Managing Dependence: Saudi Arabia's Defence Industrialisation

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For more than a decade, the Kingdom of Saudi Arabia has pursued the development of an indigenous military-industrial base to curb its dependence on Western arms suppliers, driven by shifting regional dynamics. To that end, Riyadh has implemented a series of policies aimed at increasing technology transfer through sales, diversifying its defence cooperation partners, and eventually producing military systems. The success of this endeavour, given the highly ambitious goals set by Crown Prince Mohammed bin Salman (MBS), remains to be seen, though considerable progress has already been made. Nonetheless, the extent to which the Kingdom can achieve strategic autonomy vis-à-vis its traditional allies in the foreseeable future remains contested.

The aforementioned drivers of the Kingdom's defence localisation strategy lie in regional dynamics and in how these have shaped both Saudi threat perception and Riyadh's international relations. Specifically, the expansion of Iran's militias and proxy network, together with its continuous development of ballistic missiles and unmanned aerial vehicles in previous years, has deemed the enhancement of Saudi military capabilities a strategic necessity (Eslami & Al-Marashi, 2023).

A prominent manifestation of this has been Houthi activity in Yemen. The conflict began in 2014 when the Houthis, from the country's north, allied with rogue army units and stormed the capital, Sana'a, pushing the internationally recognised government into exile. In response, Saudi Arabia formed a military coalition, seeking to dislodge the rebels from the capital and restore the government (Cooper, 2016). However, this has impacted the Kingdom's international image due to indiscriminate attacks attributed to the coalition. The Obama administration, in turn, blocked a transfer of precision munitions by Raytheon to Saudi Arabia because of concerns about civilian casualties that administration officials attribute to poor targeting (Cooper, 2016).

These developments drew Riyadh's attention to its dependence on US military sales. Indicatively, between 2009 and 2018, US arms exports to the Middle East increased by 87%, and from 2014 to 2018, Saudi Arabia was the world's largest importer of arms, with imports up 192% from 2009 to 2013 (Eslami & Zunes, 2023:235). At the local level, although various small arms, ammunition, armoured personnel carriers, and infantry fighting vehicles were produced under licence, Saudi Arabia had so far only limited arms-producing capacity and was heavily dependent on foreign specialists (Helou, 2020). So as to confront its dependency on foreign arms supplies, which could limit its ability for strategic manoeuvre in case of an arms embargo, the Kingdom sought to establish its own defence industrial base (Bales, 2023).

To promote the establishment of a domestic defence industry, a set of new institutional governance and management structures was created in 2017, establishing two major organisations. The first is the General Authority for Military Industries (GAMI), whose functions include defence-related procurement, through-life support, logistical capabilities, external technology transfer, and domestic research and development (R&D). The second major Saudi defence organisation, established following the publication of Vision 2030, is Saudi Arabian Military Industries (SAMI), whose purpose is to promote domestic manufacturing capacity to reduce the Kingdom's high dependence on foreign arms imports (Matthews et al., 2025). In parallel, the strengthening of domestic R&D efforts to promote self-reliance was reinforced through the establishment of the General Authority for Defence Development (GADD), which is tasked with formulating and overseeing R&D policies and strategies aimed at advancing the development of advanced defence technologies (Matthews et al., 2025).

The framework that has been guiding the Kingdom's defence industry reforms since 2016 is MBS's Vision 2030, which states three primary themes: a vibrant society, a thriving economy and an ambitious nation (Vanderbilt, 2026). In the defence sector, Vision 2030 focuses on two objectives. The first goal is to cover 50% of the Kingdom's defence needs through domestic development and production units. To date, Saudi Arabia's policy framework has achieved remarkable progress. From just 2% localisation in 2016, the rate increased to 8% in 2020, to 13.7% in 2022, and by the end of 2024, it was reported to be approaching 25% (Vanderbilt, 2026). The second primary goal of the defence industry is for SAMI to enter the global top 25 defence companies by 2030 (Vanderbilt, 2026). This is an ambitious target; however, notable progress has also been made, as SAMI's workforce grew from just 63 employees in 2018 to over 3,000 by 2023, of whom 84% were Saudi nationals (Matthews et al., 2025). Nonetheless, a significant gap between the set goal and the current data remains, with SAMI having the 79th position in the global top defence companies as of 2025 (Defense News, 2026).

The final assembly of various systems is also planned to take place in Saudi Arabia, as is the integration and testing of systems, including sensors. Saudi companies are expected to acquire capabilities in ammunition production and to establish local Maintenance, Repair, and Operations (MRO) facilities to support equipment used by the Saudi security apparatus, including the Saudi Arabian Armed Forces and the National Guard (Czulda, 2024). Although the Kingdom may not be able to develop complex weapons systems such as fighter aircraft or tanks yet, it may be capable of designing and producing UAVs, light weapons, ammunition, and armoured vehicles (Czulda, 2024).

Strategic alliances also form part of the Kingdom's offset strategy to strengthen defence partnerships. Saudi Arabia is forging a new offset paradigm that replaces the traditional short-term transactional approach with a long-term strategic model aimed at achieving progress through international partnerships. The term offset describes the procedure in which the arms-purchasing state will use the primary defence sale to leverage demand for reciprocal technology transfer (Matthews et al., 2025). Thus, for the vendor to close the deal, contractual compliance requires that offset, and especially technology transfer, be included (Matthews et al., 2025). For example, in 2024, Raytheon announced a series of initiatives as part of a strategic alliance to enhance Saudi Arabia's emerging defence-industrial ecosystem. These include the manufacturing and testing of components for the Kingdom's Patriot air defence system, the training and deployment of Saudi personnel for the maintenance and repair of related components, the development of local supply chains, and opportunities for participation in Raytheon's international supply chains (Matthews et al., 2025).

