



وزارة الاستثمار
Ministry of Investment

استثمر في السعودية
INVEST
SAUDI

رؤية
VISION
2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

Q2 2022

Investment Highlights

What's inside

- › Opening insights by H.E. Ahmed Al Khateeb, Minister of Tourism
- › Interviews with prominent investors and industry leaders
- › Saudi economic performance in Q2 2022
- › Investment developments in Q2 2022
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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*



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

January 2022



Thai Bilateral Investment

Saudi Arabia's Crown Prince and the Prime Minister of Thailand renewed and enriched bilateral ties, with a key focus on normalizing diplomatic relations and driving new trade and investment



Gaming Growth

Savvy Gaming Group, newly launched by PIF, buys and merges industry giants "ESL" and "FACE IT" to create "ESL FACEIT Group"

February 2022



Closer UK Ties

The Crown Prince and UK Prime Minister bolster ties with an agreement to boost investment, energy cooperation, people-to-people links, and work toward creation of a joint UK-GCC trade deal



Expanding Investment Power

The Crown Prince transfers 4% of Saudi Aramco's net worth to PIF, the transfer also supports PIF's plans to grow its Assets under Management to around SAR 4 trillion by the end of 2025

March 2022



Defense Growth

The Crown Prince inaugurates the first edition of the World Defense Show, organized by the General Authority for Military Industries and attended by over 590 companies representing 42 countries

April 2022



Internet of Things

PIF and stc Group sign a joint venture agreement to establish a company that will drive adoption of Internet of Things (IoT) in Saudi Arabia. The JV agreement is part of PIF's and stc's efforts to drive IoT growth and to establish Saudi Arabia as a regional center for the Middle East and North Africa



New Investment Law

Government publishes the draft of the Kingdom's new Investment Law, which will allow local and global investors to be treated equally. The draft law introduces a broad range of innovations that will catalyze investment across the economy



May 2022



Developing the Coffee Sector

Coinciding with Saudi Arabia's Year of Saudi Coffee, PIF establishes the Saudi Coffee Company, working to invest approximately USD 320 million over 10 years to develop the national coffee industry and boost production capacity from 300 to 2,500 tons annually



Gaming Acquisitions

Through its subsidiary, Electronic Games Development Company (EGDC), the Mohammed bin Salman Foundation (Misk) acquired an additional 63% stake in Japanese electronic games company SNK, increasing its majority shareholding to 96.2%

June 2022



International Investment

Capital Bank Group and PIF announce subscription agreement for approximately \$185 million. The deal will raise the bank's equity and support expansion, seeing PIF take a 24% stake upon completion

June 2022



Aviation Growth

PIF launches AviLease, a leasing, trading and asset management services firm holding the latest generation of aircraft. The move is designed to enhance integration into the global aircraft financing market



Key Deals in Egypt

Egypt and Saudi Arabia signed approaching \$8 billion in deals distributed across 14 sectors during Crown Prince's visit to Cairo



Economic Diversification with Jordan

After the Crown Prince's visit to Amman in late June, both Jordan and Saudi Arabia agreed to expedite mutual investment diversification, notably in the fields of mining, infrastructure, agriculture, tourism, culture, healthcare, and ICT



New Ties with Turkey

The Crown Prince's and Deputy Prime Minister to the Republic of Turkey bilateral ties were strengthened, with renewed efforts to drive investment in key strategic sectors as well as begin operations of the Saudi-Turkish Coordination Council



Companies Law

The Council of Ministers approved a new Companies Law. The new legislation is a significant enhancement to the Kingdom's investment environment, introducing greater flexibility to the legislative framework



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SAUDI ARABIA'S ECONOMIC PERFORMANCE IN Q2 2022

The Kingdom continues its robust economic growth in 2022

The Kingdom's economic growth has carried through the momentum of H2 2021, buoyed by rising oil prices, strong domestic spending, investment, and increasing consumer and industrial confidence at home. Flash estimates of real GDP growth show a further acceleration to 11.8% year-on-year in Q2 2022, the highest rate since 2011. Both the oil and non-oil activities of the economy showed significant gains during the period.



11.8%

year-on-year real GDP growth in Q2 2022*, driven by global energy demand, continued a positive trend that began in Q2 2021



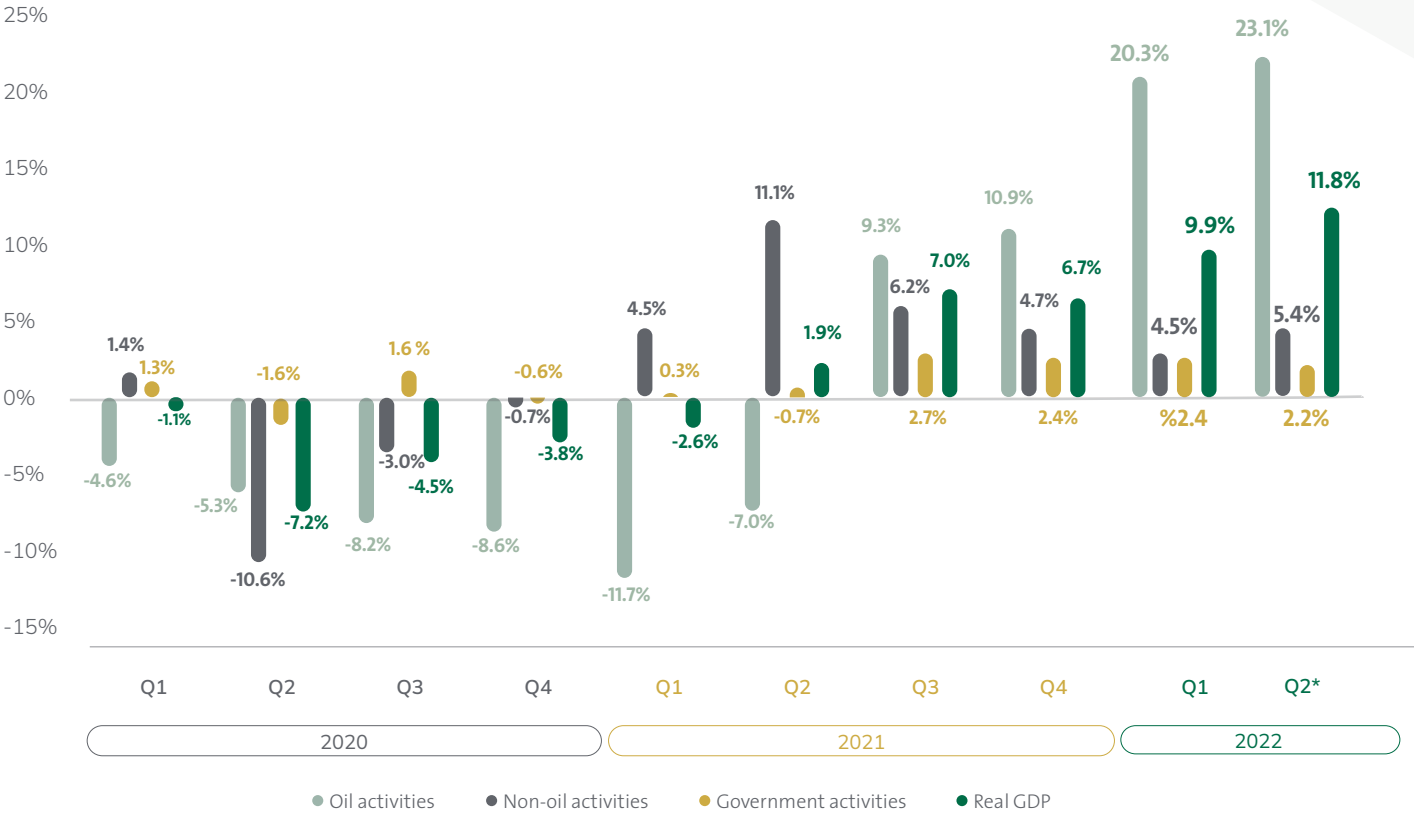
5.4%

year-on-year growth in non-oil activity in Q2 2022*, increasing from the momentum shown in Q1 2022

