

# Saudi Arabia, BRICS – balancing act?

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## OPINION

Russia last month invited Saudi Crown Prince Mohammed bin Salman to attend the October 22-24 BRICS summit it is hosting in Kazan. The summit is the bloc's first since its expansion last year when six new members — Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates (UAE) — were invited to join. While countries such as Iran have been quick to accept the invite, the Kingdom has yet to confirm its formal alignment with BRICS. Most likely, Saudi strategists are still weighing all pros and cons of membership — with factors in favor and against broadly balanced.



### Potential Saudi gains from joining BRICS

Firstly, it is mere economic considerations that might push Saudi Arabia towards BRICS as the bloc represents a huge market: the expanded group of countries will represent 45% of the world population and 28% of global GDP, uniting its members with a high level of mutual economic cooperation. Core members (Brazil, Russia, India, China, and South Africa) are responsible for approximately 40% of the new BRICS members' exports and imports. In the case of Saudi Arabia, this figure is 30% and steadily growing — along with a positive trade balance for the Kingdom. Of further note, this trade volume has long since surpassed that with the main political ally of Riyadh, namely the United States. Mindful of certain setbacks, there is also a growing inflow of investment in the Saudi economy from the core BRICS countries. These capital inflows are playing an important role in the Kingdom's attempt to transform its economy. According to Bloomberg, Saudi Arabia has already launched \$1.3 trillion in "real estate and infrastructure projects over the past eight years as part of its plan to diversify the economy away from oil" — and more will come. Given the size of investments needed, sole reliance on its own oil income is not a solution for the Kingdom. Moreover, while Western investors might be doubting the necessity to deal with the Saudi economy at a time of change and global economic instability, China and India as well as other non-Western countries have clearly shown their readiness to work with Riyadh, including on projects targeted at the development of the green and sustainability-related sectors. BRICS membership could further support the Kingdom's positions on the global oil market. On the one hand, the emerging bloc includes two major consumers of Saudi crude, namely China and India. Given that competition for the Asian market among hydrocarbon producers will grow in the coming years, cooperation with Beijing and New Delhi with-

in BRICS could additionally ensure the loyalty of potential consumers. On the other hand, by joining BRICS, Saudi Arabia would take one step closer towards Russia with which it coordinates efforts within OPEC+. Thus, it will further strengthen its relations with one of the key hydrocarbon producers in the world.

### A brave new world?

The increasing multipolarity in global politics — amid the uneasy US relations with regional states — allows Saudi Arabia to hedge its bets for improved security and political relations by diversifying its network of international partners. These dynamics also permit the Kingdom to assert itself as an independent regional powerhouse with greater international prominence. BRICS membership, therefore, provides a multilateral opportunity for Riyadh to diversify its international partnerships and engage more directly with non-Western global powers. Formally joining the bloc aligns well with both the political sensitivities and preferences of the Saudi leadership given BRICS's commitment to non-interference in domestic affairs and respect for sovereignty, principles that resonate strongly with Saudi interests. The pro-Palestinian stance of the group of countries

also reflects an alignment with Riyadh's political and regional positioning. Given the increasing Chinese presence in the region as well as the expansion of trade and investment relations with Saudi Arabia, joining BRICS creates an advantage for Saudi Arabia to strengthen bilateral ties with Beijing. The economic partnership between the two countries has expanded significantly, encompassing port and industrial zone infrastructure projects, logistics and supply chains, renewable energy, emerging technologies, artificial intelligence (AI), and the defense sector. China has also emerged as a diplomatic broker in the region, departing from its previous non-interventionist stance. In 2023, Iran and Saudi Arabia restored diplomatic ties with Chinese mediation, resolving a protracted impasse that first erupted in 2016.

### Potential pitfalls

BRICS membership also comes with potential risks, particularly regarding political entanglements. Aligning with a group that includes Russia may embroil the Kingdom in the ongoing geopolitical tensions between Moscow and the West. Similarly, the rivalry between China and the US could complicate the Saudi diplomatic

balancing and have a negative domestic effect. According to one recent poll, almost half of Saudis prefer closer cooperation with the US and its allies rather than China. In this sense, the US presidential elections next month add even more agitation. The potential return of Donald Trump to the White House might increase China-US tensions and backfire on Saudi-US relations should Riyadh formally join BRICS. Meanwhile, the US remains the unrivaled defense partner and arms provider for Saudi Arabia. The Kingdom was the world's second-largest arms importer in 2019-23, with the US supplying 75% of the weapons. Riyadh's extensive cooperation with the West on security and military matters may make BRICS membership a precarious choice. Another potential drawback is the loose structure of BRICS itself. Divergences between member nations, such as the India-China rivalry, complicate the bloc's ability to form a unified stance on critical international issues. Moreover, it remains unclear why Saudi Arabia should prioritize formal BRICS membership as its main platform for engaging key partners. The Kingdom has effectively built economic and political relations through bilateral channels, making BRICS membership seem

more symbolic than necessary. Most of Saudi Arabia's objectives can be achieved directly, and its selective participation in BRICS-related events already reflects a form of de-facto involvement. This approach allows the Kingdom to align with its interests while mitigating potential risks with the West, which sometimes views BRICS as an adversarial bloc.

### Looking ahead

Saudi thinking on whether to formally join BRICS is presented with an even balance of pros and cons at this point. As such, the preservation of a formally undefined status of participation in the bloc may be in the interest of Riyadh. In broad terms, the Kingdom is expected to continue pursuing a pragmatic and balanced approach, focusing on retaining its strategic autonomy. While formal BRICS membership may not be crucial, it is important that Saudi Arabia continues to engage with the bloc in a concrete and meaningful way. In doing so, the Kingdom will likely aim to maintain strong relationships with both BRICS nations and its traditional Western allies — without fully aligning with either bloc.

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Saudi Minister of Foreign Affairs Faisal bin Farhan Al Saud (2nd-L) attends the BRICS summit in Johannesburg, South Africa, on August 24, 2023.



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