

# Comparative study on Saudi Arabia-China and Mexico-China commercial relationships from 2018 to present



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## The objective of this study

analyze comparatively, in the context of US-China competition, how these two countries,

**Saudi Arabia and Mexico,**

on whom the United States has a dominant influence, make their strategic approaches to the commercial relation with China.



## Basic data of Saudi Arabia and Mexico

The year of 2023	Saudi Arabia	Mexico	Ratio
Population	37 million	128 million	1:3.5
GDP	\$1.068T	\$1.789T	1:1.7
GDP per capita	\$28,895	\$13,926	2:1

Source: World Bank Open Data

# Comparison in merchandise trade with China



## Comparison in merchandise trade with China

	SA import from China	SA export to China	SA-China Trade	Mex. import from China	Mex. export to China	Mex-China Trade
2018	\$17.4 B	\$45.9 B	\$63.3 B	\$44.0 B	\$14.0 B	\$58.0 B
2023	\$42.9 B	\$64.4 B	\$107.2 B	\$81.5 B	\$18.7 B	\$100.2 B
Growth	145.9%	40.4%	69.4%	85.1%	33.7%	72.7%
	/SA GDP	/SA GDP	/ SA GDP	/ Mex. GDP	/ Mex. GDP	/ Mex. GDP
2018	2.06%	5.41%	7.47%	3.50%	1.12%	4.62%
2023	4.01%	6.03%	10.04%	4.55%	1.05%	5.60%

Source: General Administration of Customs of

## Saudi Arabia trade partner

2023/SAR billion	Export to the partner (% of total exports, 1200 SAR billion)
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China	199 (16.6%)
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Japan	122(10.2%)
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India	113(9.4%)
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South Korea, United Arab Emirates, U.S.A, Bahrain, Taiwan, Malaysia and Singapore were also among the top 10 export destinations, with exports to these ten countries totaling 65.3% of total exports.

2023/SAR billion	Import from the partner (% of total imports, 776 SAR billion)
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China	162 (20.9%)
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USA	71(9.1%)
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United Arab Emirates	50(6.4%)
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India, Germany, Japan, Switzerland, South Korea, Italy and Egypt were among the top 10 countries from which imports were made, with the total value of imports from these ten countries accounting for 62.0% of the total imports.

## Mexico trade partner structure

2023/billion \$	Export to the partner (% of total exports, \$561B)	Import from the partner (% of total imports, \$594B)	Total trade to partner (% of total trade, \$1155B)
US	468 (83.4%)	253(42.7%)	721(62.4%)
China	9.01(1.61%)	114(19.1%)	123(10.6%)