Real GDP Growth in Constant Prices

Growth Rate

Source: GaStat



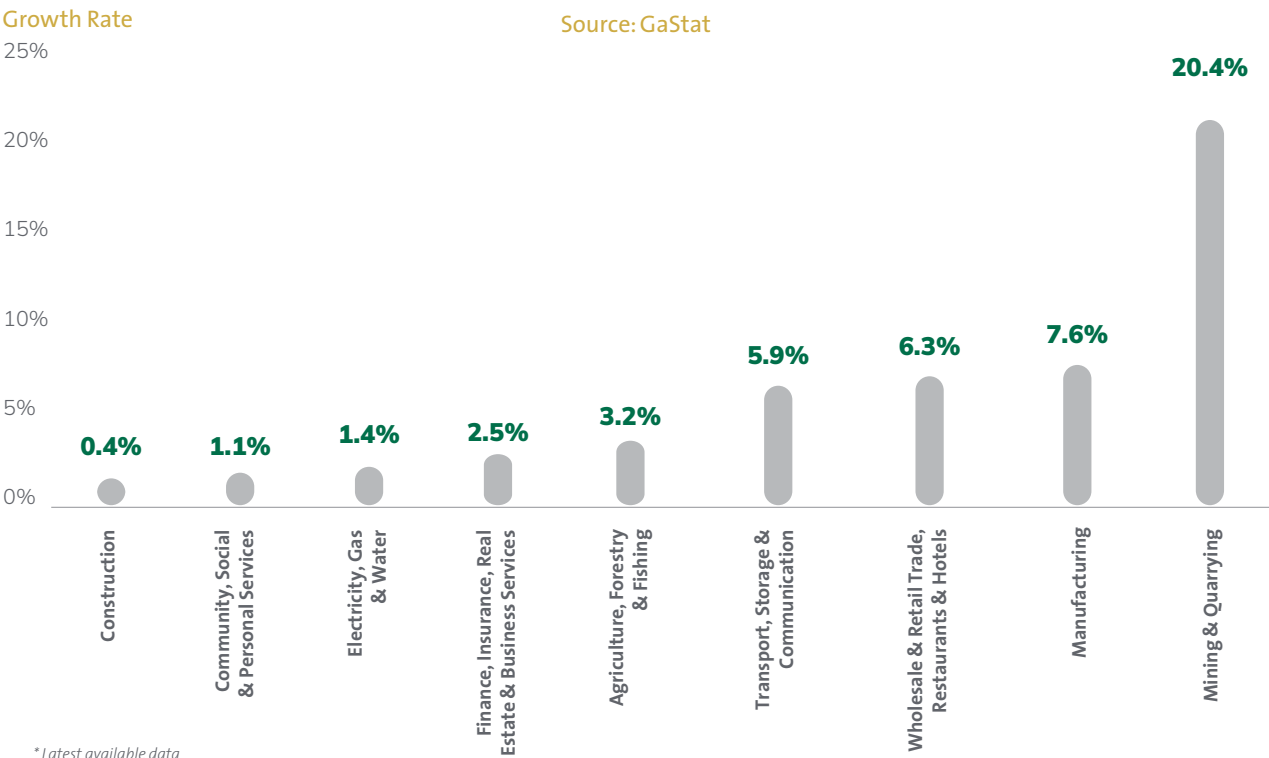
* GDP Flash estimates by GaStat



The Kingdom’s economic diversification efforts are paying dividends, with all non-oil activities showing a positive trend during Q1 2022. The wholesale and retail trade, restaurants and hotels activity showed the biggest gain in Q1, expanding by 6.3% year-on-year. The transport, storage and communication activity grew by 5.9%, while the finance, insurance and business services activity saw growth of 4.2%. Meanwhile the manufacturing acitivity, excluding petroleum refining saw a 4.1% growth.

Real GDP Growth Rates by Economic Activities

in Q1 2022 (2010=100) (Y-o-Y)*



Industrial output continues to expand in line with diversification goals

Saudi Arabia saw its industrial production expand by 24% year-on-year in May 2022, showing a strong post-pandemic rebound in business and investor appetite. March, April and May 2022 recorded the highest IPI figures of all quarters in the last 3 years, showing the dynamism of the Kingdom's manufacturing, mining and quarrying subsectors. Mining and quarrying, driven by strong demand from the oil sector, remained the main drivers of IPI at 23.3% growth. Manufacturing activity expanded by 28.8%, thanks to the ongoing recovery in international trade and an increased demand for Saudi exports.



24%
y-o-y rise in
May 2022's IPI



23.3%
y-o-y gain for mining and
quarrying in May 2022

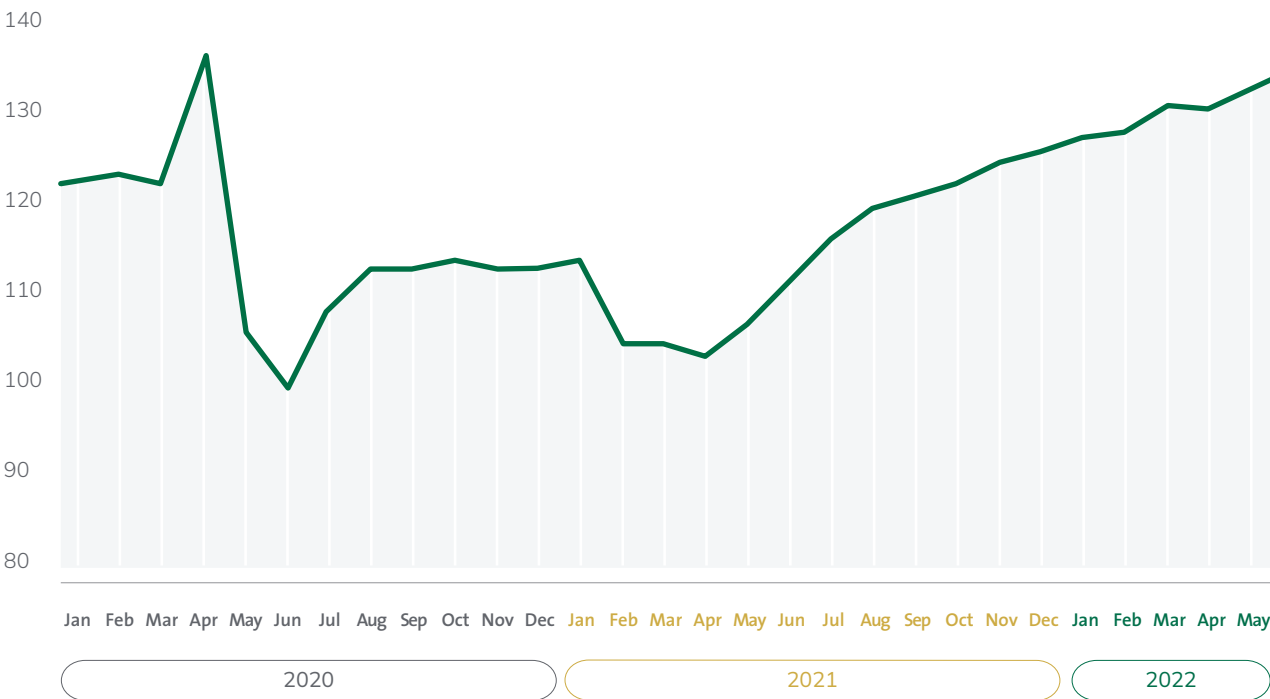


28.8%
y-o-y expansion of
manufacturing activity in
May 2022

Industrial Production Index (2010 = 100)

Source: GaStat

Index Point





PoS transactions overtake ATM cash withdrawals as main means of spending

As evidence of strong consumer confidence, point-of-sale (PoS) transactions remained robust in Q2 2022 with a 16.6% growth on an annual basis. During this period, the Kingdom's transition to a cashless society achieved a significant milestone when the value of PoS transactions (\$36.74 billion) surpassed the value of ATM cash withdrawals (\$36.41 billion). As the economy continues its growth trajectory, the consumer market is expected to maintain its stable growth into the medium term.



