

Trump Signs “Single Largest Arms Deal in US History” with Saudi Arabia Worth \$350 Billion

By [Zero Hedge](#)

Global Research, May 22, 2017

[Zero Hedge](#) 20 May 2017

Region: [Middle East & North Africa](#)

Theme: [Militarization and WMD](#), [Oil and Energy](#), [US NATO War Agenda](#)

When all other sources of economic growth appear tapped out, there is always the military-industrial complex coming to the rescue of US GDP with the sale of arms and equipment to the world's biggest purchaser of weapons: Saudi Arabia. Because when one looks beyond the pageantry, pomp and circumstance of Trump's visit to Saudi Arabia, the main purpose behind the president's visit is precisely that: selling weapons, some \$350 billion over the next decade, according to estimates.

To be sure, Trump arrival in Saudi Arabia on Saturday was quite a spectacle, with the Saudi king throwing the president's family arrival at the Royal Diwan a “[welcome fit for a king](#).”



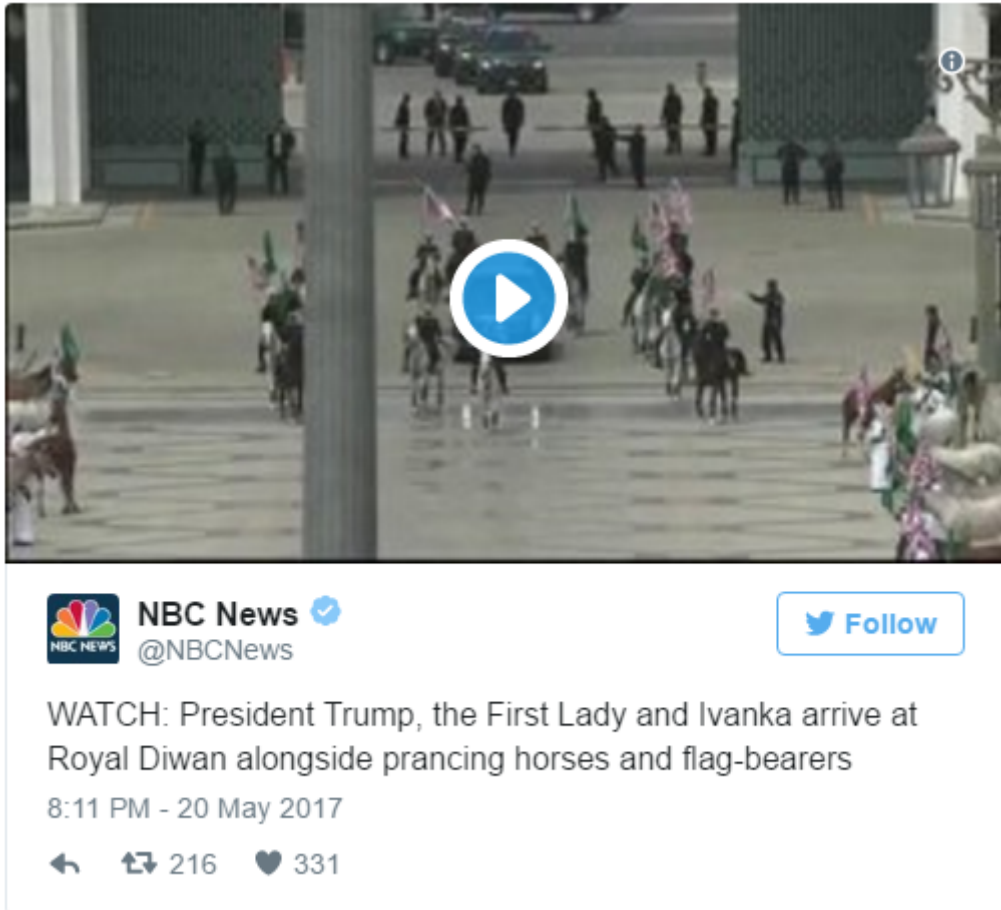
Source: AP



Source: AFP/Getty Images



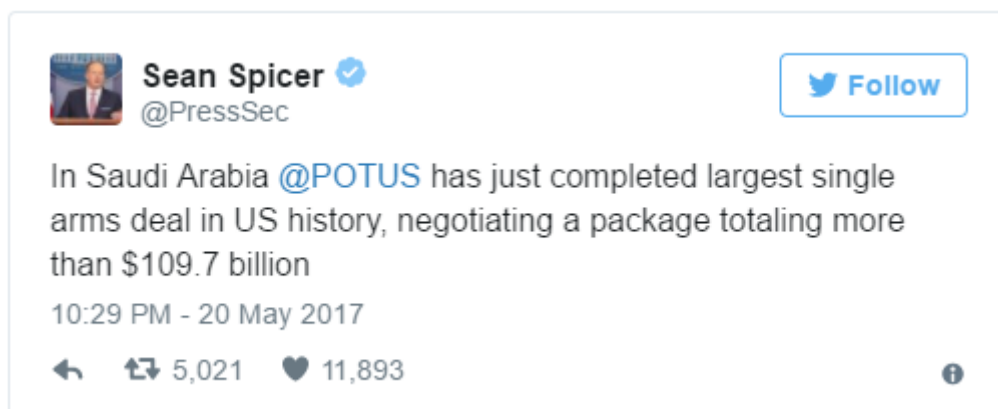
Source: AP



[Watch the video here](#)

However, it is what was announced on Saturday that is the highlight of the various meetings between the Trump delegation and his Saudi hosts, who have promised to invest billions of dollars in the U.S. as well and make other decisions aimed at pleasing Trump.

According to a statement just issued by the White House, Trump "has just completed largest single arms deal in US history, negotiating a package totaling more than \$109.7 billion" which will boost Saudi Arabia's defense capabilities, bolstering equipment and services in the face of extreme terrorist groups and Iran. The White House added that the deal will create defense jobs while also reaffirming America's commitment to Saudi Arabia.



"This package of defense equipment and services support the long-term security of Saudi Arabia and the Gulf region in the face of Iranian threats, while

also bolstering the Kingdom's ability to contribute to counter terrorism operations across the region," the White House said in a statement on Saturday, as quoted by CNBC News.

US President Donald Trump, along with US Secretary of State Rex Tillerson who is accompanying him on the trip, will attend the signing of a memorandum of intent on the package, Reuters reports, citing a White House official.

"This package demonstrates, in the clearest terms possible, the United States' commitment to our partnership with Saudi Arabia and our Gulf partners, while also expanding opportunities for American companies in the region," the statement reads, according to Reuters.



Source: Zero Hedge

The deal will provide Saudi Arabia, the world's largest importer of weapons (for the breakdown of the world's weapons trade, see "[Visualizing The Global Weapons Trade](#)"), with top-tier equipment and services including missiles, bombs, armored personnel carriers, Littoral Combat Ships, THAAD missile defense systems, and munitions.