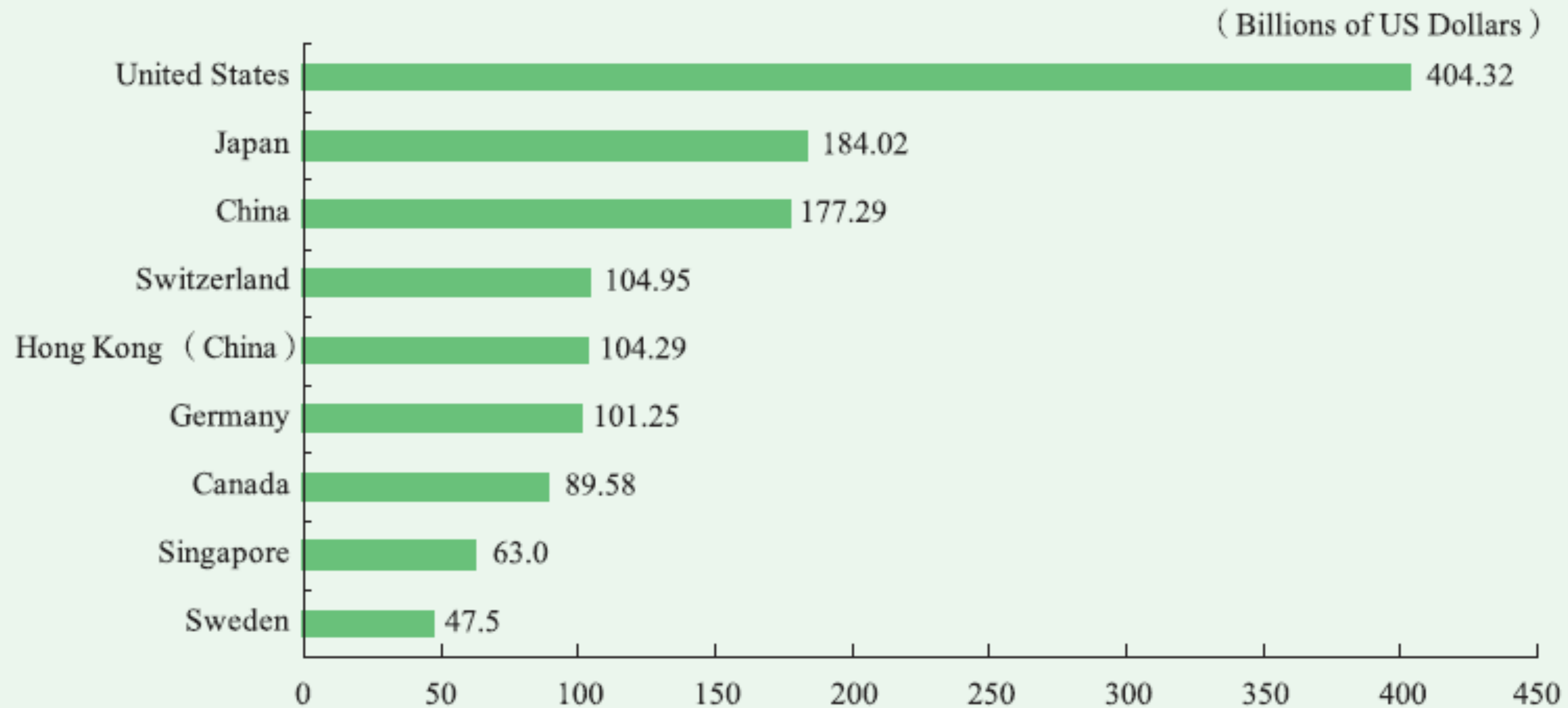
Source: Secretaria de Economia, Gobierno de Mexico  
(<https://www.economia.gob.mx/datamexico/en>)