\$12.3 bn

value of PoS transactions
in June 2022



605 mn

total PoS transactions in
June 2022

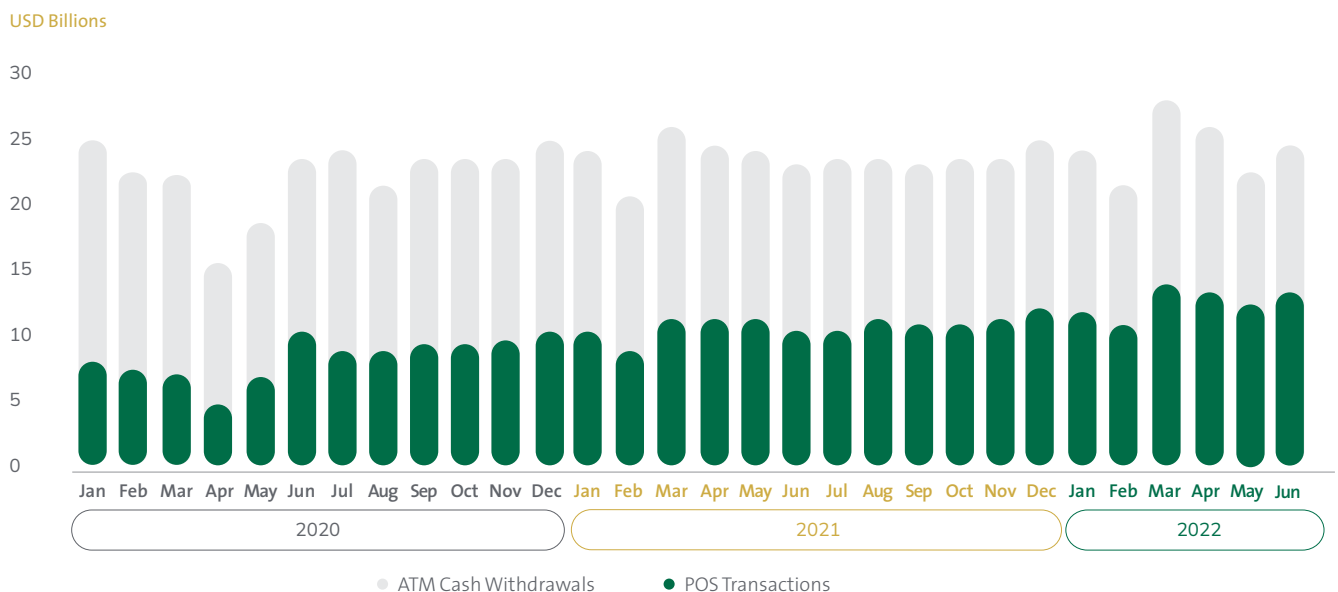


18.8%

growth in the value of PoS
transactions in June 2022 on an
annual basis

Consumer Spending Indicators

Source: Saudi Central Bank





Kingdom's total reserve assets remain stable amid global downturn

The Saudi Central Bank (SAMA) continues its responsible monetary policy approach, with the Kingdom holding the 5th highest foreign reserves among the G20. Supported by high global oil demand and strong growth of non-oil exports, Saudi Arabia's well-cushioned FX reserve assets increased in June to \$466.7 billion – a figure which has remained steady across Q2 after the slight downturn in February.



\$466.7 bn

Saudi Arabia FX
reserve assets in
June 2022



4.2%

y-o-y increase in the
Kingdom's FX reserves from
June 2021

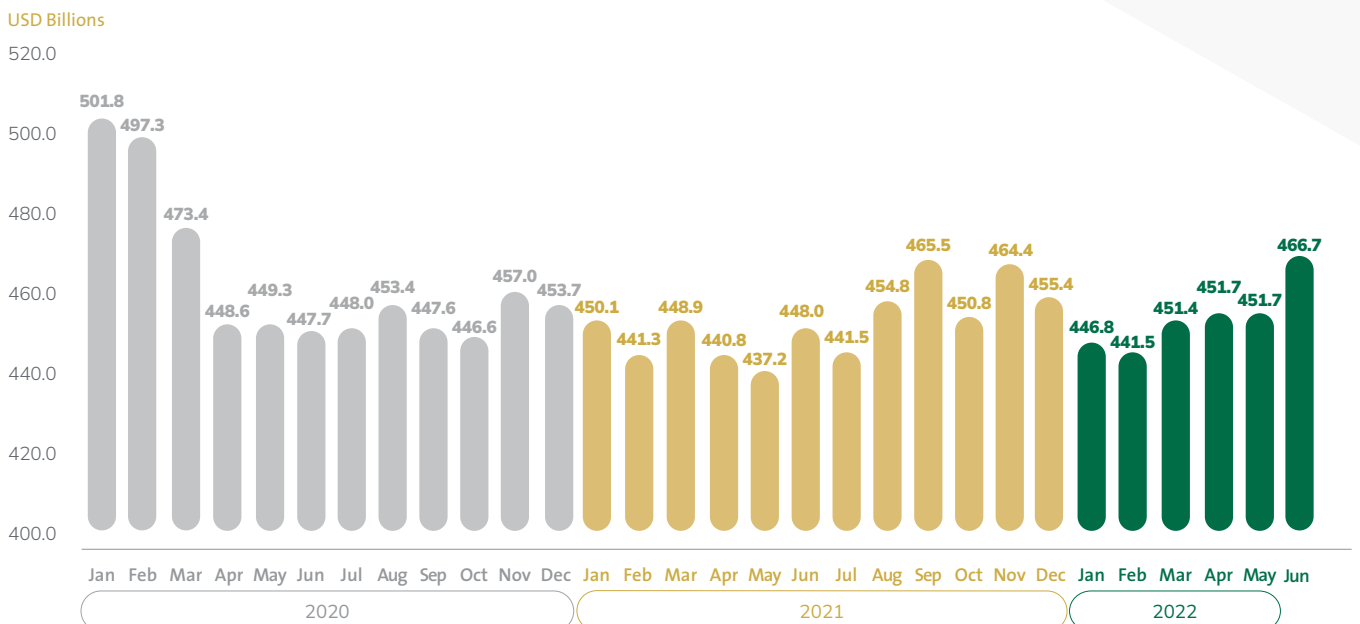


5th

highest FX reserves
among G20 economies
as of June 2022

Saudi Arabia's FX Reserves

Source: Saudi Central Bank (SAMA)

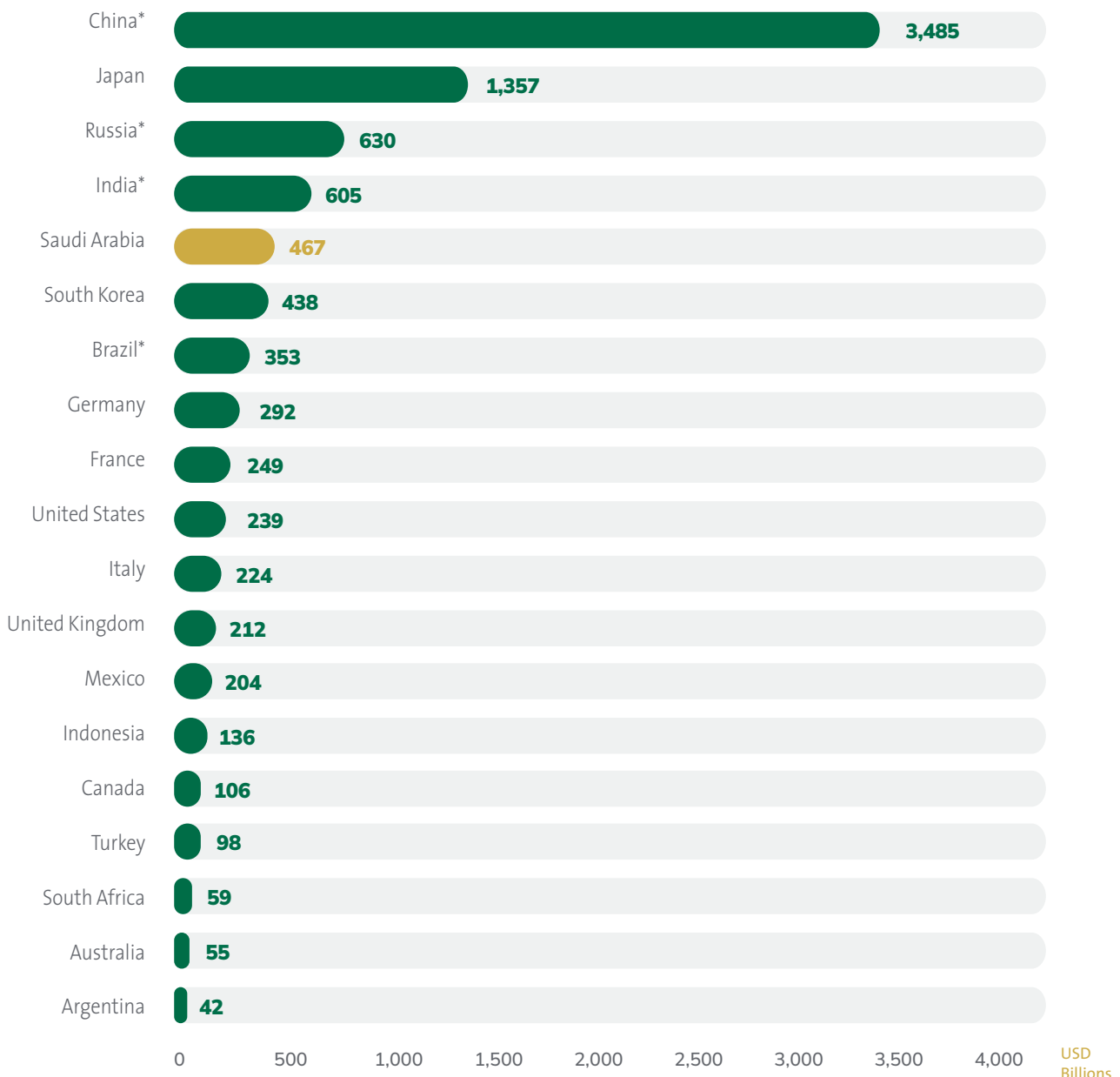




The Kingdom maintained its position as the 5th country among G20 economies with highest reserves

