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Saudi-Canada Relations: Restoration of Ties



Amnah Mosly
July 2023

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Introduction

In recent months, Saudi Arabia has taken significant steps to push for the security, stability, and economic prosperity of the Arab region: the Kingdom instigated moves to end the war in Yemen, restored full diplomatic ties with Iran, led ceasefire efforts in Sudan, and normalized regional relations with Syria. The growing role of Saudi Arabia in international diplomacy was also highlighted in the Kingdom's efforts in mediating prisoner releases between Ukraine and Russia. Furthermore, just last month, Saudi Arabia announced that it is restoring diplomatic relations with Canada following a five-year drift.

This paper will analyze the effects of the diplomatic rapprochement from the Kingdom's perspective on three fronts: increasing Saudi Arabia's status in international diplomacy and security, advancing economic interests through the restoration of trade and investments, and promoting bilateral educational ties.

Background Information

Saudi Arabia and Canada established relations in 1973 and, since then, have witnessed cooperation on various common interests pertaining to peace and security issues (such as energy security, humanitarian aid, and counterterrorism), as well as advancing economic and cultural ties. According to Global Affairs Canada, since 2016, Canada has committed over \$4.7 billion through its Middle East Strategy on military, security, stabilization, and humanitarian and development assistance in response to the Syrian and Iraqi crises and their impact on the region (Government of Canada, 2023a). The two countries have also worked closely on international issues in the G20, the International Civil Aviation Organization (ICAO), the UN, UNESCO, and the WTO.

Back in 2018, the Saudi-Canadian relationship deteriorated after Riyadh felt that Ottawa was interfering in the country's internal affairs (Arab News, 2023). Consequently, the Kingdom recalled



its ambassador, expelled Canada’s envoy to Saudi Arabia, Mr. Dennis Horak, suspended flights by Saudia Airlines, ended scholarship programs, and froze new trade deals and investments in Canada. From Canada’s perspective, they saw the measures imposed as an overreaction. Canada’s former Ambassador to Saudi Arabia stated, “I think we took a step too far,” but also stated that “it was a very big surprise. I get that they were upset about the tweet, but to react the way they did, it was a serious overreaction” (Arsenault, 2018). From the Saudi perspective, it was a clear statement on non-interference in internal affairs. The statement by Saudi Arabia’s Foreign Ministry “affirmed that the Canadian statement is a blatant interference in the Kingdom’s domestic affairs, against basic international norms and all international protocols,” and characterized the situation as “a major, unacceptable affront to the Kingdom’s laws and judicial process, as well as a violation of the Kingdom’s sovereignty” (Saudi Press Agency, 2018).

In May 2023, the two countries announced the restoration of ties to “its previous state” on the basis of “mutual respect and common interests,” according to a statement by the Ministry of Foreign Affairs of the Kingdom of Saudi Arabia. The decision to resume diplomatic relations follows from the discussion between Saudi Arabia’s Crown Prince and Prime Minister, HRH Prince Mohammed bin Salman, and Canada’s Prime Minister, Justin Trudeau, on the sidelines of the Asia-Pacific Economic Cooperation (APEC) Forum in Bangkok in November 2022.

After the announcement of the rapprochement, Canada appointed Jean-Philippe Linteau as its new ambassador to the Kingdom, while Saudi has yet to announce its envoy. Former Canadian Prime Minister Stephen Harper expressed his support for the restoration of diplomatic relations, tweeting,

“I am pleased to see Canada and the Kingdom of Saudi Arabia restore full diplomatic relations. The Kingdom is a longtime regional partner, one with whom we share many interests. Congratulations to Jean-Philippe Linteau on his appointment as Ambassador.”



Source: CTV News, 2018

Contextual Analysis

Saudi Arabia’s Growing Role in International Diplomacy and Security

Undoubtedly, the COVID-19 pandemic and the Ukraine crisis have shifted the geopolitical landscapes dramatically. Consequently, Saudi Arabia has been at the forefront of many regional de-escalation efforts, including those in Syria, Turkey, Israel, Iraq, Sudan, and Yemen. The mediation and bridge-building efforts even extend



Prime Minister Justin Trudeau

to Ukraine and Russia, where prison exchanges have benefitted from Saudi involvement. The most striking example is the re-establishment of diplomatic ties between Saudi Arabia and Iran facilitated by China.

