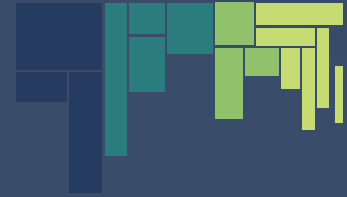




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# Along the Kuwaiti-Saudi Border, Stability Is Built on Flexibility

Bader Al-Saif

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# **Along the Kuwaiti-Saudi Border, Stability Is Built on Flexibility**

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## Summary

In a divided zone along their border, Kuwait and Saudi Arabia have introduced a flexible arrangement based on a rigid physical border and a fluid economic border. This flexibility, leading to the co-management and equal profit sharing of hydrocarbons, has largely averted conflict. It rests on constructive ambiguity and avoidance of direct confrontation. The approach has its challenges but showed its merit in 2009–2019 when the two resolved a major dispute over the zone.

### Key Themes

- Fixed borders were foreign to the early twentieth century Arabian Peninsula. Instead, borders were porous and subject to Ottoman and British imperial politics, changing local power dynamics, and shifting tribal allegiances.
- Between 1913 and 2000, four agreements defined Kuwait's southern boundary. A major consequence of one such agreement in 1965 was the establishment of the Divided Zone between Kuwait and Saudi Arabia in what had been called the Neutral Zone.
- Between 2009 and 2019, a dispute between Kuwait and Saudi Arabia over the Divided Zone halted hydrocarbon production there starting in 2014, until the flexible border arrangement enabled a breakthrough.
- While the two sides resolved a disagreement over sovereignty in the Divided Zone, potential problems remain over the joint management of hydrocarbons, which will require addressing several matters.

### Findings and Recommendations

- Kuwaiti-Saudi relations are strong, and the likelihood of conflict remains minimal.
- The flexibility guiding the Kuwaiti-Saudi relationship and border arrangement is innovative and has repeatedly defused disagreements. It is worth showcasing as a model for resolving disputes elsewhere.
- Introducing better-defined safeguards and timelines to resolve problems would strengthen the flexible model and accelerate conflict resolution processes.

- Both countries need to ensure that the compensation mechanism in the Memorandum of Understanding of 2019 that helped resolve their dispute over the Divided Zone is one they will respect and strengthen.
- Kuwait and Saudi Arabia should proactively address how they intend to manage their shared hydrocarbon resources in the Divided Zone after the next expiration of Saudi Chevron's concession, whose renewal in 2009 had provoked the 2009–2019 dispute.
- The two countries should tackle other pending issues—including oil migration, environmental concerns, and offshore production—in a way that takes into account Kuwait's and Saudi Arabia's maritime boundaries with Iran, parts of which have yet to be defined.
- Kuwait and Saudi Arabia should establish bilateral working teams to address remaining issues and preempt misunderstandings. These would consist of an empowered younger cadre to ensure that the spirit of compromise and the flexible border approach continue in the future.

## Introduction

Studies of Kuwait's borders tend to focus on the Iraq-Kuwait border, given the Iraqi occupation of the country in 1990–1991.<sup>1</sup> However, Kuwait's concerns over sovereignty and borders are not limited to its northern neighbor. Before Iraq's establishment under a British Mandate in 1921, Kuwait—then a British protectorate—had to work out arrangements on the eastern half of its border with what would become Saudi Arabia. It did this first with the British colonial authorities; then with the Sultanate of Najd in central Arabia, ruled by Abdulaziz Al Saud, better known as Ibn Saud; and then after 1932 with the Kingdom of Saudi Arabia.

Between 1913 and 2000, four major agreements helped to define Kuwait's southern boundary. They yielded boundary variations that reflected regional border and balance-of-power fluctuations. In 2000, Kuwait and Saudi Arabia also established a maritime border agreement, which was widely welcomed as resolving the final boundary issue between the two countries.<sup>2</sup> However, the agreement did not settle all border issues. Alternative interpretations of the Kuwaiti-Saudi border warranted a fifth agreement in 2019—in effect an addendum to a previous agreement, coupled with a separate memorandum of understanding—that aimed to achieve greater clarity and bring closure to the border question.

Conflict over the Kuwaiti-Saudi border has been avoided due to the fact that the two sides have long worked out a flexible mechanism to address border issues. This allowed for a rigid physical border alongside a fluid economic border relationship that has been reflected in signed agreements dividing profits from oil equally in a territory known, first, as the Neutral Zone, then as the Divided Zone. Several elements characterize this flexibility. These include constructive ambiguity on border issues, the ability to accept fluctuating meanings of the border, a preference for avoiding direct confrontations over border disagreements in favor of indirect messaging, a willingness to compromise, an awareness of geopolitical realities, and patience. Yet this approach still represents a challenge. The agreement of 2019 may have put to rest lingering concerns over sovereignty claims and border demarcation, but it also left room for potential discord over the joint management of equally shared natural resources.

In a region characterized by border disputes, both Kuwait's and Saudi Arabia's ability to repeatedly resolve their differences has led to evolving border arrangements in an area containing vast hydrocarbon wealth. Kuwait has balanced its desire not to alienate Saudi Arabia with preservation of its sovereignty. Both countries have also built on their historic relationship and on Saudi Arabia's prioritization of its energy interests in the Divided Zone, which houses 0.5 percent of global oil output.<sup>3</sup> This inclination to find a middle ground has resulted from developments throughout the twentieth century affecting the Kuwaiti-Saudi border.



## The Fluctuating Kuwait-Saudi Border

Fixed borders were foreign to the early twentieth century Arabian Peninsula.<sup>4</sup> Porous by design, borders were subject to Ottoman and British imperial politics, changing power dynamics among local rulers, and shifting tribal allegiances. This led to an adaptable attitude toward borders, all the more so as this created useful openings for territorial expansion at times. In practical terms, such an outlook shaped Kuwait's pragmatic approach to border relations with Saudi Arabia, particularly after the rise of Ibn Saud, who reigned starting in 1902 over the Sultanate of Najd and then from 1932 until 1953 over the Kingdom of Saudi Arabia.

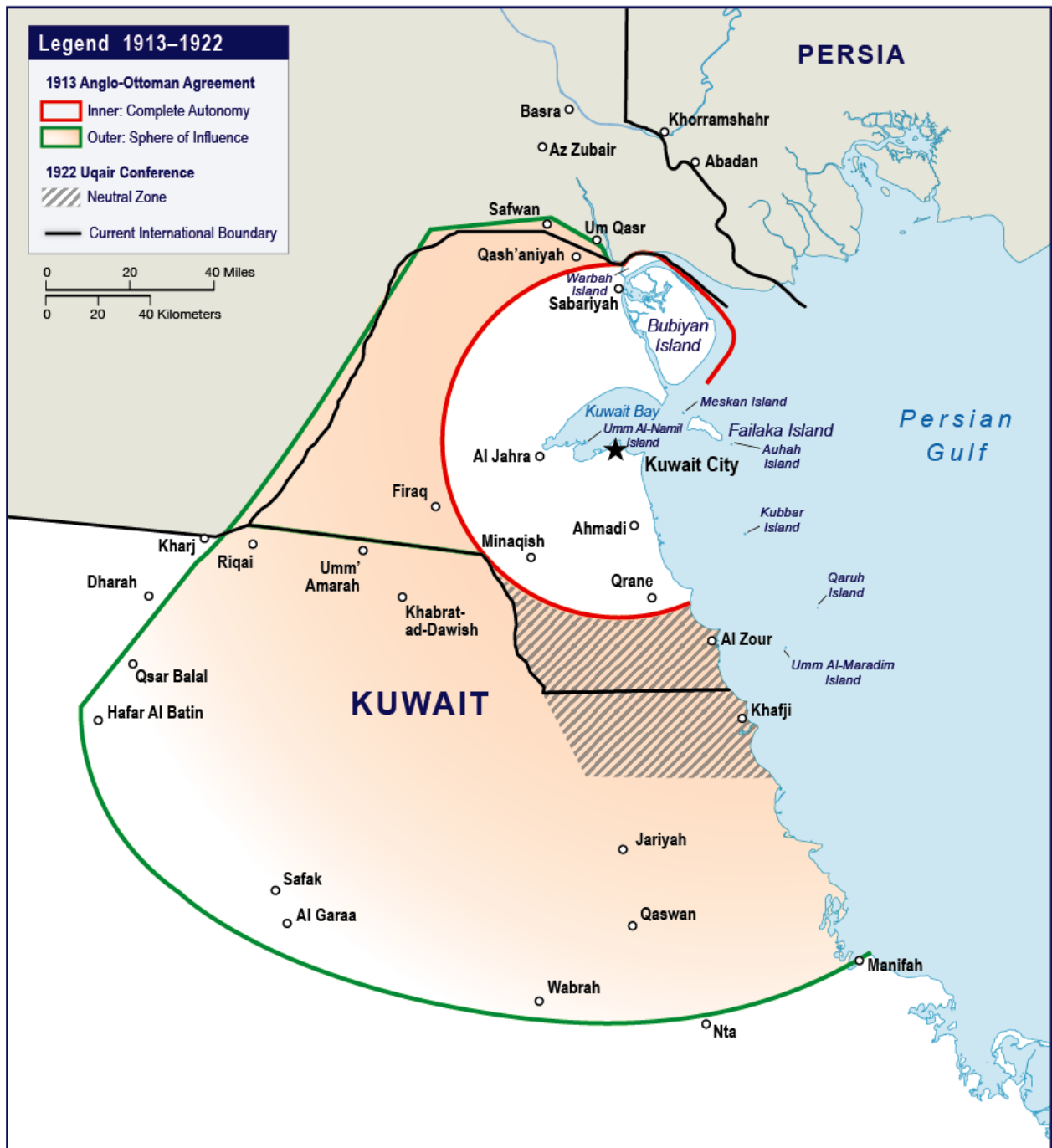
The British and Ottoman empires were the two dominant powers in the region during the early twentieth century. Kuwait's seventh ruler, Mubarak Al Sabah, who reigned from 1896 until 1915, succeeded in playing the two empires against one another by initially maintaining agreements with both empires, which increased his power and reach in the process. That occurred at a time when the House of Saud had momentarily lost its territories and members of the family, including Ibn Saud, had sought refuge in Kuwait. Known for his prowess and drive, Mubarak Al Sabah concluded a secret agreement in 1899 with Great Britain, making Kuwait a British protectorate. The British took over Kuwait's defenses and foreign affairs, especially after the agreement became known to the Ottomans. Having to balance between an Ottoman empire that had interests and a presence in the Arabian Peninsula on the one hand and an ambitious local ruler seeking to enlarge his territory on the other, the British came up with a compromise.<sup>5</sup>

