

AKE Special Report

SAUDI ARABIA

POLICY VOLATILITY AND INVESTMENT TRENDS SINCE 2015



1. SUMMARY

SUMMARY

- Since 2015 the Kingdom of Saudi Arabia, the world's largest oil exporter, has undergone significant change, both domestically and on the international stage. The change coincides with the accession of one individual, King Salman's son Muhammad bin Salman (MbS). In 2015 then 29-year old MbS became the minister of defence before acceding to crown prince in 2017.
- In 2016 MbS launched an ambitious economic diversification programme called Vision 2030, which seeks to wean the country off oil and attract FDI to modernise the Kingdom's economy. This came alongside social reforms, including opening cinemas and giving women the right to drive.
- However, numerous princes, former officials and activists, including cousins and nephews of the king, have been targeted alongside this reform and liberalisation. Those targeted are perceived to be the biggest threat to MbS's accession to king. This included a mass leverage of 'anti-corruption' fines from senior officials detained at the Ritz Carlton in November 2017, including billionaire **Prince Al-Walid bin Talal** for US\$6bln. He remains under house arrest. Furthermore, deposed crown prince **Muhammad bin Nayif** (MbN), a strategic US ally in the 'war on terror' since 2003, is detained in the Kingdom since a second round up in March 2020. US and UK politicians have called for proof of wellbeing and for his release, although no information is forthcoming.
- Activists and dissidents have also been jailed and targeted in assassinations which have been directly attributed to the prince and his inner circle. **Lujain al-Hathlul** was jailed in May 2018 after demonstrating for her right to drive. She is still in detention. Journalist and Saudi dissident **Jamal Khashoggi** was found by a United Nations (UN) investigation to have been killed in the Saudi consulate in Istanbul in October 2018. This killing has been directly linked to MbS by the UN and the US's Central Intelligence Agency (CIA). Former security official and MbN aide **Sa'ad al-Jabri** was targeted also in October 2018 in Canada for assassination but escaped. In 2020 he brought a court case against MbS and others in the US.
- Other complicating factors involve **the crown prince's war in Yemen** which has been ongoing since 2015. **Riyadh has been accused of war crimes** and the country has been pushed to catastrophe. US and UK backers continue to sell the Kingdom arms which are known to be used by the Arab Coalition led by Riyadh to directly target civilian infrastructure.
- **Such moves greatly complicate the ability of foreign direct investors to see the Kingdom as a safe haven for their investments.** While there are numerous causalities for FDI trends, the Kingdom remains the world's largest oil exporter and will continue to attract foreign investment, including into vanity projects such as NEOM and joint ventures with multi-nationals, such as Aramco's recent deal with Google.
- Under the crown prince, the reform agenda has progressed, albeit more slowly than intended due to various factors. However, progress has also been marred by continued revelations regarding human rights abuses, Yemen's war and the continued detention of princes, opposition activists and the targeting of dissidents.
- Under the **new administration of President Joe Biden**, additional scrutiny of the prince's adverse moves will increase pressure and political tension over such matters and may adversely impact the investment environment for foreign direct investors and therefore FDI flows into Saudi Arabia. There remain concerns however that MbS could increasingly weaponise the Kingdom's oil wealth as he remains in power for at least another 40 years.

