



Q1 2022

Investment Highlights

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BECOME A PART OF THE STORY



OPENING REMARKS

H.E. Majed Al-Hoqail

Minister of Municipal, Rural Affairs and Housing



What opportunities exist for real estate investors in Saudi Arabia?

The Ministry aims to build 300,000 housing units throughout the Kingdom by 2025, focusing on community building and mixed-use property. These projects and suburbs are developed together with private sector developers, with plentiful opportunities for residential and commercial real estate investors and contractors. We welcome all international investors to be our partners in mega projects and invite them to be part of the future success of Vision 2030 objectives, which aim to increase homeownership to 70% by 2030. This housing initiative has successfully reached its first phase goals, and we will continue to support the homeownership targets through smart financing programs and diversification efforts.

How would you describe the evolving regulatory framework for the real estate sector?

The Real Estate General Authority enacts regulations that make the real estate sector truly competitive while enhancing its attractiveness to investors. The Authority has a comprehensive strategy based on sector governance, sustainability, market effectiveness, and strong partner support. Working to unlock a vibrant, attractive, trustworthy, and innovative sector, the Authority has core priorities, including issuing best-in-class regulations, developing governance models, and deploying effective communication plans and supervision mechanisms. In addition, the Authority is currently working on establishing new regulations such as the real estate shareholding law and the brokerage law.

How does the Real Estate Development Fund (REDF) sustain steady market demand, and what opportunities does the mortgage market provide for the private sector?

The REDF is the financing arm for the housing ecosystem, enabling financial and real estate products and governing the digital customer journey. REDF leverages technology to reduce bottlenecks, eliminate obstacles, and offer home seekers the best mortgage deals. This is done

through a platform that helps create the most affordable and efficient mortgages. In addition, the private sector benefits through new financing solutions that integrate developers with financial institutions, facilitating the signing of mortgages. This ensures the successful completion of projects through effective financing and caters to growing demand. Developers can also fund projects through bank financing of off-plan sales, minimizing the capital needed for new projects.

How are municipal investments contributing to the development of the real estate sector?

Over the last three years, \$4.26 billion (SAR 16 billion) of investment contracts were signed with municipalities. We are committed to the continued development of municipalities and see plentiful opportunities for enhancing municipal investment attractiveness. The Ministry has updated the regulations of municipal real estate to make it more efficient and investible. We have also revised municipal investment procedures and created a single unified platform at the municipal level. The platform FURAS has, since its launch, published more than 23,000 investment opportunities in 285 municipalities. In addition, over 25,000 investors registered on FURAS via a multilanguage website and mobile application.

Going forward, what is the role of the private sector in the Ministry's strategy?

The private sector is central to our development approach. Starting in 2025, phase three of our housing strategy will be more diversified, focusing on customer experience. So too, the municipal sector will be involved in housing projects that create more aesthetically pleasing designs and more beautiful cities. In addition, there will be a focus on urban landscapes through designs suited for city cultures. We'll also unlock more investment opportunities and privatize some sectors to provide high-quality services. In parallel, we will continue working on overcoming challenges the private sector faces by enacting regulations, policies, and procedures to ease the doing of business.



وزارة الاستثمار
Ministry of Investment

سثمر في السعودية
INVEST
SAUDI



Inside Saudi Arabia's Q1

The Kingdom starts 2022 with the strongest GDP growth in a decade

After a robust recovery from the impact of the COVID-19 pandemic in 2021, the Kingdom's economy entered 2022 on an accelerated growth path, with flash estimates showing 9.6% real GDP growth in constant prices in Q1, the highest rate since 2011. This was supported by increased oil and non-oil activities, as oil production strengthened and receded pandemic pressures reignited domestic demand.



9.6%

real GDP growth in Q1 2022 according to flash estimates, driven by global energy demand, continued a positive trend that began in Q2 2021.

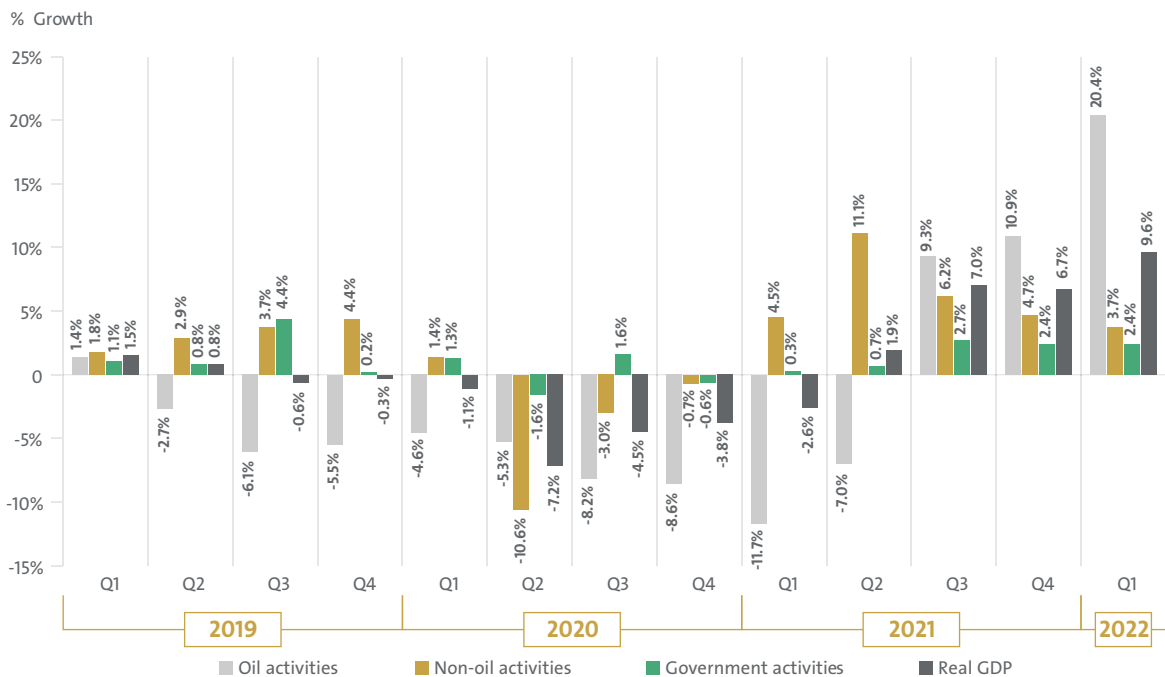


3.7%

growth in non-oil activity in Q1 2022, sustaining the momentum shown in Q4 2021.

Real GDP in constant prices in Q1 2022

Source: GaStat





Key economic indicators highlight a broad-spectrum upturn

The Kingdom's Industrial Production Index (IPI) continued to rise for the 11th straight month in March, as it reached the highest level since April 2020 with 129.5 points. With a 24.8% increase compared to March 2021, industrial production recorded the most significant rise in the last three years. This increase was largely powered by a 26.6% index rise in mining and quarrying activity as the Kingdom boosted its oil production to over 10 million barrels per day in March 2022.



24.8%

y-o-y rise in March's IPI was the highest in three years



22.0%

y-o-y expansion of manufacturing activity supported by the recovery of international trade and Saudi exports

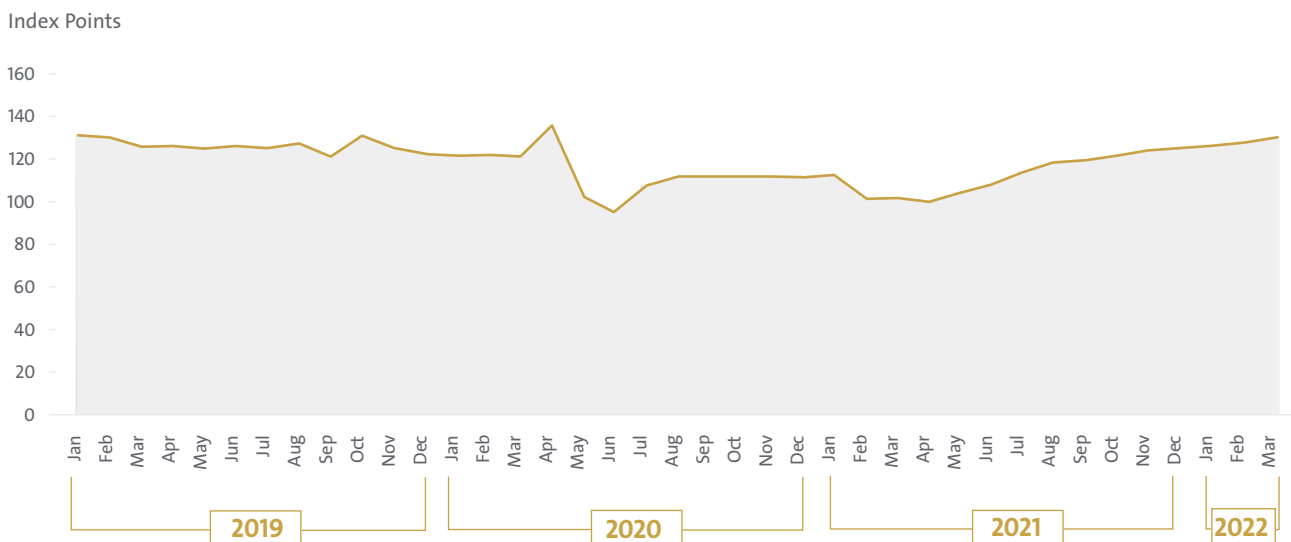


26.6%

y-o-y gain for mining and quarrying in February due to increased oil production

Industrial production index (2010=100)

Source: GaStat





Another indicator of economic strength, point-of-sale (PoS) transactions, remained buoyant throughout Q1 2022, showing a decisive recovery to \$13.2 billion (SAR 49.4 billion) in April 2022 from \$10.4 billion (SAR 39 billion) in April of 2021. With spending rising to its highest levels on record in March of this year, the consumer market is expected to continue its expansion over the coming months. Overall, PoS transactions reached \$35.6 billion (SAR 133.5 billion) in Q1 2022. With an annual growth of 22.2% compared to Q1 2021, the quarter showed strong momentum in the recovery of consumer sentiment.



\$35.6 bn

in PoS transactions in Q1 2022



22.2%

growth in Q1 2022 compared to Q1 2021

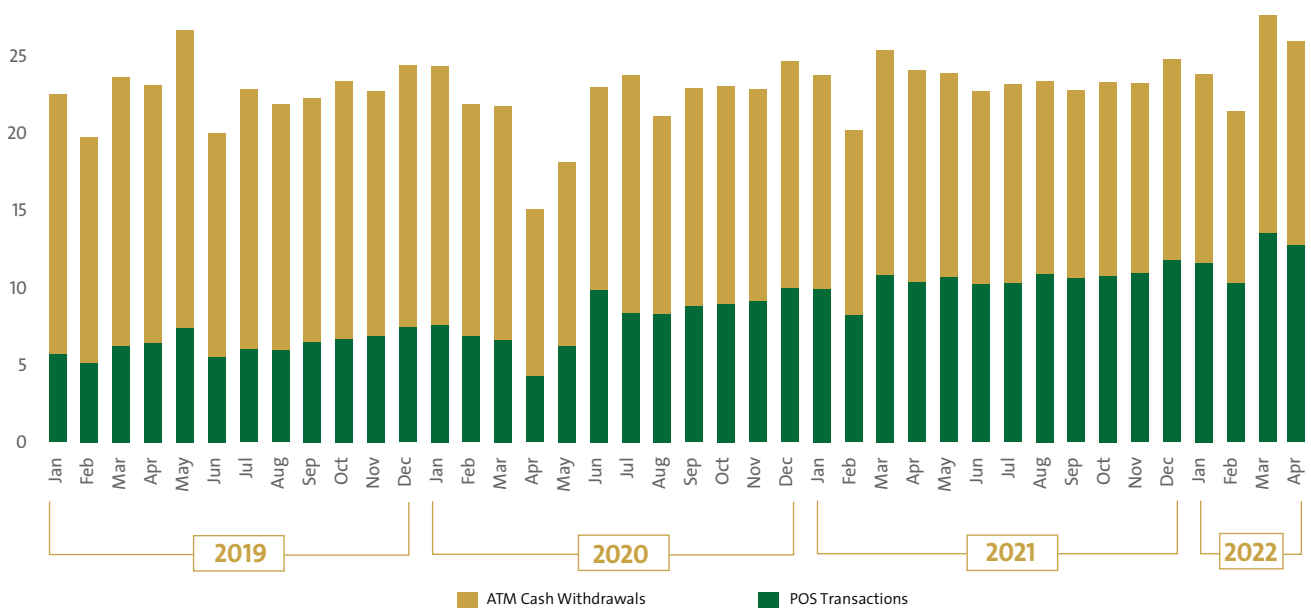


Consumer spending indicators

Source: Saudi Central Bank

USD Billions

30





The Kingdom's FX reserve assets remained robust over Q1 2022, reaching \$451.7 billion in April, for a 0.1% gain from March.