The Kingdom's positioning in regional and international diplomacy is, therefore, a factor that cannot be ignored. Roland Paris, Prime Minister Trudeau's former foreign policy adviser, stated that "Saudi Arabia is pivotal within its region. It's an important player... It only makes sense to have ambassadors back in place in order to keep channels of communication open" (Scherer, 2023). One result of this realization is the opportunity to build greater Saudi and Canadian collaboration in terms of regional security because, despite Saudi Arabia's steps in establishing itself as an important political and economic power broker at the regional and international levels, the Gulf region continues to exist in a volatile environment marked by uncertainty across the political, security, energy, economic, and social domains. Consequently, there is a growing conviction that communication channels are needed to introduce conflict management and de-escalation efforts to move the region out of its cycle of instability. For Canada, this presents an opportunity to play a critical role in the region.

While the region has recently witnessed a number of international initiatives on possible security

arrangements, such as the Middle East Strategic Alliance (MESA) put forward by the United States, Russia's Concept of Collective Security in the Persian Gulf, Iran's Hormuz Peace Initiative, and China's Five-Point Initiative on Achieving Security and Stability in the Middle East, these initiatives have been caught in the trap of unmet potential. What is required now is a regional approach built on the foundation of inclusivity, practicality, and guarantors. In other words, the plan of action should be inclusive of all regional actors, prioritize finding solutions to current problems that can be practically implemented, and provide a security guarantor for the Gulf region. Here, the restoration of diplomatic relations between Saudi Arabia and Canada provides Canada with the opportunity to act as a facilitator of multi-level dialogue initiatives and to promote multilateral cooperation on issues of shared concern. Moreover, Canada has the opportunity to position itself as a go-between so that overall security in the Gulf region is assured. Canada should thus engage more proactively with the Kingdom to play a significant role in promoting regional security.

There are numerous topics on which Saudi-Canada cooperation needs to be considered, including nonproliferation issues, nuclear safety, maritime security, cybersecurity, energy security, environment and climate change, disaster prevention (i.e., pandemics and earthquakes),



food security, counterterrorism, as well as humanitarian aid and donations. Canada already plays a role in promoting peace and stability in the Middle East, Africa, and Central Asia, with more than \$69.5 million in funding for a total of 26 projects (Government of Canada, 2023b). Additionally, Canada is investing over \$30.3 million in 13 projects through its Counter-Terrorism Capacity Building Program and Middle East Strategy to support the global fight against terrorism and violent extremism. Canada, like the Kingdom, is also part of The Global Coalition against Daesh. Ottawa announced further support for peace, security, and stability in the Middle East following the Foreign Ministers’ Meeting of the Global Coalition against Daesh in Riyadh on June 9, 2023.

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Foreign Ministers’ Meeting of the Global Coalition Against Daesh in Riyadh on June 9, 2023
 Source: The Global Coalition Against Daesh, 2023

New modalities of Saudi-Canada cooperation on regional security issues should be more closely defined. Parliamentary Secretary Robert Oliphant’s visit to the Kingdom was characterized as “productive” after his meetings with H.E. Adel Al-Jubeir, Saudi Arabia’s Minister of State for Foreign Affairs, H.E. Waleed Abdelkarim Al-Khereiji, Vice Minister of Foreign Affairs, and H.E. Mohammed Al Sheikh, Minister of State. During

the meetings, they discussed shared priorities, including global security, food security, trade, and climate action (Global Affairs Canada, 2023). Canada can also increase ties and cooperation with the Kingdom on transport issues, particularly the aviation sector. With the announcement of Saudi Arabia securing the presidency of the Aviation Security Committee of the International Civil Aviation Organization (ICAO) for the

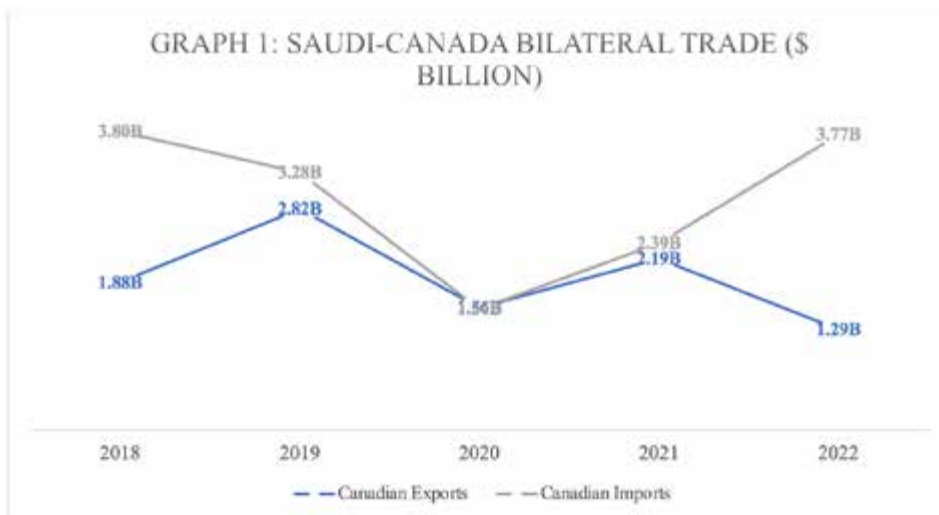
2023-2024 term during the 229th session of the ICAO’s council meeting in Montreal, Canada, the convergence between the two countries has never been so high. Riyadh and Ottawa should take this opportunity to collectively support civil aviation globally by working together to provide recommendations on policies, planning activities, consulting on global standards, and assessing emerging threats to international civil aviation.

