



USSBC Economic Brief

U.S.-Saudi Trade Review

Overview

The U.S.-Saudi trade relationship continues to evolve and strengthen despite the severe impact the pandemic has had on global trade. While total trade between the two countries decreased in 2020, there were sectors that witnessed strong growth that highlight a broadening trade relationship. The highest value U.S. exports to Saudi Arabia were defense-related goods, civilian aircraft, motor vehicles, and other capital-intensive electronics and machinery. However, the full profile of U.S. exports to Saudi Arabia includes a wide range of products such as pharmaceuticals, industrial chemicals, and agricultural produce such as grains, cereal, and nuts. Crude oil remains Saudi Arabia's top export by value to the U.S., but Saudi organic chemicals, precious or semi-precious metals, and textile manufacture exports to the U.S. all grew in 2020. This development reflects the larger economic transformation underway in Saudi Arabia to grow the non-oil economy through investments in manufacturing, downstream petrochemicals, and other emerging sectors through the Public Investment Fund and programs like the National Industrial Development & Logistics Program (NIDLP).

The U.S. and Saudi Arabia exchanged SAR75.6 billion (\$20.2 billion) in goods during 2020. The U.S. remained the second largest source of goods imported by Saudi Arabia while Saudi Arabia remained the 24th largest export market for the U.S. The top U.S. state trading with the Kingdom was once again Texas, which accounted for 18 percent of U.S. exports to Saudi Arabia. Maryland and New York were among the top ten exporting states to Saudi Arabia and also saw a pickup in the value of exports despite the strains on global trade flows during 2020. Alaska and North Dakota were two other U.S. states with smaller economies that saw a strong pickup in exports to Saudi Arabia as U.S.-made industrial and agricultural machinery, aircraft, and agricultural goods saw increased demand from Saudi Arabia.

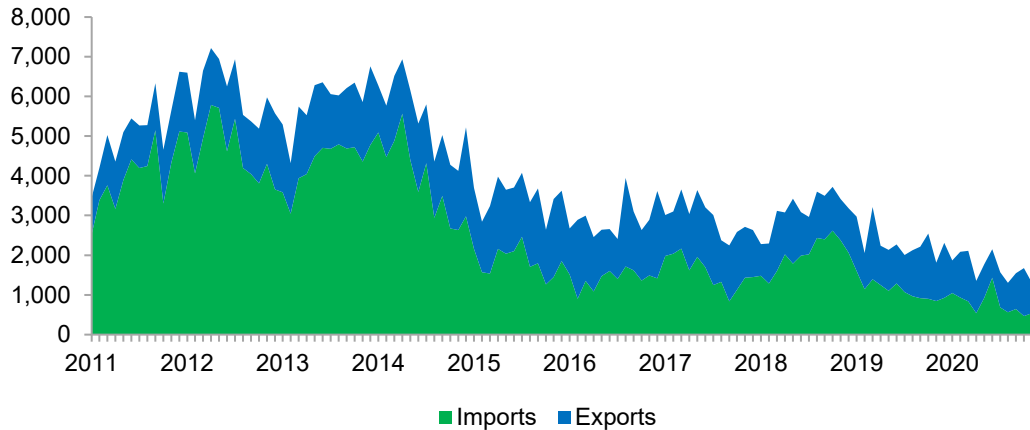
U.S.-Saudi Trade Balance

The U.S. and Saudi Arabia, along with every G20 economy except China, experienced a decline in total GDP during 2020. Merchandise trade between the U.S. and Saudi Arabia declined 27 percent. While U.S. oil imports from Saudi Arabia hit the lowest level since the 1980s, U.S. imports of non-oil Saudi merchandise grew 3.5 percent YoY with 10 of the top 15 export segments increasing from the previous year. U.S. exports to Saudi Arabia meanwhile were 26 percent lower in 2020, outpacing the 14 percent



decline in the Kingdom’s total imports during 2020. Of the top 15 U.S. goods categories exported to Saudi, miscellaneous chemical products, pharmaceuticals, and fruit & nut exports expanded while defense-related goods, machinery & equipment, and motor vehicle exports declined.

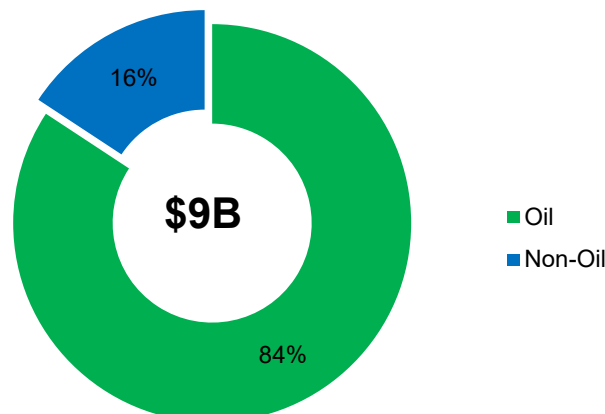
U.S. Trade Balance with Saudi Arabia (Million \$)



Source: U.S. Census Bureau

The COVID-19 pandemic had a significant impact on energy demand and the overall volume of international trade. The U.N. Conference on Trade & Development (UNCTAD) estimates the value of global merchandise trade fell 5.6 percent in 2020 compared with the prior year. The International Energy Administration (IEA) estimates global oil demand declined by 8.82 million b/d (-8.8 percent) in 2020. Saudi Arabia, the world’s top oil exporter, shipped SAR28.5 billion (\$7.6 billion) of crude oil to the U.S. during 2020. This marked the lowest level of Saudi crude imported by the U.S. since 1985. Crude oil imported from Saudi Arabia has declined more than 52 percent since 2016 as U.S. shale oil and natural gas production has soared since the mid-2010s.

