

Saudi Arabia's Plan B: Bypassing the World's Most Dangerous Oil Chokepoint

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Note: the original article is provided as a separate file (attached to the email or downloadable from the website).

1. Reading Passage

When Crown Prince Mohammed bin Salman unveiled Neom in 2017, critics called it a vanity project: a \$500 billion fantasy of mirrored skyscrapers and floating cities rising from the Saudi desert. Nine years later, much of that vision has been quietly scaled back. But one of its less glamorous components — a deep-water port on the Red Sea — has suddenly acquired strategic significance no one originally planned for.

The shift comes against a brutal backdrop. Following a US-Israeli strike on Iran, Tehran retaliated by attacking shipping in the Persian Gulf, effectively choking off the Strait of Hormuz — the narrow waterway through which roughly a fifth of the world's oil and liquefied natural gas normally flows. For Saudi Arabia, whose oil-rich east coast depends entirely on Hormuz to reach world markets, the disruption was economically devastating. Riyadh has responded by aggressively repositioning Neom's port as a hub linking the Gulf with Europe and Africa via the Red Sea, with the goal of reducing reliance on the besieged strait.

The scramble to reroute trade has revived old infrastructure in surprising ways. Saudi Arabia has dramatically increased crude exports through Yanbu, a Red Sea port, by sending oil westward through an east-west pipeline originally built during the Iran-Iraq War of the 1980s. Shipments from Yanbu surged roughly fourfold from February, hitting more than 29 million barrels per week by early April, according to the research firm Kpler. Yet even at this wartime peak, Yanbu was moving only about half of the 59 million barrels per week the country had been exporting before the strikes, mostly from its main Gulf terminal at Ras Tanura. The pipeline, in short, helps — but it cannot replace.

Neom Port itself, which does not handle oil, is being marketed as a logistics gateway. The facility is fully operational and received 2.2 million tonnes of cargo in 2024, about 2 percent of Saudi imports. Satellite images from early March showed heavy truck activity and freshly installed cranes, though parts of the port still appeared under construction. An \$800 million expansion of Jeddah Islamic Port — currently Saudi Arabia's largest by capacity — is underway, aiming to lift capacity by a third to 10 million twenty-foot equivalent units (TEU). Riyadh has also launched five new 'logistics corridors' connecting Gulf ports with the Red Sea. But here's the catch: most of these corridors rely on existing roads, because there is no railway linking the two coasts. A \$27 billion, 1,500-kilometre 'landbridge' rail line from Riyadh to Jeddah has been repeatedly delayed.

The broader story is one of an ambitious project quietly finding a humbler purpose. Elana DeLozier, a Gulf expert at the Sage Institute for Foreign Affairs, has noted that Neom's less flashy infrastructure may be discovering real use even as the project's headline ambitions shrink. Oxagon, the industrial city originally pitched as part-floating, has pivoted to data centers and high-end manufacturing. Saudi Arabia has been trying for years to use its 1,830-kilometre Red Sea coast to relieve pressure on Jeddah and develop alternatives to its Gulf-side economy, with mixed results. Whether Neom finally tips that balance — or simply lubricates a temporary detour around Hormuz — will depend on whether the strait reopens and on how quickly the kingdom can finish the railways and ports it has so far only promised.

2. Explanation

When Iran chokes off the world's most important oil chokepoint, where does Saudi Arabia send its tankers? Suddenly, a desert mega-project everyone mocked starts looking like genius infrastructure.

What's Going On?

Saudi Arabia is rebranding the port at Neom — Crown Prince Mohammed bin Salman's much-mocked futuristic mega-project on the Red Sea — as a trade hub linking the Gulf with Europe and Africa. The pivot follows a US-Israeli strike on Iran that triggered Iranian attacks on Gulf shipping, effectively cutting Saudi Arabia's oil-rich east coast off from world trade through the Strait of Hormuz.

