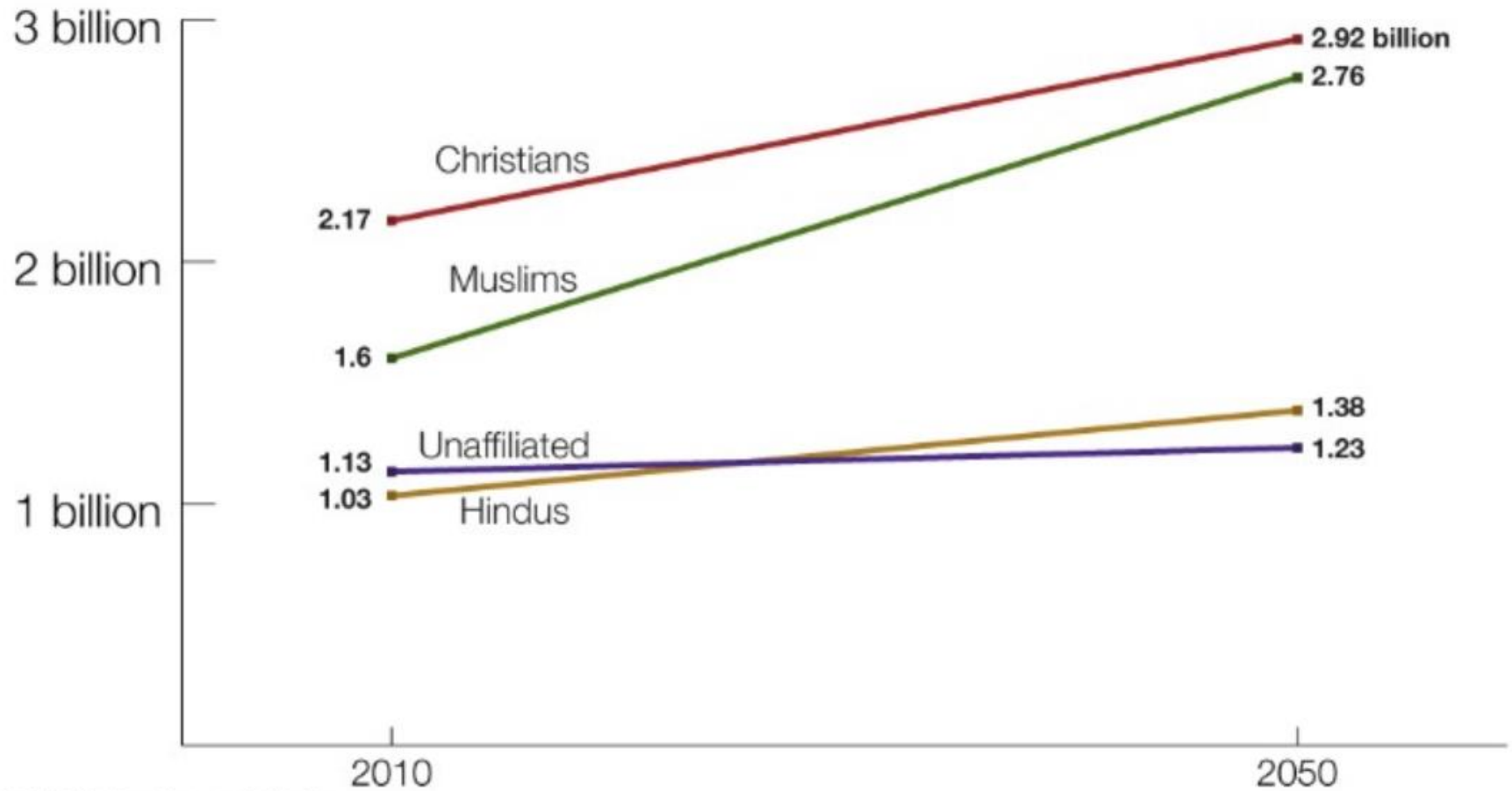
- Main focus is on Ummah (Community)
  - Peace & justice are main focus for the religion
- Set of rules on governance, inheritance & conduct in society
- No concept of “separation of church & state”
  - Church IS THE STATE

# THE SPREAD OF ISLAM, 622 – 750 CE





# PROJECTED CHANGE IN GLOBAL POPULATION



SOURCE: Pew Research Center

# Role of Religion in Arabian Peninsula

1. Suddenly Hejaz (Mecca & Medina as main cities) becomes the center point in an expanding Muslim world
2. Schism within Islam started & has created deep tensions over the years that can result in war with deep impact on the world

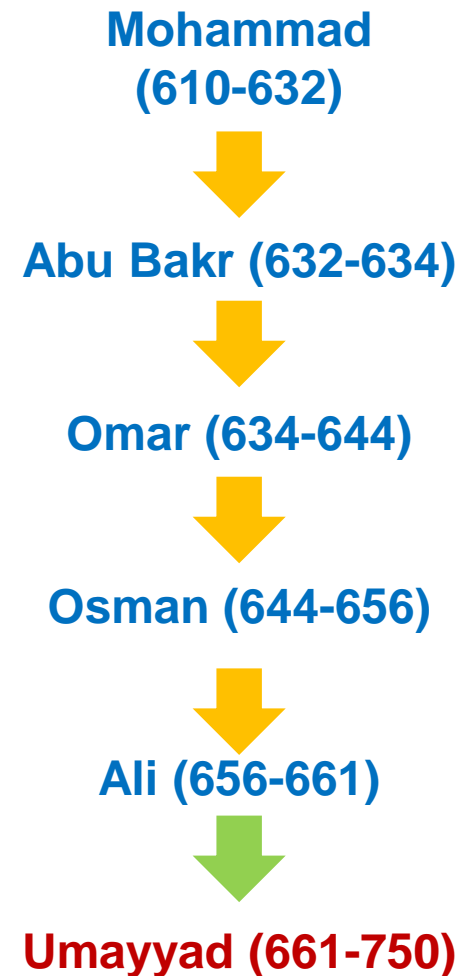
# Shia-Sunni Split

- Who is the rightful successor after Mohammad's death?
  - Next of kin? *[that would be Ali, his son-in-law & protégé]*
- Or
  - Senior most & capable person as chosen by a body of elders



# The Big Split: Shia & Sunni Islam

- Started on succession question after the death of Mohammad in 632 AD
- Should Ali (his son-in-law & protégé) succeed or should it be based on seniority & caliber?
- Animosity led to bloodshed, wars & different rituals of practicing Islam



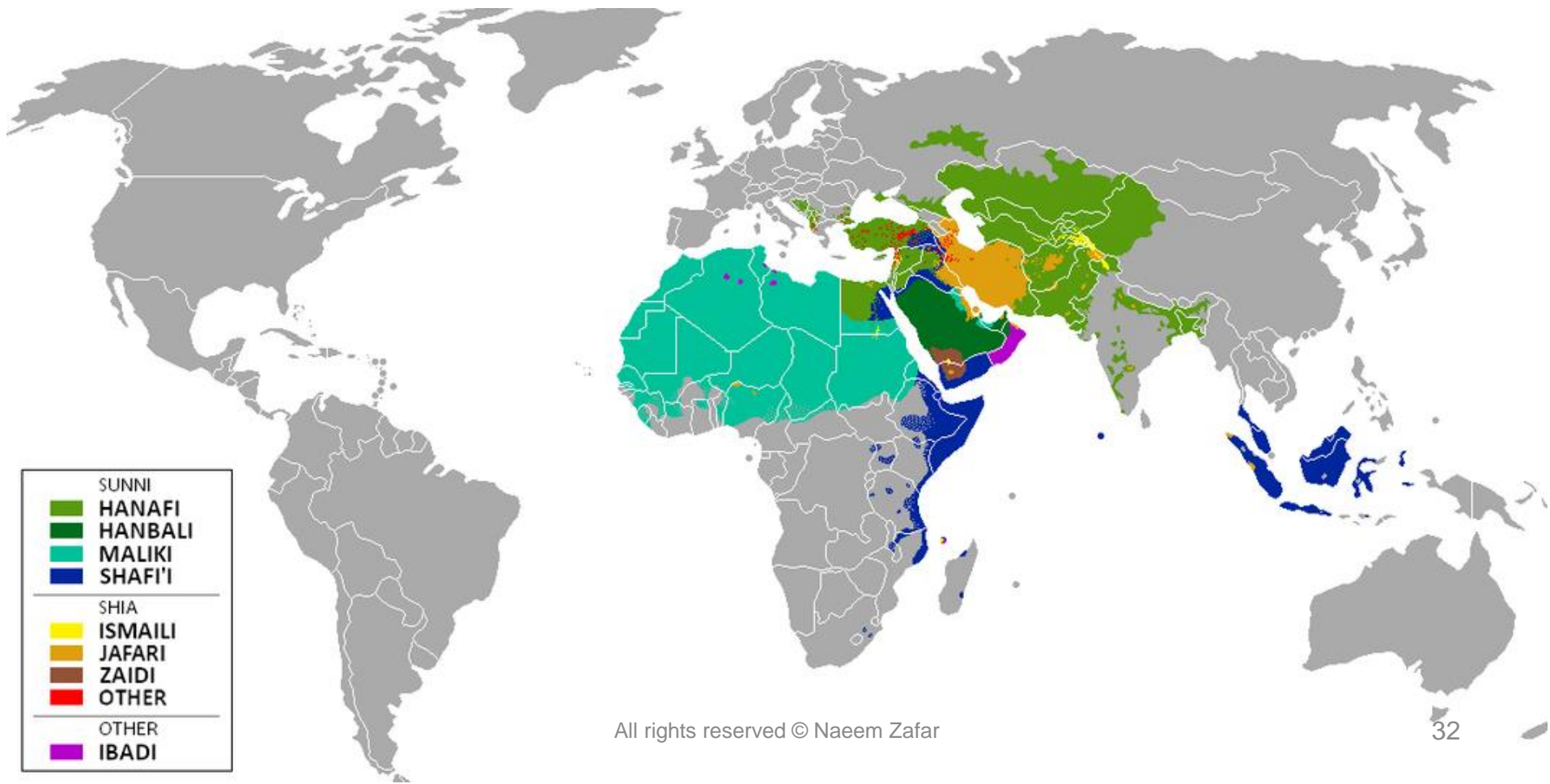
# Most Famous Shia Leader: Prince Karim Aga Khan IV

- Leader of the Ismaili sect of Shia
  - The 49<sup>th</sup> Imam
- One of the richest man in the world
- There are many sects with Shia as well as Sunni factions



# Shia: 5% to 10% of 1.5B Muslims

Many factions within Sunni & Shia split – Iran (population 20 million) is largest Shia state (Iraq, Bahrain, Azerbaijan, India also have significant % as Shia)



# Can You Spot a Sunni vs. Shia?

- Main beliefs do not differ
  - Some rituals do

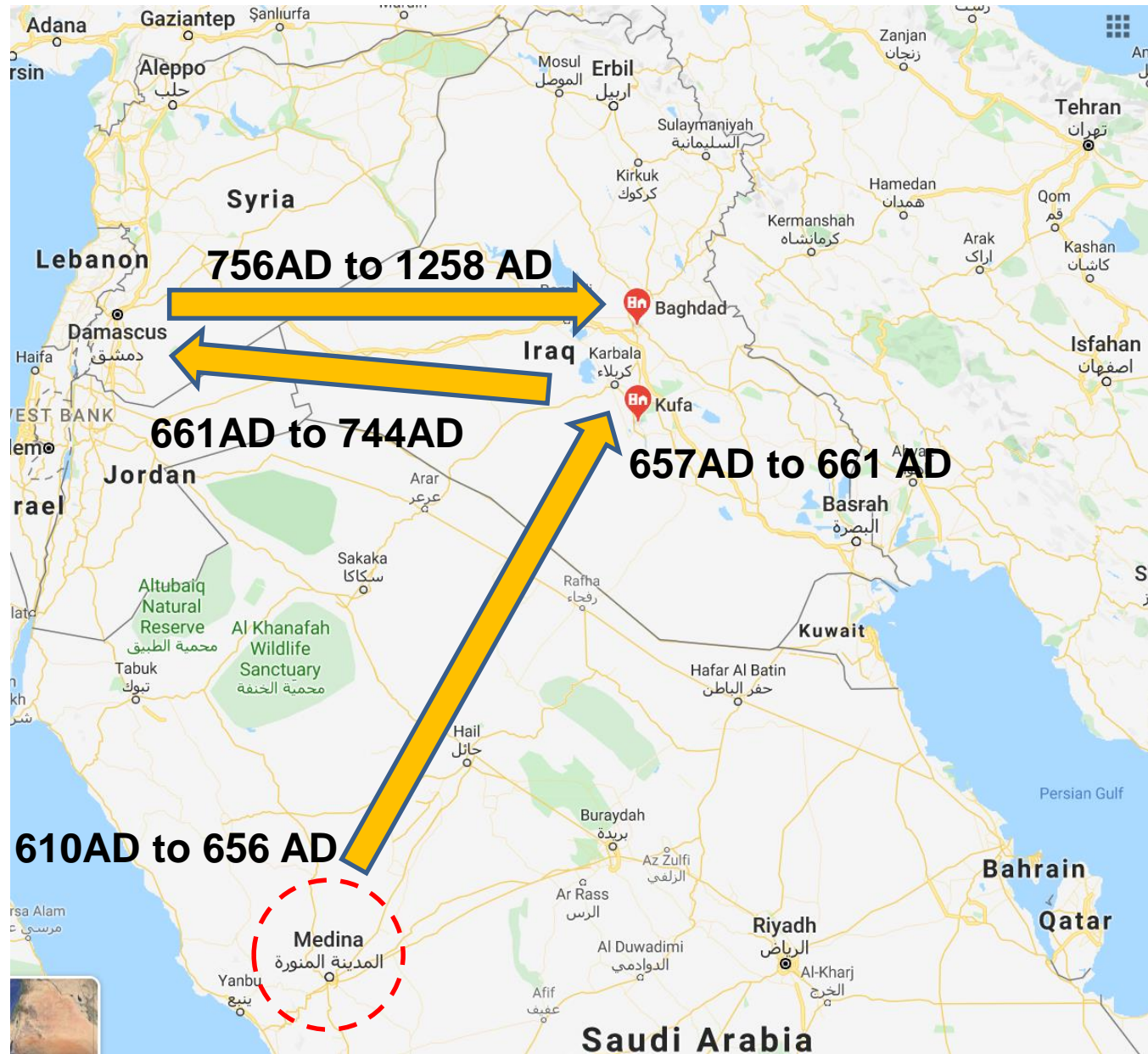




# Umayyad Dynasty

- At its greatest extent, the Umayyad Caliphate (661–750) covered 4,300,000 sq. miles & 62 million people (29% of world's population)
  - making it one of the largest empires in history in both area and proportion of the world's population
- It was also larger than any previous empire in history.

# Capital of State Moved

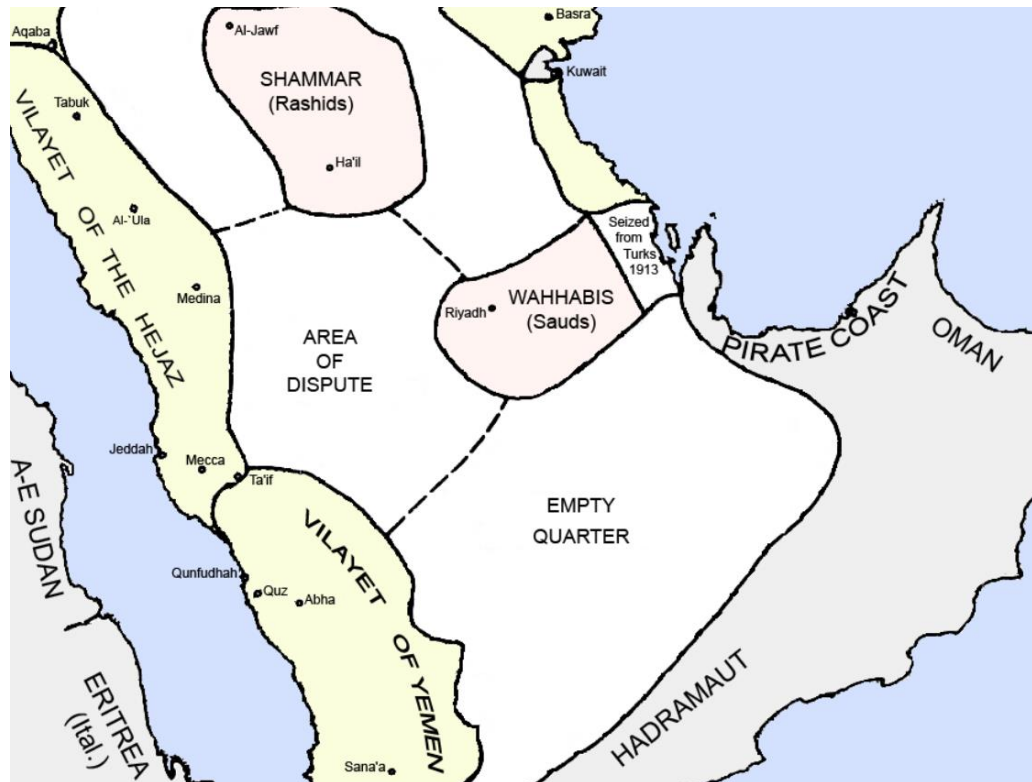


# Nomadic Land of Little Consequence – 10<sup>th</sup> Century Onwards

- From the 10th century to the early 20th century, Mecca and Medina were under the control of a local Arab ruler known as the Sharif of Mecca
- Sharif owed allegiance to the ruler of one of the major Islamic empires based in Baghdad, Cairo or Istanbul
- Most of the remainder of what became Saudi Arabia reverted to traditional tribal rule

# Ottoman Rule Over Arabian Peninsula

- In the 1517, the Ottomans (Selim) added the Red Sea & Persian Gulf coast & claimed suzerainty over interior
  - Thwart Portuguese attempts to attack Red Sea & Indian Ocean





# Wahhabi-Saudi Deal of 1744

- In 1744, Muhammad ibn Abdel Wahhab formed an alliance with Muhammad ibn Saud, the ruler of the nearby town of Diriyah
- Ibn Saud then set out to conquer the surrounding region with the goal of bringing it under the rule of a single Islamic state

# Arabian Peninsula 1744-1902 AD



# Evolution in Arabian Peninsula

- The House of Saud is the ruling royal family of Saudi Arabia
- It is composed of the descendants of Muhammad bin Saud, founder of the Emirate of Diriyah, known as the First Saudi state (1744–1818)
  - and his brothers, though the ruling faction of the family is primarily led by the descendants of Ibn Saud, the modern founder of Saudi Arabia