The Anglo-Ottoman Agreement of 1913 was the first attempt to specify Kuwait's boundaries, and it did so through a two-tier arrangement (see map 1). It attributed undisputed autonomy to Kuwait within a 40-mile (60-kilometer) radius from the center of what is today Kuwait City in all directions. It then specified an outer zone "under the administrative influence of the Shaikh of Koweit" extending to within a 140-mile (225-kilometer) radius from the city center.<sup>6</sup> The British believed that dividing Kuwait into two areas would assuage the Ottomans by not granting complete autonomy to all the lands Mubarak Al Sabah claimed, giving the two imperial powers room to maneuver over their spheres of influence.

Even though Ibn Saud reclaimed central Arabia in 1902, he was not mentioned in the 1913 agreement, which was framed as an Ottoman-British understanding over Kuwait's boundaries. However, World War I began shortly thereafter, halting the agreement's ratification.<sup>7</sup> Yet the British had inadvertently planted the seeds of a hybrid order on the border. The agreement's segmentation of land under Kuwaiti control laid the groundwork for the British to limit Kuwait's expansion when required. That moment arrived a few years later, in 1922, when a second agreement had a drastic impact on Kuwait's southern frontier.

MAP 1

### Kuwait Borders (1913) and Kuwait-Najd Neutral Zone (1922)



The balance of power shifted in northern Arabia with the passing of Kuwait's Mubarak Al Sabah in 1915 and the uninterrupted rise of the ambitious Ibn Saud, who sought to maximize his territorial gains throughout the peninsula. The Kuwaiti frontier was one among many of his targets. Not only did Ibn Saud not recognize the 1913 Anglo-Ottoman Agreement that gave Kuwait what Ibn Saud claimed were his ancestral lands, he also imposed a trade blockade to compel Kuwait and its loyal tribes to succumb to his rising power.<sup>8</sup> Both Kuwaiti traders and the British wanted to see an end to such tensions, especially when skirmishes between the two sides briefly turned bloody and moved into Kuwaiti territory.<sup>9</sup> That is when Kuwait and the Sultanate of Najd agreed to settle their border differences with British assistance.

At first, the British stuck to the terms of the 1913 agreement. They reaffirmed the agreement's two-tiered breakdown of Kuwaiti control. However, they changed their stance in 1921 by saying that parts of the outer zone under Kuwaiti administrative influence would be neutral ground, with neither Kuwait nor Najd taking action until Britain settled the matter.<sup>10</sup> This went against the wishes of Ibn Saud and Kuwaiti ruler Ahmad al-Jaber, who came to power in 1921. It took around a year for the British to decide on the border in the Uqair Conference.

The Anglo-Ottoman Agreement of 1913 faced several setbacks. Not only was it never ratified, but one of its parties was an empire that would soon disappear, and it was concluded in a period of transformative change. Furthermore, it proposed an anomalous territorial arrangement in which an area hitherto unaccustomed to boundaries suddenly found itself with two, each designating zones of ill-defined authority ranging from complete sovereignty to mere administrative oversight. All these challenges were compounded by the meteoric rise of Ibn Saud and the weakness of Mubarak's Al Sabah's successors.

Against this backdrop, a second attempt to define Kuwait's boundaries took place at the Uqair Conference of December 1922 (see map 1). Yet Kuwait was not originally the focus of the conference, which was primarily meant to resolve a border dispute between Iraq and the Sultanate of Najd. Due to Ibn Saud's tenacity, the negotiations went nowhere. This led British high commissioner in Iraq Percy Cox to pursue a different tactic, making use of the leading role he played at Uqair and his oversight over Iraq. He awarded the land claimed by Ibn Saud in the north to Iraq, and to placate him, he "ruthlessly deprived Kuwait of two-thirds of her territory and gave it to Najd," in the words of a former British official in the Gulf.<sup>11</sup> The area taken from Kuwait corresponded to part of the land that had been placed under Kuwait's administrative influence in the 1913 agreement.<sup>12</sup>

All of this was done with no direct Kuwaiti presence at the Uqair Conference. Instead, Sir John More, the British political agent in Kuwait, represented Kuwait due to the protectorate agreement of 1899 that ceded its defense and foreign affairs to Britain. The British acknowledged that they had

dealt a “blow” to Kuwait but went ahead with the agreement to preserve British interests elsewhere in the region.<sup>13</sup> Al-Jaber was naturally displeased with such an outcome but was told by Cox that the new agreement safeguarded Kuwait against possible future claims by Ibn Saud. Because of Ibn Saud’s rise, Kuwait was also weaker in 1922 than it had been in 1913, which encouraged the British to alter the balance of power on its borders.<sup>14</sup>

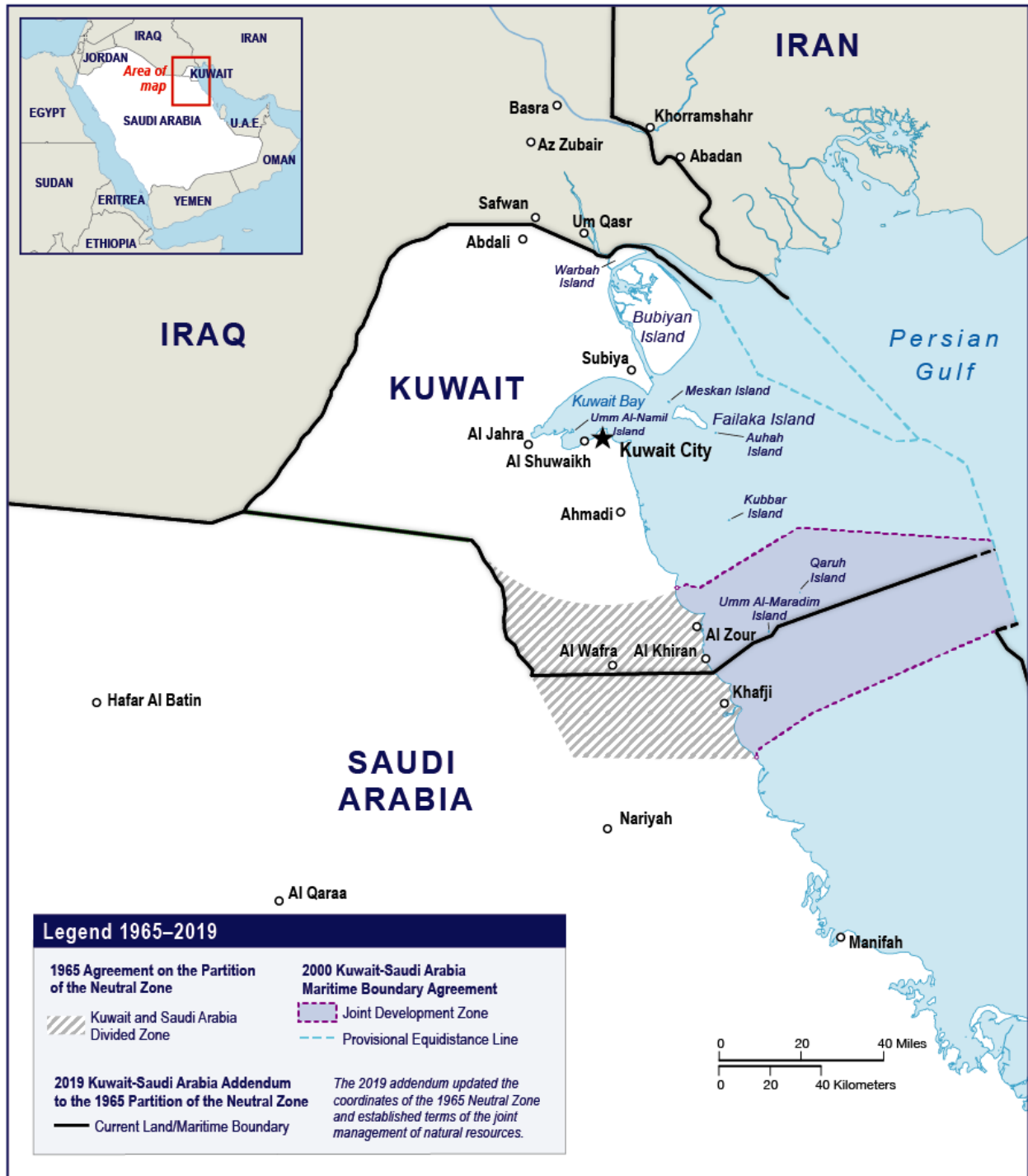
Al-Jaber ultimately had to accept the 1922 agreement, seeing it as part of a longer series of border readjustments that might shift to his advantage in the future.<sup>15</sup> But that was not to be. The emerging nation-state system in the Middle East after World War I lent permanence to the border changes, as did the discovery of oil and the subsequent operations of international oil companies. However, this was not the end of Kuwait’s experience with a fluctuating frontier to its south. A clause in the Uqair Convention kept the border issue open even when part of the land under Kuwait’s administrative influence was transferred to Najd.<sup>16</sup>

