



وزارة الاستثمار
Ministry of Investment

استثمر في السعودية

INVEST
SAUDI



رؤية
2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

Q3 2022

Investment Highlights

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NATIONAL
INVESTMENT
STRATEGY
الاستراتيجية الوطنية للاستثمار

GLOBAL
SUPPLY CHAIN
RESILIENCE
INITIATIVE



“My primary goal is to be an exemplary and leading nation in all aspects, and I will work with you in achieving this endeavor.”

*Custodian of the Two Holy Mosques,
King Salman Bin Abdulaziz Al-Saud*



“Our nation holds strong investment capabilities, which we will harness to stimulate our economy and diversify our revenues.”

*His Royal Highness the Crown Prince,
Mohammed bin Salman bin Abdulaziz*



HRH the Crown Prince Mohammed bin Salman drives investment with key deals, legislation and bilateral diplomacy

July 2022



Stronger ties with France

The Crown Prince meets with the President of France to strengthen relations and discuss ways in which Saudi Arabia can aid in diversifying Europe's energy mix. President Emmanuel Macron emphasizes France's willingness to invest in the Kingdom's energy transition.



Undersea data cable to connect Europe and Middle East

Greece and Saudi Arabia finalize a deal to lay an undersea data cable, that will connect the Middle East and Europe. They also discussed a possible power grid link to provide Europe with sustainable energy.



Crown Prince receives US President Joe Biden

Saudi Arabia and the USA signed 18 investment agreements during President Joe Biden's visit to the Kingdom. The agreements cover sectors including energy, aerospace, defense, textiles, manufacturing, education, and tourism.

July 2022



Deeper relations with Albania

The Crown Prince and Albania's Prime Minister, Edi Rama, met in Athens to strengthen relations and solidify their economic partnership. In addition, the Prime Minister expressed his gratitude to Saudi Arabia for a \$50 million support package and potential investments from the Public Investment Fund (PIF) worth \$200-300 million to explore chances in Albania.



Crown Prince holds talks with President of Kazakhstan Kassym-Jomart Tokayev in Jeddah

In his first foreign visit as head of state, Kazakh President Kassym-Jomart Tokayev traveled to Jeddah to meet with Crown Prince Mohammad Bin Salman and representatives from the Saudi business community.



August 2022



Crown Prince holds talks with President of Uzbekistan Shavkat Mirziyoyev

The President of Uzbekistan visited Jeddah to meet the Crown Prince. The visit resulted in several MoUs being signed to explore investment opportunities and strengthen ties. At least 14 deals were signed, including a wind project which Saudi company ACWA Power would build in Uzbekistan.



Launch of Saudi Egyptian Investment Company

The PIF launched the Saudi Egyptian Investment Company (SEIC) with the goal of investing in promising sectors in neighboring Egypt, including infrastructure, real estate, healthcare, financial services, agriculture, food processing, manufacturing, and pharmaceuticals and other opportunistic investments.



Establishment of Saudi Investment Promotion Agency

The Crown Prince has launched the Saudi Investment Promotion Agency (SIPA), through which investments in Saudi Arabia will be coordinated in an integrated approach among government agencies. It will also see investment promotion activities streamlined and enhanced to support partnerships between local and foreign investors.

September 2022



A gaming and esports hub

The Crown Prince announced a new strategy to turn Saudi Arabia into a gaming and esports hub and add around \$13 billion to GDP whilst creating 39,000 new jobs. Public Investment Fund acquired a 5.01% stake in Nintendo in 2022 and established the Savvy Games Group to create an integrated ecosystem for the industry. Savvy Games Group, meanwhile, will invest \$37.9 billion in strategic gaming and esports investments.



Digitizing real estate services

The PIF launched the National Real Estate Registration Services Company (RER) with the goal of digitizing the local real estate sector and create an easy-to-use digital platform through which real estate will be registered. RER will focus on improving access to the market for real estate players and improving the quality of real estate registration services.



Crown Prince MBS receives German Chancellor Olaf Scholz

The Crown Prince received German Chancellor Olaf Scholz in Jeddah, where the two held talks discussing bilateral relations, and opportunities for development with the Kingdom's Vision 2030.



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OPENING REMARKS

H.E. Eng. Khalid Al-Falih

Minister of Investment



وزارة الاستثمار
Ministry of Investment

Saudi Arabia's economic landscape is changing. Guided by the belief that growth cannot be achieved alone, the Kingdom has embarked on a journey to create long-lasting partnerships with the global private sector that enhance its reputation as a business-friendly environment and accelerate investment plans as we move toward a resilient and diversified national economy.

As the International Monetary Fund (IMF) predicts that Saudi Arabia will be the world's fastest-growing economy in 2022, this edition of Investment Highlights describes the growth within key sectors and outlines pivotal investment indicators. It will also explore the fast-moving reforms that are simplifying business processes, thereby bringing with them significant investor interest. We are additionally introducing the Kingdom's new National Initiative for Global Supply Chain Attraction – GSCRI, one of the key initiatives developed by Ministry of Investment under the National Investment Strategy that aims to embed the Kingdom within global networks while building our production capabilities.

Recent supply chain shocks have exposed the necessity for a more resilient global supply chain, confirming the need to reinforce production networks and logistics linkages. The National Industrial Development and Logistics Program (NIDLP) has already enabled the Kingdom to make significant progress in supply chain resilience with its initiative to localize key manufacturing and logistics industries. By introducing GSCRI, Saudi Arabia looks to enhance the investment ecosystem further, integrating cost leadership with supply chain security and sustainability. GSCRI has been designed to bolster key export-oriented industrial sectors by incentivizing investment and guiding investors through their investment lifecycle, also aiding in tailoring specific incentives under the National Investment Strategy.

Indeed, the National Investment Strategy sits at the core of the Kingdom's transformation into a nation of broad and accessible investment opportunities, also ensuring an increase in the quality and magnitude of these opportunities. The National Investment Strategy will achieve this through three key objectives: growing the private sector's contribution, supporting the development of strategic sectors, and upgrading the investment ecosystem to spur innovation and local content.





OPENING REMARKS

H.E. Eng. Khalid Al-Falih

Minister of Investment



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Following a 257.2 percent spike in our Foreign Direct Investment (FDI) inflows in 2021 compared to 2020 FDI inflows in part driven by a \$12.4 billion Aramco deal, the Kingdom has continued its upward trajectory into 2022. In the second quarter of 2022 we witnessed a 6.6 percent rise in FDI inflows compared to the first quarter. Much of this is driven by the development of reforms aimed at encouraging investment within the Kingdom's key promising sectors, such as entertainment and tourism, contributing to significant market opportunity. As a result, the Kingdom witnessed year-on-year real GDP growth of 12.2 percent in the second quarter of 2022. Meanwhile, the year-on-year growth of non-oil activities increased by 8.2 percent, highlighting Saudi Arabia's continued commitment to a diversified economy with wide-ranging investment opportunities.

The Kingdom's transformation keeps unlocking vast potential for investment in a market that is experiencing consistent growth and leading economic development among the G20. With the addition of GSCRI, Saudi Arabia will further global supply chain diversification by creating opportunities in our industrial sector. We encourage you to explore this latest edition of Investment Highlights, to gain insight into the opportunities within the Kingdom, and contact the Ministry of Investment to see how you can begin your own rewarding investment journey.



H.E. Bander Alkhorayef

Minister of Industry and
Mineral Resources



Ministry of Industry
& Mineral Resources

Saudi Arabia's industry and mineral resources ecosystem is based on a set of strategic pillars derived from sectoral strategies. On top of those strategies comes the National Industrial Strategy, launched by His Royal Highness the Crown Prince Mohammed bin Salman bin Abdulaziz in mid-October 2022. It aims at creating a flexible, competitive, and sustainable industrial economy led by the private sector, which contributes to building the Kingdom's local capabilities to meet emerging challenges and ensure sustainability. In addition, the National Industrial Strategy aims at maximizing the utilization of natural resources and exploiting the distinguished geographical location to reach the world by investing in a number of industries that will add value to the national economy and deepen our position in global supply chains.

The National Industrial Development and Logistics Program (NIDLP) also plays a vital role here, ensuring work is coordinated and aligned among the industrial, mining, energy and logistics sectors, and to ensure harmony between the executive authorities and the private sector. NIDLP's goal is to transform the Kingdom into a leading industrial powerhouse and a global logistics hub. NIDLP's major achievements during 2021 included attracting high-quality investments worth \$14.6 billion (SAR 55 billion), developing and implementing the transport and logistics strategy, providing finance to a record number of projects through the Saudi Industrial Development Fund, achieving a record number of renewable energy projects, and making progress in several international indicators.

Underpinning these strategies is the need to have strong and reliable local supply chains. To secure this, the Ministry has launched the Supply Chains Initiative, which aims to develop the value chains of about 9,000 industrial products in a way that enhances transparency and raises both industrial growth and local content. This works to unlock and increase investment by integrating local supply chains with regional and global supply chains, a matter which in turn contributes to overcoming the challenges faced by supply chains at the global level, such as those revealed by the COVID-19 pandemic in addition to ongoing global geopolitical challenges. This commitment to supply chain resilience was explored in the Ministry's Supply Chain Conference, which took place in October 2022, and provided leaders and experts in the field a place to discuss increasing investment in the integration of local supply chains and its connection with regional and global supply chains.





H.E. Bander Alkhorayef

Minister of Industry and
Mineral Resources



Ministry of Industry
& Mineral Resources

We are also working, in cooperation with partner government agencies and the private sector, on the development of local supply chains by activating the role of small and medium enterprises (SMEs), integrating them with large strategic industries to achieve the goals of Vision 2030. This will further allow the industrial sector to contribute to the national economy and assures the participation of local content into national products.

Within all these strategies is a firm commitment to environmental and social principles. These principles are important guidelines for the programs launched in Saudi Arabia in recent years and are detailed in the Saudi Green Initiative and the Middle East Green Initiative, both of which enjoy the support of His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, the Crown Prince. The mining sector is a key example here, with our mining strategy achieving a balance between social development and environmental preservation and protection as part of its 42 initiatives. In this way, the mining sector can become the third pillar of Saudi industry, increase its contribution to GDP, generate jobs, and develop human capabilities, local demand, and access to global markets.

Taken together, the industrial and mineral sectors hold vast opportunity for investors, and we encourage those interested to further explore what Saudi Arabia has to offer. At the Ministry, we are focused on the development of a number of unique opportunities, as we plan to offer 35 investment opportunities in the mining industries and building materials sectors, expected to exceed \$13.3 billion (SAR 50 billion) in value. We are also working to strengthen the Kingdom's global position in the steel industry by launching three projects in the iron and steel sectors worth \$9.3 billion (SAR 35 billion).



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CHAPTER 1

SAUDI ARABIA'S ECONOMIC PERFORMANCE IN Q3 2022



The Kingdom Sees Economic Growth Accelerate to Decade Highs

Saudi Arabia achieved stellar real GDP growth of 12.2% year-on-year in the second quarter of 2022. This builds on a previous Q2 flash estimate of 11.8%, and is the highest rate for more than a decade, as domestic strengths and a recovering global economy asserted themselves, despite international headwinds from geopolitics and inflation. Growth in Q2 followed a 9.9% expansion in Q1 2022. The non-oil sector saw a particularly strong acceleration, with y-o-y growth rising to 8.2% in Q2, testament to the ongoing diversification of the Kingdom's economy. The oil sector grew by a striking 22.9%, up slightly from 20.3% in Q1 2022, as global hydrocarbons prices sustained recent highs.



12.2%

y-o-y real GDP growth in Q2 2022, the highest since Q3 2011



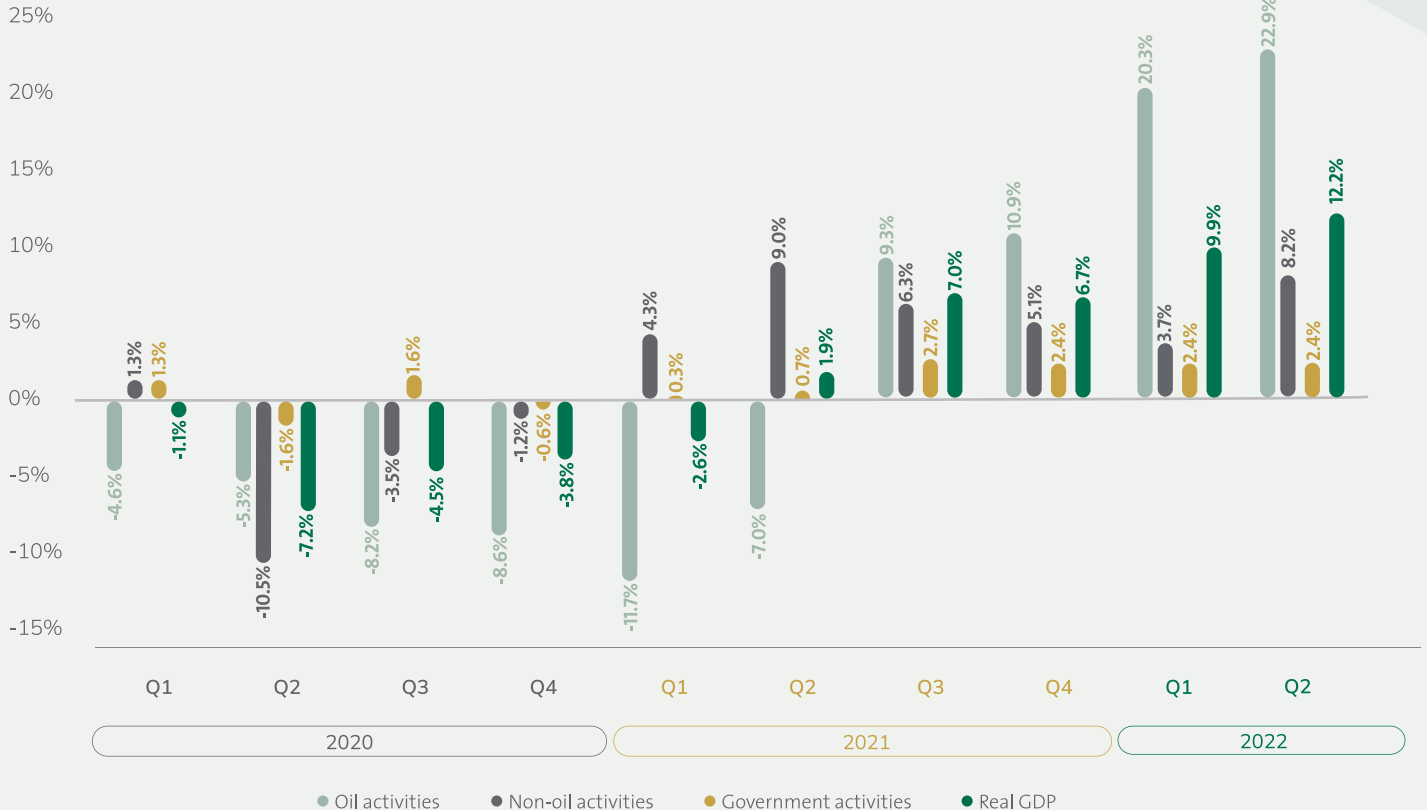
8.2%

y-o-y non-oil activity in Q2 2022

Real GDP Growth Rates by Main Economic Activities (y-o-y)

