

Saudi Arabia: Trade, Investment & Tourism

February 2022

Executive summary

This country fact sheet provides key trade, investment, and tourism related statistics for Saudi Arabia. Specifically, it shows global trade and investment flows including an analysis of top markets and products for Saudi Arabia in relation to South Africa and the Western Cape, highlighting the largest and fastest growing products and sub-sectors. It also analyses tourism trends between Saudi Arabia and South Africa. The key highlights are provided below:

Trade

- Saudi Arabia's services exports have risen significantly over the last 10 years, increasing by an estimated 102.87% from a value of ZAR82.61bn in 2011 to ZAR167.59bn in 2020.
- Saudi Arabia is ranked as the world's 29th largest exporter of goods (accounting for 1.0% of global exports) and 33rd largest importer of goods (accounting for 0.7% of world imports).
- Saudi Arabia was South Africa's 40th largest export market and 5th largest import market in 2020.
- South Africa's trade with Saudi Arabia remained robust in 2020, although exports dropped by 6.42% while imports fell by 17.22%.
- Saudi Arabia was the Western Cape's 24th largest export market and its 3rd largest import market in 2020.
- The Western Cape has traditionally recorded a trade deficit with this country, with this said shortfall fluctuating from a value of ZAR16.02bn in 2011 to ZAR12.35bn in 2020.

FDI

- Between 2003 and 2020, Saudi Arabia recorded a total of 1,934 inward FDI projects, which generated a total capital expenditure of ZAR3,052.97bn and created an estimated 227 260 jobs.
- Germany was Saudi Arabia's largest source market for FDI both in terms of number of projects invested as well as capital expenditure (capex) over the period 2003 to 2020.
- Saudi Arabia's outward FDI resulted in 786 capital projects invested globally, which reached a capital expenditure value of ZAR1,378.23bn and created 130,769 jobs worldwide.
- Saudi Arabian-based companies invested 8 capital projects into South Africa with a total capital expenditure of ZAR23.29bn, resulting in 561 jobs over the period 2003 to 2020.
- South Africa invested six FDI projects into Saudi Arabia over the period 2003 to 2020. This capital undertaking resulted in a total capital expenditure of ZAR2,918.77m and created 491 jobs in Saudi Arabia.
- Saudi Basic Industries (SABIC) a Saudi Arabian company was the only firm that invested into the Western Cape in 2010, with a total capex of ZAR28,7706 creating 12 jobs.
- There were no FDI projects invested into Saudi Arabia from the Western Cape over the period 2003 to 2020.

Tourism

- A 70.3% decline in Saudi Arabian tourist arrivals was experienced in 2020 due to the impact of the pandemic on international travel.
- In 2020, Saudi Arabian tourists to South Africa primarily travelled for Holidays (36,0%), Business (2,0%) and VFR (41.2%).

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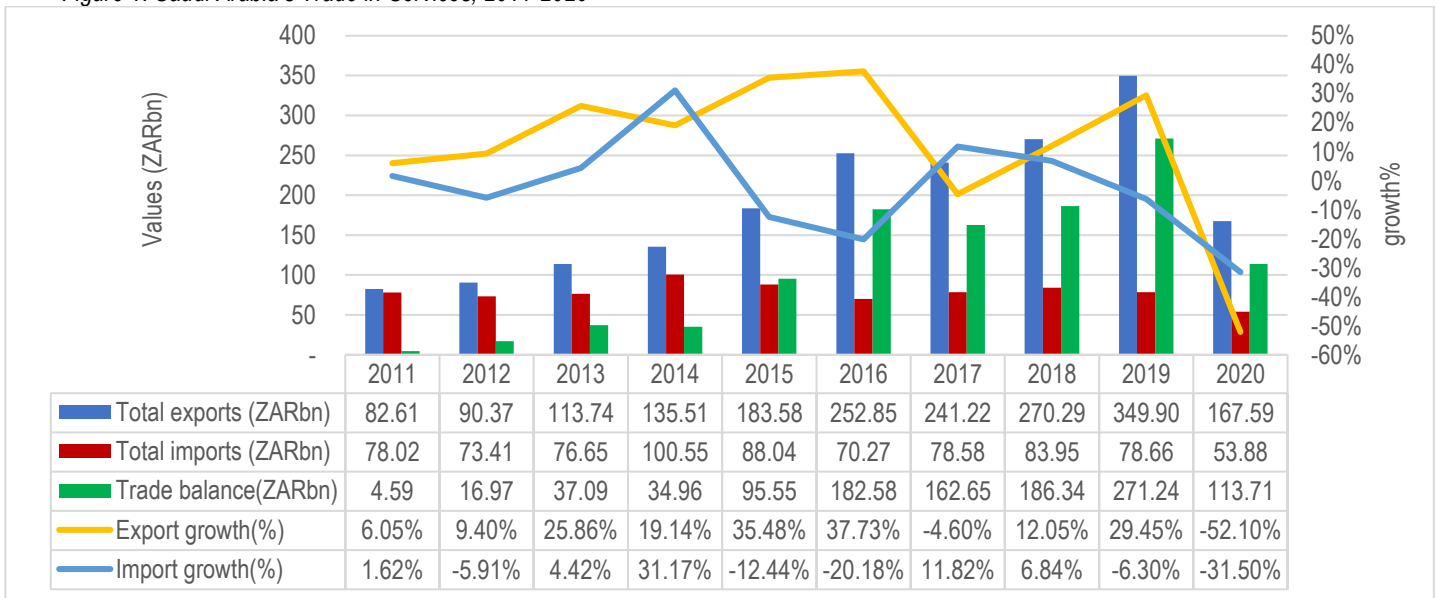
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1. Trade

1.1 Trade in services

In spite of economic headwinds faced in recent years manifest in lacklustre economic growth recorded post 2008/09's global financial crisis, Saudi Arabia's trade in services (TIS) has recorded significant growth in recent years. On the export front, total services exports surged significantly higher overall over the period 2011 – 2019 from a value of ZAR82.61bn in 2011 to ZAR349.90bn in 2019. The onset of Covid-19 however ended this run, with total services exports declining by 52.10% y-o-y to a value of ZAR167.59bn in 2020, due to the hard lockdown measures instituted by the Saudi Government. On the import front, total services imports demonstrated a similar trend, declining by 31.50% y-o-y to a value of ZAR53.88bn in 2020, from ZAR78.66bn in 2019. However, as lockdown measures were eased a considerable improvement in the tourism sector has been the major driver of economic development and trade in the country in recent quarters.

Figure 1: Saudi Arabia's Trade in Services, 2011-2020



Source: Trade map, 2022

As shown in Figure 2, travel services were Saudi Arabia's top services export in 2020, reaching a value of ZAR66.00bn and accounting for 39.38% of the services export basket in 2020. Other key service exports included transport services, which include transport by freight, air, sea, passenger, and postal services (ZAR54.57bn at 32.56%); telecommunications, computer, and information systems (ZAR22.40bn at 13.37%); and financial services (ZAR12.11bn at 5.96%). Travel services were the fastest growing service exported by Saudi Arabia, growing at an average annual rate of 63.01% per annum over the period 2011 to 2020.

Figure 2: Top 10 services exported by the Saudi Arabia, 2020

	Exports (ZARbn), 2020	Share%, 2020	Ave Annual Growth %, 2011-2020
Travel	66	39.38	63.01
Transport	54.57	32.56	23.7
Telecommunications, computer, and information services	22.4	13.37	5.38
Financial services	12.11	7.23	3.3
Government goods and services	9.99	5.96	3.77
Insurance and pension services	1.54	0.92	0.58
Other business services	0.98	0.59	0.26
All services	167.59	100	100

Source: Trade map, 2022

Turning to services imports, government goods and services were Saudi Arabia's top services import in 2020. Transport services which are comprised of transport by freight, air, sea, passenger, and postal services (ZAR14.87bn at 27.60%) were among the top services recorded in the country. In addition, travel and construction were on the list of top services imported by Saudi Arabia in 2020 and were valued at ZAR8.53bn (15.84%) and ZAR6.45bn (11.97%) respectively. Other business services, which is comprised of professional and management consulting services; research and development; and technical trade-related services ranked in the top ten services imported by Saudi Arabia, with an associated cost of ZAR4.55bn in 2020 and accounting for 8.45% of the import service basket.

Figure 3: Saudi Arabia's top 10 service imports, 2020

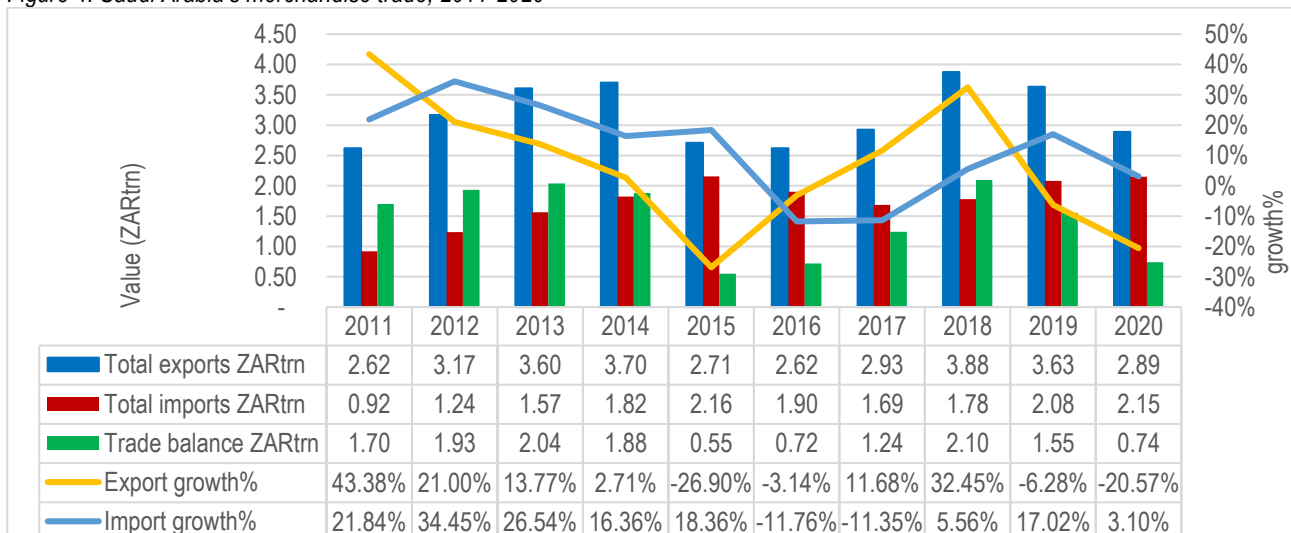
	Imports (ZARbn), 2020	Share%, 2020	Ave Annual Growth %, 2011-2020
Government goods and services	15.68	29.1	69.22
Transport	14.87	27.6	30.78
Travel	8.53	15.84	22.01
Construction	6.45	11.97	20.4
Other business services	4.55	8.45	8.5
Insurance and pension services	1.59	2.96	11.13
Telecommunications, computer, and information services	1.35	2.5	2.22
Financial services	0.85	1.58	2.85
All services	53.88	100	2.1

Source: Trade map, 2022

1.2 Trade in goods

Saudi Arabia is ranked as the world's 29th largest exporter of goods (accounting for 1.0% of global exports) and 33rd largest importer of goods (accounting for 0.7% of world imports). As evident in Figure 4 below, Saudi Arabia consistently recorded a trade (goods only) surplus from 2011 to 2014, with both imports and exports following an upward trend over these years. The decline of global oil prices in 2015 however saw export earnings ease significantly in 2015 and into 2016, although this was temporary with export receipts ticking notably higher in years that followed. However, as the world battled the coronavirus pandemic and the associated disruption of global supply chains set in, Saudi Arabia's goods exports to the rest of the world fell from a value of ZAR3.63trn in 2019 to ZAR2.89trn in 2020. In contrast, Saudi Arabia's goods imports from the world increased by 3.10% y-o-y in 2020, from ZAR2.08trn in 2019 to ZAR2.15trn. The net effect of this being a significant narrowing of the country's trade surplus to a value of ZAR738.84bn in 2020, down from ZAR1.55trn recorded in 2019.