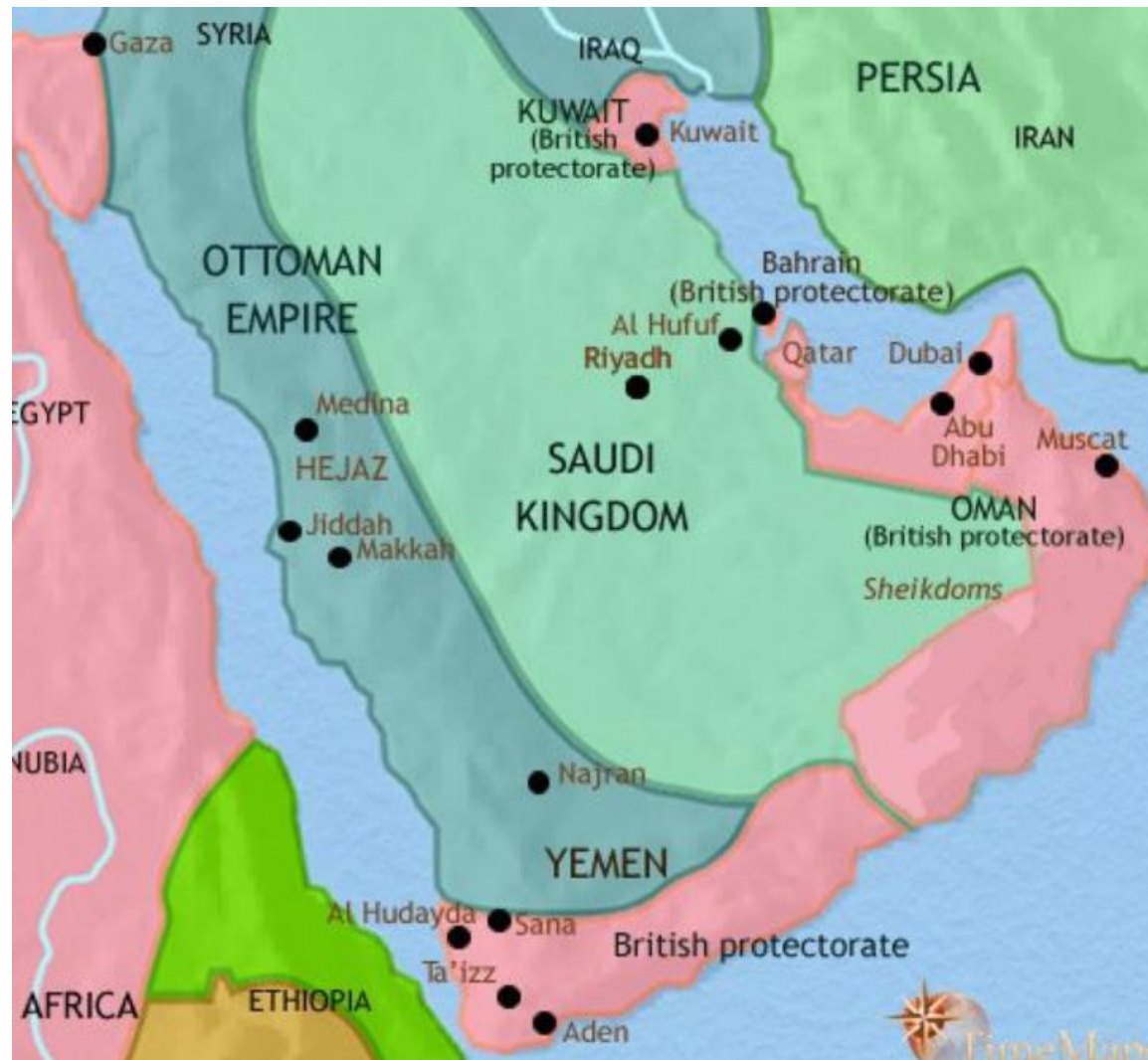


**House of Saud**





# Arabian Peninsula in 1914



# Great Arab Revolt 1916-18

British encourage Sharif of Mecca to revolt against Ottoman with promises of independence



# Thomas Edward Lawrence

- T. E. Lawrence (1888 –1935)
- British archaeologist, army officer, diplomat, & writer
- Renowned for his role in Arab Revolt & Sinai & Palestine Campaign against the Ottoman Empire during the First World War
- The breadth + variety of his activities & associations, & his ability to describe them vividly in writing, earned him international fame as Lawrence of Arabia
  - a title used for 1962 film based on his wartime activities



# Arab Revolt

- Initiated by Hussein bin Ali, Sharif of Mecca, at Mecca on 10 June 1916 with the aim of securing independence from the ruling Ottoman Turks & creating a single unified Arab state stretching from Aleppo in Syria to Aden in Yemen



T. E. Lawrence of Arabia: Sent by British to Assist Arabs in Revolt against the Ottomans



# Sykes–Picot Agreement



Mark Sykes



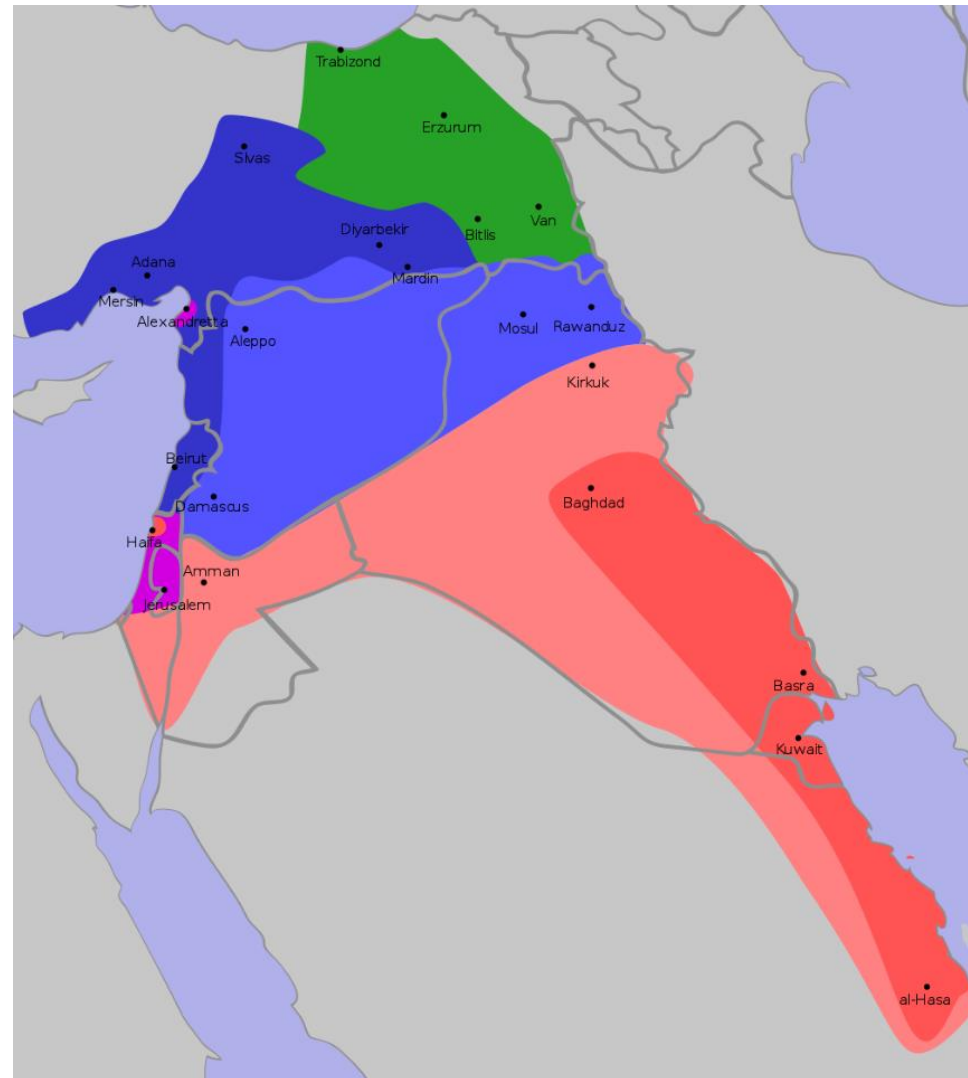
François George-Picot

The Sykes–Picot Agreement, officially the Asia Minor Agreement, was a secret 1916 agreement between United Kingdom & France, to which the Russian Empire assented

It negated UK's promises to Arabs made for a national Arab homeland in the area of Greater Syria, in exchange for supporting the British against the Ottoman Empire

# Sykes–Picot Agreement 1916

- The agreement allocated to Britain control of areas roughly comprising the coastal strip between the Mediterranean Sea and the River Jordan, Jordan, southern Iraq, and ports of Haifa and Acre
- France got control of southeastern Turkey, northern Iraq, Syria and Lebanon
- Russia was to get Istanbul, Turkish Straits + Armenia





Feisal party at Versailles Conference. Left to right: Rustum Haidar, Nuri as-Said, Prince Faisal (front), Captain Pisani (rear), T. E. Lawrence, Faisal's slave (name unknown), Captain Hassan Khadri.

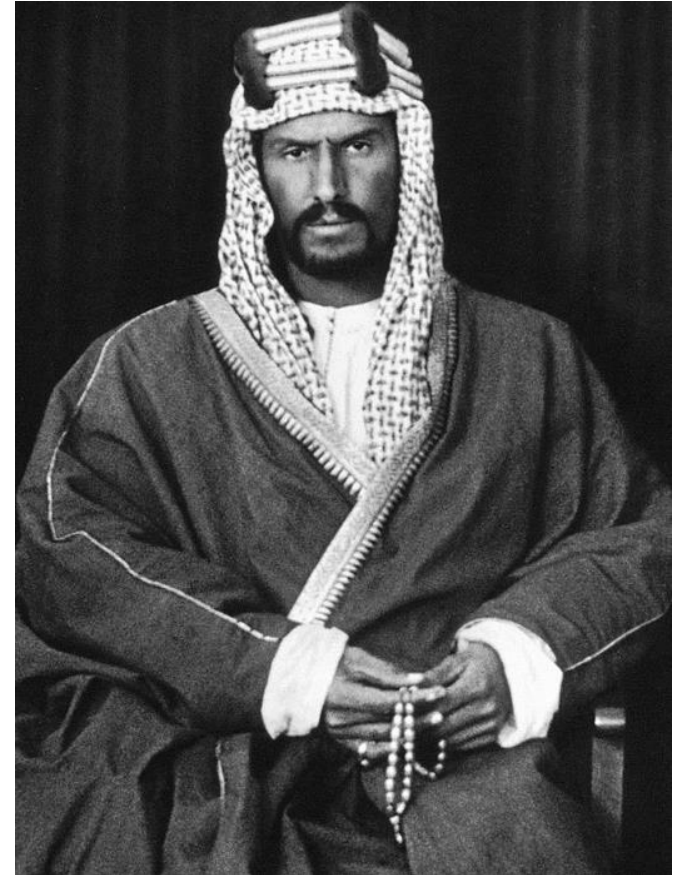
# The History of The House of Saud

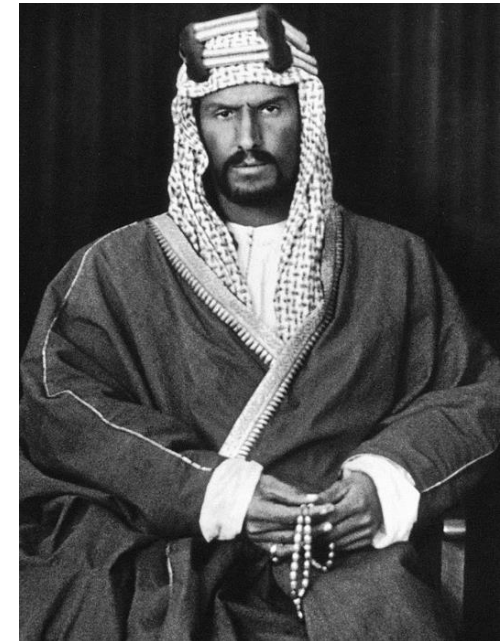
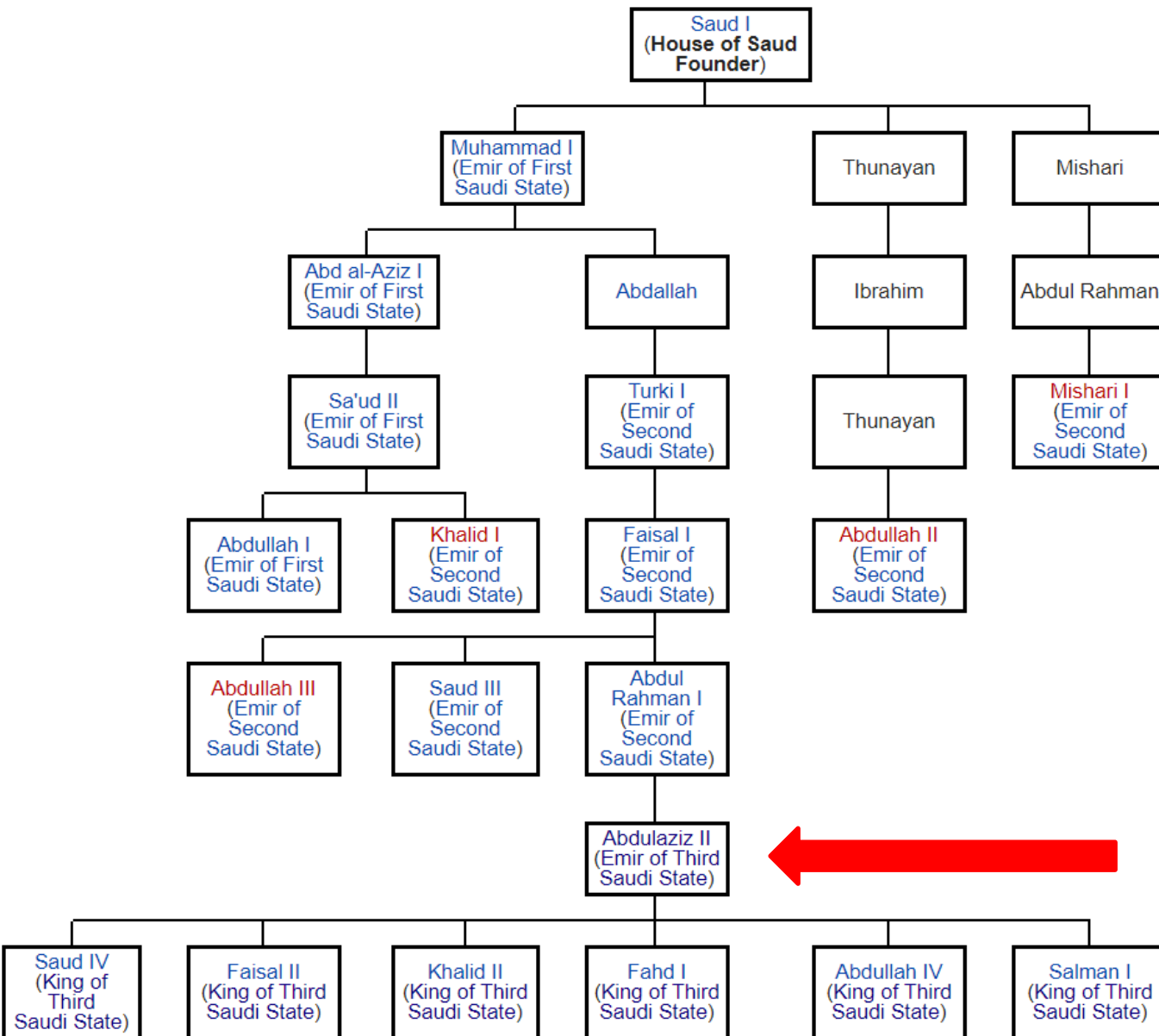
- 1<sup>st</sup> Saudi state (1744-1818)
  - Post alliance, marked by the expansion of Wahhabism; the Emirate of Nejd
- 2<sup>nd</sup> Saudi state (1826-1891)
  - marked with continuous infighting
- 3<sup>rd</sup> Saudi state (1902-present)
  - Because Saudi Arabia in 1932
  - Now wields considerable influence in Middle East



# The House of Saud Unified by Abdul Aziz in 1902

- The family has had conflicts with the Ottoman Empire, the Sharif of Mecca, the Al Rashid family of Ha'il and their vassal houses in Najd, numerous Islamist groups both inside and outside Saudi Arabia and Shia minority in Saudi Arabia
- The succession to the Saudi Arabian throne was designed to pass from one son of the first king, Ibn Saud, to another





# Creation of Modern Kingdom

- 1902: Al-Saud captures Riyadh
- 1921: takes Ha'il
- 1925: Hejaz
- 1932: Qatif



# Unification Under Ibn Saud 1932

- Hejaz got independence from British after WW1 but were conquered by Ibn Saud by 1925





# **Abdul-Aziz** ibn Abdul Rahman ibn Faisal ibn Turki ibn Abdullah ibn Muhammad **Al Saud** 1875-1953

Founder of modern Saudi Arabia in 1932

Fathered 45 children & all future kings of KSA



# King Ibn Saud converses with President Franklin D. Roosevelt through interpreter Colonel Bill Eddy, on board the USS Quincy



# Search for Oil Begins

- WW1 petrol shortage accelerated search
- Ibn Saud seeks help from
  - Major Frank Holms (New Zealander) in 1922
  - Went to US & created Gulf Oil in 1927
  - But was forced to sell its interests
    - Red Line Agreement got in the way!



