Boeing in the Kingdom of Saudi Arabia

More Than 70 Years of Partnership

Boeing enjoys a strong and long-standing relationship with the Kingdom of Saudi Arabia. The partnership began on Feb, 14, 1945, when U.S. President Franklin D. Roosevelt presented a twin-engine DC-3 Dakota airplane to King Abdul Aziz Al Saud. This event marked both the beginning of the Boeing relationship with Saudi Arabia and the birth of commercial air travel in the Kingdom. Since then, Boeing has developed and expanded relationships with the Saudi civilian and defense sectors as well as with the private sectors.

The importance of Saudi Arabia to Boeing was reaffirmed in 1982, when Boeing established Boeing Middle East Limited in the Saudi capital of Riyadh as a 100 percent Boeing-owned, commercially registered company with full commercial contracting and employee sponsorship rights equal to any other Saudi-owned and registered company.

Ahmed Jazzar was appointed president of Boeing Saudi Arabia in July 2005. Jazzar is based in Riyadh and is responsible for coordinating and supporting all business activities and operations in the kingdom, including leading government affairs, developing and implementing Boeing Saudi Arabia’s strategy, maturing Boeing industrial partnerships, implementing corporate citizenship projects, growing the Boeing presence, and reinforcing company relationships with customers and other stakeholders.

Boeing Commercial Airplanes

After World War II, Saudi Arabia began using the DC-3 (manufactured by Boeing heritage company Douglas Aircraft) to carry passengers and cargo between the cities of Jeddah, Riyadh and Dhahran. The service proved so successful that King Abdul Aziz ordered the purchase of two more DC-3s, launching the Kingdom’s aviation sector. The DC-3 was the foundation of Saudi Arabian Airlines.

In 1952, five 4-engine Douglas DC-4s were purchased, their greater range permitting operations to Middle Eastern destinations. Ten years later, Saudi Arabian Airlines introduced 720-Bs into service, thus becoming the first airline in the Middle East to operate commercial jet airliners.

In 1972, the airline received its first five 737-200s, which replaced the DC-9s and DC-3s, making its fleet the most modern in the Middle East with two 707s, two 720s and five 737-200s. In 1985–86, 10 new Boeing 747-300s stretched upper deck (SUD) models were delivered and introduced into service. Two years later, the first of the new aircraft — 747-468, 777-268 and MD-11 — were introduced into service.

In 2010–11, Saudia (formerly Saudi Arabian Airlines) ordered twenty 777s and eight 787-9 Dreamliner airplanes. A year later, Saudia received the first two of the 777-300ERs with a layout of three classes, including first and business class, with new
specifications and designs. In 2015, Saudi Airlines Cargo Company received a new 777 aircraft to further expand its global operations, bringing the company’s 777 fleet to a total of 13 aircraft.

In February 2016, the airline received its first three 787-9s along with a 777-300ER at a high-profile delivery ceremony in Seattle. Later in the same year, Boeing delivered Saudia’s 777-300ERs featuring a new interior design.

Over the years, Saudia has taken delivery of most models of Boeing airplanes, including 707, 737, 747, 777, 787, MD-11F, DC-3, DC-4, DC-9 and MD-90 models.

The unique Saudi Arabian VIP market launched several Boeing Business Jets (BBJ), including the BBJ 3, BBJ 787-8, BBJ 787-9 and BBJ 747-8 aircraft. The Saudi VIP market represents about 70 percent of BBJ sales to the Arabian Gulf market. Different Boeing aircraft types in VIP configuration, including 727, 737, 757, 767, 747, 777 and 787, have been ordered or currently operate in the Kingdom of Saudi Arabia. Also, Aramco Aviation — part of Saudi Aramco — has owned and operated a fleet of 737-300 and, later, 737-700 aircraft for years.

**Boeing Defense, Space & Security**

The Kingdom is an important customer for Boeing military products. Boeing’s relationship with the Royal Saudi Air Force (RSAF) began in 1978 with the purchase of the Kingdom’s initial F-15C/D fleet, which became the backbone of the air defense of the Kingdom. Later, the RSAF complemented its force with an additional purchase of F-15C/Ds after Operation Desert Storm, followed by F-15S Strike Eagles, to enhance its capabilities with one of the most advanced multi-role platforms in the world.

In December 2011, Saudi Arabia and the United States signed a Foreign Military Sales (FMS) agreement that included F-15SA fighters, AH-64E Apache attack helicopters, AH-6i light attack/armed reconnaissance helicopters, Harpoon missiles and launchers, and Joint Direct Attack Munitions, along with the associated initial support and training — the largest such agreement in U.S. history.

