

## Subject Matter Briefing

## Economic Ties Between the United States and Saudi Arabia

### Overview

- The United States and Saudi Arabia have been trade partners as far back as 1931.
  - This is 14 years before the historic meeting between President Franklin Roosevelt and Saudi King Abdul Aziz Ibn Saud in 1945 that established U.S.-Saudi relations.
- While founded primarily on oil and energy trade, the business relationship between the U.S. and Saudi Arabia has expanded tremendously over the past 20 years into new sectors and industries.

### U.S.-Saudi Arabia Trade Relationship

- Saudi Arabia is the second largest trading partner for the U.S. in the Middle East.
  - The U.S. imported \$13.4 billion from Saudi Arabia and exported \$14.3 billion worth of goods to Saudi Arabia in 2019.
- The U.S. is Saudi Arabia's second largest importer, accounting for 11 percent of Saudi Arabia's total imports, and is Saudi Arabia's eighth largest exporter.
- Top exported goods, from the U.S. to Saudi Arabia, include machinery, cars, air vehicles, electrical appliances, and medical imaging devices.
- Top imported goods from Saudi Arabia to the U.S., aside from oil, include metal products, organic chemical products, aluminum, fertilizers, and iron and casting (steel).
- According to the latest data from the Department of Commerce, U.S. exports of goods and services to Saudi Arabia supported an estimated 165,000 jobs.

### Key Stakeholders

- U.S. corporations that currently do business with Saudi Arabia include:
  - General Electric
  - Bechtel
  - Pepsi Company
  - AMC Entertainment
  - Raytheon
  - General Motors
  - Ford
  - Starbucks
- Saudi Arabia's Public Investment Fund has further invested heavily in American companies in recent years. These investments include:
  - Uber – \$2 billion
  - Boeing – \$714 million
  - Citigroup – \$522 million
  - Facebook – \$522 million
  - Marriott – \$514 million
  - Disney – \$496 million
  - Cisco Systems – \$491 million
  - Bank of America – \$488 million

*These materials are distributed by Emily Bir acting through LS2group on behalf of the Royal Embassy of Saudi Arabia. Additional information is on file with the Department of Justice, Washington, DC.*

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### Vision 2030

- Through Vision 2030, Saudi Arabia is transforming its economy, its culture, and its society.
  - This provides an opportunity for the U.S. and Saudi Arabia to further strengthen and diversify their trade relationship for the 21<sup>st</sup> century economy.
  - Under Vision 2030, Saudi Arabia's economy is diversifying with investments in renewable energy, including wind and solar energy, tourism, and other high-tech industries.
  - Vision 2030's smart city initiatives has opened the door to potential partnerships with U.S.-based companies like Amazon, Google, Apple, and other American tech leaders.

### Trade between Michigan and Saudi Arabia

- Michigan businesses that have conducted trade with or have a relationship with partners in Saudi Arabia also includes:
  - Ford Motor Company
  - Dow Chemical Company
  - CIG Capital Advisors
  - Domino's Pizza Inc.
  - Energy International
  - Ghafari Associates LLC
  - Ziebart International

### Conclusion

- A nation's business leaders and business community are some of the most important diplomats a country can have.
  - The business leaders of the U.S. and Saudi Arabia exemplify this as their strong economic bonds have strengthened the U.S. and Saudi economies and people for decades.

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