

INVEST  
SAUDI



SAUDI ARABIA

is Welcoming Investments

رؤية  
VISION  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA



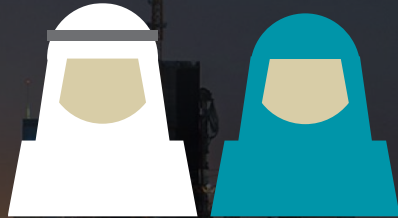




# SAUDI ARABIA IS CHANGING



An economy that has traditionally relied heavily on oil and gas is rapidly diversifying



A young, educated population is forming the foundation of a highly-talented, ambitious workforce



A once private nation, Saudi Arabia today is hosting international sporting events and welcoming global superstars to its cities



A sweeping economic transformation is repositioning a powerful G20 economy on the world stage





# RESULTING IN A TRULY UNIQUE OPPORTUNITY

Untapped  
investment  
potential

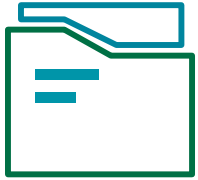


Saudi Arabia is welcoming foreign investors by opening up brand new, greenfield sectors for investments



Backed by comprehensive economic reforms specifically designed to help foreign businesses thrive

# 7 KEY REASONS TO INVEST IN SAUDI ARABIA



**Ambitious reform journey** through Vision 2030 with proven, early successes



**Game-changing Opportunities** with improving business environment



**Strategic global location** and excellent internal and international connectivity



**Attractive property solutions** with >40 industrial and economic cities and competitive land prices



**Young and skilled workforce** with ~30% of working age population under 29 years and high government spending on education



**Expanding quality of life** backed by tax free salaries, advanced healthcare and, a more modern lifestyle



**Leading financial sector** backed up by a resilient banking system and a large asset base





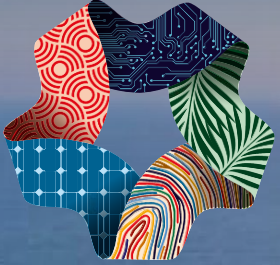
# WORLD-CLASS INVESTMENT PROJECTS

Saudi Arabia's mega and giga projects represent some of the most ambitious developments under construction around the world today.





# Giga Projects



نيوم NEOM

Located along the pristine coasts of the Red Sea and Gulf of Aqaba, NEOM will set a new precedent for livability and technological innovation across 16 economic sectors



# Giga Projects



The Red Sea Project will be an exquisite sanctuary offering indulgent experiences, seamlessly customized to the unique needs of each visitor. Extending over 28,000 square kilometers on Saudi Arabia's Red Sea coast, the destination will offer a uniquely diverse range of experiences, from island getaways to resort holidays, mountain retreats and desert adventures.



# Giga Projects



Qiddiya will become the place to live, work, and play, a prominent landmark, and an important hub to meet and satisfy the recreational, social, and cultural needs of the Saudi Arabia's current and future generations.



