

# U.S.-Saudi Relations in the Trump 2.0 Era from the perspective of Structural Power

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## Abstract

*In the Trump 2.0 era, U.S.-Saudi relations have exhibited new features that transcend the traditional “security-oil-dollar” interaction structure. While downplaying ideological divergences, both sides have prioritized economic and technological cooperation. Through the reconfiguration of the “security-oil-dollar-investment” nexus and the deep embedding of production and knowledge structures, bilateral cooperation has been further intensified. Global structural shifts—exemplified by the energy transition and great-power technological rivalry—have provided external drivers for this restructuring. Driven simultaneously by domestic political-economic imperatives and the logic of hegemonic preservation, the United States has sought to reinforce its gravitational pull over Saudi Arabia through parallel “security empowerment” and “development empowerment”. In turn, under the deep coupling of regime security and developmental security, Saudi Arabia has treated cooperation with the United States as a pivotal lever for advancing Vision 2030 and national transformation, seeking greater developmental space and strategic autonomy through increased empowerment. The deepening of U.S.-Saudi relations not only intensifies bilateral interest interdependence but also generates profound implications for the regional power configuration in the Middle East and the trajectory of global great-power competition. Nevertheless, the bilateral relations remain constrained by multiple challenges, including U.S. policy uncertainty, persistent regional conflicts, structural contradictions in bilateral demands, and the inherent paradox between “empowerment” and “dependence”. The future trajectory thus remains marked by pervasive uncertainty.*

**Keywords:** *U.S.-Saudi relations; Trump 2.0; structural reconfiguration; development empowerment*

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## Introduction

In May 2025, U.S. President Donald Trump paid a high-profile visit to Saudi Arabia, during which the two sides signed a series of framework agreements and investment commitments in the fields of energy, defense, and emerging technologies. Amid the protracted Palestinian-Israeli conflict, the intensifying Iran-Israel confrontation, and the markedly rising instability and uncertainty in the Middle East, the regional order has been evolving rapidly in a state of intertwined turmoil. Against this backdrop, President Trump's visit was not only linked to the United States' strategic posture in the Middle East and the preservation of its global hegemony, but also to Saudi Arabia's national transformation and its strategic positioning as a middle power. During the visit, Trump said U.S.-Saudi partnership has never been stronger, U.S.-Saudi relationship has been a bedrock of security and prosperity (Bell, 2025). Compared with his first visit to Saudi Arabia in 2017, this trip demonstrated a more pronounced orientation toward pragmatism and transactionalism. Cooperation between the two sides reached new heights in the military, economic, and technological domains, marking a new stage of structural reconfiguration and deepened collaboration in U.S.-Saudi relations.

Historically, U.S.-Saudi relations have revolved around the interactive mechanism of "security-oil-dollar". Since the 1945 meeting between U.S. President Franklin Delano Roosevelt and Saudi King Ibn Saud aboard U.S.S Quincy (Tiezheng and Songye. 2000, p133), a mechanism centered on the exchange of "oil for security" has laid the foundation of bilateral relations. The collapse of the Bretton Woods system and the oil crises of the 1970s fostered a dual linkage between U.S. dollar and oil, thereby establishing the petrodollar system. Through this arrangement, the United States consolidated its global financial hegemony, while Saudi Arabia became a pivotal pillar for Washington in controlling Gulf security, containing Soviet penetration, and sustaining dollar dominance. Subsequently, the Iranian Revolution and the Gulf Wars further underscored the strategic significance of the Gulf region, reinforcing the stability of the "security-oil-dollar" structure. In recent years, despite recurrent frictions between Washington and Riyadh in regional and international affairs, and the impetus of U.S. shale revolution and its strategic retrenchment in the Middle East that has driven Saudi Arabia toward greater strategic autonomy, this interactive structure has remained fundamentally intact. The "security-oil-dollar" nexus continues to constitute the irreplaceable structural foundation of U.S.-Saudi relations.

The theory of structural power was proposed by Susan Strange, a leading figure of the British School. She identified four structures through which power is exercised: the security structure, the production structure, the financial structure,

and the knowledge structure. Strange argued that structural power does not exist within a single dimension but operates through these four distinct yet interrelated structures. She defined the security structure as a framework of power in which one actor provides defense and protection for another; the production structure as determining what is produced, by whom, and for whom; and the financial structure as encompassing the arrangements that govern the availability of credit and the factors determining the terms of exchange between national currencies. The knowledge structure, according to her, concerns the means and conditions for the storage and transmission of knowledge, as well as technological innovation. Strange further noted that technological achievements are often mobilized to serve national interests and to reinforce state authority. Although the four structures—security, production, finance, and knowledge are mutually independent and interactive, none can claim absolute dominance. Nevertheless, Strange emphasized that the influence of the knowledge structure has become increasingly profound in modern societies (Strange, 2006, p28, 47, 68, 96, 131, 135, 146).

The renewed deepening of U.S.-Saudi cooperation during the Trump 2.0 era represents both a continuation of historical logic and a structural reconfiguration of bilateral relations. Judging from the substantial institutional and contractual achievements reached during Trump’s visit to Saudi Arabia, U.S.-Saudi relations have transcended the traditional mechanisms of “oil for security” and the petrodollar system, evolving into a comprehensive stage of deepened cooperation centered on new energy, high technology, and artificial intelligence. Building upon the traditional “security-oil-dollar” framework, bilateral relations in the Trump 2.0 era have been endowed with new connotations, entering a new phase of structural reconfiguration and intensified collaboration. Against this background, this study adopts the theory of structural power as its analytical framework and seeks to address the following core questions: What new characteristics have U.S.-Saudi relations exhibited during the Trump 2.0 era? What are the underlying driving forces and strategic logics behind these changes? On this basis, how can the evolving dynamics and future prospects of bilateral relations be assessed? Exploring these questions not only helps to reveal the new trajectory of U.S.-Saudi relations under Trump’s second presidency, but also provides a new interpretive framework for understanding the evolving geopolitical configuration of the Middle East and the strategic readjustment of U.S. policy in the Gulf region.

## **1. New Characteristics of U.S.-Saudi Relations in the Trump 2.0 Era**

On May 13, 2025, President Trump paid a high-profile visit to Saudi Arabia and achieved substantial outcomes. The two sides signed large-scale cooperation agreements covering multiple sectors, including energy, defense, investment, and

high technology (Liu, 2025). These outcomes, in terms of both scale and scope, went far beyond the cooperation framework reached during Trump's first visit to Saudi Arabia in 2017, signifying a shift in U.S.-Saudi relations from the traditional "security-oil-dollar" interaction model toward a more diversified and complex structural reconfiguration. Specifically, the de-emphasis of ideological divergence, the upgrading and reconfiguration of the "security-oil-dollar-investment" nexus, and the deeper embedding of the production and knowledge structures have jointly shaped the salient characteristics of U.S.-Saudi relations in the Trump 2.0 era. Under Trump's pragmatism and transactionalism foreign policy orientation, the new logic of bilateral relations lies in achieving institutionalized arrangements and structural reconfiguration, thereby providing renewed momentum for the deepening of U.S.-Saudi ties.

