



MARKET BRIEF

SAUDI ARABIA

A Strategic Partner

Saudi Arabia's unique role in the Arab and Islamic worlds, its possession of the world's largest reserves of oil, and its strategic location makes its relationship with the United States of strategic importance. The United States and Saudi Arabia share common concerns about regional security and stability, oil exports and imports, and sustainable development. Both nations share vital interests in the Persian Gulf, in bringing peace and stability to Iraq, and in achieving peace between Israel and the Palestinians.

Market Overview

▶ The foundation of the U.S.-Saudi Arabian commercial relationship remains sound. The United States remains the largest foreign investor in Saudi Arabia, with total investments reaching more than \$4 billion in 2003. Close to twenty thousand Americans reside and work in Saudi Arabia, despite a heightened state of national and regional security.

▶ The Kingdom of Saudi Arabia is the U.S. largest trading partner in the Near East/North Africa, with two-way trade reaching more than \$22 billion in 2003. American firms are expected to make significant inroads into the areas of education and training, financial services, insurance, and mining, which have recently opened up to foreign companies.

▶ The Saudi Arabian leadership has embarked on a wide-ranging restructuring of the entire Saudi economy that will lay the foundation for a better climate conducive to foreign enterprises in general, and to American companies in particular. Transparency in public procurement has improved as bids for contract awards are publicized. Saudi Arabia also continues to make progress in integrating international standards, which will positively affect American firms in many sectors including, food, electrical goods, construction, chemicals, pharmaceuticals, and telecommunications.

Top 5 Sectors

1. Electrical Power Systems
2. Water Resources Equipment
3. Oil & Gas Services
4. Safety & Security Equipment
5. Chemical Production Machinery