Source: World Development Indicators/Bloomberg

According to estimates cited by [The Independent](#), including restocking and future commitments over the next ten years, the deal could balloons to \$350 billion worth of arms, over a third of a trillion dollars.

Gary Cohn, Trump's chief economic advisor, said Saudi Arabia is "going to hire US companies" as a result of the defense deal.

The goal of the deal is "to invest a lot of money in the U.S. and have a lot of U.S. companies invest and build things over here," Cohn said, according to a White House press pool report.

The vast funds which will boost the US defense sector will be spent to "address Saudi Arabia's defense needs while scaling back U.S. military involvement in specific operations" the Hill reported.

Saudi Crown Prince Mohammed bin Salman began negotiations on this deal shortly after the 2016 US election when he sent a delegation to Trump Tower to meet with the president's son-in-law Jared Kushner, who is serving as a senior advisor of sorts to Mr Trump.

The deal will be what the Washington Post said is a "cornerstone" of the proposal encouraging the Gulf states to form its own alliance like the North Atlantic Treaty Organisation (Nato) military alliance, dubbed "Arab Nato."

It's not just weapons, however.

[According to Bloomberg](#), Saudi Aramco will sign initial accords and joint-venture agreements

valued at about \$50 billion with companies including General Electric Co., Schlumberger Ltd. and Halliburton Co., Chief Executive Officer Amin Nasser told reporters in Riyadh.

These companies are “trying to expand their footprint in the kingdom by expanding trade between the two sides,” he said.

“Many of us sitting on the table are overseeing substantial investments in the United States,” Energy Minister Khalid Al-Falih said. “Sabic has a big platform with the acquisition of GE Plastics which they continue to build on.” Other deals will be announced today, he said.

Saudi Aramco also plans to sign accords with Baker Hughes Inc., KBR Inc., Jacobs Engineering Group Inc., Nabors Industries Ltd., Weatherford International Plc, McDermott International Inc. and Rowan Companies Plc, two people familiar with the matter said earlier this week.

And so, with industrial and manufacturing spending in the US having declined over the past two years following the collapse in commodity prices, mothballing much of US capital spending, US GDP is about to get a fresh boost courtesy of what has become the world’s most prolific arms dealer.

With that, both the neo-cons in D.C., as well as the all-powerful American Military-Industrial complex can declare a truly unprecedented victory.

Featured image: AFP

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