### **1.1 The de-emphasis of ideological divergence and the Focus on Economic Cooperation**

The de-emphasis of ideological divergences, the mitigation of mutual misperceptions, and the strengthening of economic cooperation constitute the defining features of U.S.-Saudi relations during the Trump 2.0 era. After Trump returned to the White House, both sides deliberately downplayed sensitive issues such as human rights and value-based diplomacy, marginalizing political disagreements within the bilateral agenda to prevent them from constraining strategic cooperation. Instead, pragmatic cooperation anchored in economic and security linkages has continued to expand. Through large-scale economic and security partnerships, the United States sought to safeguard its core interests and consolidate its strategic presence in the Gulf, while Saudi Arabia actively responded to U.S. initiatives in investment, arms sales, and high-tech collaboration to advance its national transformation goals. This "de-ideologized" diplomatic interaction not only reduced sources of friction but also enhanced the overall resilience of bilateral relations.

Dominated by transactionalism and pragmatism, Trump's foreign policy approach was first reflected in the intentional de-emphasis of human rights and value-based agendas in U.S. policy toward Saudi Arabia. During the Biden administration, bilateral relations were frequently strained over human rights concerns. Shortly after assuming office in 2021, the new team in the White House has promised a complete reset of relations with Saudi Arabia where human rights will now feature prominently (Gardner, 2025). Throughout Biden's tenure, Washington repeatedly criticized Riyadh over the Khashoggi case, the Yemen conflict, and broader human rights issues, leading to significant fluctuations in bilateral relations. Although both sides reached new agreements in security,

energy, and defense (Alghannam & Yaghi. 2025), Biden's advocacy of value-oriented diplomacy remained a major impediment to deeper cooperation, with political frictions substantially constraining economic engagement. In contrast, Trump largely refrained from invoking the Khashoggi case, human rights protection, or political reform in his dealings with Saudi Arabia, emphasizing instead strategic interests and economic reciprocity. This policy shift eased Riyadh's political pressure in its engagement with Washington and restored bilateral relations to the traditional axis of security and economic cooperation. Similarly, Saudi Arabia avoided disputes with the United States over religious or governance-related issues, instead demonstrating its cooperative intent through active participation in investment, defense procurement, and joint projects. This "de-ideologized" logic of interaction not only lowered the political sensitivity of the relationship but also laid a favorable foundation for subsequent large-scale cooperation between the two sides.

Against this backdrop of "de-ideologized", economic cooperation acquired unprecedented priority in U.S.-Saudi interactions during the Trump 2.0 era. Guided by the "America First" doctrine, Trump pursued a strategy oriented toward the maximization of U.S. interests (Zhiqiang & Degang, 2025, p58). Trump's policy toward Saudi Arabia displayed a distinctly transactionalist orientation, concentrating strategic cooperation on energy, investment, and technological domains. This approach stood in sharp contrast to the value-driven antagonism under Biden, during which ideological frictions severely constrained economic collaboration. By contrast, Trump's transactionalist logic deliberately bypassed political disagreements through "de-ideologized", refocusing bilateral cooperation on economic domains and thereby expanding opportunities for collaboration in energy trade, capital flows, and high-tech partnerships.

## **1.2 The Reconfiguration of the "security-oil-dollar-investment" Nexus**

Since the historic 1945 meeting between President Franklin Delano Roosevelt and King Ibn Saud aboard U.S.S Quincy, U.S.-Saudi relationship has revolved around a structural interplay among "security-oil-dollar". During the Trump 2.0 era, the fundamental logic of bilateral cooperation remained deeply embedded in this triadic structure. Under the new political and economic conditions, the traditional "security-oil-dollar" nexus has been endowed with new meanings. As the United States achieved energy independence and diversified its crude oil imports, its dependence on Saudi oil production has significantly declined. Yet, the financial pillar function of oil as a global commodity has been amplified, continuing to underpin the international hegemony of the dollar. Meanwhile, oil exports remain a vital source of Saudi dollar revenues, which in turn sustain large-scale investments in the United States, thereby forming a new

interactive mechanism linking “oil-dollar-investment”. Furthermore, defense procurement and military cooperation remain the cornerstone of U.S.-Saudi relations. During the Trump 2.0 era, the two sides further deepened their collaboration in security and defense, leading to a notable strengthening of the “security-dollar” structural linkage.

Consolidating the petrodollar system and strengthening oil’s role as a financial pillar constituted a major strategic objective of Trump’s policy toward Saudi Arabia. Following U.S. shale revolution, the United States has largely achieved energy self-sufficiency. In 2024, Saudi oil exports totaled 179.494 billion dollars, of which trade with China accounted for approximately 26.7%, India 10.9%, and the United States only 4.65% (UN Comtrade Database, 2025). As energy cooperation between Saudi Arabia and emerging economies such as China and India expanded, calls for local-currency settlement in oil trade grew louder. In September 2024, against the backdrop of fluctuations in U.S.-Saudi relations and deepening China-Saudi economic ties, Saudi Minister of Industry and Mineral Resources Bandar Alkhorayef stated that the Kingdom described positive sentiment in his country toward using the petroyuan in transactions (Ahmed,2024). Facing the growing challenge of de-dollarization in the energy sector, the United States sought to reinforce its cooperation with major oil exporters to sustain dollar dominance in global finance. Accordingly, the Trump administration offered Saudi Arabia tangible security and economic benefits to ensure the continued predominance of the dollar in oil trade. This arrangement was not only crucial to the consolidation of U.S. financial hegemony but also served as an indispensable strategic linkage within U.S.-Saudi relations.

Saudi Arabia’s petrodollar revenues constitute the foundation of its investment capacity in the United States. Although the Kingdom, under the guidance of Vision 2030, is striving to diversify its economy and reduce its dependence on fossil fuels, oil revenues remain the core pillar of its national economy in the short term. In 2024, Saudi exports totaled 305.399 billion dollars, with oil exports accounting for 179.494 billion dollars, or approximately 58.8% of the total (UN Comtrade Database, 2025). Nearly 100% of Saudi oil exports are settled in the dollars. Consequently, petrodollar income provides the financial backbone for its overseas investment activities. Moreover, the strategic goal of building a global investment powerhouse motivates the Kingdom to expand its dollar earnings, creating a two-way interaction between oil revenues and outward investment. During Trump’s 2025 visit to Riyadh, Saudi Arabia pledged to invest 600 billion dollars in the United States, covering infrastructure, defense industries, artificial intelligence, and advanced technologies (The White House, 2025). The new linkage mechanism of “oil-dollar-investment”, grounded in Saudi Arabia’s



oil production, centered on the dollar, and oriented toward investment in the United States, is deepening the substance of U.S.-Saudi cooperation.

The mutual coupling of security commitments and capital inflows has further consolidated the traditional “security-dollar” interaction. In May 2025, the two sides signed the largest defense sales agreement in history, nearly 142 billion dollars (The White House, 2025). This not only delivered substantial orders to U.S. defense industry but also heightened Saudi Arabia’s security dependence on the United States. Through military protection and defense supplies, Washington strengthened its dominance within Saudi Arabia’s security architecture; meanwhile, Riyadh’s dollar-based investments facilitated the recycling of capital back into U.S. defense sector, serving as an external driver of its military-industrial reproduction. The coupling of defense dependency and capital flows has thus created a structurally entrenched “security-dollar” nexus.

Overall, under the logic of “security-oil-dollar-investment” ,U.S.-Saudi relations during the Trump 2.0 era underwent a profound structural reconfiguration. Oil trade remains a crucial pillar of dollar hegemony; Saudi Arabia, using petrodollars as a key linkage, exchanges investment and defense alignment for security guarantees and economic diversification. For the United States, although oil trade now represents a smaller share of bilateral economic cooperation, its utilization of oil’s financial attributes serves to consolidate dollar supremacy in global finance.

