وزارة الاستثمار
Ministry of Investment

استثمر في السعودية
INVEST SAUDI

Invest In
Al-Jouf

Your Guide to Uncovering Value Propositions in Al-Jouf Region

| January, 2023

INVEST IN AL-JOUF

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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 Al-Saud

HRH Prince Faisal bin Nawwaf bin Abdulaziz Al-Saud
Prince of Al Jouf region

We strive for Al Jouf to be the capital of renewable energy, a pioneer in the modern renaissance through its comparative advantages in agriculture, mineral and water resources, investments in tourism and heritage in line with Saudi Arabia's Vision 2030.

Since the launch of the development project; "Saudi Vision 2030", led by the Custodian of the Two Holy Mosques; King Salman bin Abdulaziz Al Saud, and under the constant guidance and follow-up of His Royal Highness, Prince Muhammad bin Salman bin Abdulaziz Al Saud; The Crown Prince, the Prime Minister, and the Kingdom are in constant quest to achieve the goals of this ambitious Saudi Vision, starting with diversifying the resources of the national economy, as well as developing and putting into action ambitious plans and strategies designed to boost economic growth across the Kingdom. Work to attract and promote investments in all regions of the Kingdom is among the most crucial of these strategies.

In order to build a strong foundation for achieving Saudi Vision 2030's goals, in the years since Saudi Vision 2030's inception, the Kingdom will pursue strategies such as a strong and developing economy, abundant energy resources, distinctive geographical features, a young population, and an integrated infrastructure. and so on. The Kingdom benefited from this advantage to solidify its position as an ideal destination for those looking to invest in a number of highly competitive sectors and take advantage of promising investment opportunities.

The Kingdom's focus on diversifying the national economy, coupled with its ambitious economic growth plans and unprecedented government support such as the Ministry of investment, has positioned Saudi Arabia as an ideal choice for investment. Saudi Arabia's economy has proven to be both resilient and one of the fastest globally to rebound from the effects of the "COVID-19" pandemic. In fact, the Kingdom is predicted by the IMF to see the most rapid economic growth in the world at 7.6 percent in 2022. In addition, As one of the overarching objectives of Saudi Vision 2030 is to grow and diversify the economy, Saudi Vision 2030 aims to make Saudi Arabia one of the top 15 economies globally. Doing so requires significant investment that is estimated to exceed USD 3.2 trillion through the National Investment Strategy, launched by HRH the Crown Prince a year ago.

Over the past few years, the Kingdom has undergone a major transformation not seen anywhere else in the world. We have developed leading information and communications technologies (ICT) infrastructure, introduced comprehensive eGovernment solutions, and embraced public-private partnerships to deliver our ambitious targets on a scale and at a speed that are unparalleled. We are continuing to transform to create further investment opportunities and increase our competitiveness across key and emerging sectors. We are doing this through developed rules and regulation such as Mining Regulations and strategic initiatives such as Saudi Vision 2030, the National Investment Strategy, National Transport and Logistics Strategy, National Industrial Strategy, the National Development Fund, and Global Supply Chain Resilience Initiative. These initiatives come with significant government support in helping to attract investment and enable growth.further investment opportunities and increase competitiveness across key and emerging sectors. We are doing this through strategic initiatives such as Saudi Vision 2030, the National Investment Strategy, and the National Development Fund, among others. These initiatives come with significant government support in helping attract investment and enable growth.

We understand that one of the key factors associated with successful investment decisions is site selection. The Ministry of Investment (MISA), through collaboration with key entities, has developed reports such as this one to showcase opportunities found in all regions across the Kingdom. Our 13 provinces have key differentiators and a unique value proposition in specific sectors. Throughout this report, we help shine a light on Al-Jouf -- a key pillar of Saudi agriculture and a leader in the Kingdom's renewable energy endeavors.

HE Minister of Investment Eng.
Khalid bin Abdulaziz Al-Falih

SPOTLIGHT ON THE KINGDOM

The Kingdom's Transformational Journey Through Saudi Vision 2030

VISION رؤية 2030 المملكة العربية السعودية KINGDOM OF SAUDI ARABIA

Saudi Arabia's Nominal GDP was ~USD 834 billion in 2021, Based on the efforts of Al Jouf region, the contribution of the Agriculture, Renewable Energy, and Tourism to the Kingdom's GDP is expected to increase. The Kingdom's growth perspectives are supported by a set of major Saudi Vision 2030 Realization Programs and initiatives.

These programs and initiatives include the Public Investment Fund Program, Quality of Life Program, National Industrial Development and Logistics Program, Housing Program, Privatization Program, and the Regional Headquarters program, among others.

These transformative investment programs are critical components of the Kingdom's strategy to achieve Saudi Vision 2030 targets, including:

- Raising the share of non-oil exports in non-oil GDP to 50%
- Positioning the Kingdom within the top 15 economies worldwide
- Doubling overall domestic investment component
- Increasing foreign direct investment (FDI) approximately twenty-fold

The country's determination to diversify its economy has fueled both local and foreign investment, while increasing the contribution of small and medium-sized (SME) enterprises to the national GDP. According to the Saudi central bank (SAMA), foreign direct investment inflows to the Kingdom increased significantly from USD 1.4 billion in 2017 to almost USD 19.3 billion in 2021. This is mainly due to increased competitiveness in key areas such as ease of doing business, road connectivity, cybersecurity, and education.

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SPOTLIGHT ON THE KINGDOM

Ranked **#36**
For the ease of starting a business as per the 2021 Global Innovation Index (out of 132 countries)

Ranked **#1**
For road connectivity as per the 2019 Global competitiveness report by the World Economic Forum (out of 141 countries)

Ranked **#2**
Overall in the 2020 Global Cyber Security Index by the United Nations International Telecommunication Union (out of 194 countries)

Ranked **#6**
For total public expenditure on education as per the 2021 IMD World Competitiveness Yearbook (out of 64 countries)

Ranked **#9**
For technical and vocational education training as per the 2021 Global Knowledge Index (out of 154 countries)

Ranked **#41**
Overall in INSEAD's 2021 Global Talent Competitiveness Index (out of 134 countries)

Ranked **#3**
Ranked 3rd for the ease of protecting minority investors per the 2021 Global Innovation Index (out of 132 countries)

Ranked **#47**
Ranked 47th for the gross expenditure on research and development as per the 2021 Global Innovation Index (out of 132 countries)

A key area of focus for the Kingdom has been building top-tier digital infrastructure to enable its digital transformation strategy, through the adoption and implementation of state-of-the-art Information and Communication Technology (ICT). eGovernment programs enabling the digitalization and improvement of multiple services have been leveraged to support this goal. This was done by developing electronic platforms, channels, and applications to improve the end-user experience and ensure the Kingdom can effectively support businesses and their new ways of working.

To foster new investment opportunities, facilitate investments for the private sector and encourage innovation, an extensive network of institutions offers attractive incentives to projects across sectors and regions. These include nearly **290 programs** such as:

- Employment support (covering a percentage of wages) offered by the Saudi Human Resources Development Fund (HRDF)
- Project finance and working capital financing offered by the Saudi Industrial Development Fund (SIDF)
- Tax credits on R&D investment and tax exemption on earnings from exports offered by the Zakat Tax and Customs Authority (ZATCA).
- Customs exemption on raw material, machinery and equipment, and spare parts offered by the Ministry of Industry and Mineral Resources (MIMR).