2. BACKGROUND

- In January 2015 King Abdullah died and his younger half-brother Crown Prince Salman bin Abdulaziz Ibn Saud acceded the throne. King Salman's younger half-brother Prince Muqrin briefly became crown prince in the tradition of agnatic seniority among sons of Ibn Saud. Prince Muhammad bin Nayif then replaced Muqrin after he was frozen out of the king's cabinet. This meant Muhammad bin Nayif became the first grandson of Ibn Saud to enter the line of succession, reportedly at the order of Muhammad bin Salman. The change reasserted King Salman's Sudairi lineage over the crown and paved the way for MbS's accession to crown prince.
- Within weeks of Abdullah's death Muhammad bin Salman became the Minister of Defense at the age of 29. He swiftly deployed troops to Yemen and mobilised the Royal Saudi Airforce to oust the Ansar Allah, better known as the rebel Huthi group from Yemen's capital Sana'a which they had taken in September 2014 from forces loyal to the Saudi-backed, United Nations (UN)-recognised government of Abd al-Rabbu Mansur al-Hadi.
- On the morning of 21 June 2017, Muhammad bin Nayif was deposed as Crown Prince and Salman's son Muhammad bin Salman was appointed to the position, again breaking the tradition of agnatic seniority and causing a stir both in Riyadh and among allies of Saudi Arabia. This officially places him first in the line of succession and in recent years he has arguably become the de facto ruler of the Kingdom. The accession occurred overnight and MbS was chosen without pre-agreement of the Allegiance Council - a royal council established in 2006 to determine the order of succession to the Saudi throne within the House of Saud. The move effectively neutered the council's relevance.

3. VISION 2030

- Since King Salman acceded to the throne, MbS has held numerous positions, among which is the deputy prime minister (the king holds the premiership) as well as deputy crown prince. This put business reform and development within his remit before he became crown prince and prompted his announcement of the Kingdom's flagship **Saudi Vision 2030** in April 2016.



Vision 2030 was announced during a period of continued deterioration of global oil prices, which underscored the Kingdom's vulnerability to dependence on oil revenues. However, the vision's details – continually updated - reflect ambitious aims for reform, not just within the Kingdom's oil dependent economy, but parallel measures to bring Saudi Arabia in line with global 'modern societal norms'. The framework seeks to develop public service sectors such as health, education and infrastructure, while also leveraging Saudi Arabia's status as the protector of the two holiest places of Islam – Mecca and Medina – to develop tourism infrastructure sector and boost tourism. This necessitated boosting non-oil international trade and seeking to attract and keep foreign direct investment.

4. BUSINESS AND SOCIAL REFORM UNDER VISION 2030

- The below shows a list of **business reforms** that have been made under MbS's Vision 2030:

2016

- Stock market reforms double ownership limits to 10 per cent for foreign institutional investors in Tadawul stock exchange.
- New labour regulations restrict certain jobs to citizens and raises quotas for companies to hire Saudi nationals.
- Power and water subsidies are cut under fiscal reforms.
- The National Project Management Organization is set up to reduce costs on state infrastructure projects.

2017

- Government launches the 'Citizen's Account', a cash handout for low- and middle-income Saudis to offset austerity measures.
- **Ritz Carlton Affair:** presented as an anti-corruption crackdown. The move also served to consolidate the crown prince's power and popularity among the youthful populace who viewed the older generation of princes as hypocrites too old to understand their needs. The anti-corruption drive alongside Vision 2030 continues to be welcomed and lauded in the press – there is little tolerance for dissent.

2018

- 5 per cent value-added tax (VAT) is imposed to improve non-oil revenue generation.
- Foreign investors are granted full access to NOMU, a parallel market for small- and medium-sized enterprises.
- New bankruptcy law regulates procedures such as settlements and liquidation.

2019

- January: Riyadh adopts seven 'Guiding Principles for Investment Policymaking', including non-discrimination, investment protection, investment sustainability, enhanced transparency, protection of public policy concerns, ease of entry for employees, and the transfer of knowledge and technology.
- The Capital Market Authority and Debt Management Office reduce fees and commissions to encourage secondary market debt trading.
- Sin tax on electronic cigarettes and sugary drinks imposed in bid to diversify revenue streams.
- Saudi Arabia relaxes a 49 per cent limit for foreign strategic investors in companies listed on the main Tadawul stock exchange.
- The capital market law is amended to allow the establishment of other exchanges alongside Tadawul.
- Saudi Arabia begins accepting license applications in the military industrial sector, a major target for diversifying the economy away from oil.
- 5 per cent float of oil behemoth Aramco on Tadawul.

However, having learnt lessons from the series of uprisings known as the 'Arab Spring', in which multiple authoritarian long-time leaders across the Middle East and North Africa were deposed, MbS coupled business liberalisation with social reform, in the hope that such reforms would further mitigate the rejection of Al-Saud's reign and modernise the Kingdom for the young population.