Additionally, Canada also has a lot to offer in terms of softer security issues, such as enhancing collaboration on humanitarian aid as well as advancing peace negotiations in conflict zones. In light of the escalating humanitarian crisis worldwide, stronger international alliances and more strategic collaboration between Saudi Arabia and Canada are of critical importance. One example here is the Ukraine crisis, as both Riyadh and Ottawa provided extensive humanitarian aid to Ukraine. In order to improve aid coordination, there needs to be more conversation that goes beyond the financial component. Greater communication and dialogue between the two countries is therefore required to enhance trust, strengthen the bilateral relationship, and share knowledge on how to best provide support and assistance.

Key policy recommendations could include organizing annual Saudi-Canadian political dialogue meetings, conducting dedicated training and exchange programs to boost security skills, developing civilian and military capabilities in research and development, and enabling avenues of cooperation at the mid-level, parallel to high ministerial level cooperation, such as partnerships among think tanks, universities, R&D centers, and business-to-business forums.

Advancing Economic Interests

Trade has always been an important factor in the Saudi-Canadian relations. In 2021, Saudi Arabia was Canada’s largest export market in the region and led in merchandise imports to Canada from the MENA region (Government of Canada, May 2023). Moreover, in 2022, Canadian exports to Saudi Arabia amounted to \$1.3 billion, while imports represented \$3.8 billion (Government of Canada, May 2023). Canadian imports were made almost entirely of oil and petrochemicals at 96%. Canadian exports composed 68% of transportation equipment. Graph 1 below shows the bilateral product trade relations between the two countries since 2018.



Source: Government of Canada, May 2023



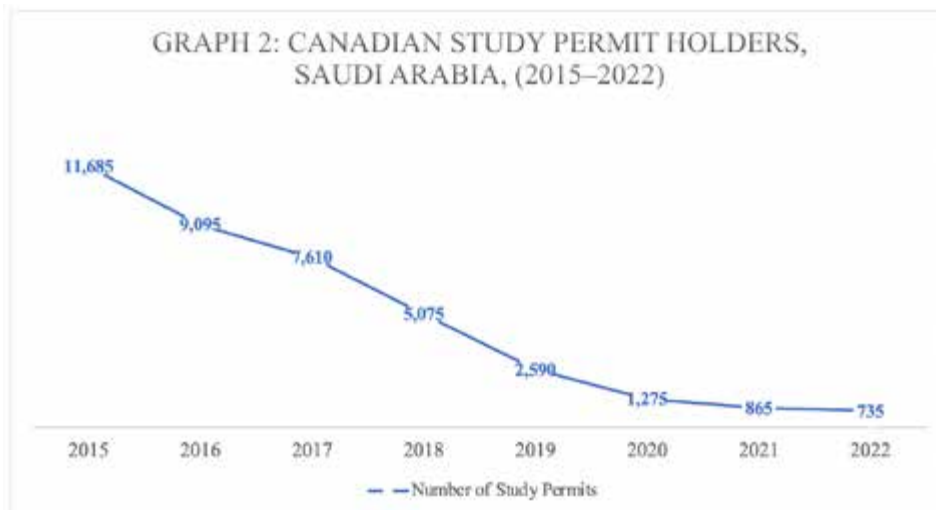
The implementation of Saudi Arabia’s Vision 2030 to diversify its economy away from oil is opening the Kingdom up to the world, particularly as it further develops its industrial sectors, such as manufacturing, logistics, tourism, and entertainment, while also promoting the use of clean energy. Specifically, Saudi Arabia’s mega-projects (NEOM, Qiddiya, Amaala, Red Sea Project, and Diriyah Gate), as well as its growth in ICT, renewable energy, healthcare, education, infrastructure, entertainment, and tourism, are driving a large number of projects in the Kingdom. These transformations are driving significant demands across various sectors that Canada excels in. The national development program thus represents numerous opportunities for Canadian businesses and companies. For instance, Canada’s Trade Commissioner Service has stated that water and wastewater, urban/municipal and asset optimization, education, healthcare and social services, road, transport, customs (land ports), and renewable energy and clean technology are key opportunities for Canadian infrastructure companies in Saudi Arabia (Trade Commissioner Service, 2022). Thus, Canada’s immediate priority should be classifying Saudi Arabia as a priority market and opening all channels of political dialogue to re-engage with the Kingdom as a full trading partner. Saudi Arabia and Canada should also revive their Economic and Technical Co-

operation Agreement, which was initially signed in 1987.

