

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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ACCESSION OF THE KINGDOM OF SAUDI ARABIA

Memorandum on the Foreign Trade Regime

The following Memorandum on the Foreign Trade Regime has been received from the Government of the Kingdom of Saudi Arabia. In order that the matter may be examined by the Working Party (L/7287/Rev. 1), contracting parties are requested to communicate to the Secretariat by 15 August 1994 any questions they may wish to put concerning the matters dealt with in the Memorandum, for transmission to the authorities of the Kingdom of Saudi Arabia.

CHAPTER I - INTRODUCTION

1. Over the last 25 years, the Kingdom of Saudi Arabia has become a modern State with a strong economic base and sophisticated infrastructure. Islamic values have been stressed, as reflected in the Government's preference for a free market economy and the support for the private sector's participation in the development process. At the same time, government initiatives have been used to influence economic activity when necessary, in order to protect the interest of the individual and society.
2. The economic development of the Kingdom has largely depended on the utilization of its large oil and gas reserves. Saudi Arabia is currently the largest producer of oil in the world and one of the world's largest producers of natural gas. The availability of these resources has given rise to an economy typical of oil-rich developing countries. It is characterized by a major concentration of exports on a single product and a high propensity to import. However, the Kingdom is aware that dependency on a depleting resource can be unhealthy and has made a strong effort to prepare for the future by encouraging diversification of its economy.
3. Since 1971, Saudi Arabia has adopted a system of comprehensive planning for economic and social development, based on Islamic values and principles, to guide development in a coordinated and balanced direction. The first and second plans stressed the construction of a modern infrastructure, the improvement of government services, and the development of human resources. The third and fourth plans emphasized the diversification of the economy and improvement in health, education, training and other social services.
4. The achievements of the past two decades have been impressive. Non-oil GDP has increased five-fold since 1971 and private investment has increased seven-fold. Infant mortality rates have dropped by over 75 per cent and the ratio of physicians per person has improved by more than 90 per cent. School enrolment has risen from a little over 500,000 to more than 3 million and the Kingdom currently has among the lowest pupil-teacher ratios in the world.
5. Saudi Arabia has also made great strides in its trade with other nations of the world. Among the developing countries, it ranks sixth in the world in the value of traded goods, although a large proportion is accounted for by petroleum exports. Of the top 40 trading countries in the world, Saudi Arabia ranked sixth in the growth of trade over the period 1977-1992.
6. The Kingdom maintains one of the least restrictive exchange and trade systems in the world. It maintains no exchange restrictions and does not impose trade restrictions for balance-of-payments reasons. Trade restrictions are limited to religious, health, and security reasons.
7. In light of the increasing importance of Saudi Arabia in the international trading system and the large impact that GATT rules and regulations have on international trade, the Kingdom has decided to request accession to the GATT in accordance with Article XXXIII. It intends to assume all obligations and rights under the GATT as a contracting party. As a developing country, the Kingdom attaches particular importance to Article XXXVI.

CHAPTER II - ECONOMY AND FOREIGN TRADE

1. Economy

(a) General description

8. Saudi Arabia is located on the Arabian Peninsula in Southwest Asia. It is bordered on the north by Kuwait, Iraq and Jordan, on the west by the Red Sea, on the south by Yemen and Oman, and on the east by Qatar, the United Arab Emirates and the Arab Gulf. It is connected to Bahrain by a causeway.

9. The Kingdom has a large land area, mostly desert, with a relatively small population. On a land area of 2.15 million square kilometres lives a population of some 17 million, giving it a density of 8 people per square kilometre. The number of Saudi nationals is roughly 12.5 million, with foreign nationals making up the rest. Approximately 75 per cent of the country's population lives in urban areas.

10. The country is the world's largest producer and exporter of oil. Production of crude oil in Saudi Arabia has averaged about eight million barrels per day over the past few years, compared to a world total of about 67 million barrels per day. The Kingdom holds over 250 billion barrels of recoverable reserves of oil, roughly one quarter of the world total.

11. Saudi Arabia is heavily dependent on oil exports for its economic well-being. Thus, it is similar to many other developing countries whose economies depend primarily on economic conditions in export markets, particularly the markets in the industrialized countries. As is the case in most developing countries, Saudi Arabia has attempted to promote growth in its industrial sector but, at 4.5 per cent of GDP in 1991, it still remains a small part of the economy.

(b) Main directions

12. Since 1970, the Kingdom of Saudi Arabia has adopted a series of five-year plans to guide the economic and social development of the country. These plans integrate the development actions of the Government with the dynamism of the private sector, in a free market economy, under the umbrella of Islamic values. Each plan has been designed in accordance with the respective capabilities of the Government and of the private sector, and the evolving maturity of the economy.

13. In addition to the underlying objectives of the preservation of Islamic values and the provision of national security, there are a number of other broad goals that the five-year plans aspire to achieve. These include diversification of the economy, improvement of living standards, regional development within the Kingdom, strengthening of the role of the private sector, broadening the linkages between the Kingdom and other nations, development and sustenance of the physical infrastructure, and development of human resources.

14. The main focus of the current, or fifth, five-year plan is the acceleration of the process of economic diversification with the ultimate goal of having a fully developed economy. While oil will continue to be a vital part of the Saudi economy for a long time, the goal is to use petroleum as a resource for diversified industrial growth and reducing the country's dependence on the world oil market. The rapid growth of the Saudi population also necessitates the establishment of a diversified economy capable of sustaining a relatively high standard of living for a population which is projected to more than double in the next 20 years.

15. Saudi Arabia believes that diversification of its economy can only be achieved through much broader private sector participation in the economy. The private sector has already begun to pursue a wide range of business opportunities unrelated to government expenditures and this trend is expected to accelerate as private sector management, production and marketing capabilities strengthen and the competitive atmosphere improves. Institutional support for private sector-led growth and diversification will be provided by the Government, through rapid development of the Kingdom's banking and financial sector and financial markets, as well as a widening range of business services.

16. In order to deepen the development process and attain the status of a developed country, Saudi Arabia recognizes the need to build a technology base. While some advancement has been made in keeping up to date with global scientific and technological developments, this has largely been through the import of sophisticated technology owned by foreign partners. The Kingdom still has a long way to go to attain the level of indigenous technological capability that exists in developed countries. The Government will assist in this effort primarily through the expansion and improvement of educational courses and facilities related to science and technology at all levels, as well as improvement of the overall structural support for private sector initiatives.

17. While Saudi Arabia intends to increase the focus of education on science and technology, it will continue to devote substantial resources to other human resource areas as well. The Government is aware of the need to impart to its citizens the knowledge and skills that will enable them to participate effectively in all social, economic and cultural activities. Particular importance is attached to further development of vocational and technical education so that the country's skilled manpower needs can be increasingly met by indigenous, as opposed to expatriate, labour.

18. In addition to education, policy emphasis will continue to be placed on the provision of primary health services. Because of the growing demand and rising costs for these services, the Government hopes to increase private sector participation in the health field. However, the public sector will continue to expand its support for the primary care network in all areas of the Kingdom.