**fast growth in SA import from China**  
**sluggish growth in Mexico export to China**

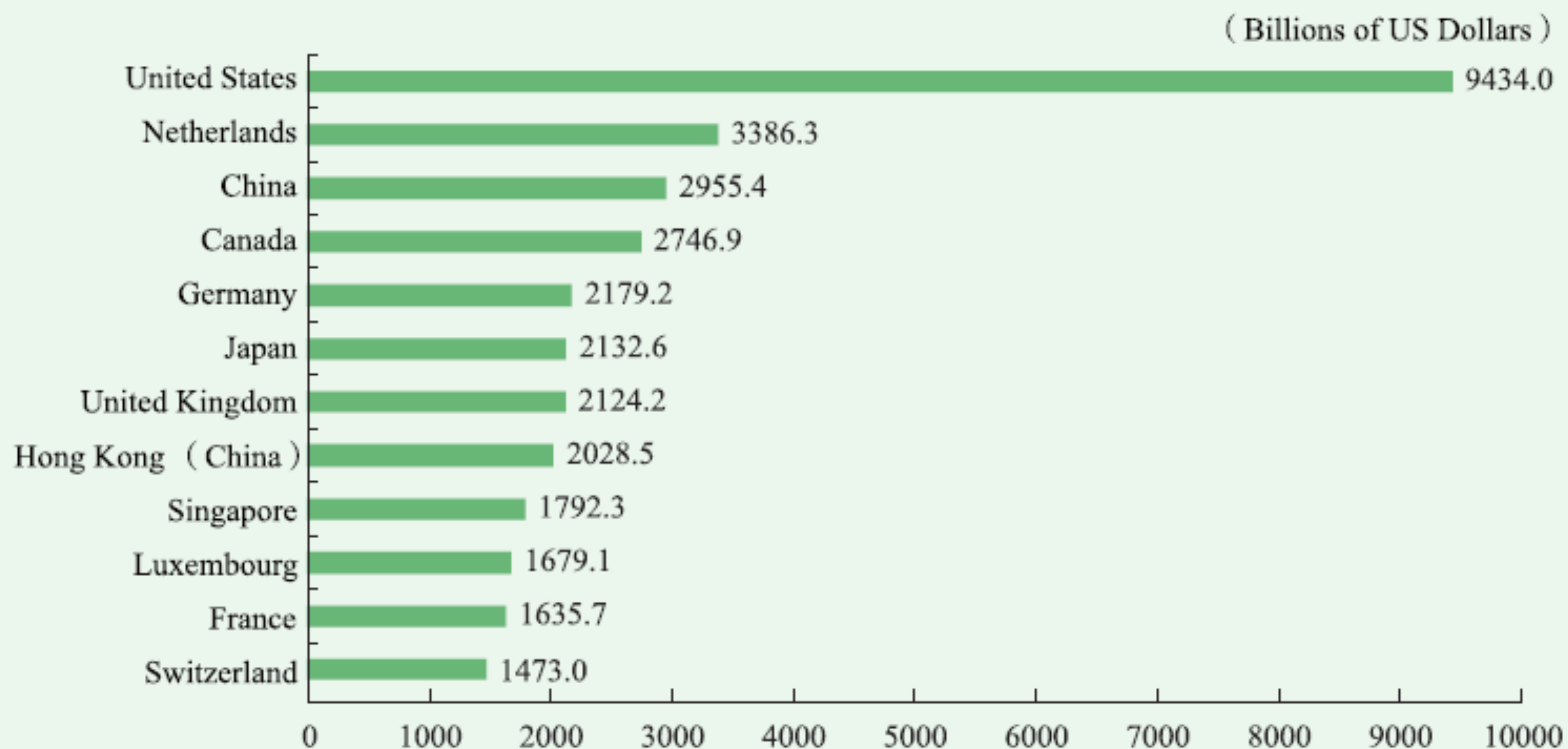




## Comparison in investment flow with China

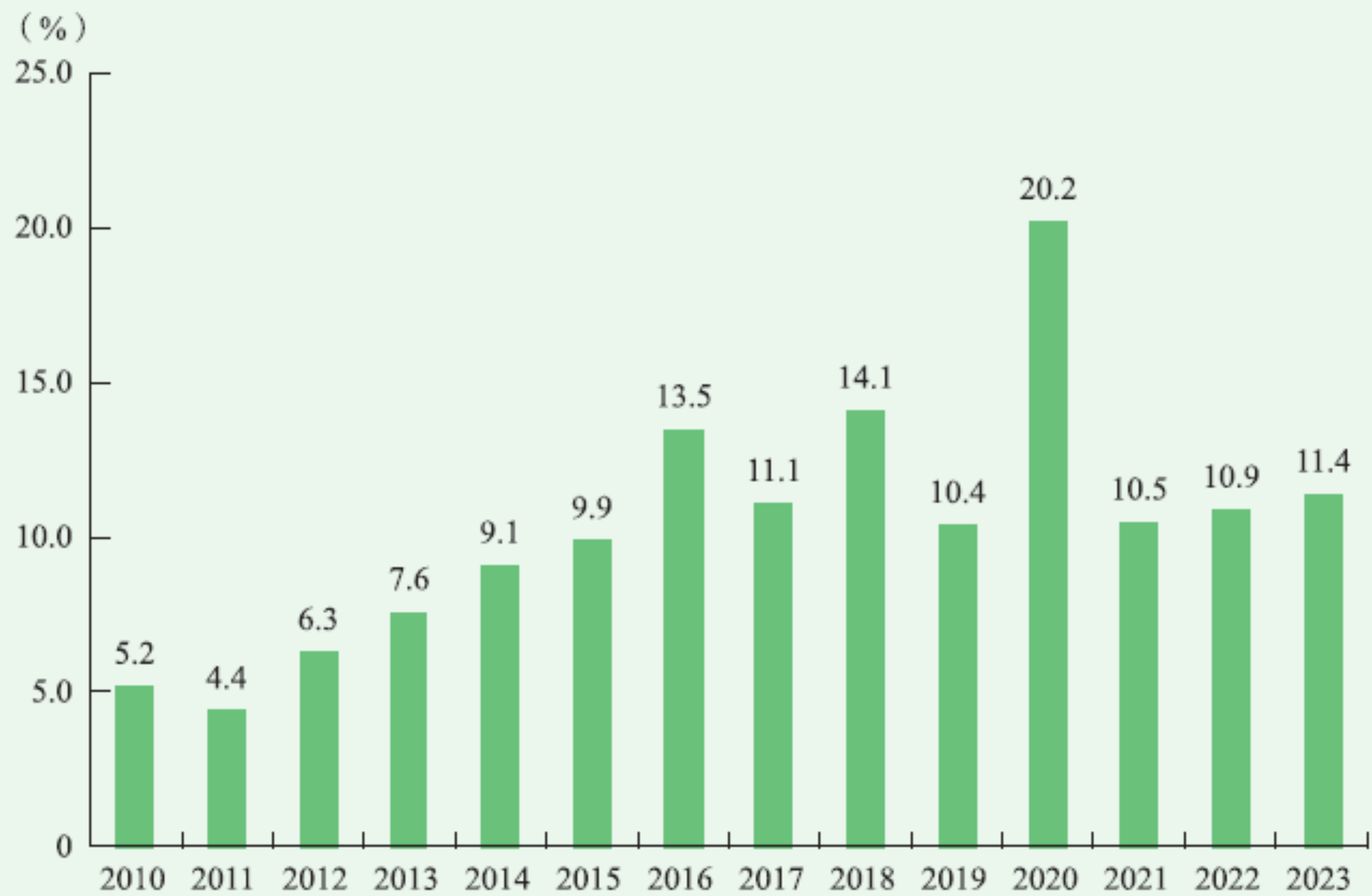


**Figure 1 FDI Outflows of China and Other Major Countries ( Regions ) , 2023**



**Figure 2 Outward FDI Stock