

Big revival in exports of US goods to Arab nations

By William Wallis in Cairo

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US exports to the Arab world are booming despite anti-American sentiment in the region, a report by the National US Arab Chamber of Commerce says.

The report shows US merchandise exports to the 22-country market recovering sharply since 2002 and 2003 when visa restrictions for Arabs traveling to the US, hostility to US foreign policy in the Middle East and consumer boycotts took their toll on American brands.

Using a variety of data including regional growth forecasts, the report projects that 2006 will "be one of the strongest years ever for US-Arab trade, with estimated sales of \$37.9bn". This would represent a 40 per cent rise on projected 2005 figures.

In some countries such as Mauritania, the United Arab Emirates, Oman and Qatar, US exports came close to meeting 2004 figures in the first half of 2005, Grant Smith, one of the report's authors said. Chinese and other Asian-made goods have also been pouring into Arab markets, but belief in quality and durability appears to have over-ridden sentiment when it comes to certain US products, he said.

The US introduced financial and travel restrictions that were punitive for Arab businessmen in the wake of the 2001 terrorist attacks on New York and Washington. Since then Arab private sector investment has tended to stay closer to home, and some has fled US markets. In Saudi Arabia US imports declined between 2000 and 2003 by 26 per cent, according to US Trade Department statistics.

But few cities outside the US can boast as high a proportion of US-made vehicles as the Gulf capitals - the UAE has seen record sales recently of the Lincoln Navigator and Ford Focus - or bear the superficial imprint of US consumer culture so visibly in proliferating fast food outlets and shopping malls.

American companies are now benefiting from increased demand for goods and services at a time of record revenues for oil-producing Arab nations, rising purchase power and rapid population growth.

Recent efforts by the US State Department to ease visa restrictions for Arab business travelers have also helped revive trade, Mr. Smith said.

"The industrial buyer no longer feels shut out of the market. There have been many programmes to reopen those channels, and there has also been a conscious effort on the part of buyers. Distributors [of US products] have so much to lose from any downturn in relationships," he said.

According to the report, the largest Arab markets for US exports in 2006 will be Saudi Arabia (\$10.7bn, £5.9bn), the UAE (\$10.2bn), Egypt (\$5.1bn) Kuwait (\$2.3bn) and Iraq (\$2.2bn).

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