19. Because of its effects on the quality of life and the general well-being of its people, the Kingdom of Saudi Arabia accords considerable attention to environmental protection and conservation. The Government's concern for the environment is expressed in the workings of the Meteorology and Environmental Protection Administration (MEPA), the Environmental Protection Coordination Commission (EPCC) and the National Commission for Wildlife Conservation and Development (NCWCD). The increasing worldwide cultural, economic and political awareness of nature, the environment and the pressing need for its protection is compatible with the Kingdom's cultural and religious heritage and the thrust of its development plans.

(c) Current economic situation

20. Saudi Arabia's gross domestic product is estimated to have risen by 2.9 per cent during 1992 to a total of about \$119 billion. GDP per capita was roughly US\$7,100. The oil and non-oil sectors registered increases of 4.4 per cent and 2.1 per cent, respectively. Within the non-oil sector, the private sector rose by 2.1 per cent and the Government sector by 2.2 per cent.

21. The non-oil sector of the economy contributed over 62 per cent of total economic output in 1991, at current prices. By economic activity, construction accounted for 8.6 per cent of GDP, trade for 7.0 per cent, and agriculture, forestry and fishing for 6.3 per cent. Since 1984, the agriculture sector has seen the greatest growth of any economic sector in Saudi Arabia.

22. At 34 per cent, government services accounted for the single largest share of the non-oil (excludes oil and gas production and petroleum refining) economy in 1991. The Government sector as a whole

produced 28 per cent of GDP. From an expenditure point of view, the Government accounted for 48 per cent of consumption expenditure and 58 per cent of gross fixed capital formation in 1991.

23. The oil sector continues to play a central role in Saudi Arabia's economy. In current prices, it accounted for 36.5 per cent of the country's economic output in 1991. Furthermore, over the period 1986-1991, the value of crude oil and petroleum product exports accounted for an average 71 per cent and 18 per cent of the total value of exports, respectively.

24. Saudi Arabia saw a large increase in oil output in 1990 and 1991 due to the need to compensate for the loss of Iraqi and Kuwaiti oil in world markets. As a result, real economic growth jumped 10.7 per cent in 1990 and 9.7 per cent in 1991. Economic growth tapered off to 2.9 per cent in 1992 with the gross domestic product totalling about \$119 billion.

25. The cost of living index for all consumers recorded a decline of 0.4 per cent in 1992 as opposed to a 4.6 per cent rise in 1991. The overall improvement was largely attributable to cuts in the prices of gasoline, electricity, telephone services, and import wharfage charges in March 1992. A drop in shipping charges and reduction in demand following the end of the Gulf war were also major factors in the decline.

26. The national budget for 1994 projects revenues and expenditures at SR160 billion, or about \$43 billion. Spending will be cut by 20 per cent from the 1993 budgeted levels due to the impact of falling oil prices on the Kingdom's revenues. In 1993 the budget set spending at SR196.95 billion and revenues at SR169.15 billion, leaving a deficit of SR27.8 billion.

(d) Division of authority

27. The final authority for all matters related to the national economy and foreign trade rests with the Central Government.

2. Foreign trade

28. Foreign trade plays a central role in the Saudi Arabian economy. During the period 1981-1991, exports averaged approximately 44 per cent of nominal GDP and imports averaged some 25 per cent of GDP. In addition, receipts derived from oil exports represent over 80 per cent of total government receipts during the 1981-1991 period.

29. Exports largely consist of crude oil and its derivatives. In 1992, total exports amounted to \$47 billion while oil (crude and products except for bunker) exports totalled \$43 billion. Of the non-oil exports, petrochemicals generally hold a two-thirds share. The other one-third is composed of base metals, agricultural products, and miscellaneous products.

30. Industrialized nations are the most important markets for Saudi Arabian exports. In 1991, the United States purchased the largest share of Saudi exports, 23 per cent, and Japan the second largest, 16 per cent. The newly industrialized countries of East Asia are becoming an increasingly important destination for Saudi goods with Korea and Singapore being the fourth and fifth largest importers of Saudi goods, respectively. The Gulf Cooperation Council States, as a whole, are the largest importers of Saudi non-oil exports.

31. Saudi Arabia imports a wide variety of goods. The two largest categories of imports in 1992, transportation equipment and machinery and electrical equipment, made up 45 per cent of all imports. Other categories of imports of significance are base metals, textiles, chemicals and foods.

32. Imports have increased rapidly in the past several years, rising from \$19 billion in 1989 to \$30 billion in 1992. The most important sources of imports are the OECD countries with the US, Japan, and the United Kingdom comprising the top three spots, respectively, in 1992. The OECD as a whole was the source of over 80 per cent of Saudi Arabian imports in 1992.

33. The Kingdom has had a positive merchandise trade balance for a number of years. During the 1980s, the balance fell from over \$82 billion in 1981 to \$3.1 billion in 1986. In 1992, the balance was roughly \$16.8 billion, a decline of about \$5 billion from 1991.

34. Offsetting the positive trade balance has been a negative "services trade and transfers" balance. The deficit in services and transfers amounted to almost \$38 billion in 1991. As a result of the negative balance in services and transfers being larger than the positive balance in merchandise trade, Saudi Arabia has run a current account deficit since 1983.

CHAPTER III - FOREIGN TRADE REGIME

1. Import regulations

(a) The evolution of the customs tariff regulation

35. The evolution of Saudi Arabia's customs tariff regulation followed developments in its economy. In the 1970s, tariff rates in Saudi Arabia were generally very low. A rapid increase in oil revenues resulted in large current account and Government budget surpluses. That precluded the need for high tariffs for fiscal purposes. The lack of a significant non-oil economy and the virtual absence of domestic industries meant that tariffs were not required for protective purposes. The low tariffs also lessened somewhat the inflationary pressures that resulted from higher oil revenues. Most imports were charged a customs tariff of 3 per cent.

36. With the decline of the oil revenues in the 1980s, circumstances changed drastically. Oil prices declined and current account and budget deficits began to occur. The 1980s also witnessed the emergence, in an effort to diversify the economy, of a number of newly established domestic industries which required protection. These developments necessitated upward revision of the customs tariff. The generally applied rate of 3 per cent was raised to 12 per cent over time. Even that rate was reasonably low as compared with many other countries, developed and developing.

37. The customs tariff has not been revised since 1988.

38. The average effective tariff in the 1970s was 2.7 per cent. As a result of the revision of rates in the 1980s, the average effective rate in that period was 9.5 per cent. Since 1988, the average effective rate has declined: it was 8.6 per cent in 1989 and 7.9 per cent in 1991. The decline in the effective rate occurred primarily because of the relatively higher growth of imports of duty-free and low-tariff items, such as medicaments, with respect to total imports.