of China and Other Major Countries ( Regions ) , 2023**

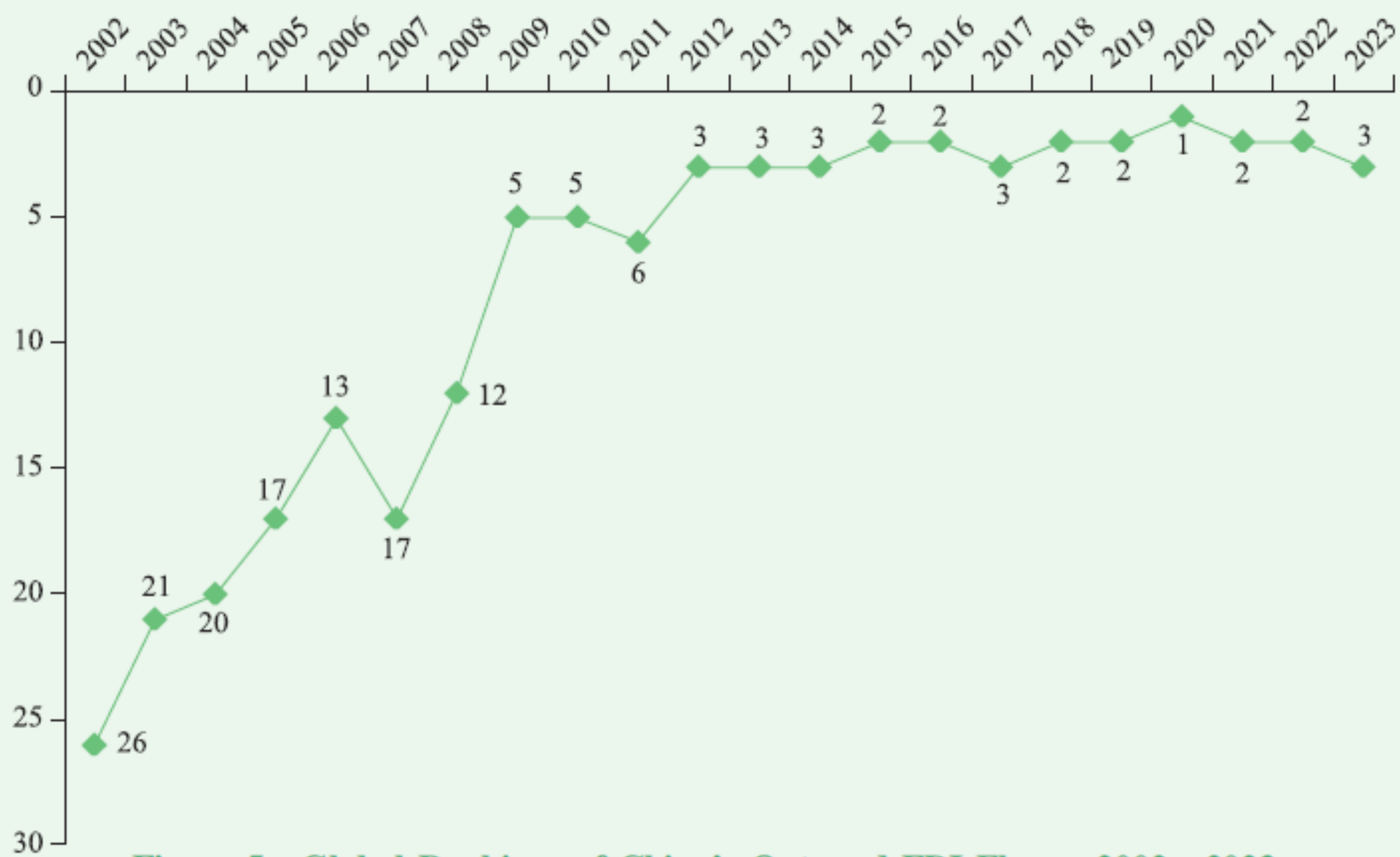
Data source : Data on China's outward FDI in 2023 is based on *Statistical Bulletin of China's Outward Foreign Direct Investment* , and data on other countries ( regions ) is based on *the World Investment Report 2024* by UNCTAD.