\$451.7 bn

FX reserve assets in April 2022



6th

highest FX reserves
among G20 economies



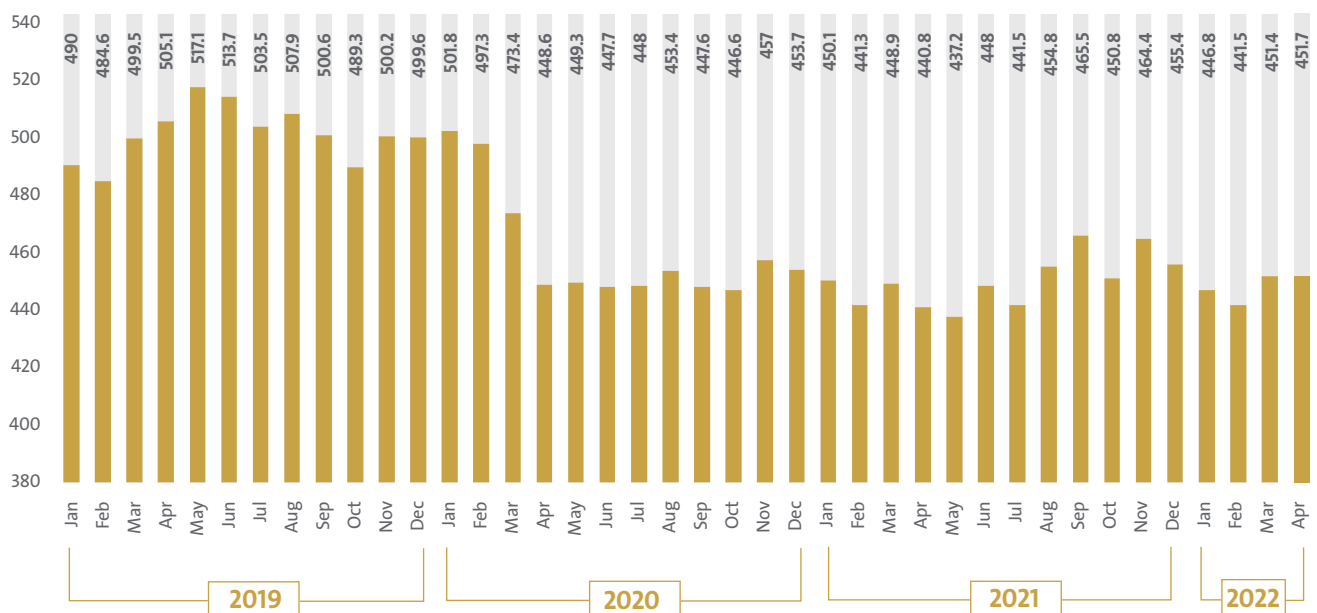
0.1%

increase in April compared
to March 2022

Saudi Central Bank FX Reserves

Source: Saudi Central Bank

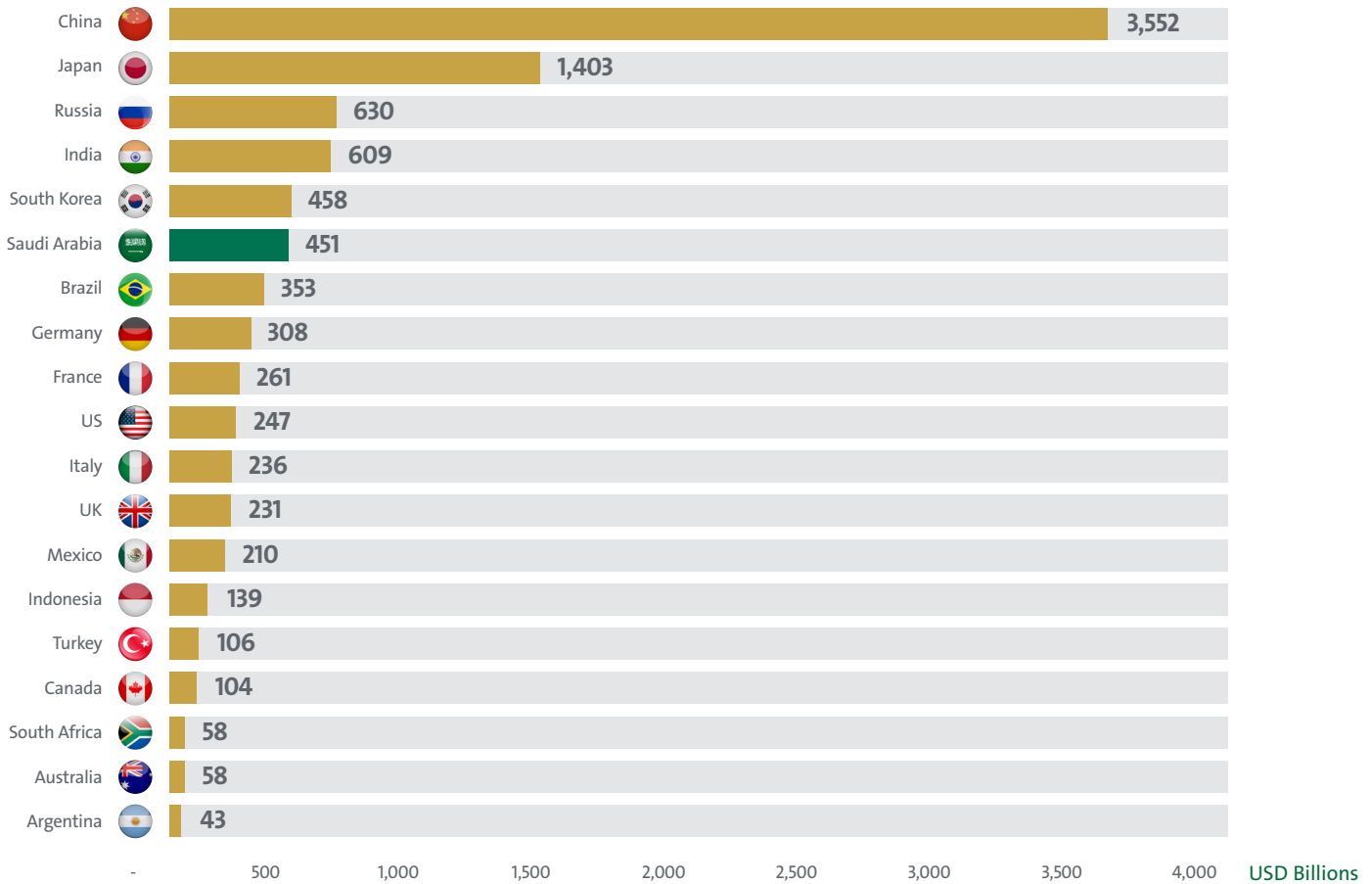
USD Billions



The Kingdom maintained its position as the 6th country among G20 economies with highest reserves.¹

FX reserves of G20 countries as of March 2022*

Source: IMF



*Russia's FX reserves reflect January as available at the time of writing this report



¹ Source: [International Monetary Fund](#)



EXPERT OPINION

Ronaldo Mouchawar

Vice President, Amazon MENA



What is the state of e-commerce in Saudi Arabia?

The retail marketplace has been undergoing significant transformation in recent years, which COVID-19 has only accelerated. Within this short period, we have witnessed fast adoption of e-commerce and digital services in the Kingdom, and, in particular, localized services to audiences in-market. From Souq and Amazon, to Careem and Uber, and Hunger Station— all these services have experienced high adoption in the region due to the high propensity of the majority young population of the Kingdom to embrace new technology. Today, Saudi Arabia's e-commerce market is estimated at \$13.3 billion (SAR 50 billion), a growth of roughly 40-50% in the past three years, with significant localization occurring in the market as firms commit to the significant consumer base in the Kingdom and the greater GCC.

In Amazon's case, we launched amazon.sa in 2020, which empowers local businesses and creates far more choice for customers. Since then, we have announced a series of infrastructure investments to further enhance the customer experience in Saudi Arabia with the opening of 11 new buildings, a move that is set to create at least 1,500 new jobs, in addition to hundreds of opportunities with partners. We also launched the Prime membership program in the Kingdom, which gives customers fast, reliable, and free local and international delivery, a feat achievable due to the advances in logistics.

Why is Saudi Arabia an attractive investment destination for global firms such as Amazon?

What stands out for me is the pace of change and the uniquely high level of public-private cooperation in the market. With a fast-moving system of reform, you have fewer bureaucratic hurdles and legacy systems that so often hamper investment in other jurisdictions. For

instance, we have seen vast changes in regulation concerning media, content, and digital payments, which allows us to deploy new products and services at speed. There have also been significant developments in the logistics ecosystem, as Vision 2030 prioritizes logistics as a key driver of change. The number of companies, type of services, speed and quality of delivery have all grown and become more integrated. Subsequently, the import and export of goods has become much easier. This side of the business has seen serious improvement, thanks to cooperation between Amazon, other private companies, and the public sector, especially MISA. What's happening in the Kingdom is much more than only ambition; important, practical changes are taking place every day.

How is Amazon working with local market players to improve the customer experience in the Kingdom?

Our key concern is knowing our customer, understanding what they need, and working out how best to serve them. This is a process that necessitates deep collaboration across a range of sectors and service providers. For example, when it comes to payments Saudi Arabia uses a payment network called "mada". This payment processor is already integrated throughout the value chain and, by partnering with them, we are able to unlock easy, safe, and trusted payment solutions for our customers. Monsha'at also stands as a key collaborator in the Kingdom. As an institution they are about empowering SMEs with the right tools in marketing, education, and technology that enable growth. This upskilling effort complements our own and means that there is a vast number of companies learning and working together to satisfy the Saudi customer. Our ultimate goal is to innovate for our customers, so we work together with whoever is doing that to build and support the right ecosystem that will serve the Saudi customer and the Kingdom's retail marketplace.



EXPERT OPINION

Peter Rawlinson

CEO & CTO, Lucid



LUCID

Why did Lucid choose Saudi Arabia for its regional manufacturing facility?

Saudi Arabia is undergoing a massive transformation, with an emphasis on sustainability, high-technology, and clean projects. Saudi Arabia is also strategically located, accessible from three continents with just a short flight. Therefore, from the country we will be able to service Europe and MENA. Taken together, these factors are a perfect fit for Lucid's core objective of providing our electric vehicles and sustainable mobility to as many markets as possible.

We have thus far had excellent support with a variety of public entities in Saudi Arabia, including our majority shareholder, Public Investment Fund (PIF). We were encouraged by this strong relationship to expand our presence in the Kingdom, as our company works synergistically with Vision 2030's future-looking approach. It is incredible to be a part of this huge catalyst for change. Saudi Arabia is a country that is renowned for its oil reserves, but it has a concrete vision to transition to sustainable mobility and renewable energy sources; in many ways, this vision is a beacon for the entire world.

How did the considerable size of the Kingdom's domestic consumer market factor into your investment calculations?

There is high demand for quality and high-tech products in Saudi Arabia with the spending power to realize their desires. This makes a compelling case for a company like Lucid, and we have already received over 30,000 customer orders for our Lucid Air EV, as well as a commitment from the Saudi Arabian government for up to 100,000 vehicles – the largest number of orders for any market outside of the U.S. Perhaps there is a small element of national pride here, where within the transformation determined by Vision 2030, Saudis relate to the forward-thinking and luxury aspects of the Lucid brand.

Indeed, much of this potential has been unlocked due to the transformation agenda currently underway. Lucid as a company cannot do this alone. It requires a wide-reaching national approach to build complementary services, charging infrastructure, a robust local supply base, and well-trained high-tech workforce. We view this as a clear and welcome signal that Saudi Arabia is open for business and welcoming companies that match Lucid's high-tech advanced manufacturing.

How do you see complex supply chains evolving in Saudi Arabia?

A Lucid vehicle is a computer on wheels, it is not a traditional automobile. As such, establishing a Lucid facility in the Kingdom will contribute to bringing some of the most sophisticated technology in the world to the Kingdom. If you look at our manufacturing model in the US, we also make the electric powertrain, the battery pack, the printed circuit boards, and more. Parts of our factory look more like a consumer electronics atelier than a car plant.

Every original equipment manufacturer (OEM) of advanced technology like ours needs a local supply chain to be competitive. We are excited to see how the Kingdom is attracting diverse international suppliers, but also building the capacity of the local supply chains to contribute towards an automotive ecosystem's development in Saudi Arabia. This process is gaining momentum, and has a multiplier effect for employment, as each OEM job can bring 10 auxiliary jobs to the surrounding area. Lucid is also well-suited to benefit from the Kingdom's renowned production of aluminum and plastic – both of which will feed directly into our advanced manufacturing. In all of these areas, the theme is consistent: public-private sector partnerships maintain the drive of expanding supply chain development in the country.



CHAPTER 1

Economic Growth Drives Investor Appetite in the Kingdom



Q1 2022 sees more foreign investor licenses issued than the entire 2021

Investor interest in Saudi Arabia reached a historical high in Q1 2022, yielding a record-breaking number of new licenses. Marking the seventh consecutive quarterly rise, the first quarter witnessed 9,383 new foreign investment licenses. This impressive rise was supported by the government's efforts to improve the investment environment, strengthening investor sentiment as global economies rebound from the COVID-19 pandemic, an increase in the number of companies choosing to establish their regional headquarters in Riyadh.

Additionally, efforts by the National Anti-Commercial Concealment Program (Tasattur), guided by the Ministry of Commerce and other entities, as part of the National Transformation Program worked to correct the status of foreign-owned small companies and establishments. When excluding the licenses of companies who corrected their status, 1,215 licenses were issued in Q1 of 2022, representing a 153.7% growth over Q1 of 2021.