FX Reserves G20 Countries as of June 2022*

Source: IMF



*or latest available data



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CHAPTER 1

KEY DEVELOPMENTS IN INVESTMENT INDICATORS

Q2 2022

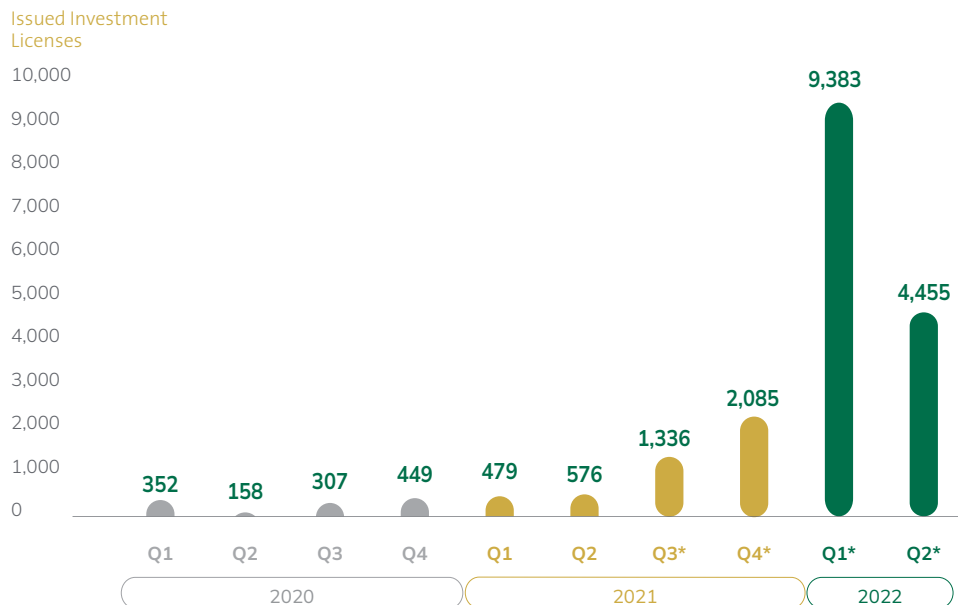


Q2 2022 sees healthy number of foreign investment licenses issued

4,455 investment licenses were issued in Q2 2022, a 673.4% increase over the 576 licenses issued in Q2 in 2021. This growth is due to new regulations promoting FDI in the Kingdom, as well as continued work to enforce the anti-concealment law. The national anti-commercial concealment program (Tasattur), launched by Ministry of Commerce, aims to combat the spread of commercial fraud in partnership with 10 government entities, including the Ministry of Investment (MISA). Starting from 18th of July 2021, MISA approved the easing of requirements for potential beneficiaries of the corrective period, allowing more firms to register in the Kingdom.

Number of Newly Issued Investment Licenses

Source: MISA



Wholesale and retail trade sector leads license issuance in Q2 2022

With Saudi Arabia increasingly positioned as one of the most attractive investment destinations, foreign investor licenses were issued in Q2 2022 in an array of sectors. Particularly, the wholesale and retail trade sector received much interest, with 2,713 licenses issued to investors with an increase of 1450.3%. This growth is inspired by strong investor interest in the Kingdom's burgeoning retail and e-commerce industry thanks to strengthened consumer confidence and spending power. Meanwhile, the construction sector saw 528 licenses issued, while foreign investors were granted 349 licenses in manufacturing.



1450.3%

increase in wholesale & retail investment licenses issued in Q2 2022 compared to Q2 2021



514.0%

increase in construction investment licenses issued in Q2 2022 compared to Q2 2021

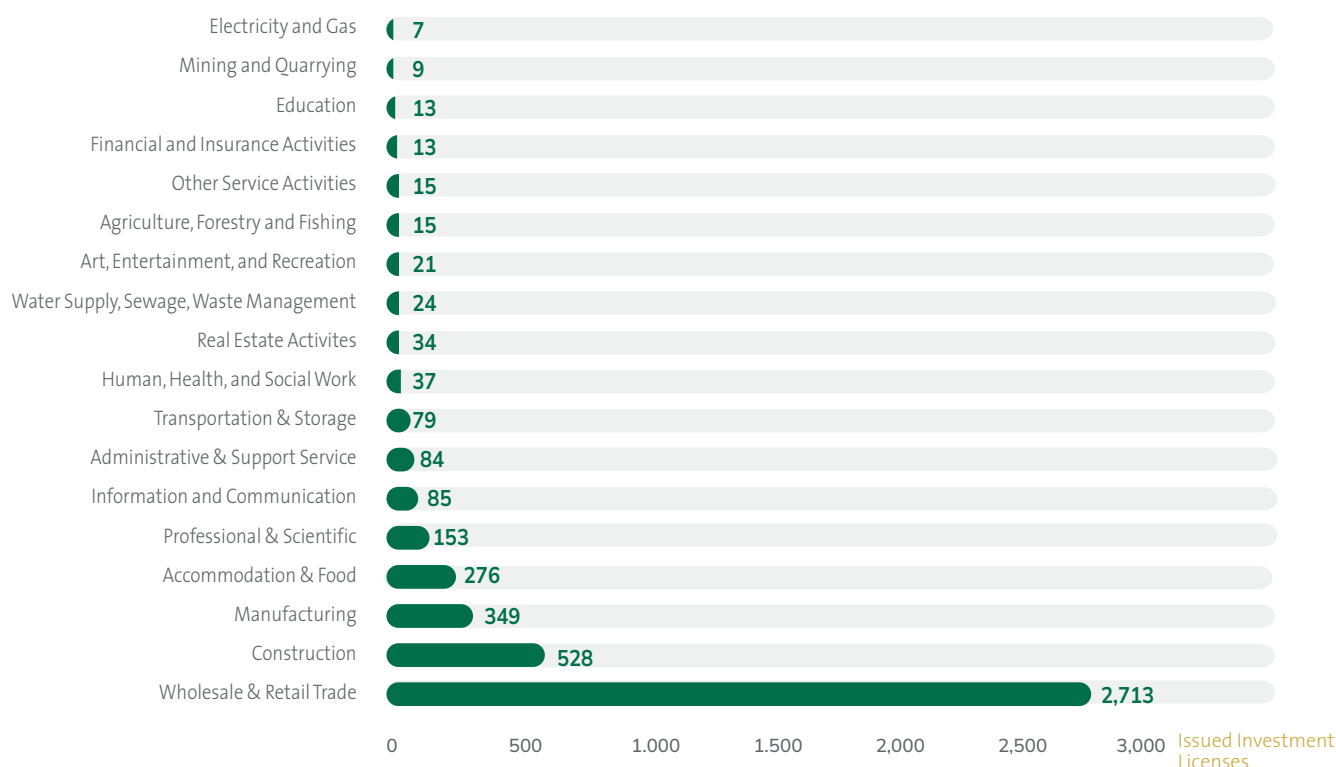


232.4%

increase in manufacturing investment licenses issued in Q2 2022 compared to Q2 2021

Number of New Investment Licenses Issued by Sector in Q2 2022

Source: MISA





The Kingdom's FDI inflows remain robust in Q1 2022

Saudi Arabia entered 2022 from a strong year in terms of foreign direct investment (FDI) inflows, with an increase of 257.2% in 2021 on an annual basis. This momentum was maintained in Q1 2022, which witnessed an FDI inflow of \$1.97 billion (SAR 7.37 billion) with an increase of 9.5% on an annual basis.