The British had introduced a novelty in the agreement of 1913, subdividing Kuwaiti territory into two categories of control. In 1922 they innovated again by introducing a so-called neutral zone along the eastern half of the border between Kuwait and Najd. In this zone both countries would share equal rights.<sup>17</sup> Therefore, by 1922 the land the British had once nominally viewed as being under Kuwait’s administrative influence in the south had either been given to Najd or turned into an area of shared control, cementing the flexible boundary idea. Such an ambiguous and inventive arrangement could have led to discord (as it later did between 2009 and 2019), but the potential for conflict early on was tempered by shifting geopolitics, the good Kuwaiti-Saudi relationship, and projected economic gains in the zone that pushed both sides to make it a place of joint opportunity.

The area of the Neutral Zone is 2,228 square miles (5,770 square kilometers). Not much attention was initially paid to the fact that Kuwait and what would become Saudi Arabia had equal rights in the territory.<sup>18</sup> That only changed upon the discovery of oil in southern Kuwait in 1938 and the Kuwaiti and Saudi decision to award separate oil concessions in the Neutral Zone in the 1940s and 1950s.<sup>19</sup> Not only was oil present, but also the deposits there were among the richest in the world.<sup>20</sup> This underlined the need to clarify governance of the territory, especially when it came to oil installations and the housing and movement of those working in the oil industry. The British had never addressed such matters, leaving it to Kuwait and Saudi Arabia to do so.

Kuwait’s independence in 1961 ushered in a new chapter in the shared area along the Kuwaiti-Saudi frontier. This produced a third agreement over the border that continued to leave room for alternative interpretations. Unlike the 1913 and 1922 agreements, Kuwait and Saudi Arabia were now negotiating over their border directly. The negotiations in the 1960s went through multiple phases and produced several agreements. These ranged from determining the boundary of the Neutral Zone

**Kuwait-Saudi Arabia Land and Maritime Borders According to the 1965-1969 and 2000 Agreements and the 2019 Addendum**



to dividing the zone into two equal parts.<sup>21</sup> Of the series of agreements concluded between 1961 and 1969, the 1965 agreement on partitioning the Neutral Zone was the most consequential, with a bearing on the present.<sup>22</sup>

The 1965 agreement did not challenge the consequences of the Uqair Convention; however, it did add another layer of flexibility to the border. It turned the vaguely structured and equally shared Neutral Zone into what became known as the Divided Zone (see map 2). Kuwait and Saudi Arabia each annexed the territories closest to their border, while maintaining the 1922 stipulation on the equal sharing of natural resources in the zone. A key provision preserved the sixty-year concession agreements with international oil companies signed by both states during the 1940s and 1950s. Both Kuwait City and Riyadh avoided an escalation by reaching a compromise that safeguarded their perceived interests.

The agreement of 1965 further entangled the policies of both states over their hydrocarbon reserves. While this injected complexity into their relationship, it also guaranteed that the two countries, to avoid interrupting oil production, would not transgress each other's rights. The agreement was also clearer than the 1913 and 1922 agreements. Nevertheless, it contained enough ambiguities that in 2014–2019, it would result in the disruption of oil production in the Divided Zone, an opportunity cost estimated in the billions of dollars.<sup>23</sup> This disruption was due to a conflict over the question of sovereignty in the zone. It was to be expected, perhaps, as the legal advisers of both countries had expressed a contrasting understanding of the 1965 agreement soon after its signing.<sup>24</sup>

The Kuwaiti government viewed the new line separating the two equal parts of the Divided Zone as an international border that transferred to each state total sovereignty over the half accorded to it. The Saudi government, in turn, saw the division as an administrative and economic one that clarified the rights of both states given the vague references to these rights in the 1922 agreement.<sup>25</sup> Therefore, to Riyadh, the 1965 agreement did not produce a sovereign border. It produced an administrative line with no bearing on the legal status of the jointly held territory. In that sense, the Neutral Zone, or now the Divided Zone, had a separate identity unconnected to either Kuwait or Saudi Arabia. Rather, it had the status of a condominium held jointly by both countries per Saudi Arabia's view.<sup>26</sup>

The ambiguity surrounding the border protected it from conflict, but it also contributed to the confusion brought about by the different Kuwaiti and Saudi interpretations of the Divided Zone's status. The 1965 agreement refers to “annexation” and to each state pursuing what appear to be sovereignty-related activities—administration, defense, and legislation—in its half of the zone.<sup>27</sup> This is what Kuwaiti officials used to advance their argument for sovereignty. Yet nowhere in the agreement does the term “sovereignty” appear. The 1965 agreement was the keystone agreement guiding Kuwaiti-Saudi border arrangements and the mechanism for shared natural resources in the Divided

Zone. But while it may have contributed to better organizing the management of resources, it hardly clarified the matter of sovereignty.

A case in point is the fourth border-related agreement signed in 2000, this time addressing the maritime border between Kuwait and Saudi Arabia (see map 2). It took the 1965 agreement as its launchpad, extending the equal onshore partition to the joint offshore area. The agreement did not clearly state, however, that the two islands located off the northern zone belonged to Kuwait. Instead, it affirmed that the resources of those islands and the surrounding Divided Zone area should be “owned in common,” adding more uncertainty to the issue of sovereignty rights.<sup>28</sup>

Therefore, the agreements of 1965 and 2000, which partitioned the joint Kuwaiti and Saudi land and maritime areas, did not translate into a common understanding over their legal status. This disagreement helped to exacerbate the border dispute of 2009–2019, which would represent a major crisis between the two countries but also show that they had the mechanisms to transcend it.

## **The 2009–2019 Border Dispute: How Conflict Was Avoided**

The dispute of 2009–2019 between Kuwait and Saudi Arabia was a major test for the flexible order both countries had adopted in their border relations. The spirit of compromise that had pervaded the agreements of 1965 and 2000 proved vital when a new border misunderstanding arose in 2009 over the shared management of natural resources and differing interpretations of the boundary in the Divided Zone. This flexible approach reminded the two states that they had an effective and unique method for addressing their disagreements, despite its challenges. The resolution, agreed in 2019, represented the fifth attempt to define the borders following the previous ones of 1913, 1922, 1965, and 2000.

The mutual desire to compromise was a consequence of several factors that went beyond previous Kuwaiti and Saudi flexibility on their border relations. These were born of necessity and were a reflection of historically solid Kuwaiti-Saudi ties. Kuwaiti officials were aware that their country was less powerful than their larger neighbors, as Iraq’s invasion in 1990 had underlined. The Saudi government in turn had delicate border disputes to address elsewhere and, like Kuwait, sought to resolve a problem preventing the country from fully exploiting its hydrocarbon wealth.

The dispute in 2009 came out of the fact that the 1965 agreement and its byproduct, the Divided Zone, had not taken place in a vacuum. Prior to 1965, several U.S. and Japanese companies were working in what was then still the Neutral Zone. In 1948, Kuwait awarded the American Independent Oil Company, or Aminoil, a sixty-year concession in the zone. A year later, Saudi Arabia did the

same with the Pacific Western Oil Corporation, a subsidiary of Getty Oil (Getty was later purchased by Texaco, Inc., which then merged with Chevron Corporation).<sup>29</sup> Both states jointly granted offshore exploration rights in 1957 and 1958 to the Japanese-owned Arabian Oil Company, lasting until the year 2000. The concessions bore fruit. Getty discovered the large Wafra onshore oilfield with a capacity of 300,000 barrels per day (bpd) in 1954, while the Arabian Oil Company in 1960 discovered the Khafji offshore field—the offshore portion of the Safaniya oil field that is inside the Divided Zone—with a capacity of 220,000 bpd (see map 3).<sup>30</sup>

MAP 3  
**Oil and Gas Fields in the Divided Zone and Surrounding Areas**





The litmus test for Kuwaiti-Saudi relations in the Divided Zone came when the concessions expired. Kuwait's concession did not last up until 2008, its intended end date, given Kuwait's nationalization of the concession in 1977 and the transfer of the field's management to a joint Kuwaiti-Saudi operating company.<sup>31</sup> The Saudi government chose a different route. Their onshore concession in the Divided Zone to Saudi Arabian Chevron (SAC), a subsidiary of Chevron, ended in 2009.<sup>32</sup> What happened next took Kuwait City by surprise. Riyadh unilaterally renewed the concession without consulting Kuwaiti leadership, even though Articles IV and VI of the 1965 agreement stipulated joint cooperation given the countries' equal ownership of hydrocarbons in the Divided Zone.<sup>33</sup> Further complicating matters, the concession was located in the Kuwaiti half of the zone. Saudi Arabia therefore made a decision that not only violated Kuwait's right to shared management of the natural resource but also infringed on Kuwaiti sovereignty according to Kuwait's reading of the 1965 partition of the Neutral Zone.

