

Subject Matter Briefing

U.S.-Saudi Economic Ties

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 sells 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.
 - Saudi direct investments in the U.S. peaked in 2017 at \$14.9 billion and stood at \$13.2 billion in 2019.
 - 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.

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