257.2%

increase in FDI inflows
in Saudi Arabia in 2021
compared to 2020

\$19.29 bn

in FDI inflows
into Saudi
Arabia in 2021

\$1.97 bn

in FDI inflows
into Saudi Arabia
in Q1 2022

9.5%

FDI inflows
increase in Q1
2022 compared to
Q1 2021

A collection of factors combine to support the future expansion of FDI to Saudi Arabia, ranging from demographics to government strategy, including:



1.5%

annual population
growth (2021)
and GCC's biggest
consumer market



600+

reform initiatives
and streamlining
regulations enacted
since inception of
Saudi Vision 2030



**National
Investment
Strategy**

launched in Q4 2021,
which includes 40
initiatives to address
challenges across the
investment landscape



**Developing
investment
laws and
procedures**

with other
government
entities in order
to complement
the legislative
and regulatory
structure



**Reduced
number of
documents**

required from
investors in license
applications



**Streamlined
bureaucratic
procedures**

to ensure speedy
issuing of investor
licenses



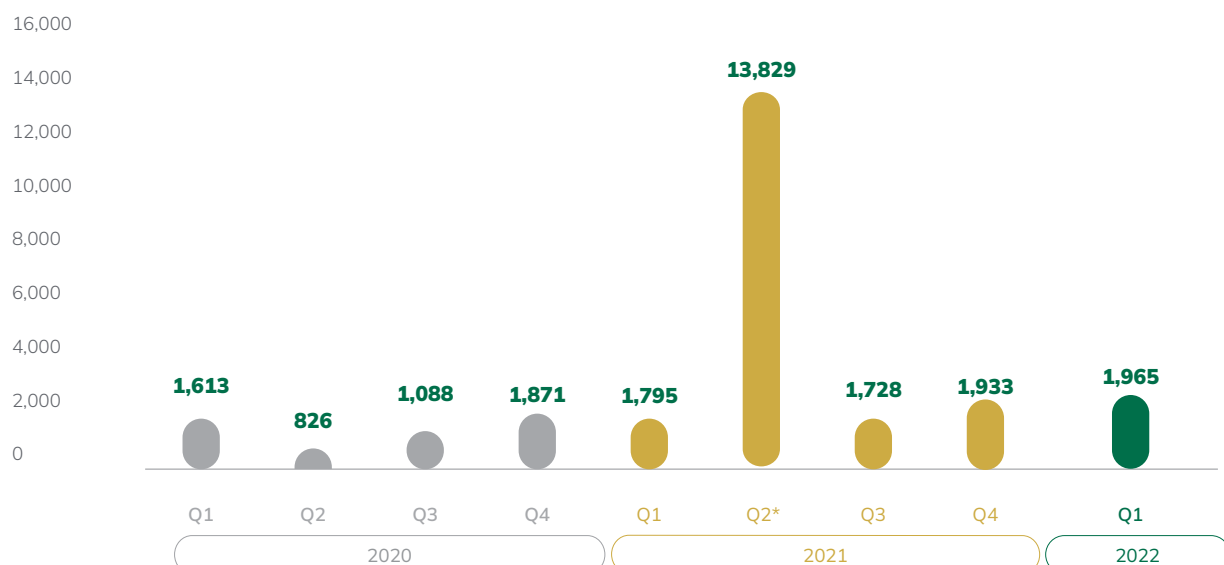
**Enhanced
digitalization**

of government operations
(procurement, pay and
social services)

Saudi Arabia FDI Inflows

Source: Saudi Central Bank

USD Millions



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



Capital of newly licensed factories exceeds \$1.7 billion (SAR 6.2 billion) in Q2 2022

The manufacturing industry continued its strong performance, with the second quarter seeing 151 factory licenses issued across April and May, while these two months saw 59 and 62 factories commence production, respectively.

Over the past year, and in particular in Q3 2021, the industrial sector showed remarkable growth due to the greater government attention received under the Vision 2030 diversification plan. With a focus on digital transformation, the Ministry of Industry and Mineral Resources enacted a number of reforms, including the launch of a digital licensing platform which allows the immediate granting of an industrial license when a factory is allocated land by relevant bodies. In addition, new incentives related to funding and export support were also introduced over this period.



121

factories started production in April and May 2022



\$1.7 bn

capital of newly licensed factories in April and May 2022



151

new licenses issued in April and May 2022



33.9%

increase in new factory licences in May 2022 compared to May 2021



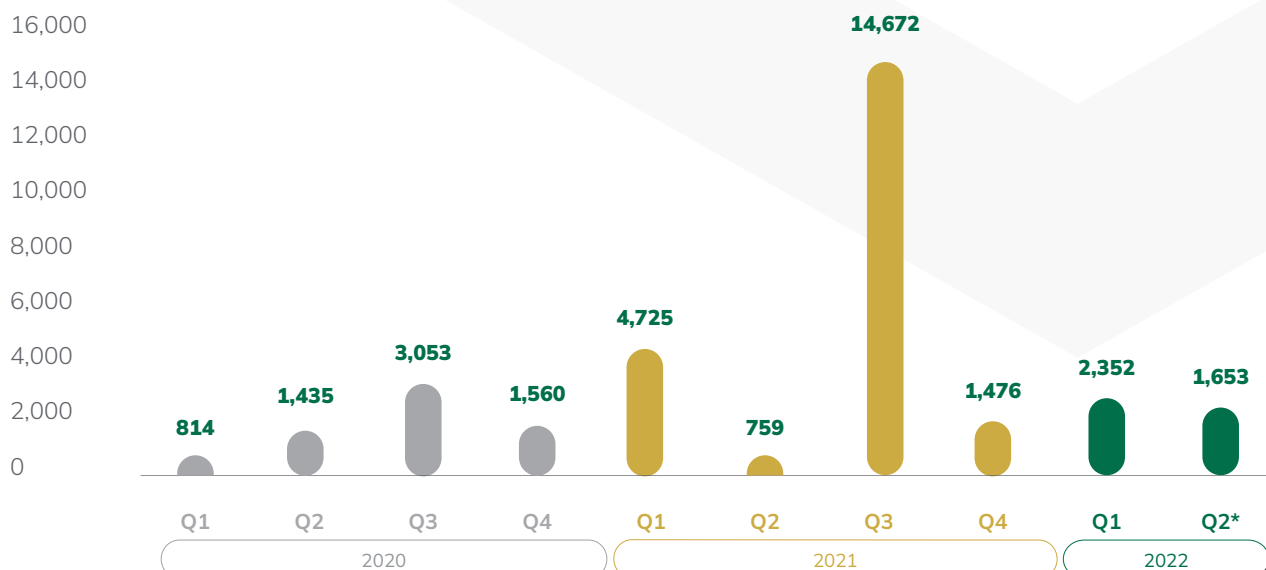
87.9%

increase in factories starting production in May 2022 compared to May 2021

Capital of Newly Licensed Factories

Source: Ministry of Industry and Mineral Resources

USD Millions



* Q2 2022 data represents only April and May, according to the latest data released



Tadawul portfolio investment overcomes global headwinds

The Kingdom's stock exchange has been attracting increasing amounts of foreign investment since 2019, when a regulatory change eased registration requirements and increased the range of institutional investors. While global political turbulence generated headwinds for stock exchanges around the world leading to an overall stock investment contraction during H1 2022, foreign ownership in the Saudi Exchange (Tadawul) remained at a relatively high level.