(b) Customs tariff nomenclature, types of duties, general description of the tariff structure, main customs tariff groupings

39. The Kingdom of Saudi Arabia has been using the Harmonized Commodity Description and Coding System since 1 January 1991 to classify imports and exports. The 6,924 items in the tariff code are each designated with an eight digit number. The first six digits correspond to internationally recognized categories while the last two digits are specific to Saudi Arabia's own categorization of items.

40. The customs duties are generally ad valorem. There are very few specific or mixed duties. They cover about one per cent of the tariff lines.

41. Customs duties perform trade and fiscal functions: to this end, there are five different rates of custom tariff: 0 per cent, 7 per cent, 12 per cent, 20 per cent, and 30 per cent. The distribution of the 6,924 tariff lines falling within each tariff rate is as follows:

<u>Tariff rate</u>	<u>Tariff lines</u>
0 per cent:	189
7 per cent:	32
12 per cent:	6,252
20 per cent:	431
30 per cent:	20

42. Items subject to zero tariff largely consist of basic foodstuff, medicaments, printed materials, and medical equipment. Those attracting a duty of 7 per cent consist of medical instruments and medical equipment. There are 6,252 items subject to a duty of 12 per cent which could be revised upward depending on fiscal conditions. The 431 items subject to a duty of 20 per cent are items that compete with domestically produced goods and are subjected therefore to custom duties of a trade nature. The highest tariff of 30 per cent on 20 items is applicable to tobacco and tobacco products whose use is discouraged by the Government on health grounds. Thus, currently only 451 items out of a total 6,924, or about 6 per cent of the items, attract duties of more than 12 per cent.

43. The share of 1990 imports, by value, for each of the five tariff categories was as follows:

Subject to no duty:	22.4 %
Subject to 7 % duty:	0.4 %
Subject to 12 % duty:	66.8 %
Subject to 20 % duty:	9.3 %
Subject to 30 % duty:	1.1 %

(c) Import charges and fees

44. The Saudi Arabian Government does not impose any other import charges or fees. Charges for loading, unloading and storage are levied on imports in return for actual services rendered; they are not levied on the basis of value or on a flat ad valorem rate.

(d) Taxation regime

45. There are no internal taxes in the nature of turnover tax, value added tax, excise duties or similar taxes.

(e) Tariff preferences

46. Saudi Arabia signed an economic agreement with other Gulf Cooperation Council (GCC) Countries - Bahrain, Oman, Kuwait, Qatar and the United Arab Emirates in 1981 with the objective of integrating their economies. In furtherance of this objective, the GCC members formed a free-trade area in 1983. The free-trade-area agreement covers all trade in industrial and agricultural products. It allows products of GCC origin to enter duty-free into any of the other five member states. Products are considered to be of GCC origin if they contain a minimum 40 per cent GCC value added.

(f) Non-tariff measures, quotas and licensing system

47. A large majority of goods can be imported into Saudi Arabia free of any restrictions and without any authorization or import license.

48. The importation of a few products is prohibited or restricted. The Kingdom prohibits the production, consumption and import of products such as alcohol and meat and products of pigs and pork for religious reasons. The import of pornographic publications and material is also prohibited due to moral and religious values.

49. Some goods are prohibited from being imported for health and security reasons. For example, import of narcotics is not allowed. Also arms of all types and their parts and ammunition cannot be imported except by certain government agencies.

50. The import of two agricultural items is currently restricted to provide protection to domestically produced products. These are: dates and long-validity pasteurized liquid milk imported in containers of more than one litre.

(g) Customs valuation

51. Saudi Arabian customs valuation is based on the price actually paid or agreed to be paid for the imported good when it is packed and ready for shipment at the port of export plus expenses incurred until the goods reach the Kingdom. Such expenses principally include transport and freight charges and insurance incurred until the port of discharge. For mailed or air transported goods, the freight cost of goods is set for customs valuation at 0.5 Saudi Riyals per kilogram. In the event the customs authorities cannot obtain the freight charges actually paid, then the customs authorities will calculate the freight charges as a percentage of the f.o.b. value.

52. The value of the goods is in Saudi Riyals. The exchange rate used to determine the Saudi Riyal value of a good is determined according to the exchange rate published by the Saudi Arabian Monetary Agency (SAMA) on the day of customs declaration. SAMA exchange rates are revised daily and are determined by the actual market value of the Riyal with respect to other currencies.

53. In the event there is a dispute between the importer and the Customs Department regarding the assessed value at the time of importation, Article 21 of the Customs Regulations shall apply. Article 21 says:

... if it is clear to Customs that the value shown on the documents does not agree with the price of the goods at the time they were contracted to be delivered, it [Customs] may assess a value, [computed] on the basis of the nearest comparable value that can be ascertained.

If the importer continues to dispute the assessed value, he may request from Customs that applicable duties levied be placed under deposit and he can then apply to the Customs Department for a further ruling. The Customs Department will refer the matter to an internal ad hoc committee, composed of a valuation expert, tariff expert and legal advisor, for settlement of the dispute.

(h) Rules of origin

54. Saudi Arabia uses rules of origin for the purpose of imports from its partners. For products to be considered of GCC origin, they must contain a minimum 40 per cent GCC value added.

(i) Customs formalities

55. Customs formalities are relatively simple and straightforward. Importers can get their goods cleared expeditiously on presentation of shipping documents, invoices and certificates of origin and on payment of duties, if any.

56. In the event there is a dispute about classification, the following steps will be observed:

1. An amicable settlement will be attempted, that is, to convince the importer of Customs opinion. If such a settlement is not reached, then
2. The dispute will be referred to an ad hoc customs committee, or "Classifications Committee" composed of tariff experts and a legal advisor. If the importer is still not convinced, then
3. The Customs Department will request a technical opinion from the Nomenclature and Classification Directorate at the Customs Cooperation Council in Brussels, Belgium.

(j) Standards and certification

57. All goods imported into Saudi Arabia must meet the Kingdoms standards and measures. The primary body responsible for these standards is the Saudi Arabian Standards Organization (SASO). SASO was established with the objective of formulating, adopting, publishing and distributing national standards for all commodities, products, symbols and sampling and test procedures within the Kingdom. It is a member of the International Standards Organization.

58. The purpose of standards and measures applied in the Kingdom is to provide safety and protect the health and welfare of consumers. Saudi standards and measures take into account the harsh environment in the Kingdom and the country's public morals and values. By the end of 1991, SASO had prepared 647 standards and measures, copies of which can be obtained from SASO or the main Chambers of Commerce in the Kingdom. Electrical equipment, automobiles, cigarettes, and baby formula are some of the most important goods covered by SASO standards and measures. SASO ensures international participation in the process of setting standards by circulating draft standards to the world market for comments prior to finalization of the standards.

59. Medicines and medical equipment are regulated by the Ministry of Health. Under these regulations, a certificate or endorsement of the Ministry of Health must have been obtained in order to clear the goods for sale within the Kingdom. The certificate or endorsement states that the goods conform to country's health standards and must be renewed every two years.

