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Falling Saudi Arabian Diplomacy Part2: MbS who was a stalled fixer

Last year there were two important international conferences hosted by Saudi Arabia. One was the G20 Summit, where leaders of major countries met together and discussed a wide range of issues. Another one was a joint ministerial meeting between OPEC (Organization of Petroleum Exporting Countries) and non-OPEC oil producing countries. The alliance of OPEC and Non-OPEC is called OPEC+ (plus) which have a great impact on the global energy market.

The G20 Summit was hosted by King Salman, and the OPEC+ Ministerial Meeting (ONOMM) was co-chaired by Saudi Petroleum Minister Abdulaziz bin Salman with Russian Energy Minister Alexander Novak (now promoted to Deputy Prime Minister). Saudi Petroleum Minister is the son of King Salman. In addition to the King and the Oil Minister, Saudi Arabia has one more important figure; Crown Prince Muhammad bin Salman. Muhammad is also the king's son. He is the younger half-brother of the oil minister. He is abbreviated as MbS.

MbS was the most favorite son of the King Salman. He became the crown prince in 2017 overtaking other brothers and grabbed huge power. He is regarded as the de facto ruler of Saudi Arabia. He was expected to play an important role behind the scenes at both the G20 and OPEC+ conferences. Someone supposed that he would take the leadership on the front stage in place of sickly father or indecisive half-brother.

But media reported very little about MbS. His figure was obscure at both conferences. And the presence of Saudi Arabia itself was proved to be extremely weak through both conferences.

1. G20: No one expected Saudi Arabian leadership



G20 Summit was held on November 21st and 22nd, 2020 in Riyadh, the capital of Saudi Arabia¹. Due to the worldwide spread of the corona pandemic (COVID-19), world leaders could not meet face-to-face. They have to exchange their opinions through a video conference.

When MbS attended the Osaka Summit in 2019, he took over the host of G20 from then Prime Minister Shinzo Abe. MbS met with newly enthroned Emperor of Japan in Tokyo² and

returned home in triumph. Until the end of 2019, preparatory works were taken place smoothly. But the circumstance was suddenly changed at the beginning of 2020 due to COVID-19. It has been decided in March that the G20 summit in November would be held by video conference³.

Video conference system has both advantages and disadvantages. It is easy to adjust the schedule of world leaders and to prevent coronavirus infection. On the other hand, video conference has several problems. When the leaders of each country line up on the TV screen, they obliged to make their speech one by one according to the instructions of the chairman, King Salman. They cannot break into a speaker. In other words, it is impossible to have a free and open discussion like a round table meeting. Video conference requires sophisticated ability of the chairman. And in video conference, bilateral talks outside the conference cannot be hold though bilateral talks are inevitable to conclude the final communiqué.

At the Riyadh Summit, the leaders of each country only appealed the common measures against corona virus and/or their own diplomatic and economic opinions. There was no turn for MbS who had an ambition to act as a fixer for compiling the communiqué. After all, the G20 closed without communiqué⁴.

It was unfortunate for Saudi Arabia that the video conferencing system was adopted due to an unexpected COVID-19. However, even under such circumstances, it seemed possible to call for international cooperation and joint action against COVID-19, and to extend the assistance to poor countries suffering from debt⁵. It was clear that King Salman was lack of leadership. In addition, Crown Prince (MbS) had no chance to show his ability as a fixer. Since the murder of media reporter, Mr. Khashoggi, MbS is extremely being kept out from Western countries. It was out of the question that MbS played on the stage of international arena.

Nowadays, no one expected diplomatic leadership of Saudi Arabia. Saudi Arabia missed the golden opportunity to show the bright image of King Salman and MbS.

2. OPEC+ Ministerial Meeting: Saudi-Russian discrepancy due to the disruption of hotline between MbS and President Putin



In early 2020, price of North Sea Brent crude oil was \$ 64 per barrel, which was enjoyed by oil-producing countries so far. However, the coronavirus (COVID-19) pandemic hit the world economy. Oil demand became unforeseeable. Russia, the largest non-OPEC oil-producing country, sought to ease cooperative production cuts and to increase

production. In response, Saudi Arabia insisted on strengthening production cuts to meet further

decline on demand. Two countries did not compromise each other. Saudi Arabia eventually increased production. The market deployed a chicken race.