# IPC (Iraqi Petroleum Company)

## Redline Agreement: First Cartel 1928

- The agreement was signed between Anglo-Persian Company (British Petroleum), Royal Dutch/Shell, Compagnie Française des Pétroles (later renamed Total), Near East Development Corporation (later renamed ExxonMobil)
- To formalize corporate structure of IPC & bind all partners to a "**self-denial clause**" that prohibited any of its shareholders from independently seeking oil interests in the ex-Ottoman territory

**SOCAL bought the right from Gulf Standard Oil Company of California**  
→ **Chevron**





# Oil Discovered

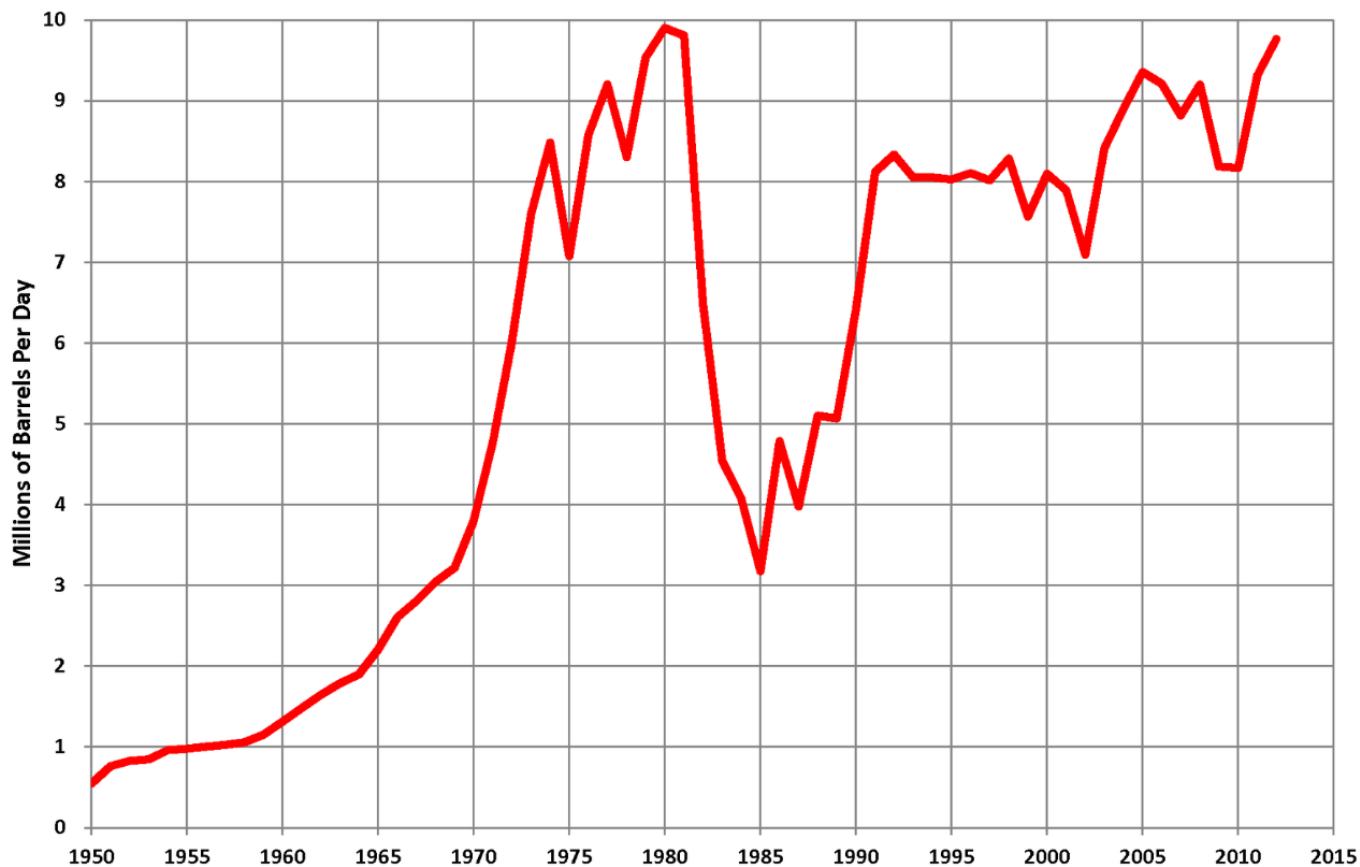
- American mining engineer Karl Twitchell saw the potential & helped in bidding in 1933
- Under the agreement, SOCAL was given “exploration rights to some 930,000 square kilometers of land for 60 years
- Oil discovered in 1938 in Eastern Saudi Arabia

Dammam No. 7



# 92% of Saudi Revenue from Oil

SOCAL set up a subsidiary company, the California Arabian Standard Oil Company (CASOC) to develop the oil concession. SOCAL also joined forces with the Texas Oil Company when together they formed CALTEX in 1936

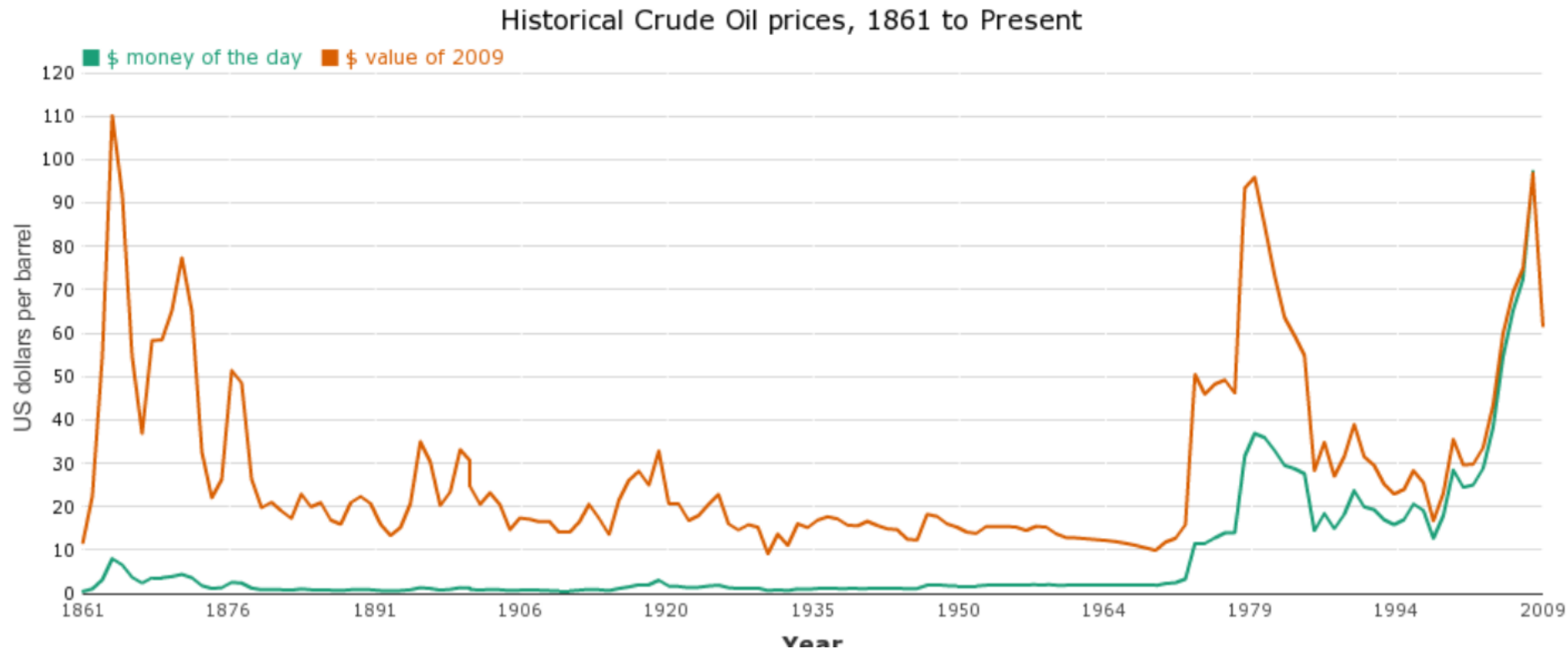


# Saudi ARAMCO

- 1933: California-Arabian Standard Oil Company
- 1943 Name changed to Arabian-American Oil Company
- 1988 Bought out as Saudi Arabian Oil Company: Saudi Aramco
- Total reserves: 270 billion barrels of oil
  - 288.4 trillion cubic feet of natural gas
- Production: 3.4 B barrel per year (~9 mbpd)

**Market Cap \$2.1 Trillion**

## Historical Crude Oil prices, 1861 to Present



- During the 1973 oil crisis, the price of oil rose from \$3 per barrel to nearly \$12, and the Saudi economy began to grow rapidly with GDP increasing from approximately \$15 billion in 1973, to approximately \$184 billion by 1981






# Saudi Aramco IPO Dec 2019

## World's Most Profitable Company

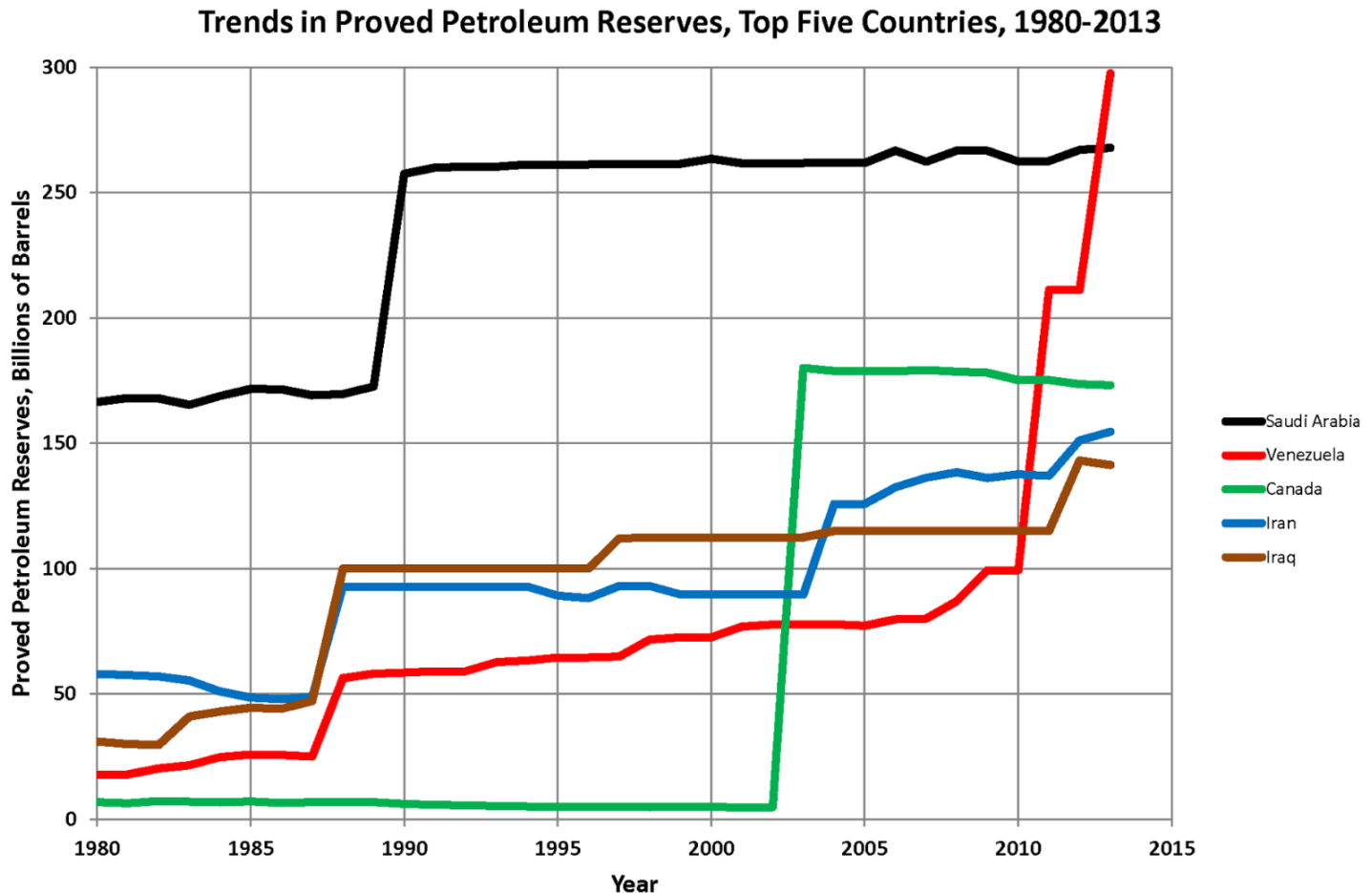
List of largest companies by revenue [\[edit\]](#)

 [State-owned enterprise](#) (government owns 50% or more)

Rank ↕	Name ↕	Industry ↕	Revenue (USD millions) ↕	Profit (USD millions) ↕	Employees ↕	Country ↕	Ref
1	<a href="#">Walmart</a>	<a href="#">Retail</a>	\$514,405	▲ \$6,670	2,200,000	 <a href="#">United States</a>	[5]
2	<a href="#">Sinopec</a>	<a href="#">Oil and gas</a>	\$414,649	▲ \$5,845	619,151	 <a href="#">China</a>	[6]
3	<a href="#">Royal Dutch Shell</a>	<a href="#">Oil and gas</a>	\$396,556	▲ \$23,352	81,000	 <a href="#">Netherlands</a> /  <a href="#">United Kingdom</a>	[7]
4	<a href="#">China National Petroleum</a>	<a href="#">Oil and gas</a>	\$392,976	▲ \$2,270	1,382,401	 <a href="#">China</a>	[8]
5	<a href="#">State Grid</a>	<a href="#">Electricity</a>	\$387,056	▲ \$8,174	917,717	 <a href="#">China</a>	[9]
6	<a href="#">Saudi Aramco</a>	<a href="#">Oil and gas</a>	\$355,905	▲ \$110,974	76,418	 <a href="#">Saudi Arabia</a>	[10]
7	<a href="#">BP</a>	<a href="#">Oil and gas</a>	\$303,738	▲ \$9,383	73,000	 <a href="#">United Kingdom</a>	[11]
8	<a href="#">ExxonMobil</a>	<a href="#">Oil and gas</a>	\$290,212	▲ \$20,840	71,000	 <a href="#">United States</a>	[12]
9	<a href="#">Volkswagen</a>	<a href="#">Automotive</a>	\$278,341	▲ \$14,332	664,496	 <a href="#">Germany</a>	[13]
10	<a href="#">Toyota</a>	<a href="#">Automotive</a>	\$272,612	▲ \$16,982	370,870	 <a href="#">Japan</a>	[14]
11	<a href="#">Apple</a>	<a href="#">Electronics</a>	\$265,595	▲ \$59,531	132,000	 <a href="#">United States</a>	[15]
12	<a href="#">Berkshire Hathaway</a>	<a href="#">Conglomerate</a>	\$247,837	▲ \$4,021	389,000	 <a href="#">United States</a>	[16]
13	<a href="#">Amazon</a>	<a href="#">Retail</a>	\$232,887	▲ \$10,073	647,000	 <a href="#">United States</a>	[17]
14	<a href="#">UnitedHealth</a>	<a href="#">Healthcare</a>	\$226,247	▲ \$11,986	300,000	 <a href="#">United States</a>	[18]
15	<a href="#">Samsung Electronics</a>	<a href="#">Electronics</a>	\$221,579	▲ \$39,895	221,579	 <a href="#">South Korea</a>	[19]

# Proven Oil Reserves

Venezuela & Saudi Arabia have reserves for over 350 years

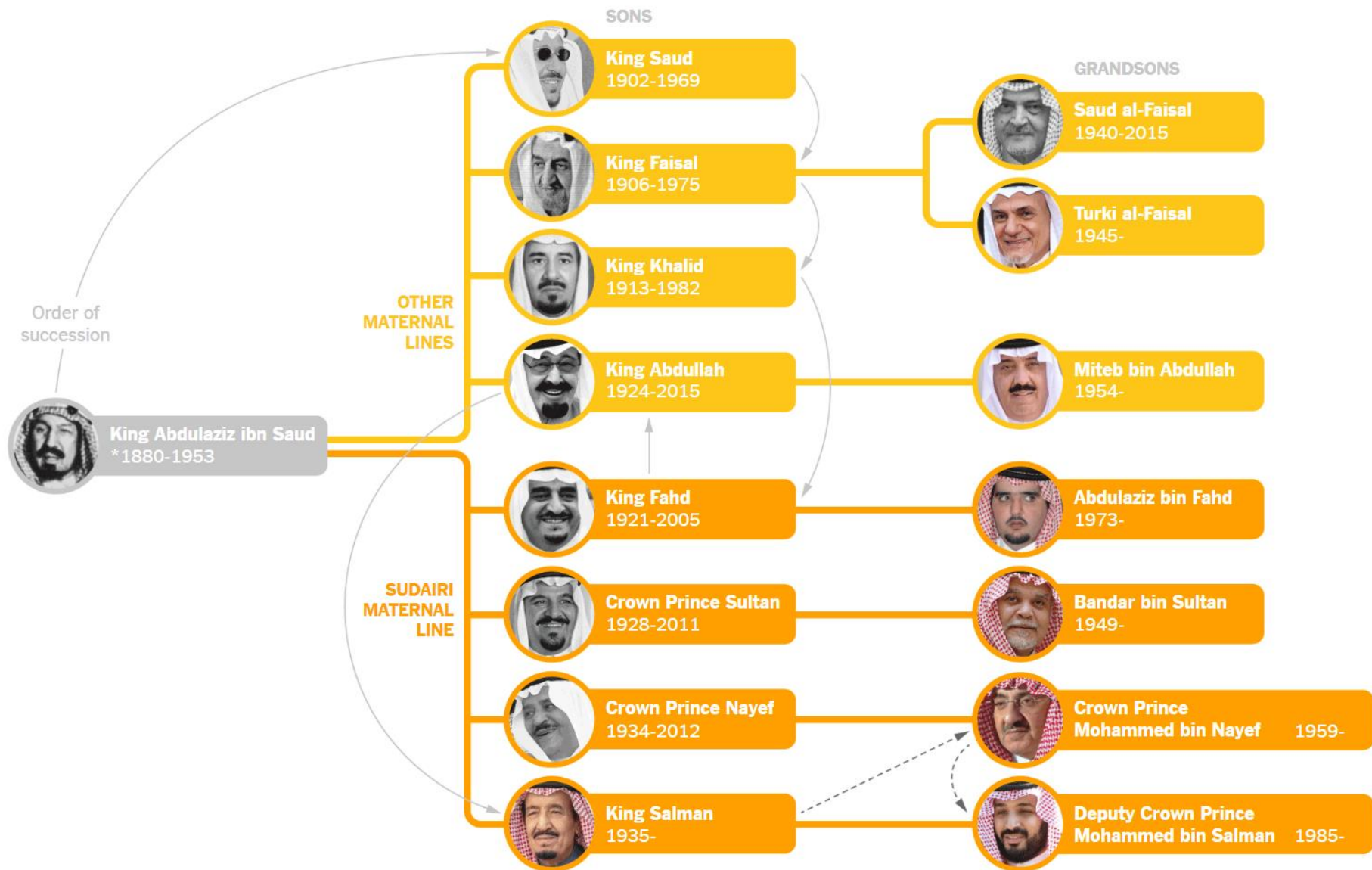


# The House of Saud

# The House of Saud

- Succession to Saudi Arabian throne was designed to pass from one son of the first king, Ibn Saud, to another
- King-appointed cabinet includes members of royal family
- The monarchy was hereditary by agnatic seniority until 2006, when a royal decree provided that future Saudi kings are to be elected by a committee of Saudi princes







- Abdul Aziz (1932-53)



- Saud (1952-64)



- Faisal (1964-75)



- Khalid (1975-82)



- Fahd (1982-2005)



- Abdullah (2005-15)



- Salman (2015 ...)

**All Kings of KSA  
have been  
brothers & sons  
of Abdul-Aziz Al  
Saud**

# The House of Al-Saud



# Addressing the King

- His Majesty was replaced by “Custodian of Two Holy Mosques” in 1986



*There is no other god but **God**, Muhammad is the messenger of God.*



# Kingdom of Saudi Arabia

- King Salman, who reigns currently, chose first his nephew and then his son as the crown prince after he was approved by the Allegiance Council with 31 out of 34 votes
- The family is estimated to comprise 15,000 members, but the majority of the power and wealth is possessed by a group of about 2,000 of them



**King Salman & MBS**

# Mohammad bin Salman bin Abdulaziz Al Saud (MbS)

- Crown Prince of Saudi Arabia
- Currently serving as the deputy prime minister (the title of prime minister being held by the king)
- Chairman of the Council for Economic and Development Affairs
- Chairman of the Council of Political and Security Affairs
- Minister of Defense



# The Prince Visits Google

- 34-year old heir apparent MBS
- Prince Mohammed has spent his fortune on a \$500 million yacht, a \$300 million French chateau, and a \$450 million Leonardo da Vinci painting
- Cost of Saudi Royal family
  - ~15,000 princes & princesses
  - Total cost \$10B annual allowance



# The Saudi Economy

- The petroleum sector accounts for roughly 87% of Saudi budget revenues, 90% of export earnings, and 42% of GDP of \$786 Billion
- Huge push on diversifying the economy
  - Petroleum products, plastics, chemicals



# Saudi Workforce

- 90% of the private sector workforce is imported in 2008
- Only 30% to 40% of Saudis seek jobs
- Jobs in service and sales are considered totally unacceptable for citizens of Saudi Arabia—both potential employees & customers



# Saudi Workforce

- Law forces any foreign entity to have Saudi partner to conduct business
- Passive income is the way to live in KSA

# US Saudi Relations: Mutual Benefits

- Offer military protection for Saudi Arabia's oil fields, in return Saudi's would price their oil sales exclusively in USD (Saudis were to refuse all other currencies, except U.S. dollar, as payment for their oil exports)

# US Saudi Relations: Mutual Benefits

- US wanted stable oil production & support in Persian Gulf & signed most favored nation 1931
- Dip in relationship happened in 1973 with oil embargo, lifted in 1974 with KSA buying \$2B of arms
- \$120B of arms sale to KSA during Obama admin.