(k) Sanitary and phytosanitary measures

60. The Ministries of Agriculture and Commerce maintain sanitary and phytosanitary standards to ensure the safety and health of all imported foods, plants and animals. The use of sanitary and phytosanitary measures to regulate imports of foods, plants and animals is justified on the basis of the need to protect the safety of the agricultural, livestock and poultry industries as well as native plants and animals.

61. Consignments of animals such as livestock, poultry, and hatching eggs as well as unprocessed hides, hair, furs and wool are subject to Ministry of Agriculture and Water inspection and quarantine. Veterinary medicines are allowed to enter the Kingdom after receiving permission from the Ministries of Health and Agriculture. Agricultural consignments of fresh fruits, vegetables, seeds, grains, materials

used as animal fodder such as barley, sorghum and hay, organic fertilizers and agricultural pesticides are all subject to inspection and quarantine.

62. Importers of goods that do not satisfy sanitary and phytosanitary requirements have the option of re-exporting their goods out of the port area. If the goods are not removed, they are destroyed.

2. Export regulations

(a) Customs tariff nomenclature, types of duties, customs tariff structure, weighted average level of duties on main customs tariff groupings

63. Saudi Arabia uses the Harmonized System for classification of exports, as for imports. Except for one item, there are no export duties. The only item subject to export tariff is: untanned hides and skins. The rate of duty is Saudi riyals 2,000 per ton.

(b) Export licensing system

64. Export of certain items is restricted to preserve the culture and wildlife of the Kingdom of Saudi Arabia. Exports of all non-farm animals and birds must be approved by the Wildlife Protection Commission. Also archaeological artifacts and certain antiquities can only be exported after receiving permission from the Department of Antiquities at the Ministry of Education.

65. The Saudi Arabian Government exercises some restrictions on exports. These controls prevent goods that are benefiting from domestic subsidies from leaving the Kingdom, thereby protecting the national treasury and precluding anti-dumping and countervailing actions by foreign countries. Examples of prohibited exports are livestock (except to the GCC States), baby formula, medicines, poultry, and animal fodder. Some export items are subject to special export permits. Wheat exports have to be approved by the Grain Silos and Flour Mills Organization. Exports of petroleum derivatives, except lubricating oils and certain types of asphalt, have to be approved by the Ministry of Petroleum. Agricultural tools and equipment can only be exported with the permission of the Saudi Agricultural Bank.

(c) Other measures

66. There are no other measures to regulate exports.

3. Export incentives, including subsidies

67. The Kingdom of Saudi Arabia seeks to promote exports without giving direct subsidies. While the Kingdom has no national export credit agency, it does participate in three regional export credit programmes which are intended to minimize the risk of non-payment to exporters. The following are brief descriptions of the programmes offered by the Islamic Development Bank, the Inter-Arab Investment Guarantee Corporation, and the Arab Monetary Fund.

68. The Islamic Development Bank, a multilateral financial institution composed of 47 Organizations of Islamic Conference members, offers three different trade credit programmes. One is a long-term facility, with a maturity of 18 to 60 months, intended to cover 30-40 per cent of foreign trade deals. Another is a programme run by the IDB but using funds from Islamic banks to extend credits to intra-Islamic business transactions. Finally, an import credit programme based on the Islamic profit system (murabaha) covers up to 100 per cent of a transaction involving strategic products such as cement, fertilizers, industrial input building materials and feedstocks.

69. The Inter-Arab Investment Guarantee Corporation's "Export Credit Guarantee Scheme" was introduced in 1986 to encourage increased inter-Arab trade. The commercial risks covered include purchaser's bankruptcy, insolvency, or liquidation; his failure to pay for goods received; or his refusal to take up goods upon arrival. The non-commercial risks covered are the removal of permission for goods to enter a country for whatever reason; the seizure of goods by a country of transit; the prevention of payment by an importer due to government intervention; the refusal by a purchaser's national bank to allow financial settlement, or to cause substantial delays in such settlement; and local disturbances and military action which result in the inability of the purchaser to pay.

70. The Arab Monetary Fund, established in 1976 and headquartered in Abu Dhabi, created the "Inter-Arab Trade Finance Programme" to promote the development of trade among Arab countries. It provides credit to national agencies to enable them to purchase financial instruments issued by those agencies, or to rediscount trade bills which have previously been purchased or discounted by them. The authorized capital of the programme has been set at \$500 million.

71. Saudi Arabia does not use any export subsidies.

4. Regulations of trade in transit

72. Goods in transit receive duty-free treatment under Article 53 of the Customs Laws. The Kingdom's policy regarding goods in transit is to allow them to be transported through the Kingdom without any discrimination on the kind of good or national origin, except if there are religious or national security concerns. The customs authorities have the right to inspect any goods in transit to prevent trafficking of prohibited goods such as narcotics. Saudi Arabia is a party to an agreement signed by Arab League countries to facilitate transit trade.

CHAPTER IV - OTHER POLICIES AFFECTING FOREIGN TRADE

1. Industrial policy

73. The Kingdom's industrial policy focuses on encouraging and expanding the manufacturing and natural resource-based industries. Within this context, the Fifth Development Plan (1990-1995) is pursuing the following objectives under the leadership of the Ministry of Industry and Electricity:

- Maximization of the domestic transformation of domestically produced raw materials and intermediate products, particularly oil derivatives and petrochemicals;
- Encouragement of import substitution industries whenever it is economic to do so, in order to achieve a reasonable level of self sufficiency;
- Encouragement of export-oriented industries which have a comparative advantage and the provision of adequate means and incentives required for their development;
- Integration and inter-linkages among activities in the industrial as well as other sectors;
- Improvement of labour productivity in the industrial sector;
- Strengthening of industrial cooperation among the Gulf countries and development of joint industrial projects;
- Promotion of the Kingdom's role in joint regional industrial projects;

- Development of industrial cooperation with foreign countries for the prudent and well studied transfer of technology and the attraction of foreign capital.

74. The Law for the Protection and Encouragement of National Industry provides for a number of incentives to promote the industrial sector in the Kingdom. Under the Law, the State is charged with furnishing licensed industrial establishments, at a nominal rental fee, land needed for the construction of factories and dwelling places for the workers and employees. The Ministry of Industry and Electricity has established eight industrial cities throughout the Kingdom where such an arrangement can be made.

75. In addition, the Law for the Protection and Encouragement of National Industry allows certain goods which are imported for qualified industries to be exempt from customs duties. The goods include machinery, tools and equipment as well as their spare parts, and materials needed for packing. The granting of this privilege is subject to the approval of the Ministry of Industry and Electricity upon the recommendation of the Industrial Technical Office of the Ministry of Industry and Electricity.

76. Also under the Law, the Ministry of Industry and Electricity is charged with making recommendations to the Council of Ministers about taking measures to assist industries. Such measures include the imposition of protective tariffs on similar foreign imports and the provision of other forms of assistance to qualified industrial establishments.

