Subject Matter Briefing

The U.S.-Saudi Economic Relationship: More than Arms and Oil

- The U.S.-Saudi Economic Relationship: More than Arms and Oil report provides a comprehensive overview of the U.S.-Saudi economic relationship in sectors besides arm sales and energy markets.
  - This is particularly poignant as, in recent years, the United States and Saudi Arabia have become even more interlinked economically.

- The ties between Saudi Arabia and the United States began when an American company, Bechtel, built the railway linking the capital of the newly unified Kingdom with its oil-producing east region in the 1940s. The close partnership between the United States and the Kingdom has only strengthened since then.

Part I: Goods and People

- U.S. Exports to Saudi Arabia
  - Exports started at $77 million in 1962 and by the end of the first Saudi oil boom in 1982 exports had ballooned to $7.3 billion.
  - In 2019, the U.S. exported $23.9 billion in goods and services to Saudi Arabia.
    - The sale of these goods supports at least 165,000 American jobs.

- Saudis in the U.S.
  - In total, over 150,000 Saudi citizens visited the U.S. in 2019 for business, tourism, or education – the most of any country in the Arab world.
  - Over the last two decades, Saudi students have enrolled in more than 500,000 academic years' worth of education in the United States.
    - Since the surge of scholarship opportunities in 2005, Saudi students alone have contributed almost $14 billion to the American economy.
  - In the 2019-2020 academic year, 30,957 Saudis pursued their education in the United States, making the Kingdom the fourth largest place of origin for international students at U.S. schools.

Part II: American Businesses and Vision 2030

- Sports and Entertainment
  - The Saudi government has budgeted $64 billion to expand the sectors of arts, entertainment, and tourism industries over the next decade.
  - American acts, performed in Saudi Arabia, include Broadway shows such as The Wizard of Oz and Peter Pan, musical acts like Imagine Dragons and Steve Aoki, and entertainment events sponsored by Marvel Entertainment, World Wrestling Entertainment (WWE), and Monster Jam.
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- Construction and Giga-projects
  - U.S. firms are fulfilling contracts to develop projects in Saudi Arabia worth more than $700 billion.

- Mining
  - Of the current top ten largest U.S.-Saudi joint ventures in terms of paid-in capital three of them are in the mining industry.

Part III: Saudi Investments in the United States

- Saudi Direct Investment in the U.S.
  - An estimated 8,500 American workers were employed by U.S. affiliates of Saudi-owned firms in 2018.

- Financial Markets and Venture Capital
  - As of late 2018, Saudi Arabia had invested at least $11 billion in American start-ups, making it the largest single source of funding for these companies.
  - The most prominent investor in U.S. equity markets is the Kingdom’s sovereign wealth fund, known as the Public Investment Fund (PIF).

- Saudi Donations to U.S. Universities
  - Saudi Arabia has given over $390 million in gifts to American universities since 2000.

Conclusion

- The U.S-Saudi partnership does not just center on oil and arms. It encompasses the sale of automobiles and medical equipment, joint ventures to develop green energy projects and build the infrastructure of the country’s new mega-cities, and financing for some of America’s most innovative companies.