Neom Port is fully operational and received 2.2 million tonnes of cargo in 2024 — about 2% of Saudi imports. Satellite images from early March showed busy truck activity and freshly installed quayside cranes, suggesting Riyadh is racing to scale it up while Hormuz remains dangerous.

How To Think About It

Imagine a country whose entire front door opens onto a hallway controlled by its angriest neighbor. Saudi Arabia is now frantically cutting a back door — and finding that the back door it half-built years ago for vanity reasons turns out to be useful after all.

- It's like a restaurant whose only delivery driver is held hostage by a rival: suddenly that expensive second kitchen on the other side of town stops looking like a waste and starts looking like the only way to keep serving customers.
- Or think of a school with one fire exit. You don't notice the second exit is missing until smoke fills the hallway — at which point retrofitting one becomes urgent, expensive, and impossible to do quickly.

Key Things To Know

- The Strait of Hormuz normally carries about one-fifth of the world's oil and LNG. When it's disrupted, energy markets convulse globally.
- Saudi Arabia is rerouting crude through an east-west pipeline originally built during the 1980s Iran-Iraq war — exports from Yanbu on the Red Sea have surged roughly fourfold since February to over 29 million barrels per week.
- Even so, Yanbu is shipping only about half of the 59 million barrels per week the country was exporting just before the US-Israeli strikes, mostly from Ras Tanura on the east coast.
- A \$27 billion, 1,500km 'landbridge' rail line from Riyadh to Jeddah — meant to physically connect the two coasts — has faced repeated delays.
- Most people assume Neom is just MBS's sci-fi vanity project (a mirrored skyscraper city in the desert). The less flashy parts — the port, the industrial zone Oxagon — may end up being the only bits that actually pay off.

Why It Matters

If you've filled a gas tank or noticed grocery prices jump in the past year, Hormuz is part of the reason. The world's economy quietly depends on a 39km-wide strip of water most people have never heard of, and watching Saudi Arabia scramble to build alternatives is a live demonstration of how fragile globalization actually is. For students considering careers in logistics, energy, engineering, or international relations, this is the kind of problem that will define the next two decades.

The Bigger Picture

Vision 2030 — Saudi Arabia's plan to wean itself off oil dependence — was always partly about geography as much as economics. Watch for three second-order effects: accelerating rail and pipeline projects across the Arabian Peninsula, a quiet boom for Egyptian Red Sea ports like Damietta and Safaga that connect Europe to Neom, and a long-term reshuffling of which Gulf cities matter most. Dubai and Abu Dhabi rose because Hormuz was safe. If it stays unsafe, the Red Sea coast becomes the new center of gravity.

3. Key Terms Glossary

Strait of Hormuz

A narrow waterway between Iran and Oman that connects the Persian Gulf to the open ocean. Roughly a fifth of the world's oil and liquefied natural gas passes through it, making it the single most strategically important shipping chokepoint on Earth.

Neom

A \$500+ billion futuristic mega-project on Saudi Arabia's Red Sea coast, championed by Crown Prince Mohammed bin Salman. Originally pitched as a sci-fi city of mirrored skyscrapers and floating industrial zones; recently scaled back amid huge cost overruns.

TEU (twenty-foot equivalent unit)

The standard way to measure container shipping capacity. One TEU equals one 20-foot shipping container – the metal boxes you see stacked on cargo ships.

Vision 2030

Saudi Arabia's official plan, launched in 2016, to diversify its economy away from oil by investing in tourism, technology, entertainment, and logistics.

Landbridge

An overland route – usually rail – that lets cargo skip a sea passage by crossing a country instead. Saudi Arabia's planned Riyadh-to-Jeddah railway is meant to do this between the Gulf and the Red Sea.

Methane flaring

When oil and gas companies burn off excess natural gas at well sites instead of capturing it. Wastes energy and releases CO₂; venting (releasing it unburnt) is even worse for the climate because methane traps far more heat than CO₂.

Crude terminal

A specialized port facility for loading crude oil onto tankers. Ras Tanura on Saudi Arabia's east coast is the country's largest.