VISION رؤية 2030 المملكة العربية السعودية KINGDOM OF SAUDI ARABIA

Key sectors have been identified for the country which include renewable energy, tourism, healthcare, financial services, industrial manufacturing, logistics, and mining. In line with Vision 2030, the Kingdom has set **ambitious goals across target sectors,** such as:

- Reaching net zero emissions by 2060
- Doubling the number of Saudi heritage sites registered with UNESCO
- Having three Saudi cities recognized in the top-ranked 100 cities worldwide
- Increasing household spending on cultural and entertainment activities inside Saudi Arabia from current level of 2.9% to 6%

Growing the Kingdom's global footprint through increased exports is also a key priority. The Kingdom's strategic geographical location makes it a key contributor to international trade as it connects three continents: Africa, Asia, and Europe. Trade-intensive sectors that are ripe for exporting are being supported through various incentives and enablers that are being rolled out across the Kingdom.

SAUDI GREEN INITIATIVE

Spotlight: The Saudi Green Initiative

The Saudi Green Initiative is an ambitious national initiative for the Kingdom of Saudi Arabia aiming to improve quality of life and protect future generations. Saudi Arabia is taking a leading role in global efforts, by committing to **protect at least 30% of global ocean** in Marine Protected areas, and Other Effective area-based Conservation Measures by 2030, contributing to UNFCCC climate action by guiding and supporting sports actors to achieve global climate change goals, and cutting global **methane emissions by 30%** by 2030.

VISION رؤية 2030 المملكة العربية السعودية KINGDOM OF SAUDI ARABIA

Top Commitments include

- Reducing Carbon emissions by more than **4%** related to global contributions by 2030
- Planting **10 billion** trees across Saudi Arabia by 2030
- Raising protected areas to more than **20%** of total land area by 2030
- Increasing domestic generation capacity from renewable energy to **50%** by 2030

Image source: www.saudigreeninitiative.org

WHY INVEST IN AL-JOUF

Aptly named 'the food basket of the Kingdom', Al-Jouf is the Kingdom's agricultural hub. From hosting the largest olive farm to being the highest producer of wheat in the Kingdom, Al-Jouf has a lot to offer. The region's climate has not only helped put the region at forefront of achieving the Kingdom's goal of food self-sufficiency, it has enabled it to take the pilot seat for the Saudi Green Initiative by being the site of the Kingdom's first two renewable energy projects.

Al-Jouf is a land-locked region, rich in fertile soil, high amounts of sunlight and moderate temperature. Al-Jouf is the Kingdom's largest agriculture producer and most forested region. Home to the record-holding largest olive farm in the world, Al-Jouf produces many varieties of high-quality olive oil for internal consumption and export. The region has hosted the Annual Olive Festival since 2008 to boost the economic and social outlook of the local community. Honey, dates, vegetables, fruits, wheat, and fodder are also prime cultivations in the area.

Al-Jouf's oasis of Dumat-Al-Jandal has long been the center of agriculture and trade. The region represents the northern gate to the Kingdom as it connects to Jordan – facilitating trade and logistics through the Al-Haditha land port, the third busiest land port in the Kingdom with USD 247 million (2019) worth of import-export flow. The region's west border with Tabuk brings increased opportunities through the NEOM mega project which will create jobs in tourism, agriculture, logistics and manufacturing sectors for adjacent region's such as Al-Jouf.

Al-Jouf has contributed to the Kingdom's move towards becoming a notable renewable energy producer and in achieving the Kingdom's aim of Net Zero Emission by 2060. The Sakaka Solar Photovoltaic Plant and Dumat Al Jandal Onshore Wind Farm are multi-million projects which have a combined capacity of 700 Mega Watts.

The region is one of the oldest places to be inhabited by humans and is full of archeological sites. Al-Jouf holds the potential to attract national and international attention to its cultural, heritage and eco-tourism destinations. The recent establishment of a strategic office for the development of the region aims to capitalize on the competitive advantage of Al-Jouf and enhance the investment climate.

Home to the Guinness Book of World Records holder largest olive farm – with over **5 million olive trees** in 2018 and soon to be the site of Asia's largest olive oil mill

Region with the highest wheat production (149,661 tons in 2018)

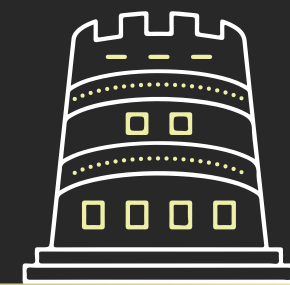
75% of the region is part of the King Salman Royal Nature Reserve, key to maintaining cultural heritage and preserving wildlife

Accounting for 90% of land trade with Jordan, Levant and Turkey via Al-Haditha port, **the third largest land port in the Kingdom** by volume in the Kingdom after Bat'ha and Riyadh

Site of the first 300 MW solar PV plant in the Kingdom and the first **utility scale wind project, Dumat Al Jandal**

Host to a UNESCO Tentative World Heritage Site, the oasis of **Dumat Al Jandal**

AL-JOUF AT A GLANCE

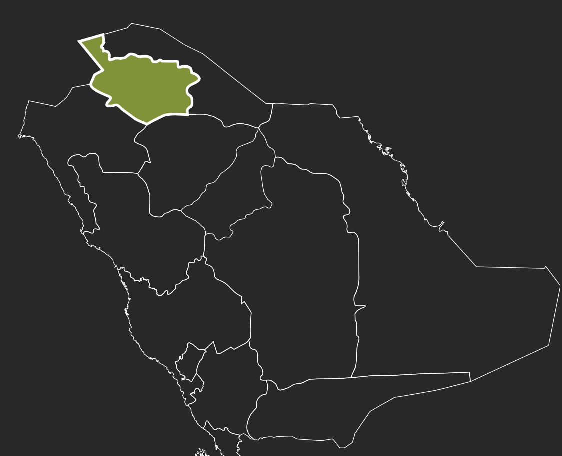


- Population
- Education
- Healthcare
- Employment
- Infrastructure
- Economic Performance
- Business Enablers