Source: GaStat

Growth Rate





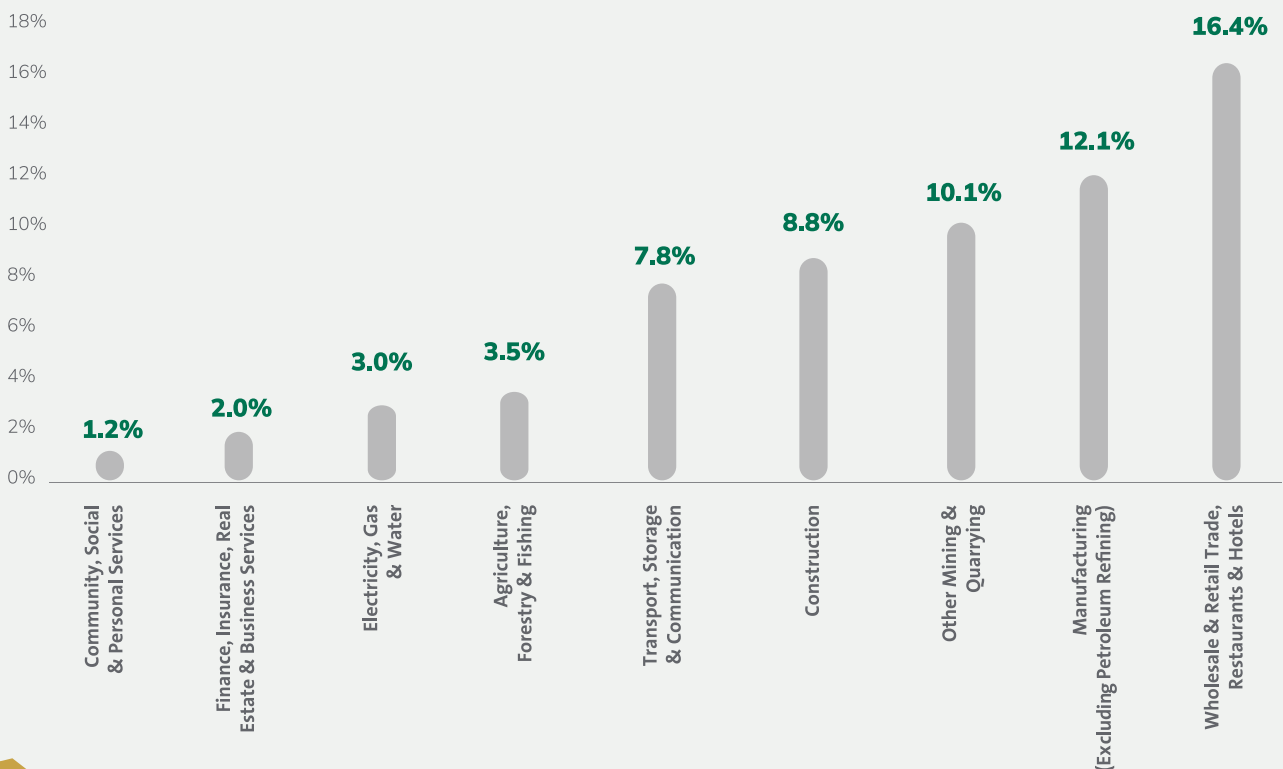
Non-oil Activities Showing Sustained Upwards Trajectory

Saudi Arabia's non-oil economy saw strong growth in Q2 2022 on an annual basis. Growth was led by the wholesale and retail trade, restaurants and hotels sector, which expanded by 16.4%, continuing its strong rebound from the COVID-19 pandemic. Manufacturing excluding petroleum refining 12.1% and other mining and quarrying 10.1% also grew at double-digit rates. Construction, a key economic bellwether, grew by 8.8%; while transport, storage, and communication saw a 7.8% rise.

Real GDP Growth by Non-oil Economic Activities in Q2 2022 (y-o-y)

Growth Rate

Source: GaStat





Industrial Output Expanding at a Double-digit Pace as Diversification Continues

Saudi Arabia's Industrial Production Index (IPI) rose by 16.8% in August 2022 on the same month of last year, reflecting the economy's rebound from the global recession, and the rapid pace of diversification. The IPI has risen at double-digit rates for ten consecutive months, since November 2021, while it has grown for sixteen consecutive months since April 2021. Accounting for 74.5% of the indexes weight, mining and quarrying has been a major driver, growing by 15.5% year-on-year in August 2022, as oil output rose. Manufacturing expanded even more strongly, at 22%, and electricity and gas supply by 11.3%. The rise of industrial activities, in particular, aligns well with the Kingdom's diversification drive, reflecting strong demand for Saudi-made products despite an uncertain global outlook.



16.8%

y-o-y rise in August
2022's IPI



15.5%

y-o-y gain for mining and
quarrying in August 2022



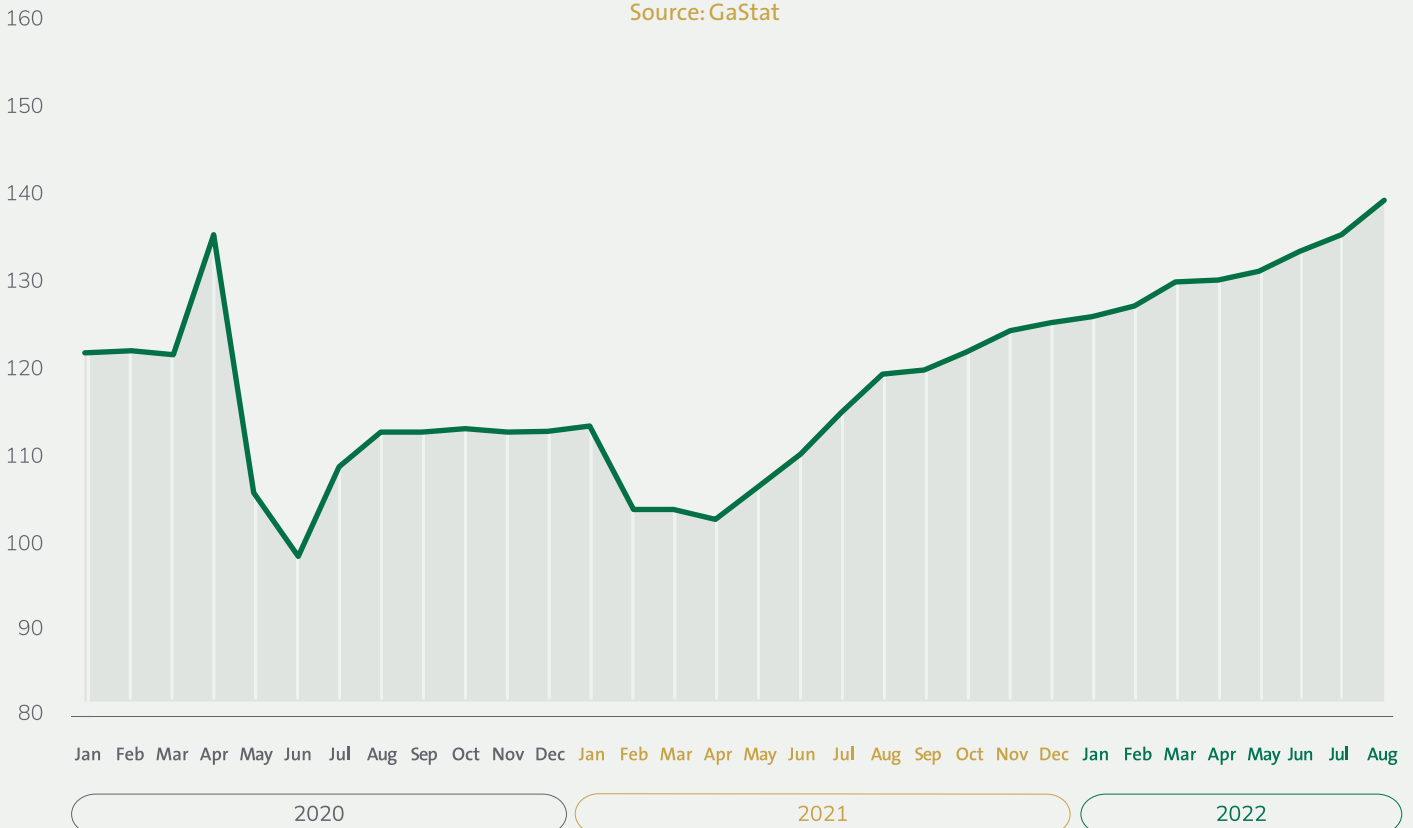
22.0%

y-o-y expansion of
manufacturing activity in
August 2022

Index Point

Industrial Production Index (2010 = 100)

Source: GaStat





Kingdom Moves Towards Cashless Economy as PoS Overtakes ATMs

Point-of-sale (PoS) transactions have grown strongly in recent years as technology adoption by customers and merchants has increased, and consumer confidence and spending have risen. In Q2 2022, the total value PoS transactions, at \$36.7 billion (SAR 137.8 billion), outstripped automated teller machine (ATM) withdrawals amounted to \$36.4 billion (SAR 136.5 billion) for the first time, with monthly PoS values overtaking those of ATMs in April. By August 2022, monthly PoS transactions reached \$13.3 billion (SAR 49.7 billion), an increase of 21.2% on an annual basis. The Kingdom has been a regional leader in the transition to a cashless economy. Card and contactless transactions are expected to continue to grow for the foreseeable future.



21.2%

y-o-y growth for the
value POS transactions, in
August 2022



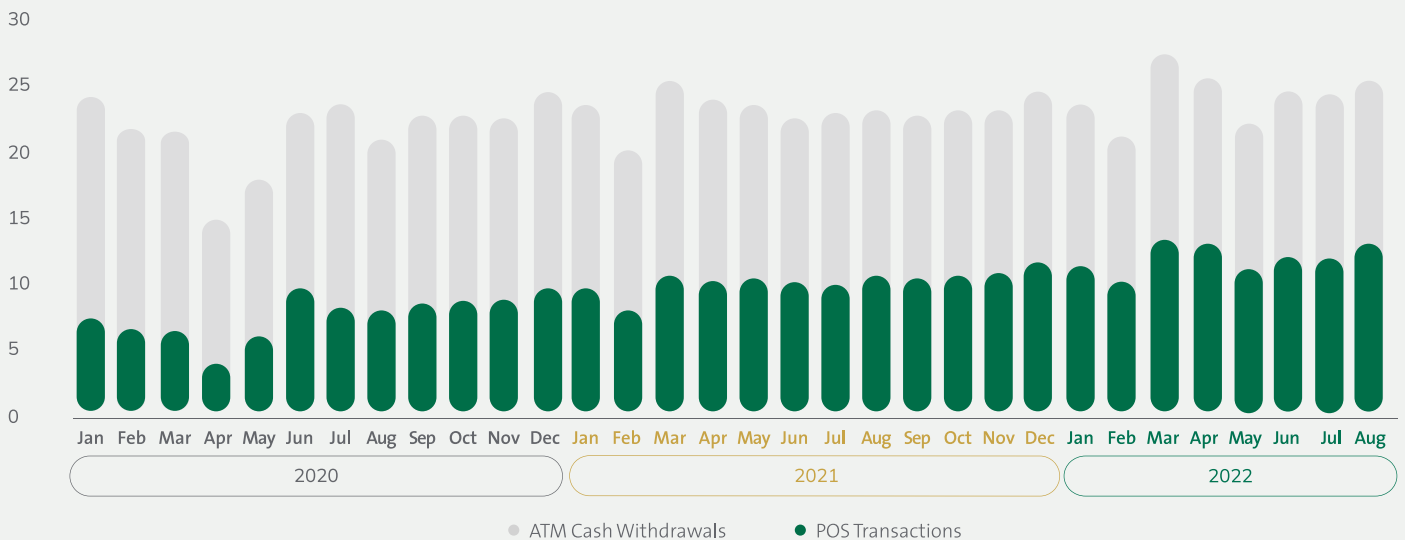
1.4%

y-o-y reduction in cash
withdrawals in August 2022,
highlighting the shift to
cashless society

Consumer Spending Indicators

Source: Saudi Central Bank

USD Billions





Total Reserve Assets Solid in Uncertain Times

With global uncertainties stemming from geopolitics, inflation, and a possible economic downturn, the Saudi Central Bank (SAMA) has maintained a prudent stance, and the Kingdom is in a fortunate position of being bolstered by substantial monetary reserves. Its reserve assets totalled \$457.4 billion in August 2022, including investments in foreign securities, foreign currency and deposits abroad, IMF reserves and special drawing rights, and monetary gold.



\$457.4 bn

FX reserve assets in
August 2022

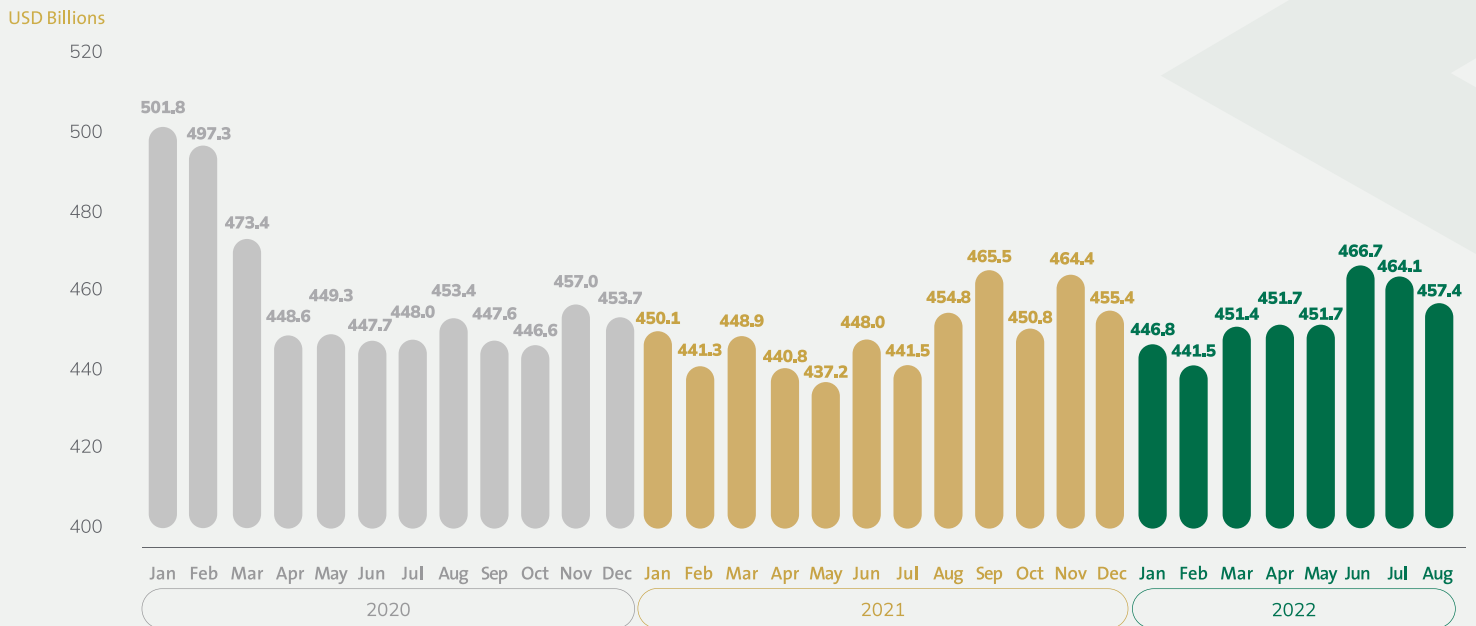


0.6%

y-o-y increase in FX
reserves, in August 2022

Saudi Arabia's FX Reserves

Source: Saudi Central Bank (SAMA)