SOCIAL REFORMS

- **April 2016:** MbS curbs the powers of religious police which patrolled public spaces to impose strict rules on women's dress and enforce bans on alcohol, music, prayer-time closures and the mixing of men and women.
- **December 2017:** Riyadh ends a 35-year prohibition on cinemas, and announced plans to open more than 300 movie theatres by 2030.
- **June 2018:** Riyadh lifts a decades-old ban on women driving cars. However, authorities arrested several women's rights activists before and after the move amid a broader crackdown in which scores of critics have been arrested – including activists Lujain al-Hathloul (referenced later). Nonetheless, there remains a difficulty for women to physically obtain permits. Even should they receive them it remains difficult to travel without a male relative.
- **January 2019:** A royal decree allows music to be played in restaurants and limits on gender-mixing eases.
- **August 2019:** Regulatory changes allow adult Saudi women to travel without permission and exercise more control over family matters, further eroding a heavily criticised male guardianship system but leaving parts of it intact.
- **October 2019:** A new tourist visa regime seeks to attract holidaymakers. A modest dress code is set for visitors, ending the requirement that women wear all-covering robes. Foreign men and women are permitted to rent hotel rooms together without proving they are related. Alcohol remains banned.

5. HUMAN RIGHTS RECORD, ADVERSE POLICY MOVES

- The rise of MbS to crown prince coincided with the accession of former US president Donald Trump. Trump was broadly supportive of the Kingdom, which allowed for a 'carte-blanche' for the prince in numerous adverse domestic and foreign policy moves. Trump's warmth towards the Kingdom was demonstrated by the fact that he made Saudi Arabia the destination of his first foreign visit as US head of state. Trump's visit was also a public relations triumph for US business and for the Kingdom, with US\$110bln in initial agreements for defense deals, and up to US\$350bln in memoranda of understanding in total. While many of the deals will never come to fruition, they were symbolically important as a strong indication that Riyadh would be warmly favored by the Trump administration.



- On 5 June 2017 a coalition led by Saudi Arabia cut off all diplomatic ties with Qatar, alleging that Qatar had violated a 2014 agreement with members of the Gulf Cooperation Council (GCC). Two weeks later, on 21 June 2017, former crown prince Muhammad bin Nayif was deposed in favour of the king's son Muhammad bin Salman. His rise also represented a shift from consensus or family rule to a more authoritarian style of governance based around one man. Nonetheless, MbS sought to counter any aversion to this in a series of campaigns targeting political rivals.

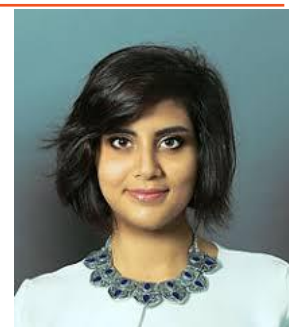
The Ritz Carlton Affair: The first major indication of the crown prince's future actions - shortly after a visit to the Kingdom by Jared Kushner, Trump's son-in-law and advisor- was on 4 November 2017. Over 30 princes, well-known businessmen, and influential serving and former civilian ministers were invited to the Ritz Carlton hotel in Riyadh having been summoned by the royal court. They were then being jailed indefinitely until large 'fines' were paid.



Prisoners included billionaire **Al-Walid bin Talal**, Economy Minister Adil al-Fakiah and former Finance Minister Ibrahim al-Assaf. Some reported abuse and torture before signing away large portions of their wealth. As aforementioned the move, under newly formed anti-corruption auspices, yet was widely seen as a move against those who represented Muhammad bin Nayif loyalists and a consolidation of power. On 6 November **Donald Trump endorsed the crackdown on Twitter**. Al-Walid bin Talal, at the time the seventh richest man in the world was held for 83 days. Eventually it was revealed he paid a US\$6bln 'fine'. It is also believed that he and many others were tortured. He reportedly remains in Saudi Arabia, without the right to travel. His assets are frozen, and he is under house arrest, tracked wearing an ankle bracelet.