\$75.7 bn

investment by Qualified Foreign Investors (QFIs) in Q2 2022

31.0%

QFIs ownership increase in Q2 2022 compared to Q2 2021

\$424.9 mn

offered value from IPOs on both Tadawul and Nomu in Q2 2022

4 IPOs

on both Tadawul and Nomu in Q2 2022

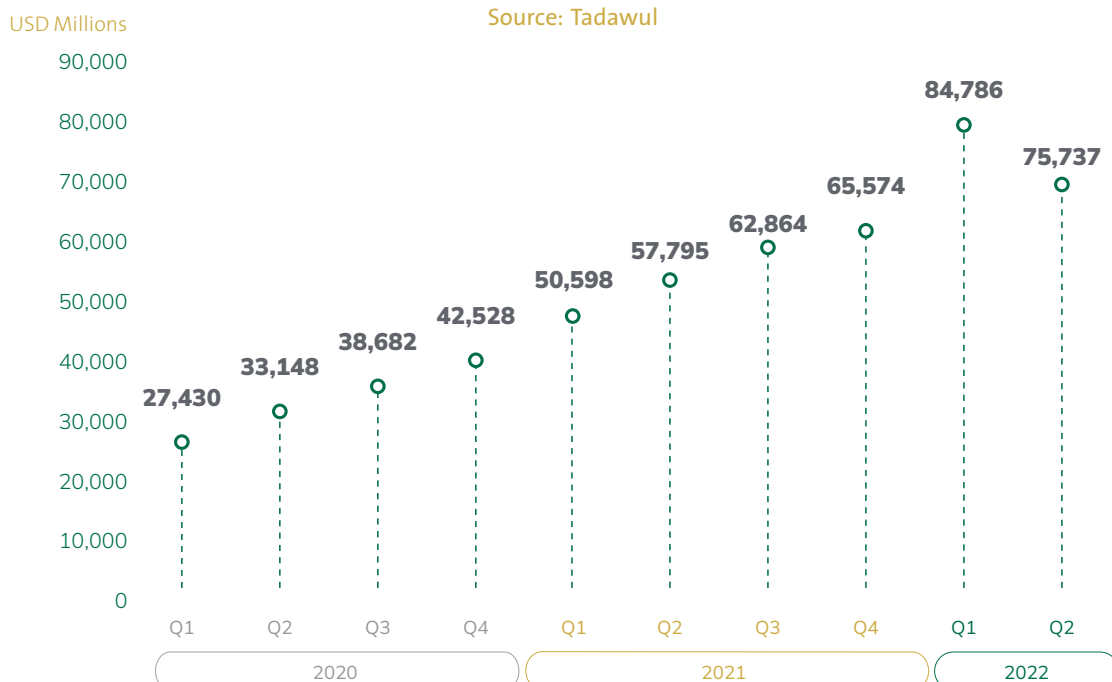
The Saudi Exchange has maintained its attractiveness to both local and foreign investors.



Single stock futures contracts (SSFs)

The Saudi Stock Exchange has announced that from Q3 2022 Single Stock Futures Contracts will be available to trade. This 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.

Qualified Foreign Investors (QFIs) Ownership in Tadawul





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CHAPTER 2

THE WORLD'S NEW TOURISM DESTINATION





OPENING INSIGHTS

H.E. Ahmed Al Khateeb

Minister of Tourism

وزارة السياحة
Ministry of Tourism



What are some of the main objectives and early achievements of the National Tourism Strategy?

In addition to investing \$810 billion in the tourism sector by the end of the decade, Saudi Arabia has ambitious plans to attract 100 million visits by 2030. We have implemented a series of reforms to facilitate and promote the Kingdom as a top-five global tourist destination by focusing on the environment, infrastructure, demand, and sustainability. As a result, Saudi Arabia has moved up 10 places in the World Economic Forum's Travel and Tourism Development Index, the second largest improvement globally in 2021.

A key element to this progress was Saudi Arabia's decision in 2019 to issue tourism e-visas to visitors from 49 countries, including the UK, Malaysia, US, China, and Canada. Domestic tourism is also reaching unprecedented levels, with a record 63.8 million domestic tourists in 2021, a 34% increase from 2019, spending SAR 80.9 billion (\$21.5 billion), a 32% increase since 2019. With the pandemic mostly behind us, the Kingdom targets on increasing visitors in 2022 to three times their level last year.

Critical to the success of the Strategy is the development of skills in the workforce. The Ministry's tourism training and education e-portal has seen over 200,000 registrations, training and upskilling more than 110,000 employees and jobseekers in 2021. The UNWTO Tourism Academy, established in Riyadh, will work to equip people with new skills in the sector and the newly announced Tourism Trailblazers will invest \$100 million to train 100,000 youth in partnership with the world's best tourism schools.

What initiatives are underway to attract investment and partnerships in the tourism sector?

The private sector has an incredibly important role to play in the Kingdom's transformation, which is why Vision 2030 aims to increase its contribution from 40% to 65% of GDP and increase FDI from 3.8% to 5.7%.

Taken together, the ambition is to increase tourism from 3.8% of GDP today to 10% by 2030. Saudi Arabia is an exciting place for investors, with USD 6 trillion worth of investment opportunities until 2030. With over 400,000 hotels rooms today, we expect 854,000 more hotel rooms by 2030, of which 70% will be privately funded. Just this year, Marriott have announced it will introduce an additional 43,500 new hotel rooms by 2025.

This year's progress shows the extent to which these targets are already being achieved. In the first quarter of 2022, the Kingdom has fostered several partnerships with key players in the sector. As a result, 90 hotels have opened in the Kingdom, including renowned chains such as Hilton, Accor, IHG and Shangri-La.





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OPENING INSIGHTS

H.E. Ahmed Al Khateeb

Minister of Tourism

وزارة السياحة
Ministry of Tourism



The creation of the Tourism Development Fund (TDF) is another crucial part of our efforts to create a more attractive investment environment. With capital of SAR 15 billion (\$4 billion), the TDF is facilitating investors' access to high-potential tourism investments across the Kingdom's main destinations, not to mention developing financial products tailored specifically to SMEs.

What trends are emerging in the Kingdom's tourism space?

We are seeing a huge drive towards a more sustainable future in the tourism sector, both here and globally.

The Sustainable Tourism Global Center (STGC), announced by His Royal Highness the Crown Prince Mohammed Bin Salman during the Saudi Green Initiative in October 2021, is a multi-country, multi-stakeholder coalition focused on climate, nature, and communities. The STGC will play a crucial role in ensuring tourism is part of the solution and fundamental to the global transition to net-zero.

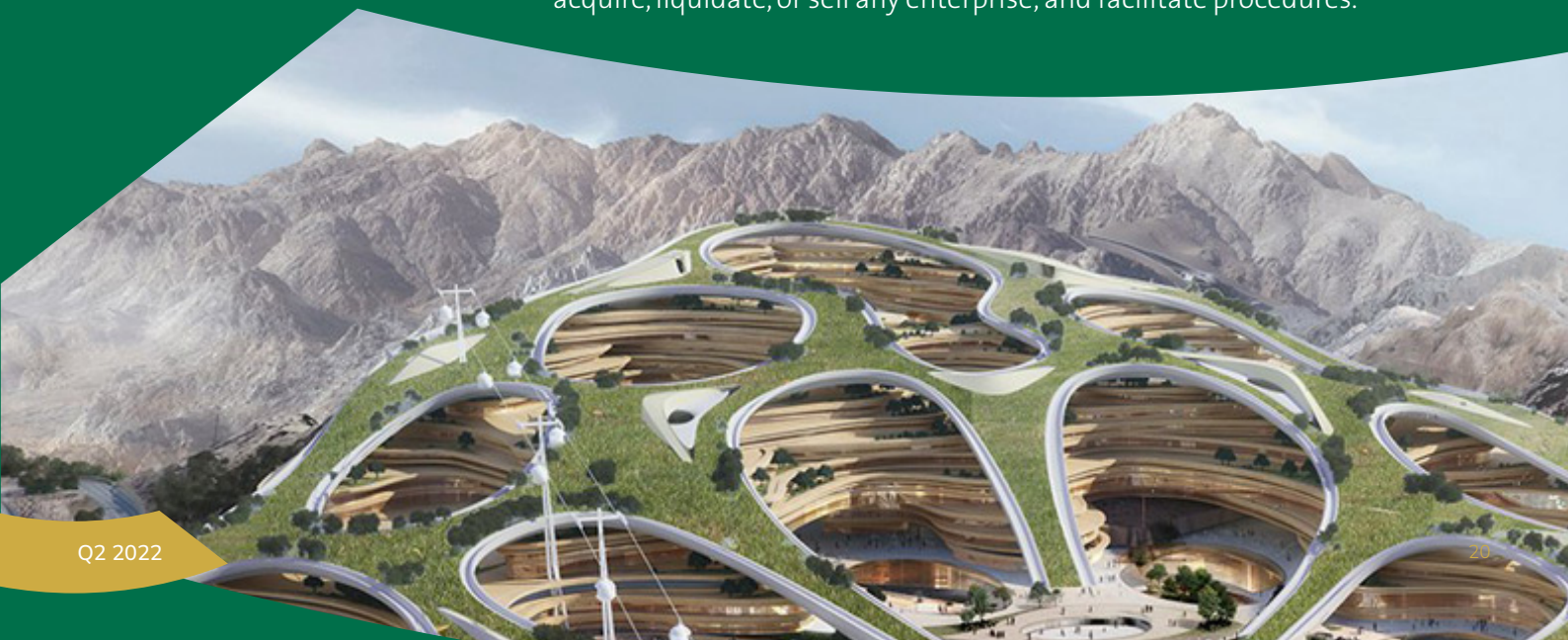
Sustainable initiatives and destinations in the Kingdom such as the Red Sea Project, NEOM, AIUla, and Diriyah are also providing leadership in this area. Bold initiatives such as the Red Sea Development Company's coral reef restorative initiatives, and NEOM's development of a \$5 billion 'green hydrogen' project put the environment at the heart of development in the Kingdom.

