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 (KSA). The partnership began February 14, 1945, when U.S. President Franklin D. Roosevelt presented a twin-engine DC-3 Dakota airplane (manufactured by Boeing heritage company Douglas Aircraft) to King Abdulaziz 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 the company 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.

In 2006, Boeing established another Saudi subsidiary, Boeing International Support Systems–Saudi Arabia, and received three different investment licenses in 2010 to expand current operations and to execute new projects and business in the Kingdom. In 2013, the company was renamed Boeing Saudi Arabia to reflect the broad scope of Boeing activities. Today, Boeing Saudi Arabia Limited supports the execution of all Boeing Defense, Space & Security, Boeing Commercial Airplanes and Boeing Global Services programs in Saudi Arabia.

In 2017, Boeing and Saudi Arabia further strengthened their partnership when the U.S. President Donald Trump and Secretary of State Rex Tillerson joined King Salman bin Abdulaziz Al Saud, then-Crown Prince Mohammed bin Nayef Al Saud and then-Deputy Crown Prince Mohammad bin Salman Al Saud at a signing ceremony that included Boeing products and services. They signed several defense and commercial agreements that would create or sustain thousands of jobs in both the United States and Saudi Arabia and enhance national security in the region. Among the announcements:

- Agreements to purchase Chinook helicopters and associated support services as well as guided weapon systems.
- Intent to order P-8 maritime, patrol and reconnaissance aircraft, based on the Boeing 737 commercial airplane.
- A joint venture with Boeing to provide sustainment services for a wide range of military platforms.
- A commercial registration certificate for the SRSC, a newly formed joint venture between Boeing, AAI and SAEI 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.

**Boeing Commercial Airplanes**

After World War II, Saudi Arabia began using the DC-3 to carry passengers and cargo between the cities of Jeddah, Riyadh and Dhahran. The service proved so successful that King Abdulaziz 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 four-engine Douglas DC-4s were purchased, their greater range permitting operations to Middle Eastern destinations. Ten years later, Saudi Arabian Airlines introduced 720Bs into service — becoming the first airline in the Middle East to operate commercial jet airplanes.

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 747-300 Stretched Upper Deck models were delivered and introduced into service. Two years later, new 747-468, 777-268 and MD-11 aircraft were introduced into service.

In 2010–11, Saudia (formerly Saudi Arabian Airlines) ordered 20 777s and eight 787-9 Dreamliners. In January 2012, Saudia received the first two 777s, which were 777-300ERs (Extended Range) with a layout of three classes, including first and business class, with new specifications and interior designs. 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 that year, Boeing delivered 777-300ERs that featured a new interior design.

In 2015, Saudi Airlines Cargo Company received a new 777 aircraft to further expand its global operations, increasing the company’s 777 fleet to 13 aircraft.

The unique Saudi Arabian VIP market launched several Boeing Business Jets (BBJ) and represents about 70 percent of BBJ sales to the Arabian Gulf region. Different Boeing aircraft types in VIP configuration — including 727, 737, 747, 757, 767, 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. The company’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 its air defense. After Operation Desert Storm, the RSAF increased its force with an additional purchase of
F-15C/Ds, followed by F-15S Strike Eagles, to enhance its capabilities with one of the most advanced multirole platforms in the world.

In December 2011, Saudi Arabia and the United States signed a Foreign Military Sales 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 currently operated in the kingdom include E-3A 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 its aerospace industry, characterized by evolving and strengthening relationships and partnerships.

In May 2017, the kingdom expressed its intent to order P-8 maritime patrol and reconnaissance aircraft.

In August 2017, the Saudi Arabia Ministry of National Guard took possession of its first AH-6 Little Birds, becoming the first customer to operate the light attack and reconnaissance helicopters.

Also in August, Boeing welcomed Saudi Arabia as its 20th global Chinook operator following a contract award from the U.S. Army to build eight of the heavy-lift helicopters for the kingdom. The contract award is part of a foreign military sale approved by the U.S. State Department in late 2016. Saudi Arabia has requested a total of 48 CH-47F Chinooks.

In March 2018, in line with Saudi Arabia’s Vision 2030 and following the announcement of HRH Crown Prince Mohammed bin Salman bin Abdulaziz to localize 50 percent of the total military spending by 2030, Saudi Arabian Military Industries (SAMI) and Boeing signed a Memorandum of Agreement to develop a new joint venture. The venture will localize more than 55 percent of the manufacturing, repair and overhaul (MRO) services for fixed- and rotary-wing military aircraft in Saudi Arabia and will be the sole provider of these services for all military aviation platforms of the KSA military fleet, strengthening the Kingdom’s defense capabilities and enhancing its deterrent potential. The signing ceremony came in conjunction with HRH Prince Mohammed bin Salman’s historic visit to Seattle, Washington, which included an official visit and tour of Boeing’s aircraft manufacturing facilities.
Boeing 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. The following four programs were eventually adopted for implementation:

- **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 electronics design, development, manufacturing, repair and modification.
- **Aircraft Accessories and 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 Global Services**

Boeing Global Services combines the services capabilities of Boeing Commercial Airplanes and Boeing Defense, Space & Security to provide commercial, space and government customers with uncompromising service solutions worldwide. Specifically, Global Services is focused on bringing innovative services to customers in supply chain; engineering, modifications and maintenance; digital aviation and analytics and training and professional services.