9,383

new licenses issued
in Q1 2022 (total)



19x

increase compared to Q1 2021

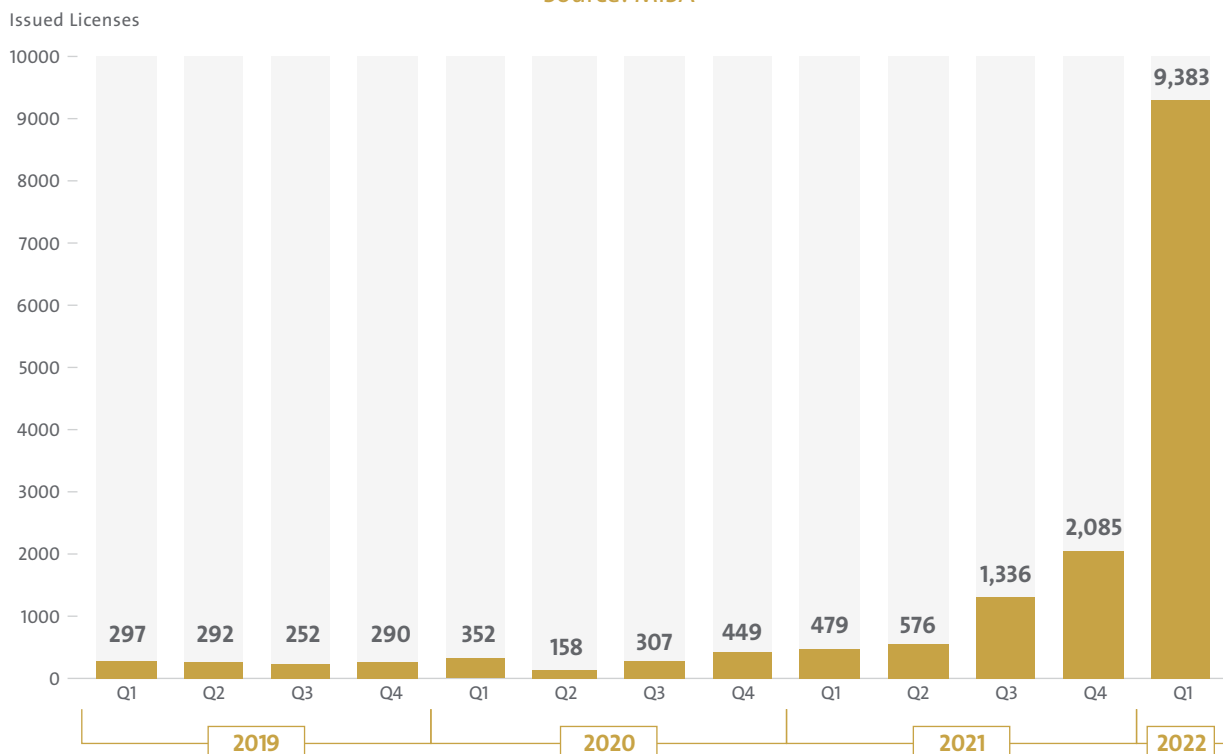


350%

quarterly increase in licenses

Number of newly issued foreign investment licenses (quarterly)

Source: MISA





Wholesale and retail sectors lead licence issuance due to strong consumer demand

With the economic recovery maintaining momentum, the wholesale and retail trade yet again topped the chart for the highest number of licenses with a 548% increase compared to the previous quarter, and an impressive 7,612% increase compared to Q1 2021, partially driven by the National Program for Combating Commercial Concealment regulation that allowed businesses to correct their status in the Kingdom. A total of 6,015 new licenses were awarded to new foreign investment projects in the sector in Q1 2022, more than three times the 2021 total of 1,760.

This rise in wholesale and retail was followed by construction and manufacturing sectors, with 1,112 and 670 new licenses, respectively, indicating that the Kingdom's diversification process is in full swing.



7,612%

increase in issued wholesale and retail licenses compared to Q1 2021



1,326%

increase in issued construction licenses compared to Q1 2021

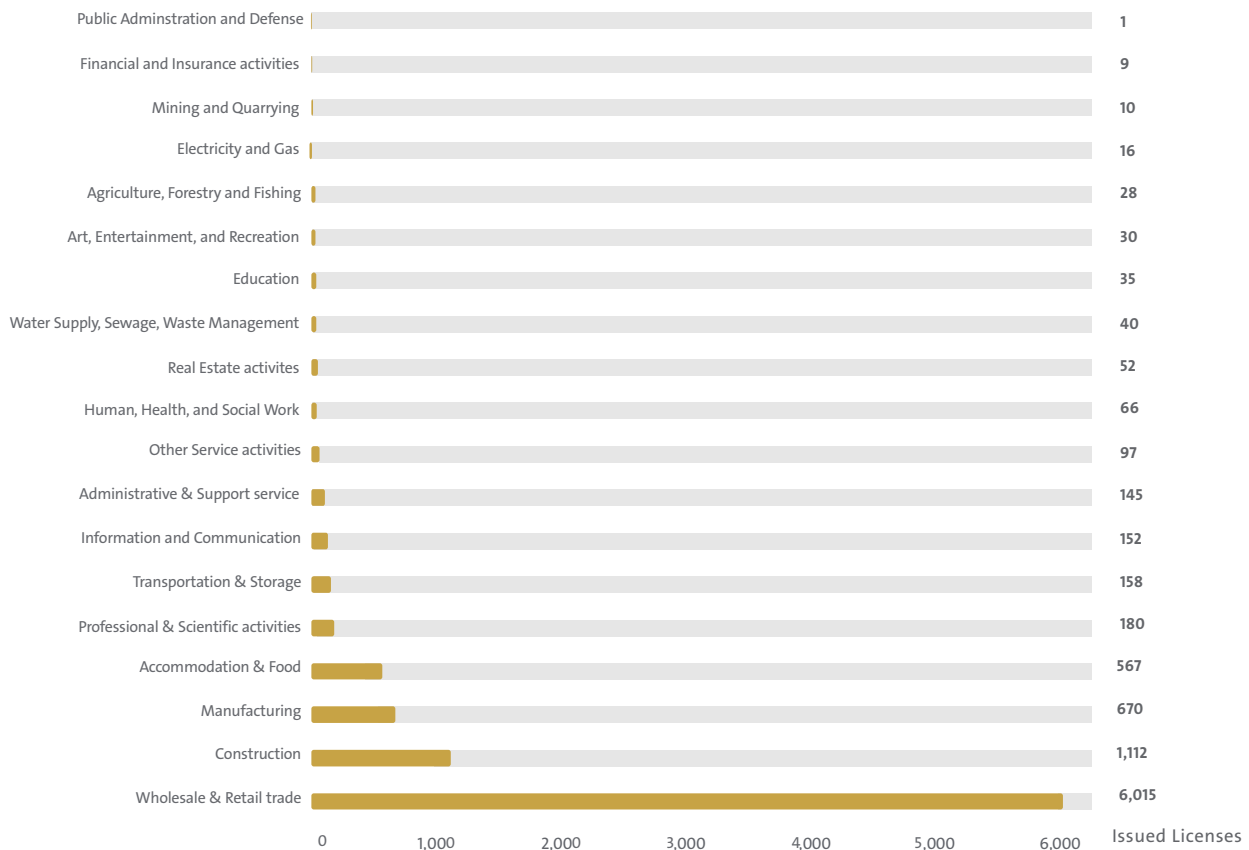


504%

increase in issued manufacturing licenses compared to Q1 2021

Number of new foreign investment licenses by sector in Q1 2022

Source: MISA





The Kingdom's FDI recovery surpassed the global average in 2021

Global foreign direct investment (FDI) rebounded strongly in 2021 following a tumultuous 2020. UNCTAD notes that global FDI increased 77% in 2021 to \$1.6 trillion (SAR 6.2 trillion) from \$929 billion (SAR 3.5 trillion) in 2020.



77%

increase in global
FDI in 2021



257.2%

increase in FDI inflow in
Saudi Arabia in 2021



\$19.3 bn

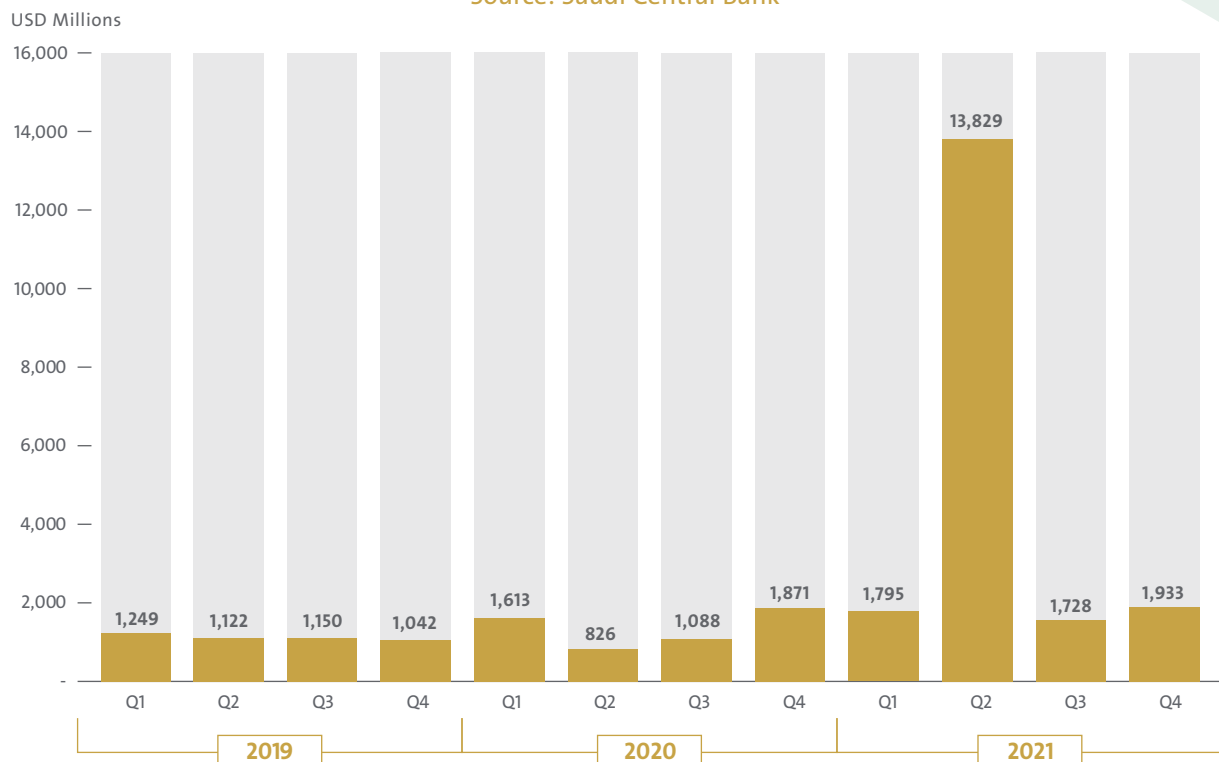
FDI inflows into Saudi
Arabia in 2021

Meanwhile, Saudi Arabia's FDI rose 257.2% in 2021, thanks largely to a \$12.4 billion (SAR 46.5 billion) infrastructure deal that was closed by Aramco with a global investor consortium. However, excluding the deal, 2021 still witnessed a 27.5% increase in FDI, with \$1.9 billion (SAR 7.1 billion) in Q4 2021.

2022 started strong for the Kingdom, with Fitch Ratings revising the nation's Long-Term Foreign-Currency Issuer Default Rating (IDR) outlook upwards from Stable to Positive, recognizing the return to a budget surplus, restrained spending, and steady market conditions.

Saudi Arabia FDI inflows

Source: Saudi Central Bank





Capital of newly licensed factories exceeds \$1.1 billion in Q1 2022

Domestic manufacturing sustained growth due to localization efforts, highlighted by continued industrial investments in Q1 2022. The first quarter saw 299 new factories starting production, with 176 new licenses being awarded.



