Boeing in the Kingdom of Saudi Arabia

70 Years of Partnership

The Boeing Company enjoys a strong and long-standing relationship with the Kingdom of Saudi Arabia. It is a partnership that began on Feb. 14, 1945, when U.S. President Franklin D. Roosevelt presented a DC-3 Dakota airplane 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 civil and defense authorities as well as with the private sector.

The importance of Saudi Arabia to Boeing was reaffirmed in 1982, when Boeing established Boeing Middle East Limited in 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. Ahmed is based in Riyadh. He is responsible for support to all Boeing business operations in Saudi Arabia, including leading government affairs, developing and implementing Boeing Saudi Arabia strategy, maturing Boeing industrial partnerships, implementing corporate citizenship projects, growing the Boeing presence, and reinforcing company relationships with customers and other stakeholders. Ahmed is also responsible for communicating and implementing Boeing key messages and its vision and mission in the country.

In 2006, Boeing established another Saudi subsidiary, Boeing International Support Systems — Saudi Arabia Ltd., 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 Limited to reflect the broad scope of Boeing activities, and today, Boeing Saudi Arabia Limited supports the execution of all Boeing Defense, Space & Security and Boeing Commercial Airplanes programs in Saudi Arabia.

Boeing Commercial Airplanes

After World War II, Saudi Arabia began using the Boeing DC-3 to carry passengers and cargo between 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 airplane formed the foundation of Saudi Arabian Airlines.

Since 1961, Saudia has taken delivery of 129 Boeing airplanes including 707s, 737s, 747s, 777s, MD-11Fs, DC-9s and MD90s. It currently operates many different types of Boeing airplanes, including 747-400/SPs; 777-200ERs; and 777-300ERs, the first of which was delivered to the airline in January 2012. In 2010-2011, Saudia ordered 20 777s and eight 787 Dreamliner airplanes.

Aramco Aviation has owned and operated a fleet of Boeing 737-300 and later 737-700 airplanes for years.

In addition, Boeing has delivered many Boeing Business Jets (BBJ) to prominent Saudi businessmen and VIPs and other entities in the Kingdom. The unique Saudi Arabian VIP market was instrumental in launching the larger BBJ 2, BBJ 3 and 787 VIP airplane.

The Saudi market represents about 70% of the BBJ sales to the Arabian Gulf area. Different Boeing airplane types in VIP configuration, including 727s, 737s, 757s, 767s, 747s and 777s, operate in the Kingdom of Saudi Arabia.

**Boeing Defense, Space & Security**

The Kingdom is also an important customer for Boeing’s 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 for the air defense of the Kingdom. Later, the RSAF complemented its force with an additional purchase of F-15C/Ds after Desert Storm, followed by F-15S Strike Eagles, to enhance its capabilities with one of the most advanced multirole platforms in the world.

In 1985, Boeing and Saudi Arabian Airlines began a formal program to meet offset obligations by proposing a number of industrial projects to benefit the Kingdom. Boeing proposed 10 concepts and four were eventually adopted for implementation: Alsalam Aircraft Company, Advanced Electronics Company, Aircraft Accessories & Components Company and International Systems Engineering Company.

- **Alsalam Aircraft Company** — a fully integrated aircraft modification, maintenance and repair center for commercial and military aircraft.

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

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• Aircraft Accessories & Components Company — a precision engineering facility equipped to service, overhaul and remanufacture aircraft accessories and components to international standards.

• International Systems Engineering Company — a company providing a full range of computer-related software products, systems and services.

Currently Boeing holds the largest stake at Alsalam.

Boeing continues to contribute to the expansion of the technical base of Alsalam for both civil and military applications.

In December 2011, Saudi Arabia and the United States government signed a foreign military sales agreement — the largest such agreement in U.S. history.

Other Boeing defense products include E-3A Airborne Warning and Control System (AWACS) aircraft, KE-3A cargo/tankers, AH-64E Apache attack helicopters, and KV-107 multipurpose transport helicopters, plus Harpoon missiles and launchers.

In 2014, Mike Kurth was appointed senior vice president for Boeing Defense, Space & Security in Saudi Arabia. Kurth will be responsible for the overall Boeing defense business activity in Saudi Arabia, coordinating with the Saudi Arabia Ministry of Defense and working closely with Boeing Saudi Arabia president Ahmed Jazzar.

