

# External implications

## Domestic implications

### Leadership: In clear transition

Old guard down – but is it out?  
New prince, next monarch?  
Balancing modern aspirations, with medieval mindset  
Ensuring rule of House of Saud

### Social reforms: Transient or permanent?

Curbing the powerful clergy, religious charities  
Increasing the presence of women in public

### Jobs: Entitlement to Employment

One of the largest youth populations, jobs to offset dissatisfaction  
Retain diaspora with skills and institutional knowledge

### Oil: No longer the dominant economics

Challenges of making Aramco IPO successful after the removal of the most prominent Saudi businessman  
Shift away from petro-economy to digital economy  
Shrinking revenues, shrinking subsidies  
Saudi subsidies difficult, hence shift away from oil

## Saudi Purge

### India: Re-emergence of old concerns

Oil prices could rise, causing economic problems for Modi government  
Counter-terrorism partnership could be hampered, as Saudi gazes inward  
Concern for safety of Indian diaspora– most immediately in leaderless Lebanon, where 8,000 Indians reside, and could result in a Yemen-type evacuation

### Russia: New Regional Player

Support to Syria and Iran successful, loyalty in Libya, oil parity with Saudis  
OPEC: Saudi-Russia ties, accentuated by visit of Saudi monarch to Putin, shows cooperation extends beyond energy, will now together keep oil prices low in \$65 band.  
Corridors: Russia's dream corridor INSTC, Eurasian integration, India-Russia trade, can receive boost with lowered Saudi pressure on Iran

### Qatar: Less isolated

Saudi-led blockade futile, and could make way for compromise

### Iran: Stable regime, carving Shia-Sunni equivalence

Powerful new regional friend in Russia  
Reviving regional economic engagement, connectivity starting Chabahar  
Victorious in Syria, Yemen; successful proxy Hezbollah  
Weathers sanctions and U.S. de-certification of JCPOA

### U.S.: new generation relationship

Kushner & MBS forge ties, moving beyond oil  
Modern outlook vs. ancient regime collaboration  
Israel – compounded security challenges  
Aramco IPO on shaky ground  
Diminishing regional influence – JCPOA holds despite U.S. de-certification

### China: looking beyond the status quo

Evaluating West Asia through BRI lens  
Finding routes for sovereign investment in Aramco  
Djibouti base makes China a West Asia neighbour

### Terrorism:

MBS' new stated position to move away from radical Islam/terrorism  
Islamic State/Daesh: losing territory, but ideology continues to inspire

### Shia-Sunni: Rising equivalence

Latest battleground: Lebanon  
Iran nuclear deal upheld despite U.S. de-certification  
Shia minorities better off, except in Pakistan