An effective resolution of the dispute had to address the two issues that led to the standoff. First, it had to determine whether the line partitioning the Divided Zone represented a sovereign border (the Kuwaiti government's view) or whether it was an administrative line (the Saudi government's view). The implications were widely different. The Kuwaiti government assumed complete sovereignty for Kuwait north of the line and for Saudi Arabia south of it. The Saudi government, on the other hand, reaffirmed the 1922 agreement, which had indicated a condominium over the shared land with equal rights for both sides. This gave the two states access to each other's annexed zones—annexations that had taken place for administrative purposes.

The second issue was related to the management of resources. Regardless of how they characterized the separation line in the Divided Zone, Kuwait and Saudi Arabia did not renege on the principle of equally sharing the natural resources in the totality of the zone, according to the agreements brokered in 1922, 1965, and 2000. The point of contention had more to do with how to manage the resources without ignoring either state's rights. Management of the resources was the Saudi government's main concern, while sovereignty was the Kuwaiti's.

Sovereignty hits a sensitive cord in Kuwait given its memory of the Iraqi occupation and its vulnerability as a small state surrounded by three larger states—Iran, Iraq, and Saudi Arabia. Safeguarding Kuwait's territorial integrity is a national priority. That is why then emir Sabah al-Ahmad Al Sabah took immediate action after the Saudi cabinet unilaterally renewed the oil concession with SAC. He sent a letter to then Saudi King Abdullah bin Abdulaziz Al Saud in February 2009 expressing Kuwait's reservations, yet no immediate resolution was in sight.<sup>34</sup>

In light of this, Kuwait exercised its sovereignty over the northern portion of the Divided Zone, whose annexation had taken place almost forty-five years earlier. This took various forms without

directly confronting Saudi Arabia. SAC was asked to follow Kuwaiti laws and regulations. That meant that the previously tolerated terms of the 1949 concession, which saw the implementation of Saudi law in Kuwait's portion of the Divided Zone, were no longer valid. SAC had to apply for a Kuwaiti permit and labor visas to operate while also following other Kuwaiti procedures. This made operations more difficult for the company.<sup>35</sup>

In response, in October 2014 Saudi Arabia unilaterally announced the halt of operations in the offshore Khafji field, allegedly for environmental reasons.<sup>36</sup> Whether these were real or not, they represented a suitable cover to object to Kuwait's treatment of SAC. Around half of the Divided Zone's production came to a halt. The situation only worsened when both states decided to close the onshore operation at Wafra in May 2015 for purported maintenance. This effectively suspended all oil and gas operations in the Divided Zone for the first time since the discovery of oil there.<sup>37</sup>

The element of compromise introduced by the flexible border approach shaped Kuwaiti and Saudi management of the conflict even before a resolution was found. The two states indirectly expressed their disagreement through actions within their purview—whether demanding the implementation of Kuwaiti law or closing oilfields for alleged environmental and maintenance reasons. Given the entangled border relationship, these actions had a bearing on the other state. Yet this was done without a direct clash. The same could be said of their public positions. The differences of opinion were known to both parties and to outsiders, but they were not openly aired due to the historic relationship between the two nations. Kuwait City believes that Saudi Arabia represents its “strategic depth.”<sup>38</sup> A former Kuwaiti deputy prime minister and foreign minister expressed this view, stating, “Our destinies are entangled . . . The relationship is not only important to the two governments but to the people as well.”<sup>39</sup> That is why the same minister dubbed the conflict with Saudi Arabia a “family dispute.”<sup>40</sup> Kuwait had to delicately balance its interests against the importance of its ties with Riyadh.<sup>41</sup>

Three factors accelerated negotiations in 2019 after an almost five-year hiatus in oil drilling operations in the Divided Zone, allowing both countries to avoid a recourse to the International Court of Justice.<sup>42</sup> First, there was a change in the Saudi leadership, when King Salman bin Abdulaziz Al Saud came to the throne in January 2015 and later appointed his son Mohammed bin Salman as crown prince in 2017. Their bold leadership style and centralized form of governance meant that they could make quick decisions, which is what happened when the crown prince intervened toward the end of the negotiations to close the deal.<sup>43</sup>

Second, Kuwait better organized itself and moved away from the decentralized approach it had previously adopted in addressing the issue. Instead of having separate negotiation teams from the Foreign Ministry and the oil establishment, including the Oil Ministry, the Kuwaiti government

consolidated efforts and dealt simultaneously with the two issues of sovereignty and the management of resources, streamlining the negotiations and allowing for coordination across the ministries.<sup>44</sup> The emir even asked the articulate and shrewd National Assembly Speaker Marzouq al-Ghanim to join these efforts. This underscored how important Kuwait considered a resolution to the problem to be, as well as its keenness to come to an understanding with Saudi Arabia on outstanding border issues.<sup>45</sup>

A third reason was that the global oil market was in need of further output from oil-producing states to cover for a decrease in production from Iran due to U.S. sanctions. Because the Divided Zone produced 500,000 bpd on top of its 5 billion barrels reserve capacity,<sup>46</sup> the shortfall in production affected the stability of oil markets and the global economy. The former U.S. president Donald Trump administration engaged with Saudi and Kuwaiti officials to resolve their differences and resume production. At the same time, leaving the oilfields idle for much longer would have negatively impacted a return to normal production levels.<sup>47</sup>

The starting point of negotiations was determining the status of the Divided Zone and its line of separation. The Saudi government deemed it a contradiction for Kuwait to claim total sovereignty over its half of the zone while Riyadh held an equal share of the natural resources there according to the 1922 and 1965 agreements. However, Kuwait used outside examples to convince Riyadh that sharing natural resources across a border did not contradict sovereignty claims. Recognition of a sovereign border penalized neither country because it would apply to both. Concessions were reciprocal. On this issue, the Saudi government gave in to Kuwait's understanding of the 1965 agreement, accepting that the boundary in the Divided Zone constituted an international border.<sup>48</sup>

Arriving at a common position over sovereignty was the entry point into resolving the other pending issue, namely management of resources. The previous oil concessions were tolerated by both sides because they had been granted prior to the 1965 agreement and even before Kuwaiti independence. But a new Saudi concession could not continue to operate according to Saudi law given Kuwait's—and now Saudi Arabia's—acceptance of the sovereign status of the Divided Zone. Saudi Arabia was willing to renegotiate its extended and modified concession agreement with SAC to respect Kuwait's sovereignty and laws, but it did so with the expectation that Kuwait would compensate the company for the losses it would incur by relocating its headquarters from what was now Kuwaiti land to Saudi land.<sup>49</sup> Kuwait agreed to this, making a concession in its turn to arrive at a deal that would safeguard the mutual interests of both states and their shared natural resources. The agreement seemed to settle differences for the time being.

The two states formalized their understanding in an addendum to the 1965 agreement and an accompanying memorandum of understanding (MOU) signed on December 24, 2019. The adden-

dum clarified that the separation line in the Divided Zone was an international border, with “complete sovereignty” for Kuwait north of it and for Saudi Arabia south of it. The document also specified that the joint operation model for the management of natural resources would apply unless otherwise specified.<sup>50</sup>

The agreement showed that flexibility had prevailed once again. But was the 2019 arrangement the final one? Perhaps not. It quelled doubts related to the character of the separation line in the Divided Zone and settled sovereignty claims there, but lingering questions remained over the joint management of resources.

## Identifying and Averting Potential Future Tension

The breakthrough revealed the extent to which geopolitical concerns continued to influence the two country’s ties. Kuwait’s interest in consolidating its understanding of sovereignty was done with an eye toward future agreements with Iraq and Iran. Kuwait has yet to finalize maritime boundaries with both countries. Clearing a hurdle with Saudi Arabia over the eastern half of the common border meant it could refocus its efforts on resolving sovereignty-sensitive border issues elsewhere. Furthermore, an Iran-Kuwait border settlement could also involve shared natural resources that will require agreement over joint operations as well as a dose of mutual understanding. Having a model in place with Saudi Arabia provides a useful reference for future talks.

Saudi Arabia did not accord the same priority to sovereignty as Kuwait, given the two countries’ differing histories and standing in the region. But the Saudi government closed the deal in 2019 because of the economic advantages that the added production from the Divided Zone would bring. Moreover, their geopolitical stance had changed since the disagreement began in 2009. A significant rift between most of the Gulf Cooperation Council states and Qatar beginning in June 2017 increased the importance of Kuwait’s mediating role in that dispute. Indeed, in 2021 a reconciliation was achieved with Kuwait’s help. At the same time, Saudi officials understood that imposing their views on Kuwait when the two countries had benefited from a constructively ambiguous approach to border relations would have been counterproductive. Finally, because of the assassination of journalist Jamal Khashoggi and Riyadh’s actions in Yemen, Saudi Arabia’s image had been tarnished in the years leading up to the agreement. This pushed the kingdom to repair its damaged reputation by portraying itself as a state that could responsibly resolve a border disagreement that had implications for the international energy market.<sup>51</sup>

Kuwait's and Saudi Arabia's equal sharing of natural resources after the border demarcation agreement made sense because of how entwined their oilfields are across the Divided Zone and their mutual need to guarantee the fields' development.<sup>52</sup> However, the MOU between the two countries leaves room for potential discord in the future if several issues are not addressed.