299

factories started
production in Q1 2022



\$1.1 bn

capital of newly
licensed factories

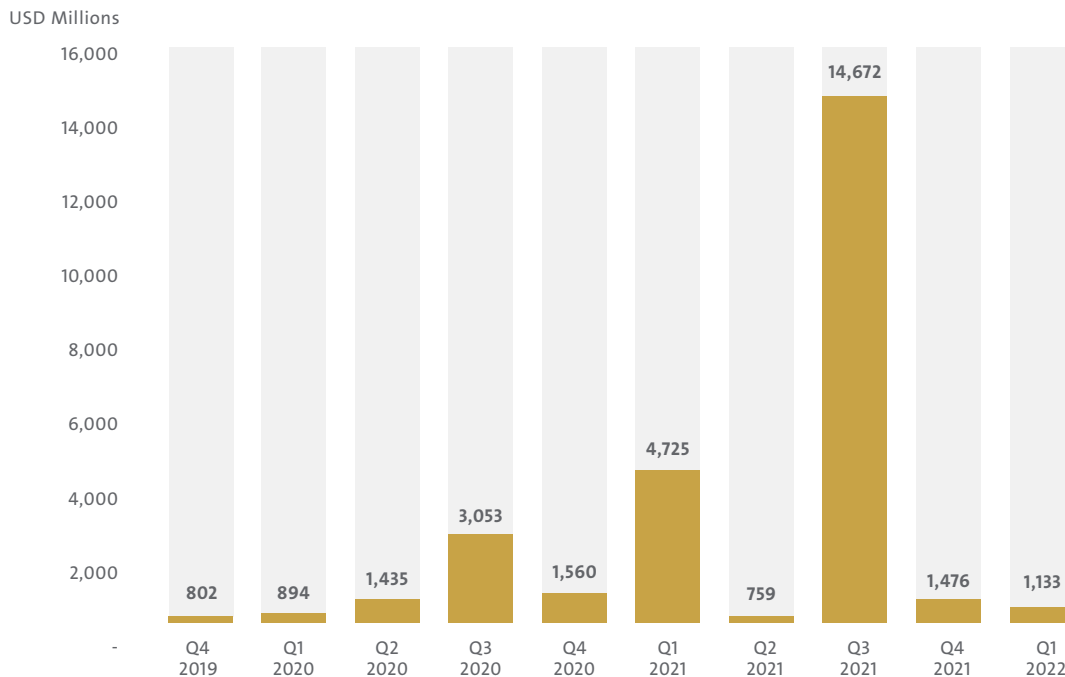


176

new licenses
issued in Q1 2022

Capital of newly licensed factories

Source: Ministry of Industry and Mineral Resources





Jump in Tadawul portfolio investment flows

Ownership in the Saudi Exchange (Tadawul) by qualified foreign investors (QFIs) increased by 29.3% in Q1 2022, compared to the previous quarter. Qualified foreign financial institutions' investments in the Tadawul grew for the eighth consecutive quarter. Foreign portfolio investment flows have significantly increased since 2019 when a regulatory change eased registration requirements and increased the range of institutional investors. At the same time, the popularity of Initial Public Offerings (IPO) in the Kingdom has surged, positioning the bourse as a regional leader with 15 out of 20 in the region in Q1.



67.6%

annual QFI ownership
increase in Q1 2022



29.3%

quarterly QFI ownership
increase in Q1 2022

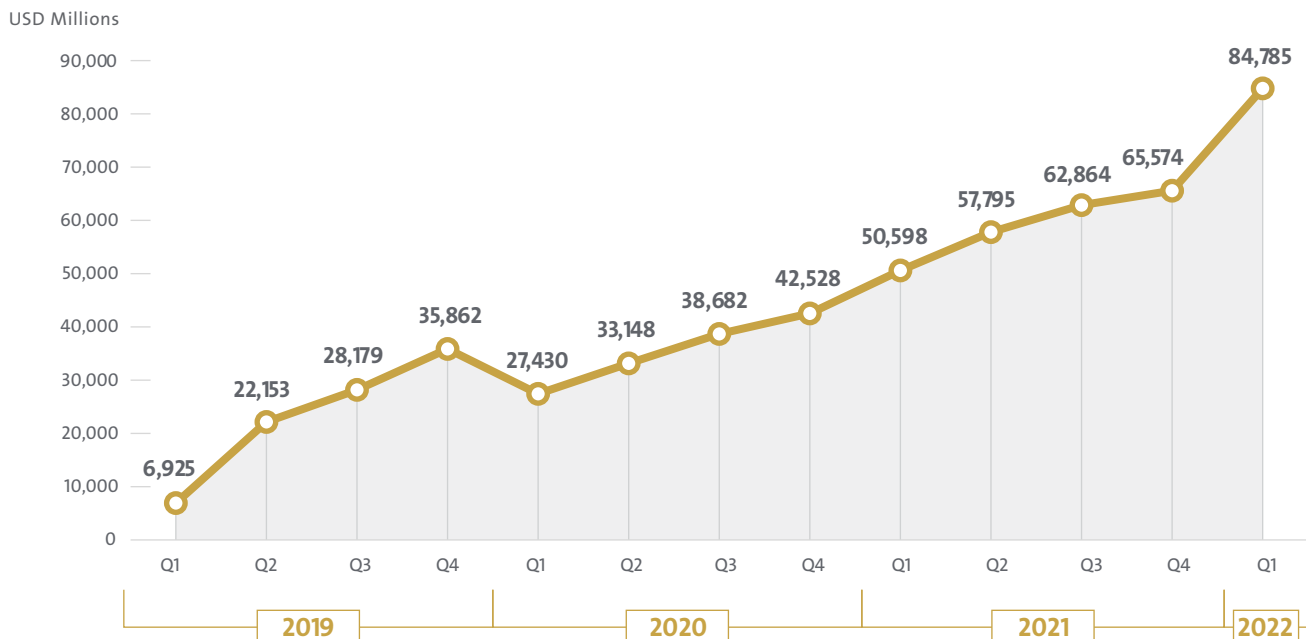


\$84.8 bn

owned by QFIs in Q1 2022

Qualified Foreign Investors (QFI) ownership in Tadawul

Source: Tadawul





CHAPTER 2

Residential Real Estate Building the Future



Real estate's role within the national masterplan

Saudi Arabia's real estate sector is one of the key enablers of Vision 2030 and has the stated goal of reaching 70% home ownership by 2030. A young and growing population, residential and commercial megaprojects, expanding infrastructure requirements, and the Kingdom's ambitious economic diversification agenda are driving real estate demand, making the Kingdom one of the most attractive markets in the region.



70%

home ownership by 2030



\$80 bn

expected increase in mortgage loans over the next 10 years



\$20.5 bn

current demand for real estate services



1.5 mn

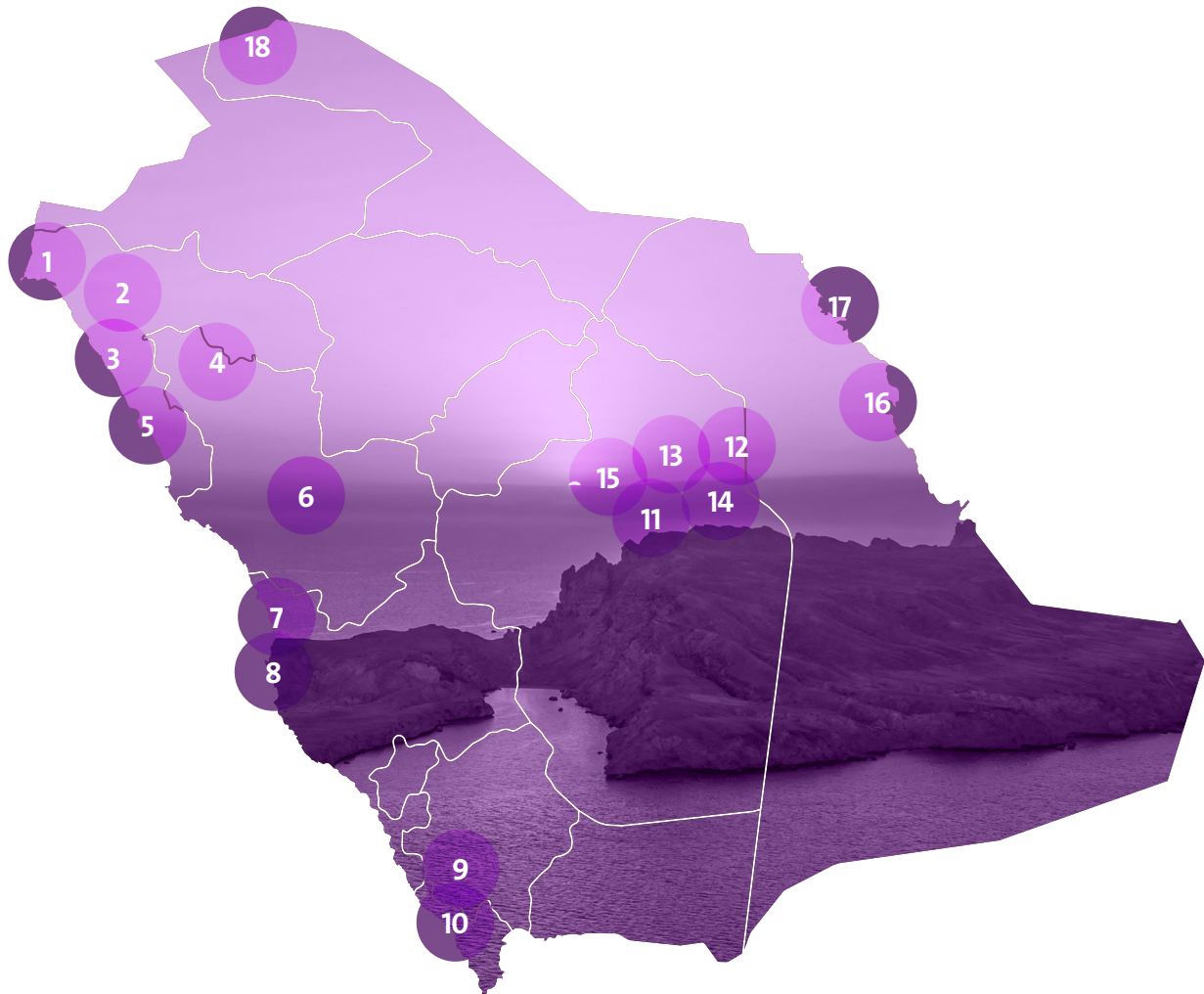
housing units to be built by 2030²



² Source: [Invest Saudi Website](#)

With a 5.7% GDP contribution at constant prices, the real estate sector was the fifth highest input to the Kingdom's economy in 2021. The sector also recorded a real GDP growth of 5.6% in 2021.³

Contracting activities in Saudi Arabia recorded a 78% rise in 2021. This upward momentum is expected to continue in 2022 as the Kingdom's giga-projects such as NEOM and The Red Sea Project proceed.



- | | |
|---|---|
| 1 NEOM | 11 Qiddiya |
| 2 Wadi Al-Disah | 12 Sedra |
| 3 AMAALA | 13 King Abdullah Financial District |
| 4 AlUla | 14 King Salman Park |
| 5 The Red Sea Project | 15 Diriyah Gate |
| 6 Knowledge Economic City | 16 King Salman Energy Park (SPARK) |
| 7 King Abdullah Economic City | 17 King Salman International Complex for Maritime Industries and Services |
| 8 Jeddah Central Project | 18 Wa'ad Al-Shamal |
| 9 Soudah | |
| 10 Jazan City for Primary & Downstream Industries | |

³ Source: [General Authority for Statistics](#)



EXPERT OPINION

Khalid Al-Amoudi

Chief Executive Officer, Jabal Omar Development Company



How is JODC adapting its strategic growth objectives amidst the reality of the pandemic?

Before the onset of the pandemic, the number of Hajj and Umrah visitors reached an all-time high of 19 million, and on average 1 out of every 10 pilgrims visited or stayed at Jabal Omar – so we are well-positioned to take advantage of a recovery in visitor numbers that saw over 6.6 million pilgrims performing Umrah during Ramadan 2022. Government strategy is playing an important role in this positive trend. The Ministry of Hajj and Umrah is increasing this year's Hajj capacity to 1 million pilgrims – that's a great turnaround after two difficult years. The sector has been provided with all the necessary guidelines to ensure that visitors from around the world can travel here safely. The Kingdom's ability to provide a safe environment for tourists has been recognized internationally - Bloomberg's Global Covid Resilience Ranking placed Saudi Arabia second highest in January this year. This generates confidence in our industry, and we aim to build on that by working with our strategic partners to bring new efficiencies to our business over the coming period.

What key governmental initiatives do you see stimulating growth in the hospitality and housing markets in Saudi Arabia?

The government's actions in a range of areas have had beneficial consequences for our sector. Its support for megaprojects across the Kingdom has increased demand for land and generated investment opportunities. Saudi Vision 2030 has brought almost \$1 trillion of announced real estate and infrastructure investment to the nation since 2016, according to recent research. This capital is stimulating the entire value chain, from commodity producers to suppliers, sub-contractors, major developers and real estate consultancy. More particularly, a series of regulatory changes have created a more favorable environment for private real estate players, boosting activity and helping the market to shake off the effects of the pandemic. The most important of these

are the recent amendments to the Real Estate General Authority's regulations, aimed at raising the efficiency of non-governmental real estate activities and encouraging capital inflows. Combined, developments such as these are attracting further investment and strengthening the private sector's role in the Saudi real estate sector.

What is your strategic vision for mixed-use living in Makkah, and what promise does the city hold for quality living?

Our vision is to build and operate a prime, mixed-use mega complex with high end hotels, a great shopping experience, luxury residential units and other prime commercial assets that will shape the urban landscape of the central area of Makkah. The city is full of opportunities. JODC owns and operates flagship assets and has a strategically located land bank in one of the liveliest areas in central Makkah, putting us in a strong position to capitalize on the city's growth. Government programs aimed at supporting the Hajj and Umrah industry – such as e-visas and the introduction of the long leasehold format - are adding further momentum. There is a growing demand for high quality housing and leisure options, and we are here to serve it.

How are you adapting to the needs of religious visitors and embracing the opportunities presented by Halal tourism?