### **1.3. The Embedding of Production and Knowledge Structures: A New “Energy-Technology” Linkage**

The structural reconfiguration of U.S.-Saudi relations during the Trump 2.0 era is not confined to the structural upgrading of the “security-oil-dollar-investment” framework. More fundamentally, it is reflected in the dual embedding of production and knowledge structures, forming a new interactive mechanism centered on energy and technology. As global energy transition accelerates and technological competition intensifies, Saudi Arabia, leveraging its abundant resource endowment, has become an essential partner for the United States in advanced technology sectors such as semiconductors and artificial intelligence. The emerging “energy-technology” linkage, centered on Saudi Arabia’s resource supply and the United States’ technological output, has emerged as a defining feature of U.S.-Saudi relations during the Trump 2.0 era.

Saudi Arabia’s natural advantages in critical minerals have laid the foundation for bilateral cooperation in high-tech industries. The Arabian Shield in western Saudi Arabia holds valuable rare earth elements, such as tantalum, for which it has a quarter of the world’s reserves and has applications in high-tech

industries including electronics, and niobium, which is used in industrial alloys, its applications including jet engines and rockets (Pouran, 2025). During Trump's 2025 visit to Saudi Arabia, the two sides signed Memoranda of Understanding on energy cooperation and critical minerals, creating a framework for cooperation to strengthen and secure supply chains for critical minerals mining and processing (US department of Energy, 2025). Building on Saudi Arabia's resource endowment and joint efforts in critical mineral development, the partnership provides a material basis for U.S.-Saudi collaboration in high-tech industries. During the visit, Trump lifted the semiconductor export restrictions imposed under the Biden administration. NVIDIA entered into a strategic partnership with Saudi firm Humain, agreeing to send 18000 AI chips to support Saudi AI and data center construction (NVIDIA, 2025). Notably, U.S. will not engage in full-scale technology sharing in core sectors such as semiconductors. Rather, this initiative represents a form of limited technological reciprocity—a partial empowerment strategy aimed at leveraging Saudi resource advantages to reinforce America's strategic presence in the Middle East and maintain its competitiveness amid intensifying great-power technological rivalry. Through such limited cooperation, Washington seeks to embed Riyadh within a U.S.-led technological ecosystem, deepening the structural interlinkage of production and knowledge.

Saudi Arabia's vast potential in clean energy, coupled with the energy constraints facing U.S. AI sector, has further driven bilateral cooperation in big data and artificial intelligence. In July 2025, under the leadership of the Saudi Ministry of Energy, ACWA Power and other firms signed five large-scale solar photovoltaic plants and two large-scale wind energy plants, with a total capacity of 15000 MW (ACWA Power, 2025). Saudi Arabia's enormous electricity-generating potential makes it an ideal partner for energy-intensive industries such as AI and big data. Meanwhile, the United States faces a severe energy bottleneck in AI development. According to the International Energy Agency, U.S. will remain the world's largest consumer of electricity for data centers in the coming years. By 2030, U.S. electricity consumption is expected to increase by about 240 terawatt-hours, a growth of roughly 130% compared with 2024 levels (International Energy Agency, 2025). Hence, Saudi Arabia's clean energy resources and U.S. AI industry's massive power demand exhibit strong complementarity. Following Trump's visit, cooperation in artificial intelligence and digital infrastructure deepened further. Amazon and HUMAIN announced plans to invest 5 billion-plus dollars in a strategic partnership to build a groundbreaking "AI Zone" in the Kingdom to advance Saudi Arabia's mission to be a world leader in AI (Amazon Staff, 2025). Similarly, AMD signed a 10 billion dollars agreement with Humain to deploy 500 megawatts of AI computing capacity and build an interconnected AI computing network linking Saudi Arabia and the United States



(AMD, 2025). This indicates that the traditional oil-dollar logic has now extended into clean energy and advanced technology domains, forming a new “energy-technology” interaction structure.

In essence, the new embedding of production and knowledge structures signifies a renewed form of structural dependence between the United States and Saudi Arabia. In the context of changing global energy dynamics, shifts in bilateral trade structures, and intensifying great-power technological competition, oil-based interdependence alone is no longer sufficient to sustain the relationship. Consequently, the two countries have moved beyond the traditional “security-oil-dollar-investment” framework toward a structurally embedded interaction that integrates production and knowledge dimensions, thereby shaping a new phase of comprehensive cooperation.

## **2. The Structural Drivers of U.S.-Saudi Relationship Reconstruction**

The current international order is undergoing profound adjustments, as major powers engage in increasingly fierce competition and rivalry across geopolitical, economic, technological, and resource dimensions. Against the backdrop of accelerating global structural transformation, U.S.-Saudi relations have entered a new stage of structural reshaping and upgrading. In recent years, with the ongoing transformation of the international political and economic landscape, the stability of the traditional “security-oil-dollar” framework has come under multiple pressures. The accelerating trend of energy transition and intensifying technological rivalry among major powers have brought about fundamental structural changes in the global system. These profound external shifts have compelled both the United States and Saudi Arabia to reconfigure and upgrade their bilateral relationship on the basis of the traditional structure. In this process, the motivations of the United States and Saudi Arabia are both divergent and interlinked. Driven by domestic political and economic pressures, strategic competition in the Middle East, and the imperative to maintain its global hegemony, the United States emphasizes short-term interest maximization and seeks to sustain its regional dominance through low-cost strategies, replacing unilateral security commitments with development-oriented empowerment. Guided by the logic of coupling regime security with development security, Saudi Arabia has transformed its Vision 2030 into a key instrument for national transformation and for positioning itself as a middle power. Amid its enduring dependence on the United States, Saudi Arabia strives to achieve greater strategic autonomy and pursue broader developmental empowerment.

## **2.1 Global Structural Transformation: Energy Transition and Technological Rivalry**

The structural reconfiguration of U.S.-Saudi relations is an inevitable outcome driven by profound global structural changes. The long-standing “security-oil-dollar” framework that has underpinned U.S.-Saudi relations since the Second World War is now under unprecedented pressure due to the worsening climate crisis and the accelerating global energy transition. At the same time, a new wave of technological and industrial transformation is reshaping the global order, turning technological innovation into the main battlefield of great power competition. Consequently, the structural shifts in global energy and technology serve as the external driving forces behind the reconfiguration of U.S.-Saudi relations.

### **2.1.1 Intensifying Climate Crisis and the Global Energy Transition**

The intensifying global climate crisis has accelerated the global energy transition and the development of clean energy. According to the State of the Global Climate 2024, the year 2024 was the warmest year in the 175-year observational record, above the 1850–1900 average used to represent pre-industrial conditions (WMO, 2025), marking an unprecedented challenge to human civilization and the global economy. The impacts of climate change on water, food, and energy directly threaten human survival (Zhenlin, C., Changlin, W., et al, 2023, p36). In the face of these challenges, promoting global climate governance has become an international consensus, with the development of clean energy and the control of carbon emissions as key goals. The Sustainable Development Goals explicitly calls for a substantial increase in the share of renewable energy in the global energy mix (UNDP, 2025). The worsening climate situation demands that international actors reduce their reliance on fossil fuels and advance a green and low-carbon energy transformation.