Figure 4: Saudi Arabia's merchandise trade, 2011-2020



Source: Trade map, 2022

Saudi Arabia's goods exports are relatively diverse with the export of polymers of ethylene (at a value of ZAR133.72bn) accounting for 4.63% of the country's total export earnings in 2020. Polymers of propylene or of other olefins were the country's second largest export category, collectively reaching a value of ZAR80.96bn (or 2.8%) in 2020, followed by ethers, ether-alcohols, ether-phenols at a value of ZAR48.92bn, equivalent to a 1.69% share of exports in 2020. The export of polymers of ethylene had the highest growth, increasing at an average annual rate of 4.20% over the period 2016 to 2020.

Figure 5: Top 10 exports from Saudi Arabia, 2020

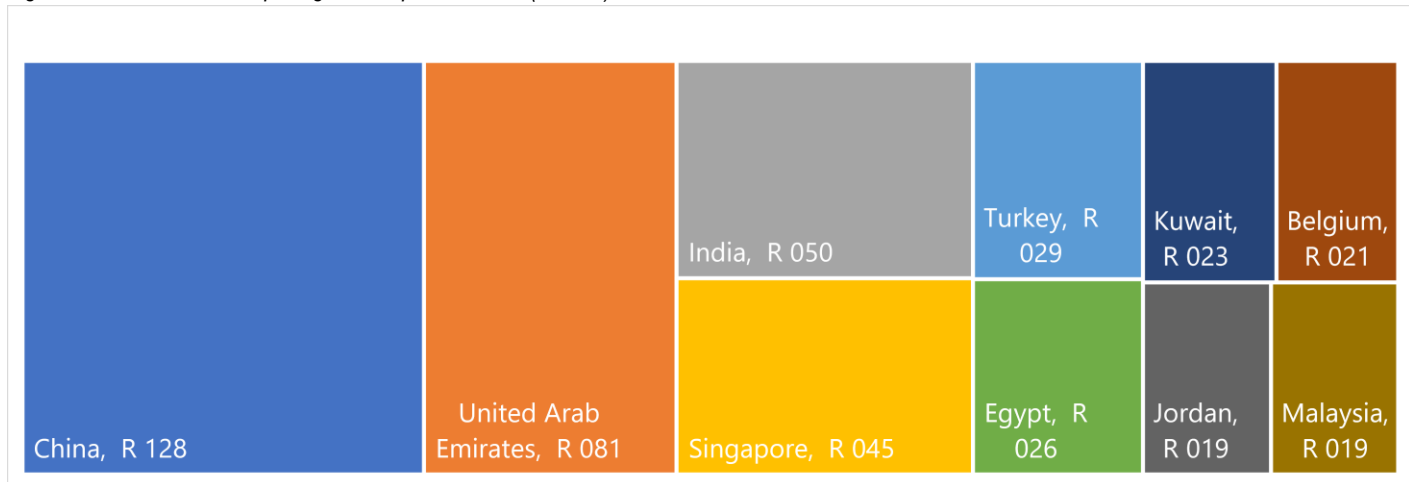
	Exports (ZARbn), 2020	Share(%), 2020	Ave Annual Growth(%), (2016-2020)
Polymers of ethylene	133.72	4.63	4.2
Polymers of propylene or of other olefins	80.96	2.8	2.38
Ethers, ether-alcohols, ether-phenols	48.92	1.69	1.72
Acyclic alcohols and their halogenated derivatives	35.71	1.24	1.02
Ammonia anhydrous or in aqueous solution	31.99	1.11	0.61
Gold, incl. gold plated with platinum	30.17	1.05	0.41
Cyclic hydrocarbons	28.85	1	0.92
Mineral or chemical nitrogenous fertilisers	18.9	0.65	0.48
Polyacetals, other polyethers and epoxide resins	18.68	0.65	0.45
Unwrought aluminium	16.58	0.57	0.49
All products	2,886.55	100	100

Source: Trade Map, 2022

It is imperative to note that Commodities not elsewhere specified were the country's top export product valued at ZAR2.16tn and occupying 74.4% of the total year 2020 share of exports. However, these were not included in the narrative below because they are a handful of products that are not directly specified.

Given the strong economic relations between China and Saudi Arabia, it is unsurprising that China was the country's largest export market, with exports reaching a value of ZAR128.05bn in 2020. This was nearly double that of Saudi Arabia's second largest export market, the United Arab Emirates, where trade reached a total value of ZAR80.51bn in 2020. Other key export markets for Saudi Arabia's exports were India (ZAR49.66bn); Singapore (ZAR44.79bn); and Turkey, which reached a total export value of ZAR28.60bn in 2020.

Figure 6: Saudi Arabia's top 10 goods export markets (ZARbn), 2020



Source: Trade Map, 2022

On the product import front, the motor cars and vehicles category were Saudi Arabia's dominant import category in 2020 at a value of ZAR172.70m, equivalent to 8.04% of import payments. Telephone sets were the second largest import category at a value of ZAR101.04m, (4.70% of total payments), while medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses were third at a value of ZAR68.72m (3.20%). The commodities not elsewhere specified (n.e.s.) grouping, which consist of a handful of products that are not explicitly specified, were among the top 10 import products at a value of ZAR107.18m, accounting for 4.99% of the total payments.

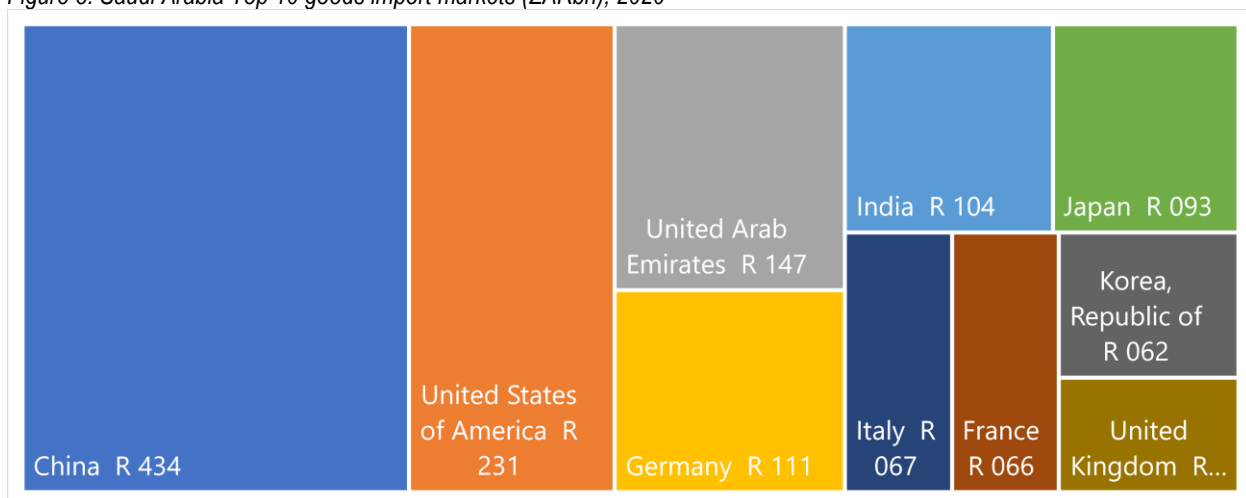
Figure 7: Top 10 products imported by Saudi Arabia, 2020

	Imports (ZARm), 2020	Share(%, 2020)	Ave Annual Growth(%), 2016-2020
Motor cars and other motor vehicles principally designed for the transport of persons	172.7	8.04	7.94
Telephone sets	101.04	4.7	5.1
Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses	68.72	3.2	4.7
Refined petroleum oil	61.94	2.88	2.97
Automatic data-processing machines	33.6	1.56	2.11
Parts of aircraft and spacecraft	31.81	1.48	1.24
Taps, cocks, valves and similar appliances for pipes	23.72	1.1	1.77
Ferrous products obtained by direct reduction of iron ore	23.53	1.1	1.18
Rice	22.96	1.07	0.68
Air conditioning machines	21.68	1.01	16.8
Total products	2,147.71	100	100

Source: Trade Map, 2022

In turn, Saudi Arabia's import partners are highly concentrated, with China accounting for the majority share of Saudi Arabia's imports. More specifically, imports from China reached a total value of ZAR433.52m in 2020, while its second largest import partner, the USA, supplied goods to the value of ZAR230.64m in 2020. Other large Saudi Arabian import partners were the UAE (ZAR146.86m); Germany (ZAR11.35m), and India (ZAR104.12m).