The future of biodiversity-friendly tourism in Saudi Arabia is very bright.

What opportunities does the National Investment Strategy (NIS) provide for domestic and international investors in the tourism segment?

The NIS is doing a great deal to improve the investment environment, preserve investor rights, and increase confidence in local investments, all of which are fundamental to a growing tourism sector.

Last April, for example, the Ministry of Investment announced it was drafting a new Investment Law under which, local and foreign investors will be treated equally. Free to manage, sell, and dispose of their economic assets, own property, enter commercial contracts; acquire, liquidate, or sell any enterprise; and facilitate procedures.





Tourism's role within the national masterplan

Saudi Arabia's tourism sector is at the center of the Kingdom's economic diversification and transformation agenda. At the heart of the Kingdom's development of its tourism sector is the National Tourism Strategy, working to establish Saudi Arabia as a leading tourist destination.

National Tourism Strategy Targets

Source: Ministry of Tourism





The strategy underlines four key strengths as the tourism value proposition of the Kingdom.

1



Unique natural assets

2



Rich cultural heritage

3



Sustainable destination, protecting nature & local communities

4



Re-invented tourism journey enabled by technology

In a ground-breaking reform, Saudi Arabia opened its doors to global tourism in late 2019 by introducing an instant tourist e-visa. More than 1.3 million visas have been issued as of October 2022 since the launch of the tourists e-visa. Further such visa relaxations are under consideration by the Ministry of Tourism.

As a result of these unprecedented reforms, Saudi Arabia is expecting a robust tourism recovery in 2022 as global routes reopen to tourists and visa restrictions ease.



EXPERT OPINION

John Pagano

CEO,
The Red Sea
Development Company
(TRSDC)



How is progress coming along on The Red Sea Project's current developments?

What has made things particularly interesting over Phase one is already more than 50% complete and several key assets are fully operational, including a four-star management hotel, on-site offices, and the largest landscape nursery in the region. We have already awarded over 1,000 contracts worth over SAR 25 billion (\$6.66 billion), and work is on track to welcome the first guests in early 2023.

We are fortunate to be working with some of the world's most iconic hotel brands, including EDITION, St Regis, Fairmont, Raffles, SLS, Grand Hyatt, Intercontinental, Six Senses, Jumeirah, Miraval, Rosewood, and Ritz Carlton Reserve. A number of these will be hosting their first guests by early next year.

We are also deeply committed to the eco-luxury and regenerative tourism spaces, which is why we are pursuing a destination-wide clean mobility strategy through electric vehicles, boats, and aircraft. This is line with our commitment that both flagship destinations operate using 100% renewable energy, an initiative that will be supported by building the world's largest battery storage facility.

What is the status of investment and private sector involvement?

We are seeing strong private sector confidence and a willingness to invest in our projects. For example, we recently entered into a SAR 1.5 billion (\$400 million) joint venture agreement with Almutlaq Real Estate Investment Co., a subsidiary of the Al Mutlaq Group, to develop Jumeirah The Red Sea, a 159-key luxury resort on The Red Sea Project's Shura Island.

This follows on our close on a SAR 14.12 billion (\$3.76 billion) green financing agreement with four leading Saudi banks, in addition to a partnership established in 2021 with a consortium led by ACWA Power, which brought in foreign direct investment from the UK's Standard Chartered Bank and China's Silk Road Fund. This partnership will see ACWA Power design, build, operate, and transfer The Red Sea Project's green utilities infrastructure.

We are also in parallel discussions with other investors for opportunities to invest in The Red Sea Project's commercial assets, including hotels and resorts, leisure, retail, and dining experiences.

To what extent is TRSDC building opportunity across the economy?

Across The Red Sea Project and AMAALA, both of which are now being developed by TRSDC, we're projected to contribute some SAR 33 billion (\$8.8 billion) to the Kingdom's economy on completion as well as 120,000 direct, indirect and induced jobs, including comprehensive training programs for the next generation of Saudi talent. We are also allied with Prince Mugrin bin Abdul Aziz University to offer scholarships for undergraduate students, with degrees accredited by one of the oldest hospitality faculties in the world, the École Hôtelière de Lausanne.

At a local level, we have close working relationships with the farming community and are looking at ways we can help them beyond tourism, such as new techniques to increase crop yields. Across The Red Sea Project and AMAALA, we have awarded over 1,250 contracts worth more than SAR 30 billion (\$8 billion), over 70% of which have been awarded to Saudi firms. This spans a wealth of different sectors, from construction to hospitality, transport, and smart tech.



Opening new segments

Among the lesser discovered destinations by globetrotters, Saudi Arabia is expanding its offers for touristic activities and opening investment opportunities in novel segments.



**Tourism destinations
& attractions**



**Tourism and
travel services**



Accommodation



**Tourism experiences
& activities**



**F&B within tourist
destinations**



Tourism retail

With over 3,500 tourism investment licenses issued thus far, new projects are contributing to the development of sub-sectors appealing to tourists looking for different attractions, including adventure and family activities.



**Heritage/
Culture**



Urban



Adventure



**Entertainment/
Recreation**



Gastronomy



As the impact of the COVID-19 pandemic continues to wane, Saudi Arabia's tourism sector is also expected to make a recovery as the Kingdom continues its entertainment seasons, festivals, and opens new attractions to global visitors.

Tourism inbound indicators to the Kingdom

	2019	2020	2021
Tourist Trips (thousand)	17,526	4,138	3,477
Tourist Nights (thousand)	189,036	37,824	31,771
Inbound Tourist Expenditure (SAR mn)	103,354	20,101	14,716
Average Length of Stay (night)	10.8	9.1	9.1
Average Expenditure per Trip (SAR)	5,897	4,857	4,232
Average Expenditure per Night (SAR)	547	531	463

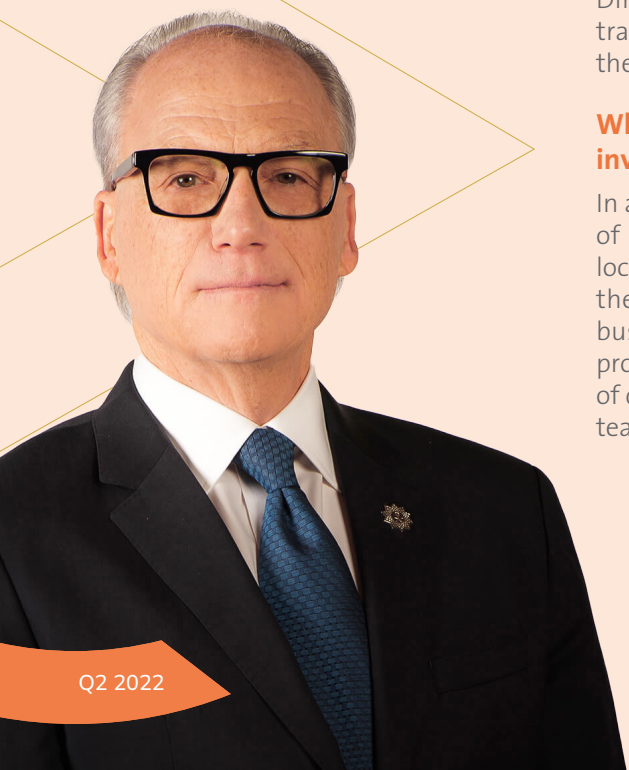
Source: Ministry of Tourism



EXPERT OPINION

Jerry Inzerillo

Group CEO,
Diriyah Gate
Development Authority
(DGDA)



How is the National Investment Strategy (NIS) enabling investment opportunities at Diriyah?