The first is that the parties will have to find a more effective resolution mechanism in the event of disagreements. A repeat of what happened in 2009–2019 could take years to resolve, jeopardizing the interests of both sides. Since the 2019 agreement was an addendum to the 1965 agreement, the conflict resolution clause in the earlier agreement guided the understanding in 2019. Yet the scheme proposed was a loose one that relied mainly on the goodwill of the parties before they appealed to the International Court of Justice. While the absence of clear resolution mechanisms may have favored the flexibility preferred by the parties, introducing better-defined safeguards and timelines to resolve problems could have better protected Kuwaiti and Saudi stakes. While a permanent joint committee was established by the 1965 agreement, the dispute over the Divided Zone could not have been resolved by such a committee.

A second issue that could complicate implementation of the MOU relates to compensation.<sup>53</sup> Both sides need to ensure that the compensation mechanism in place is one they will respect and strengthen. This mechanism follows standard procedures, with each state appointing a consultant who assesses the amount to be paid. The two appoint a third consultant, and all three must come together on compensation that is binding on the parties. However, the devil is in the details. For this process to proceed seamlessly, both sides must pledge to not interfere in it, while accepting the result.

A third issue is that the two sides have to plan for how they intend to manage their shared resources in the Divided Zone after SAC's concession expires. According to the MOU, the end date is 2046.<sup>54</sup> Will Saudi Arabia go ahead with the joint operation model or renew the concession? If the latter takes place—and the MOU leaves open the possibility of not pursuing the joint operation model—both states will need to agree to an alternative for managing resources that does not jeopardize their interests. However, leaving this issue open in the MOU would reveal an inability to iron out differences, delaying a joint decision until 2046.

And fourth, Kuwait and Saudi Arabia must prepare for other issues the MOU failed to resolve, particularly regarding the future management of resources.<sup>55</sup> These include oil migration—or the inability to optimize the full potential of an oilfield because some of its oil escapes to other locations—as well as environmental concerns and offshore production that takes into account the tripartite maritime boundaries of Iran, Kuwait, and Saudi Arabia. Neither Kuwait nor Saudi Arabia has demarcated all its maritime boundaries with Iran nor are they likely to do so anytime soon given

the severing of diplomatic relations between Riyadh and Tehran since 2016.<sup>56</sup> However, oil migration or environmental impacts are no less serious, as they also could lead to disagreements.

Kuwait and Saudi Arabia should invest in their strong relationship and borrow from the unique evolution of their border relations to proactively address the remaining unresolved border issues. In that way they could avoid potential problems in managing their shared resources. They would also benefit from showcasing their distinctive border arrangement as a sign of a resilient relationship. Its elements can serve as a model for resolving disputes elsewhere—prioritizing compromise, using ambiguity and implicit messaging as a tool for conflict settlement, and factoring regional developments into their actions, for example, shifts in the energy markets. These characteristics would be useful when both countries move to settle their maritime boundaries with their neighbors.

Because there remains a risk that Kuwait and Saudi Arabia will enter into new disputes, they should establish working teams to address specific topics tied to their unresolved border issues. These working teams should be set up in a way that streamlines and optimizes the activities of the two states' different bureaus. They should also have a clear mandate, establish transparent rules of engagement, and fully empower their members to talk about and decide upon the issues. They could address issues ranging from what happens after the SAC concession ends to environmental concerns and oil migration. Further matters they could cover are how to coordinate their approaches toward joint offshore fields and their maritime borders with Iran.

Moving in these directions would help Kuwaiti and Saudi policymakers begin a discussion early on and prepare themselves for potentially conflictual issues. These may not be priorities today, but treating them as such would help in the preemptive formulation of policy options if problems do arise. The flexible framework governing the border would continue to guide the working teams, further enhancing the relationship and lessening the impact of future disputes.

Kuwait and Saudi Arabia established a Saudi-Kuwaiti coordination council in 2018 to better harmonize their positions on general policy.<sup>57</sup> That this took place at the height of their disagreement over the Divided Zone only underlined the pragmatism in their relationship. However, the proposed working teams should not be limited to senior leadership. The states should empower middle management, as they need to train the next generation of leaders and technocrats and inculcate in them a spirit of cooperation over border issues by delegating to a younger cadre. This would add a new layer of experience to reduce the possibility of disagreement and ensure the flexible border approach endures.

## Conclusion

Kuwait's demarcation of its southern frontier has been a century in the making, starting with the 1913 Anglo-Ottoman Agreement, passing through the 1922 Uqair Convention, and continuing to the 1965 Kuwaiti-Saudi agreement and its corollaries in 2000 and 2019. The essence of the flexible border arrangement is that it is built on a rigid physical border and a fluid economic border relationship that involves co-management of natural resources and equal profit sharing. The arrangement is not without its challenges, but it has been able to sustain and reinvent itself whenever there were doubts about the Kuwaiti-Saudi relationship.

Throughout its existence, Kuwait has been realistic and aware of its geopolitical vulnerabilities vis-à-vis its larger neighbors. Political considerations played a major role in Kuwaiti thinking when it concluded the 2019 agreement. The country's sensitivity on matters of sovereignty was reasonable given its threatened status since its independence and its occupation in 1990–1991. Therefore, coming to a clear understanding with Saudi Arabia on sovereignty in 2019 represented a win for Kuwait, while Saudi Arabia's priority was protecting its financial interests and resuming oil production. Each country got what it wanted.

Kuwaiti-Saudi relations are strong. The likelihood of conflict is minimal, and if disputes arise over the management of resources, the two states are more than capable of coming to an agreement, as they have done repeatedly. However, this does not mean that they should avoid putting in place mechanisms that facilitate a resolution of disagreements, which would save them time and money. The flexible border approach has worked by giving Kuwait and Saudi Arabia a margin of maneuver in negotiating mutually satisfactory outcomes, and it will probably continue to do so. But to ensure this happens, both sides will need to instill in a new generation of officials the spirit of compromise that has prevailed until now.

## Note on Methodology

This paper draws on a broad range of sources and methods. It engages in a critical content analysis of primary sources in Arabic and English, such as legal agreements, diplomatic correspondences, parliamentary hearings, public statements, memoirs, and several interviews with former and current senior government officials, energy experts, and an editor-in-chief of a major media outlet. It also utilizes several secondary sources and deploys discourse analysis and participant observation when comparing publicly disclosed views with ones shared in private.

## About the Author

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## Notes

- 1 See, for instance, Gwenn Okruhlik and Patrick J. Conge, “The Politics of Border Disputes: On the Arabian Peninsula,” *International Journal* 54, no. 2 (Spring 1999): 230–248; Frauke Heard-Bey, “Conflict Resolution and Regional Cooperation: The Role of the Gulf Cooperation Council 1970–2002,” *Middle Eastern Studies* 42, no. 2 (March 2006): 199–222; and Shahram Chubin and Charles Tripp, “Domestic Politics and Territorial Disputes in the Persian Gulf and Arabian Peninsula,” *Survival* 35, no. 4 (Winter 1993): 3–27. Yoel Guzansky, on the other hand, discusses Saudi Arabia’s border disputes with Qatar and the UAE but does not refer to the Kuwait-Saudi one. See Yoel Guzansky, “Lines Drawn in the Sand: Territorial Disputes and GCC Unity,” *The Middle East Journal* 70, no. 4 (Autumn 2016): 543–559. In her list of pending border disputes, Krista Wiegand does not mention Kuwait-Saudi Arabia. See Krista Wiegand, *Enduring Territorial Disputes: Strategies of Bargaining, Coercive Diplomacy, and Settlement* (Athens, Georgia: University of Georgia Press, 2011), 87–88.
- 2 Kuwait News Agency, “Saudi-Kuwaiti Maritime Agreement Historical, Civilizational—MPs,” Kuwait News Agency, July 6, 2000, <https://www.kuna.net.kw/ArticleDetails.aspx?language=en&id=1095399>.
- 3 “Saudi Arabia and Kuwait Agree to Resume Neutral Zone Oil Production,” Pipeline, December 29, 2019, <https://www.pipelineoilandgasnews.com/regionalinternational-news/regional-news/2019/december/saudi-arabia-and-kuwait-agree-to-resume-neutral-zone-oil-production>.
- 4 J. E. Peterson, “Sovereignty and Boundaries in the Gulf States,” in *International Politics in the Persian Gulf*, edited by Mehran Kamrava (Syracuse, NY: Syracuse University Press, 2011), 21.
- 5 Richard Schofield, “Britain and Kuwait’s Borders, 1902–1923,” in *Kuwait: The Growth of a Historic Identity*, edited by B.J. Slot (Riyadh: Arabian Publishing House, 2003), 58–68; Richard Schofield, “Kuwait-Saudi Arabia,” in *Border and Territorial Disputes*, third edition, edited by John B. Allcock, Guy Arnold, Alan J. Day, D. S. Lewis, Lorimer Poultney, Roland Rance, and D. J. Sagar (Michigan: Gale, 1992), 395–396.
- 6 As stated by Percy Cox, political resident in Bushehr at the time, to British Foreign Office on July 6, 1912. See *Arabian Boundary Disputes*, Vol. 10, edited by Richard Schofield (Cambridge, UK: Archive Editions, 1992), 184.
- 7 Schofield, “Kuwait-Saudi Arabia,” 395; Ethan Tyler, “A British Lake: Kuwait and the 1913 Anglo-Ottoman Convention” (unpublished undergraduate thesis, April 26, 2017), 45.
- 8 Anthony Toth, “Tribes and Tribulations: Bedouin Losses in the Saudi and Iraqi Struggles over Kuwait’s Frontier, 1921–1943,” *British Journal of Middle Eastern Studies* 32, no. 2 (November 2005), 145–150; Joseph Kostiner, “Saudi Arabia’s Territorial Expansion: The Case of Kuwait, 1916–1921,” *Die Welt des Islams* 33, no. 2 (Nov 1993), 225.
- 9 Kostiner, “Saudi Arabia’s Territorial Expansion: The Case of Kuwait, 1916–1921,” 228–30; Schofield, “Kuwait-Saudi Arabia,” 396; Schofield, “Britain and Kuwait’s borders,” 92–93.
- 10 Farah al-Nakib, “The Lost ‘Two-Thirds’: Kuwait’s Territorial Decline between 1913 and 1922,” *Journal of Arabian Studies* 2, no. 1 (2012), 32–33.
- 11 H. R. P. Dickson, *Kuwait and Her Neighbors* (London: George Allen & Unwin, 1956), 274. Dickson was a British political agent appointed to Kuwait, but at the time of the conference he was posted to Bahrain. According to Theyab al-Hamed of Kuwait University, the British decision to give away much of the purported land under its authority was made earlier in 1920–1921 based on the shifting balance of power, so the 1922 Uqair Conference only formalized this intention. See “Mu’tamar al-Uqair wa tahdid al-hudud fi shibh al-jazira al-Arabiyya: wijhat nadhar britaniyya” [A British View of the Uqair Conference and Border Demarcation in the Arabian Peninsula], YouTube video, 19:58, posted by “History Club of Kuwait University,” November 15, 2015, accessed November 23, 2020, [https://www.youtube.com/watch?v=zQzZYR-mU7o&ab\\_channel=HistoryClubofKuwaituniversity](https://www.youtube.com/watch?v=zQzZYR-mU7o&ab_channel=HistoryClubofKuwaituniversity).