U.S. Imports from Saudi Arabia (2020)



Source: U.S. Census Bureau



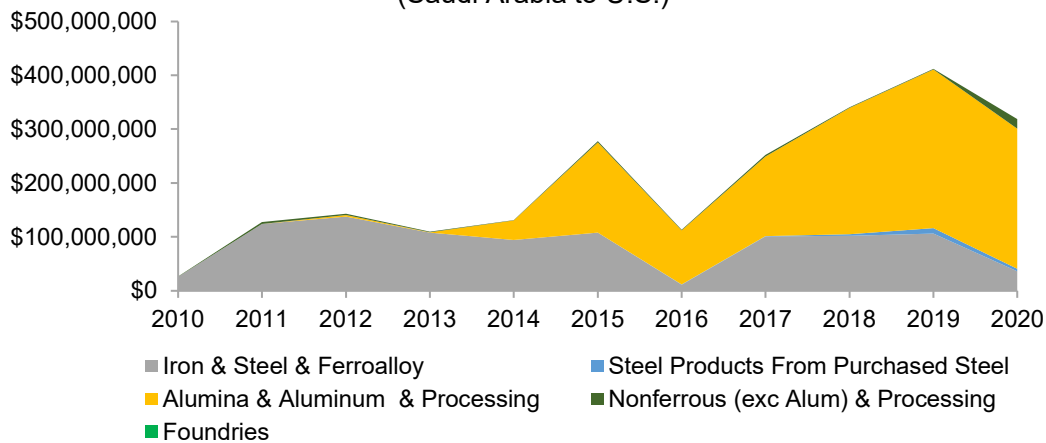
Although there may be a rebound from pandemic lows as oil demand recovers in 2021, the long-run trend of lower U.S. oil imports has redefined its trading relationship with the Kingdom as we see lower overall volume, but a growth in non-oil commodities such as gold and aluminum in addition to manufactures such as textile articles and petrochemicals. Due to the U.S. transitioning away from foreign crude imports, last year marked only the third annual U.S. trade surplus with Saudi Arabia since 1998. The U.S. exported SAR41.9 billion (\$11.2 billion) in goods to Saudi Arabia while importing SAR33.7 billion (\$9 billion) in goods from Saudi Arabia, yielding an SAR8.2 billion (\$2.2 billion) U.S. trade surplus.

The U.S. export profile remains diversified across the defense, automotive, pharmaceutical, electronic, and agricultural sectors. We expect Saudi Arabia to remain a top export market for a variety of goods in the foreseeable future due to strong existing commercial ties and a growing Saudi population. Saudi exports to the U.S. remain dominated by crude oil despite lower deliveries in 2020, while aluminum, chemical products, and fertilizers were its top non-oil exports. The success of Saudi Arabia's diversification away from a reliance on crude exports will depend on sustained growth across its industrial and manufacturing sectors. There are some promising indicators such as increased imports of manufacturing inputs and emerging market segments in precious metals, machinery, and textile manufactures from Saudi Arabia. Vision Realization Plans (VRPs) like the National Companies Program focus on supporting national champions like Ma'aden in the mining sector or SABIC in the petrochemicals sector to build up localized value chains across new and diversified value-added activities.

Saudi Exports to the U.S.

Saudi Arabia's SAR33.7 billion (\$9 billion) in goods exports to the U.S. consisted of predominantly crude oil, which represented 84 percent of the total value of exports. Despite the decline in global trade and record-low oil imports, Saudi Arabia's non-oil exports to the U.S. grew 3.5 percent in total value from SAR5.1 billion (\$1.37 billion) in 2019 to SAR5.3 billion (\$1.42 billion) in 2020. The largest non-oil U.S. import from Saudi Arabia was aluminum and articles thereof which counted for SAR1 billion (\$280 million). In last year's [U.S.-Saudi Trade Relationship Update](#), we covered the growth of Saudi Arabia's primary metal manufacturing exports to the U.S. as a reflection of a broader pattern of growing metal and mining exports.

Primary Metal Manufacturing Exports
(Saudi Arabia to U.S.)



