



Opportunities for Saudi Investments in the United States By Amer Kayani Minister

Riyadh, October 17, 2012

Americans and Saudis live in a world of globalization. The pace of technological change is astounding. The extent and speed with which innovations in one country cross borders through exchanges of goods, capital, and ideas is unprecedented. Chief among the opportunities that globalization gives rise to is the prospect of higher growth and higher living standards. Saudis and Americans can take advantage of globalization to create a better future for our children by joining hands in investing in each other's countries.



The United States and Saudi Arabia enjoy a broad, deep and robust bilateral relationship, with cooperation spanning many of the economic and security issues confronting the Middle East and the world. On the commercial front, U.S. foreign direct investment in Saudi Arabia was \$8.0 billion in 2010, and our bilateral trade is expanding. Saudi Arabia is currently United States' 12th largest goods trading partner with \$55 billion in total (two ways) goods trade during 2011. In their quest for business opportunities, Saudis will find the United States as one of the most welcoming places in the world. The United States is home to the most innovative and productive companies in the world. Owing partially to its vast domestic market and a culture that rewards entrepreneurial initiative, the U.S. boasts a large number of diverse and competitive industry sectors that represent unparalleled opportunity for Saudi investors.

The United States is the world's largest economy and has the world's third-largest population, with a gross domestic product of over \$14 trillion and a population of more than 310 million people. It is also one of the richest economies in the world. In addition, the United States maintains free trade agreements with 17 partner countries that produced a combined \$5 trillion dollars in 2010—giving investors in the United States unparalleled access to diverse markets across the globe.

The United States consistently ranks at the top of most major indicators for its attractive business and investment climate. The U.S. is #2 in AT Kearney's Foreign Direct Investment confidence index rankings, #4 in the World Economic Forum's competitiveness rankings, and #5 in the World Bank's "Ease of Doing Business" rankings. With 310 million U.S. consumers and median household income of over \$50,000, the U.S. market is highly diverse in consumer tastes, income, and national origin, and thus permits success in a wide variety of business models. It is no wonder that trends in global consumer markets often start in the United States, and brands are not considered truly global until they penetrate the U.S. market.

The United States provides unique market opportunities, whether you are selling to a niche or have applications all along the supply chain. In the United States, everyone speaks the same language, is subject to the same laws, and believes that a single business model can reach thousands of miles and millions of people. Businesses operating in niche markets in



Saudi Arabia can become large, dynamic firms in the United States. And with the size and scope of the U.S. economy, opportunities for those with broader business models are even more expansive.

Above all, the United States is the world's center of innovation. Almost half of all scientific researchers in the developed world work in the United States. U.S. Companies dominate the World's 50 Most Innovative Companies Ranking – easily outnumbering corporations outside of America. Likewise, the U.S. is home to the world's top universities, boasting all of the top 5 spots, seven of the top 10, and more than half the top 50 places. In fact, the U.S. has more than twice as many universities represented in the top 200 as its nearest rival, the UK, which has 29.

The U.S. also leads in access to technology derived from critical basic research performed at its universities. According to WIPO statistics, all of the top 10 international universities ranked by number of global patent applications are located in the United States. These leading universities also provide the world's best supply of highly skilled workers, who are trained to develop and use these new technologies.

The United States has established the world's leading Intellectual Property Rights (IPR) regime, with nearly a million patent and trademark applications received each year. Obtaining protection for business assets is simple and cost-effective. The transparent and predictable legal system resolves disputes quickly, often before significant expense is incurred. And businesses can rely on the U.S.'s comprehensive enforcement capabilities to protect their IP rights from infringement.

The United States has a highly educated workforce. Over 40 percent of Americans age 24 to 60 have completed a level of education beyond high school, considerably more than the Organization for Economic Cooperation and Development (OECD) average of 27 percent and the second highest among all developed countries.

U.S. workers are also among the world's most productive -- producing \$63,885 of wealth per year per worker on average, more than their counterparts in all other countries. There are more than 150 million workers in the U.S. labor market. They share the same language, work under highly flexible labor laws, and have a long history of following the trail of opportunity and reward.

Americans know how to take advantage when opportunities present themselves -- it's the American spirit. And that spirit makes the U.S. workforce a desired partner in developing successful businesses for our Saudi friends.

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