In recent years, the global energy transition has eroded the dominance of oil and other fossil fuels within the international energy system, making clean energy a major driver of global energy development. The first oil well drilled in Pennsylvania in 1859 marked the beginning of the modern oil industry (Bo Wang, 2013, p252), and for over a century, oil has played a decisive role in the global energy order. However, the accelerating climate crisis has increased investment in clean energy and reduced the relative importance of traditional fossil fuels. According to the International Energy Agency, global oil demand growth slowed significantly in 2024, and oil’s share in total energy consumption fell below 30% for the first time in 50 years. Meanwhile, renewables accounted for 38% of global energy growth, compared with only 11% for oil and 8% for nuclear energy (International Energy Agency, 2025). Clean energy has thus become a fundamental

pillar of sustainable development and a key force in meeting global energy demand while advancing the transition toward a greener energy system.

### **2.1.2 The Fourth Industrial Revolution and Great Power Technological Rivalry**

Alongside the global energy transition, the Fourth Industrial Revolution—driven by intelligent technologies and centered on artificial intelligence, big data, and other advanced technologies—is reshaping the technological balance of power among nations and transforming the global political and economic order. Throughout history, four industrial revolutions have profoundly altered modes of production, social structures, and international power relations. The First Industrial Revolution enabled Britain to complete industrialization ahead of other countries, thereby facilitating the expansion of its global colonial system and the establishment of its world hegemony. The Second Industrial Revolution allowed the United States and Germany to emerge as major capitalist powers, shifting the international system from British unipolarity to multipolar competition, which eventually contributed to the outbreak of two world wars. During the Third Industrial Revolution, U.S. leveraged its advantages in computing and aerospace to consolidate its hegemonic position, establishing the pattern of its unipolar dominance after the Cold War. Today, humanity stands amid the Fourth Industrial Revolution, characterized by breakthroughs in information technology, new materials, renewable energy, and life sciences. Emerging industries such as AI and blockchain are rapidly developing (Zhisheng, Peiheng, & Chengxiong, 2019, p2), turning technological innovation into the central arena of great power rivalry and a key driver of global power redistribution.

The new wave of technological revolution has intensified technological rivalry among major powers. As Joseph Nye has argued, traditionally the test of a great power was its strength in war. Today, however, the definition of power is losing its emphasis on military force and conquest that marked earlier eras. The factors of technology, education, and economic growth are becoming more significant in international power (Nye, Joseph S, 1990, p154). A state's technological capacity not only reflects its scientific strength but also determines its national security and international competitiveness. The accelerating technological revolution has thus intensified great power rivalry. Emerging economies are seeking to seize the strategic window of technological change to achieve breakthroughs in strategic industries, enhance their international standing, and reshape the global order. Meanwhile, traditional powers such as the United States are attempting to monopolize core technologies through strategies of “small yard, high fence” employing technological containment to restrict the development of emerging

economies and to maintain their dominance, thereby deepening global fragmentation and systemic polarization.

In sum, structural transformations in global energy and technology constitute critical external factors driving the structural reconfiguration of U.S.-Saudi relations. The accelerating global energy transition compels Saudi Arabia to reduce its dependence on oil and pursue economic diversification. The expansion of clean energy opens new fields for U.S.-Saudi cooperation, enabling Saudi Arabia to convert its resource advantages into technological momentum and to shift from “security empowerment” to “development empowerment”. For the United States, whose hegemonic position faces increasing challenges, cooperation with Saudi Arabia—a “resource-capital” type state—serves to strengthen its dominance in the global technological system and maintain its hegemonic stability.

## **2.2 U.S. Drivers: Domestic Demand, Hegemonic Maintenance, and Development-Oriented Empowerment of Saudi Arabia**

The structural reconfiguration of U.S.-Saudi relations during the Trump 2.0 era is the result of multiple, overlapping drivers. The structural adjustment of U.S. policy toward Saudi Arabia in this era is shaped both by domestic political and economic pressures and by Washington’s strategic objectives in the Middle East and its efforts to preserve global hegemony. At bottom, the United States’ strategic goal of development-oriented empowerment of Saudi Arabia is simple: through the structural reconfiguration and upgrading of bilateral ties, Washington seeks, on the one hand, to consolidate political support and stimulate economic returns, and on the other hand, to sustain global leadership with relatively limited costs. In this process, Saudi Arabia—an important partner by virtue of its energy, capital, and strategic position—has been redefined as a key node within U.S. policy logic.

### **2.2.1 Domestic political-economic drivers**

U.S. policy toward Saudi Arabia in the Trump 2.0 era is rooted in domestic politico-economic imperatives. For decades, U.S. military-industrial complex has been deeply embedded in the American political and economic landscape and has exerted substantial influence on U.S. foreign policy and the reproduction of global hegemony. In recent years, however, pressures such as high defense spending and fiscal deficits have posed significant challenges to this sector. The mega arms sales agreements concluded between Trump and Saudi Arabia serve not only to protect the interests of U.S. defense industry but also as an instrument to achieve political and economic objectives. Concretely, large defense contracts generate

substantial fiscal revenues for U.S. government and sustain dollar liquidity, thereby supporting the stability of U.S. financial markets. Expanded arms production also generates persistent upstream and downstream orders across industrial supply chains, stimulating job creation and symbolically delivering on political promises to revive American manufacturing—thereby alleviating structural tensions and social pressures stemming from manufacturing decline. At the same time, slogans and pledges such as “America First”, “job creation” and “manufacturing revival” were crucial to Trump’s 2024 electoral appeal; multi-billion-dollar arms deals with Saudi Arabia can be quickly translated into tangible achievements that consolidate domestic political support.

Beyond the traditional interests of the defense sector, the rise of the high-tech industry is another motive driving Trump’s push for deeper technological cooperation with Saudi Arabia and greater development-oriented empowerment of the Kingdom. Compared with Trump’s 2016 campaign, the composition of his political support in 2024 shifted to include major tech firms. Companies such as Tesla, Apple, Google, and Amazon contributed financial and political support during the campaign, becoming important pillars of his electoral coalition. Trump’s repeated public commitments to support the U.S. technology sector—especially Silicon Valley firms and Texas energy interests—and to open new markets for American tech thus translate into support for enhanced U.S.-Saudi tech cooperation. Moreover, rapid growth in U.S. high-tech industries such as artificial intelligence has generated strong demand for new markets; Saudi Arabia, with its fiscal capacity and resource endowments, has emerged as a key destination for U.S. technological capital.

### **2.2.2 Regional and global imperatives for hegemonic maintenance**

During the Trump 2.0 era, the United States placed greater emphasis on development-oriented empowerment of Saudi Arabia. Concretely, while retaining control over critical technologies and strategic prerogatives, Washington offers calibrated empowerment to Riyadh to meet the Kingdom’s needs for economic development and national transformation. Since the second World War, the United States and Saudi Arabia have been deeply intertwined in security, energy, and financial domains, with the United States historically holding development prerogatives. Yet recent declines in bilateral oil trade and the accelerating global energy transition have fundamentally challenged the structural basis of the relationship and increased Saudi strategic autonomy. To preserve the alliance, the United States has sought to leverage Saudi developmental demands—deepening economic and trade ties while maintaining security commitments—in order to grant Riyadh greater economic latitude and thereby consolidate U.S. priority and agency in Saudi development.