Boeing continues to expand its services presence in the Kingdom of Saudi Arabia and is committed to growing indigenous capabilities. Currently, more than 2,300 employees and partners provide services support to commercial and government customers throughout the region.

Global Services provides sustainment solutions to a number of government platforms, including AH-6i, Apache, Chinook and F-15s. The business also provides supply chain; digital aviation; engineering, modifications and maintenance; and training solutions to several airline customers.

**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 youth).
- Create and capture new markets.
• Provide additional support to communities 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 multinational corporations, embarked on an ambitious program to establish the first private university in the kingdom.

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.

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

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. Also:

• 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.

• 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.

In 2015, Boeing signed an agreement with Saudia Aerospace Engineering Industries (SAEI) and AAI to create the Saudi Rotorcraft Support Company (SRSC). The joint venture opened in April 2017 with facilities in Riyadh and Jeddah. It supports the kingdom’s commercial and defense rotorcraft platforms, including the AH-64 Apache, CH-47 Chinook and AH-6i through the following services:

• Comprehensive, in-country maintenance and maintenance support.
• Depot overhaul and repair.
• Program and supply chain management.
• Saudi pilot and maintenance team training.
In 2016:

- Boeing announced that a second group of students joined its Saudi graduate-recruitment program, further supporting Boeing’s continuing investment in Saudi youth.

- Boeing sponsored a group of Alfaisal University senior management staff members who benefited from the Leadership Development Program at the Boeing Leadership Center in St. Louis, Missouri.

- A joint initiative by Boeing and Saudi Aramco was organized with the goal of supporting the kingdom’s aviation sector. The participants explored several topics that related to discovering the kingdom’s training needs in the aviation sector and air transportation industry.

- Boeing and KAUST renewed their Master Research Agreement (MRA) during a ceremony at the university’s campus.

In 2017:

- The Saudi Rotorcraft Support Company launched operations in May, less than 18 months after Boeing and two Saudi Arabian aerospace companies formally agreed to create it. The company is a joint venture between Boeing, Saudia Aerospace Engineering Industries and Alsalam Aerospace Industries. With facilities in Riyadh and Jeddah, the Saudi Rotorcraft Support Company focuses on providing comprehensive maintenance, repair and overhaul support for both Boeing and non-Boeing platforms in the region.

- In October, the Royal Saudi Air Force (RSAF) awarded Boeing the first of four anticipated contracts to overhaul technology onboard the Airborne Warning and Control System (AWACS) fleet. The RSAF AWACS Modernization Program (RAMP) will update mission systems, ground systems, radio, Identification Friend or Foe and other systems for the five Saudi AWACS. Modifications of the aircraft will be completed in 2026.

In 2018:

- In March, Boeing Global Services captured an international support contract to provide repair support services for the Royal Saudi Air Force F-15 program. Repair support services will be performed at various original equipment manufacturer locations within the United States and in Saudi Arabia.

**Boeing Global Engagement**

The communities where Boeing operates around the world are among its most important stakeholders. 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 — Riyadh**: Training school teachers and parents about people with learning disabilities.
• **King Abdulaziz Charity for Women — Al Jouf**: Delivering special training courses for women from poor or limited-income families and from different parts of the region, and providing work-placement training.

• **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 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**: Supplying 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**: Supporting workforce development programs that help women prepare to enter the job market.

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

• **Zahra Breast Cancer Association — Riyadh**: Raising awareness and highlighting the importance of early detection of breast cancer to women in Saudi Arabia, providing “train the trainer” sessions for effective methods of early detection of breast cancer and promoting regular visits for breast cancer screening.

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

• **ENSAN: Charity Committee for Orphans Care — Riyadh**: Identifying and supporting talented and creative orphans through ENSAN’s Human Talent project, an educational program.

• **BENAA Charity Association — Eastern Province**: Accrediting training centers that teach computer skills in the English language as well as accrediting centers that teach communication skills.

• **Charitable Society for Special Needs at Jubail Industrial City (ERADAH) — Jubail**: Training special education teachers to increase the number of high-quality teachers working in special education settings across all charitable schools; exposing teachers to the special education setting and enhancing their repertoire of skills and knowledge to teach in contemporary special education settings.

• **Onaizah Association for Development and Human Services — Onaizah**: An integrated project qualifying and preparing professional special education
specialists to become autism program trainers, in accordance with applied behavioral analysis methodology.

- **Mawaddah Women Charity for Reduction of Divorce and Its Effects — Riyadh:** The program is designed to teach divorced women to be financially independent.

- **Disabled Children Association — Riyadh:** The program is designed to prepare an integrated package to assist speech and language specialists in assessing and diagnosing language capabilities.

- **Charitable Society for Orphan Care (ENSAN):** The sponsorship of gifted and creative individuals project (the human talent) is an educational program that aims to identify talented and creative orphans and provide educational, social, behavioral and psychological care for them.

Boeing has also been an active participant in the Janadriyah festival to celebrate Saudi Arabian culture and showcase Boeing products and services.

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. The volunteers contributed through Sanad Children’s Cancer Support Association, which facilitated the visits and organized several activities for the volunteers and children.

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