As a result, Brent crude oil prices plummeted to \$ 18 in April. There was no pick-up of the future trading of WTI crude oil for the month of May. The seller was forced to settle with loss, causing an abnormal situation in which the price temporarily became negative. On April 12, the OPEC and Non-OPEC Extraordinary Ministerial Meeting (ONOMM) was held. It was on TV conference due to COVID-19. They agreed to continue cooperative production cuts. The production level was cut to 9.7 million B / D from May to June, 7.7 million B / D from July to December, and 5.5 million B / D from January 2021 to April 2022 respectively. This soared Brent prices to \$ 50 at the end of the year⁶.

Nevertheless, most of OPEC and non-OPEC oil-producing countries other than Saudi Arabia suffered from revenue shortages. They called for mitigation of production cuts after 2021. Russia took initiatives, which again confronted Saudi Arabia. At the OPEC and non-OPEC Ministerial Meetings (ONOMMs) held in December and January, the production level was eased from 7.7 million B / D to 7.2 million B / D, and the production level of each country was raised. It was also decided to hold an ONOMM meeting every month to inspect the result of production cuts⁷.

The TV conference has made a big change in decision making of ONOMM. ONOMM's monthly meeting has brought close communication between members. On the other hand, it became difficult to get consensus of the participants due to no preparatory meeting by key members nor mediation by a fixer (an important person behind the curtain), which are sometime inevitable for the success of the meeting.

In the past, Saudi Arabian Petroleum Minister Abdulaziz bin Salman and Russian Deputy Prime Minister and Petroleum Minister Alexander Novak, co-chairmen of ONOMM, used to come to Vienna the day before the plenary session and held a bilateral meeting to coordinate the agenda. Then, Saudi Petroleum Minister persuaded OPEC member countries and Russian Minister persuaded non-OPEC member countries to run the plenary session smoothly.

Furthermore, Prince Muhammad bin Salman (MbS) used to communicate directly with Russian President Vladimir Putin from time to time through direct call or indirect means. MbS, on behalf of King Salman, conferred Putin about the important agenda, such as fundamental policies to increase or decrease of oil production. MbS has built a trustworthy relationship with Putin.

It is common that the dictator negotiates with foreign rulers by a personal relationship based on trustworthiness. But once trustworthiness was broken, the hotline would be disconnected. Recent media reports tell that hotline between MbS and President Putin seems not to be at work. It seems that President Putin is keeping MbS away. The reason might be that the international reputation

of MbS has been lowered by the murder of Khashoggi and that Saudi Arabia has been lost Russian credibility about the interest both in Middle East and oil.

It seems that the role of MbS's in OPEC policy decisions was over. The presence of MbS is obscure not only in the OPEC+, but also in the G20 and GCC summit⁸. MbS has been aggressive in the past, but recently it is suspected that there will be a gap between he and his father.

End of Part2

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¹ Coronavirus crisis dominates Saudi-hosted G20 summit

2011/11/21 Kuwait Times

<https://news.kuwaittimes.net/website/coronavirus-crisis-dominates-saudi-hosted-g20-summit/>

² Saudi Crown Prince Mohammed bin Salman meets with Japanese emperor in Tokyo

2019/7/2 Arab News

<http://www.arabnews.com/node/1519326/saudi-arabia>

³ Saudi Arabia to convene virtual G20 summit on coronavirus

2020/3/18 Arab News

<https://www.arabnews.com/node/1642871/saudi-arabia>

⁴ Saudi Arabia hands over G20 presidency to Italy as Riyadh summit concludes

2020/11/22 Arab News

<https://www.arabnews.com/node/1766871/saudi-arabia>

⁵ G20 dithers on poor countries debt time-bomb amid crisis warning

2020/11/23 Kuwait Times

<https://news.kuwaittimes.net/website/g20-dithers-on-poor-countries-debt-time-bomb-amid-crisis-warning/>

⁶ Refer to Graph「[Production of Oil of Russia, Saudi Arabia and US and Brent Crude Oil Prices](#)」

⁷ OPEC+ (plus) solidarity is threatened into collapse

<http://ocininitiative.maeda1.jp/202101OpecPlusEnglish.pdf>

⁸ Saudi Diplomacy Fallen to the Ground Part1: Unconditionally Reconciled GCC Summit

<http://ocininitiative.maeda1.jp/202101SaudiDiplomacy1English.pdf>