Global spending on Halal tourism increased from \$58 billion to \$102 billion in 2021 and is expected to reach \$189 billion by 2025. The world's hospitality players are responding accordingly, attracting Muslim tourists with options such as halal food and prayer facilities. Looking to Saudi Arabia, more than 30,000 hotel rooms are currently under construction to meet pent-up demand from pilgrims returning to its holy cities. Capturing this growth opportunity means building partnerships and creating attractive, integrated products. The ability of a visitor to the Kingdom to carry out Umrah, stay at a luxury hotel and shop at a premier mall in Jabal Omar, and then relax at a Jeddah resort or explore historical sites - all in one trip - is a key pull-factor for the Saudi market.



Home to the world's largest projects

Saudi Arabia is home to some of the world's largest real estate developments, bolstered by ambitious government spending expected aimed at bringing about a new standard of living. The multi-phase developments in residential, commercial, retail, and entertainment real estate are rewriting the global standards of the sector, as Saudi Arabia targets 1.2 billion sqm of the built-up area by 2030.



Urban Development

Multiple large scale developments across the Kingdom's major cities with core residential assets

\$1.5 bn average ticket size



Real Estate Development

Small and medium multi asset class developments

\$57 mn average ticket size

10.3% average IRR



Government Building Development

Government assets with DBOT, SWAP, and hybrid models

\$130.2 mn average capex

10% estimated equity IRR

Scale

National Housing Company tackles supply head on



The National Housing Company (NHC) is the real estate investment arm of the Ministry of Municipal, Rural Affairs and Housing, working to create over 147,000 residential units in the near term. The firm has more than 107 projects being delivered in partnership with 71 developers. Following demand trends in the Kingdom, NHC's ethos is to create mixed-use developments that prioritize community and local services, presenting a broad scope for partnerships and commercialization.

Quality

Al Majdiah Residence brings quality to the mid-market segment

Al Majdiah Residence plans to sell 3,000 units in 2022, ahead of a planned public listing on Saudi Arabia's Tadawul stock exchange. The developer has a core focus on quality and integrated services for apartments.



Ambition

ROSHN to develop EV charging stations for every home



Saudi Arabia's PIF-backed real estate developer, ROSHN, has announced that it aims to set up electronic vehicle (EV) charging stations near every home. Speaking at the Real Estate Future Forum in February, the ROSHN Group CEO, David Grover, said that they would be aiming to install the EV charging stations as more people are opting for hybrid cars. ROSHN's ongoing Sedra project in Riyadh is spread over an area of 20 million sqm with the planned development of 30,000 houses using sustainable means.



Global aspiration, local excellence: MIPIM highlights

In March 2022, Saudi entities, including the Ministry of Investment (MISA) and the PIF-backed community developer ROSHN attended the International Real Estate Exhibition (MIPIM) in Cannes, France.



20,000
event visitors

The event attracted 480 speakers and 3,800 exhibiting companies from over 100 countries, providing an unrivaled platform for the Saudi delegation to share its vision of a new way of living in Saudi Arabia.



1,878
Saudi pavilion visitors

With the participation of the sector's most influential representatives in the Kingdom, including the Ministry of Municipal, Rural Affairs and Housing, the Royal Commission for the City of Riyadh, the National Housing Company, ROSHN, Retal, and Ajdan, a total of 12 Saudi-foreign partnerships were signed on the sidelines of the exhibition.⁴

ROSHN Group CEO, David Grover, started proceedings at the Saudi pavilion by sharing the company's experience of reshaping urban communities for a people-centered, sustainable future.

Saudi Arabia's Vision 2030 ambitions include increasing home ownership in the Kingdom to 70% by 2030, and establishing three Saudi cities among the top 100 most livable cities in the world. These goals are underlined by efforts to increase the participation of the private sector in the economy to 65% of GDP.



⁴ Source: [Saudi Gazette](#)



EXPERT OPINION

David Grover

Group CEO, ROSHN



ROSHN



How is the real estate ecosystem working to reach Vision 2030's goal of 70% homeownership by the end of the decade?

The drive to meet the government's ambitious homeownership target is sector-wide and includes publicly funded giants, private sector players, domestic, global suppliers and investors, both at home and abroad. We all share a similar goal: the provision of quality housing to meet rising domestic demand. However, at ROSHN we believe that our expanding real estate ecosystem can do more than that. We are building communities that will change the way we live by encouraging people to recycle more, produce less waste, and live healthier and more active lifestyles. This move towards a more environmentally conscious existence is supported by new design concepts and building techniques that are changing the face of Saudi Arabia's urban landscape. Meeting such an ambitious target is certainly a challenging task – the global pandemic has brought interruptions to global supply chains, rising materials costs, and unwelcome disruptions to work processes. However, thanks to the timely response of the government and the flexibility of the domestic real estate ecosystem, we as a sector are overcoming these challenges and bringing a new way of living to the Kingdom.

What is the relationship between PIF-backed companies like ROSHN and the private sector?

As a PIF-powered organization, ROSHN is able to undertake projects at scale. As our initial project in Riyadh, SEDRA, moves into its later phases of development, we are already working on bringing our vision of high-quality, integrated communities to Al Kharj in the Central Region, Al Hofuf and Al Qatif in the Eastern Region, and the Western Region's Jeddah, Makkah and Abha. The private sector is playing an important part in this process: building efficiently at this scale requires us to use the latest construction techniques and innovative materials, many of which we have secured through partnerships with domestic and global entities - including global construction giant Samsung C&T, with which we are exploring modular construction techniques, and Retal Urban Development, renowned for its cutting-edge housing options for new urban neighborhoods.

This collaborative approach between the public and private sectors ensures that cutting-edge technology and techniques are disseminated across the industry, benefiting both developers and their customers.

How do questions of sustainability impact ROSHN's approach to projects and capital expenditure?

The issue of sustainability informs all our decision-making, from master planning to unit design and the various interior finishing options we offer our customers. At the master plan level, we ensure our communities are green and vibrant places by including pedestrian spines, accessible parks and lively open spaces. As well as enriching the Kingdom's environment with 1 million trees, our open layouts allow residents to leave their cars at home when they want to shop, pray, eat in a restaurant, or visit a health center. When it comes to construction, we use local materials where possible, to support the domestic economy while reducing the carbon cost of transport. We also ensure that the infrastructure we build is as energy efficient as possible by deploying a wide range of advanced technologies, including smart systems in areas such as waste management, site security and irrigation. These are just a few of the myriad ways we seek to increase the sustainability of our communities – our efforts in this area are continuous and rapidly evolving as new technologies and processes become available.

To what extent is there domestic demand for sustainable housing stock?

Demand for sustainable housing options is growing. This is a global trend, and in Saudi Arabia it is also being driven by pro-active government policies, such as the Saudi Green Initiative, that are supporting the private sector around sustainability as well as increasing consumer awareness. This development brings benefits to all stakeholders. Sustainable real estate projects offer a higher quality of life in terms of environment and energy savings, which makes them popular with consumers. Real estate developers in the Kingdom are increasingly aware of this and are building a growing array of sustainability concepts into their projects. The ultimate beneficiary of this trend is Saudi Arabia itself, which will enjoy a cleaner and greener future as a result of the changes we are seeing in the industry today.



Investing in the built environment



17

REITs listed on the Tadawul



15%

VAT exemption

Residential real estate prices rose by 1.5% on an annual basis in Q1 2022. Driven in part by a 1.8% increase in land plots prices, this growth reflects an increased demand on housing stock in a sector that is exempt from the 15% rate of VAT, and subject to reforms in mortgage financing devised to increase liquidity.

Real Estate Investment Trusts (REITs) are benefitting from broad access to investable assets, in both greenfield and brownfield segments. REITs are consistently among the top performers on the Tadawul exchange, with 17 current listings.

However, market demand is high, and authorities are working with the private sector to bring more investment vehicles online to satiate investor demand. One example of this improving market access is a fund launched by Jadwa Investment in Q1 of this year, targeting \$800 million (SAR 3 billion). In partnership with Tatweer Group, Numu Holding Company, and Riyadh Bank, this Sharia-compliant fund will now potentially provide access for non-Saudis to invest in assets located in Makkah and Madinah, as per a Capital Market Authority (CMA) ruling at the close of 2021.

Sukuk (sharia compliant bond) issuance also gained momentum in Q1 of 2022, with the Saudi Real Estate Refinance Company (SRC) officially closing its SAR-denominated 10 billion offering Sukuk Programme. The last tranche, offering \$1.1 billion (SAR 4 billion) for Saudi institutional investors, was 1.8 times oversubscribed and signals continued strength in mortgage demand from consumers.

Case study: Crowdfunding

Demand for real estate investments is also coming from retail investors, though traditional closed-end instruments are typically hard to access for individuals. The CMA launched the FinTech Lab as a regulatory sandbox to service this space for firms bringing innovation to market.

Aseel is one such company and provides short-term, crowd-funded real estate investment opportunities starting from just \$266.7 (SAR 1000). Investable funds are broken down by sub-sector on the platform, with products covering residential, infrastructure, and income-generating properties.

Although still operating within a regulatory sandbox, Aseel has proven attractive for individual investors. An April funding round was closed just two hours after launching, with 2,244 investors filling the \$13.3 million (SAR 50 million) required investment.



CHAPTER 3

Reforming the Investment Environment





Overview

Saudi Arabia's Vision 2030 and its implementation programs are driving significant change in the legislation and regulations that govern business, trade, and investment in the Kingdom. A combination of heightened transparency, more clearly defined rights and responsibilities, and a more robust legislative framework opens new opportunities for foreign and domestic investors.

The Kingdom's new investment law

In January 2022, Minister of Investment H.E. Khalid Al Falih announced that Saudi Arabia is drafting a new Investment Law that will allow local and global investors to be treated equally. The draft law introduces a broad range of innovations that will catalyze investment across the economy.

- Local and foreign investors subject to the same requirements for licenses and registration
- Permits for certain economic activities and economic zones harmonized for all investors
- Foreign investors permitted to conclude contracts and acquire, liquidate or sell any registered company
- Confiscation of direct investments will be prohibited unless a relevant court ruling has been issued

The draft law is centered around the goals of enhancing the investment environment and ensuring equal and fair treatment of investors, as well as protection of their investments by preserving investor rights, and increasing investors' confidence.

- Impartial and non-discriminatory treatment
- Freedom to manage the economic enterprise; acquire, sell, or dispose of it
- Facilitating procedures and providing facilities for necessary support and assistance
- Transferring funds within and out of the Kingdom, including transferring the proceeds and profits of the enterprise
- Protecting intellectual property, confidential business information, and personal data
- Recourse to courts or arbitration centers in the Kingdom
- Guaranteed due process in all proceedings; with fairness, transparency, and clarity

The Kingdom also intends to set in motion significant penalties for any party violating it, making sure that the law is observed and respected by all investors.

- Up to \$133,000 (SAR 500,000) financial fine
- Cancellation of the investor's registration or authorization
- Withholding or cancelling all or part of any investment enabler guaranteed to the investor

The new investment law is expected to further contribute to Saudi Arabia's improving investment environment, helping realize several aspects of the Kingdom's Vision 2030, such as increasing SMEs' contribution to GDP from 20% to 35% by 2030 and to become one of the top destinations for global investors.



Saudi Arabia's new data protection law

Saudi Arabia introduced its new data protection law in March 2022. It is the first dedicated data protection law in the Kingdom's history and will form a key part of the legislative infrastructure supporting a growing digital economy.

- Establishes the rights of data owners, including the right to be informed, right to access data collected about them, and right to request corrections
- Establishes a clear framework for consent in data collection
- Lays out the requirements applied to cross-border data transfers
- Introduces privacy policy framework for employees





National Investment Strategy opens a new chapter in the Kingdom

Launched in 2021, Saudi Arabia's National Investment Strategy (NIS) maps the route by which the Kingdom will be turned into an investment powerhouse and global hub for business and talent.



\$533 bn

(SAR 2 tn) annual investment volume by 2030



\$3.2 tn

(SAR 12 tn) of cumulative investment 2021-2030



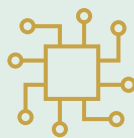
\$480 bn

(SAR 1.8 tn) cumulative Foreign Direct Investment (FDI) 2021-2030

Existing strengths will be built on, and new sectors targeted with incentive policies and capital attraction programs.



Green energy



Technology



Healthcare



Biotechnology



Mobility and logistics



Innovative startups and entrepreneurship

The interventions outlined in the NIS will be deployed across four strategic pillars: investment opportunities, investors, funding, and competitive enablers.



Investment opportunities

- o Supply Chain Program
- o Connecting 'INVEST SAUDI' with all investment opportunities
- o Identifying and detailing investment opportunities for each sector strategy



Investors

- o Strengthening the relationship between government and the private sector
- o Differentiated services to strategic investors
- o Clarification of the role of government and private sector
- o A regional hub for start-ups and entrepreneurship



Funding

- o Creating new funding tools to enhance capital formation



Competitiveness enablers

- o Four to five new Special Economic Zones
- o Sector-wide incentive packages and special project incentives
- o Promotion of Saudi Arabia as an attractive investment destination

Additionally, the NIS introduces two 'Speed-2' interventions to be implemented over the longer term.



A new 'consultative' partnership between the government and private sector



A program to improve the regulatory environment for investment



The introduction of the NIS has helped boost market clarity and investor confidence - positive outcomes that are reflected in the Kingdom's strong investment metrics in terms of FDI inflow, new foreign investor licenses, and local investment.