# King Saud bin Abdul-Aziz with Nixon & Eisenhower 1957



# King Fahd with Ronald Reagan, Ivana & Donald Trump in 1985

















# Conflicts Emerged but “Managed”

- Oil embargo of 1973
- 911 attacks
- Support of terrorist factions (Sunni vs. Shia)
- 2017 US arms-deal & war in Yemen
  - \$110B weapon purchase now, \$350B over 10-years

# Latest Crisis

- Saudi dissident, journalist for Washington Post, & former GM & editor-in-chief of Al-Arab News Channel
- Killing occurred on 2 October 2018 at Saudi consulate in Istanbul, Turkey, & was perpetrated by agents of KSA
- Lured to the consulate building on the pretext of providing him papers for his upcoming wedding, Khashoggi was ambushed, suffocated, & dismembered

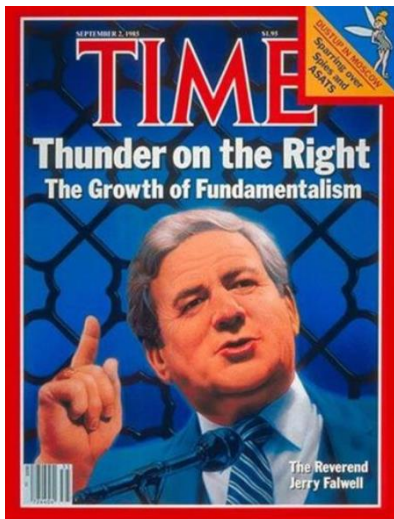
**Assassination of Jamal Khashoggi**



# 1979

# Rise of the Conservatives

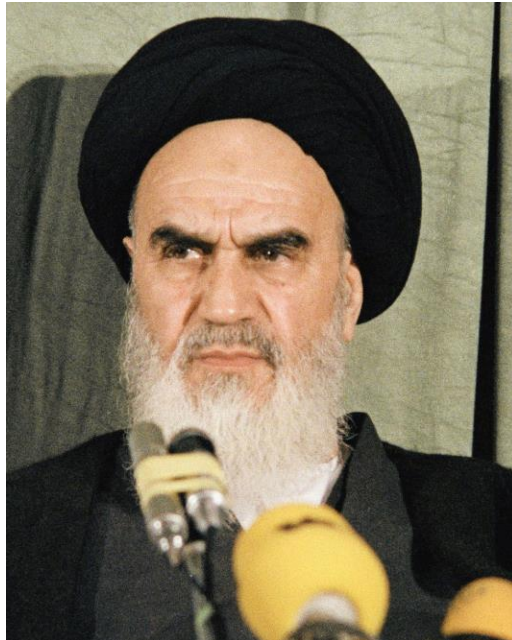
- 1979 onwards were pivotal years
- Conservative movements sprung up around the world as a result of excessive & radical 1960s & 1970s





# Hardliners & the Reformers

- 1979 was also a pivotal year in the Islamic world as a result of excessive & radical 1960s & 1970s



**Khomeini in Iran 1979**



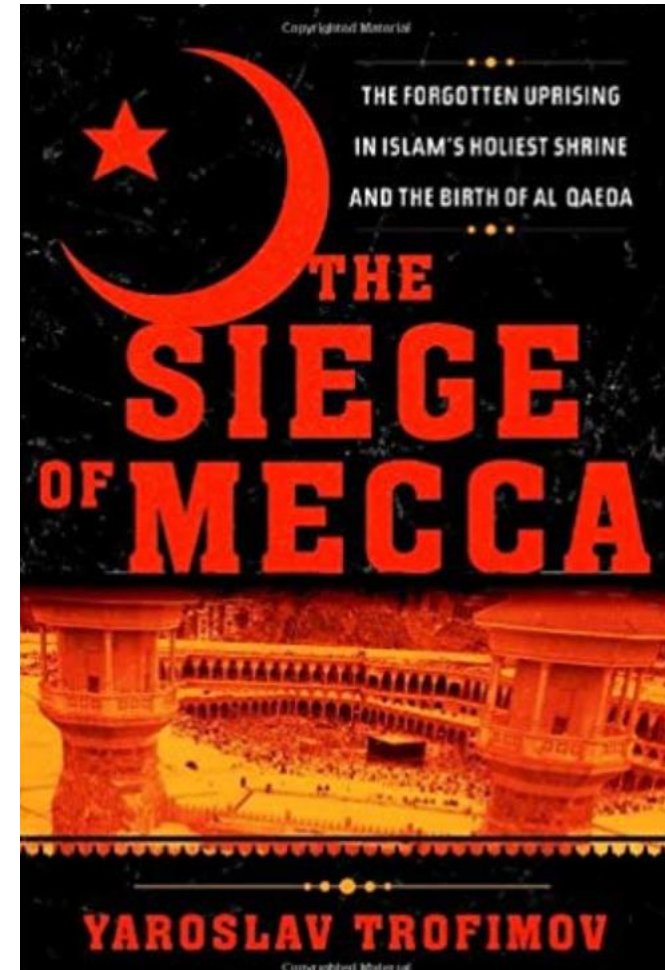
**Osama bin Laden in  
1988 in Saudi Arabia**

# 1979: Siege of Mecca by Hardliners

- Saudi hardliners revolted against the Al Saud & took over Mecca Compound by force



Juhayman al-Otaybi



Siege ended after 2 weeks, 67 were captured & later beheaded → resulted in stricter sharia laws to appease the hardliners



**This event turned the tide to much stricter laws & establishment of religious (moral) police in Saudi Arabia**

# Events Shaping History in 1979

1. Iranian revolution
2. Siege of Mecca
3. Soviet invasion of Afghanistan

The hardliners gained momentum & shaped the political future of the Islamic world – that was further amplified by actions by the West in Iraq, Palestine & elsewhere

# The Neighborhood



# Yemen

- 25% larger than Calif in area
- Population: 28 million
- 2013 GDP (PPP) of US\$61.63 billion, with an income per capita of \$2,500
- Services are largest economic sector (61.4% of GDP) industrial sector (30.9%), agriculture (7.7%)
- Petroleum production represents ~ 25% of GDP & 63% of revenue



# Yemen's Civil War: 2015

- Saleh ruled Yemen for decades, (Hadi was his VP) but aligned with the Houthi (Shia) led revolutionaries
- Hadi assumed power in 2012 & requested Saudi intervention

President 1990-2012

**Ali Abdullah Saleh**

علي عبدالله صالح



Field Marshal

**Abdrabbuh Mansur Hadi**

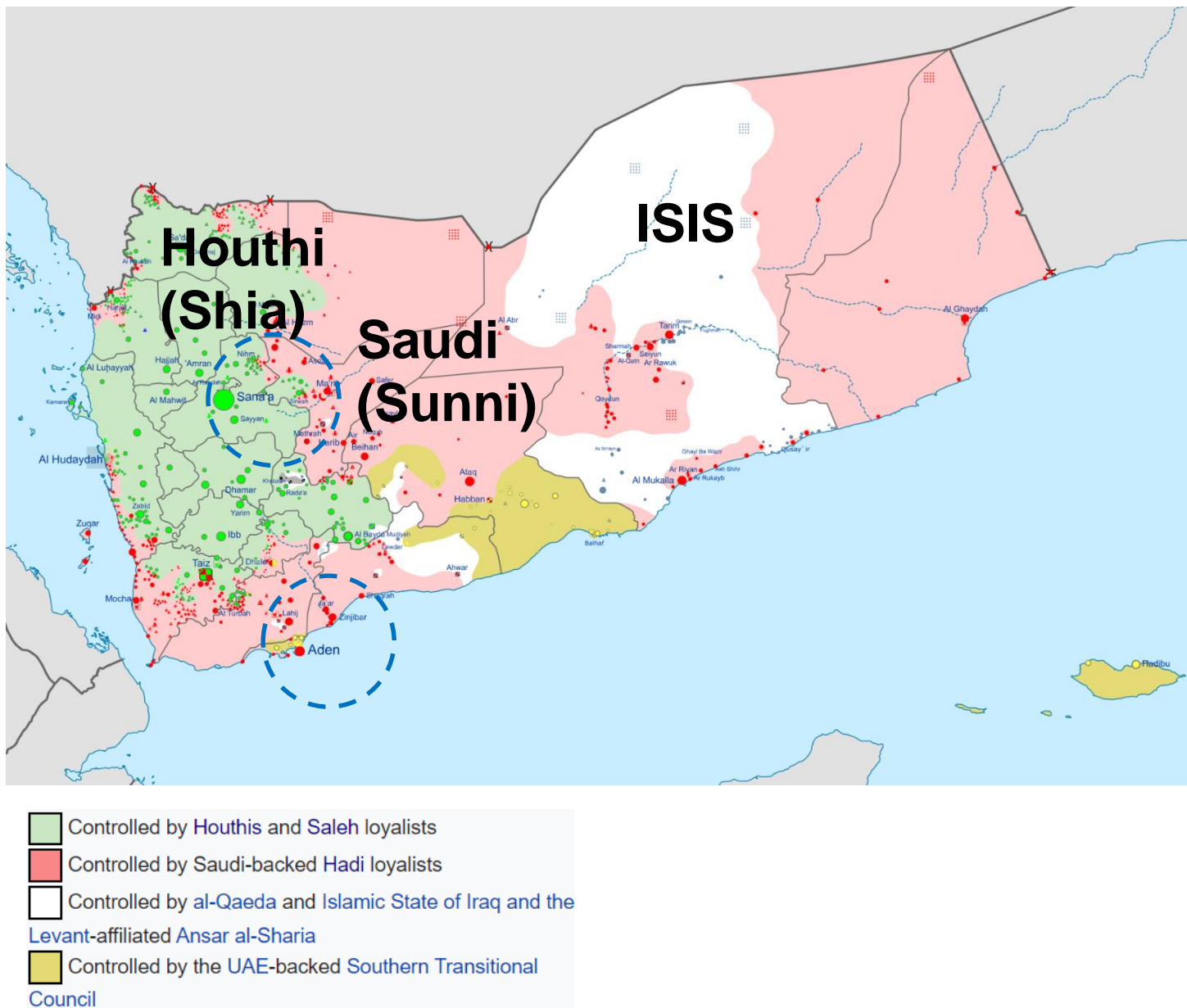
عبدربه منصور هادي



# Yemen-Saudi War

- President of Yemen Hadi ousted by the Houthi (Shia) movement due to economic & political grievances
  - he fled to Saudi Arabia & asked for Saudi help
- Intervention launched by Saudi Arabia in 2015, leading a coalition of nine countries from West Asia and Africa

Yemen's Civil War Started in 2015 as Shia (Iran-funded) faction took over Sana'a







# Sultanate of Oman

- Was a regional power in 1700s – aligned with Portugal & Britain
- Lead by **Sultan Qaboos** bin Said since 1970s
- Strategic counter weight to Iran across the Strait of Hormuz
- Muscat (Capital) is key trading post in the Persian Gulf
- Population ~5 million
- 20% smaller than CA in area
- GDP of \$76B (\$204B in PPP)



# Power Transition in Oman

- Haitham bin Tariq replaced Qaboos bin Said who died in 2020 after 50 years of rule as Sultan





