



THE RISK  
ADVISORY  
GROUP LTD



JANUSIAN  
SECURITY RISK  
MANAGEMENT LTD

# JANUSIAN:THINKING

analysis assessment intelligence

1 August 2005

---

## JANUSIAN INTELLIGENCE UPDATE:

### SAUDI ARABIA'S KING FAHD DIES

1<sup>ST</sup> AUGUST 2005

Aged 84, the Custodian of the 2 Holy Mosques, King Fahd bin Abdul Aziz, has died at the King Faisal Specialist Hospital, Riyadh. As expected, Crown Prince Abdullah has been made King. Defence Minister, Prince Sultan is the new Crown Prince.

#### KEY JUDGEMENTS:

- **Fahd's death has been anticipated and well prepared for by the al-Saud – negating the potential for the emergence of a public and unsettling succession crisis at the current time.**
- **The recent return of Prince Bandar – son of the new Crown Prince Sultan and former ambassador to the US – to Riyadh from Washington is implicit of the development of a major role for him in the Kingdom's ruling echelons. Bandar's physical reinsertion into the al-Saud powerbase in Riyadh may also be seen as an attempt by the Sudairi Seven to ensure the perpetuation of their influence in the future.**
- **With Bandar's return the desire for relations with the US to remain close appears to persist – something the Sudairi Seven will have hoped for.**
- **Any attempts by Abdullah to facilitate more speedy reform will be complicated by those who wish to preserve the status quo and by certain influential conservatives.**
- **Given that a number of the main contenders for kingship after Abdullah are aged and not in the best of health, succession issues are likely to recur. Crown Prince Sultan's poor health – he has cancer – might even preclude him from ever taking the throne.**
- **While a succession crisis may have been avoided in the short term, the demise of both Abdullah and Sultan will certainly see the occurrence of future complications and intra-familial conflicts.**
- **The 3 day period of mourning – with mass attendance at death prayer ceremonies and at ceremonies to swear allegiance to the new King – may create useful security gaps for terrorists aiming to carry out attacks and/or conduct less overt preparatory operations for future ones. Companies operating in Saudi will be concerned about reduced guard levels at this time.**
- **World oil markets – where the price of US crude oil rose almost 50 cents a barrel upon the news of Fahd's death – will absorb the event with minimal**

**reaction as it becomes increasingly apparent that a succession crisis has been avoided for now and the Kingdom's oil policy remains unchanged.**

King Fahd's prolonged poor health, and more recently his acute illness, have allowed the al-Saud family to conduct detailed preparations for action on his demise. These have largely circumvented the potential for a public succession crisis to emerge. The royal family has been very careful to keep the issue out of the public eye since May when Fahd was admitted to hospital with pneumonia – although it has been widely known that he was close to death. Typically, the exact status of King Fahd's health has always remained a closely guarded secret – which has in the past done little to assuage the suspicions of those who believed that his life rested largely in the hands of the powerful Sudairi Seven for sometime previous to his death. Saudi media outlets with speculative and potentially unsettling tendencies will have been closely monitored over recent weeks.

It is likely that complex power sharing deals have been struck to placate those that remain of the influential Sudairi Seven, while allowing monarchical command to move gradually and subtly towards a more youthful sphere of influence. Doubtless the protégé of the Sudairi siblings will carry forward their predecessor's thirst for power: the House of Saud will never be free of potentially explosive family rivalries.

With Abdullah assuming the kingship a noticeable change in the style and direction of Saudi policy may emerge that sees the tempo of reform accelerated as far as is possible, while the traditional relationship with the US is gently reworked. Abdullah sees US support for the al-Saud as something of a double-edged sword that has proved itself to be deeply damaging within Saudi Arabia itself and regionally. Consequently, he has sought to stabilise the monarchy's position from within the Kingdom, rather than by relying on an external guardian with an uncanny ability to incite virulent hatred in Arabs throughout the Middle East. However, given Abdullah's position – a reformist surrounded by powerful figures within the royal family who are keen to maintain the status quo – any attempts to facilitate speedier reform will not go unchecked. The Kingdom's conservatives are powerful and continue to exert influence across much of the population. It may be that the new King has to remain content with preparing and promoting reformist candidates for future positions rather than enacting change himself.

Prince Bandar's return from Washington – where he has proved to be an adroit diplomat forging remarkably close personal ties with the US administration – suggests that warm relations with Washington will be perpetuated at least in the short to medium term. Son of newly named Crown Prince Sultan, Bandar's physical reinsertion into the al-Saud powerbase in Riyadh may also be seen as an attempt by the Sudairi Seven to ensure the perpetuation of their influence in the future. They will certainly wish to ensure ties with America remain firm – a policy choice that is somewhat at variance with Abdullah's vision of a more discreet US involvement in Saudi affairs. In the event that Sultan's poor health eventually disqualifies him from fulfilling his role as Crown Prince it is probable that the dwindling Sudairi siblings will call for Bandar to replace him.

In the event that both Abdullah and Sultan are unable to fulfil their positions – due to ill-health or death – before plans to deal with such an event have been thrashed out, a crucially destabilising succession crisis will emerge. Deep and complex divisions within the House of Saud may then surface publicly – with Sudairi Seven numbers reduced and reformist elements increasingly vociferous.

Currently there is little evidence of the machinations of Prince Nayef – another member of the Sudairi Seven. Nayef, Minister of the Interior, is an enormously powerful individual within the

House of Saud and staunchly conservative in his outlook. We judge his influence will be significant in the future.

As the three day mourning period ensues, with mass attendance at death prayers tomorrow and at ceremonies to swear allegiance to the new king on Wednesday, foreign companies operating in the Kingdom may be forced to face reduced security levels in some areas for short periods. This time could also present itself as an opportunity for terrorists to launch attacks or conduct less overt preparatory operations while attention is focussed elsewhere. The convergence of high profile foreign dignitaries in the Kingdom over coming days to pay respects to the late King will call for heightened security.

Despite current instability and long term unpredictability, the House of Saud still exists as a commanding and deeply entrenched seat of power. Further, the House of Saud is an enormous structure that commands much respect, if not overt popularity, through a large swath of Saudi society. With an estimated 7,000 princes, a central core of which wield significant influence, the family is ultimately united in its desire to maintain its position even if disunited in agreeing upon the best route to take. Internal divisions are inevitable as divergent attitudes towards relations with the west, political and economic liberalisation and social and governmental reform are manifest.

Yet, while for now a disruptive succession crisis has been avoided and we do not anticipate unrest, this is only a short-term reprieve. Preparations must already be underway to deal with the implications of ill-health removing Sultan from his new position, and perhaps even the possibility that both Abdullah and Sultan find themselves incapacitated by age, infirmity or even death in the near future. Such an event would be critical to the future of the House of Saud – and could prove deeply disturbing both regionally and globally, through world oil markets. If the façade of the al-Saud regime begins to crumble in public ensuing instability will be swiftly exploited by those wishing for nothing more than to see its downfall.