Figure 8: Saudi Arabia Top 10 goods import markets (ZARbn), 2020

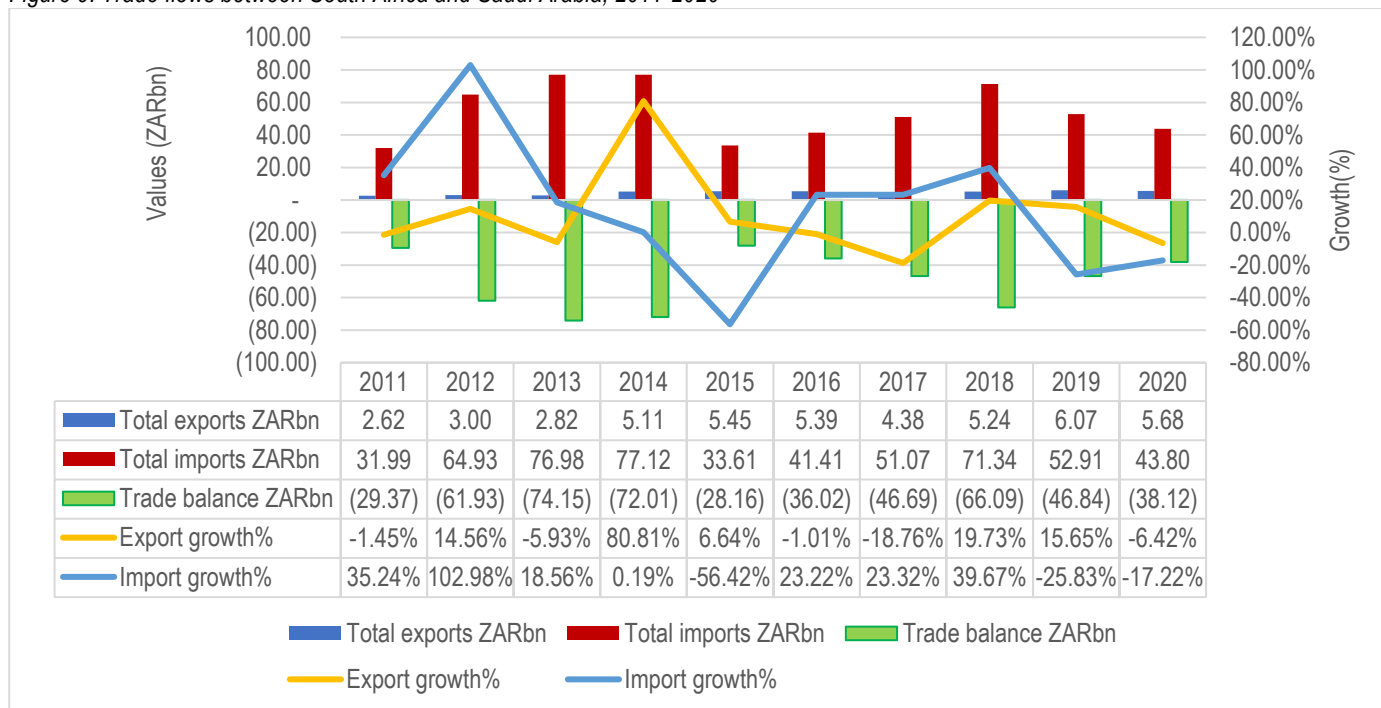


Source: Trade Map, 2022

1.3 Trade between South Africa and Saudi Arabia

Saudi Arabia was South Africa's 35th largest export market and 32nd largest import market in 2020. Figure 9 shows South Africa's trade with Saudi Arabia between 2011 and 2020. Despite the adverse impact of the coronavirus pandemic on global commerce, South Africa's trade with Saudi Arabia remained robust, with exports declining by only 6.42% to a value of ZAR5.68bn in 2020, down from ZAR6.07bn in 2019. This drop in exports was largely driven by the adverse effects of the national hard lock down due to Covid-19. In turn, import growth from associated trade with Saudi Arabia was predominantly driven by the import of crude oil, accounting for 69.77% of the total payments in 2020.

Figure 9: Trade flows between South Africa and Saudi Arabia, 2011-2020



Source: Quantec 2022

Citrus fruits were the largest export category from South Africa to Saudi Arabia in 2020, accounting for 21.43% of all exports to the nation and reaching a total export value of ZAR1.2bn. Acyclic hydrocarbons followed in second place at a value of ZAR425.49m (7.5%), while motor vehicles for the transport of goods followed in third position at an export value of ZAR349.40m in 2020 (6.16%). The export of citrus fruit had the highest growth over the last five years, increasing at an average rate of 22.26% per annum from 2016 to 2020, while acyclic hydrocarbons grew at the second fastest rate of 7.5% over the same period.

Figure 10: Top 10 products exported from South Africa to Saudi Arabia, 2020

	Exports (ZARm), 2020	Share(%, 2020)	Ave Annual Growth(%, 2016-2020)
Citrus fruit	1,216.4	21.43	22.26
Acyclic hydrocarbons	425.49	7.5	7.05
Motor vehicles for the transport of goods	349.4	6.16	5.36
Manganese ores and concentrates.	288.5	5.08	6.85
Swedes, mangolds, fodder roots& hay	248.95	4.39	3.62
Plates, sheets and strip, of aluminium	196.16	3.46	4.9
Fresh apples, pears and quinces	178.65	3.15	2.83
Motor cars and other motor vehicles	165.53	2.92	3.07
Telephone sets.	159.66	2.81	1.32
Direction finding compasses; other navigational instruments and appliances	142.49	2.51	0.94
All products	5,675.91	100	100

Source: Quantec 2022

Turning to imports, crude petroleum imports were the largest import category from Saudi Arabia in 2020, accounting for 69.77% of total imports from the country at an associated cost of ZAR30.56bn in 2020. This was followed by refined petroleum imports (ZAR6.44bn or 14.7%) in second place, while mineral or nitrogenous fertilizers followed in a distant third place at a value of ZAR1.745bn in 2020. The import of crude petroleum had the highest growth over the last five years, increasing at an average annual rate of 78.91% per annum over the period 2016 to 2020. Other high growth imports over the same period were refined oil copper following at a distant 8.1%.

Figure 11: Top 10 products imported from Saudi Arabia into South Africa, 2020

	Imports (ZARm), 2020	Share(%), 2020	Ave Annual Growth(%), 2016-2020
Crude Petroleum oil	30,559.04	69.77	78.91
Refined petroleum oil	6,439.43	14.7	8.1
Mineral or chemical nitrogenous fertilisers (excluding those in pellet or similar forms)	1,744.5	3.98	2.21
Polymers of ethylene	1,345.53	3.07	3.29
Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives	540.87	1.23	1.32
Mineral or chemical fertilisers containing nitrogen	507.19	1.16	0.51
Polymers of propylene	396.14	0.9	0.58
Plates, sheets and strip, of aluminium	346.93	0.79	0.54
Mixed alkylbenzenes and mixed alkylnaphthalenes	312.75	0.71	0.58
Cyclic hydrocarbons	266.19	0.61	0.83
All products	43,797.22	100	100

Source: Quantec 2022

1.4 Tariffs imposed on South African exports to Saudi Arabia

Table 1: Equivalent ad valorem tariff applied by Saudi Arabia on imports from South Africa, 2020

Product Category	Equivalent ad valorem tariff (%)	Product Category	Equivalent ad valorem tariff (%)	Product Category	Equivalent ad valorem tariff (%)
Edible fruit and nuts; peel of citrus fruit or melons	2	Plastics and articles thereof	2	Commodities not elsewhere specified	5
Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	1	Edible vegetables and certain roots and tubers	5	Footwear, gaiters, and the like; parts of such articles	0
Organic chemicals	7	Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial ...	5	Live animals	5
Ores, slag and ash	4	Tools, implements, cutlery, spoons, and forks, of base metal; parts thereof of base metal	0	Articles of stone, plaster, cement, asbestos, mica, or similar materials	5
Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	24	Cereals	5	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	5
Aluminium and articles thereof	10	Manufactures of straw, of esparto or of other plaiting materials; basket ware and wickerwork	5	Articles of leather; saddlery and harness; travel goods, handbags, and similar containers; articles ...	5
Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	6	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments, and other colouring ...	3	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery	5
Oil seeds and oleaginous fruits	4	Preparations of cereals, flour, starch, or milk; pastrycooks' products	5	Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof	5
Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	6	Tools, implements, cutlery, spoons, and forks, of base metal; parts thereof of base metal	5	Umbrellas, sun umbrellas, walking sticks, seat-sticks, whips, riding-crops, and parts thereof	5
Oil seeds and oleaginous fruits; miscellaneous grains, seeds, and fruit; industrial or medicinal	4	Cereals	5	Clocks and watches and parts thereof	5
Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	2	Manufactures of straw, of esparto or of other plaiting materials; basket ware and wickerwork	5	Toys, games, and sports requisites; parts and accessories thereof	0
Miscellaneous edible preparations	4	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments, and other colouring ...	5	Ships, boats, and floating structures	5
Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, ...	8	Preparations of cereals, flour, starch, or milk; pastrycooks' products	5	Railway or tramway locomotives, rolling stock and parts thereof; railway or tramway track fixtures ...	5
Paper and paperboard; articles of paper pulp, of paper or of paperboard ...	3	Carpets and other textile floor coverings	5	Furskins and artificial fur; manufactures thereof	6

Product Category	Equivalent ad valorem tariff (%)	Product Category	Equivalent ad valorem tariff (%)	Product Category	Equivalent ad valorem tariff (%)
Aircraft, spacecraft, and parts thereof	5	Fertilisers	5	Products of animal origin, not elsewhere specified or included	5
Articles of iron or steel	4	Works of art, collectors' pieces, and antiques	48	Vegetable plaiting materials: vegetable products not elsewhere specified or included	5
Preparations of vegetables, fruit, nuts, or other parts of plants	2	Glass and glassware	5	Miscellaneous manufactured articles	14
Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or ...	4	Man-made filaments; strip and the like of man-made textile materials	5	Cocoa and cocoa preparations	7
Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere ...	1	Furniture: bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; ...	1	Preparations of meat, of fish or of crustaceans, molluscs, or other aquatic invertebrates	5
Essential oils and resinoids; perfumery, cosmetic or toilet preparations	5	Coffee, tea, mate, and spices	5	Lac; gums, resins and other vegetable saps and extracts	11
Wood and articles of wood; wood charcoal	0	Wool, fine or coarse animal hair; horsehair yarn and woven fabric	48	Meat and edible meat offal	3
Mineral fuels, mineral oils, and products of their distillation; bituminous substances; mineral ...	3	Beverages, spirits, and vinegar	5	Fish and crustaceans, molluscs, and other aquatic invertebrates	239
Iron and steel	6	Articles of apparel and clothing accessories, not knitted or crocheted	0	Tobacco and manufactured tobacco substitutes	5
Rubber and articles thereof	6	Sugars and sugar confectionery	5	Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations	5
Pharmaceutical products	6	Salt; sulphur; earths and stone; plastering materials, lime, and cement	5	Photographic or cinematographic goods	5
Miscellaneous chemical products	8	Articles of apparel and clothing accessories, knitted or crocheted	4	Cotton	5
Residues and waste from the food industries; prepared animal fodder	11	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad ...	6	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn	5
Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal ...	5	Raw hides and skins (other than Furskins) and leather	2	Silk	5
Live trees and other plants; bulbs, roots, and the like; cut flowers and ornamental foliage	3	Products of the milling industry; malt; starches; inulin; wheat gluten	5	Cork and articles of cork	5
Printed books, newspapers, pictures, and other products of the printing industry; manuscripts, ...	6	Ceramic products	5	Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles ...	5

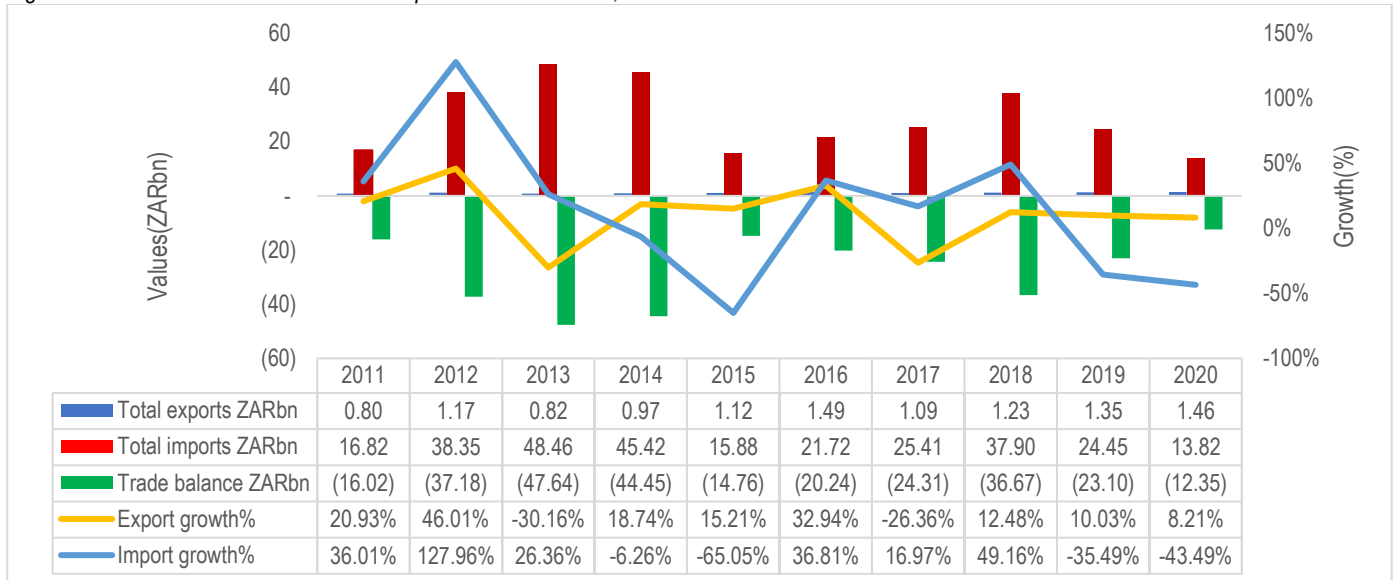
Product Category	Equivalent ad valorem tariff (%)	Product Category	Equivalent ad valorem tariff (%)	Product Category	Equivalent ad valorem tariff (%)
Albuminoidal substances; modified starches; glues; enzymes	9	Miscellaneous articles of base metal	5	Impregnated, coated, covered, or laminated textile fabrics; textile articles of a kind suitable ...	5
Copper and articles thereof	7	Man-made staple fibres	0		