- 12 Schofield, “Britain and Kuwait’s Borders,” 93; al-Nakib, “The Lost ‘Two-Thirds’: Kuwait’s Territorial Decline between 1913 and 1922,” 34–36.
- 13 Dickson, *Kuwait and Her Neighbors*, 275.
- 14 Al-Nakib, “The Lost ‘Two-Thirds’: Kuwait’s Territorial Decline between 1913 and 1922,” 36; Toth, “Tribes and Tribulations: Bedouin Losses in the Saudi and Iraqi Struggles over Kuwait’s Frontier, 1921–1943,” 148–150; and Kostiner, 231–234.
- 15 For an exchange between the British high commissioner, Percy Cox, and the Kuwaiti ruler on this issue, see Dickson, *Kuwait and Her Neighbors*, 279, and al-Nakib, “The Lost ‘Two-Thirds’: Kuwait’s Territorial Decline between 1913 and 1922,” 36.
- 16 The clause reads, “The portion of territory . . . shall be considered to be *shared* [author’s italics] between the Governments of Nejd and Kuwait; in that territory they shall have equal rights until such time as a further agreement regarding it is concluded between Nejd and Kuwait through the good offices of the British Government.” See United Nations Treaty Series, “Agreement Concerning the Boundary Between Nejd and Kuwait. Signed at Bandar al-Uqair on 2 December 1922,” United Nations Treaty Series, 1993, 533, <https://treaties.un.org/doc/Publication/UNTS/Volume%201750/II-183.pdf>.
- 17 See *Ibid.*, 533, for the “shared” and “equal rights” references; and Peterson, “Sovereignty and Boundaries in the Gulf States,” 44.
- 18 The term Neutral Zone is misleading because it is not neutral. Legal experts prefer calling it a condominium given the interests of more than one party in the land. See Husain al-Baharna, “A Note on the Kuwait-Saudi Arabia Neutral Zone Agreement of July 7, 1965, Relating to the Partition of the Zone,” *International and Comparative Law Quarterly* 17, no. 3 (1968), 732. Al-Baharna cites Edward Hoagland Brown, who says, “The Neutral Zone is not neutral in the literal sense. . . . It is one of the most curious and complex legal entities.” Another Neutral Zone came into existence between Iraq and the then Sultanate of Najd as well. The British used the neutral zone instrument as a compromise to quell Ibn Saud’s expansionary zeal, thereby depriving Kuwait and Iraq from complete sovereignty and bringing in Ibn Saud as an equal co-owner. Also, see M. T. el-Ghoneimi, “The Legal Status of the Saudi-Kuwaiti Neutral Zone,” *International and Comparative Law Quarterly* 15, no. 3 (July 1966), 695.
- 19 Both states granted sixty-year concessions in the neutral zone knowing that the returns would be equally shared. Kuwait contracted American Oil Company (Aminoil) in 1948 and Saudi Arabia followed suit in 1949 with the Pacific Western Oil Company (Getty Oil). Both offered the Japanese Oil Company offshore concessions in 1957–1958. See Schofield, “Kuwait-Saudi Arabia,” 396–397; and Muthafar Haider al-Najar, “The Geography of Oil in the Persian Gulf,” (Ph.D. dissertation, October 1971), 27–28.
- 20 El-Ghoneimi, “The Legal Status of the Saudi-Kuwaiti Neutral Zone,” 697.
- 21 Krista E. Wiegand, “Resolution of Border Disputes in the Arabian Gulf,” *The Journal of Territorial and Maritime Studies* 1, no. 1 (January 2014), 36; Schofield, “Kuwait-Saudi Arabia,” 396–97; and Al-Najar, “The Geography of Oil in the Persian Gulf,” 28–30. Both states contracted Japanese Pacific Aero Survey to determine the specific coordinates and produce the technical report.
- 22 United Nations Treaty Series, “Agreement between the Kingdom of Saudi Arabia and the State of Kuwait on the Partition of the Neutral Zone,” United Nations Treaty Series, 1993, 48–52, <https://treaties.un.org/doc/Publication/UNTS/Volume%201750/v1750.pdf>.
- 23 The figure is a matter of dispute. Two members of parliament mentioned losses of \$10 billion, citing a State Audit Bureau report. See Muhiy Amer and Ali Senaideh, “Al-majlis yuhil ittifaqiyat al-maqsuma ila al-kharijiyya al-barlamaniyya” [Parliament Refers the Divided Zone Agreement to the Foreign Affairs Committee], *Al-Jarida*, January 10, 2020, 5. Saleh al-Mulla, a former member of parliament and oil official, estimated losses at \$20 billion in a debate with a parliamentarian. See “Munadhara bayn Dr. Abdulkarim al-Kandari wa Saleh al-Mulla hawl ittifaqiyat al-mantaqa al-maq-

suma bayn al-Kuwait wal Saudia [Debate Between Dr. Abdulrakim al-Kandari and Saleh al-Mulla over the Divided Zone Agreement], YouTube Video, 1:37:15, posted by “Alziadi Blog,” January 30, 2020, accessed February 14, 2020, <https://www.youtube.com/watch?v=-FiMoJqL-h0>.

An oil expert, Abdulhamid al-Awadhi, cited losses of \$44 billion. See Abdulhamid al-Awadhi, “44 milyar dollar khasa’ir fatrat iyqaf intaj al-maqsuma” [Losses of \$44 billion During the Halt of Production in the Divided Zone], *Al-Qabas*, January 28, 2020, <https://alqabas.com/article/5746491-%D8%B1%D8%A3%D9%8A-%D9%85%D8%AA%D8%AE%D8%B5%D8%B544-%D9%85%D9%84%D9%8A%D8%A7%D8%B1-%D8%AF%D9%88%D9%84%D8%A7%D8%B1-%D8%AE%D8%B3%D8%A7%D8%A6%D8%B1%D9%81%D8%AA%D8%B1%D8%A9-%D8%A5%D9%8A%D9%82%D8%A7%D9%81-%D8%A5%D9%86%D8%AA%D8%A7%D8%AC-%D8%A7%D9%84%D9%85%D9%82%D8%B3%D9%88%D9%85%D8%A9>. Another oil expert, Abdulsamie Behbehani, puts Kuwait’s losses at \$50 billion loss from 2014–2019. See “Kalimat Dr. Abdulsamie Behbehani fi al-mu’tamar al-sahafi bi-sha’n ittifaqiyat al-mantaqa al-maqsuma bayn al-Kuwait wal Sa’udia” [Statement of Dr. Abdulsamie Behbehani in the Press Conference on the Divided Zone Agreement between Kuwait and Saudi Arabia], YouTube video, 39:25, posted by “Sarmad Network,” January 15, 2020, accessed February 14, 2020, <https://www.youtube.com/watch?v=PY6jyGQmeUs>.