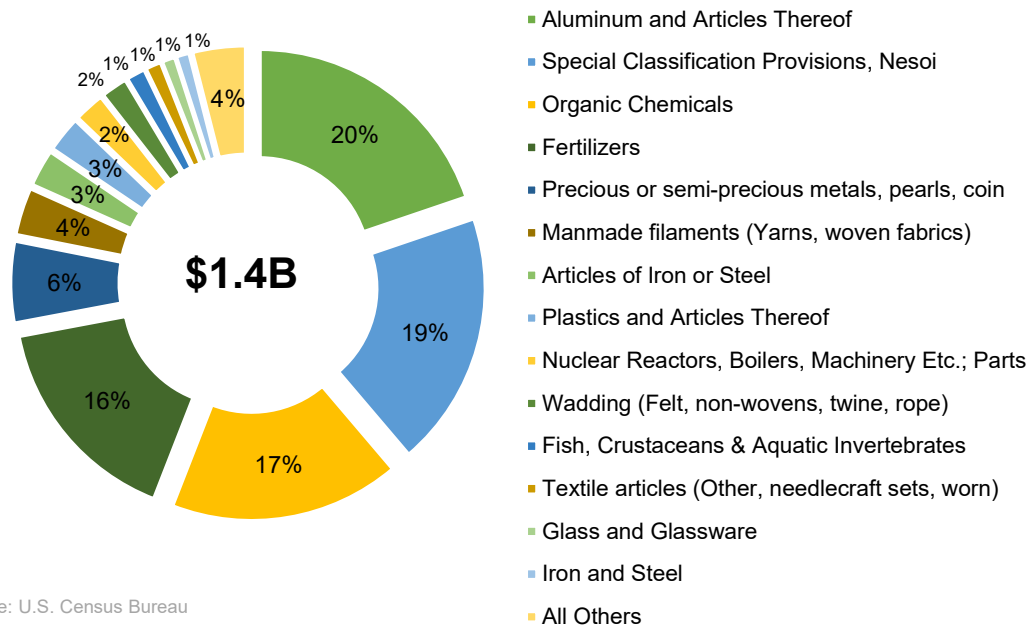
Source: U.S. Census Bureau



This trend continued in 2020 despite a pullback in the total value of top metal manufacture segments. Saudi aluminum manufacture imports by the U.S. registered the second highest level of the past ten years as Saudi Arabia’s aluminum exports have grown at a 39 percent compounded annual growth rate (CAGR) since 2014. The completion of the mine-to-metal integrated aluminum complex in Ras Al Khair Industrial City in 2014, undertaken by the Ma’aden-Alcoa joint venture and covered in more detail in [USSBC’s Mining Sector Report](#), played a key role in increasing Saudi Arabia’s manufactured aluminum output along with other efforts to localize mining value chains. Notably, iron and steel article exports from Saudi to the U.S. declined more than 50 percent from last year while ‘steel products from purchased steel’ totaled SAR16.1 million (\$4.3 million).

Saudi Arabia’s third largest export segment was Special classification provisions (Nesoi), which connotates goods not subject to same rules of specificity as other merchandise. Of the SAR1.8 billion (\$469 million) in goods classified under ‘Special classification provision (Nesoi)’, SAR791 million (\$211 million) were ‘Repairs or alterations of previously imported articles’, counting for 45 percent of the category. Other top segments in this category included ‘exports of military equipment, not identified’ which totaled SAR602 million (\$160 million) and ‘donated medicinal & pharmaceutical exports’ which totaled SAR2.1 million (\$569,000).

U.S. Non-Oil Imports from Saudi Arabia (2020)



Source: U.S. Census Bureau

Organic chemicals accounted for SAR910 million (\$243 million) of U.S. imports from Saudi Arabia, growing 33 percent YoY. The top product in this export segment was a petrochemical component known as paraxylene, a colorless liquid used as a building block for intermediates and polymers needed to produce products such as plasticizers, medicines, and dyes. The top U.S. states importing organic chemicals from Saudi Arabia in 2020 were North Carolina, South Carolina, and Texas. Other top products were ethylene glycol (or ethanediol), benzene, and diethanolamine. SABIC, the Kingdom’s largest



national chemical company, has nine U.S. locations including manufacturing facilities in Indiana, Mississippi, Alabama, New York, and Massachusetts.

Fertilizers were the fourth largest non-oil export segment, totaling SAR856 million (\$228 million). Exports of fertilizer products held steady in 2020, declining just 0.9 percent compared to last year and representing 16 percent of Saudi Arabia's non-oil exports to the U.S. Saudi Arabia's fertilizer exports to the U.S. comprised four products: urea (\$124 million), diammonium hydrogen orthophosphate (\$63 million), ammonium dihydrogen orthophosphate (\$29 million), and mixtures of urea and ammonium nitrate in solution (\$12 million). The top U.S. states importing fertilizer products from Saudi Arabia were Louisiana, Idaho, Texas, and Oregon.

SABIC is an established leader in the fertilizers industry with a comprehensive portfolio of nitrogen-based products that are exported to the Americas, Middle East, and Asia. Saudi Arabia's national mining company Ma'aden is also expected to play a more active role in the fertilizers industry as part of its bid to boost phosphate production. The Waad al-Shamal industrial city, built in partnership with international firms including Bechtel, expects its fertilizer project to reach 85 percent capacity by the end of 2021 and hit the full 3-million-ton capacity by Q1 2022.

One of the fastest growing export segments in 2020 was 'precious or semi-precious metals, pearls, & coin' which totaled SAR323 million (\$86 million). U.S. imports of these goods were concentrated primarily in three U.S. states. North Dakota imported SAR185 million (\$49 million) of platinum waste & scrap from Saudi Arabia while New York state imported SAR65 million (\$17 million) of gold. Texas imported SAR53 million (\$14 million) of 'ash containing previous metals or precious metal compounds'.

[U.S. Exports to Saudi Arabia](#)

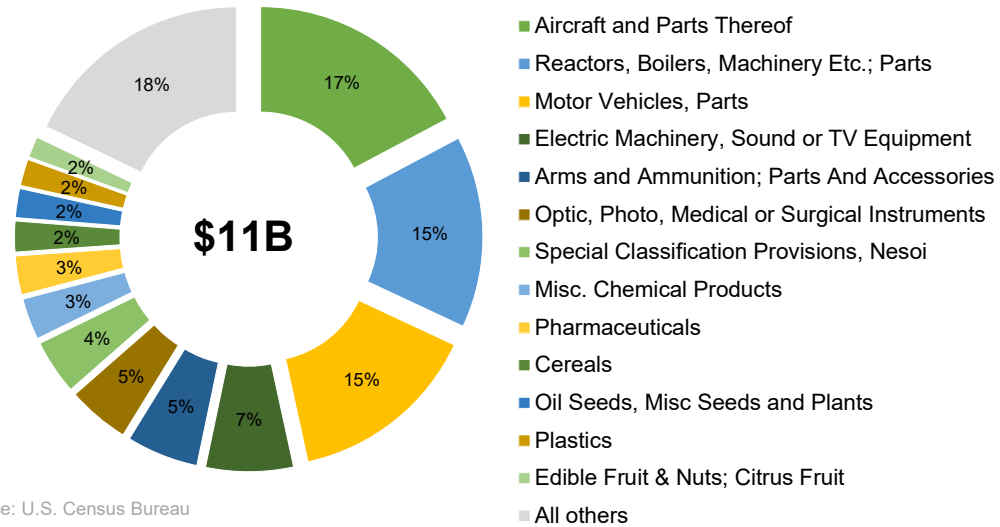
Defense-related goods remained the top U.S. export segment to Saudi Arabia by value during 2020. Exports of 'Aircraft and parts thereof' totaled SAR7.2 billion (\$1.9 billion), accounting for 17 percent of all merchandise exports to Saudi Arabia. Top products within this segment included 'Parts of airplanes or helicopters' (\$831 million), 'civilian aircraft, engines, and parts' (\$559 million), and 'helicopters exceeding 2,000 kg' (\$467 million).