A reappraisal of the regional strategic landscape is another important driver prompting Washington to deepen ties with Riyadh. Strengthening relations with Saudi Arabia is central to U.S. strategic posture in the Middle East. As one of the region's leading states, Saudi Arabia occupies a crucial geopolitical position. Following the 2023 resurgence of the Israeli-Palestinian conflict, the Middle East has undergone dramatic change: the so-called "axis of resistance" centered on Iran has suffered significant setbacks, Iran faces acute internal and external challenges, and the region is witnessing a new phase of power realignment. Against this backdrop, deepening cooperation with Saudi Arabia allows the United States to reinforce its regional presence. On the one hand, bilateral security and development cooperation with Riyadh serves to exert pressure on Iran and to counterbalance its regional influence. On the other hand, with perceived declines in Iranian capabilities, shifts in Syrian politics, and a recalibration of Russian influence, Washington sees an important strategic window in the Middle East. By forging deeper ties with Saudi Arabia and leveraging the Kingdom's regional influence and diplomatic voice, the United States aims to cultivate Saudi Arabia as a "pivot state" that can help expand U.S. influence, reconfigure regional balances, and safeguard American geopolitical interests.

At the regional level, U.S. motive can be summarized as maintaining high leverage at low cost. Through development-oriented empowerment of Saudi Arabia, Washington seeks to preserve its geopolitical interests and influence in the Middle East while withdrawing or reducing costly direct commitments. Since the end of the Cold War, U.S. military engagements in the Middle East have often been criticized as "high cost, low return"; the prolonged wars in Iraq and Afghanistan have strained U.S. fiscal capacity and eroded Washington's credibility and influence. Following the Obama administration's strategic retrenchment, the Trump approach—marked by transactionalism and pragmatism—has aimed to consolidate U.S. influence through deep economic linkages with Saudi Arabia. By delegating parts of regional engagement to intensive economic cooperation, the United States reduces direct political and military exposure while consolidating long-term influence across the Gulf and the wider Middle East.

At the global level, the imperative to preserve dollar dominance and to reinforce American technological primacy are key drivers of deeper U.S.-Saudi engagement. As noted above, shifts in the global energy landscape and the diversification of energy trade have elevated the role of emerging economies such as China and India in Middle Eastern markets, and currency diversification in oil trade has become a focal concern. The BRICS grouping, which includes major energy producers and consumers, has actively expanded local-currency settlement



mechanisms and pushed for broader monetary diversification. Faced with these tendencies, the United States has sought to shore up the petrodollar system by encouraging Saudi investment in U.S. economy and widening channels for dollar circulation, thereby protecting the dollar's central role in energy settlement and cross-border finance. Concurrently, U.S. strategic calculus in the Middle East includes technological competition. Science and technology now constitute the core of great-power economic and military capacity (Feng & Banghao, 2025, p9). With China's rapid advances in AI and green technologies and with deepening Saudi-Chinese cooperation across investment, industrial chains, and scientific domains, Washington has grown increasingly wary of Chinese technological influence in the Kingdom. By selectively empowering Saudi capabilities in high-tech sectors, the United States aims not only to maintain its influence in Saudi high-tech development but also to lock Riyadh into a U.S.-centered technological ecosystem, thereby structurally embedding Saudi dependence on the United States and preventing further Chinese technological penetration. In other words, U.S.-Saudi cooperation also constitutes an extension of U.S.-China strategic competition into the Middle East.

In sum, the drivers behind the United States' push for structural reconfiguration of U.S.-Saudi relations in the Trump 2.0 era are rooted in domestic politico-economic needs and in the imperatives of regional and global hegemonic maintenance. Domestically, the demands of the defense and technology sectors and the political pressures faced by the Trump administration necessitate leveraging Saudi partnership to sustain internal momentum; internationally, regional rebalancing, the stability of the dollar system, and global technological competition compel Washington to deepen reliance on Riyadh. Thus, the reconfiguration of U.S.-Saudi relations is not merely a product of policy choice but an outcome shaped by larger international political-economic structural transformations.

### **2.3 Saudi Arabia Drivers: The Deep Coupling of Regime Security and Developmental Security**

During the Trump 2.0 era, Saudi Arabia actively pursued a structural reconfiguration and upgrading of its relations with the United States. Its drivers were not confined to the singular pursuit of economic diversification; rather, they reflected a multidimensional calculus concerning both regime security and developmental security. Domestically, Saudi Arabia seeks to mitigate the fiscal and social pressures generated by dependence on a single-resource oil economy through structural transformation, thereby maintaining regime stability and legitimacy. At the regional level, against the backdrop of ongoing power

reconfiguration and shifting dynamics in the Middle East, Riyadh prioritizes the enhancement of regional strategic agency in order to consolidate its position as a major power in the region. At the global level, while the Kingdom aims to cultivate new sources of national competitiveness amid energy transition and technological revolution, it remains unable to disentangle itself from structural dependence on the United States in security, technology, and finance. As a result, Saudi Arabia seeks additional calibrated “empowerment” under an American-led framework, enhancing its developmental autonomy within the restructured relationship.

### **2.3.1 Regime Consolidation and the Politicized Function of Vision 2030**

State survival constitutes the foundation of state interests, and state interests provide the principal driver of foreign policy (Qingmin, 2019, p138). As a classical rentier state, Saudi Arabia’s economic development and social functioning have long been heavily dependent on oil revenues. Oil rents supply income to the royal family, tribal elites, the military, and the civil bureaucracy, functioning as the core guarantee of monarchical stability and state operation, while simultaneously underpinning economic and social development and sustaining the provision of public goods and high-welfare systems (Mo, 2020, pp67-75). However, with the acceleration of the global energy transition, oil can no longer serve as the sole and indefinite pillar of regime stability, and the negative externalities of oil dependence have become increasingly salient. According to statistics from the International Labour Organization, prior to 2020, Saudi youth unemployment consistently exceeded 20 percent (WorldBank, 2025). In parallel, pronounced volatility in global oil prices has undermined fiscal stability and constrained the state’s capacity to maintain its welfare commitments. Accordingly, economic diversification is not merely an economic imperative but a precondition for regime security.

Vision 2030 is not solely an economic modernization blueprint; it functions as a security strategy tied to regime stability. The plan seeks to position Saudi Arabia as the heart of the Arab and Islamic, a global investment powerhouse, and a confluence connecting three continents, driving economic diversification and national transformation (CEDA, 2020). By promoting industrial diversification, developing clean energy, and introducing high technologies, the Kingdom seeks to build new fiscal and employment pillars, thereby advancing economic progress and social development while consolidating internal regime security — a political-economic dual gain. Given Saudi Arabia’s technological constraints and its need for market expansion, achieving the objectives of Vision 2030 requires external support, particularly in technology and capital. The United States possesses significant advantages in high-technology, dollar capital, and defense

capabilities, making it a pivotal partner in advancing this strategy. In other words, developmental imperatives and security imperatives are mutually embedded, jointly driving the deepening of cooperation during the Trump 2.0 era.

