



## Saudi Arabia and the UAE Streamline Military Industry

**OE Watch Commentary:** In the next decade, Saudi Arabia and the UAE aspire to develop domestic military industries that will boost local economy and improve national security. The economic logic is especially compelling given their large defense budgets. Both countries see the “Fourth Industrial Revolution” as an opportunity to become globally competitive production centers of high-tech goods and services, including military platforms and equipment. To this end, they are streamlining their defense industries to favor localization and new technology.

At the Dubai airshow last November, the UAE showcased its new defense conglomerate “EDGE,” which brings the major components of its defense industry under one roof. Its CEO, the founder and former head of the Emirati cybersecurity firm DarkMatter, uses Silicon Valley-speak to explain how EDGE will bring “agile, bold and disruptive solutions” to increase speed, efficiency and innovation in the defense industry. EDGE’s futuristic focus includes “autonomous vehicles, cyber-physical systems, advanced propulsion systems and robotics, with a focus on artificial intelligence across our products and services.”



Saudi Arabian Military Industries company logo.

Source: Qrmoo3 via Wikimedia Commons, [https://commons.wikimedia.org/wiki/File:Saudi\\_Arabian\\_Military\\_Industries\\_company.svg](https://commons.wikimedia.org/wiki/File:Saudi_Arabian_Military_Industries_company.svg), CC 4.0

Saudi Arabia restructured its defense industry in 2017, in part to focus on localizing half of its military spending by 2030. Last September, Saudi Arabia’s military industrial regulator, the General Authority for Military Industries (GAMI), introduced a new licensing program for companies operating in the Saudi defense industry. One of the first licenses was granted in November to the tech-centric Advanced Electronics Company (AEC), which was fully acquired by the Saudi Arabian Military Industries company (SAMI) in 2019. GAMI also announced in November that Saudi Arabia intends to increase “support for scientific research from its military budget to 4 percent during the next 10 years, in order to convey technology, weapons industry and military industries in general.” **End OE Watch Commentary (Winter)**

***“He credits the Mohammed bin Rashid Space Programme and the nuclear power plant at Barakah for enticing a new crop of UAE students to study space and nuclear physics, among other now in-demand jobs domestically, and sees Edge as playing a similar role...”***

**Source:** “Abu Dhabi defence group Edge looks to smart technology to tackle low-tech militants,” *The National*, 18 November 2019. <https://www.thenational.ae/uae/government/abu-dhabi-defence-group-edge-looks-to-smart-technology-to-tackle-low-tech-militants-1.939217>

He said Edge is “investing heavily” in autonomous capabilities “whether for drones, cars, ships, or drones for package delivery. Autonomous is autonomous.” Mr Al Bannai named quantum computing as one of the biggest emerging opportunities and “an area we will be aggressively investing in.” He cautioned, however, that quantum computing is still a very new - and relatively unproven - field. The company is also making investments in technology for electronic warfare including hardware-software like sensors, cameras and radar... He credits the Mohammed bin Rashid Space Programme and the nuclear power plant at Barakah for enticing a new crop of UAE students to study space and nuclear physics, among other now in-demand jobs domestically, and sees Edge as playing a similar role.

**Source:** “UAE’s EDGE Conglomerate to be Largest Exhibitor at Dubai Airshow,” *Al-Defaiya*, 7 November 2019. <https://www.defaiya.com/news/Regional%20News/UAE/2019/11/07/uae-s-edge-conglomerate-to-be-largest-exhibitor-at-dubai-airshow>

“Technology is drastically changing the aerospace industry, and EDGE is taking significant strides to respond with agile, bold and disruptive solutions - bringing products to market faster and more efficiently,” said His Excellency Faisal Al Bannai, CEO and Managing Director, EDGE. “With Air Force and Air Defence being key areas of focus for militaries, we are invested in reimagining aviation capabilities and supporting its unprecedented growth and development, through technology exploration in areas such as autonomous vehicles, cyber-physical systems, advanced propulsion systems and robotics, with a focus on artificial intelligence across our products and services. The Dubai Airshow gives us an opportunity to deepen our strategic relationships within the aerospace industry,” he added.

**Source:** “Localization of Saudi military industry to support economic diversification,” *Arab News*, 11 November 2019. <https://www.arabnews.com/node/1582606/saudi-arabia>

General Authority for Military Industries (GAMI), confirmed that the Kingdom will increase support for scientific research from its military budget to 4 percent during the next 10 years, in order to convey technology, weapons industry and military industries in general. He stressed that the Kingdom currently spends the equivalent of 0.2 percent, but in the coming years it will seek to raise this rate.