

MP-IDSA *Commentary*

The US–Saudi Nuclear Deal and the Politics of Strategic Exceptions

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August 11, 2026

Summary

The July 2026 US–Saudi Arabia nuclear deal does not bind Riyadh to forgo enrichment and reprocessing, nor does it require the IAEA Additional Protocol.

On 22 July 2026, the United States and Saudi Arabia signed a civil nuclear cooperation agreement under Section 123 of the US Atomic Energy Act, alongside a companion bilateral safeguards instrument.¹ Washington presented it as the legal foundation of a 30-year, multi-billion-dollar partnership in which American firms would build the kingdom’s nuclear infrastructure.² Yet the agreement’s significance lies less in what it authorises than in what it withholds.

Unlike the 2009 agreement with the United Arab Emirates that set the regional benchmark, it does not bind Riyadh to forgo enrichment and reprocessing, nor does it require the International Atomic Energy Agency (IAEA) Additional Protocol. For a region that India watches closely for its energy security and the welfare of a large diaspora, the deal marks a consequential shift in the terms on which the United States is prepared to support sensitive nuclear cooperation.

The agreement does not resolve the question of enrichment that has divided the two governments for more than a decade; rather, it postpones the resolution. A joint two-year study is to assess whether enriching uranium inside Saudi Arabia is commercially justified. Should it conclude in favour, American companies would construct the facility under a ‘black box’ arrangement, whereby the kingdom would operate the plant without gaining access to the sensitive technology; should Washington decide against, Riyadh would be barred for 10 years from pursuing enrichment independently or with any other supplier.³

The mechanism is neither novel nor dependable. The Eurodif consortium of the 1970s allowed the Shah’s Iran to invest in enrichment without acquiring the technology, only for the arrangement to collapse after the revolution; and it was from within the URENCO consortium that A.Q. Khan obtained the centrifuge designs that later seeded programmes in Pakistan, Libya, Iran and North Korea.⁴ Such schemes separate ownership from control only as far as governance and sustained oversight allow.

A day after the signing, President Donald Trump declared that there would be no enrichment, that the deal covered only non-military use, and that it was now contingent on Saudi accession to the Abraham Accords and formal relations with

¹ [“United States and Saudi Arabia Reach Historic Nuclear Cooperation Agreement”](#), US Department of Energy, 22 July 2026; [“US and Saudi Arabia Announce Nuclear Cooperation Deal”](#), *Al Jazeera*, 22 July 2026.

² [“US-Saudi Nuclear Deal”](#), *CNN*, 22 July 2026.

³ Ludovica Castelli and Nour Eid, [“What the US-Saudi Nuclear Agreement May Change and What It May Defer”](#), Stimson Center, 27 July 2026.

⁴ *Ibid.*

Israel, a condition absent at the unveiling and one Riyadh has consistently declined without a credible path to Palestinian statehood.⁵ The agreement must still be transmitted to Congress, which has 90 days of continuous session to review it; overturning it would require a joint resolution of disapproval carried by a two-thirds, veto-proof majority.⁶

A Retreat from the Gold Standard

The benchmark against which all this is measured is the 2009 US–UAE agreement, long regarded as the ‘gold standard’. Abu Dhabi renounced enrichment and reprocessing outright and accepted the Additional Protocol, and Washington reserved the right to terminate cooperation should the UAE ever enrich or reprocess on its territory.⁷ That model has since been vindicated in practice: the four-unit Barakah plant now supplies roughly a quarter of the UAE’s electricity, demonstrating that a large civil programme can run entirely on imported fuel.⁸

Saudi Arabia has taken the opposite course. It has consistently refused the gold standard, rescinded its Small Quantities Protocol in 2024, and implements a Comprehensive Safeguards Agreement with the IAEA but not the Additional Protocol, which the new deal does not require.⁹ In its place, the two governments have negotiated a bilateral safeguards arrangement reportedly covering only facilities involved in sensitive cooperation. This also runs against Congress’s own preference, since successive appropriations from 2020 have conditioned support for nuclear exports to Riyadh on a Section 123 agreement that renounces enrichment and reprocessing and adopts the Additional Protocol.¹⁰

What the Additional Protocol provides, and what its absence removes, is central to the assessment. The Protocol extends IAEA access beyond declared material to the detection of undeclared facilities and activities, and it has been promoted since the 1990s as the measure of confidence in a peaceful programme. A bilateral safeguards

⁵ [“Trump Places New Condition on Signed Saudi Nuclear Deal, Says Country Must Join Abraham Accords”](#), CNN, 23 July 2026; [“Trump Says Saudi Arabia’s Nuclear Deal Hinges on the Kingdom Normalizing Israel Ties”](#), NPR, 23 July 2026.

⁶ [“Prospects for U.S.-Saudi Nuclear Energy Cooperation”](#), Congressional Research Service, IF10799, 26 May 2026.

⁷ Ibid.; [“The Nonproliferation Gold Standard”](#), Arms Control Association, October 2019.

⁸ [“Nuclear Power in the United Arab Emirates”](#), World Nuclear Association.

⁹ Ludovica Castelli and Nour Eid, [“What the US-Saudi Nuclear Agreement May Change and What It May Defer”](#), no. 3.

¹⁰ Ibid.; [“Prospects for U.S.-Saudi Nuclear Energy Cooperation”](#), no. 6.

arrangement negotiated between two governments, even one that still requires approval by the IAEA Board of Governors, is a narrower instrument, tailored to specified facilities rather than to the programme as a whole. Measured against both the UAE precedent and Congress’s terms, the agreement substitutes that narrower, facility-specific arrangement for the multilateral standard Washington had promoted. The benchmark has, in substance, moved.