The second largest segment of U.S. exports to Saudi Arabia was 'Reactors, boilers, machinery, etc; parts' which totaled SAR6.2 billion (\$1.6 billion) and represented 15 percent of exports. This category includes a variety of industrial equipment used in various oil & gas, water treatment, and manufacturing applications. Top products in this category include gas turbines & turbo-propellers (\$200 million) which were primarily exported by Georgia, Ohio, Texas, Florida, South Carolina, and Connecticut.

Both Saudi Aramco and Saudi Electricity Company (SEC) have been actively investing in gas separation plants to boost both power generation capacity and output of refined petroleum products. General Electric has been the leading U.S. entity in Saudi Arabia supplying gas turbine and centrifugal technology over the past several decades. GE estimates more than half of Saudi Arabia's electricity comes from the more than 500 active GE-supplied turbines.

Other top products in this segment include automatic data processing machines (\$185 million), ‘taps, cocks, valves, etc. for pipes, tanks’ (\$163 million), pumps for liquids (\$120 million), and centrifuges (\$115 million). Wisconsin was the top U.S. exporter of automatic data processing machines to Saudi Arabia while Georgia was the top U.S. exporter of gas turbine parts to Saudi Arabia.

U.S. Exports to Saudi Arabia (2020)



Source: U.S. Census Bureau

Motor vehicles and parts were the third largest export segment from the U.S. to Saudi Arabia, accounting for SAR6.1 billion (\$1.6 billion) and 15 percent of total exports. The top segment was consumer vehicles (for transport of persons) which represented SAR4.4 billion (\$1.2 billion). Various motor vehicle parts accounted for SAR383 million (\$102 million), motor vehicles (for transport of goods) accounted for SAR270 million (\$72 million), armored vehicles accounted for SAR206 million (\$55 million), and tractors accounted for SAR116 million (\$31 million).

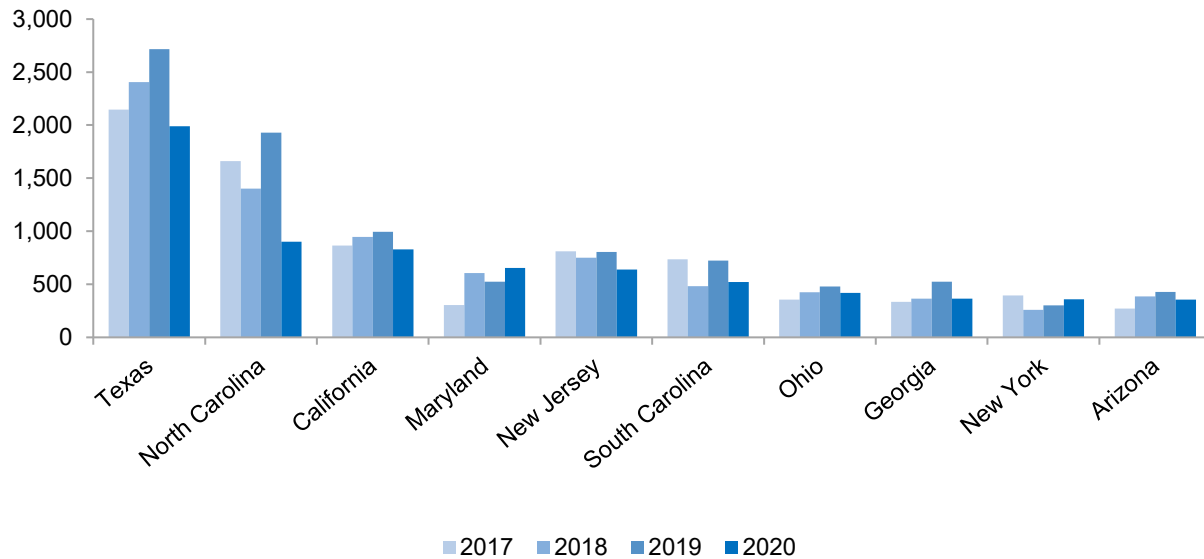
Top Exporting U.S. States

U.S. goods exports totaling SAR42 billion (\$11.2 billion) supported a projected 57,000 jobs* in 2020, according to USSBC estimates. During 2020, 13 U.S. states saw an increase in exports to Saudi Arabia while 37 states experienced a decline. Of the top ten states, Maryland and New York both saw increased exports to Saudi Arabia compared to 2019, rising 24 percent and 19 percent, respectively. Washington, D.C. witnessed the largest increase from only SAR1.2 million (\$329,000) in 2019 to SAR835 million (\$223 million) in 2020 reflecting a large increase in defense-related exports. Alaska’s exports to Saudi Arabia grew 519 percent YoY due to increases in the export of industrial equipment and machinery such as press/flow/level-checking instruments for liquids and gases. North Dakota’s exports to Saudi Arabia grew 90 percent YoY, the third fastest growing state. North Dakota exported primarily civilian aircraft (\$965,000), dried & shelled peas (\$461,500), and agricultural machinery (\$225,000). The overall value of exports, SAR10 million (\$2.6 million) remained low relative to other growing U.S. exporters. These states

*Based on the productivity of each worker that contributed to exports by value in 2015 (latest available data) and forecasted based on the assumption productivity would remain relatively constant.

include Oklahoma, Indiana, and Wisconsin whose exports to Saudi Arabia grew 74 percent, 70 percent, and 54 percent, respectively.

