

Saudi Arabia and Brazil: Growing Ties in Trade and Investment

written by Ezba Walayat | September 26, 2023



Saudi Arabia and Brazil have had strong bilateral relations for many years. Both countries are key actors in the global economy, and they have many mutual interests, including the need to secure energy security and encourage economic growth. The two countries have reached a number of bilateral agreements in trade and investment. In July 2023, the Federation of Industries of the State of Sao Paulo and the Saudi Ministry of Investment jointly held the Brazil-Saudi Arabia Investment Forum. More than 500 business executives from both countries attended the meeting. Khalid Al-Falih, the Saudi Arabian minister of investment, attended the meeting. He spoke with Brazilian government representatives and business executives about potential investment prospects between the two nations. Al Falih said, “Brazil and Saudi Arabia, two proud members of the G20 and energy producers, are well positioned to be strategic partners, with us being the economic leaders of our respective regions.” Over 25 Memorandums of Understanding (MoUs) between Saudi Arabian and Brazilian businesses were signed in sectors including infrastructure, agriculture, technology, and energy as a result of the forum.



Despite the fact that the two countries have long been trading partners, the kingdom's most recent investments in Brazil are in line with its ambitious "Vision 2030" reform project, which intends to diversify the Saudi economy and reduce its reliance on oil revenues. Brazil and Saudi Arabia are major trading partners and their trade volume is constantly increasing. According to the Arab-Brazilian Chamber of Commerce, Brazilian exports to Saudi Arabia increased significantly in the first seven months of the year 2023 and reached to \$1.87 billion, the biggest amount among all Arab nations. Brazil also imported \$1.98 billion from the Kingdom, which was the most amount from any Arab nation. Moreover, Saudi and Brazilian government officials are visiting each other's countries to discuss increased trade and investment potential. In addition, the Russia-Ukraine war and the escalating hostilities between the U.S. and China have increased interest of Gulf nations in one of the emerging economies i.e. Brazil and opened up new trade and investments prospects for the country, which also reflect broader geopolitical shifts in the world. Saudi-Arabia and Brazil are well-positioned to complement each other's economies, therefore, the trade between the two countries is expected to increase significantly in the years to come.