

# Chinese Business Conference: Strengthening Saudi Arabia-China Economic Relations

written by Ezba Walayat | June 16, 2023



## Introduction

The highly anticipated 10th session of the Arab-Chinese Business Conference was held in Riyadh, Saudi Arabia. The Chinese Ministry of Commerce and the Saudi Ministry of Investment jointly hosted the conference. The conference's main theme was "Collaborating for Prosperity." Moreover, the Ministry of Investment, Ministry of Foreign Affairs, the Honorable Secretary-General of the Arab League, the Chinese Council for the Promotion of International Trade, and several other government agencies also worked together to organize this distinguished event on 11-12 June, 2023.

Over a thousand business executives from Saudi Arabia and China attended the conference. The discussion focused on strategies to boost investment and trade between the two countries. They also looked into potential areas of collaboration, like technology, energy, and infrastructure. The conference resulted in signing of trade and investment agreements of worth more than \$10 billion. These agreements will help to increase economic expansion and provide new opportunities in both regions. The China-Saudi Arabia Business Conference is a crucial platform for advancing business collaboration between China and the Arab region. New trade and business opportunities have been made possible because of the conference, which has also aided in fostering stronger ties between the two regions.



### **Reviving the Silk Route for Regional Growth**

On the sidelines of the China-Saudi Arabia Business Conference, Saudi Arabia announced the revival of the Silk Route in an effort to further strengthen trade ties with China. While speaking at the event, Saudi Arabia's investment minister, Khalid Al-Falih, said that while China looks to strengthen its trade relations with the Arab world, the Kingdom may act as its gateway.

The revival of the Silk Route between China and Saudi Arabia is a major initiative that has the potential to boost trade and investment between the two countries. The Silk Route was an ancient trade route that connected China with the Middle East and Europe. A number of factors are driving the Silk Route's revival, including China's Belt and Road Initiative, Saudi Arabia's Vision 2030, and the two countries' developing economic and political relations. The Belt and Road Initiative is a worldwide infrastructure project launched by China that aspires to connect Asia, Africa, and Europe by a network of roads, railroads, and ports. The project is viewed as a means for China to increase its political and economic influence in the region. On the other side, Vision 2030 is Saudi Arabia's strategy to diversify the country's economy away from oil and gas. A number of attempts to attract foreign investment are included in the plan, including the creation of new industrial and tourism projects.

### **Sino-Saudi Relations**

The Sino-Saudi relations are growing politically and economically, and have become stronger than ever before. China is the largest trading partner of many Arab countries, and it is investing heavily in infrastructure projects in the region. Saudi Arabia and China have signed a number of agreements in recent years, including a free trade agreement and a memorandum of understanding on cooperation in the fields of energy, infrastructure, and telecommunications. In 2016, China surpassed the United States as Saudi Arabia's largest commercial partner. Trade between the two countries has increased in recent years,

reaching a record high of \$87.31 billion in 2022. China is also a significant investor in Saudi Arabia. Chinese firms invested \$29.6 billion in Saudi Arabia in 2022, making China the country's top foreign investor. Other sectors of collaboration between the two countries have expanded, including energy, infrastructure, and technology. China and Saudi Arabia agreed to build a \$20 billion oil refinery in Saudi Arabia in 2022. The two countries are also collaborating on a number of infrastructure projects, including a high-speed rail route between Riyadh and Jeddah.

The growing ties between Arab countries and China are a sign of the changing global order. It is because, the United States is no longer the only superpower, and China is increasingly playing a major role in the Middle East. Moreover, China and Saudi Arabia have common economic and political interests in the region. Therefore, despite the concerns of the West, Saudi Arabia and China are sharing valuable partnership, and the close relationship between the two countries is expected to deepen in the coming years.