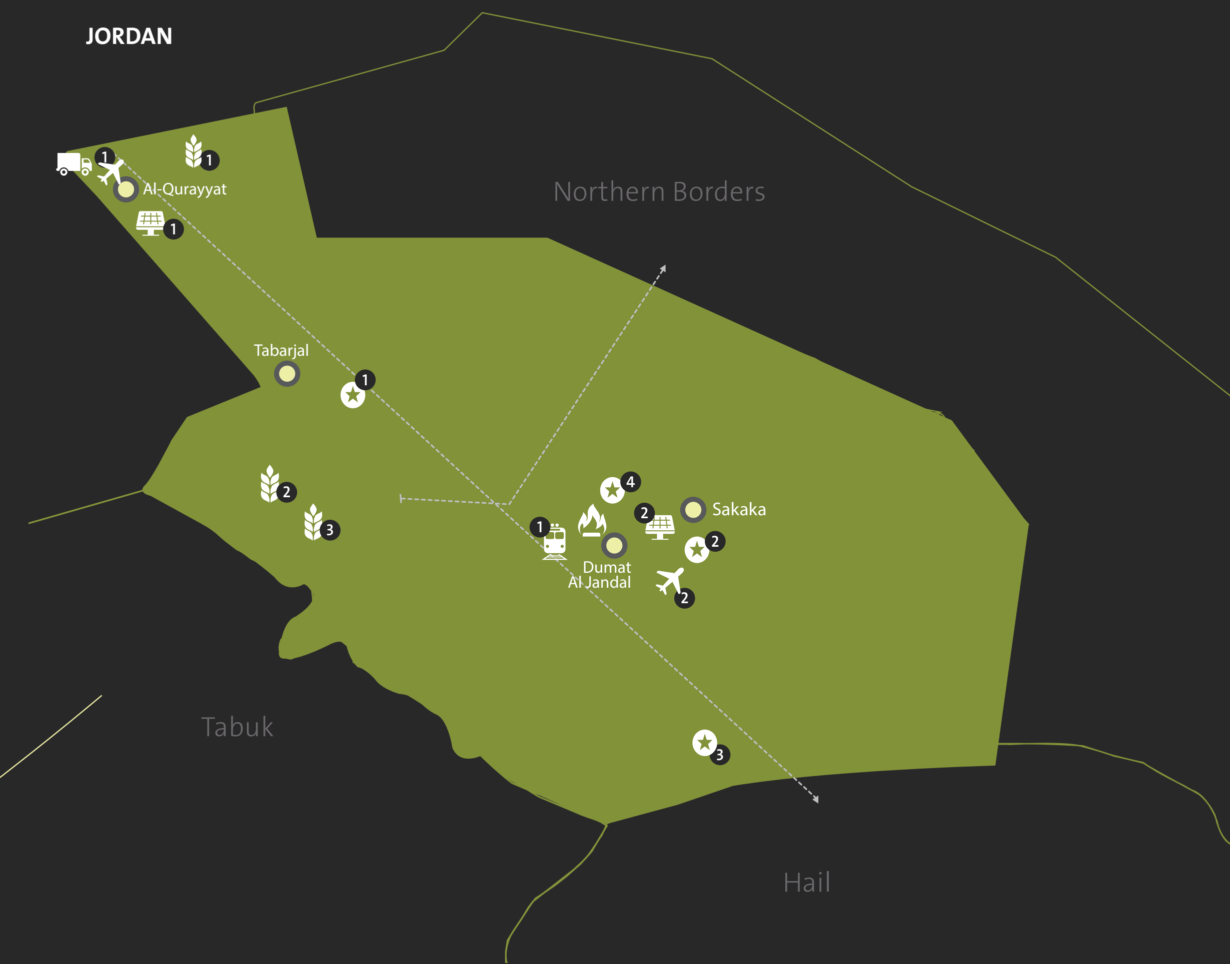
Al-Jouf is located in the northwest of the Kingdom and borders Northern Borders region, Hail region, Tabuk region and Jordan in the northwest.

The region is located at the entrance of the Al-Sarhan Valley at the gateway of the Arabian Peninsula, connecting the Kingdom to Jordan. The region's total area ascends to 85,000 square kilometers and it is divided into three governorates other than the capital city of Sakaka: Tabarjal, Al-Qurayyat and Dumat Al Jandal. Sakaka City (the region's capital) is the region's trading and production hub for dates, wheat and renowned hand-woven carpets and daggers.

The region is known for having high winds and fluctuating rain with Al Jouf having an average rainfall of 58 mm per year. Al-Jouf possesses high amounts of sunlight and a moderate temperature ranging from a minimum of 5°C to a maximum of 40°C throughout the year.



SAUDI ARABIA
AL- JOUF



Legend:

- **Main cities -** Al-Qurayyat, Tabarjal, Sakaka, Dumat Al Jandal
- **Airports -** 1 Qurayyat Airport 2 Al Jouf International Airport
- **Power Plant -** 1 Al-Qurayyat Solar Photo Voltaic Plant 2 Sakaka Solar Power Plant
- **Ports -** 1 Al Haditha Port
- **Agricultural lands -** 1 Olive Farm 2 Largest Modern Olive Farm 3 Al Jouf Agriculture development company
- **Key projects -** 1 King Salman Royal Reserve 2 MODON Oasis in Al-Jouf 3 Dumat al Jandal Wind Farm 4 Zabal Palace
- **Gas Field -** Gas Field
- **Railways -** 1 Al-Jouf Station

N W E S

Population

Al-Jouf has a population of 543,010 (2020) with 63% being under the age of 35.

Population growth (2016-2020)

9%

Population age groups (2019)

19 and younger	36%
Between 20 and 34	27%
Between 35 and 65	34%
65 and older	3%

Education

The region's education sector is comprised of both local and international schools. Al-Jouf's education system helps ensure the region's talent pool supports key and emerging sectors with related skills through the region's vocational institutions and diverse university programs.

The region can also further benefit from increased investment in the sector, especially in higher education.

Number of vocational and training institutions (2019)

10

Number of schools (2021):

649

- International: 7
- Private: 105
- Public: 537

Ratio of students per the number of teachers and schools (2021):

- Students to teacher ratio: 12.1
- Students to school ratio: 233.5

Number of university students by largest programs category (2019):

- Languages: 10,306
- Business & Management: 5,176
- Humanities: 4,144
- Healthcare: 2,937
- Law: 2,289

Number of university students in STEM-related programs (2019):

- Physical Sciences: 2,254
- Communication & IT: 1,801
- Mathematics & Statistics: 1,485
- Biological Sciences: 792
- Engineering: 557

Education (cont.)

The region's higher education system relies on Al-Jouf University:

	The total number of enrolled students	Previous year graduates	Key areas of focus
جامعة الجوف Jouf University – Al-Jouf University	26,774 (2019)	3,991 (2019)	IT, engineering, and sciences

Founded in 2005, Al-Jouf University is the only higher education institution in the region providing access to 10 colleges in its main campus and few others on various sub-campuses. Tuition is free and financial support is also available for Saudi and international students. The university is located in a modern state of the art campus and is equipped with latest instructional technology.

Image source: www.ju.edu.sa/en/home/

Healthcare

Healthcare in the region is fairly well-developed with several reputed hospitals specializing in eye care, chest diseases, obstetrics, and mental health.

Major hospitals include King Abdul Aziz Specialist Hospital and Al-Qurayyat General Hospital. A state-of-the-art healthcare center, Prince Mohammed Medical City, is planned in Sakaka under the Saudi's Vision to create world-class hospitals. Opportunities exist in Al-Jouf to further enhance the region's healthcare sector to cater to the growing population and incoming tourists needs. Additionally, the absence of private sector hospitals in the area further drives the demand for investment.