# Seven States form United Arab Emirates (UAE)



Persian Gulf

Gulf of Oman

QATAR

SAUDI ARABIA

OMAN

SAUDI ARABIA

United Arab Emirates

50 km  
50 miles



Abu Dhabi

Al Ain

Tarif

Liwa Oasis

An Nashshash

Ras al-Khaimah

Ajman  
Sharjah  
Dubai

Jebel Ali

Khor Fakkan  
Fujairah

Mussandam peninsula

OMAN



# Dubai



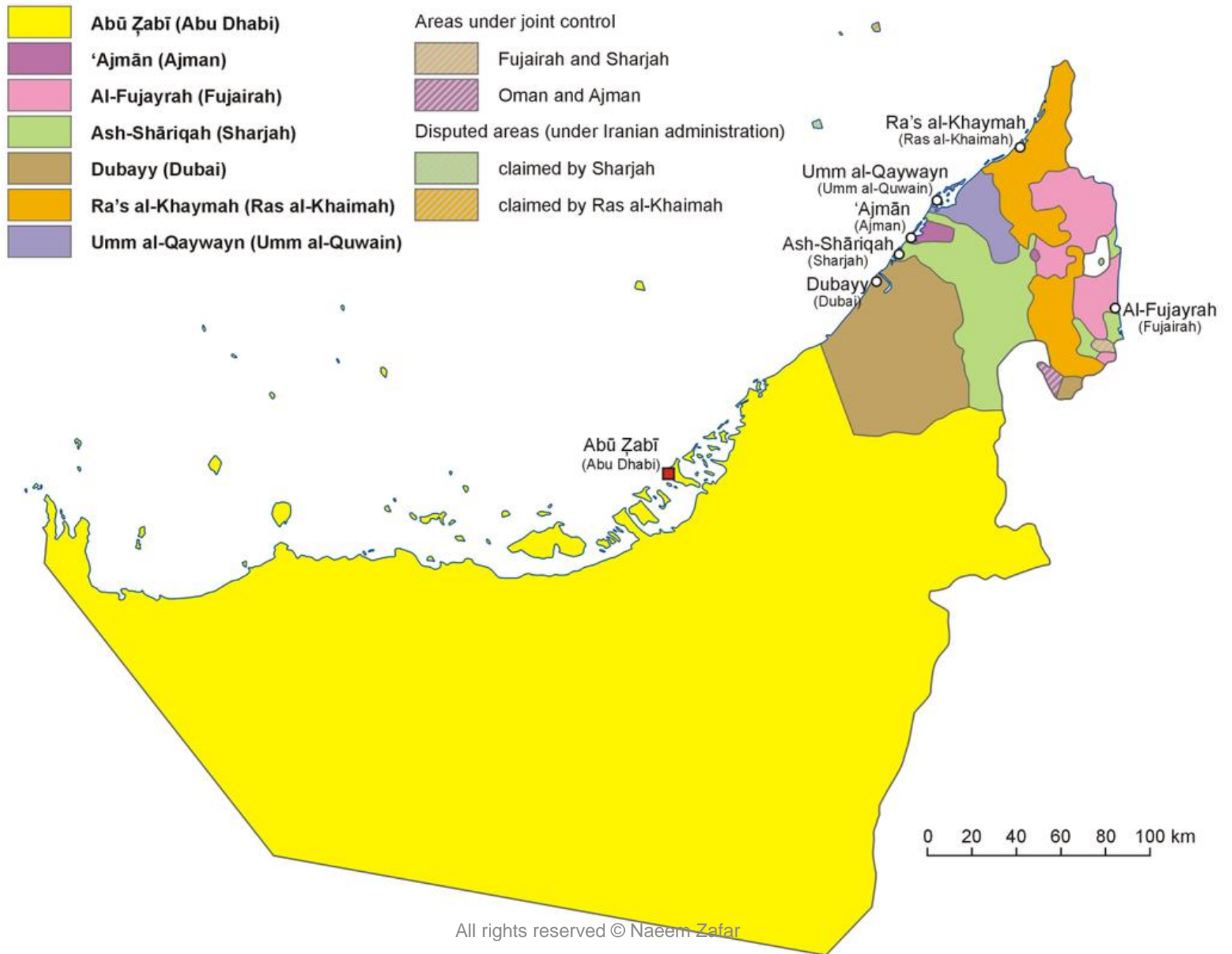




# Sharjah City





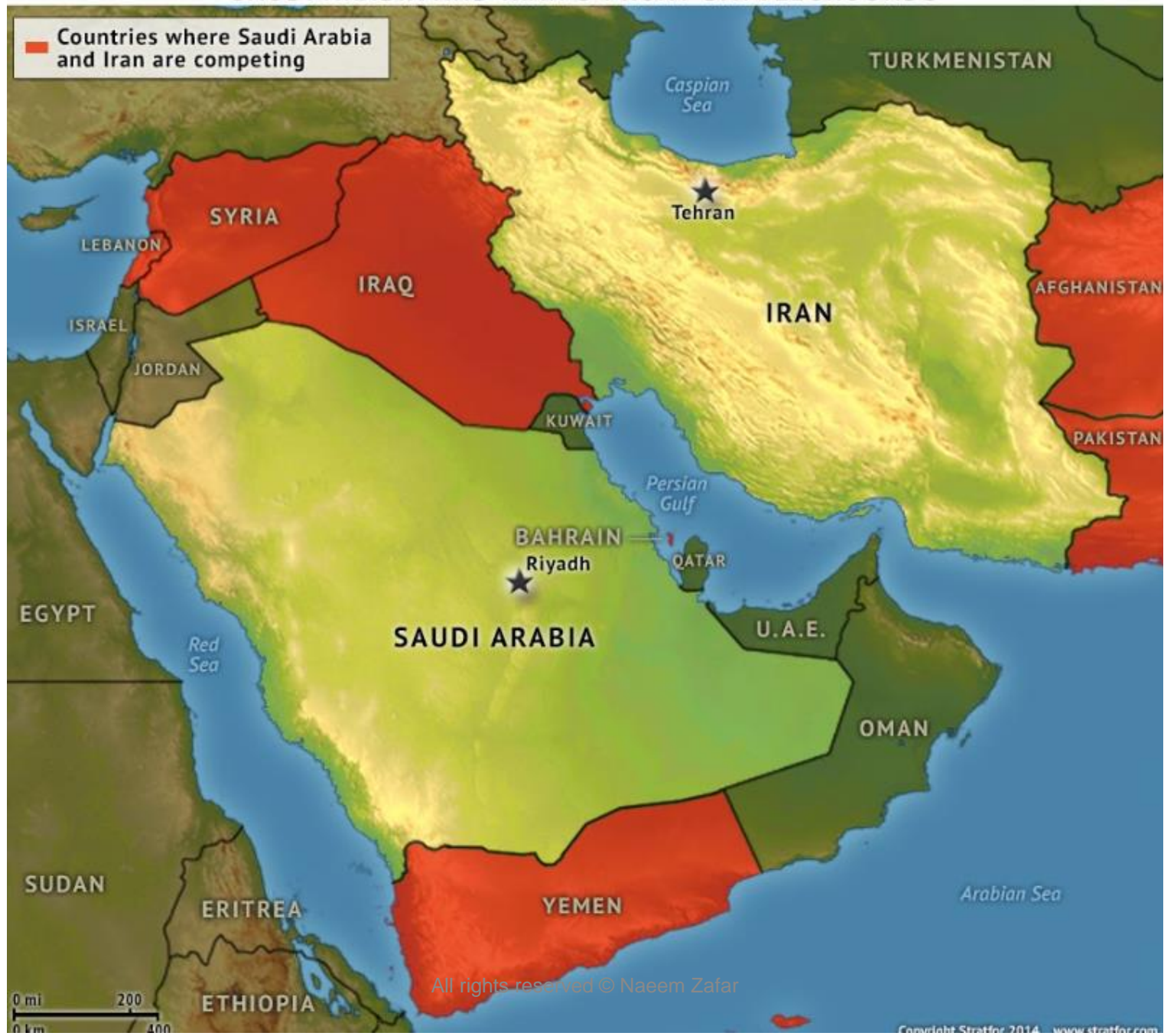




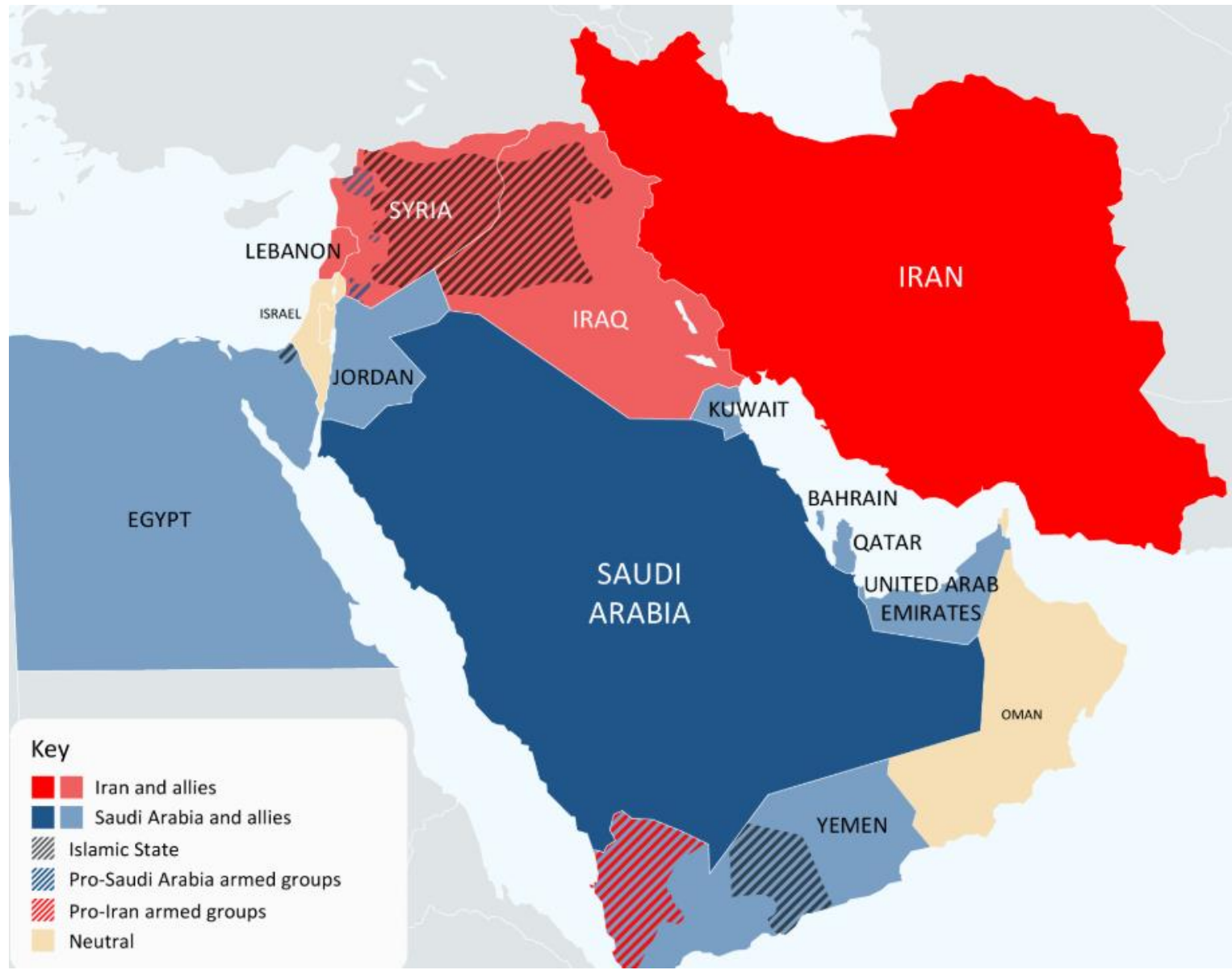


# **Possible Scenario: Oil Wars in the Persian Gulf**

## SAUDI ARABIA AND IRAN'S PROXY BATTLEFIELDS



# A 1500 year old rivalry

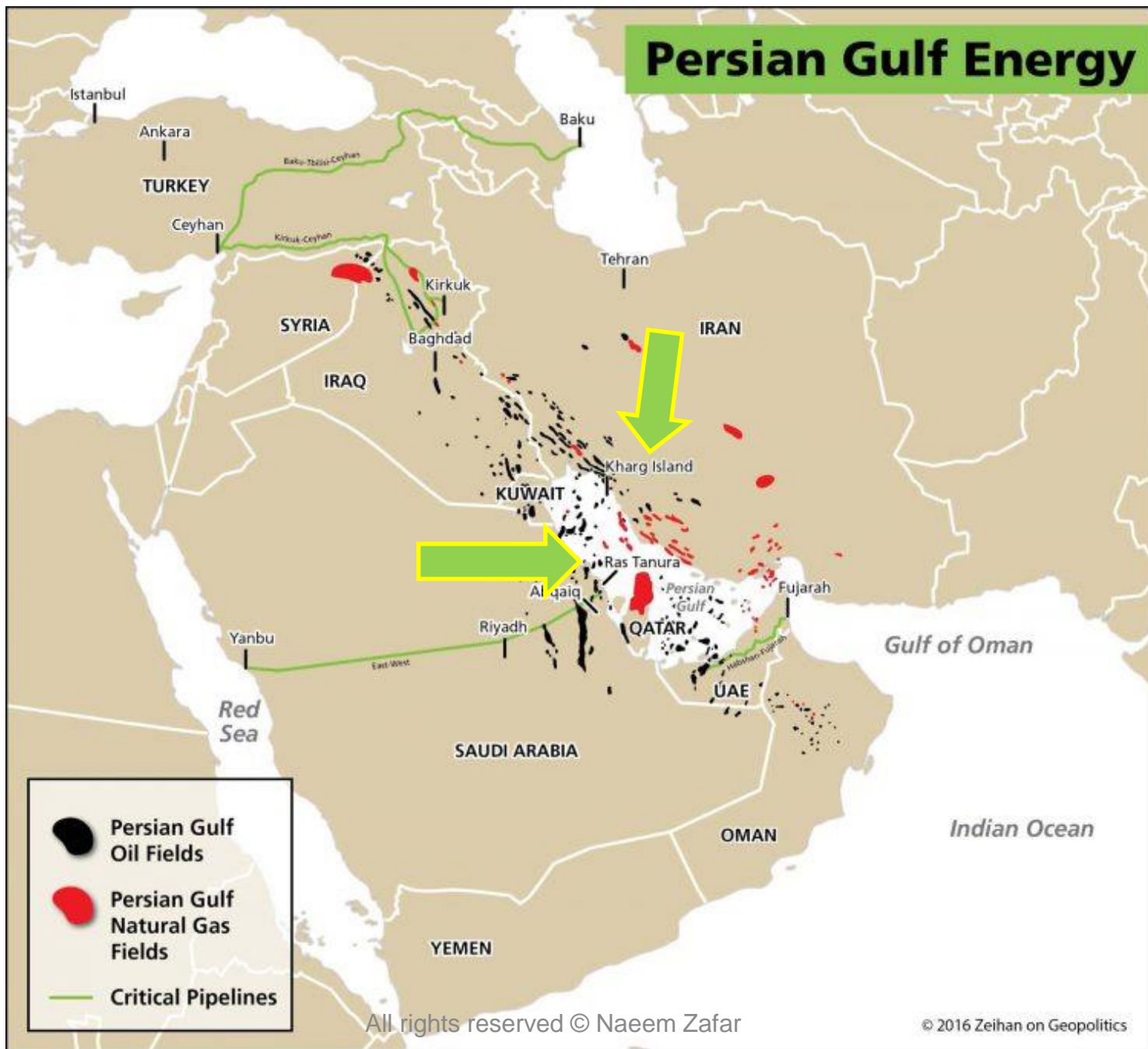


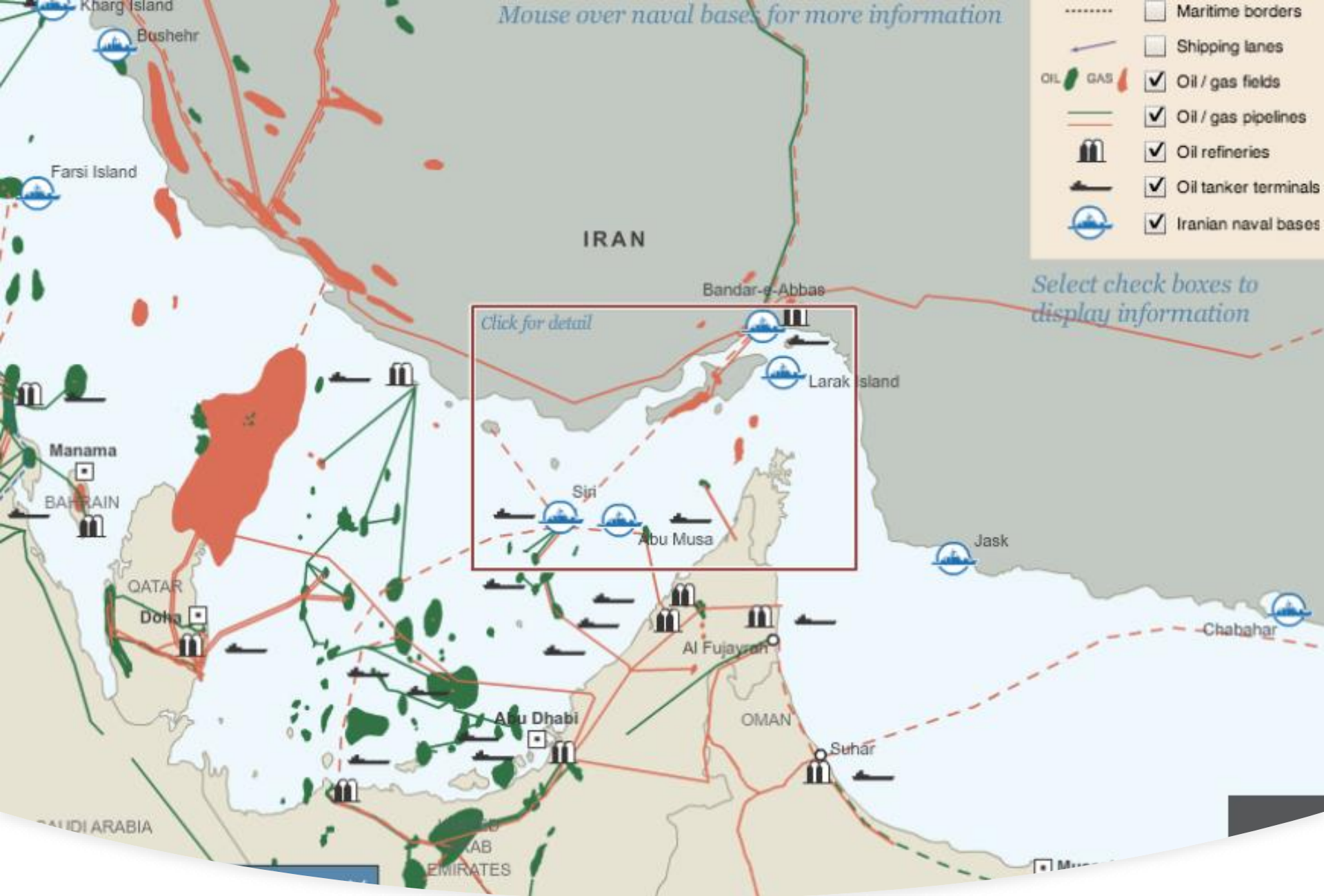
# A Future Gulf War?

- Iran needs \$200 billion to rebuild infrastructure
  - Iran banking on inflow to capital after US leaves
- Realizing the deficit, Iran will chose war
  - Iran has a million-man battle hardened army
- *Saudi don't even like to "read" about hardship, let alone experience it!*



# Persian Gulf Energy









**Iran exports 800 million barrels last year from Kharg Island terminal port**



# Ras Tanura Port in Saudi Arabia



All rights reserved Saudi Arabia



# Strait of Hormuz



# War Scenario

- Saudi Arabia attacks tankers to close Strait of Hormuz
  - Iranians exports from Kharg Island close!
  - Saudi shift production to the other coast (Red Sea) – Iranians do not have this option!
- Iranians realize that they need USA .. But US is not interested!

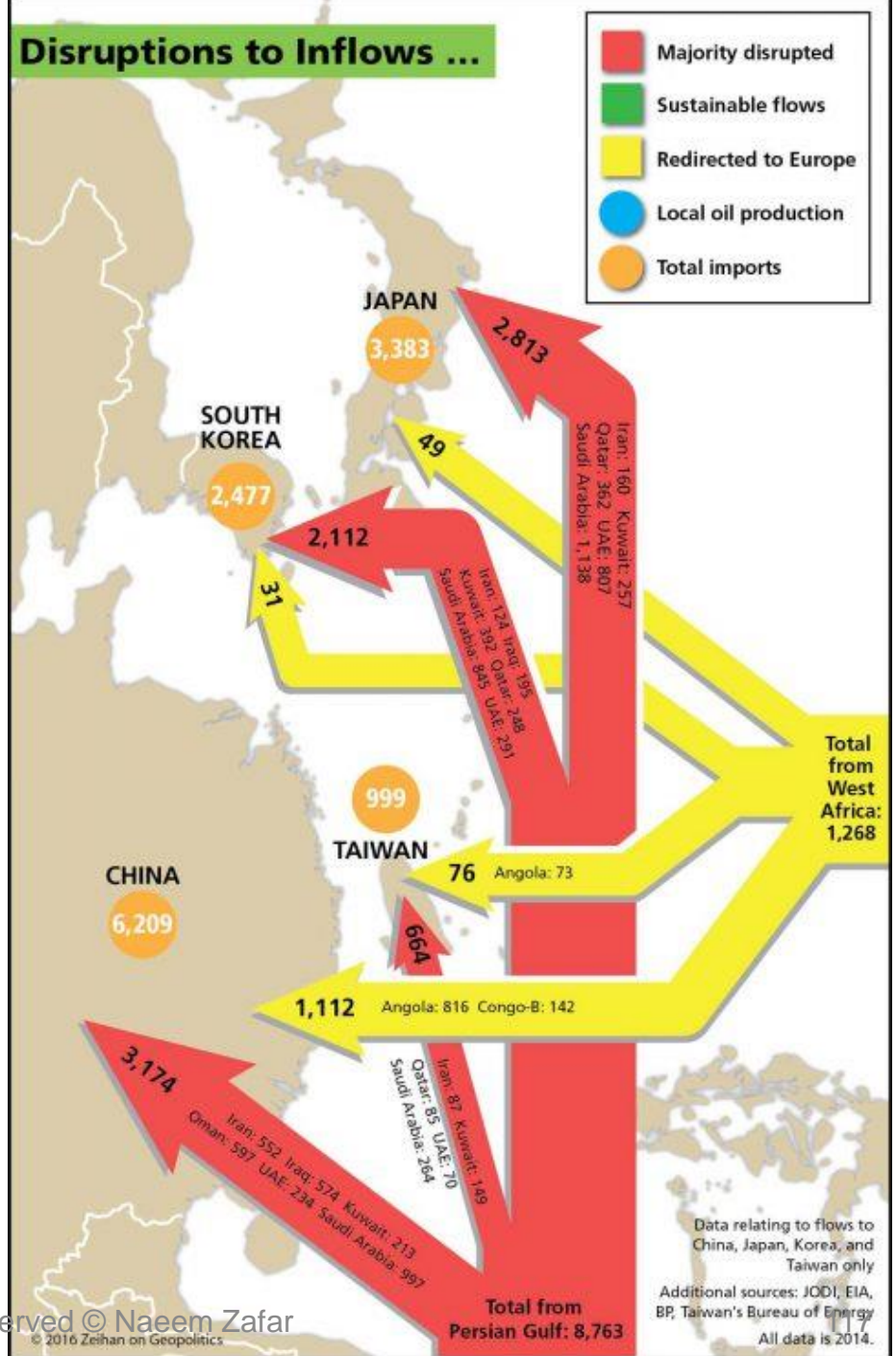
# 5 mbpd Can Be Moved to Aqaba

Saudi Arabia major oil and natural gas infrastructure



# Who is Willing to Provide Naval Escort?

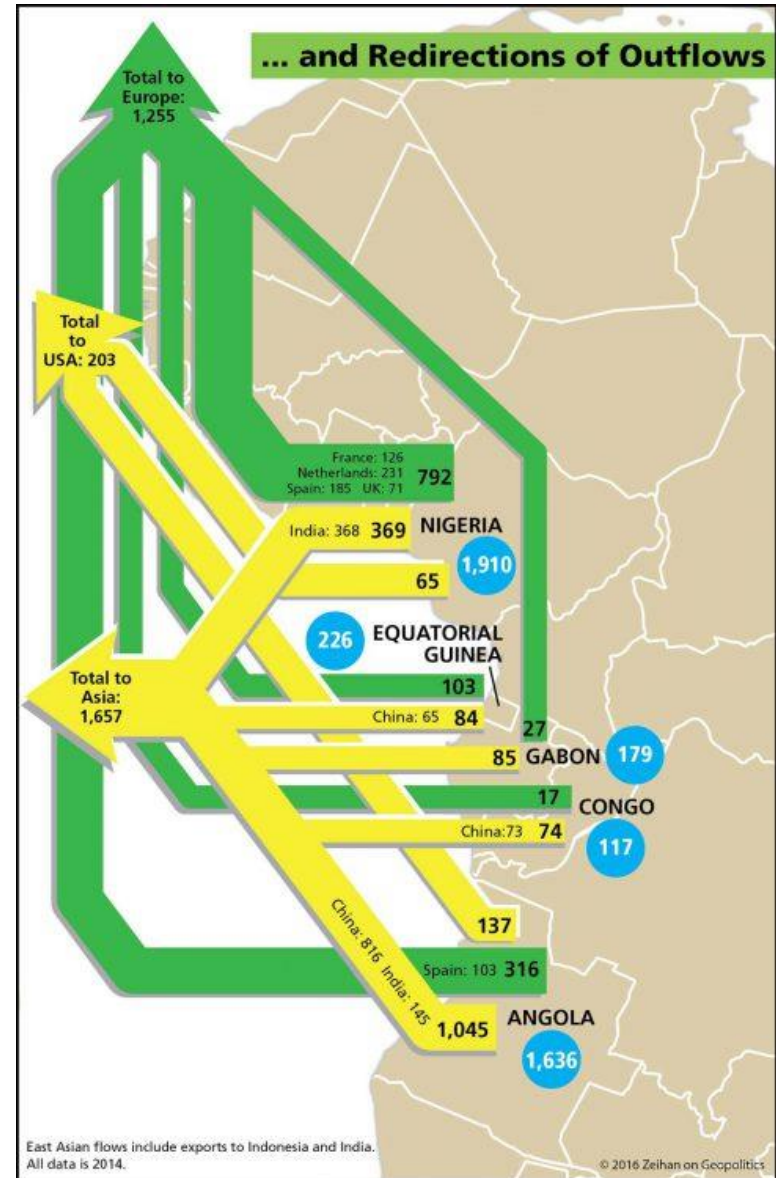
## To ensure Persian Gulf oil gets to destination





