

ORION FORUM

Why Does Saudi Arabia Welcome Nuclear Talks?

MAY 5, 2025

In 2002, when the People’s Mojahedin Organization, the exiled opposition group of the Islamic Republic of Iran, revealed the hidden aspects of Iran’s nuclear industry development in a hotel in Washington, the international community, including the Arab countries of the region and the Persian Gulf monarchies, felt fear and vulnerability towards Tehran’s nuclear ambitions. After that, Saudi Arabia, as Iran’s most important regional Arab rival, began its efforts to limit and oppose the ambiguous atomic program.

Saudi Arabia’s nuclear rivalry and jealousy towards its neighbor continued unabated, but 12 years ago, when the first nuclear talks between Iran and the US began in 2013, which led to the nuclear agreement known as the Joint Comprehensive Plan of Action (JCPOA) two years later in 2015, Saudi officials were deeply disappointed. They considered the JCPOA a [weak agreement](#), and at the time, Saudi Arabia’s foreign minister stressed that Riyadh was “[seeking](#) neither conciliation nor a settlement between Iran and any entity that wants to negotiate with it”.

However, when the first round of nuclear talks between Iran and the US began in Oman on April 12, Riyadh officials welcomed them, and the kingdom’s Foreign Ministry [issued](#) a statement describing it as a tool for advancing peace in the region and the world. The main question here is what has changed in the past 10 years for Saudi Arabia to welcome these talks, which appear to be following a similar path as before.

Changes in foreign policy

Saudi Arabia’s foreign policy has clearly shifted from traditionalism and conservatism to active diplomacy and global engagement since the accession of Crown Prince and de facto ruler

Mohammed bin Salman (MBS) to power almost a decade ago. This strategy emphasizes a participatory strategy and the pursuit of regional peace and stability, relying on domestic factors other than religion, such as strengthening the spirit of [nationalism](#). Iran has a special place in this strategy.

CNN first reported on February 16 that Saudi Arabia was [seeking](#) to mediate between Trump and Iran over the nuclear deal. Riyadh, which is in a mediation race between the United Arab Emirates (UAE) and Qatar, has already [managed](#) to host talks between the US and Russia on the Ukraine crisis thanks to his its close ties with Trump. The [visit](#) to Iran by Khalid bin Salman, the defense minister, and MBS's brother, ahead of the second round of nuclear talks, and the delivery of King Salman's message to Supreme Leader Ali Khamenei, whom MBS once [called](#) 'the new Hitler', signaled a shift in MBS's view of Iran and an active engagement in resolving the conflict with Tehran.

The possibility of Saudi success in securing the hosting is not far-fetched because the Saudis can [offer](#) the Iranians something that traditional mediators, namely Oman and Qatar, may not be able to offer. Iran is looking for ways to ensure that it receives some degree of economic benefit from the agreement, and if the Saudis can offer investment, trade, and other benefits, Saudi Arabia is a natural way to achieve that.

After years of tense relations, both sides have probably realized that as neighbors, they must respect each other's interests. both neighbors cannot be eliminated. Iran, despite recent setbacks in the resistance movement and a weak economy, still has a strong presence in the region, and Riyadh's absence from a potential US-Iran deal would leave Saudi Arabia isolated and the only loser. This is a painful reminder of former US President Barack Obama's words in an interview with [The Atlantic](#), a year after the JCPOA in March 2016, when he [called](#) his allies, including Saudi Arabia, "freeloaders" and stressed that the Saudis need to [learn](#) how to 'share' the region with Iran.

Economy at risk

The geography of trade and economic diversification is at the top of Saudi Arabia's agenda in pursuing a peaceful policy toward Iran. MBS has outlined bold ambitions to bolster his

country's economic power. The economic diversification program, which aims to transform Saudi Arabia from an oil-dependent kingdom into a hub for trade, technology, and tourism, requires stability and peace above all else.

The Saudis are fearful of a war between the United States and Iran, and their preference is for Iran's nuclear program to be limited by strong diplomacy that Iran is happy with and has taken its share of. Riyadh's understanding of regional stability and Iran's influence on it came a little late.

Saudi Arabia did not realize the importance of Iran's role in the Saudi economic disruption until the Houthi missile [attack](#) on Saudi oil fields in September 2019, which disrupted 5.7 million barrels per day, almost half of Saudi Arabia's oil production. As always, Riyadh was encouraged by American support and was deeply shocked when Trump [said](#) "That was an attack on Saudi Arabia, that wasn't an attack on us," and declared 'no rush' to respond to the attacks.

Saudi Vision 2030 is a roadmap and a tool for Saudi Arabia's domestic legitimacy and foreign prestige. Any regional tension poses a serious threat to the vision. Although after nine years, some of its goals, such as unemployment, female labor force participation, and home ownership, have been achieved ahead of schedule, others, such as attracting foreign investment, have been met with difficulties.