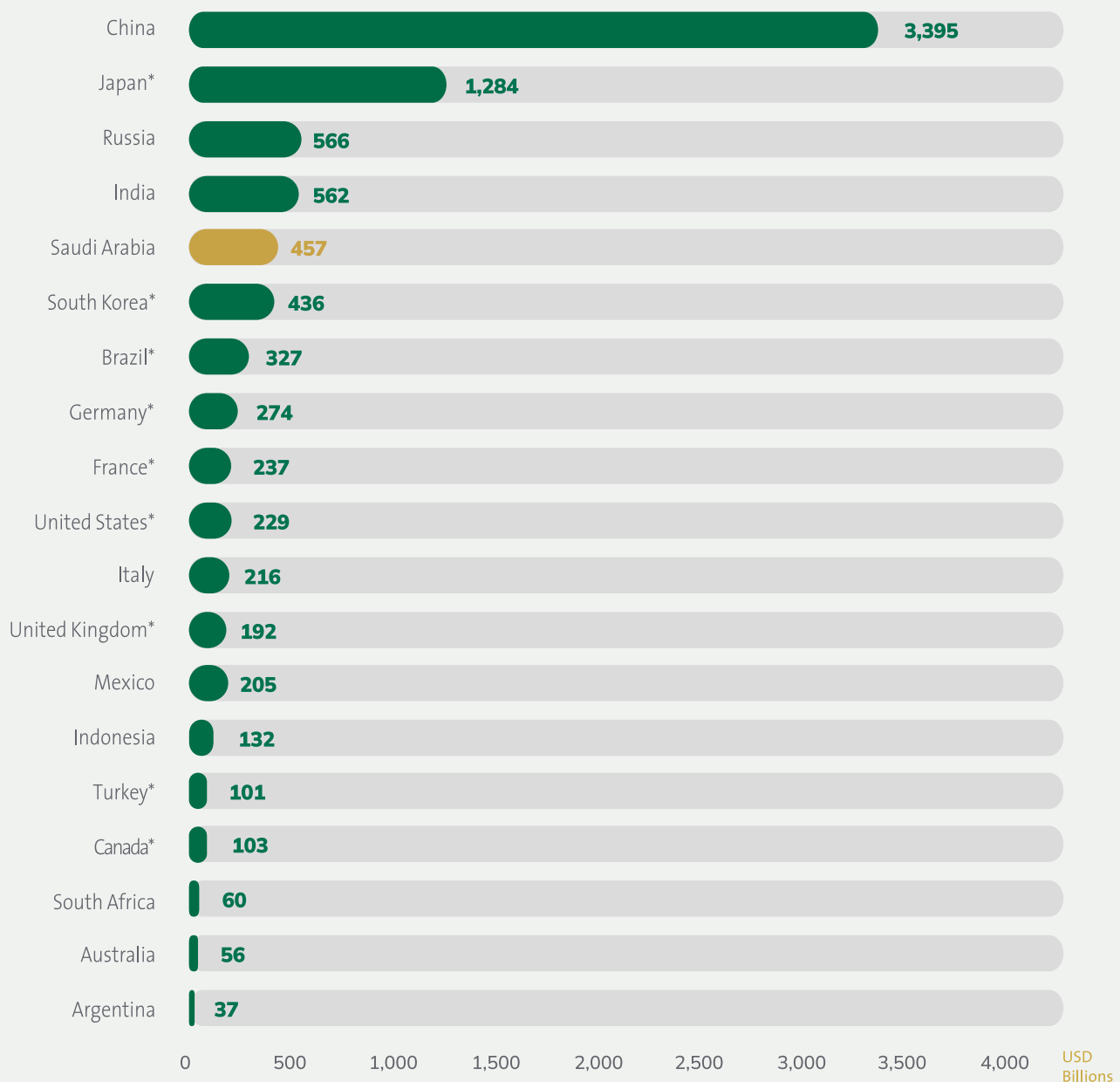




Saudi Arabia Maintains its Position as Holding the 5th Largest FX Reserves Among the G20 Economies

FX Reserves G20 Countries, August 2022

Source: IMF



*or latest available data



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CHAPTER 2

INVESTMENT GAINS AMID GLOBAL HEADWINDS





New Investment Licenses Issuance Remains Stable

The total issuance of new investment licenses reached 1,163 in Q3 2022, despite global economic uncertainty and geopolitical externalities. Adjusting to exclude new licenses granted under the “Tasattur” anti-concealment campaign, there were 928 licenses issued in the quarter. This represents an 8.8% increase in Q3 2022 on an annual basis, reflecting Saudi Arabia’s growing position as an attractive investment destination. Competitive advantages include the Kingdom’s stable and pro-business investment environment, strong availability of domestic inputs, growing youthful population, and strategic geographical location.



1,163

total new investment
licenses issued in Q3 2022



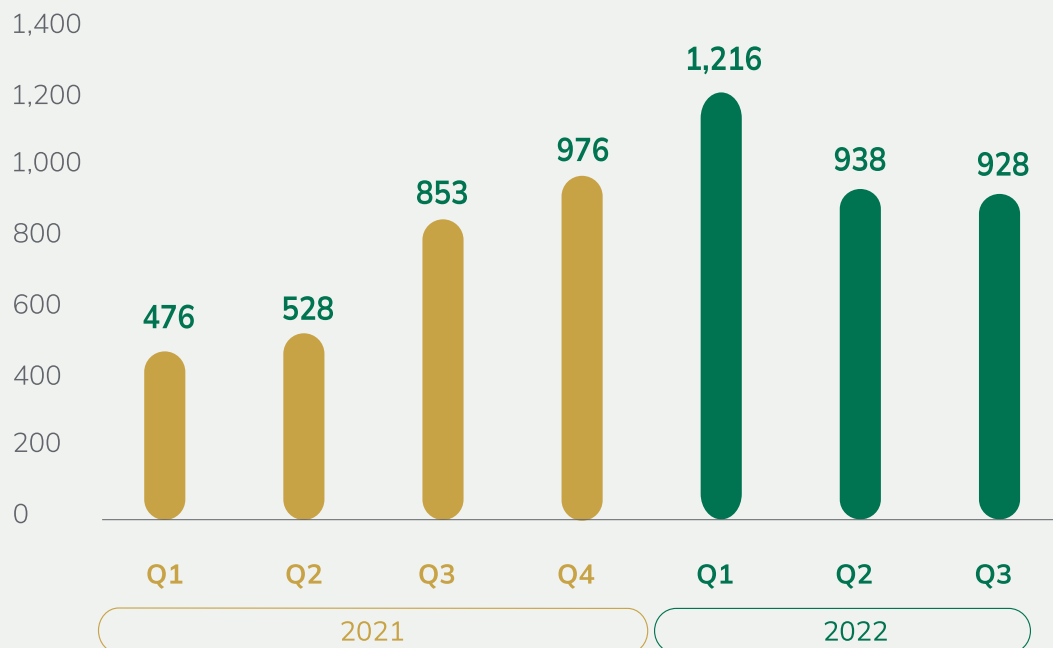
928

new investment licenses issued in Q3
2022, excluding licenses granted under the
“Tasattur” anti-concealment campaign

Newly Issued Foreign Investment Licenses*

Issued Licenses

Source: MISA



*Excluding investment licenses data granted due to “Tasattur”, an effort combat the spread of commercial fraud



Construction, and Wholesale and Retail Sectors Lead Licensing in Q3 2022

While the hydrocarbons sector has long attracted FDI inflows for the Kingdom, Vision 2030's diversification agenda has seen other sectors gain international attention. In Q3 2022, the construction sector overtook retail and wholesale to lead investment licenses. In the quarter, construction was awarded 234 licenses, up 19.4% year on year. The industry has been buoyed by investment in infrastructure and mega-projects, as well as burgeoning demand from the private sector. The wholesale and retail sector, meanwhile, remained equally attractive, with 233 licenses awarded.



19.4%

y-o-y increase in construction
licenses issued in Q3 2022



20.1%

of the total new investment
licenses were issued for
construction sector in Q3 2022

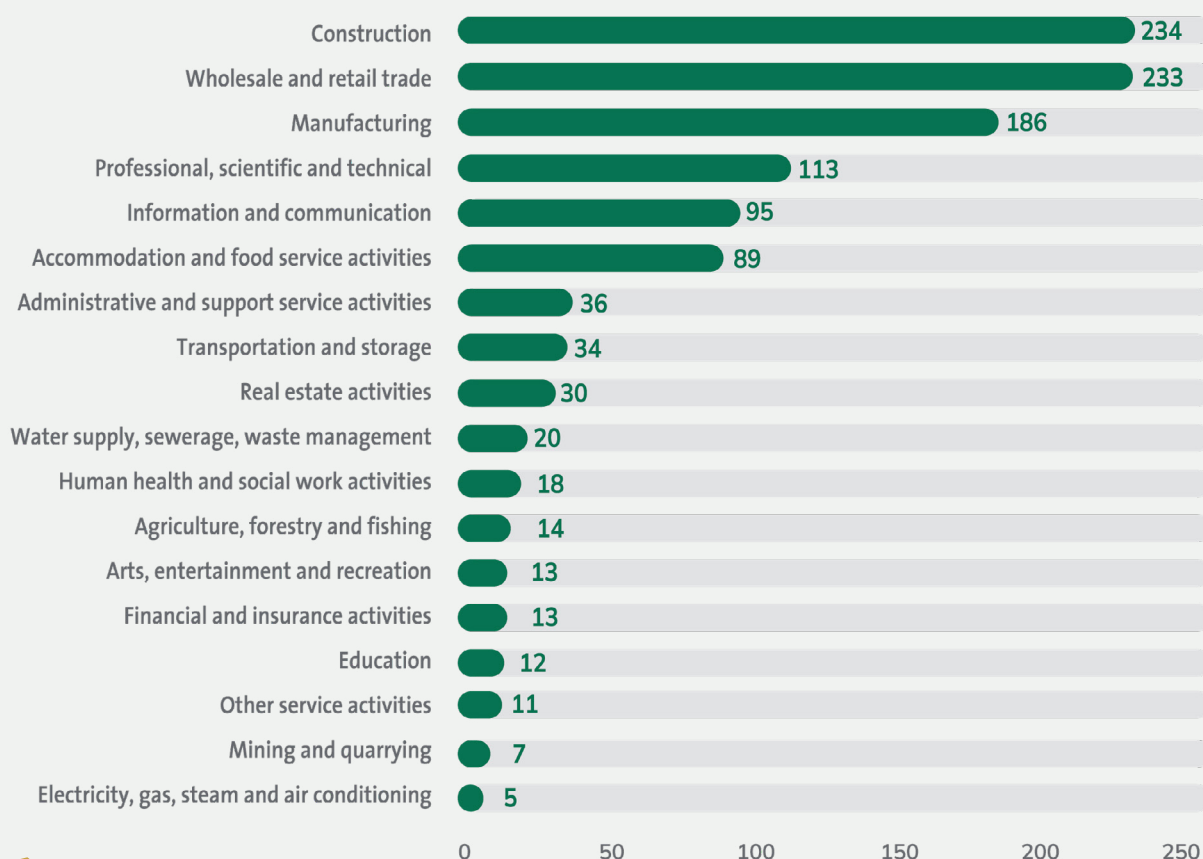


233

new wholesale and retail
licenses in Q3 2022

Newly Issued Foreign Investment Licenses by Sector

Source: MISA





Saudi Arabia's FDI Inflows Rise Steadily in Q2 2022

Foreign direct investment (FDI) inflows continued to grow through H1 2022, following a bumper year in 2021 which itself saw a 257.2% surge on 2020. In Q2 2022, the Kingdom attracted \$2.1 billion (SAR 7.9 billion), up by 6.6% from \$2 billion (SAR 7.4 billion) in Q1 2022. FDI has risen steadily over the past four quarters following a spike in Q2 2021, which saw an extraordinary \$12.4 billion (SAR 46.5 billion) investment driven by an infrastructure deal closed by Aramco with a global investor consortium.



\$2.1 bn

FDI inflows into Saudi Arabia in Q2 2022



7%

FDI inflows increase in Q2 2022 compared to Q1 2022

The National Investment Strategy (NIS), launched in Q4 2021 underpins this FDI growth, deployed across four strategic pillars



Investment opportunities



Investors



Funding

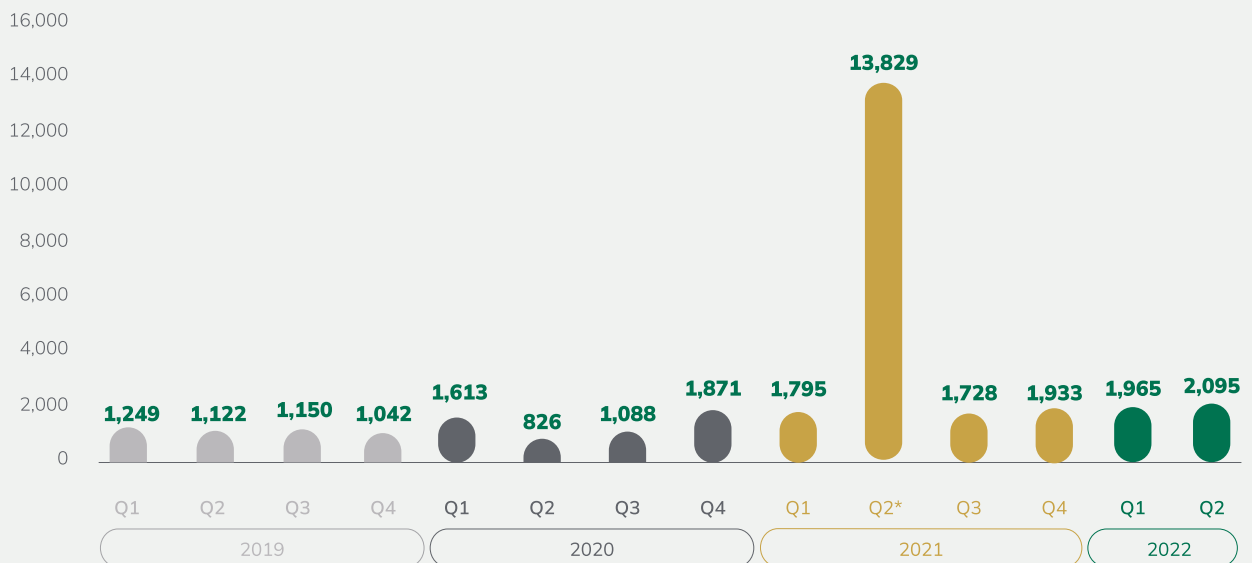


Competitiveness enablers

Saudi Arabia FDI Inflows

Source: Saudi Central Bank

USD Millions



* Mainly driven by a \$12.4 billion (SAR 46.5 billion) infrastructure deal closed by Aramco with a global investor consortium



Newly Licensed Factories Draw \$1.3 billion in Capital in July, August 2022

Saudi Arabia's manufacturing industry is a strong draw for foreign investors, with the manufacturing sector seeing 146 licenses issued in July and August 2022. Capital for manufacturing of newly licensed factories in this period stood at \$1.3 billion (SAR 4.9 billion).