Top U.S. States Exporting to Saudi Arabia (Million \$)



Source: U.S. Census Bureau

Top 10 States Ranked by Export Value

The top ten exporting U.S. states accounted for SAR26 billion (\$7 billion), which represents 63 percent of total U.S. exports to Saudi Arabia during 2020. The top ten exporting states by ranking are:

1) Texas was once again the top U.S. state, exporting SAR7.5 billion (\$2 billion) in merchandise which supported an estimated 10,182 U.S. jobs. The state's top export product was passenger motor vehicles which totaled SAR2.1 billion (\$561 million), 7 percent higher than the previous year. Other top exports included 'Reactors, boilers, machinery' (\$474 million), 'Optical, medical, or surgical instruments' (\$120 million), 'Electric, sound, and TV equipment' (\$117 million), and 'Mineral fuel, oil, etc' (\$116 million).

2) North Carolina remained the second largest U.S. exporter to Saudi Arabia in 2020. Exports to Saudi Arabia totaled SAR3.4 billion (\$901 million) and supported an estimated 4,606 jobs in the U.S. North Carolina's top export was 'Aircraft, spacecraft, and parts thereof' which totaled SAR1.6 billion (\$438 million). Other top exports included 'arms and ammunitions', 'reactors, boilers, and machinery', 'passenger motor vehicles', and 'electric machinery'. Defense and military-related goods accounted for an estimated 78 percent of the state's exports to Saudi Arabia.

3) California accounted for SAR3.1 billion (\$830 million) in exports to Saudi Arabia, the third highest total for a U.S. state in 2020. These exports were highly diversified compared to other top states and supported an estimated 4,243 jobs. 'Edible fruit and nuts' was the top export from California to Saudi Arabia, totaling SAR589 million (\$157 million). 'Nuts' accounted for more than 75 percent of the category. California had a high level of various agricultural exports to Saudi Arabia, including seeds and seed oils, 'rutabagas, hay, clover, & other forage products', cereals, rice and fruit. Other top exports included centrifuges, electrical

apparatuses for line telephony, diagnostic lab reagents, 'optical, medical, or surgical equipment', and 'ferrous waste & scrap'.

Top U.S. States Exporting to Saudi Arabia (2020)			
Rank	State	Total Value (\$US)	Top Export
1	Texas	1,990,863,457	Motor vehicles
2	North Carolina	900,559,613	Aircraft, spacecraft, and parts thereof
3	California	829,679,577	Edible fruit & nuts, citrus fruit
4	Maryland	653,377,570	Aircraft, spacecraft, and parts thereof
5	New Jersey	640,311,001	Aircraft, spacecraft, and parts thereof
6	South Carolina	521,757,852	Aircraft, spacecraft, and parts thereof
7	Ohio	418,701,612	Oil seeds and oleaginous fruits
8	Georgia	365,695,515	Reactors, boilers, machinery, etc; parts
9	New York	360,529,479	Electrical machinery and equipment
10	Arizona	356,483,390	Arms and ammunition; parts thereof

Source: U.S. Census Bureau

4) Maryland was the fourth largest U.S. exporter to Saudi Arabia, growing 24 percent YoY in total value. Exports to Saudi Arabia totaled SAR2.5 billion (\$653 million) and supported an estimated 3,341 jobs in the U.S. Maryland's growth as an export partner with Saudi Arabia in 2020 primarily reflected defense-related spending. Top export products included 'Aircraft, powered; spacecraft & launch vehicles' totaling SAR927 million (\$247 million) and 'Arms & ammunitions' which totaled SAR511 million (\$136 million). Other top export products from Maryland to Saudi Arabia included medicaments, radar apparatuses, air conditioning devices, electric ignition and reaction initiators, and refrigerators.

5) New Jersey accounted for SAR2.4 billion (\$640 million) in merchandise exports which supported an estimated 3,275 U.S. jobs. Top exports include 'Parts of balloons etc, aircraft, spacecraft' which totaled SAR1 billion (\$267 million) and accounted for 42 percent of the total value of exports from New Jersey to Saudi Arabia. The state also reported a high number of 'Special classification provisions' (primarily exports of repaired imports; imports of returned exports) which totaled SAR343 million (\$92 million). Other top products exported from New Jersey to Saudi Arabia included motor vehicle parts, engine parts, ferrous waste & scrap, coffee, tea, and various spices.

6) South Carolina was the sixth biggest U.S. exporter to Saudi Arabia, primarily trading civilian aircraft and parts which comprised 78 percent of the value of exports to the Kingdom. Total exports from South Carolina to Saudi Arabia totaled SAR2 billion (\$522 million), supporting an estimated 2,668 U.S. jobs. South Carolina has a robust aerospace manufacturing sector that includes companies with well-established business relations with Saudi Arabia, including Boeing and Honeywell. Other top exports from South Carolina to Saudi Arabia include passenger motor vehicles, gas turbines, organic and inorganic



chemicals, and copper fabrications.

7) Ohio exported SAR1.6 billion (\$419 million) in merchandise to Saudi Arabia across a diversified export profile of soybeans, electrical appliances and equipment, pharmaceuticals, and civilian aircraft. Soybeans were the top export from Ohio to Saudi Arabia, accounting for SAR358 million (\$96 million). Ohio's exports to the Kingdom supported an estimated 2,141 jobs. Other top exports during 2020 included civilian aircraft and parts, passenger motor vehicles, gas turbines, soaps, antiserum, and miscellaneous chemical products.

8) Georgia was the eighth highest U.S. exporter to Saudi Arabia during 2020, accounting for SAR1.4 billion (\$366 million) in total exports that supported an estimated 1,870 U.S. jobs. Georgia was a top exporter of gas turbines and turbo-propellers to Saudi Arabia. Gas turbines, which have a range of industrial and power generation applications, accounted for SAR309 million (\$82 million) of Georgia's exports. Other top exports to the Kingdom included passenger motor vehicles, chemical woodpulp or soda, and ice cream.