77. The Government of Saudi Arabia realizes that achieving its industrial objectives requires a steady flow of technology and expertise into the Kingdom. Therefore, it welcomes the inflow of foreign capital and expertise, particularly in joint ventures with Saudi Arabian businessmen. The Foreign Capital Investment Committee, chaired by the Under Secretary of Ministry and Electricity, approves projects involving foreign investment to ensure that they are consistent with the nation's development plans.

78. Under the Foreign Capital Investment Regulations, foreign capital invested in industrial projects receives national treatment. The regulations also exempt industrial projects in which foreign capital is invested from income and corporate taxes for a period of ten years provided that at least 25 per cent of the project's capital is held by national capital and that such percentage remains intact throughout the tax exemption period.

79. The Saudi Industrial Development Fund (SIDF), established in 1974, plays a central role in the support of industrial development in the Kingdom. This support comes through the provision of soft loans to industrial establishments, both wholly domestic and joint ventures, for up to 50 per cent of the total cost of establishing or expanding industrial projects. There is no interest charged on these loans but there are administrative fees that reach to 2.5 per cent of the loan value. The Fund also provides advisory services in various areas. From its inception through the end of 1992, the SIDF has approved loans worth 21.7 billion Saudi Riyals for 1,216 industrial projects, of which joint ventures accounted for loans worth 8.7 billion Saudi Riyals for 388 projects.

80. The Royal Commission for Jubail and Yanbu has also played a significant role in enhancing industrial development within Saudi Arabia. Established by a Royal Decree in 1975, the Royal Commission was created as an engine for industrial development in the east and west of the Kingdom. Its duties and objectives include, but are not limited to, the construction of state-of-the-art infrastructure, and protection of the environment.

2. Agricultural policy

81. The State supports the development of the agricultural production base through encouraging investment in large-scale projects which utilize modern irrigation equipment and methods. It continues to encourage individual investments in agriculture, and supports investment in projects that adopt new

technologies. The Government supports these agricultural sectors primarily through distribution of land, technical assistance, marketing facilities, subsidized inputs such as feedstock, fertilizer and machinery, loans, and, in certain cases, guaranteed purchase prices. However, the system of support is currently under review by a Ministerial Committee.

82. The Saudi Agricultural Bank, under the auspices of the Ministry of Finance and National Economy, is the primary institution for extending loans to the private sector for investments in agriculture. The Bank provides short-term loans to finance seasonal production requirements, medium-term loans to purchase machinery and equipment, and long-term loans to buy, reclaim, and develop land.

3. Financial, budgetary and fiscal policy

83. The fiscal direction of the Kingdom can have a major impact on foreign trade since the Government is a major purchaser of foreign goods and services. As mentioned above, the Government accounts for about 50 per cent of consumption expenditure in the Kingdom, and imports of goods and services account for about half of domestic consumption. Also, an increase or decrease in government spending on domestic goods and services would have an impact on the level of imports purchased by domestic firms.

4. Foreign exchange and payments system, relations with the International Monetary Fund, and application of foreign exchange controls, and the banking sector

84. The currency of Saudi Arabia is the Saudi Arabian riyal. Its intervention currency is the US dollar and the rate against the riyal, currently Saudi Riyals 3.745 per US\$1, is determined by the Saudi Arabian Monetary Agency. There are no taxes or subsidies on purchases or sales of foreign exchange. The Kingdom formally accepts the obligations of Article VIII, Sections 2, 3, and 4 of the International Monetary Fund Agreement. No exchange control requirements are imposed on capital receipts or payments by residents or non-residents.

85. Saudi Arabia has a well developed and sophisticated banking system, rendering valuable services to the foreign trade sector. It has a network of 1,160 bank branches, with each serving, on an average, about 13,000 persons. It has great potential for making further advances in this direction as it is well capitalized, follows sound and enlightened banking practices, employs most modern banking technology and has ample resources at its disposal.

5. Foreign and domestic investment policy

86. The Government of Saudi Arabia encourages foreign capital to invest in the Kingdom in order to support the inflow of technology and expertise. Foreign investment is governed by Foreign Capital Investment Regulations and enjoys national treatment. There are no trade-related requirements attached to foreign investments.

6. Government procurement

87. Government procurement practices are governed primarily by the Procurement of Government Purchases Law supplemented by interpretations or rulings on individual cases issued by the Ministry of Finance and National Economy. Under the Government Purchases Law, qualified Saudi nationals and wholly Saudi-owned firms are given priority for contracts, followed by mixed Saudi-foreign establishments, and finally, wholly foreign-owned firms. In addition, products produced within the Kingdom are given preference over foreign goods in supply contracts.

88. Council of Minister Resolution 1124 of the year 1403 (H) concerns the allocation of work to Saudi nationals under public works contracts. The resolution stipulates that foreign contractors as well as joint venture firms carrying out public works contracts must give at least 30 per cent of the work to Saudi individuals or companies which are registered in Saudi Arabia and are wholly owned by Saudi nationals.

89. The Standard Rules for Giving Priority in Government Purchases to National Products and Products of National Origin of the Arabian Gulf Cooperation Council States (known hereafter as "Standard Rules for Government Purchases") specify the conditions for giving priority to products produced in the Gulf Cooperation Council. Differentiation is made between "National Products" and "Products of National Origin". The former are products produced in one of the member States of the Gulf Cooperation Council and are given a ten per cent price or quality preference then purchased by the Government where the product is produced. The latter are products whose value added in the Council States is not less than 40 per cent. Products of National Origin are given a five per cent price preference in all Council States unless a National Product is not available in which case the former are given a ten per cent price or quality preference over foreign products.

7. State-trading enterprises

90. There are a few State-trading enterprises which are directly involved in the export and import of goods and services such as The Saudi Arabian Oil Company (Saudi Aramco) and the Grain Silos and Flour Mills Organization. These State-trading enterprises make purchases or sales solely in accordance with commercial considerations and act in a manner consistent with the general principles of non-discriminatory treatment.

91. Saudi Aramco is responsible for all exports and imports of goods and services related to the oil industry, both upstream and downstream, in Saudi Arabia. It also has a monopoly over the production of crude oil and natural gas in the Kingdom, with the exception of the Saudi Arabia-Kuwait Divided Zone. The Government's control over Saudi Aramco dates back to 1980 when it increased its shareholding in Aramco from 25 per cent to 100 per cent. Saudi Aramco itself was established by a Royal Decree in 1988. Although owned by the Government, Saudi Aramco is run like a private company with a board of directors chaired by the Minister of Petroleum and Mineral Resources.

92. The Grain Silos and Flour Mills Organization (GSFMO) was established by a Royal Decree in 1973 in order to support the development of the domestic agricultural sector, particularly wheat production for national security reasons. GSFMO was charged with forming a grain storage, flour production and animal feed processing conglomerate as well as with creating a stable market with fixed prices for grains in order to safeguard farmers from price fluctuations. It is the only organization allowed to import and export grains, flour, and animal feed.

8. Free-trade zones

93. There are no free-trade zones in Saudi Arabia.

9. Subsidy policy

94. The use of subsidies in the Kingdom has four main functions. First, to protect citizens, particularly the poor, from fluctuations in the prices of basic foods and essential items. Second, as a mechanism for distributing the benefits of the country's wealth. Third, to assist the destitute, families with special needs, students, and other deserving groups. Fourth, to assist in diversifying the country's economic base.