**Figure 3 China's Percentage Share in World FDI Outflows, 2010–2023**



**Figure 4 Outward FDI Flows of China, 2004—2023**



**Figure 5 Global Rankings of China's Outward FDI Flows, 2002—2023**

Data source: *Statistical Bulletin of China's Outward Foreign Direct Investment*.

## Mexico's FDI inflow from China

	Total flow	China			USA		
		Flow	share	rank	flow	share	rank
2018	\$34100M	\$269M	0.79%	Below 10 <sup>th</sup>	\$11400M	33%	1st
2019	\$34600M	\$85.6M	0.25%	Below 10 <sup>th</sup>	\$12600M	36%	1st
2020	\$28200M	\$168M	0.60%	Below 10 <sup>th</sup>	\$9800M	35%	1st
2021	\$33500M	\$223M	0.67%	Below 10 <sup>th</sup>	\$13800M	41%	1st
2022	\$36300M	\$570M	1.57%	9 <sup>th</sup>	\$20200M	56%	1st
2023	\$36300M	\$159M	0.44%	Below 10 <sup>th</sup>	\$13800M	38%	1st

Source: Secretaria de Economia, Gobierno de Mexico

### Monitor RED ALC–China:

- 1.Chinese OFDI was almost \$7 billion for 2020-2023, 525% higher than Mexican official sources.
- 2.mostly Chinese private companies

## Mexico's FDI outflow to China

	2019	2020	2021	2022	2023
Mexico outward FDI (Billions of dollars)	10.755	1.720	-2.125	14.532	6.429
Percent in world FDI	0.74%	0.22%	-----	0.92%	0.42%
Mexico's share of Global GDP	1.89%	1.76%	1.72%	1.73%	1.9%
China Inward FDI	141	149	181	189	163

## Investment between Saudi Arabia and China

### Saudi Aramco

the fourth-largest company in the world by revenue  
one of the most valuable companies in the world





## Public Investment Fund (PIF)

Rank	Profile	Total Assets	Type	Region
1.	Norway Government Pension Fund Global	\$1,796,316,441,000	Sovereign Wealth Fund	Europe
2.	China Investment Corporation	\$1,332,071,000,000	Sovereign Wealth Fund	Asia
3.	SAFE Investment Company.	\$1,090,000,000,000	Sovereign Wealth Fund	Asia
4.	Abu Dhabi Investment Authority.	\$993,000,000,000	Sovereign Wealth Fund	Middle East
5.	Kuwait Investment Authority.	\$980,000,000,000	Sovereign Wealth Fund	Middle East
6.	Public Investment Fund	\$925,000,000,000	Sovereign Wealth Fund	Middle East

2007

**Aramco**25%+ ExxonMobil25%+ Fujian Petrochemical Company50% (affiliated to **Sinopec**) -- Fujian Refining and Petrochemical Company