- Following this, on 4 November Lebanon's then prime minister Sa'ad al-Hariri appeared in Riyadh on Saudi news to announce his resignation, citing the overwhelming influence of Hizbullah- the Lebanese Shi'ah militia aligned with Iran - in his country. The move was unanticipated and concerning. He was summoned to Riyadh and thought to have been coerced by MbS to resign, a move intended to spark instability in Lebanon and trigger an Israeli assault on Hizbullah as a proxy attack on Iran. Hariri subsequently reappeared in Lebanon and rescinded the resignation on 22 November after visiting France and Egypt, who are thought to have mediated in the dispute.

- On 6 August 2018 Canada's foreign ministry called for the release of Saudi women's rights activist **Lujain al-Hathlul**, not seen since her detention in May 2018 over her activism for women's rights to drive. Her sister had dual Saudi – Canadian citizenship. Riyadh immediately suspended diplomatic ties with Canada, freezing new trade and investment business and halting the import of wheat and barley. Canada's ambassador to Saudi Arabia was expelled, the Saudi envoy recalled. Riyadh has also reportedly divested of Canadian cash, bond and equity holdings from its central bank and pension funds. Economic damage from the row was low however significantly complicated a strategic arms deal worth US\$11.5bln and the business fall out from this remains unresolved.



- On 28 December 2020 Lujain al-Hathlul was finally tried and found guilty of supporting foreign agendas and harming public order, after over 30 months of detention without trial. She was sentenced to five years and eight months imprisonment. Two years and ten months of the sentence have been suspended and her accrued prison time backdated, thus she should be released in coming months. The move strikes a balance between Riyadh defending its stance yet seeking to appeal to the incoming US Biden administration.

- Jamal Khashoggi affair:** On 2 October 2018 Saudi national and dissident Jamal Khashoggi disappeared during a visit to the Saudi consulate in Istanbul. In the days and months following it was revealed that he had been killed by a Saudi 'hit-squad' which had flown into the country for the specific purpose of renditioning him. The team is thought to be the 15-man 'Tiger Squad' formed by Muhammad bin Salman. It was later assessed that he had been killed, yet his remains were never found. Turkish investigators who conducted the search maintain that there was evidence that Khashoggi had been killed and that evidence had been tampered with. That November, the US's Central Intelligence Agency (CIA) concluded that MbS had ordered Khashoggi's assassination.

- In June 2019 the United Nations Special Rapporteur Agnes Callamard concluded that *"Mr. Khashoggi's killing constituted an extrajudicial killing for which the State of the Kingdom of Saudi Arabia is responsible...There is credible evidence, warranting further investigation of high-level Saudi Officials' individual liability, including the Crown Prince's..."* [Khashoggi's murder] was *"a brutal and premeditated killing, planned and perpetrated."* Callamard called for a criminal investigation to be undertaken by the UN and, because Khashoggi was a resident of the United States, the US Federal Bureau of Investigation.

- Overall, however, the Khashoggi affair had few serious implications for Saudi Arabia and the crown prince's relations with the US, due to the overriding support from then-US president Trump. At the time the move triggered many CEOs to boycott Saudi Arabia's second only Future Investment Initiative (FII) from 23 to 25 October 2018 organised by Saudi Arabia's Public Investment Fund (PIF), due to feature 150 high-profile speakers from 140 firms.



- Many executives and CEOs from numerous big names pulled out. These included the chief executives of JP Morgan, Siemens and Blackrock, and IMF head Christine Lagarde, who had attended the event in 2017. Sir Richard Branson also halted talks over a US\$1bln Saudi investment in Virgin. Several media outlets withdrew their support, including Bloomberg, CNN and the Financial Times.
- Several governments also pulled attendees from the conference including ministers from France, Australia, New Zealand, the UK and the Netherlands. Even US Treasury Secretary Steven Mnuchin did not attend the conference (but he was still in Riyadh for a meeting to combat terrorism financing). Berlin suspended exports of military equipment to Saudi Arabia whilst investigations continued, after Germany approved the sale of EUR416m of arms sales to Saudi Arabia.