# THESE PROJECTS WILL COVER A WIDE RANGE OF ASSETS

## Real Estate



Social housing



Middle-class residential



Upper-class residential



Offices



Retail

## Entertainment



Parks & gyms



Museums



Music centers, cinemas & theaters



Hospitality



Libraries

## Logistics



Airports



Railways



Ports



Warehouses

## Institutional



Education



Medical



Government entities, post offices & fire station



Religious buildings



Dams & reservoirs

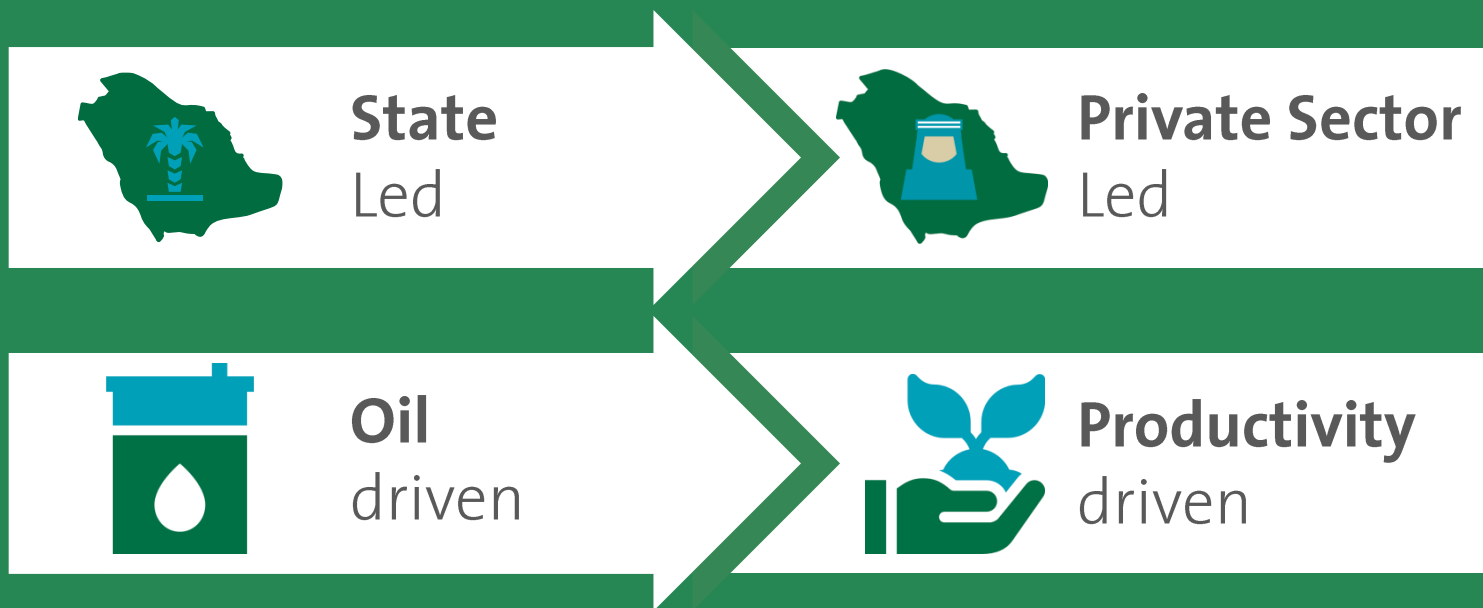




# A PARADIGM SHIFT IN ECONOMIC GROWTH

Saudi Arabia is projecting to be the 15th largest world economy by 2030

To support this growth, initiatives aimed at diversifying the economy and improving productivity are already underway.







# THE TIME IS NOW

For the first time in history, Saudi Arabia is welcoming foreign investments across many sectors!





# CHEMICALS



## GLOBAL LEADER

Saudi Arabia is currently host to 9 of the largest global chemical players, all of whom are ready to engage with downstream value chain partners such as specialty chemicals, conversion, engineering plastics, and rubber producers.

## RAPID GROWTH

The growth of Saudi Arabia's chemical market has been 8% over the past 7 years, well above the world average of 3%. Through \$20 billion investment JV between Saudi Aramco and Dow; Sadara the largest chemical complex was built in single phase which will open the door for new specialty chemical plants in different sectors such as construction chemicals and cosmetics

## DIVERSE FEEDSTOCK

Lowest prices for ethane, propane and butane feedstock, first naphtha cracking facilities in the GCC, the production of naphtha is expected to reach 22 million T per year in 2030 and expected to constitute 14% of total feedstock crackers in KSA..

## Top investment opportunities

- High-Volume Intermediate Production
- Plastics Packaging
- Adhesives and Sealants
- Tires Manufacturing
- Construction Plastics
- Thermoplastic Engineering Compounds
- Catalysts
- Flexible Foams
- Agrochemicals
- Surfactants
- Rubber Hoses
- Oil Field Chemicals



# INDUSTRIAL & MANUFACTURING



## RAPID GROWTH

Saudi Arabia is the largest and fastest growing regional market for food products, automotive, and industrial equipment.

The industrial equipment market is valued at \$15B, with an expected annual growth of 4.5% for industrial equipment. The growth of Saudi Arabia's food market has been 6%, well above the world average of 4%. Also, the aqua fisheries market has been growing at 7%, well above the world average 4%.

## IMPORT-SUBSTITUTION

With 80% of Saudi industrial equipment demand met by imports, strong government incentives are available for localization of several value chains.

## LOCATION

Strategically located for export of manufactured products to an underserved and growing MENA region.