Strategic Logic and Regional Consequences

The timing helps explain the shift. The agreement was concluded within months of a war that opened on 28 February 2026, when US and Israeli forces struck Iran in strength, killed Supreme Leader Ali Khamenei, and pursued, among other aims, the denial of Iranian enrichment, before a conditional ceasefire on 8 April.¹¹ Iran’s retaliation reached across the Gulf, exposing how little the Arab monarchies could shield themselves from a confrontation conducted largely over their heads.

The Arab monarchies had, in any case, been kept to the margins of the diplomacy that preceded and followed the war, their preferences subordinate to American and Israeli calculations even as their territory absorbed the reprisals. Read against that backdrop, the nuclear opening functions partly as strategic reassurance, a tangible marker of partnership offered to Riyadh at a moment when confidence in American guarantees had been shaken. The motivation cannot be demonstrated directly, but the sequence is suggestive.

The consequences extend well beyond the bilateral relationship. An enrichment pathway is being preserved in a state whose leadership has openly linked its own ambitions to Iran’s. Crown Prince Mohammed bin Salman said in 2018 that Riyadh would “follow suit as soon as possible” were Iran to build a bomb, and the foreign minister has since warned that Saudi policy would change fundamentally were Tehran to cross the threshold.¹² For Iran, having absorbed sanctions, sabotage and war over a programme it insisted was civilian, the sight of its rival securing a future enrichment option weakens the wider case for restraint.

For Israel, whose regional edge has rested for half a century on a nuclear monopoly, a Gulf and a Persian plateau both moving towards latent capability could sharpen

¹¹ [“Israel/US-Iran Conflict 2026: Background and UK Response”](#), House of Commons Library, 2026; [“2026 Iran War”](#), Encyclopaedia Britannica.

¹² [“MBS: Saudis Will Pursue Nuclear Weapons If Iran Does”](#), *Al Jazeera*, 15 March 2018; Simon Henderson, [“Saudi Arabia’s Nuclear ‘Asks’”](#), The Washington Institute.

incentives for future preventive action. The near-term picture is more limited: with no fuel-fabrication capacity anywhere in the region, material enriched in the kingdom would still require processing abroad, and domestic enrichment offers a nascent programme little immediate advantage.¹³ The concern is latency and future flexibility, and the loosening of the political restraints upon them. States that have long weighed their own fuel-cycle ambitions, from Egypt to Turkey, will read the precedent. At the same time, recent conflict has shown that nuclear facilities are no longer insulated from war, Iranian sites and the UAE’s Barakah plant having both been targeted during the 2026 fighting.¹⁴

A Question of Consistency

The agreement is hardest to defend on grounds of consistency. For two decades Washington argued that Iran must not retain unrestricted enrichment, because the technology that fuels a reactor can also produce weapons-grade uranium, and it interrogated Tehran’s intentions accordingly. The war itself underscored the point, having been fought in part to deny Iran a capability that Riyadh is now, conditionally, being offered. The scrutiny applied to the kingdom, which holds among the world’s largest petroleum reserves and some of its finest solar resources and could meet its power needs without domestic enrichment, is markedly lighter.

The explanation is that non-proliferation has never been the sole determinant of American nuclear cooperation; strategic ties, regional security and commercial competition, including the wish to revive a US industry that has ceded contracts to Russian and Chinese suppliers, have always shaped it. On those grounds, the deal is defensible. On non-proliferation grounds, a policy that scrutinises one capital’s intent while expediting another’s appears increasingly contingent upon strategic alignment.

The Stakes for India

For India, the development matters on more than one register. The Gulf supplies a large share of its crude imports and hosts its single largest concentration of Indian nationals, so instability there translates quickly into domestic economic and human

¹³ Ludovica Castelli and Nour Eid, [“What the US-Saudi Nuclear Agreement May Change and What It May Defer”](#), no. 3. There are at present no commercial fuel-fabrication facilities in the Middle East.

¹⁴ Ibid.

exposure; and New Delhi has been deepening its own defence partnership with the UAE. India therefore has a direct interest in regional nuclear restraint and stability. Its own nuclear position sharpens that interest.

India secured civil nuclear cooperation through the 2008 India–US agreement and an India-specific safeguards arrangement with the IAEA, made possible by a one-time waiver from the Nuclear Suppliers Group; it has since sought, without success, full membership of that group, while participating in IAEA governance, including periods on its Board of Governors. It has aligned itself with the principal export-control regimes, joining the Missile Technology Control Regime, the Wassenaar Arrangement and the Australia Group. It has cast itself as a contributor to, rather than a challenger of, the non-proliferation order.

That standing, as a responsible nuclear power operating outside the Non-Proliferation Treaty yet within a bespoke safeguards framework, rests on restraint-based arguments about behaviour and stewardship. A West Asian order in which enrichment norms loosen, and in which a Saudi fuel-cycle capability emerges under diluted conditions, would sit awkwardly with that self-presentation and complicate the balancing New Delhi already performs across Riyadh, Abu Dhabi and Tehran, each an important energy, security or connectivity partner.

Whether or not the agreement ultimately enters into force, and its text remains unpublished while the congressional clock and the normalisation condition run, it has already altered expectations about the conditions under which the United States will support sensitive nuclear cooperation. That signalling effect may prove more consequential than the deal itself. Future nuclear diplomacy across West Asia will increasingly be measured against a benchmark that has become more flexible than before, shifting the burden of argument from those who seek sensitive capabilities to those who would restrain them. For a region central to India’s energy security and strategic reach, that is a change worth watching closely.

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