- In October 2020 Khashoggi's fiancée Hatice Cengiz alongside Democracy for the Arab World Now (DAWN), which Khashoggi founded, filed a lawsuit in the US district court of Columbia. The lawsuit names Saudi Crown Prince Muhammad bin Salman (MbS) and 20 other Saudi nationals, including several princes, as defendants.
- It has been alleged by other targeted individuals that the same Tiger Squad was responsible for other attempted extrajudicial killings of Saudi dissidents, including the assassination of Shaikh Sulaiman bin Abdul Rahman al-Thuniyan, and attempted assassination of Omar Abdulaziz and former government official Sa'ad bin Khalid al-Jabri.
- **Biden's Director of National Intelligence Avril Haines said on 19 January 2021 that if confirmed the Biden administration will seek to declassify the investigation into the Khashoggi affair.** This could have significant repercussions for the crown prince and the Kingdom's bilateral diplomatic relationships with the West.

- **Prince Muhammad bin Nayif** and Sa'ad al-Jabri: Former Crown Prince Muhammad bin Nayif was also the Minister of the Interior. Sa'ad al-Jabri was his longtime advisor and close confidant. Both men were instrumental in cooperating with the US during the 'war on terror' and both are thought to know highly classified US intelligence information. MbN was known as the prince of counter-terror, having worked closely with the US and Western powers since 9/11 against al-Qaeda.



- On 10 September 2015 Sa'ad al-Jabri was dismissed from his position after meeting with then CIA Director John Brennan at CIA headquarters and British Foreign Secretary Philip Hammond in London. He stayed on as advisor to Muhammad bin Nayif but later fled the Kingdom to Canada in May 2017. In September 2017 Al Jabri's son-in-law was allegedly renditioned from Dubai to Saudi Arabia.
- On 16 March 2020 two of his children, Sarah and Omar, who were already barred from leaving the Kingdom were detained by Saudi security officers. Their elder brother Khalid believes that they were to be used as bargaining chips to force their father to return to Saudi Arabia. Neither Sarah nor Omar have been heard from since they were taken and their current whereabouts are unknown.
- **Muhammad bin Nayif** remained in Saudi Arabia after his deposition but was detained amid another crackdown on Saudi princes in March 2020 under the ostensible corruption drive. His whereabouts are unknown. In October British MPs issued a request through diplomatic channels to visit Muhammad bin Nayif as well as Abdullah bin Abdulaziz. Conservative MP Crispin Blunt heads a committee set up to clarify the fate of the missing individuals. **MbS perceives Muhammad bin Nayif as representing the biggest threat to his claim to the Saudi throne.**
- In 2020 three separate court cases were brought against Muhammad bin Salman in US courts, 1) by Sa'ad al-Jabri against Muhammad bin Salman and 24 others for an attempted assassination in October 2018 within weeks after the killing of Jamal Khashoggi; 2) by the fiancée of Jamal Khashoggi and his campaign group DAWN for his death; 3) by Qatar's Al-Jazeera news journalist Ghada Oueiss for targeted unlawful hacking of her phone and email by Muhammad bin Salman and United Arab Emirates Crown Prince Muhammad bin Zayid.

6. THE WAR IN YEMEN

OPERATION “DECISIVE STORM”

A coalition of countries led by Saudi Arabia have launched airstrikes against the Iranian-allied Houthi rebels in Yemen. The nations are predominantly Sunni Muslim and are working to rescue Yemen's deposed government, which has strong Sunni support.