Other Boeing defense products that are currently operated in the Kingdom include E-3A Airborne Warning and Control System (AWACS) aircraft and KC-3A cargo/tankers. In addition, Boeing provides a range of in-Kingdom services and support for these products.

Defense, Space & Security reflects Boeing’s commitment to the Kingdom and strengthens the company’s overall strategy and mission to grow the defense business in Saudi Arabia by employing Saudis while supporting the Kingdom’s defense and security needs. Boeing views KSA as a partner with great potential and has made it a priority to invest in Saudi Arabia’s aerospace industry, as characterized by evolving and strengthening relationships and partnerships.

**Boeing’s Offset Companies**

In 1985, Boeing and local partners began a formal program to meet offset obligations by proposing a number of industrial projects to benefit the Kingdom. Four were eventually

- **Alsalam Aerospace Industries (AAI)** — a fully integrated aircraft modification, maintenance and repair center for commercial and military aircraft.

- **Advanced Electronics Company (AEC)** — an advanced-technology company with capabilities in electronic design, development, manufacturing, repair and modification.

- **Aircraft Accessories & Components Company (AACC)** — a precision engineering facility equipped to service, overhaul and remanufacture aircraft accessories and components to international standards.

- **International Systems Engineering (ISE)** — a company providing a full range of computer-related software products, systems and services.

Currently, Boeing holds the largest stake at Alsalam and continues to contribute to the expansion of Alsalam’s technical base for both civil and military applications.

**Boeing Capital Corporation**

Capital Corporation creates financing solutions for customers purchasing Boeing commercial and defense products. As the company’s investment bank, it works closely with third-party financing sources that provide nearly all of the financing support required by Boeing customers. BCC continually strengthens its presence in the Middle East to meet the high demand for commercial aviation financing. It regularly organizes events in the region designed to engage the region’s finance community. Since 2006, it has hosted annual airline planning seminars for financiers in the Middle East and its investor conference has become an annual event.

**Industrial and Academic Partnerships**

Boeing actively supports the Saudi industrial sectors. Boeing’s objectives are to

- Support Saudi plans to develop technological capability.

- Create jobs.

- Promote Saudization (a program to increase employment of Saudi youths).

- Create and capture new markets.

Additional support to communities is provided by investing in mathematics, science and literacy programs to prepare students to meet future challenges and enable them to realize their dreams.

In 2001, the King Faisal Foundation, together with a team of entrepreneurs, Saudi businesses and multi-national corporations, embarked on an ambitious program to
establish the first private university in the Kingdom. Alfaisal University now helps students acquire the necessary knowledge to lead in the creation, application and management of technology. Boeing joined this effort as a co-founding member of the university, which began giving lectures in 2008. The self-governing, internationally recognized institution teaches and conducts research in engineering, science, business and medicine. It will eventually enroll 4,000 male and female students in these disciplines.

In 2009, Boeing became a member of the King Abdullah University of Science and Technology (KAUST) industrial collaboration program, which aims to facilitate local and international industrial collaboration. As part of the program, Boeing partners with academics and students at the university on research and development initiatives, such as the Boeing Fellowship Program for Saudi Arabia, in which Boeing hosted a number of Saudi students from Alfaisal University in October 2009.

In July 2012, the Saudi Emerging Leaders program was the first program of its kind to be held at the Boeing Leadership Center. Boeing sponsored 15 MBA students for a one-week leadership development program, providing them with insights on how to effectively operate in a shifting global economy.

Also in 2014, Boeing Research & Technology opened an office at KAUST to enable Boeing’s increased interaction with professors and resident companies interested in joint collaboration and research and development. KAUST is a strategic partner to Boeing, and the partnership is a key tool for research within the Kingdom and a step in partnering with other Saudi organizations to develop research and technology infrastructure and capabilities.

In September 2014, Boeing and King Abdulaziz City for Science and Technology launched the Decision Support Center in Riyadh. The Center serves as a key tool for collaboration and experimentation between customers and partners in the Kingdom, giving users the ability to make more informed modernization and interoperability decisions for aerospace and defense products. The facility uses local Saudi capabilities and is staffed primarily by Saudi nationals.

In November 2014, top university students from schools across the Kingdom were invited to join Boeing for the Innovation Summit in Abu Dhabi and attend workshops led by select regional and international speakers. The summit showcased forward-looking thinkers in areas that included next-generation aerospace engineering and design, sustainable and diverse energy economies, and big data and mobile technology, focusing on cross-sector innovation.