Saudi Arabia's foreign direct investment inflows [fell](#) 19 percent year-on-year in 2024 for the third consecutive year to \$20.7 billion, the lowest since 2020. The 2024 target was \$29 billion, a shortfall of at least \$8 billion. Under Vision 2030, the country hopes to see foreign direct investment inflows increase by about fivefold, reaching more than \$100 billion a year by 2030. At this rate, Saudi authorities may struggle to realize this vision. Sustaining investment attraction requires, above all, a safe and secure environment.

In addition, the International Monetary Fund [cut](#) its forecast for Saudi Arabia's GDP growth in 2025 from 3.3% to 3% in an April report, while also predicting headwinds for the wider region, including the gradual resumption of oil production. Saudi Arabia, the world's largest oil exporter and a G20 economy, was expected to see strong economic growth in 2025, supported by rising crude oil production, and an October Reuters poll had [forecast](#) growth of 4.4%.

To attract investment and finance megaprojects under construction, Saudi Arabia is trying to link its commercial and economic capacities to the body of the big global commercial and political games, and in this way, a dynamic region with minimal tensions provides the basis for Riyadh's involvement in the global economy.

Iran could become one of the most challenging possible options, as rapidly escalating trade tensions and high levels of policy uncertainty will [hamper](#) growth. Regional tensions could lead to a sudden tightening of regional financial conditions and capital outflows, which could particularly affect emerging markets such as Saudi Arabia. Reducing tensions with Tehran could help to address this.

Joint nuclear cooperation

Amid the Iran-US nuclear talks, there has been talk of exploring alternative ways to reduce sensitivities and manage enrichment challenges to more easily reach an agreement. One such way is through joint Saudi investment in Iran's enrichment industries.

In April, the US Energy Secretary Chris Wright [traveled](#) to Saudi Arabia and discussed talks that would allow Saudi Arabia access to US nuclear technology and potentially uranium enrichment. He said he hadn't gotten into the details yet, but he couldn't [hide](#) his concern about the potential threat of Saudi Arabia's nuclear proliferation, saying "there will definitely be a 123 agreement."

The 1954 123 Agreement generally [requires](#) the conclusion of a peaceful nuclear cooperation agreement for any significant transfer of nuclear materials or equipment from the United States. The UAE has [acceded](#) to it as the first owner of a nuclear power plant in the Arab world.

The US-Saudi enrichment cooperation will face several problems. First, low-level enrichment, and in particular small enrichment facilities, is not economically viable. Currently, the European uranium enrichment consortium Urenco, China, and Russia are [carrying out](#) this economically viable level of enrichment, and even the US has entrusted its peaceful enrichment to Urenco.

Second, Saudi Arabia's uranium enrichment, even if under US supervision, would likely prompt other regional countries, such as Egypt and Turkey, to seek uranium enrichment for their own

use. Third, the US is no longer actively selling civilian nuclear power plants, and the construction of small modular reactors (SMRs), a new and advanced technology that could be useful for desalination and power generation in the Middle East, is not likely to be deployed until at least the late 2020s or early 2030s. The outlook for the US-Saudi nuclear cooperation is therefore somewhat uncertain.

Therefore, the establishment of joint cooperation between Iran and Saudi Arabia would not be surprising. On the one hand, it would put an end to the nuclear competition between the two, given MBS's warning in 2018 that his country would acquire a nuclear bomb if Iran did.

On the other hand, enrichment beyond Iran's needs could pave the way for cooperation and joint investment between the two countries in resale or consumption. This model is currently being implemented in the joint nuclear cooperation between Brazil and Argentina, and has led to the two countries monitoring each other's nuclear activities and increasing regional security.

If a joint enrichment consortium is launched, it will lead to understanding between the two countries, joint nuclear cooperation and monitoring of each other's nuclear activities, and prevent nuclear competition in the region. In addition, joint cooperation and investment will lead to interdependence and pave the way for broader economic cooperation and investment in other areas.

However, there are still many obstacles to forming this joint cooperation. The most important of which is the lack of mutual trust between Tehran and Riyadh. This can only be implemented if it is accompanied by guarantees and approval from major powers such as the United States, China and Russia. The implementation of this model depends on the extent to which Iran can resolve its tensions with the United States.

After a decade, Saudi Arabia, based on new economic and political considerations, has corrected the previous skeptical and rejectionist view of Iran's nuclear activities, and instead of insisting on Iran's nuclear isolation, it wants to participate in and even host nuclear talks between Iran and the US. Regional stability and the fear of getting involved in a full-scale war in the event of a military confrontation between Tehran and Washington necessitate the pursuit of this strategy, but in the event of a military confrontation, it remains to be seen how

Riyadh will play a delicate game between the two sides that does not cause resentment between the two sides.

Orion Policy Institute (OPI) is an independent, non-profit, tax-exempt think tank focusing on a broad range of issues at the local, national, and global levels. OPI does not take institutional policy positions. Accordingly, all views, positions, and conclusions represented herein should be understood to be solely those of the author(s) and do not necessarily reflect the views of OPI.