63
Number of healthcare centers (2019)

13
Number of public sector hospitals – Ministry of Health (2019)

Hospitals and beds per 100,000 population (2019)

Hospitals
2.44/ 100,000

Beds
342.14/ 100,000

Employment

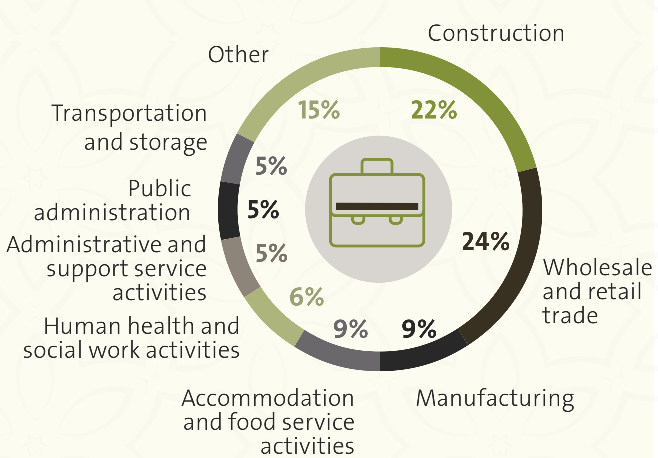
According to Saudi Labor Law, legal working age in the Kingdom is 15 years. The region is categorized by having the highest percentage of workers in the construction, wholesale and retail trade, manufacturing, and administrative and support services sectors.

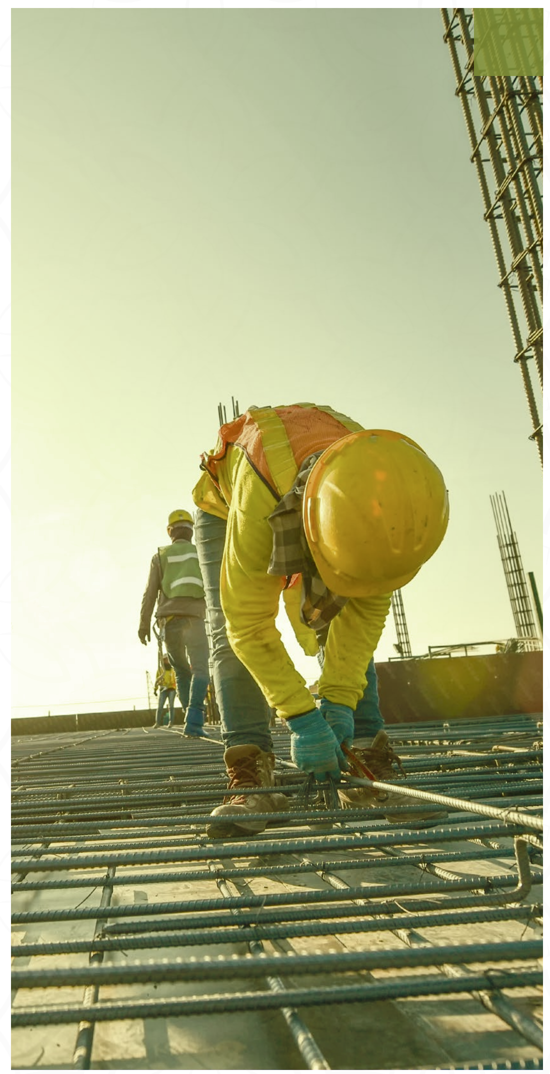
Employment rate (2022/Q2)

Saudi	88.6%
Non-Saudi	99.1%
Total	93.4%

Average monthly wage (salary) of Al Jouf (2019):
Male: 1,560.00 USD
Female: 1,907.47 USD

Employment by sector (2022/Q2):





Infrastructure

Al-Jouf's strategic location is of international importance as it connects the Kingdom to Jordan directly. The Al-Haditha land crossing is paramount in supporting trade with the Levant cluster.

Al-Jouf's road network links the region to Jordan, Tabuk , Hail, and Northern Borders. The region is continuously strengthening its infrastructure and potential investment opportunities are present to further build up the railway and road network. The regional railway network links Dumat al Jandal governorate to Riyadh. Additionally, the the north passenger train, with a length of 1,250 kilometers, originates from Riyadh and runs towards the Al-Haditha border, providing direct connectivity from the capital to Jordan. Al-Jouf has two freight stations in the Sakaka (Al-Jalamid Freight Station) and Dumat Al-Jandal (Busaita Freight Station) governorates.

Al-Jouf has well-developed infrastructure supported by one international and one domestic airport

Al-Jouf International airport traffic (2019)

Total flights	Passengers	International flights
5,276	595,343	1,007

International connectivity	Domestic destinations
Egypt (Cairo and Sohag) and United Arab Emirates (Dubai)	Riyadh and Jeddah

The airport's expansion was announced by the General Authority of Civil Aviation (GACA) in 2018 and work on the project began in 2019. The new Al-Jouf airport project will handle one million passengers annually and includes a new terminal with the ability to handle two international flights and 5 domestic flights at the same time.

Qurayyat Domestic airport (2019)

Total flights	Passengers(2019)
2,520	242,994

The Qurayyat Airport is a domestic airport in Saudi Arabia that connects Al-Jouf with flights to Riyadh and Jeddah. Al-Jouf can benefit from this direct connection with Riyadh (the financial hub of the Kingdom) and Jeddah (the gateway for pilgrims) by attracting domestic and international tourists.

Image source: www.metenders.com/

Infrastructure (cont.)

Al-Haditha port is the third largest land border crossing by volume. It accounts for 90% of land trade with Jordan, Levant and Turkey

Total import-export flow (2019) **USD 247 million**

Industrial and economic cities

Number of industrial cities administered by Saudi Authority for Industrial Cities and Technology Zones (MODON) **1**

	Utilities	Targeted industries
MODON Oasis in Al-Jouf	Electricity **Provided by Saudi Electricity Company power grid in 2021** Drinking Water Capacity **Under implementation**	Textile and natural wool yarn, specialized food processing, art and craft products, and canning and food preservation

Real estate average prices (latest available as of 2022)

Agricultural land
USD 14/ square meters

Commercial land
USD 72/ square meters

Number of real estate deals (2020)

Agricultural
279

Commercial
936

Further information on real estate prices in Al-Jouf and across the Kingdom can be found via the Real Estate Indicators database (https://en.rei.sa/)

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AL-JOUF AT A GLANCE

Economic Performance

Al-Jouf has a moderately diversified economy through the agriculture, tourism, trade, and renewable energy sectors. The government's targeted initiatives under the Tourism Development Fund, National Transformation Program and Agriculture Development Fund have given a boost to the region's economy.

Number of active foreign investment licenses granted (2015-2021)
19

Average household monthly income (2018)
USD 3,019

Volume of point of sales transactions in (Sakaka city) (2021)
USD 874 million

Annual inflation (Sakaka city) (2022/Q3)
3.6%

Number of commercial registers (2021)
49,559

Business Enablers

Investors in the region can benefit from a developing network of enabling services including ICT and access to capital. In addition to existing enablers, the region is continuously improving its services to further promote the region as a key investment location for strategic sectors including renewables and agriculture. Potential investors can benefit from opportunities that exist throughout the region to facilitate overall growth of the regional economy.

