The Israel-Hamas war is having extensive political repercussions across the Middle East, having emerged at a time when the US sponsored Saudi-Israeli normalization was progressing. While events on ground put the process on hold, Saudi Arabia’s underlying motivations for concluding a deal have not disappeared. This policy brief examines the impact of the Israel-Hamas war on the Saudi-Israeli normalization process and the attendant impacts of the war on Saudi-Iranian relations and Saudi Arabia’s de-escalation efforts in Yemen.

Brief Points

- Hamas’ attack on Israel and Israel’s subsequent military attack on Gaza have halted the US-led Israeli-Saudi normalization process for the time being.
- The Gaza conflict presents the first real test of the recent Saudi-Iranian rapprochement.
- Yemeni Houthi group’s attacks against Israel risk fomenting a new round of conflict in war-torn Yemen and represent a step backward in recent Saudi-Houthi peace efforts.
- US attention to and military build-up in the region present an opportunity for Russia and China to appeal to Arab populations and to improve their positions in Ukraine and the Indo-Pacific, respectively.
**Introduction**

On 7 October 2023, Hamas launched a surprise attack on Israel, killing 1,200 people and taking more than 200 hostages to Gaza. In response, Israel retaliated with devastating airstrikes and marshalled its ground forces into Gaza. The human toll was significant: Between 7 October and 24 November, Israeli military forces killed more than 20,000 people in Gaza and displaced 1.7 million Palestinians, according to the Euro-Med Human Rights Monitor.\(^1\) The threat of wider regional spillover from this conflict is ever-present as Israel has attacked positions in Syria and Hezbollah targets in Lebanon. The conflict and unfolding humanitarian crisis could potentially redraw political and economic alliances in the Middle East and such shifts could force the US to reverse its incremental but steady withdrawal from the region – developments that are inseparable from wider US-Chinese and US-Russian competitions globally.

The conflict emerged at a time when the US-engineered Saudi-Israeli normalization process was developing quickly in continuation of the 2020–21 Abraham Accords through which Israel established official relations with Bahrain, Morocco, Sudan, and the United Arab Emirates (UAE). The current conflict has halted the normalization process and highlighted how the lack of engagement with the Palestinian issue threatens to undermine the normalization process.

As the Israel-Hamas conflict continues (at the time of writing), the situation changes day-to-day. Still, there is value in taking a closer look at the immediate effects of the conflict on Saudi-Israeli relations and, by extension, Saudi-US relations. In this brief, I discuss these relations with a special focus on Saudi domestic and regional policies related to Iran and the conflict in Yemen. To begin, I provide a quick overview of official Saudi discourse about the conflict as expressed in public speeches by Saudi officials, noting especially the things that are not said.

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**Saudi Official Narratives**

Official Saudi statements on the conflict have backed Palestine and included strong criticism of Israel’s response to Hamas. The Saudi Foreign Ministry’s first statement on 7 October expressed concerns about the unfolding situation, warned against escalations of violence, and restated its concerns about Israel’s continuing occupation of Palestine.\(^2\) Saudi Arabia’s Crown Prince and Prime Minister, Mohammad bin Salman (MBS), and Palestinian President, Mahmoud Abbas, spoke by phone on 10 October.\(^3\) MBS reiterated that the Kingdom is working on halting the ongoing escalation and stressed the Kingdom’s continuous support for the Palestinian people. In later statements, the Kingdom expressed its desire for a sustainable peace through the two-state solution with an independent Palestinian state with its 1967 borders.\(^4\) Furthermore, Saudi Arabia condemned Israeli airstrikes and ground operations\(^5\) and criticized the international community for not exerting enough pressure on Israel to agree on a ceasefire.\(^6\)

The silences in Saudi Arabia’s statements are also notable. For one, none of them condemned Hamas’ actions in Israel, which was unlike the statements issued by Bahrain and the UAE. And none of the Saudi statements mentioned how the conflict might impact ongoing normalization efforts between Israel and Saudi Arabia.