## Top investment opportunities

### Industrial Equipments

- Valves
- Pumps
- Compressors
- HVAC
- Heavy machinery

### Automotive

- CKD plant
- Spare parts

### Food Processing

- Meat & poultry
- Aqua fisheries (shrimp & fish)
- Beverages
- Flour processing



# TRANSPORT & LOGISTICS



## RAPID GROWTH

Driven by population growth, e-commerce, and Vision 2030 projects, Saudi Arabia has one of the fastest growing logistics markets in the world, with increases in areas such as freight forwarding (+37%), third party logistics (+175%), warehousing (+56), and cold storage (+73%) forecast by 2020.

## INFRASTRUCTURE

Saudi Arabia has one of the most competitive infrastructure networks in the region, with a successful PPP track record and privatization plans already well underway.

## REFORMING

Courier services were opened for 100% foreign investment in 2018. Significantly reduced customs clearance procedures of less than 24 hours have been introduced, and plans are in place to launch world-class logistics Special Economic Zones across the Kingdom.

## SUPPORTED

\$30bn government investment in the next 10 years, including airports, railways, metros, roads, and utilities. Private sector investment and PPPs highly incentivized across travel preparation, transportation, accommodation, cultural experience, and ancillary services.

## Top investment opportunities

- LCL Regional HUBs
- RFS Service Providers
- Marine & Rail MRO
- Vessel Repair Services
- Airport Cargo Handlers
- Transport Helicopter Operators
- Contract Logistics Service Providers
- Hotel Logistics Service Providers
- Urban Transportation Service Providers
- Shipping Agency and Cruise Ship Management
- Regional and Local Feeder Shipping Lines
- High Value & Expo Logistics Service Providers
- Parcel Lockers Service Providers Regional
- Distribution Centers
- Fulfilment Centers
- Aviation Simulator Center & Specialized MRO
- Makkah city Taxi
- Madinah Us Rapid transformation
- Develop and Operate Cars Parking Lots and Retail Stores Around the Holy Places Connected to the Holy Mosque



# INFORMATION & COMMUNICATIONS TECHNOLOGY (ICT)



## SIZEABLE DIGITAL ECOSYSTEM AND COMMUNITY

ICT market size exceeding \$40bn in 2019 (largest in MENA and accounts for 70% of the total GCC spending on ICT), a \$7.6bn e-Commerce market size, and a 56% penetration as of 2019.

## GROWING OPPORTUNITIES

An opportunity to supply industrial AI and IoT to the largest oil, 4th largest chemicals, and largest desalination companies in the world. In addition to, rapidly growing opportunities across new unlocked sectors such as (Tourism & Logistics)

## DIGITAL INFRASTRUCTURE

An improving world class digital infrastructure with over \$10 billion governmental investment to increase high speed internet (47 Mbps Mobile Internet Speed) & penetration (93%) and enable emerging technologies applications

## DIGITAL VISION:

An ambitious Vision to become an ICT hub for the region and beyond with focus digital innovation in Smart Cities, Industry 4.0, Digital Education and Digital Health

## Top investment opportunities

### Government Transformation

- Digitizing operations
- Digitizing citizens services
- Hajj & Umrah Digitization

### Tech Savvy Citizens

- E-services
- E-commerce
- Socialmedia, media, and gaming adoption is among the highest in the world

### Tourism/ Hajj & Umrah

- Mobile app's development
- Crowd management
- E-commerce and e-services
- Smart Hajj and Umrah

### Smart Cities and GigaProjects

- 35 Industrial cities
- NEOM
- Red Sea
- Qidiyah
- Waad Alshamal
- SPARK
- Biggest 3 urban cities to be among the top 100 cities in livability in the world

### Cloud and Advanced Technologies

- Operation industrial optimization by using advanced tech (IoT, VR/AR, AI, and machine learning)



# HEALTHCARE & LIFE SCIENCES

## **SPENDING**

Over \$224bn worth of cumulative healthcare spending over the next 5 years (including public and private healthcare services, medical devices/consumables, pharmaceuticals, and digital health).

## **GROWING**

The co-existence of a very large youth base and a rapidly ageing population with prevalence of chronic diseases are expected to triple healthcare demand in the next 10 years.