\$19.3 bn

(SAR 72.4 bn) in FDI inflows in 2021, an increase of **257.2%** over the previous year



9,383

new foreign investor licenses in Q1 2022



10.1%

year-on-year growth of total Gross Fixed Capital Formation in 2021



26.7%

year-on-year growth of private sector Gross Fixed Capital Formation in 2021

The interventions outlined by the NIS will bring significant improvements to the investment landscape.



New locations

- o Four to five new Special Economic Zones (SEZs)
- o New incentives, competitive regulations, and administrative benefits
- o Access to the largest market in the GCC



New funding

- o \$3.2 trillion (SAR 12 tn) injected into the local economy
- o Support from the Public Investment Fund (PIF) and Shareek program
- o Novel funding tools, such as hybrid financing



Increased competitiveness

- o Top ten in WEF's Global Competitiveness Index by 2030
- o Regulatory and legislative reform
- o Incentive packages for selected projects
- o Government assistance with connecting to investment opportunities
- o Support with placing products and services in external markets



Reform in action: Easing market entry in business growth

amazon

Amazon, MISA sign agreement to boost SME growth

In March, Saudi Arabia's Ministry of Investment (MISA) and the global tech and e-commerce giant Amazon signed a Memorandum of Understanding (MoU), adding momentum to the Kingdom's localization agenda. Amazon is expanding its footprint in Saudi Arabia as the company plans to build 11 new buildings in the Kingdom, increasing its storage capacity by 89%.

While the MoU is expected to boost opportunities for small and medium enterprises (SMEs) across the Kingdom, MISA and Amazon have also formed a joint committee to focus on developing skills, technology, and infrastructure, supporting knowledge and trust in online shopping, and e-payments. The MoU further states that MISA and Amazon will work with a broad range of public sector actors to produce and deliver support and incentive programs aimed at increasing the development and adoption of investments in digital services and e-commerce.

Knowledge-sharing partnerships such as with Amazon are being prioritized as the Kingdom works to onshore world-class innovation and talent. The Kingdom's Vision 2030 has set an ambitious goal of increasing SME contribution to GDP to 35% by 2030, up from 20% in 2016.





Saudi Arabia's start-up sector sees \$162 million in new investments

Following a raft of structural reforms, including the establishment of the General Authority for Small and Medium Enterprises (Monsha'at) in 2016 and the launch of the MISA Entrepreneur License in 2018, the Kingdom's start-up ecosystem has become one of the most dynamic in the region.

As a result of best in class market-entry regulations, easy licensing process, and numerous investment enablers, local and foreign entrepreneurs alike are choosing the Saudi Arabia to start or scale their business.

At the Global Entrepreneurship Congress event in March, MISA revealed the issuance of six licenses to start-ups and venture capital companies to further contribute to the Kingdom's economic diversification agenda. The six entities have agreed to collectively invest up to \$162.2 million (SAR 608.5 million), operating in various areas from dental services to re-commerce platforms.

Direct Investments



\$14 mn
Rabbit



\$13.3 mn
Cartlow

smileneo⁺
Smileneo
\$5.8 mn



soum
Soum
\$4 mn

Venture Capital

imVentures

\$100 mn
imVentures

PLUGANDPLAY

\$25 mn
Plug & Play
Tech Center

One of the most active start-up scenes in the region, Saudi Arabia continues to support entrepreneurs, particularly in the technology space, a key pillar of the Kingdom's Vision 2030.

The enhanced regulatory environment, with key government stakeholders like MISA and Monsha'at, as well as the newly established National Investment Strategy, enables entrepreneurs to more easily enter Saudi Arabia, and join the transformation journey as the G20 economy opens itself to investment from investors all over the world.

Want to join them? Visit the [INVEST SAUDI](#) website and submit an application. It only takes one day to receive a license.



CHAPTER 4

Market Diversification Yields Key Deals





Entrepreneurship and manufacturing drive new deals

Saudi Arabia's diversification agenda continued in full force in Q1 2022, with the Kingdom's Ministry of Investment overseeing the signing of nearly 100 investment deals throughout the quarter.

While deals in the entrepreneurship space led the quarter, the most significant movement was the global electric vehicle manufacturer Lucid's announcement to start building a manufacturing facility in the Kingdom.



101

closed deals



57

deals with disclosed
investment amounts



\$4+ bn

in expected investment



5,816

jobs to be created



EXPERT OPINION

Paddy Padmanathan

Vice Chairman and Chief Executive Officer, ACWA Power



How would you characterize the energy sector in the Kingdom?

The goal of Vision 2030 has been to reorient the economy of Saudi Arabia beyond oil and gas. Not so much replacing oil as transcending it. It's much more than plans and words: it's real action. In order to drive economic efficiency, the country has been boosting private sector participation, industrialization, and creating a knowledge economy. These may sound ambitious, but they are already being achieved. The country also wants to end liquid fuel burning by 2030, even though it generates 45% of today's electricity. Toward this end, it is increasing its renewable energy capacity to 50%, from practically naught five years ago. In addition to an ambitious plan to install 56,000MW using mostly solar and wind, it is also exploring geothermal and even hydroelectric. Energy efficiency and reducing waste are the country's next big priorities, not to mention unlocking investment opportunities.

What is the current scale of renewables input, and what benefits to business does this present?

Since 2015, the country has added 1,000MW of renewables into the system. That may not sound significant by itself, but there is another 3,000MW in construction and 4,000MW in the tender stage. Once a project is initialized here, it moves very quickly. Additionally, the scale at which the country is doing these projects is very different—not 100 or 150MW at a time, but 1,000 or 1,500MW. Since it is procuring so much capacity, the market has also been able to seriously contemplate localizing technology, component production, and manufacturing.

Coming out of the pandemic, it is increasingly making sense to localize supply chains. What is needed for photovoltaic cells? Silicon and energy, both of which the Kingdom possesses in abundance. The same holds true for wind turbines: what is the largest component? The blades, whose chief component are resins, all of which are made by Saudi Arabia's chemical manufacturer SABIC.

Currently, the Kingdom takes raw materials and ships them to East Asia, only to then reimport them as value-added products. We can and should be producing this equipment in Saudi Arabia, which provides another significant opportunity for manufacturers and investors.

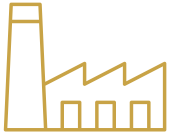
To what extent is innovation playing a role in the energy transition in Saudi Arabia?

To give but one example, there are leading innovation centers at the King Abdullah University of Science and Technology (KAUST) and the King Abdulaziz City for Science and Technology (KACST), replete with excellent hardware and human capital. Granted, we at ACWA Power are not inventors. Our core business is to develop and invest in power generation. But we see the opportunity to create more value by optimizing all the information and operational experience we have and then applying it innovatively in the field. Saudi Arabia provides a sound economic foundation, an established infrastructure, and an enabling investment framework that transparently welcomes innovative projects. It also has a host of hard-working people who are enterprising, savvy, and agile; who quickly adapt to new manufacturing and control systems and technologies; and who know how to take risks. All of this makes the Kingdom a very attractive proposition that people need to pay more attention to. Invest in one plane ticket and two days of your time and see for yourselves.

How does the Kingdom's energy ecosystem unlock the possibility of green hydrogen production?

Since the country is blessed with so much sun and wind, and a credit-worthy environment, it is able to generate electricity at very low costs. Crucially, this also allows it to contemplate the very electricity-intensive process of producing green hydrogen, which until now has only been possible by burning coal, oil, or gas. By splitting the H₂O molecule to produce hydrogen with low-cost electricity, Saudi Arabia can eliminate carbon emissions altogether. It can be used as an energy source for so many things—steelmaking, cement, and more—all of which helps in the decarbonization quest. Saudi Arabia is not the first to go after green hydrogen, but it is currently building the first at-scale production facility in the world. At NEOM, an approx. \$5 billion facility will soon be ready to produce 650 tons of green hydrogen a day, or 240,000 tons per year—more than all the green hydrogen plants in the world currently produce. And there are 9 more projects of this scale set to launch by 2030. The resources are there, the land is there, the sun is there, the willingness and opportunity are there.

Deals across different sectors show diversification in full swing



Advanced Manufacturing

Lucid Group to open the first international plant in Saudi Arabia

In February, Lucid Group announced that it would open its first international manufacturing plant in Saudi Arabia with an investment worth up to \$3.3 billion (SAR 12.4 billion). The facility will also be a major contributor to the Kingdom's efforts to develop local manufacturing capabilities as it will provide more than 4,000 jobs.

Hyundai, Saudi Aramco to develop eco-friendly vehicle engine

Hyundai Motor Group announced in March that it will collaborate with Saudi Aramco, as well as King Abdullah University of Science and Technology in jointly developing an environmentally friendly fuel and engine for vehicles. While the project is expected to take up to two years, it will contribute to the Kingdom's Vision 2030 ambitions of reducing carbon emissions.



Human Capital Innovation

US' ACCEL International and Maarif Education partner to develop special education

Saudi Arabia's Maarif Education has partnered with the American special educational needs support organization, ACCEL International, to develop a multi-tier support system for special needs education in Saudi Arabia. The partnership will start with Manarat Riyadh School and will be the first of its kind as part of the education sector development under Vision 2030. It is estimated that about 800,000-1,000,000 students in the Kingdom require special educational needs support.



Financial Sector

Saudi Arabia grants license to local digital lender D360 Bank

In February, the Saudi Central Bank (SAMA) announced that the Council of Ministers has granted license to the local digital lender D360. SAMA said the new digital bank will start its operations with an initial capital of \$440 million (SAR 1.7 billion). With the licensing of D360, the total number of operational banks in the country has risen to 35 banks.

SAMA grants 2 licenses to new payment services companies

The Saudi Central Bank (SAMA) has announced in February that it has licensed Paylink and Moyasar Financial Company to provide e-commerce payment services in the Kingdom. The licensing of these companies is seen as a step toward fulfilling the Financial Sector Development Program's ambitions to bolster the development of the financial technology sector by allowing entry of new players.



Information and Communication Technology

Saudi Arabia announces \$6.4 billion investments for future tech

In March, Saudi Arabia's Ministry of Communications and Information Technology announced that the Kingdom had signed tech investments worth \$6.4 billion (SAR 24 billion) in a bid to further accelerate digital transformation. The investments include a \$2 billion (SAR 7.5 billion) joint venture between eWTP Arabia Capital and China's J&T Express Group, a \$1-billion (SAR 3.8 billion) injection from Aramco's Prosperity7 Ventures, and a \$1-billion (SAR 3.8 billion) investment by STC in submarine cables and data centers.

Saudi Arabia's Dawul raises \$5 million in seed round

Saudi Arabia's social trading platform, Dawul, has raised \$5 million (SAR 18.8 million) in a seed round led by RAED Ventures. In a statement made by the company in January, the investment is said to be used to increase Dawul's social trading-related products, hire more staff and expand its network in the Middle East and North Africa, US, and the UK.

Saudi-based Lucidya raises \$6 million in second funding round

Lucidya, a Saudi Arabia-based tech start-up has raised \$6 million (SAR 22.5 million) in a funding round this January, led by Rua Growth Fund. Lucidya said the fund will be used to expand the company's product offering which helps companies provide AI-powered customer experience to their clients.

Saudi Arabia launches gaming, e-sports group Savvy

Saudi Arabia's Public Investment Fund (PIF) launched a gaming and e-sports group earlier this year, named Savvy Gaming, as Sweden's MTG announced it would sell ESL Gaming to Savvy. MTG had earlier agreed to sell ESL Gaming to Savvy for a fee of \$1.1 billion (SAR 3.9 billion). PIF said the goal for Savvy Gaming is to "become the leading gaming and e-sports group domestically and internationally.



Defense

MISA signs 12 MoUs to promote investment in defense industry

Saudi Arabia's Ministry of Investment inked 12 memoranda of understandings (MoUs) at this year's inaugural World Defense Show to help strengthen the local aerospace and defense ecosystem. The deals included close cooperation with the likes of global aerospace and defense innovator L3Harris Technologies, the video surveillance company Hanwha, and the Korean aerospace manufacturer LIG. MISA said that the MoUs aim to advance manufacturing and systems development, localize capabilities of these companies, promote technology transfer, and build local expertise in the aerospace and defense sector, in addition to boosting investment.



Entertainment

Biggest cinema in Saudi Arabia opens in Riyadh Boulevard

Muvi Cinemas opened the Kingdom's largest movie theater in March, bringing 25 new screens to Saudi Arabia's entertainment sector. With the addition of the latest screens, Muvi Cinemas now has 21 theatres and 195 screens across the Kingdom and highlights the growth of newly liberalized sectors such as entertainment and culture.



Petrochemicals & Conversion Industries

Halliburton opens Saudi chemical plant

Halliburton has opened a first-of-its kind facility in Saudi Arabia to support oil and gas value chain as well as a range of other sectors by manufacturing a broad range of chemicals. The Halliburton Chemical Reaction Plant will also enable support for Saudi Arabia's agriculture, mining, and personal care industries. The establishment of the new factory forms part of Halliburton's more than \$1 billion (SAR 3.8 billion) commitment to Saudi Arabia over the past 10 years.

Honeywell announces the launch of a new production facility in Saudi Arabia

Global technology leader, Honeywell, has announced the opening of a new production facility for oil and gas in Saudi Arabia, located in Jubail. The facility, which will include 2,000 sqm workshop and a 1,000 sqm office space, is expected to create at least 20 additional jobs in the Kingdom. Honeywell said that the new facility will contribute to the goals of Aramco's In-Kingdom Total Value Add (IKTVA) program to localize 70% of supply-chain production and jobs by 2030.