Source: Trade Map, 2022

1.5 Trade with the Western Cape

Saudi Arabia was the Western Cape's 24th largest export market and its 3rd largest import market in 2020. Accordingly, the Western Cape has traditionally recorded a trade deficit with this country, with this said shortfall fluctuating from a value of ZAR16.02bn in 2011 to ZAR12.35bn in 2020. Notwithstanding the general slowdown in global economic activities seen in 2020, the province's exports to Saudi Arabia increased by 8.21% y-o-y to a value of ZAR1.46bn in 2020, up from ZAR1.35bn earned in 2019. On the import front, payments to Saudi Arabia dropped dramatically in 2020 by 43.49% y-o-y from a value of ZAR24.45bn in 2019 to ZAR13.82bn in 2020.

Figure 12: Trade between the Western Cape and Saudi Arabia, 2011-2020



Source: Quantec 2022

Citrus exports were the Western Cape's top export to Saudi Arabia in 2020, reaching a total export value of ZAR693.64m and accounting for 47.35% of exports to this country in this year. This was closely followed by the export of apples, pears, and quinces, which ranked as the Western Cape's second largest export to Saudi Arabia at a value of ZAR174.74m or (11.93%) in 2020. Other key exports to Saudi Arabia were fresh fruits (ZAR65.09m); cheese and curd (ZAR58.74m), and grapes (ZAR58.63m). The export of citrus fruits was the province's fastest growing export to Saudi Arabia, increasing at an average annual rate of 54.36% per annum from 2016 to 2020.

Figure 13: Top 10 products exported from the Western Cape to Saudi Arabia, 2020

	Exports (ZARm), 2020	Share%	Avg annual 2016-2021 (%)
Fresh or dried citrus fruit	693.64	47.35	54.36
Fresh apples, pears and quinces	174.74	11.93	10.51
Other fresh fruit	65.09	4.44	2.18
Cheese and curd	58.74	4.01	0.9
Fresh or dried grapes	58.63	4	5.13
Machines and mechanical appliances having individual functions	54.06	3.69	1.32
Beauty or make-up preparations	36.69	2.5	1.49
Flours, meals and pellets unfit for human consumption	36.01	2.46	1.54
Fresh apricots, cherries, peaches (including nectarines)	28.86	1.97	3.72
Fuel wood in logs and in billets	23.74	1.62	0.67
All products	1,464.89	100	100

Source: Quantec 2022

The Western Cape's import basket from Saudi Arabia was relatively more concentrated, with the import of crude and refined oil topping the imports from Saudi Arabia in 2020. More precisely, the import of crude oil was the Western Cape's top import from the country, reaching a value of ZAR2.44bn (17.65%), while the import of refined oil reached a value of ZAR312.9m and accounted for 2.26% of total imports from Saudi Arabia. Of the top 10 imported products in 2020 (and from what was available in the data), the import of crude oil had the highest growth, increasing at an average rate of 77.66% per annum over the period 2016 to 2020, while the import of refined oil increased at 17.65% over the same period.

Figure 14: Top 10 products imported from Saudi Arabia to the Western Cape, 2020

	ZARm	Share%	Avg annual avg(%)
Crude Petroleum oils	2,438.29	17.65	77.66
Refined Petroleum oils	312.9	2.26	17.65
Mixed alkylbenzenes and mixed alkylnaphthalenes	123.58	0.89	2.26
Polymers of propylene or of other olefins, in primary forms	47.1	0.34	0.89
Cruise ships, excursion boats & ferry-boats	36.15	0.26	0.34
Mineral or chemical fertilisers, nitrogenous	27.82	0.2	0.26
Polymers of ethylene, in primary forms	22.37	0.16	0.2
Unsaturated acyclic monocarboxylic acids	20.32	0.15	0.16
Crustaceans, whether in shell or not	18.9	0.14	0.15
Cyclic hydrocarbons	7.3	0.05	0.14
All products	13,815.38	100	100

Source: Quantec 2022

1.6 Travel distance and time from Cape Town to the major ports in Saudi Arabia

The table below shows the transit times for shipping from Cape Town to the key ports in Saudi Arabia

Table 2: Transit time from Cape Town port to the top ports in Saudi Arabia

	Port	Distance	Transit Time
1	Jeddah Islamic Port	5157 nm	22
2	King Abdulaziz Port Dammam	5713 nm	24
3	King Fahad Industrial Port Yanbu	5307 nm	22
4	King Fahad Industrial Port (Jubail)	5719nm	24
5	Jubail Commercial Port.	5719nm	24
6	Yanbu Commercial Por	5324 nm	22
7	Jizan Port	4787 nm	20
8	Dhiba Port	5666 nm	24

Source: Ports.com, 2022

2. Foreign Direct Investment

This section analyses inward and outward Greenfield Foreign Direct Investment (FDI) flows to and from Saudi Arabia between 2003 and 2021.

2.1 Inward FDI from the rest of the world to Saudi Arabia

Between 2003 and 2021, Saudi Arabia recorded a total number of 1,934 projects, which generated a total capital expenditure of ZAR3,052bn and created an estimated 227,260 jobs. This investment undertaking was conducted by 1,325 companies, globally.

Figure 15: Inward FDI into Saudi Arabia, 2003-2021



Source: FDI Markets, 2022

There has been a notable increase in inward capital projects invested into Saudi Arabia since 2003, from 31 projects invested in 2003 to 138 projects by 2021. Capital investment followed a similar trend, increasing from ZAR26.26bn in 2003 to ZAR137.29bn by 2021. As highlighted below, Saudi Arabia experienced a steady rise in jobs created from 2,945 in 2003 to 20,549 in 2021.

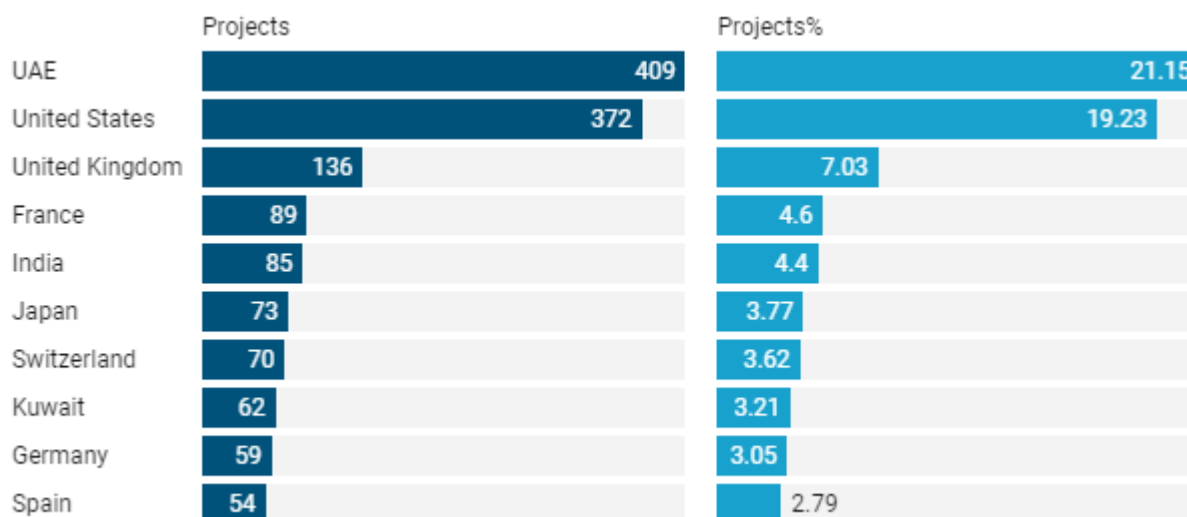
Figure 16: Inward FDI into Saudi Arabia, 2003-2021

Year	Projects	Capex (ZARbn)	Jobs created
2021	138	137.29	20,549
2020	88	153.6	11,951
2019	138	186.45	16,608
2018	109	225.1	11,460
2017	89	106.26	13,353
2016	90	160.89	10,302
2015	92	93.24	7,742
2014	97	134.47	12,117
2013	130	110.79	15,061
2012	146	124.44	15,358
2011	167	191.19	14,963
2010	123	127.51	10,042
2009	144	213.56	16,165
2008	110	494.45	15,641
2007	54	59.66	5,414
2006	95	284.56	13,655
2005	58	29.39	7,909
2004	35	193.86	6,025
2003	31	26.26	2,945
Total	1,934	3,052.97	227,260

Source: FDI Markets, 2022

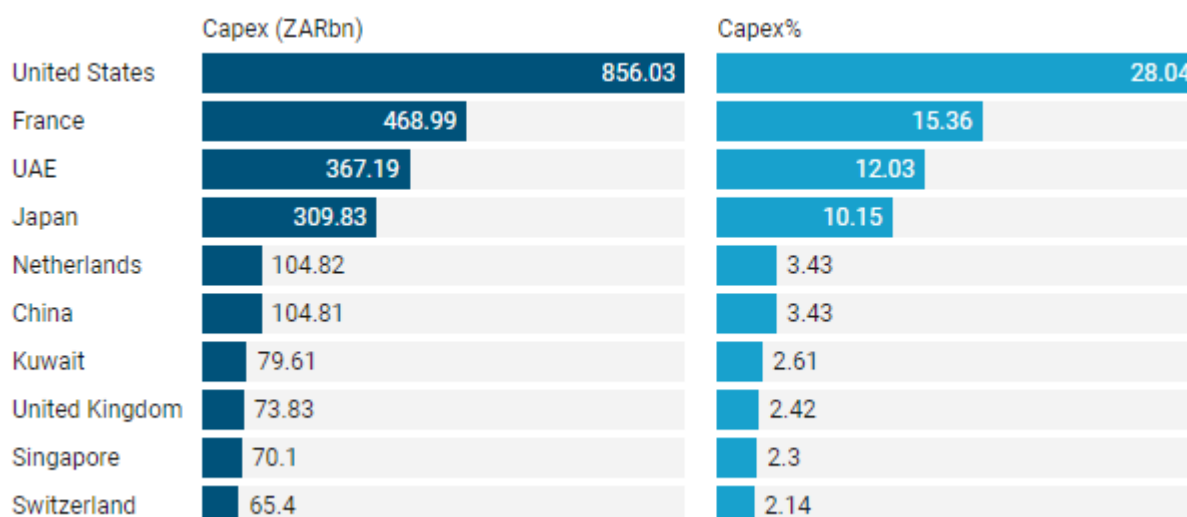
The United Arab Emirates, (UAE) was Saudi Arabia's largest source market for FDI in terms of number of projects invested over the period 2003 to 2021, accounting for 21.15% of projects (409 projects invested), while the United States led in capital investments with 28.04% of capex (ZAR856.033bn). The United States was the second largest source market for projects (372 projects representing a 19.23% share) while France held the second largest source market in terms of capex (ZAR468.999bn or 15.36%). Netherlands, India, and Japan were other noteworthy source markets for FDI into Saudi Arabia over the period 2003 to 2021 as shown below in Figure 17:

Figure 17: Top 10 source markets for inward FDI into Saudi Arabia by projects, 2003-2021



Source: FDI Intelligence, 2022

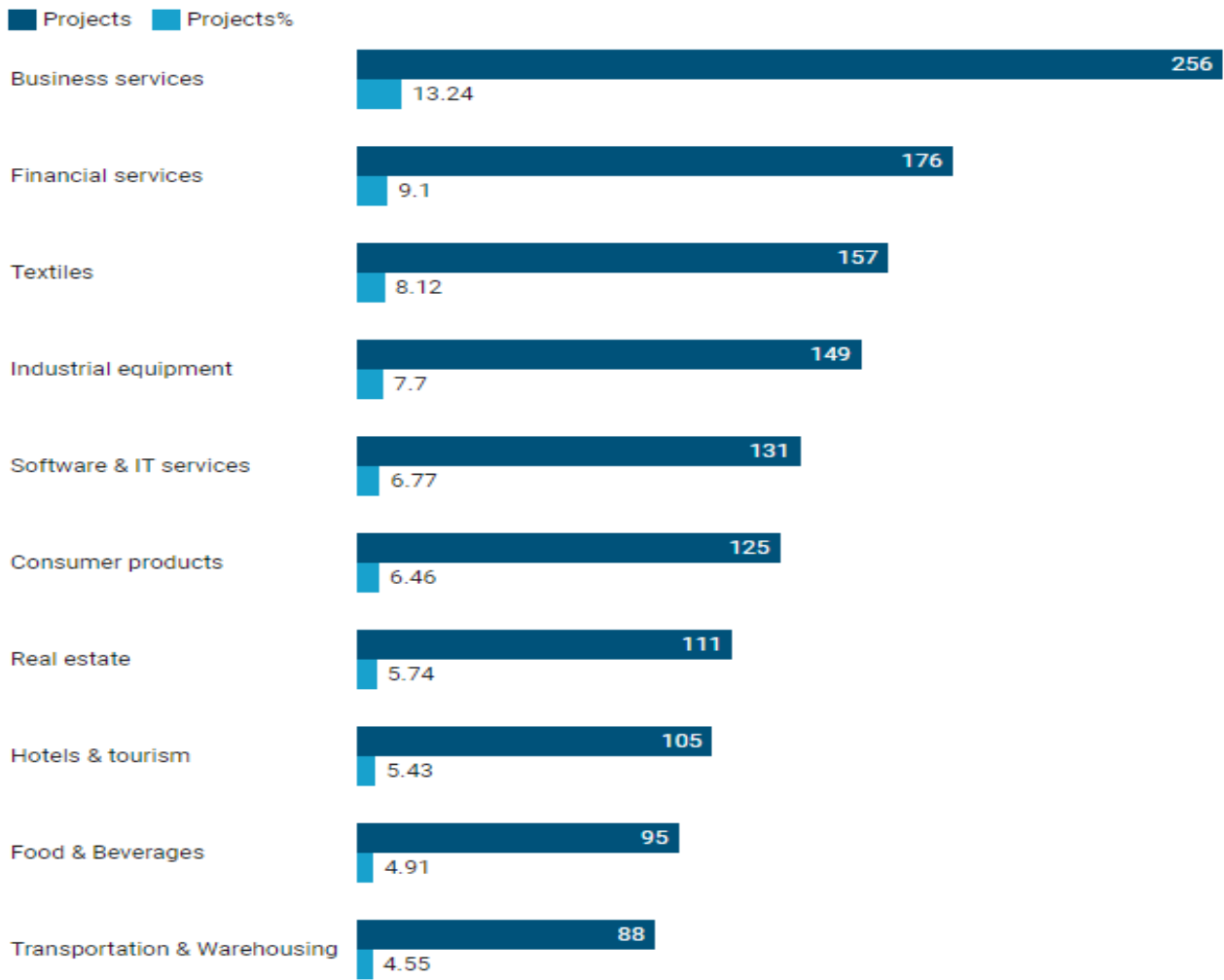
Figure 18: Top 10 source markets for inward FDI into Saudi Arabia by capital expenditure, 2003-2020



Source: FDI Intelligence 2022

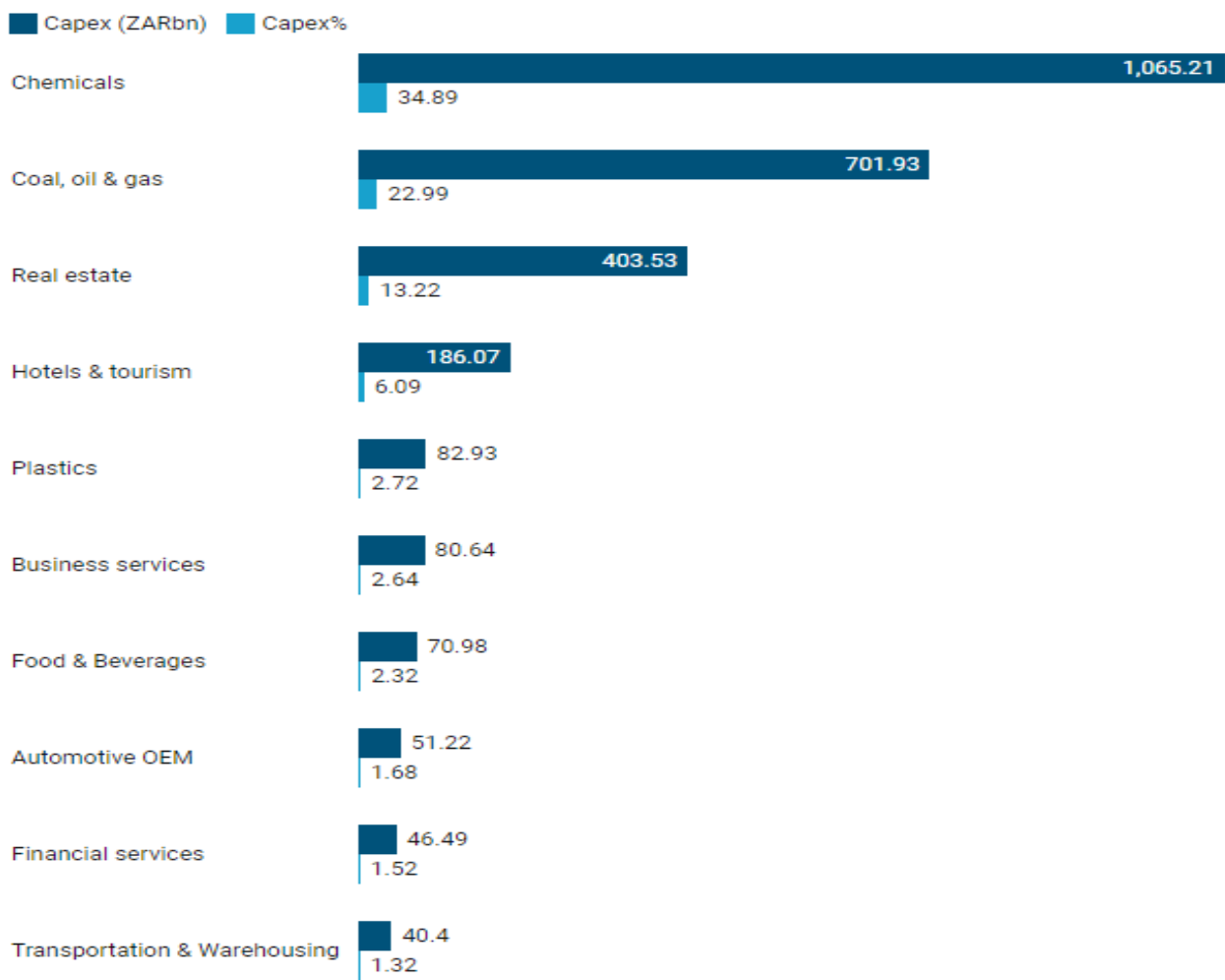
As shown in Figure 19, the business services sector held the largest share of FDI into Saudi Arabia by projects at 13.24% (256 projects). Following in a distant second was the financial services sector (176 projects or 9.1%), while textiles (157 projects or 8.12%); industrial equipment (149 projects or 7.7%), and software and IT services followed at (131 projects or 6.77%) concluded the top five sectors attracting FDI projects over the period 2003 to 2021. Although the chemical sector was not among the top 10 largest recipients of FDI projects over the period, it attracted the largest proportion of capex, accounting for 34.89%, and reached a capex value of ZAR1.07bn over the period 2003 to 2021. Other large capex attracting sectors were coal, oil and gas (22.99%); real estate (13.22%) and hotels and tourism (6.09%).

Figure 19: Top 10 sectors for inward FDI into Saudi Arabia by project investments, 2003-2021



Source; FDI Intelligence, 2022

Figure 20: Top 10 sectors for inward FDI into Saudi Arabia by capital investments, 2003-2021



source; FDI Intelligence 2022

Table 3 below details the top 10 global companies investing into Saudi Arabia by the number of FDI projects undertaken in the country over the period 2003 to 2021. EMKE Group headquartered in the UAE invested 26 FDI projects into Saudi Arabia's food and beverage sector over the period under review. This undertaking created 8,503 jobs.

Table 3: Top 10 global companies for inward FDI into Saudi Arabia, by project (2003-2021)

#	Company name	HQ country	No. of projects	Total capex ZARbn	Total jobs	Primary sector
1	EMKE Group	UAE	26	44,533	8,503	Food & Beverages
2	LuLu	UAE	25	44,351	8,291	Food & Beverages
3	Majid Al Futtaim Group (MAF Group)	UAE	24	76,458	4,503	Food & Beverages
4	Landmark Group	UAE	20	16,682	3,860	Textiles
5	Alshaya	Kuwait	18	2,955	2,444	Textiles
6	General Electric (GE)	United States	14	18,920	1,061	Industrial equipment
7	Apparel Group	UAE	13	2,057	1,187	Textiles
8	Kuoni	Switzerland	13	991	249	Business services
9	VFS Global	Switzerland	13	991	249	Business services
10	BMA International	UAE	11	1,027	940	Textiles

Source; FDI Intelligence 2022

2.2 Outward FDI from Saudi Arabia to the rest of the world

Saudi Arabia's outward FDI missions were less than half of its inward missions, with 786 capital projects invested globally. This FDI undertaking reached a capital expenditure value of ZAR1,378bn and created 130,769 jobs worldwide.