# Price of oil can go to \$150/barrel

USA will enjoy a very  
favorable scenario  
due to its energy  
independence paying  
~\$80/b

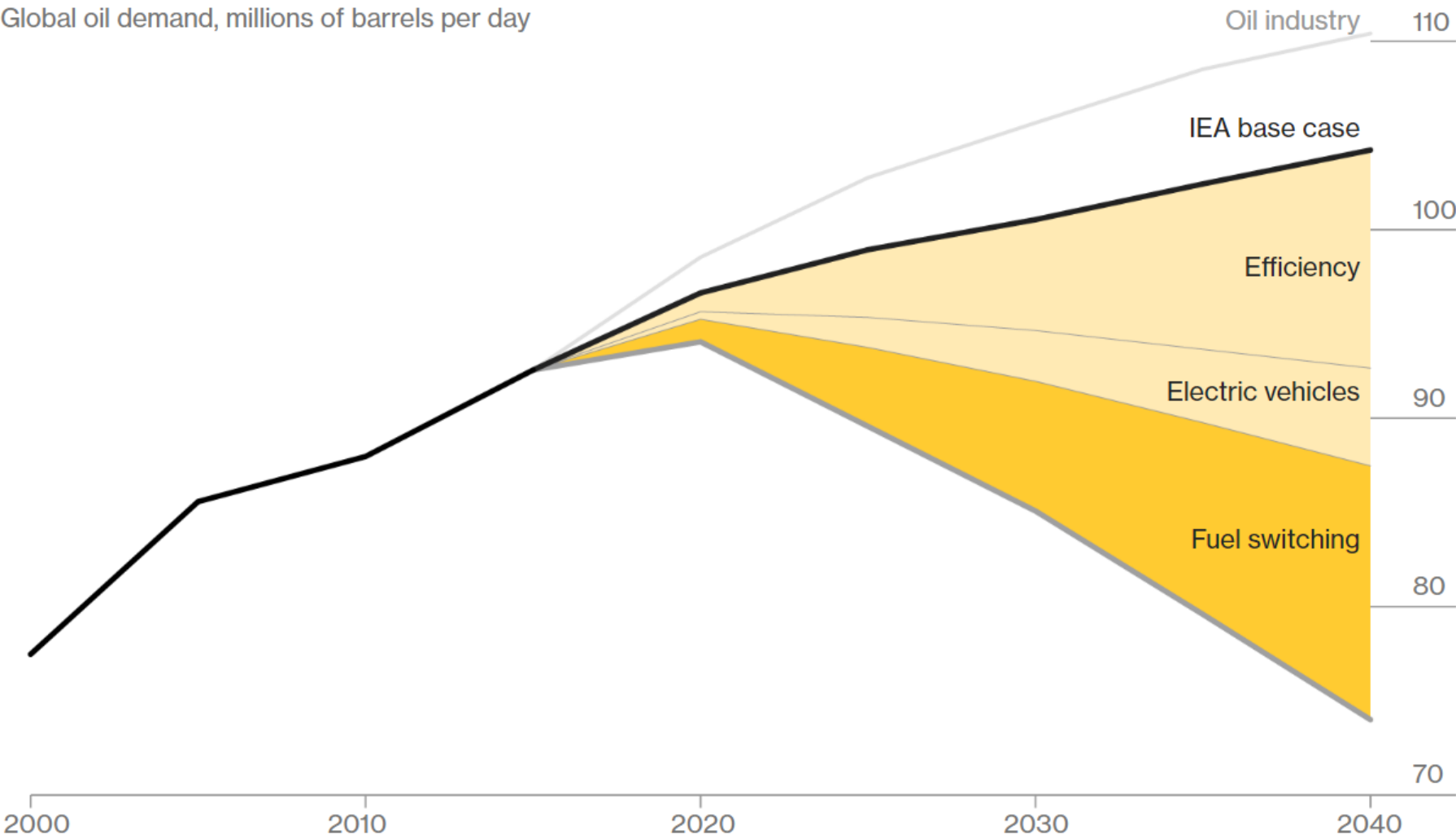


# Impact on the World & KSA

- War not likely to spread but can accelerate search & deployment of alternative energy technologies
- *Reducing the impact of Saudi Arabia on regional politics & global influence*

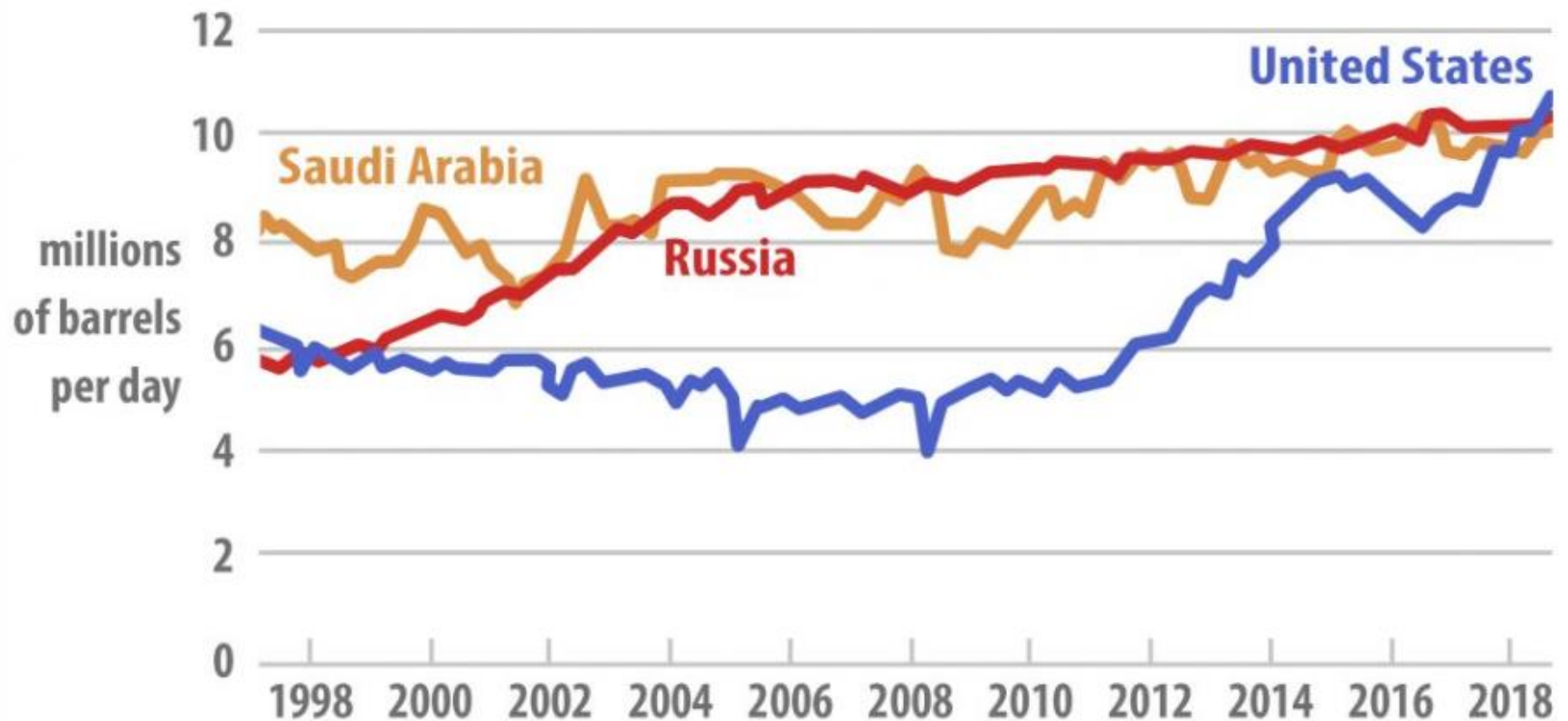
# A Radically Different Future

Global oil demand, millions of barrels per day



Source: IEA

# U.S. tops in crude oil production



Source: U.S. Energy Information Administration



# Future of Saudi Arabia

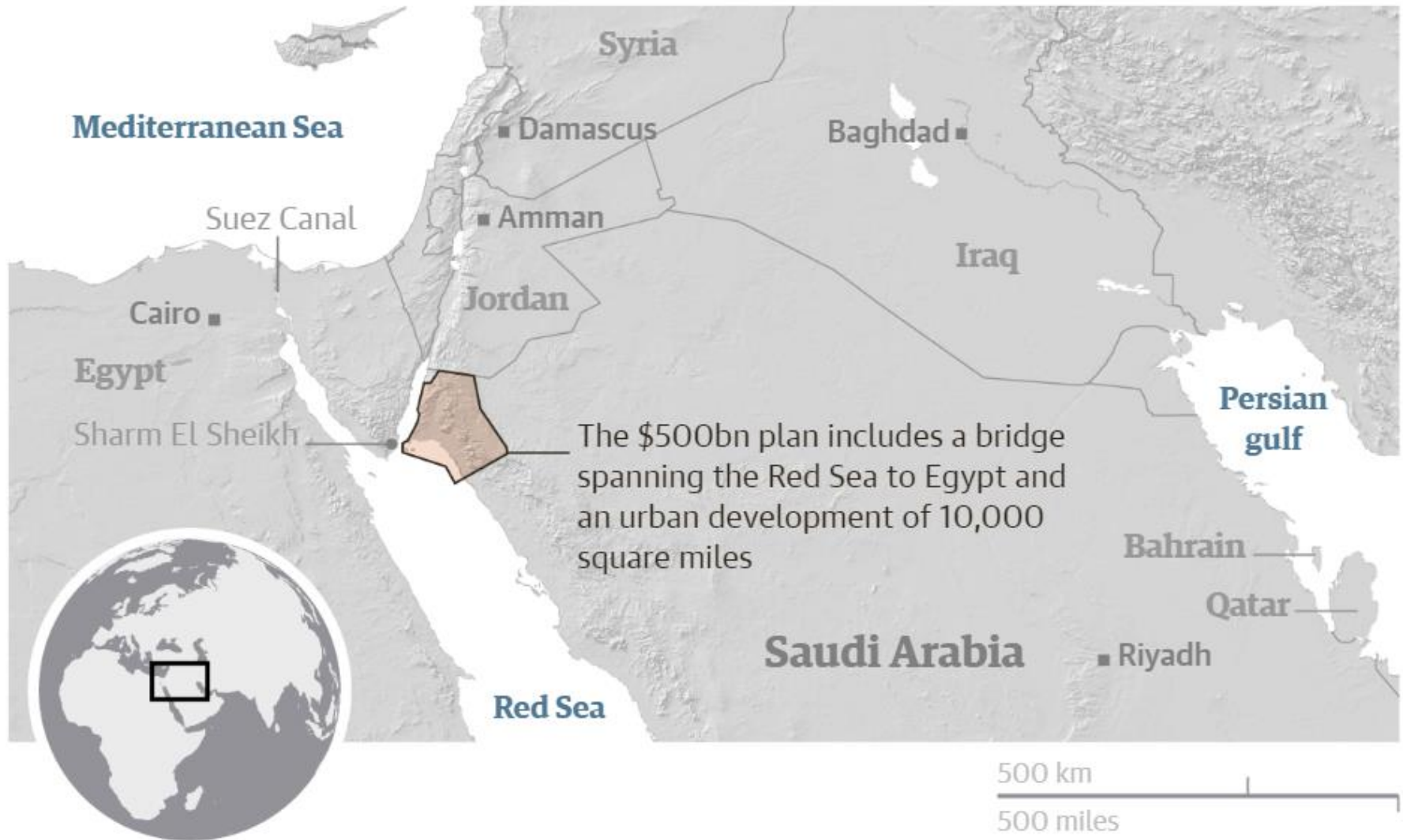
- Must diversify economy post-petroleum
  - USA is now net energy exporter
  - Electric vehicle boom
- MbS executing on Vision 2030 for Saudi Arabia to modernize



# Saudi Vision 2030: Ambitious Plan

1. **A vibrant society:** urbanism, culture & entertainment, sports, Umrah, UNESCO heritage sites, life expectancy
2. **A thriving economy:** Employment, women in workforce, international competitiveness, Public Investment Fund, Foreign direct investment, private sector, non-oil exports
3. **An ambitious nation:** Non-oil revenues, government effectiveness, & e-government, household savings & income, non-profits & volunteering

# Plan to Reform Economy by 2030



**But 1500 Year Old War with Iran  
on Regional Dominance Can Spoil**



# Summary (Part 1)

- Saudi Arabia got lucky with two events that gave it a prominent role
- Both are under attack & requires Saudi King to rethink their role on the world stage
- Can Saudi Arabia rebuild its economy & stay relevant?
  - This is the challenge for the next King!

# **The People of Saudi Arabia**

# The Culture

- Cultural setting of Saudi Arabia is greatly influenced by the Arab & Islamic culture
- Society is in general deeply religious, conservative, traditional, & family-oriented
- Many attitudes & traditions are centuries-old, from Arab civilization & Islamic heritage

# Arab People

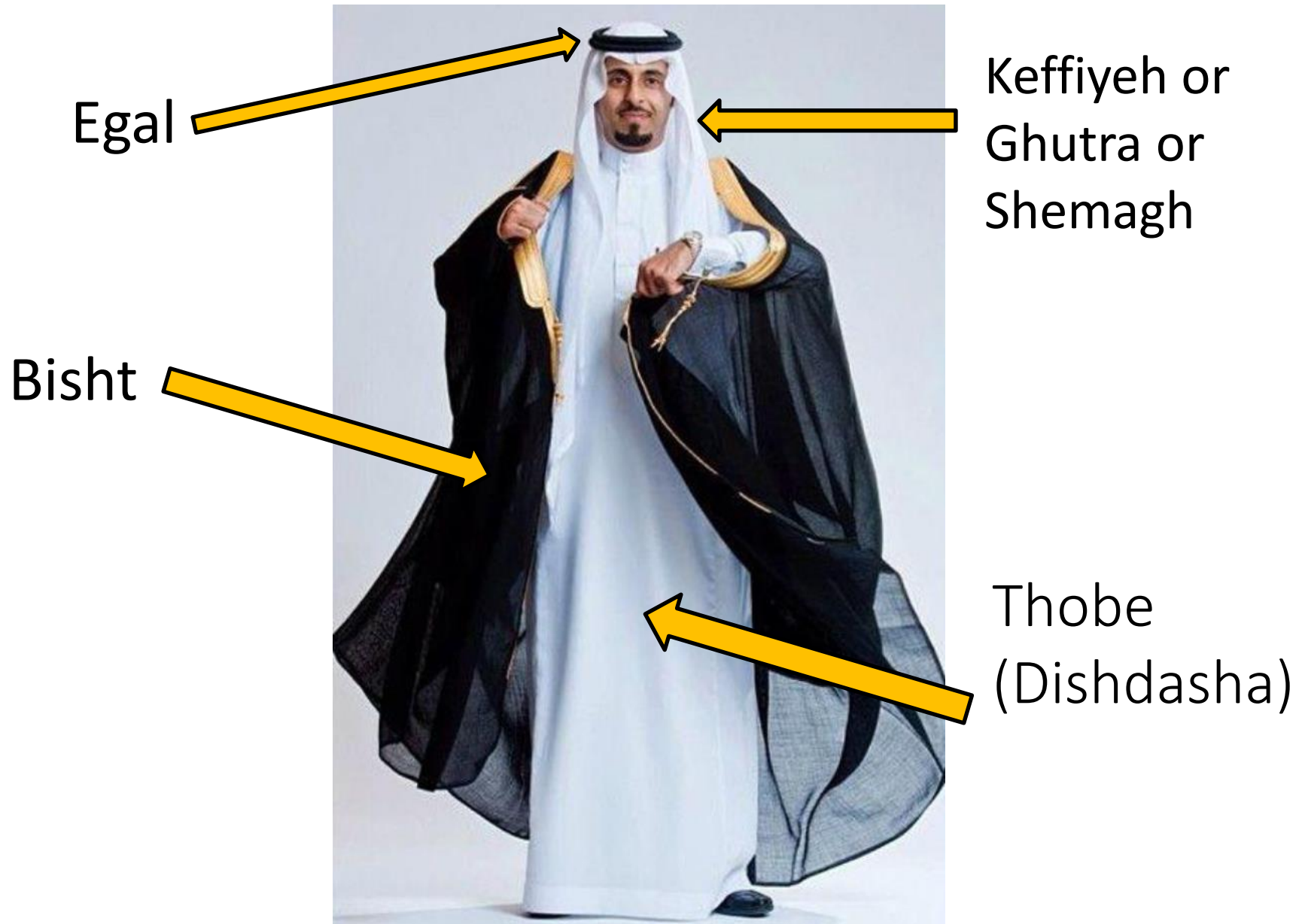
- Bedouin traditionally had strong honor codes, and traditional systems of justice dispensation in Bedouin society typically revolved around such codes





# Dressing in Saudi Arabia





Egal

Keffiyeh or  
Ghutra or  
Shemagh

Bisht

Thobe  
(Dishdasha)

# Women's Dress: Abaya to cover up

- Fashion & makeup is big business in Saudi Arabia



# Selfies Rule ... Everywhere!



**Hijab** is meant to hide hair



**Niqab** is meant to hide the face



# Modern Arab Wedding



# Dos & Don'ts in Saudi Arabia

- Exposing the soles of feet or footwear to someone; (other insulting body language include upward raising of a single finger, excessive pointing)
- Using left hand when eating (that hand traditionally being used for personal hygiene)
- <https://www.kwintessential.co.uk/resources/guide-saudi-arabia-etiquette-customs-culture-business>

# Dos & Don'ts in Saudi Arabia

- Rushing into doing business before conversation & drinking of tea and coffee
  - violation of a desert code of hospitality, a code stemming from recognition that a desert traveler who is denied hospitality might not survive)
- Admiring a *movable* possession of a Saudi, since a hospitable Saudi will feel obliged to offer it as a gift to guest admirer

# MbS Plans to Liberalize Restrictions: Thanks to Internet

- 70% of the population is under 30
- Internet has shown the rest of the world to Saudi youth





# Slow Road to Moderation

- Alcohol & theatres are still banned in the kingdom [first cinema just got allowed]
- Mingling between unrelated men and women remains frowned upon
- However Saudi Arabia – an absolute monarchy – has clipped the wings of the once-feared religious police, who no longer have powers to arrest and are seen to be falling in line with the new regime