Baker Hughes and Dussur sign agreement to form a chemicals JV in the Kingdom

US-based international industrial service company Baker Hughes and Saudi Arabia's Dussur have signed an agreement to form a joint venture (JV) company focused on providing oilfield and industrial chemicals in Saudi Arabia. As part of the agreement, Baker Hughes' manufacturing facility in Jubail will support the chemicals needs of Saudi Arabia, while localization efforts through the JV will support advancing the local workforce skills. Baker Hughes is set to own 51% of the JV, while Dussur will own 49%.



Tourism

Playa Hotels & Resorts bringing all-inclusive resorts to the Kingdom

In March, Saudi Arabia's Tourism Development Fund (TDF) announced that Playa Hotels & Resorts will bring its all-inclusive offerings to the Kingdom. The move will mark the luxury brand's first launch outside of the Americas and will be established in the Kingdom's untouched coastal areas along the Red Sea and the Arabian Gulf.

TDF announces \$80 million deal with Al-Ameen Real Estate to develop tourism destination

Saudi Arabia's Tourism Development Fund (TDF) announced an \$80 million (SAR 300 million) partnership with Al-Ameen Real Estate, part of Al Nahla Group, to develop Taif Front as a tourism destination. Taif Front is expected to be a summer hotspot and retail, entertainment, and dining center. The facility is expected to be developed over 100,000 sqm and upscale feature accommodation with more than 150 hotel keys.

Kerten Hospitality and Rooh Al Reef Hotels join forces to build ecological resorts

Ireland-based Kerten Hospitality has teamed up with Rooh Al Reef Hotels Company to develop community and sustainability-driven resorts throughout the Kingdom. Having formerly opened The House Hotel City Yard lifestyle and community destination in Jeddah, Kerten Hospitality will now move its Cloud 7 brand into Saudi Arabia. Under the agreement, the first resort will be built in Abha and will include 70 sustainable eco villas, suitable for long- and short-term visits.



Healthcare and Life Sciences

MISA signs deal with GSK to develop the healthcare sector

Saudi Arabia's Ministry of Investment has announced the signing of a deal with GSK to improve the Kingdom's healthcare and life sciences sector. The Memorandum of Understanding (MoU) signed by the two parties aims to localize manufacturing, transfer knowledge and technology, and set up research collaborations with the Kingdom's healthcare experts.



Entrepreneurship

Egypt's Rabbit to invest \$60 million in Saudi Arabia

Egypt-based quick commerce start-up Rabbit has announced that it expects to invest \$60 million in Saudi Arabia over the next two years, as the company recently received its license to operate in the Kingdom. Having raised \$11 million (SAR 41.3 million) in pre-seed founding last year, Rabbit announced that it expects to create around 700 jobs in Saudi Arabia.



Mega and giga projects broaden economic base and partnerships

Saudi Arabia's mega and giga projects, ultimately revealing the Kingdom's vision for the future, continued to cover ground in the past quarter as investors from around the globe started to show clear interest.



Saudi Arabia announces TROJENA: The global destination for mountain tourism in NEOM

His Royal Highness Crown Prince Mohammed bin Salman announced a new project to redefine mountain tourism for the world in NEOM. TROJENA, the Kingdom's new mountain tourism destination based on the principles of ecotourism, will feature attractions such as a ski village, ultra-luxury family and wellness resorts, a wide range of retail stores and restaurants, in addition to sports activities, including a ski slope, watersports and mountain biking, as well as an interactive nature reserve. The project is set to be completed by 2026.



700,000
visitors by 2030



7,000
permanent residents



+10,000
jobs to be created by the project



\$800 mn
contribution to the
Kingdom's GDP by 2030



NEOM launches ENOWA to lead its world-class, sustainable energy and water systems

Saudi Arabia's NEOM announced a new subsidiary company, ENOWA, to lead the development of its world-class, sustainable energy and water systems. ENOWA will be key to supporting the infrastructures of NEOM's most important projects.



NEOM

THE LINE

THE LINE: NEOM's
revolutionary urban
development



OXAGON

OXAGON: NEOM's
reimagined
industrial city



TROJENA

TROJENA: NEOM's
sustainable mountain
tourism destination

ENOWA will also represent NEOM as the principal shareholder in the world's largest green hydrogen production plant in an equal joint venture with Air Products and ACWA Power.



NEOM, MBC sign JV to establish the first AAA games studio in the Middle East



MBC Group and NEOM have inked a joint venture agreement to establish the first AAA games development studio in the Middle East. The partnership is expected to contribute to NEOM's vision of becoming a center for the region's media and creative industries by establishing an all-around creative media hub.

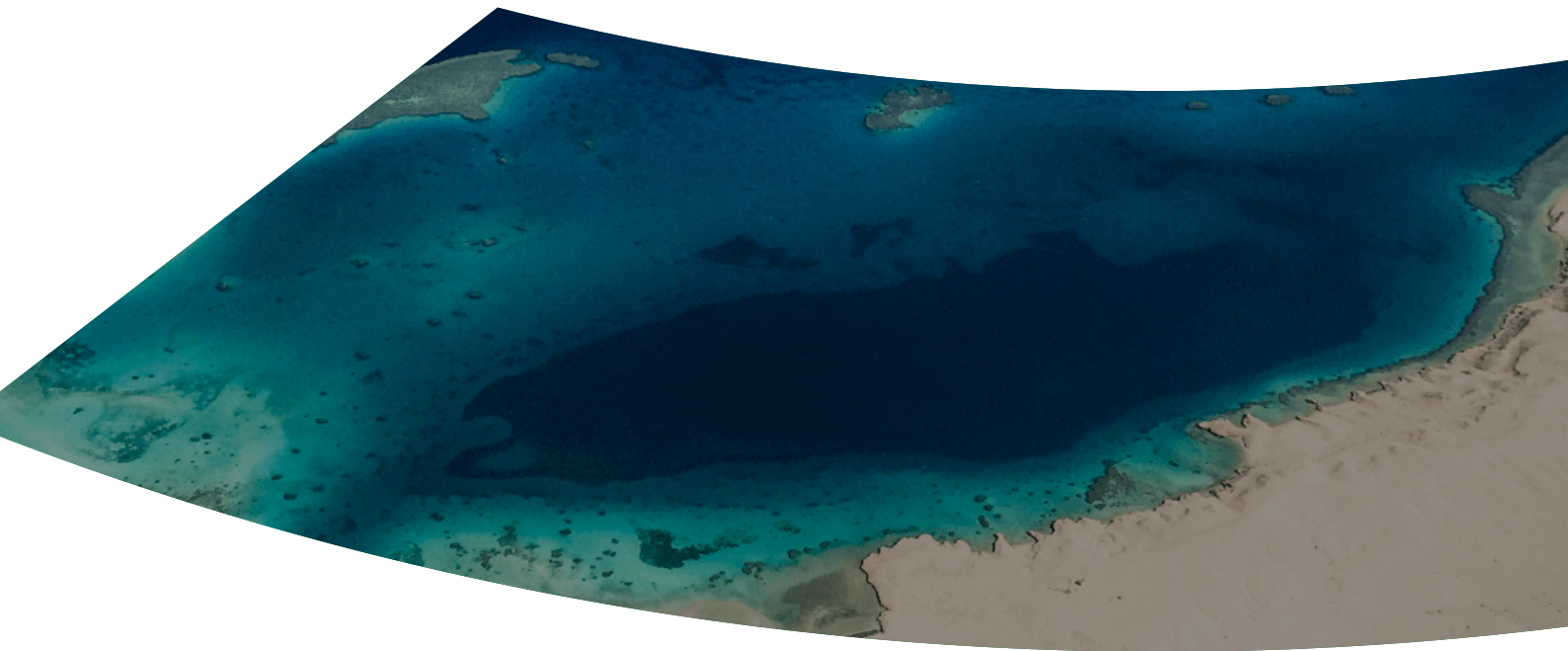
The joint venture agreement is also expected to capitalize on MENA's gaming market, which, despite reaching a market size of \$6 billion (SAR 22.5 billion) in 2021, makes few contributions to the development of the global gaming industry.

TRSDC closes the first-ever Saudi-riyal denominated green finance credit facility



The Red Sea Development Company closed on a \$3.7 billion (SAR 13.9 billion) loan representing the first-ever Saudi-riyal denominated green finance credit facility. The loan, financed by Banque Saudi Fransi, Riyad Bank, Saudi British Bank, and Saudi National Bank, will be used to develop the first phase of The Red Sea Project.

Upon completion in 2030, the project is expected to include 50 resorts, offering up to 8,000 hotel rooms and more than 1,000 residential properties across 22 islands and 6 inland sites.





TRSDC awards operations for world-class coastal hospital

The Red Sea Development Company (TRSDC) has announced that it awarded the operations contract for a major new hospital to the Steward alf Global Healthcare Company - a joint venture between the Saudi-based Alfano and the global healthcare provider Steward Healthcare International.

Named the Coastal Village Hospital, the facilities are expected to provide healthcare to thousands of employees and visitors and is currently developing one of the world's most ambitious tourism destinations.



14,000

people working in
the community



1.5 mn sqm

waterfront site to
be covered

AMAALA awards contracts for world-class accommodation for employees

AMAALA, the ultra-luxury destination along Saudi Arabia's north-western coast, has awarded the local contractor Haif Trading and Contracting Company for building infrastructure for world-class accommodation that will be home to more than 20,000 employees of the company. The AMAALA Employee Village is anchored around an expansive coastal lagoon, reflecting the destination's wider masterplans.

Once complete, AMAALA will be home to more than 3,000 hotel rooms across 25 hotels, approximately 900 luxury residential villas, apartments, estate homes, and high-end retail establishments, fine dining, wellness, and recreational facilities.



AMAALA



DGDA announces plans for the development of Four Seasons and Armani Hotel

The Diriyah Gate Development Authority (DGDA) has announced plans for the development two hotels by world-renowned hospitality companies Four Seasons Hotels and Resorts and Armani Hotels. The plan envisions the development of 150 luxuriously appointed rooms and suites in Four Seasons Hotel Diriyah, while Armani is expected to develop 70 rooms, as well as 18 exclusive, self-contained ultra-luxury Armani Branded Residences.

Diriyah, a 300-year-old site located on Riyadh's western flank, is considered the birth place of the Kingdom and the capital of the first Saudi state.



FOUR SEASONS
Hotels and Resorts

ARMANI
Hotels & Resorts



Diriyah awards over \$1.3 billion worth of contracts

The Diriyah Development Company (DevCo), a subsidiary of DGDA, has awarded more than \$1.3 billion (SAR 4.9 billion) worth of contracts to two companies. While Salini Saudi Arabia Co. Ltd. was awarded a \$1.03 billion (SAR 3.9 billion) contract for the construction of Diriyah Square's "super basement" carpark, a \$311 million (SAR 1.2 billion) contract was awarded to Saudi-based Nesma & Partners for the construction of a network of road tunnels, ramps, and a major bridge deck that will form the principal Diriyah Interchange on Riyadh's Western Wing Road (WRR). The contracts are expected to provide nearly 12,000 local jobs and contribute to realizing the infrastructure ambitions of Vision 2030.



salini
impregilo

Nesma
& Partners نسما
وشركاهم





CHAPTER 5

Investor Events Inside and Outside Saudi Arabia



In Q1 2022, The Kingdom of Saudi Arabia participated in many investment events to promote its ambitious vision.

MISA's participation in numerous local and global events ranged from the World Defense Show in Riyadh to the MWC in Barcelona, reaching more than 20,000 visitors showcasing investment opportunities across the economy and informing investors from all sectors about how they can get involved in Saudi Arabia's journey to transformation.

Future Minerals Forum



Area of focus: Mining & Metals
Date: January 11 – January 13

The Future Minerals Forum attracted over 2,000 delegates and attendees from 95+ different countries in Riyadh, connecting global policymakers with investors and business leaders. In addition, MISA presented its own pavilion at the Forum, directly communicating the \$1.3 trillion (SAR 4.9 trillion) potential in the Kingdom's mining and metal industry.

Saudi-Korean Investment Forum



وزارة الاستثمار
Ministry of Investment

Area of focus: Bilateral
Date: January 18

Former South Korean President Moon Jae-in visited the Kingdom in January. During the visit, MISA organized a bilateral investment forum culminating in 13 agreements signed across the energy, manufacturing, SMEs, healthcare, digitalization, and capacity building sectors. Around 230 visitors attended the one-day event featuring speakers, workshops, and MoU signings.

IKTVA 2022 Forum & Exhibition



Area of focus: Mining & Metals, Chemicals
Date: January 24 – January 26

Led by Saudi Aramco, the In-Kingdom Total Value Add (IKTVA) program was held in Dhahran, Saudi Arabia, and aimed to drive domestic value creation and diversification to support a goal of 70% localization of all spending. MISA took its place among the exhibitors with its own pavilion to raise awareness about how MISA supports domestic value creation and economic growth.