9) New York exported SAR1.4 billion (\$361 million) in merchandise to Saudi Arabia which supported an estimated 1,844 jobs in the U.S. Electrical machinery and mechanical appliances were the top two export categories, together accounting for SAR797 million (\$213 million). Top products in these categories exported from New York state to Saudi Arabia included air or vacuum pumps, gas compressors, apparatuses for line telephony, industrial valves and similar appliances, and electrical transformers. Other top exports outside those categories include passenger motor vehicles, articles of jewelry, and medicaments.

10) Arizona was the tenth biggest U.S. exporter to Saudi Arabia in 2020, accounting for SAR1.3 billion (\$357 million) in merchandise supporting an estimated 1,823 U.S. jobs. Of the top ten U.S. states exporting to Saudi Arabia in 2020, Arizona's exports have grown the most (+200 percent) since 2011. Defense-related goods accounted for the majority of Arizona's exports to Saudi Arabia with 'Arms and ammunition; parts and accessories thereof' accounting for SAR952 million (\$254 million), or 71 percent of the total value. The second highest goods category was 'Rutabagas, hay, clover, & other forage products', accounting for SAR161 million (\$43 million).

[Top Trading U.S. Ports](#)

The Port of Houston, Texas was the top exporting port to Saudi Arabia in 2020, handling roughly equal parts arms & ammunition, which totaled SAR997 million (\$266 million), and industrial & mechanical machinery, which totaled SAR991 million (\$264 million), as its two largest export segments. Total exports to Saudi Arabia from the Port of Houston totaled SAR4.3 billion (\$1.1 billion) and accounted for 10 percent of all U.S. exports to the Kingdom. The Port of Houston, Texas also exported SAR372 million (\$99 million) in mineral fuel or oil which includes various bituminous substances in addition to crude oil.

JFK International Airport handled SAR3.8 billion (\$1 billion) of merchandise exported to Saudi Arabia, representing 9 percent of U.S. exports to Saudi Arabia in 2020. Aerospace goods were among the top segments exported from JFK. 'Parts of airplanes of helicopters' (\$237 million), 'Civilian aircraft, engines,



Top U.S. Ports Exporting to Saudi Arabia (2020)

Rank	Port	Total Value (\$)	% of Total Exports	Top Product
1	Houston, Texas	1,147,802,187	10%	Arms, Mines, Ammunitions Etc And Parts
2	JFK International Airport, New York	1,005,929,545	9%	Parts Of Airplanes Or Helicopters, Nesoi
3	Wilmington, North Carolina	830,624,691	7%	Arms, Mines, Ammunitions Etc And Parts
4	Wilmington, Delaware	657,485,448	6%	Passenger Motor Vehicles
5	Freeport, Texas	598,616,633	5%	Passenger Motor Vehicles
6	Charleston, South Carolina	557,279,825	5%	Civilian Aircraft, Engines, And Parts
7	Baltimore, Maryland	533,656,118	5%	Parts Of Airplanes Or Helicopters, Nesoi
8	New York, New York	506,544,494	5%	Parts And Accessories Of Motor Vehicles, Nesoi
9	Houston Intercontinental Airport, Texas	474,757,661	4%	Machines And Mechanical Appliances Having Individual Functions
10	Chicago, Illinois	462,355,351	4%	Digital Automatic Data Processing Machines

Source: U.S. Census Bureau

Top U.S. Ports Importing from Saudi Arabia (2020)

Rank	Ports	Value (\$)	% of Imports	Top Product
1	Port Arthur, Texas	1,959,494,731	22%	Crude Oil
2	Richmond, California	1,639,556,746	18%	Crude Oil
3	Texas City, Texas	945,528,144	11%	Crude Oil
4	Philadelphia, Pennsylvania	835,882,682	9%	Crude Oil
5	Morgan City, Louisiana	480,569,501	5%	Crude Oil
6	Long Beach, California	345,882,915	4%	Crude Oil
7	Houston, Texas	296,215,791	3%	Oil (Not Crude)
8	New Orleans, Louisiana	273,439,056	3%	Crude Oil
9	Los Angeles, California	262,423,844	3%	Crude Oil
10	Charleston, South Carolina	254,150,683	3%	Cyclic Hydrocarbons

Source: U.S. Census Bureau



and parts' (\$72 million), and 'Parts of aircraft Nesoi' (\$57 million) accounted more than a third of exports from JFK. The Ports of Wilmington, North Carolina and Wilmington, Delaware exported a variety of goods but the total value predominantly came from defense-related goods such as munitions and transportation equipment. Non-defense exporting ports included Freeport, Texas which exported predominantly passenger motor vehicles and rice to Saudi Arabia. The Port of Charleston, South Carolina's exports to Saudi Arabia consisted predominantly of 'Civilian aircraft, engines, and parts' (\$409 million) and various copper products such as pipes, tubes, and fittings (\$27 million).

Port Arthur was the top importing destination for Saudi goods heading to the U.S. in 2020, accounting for SAR7.3 billion (\$2 billion) and 22 percent of all U.S.-imported Saudi goods. Saudi Aramco owns and operates the largest oil refinery in the U.S. in Port Arthur, Texas under Motiva Enterprises. The refinery processes a wide range of crude inputs and supplies gasoline, diesel, and jet fuel to U.S. customers. The top import was oil for all of the top 10 U.S. ports with the exception of Charleston, South Carolina which imported cyclic hydrocarbons (often meaning petrochemicals such as benzene). Many of these ports imported only crude oil, including Port Arthur, Port of Richmond, Texas City, and Morgan City, Louisiana. More than a third of the Saudi imports at the Port of New Orleans were nitrogenous fertilizers. Nearly a third of Saudi imports at the Port of Charleston consisted of aluminum plates & sheets. The top 10 ports importing goods from Saudi Arabia in 2020 accounted for 81 percent of the total value.