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**Saudi-Israeli Normalization**

Understanding the trajectory of Saudi-Israeli normalization requires a brief overview of Saudi-Israeli relations, on one hand, and, Saudi Arabia’s relationship to various Palestinian factions, on the other. Saudi Arabia and Israel have never had formal diplomatic relations and the Kingdom has long been a supporter of Palestinian sovereignty. At the same time, in recent decades, Saudi Arabia and Israel have covertly cooperated on security, business, and intelligence matters. It is also of note that the Kingdom did not oppose Bahrain’s 2020 normalization with Israel and allowed several flights between Israel and Bahrain and the UAE to fly through Saudi airspace. The potential for Saudi-Israeli normalization is thus not a sudden development – such a deal would represent a public declaration of a covert relationship that has existed for decades. For years, the two countries have maintained a connection through their shared hostility toward Iran and mutual concerns about the US’s reengagement in the region.

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The Kingdom opened itself for normalization with Israel in exchange for extended US military guarantees, such as access to more advanced weaponry, streamlined procurement procedures, and assistance to develop a civilian nuclear program. However, negotiations over normalization have been fraught with disagreements on several issues, key amongst them being Palestinian statehood. All three key actors – Israel, Saudi Arabia, and the US – would face multiple domestic challenges to sell such a deal to their respective domestic audiences. In the US, President Biden’s need for Congress’ approval for Saudi security demands would have been challenging. Israel’s current far-right government would need to acquiesce to Saudi demands regarding Palestinian statehood. And Saudi Arabia would have needed to secure meaningful concessions on the Palestinian issue to prevent the deal from being seen as a selout, both at home and regionally. Furthermore, Saudi Arabia’s ambitions to develop a civilian nuclear program would raise additional concerns among many parties of a potential nuclear arms race in the Middle East.

While the Palestinians were not consulted during the process leading up to the 2020 Abraham Accords, the case of the Saudi-Israeli normalization is markedly different. Saudi officials have repeatedly emphasized that Riyadh is building on the 2002 Arab Peace Initiative, according to which normalization is conditional on Israel’s withdrawal from the areas gained during the 1967 Six Day War, the establishment of a Palestinian state with East Jerusalem as its capital, and a “just settlement” on the issue of Palestinian refugees. Saudi Arabia underlined its support for Palestinians in September 2023 when they appointed the Kingdom’s first-ever nonresident Ambassador to the State of Palestine.

Riyadh’s shifting and complicated relationship with Hamas poses an additional challenge for Saudi-Israel relations. In the early 1980s, Hamas and Saudi Arabia maintained close relations, but Hamas’ increasingly close ties to Iran frayed, and eventually severed, its connection to the Kingdom. Following the 2007 conflict between Hamas and Fatah for control over Gaza (from which Hamas emerged as victorious), Saudi Arabia attempted to bring together the warring parties through the Mecca Agreement, which ultimately did not succeed and further contributed to deteriorating relations between Saudi Arabia and Hamas. Then, in 2014, Saudi Arabia branded the Muslim Brotherhood as a terrorist organization, prohibited Hamas from operating in the Kingdom, and imprisoned dozens of its members. Some of those Hamas prisoners have been released in recent years, and the Kingdom’s change of heart on many international issues (e.g., the Abraham Accords) testifies to the shifting geopolitical landscape in the region. In April 2023, Saudi Arabia and Hamas seemed to enter a new phase of rapprochement when a senior Hamas
delegation visited the Kingdom. Notably, representatives of the Palestine Liberation Organization (PLO) were also recently welcomed in Riyadh, a signal from the Kingdom that it seeks to balance its relations between the two Palestinian factions.

Understanding Saudi Arabia’s approach to normalization with Israel and to the current conflict cannot be separated from MBS’s key domestic priority: Vision 2030, an ambitious economic and cultural program to help the country reduce its dependence on oil sales and diversify its economy. Saudi leadership maintains an obvious fear that conflict and destruction in Gaza will deter tourism and investment, two key pillars of its socio-economic transformation plan.

To complement its domestic goals, Saudi Arabia recalibrated its foreign policy to achieve the Kingdom’s goal to “de-risk” the Middle Eastern region. In practice, “de-risking” means using high-level diplomacy and mediation as key tools to reduce tensions (overt and covert) in the Kingdom’s neighborhood. For example, in 2021, Saudi Arabia re-established relations with Qatar and in 2023 renewed diplomatic ties with Iran. More recently, the Kingdom has opened talks with Yemen’s de facto government, Ansar Allah (more commonly known as the Houthis), with Yemen’s de facto government, Ansar Allah (more commonly known as the Houthis), with whom it has been in conflict since 2015. Parallel to these regional efforts, Saudi Arabia has begun to position itself as an international peace broker by hosting talks aimed at ending the conflicts in Sudan and Ukraine. In the meantime, the Kingdom has become a dialogue partner in the Shanghai Cooperation Organization (SCO) and is likely to join the BRICS bloc of developing economies, starting on 1 January 2024. These last two developments signal closer ties to China and will prove worrisome for the US.

