



# US-Saudi Alliance: From Oil-for-Security to Transactional Realism

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The US-Saudi Arabia relationship is the foundation of the post-WWII security architecture in the Gulf, and its transformation is a key theme in contemporary International Relations.

## Historical paradigm: Oil-for-Security

The alliance's origin lies in the secret **Quincy Pact of 1945** between FDR and King Abdul Aziz.

**Core Principle:** This was the ultimate **Realist** agreement, exchanging Saudi **oil supply and price stability** for guaranteed **US security protection** (arms, military bases, and defense).

**Geopolitical Function:** It anchored US influence in the Arab world, provided a bulwark against the Soviet Union during the Cold War, and secured Western energy interests.

## Shifting contours and strains

The relationship has faced significant structural and political pressures, demonstrating the limits of transactional ties.

**Structural Challenge (Shale Revolution):** The US became the world's largest crude producer due to **shale technology**, reducing its dependence on Saudi oil. This decreased the **commercial content** of the original deal, though military exports remained steady.

**Political Shocks:** The relationship was seriously strained by events that exposed deep value differences and policy divergence:

o The **1973 Arab Oil Embargo** over the Ramadan War.

o The **assassination of Jamal Khashoggi** in 2018, which led to friction and the initial Biden presidency's decision to distance itself from **Crown Prince Mohammed bin Salman (MbS)** on human rights grounds.

o Saudi diversification towards rivals like **China** (e.g., buying missiles, later facilitating Iran-Saudi peace) and **Russia**, reflecting a move toward **strategic autonomy**.

## Trump 2.0 Reset: Transactional Diplomacy and MbS

The recent Trump-MbS summit (May/November 2025) signifies a definitive return to a purely **transactional**, '**America First**' **Realist** foreign policy, prioritizing deals and power consolidation over human rights concerns.

## New Domains of Cooperation

The new alliance pivots from 'oil-for-security' to '**investment and technology-for-security guarantee**':

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**Massive Investment Commitment:** MbS committed to increasing Saudi investments in the US economy from the initially pledged **\$600 billion to \$1 trillion** (an amount roughly equal to Saudi Arabia's GDP), primarily through the **Public Investment Fund (PIF)**.

**Strategic Defense:** The US formally designated Saudi Arabia as a **Major Non-NATO Ally (MNNA)** and signed a **Strategic Defence Agreement**. This grants Saudi Arabia access to advanced US military equipment, like the **F-35 fighter jets**, and commits the US to assist the Kingdom if it comes under attack. This decision rehabilitates MbS's image and confirms the US's renewed commitment to its security role in the Gulf.

**Future Technologies:** Agreements were signed for collaboration in **civil nuclear energy** and the supply of **state-of-the-art Artificial Intelligence (AI) chips** and data centers, aligning with Saudi Arabia's **Vision 2030** of economic diversification.

### **Regional Geopolitics and Balance of Power**

The robust US endorsement significantly impacts the regional **balance of power**.

**MbS as the Indispensable Interlocutor:** The White House's treatment empowers MbS as the region's main geopolitical architect, sidelining rivals. He successfully persuaded Trump to address issues like lifting sanctions against **Syria** and mediating the **Sudanese civil war**.

**Subduing Iran:** The revival of the US-Saudi alliance, combined with concerted US sanctions on **Iran, Venezuela, and Russian oil majors**, helps stabilize oil prices and stem the global glut. This action benefits both Saudi Arabia (higher oil revenue) and the US (maintaining market dominance), while isolating their common regional rival, Iran.

**Israel Normalization:** While **Riyadh-Tel Aviv reconciliation** was "papered over," Saudi Arabia maintained its pre-condition for Palestinian **statehood**. The US, however, may use the F-35 sale as leverage to push for a future normalization deal (Abraham Accords).