10. Free economic zones

95. There is nothing which is known as a "free economic zone" in Saudi Arabia.

11. Preferential trade arrangements or other special trade arrangements and agreements

96. Saudi Arabia has been an active participant in various trading arrangements with the objective of removing impediments to trade and bolstering the Kingdom's economic development. The two major arrangements involve the Gulf Cooperation Council and the Arab League. Please see the Section V below for further details.

12. Protection of intellectual property rights

97. Intellectual property rights in Saudi Arabia are protected by three laws, namely, the Trade Marks Law, the Patents of Inventions Law, and the Law for the Protection of Copyrights. The current Trade Marks Law, which was approved in 1984 by Council of Ministers Resolution 75 of 1404(H), stipulates the conditions for protecting distinctive marks that are registered for use in Saudi Arabia. Both Saudi nationals and foreigners are allowed to register trade marks.

98. The Patents of Inventions Law, which was approved in 1989 by Royal Decree M. 38 of 1409(H) aims to secure the full protection of inventions within Saudi Arabia. The authority vested with the power to grant patents and to take action to protect them is the City of King Abdul' Aziz for Science and Technology. There is no distinction between Saudi nationals and non-nationals in respect of granting patents.

99. The Law for the Protection of Copyrights, approved in 1990 by Royal Decree M. 11 of 1410(H), is fully consistent with international standards. The law protects authors of a wide variety of expressive instruments, including books, paintings, motion pictures, and computer programmes from infringement and financial exploitation of their works without permission. It does not discriminate on the basis of nationality of the author. On 27 December 1993, the Council of Ministers approved the Kingdom's accession to the Universal Copyright Convention as revised in Paris on 24 July 1971.

CHAPTER V - INSTITUTIONAL BASE FOR TRADE AND ECONOMIC
RELATIONS WITH THIRD COUNTRIES

1. Bilateral trade and economic agreements and integration agreements

100. The most important international trade arrangement which Saudi Arabia participates in is the Gulf Cooperation Council's free-trade area. The Gulf Cooperation Council was formed in 1981 by the leaders of Saudi Arabia, Kuwait, Qatar, Bahrain, Oman and the United Arab Emirates to coordinate policies among the States in all fields, including economic and financial affairs, commerce, and customs. Accordingly, the members have spent much time on the rationalization and unification of the various customs regimes, the development of joint ventures, and the coordination of external trade policies.

101. In 1983, the Gulf Cooperation Council States established a free trade area. Goods originating in member States are allowed duty-free entry, provided that at least 40 per cent of the value added in each case is effected in a member State.

102. Saudi Arabia is also one of the member States of the Arab League, an organization which has agreed to work towards creating an Arab Common Market. With a view to achieving this objective, member States have concluded trade and tariff conventions. The Kingdom has played an active part in this programme, concluding trade and tariff conventions with other countries of the Arab League.

These conventions provide either for complete removal of tariffs between member States or for reduction of tariffs on goods exchanged among member countries of the League. The purpose of these agreements is to facilitate and promote trade among members of the Arab League and not to create obstacles to the trade of other countries.

103. The Kingdom maintains bilateral economic and technical agreements with a number of non-Arab countries. These agreements generally cover specialized aspects of the economic relationship and do not offer preferential treatment for imports or exports.

(2) Multilateral economic cooperation, membership in multilateral economic organizations

104. Saudi Arabia is a member of several multilateral economic organizations which, among other things, promote increased trade among members through cooperation and reduction of trade barriers. These institutions include the Arab Monetary Fund, the Arab Fund for Economic and Social Development, the Islamic Development Bank, the International Bank for Reconstruction and Development (World Bank), and the International Monetary Fund.

CHAPTER VI - LAWS AND LEGAL ACTS

(1) Laws and legal acts regulating the activity of the customs authority; responsible agencies

105. The following measures regulate the activity of the customs authority:

- (a) Customs Law;
- (b) Customs Tariff Schedule.

106. The responsible agency for implementing the above measures is the Customs Department in the Ministry of Finance and National Economy.

107. The Council of Ministers is officially responsible for any change in the tariff rate, including the adoption of protective tariffs for the protection of national products upon the recommendation of a committee composed of representatives from the Ministry of Finance, Ministry of Industry and Electricity and Ministry of Commerce. The Minister of Finance and National Economy has the power to issue decisions related to the application of the tariff.

(2) Laws and legal acts relating to non-tariff regulation of imports, exports, trade in transit, and rules of origin; responsible agencies

108. The following measure covers non-tariff regulation of imports, exports, trade in transit, and rules of origin:

- (a) Customs Law.

109. The responsible agency for implementing the above measure is the Customs Department in the Ministry of Finance and National Economy.

(3) Laws and legal acts relating to foreign investment; responsible agencies

110. The following measure covers foreign investment:

- (a) Foreign Capital Investment Code.

111. The responsible agency for implementing the above measure is the Ministry of Industry and Electricity.

(4) Other laws and legal acts dealing with economic issues that affect trade; responsible agencies

112. The following are other laws and legal measures dealing with economic issues that affect trade:

- (c) Law for the Protection and Encouragement of National Industry;
- (d) Trademark Law;
- (e) Patents of Inventions Law;
- (f) Copyright Law;
- (g) Commercial Agencies Regulations.

113. The responsible agencies for implementing the above measures are the Ministry of Industry and Electricity, the Ministry of Commerce, the King Abdulaziz City for Science and Technology, and the Ministry of Information.

(5) Roles and responsibilities of various government agencies

114. The Ministry of Finance and National Economy is concerned with the development of all economic sectors. It includes the Customs Department, which is charged with implementing the Customs Law and Tariff Code and drafting customs regulations. The Ministry also includes the Central Department of Statistics which, among other things, compiles and publishes data on foreign trade. The Ministry is responsible for proposing to a committee of three (including itself, the Ministry of Industry and Electricity and the Ministry of Commerce) which national industries should benefit from the protection in local markets from imported products through a protective tariff. The committee makes its recommendations to the Council of Ministers.

115. The Ministry of Commerce, the principal Government agency concerned with the development, support and encouragement of commercial activities within the Kingdom, implements the Commercial Agency Regulations. It also represents Saudi Arabia in international panels and conferences dealing with commercial activities and studies ways and means for enhancing and encouraging commercial exchanges between Saudi Arabia and other countries. It also regulates the import and sale of certain goods to ensure they meet Saudi Arabian standards and do not violate trademark, patent, and copyright laws.

116. The Ministry of Industry and Electricity formulates policies and procedures which will promote industrial development within the Kingdom. Among its many duties, it produces a list of local products which are eligible for procurement by the Government. It is a member of the committee that proposes protective tariffs (see Ministry of Finance above).