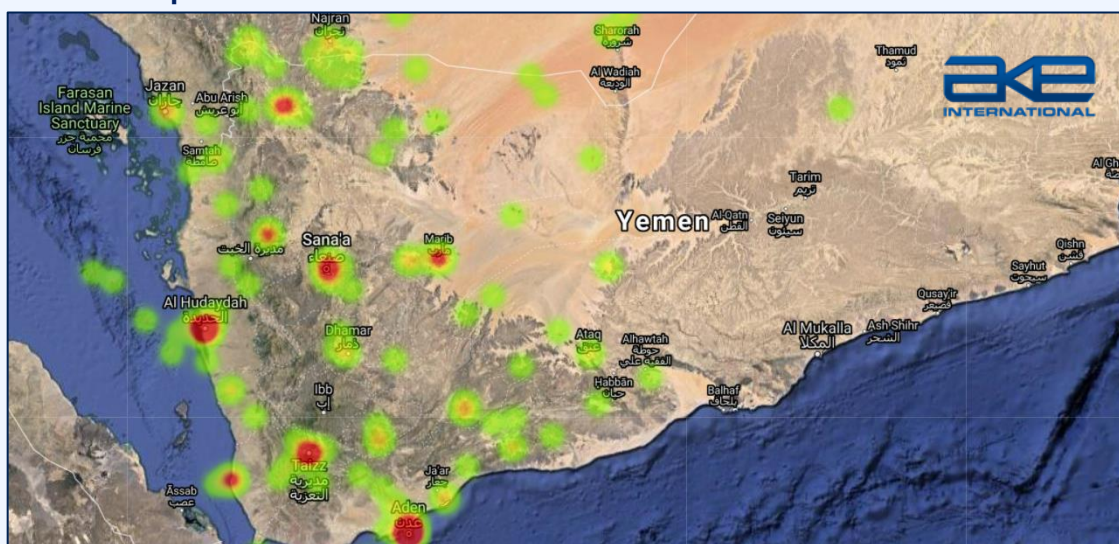


- On 26 March 2015 Muhammad bin Salman, as newly appointed Minister of Defense, formed a coalition led by Saudi Arabia to respond to calls from Abd al-Rabbu Mansur al-Hadi for military support after he was ousted by the Huthi movement from the capital Sana'a in September 2014.
- The operation, code-named Operation Decisive Storm initially, consisted of a bombing campaign on Huthi rebels' positions, which was supposed to oust the group from the capital and reinstall Hadi as Yemen's president. This included airstrikes targeting port infrastructure in Hudaidah and hospitals in Huthi held territories.
- By the end of 2015 a naval blockade was imposed, limiting food imports and ground forces were deployed into Yemen. Yemen is dependent on imports for 90 per cent of its nutrition and had a worsening effect on Yemen's humanitarian situation. In 2015 this reached the level of a humanitarian disaster or catastrophe. many have labelled it as a genocide.
- Over 100,000 civilians are thought to have been killed over the course of the war, which has left Yemen and the Yemeni people in a state of humanitarian disaster.
- In 2016 United Nations (UN) monitors told the UN Security Council that Riyadh had committed a war crime due to a 'double-tap' airstrike carried out on a funeral in Sana'a.
- The Office of the United Nations High Commissioner for Human Rights (OHCHR) issued a report in 2019 showing that as of November 2018, 6,872 civilians had been killed and 10,768 wounded, the majority by Saudi Arabia-led coalition airstrikes, The actual civilian casualties are likely much higher. Between 2015 and 2018 Human Rights Watch documented over 90 unlawful coalition airstrikes, which hit civilian homes, markets, hospitals, schools, and mosques. Some may amount to war crimes. In 2018, the coalition bombed a wedding, killing 22 people, including 8 children, and in another strike bombed a bus filled with children, killing at least 26 children. **US-origin munitions** were identified at the site of more than two dozen attacks, including the 2018 attacks on the wedding and the bus.
- A team of UN investigators, commissioned by the UN Human Rights Council, presented a report in September 2019 detailing how **the US, along with Britain and France, are likely complicit in war crimes in Yemen because of continued weapons sales and intelligence support to Saudi Arabia** and allies, especially the United Arab

Emirates. US officials have recognised the deliberate targeting of civilian infrastructure since 2016 yet have proceeded with weapons sales to the Kingdom.

- On 11 January 2021 outgoing US secretary of state Mike Pompeo confirmed that the US would designate Yemen’s Ansar Allah, better known as the Huthi rebel group, a terror organisation. The designation was a nod to Crown Prince Muhammad bin Salman. Some aid groups have since been exempted from sanctions, but it will remain a severe deterrent for any group seeking to work amid the dire humanitarian crisis in the country going forwards if it is not reversed.