# Sharia Law

- Islamic jurisprudence & system of laws to deal with societal issues
  - Marriage, divorce, disputes, contracts, criminality
- Fatwa issued by scholars (mufti) , judicated by judges (Qazi) under a system of penal code
- Extracted from Quran, hadith, consensus

# Prince Al-Waleed Bin Talal Al-Saud

Invested in Lyft, Twitter, Apple, Citigroup, Four Seasons Hotels & Resorts, Hotel George V in Paris & the Savoy Hotel in London

Bought Donald Trump's yacht in 1991

Worth \$21B

Menlo College graduate



Prince Waleed bin Talal & now ex-wife Princess Ameerah at-Taweel

# What to See When You Visit

check out <https://www.blueabaya.com/>

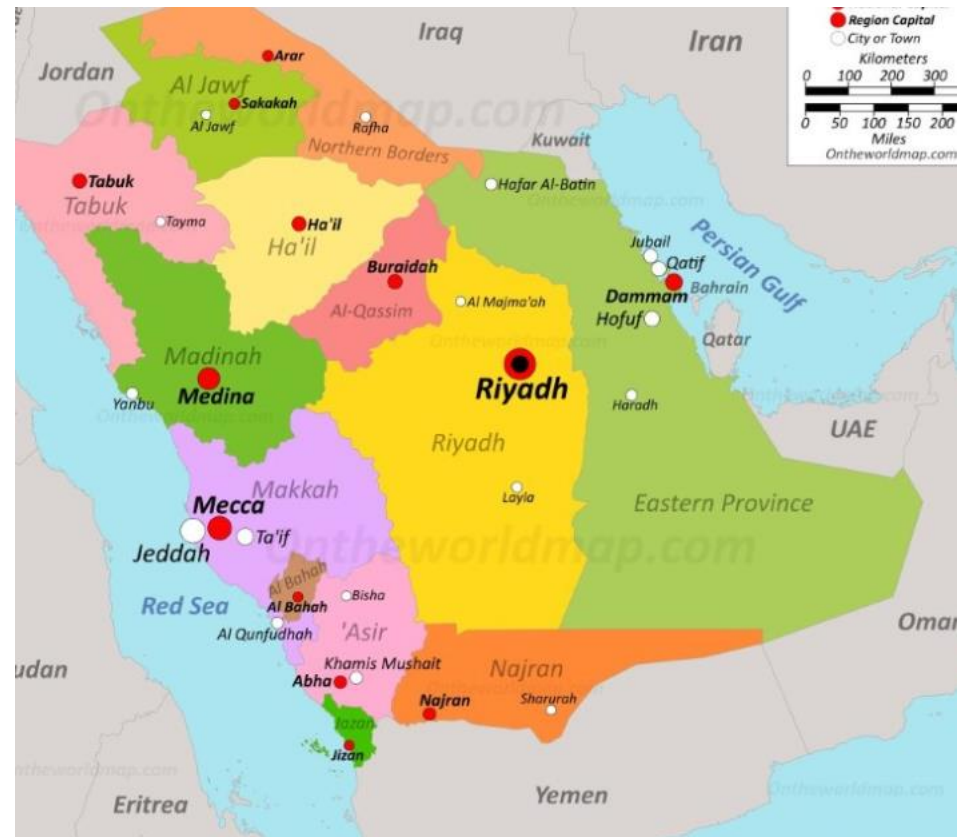


# Travelling to KSA

- eVisa now possible for \$120 online
- Fly to Jeddah from LAX (non-stop) or SFO to Jeddah via Istanbul or Europe (1-stop)
- Very safe country to travel
- <https://againstthecompass.com/en/travel-to-saudi-arabia/>

# A Tourist's Guide to KSA

- Dessert safari
- Coastal beaches (Red Sea)
- Business center (Jeddah, Riyadh)
- Very hospitable people



# Tourist's Guide



# Jeddah





# Jeddah: Established in 1933

- 4M people  
port city
- Commercial  
center





# Al Balad Historical District in Jeddah

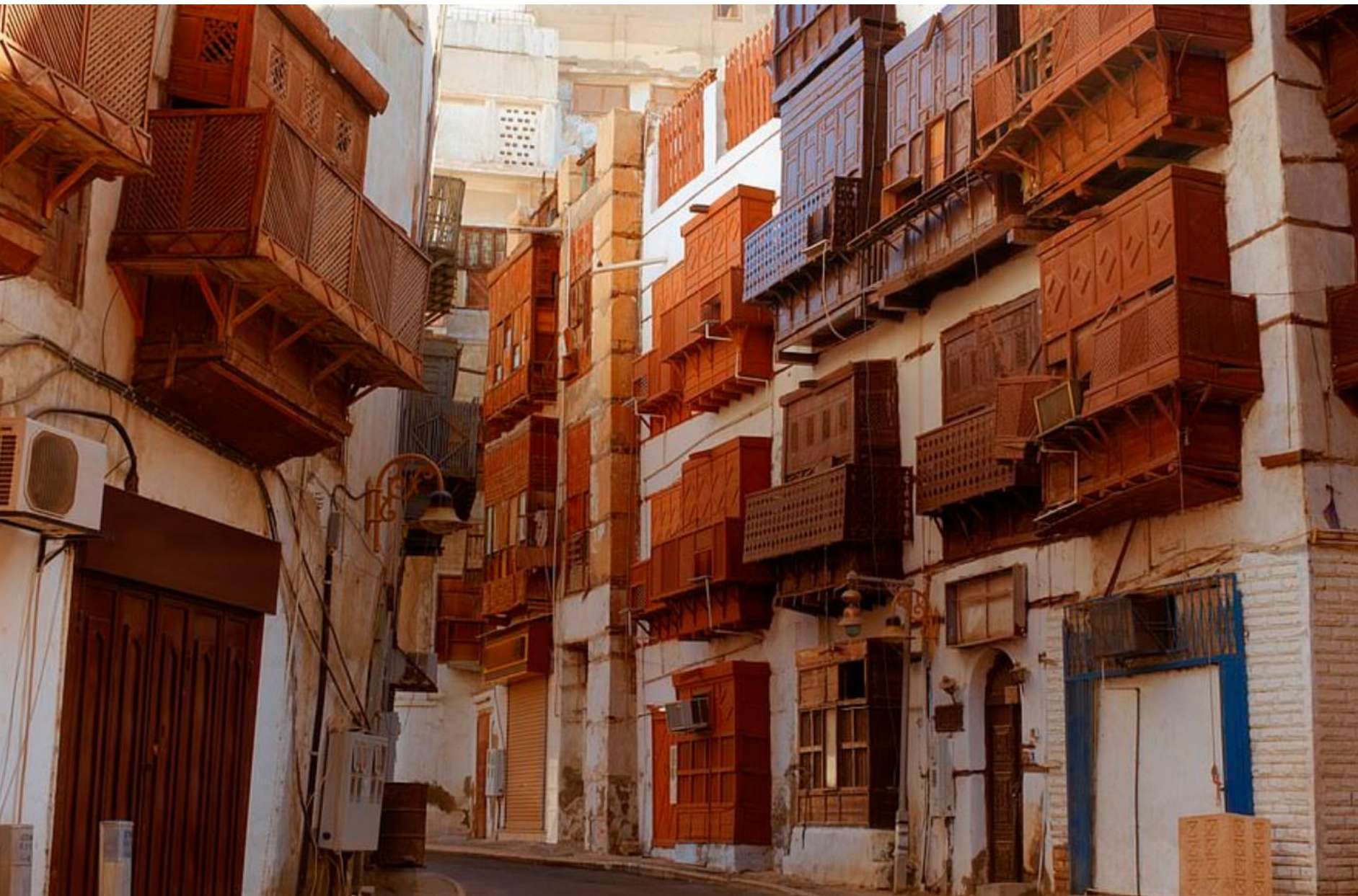


Blue Abaya  
PHOTOGRAPHY

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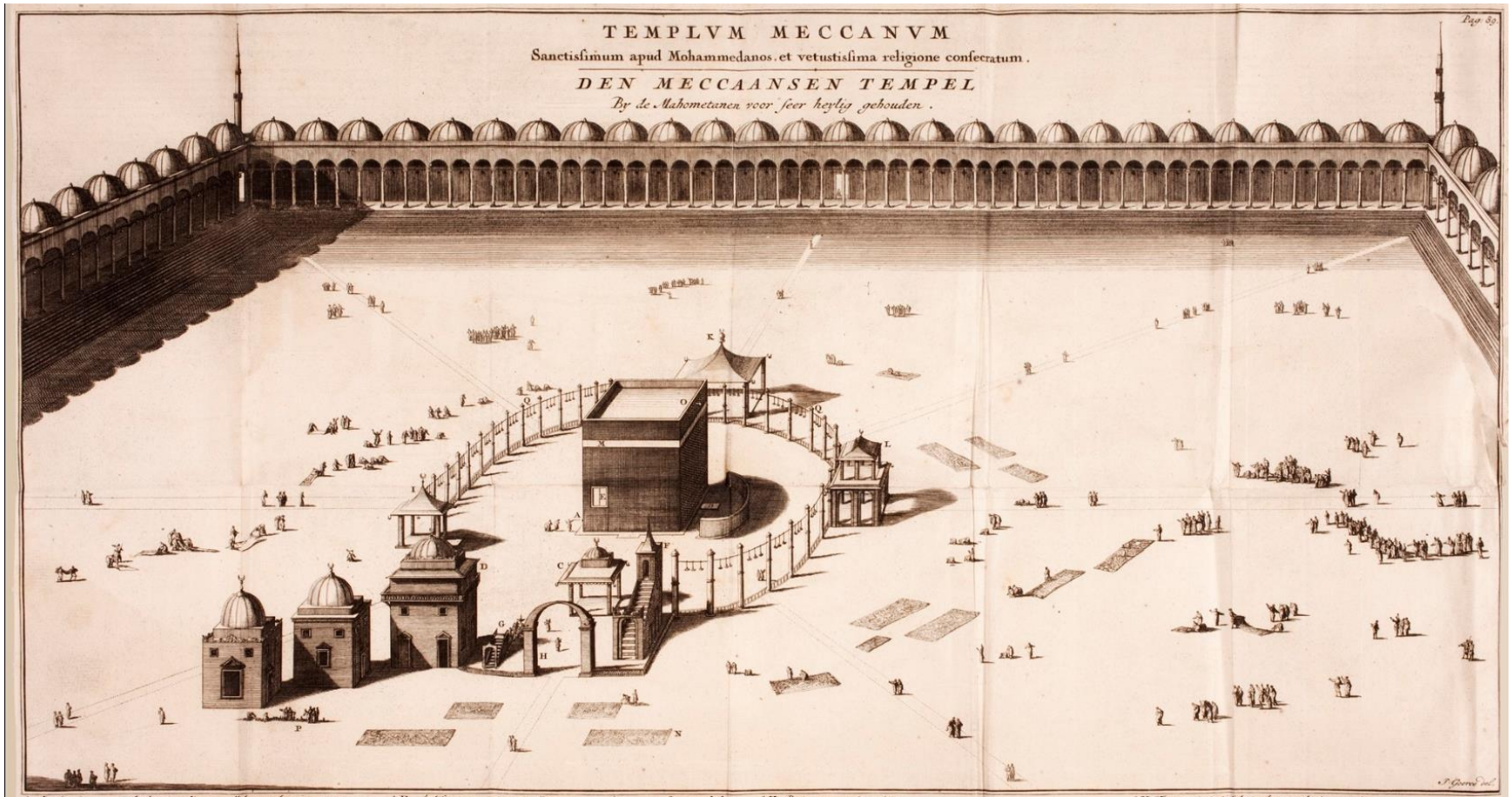








# Mecca & Kaaba



# The Hajj

- Tourism involves religious pilgrimages, Mecca receives 3M pilgrims a year during Hajj
- 2M visit during month of Ramadan
- During the rest of the year, Mecca receives around 4M for Umrah



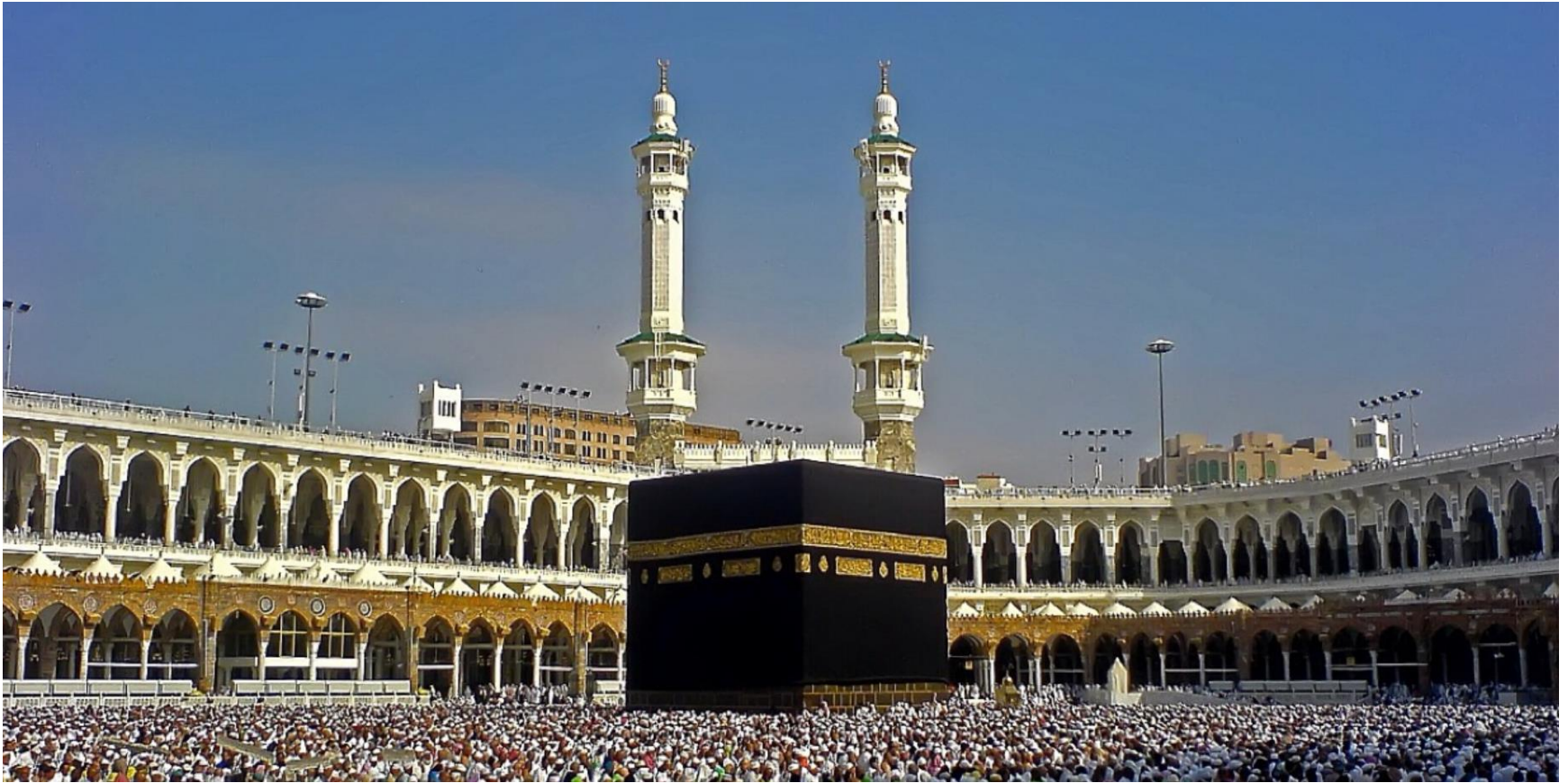


# Big Source of Income & Prestige





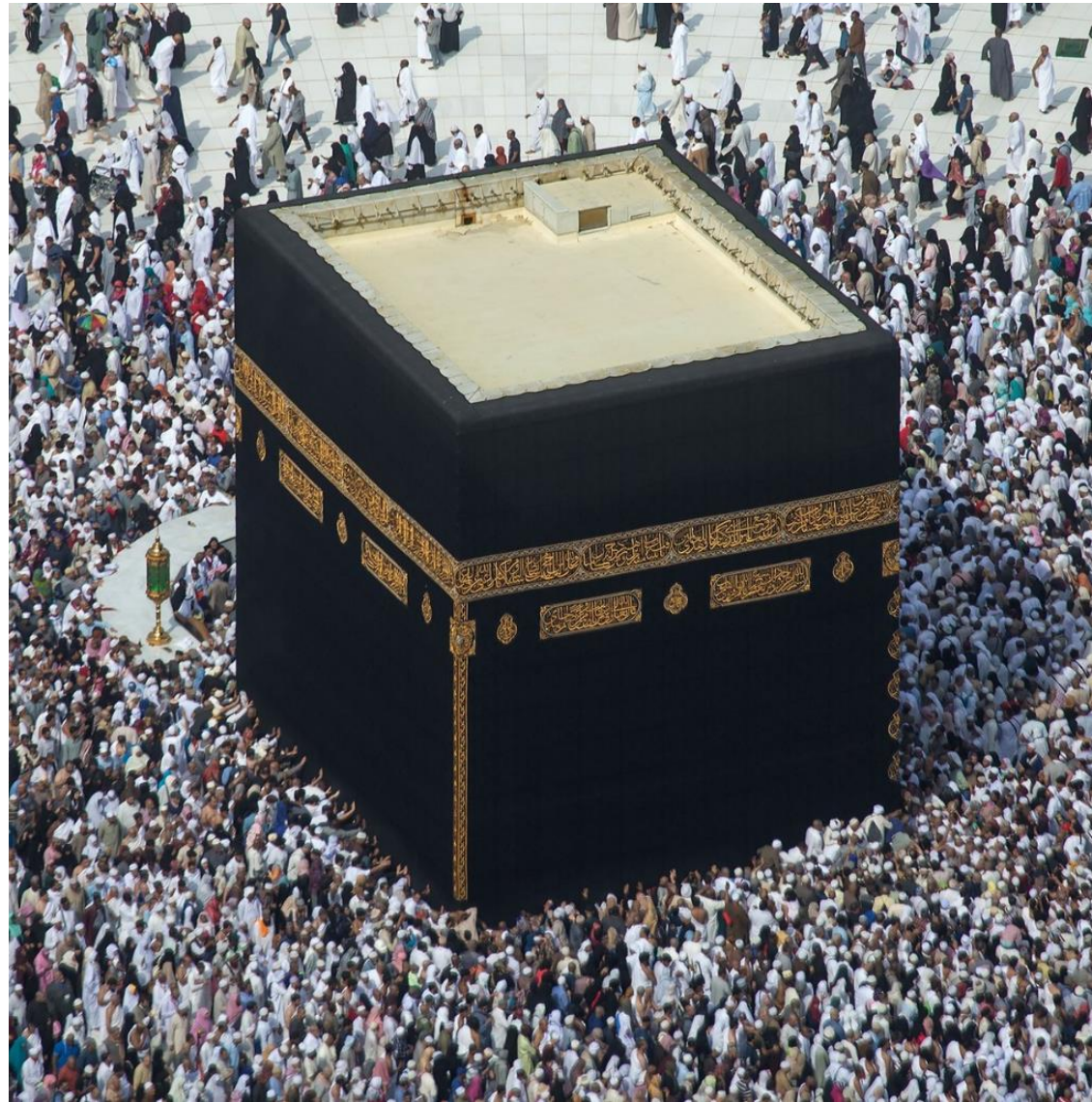
# Hajj: 4 Days Event Once a Year





# Kaaba

- Cubic building dating back to 1<sup>st</sup> century
- 43 x 36 x 42 ft.
- Draped in cloth
- Holiest site in Islam