Information and Communications Technology (ICT)

ICT services in the region are fairly robust, with the majority of the population having access to high-speed internet. With the ICT sector being one of the major enablers for Saudi Vision 2030, opportunities exist for investors and providers to help improve connectivity across the Kingdom and meet growing demand. The main ICT providers in the Kingdom are STC, Mobily and Zain, with all three having a presence in Al-Jouf. The 5G network has increased its coverage and speed throughout the Kingdom covering a total of **84 governorates** by 4Q2021 with an average download speed of **368.69 Mbps.**

Percentage of household ICT access indicators (2021)

Cellphone access 96.11%

Internet access 94.76%

Internet penetration (%) (2019) **88%**

صندوق التنمية الوطني NATIONAL DEVELOPMENT FUND

The National Development Fund

Established in 2017, the fund's mandate is to advance the performance of development funds and banks to fulfill the Kingdom's aspirations for economic diversification and realizing Saudi Vision 2030 objectives.

The National Development Fund (NDF) will inject more than USD 152 billion into Saudi Arabia's real GDP growth by 2030. NDF also aims to expand non-oil GDP by more than three times to reach USD 161 billion by 2030, as well as create a large number of job opportunities in the Kingdom.

Funds that are especially relevant for Al-Jouf's key sectors include (among others)

SIDF صندوق التنمية الصناعية السعودي SAUDI INDUSTRIAL DEVELOPMENT FUND

Saudi Industrial Development Fund (SIDF) – Focused on the financing of industrial investment opportunities, the fund aims to support the industrial sector through project financing, the allocation of land and factories, and funding schemes for small and medium-sized businesses (e.g., "Kafalah" funding scheme). Through their Mutjadeda Program, SIDF offers incentive packages to finance renewable projects up to 75% of the project costs. Since its inception, the fund has provided a total of almost **USD 60 million** through 24 loans for projects in Al-Jouf

www.argaam.com/en/article/articledetail/id/598640

Tourism Development Fund صندوق التنمية السياحي

The Tourism Development Fund (TDF) – With **USD 4 billion** in capital, TDF aims to facilitate local and international investors access to high-potential tourism investments across key destinations in the Kingdom. TDF offers financial assistance such as short-term loans, mid-term loans, long-term loans, common and strategic equity, private equity, etc.

الصندوق الثقافي CULTURAL DEVELOPMENT FUND

The Cultural Development Fund – The fund will support **16 cultural sectors identified** in the national strategy for culture through development programs and various financing mechanisms aimed at empowering the cultural sector. This includes supports such as content industry and development, education and training, infrastructure support, etc.

صندوق التنمية الزراعية Agricultural Development Fund المملكة العربية السعودية

The Agricultural Development Fund (ADF) – The Fund was established to develop the agricultural sector and improve its efficiency in all regions of the Kingdom. Contributing to the enchantment of food security and safety while maintaining the natural resources available. The Fund also seeks to support the development of rural areas and help establish competitive advantages that can further support the Kingdom and Saudi Vision 2030. The fund has provided USD 1.9 million in loans in 2021 to 66 projects in Al-Jouf.

KEY COMPETITIVE SECTORS

Agriculture

Al-Jouf is one of the most well-known agricultural areas in the Middle East. The region holds unique characteristics that make it attractive for investors interested in large agricultural projects. Al-Jouf is known as the 'national food basket' due to its fertile soil, high-water quality and availability that support the harvest of a wide variety of crops.

About **12.4%** of the Kingdom's crop cultivated land is located in Al-Jouf which accounted for **333,670 square meters in 2018**. Agricultural activities in Al-Jouf contributed around **15% of the total regional GDP in 2021**.

Al-Jouf's primary agricultural area is Busaitah. The region specializes in the production of fruits, vegetables, and grains. Specifically, the region produced an annual total of **43,203 tons of dates** and **278,010 tons of olives** in 2018. The region is also recognized for its wheat production which ascended to **28% of the Kingdom's total (2018)** and serves human and animal consumption.

Beekeeping has been embedded in Saudi culture since ancient times, particularly in Al-Jouf. Most beekeepers in the Kingdom still use traditional methods where hives are made of earthen materials shaped into pots, cylinders, or logs. The region has adopted industrial and modern practices including using box hives which allow inspections of the hive internally without damage, preserve combs when extracting honey, and producing higher quality honey.

Producer of 67% of olive oil in the Kingdom at 20,000 tons annually (2021)

Highest cultivation of wheat at 149,661 tons in (2018)

Al-Jouf produced 43,203 tons of dates in (2018)

The market for agricultural products in the Kingdom reached a value of **USD 10.3 billion** in 2020, growing significantly at a **CAGR of 4.5%** since 2017. Saudi Arabia's objectives for 2030 include continuing to enhance food security by boosting local production and reducing import dependency through creating investment opportunities and initiatives in the sector. In 2020, Saudi Arabia's imports ascended to **USD 6.9 billion** which was higher than the **USD 1.64 billion** of exports in food. Al-Jouf provides several investment opportunities to support the reduction of import dependency targets.

With the agricultural sector in Al-Jouf demonstrating high growth potential, His Royal Highness the Crown Prince has launched a strategic office to support growth and development across the region, including the agriculture sector. The office aims to ensure the development of a strong investment environment which attracts private sector engagement. The Kingdom has adapted global trends in agriculture such a hybrid seeds, drip-irrigation systems and crop management techniques to transform the agriculture sector. Potential strategies are under consideration to increase the cultivation of rain-fed crops.

The Agriculture Development Fund has undertaken farmer training efforts and research to encourage sustainable agriculture concepts such as greenhouse farming and drip-irrigation practices. Numerous incentive packages including free seeds, stronger Genetically modified organisms (GMO)seeds and the import of fertilizers have helped incentivize farmers further.

The Agricultural Development Fund recently introduced national initiatives worth **USD 665 million to support farmers and food imports**.

In 2021, The Agricultural Development Fund (ADF) granted **66 loans** with a total value of over **USD 1.86 million**, of which **USD 0.6 million** were short term credit service loans. and the remaining long term credit service loans in Al-Jouf.

The Agriculture Development Fund provides soft, interest-free loans through 'contract farming finance' to encourage the growth of agriculture in the Kingdom

USD 25 billion of financial support was announced Kingdom-wide to help meet the need for self-sufficiency under Saudi Vision 2030

The Ministry of Environment, Water and Agriculture (MEWA) has allocated USD 27 million nationally for developing vertical farming techniques using hydroponics to reduce water wastage by 50%

Olive Cultivation

Also known as the 'olive basket' due to its vast expanse of record-holding olive trees spanning over 7,300 hectares (2021), with 6,300 olive farms, and with over 17 million trees (2021), Al-Jouf is the olive oil capital of the Kingdom. Two of the best-known varieties of olives in the region are Sorani and Nibali. Olive trees thrive on little water, making them well-suited for the region.

