



SAUDI ARABIA

Capital: Riyadh

Population (2009 est.):

Saudi Arabia: 29.20 million

Virginia: 7.88 million

Government Type: Monarchy

Head of Government and Chief of State:

King and Prime Minister Abdallah bin Abd al-Aziz Al Saud

Languages (Official): Arabic

Land Size:

1,335,755 Square Miles

(Almost one-fourth the size of the U.S.)

Currency: (www.oanda.com)

Saudi Riyal (SAR)

1US\$ = 3.74 SAR (June 2010)



(Saudi Arabia Map. CIA)

DID YOU KNOW?

- The United States is Saudi Arabia's largest export destination and number one source for imports. The bulk of U.S. exports to the Kingdom is industrial machinery, much of which is used in the energy sector. Petroleum is Saudi Arabia's top export to the United States.
- Saudi Arabia has over 20% of the world's proven petroleum reserves, and is the world's top petroleum exporter. The petroleum sector accounts for roughly 75% of budget revenues, 45% of GDP, and 90% of export earnings.
- Almost one-fifth of the Saudi population are foreign nationals who mainly work in unskilled jobs. There are an estimated 30,000 Americans living in the Kingdom, most of whom work in the petroleum industry.
- Approximately 40% of the Saudi population is under 15 years of age. (CIA)
- Saudi Arabia is home to Islam's two holiest shrines in the cities of Mecca and Medina. This year, the annual pilgrimage to Mecca, or Hajj, takes place in November.
- Business Visas: All visitors to Saudi Arabia must have a Saudi sponsor in order to obtain a business visa to enter the country.
- There are no income, sales, or property taxes in Saudi Arabia.
- Due in large part to the global financial crisis, U.S. exports to Saudi Arabia in 2009 were valued at \$10.79 billion, a decrease of 13% over 2008. (World Trade Atlas)



SAUDI ARABIA

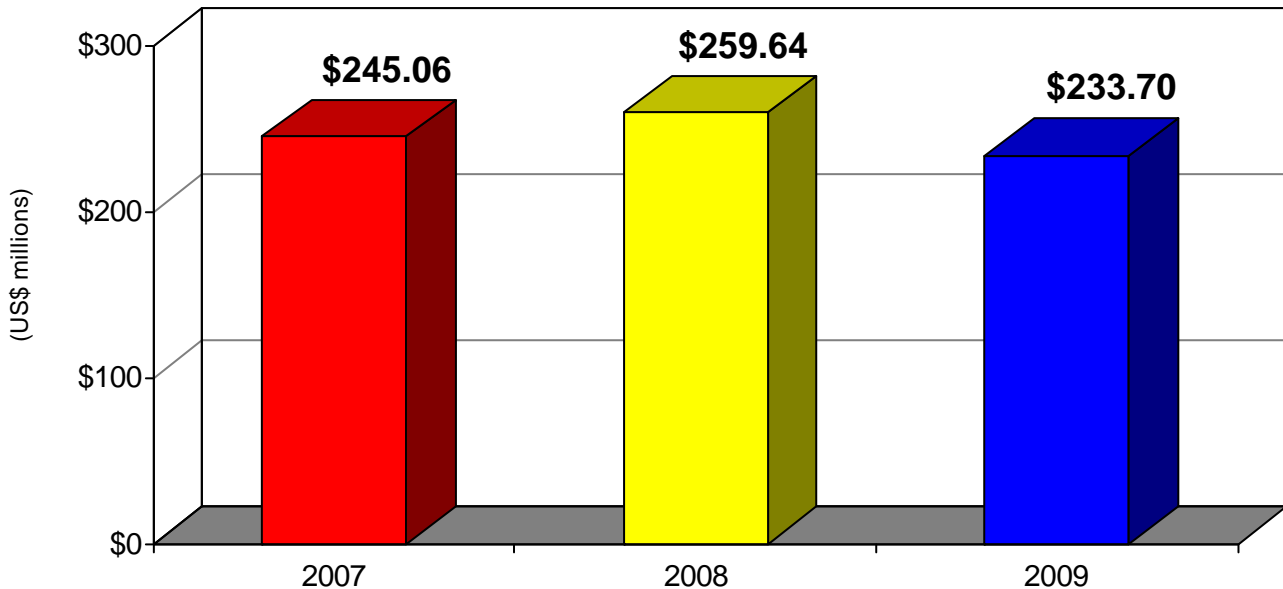
ECONOMIC OUTLOOK

Saudi Arabia’s economy is based on the petroleum industry, and the government controls much of the country’s key industries. While the Saudi government is making efforts to diversify the economy, world petroleum prices still play a pivotal role in the growth of the Saudi economy. Record high oil prices in 2008 provided a revenue windfall for the Kingdom's public coffers, and allowed the Saudi government to pay down its debt and build up international reserves. The recent financial crisis and subsequent global economic recession sent petroleum prices plummeting, which has curtailed public expenditures in the Kingdom. The global crash of the real estate market and tight credit conditions have put the brakes on construction activity in many of Saudi Arabia’s megaprojects (like the six proposed “economic cities”). In response to the current global recession, the Saudi government in 2008 and 2009 rolled out the most ambitious fiscal stimulus plan of any of the G-20 countries, equaling 2.4% of economic output (GDP) in 2008, and 3.3% of GDP in 2009.