**Aramco**22.5%+ExxonMobil22.5%+Sinopec55% -- **Sinopec** Senmei (Fujian) Petroleum Company (SSPC)

**Aramco** 62.5%+ **Sinopec**37.5% -- Yanbu Aramco Sinopec Refining Company in Saudi Arabia (YASREF), total investment **\$8.6B**  
Dec. 2022, **Aramco + Sinopec** – a refinery and petrochemical cracker complex

March 2023, **Aramco** (30%), **NORINCO Group** (51%) and **Panjin Xincheng** Industrial Group (19%) -- Huajin Aramco Petrochemical Company (HAPCO) in China, total investment **\$10B**

May 2023, **Aramco**25%, **Baosteel**50% and **PIF**25% to establish an integrated steel plate manufacturing complex in the Kingdom of Saudi Arabia. Total investment **\$2B**

Jul. 2023AOC (Aramco-owned) (**\$3.4B**) acquired 10% stake of **Rongsheng** –AOC now is the second largest stockholder of Rongsheng.

Sep. 2024, **Rongsheng** will acquire 50% stake of **SASREF (Aramco-owned)**. **Aramco** will acquire 50% stake of **Zhongjin** Petrochemical (affiliated to Rongsheng)

Sep. 2023, MoU to **Aramco**'s potential acquisition of a 10% stake in **Shenghong** Petrochemical Industry Group Co., Ltd. (a wholly-owned subsidiary of Eastern Shenghong)

Oct. 2023, MoU to **Aramco**'s potential acquisition of a 10% stake in Shandong **Yulong** Petrochemical Co., Ltd.

Jun. 2024, Aramco (0.74 billion euro) to acquire 10% stake in HORSE Powertrain Limited, the new global powertrain solutions company established by Renault Group (45%) and Geely(45%)

Sep. 2024, MoU to **Aramco**'s potential acquisition of a 10% stake in **Hengli** Petrochemical Co., Ltd.

# Prosperity7 Ventures

conception in 2020, a \$3 billion growth-stage fund of Aramco, has invested in more than 40 companies globally (14 Chinese companies). offices in Dhahran, Palo Alto, New York, Beijing, and Shanghai. its total investment capabilities will increase from \$ 3 billion to \$ 7 billion between 2024 and 2027

-- 5 in MedTech/BioTech: Fourier Intelligence, Insilico Medicine, Cispoly, Jian Dan Xin Li, Full-life technologies

-- 1 in DeepTech: NueraMatrix

-- 4 in Robotics/AI: Quicktron, JAKA, KEENON, Zhipu AI

-- 2 in Mobility: HONG JING Drive, Hyperview

-- 1 in FinTech: Fenbeitong

-- 1 in cloud/computing: VirtAI Tech

2019	PIF+Alibaba -- eWTP Arabia Capital (eWTPA)	\$0.4B	Investment (VC)
2019	PIF+CIC -- CSIIF	\$2B	Industrial investment
2021/2022	PIF + Shenzhen city government -- the first Middle East-China co-operation fund	\$1B	Investment
Feb. 2023	Savvy Games Group (PIF-owned) invest in VSPO (a Chinese esports startup)	\$0.265B	esports
Dec. 2023	Jafal Fund of Funds (PIF-owned) declared its investment in eWTPA	\$0.2B	Investment (VC)
Feb. 2024	PIF-owned Alat + Dahua Technology -- Alat AIVisio Technology Co. Ltd. (AIVisio)	\$0.2B	AIoT
Jul. 2024	RELC 40%+ Envision Energy50%+Vision Industries 10% -- JV in SA	No information	Wind energy
	RELC(Renewable Energy Localization Company) (PIF-owned)40%+JinkoSolar 40%+ Vision Industries (Saudi Arabia) 20% -- JV in SA	\$1B	Solar energy
	RELC 40% + TCL Zhonghuan 40% + Vision Industries20% -- a solar wafer factory in SA	\$2B	Solar energy
Aug.2024	PIF signed a MOU with six Chinese financial institutions to invest	\$50B	Finance