However, Saudi Arabia is not a monolithic political entity and as the home of Islam’s two holiest sites, Mecca and Medina, the Wahhabi clerical establishment is a strong influence on Saudi Arabia’s domestic and foreign policy. Because the religious elite strongly support the Palestinian cause, selling normalization with Israel poses a significant challenge. Furthermore, there appears to be an inter-generational difference within Saudi leadership on the issue of Palestine. The current king of Saudi Arabia, Salman bin Abdulaziz al Saud, has been a vocal supporter of Palestine for decades, while his son and de facto power-holder, MBS, has shown greater (and unprecedented) interest in moving closer to Israel.

Given these countervailing forces in Saudi Arabia, we can see that while ties between the Kingdom and Israel have been developing positively over the years, normalization was far from a settled matter even before the current conflict.

**Saudi-Iranian Relations**

Tensions between Saudi Arabia and Iran date back several decades. The two countries have supported opposite sides in conflicts in Iraq, Lebanon, Syria, and Yemen. Both Saudi Arabia and Israel have long viewed the Iranian nuclear program as an existential threat, which Israel has sought to counter through sanctions and diplomatic isolation. The Kingdom and Iran severed diplomatic relations in 2016, following Saudi Arabia’s execution of the influential Shia cleric, Nimr al-Nimr. Saudi Arabia views Iran, and the non-state actors it supports, as an ongoing danger, a suspicion that deepened in 2019 after drone attacks on two key Saudi oil facilities were claimed by Ansar Allah. US intelligence reports later concluded that the attacks likely originated from Iran.

In 2023, however, Tehran and Riyadh made initial steps towards rapprochement, starting with the mediation of Iraq and Oman, when China brokered a deal between Saudi Arabia and Iran. As a consequence, Tehran and Riyadh re-established their diplomatic relations. In September, Saudi Arabia and Iran exchanged ambassadors, cementing the restoration of diplomatic ties. Israeli officials were concerned about this rapprochement, which, at the time, was viewed as a potential setback to Saudi-Israeli normalization efforts and Israel’s ambition to build a regional anti-Iranian coalition. While the US openly embraced the agreement between Iran and Saudi Arabia, they were concerned by China’s role in the process which signaled, perhaps, the US’s declining role in global diplomacy. Shortly after the Israeli attacks on Gaza in October, MBS and Iranian President Ebrahim Raisi held the first call since the re-establishment of diplomatic ties to discuss ways to prevent the conflict from escalating into a wider regional war.

Importantly, Hamas’ main regional supporters are Iran and Hezbollah – both of whom have provided military training and supplied the group with weapons and funding. The Iranian leadership praised Hamas’s October 7 attack while denying any involvement. For the time being, “Iranian and Hezbollah calculations regarding the conflict remain unclear. While both have expressed willingness to intervene should a ground invasion of Gaza begin, both countries, at the time of writing, have yet to act on that pledge.

**The Conflict in Yemen**

Saudi Arabia has also reconfigured its Yemen policy, especially its relations to Ansar Allah. Ansar Allah is a Zaydi Shia group which ousted the internationally recognized government of Yemen in 2014. Since then, they have controlled the capital and most of the northern part of the country, while the ousted government continued operations from the southern city of Aden. In 2015, Saudi Arabia intervened with military force, leading a larger coalition, to unseat Ansar Allah and restore the Yemeni government, and in doing so contain Iranian influence in the country and neighboring countries. Between 2015 and 2023, the conflict significantly escalated, and the frontlines remain frozen.