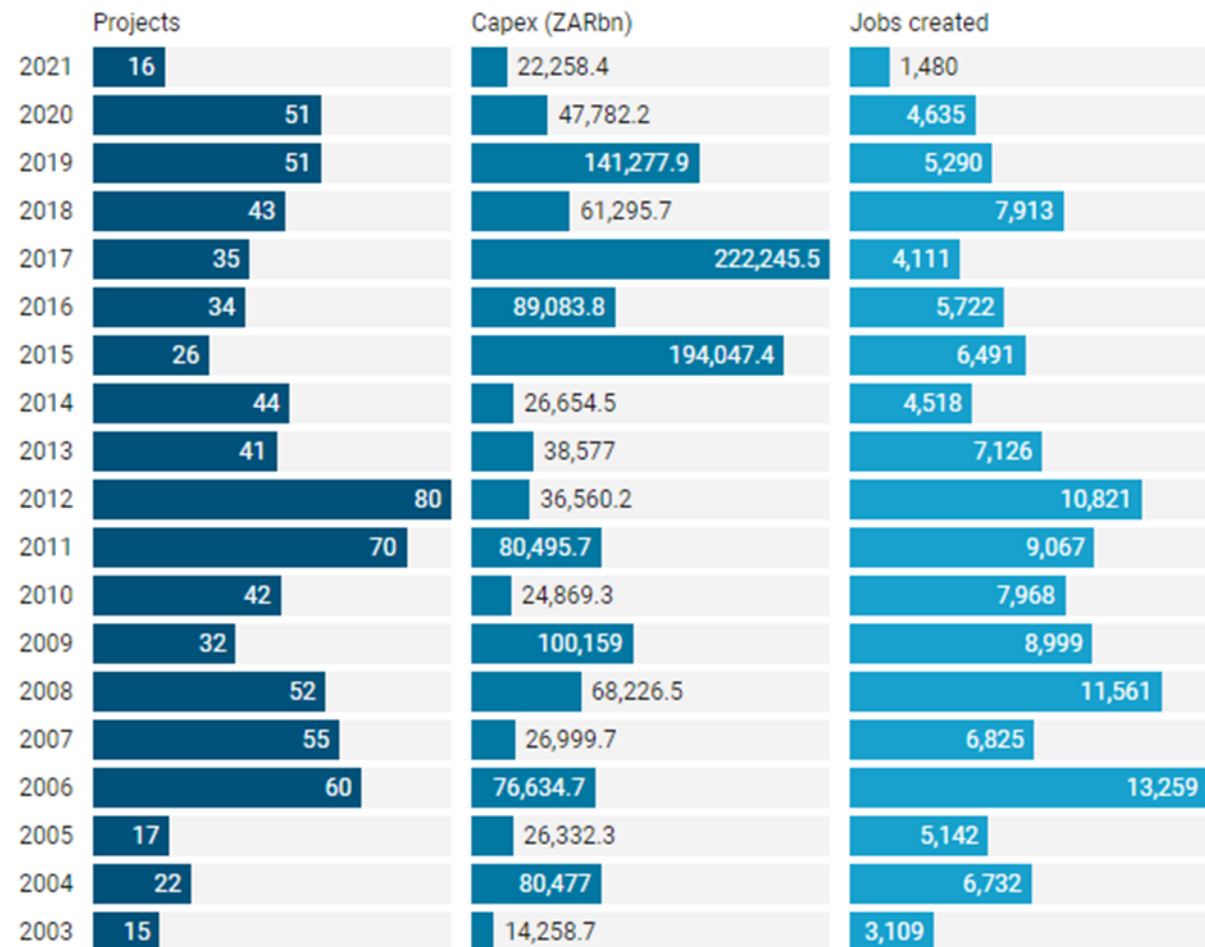
Figure 21: Saudi Arabia's FDI outflows, 2003-2021



Source: FDI Markets, 2022

As Figure 22 depicts, Saudi Arabia's volume of outward investment projects reached a peak of 80 projects (invested) in 2012 before declining to its lowest point of 16 projects invested globally in 2021. As expected, the global economic landscape painted by the advent of the Covid-19 pandemic resulted in economic contraction in most but not all economies across the globe in 2020. This is reflective in the particularly low level of outward FDI by Saudi Arabia, with only 68 projects invested with a capex investment of ZAR22,258bn in 2021.

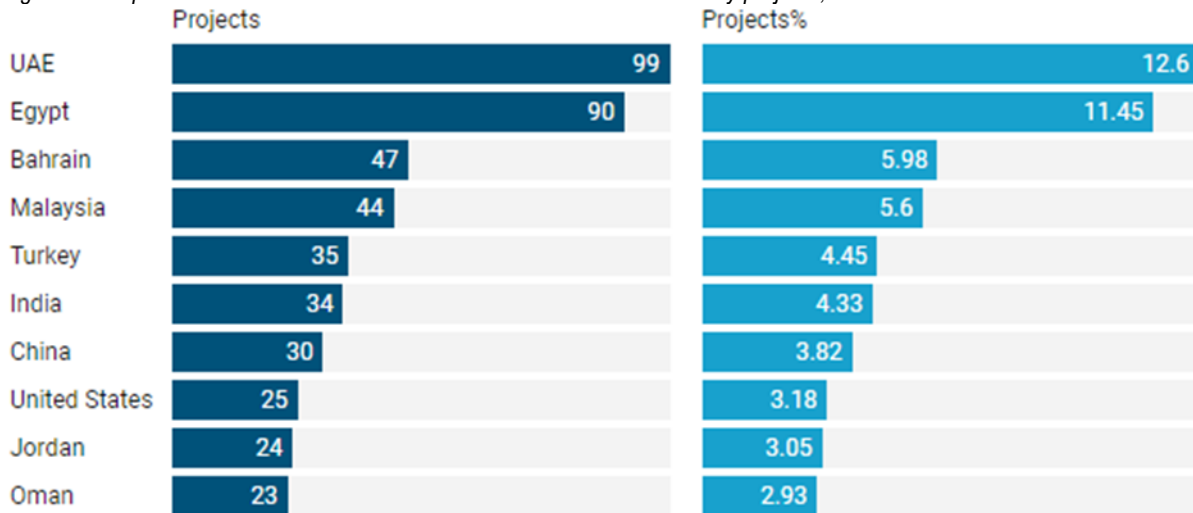
Figure 22: Saudi Arabia's FDI outflows, 2003-2021



Source: FDI Markets, 2022

The UAE was the largest recipient of outward FDI (as measured by number of projects) from Saudi Arabia over the period 2003 - 2021; with 99 projects invested which represented 12.6% of total capital expenditure. Other notable FDI attracting countries were Egypt, at 90 projects (or 11.45%); Bahrain (47 projects) and Malaysia, which received 44 projects accounting for 5.6% of total outward FDI by Saudi Arabia over the period under review.

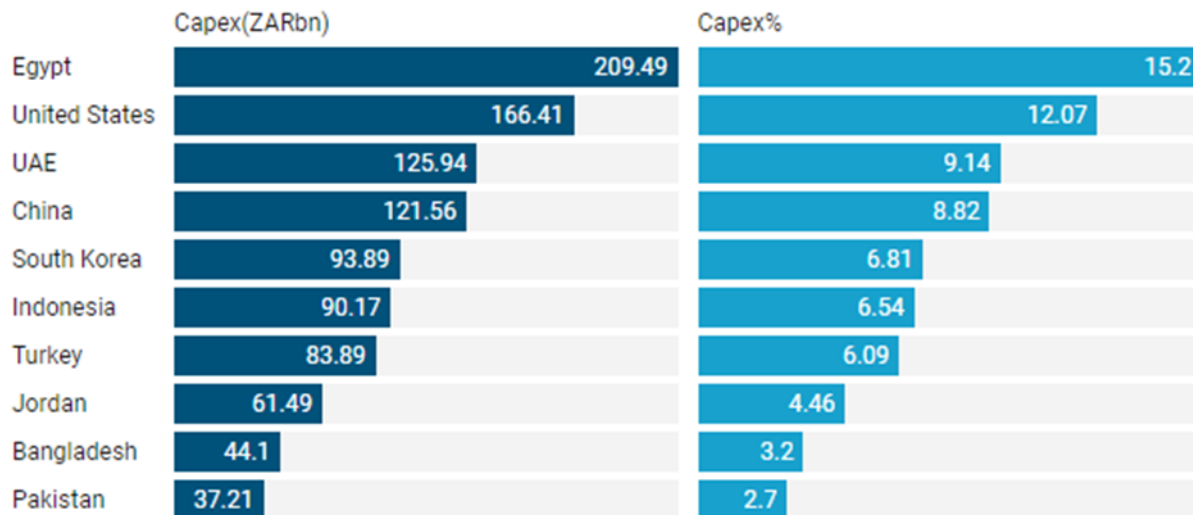
Figure 23: Top 10 destination markets for outward FDI from Saudi Arabia by projects, 2003-2021



Source: FDI Intelligence 2022

Egypt held the largest share of capex from Saudi Arabia, accounting for 15.2% (ZAR209.49bn) of total capex invested over the period reviewed. This was followed by the United States (ZAR166.41bn or 12.07%) in second place and UAE in third place at ZAR125.94bn over the period analysed.

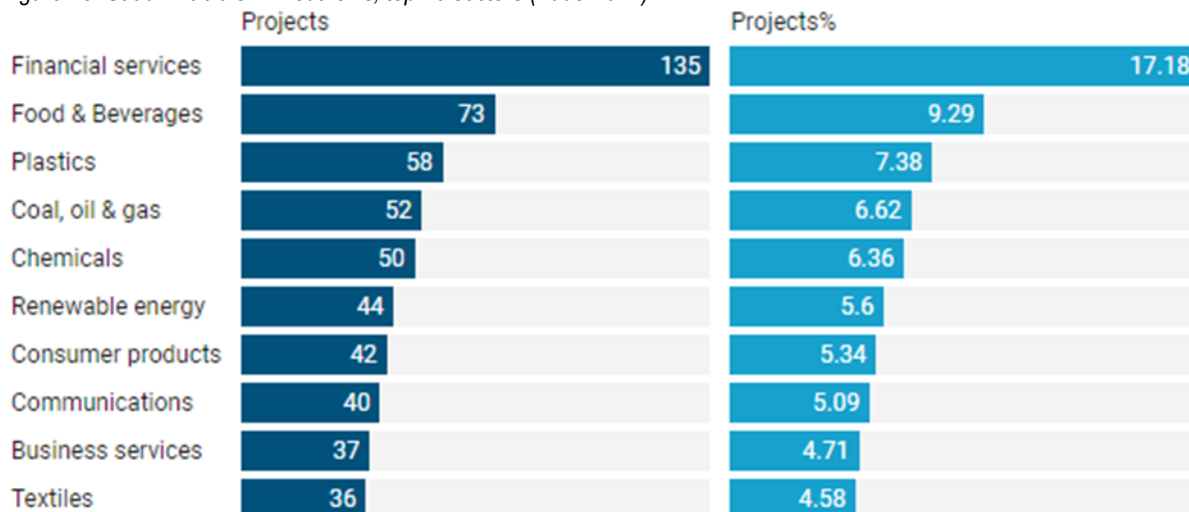
Figure 24: Top 10 destination markets for outward FDI from Saudi Arabia by Capex, 2003-2021