Public Investment Fund (PIF)

Saudi Arabia's sovereign wealth fund – a state-owned investment vehicle holding hundreds of billions of dollars and the financial muscle behind Neom and other Vision 2030 projects.

4. Reading Comprehension Quiz

Circle the best answer for each question.

Q1. The passage primarily argues that:

- A) Neom has succeeded as a futuristic tourist destination beyond expectations.
- B) Saudi Arabia is repurposing Neom's port to reduce reliance on the Strait of Hormuz.
- C) Iran's blockade of Hormuz has permanently ended Saudi oil exports.
- D) Red Sea ports have fully replaced Gulf ports for Saudi crude shipments.

Q2. According to the passage, exports from Yanbu surged because:

- A) A new rail line opened between Riyadh and Jeddah.
- B) Neom's port began handling crude oil shipments.
- C) An east-west pipeline built in the 1980s was used to reroute crude.
- D) Saudi Arabia discovered new oil fields on its Red Sea coast.

Q3. Which choice best states the central idea of the passage?

- A) Mega-projects like Neom always fail because of cost overruns.
- B) Regional conflict has given Neom's downsized infrastructure unexpected strategic value.
- C) Saudi Arabia and Iran are negotiating shared use of the Strait of Hormuz.
- D) The Public Investment Fund is shifting all investment to data centers.

Q4. As used in the passage, the word 'choked' most nearly means:

- A) Coughed violently
- B) Performed poorly under pressure
- C) Blocked or severely restricted
- D) Strangled to death

Q5. As used in the passage, 'derided' most nearly means:

- A) Mocked or ridiculed
- B) Carefully analyzed
- C) Officially approved
- D) Quietly ignored

Q6. Which statement about Saudi Arabia's two coasts can most reasonably be inferred?

- A) The Red Sea coast has long matched the Gulf coast in oil-export capacity.
- B) Infrastructure on the Red Sea side cannot yet fully substitute for the Gulf side.
- C) The Saudi government plans to abandon all Gulf-coast facilities.
- D) Most Saudi citizens live on the Red Sea coast rather than the Gulf coast.

Q7. The passage suggests that Iranian attacks on Gulf shipping have:

- A) Had little economic effect on Saudi Arabia overall.
- B) Forced regional governments to improvise alternative trade routes.
- C) Prompted Saudi Arabia to abandon the Vision 2030 strategy entirely.
- D) Caused Neom Port to suspend operations indefinitely.

Q8. The author's tone toward Neom is best described as:

- A)** Uncritically enthusiastic about its design ambitions.
- B)** Openly hostile toward the Saudi government's spending.
- C)** Measured, noting both its setbacks and emerging usefulness.
- D)** Confused about whether the project actually exists.

Q9. Which statement about Oxagon can most reasonably be inferred from the passage?

- A)** Its original concept has been altered to focus on different industries.
- B)** It has been completely cancelled by the Saudi government.
- C)** It will replace Ras Tanura as the country's main oil terminal.
- D)** It was originally designed as a tourist resort for foreign visitors.

Q10. Which choice provides the best evidence for the answer to the previous question?

- A)** 'Neom Port is fully operational and received 2.2 million tonnes of cargo in 2024.'
- B)** 'A \$27 billion plan to build a 1,500km train line from Riyadh to Jeddah has faced repeated delays.'
- C)** 'Oxagon... has pivoted to building data centres and high-end manufacturing.'
- D)** 'The Strait of Hormuz normally carries about one-fifth of the world's oil and LNG.'

My Score: _____ / 10

5. Answer Key with Explanations

Q1. The passage primarily argues that:

Answer: B

The passage centers on Saudi Arabia promoting Neom as a Red Sea trade hub to bypass Hormuz disruptions. D is wrong (Trap A – right scope, wrong direction): Yanbu is shipping only half of pre-strike volumes, so replacement is partial, not full. SAT Tip: When a question asks for the central idea, pick the option that captures both the action AND the reason – answers focused on only half the argument are usually distractors.