Also in November 2014, Boeing launched the KSA College Graduate Program, which creates opportunities for recent Saudi engineering graduates of U.S. schools who are interested in acquiring meaningful, on-the-job experience before returning to the Kingdom. The program provides 30 engineering graduates (10 per year for three years) an opportunity to acquire on-the-job training experience with Boeing Military Aircraft and Global Services & Support, initially focusing on engineering supporting the KSA F-15 program. Participants occupied positions in manufacturing, tooling, and industrial and
In 2015, Boeing signed an agreement with Saudia Aerospace Engineering Industries (SAEI) and Alsalam Aerospace Industries to create the Saudi Rotorcraft Support Company (SRSC) in the Kingdom of Saudi Arabia. The joint venture will have locations in Riyadh and Jeddah providing comprehensive, in-country maintenance repair and overhaul support for Saudi Arabia’s diverse rotorcraft fleet. Through in-country cooperation, the partner companies are focused on expanding the Saudi workforce through creation of self-sustaining jobs, technical and aerospace skills development for local workers, and further involvement of the Saudi aerospace supply base. The joint venture will support the Kingdom’s commercial and defense rotorcraft platforms, including the AH-64 Apache, H-47 Chinook and AH-6i.

In January 2016, Boeing announced that a second group of students joined its Saudi graduate recruitment program, further supporting Boeing’s continuing investment in Saudi youth. The Boeing initiative provides recent Saudi college graduates with the opportunity to develop their skills in a variety of professional fields including manufacturing, engineering, and training and support services at Boeing Military Aircraft.

In February 2016, Boeing sponsored a group of Alfaisal University senior management staff who benefited from Boeing’s Leadership Development Program at the Boeing Leadership Center in St. Louis. And in August 2016, in a joint initiative by Boeing and Saudi Aramco, a focused workshop was organized with the goal of supporting the kingdom’s aviation sector. The initiative was supported by the Economic Cities Authority and was held in partnership with the Saudi General Authority of Civil Aviation and Emaar, The Economic City. The workshop was hosted at King Abdullah Economic City and is part of the continued commitment to support Saudi Arabia’s vision to localize industry and develop the skills of Saudi youth. The participants explored several topics that related to discovering the kingdom’s training needs in the aviation sector and air transportation industry.

In September 2016, Boeing and KAUST renewed their Master Research Agreement (MRA) during a ceremony at the university’s campus. Renewing the MRA allows both organizations to continue their collaboration on research into the next generation of technologies vital to the growth and innovation of aerospace.

In December 2016, as part of Boeing’s commitment to knowledge transfer, Boeing Saudi Arabia sponsored the 8th Technical Conference and Exhibition. The event aims to showcase pioneering modern developments and international programs that improve vocational and technical training. The conference gives participants the opportunity to discuss training development strategies in light of economic and social changes that have occurred in the work market.
Further examples of Boeing’s commitment to the Kingdom include the following.

- **Princess Nourah University**: Boeing presented lectures and supported university students with two initiatives: Smart Shoes and Noise Hearing Loss Assessment.

- **Alfaisal University**: Boeing presented lectures on business ethics and the fundamentals of aerodynamics for flight vehicles. Also, the company supported the university with solar projects including manufacturing a solar car and a solar quadcopter.

- **TATA**: Boeing conducted a workshop on the theme of diversity and inclusion at Tata Consulting Services.

- **KAUST**: Boeing celebrated the Global Day of the Engineer through speaking engagements at Boeing Saudi Arabia’s key academic, research and development partners, such as KAUST. Boeing also addressed its strategy of working closely with technology partners throughout the world and discussed how the company determines where to create intellectual property.

- **King Abdulaziz University**: Boeing helped King Abdulaziz University students design and manufacture a morphing wing to enhance the aerodynamic characteristics of a general aviation aircraft.

In April 2017, several defense and commercial agreements were signed to further strengthen Boeing’s partnership with Saudi Arabia, create or sustain thousands of jobs in both the United States and Saudi Arabia, and enhance national security in the region. U.S. President Donald Trump and Secretary of State Rex Tillerson were joined by King Salman bin Abdul-Aziz Al Saud, Crown Prince Mohammed bin Naif Al Saud and Deputy Crown Prince Mohammad bin Salman Al Saud at a signing ceremony that included Boeing products and services. Among the announcements:

- Agreements to purchase Chinook helicopters and associated support services as well as guided weapon systems.