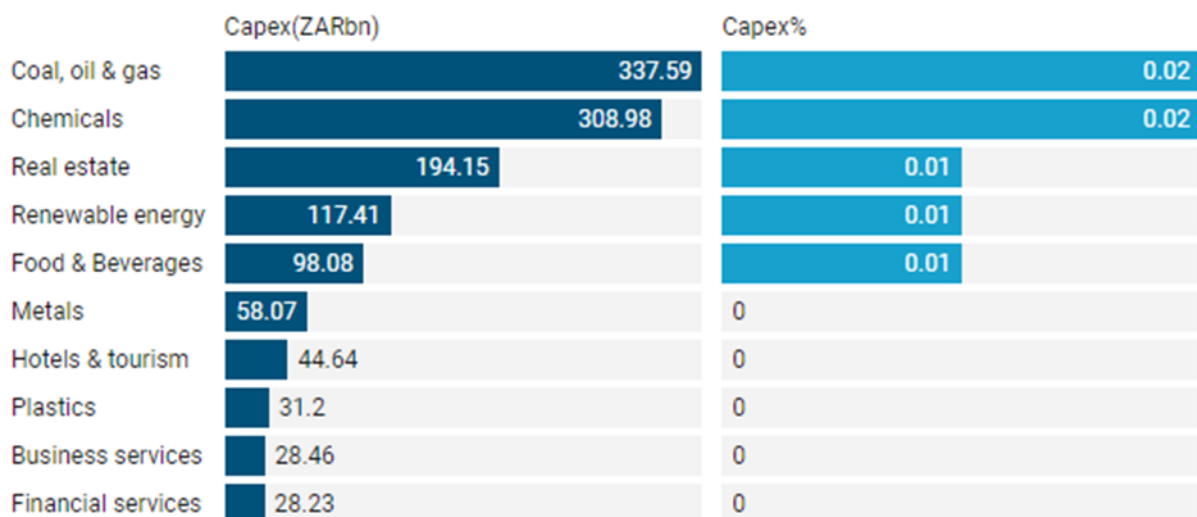
Source: FDI Markets, 2022

Large project attracting sectors were financial sector (135 projects); food and beverages services (73 projects), and plastics (58 projects). In terms of capex, the coal, oil, and gas sectors topped the list, reaching a total capex of ZAR337.59bn and followed by chemicals which represented ZAR308.98bn value of total capex invested from Saudi Arabia over the period 2003 to 2021.

Figure 25: Saudi Arabia's FDI outflows, top 10 sectors (2003-2021)



Source: FDI Markets, 2022



Source: FDI Intelligence 2022

With 99 FDI projects, Saudi Basic Industries (SABIC) tops the list of the leading 10 companies from Saudi Arabia that invested in the rest of the world between 2003 and 2021. Dallah Al-Baraka Holding Company (60 projects) and Fawaz Alhokair Group (53 projects) completed the list of the three Saudi Arabian companies with the highest number of FDI projects across the globe during the period under review.

Table 4: Top 10 companies for outward FDI from Saudi Arabia, by project (2003-2021)

#	Company name	Revenue (ZARbn)	No. of projects	Total capex ZARm	Total jobs	Primary sector
1	Saudi Basic Industries (SABIC)	536	99	315,163	15,891	Plastics
2	Dallah Al-Baraka Holding Company	-	60	14,964	1,527	Financial services
3	Fawaz Alhokair Group	26	53	55,628	9,553	Textiles
4	Saudi Aramco	3,307	52	204,606	7,508	Coal, oil & gas
5	Al Rajhi Bank	50	39	1,200	1,081	Financial services
6	ACWA Power International	8	31	210,187	2,604	Renewable energy
7	SABIC Innovative Plastics	-	23	16,093	2,097	Plastics
8	Abdul Latif Jameel	3	21	42,435	1,838	Renewable energy
9	Albaraka Banking Group (ABG)	-	19	5,346	569	Financial services
10	Islamic Development Bank (IDB)	7	19	7,516	1,584	Financial services

Source: FDI Markets, 2022

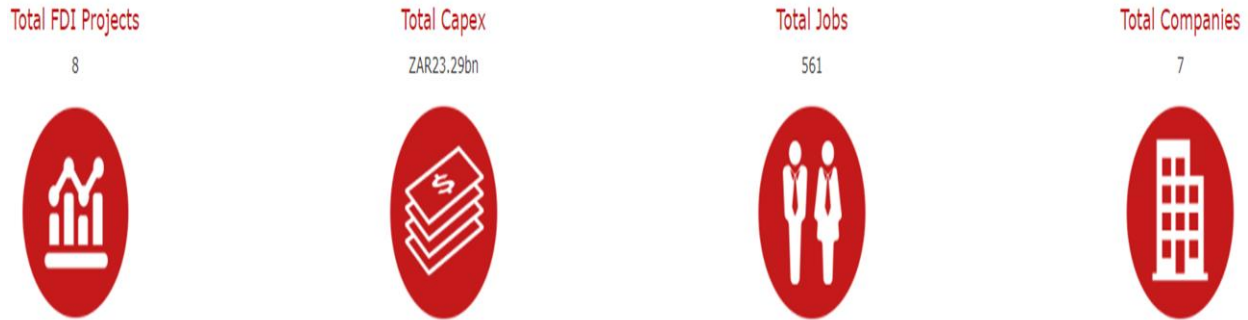
2.3 FDI flows between South Africa and Saudi Arabia

This sub-section focuses on FDI flows between Saudi Arabia and South Africa from 2003 to 2021.

2.3.1 FDI flows from Saudi Arabia to South Africa

Saudi Arabia invested a total of 8 capital projects into South Africa which reached a total capital expenditure of ZAR23.29bn, resulting in the creation of 561 jobs over the period 2003 to 2021.

Figure 26: FDI from Saudi Arabia to South Africa, 2003-2021



Source: FDI Markets, 2022

The greatest capital investment into South Africa by Saudi Arabian companies occurred in 2015, where one project was invested with a total capex ZAR17.26bn, creating 237 jobs. One project has been invested in each year over the period under review.

Figure 27: FDI from Saudi Arabia into South Africa, 2003-2021

Year	Projects	Capex (ZARm)	Jobs created
2020	1	310.7	16
2020	1	565.3	107
2017	1	67.6	37
2015	1	17,262.3	237
2014	1	43.2	12
2013	1	4,483.9	60
2010	1	28.8	12
2008	1	530.8	80

Source: FDI Markets, 2022

The South African industry that received the largest number of FDI projects from Saudi Arabia during the 2003-2021 period was the communications sector, which received 2 projects representing 25% of all projects invested by Saudi Arabia into South Africa. The renewable energy, and business services sector each attracted 2 and 1 FDI projects respectively, while the rest received 1 project each.

Figure 28: FDI from Saudi Arabia into South Africa, top 10 sectors (2003-2021)

	Projects	Projects%
Communications	2	25
Renewable energy	2	25
Business services	1	12.5
Food & Beverages	1	12.5
Industrial equipment	1	12.5
Plastics	1	12.5

Source: FDI Markets, 2022

The renewables sector received the largest proportion of capex, which reached ZAR21, 746m (accounting for 93.36%) of capex. Other large capex attracting sectors were the communications services sector (ZAR598.40m), and the food and beverages sector (ZAR565.30m).

	Capex(ZARm)	Capex%
Renewable energy	21,746.2	93.36
Communications	598.4	2.57
Food & Beverages	565.3	2.43
Business services	310.7	1.33
Industrial equipment	43.2	0.19
Plastics	28.8	0.12

Source: FDI Markets, 2022

As shown in Table 5, Grand Capital; Gefco; and Kaspersky Lab were the top three Saudi Arabian companies with the highest number of FDI projects invested into South Africa from 2003 to 2021.

Table 5: Top 10 Companies from Saudi Arabia investing in South Africa, by project (2003-2021)

#	Company name	Revenue (ZARm)	No. of projects	Total capex ZARm	Total jobs	Primary sector
1	ACWA Power International	7,597	2	21,746	297	Renewable energy
2	4SiGHT Research & Analytics		1	311	16	Business services
3	Altaaqa Global CAT Rental Power		1	43	12	Industrial equipment
4	Arab Satellite Communications Organisation		1	68	37	Communications
5	Bateel		1	565	107	Food & Beverages
6	Hellas-Sat		1	68	37	Communications
7	I2 (IICC)		1	531	80	Communications
8	Saudi Basic Industries (SABIC)	536,039	1	29	12	Plastics
9	Zahid Group		1	43	12	Industrial equipment
10	Amouage (Oman Perfumery)	86	0	0	0	Consumer products

Source: FDI Markets, 2022

2.3.2 FDI flows from South Africa to Saudi Arabia

Six South African companies invested six FDI projects into Saudi Arabia over the period 2003 to 2021. This capital undertaking resulted in a total capital expenditure of ZAR2,918.77m and created 491 jobs in Saudi Arabia over the period under review.

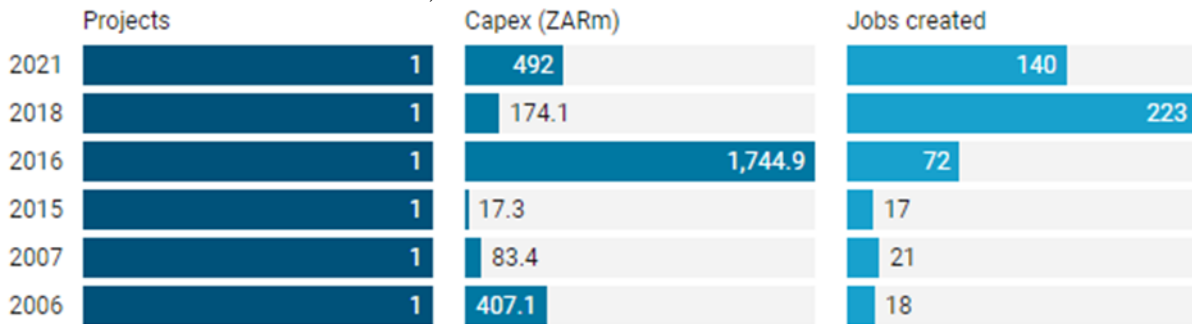
Figure 29: FDI from South Africa into Saudi Arabia, 2003-2021



Source: FDI Markets, 2022

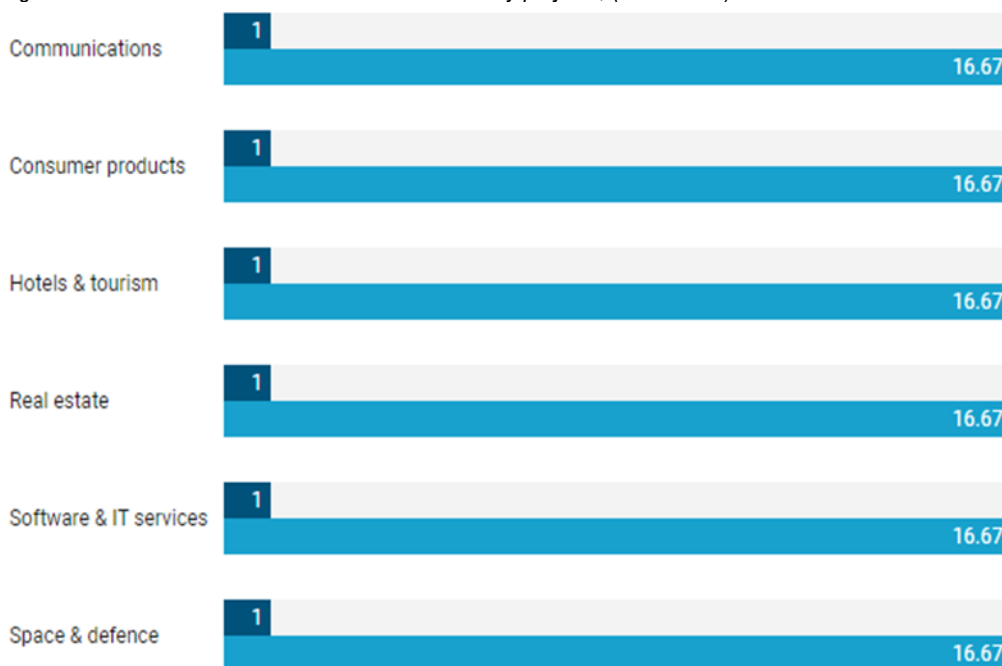
One project was invested in annually from 2006 to 2021. The largest capex outflow occurred in 2016, where 1 FDI projects invested in reached a total capex of ZAR1,744.90m and created 72 jobs in the Saudi Arabian economy.