90

factories started production in July and August 2022



146

new licenses issued in July and August 2022



\$1.3 bn

capital of newly licensed factories in July and August 2022



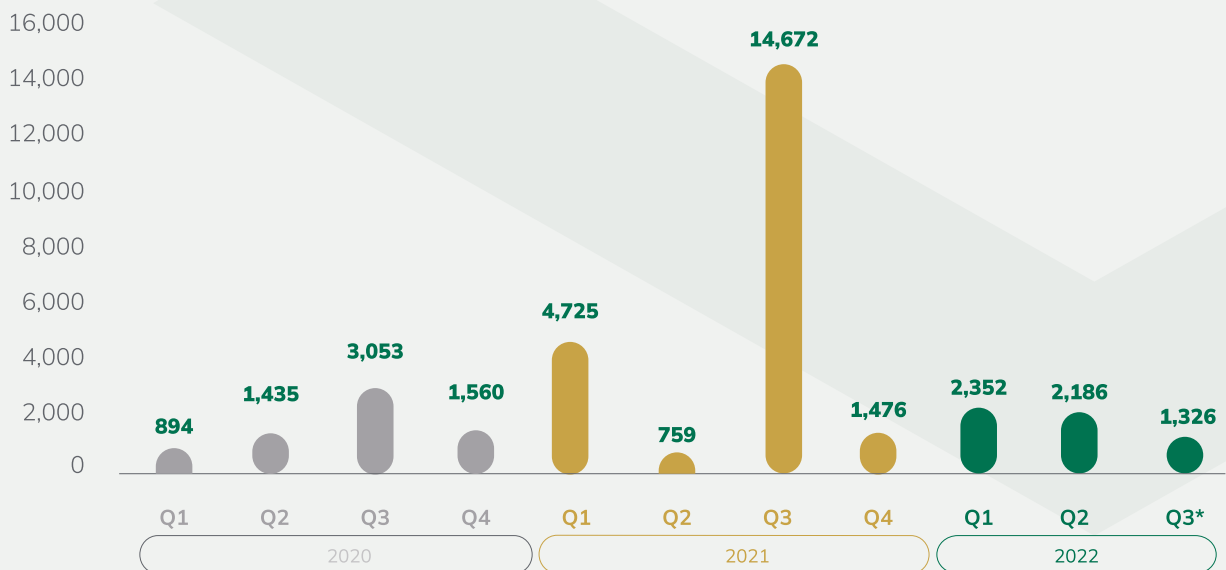
\$1 bn

of capital in August 2022 alone

Capital of Newly Licensed Factories

Source: Ministry of Industry and Mineral Resources

USD Millions



* Q3 2022 data represents only July and August, according to the latest data released



Tadawul IPOs Make International Waves as New Products Enter the Bourse

The Saudi Exchange (Tadawul) saw a strong first nine months of 2022, buoyed by 10 IPOs, despite the uncertain global outlook. The \$1.4 billion (SAR 5.1 billion) offering of Nahdi Medical Co. was one of the largest IPOs globally by volume in the first half of 2022. Tadawul saw new listings worth a total of \$4.2 billion (SAR 15.7 billion) in the first nine months of 2022. Total equity capitalization rose by 7.6% to reach \$2.9 trillion (SAR 10.9 trillion) during this period, while the total value of shares traded rose by 21.5% to reach \$373 billion (SAR 1.4 trillion).



Single stock futures contracts (SSFs)

The second derivatives product to be introduced in the Saudi Exchange was announced in Q2 2022, with contracts available to trade in Q3 2022. SSFs will enable local and international investors to hedge and manage portfolio risks more effectively as well as diversify products available for trading in the market.

The Kingdom's stock exchange has been attracting an increasing amount of foreign investment since 2019 when a regulatory change eased registration requirements and increased the range of institutional investors.

10

IPOs in 2022
through Q3 2022

18.9%

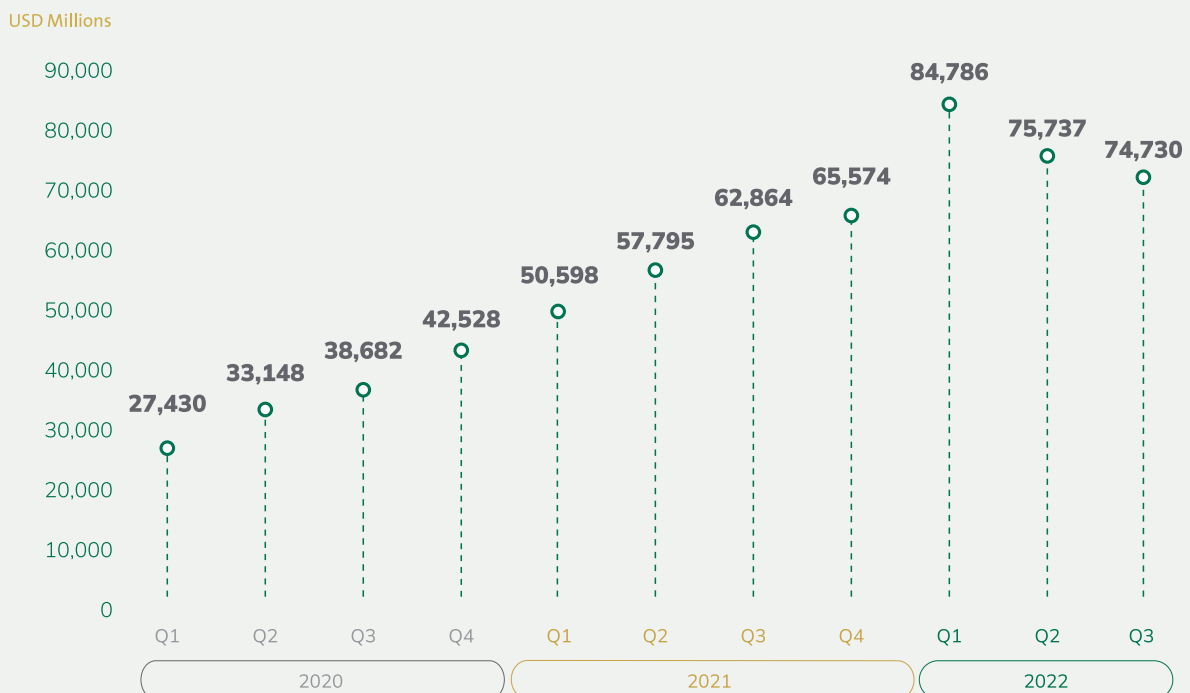
y-o-y increase in Qualified
Foreign Investors (QFIs)
ownership in Q3 2022

\$4.2 bn

total value of IPOs
through Q3 2022

Qualified Foreign Investors (QFIs) Ownership in Tadawul

Source: Tadawul





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CHAPTER 3

SUPPLY CHAIN: CONNECTING THE KINGDOM TO THE WORLD



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الاستراتيجية الوطنية للاستثمار



GLOBAL
SUPPLY CHAIN
RESILIENCE
INITIATIVE



New Networks, The Global Supply Chain Resilience, Initiative (GSCRI)

Interconnected global, regional, and domestic supply chains play a critical role in economic development. Therefore, a stable, resilient supply network of supply is a key element to achieving many of the goals of Saudi Vision 2030.

The Saudi government is well aware of the supply chain's important role and the opportunities it presents. In line with the ambitions of Saudi Vision 2030 and the National Investment Strategy (NIS), Saudi Arabia is launching the Global Supply Chain Resilience Initiative (GSCRI) to help realize the Kingdom's position as an industrial powerhouse and global logistics hub.

GSCRI is a core National Investment Strategy (NIS) initiative and works to strengthen the Kingdom's position as a key contributor to global supply chain resilience. In addition, it will further enhance the Kingdom's position within regional and global export economies. This will be accomplished by drawing foreign direct investment (FDI) inflows to export-oriented products and services in different sectors of the Kingdom.

GSCRI was launched to support the objective and KPI's of other programs and strategies and keep close coordination with them, including: National Industrial Strategy and NIDLP.



\$10.7 bn

of FDI to be attracted through GSCRI within the first two years



\$2.7 bn

of incentives to be disbursed through GSCRI

GSCRI is built on four main investment themes



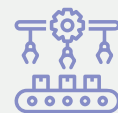
Sustainability and
Climate Change



Future Industry
Enablement



Global Supply
Diversification



Advanced
Manufacturing

GSCRI strategically prioritizes key sectors in which Saudi Arabia has a competitive advantage

- 1 Aerospace
- 2 Automotives
- 3 Building materials
- 4 Chemicals
- 5 Food processing
- 6 Machining and equipment
- 7 Maritime
- 8 Medical devices
- 9 Military industries
- 10 Mining and metals
- 11 Pharmaceutical manufacturing
- 12 Renewables



Customized incentives packages are available to investors looking to boost supply chain attractiveness in Saudi Arabia through GSCRI



Financial Incentives

CAPEX grants



Sponsored services/inputs

Supported utilities
(e.g. electricity, water)



Capital deployment

Loan access



Fiscal/tax incentives

Tax support (e.g. wavers, delays)



Regulatory incentives

Corporate regulations

Employee-related OPEX (e.g. salaries, training)

Supported raw material feedstock

Equity access

Governmental support (e.g. customs duties)

Labor regulations

Non-employee OPEX

Other inputs
(e.g. rent, other services)

Credit guarantees

Special Economic Zones

Sector-specific regulations

Saudi Arabia is a member of World Trade Organization (WTO)-approved regional trade agreements (RTAs), which boosts its attractiveness within the global supply chain. In 2019, the General Authority of Foreign Trade (GAFT) was formed to lead in developing policies and strategies for foreign trade, enabling the Kingdom's exports to access foreign markets.





EXPERT OPINION

Lubna S. Olayan

Deputy Chair at the Olayan Group, and Chair of the Executive Committee, Olayan Financing Company



How has the National Investment Strategy's framework driven growth?

As private investors, it's been truly exciting to witness the remarkable pace at which the Kingdom has transformed and expanded the non-oil economy. The government's commitment to technology transfer, localization, and infrastructure development has opened opportunities across multiple sectors and industries. These changes are representative of a government that can move and act like the private sector, though sometimes even faster.

That said, it is not just us Saudis seeing a wide-ranging and focused transformation. I have the privilege of chairing the Saudi-Greek and Saudi-Swedish Business Councils, and both my Greek and Swedish colleagues have remarked at how much reforms have changed and how attractive investing in the Kingdom has become.

At OFC, we see great potential for growth and scale in sectors such as tourism and hospitality, healthcare, education, renewable energy, manufacturing, and logistics. The National Investment Strategy (NIS) has been pivotal to this growth, introducing several programs and incentives, all of which have driven investment and diversity in these sectors, while laying the foundation for sustainable economic development.

Where does OFC see opportunities for development within the Kingdom's supply chain?

The lasting effects of the COVID-19 pandemic combined with the Ukraine-Russia conflict have led to a sharp rise in the overall costs of supply chain operations. Although we have experienced a noticeable increase in food prices, commodities, and raw materials, the Kingdom's inflation rate is predicted to only increase to 2.7% in 2023. To tackle the ongoing supply chain shocks His Royal Highness Crown Prince Mohammed bin Salman has recently announced the Global Supply Chain Resilience Initiative. At OFC, we see this as a fantastic initiative that will help forge partnerships with manufacturers and suppliers from the Saudi private sector, further bolstering the Kingdom's Logistics infrastructure.

The rapid increase in the Kingdom's industrial output has required the logistical capacity to match. The development of new trade zones, such as Jazan Economic City, SPARK Zone, and the Red Sea Gateway Terminal, has encouraged further development of the air, sea, and road infrastructure across the Kingdom, and is expected to lead to the creation of an efficient logistics regulatory regime that will support future supply chain development and ease the cost of operating in the Kingdom. As the Kingdom continues harnessing cutting-edge technology, ongoing advancements in electronic import/export processes and artificial intelligence can help mitigate supply chain challenges and streamline supply chain processes.

How have joint ventures furthered growth and diversification within the Kingdom?

We at Olayan pride ourselves on the longevity and strength of our joint ventures, some of which date back more than 70 years. Through ongoing training and knowledge transfer programs, we have leveraged their expertise, processes, and infrastructure to build and improve our own skills and capabilities. It's up to us to make the most of these relationships and ensure they help support the development of skills, capabilities, experiences of the Saudi labor force and contribute positively to the private sector.

One success of which I am especially proud relates to our efforts to bring females into our workforce. We were pioneers at the time when 22 years ago we hired a female executive to identify job opportunities for women within our Saudi operations. We soon identified an opportunity in one of our joint venture projects. Through a successful partnership with Al Nahda and the support of Kimberly Clarke, we succeeded in building a strong Saudi workforce made up of more than 50% females.



The Strength of Saudi Supply Networks

Saudi Arabia's central geographical location and strong infrastructure make it an attractive investment destination for companies looking to capitalize on the regionalization trend within supply chains.



Strategic location, connecting three continents and within a few hours from most major economic hubs



Strong economy with the fastest GDP growth among major economies in 2022



Ambitious sustainability agenda with opportunities in emerging green industries and new supply networks



Robust industrial and logistics infrastructure with over 40 industrial cities and new Special Economic Zones



Competitive production costs and an abundance of raw materials available with rapid growth in upstream, midstream, and downstream extractive industries



Saudi Arabia is home to one of the world's best transport networks and road connectivity, enabling dynamic trade routes and efficient supply chains. In addition to strong infrastructure, sweeping reforms are making the Kingdom one of the easiest places to do business, cementing the country as a rising global trade hub.

The Saudi transport and logistics industry is already a major international player



\$18 bn
market size



55%
share of the
GCC market



Aviation

- 28 airports
- 45 countries flying to and from the Kingdom

- 90+ mn passengers per year



Maritime

- 13 mn twenty-foot equivalent (TEU) annual container handling capacity
- 10 ports
- 12-13% of world trade moves through the Red Sea

- 3 Saudi ports ranked in top 20 on Container Port Performance Index 2021
- King Abdullah Port ranked 2nd fastest growing in the world in 2022



Rail

- 5,590+ km of rail

- 7+ mn tons of minerals being transported to industrial hubs



Road

- 232,000+ km road network

- 23rd largest road network globally

On the governance level, since the launch of Saudi Vision 2030, Saudi Arabia has seen the enablement of a more fluid and dynamic supply chain through regulatory reforms, with major pulls such as:

1

Under 24-hour customs clearing times

2

Automated customs processes and full-fledged e-services

3

Privatization of transport and concession contracts to private operators



EXPERT OPINION

Eng. Walid Abukhaled

CEO,
SAMI



Why are strong and diversified supply chains critical for the development of Saudi Arabia's industrial capabilities?

Robust and diversified supply chains are central to the Kingdom's efforts to developing its industrial sector. The National Industrial Development and Logistics Program under Saudi Vision 2030 aims to transform the country into a leading industrial powerhouse, and the localization of supply chains is a key element of this strategy. By bringing supply chains closer to our domestic producers, we help build resilience and mitigate costly disruptions to business, thereby contributing to the stability and prosperity of Saudi Arabia's economy.

In high-potential economic sectors such as defense and security, supply chain localization has huge potential to support growth. Recognizing this fact, SAMI is playing a leading role in localizing Saudi Arabia's government military spending through the establishment of a robust defense sector with a strong emphasis on local content. We are focused on forging strategic partnerships with international players to support and boost Saudi manufacturers and suppliers. These partnerships are vital for our efforts to develop local capabilities and content and enable us to capitalize on the unique strengths of our partners to create cutting-edge technologies. Such efforts are being enabled by the National Investment Strategy, and are providing a pipeline of opportunities for global investors. To date, SAMI has signed more than 20 key collaboration agreements with leading industry players – including Boeing, Lockheed Martin and Airbus Helicopters - to jointly develop products within Saudi Arabia to meet the defense needs of the Kingdom.

What are SAMI's key areas of focus when it comes to manufacturing defense products?

SAMI's goal is to support the Saudi Vision 2030 objective of localizing 50% of the Kingdom's defense spending by 2030. We aim to achieve this by developing cutting-edge technologies, manufacturing world-class products and providing high-quality services to scale up the defense industries sector. The potential benefits to the broader industrial sector are significant: the Kingdom's defense expenditure is the sixth largest in the world and stood at over SAR 215.6 billion in 2021.

Our ultimate target is to build and secure the Kingdom's global leadership in all verticals and sectors in the defense industry. Therefore, we drive technological innovation efforts across a range of specializations, led by SAMI Aerospace, SAMI Land, SAMI Sea, SAMI Advanced Electronics and SAMI Defense Systems business divisions.

What are SAMI's key achievements in localizing the defense sector over the past year?

We passed several important milestones over the past year, in what has been a hugely rewarding period for SAMI. The series of strategic partnerships and acquisitions we made during 2021 have accelerated the transfer of technology and expertise to the Kingdom in the land, sea, aerospace, and advanced electronics defense domains, and helped us grow our employee base by 633% to reach 2,500 staff, up from 341 in 2020. These activities also helped us to achieve total annual defense revenues of SAR 3 billion, which represents a year-on-year increase of 2,782%. This momentum will be maintained over the coming year by a SAR 10 billion contract pipeline that has a GAMI-approved localization commitment of 57.7%.

