

4. Defence Equipment and Services

a) The Opportunity

Although an immediate threat to Saudi Arabia is considered unlikely, the strength of its military services is nevertheless being increased substantially -- including large purchases of modern military equipment. Self-defence is the main goal of Saudi military policy, however the U.S. looks to Saudi Arabia as an important stabilizing presence in the Middle East.

Since the late 1960s, and particularly since 1973, several events in the region dictated the need to establish a modern military machine quickly. Since 1973, the Saudis have made considerable progress towards this objective, and are presently applying massive financial resources to build up a credible deterrent in the Gulf and to protect the vital oil supplies which fuel the Western, as well as many of the Third World Economies.

Defence expenditures have grown from \$0.6 billion in 1973 to \$3.85 billion in 1979, and a 1981-82 defence budget of \$23.3 billion, plus \$6.2 billion for security programs.

Essentially there are three buyers: the Ministry of Defence and Aviation (MODA), the Saudi Arabian National Guard (SANG) and the Ministry of the Interior (MOI). As all three are involved, to a greater or lesser extent, in both defence and security, the sharing of the budget allocations is a matter for negotiation between the three Ministers, but MODA and SANG are the main recipients of the first item and MOI the second.

Massive expenditures have been made by MODA to build up military infrastructure such as accommodation for recruits in the form of military cities, schools, hospitals and ports. Increasingly expensive and sophisticated equipment has been procured over recent years, including F-15 fighters from the U.S., a multi-billion dollar naval deal with France involving two destroyers, four submarines and 30 high speed patrol boats and, most recently, the Airborne Warning and Control Systems purchase from the U.S.

SANG has also built up its own infrastructure (schools, hospitals, accommodation etc.) and equipped itself with light-armoured vehicles, communications equipment, and artillery, and the process of upgrading will continue.

MOI has spent heavily on infrastructure and has been expanding its capabilities with communications equipment, aircraft, small arms, and so on.