Figure 30: FDI from South Africa to Saudi Arabia, 2003-2021



Source: FDI Markets, 2022

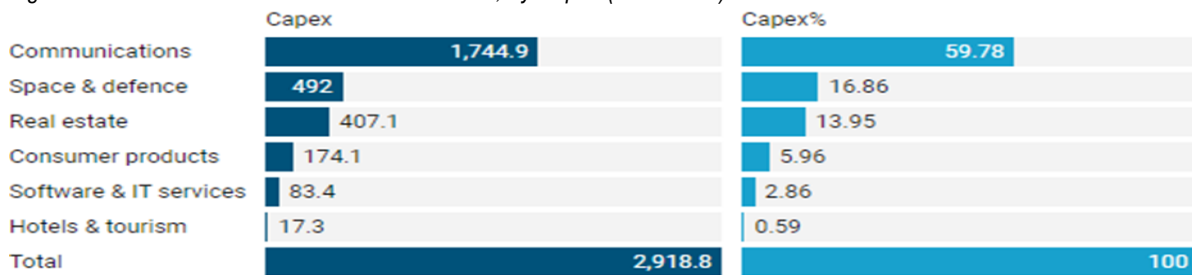
Figure 31: FDI from South Africa into Saudi Arabia by projects, (2003-2021)



Source: FDI Markets, 2022

As shown in Figure 30 below, the communications sector was the largest recipient of capex at a value of ZAR1.75bn, accounting for 59.78% of total capex invested into Saudi Arabia by South Africa over the period 2003 to December 2021. Other sectors in Saudi Arabia which attracted capex were space and defence (ZAR492m); real estate (ZAR407.10m); and consumer products (ZAR174.10m).

Figure 32: FDI from South Africa into Saudi Arabia, by Capex (2003-2021)



Source: FDI Markets 2022

The MTN Group invested the greatest amount both in revenue and capital expenditure into Saudi Arabia to the tune of ZAR133,277m and ZAR1,745m respectively. These investments landed within the communications sector. All the companies investing into Saudi Arabia invested one project each as is tabled below:

Table 6: South African companies investing in Saudi Arabia, by projects (2003-2021)

#	Company name	Revenue (ZARm)	No. of projects (in current search)	Total capex ZARm (in current search)	Total jobs (in current search)	Primary sector
1	De Beers	66,244	1	174	223	Minerals
2	De Beers Diamond Jewellers		1	174	223	Consumer products
3	Dimension Data Holdings (DiData)	115,802	1	83	21	Software & IT services
4	Gensec		1	407	18	Real estate
5	Gensec Property Services		1	407	18	Real estate
6	MTN Group	133,277	1	1,745	72	Communications
7	Milkor		1	492	140	Space & defence
8	Wings Travel		1	17	17	Hotels & tourism
9	AppCentrix		0	0	0	
10	Aspen Pharmacare Holdings	41,300	0	0	0	Pharmaceuticals
11	Consolidated Infrastructure Group (Buildworks Group)	1,486	0	0	0	Industrial equipment

Source: FDI Markets, 2022

2.4 FDI flows between the Western Cape and Saudi Arabia

This section details FDI flows between Saudi Arabia and the Western Cape

2.4.1 FDI from the Saudi Arabia to the Western Cape

Saudi Basic Industries (BASIC) was the only Saudi Arabian companies that invested into the Western Cape with a total capex value of ZAR28.77m and creating 12 jobs over the period 2003 – 2021. There were no investments recorded from the Western Cape to the middle east country.

Source: FDI Markets, 2021

3. Tourism

This section provides tourism flows between South Africa and Saudi Arabia.

3.1 Overview

According to the latest tourism report released by South African Tourism (SAT, 2021), global tourism suffered its worst year on record in 2020, with international tourist arrivals dropping by 74% according to data from the World Tourism Organizations (UNWTO) World Tourism Barometer. This was due to the Covid-19 pandemic and the travel restrictions that followed. The consequent dramatic fall in demand meant that there were 1.1 billion fewer international tourist arrivals in 2020 than 2019.

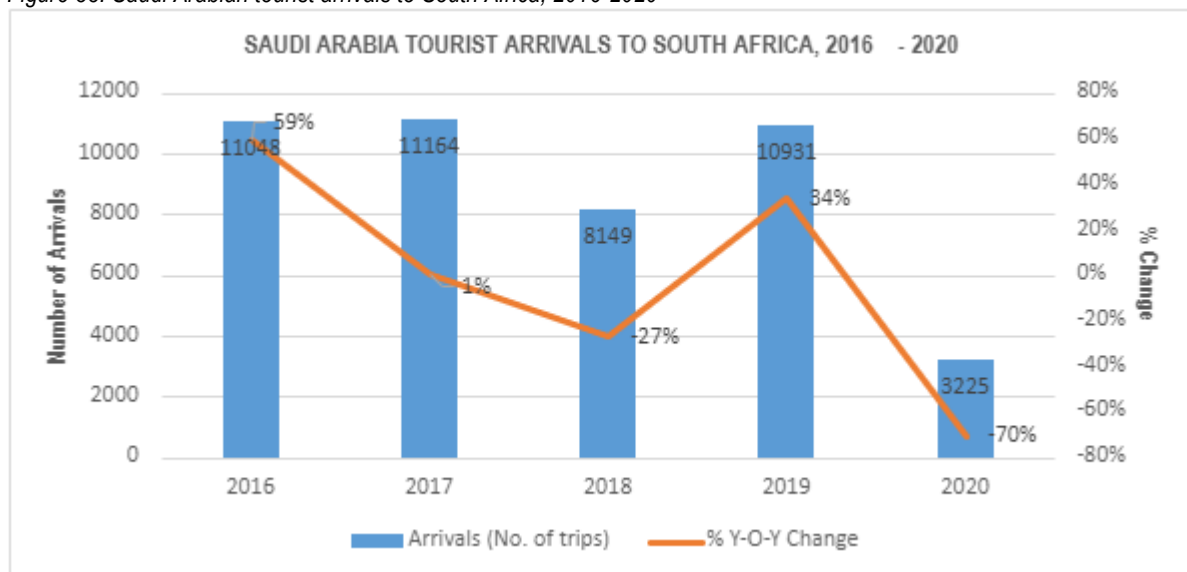
The Covid-19 pandemic has caused sharp declines in both inbound and outbound tourism flows as well as commercial activity across Saudi Arabia. Outbound departures declined by 74% in 2020 from the previous year. By 2022 the number of outbound trips is expected to recover to 2019 levels. For Saudi Arabian residents, a safe destination is a top priority. Many social gatherings shifted online as Saudi Arabians tried to avoid physical interactions due to the spread of Covid-19.

Travellers from Saudi Arabia to South Africa are predominantly visiting for holiday purposes or to visit family and friends. A fair amount also visited for Business and Meetings, Incentives, Conferencing and Events (MICE) in 2020.

3.2 Saudi Arabian tourist arrivals to South Africa

The graph below depicts total tourist arrivals from Saudi Arabia into South Africa from 2016 - 2020. A 70.2% decline in Saudi Arabian tourist arrivals was experienced in 2020 due to the impact of the pandemic on international travel. In 2020, Saudi Arabian tourists to South Africa primarily travelled for VFR (41.2%), Holidays (36,1%), MICE (8.4%) and Business (2,0%). Travelers from this country are typically youth, between the ages of 25-34 (29.0%) and 35-44 (22,5%).

Figure 33: Saudi Arabian tourist arrivals to South Africa, 2016-2020



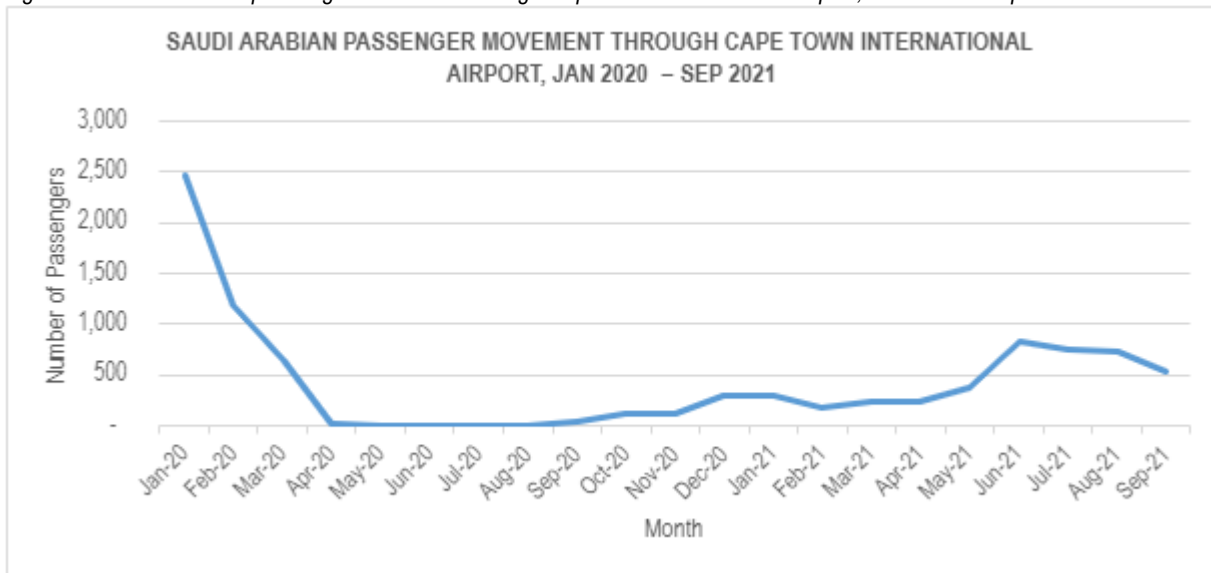
Source: South African Tourism (SAT), 2022

3.3 Saudi Arabian passenger movement through Cape Town International Airport

According to the latest OAG Traffic Analyzer data, passenger movement from Saudi Arabia through the Cape Town International Airport started to plummet in April 2020. The decline followed the nationwide lockdown which commenced on 26 March 2020, resulting in no travelers for the period April – July 2020. Only four travelers were recorded in April and a mere 3 in May 2020.

Despite the severe decline in air-travel between the two countries, recovery in passenger movement picked up in the remainder of 2020. In June 2021, arrivals from Saudi Arabia reached more than three times than what it was in June 2020 and exceeded its July and August 2019 figures during the same months in 2021.

Figure 34: Saudi Arabian passenger movement through Cape Town International Airport, Jan 2020 – Sept 2021



Source: OAG Traffic Analyzer, 2021

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