117. The Ministry of Agriculture and Water is the principal Government organ responsible for the development and encouragement of the agricultural sector in Saudi Arabia. One of its responsibilities is ensuring that necessary sanitary and phytosanitary standards for fertilizer, agricultural and livestock imports are maintained. It also regulates the import and sale of agricultural machinery.

118. The Ministry of Health is primarily responsible for maintaining and supervising the health industry within the Kingdom. A trade-related responsibility is the regulation of the import and sale of medicaments and medical supplies.

119. The Saudi Arabian Standards Organization (SASO) establishes and approves national standard specifications for a variety of goods and products sold within the Kingdom. It also is involved in the sampling, inspection and testing of certain imports, such as electrical goods, to ensure that they meet the country's standards. SASO participates in international standardization activities in order to secure international recognition for Saudi standards and to keep abreast of all critical developments in this area.

120. The various Chambers of Commerce in Saudi Arabia, organized under the Council of Chambers of Commerce, assist the Ministry of Commerce in a wide variety of areas. Among their most important functions is the maintenance of lists of potential agents or representatives for foreign individuals and firms wishing to export their products to Saudi Arabia.

121. The Saudi Arabian Monetary Agency is charged with acting as the Government's banker. As such, it is responsible for managing the Government's financial and monetary affairs. Among its most important responsibilities are the minting of currency, stabilization of its value, and the supervision of banks and money changers. It also maintains accounts for the Government and accepts deposits from government organizations and invests them.

CHAPTER VII - PUBLICATIONS

(1) Foreign trade statistics, responsible agencies

122. The Central Department of Statistics within the Ministry of Finance and National Economy is responsible for compiling foreign trade statistics. It receives its data from the Customs Department.

(2) Publications related to statistics

123. The Central Department of Statistics within the Ministry of Finance and National Economy produces two annual publications containing foreign trade statistics. The first, entitled Foreign Trade Statistics, contains official Saudi Arabian import and export statistics by commodity and country. The second, entitled Statistical Yearbook, contains data on trade as well as a variety of other subjects such as government finances, agriculture, petroleum, prices, and private establishments. Copies can be purchased for a nominal fee by writing to the Director General of the Central Department of Statistics, P.O. Box 3735, Riyadh 1118.

124. The Saudi Arabian Monetary Agency also produces two annual publications containing statistics. The two reports are the Annual Report of the Saudi Arabian Monetary Agency and the Statistical Summary. Both review major economic developments in the Kingdom of Saudi Arabia during the relevant fiscal year.

SAUDI ARABIAN
ECONOMIC, TECHNICAL COOPERATION AND TRADE AGREEMENTS

With the following countries	Date of agreement	Duration of agreement	Renewal status
Algeria	November 1986	3 years	3 years
Argentina	August 1981	3 years	Annual
Australia	March 1980	3 years	Annual
Austria	March 1988	3 years	Annual
Bangladesh	December 1978	3 years	Annual
Belgium-Luxembourg	May 1978	3 years	On request
Brazil	August 1981	3 years	On request
Canada	October 1987	3 years	Annual
China (Taiwan)	May 1976	5 years	On request
Egypt	December 1990	5 years	
Finland	May 1976	5 years	On request
France	July 1975	Long term	Annual
Germany	January 1977	5 years	Annual
Greece	September 1986	3 years	Annual
Holland	May 1984	3 years	Annual
India	April 1981	3 years	Annual
Indonesia	May 1981	3 years	3 years
Iraq	January 1984	2 years	Annual
Ireland	October 1983	3 years	Annual
Italy	August 1974	Open	Annual
Japan	March 1975	5 years	On request
Jordan	October 1962	2 years	Annual
Lebanon	November 1971	1 year	Annual
Malaysia	January 1975	5 years	5 years
Morocco	September 1966	2 years	2 years
Pakistan	November 1951	Open	Annual
South Korea	July 1974	5 years	Annual
South Yemen	March 1968	3 years	3 years
Spain	April 1984	Open	On request
Syria	April 1972	1 year	Annual
Tunisia	January 1965	2 years	2 years
Turkey	June 1968	5 years	Annual
United Kingdom	January 1943	5 years	Annual
United States	February 1975	5 years	Annual

ANNEX B

LAWS AND REGULATIONS

Customs Law [to be supplied]

Customs Tariff Schedule [to be supplied]

Foreign Capital Investment Code [to be supplied]

Law for the Protection and Encouragement of National Industry [to be supplied]

Trademark Law [to be supplied]

Patents of Inventions Law [to be supplied]

Copyright Law [to be supplied]

Commercial Agencies Regulations [to be supplied]

STATISTICAL TABLES

(a) Main economic indicators

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2. Exports by Main Categories
3. Imports by Main Categories
4. Average Effective Tariff Rates
5. Imports by Main Sources

MAIN ECONOMIC INDICATORS

GROSS DOMESTIC PRODUCT				
Year	Current prices		Constant (1970) prices	
	Amount (million Saudi riyals)	Growth rate	Amount (million Saudi riyals)	Growth rate
1982	454,876	-18.6%	51,818	-9.2%
1983	370,205	-18.6%	48,175	-7.0%
1984	347,425	-6.2%	46,842	-2.8%
1985	310,031	-10.8%	44,936	-4.1%
1986	267,846	-13.6%	47,511	5.7%
1987	272,000	1.6%	46,829	-1.4%
1988	276,909	1.8%	49,923	6.6%
1989	304,083	9.8%	50,167	0.5%
1990	384,993	26.6%	55,565	10.8%
1991	424,919	10.4%	61,022	9.8%
1992	446,034	5.0%	62,784	2.9%

Note: GDP does not include import duties.

GOVERNMENT BUDGET		
Year	Revenues	Expenditures
	Billion Saudi riyals	
1987	103.8	173.5
1988	84.6	134.9
1989	114.6	149.5
1990-91	316.6	476.8
1992	151.0	181.0
1993	169.15	196.95
1994	160.0	160.0

Note: 1987-91 are actual numbers.
1992-94 are budgeted numbers.