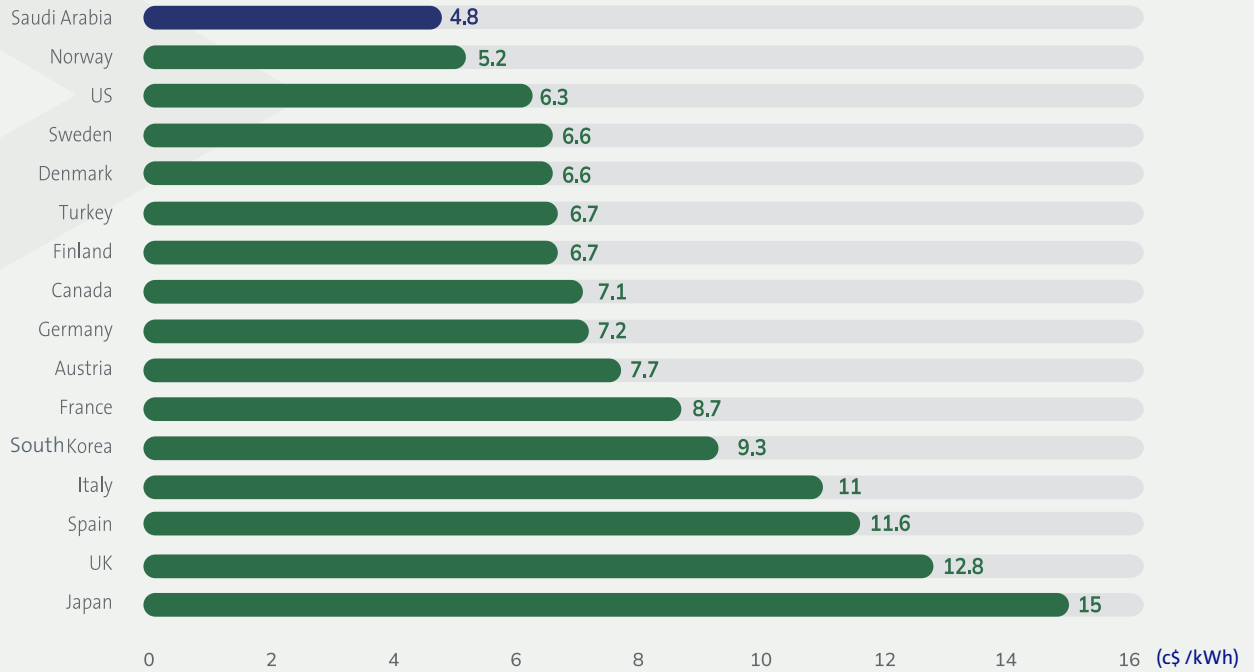




The Kingdom routinely offers market-beating electricity input costs compared to many advanced economies.

Production Costs Comparison - Electricity

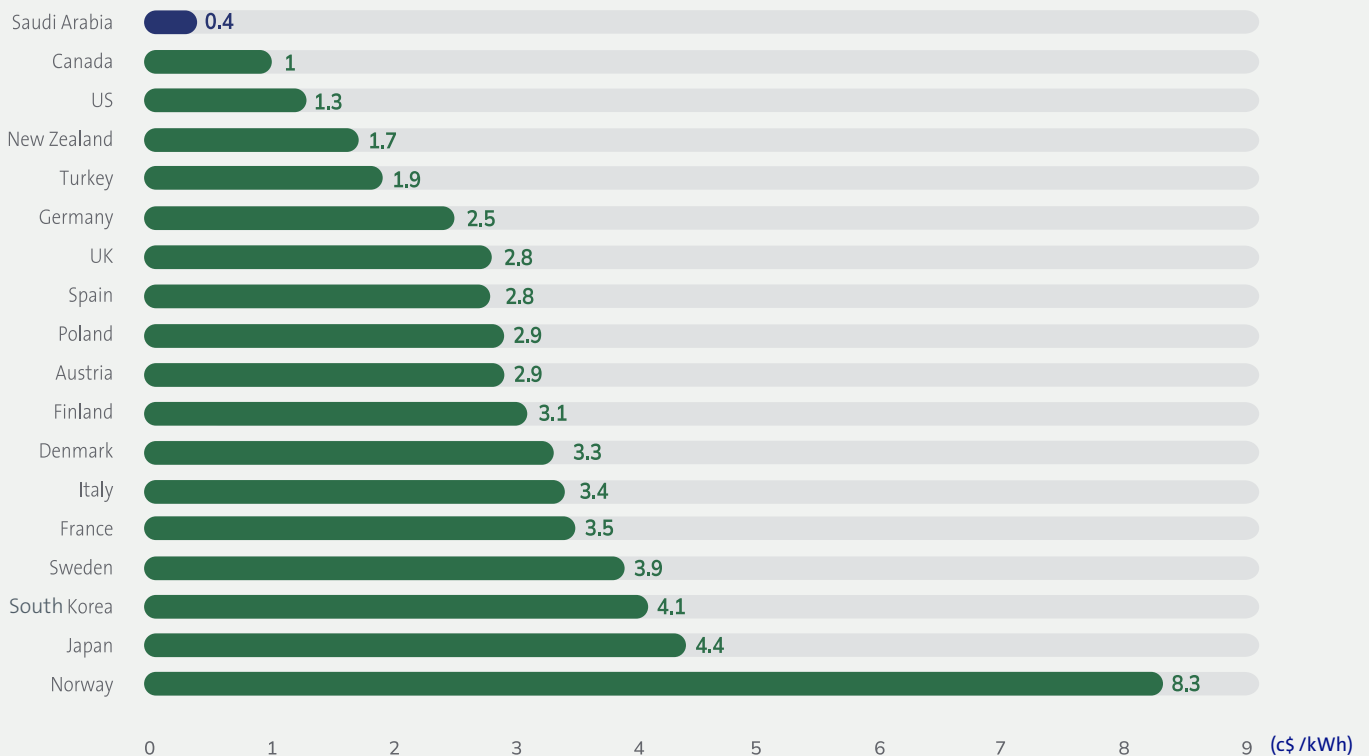
Source: GSCRI



Saudi Arabia is also one of the most cost-competitive countries in the world in terms of natural gas production.

Production Costs Comparison - Natural Gas

Source: GSCRI





Emerging Technology Enhances Supply Chain Infrastructure

Saudi Arabia is one of the most digitally competitive economies in the world, and its strong digital infrastructure enables cutting-edge supply chain management systems and processes.

98%

internet usage
penetration compared to
63% globally in 2021

53%

of homes connected
to fiber optic

92/100

score on ITU Regulatory
Tracker Index

4th

globally for
5G network
deployment

2nd

among G20 countries
for spectrum allocation

30%

of the Kingdom
has 5G coverage

91.81Mbps

average mobile
download speed

Saudi Ports Authority has rolled out its new Mawani Smart Ports Initiative to harness the Kingdom's strong 5G infrastructure to deploy automation technologies at various ports. Through a partnership with leading ICT private sector players Ericsson, STC and Huawei, as well as major transport investor DP World, the Mawani Smart Ports Initiative will progressively automate port operations as well as accelerate the use of cloud computing, cyber-tech and processing platforms by port stakeholders.

King Khalid International Airport (KKIA) in Riyadh, meanwhile, is seeing a major upgrade in its cargo handling capacity, with strong integration of advanced supply chain technologies being deployed at the expanded SATS Cargo Terminal. The cargo facility will eventually handle over 600,000 tons of cargo per annum. The facility's advanced features will include a cold-chain facility for perishable goods and a dedicated lane for pharmaceutical products.



EXPERT OPINION

Faisal Albedah

CEO And Managing
Director,

Saudi Logistics Services
(SAL)

SAL

What have been some of the major changes to the Kingdom's logistics sector over the last five years?

The logistics sector has changed drastically over the past few years, evolving into highly complex demand ecosystems. For decades, the core features of supply chain management were based around globalization, low-cost supply, and minimal on-hand inventory. The major disruption caused by the coronavirus pandemic on supply chains worldwide drove companies to focus on building supply chain resilience, moving from "just-in-time" to "just-in-case." This has required a new set of solutions and partnership models, grounded on end-to-end support for a client's supply chain, access to capacity in a timely manner, avoiding delays due to global supply chain disruption, and real time visibility across each step of the supply chain.

At SAL, we have taken decisive steps toward streamlining the Kingdom's logistics ecosystem and have invested over SAR 1.5 billion into our cargo facilities in Riyadh and Jeddah. These developments embody changes taking place in the ecosystem, and have enabled dedicated e-commerce, cold-chain, export and re-export automation, and digitally enabled facilities that have increased SAL's capacity to over 900,000 tons of air cargo and driven significant efficiency gains.

How do the National Investment Strategy (NIS) and National Transport and Logistics Strategy (NTLS) impact the air cargo industry?

The NTLS's goal of increasing air passenger traffic to 330 million people and air cargo capacity to 4.5 million tons, both by 2030, has increased the market's size and catalyzed growth within the air cargo industry. This evolution of the logistics industry is attracting more domestic and international players to enter the market, which, supported by the NIS, is working to solidify Saudi Arabia's position as an investment powerhouse.

Here at SAL, we are equipping ourselves for the enhanced competition. We are investing in our infrastructure, human resources, and service levels alongside focusing on new products to drive and capture the increasing demand. We are also deploying a third-party logistics strategy, as well as fulfillment services that support e-commerce.

What are Saudi Arabia's main competitive advantages in becoming a regional and global logistics hub?

The logistics industry is experiencing a paradigm shift, from the introduction of temperature-controlled supply chains catering to food and pharmaceutical industries, to managing automobile and defense industries, supply networks are evolving to cater to the varied needs of emerging and fast-growing industries. Indeed, these emerging sectors, such as sport, culture and entertainment are a new economic driver for the economy, are represent a key priority for SAL.

As we can see, Saudi Arabia is becoming a regional and global logistics hub, and this is largely because of the dynamic economy and population, as well as core geographical features. For example, the Kingdom has the largest population and economy within the region, and contributes to more than 40% of regional GDP. Additionally, positioned at the center of three continents, with access to 70% of the world's population only 8 hours away, the kingdom's connection to world economies is unique, and provides a strong home for production, exports, and transshipment.



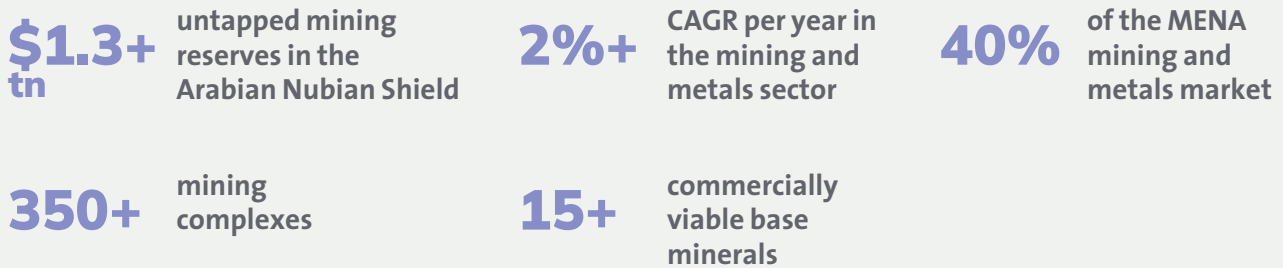


Capitalizing On Natural Assets

The Global Supply Chain Resilience Initiative (GSCRI) looks to attract foreign direct investment in export-oriented products and services in sectors where the Kingdom has a competitive advantage. Connecting expanding upstream industries – mining, oil, and gas – to midstream and downstream industries requires a fluid and efficient supply chain. GSCRI sees improving this supply network while creating a diversity of local suppliers as key aspects that will uphold the Kingdom as an industrial and logistics leader.

Mining and metals:

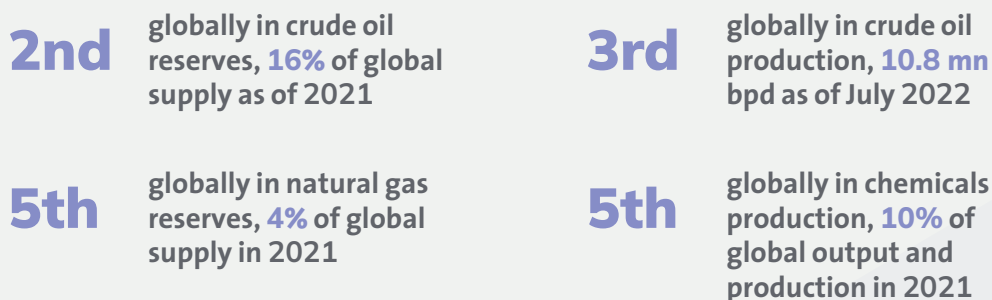
A sector finding great benefit from an efficient supply chain is Saudi Arabia's flourishing mining and metals industry. As exploration in the Arabian Nubian Shield continues, investment opportunities are arising across the mining value chain, with both midstream and downstream segments seeing strong interest from investors.



Saudi Arabia has an abundance of natural resources, including key minerals and metals such as aluminium, gold, phosphate, copper and bauxite. The proximity of these crucial materials makes for a highly localized supply chain and easy access to key industrial inputs.

Chemicals, oil and gas:

Industrial investors will find that the rich supply of raw products makes the Kingdom an appealing option for midstream and downstream manufacturing.





EXPERT OPINION

Sultan Ahmed Bin Sulayem

Group Chairman & CEO,
DP World



DP WORLD



How is work on the Southern Terminal at Jeddah Islamic Port progressing, and what impact will it have on the country and wider region?

An investment of more than \$800 million, the project is part of a 2019 agreement that DP World signed with the Saudi Ports Authority (Mawani) to operate the South Container Terminal in Jeddah Islamic Port for the next 30 years. A revamp and expansion of current infrastructure, this project is procuring the latest equipment, including automation, digitalization, and decarbonization initiatives. Split into four stages, the first is set to be completed by the end of 2022, and the fourth by 2024. The project will contribute significantly towards positioning Jeddah as a smart, modern port on a key Red Sea trade route. This, in turn, will increase trade flows, fuel national growth, and create new job opportunities for talented young Saudis, key goals of both the Saudi National Transport and Logistics Strategy and Saudi Vision 2030.

DP World recently signed a SAR 500 million agreement with Mawani to build a Logistics Park at the Jeddah Islamic Port. How do you expect the National Investment Strategy to encourage similar investments?

DP World has been in Saudi Arabia since 1999, and our experience investing in Saudi Arabia and working with domestic companies has been extremely positive. As a key pillar of Saudi Vision 2030, the Kingdom's progressive approach to sector-specific investments has already generated enormous international interest, which have already begun paying off. For example, Mawani has secured four other logistics parks with international businesses in Jeddah Islamic Port since last year.

What other partnership and investment opportunities might the park create, and how can private sector players participate?

Stretching across an area of 415,000 sq.m our logistics park will ensure that Jeddah Islamic Port becomes a global hub for port-centric logistics services. It is the perfect formula in terms of productivity, efficiency, and value for time and money, especially when port operations are closely tied to logistic services. That's why many major international companies have already signed agreements for logistics parks within the port. Ours will include multiple partnerships and investments, ranging from trucking activities; advanced warehousing technologies; light, medium, and heavy equipment purchases; and state-of-the-art facilities. It will also create thousands of new jobs.

To what extent are public-private partnerships (PPPs) helping generate interest from private sector players on infrastructure development?

Starting in 2019, Mawani and the National Center for Privatization and PPPs made significant progress in standardizing the PPP framework for ports and infrastructure, which helped align most terminal operators. This helped develop healthy competition among investors and operators, which can be seen in the robust growth of port business since then. This set a good precedent for attracting further investment into the Kingdom and should extend to other port infrastructure projects not yet under the framework.

