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Saudi Arabia

Export Opportunities in Saudi Arabia

In 2016, Saudi Arabia ranked 19th among U.S. export destinations and 13th among Virginia export destinations. Some of the top opportunities for U.S. exporters in Saudi Arabia include:

- » Oil & Gas Field Machinery
- » Energy
- » Medical Equipment
- » Pharmaceuticals
- » Construction
- » Mining and Minerals
- » Education and Training
- » Information and Communication Technology

Map of Saudi Arabia



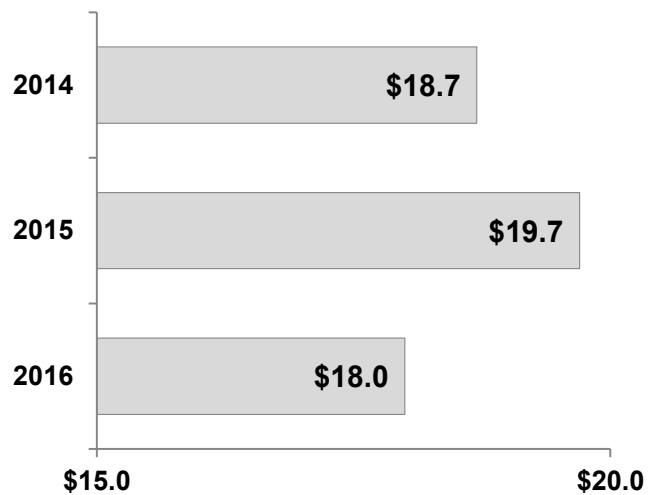
(U.S. Central Intelligence Agency)

Top Virginia Exports to Saudi Arabia

Export Category	2016 Value	Change 2016/2015
All Commodity Chapters	\$ 287.1	-21%
Industrial Machinery	\$ 54.7	-60%
Food Residues	\$ 43.3	10%
Railway Equipment	\$ 36.4	204%
Arms And Ammunition	\$ 35.9	23%
Electrical Machinery	\$ 31.7	46%
Pharmaceuticals	\$ 11.2	-45%
Medical Instruments	\$ 11.0	-51%
Organic Chemicals	\$ 9.5	85%
Aircraft & Spacecraft	\$ 8.7	-20%
Furniture	\$ 4.8	21%

In US\$ millions (World Trade Atlas)

U.S. Exports to Saudi Arabia



In US\$ billions (World Trade Atlas)



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Opportunities in Saudi Arabia for Exporters

Information/Communication Technology

Saudi Arabia is the largest ICT market in the Middle East. The Saudi Arabian telecommunications network is modern, and mobile/cellular subscriptions continue to increase rapidly. There were 17.4 million internet users by 2014 and the NTP has a five year goal to increase the internet users from 64% to 85% and provide broadband services across the country. The Press Law in 2011 brought all forms of electronic publishing under its scope. The best prospects are

- » Cyber security
- » Cloud computing
- » Big data management
- » Fiber-optic satellite links

Oil and Gas Field Machinery

The Saudi Arabian Oil Company is the world's largest oil producer and the state-owned company has maintained its world-leading conventional crude oil reserves by replacing new field discoveries and product optimization. In 2016, maximum sustainable crude production capacity was increased to 10.3 million barrels per day. At the end of 2015, crude oil and condensate reserves stood at 260.1 billion barrels. Top opportunities for U.S. exporters include:

- » Marine Equipment & Services
- » Filtration systems
- » Production equipment and services

This information is adapted from the U.S. Commercial Service. [Click here for more export opportunities.](#)

Construction

The construction equipment market in Saudi Arabia is expected to grow to approximately \$4.1 billion by 2015. Population growth and surging oil revenues are the key dynamics stimulating both public and private sector investment in construction projects. The Saudi government has taken important steps to improve the business environment. With further reform anticipated and oil prices expected to remain high, it is believed that the Kingdom is set for a continued strong period of growth. The best prospects for U.S. exporters of this sector in Saudi Arabia include:

- » Electricity/Telecom Sectors
- » Water Resources

Pharmaceuticals

The Kingdom of Saudi Arabia accounts for 59.4 percent regional market share for the purchase of pharmaceutical products in the Gulf region. Saudi Arabia's expenditures of pharmaceuticals was valued at USD 8.46 billion in 2015 with industry estimates suggesting a 10 percent annual growth rate. Major factors affecting the pharmaceutical market is the Kingdom's growing population and an increase in health care spending. Top prospects for US exporters to Saudi Arabia include:

- » Diabetic Care
- » Cardiovascular Drugs
- » Antibiotics

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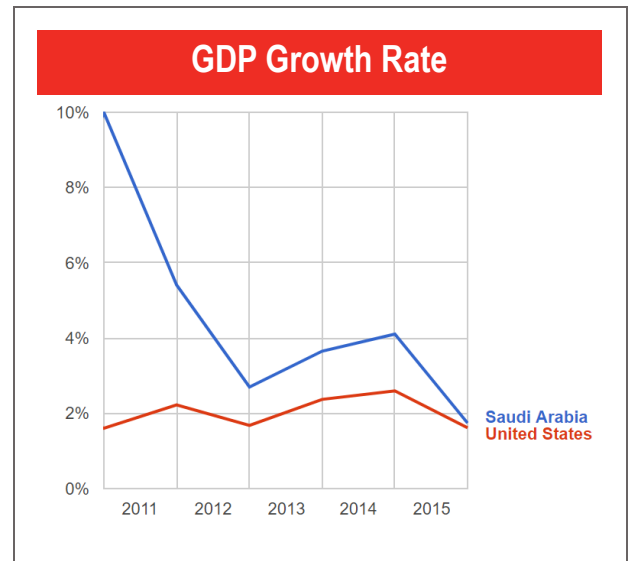


Economic Overview

Saudi Arabia has an oil-based economy with strong government controls over most economic activities. The petroleum sector accounts for nearly 87% of budget revenues, 42% of GDP, and 90% of export earnings in Saudi Arabia.

The Saudi Arabian government is encouraging growth in the private sector in an attempt to diversify its economy and employ more Saudi nationals. The primary sectors that diversification efforts are focused in are power generation, telecommunications, natural gas exploration, and petrochemical sectors. The government has established six "economic cities" across the country to promote foreign investment. The Saudi Arabian government is particularly focused on employing its large youth population, which generally lacks the education and technical skills the private sector needs.

(U.S. Central Intelligence Agency, World Bank)



Cultural Guide

- » Patience and courtesy are essential in Saudi Arabia, as it can be quite common for meetings to be interrupted.
- » Public sector working days are Saturday to Wednesday, and office hours are mainly 8am to 3pm. However, many private companies are moving to a 8am to 5pm working day.
- » The majority of Saudis are Sunni Muslims. Muslims pray five times a day and all shops and many offices will close to observe prayer times.
- » Women are not allowed to drive in Saudi Arabia. The best way to get around for men and women is to use a chauffeured car supplied by the hotel or to use taxis. Many local business contacts will be happy to send a car to pick up foreign visitors from their hotel.
- » Alcohol consumption is forbidden and anyone caught smuggling or distributing alcohol can face a long prison sentence. No pork or pork products are allowed.
- » Members of the government and senior officials can be addressed as "Your Excellency" or "Minister" if they hold a ministerial position. Royal family members should be addressed as "Your Highness" or "Your Royal Highness."

Considerable time should be spent building relationships prior to doing business in Saudi Arabia.

(United Kingdom Trade & Investment)

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Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

Additional Resources:

[Saudi Arabia Country Commercial Guide](#)

[Doing Business in Saudi Arabia](#)

[Ease of Doing Business Report](#)

[Economy in Saudi Arabia](#)

[Saudi Arabia Overview](#)

[Taxation](#)

[Arab News \(English\)](#)

[Kwintessential Saudi Arabia](#)

U.S. Commercial Service

United Kingdom Trade & Investment

World Bank

United Kingdom Trade & Investment

Global Edge - Michigan State University

Institute of Chartered Accountants in England & Wales (ICAEW)

Leading English Language Daily News

Kwintessential Guide to Saudi Arabia

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