### **2.3.2 Reconciling the Continuity of US Dependence with the Pursuit of Autonomy**

Although Saudi Arabia has actively pursued diplomatic diversification to enhance its strategic autonomy, in core domains the United States remains “irreplaceable,” and the Kingdom continues to be structurally dependent on Washington. In the security domain, the United States has long served as the principal guarantor of Saudi defense, and the security order of the Gulf has been American-led for decades. During the Cold War, Saudi Arabia served as a forward position in US containment of Soviet expansion in the Middle East. After the 1979 Iranian Islamic Revolution, U.S. “Twin Pillars” strategy in the Gulf suffered a major setback. Saudi Arabia confronted severe threats from Iran across security, ideological, political, and religious dimensions, while US–Iran relations deteriorated amid fundamental divergences in core principles. Against this backdrop, US–Saudi security cooperation deepened further, strengthening Riyadh’s security dependence on Washington. During the Gulf War, the United States capitalized on Saudi geostrategic positioning, resulting in a deeply embedded defense partnership. Despite episodes of turbulence in recent years, the United States remains Saudi Arabia’s largest supplier of military equipment, and the Kingdom’s dependence on U.S. in the security field remains substantial. In the financial domain, the petrodollar system continues to constitute an external pillar of Saudi economic stability. The dollar remains resilient in energy trade, and dollar hegemony is unlikely to be overturned in the short term. Although Saudi Arabia has experimented with local-currency energy settlement with China and other major energy consumers, such measures are primarily symbolic. Only a major crisis capable of fundamentally eroding global confidence in the dollar could decouple oil from the dollar (Yuyan & Zenggang, 2010, pp271-272). At present, large-scale “de-dollarization” remains unrealistic. In the technological domain, the United States maintains clear advantages across the global value chain, including semiconductors, artificial intelligence, and defense technologies. Saudi Arabia’s structural dependence on the United States in security and finance renders “de-Americanization” infeasible; in order to secure developmental empowerment and space for national transformation, the Kingdom must concede certain benefits.

Saudi Arabia is not passively dependent but rather seeks autonomy within dependence, leveraging “empowerment” to expand its developmental space. In the

context of US–China strategic rivalry, Saudi Arabia, guided by national-interest considerations, adopts a hedging strategy to avoid alignment and maintain a calibrated balance (Gaoyang & Xinyu, 2024, pp120-121) The essence of this balancing is to extract greater empowerment and material benefit from both Washington and Beijing. As strategic competition between the United States and China intensifies, Saudi Arabia—with its strategic location, significant clean-energy potential, and strong policy commitment to transformation—has become a focal point of great-power competition. Riyadh treats this competition as a strategic opportunity, hedging between the two sides and engaging in dual-betting to secure greater developmental gains and strategic autonomy.

### **3. Impacts and Prospects of the Structural Reconfiguration of U.S.-Saudi Relations**

During the Trump 2.0 era, U.S.-Saudi relations have transcended the traditional interactional structure of “security-oil-dollar” and entered a new phase characterized by the reconfiguration of the “security-oil-dollar-investment” structure, the deep embedding of the production and knowledge structures, and the parallel advancement of “security empowerment” and “development empowerment.” The structural reconfiguration and upgrading of U.S.-Saudi relations generate multiple impacts. For both sides, on the one hand, the deepening of U.S.-Saudi relations serves the United States’ need to maintain its influence in the Middle East and to sustain its global hegemony; on the other hand, it provides external support for Saudi Arabia’s pursuit of national transformation and Vision 2030, its enhancement of national competitiveness, and the expansion of its diplomatic maneuverability. At the regional and global levels, the adjustment of U.S.-Saudi relations has spillover effects: it not only shapes the evolution of the Middle Eastern power configuration, but also affects the trajectory of great-power strategic competition. Moreover, the renewed U.S.-Saudi cooperation is not free of friction. Its inner tensions stem from the degree of implementation of bilateral arrangements, the persistent volatility of the Middle East, and the structural contradictions between the demands of both sides. In this regard, this chapter argues that although the United States and Saudi Arabia have constructed a multi-layered and high-return strategic cooperation scheme at the levels of institutional design and structural embedding, its implementation remains fraught with uncertainties and challenges.

#### **3.1 The Multiple Impacts of the Structural Reshaping of U.S.-Saudi Relations**

The deepening of U.S.-Saudi cooperation during the Trump 2.0 era has generated multidimensional effects. For the United States, the relationship is closely tied to the maintenance of dollar hegemony and technological strategic positioning, as

well as to its diplomatic configuration and hegemonic preservation in the Middle East. For Saudi Arabia, it represents a pathway whereby security and development proceed in parallel; yet the intensification of structural dependence on the United States may compress the Kingdom's room for strategic autonomy. For China, it introduces new competitive pressure, complicating the environment for China-Saudi technological cooperation and China's strategic layout in the Middle East, though it does not fundamentally alter the overall trajectory of China-Saudi cooperation. At the regional level, U.S. efforts to draw in Saudi Arabia and other GCC states by extending development-oriented empowerment further enhance the power configuration of the Gulf region. However, Trump's economic unilateralism heightens major-power strategic rivalry and injects additional uncertainty into regional development.

### **3.1.1 Impact on the United States: Low-Cost Rent Extraction and Hegemonic Preservation**

The structural reconfiguration of U.S.-Saudi relations enables the United States to extract interests at low cost and to sustain its hegemonic position under conditions of strategic retrenchment. As U.S. recalibrates its global posture and reduces direct military intervention in the Middle East, the Trump administration—instead of investing in costly, long-term military engagements—has pursued deeper and broader cooperation with Saudi Arabia to secure high-leverage returns at relatively low-cost. The large-scale deals reached during Trump's visit to Saudi Arabia can be rapidly converted into visible political and economic outcomes. Compared with long-horizon military deployment, this transaction-based mode of interaction entails lower political risk and yields immediate, observable gains—consistent with Trump's deal-oriented diplomatic style. Within this transactional framework, cooperation with Saudi Arabia in security, energy, investment, and technology allows the United States to meet the development demands of the military-industrial complex and the high-tech sector, thereby consolidating domestic political support. At the international level, it helps reinforce dollar hegemony and dampen the impact of de-dollarization. Moreover, by granting Saudi Arabia limited empowerment in fields such as AI and semiconductors, the United States embeds Saudi development into a US-led technological system, constrains other major powers' entry into the Saudi market, and safeguards its own technological competitiveness. The geopolitical implications are equally significant. By binding Saudi Arabia more closely to U.S. orbit, Washington strengthens its strategic influence in the Middle East and gains initiative in major-power competition with China. In this sense, the structural reconfiguration and upgrading of U.S.-Saudi relations functions as a crucial instrument for the United States to maintain hegemony under strategic retrenchment—achieving high

political and economic returns at low cost, while sustaining its dominance at both regional and global levels.

### **3.1.2 Impact on Saudi Arabia: The Tension Between Developmental Empowerment and Strategic Autonomy**

The structural reconfiguration and upgrading of U.S.-Saudi relations has provided Saudi Arabia with empowerment on both the security and development fronts, injecting new momentum into national transformation and the implementation of Vision 2030. Through cooperation with the United States in high technology, clean energy, and financial capital, Saudi Arabia can rapidly import advanced technologies, expand access to investment, and enhance industrial competitiveness. This cooperation strengthens economic resilience, reduces fiscal and social risks arising from a single-resource economy, and creates a favorable external environment for Saudi Arabia to position itself as a regional power and an emerging global actor in the post-oil era. However, such developmental empowerment is not cost-free: in exchange for market access and technological entry, Saudi Arabia must in practice surrender part of its economic rents to the United States under the pressure of “America First” and transactional diplomacy.