How can Saudi Arabia better position itself as a global logistics hub?

Saudi ports have shown huge improvements in recent rankings, thanks to better supply chain efficiency, smarter trade flows, and positioning the country as a full 3PL global provider. We are looking forward to continued Customs reforms and the promotion of cross-border trade flows and transit with neighboring countries.



Safeguarding The Future, ESG and Supply Chain

With a drive for sustainability at the heart of Vision 2030 and the Saudi Green Initiative (SGI) introducing over 60 initiatives aimed at a full economic transition, Saudi Arabia is positioning itself as an attractive destination for environmental, social and governance (ESG) investments. The SGI sees emissions reduction, in line with Paris Agreement targets, as a central component of its sustainability strategy.

GSCRI will enhance the global ESG mandate by attracting investment to the Kingdom's green energy programs. Saudi Arabia is the cheapest source of green energy for environmentally-friendly manufacturing, such as green metals, which are predicted to quadruple by 2040.

Saudi Arabia's renewable energy program on:



Key policy changes to ease the investment process



Infrastructure development to foster growth



Attractive investment opportunities within renewable energy



The Ministry of Energy leads the renewable energy transformation



58-60 GW

target for renewable energy by 2030



35+

energy parks planned across Saudi Arabia



Solar and wind

initiatives to empower independent power producers (IPPs)



60%+

localization target with investment opportunities for international partners

GSCRI is a crucial contributor to global decarbonizing goals, with local content development playing a key role in addressing Scope 1, 2, and 3 emissions. Sustainability strategies supported via GSCRI include:

1

Achieving the lowest renewable Levelized Cost of Energy (LCOE) prices

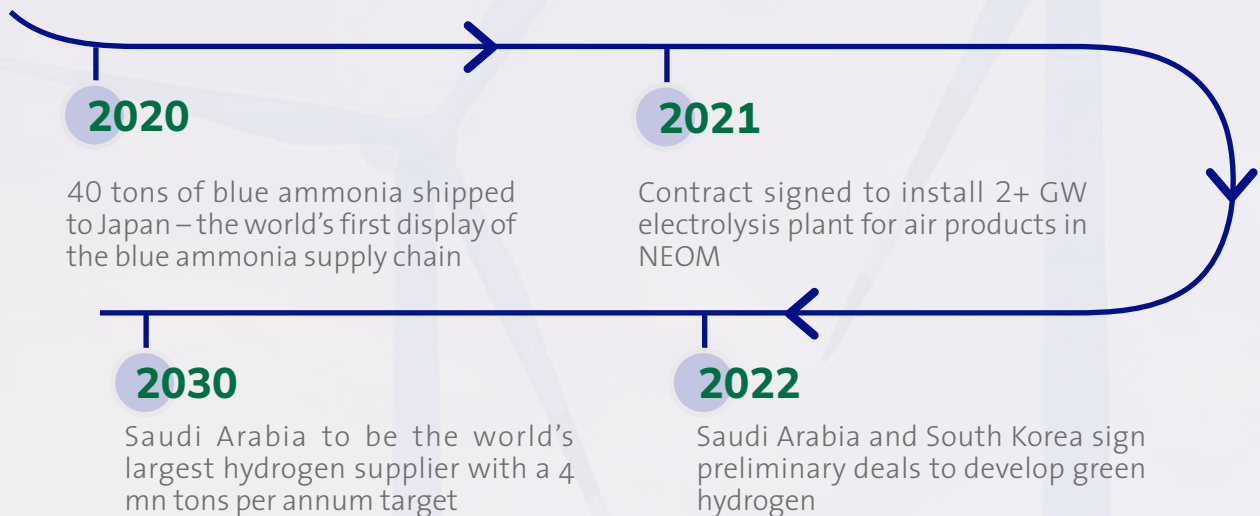
2

Kick-starting supply chains within the solar and wind markets

3

Turning Saudi Arabia into a Solar PV and Wind turbine manufacturing hub

The Kingdom's Hydrogen timeline:



The limitless renewable energy potential within Saudi Arabia extends far beyond solar and wind, with the Kingdom having the potential to be a major hydrogen exporter.



Lowest renewable energy LCOE globally



Availability of large swaths of land



Strategic location at the intersection of three continents



Pre-existing infrastructure capable of exporting hydrogen in ammonia form



Key partnerships with the private sector



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CHAPTER 4

REFORMS UNDERPIN INVESTOR APPETITE



Overview

2022 is a key turning point in Saudi Arabia's economic history. A healthy diet of economic and labor market reforms centered on digitalization, taxation, and business formalization have continued to drive investment and growth in a wide array of important economic sectors.

One of the core initiatives of NIS, Global Supply Chain Resilience Initiative (GSCRI), is expected to consolidate the Kingdom's position as an investment powerhouse and a global logistics hub, and represents a reform agenda that prioritizes investment and the private sector.

IMF Lauds Progress: Article IV Consultation

The Kingdom's substantial growth rebound following the global financial and trade difficulties set forth by the COVID-19 pandemic has been lauded by the International Monetary Fund (IMF). Thanks to high energy prices, robust fiscal measures, and strong pro-business reforms, the Fund notes that the Kingdom is now on pace to have the fastest growing economy in the world in 2022.

The IMF "welcomes the growth, contained inflation, and strengthened external position, supported by the authorities' swift pandemic policy response, strong reform momentum, and higher oil prices and production."



7.6%

real GDP growth
expected in 2022 (YoY)



4.2%

real GDP growth
expected in the
non-oil sector in
2022 (YoY)



17.2%

current account
surplus expected
in 2022, up from
5.3% in 2021



2.8%

consumer price index
(CPI) growth expected
in 2022 (YoY)



The IMF notes that much of this growth was enabled by the more than 300 initiatives and regulations that have been enacted by the Kingdom since the inception of Vision 2030. These reforms have accelerated Saudi Arabia's economic transformation by overhauling several different areas.



Improved governance and reformed labor market



Increased female labor participation



Improved ease of doing business



Increased number of industrial facilities



Enhanced digitalization of government operations



Increased investment in line with the NIS

Article IV also highlights what the Kingdom is doing to achieve Basel III banking standards, which oversees bank capital adequacy, stress testing, and liquidity requirements.

- 01** Enhancing supervisory scrutiny of credit risks
- 02** Tighter scrutiny of rising mortgage lending
- 03** Strengthening of Anti-Money Laundering/ Combatting Financing of Terrorism framework

[Explore](#) the Saudi Arabia: 2022 Article IV Consultation-Press Release; and Staff IMF Report.



National Investment Strategy: How to Take Advantage of the Policy

Saudi Arabia's National Investment Strategy (NIS) aims to increase the quality and magnitude of investment in the Kingdom, helping drive economic development across key priority sectors with an emphasis on the participation of the local and international private sector. The NIS is built around three common themes.

Growing

contribution of the private sector to Saudi balance of payments and economy

Supporting

supporting the strategic development of critical and emerging sectors

Upgrading

the investment ecosystem which will bring innovation and develop local content

The strategy has an ambitious vision for accelerating the amount of investment in the Kingdom over the next decade.

\$545bn annual investment volume by 2030, as measured by Gross Fixed Capital Formation (GFCF)

\$3.3tn cumulative investment between 2021-2030

30% 30% of GFCF as percent of GDP by 2030

\$480bn cumulative Foreign Direct Investment (FDI) between 2021-2030

The NIS targets established and developing sectors with fresh leading policies and capital attraction programs.



Green energy



Technology



Healthcare



Biotechnology



Transport and logistics



Innovative startups and entrepreneurship

The interventions outlined in the NIS will be deployed across four strategic pillars.



Investment opportunities



Funding



Investors



Competitiveness enablers

The depth and range of the NIS is radically altering the Kingdom's investment landscape.

New locations

including Special Economic Zones

New funding

including novel funding tools and Public Investment Fund support

Increased competitiveness

supported by range of incentive packages



Considering investing in Saudi Arabia?

Visit [Invest Saudi](https://invest.gov.sa) for more information.



E-Invoicing Portal: Finalizing the Digitalization Journey

As part of the Kingdom's larger digitalization journey to expedite business services, reduce the country's carbon footprint and eliminate costly red tape, the Zakat, Tax and Customs Authority (ZATCA) recently introduced an e-invoicing portal for all resident taxpayers called "**Fatoora**".

The solution is being launched in two phases. The first, deployed in December 2021 and applicable to all VAT taxpayers, requires businesses to electronically file tax invoices and debit and credit notes. The second, to launch in Q1 2023, will extend e-invoicing to most businesses.



Simplifies records



Boosts transparency



QR code-readable



Increases compliance



Integrates taxpayers' e-invoices into a larger portal



Facilitates Business to Business (B2B) transactions



Simplifies Business to Consumer (B2C) transactions

Anti-concealment Campaign: How it Benefits Transparency

As the Kingdom opens its door to foreign investors and entrepreneurs, it is also increasing its rate of compliance among existing businesses. In order to further increase its business environment, the country launched the Anti-Concealment Act in 2020, seeking to increase compliance by enterprises operating in the Kingdom.



Formalizes the economy



Increases Transparency



Strengthens the Tax Base

With a keen focus on contracting and construction, wholesale and retail, transportation, logistics, and automobile maintenance, government officials made 58,000 visits to businesses in the first five months of 2022 to help them ensure they meet the concealment requirements and standards. As a result, thousands of local businesses are now entering the legal fold for the first time.

Source: ZATCA: Zakat, Customs Authority



New Tourism Law: Innovating Toward a More Competitive Sector

In August, a New Tourism Law was approved that will help attract tourism innovators and improve the ease of doing business in this promising young sector. By extending licensing to experimental new businesses, the law will help a new generation of small and unconventional players dynamize and innovate in this growing space.



Supports new and experimental entrants



Streamlines licensing procedures



Improves services & strengthens destination development



Fosters 1 million new tourism jobs by 2030



Helps tourism contribute to 10% of GDP by 2030



Creates one-stop shop for tourism stakeholders

Source: Ministry of Tourism





Reform In Action: Case Study Aldenham School and RHQ

Founded in 1597, Aldenham School is one of the most respected private schools in the United Kingdom. In its international expansion beyond Britain, Aldenham Education Group (AEG) chose to open a location in Saudi Arabia. AEG's unique business model ensures each school is a true branch of the mother school in the UK, owner-operated and integrated into the British academic sector. Being directly managed by the UK school offers pupils an authentic British educational experience.

AEG's expansion to Riyadh was the result of MISA's Regional Headquarters program (RHQ), an initiative working to support firms looking to relocate their regional operations to the Kingdom. As a group engaged in active global expansion, AEG has a thorough methodology of vetting and ranking entry markets of interest. As part of this exercise, AEG conducted a detailed market study and parent survey before eventually deciding to open its location in Saudi Arabia. Shahram Hashemi and Alec Nejad, Managing Partners of AEG, highlight why they chose Saudi Arabia.

Hashemi: "While we considered in which market to expand, AEG performed market analysis which revealed Saudi Arabia as the second most attractive destination for us globally. The short term for us is promising, but we are looking beyond this, and working to open a number of schools across the Kingdom as we anticipate demand continuing to rise dramatically."

Nejad: "The Kingdom's forward-thinking reform agenda has spurred tremendous growth. We worked extremely closely with the Ministry of Education, Ministry of Investment, and the Royal Commission for Riyadh City (RCRC) early in the RHQ process, while also advising officials on the regulatory framework around international schools."

AEG's expansion into Saudi Arabia is one of many key new entrants to the Saudi capital via MISA's RHQ program.

70

international companies
issued their licenses to
relocate their HQ to Riyadh
through Q3 2022

25

public agencies partnered
to help attract new firms to
Riyadh through RHQ





EXPERT OPINION

Abdulaziz AlGasim

Founding Director,

Abdulaziz AlGasim
Law Firm

عبد العزيز القاسم
محامون ومستشارون



How have regulatory reforms changed the investment ecosystem in Saudi Arabia?

With Vision 2030 driving record investment into Saudi Arabia, it's imperative the legislative body has clear processes and quality requirements so we can best serve global entrants. Through the sheer quantity of new legislation as well as the innovative content therein, the Kingdom has been following global best practices to ensure a leading regulatory ecosystem for investment. The introduction of benchmarking against global best practices is underpinning this change and has internationalized the Saudi economy with regulations now meeting global standards while also localizing the global experience. Following these best practices is making our legislation increasingly professionalized and has enabled us to speak the same regulatory language as our global partners.

What has been the most important result of these reforms for investors and the economy?

Increasing privatization has been a key result of the reforms over the past few years, as privatization opens our economy to local as well as international investors. Privatization in the healthcare sector and localization efforts in the defense sector have been the most prominent cases so far, and further localization will be pursued in the food, medicine, pharmaceuticals, and vaccination spaces, as well as in our thriving information and communications technology (ICT) sector.

In the business and investment ecosystem as well, we have seen strategies and programs evolve in order to encourage privatization and localize key industries within the Kingdom. For example, the deployment of targeted reforms under the Financial Sector Development Program has encouraged investment into our financial industry, greatly localizing fintech services within Saudi Arabia.

What do the next couple of years will look like in terms of reform?

I think we are in a very strong position to continue developing the legislation ecosystem across the board. As it stands, we have adapted our regulatory environment to follow clear Sharia laws while still ensuring a thriving investment environment. We are studying the long history of how civil and sectoral law evolved in North America, South America, India, and Europe to see what important lessons we can learn from them, and then to localize to Saudi Arabia. Through extensive consultation with the government, we are also seeing the introduction of private sector voices in legislation.

This co-creation approach has opened opportunities to develop standards and regulations that enable globally competitive market growth in areas such as the food and industrial sectors.





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CHAPTER 5

MARKET OPPORTUNITIES DRIVE INVESTOR INTEREST



Investor Interest Remains Robust

As the application of the National Investment Strategy deepens, Saudi Arabia has maintained its position as both an important source and destination for key investments by the global investor community. These have been bolstered by more than 300 initiatives and regulations enacted to strengthen investors' position and create a diverse new array of opportunities. In addition to reforming the labor market, improving the ease of doing business, and strengthening banking standards, this has opened up new opportunities in green energy, technology, healthcare, biotechnology, transport and logistics, and innovative startups.



53

deals signed in Q3 2022

Breakdown of MISA's Q3 deals brokered by country:



21
Saudi
Arabia



10
UAE



4
Cayman
Islands



3
USA



3
British Virgin
Islands



2
Germany



2
Singapore



2
Jordan



1
UK



1
Spain



1
Hong Kong
SAR (China)



1
Cyprus



1
Luxembourg



1
Bahrain



Additional deals, investment agreements, and figures for Q3 2022

\$3.7 bn

in agreements between Saudi Arabia and Greece in energy, infrastructure, tourism, transport and logistics, ICT, healthcare, and food

14

investment agreements worth \$11.98 bn signed between Saudi and Uzbek companies

\$818 mn

in total VC funding through Q3 2022, a 93% year-on-year increase

22

deals through Q3 spur 266% y-o-y increase in fintech funding

\$232 mn

in VC funding across 18 deals in Q3 2022

Prominent sectors in which MISA spurred investment deals and agreements in Q3 2022



ICT



Transport and Logistics



Healthcare & Life Sciences



Sport & Entertainment



Pharmaceuticals



Fintech



Energy, Renewables, and Utilities



Information and Communication Technology (ICT)

➤ STC, Greece, and Cyprus to create digital links between Saudi Arabia and Europe

In July, amid Crown Prince Mohammed bin Salman's visit to Athens, an agreement was struck to build a submarine cable connecting Europe to Asia as part of the East to Med Data Corridor (EMC) project. Signatories included Saudi Telecom Company (STC), Greek Telecom Company, Greek General Energy Company, and Cyprus Telecom Company. The project aims to create an eastern digital station for Europe while consolidating the Kingdom's position as a regional digital hub.