Q2. According to the passage, exports from Yanbu surged because:

Answer: C

The passage explicitly attributes the Yanbu surge to a pipeline built during the Iran–Iraq conflict that lets Saudi Arabia move crude from east to west. A is wrong (Trap B – uses passage vocabulary in a wrong combination): the Riyadh–Jeddah landbridge is mentioned, but as delayed, not opened. SAT Tip: When several options recycle terms from the passage, the right answer is the one whose causal link is actually stated, not just whose nouns appear nearby.

Q3. Which choice best states the central idea of the passage?

Answer: B

The article frames Neom as scaled back and mocked, yet now finding real use as Hormuz becomes unsafe. A is wrong (Trap C – true-sounding but unsupported absolute): the passage mentions overruns but never claims all mega-projects fail. SAT Tip: Beware options containing 'always,' 'all,' or 'never' – the SAT loves to bait you with absolute claims the passage never quite makes.

Q4. As used in the passage, the word 'choked' most nearly means:

Answer: C

In context ('with Hormuz choked off'), the word means the strait's traffic has been blocked or restricted by Iranian attacks. B is wrong (Trap B – common idiom, wrong context): athletes 'choke,' but waterways don't. SAT Tip: On vocab-in-context, mentally substitute each option into the original sentence – only the correct one keeps the sentence's original meaning intact.

Q5. As used in the passage, 'derided' most nearly means:

Answer: A

The passage says Neom 'has been derided by some as an expensive fiasco' – the word signals harsh criticism or mockery. D is wrong (Trap A – same general direction but weaker): being ignored is not the same as being openly mocked. SAT Tip: Look at the surrounding emotional charge of the sentence – 'expensive fiasco' is loaded language, so the verb attached to it must match that intensity.

Q6. Which statement about Saudi Arabia's two coasts can most reasonably be inferred?

Answer: B

Yanbu shipped only half of pre-war volumes, there's no railway linking the coasts, and capacity at Yanbu is constrained – these all imply incomplete substitution. D is wrong (Trap C – possibly true in the real world, but the passage gives no population data). SAT Tip: For inference questions, separate 'things that might be true generally' from 'things this specific passage actually supports' – only the latter wins.

Q7. The passage suggests that Iranian attacks on Gulf shipping have:

Answer: B

The passage describes Saudi Arabia rerouting cargo, scaling up Neom, allowing extra food trucks for neighbors, and launching new logistics corridors – all improvised responses. D is wrong (Trap A – opposite direction): Neom is fully operational, not suspended. SAT Tip: When an option directly contradicts a clear factual claim in the passage, eliminate it instantly – even if it sounds dramatic and 'newsworthy.'

Q8. The author's tone toward Neom is best described as:

Answer: C

The author mentions cost overruns, scaled-back ambitions, and mockery, but also describes the port as operational and strategically valuable – a balanced view. A is wrong (Trap A – opposite direction): the author notes critics calling Neom 'an expensive fiasco,' which isn't uncritical praise. SAT Tip: Tone questions reward the option that holds two opposing observations at once – journalistic prose almost never reads as purely positive or purely negative.

Q9. Which statement about Oxagon can most reasonably be inferred from the passage?

Answer: A

The passage notes Oxagon was originally meant to be a part-floating industrial city but has 'pivoted' to data centers and high-end manufacturing – a change of focus, not cancellation. B is wrong (Trap A – overshoot): a pivot is not a cancellation. SAT Tip: 'Pivoted,' 'shifted,' and 'scaled back' all mean adjustment, not elimination – don't let the SAT trick you into upgrading a moderate verb into an extreme one.

Q10. Which choice provides the best evidence for the answer to the previous question?

Answer: C

Option C directly states Oxagon's shift in focus – the exact basis for the previous inference. B is wrong (Trap B – passage vocabulary in wrong combination): it concerns the rail line, not Oxagon. SAT Tip: On evidence-pairing questions, lock in your previous answer first, then hunt for the exact line that mentions the same noun – matching the subject of the claim is the fastest path to the right quote.