The global olive oil market is projected to reach **USD 16.6 billion** by 2027, growing at a **CAGR of 3.2%** from 2020. This fruit has various uses apart from being consumed as a snack. The processing of olives into edible oil is its dominating use, though it is also used for medicinal purposes and as a cosmetics ingredient. About **80% of olive production** in the Kingdom is used for olive oil while the remaining **20% is used for table olives**.

Olives and olive oil are a major staple in the Saudi diet and are linked to the Kingdom's history and religion. Olive trees are among the first crops grown since before the first written language was invented. The Kingdom's annual consumption of olive oil ascends to **45,000 tons annually**, with Al-Jouf producing about **67% of the national production (2021)**. In addition, a total of **20 million olive and palm trees** have been planted in Al-Jouf region in 2022 under the Saudi Green initiative.

In 2020, the Kingdom exported **USD 27.7 thousand of olive oil** in contrast to **USD 12.4 million of imports**, indicating a need for expansion of olive cultivation to fulfill the Kingdom's aim for self-sufficiency for this key product.

The **14th annual olive festival** was held in Al-Jouf with **over 45 exhibitors**

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KEY COMPETITIVE SECTORS

Key Projects and Initiatives

Largest Modern Olive Farm

The title of the largest modern olive farm in the world was awarded by the Guinness World Records to Al-Jouf Agricultural Development Company. The fram houses more than **5 million olive trees**, producing **15,000 tons of olive oil per year**.

Asia's Largest Olive Oil Mill

The National Agricultural Development Company (NADEC) signed an agreement in 2019 with the Spanish company, Grupo GEA, to build **Asia's largest olive oil mill in Al-Jouf**. The project is expected to **cost over USD 3 million**.

Olive Festival

The region hosts the Olive Festival where dozens of local and foreign producers exhibit their olive products. The cultural, social, and recreational events, including lectures and seminars on olive cultivation, not only position Al-Jouf as an **agricultural hub** but also play an important role in attracting **investment and tourism to the region**.

Fruits and Vegetables and Grains

Al-Jouf is rich in the cultivation of grain crops and fruits and vegetables. With more than 33,000 square meters of cultivated area of summer vegetables, the region has the third-largest cultivated area in the Kingdom. The region also has the highest production of clover or alfalfa at 2.9 million tons (2018).

In 2018, Al-Jouf held **over 1.1 million trees** (excluding olive and palm trees) which represent 8.3% of the total number of trees in the country. That same year, the region's trees **produced over 43,000 tons of dates**. Saudi Arabia is the second largest producer of dates in the world, accounting for **17% of the total global production** in 2019. As part of Saudi Vision 2030, the Kingdom plans to become the largest exporter of dates in the world, with Al-Jouf playing a critical role in increasing date production.

The Kingdom's fruit segment represented **62.3% of national agriculture revenues** in 2020, ascending to **USD 6.4 billion**. Grapes, pomegranates, melons, and watermelons are some of the Kingdom's main fruit productions, though fresh fruit imports were notable at USD 191 million in 2020, indicating a need for increased cultivation of fruits.

At about 150,000 tons of wheat production in 2018, Al-Jouf is the **highest producer of wheat in the Kingdom**. In 2021, the Kingdom's wheat consumption amounted to **3.5 million annually**, of which **400,000 tons were produced locally**. On the other hand, imports during 2020 ascended to a **total worth USD 771 million**. The Saudi Grains Organization (SAGO) manages and controls the wheat production and sales and flour mills' activity. SAGO estimates national wheat production will increase to 700,000 metric tons in 2022 indicating a growth potential in the sector.

Key Projects and Initiatives

01 National Seed and Agriculture Services Company

The company is a joint collaboration between the National Agriculture Development Company (NADEC), Al-Watania, AGRI and private sector organizations. The company produces local seeds and aims to meet the Kingdom's demand for wheat and barley. The company has produced 10,000 metric tons of bread wheat seeds which were distributed among farmers. The company also plans to plant 25 hectares in Al-Jouf farm with 5,000 dates seeds of the highest quality.

02 Al-Jouf Agricultural Development Company

The Al-Jouf Agriculture Development Company is a major promoter and distributor of agriculture input in the region. The company (JADCO) is sprawled over an area 60,000 hectares in Busaita, the center of all agriculture activity in Al-Jouf. The company is involved in the cultivation of wheat, barley, maize, fodder, potatoes and other vegetables and fruits.

03 French Fries Factory

The Agriculture Development Fund (ADF) signed a USD 49.5 million contract in 2022 with Al-Jouf Agricultural Development Company to finance a French Fries factory as part of the Fund's role to support and finance agricultural projects within the Kingdom. The factory has a production capacity of 36,000 tons per year.

Agriculture and Food Processing Value Chain

Investment opportunities in the region exist throughout the agriculture value chain that encompasses seeds and other inputs, production, processing, and retailing.

Agriculture & Food Processing

Inputs	Growing	Distribution	Processing & Selling
Fertilizers	Row crops	Trading platform	Milling
Agricultural machinery & equipment	Sugar	Grain storage & seed handling eq.	Oilseeds crushing
Precision farming	Cash crops	Animal genetics	Biofuel production
Crop production	Milk		Veg & fruit wholesale
Food additives	Meat		Dairy processing
Precision farming	Aquaculture		Meat processing
Plant genetic	Vertical farming		Fish processing
Refrigeration equipment	other		Meat by products
Packaging materials			Non-food processing
Animal genetics			Brand packaged goods
			Processed fruits & veg
			Baked goods
			Rice, pasta & noodles
			Beverages
			Confectionary
			Oils, spreads & source
			Dairy
			Baby food
			Snacks
			Ready Meal
Food testing and qulaity control			
Ag. Financing			
Other Ag. Services			

Renewable Energy

Al-Jouf is a pioneer in helping to fulfill the Kingdom's renewable energy objectives. Saudi Arabia – particularly Al-Jouf – has high potential for renewable energy, particularly solar energy, due to the high amounts of sunshine.

Renewable energy is a giant leap for the Kingdom's transformation efforts and is in-line with its target for Net-Zero emission by 2060. The National Renewable Energy Program (NREP) was established under Saudi Vision 2030 to significantly increase the share of renewable energy in the Kingdom's energy mix.

The renewable energy sector is in its initial stages in the Kingdom and Al-Jouf has been recognized as the **first location for the establishment of solar and wind farms**. In 2018, NREP launched two projects in Al-Jouf – the Sakaka Solar Power Photovoltaic Project (with an **investment of over USD 300 million**), and the Dumat-al-Jandal Wind Farm (valued at USD 500 million) with a planned combined **capacity of 700 MW**. Al-Jouf has significantly high levels of sunlight exposure all year round as well as an average annual wind speed of 8km/hour, the second highest in the entire Kingdom. The region has a large quantity of available land (7.1 persons/square meters) which presents ample opportunities for the construction of wind and solar farms.

The global renewable energy market was valued at **USD 881.7 billion in 2020** and is projected to grow at a **CAGR of 8.4% from 2021 to 2030**. In 2020, renewable energy provided around 7% of the world's energy demands. The Kingdom aims to utilize **50% of renewable energy** sources by 2030. Due to favorable climatic conditions, the Kingdom has a competitive advantage in term of cost for solar and wind energy projects. In fact, the Dumat-al-Jandal Wind Farm has achieved a world record for the least cost of electricity produced by wind.

