SA and Saudi Arabia commit to boosting trade and increasing economies

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President Cyril Ramaphosa with His Royal Highness Crown Prince and Prime Minister of the Kingdom of Saudi Arabia, Mohammad bin Salman bin Abdulaziz al Saud, during his State Visit to Saudi Arabia: Presidency/Twitter

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South Africa and the Kingdom of Saudi Arabia have committed to boosting trade between the two countries as part of efforts to grow their respective economies.

President Cyril Ramaphosa and Minister of Trade, Industry and Competition Ebrahim Patel have been leading ongoing engagements between the two countries resulting in local businesses finding a foothold in the Saudi Arabia market.

Increasing trade

Speaking at a press briefing in honour of the visiting Saudi business delegation, Co-Chair of the South African–Saudi Arabia Business Council, Stavros Nicolaou, underscored the need to increase trade and investment.

“From my vantage point, the Saudi Arabia market presents enormous growth opportunities for South African companies looking to expand their businesses in the gulf region as shown by local companies that are slowly establishing a presence in that region.

Dr Hisham Al Amoudi, Vice-Chairman of the Saudi–South Africa Business Council, reaffirmed Saudi Arabia’s commitment to investing in South Africa.

Al Amoudi said the South Africa and Saudi Arabia Joint Economic Commission and the Business Council was a good platform to further progress and boost inward investments between the two respective countries.

“We are committed to increasing investments for mutual benefits and supporting South Africa’s economic growth. Our current investments contribute to South Africa’s Gross Domestic Product.”

Exports

In 2023, South Africa’s exports to Saudi Arabia increased to R7.3 billion from R6.6 billion in 2022, while imports from Saudi Arabia decreased to R54.6 billion in 2023 from R73.6 billion in 2022.

The exported goods included agricultural products, motor vehicles, and basic chemicals, whereas the import items mainly consisted of refined petroleum and related products and crude oil.

Currently, Saudi is the largest investor in South Africa’s local renewable energy sector and ACWA Power has a leading role in this area. Overall, it is estimated that Saudi investment into South Africa amounts to $1.62 billion.