Moreover, Ottawa should take advantage of the positive investment climate in the Kingdom. One key opportunity here is the 7th Future Investment Initiative that will take place in Riyadh in October 2023, in which Canada needs to be involved in the discussion to place more emphasis on business opportunities between the two countries. For Ottawa, opportunities for potentially greater investments include the oil and gas sector, renewable energy (given the fact that Saudi Arabia’s demand in this sector is growing), digital technology (including fin-tech industries), and food and agriculture industries.

Promoting Educational and Cultural Ties

For years, Canada has been one of the preferred destinations for international students from Saudi Arabia. Consequently, the Kingdom established the Saudi Arabian Cultural Bureau (SACB) in May 1978, which has over 200 staff members, including Saudi Arabian diplomats and locally engaged personnel (Saudi Arabian Cultural Bureau, 2021). In 2014, there were over 16,000 Saudi students with scholarships and over 1,000 Saudi medical trainees in Canada (Saudi Arabian Cultural Bureau, 2021).



Source: ApplyBoard, July 2023



Source: Princess Nourah bint Abdulrahman University, 2020

In 2015, nearly 12,000 Saudi Arabian citizens were studying in Canada, making up the sixth-largest international student population in the country at the time (ApplyBoard, 2023). The number of Saudi students in Canada did, however, drastically decrease between 2015 and 2022, falling by 94% to fewer than 750 students in 2022. Graph 2 below shows how the Saudi Arabian student population in Canada has shifted over the past eight years.

The full restoration of ties offers an opportunity to reverse this curve and bring back the positive relationship between Saudi Arabian international students and Canadian institutions. Gaps in understanding between the two countries can primarily be filled through increased interaction and education. Both countries should therefore increase cooperation and coordination efforts to support scientific and educational exchanges of information and experiences. Riyadh and Ottawa should place an emphasis on enhancing student mobility, research and innovation, vocational training, and executive programs.

Canadian institutions should now proactively reach out to Saudi Arabian students to get ahead of increased competition and regain their position as a preferred destination for studying abroad. Conversely, there is a need to push for Canadian students to come to Saudi Arabia to learn more about the Kingdom since people-to-people contact not only benefits students and staff but is crucial in tackling emerging global challenges. Canadian institutions should also consider exchange programs and scholarships to the Kingdom, where education has become a key sector of focus in its national agenda. Over the years, significant objectives related to education included improving equal access to education, improving fundamental learning outcomes, improving the ranking of educational institutions, and ensuring the alignment of educational outputs with labor market needs (Saudi Vision 2030). One noteworthy commitment includes having at least 6 Saudi universities ranked within the top 200 universities globally by 2025. Currently, the Kingdom is on track, with 21 Saudi universities being listed in the 19th annual edition of the Times Higher Education World University



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Rankings in 2023, a 40% increase from 2022 (Saudi Gazette, 2022).

Saudi Arabia is also one of the leading countries in investing in the education sector. According to the Ministry of Finance’s Budget Statement, key achievements in 2021 include: increasing the number of university admissions by over 10%, allocating 60 educational facilities in Makkah, launching the Excellence Scholarship Path for 32 additional majors in 70 international universities, expanding the King Khalid University Hospital, and establishing a university center for oncology at the King Saud University (Ministry of Finance, 2022). Moreover, during the COVID-19 pandemic, the launch of Saudi Arabia’s “Madrasati” e-learning platform has also been cited as an important achievement regionally and internationally. The “Madrasati” platform was ranked among the best seven global e-learning platforms in a study conducted by the Online Learning Consortium (OLC). The study concluded that the Saudi “Madrasati” platform



outperformed 174 countries, proving to be one of the most comprehensive responses against the challenges resulting from the pandemic (Unified National Platform of the Kingdom of Saudi Arabia, 2021). In sum, the Kingdom’s education system has improved drastically and should be on Canada’s radar.

Conclusion

The restoration of Saudi-Canada ties is a positive and necessary step for regional and international developments. The effects of the diplomatic rapprochement include enhancing Saudi Arabia’s status in international diplomacy and security, advancing economic interests through the restoration of trade and investments, and promoting bilateral educational ties between the two countries. As a result, there exists renewed potential for cooperation across the political, security, economic, and educational fields.

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