Jul, 2024, Two exchange-traded funds (ETFs) tracking Saudi companies launched in China, offering Chinese investors easy access to Saudi financial markets. And last week, Oct. 30, the first China-focused ETF that tracks Hong Kong-listed shares, mainly Chinese firms, kicked off on the Saudi Stock Exchange. The initial size surpasses the current largest ETF



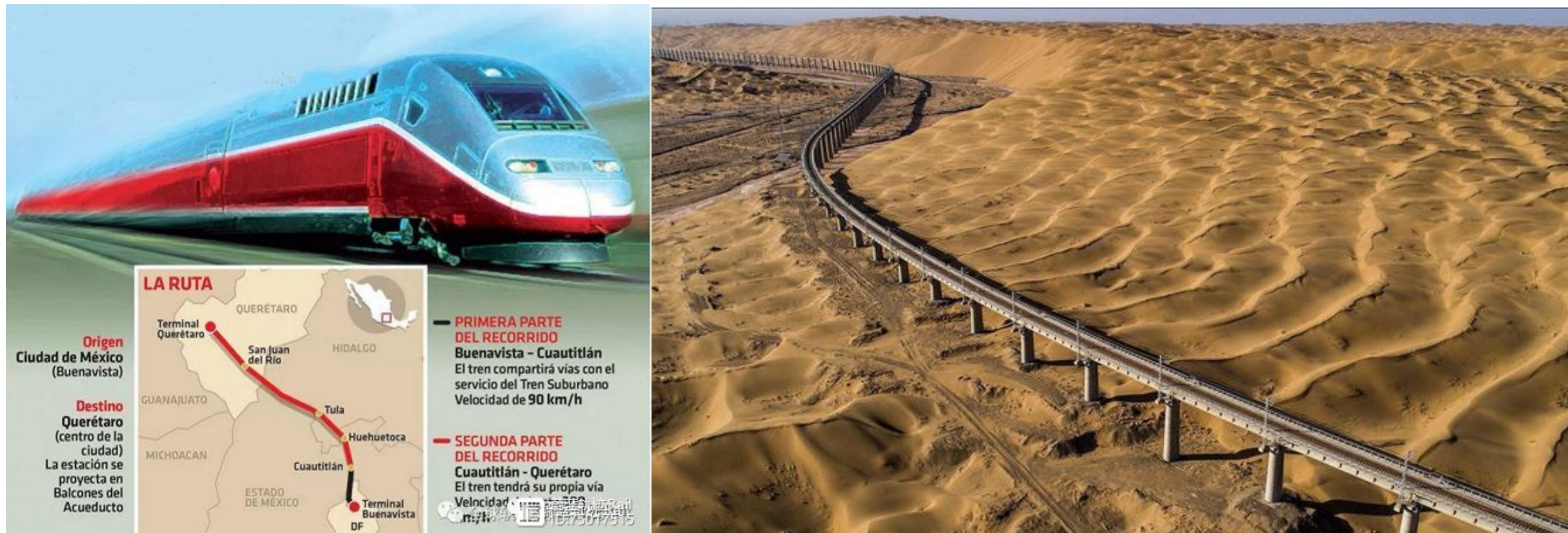
## Comparison on China's presence in key national infrastructure projects

### Mexico City – Querétaro high-speed rail project

Planned 210 km, 300 km/h

### Haramain High-Speed Rail Project

450 km, 300 km/h, 60 million passengers per year



## China's presence in Mexico's key national infrastructure projects nowadays

2015-2019, 10 infrastructure projects in total \$2.2B

2020-2023, 26 projects, \$6.1B

China's presence in Mexico's key national infrastructure projects remain limited. In April 2020, China Communications Construction Company and the Portuguese Mota-Engil win the contract to build 226km railway of Tren Maya (1500km).



## China's presence in Saudi's 2030 Vision

company	time of contracts	industry
CRCC	Oct. 2021-May 2024	construction
SANY	Since 2021	machinery
China State Construction Engineering Corporation	June 2022	construction
Powerchina	Aug. 2022	construction
LONGi	Nov. 2022	solar energy
Envision Energy	June 2023	wind energy
Sun Grow	Aug. 2023, Sep. 2023, May 2024, July 2024	solar energy
SUMEC	Jan. 2024	machinery
JinkoSolar	Oct. 2024	solar energy



# Conclusion

**Strategic approach to the commercial relationship with China**

**Competence in balance between US and China**