## **PRIVATIZING**

private sector contribution to healthcare spending expected to increase at a faster 10-year CAGR of 6.7%, which will see the market expand from \$11.2B in 2017 to \$22.4B by 2027.

## **REFORMING**

100% foreign ownership expanded to a large majority of healthcare services in 2018, coupled with a more streamlined, digitized and efficient licensing process.

## Top investment opportunities

### **Healthcare Services**

#### **Supply:**

- Private sector participation in many aspects of the healthcare transformation plan implementation

#### **Demand:**

- Increase in all aspects of services, especially home healthcare, long-term care, primary healthcare, and rehabilitation

### **Healthcare Products (Pharmaceuticals and Medical Devices)**

- Significant room for growth in localization while aligning with the government's strategy to drive local manufacturing, R&D and job creation. Priority given by large government tenders to products made in Saudi Arabia with significant regional export potential

### **Digital Health**

- Multiple opportunities to optimize efficiency and effectiveness of healthcare clusters through the implementation of digital health solutions across the Kingdom



# MINING & METALS



## RESERVES

The 13th largest country in the world by landmass spanning the mineral-rich Arabian Shield, with \$1.3tr worth of estimated mineral reserves.

## DEMAND

The 4th largest net importer of minerals globally, driven by large industrial production and infrastructure development.

## INCENTIVES

One of the most conducive government environments globally for the mining sector in terms of cost, raw materials availability, flexible incentive structure, and access to competitive loans.

## Top investment opportunities

- Open-Die Forging Facilities
- Closed-Die Forging Facilities
- Manufacturing Plants for Investment Casting
- Manufacturing Plants for Sand Casting
- Aluminium Foundry Alloys
- Aluminium Fluoride
- Glass Wool
- Integrated Steel and Iron Production Plant
- Proppants Plant
- Ductile Iron Pipes (DIP)
- Aluminium Wheels and Casting
- Seamless Copper Tube
- Aluminium Circles / Slug
- Aluminium Powder
- Aluminium Forgings
- Copper Rods

# ENERGY, WATER AND WASTE MANAGEMENT



## LARGE DEMAND

Saudi Arabia is a large demand market for energy, water and waste management. As for energy, Saudi is 11th largest annual electricity producer and 3rd production-per-capita ranking among top 20 producers. Renewable energy is set to exceed 30% of total energy production by 2030.

On the other hand, KSA is the largest desalination market globally with 22% of global installed capacity is in Saudi.

KSA has been witnessing high population growth rate, rapid industrialization and fast urbanization, which have been dramatically accelerating the waste generation in the kingdom to reach 52 million tons of total waste annually.

## SOLID GROWTH

Saudi Arabia's electricity sector is projected to serve 10.8 million customers by 2021, while it's water sector plan to build desalination plants with capacity of 10.2 million m<sup>3</sup>/d over the next 7 years as well as increase the current waste water capacity collected for treatment which is 5.6 million m<sup>3</sup>/d to 11.1 million m<sup>3</sup>/d by 2030.

Waste management sector has been fully activated to achieve an ambitious target of eliminating 85% of the total waste from landfills by 2035.

All sectors identified for privatization and PPPs to meet the growing demand.

## EFFICIENCY DRIVE

Two electricity tariff and one water tariff increases over the past 3 years driving demand for energy and water savings.

## Top investment opportunities

### Renewable Energy

- 27.3GW of renewable energy projects to build as IPP by 2024. (20GW PV Solar, 7GW Wind, 0.3GW CSP) and a target to reach 58.7GW by 2030
- Wind nacelle housing, blades and tower manufacturing and assembly
- PV cells and modules manufacturing and assembly
- Electrical inverters

### Energy Savings

- Buildings and street lighting retrofitting & ESCO market
- LED lighting manufacturing

### Conventional Energy

- Value chain localization, such as:
  - Breakers
  - Gas insulated switchgears
  - Power transformers

### Water

- Smart water meters & valves
- Electrical motors & pumps
- Commercialization of brine

### Integrated Waste Management

- Municipality solid waste, construction & demolition and agriculture waste.
- Industrial, medical and Weee waste



# TOURISM AND QUALITY OF LIFE [ENTERTAINMENT & SPORTS]



## STRENGTHS

Saudi Arabia's travel and tourism sector is expected to contribute \$70.9 billion to GDP in 2019. KSA capitalize on 3 core strengths to attract int'l & local tourists: location, natural assets & local tourism experience being reinvented.