➤ MCIT and IBM enter partnership to upskill and empower youth in ICT

Coinciding with President Biden's visit in July, the Ministry of Communications and Information Technology (MCIT) signed an agreement with IBM to train young Saudis in different ICT domains, including Artificial Intelligence (AI), cybersecurity, machine learning, and innovation acceleration. MCIT also signed a memorandum with the US' National Communications and Information Administration (NTIA) to cooperate on 5G and 6G technologies, an agreement that targets accelerating the pace of research, development, and innovation in the Kingdom's digital ecosystem.



100,000

youth to be trained
in ICT, under 8 key
initiatives



100

workshops
specifically for AI



18

agreements signed
between both countries
in communications, space,
energy, and health

➤ Wa'ed Ventures co-invests \$12.6 million in Luxembourg-based space-tech

Aramco's VC wing, Wa'ed Ventures, co-invested \$12.6 million with Greece's Phaistos Investment Fund in OQ Technology, an end-to-end satellite 5G integrated solution provider. OQ will use the funds to further develop its own tech solutions, acquire more spectrum licenses, and grow its 5G IoT satellite constellation, which provides fast and real-time data processing for IoT and Machine-to-Machine (M2M) applications in remote and rural areas.



Transport and Logistics

➤ Bahri Logistics and MOSOLF Group to develop automotive logistics framework

Bahri Logistics, a business unit of Saudi's national shipping carrier, Bahri, is forging a closer relationship with German automotive logistics service provider, MOSOLF Group, to enhance the automotive supply chain in Saudi Arabia. The agreement, overseen by MISA, looks to build and operate an automotive logistics system in Saudi Arabia which benefit all players involved in the automotive industry in the Kingdom.

➤ Alstom company and MISA to boost transport industry in Saudi Arabia

French transport multinational Alstom has signed an MoU with MISA to greatly increase the company's investments in Saudi while moving its regional headquarters to Riyadh. Investments will center on efforts to localize industry in the Kingdom and create a strong supply network. Alstom, whose specialties span railway infrastructure, transport technologies and low-carbon transport, will work alongside Saudi public and private partners to create an efficient, sustainable transport network in the Kingdom.

➤ MISA and India's Motherson sign a deal to explore auto parts manufacturing

MISA signs an important MoU with the industry leading Indian auto parts manufacturer Motherson Group and Saudi Arabia's National Industrial Development Center to explore investment opportunities in several areas, most notably the auto parts industry.



Sports & Entertainment

➤ Dorna Sports & Saudi Motorsport Company (SMC) to develop motorcycle racing

In September, SMC and Dorna Sports, the commercial rights holder for Grand Prix motorcycling, signed an MoU to bring the sport's most prestigious competition to Saudi. Signed at the San Marino Grand Prix, the agreement looks to add Saudi to the annual MotoGP calendar and expand the sport's presence in the Middle East. It is an important addition to Saudi's growing sports, tourism, and entertainment offering.



800 mn

people in over 200 countries watch
MotoGP's World Championship



2nd

country in the region
to host the sport

➤ MISA teams up with South Korean entertainment giant

MISA signed an MoU with leading South Korean K-Pop entertainment company, SM Entertainment, to help the latter enter and invest in the Saudi market. In addition to facilitating assistance with potential stakeholders, MISA will help it as it looks for local partners and investors. SM Entertainment is also planning to include a manufacturing line in Saudi Arabia and eventually sell goods and merchandise.



Food and Beverage

➤ MISA helps Danish-based Joe and the Juice enter Saudi Arabia

MISA signed a deal with UAE-based Independent Food Co. and Copenhagen-based Joe and the Juice coffee chain to bring one of Europe's most sought-after coffee and juice chains into Saudi Arabia. The partnership will go a long way to developing the Kingdom's quickly maturing F&B industry.

➤ Café Amazon to open 150 branches in Saudi Arabia

Under a deal brokered by Invest Saudi during a high level delegation visit of Thai business leaders to Riyadh, Thai coffee chain Café Amazon signed a master franchise agreement with Advanced System Group International to open coffeeshops in cities throughout the Kingdom.



2nd

country for the chain
outside East Asia



150+

Saudi branches to be opened
over the next 10 years



Health and Life Sciences

➤ The Establishment of the Saudi-German Genomic Center

Dammam Valley and German digital healthcare and diagnostics company, Arcensus GmbH, announced the establishment of the Saudi-German Genomic Center in Riyadh. The Center, which utilizes next-generation sequencing technologies, will extend its comprehensive genomic diagnostic services for the entire GCC.



Riyadh center to benefit from extensive network of geneticists, medical experts, and data scientists



Seeks to position Saudi Arabia as leader in emerging Whole Genome Sequencing field

➤ UAE healthcare giant, Burjeel Holdings, to invest up to \$1 billion in Saudi Arabia by 2030

Burjeel Holdings, operator of 39 hospitals and medical centers in the UAE, signed an MoU with MISA to seek investment opportunities through joint-ventures and PPPs in the Kingdom. The UAE's largest private healthcare provider, Burjeel will target collaboration with local partners within Saudi Arabia's healthcare ecosystem, including investments in specialty medical treatment centers and hospitals, digital health ventures, and clinical research programs.



Plans to manufacture personal hygiene products in Saudi Arabia



Contribute to Saudi's growing research footprint in cancer prevention, screening, and therapy

➤ MISA signs MoU with Insilico Medicine to drive AI-driven biotechnology industry

Signed in September, the agreement will see Hong Kong's Insilico, a global biotech leader, provide their AI platform and services to local Saudi partners to increase research and support further drug discoveries. The company will also lend its expertise across a wide range of AI applications to help boost productivity and safety across other key sectors, too.



Support development of Saudi biotech sector



Support development and adoption of AI-powered crop protection solutions



Assist local petrochemical organizations with green chemistry initiatives



Builds on **\$95 mn** investment from Aramco-backed Prosperity 7 Ventures



Retail

➤ Lulu Saudi Hypermarkets inks deal with QazTrade of Kazakhstan

At the July meeting between MISA and Kazakh Invest, representatives of Lulu Saudi Hypermarkets, a subsidiary of Lulu Group, signed an MoU with Kazakhstan's QazTrade Center for Trade Policy Development. QazTrade is a research foundation with a strong focus on providing research and advisory services on trade issues, while Lulu Saudi is one of the Kingdom's prominent supermarket chains.



Tourism

➤ Saudi Tourism Development Fund, Al Rajhi Capital, and Ennismore to establish hospitality fund

The Saudi Tourism Development Fund (TDF) entered into an agreement with Al Rajhi Capital, a Saudi-based financial services company, and Ennismore, a global property management group, to develop a fund for hospitality projects in the Kingdom. While TDF will provide the capital for the project, Ennismore will provide development and operational management services, and Al Rajhi Capital will manage the fund and attract investments. The goal is the development of niche lifestyle hotels in Saudi Arabia.



400 mn

fund for hospitality projects around the Kingdom



Strong focus

on creating sustainable tourist destinations for local and international tourists



Pharmaceuticals

➤ Eurasia Invest Ltd signs agreement to collaborate with Jamjoom Pharmaceuticals

At the July investment roundtable held between officials from Saudi and Kazakhstan, the two countries strengthened their trade relationship with an MoU between Eurasia Invest Ltd and Jamjoom Pharma that will see Jamjoom, a Jeddah-based pharmaceutical, collaborate with Eurasia Invest Ltd to increase the supply of dried mare's milk from Kazakhstan to Saudi Arabia.



Energy and petrochemicals

➤ Aramco and Sinopec to collaborate on projects in Saudi Arabia

Aramco and Sinopec, the respective Saudi and Chinese oil and gas giants, signed an agreement to explore new areas of collaboration between the two companies. The MoU elaborates on potential areas for collaboration, with the goal of expanding existing joint ventures between in both Saudi Arabia and China across many levels of collaboration.



Refining and petrochemical integration



Engineering



Procurement and construction



Oil field services



Upstream and downstream technologies



Carbon capture and hydrogen



➤ Saudi Arabia and Greece sign wide-reaching energy MoU

On the sidelines of Crown Prince Mohammad Bin Salman's visit to Athens in July, Greece and Saudi Arabia signed an MoU to collaborate on a wide variety of energy-related topics. The deal also stresses the localization of materials, products, and services related to all energy sectors and their associated supply chains.



Renewables
and clean
hydrogen



Electrical
interconnection



Exporting
electricity to
Greece and Europe



Energy
efficiency



Oil, gas and
petrochemicals



Carbon capture
and reuse



Adopting circular
economic approach and
reducing climate change

➤ Saudi's ACWA Power to build Senegal largest desalination plant in Sub-Saharan Africa

MISA helped spur an important deal between Saudi Arabia's ACWA Power and Senegal to develop the largest seawater reverse osmosis plant, i.e., desalination project, of its kind in sub-Saharan Africa. Signed in conjunction with the National Water Company of Senegal (SONES) and the National Electricity Company of Senegal (SENELEC), the MoU also included plans for ACWA to build Senegal a combined cycle gas-turbine (CCGT) plant.



300,000 m³/d
seawater reverse osmosis
plant in Grande Côte



160 MW
capacity combined cycle gas-turbine
(CCGT) plant in Cap des Biches



Fintech

➤ Payment Companies Licensed by Saudi Central Bank reaches 19

The Saudi Central Bank (SAMA) gave licensing to two additional fintech payments in July 2022 companies, Enjaz Payments Services Company, which provides electronic wallet services, and Marta Financial Company, which provides points of sales (POS) payment services. This brings the total number of payment companies licensed by SAMA to 19 by July 2022, in addition to seven other companies granted "in-principal approval."



19
fintechs approved by SAMA
to operate in Saudi Arabia
as of Q3 2022



7
more fintechs on verge
of receiving approval to
enter Saudi market



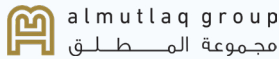
Mega and Giga Projects Attract New Partnerships

Saudi Arabia's mega and giga projects remain key to achieving the Kingdom's ambitious Vision 2030 goals of economic diversification, private sector growth, and positioning Saudi Arabia as a world leader across multiple emerging sectors. The last quarter saw market movement within these major developments, including investment deals being struck and new partnerships forged.



The Red Sea Development Company partners with ZeroAvia to develop zero-emission flights

At the Farnborough International Airshow in July, The Red Sea Development Company (TRSDC) announced that it has selected ZeroAvia, the British-American aerospace company, as its preferred partner to test and develop zero-emission travel across its upcoming developments. The intention is to operate a fleet of 30 seaplanes to transport guests across different areas of The Red Sea project, with ZeroAvia commissioned to retrofit Cessna planes with powertrain technologies to be carbon negative.



The Red Sea Development Company announces joint venture with Al Mutlaq Group

In July, TRSDC announced a \$399 million deal with Almutlaq Real Estate Investment Co. (AREIC), a subsidiary of Al Mutlaq Group (AMG) to develop Jumeirah The Red Sea, a 159-key luxury resort situated on Shura, the project's hub island. Shura, which is currently being constructed as part of the project's first phase of development, set to be opened in early 2024.



The Red Sea Development Company signs MoU with King Abdulaziz University

TRSDC has entered into a collaborative partnership with King Abdulaziz University in Jeddah with the intention of enriching the professional and scientific aspects of the Red Sea Project and creating opportunities for wider collaboration. Under the MoU, KAU will provide expertise, guidance, and access to scientific references with a focus on region-related encyclopedias and scientific publications that will support the project's broader ambitions, as well as sharing social research projects and relevant studies.



AMAALA

AMAALA breaks ground with \$1.7bn in contracts already awarded

In September, AMAALA, the ultra-luxury development located along Saudi Arabia's north-western Red Sea coast, announced significant progress on its developments, with over 300 contracts signed to date worth SAR 6.62 billion (\$1.7 billion). Moreover, 54 further proposals worth SAR 6.1 billion (\$1.62 billion) are currently out for tender. The first phase of the project will see the delivery of eight hotels and 1,200 hotel rooms set within the Prince Mohammad bin Salman Natural Reserve.



البريد السعودي
Saudi Post

Diriyah Gate Development Authority and Saudi Post enter collaborative agreement

In July, the Diriyah Gate Development Authority (DGDA) signed an MoU with Saudi Post to explore ways in which the two entities can develop and strengthen strategic cooperation. The partnership will seek to enhance collaboration across different areas, including joint planning and project delivery, efficiencies in government spending, data exchange, system integration, and database sharing.



الشركة السعودية لإعادة التدوير
Saudi Investment Recycling Company

Diriyah Gate Development Authority and Saudi Investment Recycling Company sign agreement to manage waste

In July, the Diriyah Gate Development Authority (DGDA) and the Saudi Investment Recycling Company (SIRC) signed an agreement for the handling and processing of all waste within the Authority's jurisdiction. The agreement also covers future cooperation between the Authority and SIRC on research, investment opportunities, deployment of solutions, operations, and management. The two entities will look to collaborate on citywide waste management solutions based on best practices for handling, recycling, and disposing of waste.



التراث

Diriyah Gate Development Authority enters partnership with Al-Turath Philanthropy

In July, Al-Turath Philanthropy Foundation signed an agreement with the Diriyah Gate Development Authority to strengthen cooperation within the culture and heritage arena. The agreement sees both parties commit themselves to developing joint projects, initiatives, studies, planning, and publishing of research reports. Given the importance of the Diriyah Gate project to Saudi heritage, the agreement with Al-Turath is a major stimulant for the wider preservation of Saudi culture and history.



ROSHN



واجهة جدة البحرية
Jeddah Waterfront (JW)

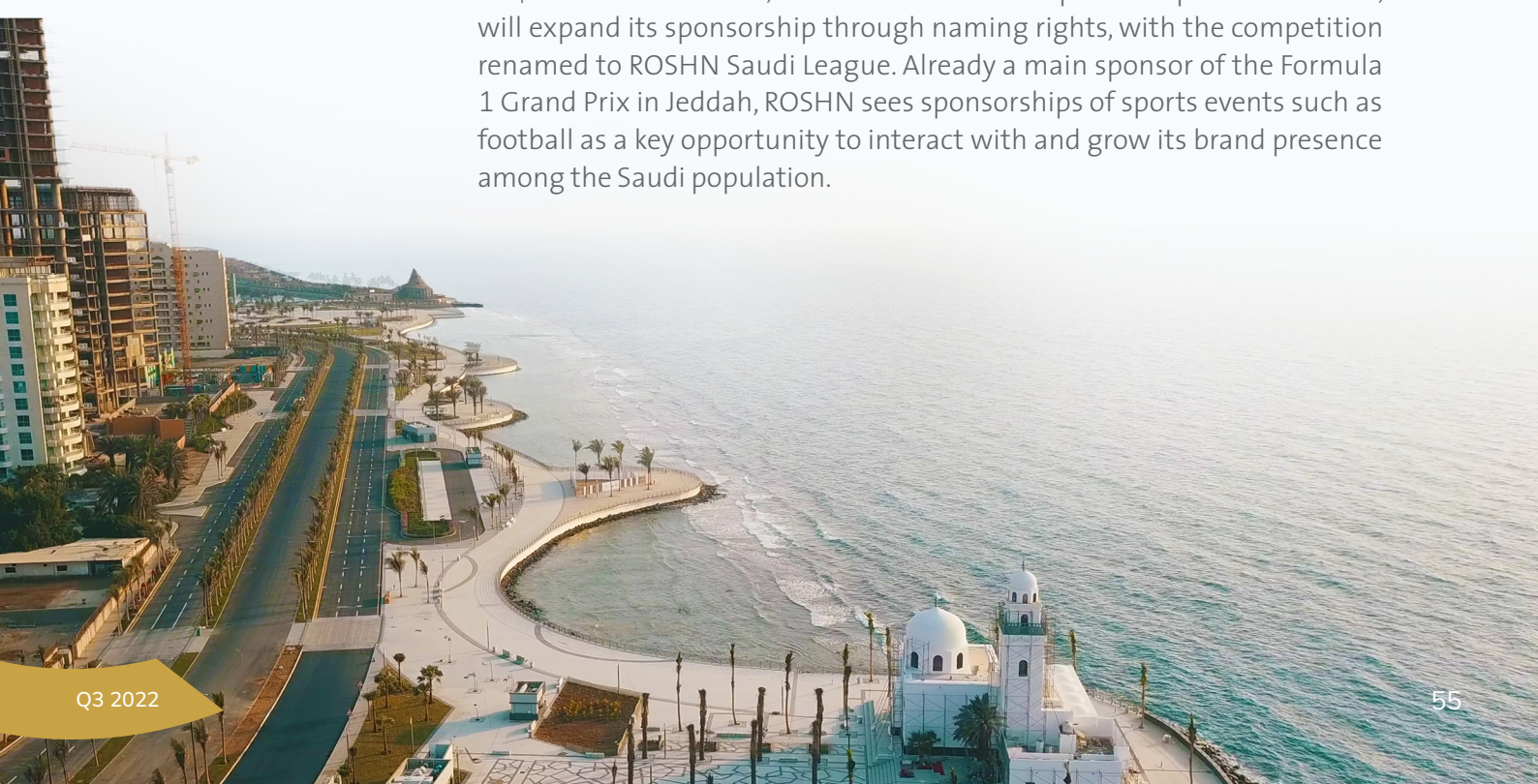
ROSHN enters into an agreement to sponsor and rename Jeddah Waterfront

In August, the national real estate developer, ROSHN, signed an agreement with the city of Jeddah to have the city's waterfront renamed to 'ROSHN Waterfront'. Situated on some of the most important real estate in the city, the waterfront receives 55 million visitors per year and is a key tourism attraction for the city. Through the naming sponsorship, ROSHN looks to draw attention to its different major projects in pursuit of Vision 2030's goals to increase living standards and home ownership in Saudi Arabia. For example, ROSHN's ALAROUS project in Jeddah, which was launched in 2022.