LEAP



Area of focus: Human Capital Innovation, ICT

Date: February 1 – February 3

LEAP, a global tech event to reshape the way we live, brought together over 100,000 visitors in Riyadh, with attendees discovering what is next for technology and humanity. Over \$6.4 billion (SAR 24 billion) worth of initiatives and programs were announced during the 3-day event attended by more than 700 exhibiting global tech companies and 330 top investors. MISA represented the Kingdom's investment ecosystem and highlighted opportunities related to innovation.

INVEST SAUDI Forum at Expo 2020



Area of focus: Quality of Life

Date: February 7

In cooperation with the Kingdom's pavilion at Expo 2020 Dubai, MISA organized a forum focused on priority investment opportunities in promising sectors, including education, culture, tourism, sports, entertainment, and information and communications technology. Attended by 328 high-profile visitors, the forum featured speakers and workshops discussing how to get involved in some of Saudi Arabia's most promising sectors.

MENA Transport Congress & Exhibition



Area of focus: Transport & Logistics

Date: February 6 – February 8

Held in Dubai, the MENA Transport Congress & Exhibition functions as vital networking and knowledge-sharing event for the region. With over 2000 visitors and 44 exhibitors, attendees focused on best practices to improve public transport in the Middle East and North Africa.

MWC Barcelona



Area of focus: Human Capital Innovation, ICT

Date: February 28 - March 3

MWC Barcelona is the world's most influential event for connectivity technologies. MISA attended the event with its own pavilion to showcase the Kingdom's ICT sector value proposition to leading companies and investors, highlighting the country's enviable infrastructure and innovation-friendly operating environment.



World Defense Show

Area of focus: Aerospace and Defense

Date: March 6 - March 9



The inaugural World Defense Show in Riyadh hosted thousands of global defense industry professionals, policymakers, and private sector players, discussing and shaping the industry's future. MISA was one of the 600 exhibitors at the event, with over 16,000 people visiting its pavilion.

Saudi-Greek Investment Forum

Area of focus: Bilateral

Date: March 12 - March 13



وزارة الاستثمار
Ministry of Investment

The Saudi-Greek Investment Forum, organized by MISA, was held in Riyadh in the presence of Greek Minister of Development and Investment and representatives of the private sector. Attended by 220 visitors, the event focused on introducing investment opportunities and reviewing aspects of cooperation.

Saudi-Austrian Investment Forum

Area of focus: Bilateral

Date: March 14



وزارة الاستثمار
Ministry of Investment

MISA organized a Saudi-Austrian Investment Forum in Riyadh where it welcomed a high-level delegation of Austrian investors. Featuring speakers and workshops, the forum coincided with a visit to the Kingdom by Austria's Minister for Digital & Economic Affairs, Dr. Margarete Schramboeck. The discussions revolved around the current and future bilateral relations between the two countries and potential means of increased cooperation.

MIPIIM

Area of focus: Real Estate

Date: March 15 – March 18



Held in Cannes, France, MIPIIM is one of the world's biggest real estate events, bringing together the most influential global real estate industry players. MISA was present at this 4-day event with a dedicated pavilion, speakers, and workshops. The Ministry's pavilion was visited by 1,878 people who inquired about the potential opportunities awaiting them as they enter the market.



Formula 1 Saudi Arabian Grand Prix

Area of focus: Sports

Date: March 24 – March 27



Formula 1 fans across the world followed the Saudi Arabian Grand Prix in Jeddah. The event also served as an opportunity for Saudi Arabia's investment ecosystem to showcase opportunities to international investors and a global audience. MISA was among the 20 exhibitors with its own sponsorship pavilion, which was visited by hundreds of visitors.

Global Entrepreneurship Congress (GEC)

Area of focus: Human Capital Innovation

Date: March 27 – March 30



Thousands of entrepreneurs, investors, researchers, policymakers, and other startup champions from over 170 countries gathered in Riyadh to explore new ways of helping entrepreneurs start and scale up ventures around the world. MISA attended the GEC with its own pavilion to showcase what support is available for entrepreneurs to grow their businesses in Saudi Arabia.

Catalyze Saudi

Area of focus: Human Capital Innovation

Date: March 26 – March 28



Organized by MISA & Jada, Catalyze Saudi spread awareness about the Kingdom's technology scene. The three-day-long event showcased how Saudi Arabia is catalyzing the tech ecosystem to achieve the ambitions of Vision 2030. Held in Jeddah and Riyadh, the event brought together the entrepreneurial ecosystem as well as the VC and PE world, while MISA participated with a sponsorship pavilion.



وزارة الاستثمار
Ministry of Investment

استثمر في السعودية
INVEST
SAUDI



Become a Part of the Story



Our top 3 selection among the latest INVEST SAUDI opportunities

Zoo Development

Saudi Arabia's expanding quality of life, entertainment, and cultural attractions are paving the way for new investments in the Kingdom, including 5 large zoos in Jeddah and Riyadh, 4 medium zoos in Madinah and Buraydah, and 7 small zoos in Hail, Abha, and Jazan.



50

hectares of total area per large zoo; 15 hectares per medium; 10 hectares per small zoo



\$141.3 mn

investment per large zoo;
\$40 million per medium zoo;
\$29.3 million for per small zoo



6%

of total spending on recreation by 2030, up from 2.9% before 2020

For more information on this opportunity please follow [the link](#).



Development of a Bonded Zone in Dammam

The Kingdom's transport and logistics sector is offering a high potential investment opportunity to develop a bonded zone in Dammam 2nd industrial city. The zone will be well connected by all transport modes including the airport, railway station and port situated within a 30 km radius.



\$309 mn

expected market size of 2nd industrial city bonded zone, up from \$50 million in 2020



\$64 mn

expected investment size



14%

expected internal rate of return

For more information on this opportunity please follow [the link](#).





Khnaiguiyah Project

Saudi Arabia's \$1.3 trillion (SAR 4.9 trillion) worth of mineral reserves are offering local and international investors incredible opportunities to help develop the sector. The Khnaiguiyah Project aims to contribute to turning the Kingdom into a regional supplier for zinc and copper.



\$533 mn

project scope



2,000 - 3,000

direct and indirect
jobs to be created



353.9 sqkm

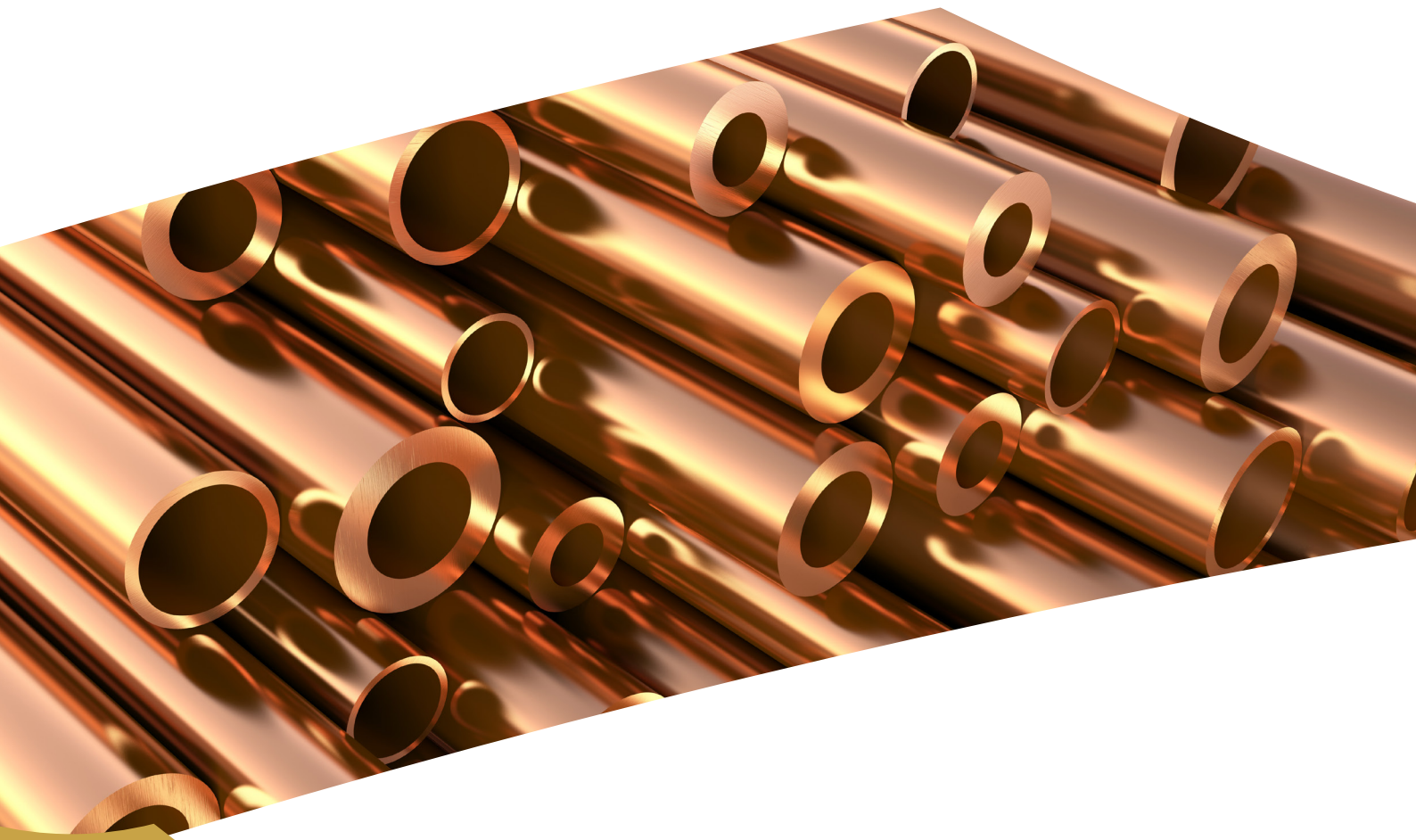
license area to
be allocated



4

mineralized bodies within
an area of 10 sqkm

For more information on this opportunity please scan the please follow [the link](#).





How to become a part of the Kingdom's journey

Following a raft of reforms aimed at reducing red tape, increasing competition, and streamlining the clearance process to realize investments, doing business in Saudi Arabia has never been easier.



1 business day
to obtain your license



2 documents required
for an investment license

Investors from all over the world can now become a part of Saudi Arabia's transformation by submitting only two documents.



Copy of the commercial registration of the entity in the original country, authenticated by the Saudi Embassy



Financial statements for the last year, prepared by an internationally acclaimed legal office and authenticated by the Saudi Embassy



Download MISA's Investor Services Manual here to learn more about how you can start investing in Saudi Arabia today!



Have your documents ready? Visit the licensing portal to get registered as an investor and start your journey now.



Investor Services Manual



Licensing Portal

How we can help you

To facilitate investment in Saudi Arabia, stakeholders making up the Kingdom's investment ecosystem offer numerous financial and non-financial incentives to help investors realize their ambitions.

- Loan programs
- Energy and utility enablement
- Employment support program
- Export credit financing, guarantee, and insurance
- Attractive land solutions
- Financial incentives for research and development
- Tax credit and exemption
- SMEs ecosystem stimulus

Find out and learn more about what specific incentives are waiting for you on the [INVEST SAUDI website](#), scan the QR code.





Frequently Asked Questions

What documents and conditions are required to obtain an investor license in Saudi Arabia?

Obtaining an investor license depends on the type of investment activity. To learn more about the requirements for specific sectors, take a look at our Investor Services Manual, linked overleaf.

How many years of experience are required for a foreign company to apply for a MISA license?

This condition depends on the type of investment activity and may differ from sector to sector. A small number of fields of investment require proven experience in the field, such as Printing and Publishing, Consulting licenses for engineering offices and health Service Activities.

Are all activities permitted for foreign investment?

All activities are permitted for foreign investment except for the following areas:

- Catering to military sectors
- Security and detective services
- Real estate investment in Makkah and Medina
- Tourist orientation and guidance services related to Hajj
- Recruitment services
- Commission agents internationally classified at (CPC 621)
- Fishing/hunting marine living resources
- Specific industrial sector exemptions: oil exploration, drilling, and production. Except the services related to mining sector listed at (CPC 5115 + 883) in International Industrial classification codes.

What legal status can a foreign investor obtain for his/her company?

MISA facilitates the entry of value-added foreign investment through the establishment of the following legal entities:

- Limited Liability Company (LLC)
- Limited Liability One-person Company
- Joint Stock Company
- Foreign Company Branch
- Solidarity Professional Company

What are the services provided by the Ministry of Investment to investors?

The Ministry of Investment provides a variety of services to investors including advisory services, guidance, licensing and post-licensing services. To find out more about how MISA can help you, visit the [INVEST SAUDI website](#), or follow the QR code overleaf.

How can I reach MISA?

You can contact the Ministry at the toll-free customer services number (8002449990) from within the Kingdom, or through +966115065777 from outside the Kingdom. You can also email investorcare@misa.gov.sa for any enquiries.



MISA services

Saudi Arabia's Ministry of Investment provides a wide variety of services on the [MISA website](#) as well as the [INVEST SAUDI website](#) ranging from a deep-dive into the value proposition of each sector in the Kingdom to the ongoing investment opportunities.



MISA Website



INVEST SAUDI Website

Investors can access a variety of guidelines to navigate their journey into the Kingdom's story of transformation.



[Investment services manual](#)



[Sectors and investment opportunities in the Kingdom](#)



[Investor journey guidelines](#)



[Living in Saudi Arabia](#)



[Investment license check](#)

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