Large 33.4m population, of which 58% under the age of 30, making 21.8m leisure trips abroad each year with an annual spend of \$26.5bn, 67% of Saudi Arabia's total entertainment spend.

## GOVERNMENT COMMITMENT

Development of the Tourism Sector is a key priority for the Saudi government, it is inscribed in the national vision. The launching of Tourism Visa for +51 countries is a remarkable milestone and shows the government commitment towards tourism.

Saudi Arabia launched the Saudi Seasons initiative earlier this year, with 11 tourism seasons covering over 60 cities across the country attracting over 30 million international and local visitors, with Jeddah Season alone generating an economic impact of \$382m.

## MEGA-PROJECTS

Multiple mega-projects & regional development are being underway to boost the Tourism Sector. Those projects are NEOM, Qiddiyah, Red Sea, AMAALA, and more.

## UNIQUE

The Saudi cities of Makkah and Madinah attract over 24m domestic and foreign pilgrims of 80 different nationalities every year, with this sector accounting for 20% of the Kingdom's non-oil GDP and 7% of total GDP.

## Top investment opportunities

- Hospitality Development
- Hospitality Investments & Funds
- Hotel Operators
- Food & Beverages
- Tourism Sites Development & Tour Operators
- Wellness Resorts & Spas
- Beach Resorts
- Tourism Software & Online Platform Development
- Zoo Development
- Botanical Gardens Development
- Family Entertainment Centers (FECs) Development
- Cinema Development
- Theme Park Development
- Waterpark Development
- Aquarium Development
- Historic Sites Development

# EDUCATION



## LARGEST

Saudi Arabia's education sector accounts for almost 80% of public education expenditure in the GCC region. In 2019, education became the largest item in Saudi Arabia's fiscal budget.

## UNTAPPED

The private sector currently accounts for only 12.6% of a \$37.2bn market, 15.7% of 7.7m students, and 18.3% of 36,461 educational institutions in Saudi Arabia. Significant demand for private education is being driven by population growth and a desire for high-quality education.

## REFORMS

In addition to allowing 100% foreign ownership in 2018, Saudi Arabia has undertaken a number of initiatives to encourage private investment, including subsidies for KG and nursery schools, school construction financing, and PPPs.

## GROWING

Driven by increasing global mobility, Hajj visitors are expected to rise from 2m to 5.4m by 2030 at a rate of 6.2% per year, while Umrah visitors are expected to grow from 6m to 30m at a rate of 7.6% per year.

## Top investment opportunities

- Early childhood education (ECE)
- K-12
- Technical & vocational training
- Higher education
- Special education

## Top education ecosystem service

- **Teacher training and licensing**  
Transportation such as School transportation services .
- Catering such as Food and beverage services dedicated for schools and universities.
- people sourcing, development & quality assurance such as recruiting, training and management of leaders, teachers, faculty and trainers. also for Student tutoring & test preparation and teacher and student assessment.
- Content development & publishing such as development of traditional & digital content development, Education content publishing through text books and magazines and Stationery tools for education.
- Construction & maintenance such as Design and development of education infrastructure and Quality assurance of education infrastructure.





# REAL ESTATE



## DEMAND

1.5m cumulative housing units needed by 2030, driven by rapid growth of a large, young population and a wealthy middle-income class, driving a widen supply-demand mismatch.

## PPPs

Private sector taking the lead to fill the housing gap, with PPPs already accounting for 69 projects and 124,331 housing units currently under development.

## TECHNOLOGY

New incentives for housing investors and building technologies providers, including project matchmaking, licensing support, access to land and supply chains, as well as advantageous loans.

## Top investment opportunities

### Housing

- Affordable, mid-income, and high-end

### Commercial

- Retail, offices, hospitality, and mixed use

### Localization of Building Products

- Precast concrete
- Prefabricated/modular homes
- Windows & doors
- Rua Al Madinah Project.
- Madinah Downtown Project.
- Develop and Operate Multiple Locations to Urban Centres.

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