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## It's time for a Saudi-US tech dialogue

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The traditional 20th-century pillars of the U.S.-Saudi bilateral relations are energy and security — a reflection of Cold War dynamics and the critical role that Saudi Arabia plays in the global economy as an [energy superpower](#). Now, in 2023, Riyadh and Washington should think beyond energy to explore opportunities and address critical challenges in areas such as tech and cyber, which could ultimately cement their strategic relations for the 21st century.

### What's happening inside the kingdom?

High oil prices have given Saudi Arabia sizable additional revenues, which Riyadh is spending on its highly ambitious [economic](#) and [digital](#) transformation programs. These programs aim to make the kingdom into a global hub for tourism, information and communications technology (ICT), finance, fintech, entertainment (including sports, gaming, and on-screen media), entrepreneurship, electric vehicles (EVs), and advanced-tech industries (such as cloud



computing, software, and AI). As Saudi Arabia hopes to become a knowledge-based economic powerhouse, Riyadh is increasingly looking to satisfy its technology needs and source key economic inputs through partnerships with nations such as China, India, South Korea, and others.

### **Time for a recalibration**

As U.S. policy towards the Middle East as a whole shifts to reflect an increased focus on Asia, American foreign policymakers should revisit and adjust the U.S.'s approach to its bilateral relationship with Saudi Arabia as well. Continuing to narrowly focus the relationship on energy and security interests is to ignore the expanding boundaries of Saudi Arabia's needs and ambitions. The U.S. should understand that as part of Riyadh's bid to become a knowledge-based economic powerhouse and a global hub for tourism, ICT, finance, fintech, entertainment, and beyond, the Saudi leadership has also changed how they view the kingdom's place in geopolitics. Riyadh seeks to depart from the days when Washington expected it to fall in line with American foreign policy interests and goals. The kingdom is instead increasingly asserting its independence and signaling to the U.S. and the world at large that it will both unapologetically pursue its strategic objectives and remain open to partnering with nations that can help it advance them. The U.S. should understand that while Saudi Arabia is indeed open to partnering with China in various pursuits, this does not mean it wants to align with China against the West. In fact, the U.S. and Saudi Arabia have an abundance of shared objectives, mutual interests, and potential opportunities for cooperation in sectors like tech. However, these paths towards a reinvigorated, closer Saudi-U.S. relationship will be difficult to realize unless American leadership begins approaching Saudi Arabia as a true partner and not simply a conduit for American foreign policy objectives.

### **US-Saudi data agreement**

In late 2022, the U.S. and the UAE signed a [joint statement](#) on cross-border data flows, aligning on a shared approach with respect to data policy. The agreement focuses on the protection of citizen interests within a system of interoperability. Any resulting solutions will look to prevent infringements on data privacy while furthering the opportunity for businesses to operate in multiple jurisdictions. This collaboration protects against the misuse of data in all facilitated cross-border commercial activity.

The U.S.-UAE data pact is part of a greater objective to establish bilateral and multilateral data transfer frameworks with partners and allies in the Middle East. Expanding this bilateral framework into a broader regional architecture is a vital pillar of a comprehensive strategy against China's rise in the global technology race. Equally as important, signing additional data pacts with other regional partners beyond the UAE will help create a coherent U.S. MENA



strategy that is rooted in ties with U.S. allies and partners. The potential is limitless, as cyber relations, strategic technology partnerships, and multilateral information flows all stand to be supported.

A potential starting point for greater tech cooperation between the United States and Saudi Arabia is the construction of a data exchange framework between the two countries. The kingdom's efforts to establish a global technology network have already laid the groundwork for collaboration with crucial U.S. allies and partners like India, South Korea, and the UAE. Bringing American and Saudi officials together to coordinate bilateral data policy and tackle regulatory barriers to collaboration is in the interest of both parties.

### **The way forward**

The great potential for a Saudi-U.S. tech dialogue should not be overshadowed by recent [tensions](#) between Riyadh and Washington over energy policy. In looking to reinforce the U.S.'s strategic reach in an evolving West Asia, the storied U.S.-Saudi partnership must confront the trust deficit. With energy and security, the two main pillars of this relationship, being shaped by global and regional circumstances, technological collaboration stands as the foremost avenue to repair trust and nurture long-term collaboration. Fostering a tech dialogue would not only help improve the Saudi-U.S. relationship, but it would also affirm the status of the U.S. as a reliable partner in the kingdom's digital transformation. By playing a pivotal role in furthering Riyadh's technology objectives, the U.S. would put itself in a central position in the regional Middle East technology ecosystem — one that Washington could leverage in its global struggle with Beijing.

A technology-centered pillar of U.S.-Saudi ties must overcome barriers that are relevant in all examples of bilateral digital collaboration: issues of data privacy and regulatory policy. To manifest an interoperable system of technological exchange, there needs to be an understanding of how U.S. and Saudi firms and institutions handle shared data. A "datologue," similar to the one held between the U.S. and UAE, would create trust in future exchanges and allow for a deeper understanding of focus areas for the Saudi-U.S. digital partnership. It would open the door for digital and financial inclusion, commercial exchange, and digital supply chains.

A U.S.-Saudi digital partnership would also facilitate progress in bilateral security ties — historically a central pillar of the relationship between the U.S. and Saudi Arabia — as the region witnesses change in the dynamics of warfare. Cyberwar has emerged as a new norm that impacts regional security concerns. Securing a role as the foremost cybersecurity partner for regional actors is an element of great power competition that the U.S. must prioritize. Cyberwarfare's low cost of entry makes it a weapon for both non-state and nation-state actors to



further their geopolitical objectives. Countering this threat is a priority for a U.S. administration that aims to keep the regional balance of power aligned with its own strategic interests.

Riyadh and Washington understand the value of reaching common ground. Although mutual alignment on global and regional matters over the past several decades has helped to advance the interests of both countries, a potential Saudi-U.S. tech dialogue comes at a very different time in their relationship. Washington's efforts to isolate Beijing in global arenas align with the pursuit of stronger Saudi-U.S. tech relations, which would help to combat Chinese involvement in Saudi developmental projects. Alignment over a mutually beneficial vision for a U.S.-Saudi tech relationship is not only desirable but also necessary for the realization of both countries' interests.

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