For Saudi Arabia, the deepening of the bilateral relationship constitutes a double-edged sword, generating a structural tension between gaining empowerment and preserving autonomy. On the one hand, U.S. “empowerment” in security, energy, and technology provides Saudi Arabia with greater developmental space and a relatively stable transition pathway, helping it to reduce its dependence on oil revenues, achieve economic diversification, and maintain regime stability. Saudi Arabia is actively converting its resource advantages into developmental advantages by leveraging the Fourth Industrial Revolution as a strategic window to elevate its position and influence within global technological competition. On the other hand, the deep structural dependence on U.S. in finance and technology inevitably compresses the room for maneuver of Saudi Arabia’s diversified diplomacy and constrains the exercise of strategic autonomy. Although Riyadh seeks to hedge risk by simultaneously deepening cooperation with China and other emerging economies, its reliance on the United States in core technologies and financial infrastructures renders its “multi-balancing” strategy structurally limited. Moreover, given Trump’s intent to weaponize technological cooperation as leverage in great-power rivalry, the United States is likely to pressure Saudi Arabia to side with Washington in its competition against China, further narrowing Riyadh’s autonomous strategic space. In sum, while the current model of U.S.-Saudi cooperation may, in the short term, provide Saudi Arabia with significant external support for development and transformation, the deepening



structural dependence on U.S. simultaneously generates new constraints on its long-term capacity for autonomous development. The structural reconfiguration of bilateral relations thus gives rise to a trade-off in which Saudi Arabia must continuously balance “gaining empowerment” against “ceding autonomy.”

### **3.1.3 Impact on China: Intensified Competition amid Persistent Cooperation**

The deepening of U.S.-Saudi cooperation—particularly the advancement of cooperation in high-tech sectors and clean energy—objectively heightens the competitive pressure China faces in its strategic deployment in the Middle East, but it does not fundamentally alter the overarching trajectory of China-Saudi cooperation. By providing Saudi Arabia with limited technology access and capital support, the United States seeks to seize the initiative in critical areas such as artificial intelligence, semiconductors, data centers, and the new-energy industrial chain, thereby weakening China’s strategic competitiveness in Saudi Arabia’s high-tech industries. U.S. intervention and containment against China will complicate the external environment surrounding China-Saudi technological cooperation and industrial coupling, rendering the competitive pressure more salient.

Despite the intensification of competitive pressure, U.S.-Saudi cooperation does not constitute a structural shock to China-Saudi cooperation nor does it disrupt its long-term trajectory. First, China and Saudi Arabia retain vast cooperation space and development potential in energy, infrastructure, and manufacturing. Saudi Arabia is China’s largest trading partner in the Middle East, while China is likewise Saudi Arabia’s largest trading partner. Their trade structures are highly complementary. China possesses irreplaceable advantages in clean-energy equipment, digital-economy applications, infrastructure engineering, and commodity trade, which align with Saudi Arabia’s demands for national transformation and economic diversification—advantages that the United States cannot fully substitute. Second, in advancing Vision 2030, Saudi Arabia pursues a diversified foreign policy and multi-channel development strategy with an emphasis on strategic autonomy at the diplomatic level. While U.S.-Saudi cooperation in technological domains may generate frictions for China-Saudi cooperation, it does not imply that Saudi Arabia will abandon China or tilt fully towards the United States—such a move would contradict Saudi Arabia’s strategic interests. As one of the earliest supporters and co-constructors of the Belt and Road Initiative, Saudi Arabia will not relinquish its strategic opportunities to deepen cooperation with emerging economies such as China simply due to U.S. pressure. Third, the substantive logic of U.S.-Saudi cooperation determines that

Riyadh will not reduce cooperation with China but instead expand development space through hedging. As previously noted, Saudi Arabia's deepening cooperation with the United States stems from its structural dependence on U.S., seeking greater empowerment in security and development in exchange for enhanced guarantees for national transformation, regime stability, and its pursuit of middle-power status. Moreover, the transactional nature of U.S.-Saudi cooperation and the uncertainty and unpredictability of Trump's governance make it implausible for Saudi Arabia to take sides and sacrifice one for the other; instead, it will leverage U.S.-China competition to maximize gains by "putting eggs in different baskets" and enhancing its ability to navigate risks amid intensifying great-power competition. Fourth, the structural power distribution of the international system and the foreign policies of the major powers make it impossible for Saudi Arabia to fully rely on and align with the United States. In recent years, although the United States remains the world's leading superpower, the accelerating trend of global multipolarity has enabled the "Global South" to rise comprehensively in economic, political and international status, generating unprecedented influence and becoming one of the key variables shaping the evolution of the world order (Xiujun & Chen, 2023, p64). The relative decline of U.S. hegemony and leadership is an objective reality. Trump's second administration—characterized by "America First"—further amplifies global instability and uncertainty, driving states to recognize the risks of unilateral dependence on the United States. China, by contrast, adheres to openness, inclusiveness, reciprocity, and win-win cooperation, forming a sharp contrast to Trump's interest-maximizing unilateralism.

In sum, while U.S.-Saudi cooperation in key sectors raises the level of structural competition China faces in the Middle East, it does not destabilize the foundational structure of China-Saudi relations. Competition and cooperation will coexist within a higher-order structural game, and China's influence will remain resilient.

### **3.1.4 Impact on the Middle East: Power Reconfiguration and Rising Uncertainty**

The deepening of U.S.-Gulf relations in the Trump 2.0 era—particularly the new cooperation model anchored in dual-track empowerment in security and development—is driving a profound structural reconfiguration of regional power in the Middle East. Trump's "development empowerment" of Gulf states is likely to intensify intra-regional strategic competition and rivalry. On the one hand, U.S. cooperation with Saudi Arabia in new energy, artificial intelligence, and critical minerals significantly enhances Saudi Arabia's momentum in national

transformation and strengthens its competitive position within the Gulf and broader Middle East. On the other hand, Trump's "Middle East trip" also yielded large-scale economic agreements with the UAE and Qatar, covering energy, aerospace, and artificial intelligence (Whitehouse, 2025b). "Development empowerment" has therefore become a unified policy logic of the Trump 2.0 administration toward Gulf states. Overlaps in development goals and domains between Saudi Arabia, the UAE, and Qatar are bound to intensify competition and rivalry within the GCC. Furthermore, U.S. development empowerment does not eliminate structural fragility in the Middle East; rather, it risks intensifying regional imbalance and fragmentation. Amid Iran's weakened capabilities and the deterioration of the Gaza crisis, deepened U.S.-Gulf cooperation may generate adverse spillovers. Expanded U.S.-Gulf alignment in security and defense may heighten Iran's insecurity, triggering escalatory dynamics and introducing greater volatility into regional security and power equilibrium. Meanwhile, the protracted Israel-Palestine conflict and the humanitarian catastrophe in Gaza stand in sharp contrast with the deepening of U.S.-Gulf cooperation, magnifying the risk of regional polarization and social rupture.

### **3.2 Challenges Facing the Development of U.S.–Saudi Relations**

Despite the embedded, multi-domain cooperation achieved at the structural level—which has enhanced the stability and resilience of bilateral relations, but U.S.-Saudi cooperation is not seamless and still faces a series of challenges. Whether the outcomes reached at the level of U.S.-Saudi agreements can be fully implemented and converted into robust strategic assets remains subject to several constraints, including the uncertainty of U.S. policy, the continued deterioration of the Gaza situation and fractures in Saudi-Israeli relations, and the structural contradictions in U.S.-Saudi expectations.