The appointment reflects Boeing’s commitment to Saudi Arabia 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 the Kingdom of Saudi Arabia as a partner with great potential and has made it a priority to invest in Saudi Arabia’s aviation industry characterized by evolving strong relationships and partnerships.

**Boeing Capital Corporation**

Boeing Capital Corporation (BCC) is a wholly owned subsidiary that creates financing solutions for customers purchasing the company’s 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 Middle East financiers and investors’ conference has become an annual event.

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Industrial and Academic Partnerships

Boeing actively supports the Saudi education sector. The company’s objectives are to support Saudi plans to develop technological capability, create jobs, promote Saudization and create and capture new markets. Additional support to communities are provided by investing in mathematics, science and literacy programs to prepare students to meet future challenges and allow 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. 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 cofounding member of the university, which began teaching classes in 2008. The self-governing, internationally recognized institution teaches and conducts research in engineering, science, business and medicine. Alfaisal University will eventually enroll 4,000 male and female students in these disciplines.

In July 2008, Boeing hosted an aerospace supplier’s conference in the Kingdom, pairing U.S. aerospace suppliers with Saudi industrial firms to pursue opportunities to work together. In the years since this initiative, aerospace production contracts have been awarded to multiple Saudi companies for component production.

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.

One such initiative was the Boeing Fellowship Program for Saudi Arabia, in which Boeing hosted three Saudi students from Alfaisal University in October 2009. Students met with Boeing’s senior executives, engineers, technologists and professionals as part of the program and also joined a network of students and industry professionals while attending sessions at the Boeing Leadership Center in St. Louis, Mo.

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.

In February 2014, Boeing and Saudi Arabian Airlines Holding Co. signed a broad collaboration agreement to explore areas of cooperation in pilot and aircraft maintenance training, rotorcraft support, management and leadership training,
and manufacturing focused on the expansion of local presence and aerospace skill development in the country.

In September 2014, Boeing Research and 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. Boeing’s partnership with KAUST 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.

Also, in September 2014, Boeing and King Abdulaziz City for Science and Technology launched the Decision Support Center. The center will serve 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 with many workshops led by select regional and international speakers. The summit theme focused on today’s hyperconnected world in which the “next big thing” travels from country to country almost as quickly as each new idea can be formed. “What’s Next? Navigating Global Challenges with the Innovation Generation” highlighted today’s game-changing ideas and individuals who are transcending borders to solve the world’s most pressing problems. 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 the next three years) an opportunity to acquire on-the-job training experience with Boeing Military Aircraft and Global Services and Support, initially focused on engineering supporting the KSA F-15 program. Participants accepted to the 2014 program will occupy positions in manufacturing, tooling, and industrial and electrical engineering and will take part in a three-tiered mentoring structure with U.S. engineers eventually transitioning to Boeing Saudi Arabia.

In August 2015, Boeing signed an agreement with Saudia Aerospace Engineering Industries (SAEI) and Alsalam Aircraft Company to create the Saudi Rotorcraft Support Center in the Kingdom of Saudi Arabia. The joint venture will have locations in Riyadh and Jeddah providing comprehensive, in-country

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maintenance repair and overhaul support for Saudi Arabia’s diverse rotorcraft fleet. Through in-country cooperation, the 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 Boeing-built AH-64 Apache, H-47 Chinook and AH-6i.

Global Corporate Citizenship

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 aims to be a facilitator of community change, not simply a source of community funding, through focused corporate giving, employee volunteering, and gift-matching programs. Boeing applies its unique core competencies to its community engagement to deliver sustainable, measurable social development and self-sufficiency.

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 learning disability program at the King Salman Center for Disability Research, which is conducting research into improving language proficiency among disabled Arabic speakers; and a program of early detection of autism, which educates caregivers on identifying early symptoms in children. Boeing also works closely with the Hope Center for Exceptional Needs, King Abdulaziz Women Philanthropic Society, Al-Nahda Women’s Philanthropic Society, Al Ihsan Medical Society, SANAD Society for Children with Cancer, Prince Fahad bin Salman Charity Association for Renal Patients Care, Saudi INJAJZ and Zahra Breast Cancer Association.

Boeing has also been an active participant in the Janadriyah Cultural Heritage Festival for three consecutive years to celebrate Saudi Arabia culture and showcase Boeing products and services.