The environmental benefits, increased electricity consumption, reduced reliance on oil-based energy and sustainability of renewable energy drive the demand for this sector. As a result, the Ministry of Energy (MoE) in collaboration with the NREP aims to develop energy policies and strategies to continue the transition and implementation to Green Energy. Additionally, the Public Investment Fund (PIF) has developed a Green Finance Framework to raise capital to finance environmental activities. Under this framework, PIF is considering renewable energy as a key sectors of focus to invest in. To accelerate the localization of the sector, **70% of the renewable energy** development projects will be developed under the **umbrella of PIF**.

The total capacity of Sakaka Solar PV Plant and Dumat-al-Jandal Onshore Wind Farm in Al-Jouf including **providing power to around 115,000 Saudi homes**

By 2030, the Ministry of Energy plans to invest over USD 100 billion in the renewable energy sector and **increase production to 60 GW**

The Kingdom aims to develop **70% of targeted renewable energy through the Public Investment Fund (PIF)**, Aramco and ACWA partnership and the remaining **30% through competitive tenders**

Key Projects and Initiatives

The National Renewable Energy Program (NREP) has been implemented by the Renewable Energy Project Development Office (REPDO) which is responsible for inviting and receiving bids on potential investments in the renewable energy sector. NREP has set out several initiatives to diversify the Kingdom's power supply which will not only reduce greenhouse gas emissions as part of the Paris Agreement, but will also enable job creation and economic development across the Kingdom.

The National Renewable Energy Data Center initiative aims to facilitate relevant information to interested users such as **investors and decision makers**

The Renewable Energy Technologies Localization Initiative aims to support local companies in **developing renewable energy products, applications, and services** by working with **international and local institutions technologies**

The Human Capacity Building initiative attracts and recruits qualified skilled nationals to **join the sector of renewable energy** and **supports the development of an educational ecosystem** to train and educate personnel

The Saudi Industrial Development Fund (SIDF) has launched the Mutajadeda Program to support local developers in the renewable energy sector, specializing mainly in solar and wind energy. The program supports the manufacturing of renewable energy components, independent production and renewable energy production for industrial, commercial and agriculture use.

A number of projects are already under way in the region to achieve the Kingdom's renewable energy objectives:

01 Sakaka Solar Power Plant

Sakaka is the first utility-scale renewable energy project developed under the NREP. The plant is a 300 MW photovoltaic solar project spread over an area of 6 million square meters. The project includes an investment of over USD 300 million and aims to power 75,000 households by 2030.

02 Dumat al Jandal Wind Farm

Dumat al Jandal is the Kingdom's first wind project and the largest in the Middle East. The 400MW wind project is built with an investment of USD 500 million and is expected to contribute USD 150 million to the Kingdom's GDP. The project started production of carbon-free electricity in 2021 and will be able to save 988,000 tons of carbon dioxide emission per year.

03 Al-Qurayyat Solar PhotoVoltaic Plant

The plant is a solar farm in Al-Qurayyat with a planned investment of approximately USD 240 million. Upon completion, the farm is expected to have a capacity of 200MW energy generation.

04 Potential solar sites identified by the National Renewable Energy Program (REPDO)

REPDO has identified four potential sites for solar farms in Al-Jouf which offer investment opportunities in the region.

EMERGING SUB-SECTORS

Tourism

Culture and Heritage Tourism

Eco-Tourism

In addition to well-established key sectors, Al-Jouf is home to emerging areas which have demonstrated notable potential for future growth and opportunity.

Supported by strategic government initiatives and competitive advantages, culture, and heritage tourism, along with eco-tourism show immense potential for development. With anticipated growth over the coming years, investors have an opportunity to 'get in on the ground floor' of these emerging sub-sectors.

Marid Castle on Dumat Al-Jandal

Tourism

Al-Jouf is home to some of the earliest human settlements in Kingdom. The region's natural habitat, culinary scenes and agricultural festivals present a wide range of opportunities for tourists as well as researchers. In 2021, the tourism sector in Al-Jouf held hotels and apartments and almost 2,100 active keys.

As the Kingdom aims to have approximately 100 million tourists enter the country by 2030, Al-Jouf's tourism strengths – with historic sites relating to the early Islamic era – can position the region to benefit from this growing opportunity.

Through the Tourism Development Fund (TDF) and Cultural Development Fund (CDF) along with the new visa program, the Kingdom has launched several large-scale initiatives to enable continued growth and facilitate investment into the tourism sector.

Investment in infrastructure, accommodation, food and beverage, entertainment and leisure and retail sector has been proposed at an investment value of USD 329 million to further boost tourism in Al-Jouf region, specifically in Dumat Al Jandal, Al Qurayyat, and Sakaka clusters. The region aims to develop supporting touristic assets while preserving the city's authenticity and integrity of historical remains.

The Tourism Development Fund provides direct and indirect loans that cover 75% of a project's capital cost as well as credit guarantees for certain projects

Tourists can now obtain a multiple entry visa valid for a year that will allow them to visit the Kingdom for up to 90 days

Several Memorandums of Understanding valued at USD 30 billion (until 2022) have been signed to improve infrastructure and increase the number of hotels in the Kingdom

Qasr Marid castle in Dumat Al-Jandal

Culture and Heritage Tourism

Al-Jouf is one of the longest inhabited areas in the Arabian Peninsula and offers rich culture and history. As part of the Great Nafud desert, the region is home to archeological sites dating back to the Stone Age Nabataean and Roman Eras and early Islamic periods.

The culture and heritage tourism subsector present important opportunities in the Kingdom. There were **21 million trips for leisure purposes** (excluding religious purposes) nationwide in 2019. Growth in domestic tourism is expected with the increasing influx of foreign workers and their families interested in visiting tourist attractions across the Kingdom – which Al-Jouf can capitalize on.

Al-Jouf is home to Dumat-al-Jandal, identified to be on the tentative UNESCO World Heritage List

Al-Jouf holds archeological and cultural sites in abundance. One of the major sites is known as Dumat-al-Jandal. Over the centuries, it is believed that the site has played a crucial role in the complex system of trade routes crossing the Arabian Peninsula. Dumat-al-Jandal has an extraordinary history of acting as a trade route for historic civilizations, for example, the Nabatean Empire and the Roman Empire. The site has been shortlisted by UNESCO and the process of finalizing the inscriptions is ongoing to this day. Moreover, the majestic oasis of Dumat-al-Jandal hosts the Marid Castle, dating back to the third century AD and is one of the oldest settlements in the area. The Umar bin Al Khattab mosque holds notable historic importance. The Rajajil columns, known as the Stonehenge of Arabia, are another important site near Sakaka consisting of **50 standing monoliths distributed in a large irregular circle**. The columns are believed to date back to 4,000 BC and were used as burial sites for ancient civilizations. The Zabal Palace is an ancient building erected on the ruins of a Nabataean castle featuring four towers for observation and warfare purposes. Tourist can visit the Al-Jouf museum of archeology and folklore, which is known to deliver an exciting yet knowledgeable experience. Al-Jouf has several other historic sites, such as Harrat reserves, Khanfah reserve, Kaf Village and Palace, and Al Tubaiq reserve. Tourists will enjoy the ancient villages of Al-Jouf as they give a taste of the local culture prevalent in the region's historic times.