Another case that illustrates Saudi Arabia's efforts to expand its nexus of cooperation to benefit from technology transfer and acquire new capabil-

ities in the defence industrial sector is the evolving partnership between Saudi Arabia and Türkiye. The two states have signed a string of military deals over the past few years. For instance, during President Erdoğan's tour of the Gulf countries in 2023, Saudi Arabia agreed to buy Turkish drones, with the package explicitly tied to industrial cooperation, such as technology transfer and joint production, leading to long-term high-technology development (Avdaliani, 2026). It can thus be argued that through these partnerships, Riyadh aims to build domestic capacity by acquiring technology and production capabilities. One of the most notable developments was the 2021 joint production between the Saudi company INTRA Defense Technologies and several Turkish firms of a UAV called the Haboob, which led to a subsequent deal in 2023 for an INTRA-designed UAV to be manufactured in Türkiye, the first time that a Saudi defence product is due to be produced outside the Kingdom (Matthews et al., 2025). Production of the ASEF-I small VTOL (Vertical Take-Off and Landing) drone in Türkiye will be managed by ESEN, which is associated with the American Sierra Nevada Corporation (Czulda, 2024). As an advantage of the Saudi-Turkish cooperation, SAMI will participate in the production and assembly of Baykar's Akinci MALE-class UAVs. Riyadh's goal is for more than 70% of production to be carried out in the Kingdom (Czulda, 2024). The first UAV is expected to be delivered to the Royal Saudi Air Force by 2026, as a result of a strategic partnership Riyadh entered into with Ankara in August 2022 (Czulda, 2024). Additionally, by February 2026, Turkish Aerospace Industries described talks over Saudi participation in Turkey's Kaan fifth-generation fighter programme as having reached the final stages of decision-making, with Erdoğan signalling that a joint investment agreement could be signed at any moment (Helou, 2026), though no agreement has been announced as of September 2026.

Saudi efforts to enhance strategic autonomy are not limited to bilateral defence agreements, but also include multilateral security partnerships. Following the combat operations of the US and Israel against Iran on February 28th, Iranian retaliation targeted Saudi Arabia and other Gulf states, blockading their energy shipments (Azhari et al., 2026). In light of the increasingly aggressive military stances of Israel and revolutionary Shi'ite Iran, Saudi Arabia, Pakistan and Türkiye signed a joint defence agreement in Mecca in August 2026, as their long-time US ally struggled to contain regional upheaval that caused a global energy crisis. The "Mecca Joint Defence Agreement" is intended to strengthen collective deterrence against any act of aggression and stipulates that an armed attack against any of the three would be regarded as an attack on all (Azhari et al., 2026). However, the statement did not specify the commitments each had accepted, and it was unclear how far their agreement would bind them to any particular military action in each other's defence (Azhari et al., 2026). The pact is intended to deepen defence industry cooperation among the

three states, with joint development, production, and technology cooperation prioritised (Anadolu & Reuters, 2026).

Though this agreement is better understood as a statement of common direction rather than a guarantee of protection, for Riyadh, this initiative is a way to mitigate the risk of relying solely on an American security umbrella that has twice failed to respond when Saudi territory was struck. The very establishment of alliances allows Saudi Arabia to consolidate its status as a regional and Islamic leader, place Riyadh at the centre of the emerging security architecture, signal to adversaries and partners alike, improve its bargaining power vis-à-vis Washington, and gain prestige and influence (Guzansky & Lindenstrauss, 2026). At the beginning of the Iran war, for instance, a heightened partnership with Islamabad allowed Riyadh to shape ceasefire negotiations and manage escalation with Tehran more effectively than it could have as a solitary Gulf actor (Asuri, 2026).

Evaluating Saudi Arabia's efforts in creating an indigenous defence industrial base, it can be concluded that the Kingdom has made considerable, though not yet transformative progress. Though localisation has risen from 2% to nearly 25% over the last decade, it still sits below the 50% target, while SAMI's headcount growth signals institutional seriousness rather than global competitiveness. In this regard, forging defence partnerships has been a key foreign policy instrument through which Riyadh has promoted its internal defence goals, acquiring technological expertise and engaging in the joint production of arms systems. The deal with Türkiye is particularly significant in this context, suggesting an emerging yet narrow export dimension. That being said, strategic autonomy remains limited due to continued, though diversified dependency. Though the Kingdom has diversified its defence partnership nexus through cooperation with non-Western suppliers and multiple offset partners, dependence on the acquisition of weapon systems such as fighter aircraft and tanks hasn't been eliminated. In this sense, Riyadh's localisation efforts do not necessarily indicate a shift away from the United States, but rather an effort to reduce the vulnerabilities associated with dependence on a single external security partner. Therefore, the Kingdom's diversification efforts aim not to undermine its longstanding alignment with the US, but rather to implement a hedging strategy to retain American protection and technology while building alternatives that strengthen its bargaining position vis-à-vis Washington.

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