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Manufacturing

Saudi Arabia official tells Wichitans Boeing purchase benefits both countries



Image: Wichita Business Journal

Fahad Nazer, the spokesperson for the Saudi Arabian embassy, spoke about trade on Sept. 27 at the World Trade Council of Wichita meeting.

ALICE MANNETTE/WBJ

By **Alice Mannette** – Reporter, Wichita Business Journal
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Saudi Arabia wants to have at least 100 million tourists visit the country annually by 2030, and an embassy spokesperson thinks Wichita's aviation ties will play a big part in

making it happen.

In the spring, Saudi Arabia reached an agreement with the Boeing Co. to purchase at least 120 of its 787 Dreamliner jets, the fifth-largest commercial order by value in Boeing's history. The planes will fly for the decades-old Saudia Airlines and an upstart airline, Riyadh Air. The White House valued the contract at nearly \$37 billion.

Fahad Nazer, spokesperson for the Saudi Arabian embassy in Washington, D.C., flew to Wichita on Wednesday to speak at a World Trade Council of Wichita event about U.S. trade with Saudi Arabia, the country's expanding tourism and the Boeing (NYSE: BA) deal.

The talk, Wednesday night at the Wichita Country Club, was sold out.

Along with attracting tourists, Saudi Arabia wants to attract trade and business.

"Because of the fact that we are strategically located at the intersection of three continents, we believe that we can and will be a logistics hub," Nazer said in an interview with the WBJ.

Why purchase from Boeing?

The Saudi Arabian government, Nazer said, sees the airline industry as the way to bring in trade and tourists. By increasing the airlines' destinations with Boeing jets, the country wants to be able to access more nations worldwide.

In 1945, President Franklin Roosevelt gave King Abdul Aziz the Saudia airline's first plane. Today, the airline flies more than 140 jets, including many from Boeing.

"(We want to be) attracting business leaders from around the world," he said. "We want to be as accessible and as easy as possible."

Nazer made it clear the Saudi government wants to maintain a strong trade relationship with the U.S., explaining how the purchase of Boeing planes is a win-win for both economies.

The relationship between Saudi Arabia and Boeing goes back decades. Today, Wichita-based Spirit AeroSystems manufactures full fuselages on the Boeing 737 and also has partial work on all Boeing commercial programs.

"Kansas, if I have the figure correct, does have significant trade; it exports \$30 million to the Kingdom," he said.

In total, Saudi Arabia's national carriers ordered 121 Boeing 787 Dreamliners. In the U.S., the agreement supports around 100,000 direct and indirect jobs and more than 300 suppliers from across 38 states.

Spirit AeroSystems delivers a fully integrated fuselage structure for the Boeing 787 Dreamliner. The composite forward fuselage and engine pylons are built in Wichita. Spirit (NYSE: SPR) has manufactured assemblies and components on the 787 since 2007.

Through its Vision 2030 campaign, Saudi Arabia wants to become a global destination for tourism and trade. In addition to religious tourists who travel to Mecca and Medina each year, the government wants to welcome visitors from all continents. Riyadh Air, which began operations in March, expects to connect to 100 cities worldwide.

During the past few years, Nazer said, Saudi Arabia has relaxed restrictions on women, making it easier for Western women to tour the country. In 2019, the country relaxed rules on separate doors for men and women in restaurants.

"As his royal highness the crown prince said a number of years ago, in some way, Saudi Arabia just wants to be a normal country, where everybody has an opportunity to thrive," Nazer said. "People can come in and visit and experience it for themselves. We've made tremendous progress in a very short amount of time."

But the nation's human rights record has come under much scrutiny.

Amnesty International, [according to the State Department](#), reported last year that Saudi Arabia executed 148 people in 2022's first 11 months, including 81 people in one day. The report said 41 were from the country's Shia minority.

The State Department also reported Saudi Arabia committed crimes against minority groups. "According to human rights organizations, members of the Shia minority and members of the al-Huwaitat tribe were disproportionately sentenced to death," the State Department said.

World Trade Council of Wichita

The World Trade Council of Wichita promotes international trade and investment in Wichita and south-central Kansas. For more than 40 years, the Council, a nonprofit organization, has had a partnership with Wichita State's Center for International Business Advancement. The organization conducts educational seminars and other programs to advance international business.

Each month, the Council brings in speakers to talk about economics and trade. Nazar spoke with WSU students, community leaders and business people on Wednesday

evening.

"Saudi Arabia is a big investor in our state and in the aerospace sector," said Usha Haley, professor of management at WSU and chair of the World Trade Council of Wichita.

"Saudi Arabia has invested a great deal in Boeing. Because (some of) Boeing is manufactured by Spirit (AeroSystems), this is the vote of confidence in Wichita."

Haley said the group was interested in the business dealings of Saudi Arabia and how it partners with the U.S.

"We're interested, but not in a political organization," she said. "We're more interested in the ramifications for business and trade."