Al-Jouf's potential for cultural and heritage tourism is being explored to promote the region's unique history and traditions. Recent tourist trends of discovering authentic places, preserved in their historic glory, can give Al-Jouf a push to rise as a historically significant international destination.

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EMERGING SUB-SECTORS

Eco-Tourism

Al-Jouf has immense potential for eco-tourism with **75%** of the land area designated as protected by the Saudi Wildlife Authority. The protected areas are a part of **the King Salman Royal Nature Reserve (KSRNR)** which is the largest reserve in the Kingdom and **the fourth largest wild reserve in the world. The major mission of King Salman bin Abdulaziz Royal Natural Reserve (KSRNR) is to strike a balance between natural and cultural heritage conservation, simultaneously creating an eco-friendly tourism environment and providing sustainable employment for the region's locals. Finally, tourists that visit KSRNR will enjoy the prime destination for integrated Arabian Peninsula experience. A key initiative of KSRNR is to plant roughly 3.1 million trees across the reserve by 2027, this will play a vital role in building an eco-friendly environment for tourists.**

The global eco-tourism market is projected to grow at a CAGR of 9% between 2021 and 2026 to stand at a value of nearly **USD 309 billion**. Though the eco-tourism industry is in its early stages, increasing environmental consciousness is expected to give rise to growth in the sector. Eco-tourism is also on the rise in the Kingdom, with several projects underway to support this sustainable form of tourism.

The Ministry of Tourism strives to endure sustainability through raising environmental awareness and providing a mechanism for the conservation of natural sites. It has developed strategies to train tourist guides and operators in environmental safety, security, and protection.

The King Salman Royal Nature Reserve is the largest reserve in the Kingdom and the **4th largest wild reserve in the world**

Dumat-al-Jandal Lake, the only lake in the Arabian Peninsula is spread on about **1 million square meters.** It is a popular place for trekking, jet-skiing and other water sports

Key Projects and Initiatives

The Kingdom has initiated a National Tourism Strategy which aims to increase tourism sector contribution to **10% by 2030** from the current **3% (2022)**. The National Tourism Strategy will help increase investment in the region to provide a more robust tourism ecosystem along with supporting activities in Al-Jouf.

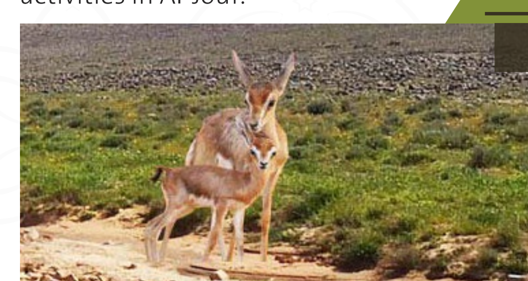

Image source: www.ksrnr.gov.sa/

محمية الملك سلمان بن عبدالعزيز الملكية
King Salman Bin Abdulaziz Royal Reserve

King Salman Royal Nature Reserve (KSRNR)

KSRNR has over **282 species of animals** including Reem deer, Arab wolf, Arab fox, Golden eagle, and others. Apart from a diverse geography, the reserve is also home to more than **450 types of plants**, spread over an area **130,000 square meters**. Its mix of cultural sites and varying plantation makes it a unique international destination. The Saudi Wildlife Authority aims to preserve wildlife in its natural habitat. About 40% of the reserve is present in Al-Jouf.

KEY PROJECTS

MODON Oasis

Located southeast of Dumat-al-Jandal, the MODON Oasis is spread over 3 million square meters and has been established by the Saudi Authority of Industrial Estates and Technology Zones (MODON).

The Oasis will be home to a number of manufacturing companies across several industrial sectors. 70% of construction was complete in 2019 on **6 purpose-built factories** each with an **area of 1,500 square meters**. The Oasis will see investments exceeding **USD 53 million** in 2022.

Image source: www.modon.gov.sa/

Prince Mohamed Medical City

The Ministry of Health (MoH) launched the Prince Mohammad bin Abdul-Aziz Medical City (PMMC) in Sakaka.

The MoH along with the National Center for Privatization & Public-Private Partnership (NCP) sought expressions of interest to tender the PMMC project as a PPP in January 2022. Upon completion, the project will have a bed capacity of 442 beds and will provide tertiary and acute care services to the inhabitants of Al-Jouf, Tabuk, Hail and the Northern Borders.

Image source: www.hdrinc.com

Hadbat-al-Hajrah Gas Field

The Ministry of Energy discovered a gas field located south of Sakaka city with an average gas flow of 16 million cubic feet/day.

Saudi Aramco will continue to assess oil, gas, and condensates in the field.

Al Jouf Airport Development

With the government commitment to enhance the Kingdom's position globally as a leading country in the civil aviation industry, Al Jouf Airport is currently being developed and expanded to increase the airport capacity to 1 million passengers annually.

With a terminal with an area of 23,000 square meters, the terminal will include 4 passenger bridges, five gates for internal flights and two gates for external flights. In addition, the project will build a 63,000 square meter aircraft parking spaces for up to 12 aircraft and a car parking that accommodates 649 cars.

INTERESTED IN INVESTING IN AL-JOUF?

The Kingdom's Ministry of Investment (MISA) is your gateway to tapping into unique and fruitful investment opportunities in Al-Jouf.

MISA aims to facilitate and support new and current investors in their journey of venturing into a land of countless opportunities. MISA is eager to provide you with the necessary components to successfully invest within the Kingdom. This includes sharing relevant market and economic information, site research, and real-estate values to help familiarize investors with the Saudi Arabian ecosystem. Investors also have access to MISA's well-established infrastructure and connectivity.

Not only does MISA's connectivity range from trade associations, all sector companies, relevant universities, and much more, but the Ministry is responsible for issuing and regulating investment licenses.

The range of MISA's support is uncanny; whether it is providing and advising on available incentives or ongoing support for operational issues, MISA will serve as your guide to opportunities in Al-Jouf.

More detail can be found in **investsaudi.sa** and **Investor Journey.**

Invest in Saudi — Scan here

Investor Journey — Scan here

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INTERESTED IN INVESTING IN AL-JOUF?

For more information about investment opportunities, please click here or scan the QR code

Scan here!

Existing opportunities in Al-Jouf region include:

- Tourism
  - Develop 5 Star Resort In Al Jouf
- Culture & Heritage Tourism
  - Culinary Regional Culinary Tours
- Eco-Tourism
  - Agritourism Resort

Dumat Al-Jandal ruins of the old city. Jouf region

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Ministry of Investment

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Reach out to the Ministry of Investment to learn more and begin your investment journey in Al-Jouf today

For questions and to learn more about opportunities in Al-Jouf, please contact: regions@misa.gov.sa

For questions about the agriculture, renewable energy, and tourism sectors please contact Invest Saudi: InvestorCare@misa.gov.sa

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