#### **3.2.1 Constraints from U.S. Policy Uncertainty**

Domestic concerns within the United States regarding risks of technology leakage, combined with the uncertainty and volatility of Trump's foreign policy, have to some extent undermined the stability and deepening of U.S.-Saudi cooperation. Trump's move to loosen chip restrictions on Saudi Arabia and expand cooperation in fields such as artificial intelligence has triggered domestic anxiety over the loss of leadership in AI. Experts at the Center for a New American Security have argued that AI chips should not be bargaining chips for broader trade deals, that might be beneficial for trade in the near term, but cede AI leadership in the longer term (Chow Andrew R, 2025). Moreover, the uncertainty and volatility inherent to Trump-style foreign policy further increase instability in U.S.-Saudi cooperation. Since Trump's return to the White House in January

2025, he has resumed the process of imposing reciprocal tariffs on countries around the world, using tariffs as an important instrument for implementing “America First”, fueling an escalating global trade war. Driven by the logic of U.S. interests supremacy, Trump employs economic sanctions, tariff hikes, and technology export controls as tools to compel concessions from other states. In the course of U.S.-Saudi cooperation, should short-term returns diverge from U.S. expectations, Trump may at any time re-evaluate the strategic value of Saudi Arabia, thereby adding to the instability of bilateral cooperation.

### **3.2.2 Continuing Israel-Palestine Conflict and Fractures in Saudi-Israeli Relations**

The Israel-Palestine conflict continues to escalate, the humanitarian crisis in Gaza is worsening, the normalization process between Saudi Arabia and Israel has stalled, and cracks in the bilateral relationship are widening. In this context, the United States has pushed for Saudi-Israeli normalization, urging Saudi Arabia to join the “Abraham Accords” in the hope of reconciling U.S. allies in the Middle East. However, this initiative directly collides with Saudi Arabia’s insistence on making the “two-state solution” a precondition for normalization.

While Saudi Arabia requires external support from the United States to advance its domestic transformation, as a leading state in the Middle East it must also respond to demands of the Arab world on the Gaza issue. Any move perceived as sacrificing Palestinian interests in exchange for diplomatic gains could erode Saudi influence in the Arab and Islamic worlds and undermine its regional leadership. Saudi Arabia must therefore firmly uphold the two-state solution as the path to resolving the Gaza conflict. In July 2025, at a UN headquarters meeting, the Saudi foreign minister endorsed the the final document of the high-level International Conference on the Peaceful Settlement of the Palestinian Question and the Implementation of the two-state solution and called on states to work together to end the war in Gaza and reaching a just, peaceful, and lasting settlement of the Israeli-Palestinian conflict (Saudi Press Agency, 2023). In sharp contrast, while the United States has aggressively sought to normalize relations among its Middle East allies, aiming to reduce strategic risk and reshape the regional balance, it has ignored Saudi demands on implementing the two-state solution and instead continues to pursue an overtly pro-Israel policy. This refusal to advance the two-state solution has created a fundamental political divergence between Washington and Riyadh on Gaza, casting a shadow over further deepening of bilateral relations.

### **3.2.3 Structural Contradictions: Saudi Hedging and U.S. Alliance-Integration Demand**

At the most fundamental level, the core expectations of the two sides for deepening bilateral cooperation are marked by structural contradictions. Against the backdrop of global energy transition and intensifying great-power technology rivalry, Saudi Arabia's rationale for deepening cooperation with the United States is to leverage U.S. influence in the Kingdom and the strategic window provided by U.S.-China technological competition to reduce dependence on a single external provider of security and finance through U.S. developmental empowerment, thereby achieving a higher degree of strategic autonomy.

Saudi Arabia thus gravitates toward a strategy of diversified balancing: it deepens cooperation with the United States while simultaneously maintaining close economic ties with China, Russia, and other states. In regional affairs, Saudi Arabia adheres to a moderate foreign policy, prioritizes development as its central national task, and exercises caution while retaining maneuverability in regional flashpoints. On Iran, Saudi Arabia has actively sought to consolidate the hard-won rapprochement reached in 2023, refraining from fully aligning with U.S. hardline position amid continued Iran-Israel confrontation so as to avoid strategic entrapment. On Gaza, Saudi Arabia has played an active role, firmly defending the two-state solution and responding to the demands of the Palestinian people and the broader Arab world—demonstrating the strategic responsibility expected of a major Middle Eastern power. By contrast, U.S. seeks to integrate Saudi Arabia into a more clearly defined strategic orbit through deepened cooperation, via arms sales, technological cooperation, and other instruments, transforming the Kingdom into a key proxy for U.S. strategic competition in the Middle East. The structural contradiction at the core of U.S.-Saudi strategic expectations lies in the paradox of “empowerment and dependence”: Saudi Arabia advances national transformation through greater U.S. empowerment, yet empowerment simultaneously produces deeper dependence, constraining its strategic autonomy. The United States, meanwhile, uses expanded empowerment to strengthen Saudi dependence and secure strategic returns at relatively low cost, but in the long term will inevitably face challenges to governance and trust as its partner's strategic autonomy increases.

## **Conclusion**

The structural reconfiguration and upgrading of U.S.-Saudi relations during the Trump 2.0 era is not only a microcosm of the ongoing transformation of oil-producing states in the Middle East, but also a reflection of the evolution of the global power configuration. Against the backdrop of the global energy transition, shifts in the energy landscape, the Fourth Industrial Revolution, and intensifying great-power technological rivalries, the two sides have moved beyond the traditional “security–oil–dollar” structure. By the reconfiguration of the “security–

oil-dollar-investment” nexus and deeply embedding energy and technological structures, U.S.-Saudi relations are being propelled toward a more complex composite configuration. This transformation both continues the strategic logic of U.S. hegemonic maintenance and reflects Saudi Arabia’s demand for external support under the pressure of domestic transformation. Through low-cost intervention and development-oriented empowerment, the United States has consolidated its regional influence; in turn, Saudi Arabia has utilized U.S. empowerment in the dual dimensions of security and development to advance Vision 2030 and national transformation, gaining room for development amid structural dependence. However, this structurally embedded cooperation is far from frictionless. Under Trump’s “America First” transactional diplomacy, the continuity and stability of cooperation remain uncertain. Meanwhile, Saudi Arabia remains structurally dependent on the United States in finance, technology, and security, making it difficult to reconcile “empowerment extraction” with “strategic autonomy”. As a result, the long-term sustainability and stability of U.S.-Saudi cooperation remain deeply uncertain.

U.S.-Saudi cooperation affects not only the bilateral level, but also regional dynamics and shifts in the international order. For the United States, it yields low-cost, high-leverage returns and contributes to hegemonic preservation. For Saudi Arabia, it simultaneously generates opportunities and risks. At the regional and great-power levels, on the one hand, the Gulf region has become more salient due to internal developmental upgrading and external empowerment, enhancing its regional weight. Yet, given Iran’s weakening and the protraction of the Gaza conflict, asymmetric development between Gulf states and other parts of the Middle East may further deepen regional imbalance and fragmentation, incubating new instability. On the other hand, the upgrading of U.S.-Saudi cooperation intensifies U.S.-China strategic competition in the Middle East, turning the region into a key arena of great-power rivalry.

The structural reconfiguration of U.S.-Saudi relations is not merely the outcome of bilateral interaction, but the product of international structural change and the redistribution of resources. Its future trajectory will exert profound impact on regional security dynamics, and on the evolution of global energy, financial, and technological orders, as well as on great-power competition. It is foreseeable that the future of U.S.-Saudi relations will exhibit a “dual-track” pattern: in the short term, convergent interests will continue to generate visible deliverables; in the longer term, the interaction may be repeatedly recalibrated due to internal and external tensions embedded in their structural configuration.



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