Map: Arab Coalition operations in Yemen since 2016



Source: AKE Global Intake

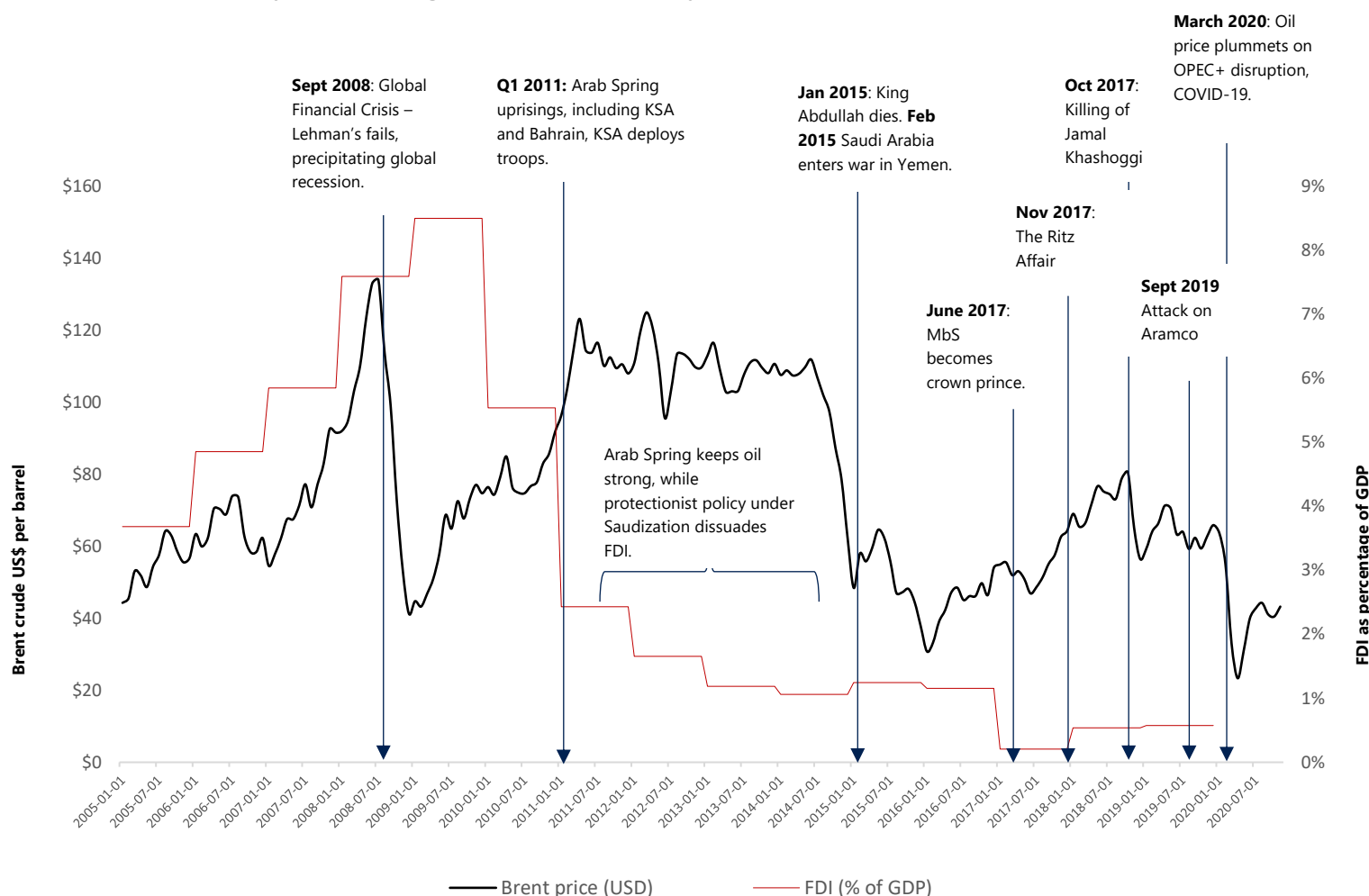
7. FOREIGN DIRECT INVESTMENT INTO SAUDI ARABIA

- In recent years, FDI flows to Saudi Arabia have followed a downward trend: this is due to political factors and lower oil prices since the global financial crisis. However, economic diversification under Vision 2030 and the announcement of and new projects outside the oil and gas led to a recovering of FDI inflows from 2017.
- According to UNCTAD’s World Investment Report 2020, FDI flows increased by 7 per cent between 2018 and 2019, reaching US\$4.6bln. This correlates with the fact that the country removed the ownership limits for foreign strategic investors. Furthermore, the largest FDI investors over the course of the last three years emanated from UAE, the US, France, Singapore, Japan, Kuwait and Malaysia. Investments from regional allies makes FDI inflows more secure despite volatile policy moves. The UAE until 2019 was a partner in the war in Yemen.
- There is a significant lack of transparent publicly available data by which to plot foreign direct investment (FDI) flows into Saudi Arabia. MbS’s accession to crown prince came after a period of depressed oil prices following the Global Financial Crisis, social unrest known as the Arab Spring (which caused oil prices to spike, but FDI to remain muted) as well as oil price volatility, and the Kingdom’s involvement in Yemen’s war.
- Furthermore, despite the prince’s adverse foreign policy moves, FDI outflows on the back of such moves are mitigated by pragmatic investment policy by foreign direct investors, as the Kingdom had the strong support of the Trump administration. As Saudi Arabia is the world’s largest oil exporter, FDI will also follow trends such as oil prices. This means that policy volatility in Saudi Arabia (and disruption in the Gulf) has the potential to push oil prices up in turn increasing the potential for FDI to increase. This may change however as the kingdom looks to diversify away from oil under Vision 2030. Another factor clouding FDI trends is the announcement of strategic joint ventures and vanity

projects, such as the announcement of NEOM, al-Qaddiyah theme park and most recently 'The Line', seeking to attract investors from across the globe.

