



Major Saudi Arabian project for U.S. defense contractor Raytheon cancelled

Riyadh's ties to BRICS and Saudi Vision 2030 are a major blow to the USA

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With this article by Felix Abt we continue our series of articles about BRICS. On the one hand, we have repeatedly pointed out that BRICS will change the world, on the other hand, we stated that the peace agreements between Saudi Arabia and Iran and between Saudi

Arabia and Syria will substantially reduce the influence of the USA in the Middle East. The events now described by Felix Abt are a surprise even for us in terms of weight and speed.

The U.S. is losing out because of Saudi Arabia's "Vision 2030" and its relationship with the BRICS nations: The U.S. defense industry Raytheon/RTX has just had an important project cancelled in its favor. And it's not just the USA that is affected: Given Germany's ideologized policies, it is becoming increasingly uncertain whether European exporters, especially German ones, can utilize their potential and play a significant role in this billion-dollar process.

In 2017, then-President Trump signed a [\\$110 billion arms deal](#) with Saudi Arabia; in 2022, his successor Joe Biden approved planned [multibillion-dollar arms sales](#) to Saudi Arabia and the United Arab Emirates. China thwarted the U.S. war industry's stunning deals by brokering a reconciliation between Saudi Arabia and Iran. Saudi Arabia, just a few years ago the closest U.S. ally within OPEC and in the Middle East, is now a member of BRICS+, like its neighbor Iran, led by Russia and China.

The effects are already being felt in the military arena. The Saudis and the U.S. defense industry wanted to develop a new air defense system to counter Yemeni drones. Riyadh was prepared to spend \$25 billion on radars and missile systems — which would account for up to 40% of the annual sales of Raytheon (now absorbed into the US defense group [RTX](#)). With the cessation of hostilities between Saudi Arabia and Iran, the war in neighboring Yemen should also come to an end. That's good news for war-torn Yemenis and bad news for the thriving military-industrial complex in the United States.



President Donald Trump receives the Order of Abdulaziz al Saud medal from King Salman at the Saudi Royal Court. The order was named after the founder of the modern Saudi state. (Source: Al Madina)

Riyadh intends to buy electronic warfare systems from Russia and build up domestic production of Russian helicopters and armored vehicles. The Saudis will also buy missiles and drones from China.

This has led to the Americans now being pissed off and "*suddenly*" pulling out of the project, as reported by the [Wall Street Journal](#), because the Saudis would have close military ties with Russia and China.



Sreenshot Wall Street Journal

This kind of American retaliation is not new and happened, for example, between the U.S. and Turkey: in response to the purchase of the advanced S-400 air defense system from Russia, the delivery of F-35 fighter aircraft was denied. But this time the scale is different: even just losing part of Saudi Arabia's much more lucrative arms market has much greater implications. For decades, it has been a huge cash cow for the U.S. military-industrial complex.

What Americans and Europeans, especially policymakers in Brussels and Berlin, fail to understand is the context that American China expert David P. Goldman regularly points out in the Asia Times and elsewhere: China offers practical help to other countries like Saudi Arabia, does not interfere in their internal affairs, and does not lecture them on morality; it leaves that to the United States and its European vassals.



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China offers the ME nuclear power, digital infrastructure, high-speed rail, AI-enhanced solar power...and we offer them lectures on human rights.



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Turkey close to deal with China on nuclear power plant

Energy minister says finalization likely in 'a few months' after years of talks

Screenshot of a tweet by David P. Goldman, Spengler columnist for Asia Times and PJ Media; President, Macrostrategy LLC; Claremont Institute Center for the American Way of Life, Washington Fellow

Saudi Arabia's Public Investment Fund (PIF) is one of the largest funds in the world. While it continues to invest in profitable assets such as shares of technology companies on U.S. stock exchanges, it is divesting from U.S. government bonds. U.S. bonds held by Saudi Arabia peaked at \$184 billion in February 2020. By June 2023, they had fallen to \$100 billion, a 40 percent drop in three years. The obvious reason: economic sanctions, used as a weapon by the U.S., could also be used against Saudi Arabia, making the country cautious and inclined to gradually reduce its U.S. assets while increasing its investments in China and other countries of the "Global South" or, more precisely, the "Global Majority."



What hurts America's war industry benefits Saudi Arabia and the region: Saudi Arabia can divert billions from military spending and use it to achieve its ambitious [Vision 2030](#). The Kingdom's transformation from a predominantly oil producing and exporting country to a modern nation with a data-driven knowledge economy, deserts being transformed into green habitats with a high quality of life, and innovative large-scale technological projects can thus be significantly accelerated.

And that's not all. Washington is threatened with further trouble: as in other areas, *"China is poised to overtake the U.S. as the world's largest nuclear power producer,"* according to Forbes. Saudi Arabia is planning to build a [civilian nuclear power industry](#) and will cooperate with China: Riyadh is now considering a [Chinese bid for a nuclear power plant](#).

And as a leading regional power, Saudi Arabia is also at the center of the region's transformation, the positive effects of which will be felt far beyond its borders.

Thus, this caravan will largely pass by not only American, but also European and especially German industry — for reasons for which the German politicians preaching from the pulpit of high morality and their media vassals are solely responsible.

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Saudi Arabia's Public Investment Fund (PIF) S-400 Lockheed Martin F-35