



## The Middle East Council of American Chambers of Commerce

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### Forecast for U.S. Export Growth to GCC

#### Actual Exports, 2010-2018, forecast 2019-2021



#### OVERVIEW

- Since 2010, as a group Gulf Cooperation Council (GCC) countries have been a **top 10 export market** for the U.S.
- From 2012-2016, GCC was at least the **6<sup>th</sup> largest export market** for the U.S.: more important than Germany.
- For individual states, GCC has been a top 10 export market for at least 15 states each year since 2010.

#### 2018

- GCC was the **9<sup>th</sup> largest export market** for the U.S., more important than Brazil, France, India, or Australia.
- GCC was a **top 10** export market for 21 states and a **top 5** export market for 8 states. GCC was a **top 25** export market for 46 states- the only exceptions being Alaska, Hawaii, Idaho, and Maine.
- Despite a return to growth for GCC economies (2% estimated growth in 2018), overall U.S. exports to the GCC declined.
  - In particular, exports to Kuwait (-42%) and Saudi Arabia (-16.7%) declined from 2017.
  - However, in 2018 U.S. exporters saw strong demand growth in Bahrain (+126.7%), Qatar (+41.6%), and Oman (+22%).

#### 2019-2021 FORECAST

- GCC economies forecast to grow by an average of +2.6% beginning in 2019. Steady growth expected due to continued emphasis on economic diversification and large ongoing infrastructure projects in the region. These factors, along with growing consumer demand in the region remain a positive for U.S.-GCC export growth.
- Volatile oil prices increases uncertainty over the range of GCC economic growth forecasts.
- Ongoing trade tensions have caused world economic growth forecasts to be revised downwards, and this does have an impact on GCC members' potential growth. Along with the disruption caused by the protectionist policies of the U.S. administration, U.S. exporters also face increasing competition in the GCC market from European, Chinese, Japanese, and South Korean companies in particular. Our overall forecast for U.S. exports to the region is muted due to these concerns.