- 24 The legal advisers of both states exchanged opposing interpretations across law journals just a year after the agreement was signed. See M. T. el-Ghoneimi, “The Legal Status of the Saudi-Kuwaiti Neutral Zone,” 690–717; and S. M. Hosni, “The Partition of the Neutral Zone,” *The American Journal of International Law* 60 (1966), 735–744.
- 25 Hosni, “The Partition of the Neutral Zone,” 735–744; el-Ghoneimi, “The Legal Status of the Saudi-Kuwaiti Neutral Zone,” 703–704; al-Baharna, “A Note on the Kuwait-Saudi Arabia Neutral Zone Agreement of July 7, 1965, Relating to the Partition of the Zone,” 730–732.
- 26 El-Ghoneimi, “The Legal Status of the Saudi-Kuwaiti Neutral Zone,” 703–704 and 715; al-Baharna, “A Note on the Kuwait-Saudi Arabia Neutral Zone Agreement of July 7, 1965, Relating to the Partition of the Zone,” 730–732. El-Ghoneimi calls the Neutral Zone a “compromise area” (703).
- 27 See Article III of the agreement for these hints of sovereignty. United Nations Treaty Series, “Agreement between the Kingdom of Saudi Arabia and the State of Kuwait on the Partition of the Neutral Zone,” United Nations Treaty Series, 1993, 48–52, <https://treaties.un.org/doc/Publication/UNTS/Volume%201750/v1750.pdf>.
- 28 United Nations Delimitation Treaties Infobase, “Agreement Between the Kingdom of Saudi Arabia and the State of Kuwait Concerning the Submerged Area Adjacent to the Divided Zone. Kuwait, 2 July 2000,” United Nations Delimitation Treaties Infobase, 2002, <https://www.un.org/Depts/los/LEGISLATIONANDTREATIES/PDFFILES/TREATIES/SAU-KWT2000SA.PDF>; Peterson, “Sovereignty and Boundaries in the Gulf States,” 36–37, which refers to the debatable status of the two islands at time of signing in 2000; and Greg Shapland, “Maritime Boundaries in the Middle East,” *Asian Affairs* 51, no. 1 (2020): 146–168.
- 29 Sneha Abraham, “Understanding the Divided Zone Dispute,” *Middle East Economic Digest*, August 16, 2015, <https://www.meed.com/understanding-the-divided-zone-dispute>. Texaco purchased Getty in 1984 and with it Getty’s concession in the divided zone. Chevron entered the picture when it merged with Texaco in 2001 and purchased the concession.
- 30 Mohammed Abdunasser, “Madha ta’arif ‘an al-mantaqa al-maqsuma bayn al-Kuwait wal Sa’udia?” [What Do You Know About the Divided Zone Between Kuwait and Saudi Arabia?], *Al-Qabas*, December 24, 2019, <https://alqabas.com/article/5737249-%D8%A7%D8%A6%D8%B1%D9%81-%D8%AA%D8%B1%D8%A9-%D8%A5%D9%8A%D9%82%D8%A7%D9%81-%D8%A5%D9%86%D8%AA%D8%A7%D8%AC-%D8%A7%D9%84%D9%85%D9%82%D8%B3%D9%88%D9%85%D8%A9>; RT, “Al-Kuwait tatadaras ma’ al-Sa’udia hall al-khilafat bi-sha’n haqlay naft al-Khafji wal Wafra” [Kuwait

- Examines with Saudi Arabia a Resolution to the Disagreements Over Khafji and Wafra oilfields], *RT*, December 16, 2018, <https://arabic.rt.com/business/989174--نفط-حقلي-بشأن-الخلافات-حل-السعودية-مع-تتدارس-مع-السعودية-حل-الخلافات-بشأن-حقلي-نفط>; and “Qissat khilaf mu‘lan: Azmat al-mantaqa al-muhayda bayn al-Kuwait wal Sa‘udīa” [The Story of An Open Conflict: The Neutral Zone Crisis between Kuwait and Saudi Arabia], *Sasapost*, November 21, 2019, <https://www.sasapost.com/saudi-kuwaiti-neutral-zone>.
- 31 Aminoil tried to overturn the nationalization decision, but did not succeed. Kuwait, however, had to compensate Aminoil. For the ruling, see: *The Government of the State of Kuwait v The American Independent Oil Company (Kuwait v Aminoil) (1982)*, [https://www.biicl.org/files/3938\\_1982\\_kuwait\\_v\\_aminoil.pdf](https://www.biicl.org/files/3938_1982_kuwait_v_aminoil.pdf).
- 32 “Saudi Arabia,” Chevron Worldwide, <https://www.chevron.com/worldwide/saudi-arabia>; and Chris Baltimore, “Chevron Extends Agreement With Saudi Arabia,” Reuters, September 11, 2008, <https://www.reuters.com/article/us-chevron-saudi/chevron-extends-agreement-with-saudi-arabia-idUSN1039993520080911>.
- 33 United Nations Treaty Series, “Agreement between the Kingdom of Saudi Arabia and the State of Kuwait on the Partition of the Neutral Zone,” United Nations Treaty Series, 1993, 48–52, <https://treaties.un.org/doc/Publication/UNTS/Volume%201750/v1750.pdf>.
- 34 National Kuwait Forum, “Al-Sa‘udīa tusa‘id dhid al-Kuwait” [Saudi Arabia Escalates Against Kuwait], National Kuwait Forum, July 15, 2008, <https://www.nationalkuwait.com/forum/index.php?threads/32920>. The Saudi decision was announced in July 2008 but ratified in February 2009. Parliamentary proceedings narrate the origins of the narrative as reported by Fahad al-Turki and Muhy Amir, “Al-maqsuma ta‘abur bil-mudawalatain” [The Divided (Zone law) Passes Both Votes], *Al-Jarida*, January 23, 2020, 1, 6–9; Hamad Al-Khalaf and Fahad Al-Shammari, “Jalsat tabdid al-hawajjis” [Parliament Session Ends Concerns (over the Divided Zone agreement)], *Al-Qabas*, January 23, 2020, 8–9. The letter and its contents were not made public at the time and were only mentioned after the rift was over.
- 35 Rania el-Gammal and Reem Shamseddine, “Saudi Arabia, Kuwait Shared Zone Tensions Underlie Oilfield Closure,” Reuters, October 21, 2014, <https://www.reuters.com/article/saudi-kuwait-oil-disputes-idUSL6N0SF0BM20141021>; and author interview with then oil minister Dr. Khaled al-Fadhel, Kuwait, December 1, 2020. Dr. Al-Fadhel gave an overview of Kuwait’s laws and regulations to be followed by all companies operating in Kuwait. He was the oil minister at the time of the meeting but is no longer in government after the swearing in of a new government on December 14, 2020.
- 36 Abdelghani Henni, “Saudi Arabia, Kuwait Mull Resuming Production From Neutral Zone Fields,” *Hart Energy*, March 13, 2017, <https://www.hartenergy.com/exclusives/saudi-arabia-kuwait-mull-resuming-production-neutral-zone-fields-29721>.
- 37 Hafsa Jouda, “Qissat al-sira‘ al-nifti al-khafi bayn al-Saudia wa al-Kuwait bi-al-mantaqa al-maqsuma” [The Story of the Hidden Conflict Between Saudi Arabia and Kuwait in the Divided Zone], *Noon Post*, November 5, 2018, <https://www.noonpost.com/content/25410>. Maintenance was announced for two weeks, but the field was left closed for over four years. See Sky News Arabia, “Saudi wal Kuwait tughliqan haql al-Wafra” [Saudi Arabia and Kuwait Close Wafra Oilfield], *Sky News Arabia*, May 11, 2015, <https://www.skynewsarabia.com/business/744615-السعودية-والكويت-تغلقان-حقل-الوفرة>. To underscore the seriousness of shutting down an operation of this size, a source reported to Reuters that this was “the single biggest asset in the world which was deliberately stopped and hasn’t been producing for three years.” This was in 2018. Production was stopped for four and a half years. See Rania el-Gamal and Dimitry Zhdanikov, “Oil Output From Saudi, Kuwait Shared Zone on Hold as Relations Sour,” Reuters, October 18, 2018, <https://www.reuters.com/article/us-saudi-kuwait-oilfields-idUSKCN1MS1NN>. The article title does not reflect an understanding of Kuwait-Saudi relations and its flexible border approach as relations did not sour, even if they had their challenges.