- Tensions surrounding the killing of Jamal Khashoggi, for example were offset by the passing of the Guiding Principles; non-discrimination; investment protection; investment sustainability; enhanced transparency; protection of public policy concerns; ease of entry for employees, and the transfer of knowledge and technology. This was geared to attract FDI into the country despite the repercussions of the Khashoggi assassination and it did. Aubin Group (UK) was among the biggest investors in Saudi Arabia in 2019, spending USD\$743m to establish a chemical manufacturing facility. DuPont (US) opened a reverse osmosis water treatment facility and Alphabet (US) started building multiple data centres. At the same time, the number of new international companies in 2019 totaled 1,131, compared with 736 in 2018.
- Riyadh invests heavily in national infrastructure to attract investment for progressive projects such as NEOM. FDI is seen as one of the most effective ways to diversify the economy in line with Vision 2030. FDI is welcomed in Saudi Arabia within the local media as a pinnacle of Muhammad bin Salman's policies and its ability to transfer technology, employ and train the national workforce, foster economic development and enhance local raw materials.

Saudi Arabia: 15 years of foreign direct investment by GDP versus oil prices



- Furthermore, Saudi Arabia spends heavily on vanity projects abroad, such as its bid to buy the UK's Premier League football club Newcastle United for around GBP£240m in April 2020. While the deal has since been cancelled, the move shows that PIF seeks to take large stakes in international recognisable brands, such as its investment in Uber and billions in SoftBank's Vision Fund. Part of this logic is to leverage its greater international corporate profile and facilitate investment into the Kingdom. 'Entertainment assets' such as Newcastle United have strategic value, in that they could

improve its international image through 'sports washing'. Riyadh will also continue to host major events, using its stake in Live Nation to facilitate more major non-sporting events.

- Riyadh understands that the net effect of each vanity project or investment will be to reduce scrutiny on the Kingdom's human rights practices. Under the administration of new US President Joe Biden, the increased attention that these deals invite may have the opposite effect.