Early in the conflict, Iranian influence was minimal but increased over time as Ansar Allah established closer relations with Tehran. The UN reported that the Houthis have received military support despite Tehran’s claims to the contrary. Since the start of the Yemen war, the Houthis have gradually strengthened their integration in Iran’s armed network and become close allies with Hezbollah. The sentences “Death to Israel” and “Curse upon the Jews” are part of the Houthis’ official slogan, which echoes the slogans of post-1979 Khomeinist Iran. While the Kingdom has repeatedly condemned Israeli attacks on civilians infrastructure and its blockade of Gaza since 2007, Saudi Arabia has used similar tactics in Yemen. The UN and other international organizations have shown that both Ansar Allah and the Saudi-led coalition have committed acts amounting to war crimes, including indiscriminate air attacks and blocking aid, among others.

Parallel with UN mediation efforts over the past 1.5 years, Ansar Allah and Saudi Arabia have engaged in peace negotiations with Oman facilitating. In September 2023, a senior Houthi delegation travelled to Riyadh, the first trip since the conflict started. The talks notably exclude a number of key powerbrokers from Yemen, such as the Presidential Leadership Council (the internationally-recognized government) and the Southern Transitional Council. Furthermore, while large-scale violence has subsided, incidents in Yemen are still frequent and can escalate quickly. For example, in September, Ansar Allah killed four Bahraini soldiers stationed on Saudi Arabia’s southern border.

Given these events, Saudi Arabia has acknowledged that its eight-year long military campaign in Yemen is untenable, having failed to remove Ansar Allah from power, restate the
internationally-recognized government, and diminish Iranian influence. Thus, the Kingdom has opted for peace negotiations with Ansar Allah as a means for also improving relations with Iran.

Ansar Allah, however, has assumed a new transnational role due to its involvement in the conflict in Gaza. On 19 October, the US shot down three land-attack cruise missiles and multiple drones launched from Yemen that were potentially heading towards Israel. Then, in another attack on 31 October, Ansar Allah claimed responsibility for launching missile and drone attacks targeting Israel that were shot down. On 20 November, Ansar Allah seized a ship in the Red Sea and took 25 crew members hostage because they believed the ship was connected to Israel and later said that “direct US intervention in Gaza” would precipitate their own direct involvement in the conflict.

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Ansar Allah seeks to position itself in Yemen as an actor to unify the population behind the cause of Palestinian liberation while also signalling to external audiences (including Arab governments) that they are willing to go beyond the rhetoric and mere condemnations of Israel’s attacks. Ansar Allah’s latest moves could significantly impede its talks with the Kingdom if Saudi officials view these acts as ordered by Iran, who was expected to cut back on support for Ansar Allah as part of re-establishing diplomatic relations with Saudi Arabia.

Implications for Global Dynamics

The conflict in Gaza has certainly halted the Israeli-Saudi normalization process for now. For Saudi Arabia to pursue normalization now would risk inciting immense diplomatic backlash from states across the region. On the other hand, abandoning the process could also mean endangering the proposed US military aid and civilian nuclear infrastructure. While the actual deal is currently off the table, the motivations for normalizing relations with Israel have not disappeared. The Gaza conflict constitutes a pivotal test for the durability and sincerity of the newly established Saudi-Iranian relations and for Saudi Arabia’s de-escalation efforts in Yemen. Both relationships are crucial in the Kingdom’s pursuit of economic transformation.

For several years now, Saudi Arabia’s foreign policy has followed a pragmatic path to diversify its pool of partners while keeping the US as close as possible, which became necessary given the US’s gradual withdrawal from the region and its pivot towards Asia. Saudi Arabia’s faith in US support was further weakened by President Trump’s lack of response to the 2019 attacks on Saudi Aramco facilities and Biden’s initially harsh condemnation of MBS (later revised in 2022 following his visit to the Middle East).

When it comes to the future of Saudi-Israeli normalization, it is important to remember that “every Arab agreement with Israel has been, at its core, an Arab Agreement with the United States” (Gause, 2023). Without question, Saudi-Israeli normalization would have been a major diplomatic achievement for the Biden administration, especially in the wake of China’s efforts to mediate Saudi-Iranian rapprochement.

The conflict in Gaza has compelled the US to reverse its policy of diminished military presence (at least temporarily) in the region by ordering the country’s largest military build-up since the war on the Islamic State. This build-up is a favorable outcome for Russia and China, because while neither country aims to replace the US in the Middle East, Washington’s military focus on the region means fewer resources available for Ukraine and the Indo-Pacific. The US’s unwavering support for Israel (even considering its destruction in Gaza) could also open space for Moscow and Beijing to further capitalize on anti-US sentiments across the region.

Notes


References