- 38 Author interview with senior Foreign Ministry official, Kuwait, November 9, 2020; and “Liqā’ khass” [Special Interview], YouTube video, 1:47:26, posted by “Ekhbariya TV,” December 28, 2019, accessed January 24, 2020, <https://www.youtube.com/watch?v=gY13sknyyO0>. This was an interview by Kuwaiti state television with senior Foreign Ministry officials who represented the Kuwaiti side in the negotiations with the Saudi side.
- 39 Author interview with Dr. Mohammed Sabah al-Sabah, former deputy prime minister and foreign minister of Kuwait, Kuwait, September 1, 2020.
- 40 Ibid.
- 41 Author interview with Waleed al-Nisef, editor-in-chief of *Al-Qabas* newspaper, Kuwait, September 16, 2020; author interview with senior Foreign Ministry official, Kuwait, November 9, 2020; and Saif al-Abdullah, “Kuwait tanfi tafaqum al-khilaf ma’ al-Saudia hawl haqlay al-Khafji wal Wafra” [Kuwait Denies An Escalation in the Conflict with Saudi Arabia over the Khafji and Wafra Fields], *Riyadh Post*, December 16, 2018, <https://riyadhpost.live/14290>.
- 42 The conflict resolution clause in the 1965 agreement (Article XXII) is comprised of two steps: engaging in amicable bilateral negotiations first, after which one may resort to the International Court of Justice in the Hague. At one point, Kuwait alluded to this option after Saudi Arabia’s slow pace in resolving the issue, but because the strategic relationship with Saudi Arabia is an important one for Kuwait as well, it gave priority to a directly mediated solution.
- 43 Fahad al-Turki and Muhy Amir, “Al-maqsūma ta’abur bil-mudawalatain” [The Divided (Zone Law) Passes Both Votes], *Al-Jarida*, January 23, 2020, 1, 6–9; Hamad al-Khalaf and Fahad al-Shammari, “Jalsat tabdid al-hawajis” [Parliament Session Ends Concerns (over Divided Zone Agreement)], *Al-Qabas*, January 23, 2020, 8–9. The speaker of parliament recalled Mohammed bin Salman siding with Kuwait against his team when the latter referred to Saudi Arabia bearing the cost of operating the Neutral Zone during Kuwait’s occupation. He noted that his grandfather was exiled to Kuwait and departed from it to reclaim his lands. Also, see “Liqā’ khass” [Special Interview], YouTube video, 1:47:26, posted by “Ekhbariya TV,” December 28, 2019, accessed January 24, 2020, <https://www.youtube.com/watch?v=gY13sknyyO0> for background story.
- 44 Author interview with a senior official, Kuwait, December 2, 2020.
- 45 “Al-Ghanim fi mudakhala lil-tarikh yadha’ al-nuqat ‘ala al-huruf hawl ittifaqiyyat al-mantaqa al-maqsūma” [Al-Ghanim Relays Important Details About the Divided Zone Agreement], YouTube video, 25:05, posted by “Majles Al Ommah,” January 9, 2020, accessed October 20, 2020, [https://www.youtube.com/watch?v=YYoWBIMD\\_iQ](https://www.youtube.com/watch?v=YYoWBIMD_iQ); and Marzouq al-Ghanim, interview by Ali Khaja, Alrai TV, December 3, 2020, [https://www.youtube.com/watch?v=xqGSrrdprE&list=UUurswD2w4wt1sWF0G-fZV2g&ab\\_channel=ALZIADIQ8BlogPlus2](https://www.youtube.com/watch?v=xqGSrrdprE&list=UUurswD2w4wt1sWF0G-fZV2g&ab_channel=ALZIADIQ8BlogPlus2).
- 46 Mubasher, “Kuwait Has World’s Sixth Largest Oil Reserves of 104 bln Barrels,” *Mubasher*, April 16, 2013, <https://english.mubasher.info/news/2296423/Kuwait-has-world-s-sixth-largest-oil-reserves-of-104-bln-barrels>; and Reuters, “Kuwait, Saudi Arabia Start Trial Oil Pumping From Divided Zone: Kuwait Minister,” Reuters, February 16, 2020, <https://www.reuters.com/article/us-kuwait-saudi-oil/kuwait-saudi-arabia-start-trial-oil-pumping-from-divided-zone-kuwait-minister-idUSKBN20A0I9>.
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- 50 See Article III of Law No. 1 of 2020, Addendum to Agreement between the Kingdom of Saudi Arabia and the State of Kuwait on the partition of the neutral zone and Agreement between the Kingdom of Saudi Arabia and the State of Kuwait concerning the submerged area adjacent to the divided zone, *Kuwait Alyoum*, vol. 1482, February 2, 2020, pages 2–11; and Musallam Abdulwadud, “Madha ya’ni ittifaq al-Kuwait wal Saudia hawl al-mantaqa al-maqsuma” [What is the Meaning of the Agreement between Kuwait and Saudi Arabia Over the Divided Zone?], *Hafryat*, December 25, 2019, <https://hafryat.com/en/node/13801>. A joint operation model refers to an evenly divided Kuwaiti-Saudi company set up to manage the oilfields in the divided zone. The onshore operation is managed by Wafra Joint Operations, equally funded and managed by Kuwait Gulf Oil Company (KGOC) and Saudi Arabian Chevron, representing the equal stakes of both states. This is the case as well with the offshore operations under Khafji Joint Operations, also operated equally by KGOC (Kuwait) and Aramco Gulf Oil Company (Saudi Arabia). For more details on the operations, see NS Energy, “Al-Khafji Field Development, Saudi-Kuwaiti Neutral Zone,” NS Energy, <https://www.nsenergybusiness.com/projects/khafji-field-saudi-kuwaiti-neutral-zone>; Kuwait Gulf Oil Company, “Oil and Gas,” <https://www.kgoc.com/UI/oil-gas.aspx>; and OGJ editors, “Kuwait and Saudi Arabia to Resume Joint Oil Production,” *Oil & Gas Journal*, <https://www.ogj.com/general-interest/article/14074106/kuwait-saudi-arabia-to-resume-joint-oil-production>.
- 51 In January 2021, Saudi Arabia supported the end of the Gulf rift and reassured the energy market by taking on the burden of the production cut in the latest OPEC+ meeting. This was preceded by ending the border disagreement with Kuwait and followed by a commutation of the sentences of several human rights activists and a reduction in the numbers of executions in 2020. Several observers trace elements of this shift to the recent change in the U.S. administration, while others downplay this factor and cite the need to rebrand the crown prince as a more responsible statesman in light of an imminent succession and continued foreign outcry against his previous policies.
- 52 Author interview with senior Foreign Ministry official, Kuwait, November 9, 2020.
- 53 The MOU consists of eighteen articles. Articles 5–9 outline compensation. See “Mashru‘ qanun mud-hakkirat tafahum bayn hukumat dawlat al-Kuwait wa hukumat al-mamlaka al-arabiya al-Saudia” [Draft Law for a Memorandum of Understanding Between the Governments of the State of Kuwait and Kingdom of Saudi Arabia], Council of Ministers, Kuwait, January 7, 2020.
- 54 Article 3 of the Memorandum of Understanding Between Saudi Arabia and Kuwait notes that “Saudi Arabian Chevron Inc. shall represent the interests of the Kingdom of Saudi Arabia in the divided area and in the six-nautical-mile zone of the divided submerged area, in accordance with the concession agreement concluded with the Government of the Kingdom of Saudi Arabia that will expire on 3 Rabi‘ I A.H. 1469, corresponding to 31 December A.D. 2046.” See United Nations, “Kuwait—Supplementary Agreement to the Agreement between the Kingdom of Saudi Arabia and the State of Kuwait on the Partition of the Neutral Zone and to the Agreement Between the Kingdom of Saudi Arabia and the State of Kuwait Concerning the Submerged Area Adjacent to the Divided Zone, 24 December 2019,” United Nations, page last updated December 1, 2020, [https://www.un.org/Depts/los/LEGISLATION-ANDTREATIES/PDFFILES/TREATIES/KuwaitSaudiArabiaTreaty\\_English.pdf](https://www.un.org/Depts/los/LEGISLATION-ANDTREATIES/PDFFILES/TREATIES/KuwaitSaudiArabiaTreaty_English.pdf). The 2039 end date is the more well-known date and the one an oil official shared during an author interview before hearing

mention of the MOU clause that states the ending year as 2046, after which he asked for the record to stick to the date in the MOU. Author interview with oil official (via phone), February 15, 2021. It may be either that the end date is 2046 after all or that it is 2039 per SAC but that the two parties are adding a layer of flexibility by leaving a few more years to negotiate the concession's status after its 2039 end date.

- 55 National Assembly of Kuwait, "Al-taqrir al-thalith li-lajnat al-shu'un al-kharijia bi-almuwafaqa 'ala (1) mashru' qanun bi-almuwafaqa 'ala mudhakkirat tafahum bayn hukumat dawlat al-Kuwait wa hukumat al-mamlaka al-'arabiya al-Sa'udia (2) mashru' qanun bi-almuwafaqa 'ala ittifaqiya mulhaqa bi-ittifaqiyat taqsim al-mantaqa al-muhayida wa-ittifaqiyat taqsim al-mantaqa al-maghmura al-muhadhiya lil-mantaqa al-maqsuma bayn hukumat dawlat al-Kuwait wa hukumat al-mamlaka al-'arabiya al-Sa'udia" [Third Report of the Foreign Affairs Committee on its Agreement to (1) the Draft Law that Agrees to the Memorandum of Understanding Between the Governments of the State of Kuwait and the Kingdom of Saudi Arabia; and to (2) the Draft Law that Agrees to the Addendum to the Agreement to Partition the Neutral Zone and Agreement to Partition the Submerged Area Adjacent to the Divided Zone Between the Governments of the State of Kuwait and the Kingdom of Saudi Arabia], National Assembly, Kuwait, January 20, 2020.
- 56 Krista E. Wiegand, "Resolution of Border Disputes in the Arabian Gulf," *The Journal of Territorial and Maritime Studies* 1, no. 1 (January 2014), 37.
- 57 "Al-Jubair yazur al-bilad li-tawqi' sighthat majlis al-tansiq al-Sa'udi al-Kuwaiti" [Al-Jubair Visits the Country to Sign the Saudi-Kuwaiti Coordination Council Draft], *Al-Jarida*, July 18, 2018, <https://www.aljarida.com/articles/1531851501144790200>.



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