# Entrance to Kaaba where Calligraphy is Art





# Mecca Aerial View





# **Abraj Kudai: World's Largest 10,000 room Hotel Being Built in Mecca**





# Masjid (Mosque) Nabawi in Medina



# Masjid Nabawi - Medina





# Mount Uhud near Madinah





# Riyadh: the Capital





# Hijaz Mountain









# The Hijaz Mountains of Western Saudi Arabia, as seen from the Hejazi city of Makkah



# Red Sea Tranquility





# Mada'in Saleh

Madain Saleh was built more than 2,000 years ago by the Nabataeans. Al-'Ula, the walled city, is packed with mud-brick and stone houses -- Nabatean kingdom (1st century AD)



# Thamud Dynasty





# Al-Ula City

Al-‘Ula was the capital of the ancient Lihyanites (Dedanites). The governorate contains the first UNESCO World Heritage Site in the Saudi Kingdom, called Madain Saleh (Hegra) 14 mi north of the city







# MBS Hoping to Attract 30M Tourists by 2030

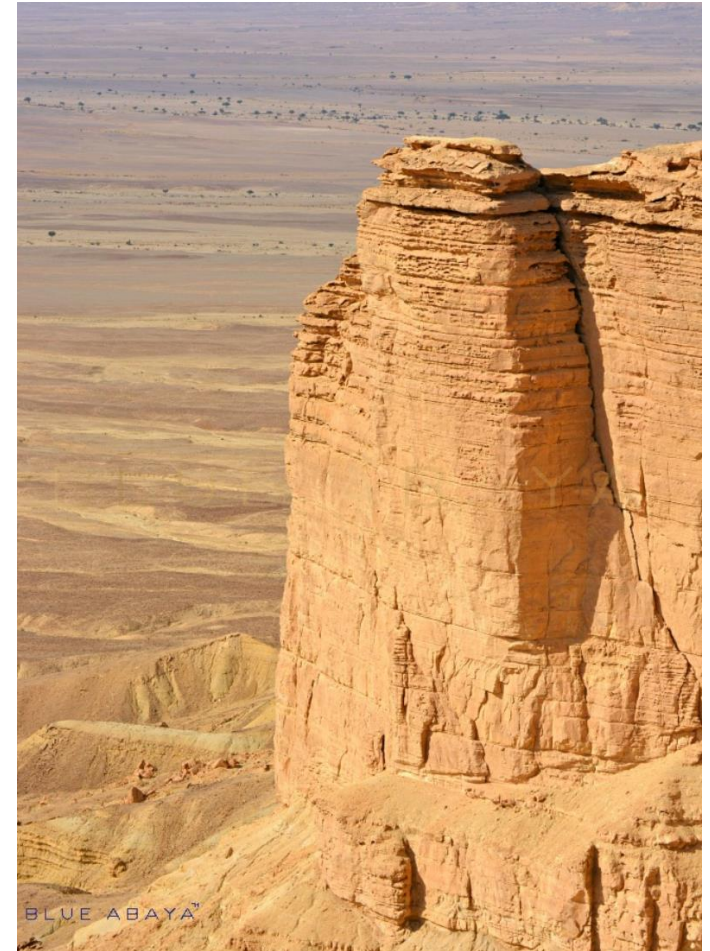


# Falconing is a National Sport





# Empty Quarter It is not empty-- It is full of beauty, silence, wildlife and tranquility



# Sand Safari





# Terraced fields in the Haraz subrange of the Sarawat Mountains in Western Yemen

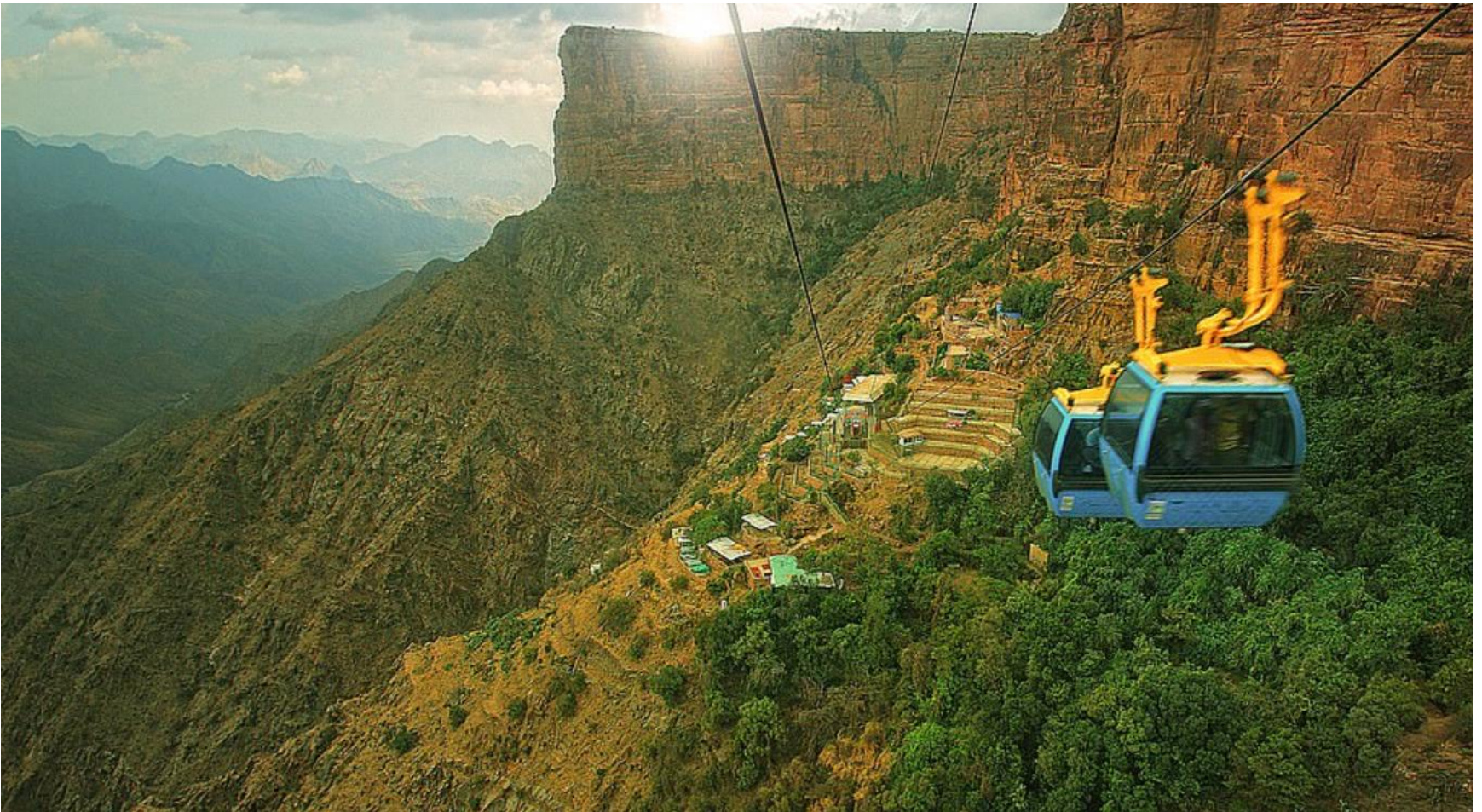


# The Midian Mountains of Tabuk Province, in northwestern Saudi Arabia, near the border with Jordan





# Abha Mountain (Southwest)





# Red Sea Coral Reefs



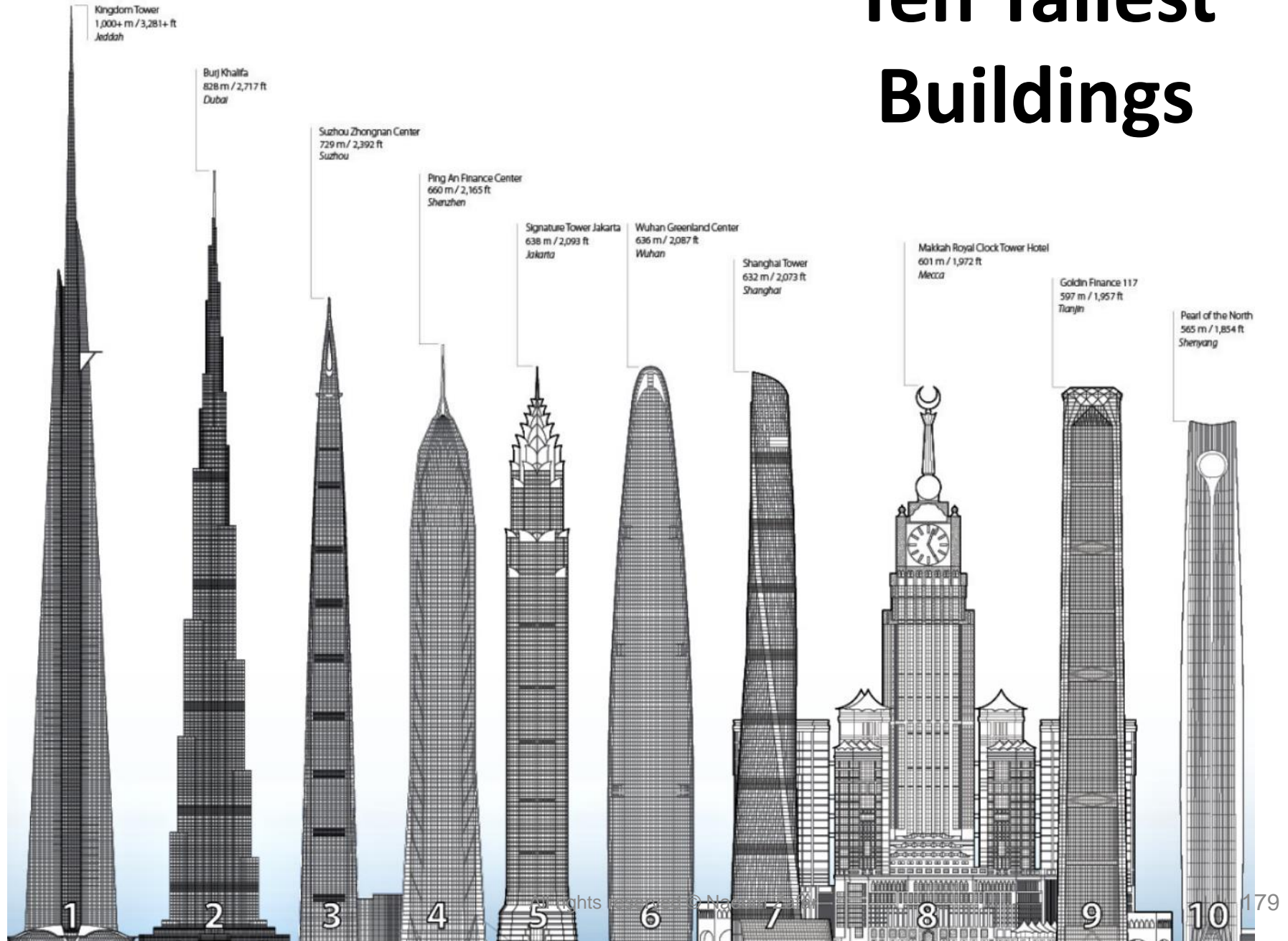


# Oasis in the Desert



Kingdom Towers, Jeddah, 3,281 ft.

# Ten Tallest Buildings



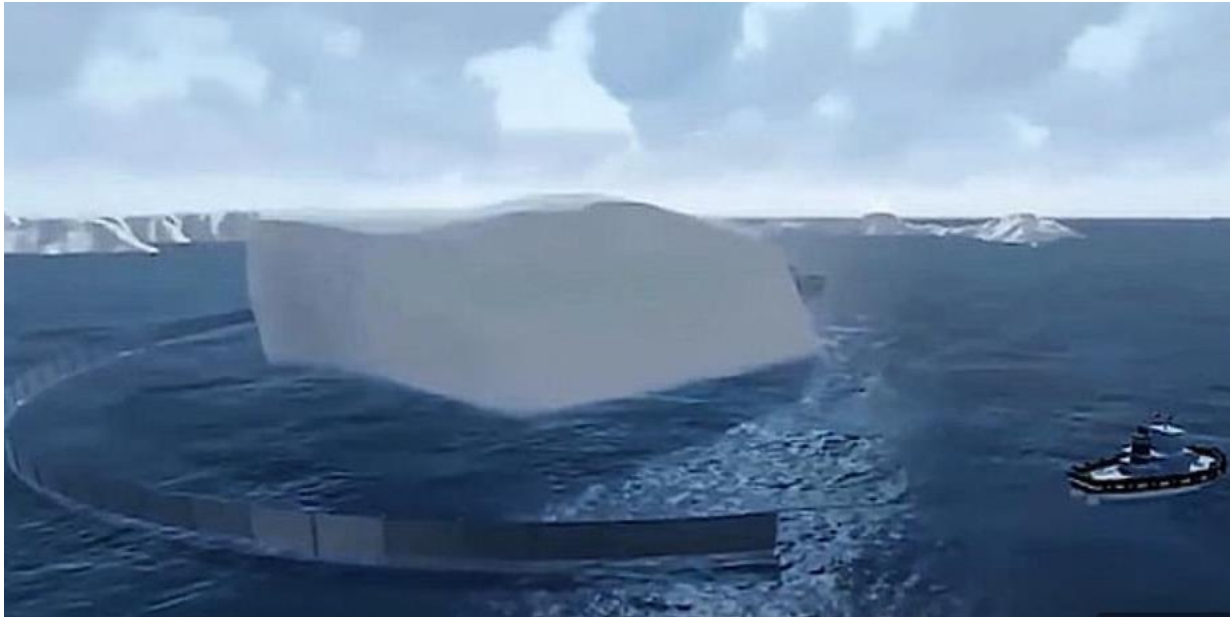
# Life in KSA

- 90% of employed people in KSA are foreigners
  - Blue-collar workers (Bangladesh, India, Pakistan)
  - White-collar workers (Europe, SE Asia, South Asia)
- Foreigners has their own compounds
  - Complete cities within a city with European rules
    - Western dressing, alcohol consumption & dancing!





# The Water Problem: Drag an Iceberg from Antarctica



An average iceberg contains more than 20 billion gallons of water. Upon arrival at a specially constructed processing facility, workers will 'mine' the icebergs for their water supplies. One iceberg could provide enough for one million people over five years, according to the company



## King Abdullah University of Science and Technology

King Abdullah University of Science and Technology is a private research university  
Founded in 2009, research and graduate training programs in English  
KAUST is the first mixed-gender university campus in Saudi Arabia



### A Diverse Community on the Shores of the Red Sea

KAUST welcomes an international community of faculty, students, researchers, staff and their families. They enjoy stylish accommodations, as well as a multitude of recreational facilities.

# The Entrepreneur



21-year-old Saudi Nour Alsalem has managed to launch her own business, “[Mathaqi](#)” at the age of 19. Mathaqi is a homemade food delivery application that operates in Saudi Arabia. In the two-years Mathaqi has been operating, it has gained great popularity among Saudi Arabians and won Nour several entrepreneurship awards in and out of KSA.















# Here a Bud for You!







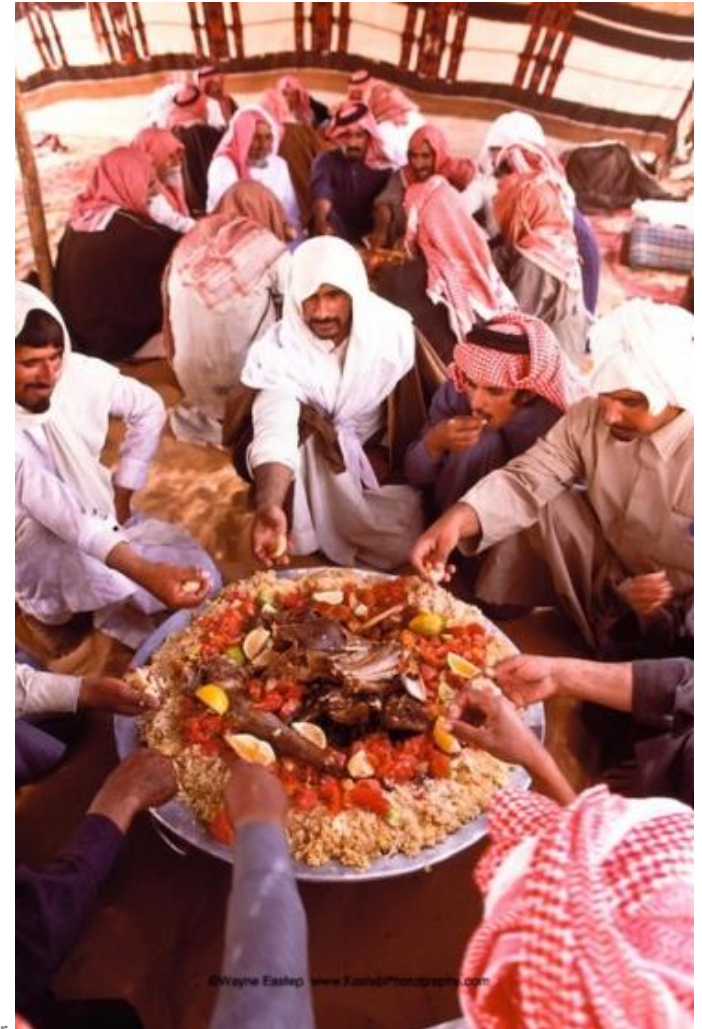


# Kabsa





# Bedouin Tradition of Sharing Food



# Public Eating Can Be Tricky







Kabsa



Matazeez



Madfoon



Jarish



Saleeg



Mofatah al-dajaj



Maamoul







# Local Eats



**DishDash** ✓ Claimed



3755 reviews

[Details](#)

\$\$ · [Middle Eastern](#), [Mediterranean](#) [Edit](#)



[dishdash.com](https://dishdash.com)

Downtown Sunnyvale 190 S Murphy Street



20750 Stevens Creek BLVD,  
Cupertino, CA 95014



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# SF Arabian Food

## Arabian Nights



2345 Mission St, San Francisco,

**Saha** ✓ Claimed

★★★★☆ 68 reviews

\$\$ · Middle Eastern [Edit](#)

**Hotel Carlton**  
**1075 Sutter St**  
**San Francisco**  
at Larkin St  
Lower Nob Hill

# Summary

- The family unit is paramount & Saudis will go to great length in protecting it
- Hospitality is deeply rooted part of the culture
- New generation is rooting for liberalization & global integration
- Changing work ethics and easy life will meet harsh reality in the future!