ROSHN to be title sponsor of Saudi Arabia's Pro League football competition

In August, ROSHN, the national real estate developer, entered into an agreement with the Saudi Pro League to sponsor the football competition for \$127 million. ROSHN, who has been a valued sponsor of previous seasons, will expand its sponsorship through naming rights, with the competition renamed to ROSHN Saudi League. Already a main sponsor of the Formula 1 Grand Prix in Jeddah, ROSHN sees sponsorships of sports events such as football as a key opportunity to interact with and grow its brand presence among the Saudi population.





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Ministry of Investment

استثمر في السعودية
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SAUDI



CHAPTER 6

INVESTMENT EVENTS: LOCAL & INTERNATIONAL





A Dynamic Event Shedule in Q3 2022 Leads to Key Investment Agreements Around the World

MISA hosted and participated in a wide range of investment-related events around the world in Q3 2022, working to boost FDI in the Kingdom, strengthen bilateral ties with key trading partners, and help generate long-term resources for a number of dynamic sectors across a rapidly diversifying economy.

In addition to hosting important bilateral summits in Riyadh and Jeddah for trade partners from MENA, North America, China, and Central Asia, MISA also attended key events in Washington, New York, London, Athens, Italy, and Latin America that led to a number of important deals being struck. Special sector-focused events were also held to boost investment in Saudi Arabia's iron and steel, hospitality, defense, and ICT sectors.

2022

JULY 1



Atlantic Council

Atlantic Council Middle East

AREA OF FOCUS: Atlantic Council-Middle East ties

LOCATION: Washington, USA

Minister of investment Khalid Al-Falih traveled to Washington to meet with senior US executives, financial institutions, and research centers to discuss economic growth in the Kingdom.

JULY 6



Saudi Caribbean Investment Forum

AREA OF FOCUS: Regional trade & investment

LOCATION: Punta Cana, Dominican Republic

Representatives from MISA met with leaders of the Association of Caribbean Investment Promotion Agencies (CAIPA), the Export and Investment Center of the Dominican Republic (ProDominicana), and 15 other national delegations to discuss investment in priority sectors such as logistics and transportation, renewable energy, infrastructure, tourism and hospitality, and agribusiness.

JULY 9



Guyana-Saudi Arabia Investment Engagement

AREA OF FOCUS: Bilateral trade & investment

LOCATION: Georgetown, Guyana

A delegation of Saudi government and business leaders traveled to the South American nation at the behest of President Dr. Mohamed Irfaan Ali to explore investment opportunities in the country's non-oil economy.



JULY 15



POTUS Official Visit to Saudi Arabia

AREA OF FOCUS: US-Saudi bilateral trade, ties, & investment

LOCATION: Jeddah, KSA

On the sidelines of President Joe Biden's momentous first visit to the Saudi capital, MISA helped facilitate 13 investment agreements with US businesses across the energy, aerospace, defense, healthcare, tourism, textiles, education, and manufacturing sectors. This boosted the already deeply held business ties between the two countries.

- Agreements with Boeing, Raytheon, Medtronic, Digital Diagnostics, and IQVIA
- IBM to train 100,000 Saudi youth in ICT & position the Kingdom as MENA tech hub



JULY 22



Farnborough International Airshow 2022

AREA OF FOCUS: Aviation & Defense

LOCATION: London, UK

Led by the General Authority for Military Industries (GAMI) and MISA, the KSA Pavilion at this year's Farnborough International Airshow was a key opportunity for the Kingdom to generate interest from a wide array of air and defense leaders.

JULY 24



Saudi-Kazakh Investment Meeting 2022

AREA OF FOCUS: Bilateral trade & investment

LOCATION: Jeddah, KSA

In his first foreign visit as head of state, Kazakh President Kassym-Jomart Tokayev traveled to Jeddah to meet with Crown Prince Mohammad Bin Salman and representatives from the Saudi business community. In addition to discussing ongoing Saudi investments in education, health, culture and infrastructure in Kazakhstan, they also discussed how to boost bilateral trade, particularly in machinery, iron and steel production, food processing, agriculture, tungsten, uranium, chromium ore, manganese, silver, zinc, and lead. During Tokayev's visit, at least 13 agreements were signed.



JULY 26



BMG Economic Forum 2022

AREA OF FOCUS: Saudi-British investment cooperation

LOCATION: London, UK

BMG Financial Group held its annual economic forum in London during which it showcased investment opportunities in industry and promising sectors such as fintech and entrepreneurship. With the participation of MISA, the Ministry of Industry and Mineral Resources, and Saudi Venture Capital Company (SVC), the forum marked an important step forward in strengthening Saudi-British financial ties.

JULY 26



Saudi-Greek Investment Meeting

AREA OF FOCUS: Bilateral trade & investment

LOCATION: Athens, Greece

Leaders from Saudi Arabia and Greece met in Athens to discuss a wide array of economic and investment cooperation areas between the two countries. With special focus on communications, transport, logistics, and energy, MISA led in the signing of 21 agreements and MoU's worth \$3.7 billion, including a deal to extend a submarine cable to help the Kingdom become a larger player in the digital economy. Bahri, Saudi's national shipping carrier, also signed two MoU's to strengthen the maritime sector. The event comes after the launching of the Joint Saudi-Greek Business Council in 2021.

AUGUST 8



أكاديمية طويق
TUWAIQ ACADEMY



Apple Women's Developer Academy Graduation

AREA OF FOCUS: ICT & Education

LOCATION: Riyadh, KSA

An inaugural class of 103 female students from Saudi Arabia's Apple Developer Academy, the first in MENA, graduated in August in a ceremony attended by Minister of Investment Khalid Al-Falih and Minister of Communications and Information Technology Abdullah Al-Swaha. Apple's first female-only academy in the world, it was launched in 2021 in partnership with the Saudi Federation for Cyber Security and Programming to train young women in innovative ICT skills. Its first batch of graduates represents an important step forward for the Kingdom's ambitious localization and diversification efforts.

AUGUST 18



Saudi-Uzbek Investment Roundtable

AREA OF FOCUS: Bilateral trade & investment

LOCATION: Jeddah, KSA

Uzbekistan President Shavkat Mirziyoyev visited the Crown Prince in Jeddah to discuss a wide range of bilateral issues of cooperation between the two countries. With the support and cooperation of the Saudi-Uzbek Business Council, 14 agreements between the two countries were signed.



SEPTEMBER 4



Ambrosetti Forum

AREA OF FOCUS: Investment opportunities in Saudi Arabia

LOCATION: Lake Como, Italy

Minister of Investment Khalid Al-Falih discussed the future impact of Vision 2030 and Saudi's competitive advantages at the Ambrosetti Forum, one of the most important annual gatherings of world leaders. He also highlighted the many opportunities for global investors made possible by the Kingdom's National Investment Strategy. In addition to discussing Saudi-Italian investment opportunities, MISA also inked an important deal with Italy's Eni Company to develop energy sustainability.

SEPTEMBER 6

استثمارات
المدينة

Invest in Al Madinah Al Monawara Forum

AREA OF FOCUS: Regional investment in Al Madinah

LOCATION: Al Madinah Al Munawwarah, KSA

In partnership with MISA and the Madinah Chamber, the forum allowed stakeholders from around the Kingdom to explore investment opportunities and economic development in Al Madinah province.

SEPTEMBER 12-14



2nd Saudi International Iron & Steel Conference 2022

AREA OF FOCUS: Heavy industry

LOCATION: Riyadh, KSA

Organized by the National Committee for Steel Industry, global steel industry leaders met in Riyadh in September to discuss a wide range of issues, including how the steel industry is embracing decarbonization and the energy transition; the post-Covid outlook for GCC's iron and steel industry in the wake of higher energy prices; the evolution of flat steel consumption and investments in the Middle East; and MENA's new role as a steel exporter. Opportunities in the country's burgeoning mining sector were also discussed.

47 speakers

24 sponsors

24 exhibitors

10 sessions





SEPTEMBER 14



Saudi-Omani Investment Roundtable

AREA OF FOCUS: Bilateral trade & investment

LOCATION: Riyadh, KSA

Public and private sector leaders met in Riyadh to discuss mutual investment opportunities, boosting regional trade, and increasing public and private sector developments between the two kingdoms. The event was co-hosted by the Saudi-Omani Business Council.

SEPTEMBER 19-21

FUTURE
HOSPITALITY
SUMMIT

Future Hospitality Summit

AREA OF FOCUS: Tourism in Saudi Arabia

LOCATION: Dubai, UAE

Invest Saudi established a pavilion at the Future Hospitality Summit in Dubai to promote the most prominent investment opportunities in Saudi Arabia's hospitality and tourism sectors, particularly in the Kingdom's southern Aseer province.

SEPTEMBER 20-26



United Nations General Assembly (UNGA)

AREA OF FOCUS: Global trade & investment

LOCATION: New York City, USA

Minister of Investment Khalid Al-Falih and colleagues from the Ministry of Investment met with representatives of the World Economic Forum, the Atlantic Council, and US business leaders on the sidelines of the UNGA to discuss Saudi Arabia's role in the global economy, in addition to various investment opportunities.

SEPTEMBER 23

FII INSTITUTE
Future Investment Initiative Institute | Impact
on Humanity

Priority FII Institute Summit at the UNGA

AREA OF FOCUS: Global sustainability

LOCATION: New York City, USA

Minister of Investment Khalid Al-Falih spoke at the Priority FII Institute Summit on the sidelines of the UNGA in New York City to discuss the role of technology in investing, along with key insights into Saudi Arabia's latest public interest investment priorities in the context of a changing global economy.



SEPTEMBER 26-27



Saudi-Senegalese Business Council

AREA OF FOCUS: Bilateral trade & investment

LOCATION: Riyadh, KSA

Minister of Investment Khalid Al-Falih and Senegalese Minister of Foreign Affairs Aïssata Tall Sall signed an agreement in Riyadh to establish the Saudi-Senegalese Business Council. In addition to spurring greater bilateral trade and exploring investment opportunities, the deal also resulted in a \$63 million loan to Senegal to help build a coastal highway from Dakar to Saint Louis, and MoUs between Saudi's ACWA Power and local Senegalese utilities to build a power plant and a desalination plant.

SEPTEMBER 30



China-Saudi Arabia Joint Committee on Trade and Investment

AREA OF FOCUS: Bilateral trade & investment

LOCATION: Riyadh/virtual

Co-chaired by Minister of Investment Khalid Al-Falih and the Chinese Minister of Commerce Wang Wentao, representatives of both governments discussed ongoing trade, joint projects, and future investment and cooperation opportunities between. China is now the Kingdom's largest export destination, with goods worth USD 16.8 billion going to the Middle Kingdom in Q2 2022.





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استثمر في السعودية

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BECOME PART OF THE INVESTMENT STORY



How to Become a Part of the Kingdom's Journey

After implementing multiple reforms aimed at reducing red tape, increasing competition, and streamlining the clearance process to realize investments across a wide number of growing sectors, doing business in Saudi Arabia has never been easier.



1 business day

to obtain your license



2 documents required

for an investment license



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

A wide number of promising sectors are booming and now open to business



Chemicals



IT



Energy & Water



Industrial Manufacturing



Healthcare & Life Sciences



Mining & Metals



Transport & Logistics



Tourism, Culture, & Entertainment



Real Estate



Download MISA's Investor Services Manual [here](#) to learn 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.



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



Become a Part of the Global Supply Chain Resilience Initiative

Saudi Arabia's new Global Supply Chain Resilience Initiative (GSCRI) is aiming to make the Kingdom an industrial powerhouse and global logistics hub by incentivizing FDI in a variety of export-oriented products and services.

GSCRI prioritizes FDI in sectors where Saudi Arabia has a competitive advantage

- › Aerospace
- › Automotives
- › Building materials
- › Chemicals
- › Food processing
- › Machining and equipment
- › Maritime
- › Medical devices
- › Military industries
- › Mining and metals
- › Pharmaceutical manufacturing
- › Renewables



Visit the GSCRI section on the
[INVEST SAUDI](#) website to find out more.

NATIONAL
INVESTMENT
STRATEGY
الاستراتيجية الوطنية للاستثمار

GLOBAL
SUPPLY CHAIN
RESILIENCE
INITIATIVE





Frequently Asked Questions

What are the documents and conditions 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, explore our Investor Services Manual, or follow the QR code in this chapter.

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, unless through a managed fund
- › 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 their 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 broad assistance 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 in this chapter.

How can I reach MISA?

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



MISA Services

As part of our success story, we work hand in hand to make your investment journey memorable!

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](#)



Advisory Services

MISA offers supportive and advisory services to organizations to deliver solutions for their business needs.



Market Research & Insights

MISA provides studies on the local market and its sectors.



Government Liaison

Business centers within MISA provide most government services, facilitating the necessary steps for clients to start and maintain business.



One-Stop-Shop Business Centers

There are five business centers within MISA providing services covering the Ministry of Commerce, the General authority of ZAKAT & Tax, the Ministry Justice, and the Passport General Department, among others.

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



Investor Services Manual



Investor journey guidelines



Investment license check



Living in Saudi Arabia



Sectors and investment opportunities in the Kingdom

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NATIONAL
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STRATEGY
الاستراتيجية الوطنية للاستثمار



GLOBAL
SUPPLY CHAIN
RESILIENCE
INITIATIVE

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For the latest Economic and Investment statistics in the kingdom, please visit the [Invest Saudi dashboard](#)



For the latest reports released by MISA, please visit the [Invest Saudi website](#)



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استثمر في السعودية
INVEST
SAUDI



NATIONAL
INVESTMENT
STRATEGY
الاستراتيجية الوطنية للاستثمار



GLOBAL
SUPPLY CHAIN
RESILIENCE
INITIATIVE