- Saudi Arabia’s intent to order P-8 maritime, patrol and reconnaissance aircraft, which are based on the Boeing 737 commercial airplane.

- A joint venture with the Kingdom to provide sustainment services for a wide range of military platforms. The agreement also supports Saudi Arabia’s efforts to grow its indigenous aerospace industry and ecosystem through its Vision 2030 initiative.

- A commercial registration certificate for the Saudi Rotorcraft Support Company, a newly formed joint venture between Boeing, Alsalam Aerospace Industries and Saudia Aerospace Engineering Industries with bases in both Riyadh and Jeddah that will provide support for both military and commercial helicopters.
• An agreement between Boeing and SaudiGulf Airlines to negotiate the sale of up to 16 widebody airplanes.

Community Engagements

Global corporate citizenship remains one of Boeing’s core values. The communities where Boeing operates around the world are among its most important stakeholders. Corporate citizenship is as integral to the company as is its expertise in flight and technology. Boeing is an active member of the community in Saudi Arabia focusing on education, health and human services and supporting a number of nonprofit organizations. For example, the company supports the following.

- **King Salman Center for Disability Research (KSCDR) — Riyadh**: Training workshops about people with learning disabilities for school teachers and parents.

- **King Abdulaziz Charity for Women — AlJouf**: Delivering special training courses for women from poor or limited-income families and from different parts of the region, and providing work-placement training.

- **Hope for Exceptional Needs — Jeddah**: Delivering early intervention programs for handicapped children and their parents.

- **Al-Ihsan Medical Charity — Jazan**: Delivering specially arranged regular medical visits by specialists to remote areas in the region without medical facilities.

- **Sanad Children’s Cancer Support Association — Riyadh**: Providing full medical treatment to non-Saudi resident children with cancer diseases who are not allowed in government hospitals and can’t afford a private hospital.

- **Prince Fahad bin Salman Charity Association for Renal Patients Care (KELLANA) — Riyadh**: Supply dialysis machines to KELLANA to be distributed to hospitals across the Kingdom for care of patients with kidney failure.

- **Al Nahda Philanthropic Society for Women — Riyadh**: Support women’s workforce development programs that help women prepare to enter the job market.

- **INJAZ Saudi Arabia — Jeddah**: Strategic partnerships agreement to sponsor Saudi schools within the “SAFEER Initiative,” which aims to help students have the qualifications and capacities to enter the job market after graduation.

- **Zahara Breast Cancer Association — Riyadh**: Raise awareness and highlight the importance of early detection of breast cancer to women in KSA, provide “train the trainer” sessions for effective methods for early detection of breast cancer, and promote regular visits for breast cancer screening.

- **Prince Majid Women Association — Jeddah**: Deliver job-market training for low-income people in the 18–35 age group.

- **Saut: The Voice of Down Syndrome Society — Riyadh**: The Saut Society is dedicated to advocating for and serving people with Down Syndrome and their
families in Saudi Arabia. The grant funds the infant portion of Saut’s early intervention program spanning the age range from birth to 2 years old.

- **ENSAN: Charity Committee for Orphans Care — Riyadh**: ENSAN’s Human Talent project is an educational program that identifies and supports talented and creative orphans.

- **BENAA Charity Association — Eastern Province**: The project is carried out by accredited training centers that teach computer skills in the English language as well as accredited centers that teach communication skills.

- **Charitable Society for Special Needs at Jubail Industrial City (ERADAH) — Jubail**: The program for the training of special education teachers increases the number of high-quality teachers working in special education settings across all charitable schools, exposes teachers to the special education setting and enhances their repertoire of skills and knowledge to teach in contemporary special education settings.

- **Onaizah Association for Development and Human Services — Onaizah**: An integrated project to qualify and prepare professional special educational specialists to become autism program trainers, in accordance with applied behavioral analysis methodology.

Boeing continues to support corporate social responsibility activities in the Kingdom. Its efforts were recognized by Sanad philanthropy (2015) and Saudi Injaz and Prince Majid Society (2016).

Boeing has also been an active participant in the Janadriyah Festival for five consecutive years to celebrate Saudi Arabian culture and showcase Boeing products and services. In 2017, Boeing succeeded in bringing the Above and Beyond exhibit to Janadriyah.

Volunteering is one of the ways Boeing employees can help build better communities worldwide. In September 2015, several Boeing Saudi Arabia employees volunteered to visit children battling cancer at different locations. The volunteers were able to contribute through Sanad Children’s Cancer Support Association, which facilitated the visits and organized several events that volunteers could take part in with the children.

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