U.S.-Saudi Trade Outlook

The U.S.-Saudi trade relationship has endured decades of strong economic ties that began with oil followed by defense and now transitioning into a new era of Saudi produced goods being exported to the U.S. Oil and defense still maintain the largest share of trade between the two countries but the rapidly changing economic landscape in Saudi Arabia, built on enhancing its industrial and manufacturing capabilities, has begun to reveal a new trade relationship that is more diversified with non-oil manufactures.

The economic trade relationship was strained by lower trade flows in 2020, reflecting the overall decline in global trade as the world grappled with the negative effects of the pandemic. Saudi Arabia's non-oil exports decreased by 12 percent globally in 2020 yet its non-oil exports to the U.S. increased by 3.5 percent despite the pandemic. This reflects a resilient increase in demand from U.S. importers of Saudi goods that go beyond petrochemical derivatives and metals. Saudi exports such as textiles (+1,056 percent), fish & aquatic vertebrates (+284 percent), wadding (+111 percent), reactors and boilers (+29 percent) represent a few of the goods that witnessed growing demand from the U.S.

The new initiative by the Saudi government called "Made in Saudi" will further support the manufacturing and exporting of Saudi goods. This initiative falls in line with the Kingdom's Vision 2030 strategy and will help leverage Saudi Arabia's manufacturing capabilities through global trade as it aims to prove its quality on a competitive level. This is also in line with its goal of increasing the share of non-oil trade to 50 percent of GDP by 2030.

The vital role U.S. companies play in the development of the Kingdom's manufacturing continues to be an essential aspect of the development of Saudi Arabia's diversification plans. As Saudi Arabia builds its



technical and human capital capabilities in manufacturing goods and services locally, its reliance on American goods to support the growth of its sectors is critical. U.S. goods like reactors, boilers, and machinery still maintain a significant share of non-defense exports to Saudi Arabia. An illustration of how critical the U.S. has been and will continue to be so is the previously mentioned example that GE estimates more than half of Saudi Arabia's electricity comes from the more than 500 active GE-supplied turbines. Moreover, Ma'den's partnership with Alcoa to increase aluminum output in the Kingdom is another example of the imperative role U.S. companies play in the transfer of knowledge and technical expertise Saudi Arabia is seeking to accelerate the growth of its industries.

Fastest Growing Saudi Exports to the U.S. by Value

Commodity	2019 Value (\$)	2020 Value (\$)	% YoY
Special Classification Provisions, Nesoi	258,451,483	268,848,279	+4%
Organic Chemicals	182,898,538	242,553,295	+33%
Precious Stones, Precious Metals Etc; Coin	31,077,477	86,137,645	+177%
Manmade Filaments, Including Yarns & Woven Fabrics	41,229,486	50,424,936	+22%
Reactors, Boilers, Machinery Etc.; Parts	25,223,408	32,522,755	+29%
Wadding, Felt Etc; Sp Yarn; Twine, Ropes Etc.	13,273,812	28,035,663	+111%
Fish, Crustaceans & Aquatic Invertebrates	5,223,651	20,037,829	+284%
Textile Articles Nesoi; Worn Textiles	1,463,474	16,917,758	+1056%
Glass And Glassware	9,391,521	14,178,237	+51%
Iron And Steel	12,291,846	14,171,904	+15%
Special Import Provisions, Nesoi	2,768,302	6,241,791	+125%
Rubber And Articles Thereof	3,020,740	5,019,471	+66%
Beverages, Spirits And Vinegar	1,696,675	2,937,385	+73%
Edible Fruit & Nuts; Citrus Fruit Or Melon Peel	2,631,202	2,827,087	+7%
Carpets And Other Textile Floor Coverings	245,783	2,719,440	+1006%

Source: U.S. Census Bureau



Appendix:

Top U.S. Imports from Saudi Arabia (2020)		
Commodity	Value (\$)	% Change YoY
Oil, Mineral fuel	7,577,413,706	-37%
Aluminum and Articles Thereof	280,121,873	-5%
Special Classification Provisions, Nesoi	268,848,279	+4%
Organic Chemicals	242,553,295	+33%
Fertilizers	228,140,979	-1%
Precious or semi-precious metals, pearls, coin	86,137,645	+177%
Manmade filaments (Yarns, woven fabrics)	50,424,936	+22%
Articles of Iron or Steel	39,315,162	-63%
Plastics and Articles Thereof	38,033,354	-50%
Reactors, Boilers, Machinery Etc.; Parts	32,522,755	+29%
Wadding (Felt, non-wovens, twine, rope)	28,035,663	+111%
Fish, Crustaceans & Aquatic Invertebrates	20,037,829	+284%
Textile articles (Other, needlecraft sets, worn)	16,917,758	+1056%
Glass and Glassware	14,178,237	+51%
Iron and Steel	14,171,904	+15%

Source: U.S. Census Bureau

Top U.S. Exports to Saudi Arabia (2020)		
Commodity	Value (\$)	% Change YoY
Aircraft, Spacecraft, And Parts Thereof	1,928,094,861	-18%
Nuclear Reactors, Boilers, Machinery Etc.; Parts	1,643,594,710	-18%
Vehicles, Except Railway Or Tramway, And Parts Etc	1,635,669,881	-10%
Electric Machinery Etc; Sound Equip; Tv Equip; Pts	748,961,344	-62%
Arms And Ammunition; Parts And Accessories Thereof	614,471,709	-33%
Optic, Photo Etc, Medic Or Surgical Instrments Etc	531,190,230	-20%
Special Classification Provisions, Nesoi	469,259,541	-38%
Miscellaneous Chemical Products	355,237,770	+15%
Pharmaceutical Products	332,170,861	+20%
Cereals	263,521,927	-9%
Oil Seeds Etc.; Misc Grain, Seed, Fruit, Plant Etc	248,734,701	-26%
Plastics And Articles Thereof	227,997,582	-2%
Edible Fruit & Nuts; Citrus Fruit Or Melon Peel	180,560,079	+137%
Mineral Fuel, Oil Etc.; Bitumin Subst; Mineral Wax	171,175,698	-26%
Articles Of Iron Or Steel	135,651,647	-11%