COST OF LIVING PRICE SERIES		
Year	Index	% Change
1982	108.8	1.0
1983	109.0	0.2
1984	107.3	-1.6
1985	104.0	-3.1
1986	100.7	-3.2
1987	99.1	-1.6
1988	100.0	0.9
1989	101.0	1.0
1990	103.1	2.1
1991	107.8	4.6
1992	107.4	-0.4

CURRENT ACCOUNT BALANCE						
Year	Million riyals			Million dollars		
	Trade balance	Non-trade balance	Current account balance	Trade balance	Non-trade balance	Current account balance
1981	277,174	(138,051)	139,123	81,941	(40,812)	41,129
1982	135,175	(109,220)	25,955	39,440	(31,867)	7,573
1983	42,983	(101,199)	(58,216)	12,441	(29,291)	(16,850)
1984	31,248	(96,093)	(64,845)	8,868	(27,270)	(18,402)
1985	25,462	(72,317)	(46,855)	7,029	(19,963)	(12,934)
1986	11,333	(55,013)	(43,680)	3,060	(14,854)	(11,794)
1987	18,184	(54,788)	(36,604)	4,856	(14,630)	(9,774)
1988	16,895	(44,387)	(27,492)	4,511	(11,852)	(7,341)
1989	33,954	(69,729)	(35,775)	9,066	(18,619)	(9,553)
1990	85,224	(99,794)	(14,570)	22,757	(26,647)	(3,891)
1991	81,165	(183,677)	(102,512)	21,673	(49,046)	(27,373)
1992	62,754	(141,871)	(79,117)	16,757	(37,883)	(21,126)

FOREIGN EXCHANGE RATES		
Year	Dollar (average)	SDR (average)
1981	3.383	3.975
1982	3.427	3.789
1983	3.455	3.659
1984	3.524	3.504
1985	3.623	4.004
1986	3.704	4.581
1987	3.745	5.313
1988	3.745	5.040
1989	3.745	4.922
1990	3.745	5.328
1991	3.745	5.357
1992	3.745	5.149
1993	3.745	5.144

FOREIGN TRADE STATISTICS

MERCHANDISE TRADE BALANCE						
Year	Exports	Imports, f.o.b.	Balance	Exports	Imports, f.o.b.	Balance
1981	378,274	101,100	277,174	111,829	29,888	81,941
1982	253,256	118,081	135,175	73,892	34,452	39,440
1983	157,743	114,760	42,983	45,658	33,217	12,441
1984	131,873	100,625	31,248	37,424	28,556	8,868
1985	99,224	73,762	25,462	27,390	20,362	7,029
1986	74,529	63,196	11,333	20,123	17,063	3,060
1987	86,650	68,466	18,184	23,138	18,282	4,856
1988	91,060	74,165	16,895	24,315	19,804	4,511
1989	105,971	72,017	33,954	28,297	19,230	9,066
1990	165,705	80,481	85,224	44,247	21,490	22,757
1991	178,429	97,254	81,175	47,645	25,969	21,676
1992	175,979	113,215	62,764	46,900	30,231	16,759

EXPORTS BY MAIN CATEGORIES (SR million riyals)								
Category	1989		1990		1991		1992	
	Value	Share	Value	Share	Value	Share	Value	Share
Mineral products	90,660	85.6%	150,312	90.7%	163,556	91.7%	162,287	92.2%
Chemical products	5,737	5.4%	5,721	3.5%	5,616	3.1%	5,795	3.3%
Plastics and rubber	4,235	4.0%	3,819	2.3%	3,465	1.9%	2,781	1.6%
Base metals	1,419	1.3%	1,537	0.9%	1,180	0.7%	1,031	0.6%
Agriculture products	1,141	1.1%	834	0.5%	670	0.4%	931	0.5%
Other	2,921	2.8%	3,556	2.1%	3,943	2.2%	3,153	1.8%
TOTAL	105,971	100.0%	165,705	100.0%	178,429	100.0%	175,979	100.0%

Note: Does not include bunker oil.

IMPORTS BY MAIN CATEGORIES (million Saudi riyals, c.i.f.)									
Category	1989		1990		1991		1992		Share
	Value	Share	Value	Share	Value	Share	Value	Share	
Animals and animal products	4,392	4.1%	4,838	5.4%	5,613	5.2%	3,770	3.0%	
Vegetables and vegetable products	4,558	4.3%	3,880	4.3%	3,653	3.4%	6,484	5.2%	
Fats and oils	212	0.2%	403	0.4%	490	0.4%	551	0.4%	
Prepared foods, tobacco	3,461	3.3%	3,639	4.0%	4,446	4.1%	2,419	1.9%	
Mineral products	727	0.7%	760	0.8%	844	0.8%	916	0.7%	
Chemical products	5,274	5.0%	7,232	8.0%	8,066	7.4%	8,397	6.7%	
Plastics and rubber	2,943	2.8%	3,518	3.9%	4,214	3.9%	3,967	3.2%	
Leather products	374	0.4%	358	0.4%	435	0.4%	437	0.4%	
Wood products	1,088	1.0%	1,249	1.4%	1,564	1.4%	2,040	1.6%	
Paper products	1,349	1.3%	1,736	1.9%	1,879	1.7%	1,939	1.6%	
Textile and textile products	7,754	7.3%	7,947	8.8%	9,169	8.4%	9,838	7.9%	
Clothing accessories	975	0.9%	895	1.0%	1,194	1.1%	1,048	0.8%	
Stone and glass products	1,666	1.6%	1,677	1.9%	1,846	1.7%	2,313	1.9%	
Precious metals, jewellery	3,848	3.6%	6,213	6.9%	5,531	5.1%	5,910	4.7%	
Base metals	6,476	6.1%	7,830	8.7%	9,931	9.1%	11,179	9.0%	
Machinery and electrical equipment	14,557	13.7%	14,777	16.4%	21,120	19.4%	26,290	21.1%	
Transportation equipment	14,640	13.8%	18,471	20.5%	22,868	21.0%	29,910	24.0%	
Miscellaneous instruments	2,927	2.8%	2,836	3.1%	3,073	2.8%	3,427	2.8%	
Arms and ammunition	21	0.0%	28	0.0%	45	0.0%	454	0.4%	
Miscellaneous manufactures	1,773	1.7%	1,751	1.9%	2,648	2.4%	2,923	2.3%	
Art, N.E.C.	265	0.2%	244	0.3%	303	0.3%	333	0.3%	
TOTAL	106,242	100.0%	90,282	100.0%	108,934	100.0%	124,537	100.0%	

AVERAGE EFFECTIVE TARIFF RATES			
Period	Customs revenues (million Saudi riyals)	Imports	Average effective tariff rate
1983	3,677	135,417	2.7 %
1984	3,973	118,737	3.3 %
1985	3,910	85,564	4.6 %
1986	3,245	70,780	4.6 %
1987	3,453	75,313	4.6 %
1988	7,757	81,607	9.5 %
1989	6,843	79,278	8.6 %
1990	6,809	90,282	7.5 %
1991	8,361	108,934	7.9 %
1992	9,937	124,537	8.0 %

IMPORTS BY MAIN SOURCES (Value = million Saudi riyals)		
	1992	
Country/Region	Value	Share
European Community	42,060	33.8 %
United Kingdom	13,406	10.8 %
Germany	9,241	7.4 %
Italy	6,176	5.0 %
France	5,994	4.8 %
Belgium	2,545	2.1 %
Netherlands	1,974	1.6 %
Spain	1,447	1.2 %
United States	28,056	22.5 %
Japan	17,589	14.1 %
Switzerland	5,694	4.6 %
South Korea	3,329	2.7 %
China	2,645	2.1 %
Taiwan	2,093	1.7 %
Sweden	1,556	1.2 %
India	1,536	1.2 %
Turkey	1,344	1.1 %
Indonesia	1,310	1.1 %
Brazil	1,308	1.1 %
Thailand	1,223	1.0 %
Others	14,794	11.9 %
TOTAL	124,537	100.0 %