

November 24, 2022

# Shooting for the Stars: Saudi aims for global role with new space investments



## Key Takeaways

- Saudi Arabia is investing billions of dollars in space research and satellite technology over the coming years, giving the Kingdom a potential new source of cooperation with partners new and old.
- Space investments are part of Riyadh's shift to a technology-driven economy as it moves away from oil under its Vision 2030 plan.
- Riyadh's recent agreements with NASA symbolize its desire to boost space exploration at a time when industry competition is accelerating.

Saudi Arabia is seeking to become a global player in the space industry, making historic investments in research and satellite technology that will help enhance its relations with spacefaring nations. As the industry expands to include new countries and private companies, Saudi Arabia sees space exploration as part of its shift to a sustainable, technology-driven economy that will spur foreign investment and boost economic prospects for its citizens. Riyadh's signing in July 2022 of a NASA-led exploration agreement for the moon and mars is the latest evidence of the Kingdom's commitment to exploration and investment in the

cosmos.

The space industry has transformed drastically since exploration's early days, when investment in satellite and rocket technology was driven largely by Cold War competition between the United States and the Soviet Union. Today, more than 70 countries have active space programs, and private companies, including U.S. contractor Lockheed Martin and billionaire Elon Musk's SpaceX, have accelerated investment in space technology. The industry writ-large has an estimated value of \$424 billion, and is expected to reach \$1 trillion in annual revenue by 2040, [according](#) to Citigroup analysts. Much of the revenue will come from private companies operating satellites, which enable navigation systems, weather forecasts, phone services and even ATM withdrawals.

The entrance of new public and private players into the industry has changed the face of what is known as "space diplomacy". Space exploration and engagement offers countries opportunities to cooperate on science and technology, creating synergies between their nations and building people-to-people relationships. It also provides an avenue through which countries can continue to work together in times of disagreement. As the world becomes more reliant on satellite technology with more frequent rocket launches, diplomacy will serve a key role in managing competition and boosting cooperation in the cosmos.

Like other Arab nations including the United Arab Emirates, Saudi Arabia has sought to accelerate development of its space industry and strike space partnerships with the United States and other countries. In 2020, Saudi Arabia announced a \$2.1 billion investment to develop its space industry by 2030. The Kingdom has since sought to make space exploration a key feature of its bilateral economic relationships. During a meeting of the Joint Saudi-Italian Committee in June 2022, the parties signed a five-year agreement to promote the exchange of space information, technologies and expertise. The next month, at the Saudi-Kazakhstan Investment Meeting, the two countries discussed how Astana can assist in the development of the Kingdom's space exploration program.

Most notably, during U.S. President Joe Biden's visit to Saudi Arabia in July, the Saudi Space Commission signed NASA's Artemis Accords, a U.S.-led venture that aims to send humans to the moon again by 2025. Saudi Arabia was the 21st country to sign the agreement, and the fourth in the Middle East, after the UAE, Bahrain and Israel. By joining the accords, Riyadh joins an elite group of technology-driven, manufacturing economies, including South Korea, Japan and Singapore. Space diplomacy with these nations can unlock new opportunities in the industry and beyond.

As the Kingdom diversifies its economy away from oil under its Vision 2030 plan, space exploration can help shift Saudi-U.S. trade away from energy and defense and toward more creative sectors. In that sense, the Artemis Accords, one of 18 agreements signed during Biden's visit to KSA, symbolizes Riyadh's desire to have a broader economic relationship with Washington. It can also help Saudi Arabia to break ahead of the pack in a region where space investment deals are accelerating.

The UAE, which launched its first satellite in 2009 with cooperation from a South Korean manufacturer, has followed an ambitious roadmap for space exploration and research. In 2021, the UAE's Hope probe went into Mars' orbit, making the Emirates the fifth nation and first Arab country to successfully circle the planet. Israel also leads an ambitious space program, planning, producing and launching its own satellites into orbit.

With regional competition in the space industry set to increase, HRH Crown Prince Mohammed Bin Salman Al Saud announced a plan to increase sector spending to 2.5% of GDP by 2040, up from 0.5% in 2020. The Kingdom also launched an astronaut program in September 2022, with plans to send two astronauts to the ISS aboard a SpaceX capsule.

Earlier this month, Saudi Arabia's Council of Ministers established the Supreme Space Council, which will

oversee the country's space programs, approve planning and implement the national strategy. The establishment of this council, the significant increase in spending, coupled with investments in space personnel will help Saudi Arabia compete in the industry while pushing toward the centre of space diplomacy.

The benefits of investment in strategic sectors like space exploration can take years if not decades to realize. By continuing to strike space agreements with new and established partners, Riyadh can help accelerate development of its space program.

---

**For more analysis, please visit: [Thinkresearchandadvisory.com](https://thinkresearchandadvisory.com)**