Source: U.S. Census Bureau



Source: U.S. Census Bureau

U.S. Exports of Goods to Saudi Arabia by State

State	U.S. Jobs Supported*	U.S. Exports to KSA (2020)	% of Total
Texas	10,182	\$1,990,863,457	17.8%
North Carolina	4,606	\$900,559,613	8.1%
California	4,243	\$829,679,577	7.4%
Maryland	3,341	\$653,377,570	5.8%
New Jersey	3,275	\$640,311,001	5.7%
South Carolina	2,668	\$521,757,852	4.7%
Ohio	2,141	\$418,701,612	3.7%
Georgia	1,870	\$365,695,515	3.3%
New York	1,844	\$360,529,479	3.2%
Arizona	1,823	\$356,483,390	3.2%
Louisiana	1,769	\$345,948,269	3.1%
Michigan	1,691	\$330,554,853	3.0%
Indiana	1,629	\$318,536,810	2.8%
Florida	1,417	\$277,067,201	2.5%
Illinois	1,278	\$249,835,420	2.2%
Pennsylvania	1,252	\$244,853,628	2.2%
Wisconsin	1,198	\$234,237,738	2.1%
District of Columbia	1,139	\$222,766,124	2.0%
Tennessee	1,008	\$197,040,266	1.8%
Kentucky	857	\$167,590,034	1.5%
Missouri	680	\$132,954,015	1.2%
Washington	629	\$122,986,182	1.1%
Oklahoma	604	\$118,148,560	1.1%
Delaware	597	\$116,808,479	1.0%
Virginia	565	\$110,497,334	1.0%
Unknown	497	\$97,257,718	0.9%
Minnesota	467	\$91,409,430	0.8%
Connecticut	459	\$89,729,083	0.8%
Alabama	457	\$89,381,293	0.8%
Massachusetts	444	\$86,813,822	0.8%
Mississippi	404	\$79,005,179	0.7%
Puerto Rico	293	\$57,322,730	0.5%
Iowa	256	\$49,976,489	0.4%
Arkansas	208	\$40,756,843	0.4%
New Hampshire	192	\$37,600,701	0.3%
Oregon	173	\$33,779,350	0.3%
New Mexico	170	\$33,145,939	0.3%
Kansas	143	\$27,896,729	0.2%
Utah	134	\$26,127,037	0.2%
Colorado	103	\$20,170,605	0.2%
Nevada	96	\$18,777,323	0.2%
Wyoming	87	\$16,948,880	0.2%
Rhode Island	86	\$16,779,485	0.2%
West Virginia	50	\$9,724,381	0.1%
Nebraska	47	\$9,094,719	0.1%
South Dakota	17	\$3,276,664	0.0%
Alaska	14	\$2,792,242	0.0%
Montana	14	\$2,698,523	0.0%
North Dakota	13	\$2,609,557	0.0%
Idaho	13	\$2,576,697	0.0%
Vermont	12	\$2,363,540	0.0%
Maine	7	\$1,278,003	0.0%
Hawaii	0	\$53,809	0.0%
United States	57,162	\$11,177,130,750	100.0%

*Based on the productivity of each worker that contributed to exports by value in 2015 (latest available data) and forecasted based on the assumption productivity would remain relatively constant.



U.S. Imports of Goods from Saudi Arabia by State

State	2020 Value (\$)	% of Total
Texas	3,328,036,026	37.0%
California	2,516,443,297	28.0%
New Jersey	995,045,628	11.1%
Louisiana	859,786,226	9.6%
Indiana	244,795,961	2.7%
North Carolina	118,386,799	1.3%
Florida	100,756,956	1.1%
South Carolina	83,498,233	0.9%
Georgia	76,773,009	0.9%
Delaware	65,945,479	0.7%
New Hampshire	61,396,123	0.7%
North Dakota	49,431,626	0.5%
Puerto Rico	47,781,474	0.5%
Connecticut	43,402,572	0.5%
New York	37,105,454	0.4%
Ohio	36,085,038	0.4%
Rhode Island	35,896,717	0.4%
Maryland	32,756,416	0.4%
Illinois	31,555,904	0.4%
Idaho	29,931,023	0.3%
Missouri	28,453,199	0.3%
Mississippi	21,635,439	0.2%
West Virginia	19,977,560	0.2%
Oregon	17,166,966	0.2%
Arizona	15,630,717	0.2%
Alabama	14,216,399	0.2%
Tennessee	12,722,512	0.1%
Virginia	11,687,601	0.1%
Maine	8,312,299	0.1%
Washington	8,119,439	0.1%
Massachusetts	6,738,533	0.1%
Oklahoma	6,263,415	0.1%
Unknown	6,245,839	0.1%
Pennsylvania	4,810,210	0.1%
Michigan	4,358,552	0.05%
Kansas	3,518,354	0.04%
Minnesota	1,907,805	0.02%
Colorado	1,842,302	0.02%
Wisconsin	1,641,938	0.02%
Iowa	1,253,889	0.01%
Nevada	689,172	0.01%
Nebraska	266,959	0.00%
Alaska	232,838	0.00%
Kentucky	176,430	0.00%
Utah	165,807	0.00%
Arkansas	85,232	0.00%
District of Columbia	62,557	0.00%
New Mexico	7,900	0.00%
Montana	2,789	0.00%
Hawaii	2,600	0.00%
United States	8,993,005,213	100.0%

Source: U.S. Census Bureau



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