The Saudi banking sector has followed more conservative lending practices than in many other countries, and thus was less exposed to the “toxic” assets that have plagued many financial institutions’ balance sheets. Because Saudi Arabia entered the current economic crisis with relatively sound finances, it is in a better position to recover, and construction is beginning to resume on many of the megaprojects that stalled due to the global recession.

(IMF and BNP Paribas)

VIRGINIA EXPORTS TO SAUDI ARABIA



(Source for Graph: World Trade Atlas)



SAUDI ARABIA

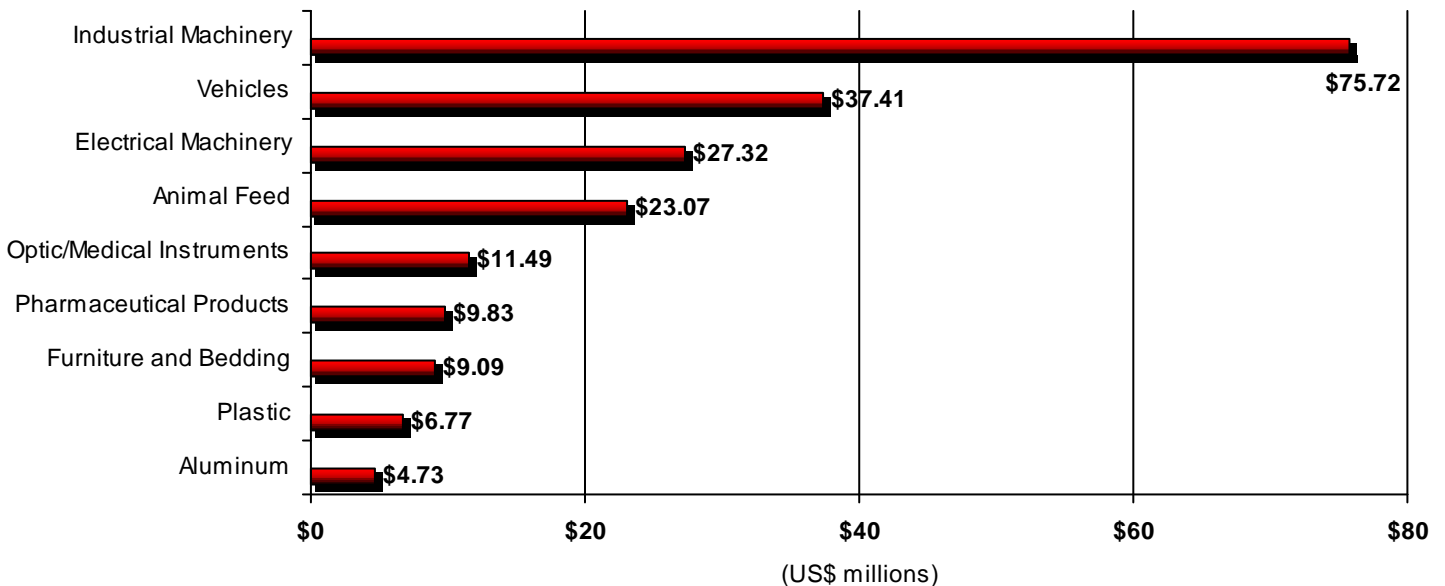
VIRGINIA EXPORTS TO SAUDI ARABIA

The top U.S. exports to Saudi Arabia via Virginia in 2009 were again industrial machinery, vehicles, and electrical machinery. Tobacco, which held the number one ranking in 2007, has plummeted as Saudi Arabia sources tobacco from other countries. In 2008, Saudi Arabia purchased almost \$90 million in tobacco from the United States (mainly Virginia and North Carolina). In 2009, American tobacco exports to Saudi Arabia had fallen to just over \$2 million, with the bulk being shipped from North Carolina.

Top exports of industrial machinery were pumps/compressors/fans, booknote dispensers, water filters, machine tools for forging/bending/stamping, parts for air conditioning machines, and machines for working rubber and plastics. Top exports of vehicles were passenger motors, motor vehicle parts/accessories, vehicle chassis with engine, towing trailers, and work trucks. Top exports of electrical machinery were parts for switches and breakers, transmission apparatus for TV/camera/radiotelephony, telephony apparatus, insulators, discharge lamps, and integrated circuits.

The most significant annual increase in exports to Saudi Arabia via Virginia came from aircraft/spacecraft, furniture and bedding, pharmaceutical products, industrial machinery, and electrical machinery.

VIRGINIA'S TOP EXPORTS TO SAUDI ARABIA- 2009



(Source for Text and Graph: World Trade Atlas)

FAST FACTS

SAUDI ARABIA



VEDP TRADE EVENTS

Group Market Visit to Saudi Arabia: December 4-7

For more information contact Knox Hubard, Senior International Trade Manager, (804) 545-5758, khubard@yesvirginia.org.

Other Services: The VEDP offers a number of export-related services to Virginia businesses, including independent market visits 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: www.exportvirginia.org.

ADDITIONAL RESOURCES

U.S.-Saudi Arabian Business Council: www.us-saudi-business.org

Saudi Arabian Embassy: <http://www.saudiembassy.net/>

Saudi Arabian Information Resource: <http://www.saudinf.com/>

Saudi Times: <http://www.sauditimes.com/>

The Saudi Railways Expansion Program: <http://www.saudirailexpansion.com>

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