There has never been a better time to invest in the Kingdom's tourism sector. The NIS has enabled DGDA to unlock opportunities in numerous areas, which is allowing much of the world to explore Saudi Arabia for the very first time. In addition to identifying key investment opportunities, DGDA has signed an MOU with MISA to establish a joint working group to boost cooperation through investor facilitation, market studies, drive ease of doing business, and participate in local and international exhibitions such as the Saudi-Thai Investment Forum in Riyadh, which culminated in DGDA's MOU with Thailand-based Minor Hotels.

Diriyah and the other Giga-projects operate as catalysts and economic pockets for the Vision 2030 tourism plans—with Diriyah's initial projections of attracting 27 million visits per year. This sustainable, heritage-based cultural tourism will help support the Kingdom's broader ambition of 100 million annual visitors and increase tourism's GDP contribution from 3% to 10% by the end of the decade.

What wider opportunities will visitors to Diriyah bring for businesses and investors in Riyadh?

Visitors to Diriyah will help unlock a wide range of new investment opportunities across the infrastructure, hospitality, residential, retail, and entertainment sectors. There are numerous opportunities for service providers across the full scope of development and operation, from contracting on a wide range of individual assets that will make up the broader site to providing guest-related services. To give but one example, DGDA recently awarded its largest contract to date to Salini Saudi Arabia Co. Ltd., a SAR 3.99 billion (USD 1.06 billion) deal to build Diriyah Square's 'super basement' car park.

In recognition of Diriyah's vast potential to set the stage for a new level of hospitality, whether in the commercial, retail, nature-focused, or luxury residential segment, DGDA has received overwhelming interest from a number of leading global luxury brands seeking a presence in its 38 hotels and branded residential developments.

To help underpin these opportunities, DGDA is also investing heavily in human capital development, working to satisfy the demand for skilled workers that Diriyah projects demand. That's why we at the authority are supporting, training, and employing Saudi men and women and providing them with the necessary knowledge and skills to meet the needs of the labor market.

What are DGDA's core short-term targets, and how can investors get involved at different stages?

In addition to At-Turaif, we are excited to announce the upcoming opening of Matal Al Bujairi, a new destination with Michelin-starred restaurants, local Saudi delights, and uninterrupted views of At-Turaif. But these are only the beginning. From cultural hubs to educational institutions and major business headquarters, we will be announcing a number of exciting new projects over the coming year. As always, we welcome investors at any stage of development and invite them to reach out to our investment attractions team for more information about the opportunities available.



The Pilgrim Experience Program: Enabling all Muslims to experience Hajj

Given the importance of Islamic rituals, the Kingdom of Saudi Arabia is keen to enhance its services provided to Muslims by launching the Pilgrim Experience Program in 2019 as an extension of the honor of serving the Two Holy Mosques. The program aims to facilitate hosting the largest number of Muslims worldwide to experience Hajj and Umrah, provide Muslims with the best services, and enrich their religious and cultural experience. Furthermore, the role of the program includes reflecting the Kingdom's honorable image in serving the Two Holy Mosques and pilgrims.

The program is built on three key objectives.



Facilitating hosting more pilgrims and their access to the Two Holy Mosques



Providing high quality services for Hajj and Umrah pilgrims



Enriching the religious and cultural experience of Hajj and Umrah pilgrims



Guided by Vision 2030, the Pilgrim Experience Program brings together diverse collaborators, receiving support from multiple government stakeholders.

30+ governmental entities participating in the sector

186+ countries sending visitors

355 distinct services provided during the Hajj season

350k workers in the sector's services

68k guided tours in accordance with the planned pilgrimage route





Complemented by additional programs such as the Makkah Route Initiative, the Pilgrim Experience Program has achieved key milestones since its establishment in 2019.

5 minutes

required time for a visa for pilgrims and Umrah performers, down from 14 days

15 minutes

spent by pilgrims on average at Saudi immigration counters

87.0%

general satisfaction index for services in Hajj

The successful implementation of the Pilgrim Experience Program presents investment opportunities in a variety of sectors, including transportation, health and safety, and accommodation.



Airport capacity and services



Improving the capacity and the quality of the accommodation



Transportation and road services inside cities



Medical services, insurance coverage, safety and security services



Public services and infrastructure at the Holy Sites



Entertainment, retail, and commercial services



Building on strong foundations: Tourism infrastructure

Saudi Arabia's ambitious tourism development agenda is complemented by an increasingly strong tourism infrastructure – both physical and electronic - enabled by initiatives from the public and the private sector.

The government has invested heavily in the ICT infrastructure that supports the Kingdom's recently revised visa process.

3

simple steps to
obtain a Saudi
eVisa

49

countries eligible
for digital visa
application

Tourism-related infrastructure provision is a key part of the Kingdom's growth strategy. Its development is already underway and increasing the Kingdom's attractiveness as a tourism destination.

150,000

hotel rooms to be
built in the coming
three years, 70%
to be built by the
private sector

500,000

hotel rooms to
be established
by 2030

\$31 bn

worth of memoranda
of understanding
signed to improve
the infrastructure and
available hotel rooms

+100 mn

visitors to be hosted
in Saudi Arabia by
2030



A growing interest in the Kingdom's rich heritage assets is another catalyst for tourism growth. Since 2008, the United Nations Educational, Scientific and Cultural Organization (UNESCO) has identified six locations in the Kingdom as World Heritage Sites – unique landmarks or areas having cultural, historical, scientific or other forms of significance.



**Al Ahsa
Oasis**



**At-Turaif District
in ad-Dir'iyah**



**Hegra
Archaeological
Site**



**Hima Cultural
Area**



**Historic
Jeddah**



**Rock Art in the
Hail Region**



Snapshot of Saudi Arabia's Giga Projects

The development of mega and giga projects is generating significant momentum in the sector, as well as providing diverse and sizeable investment opportunities for local and international investors.



NEOM

26,500

sq km project
area

\$500 bn

investment

14

economic sectors



28,000

sq km project
area

22 islands

and 6 inland sites
by 2030

50 resorts

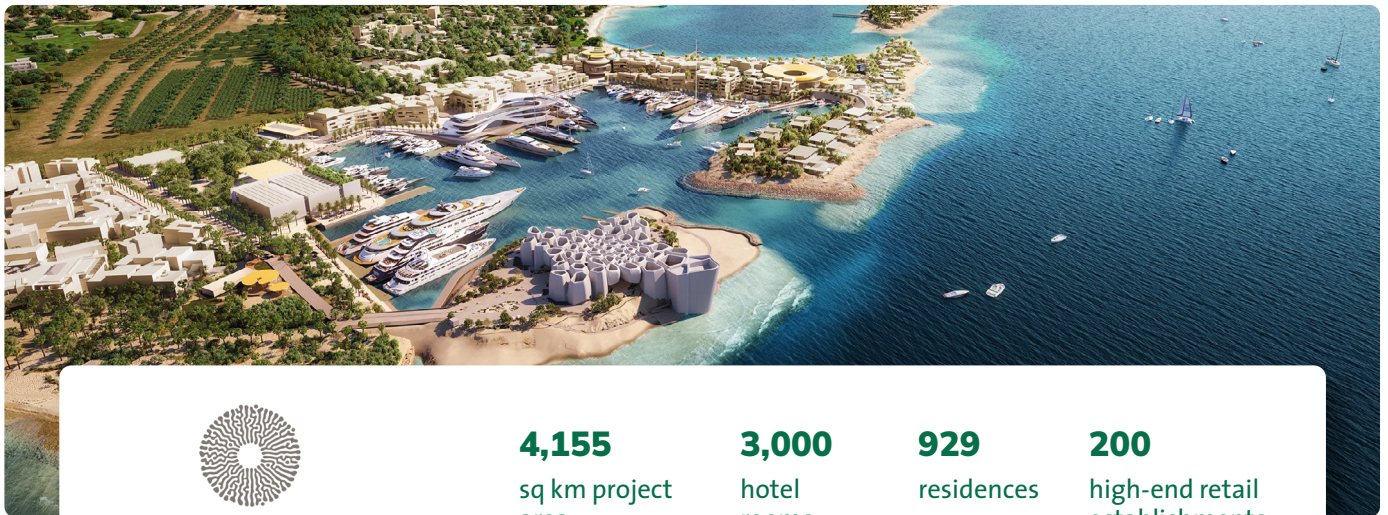
to be completed
by 2030



367
sq km project
area

\$1 bn
development of
Six Flags Qiddiya
theme park

\$750 mn
development of
Saudi Arabia's first
water park



4,155
sq km project
area

3,000
hotel
rooms

929
residences

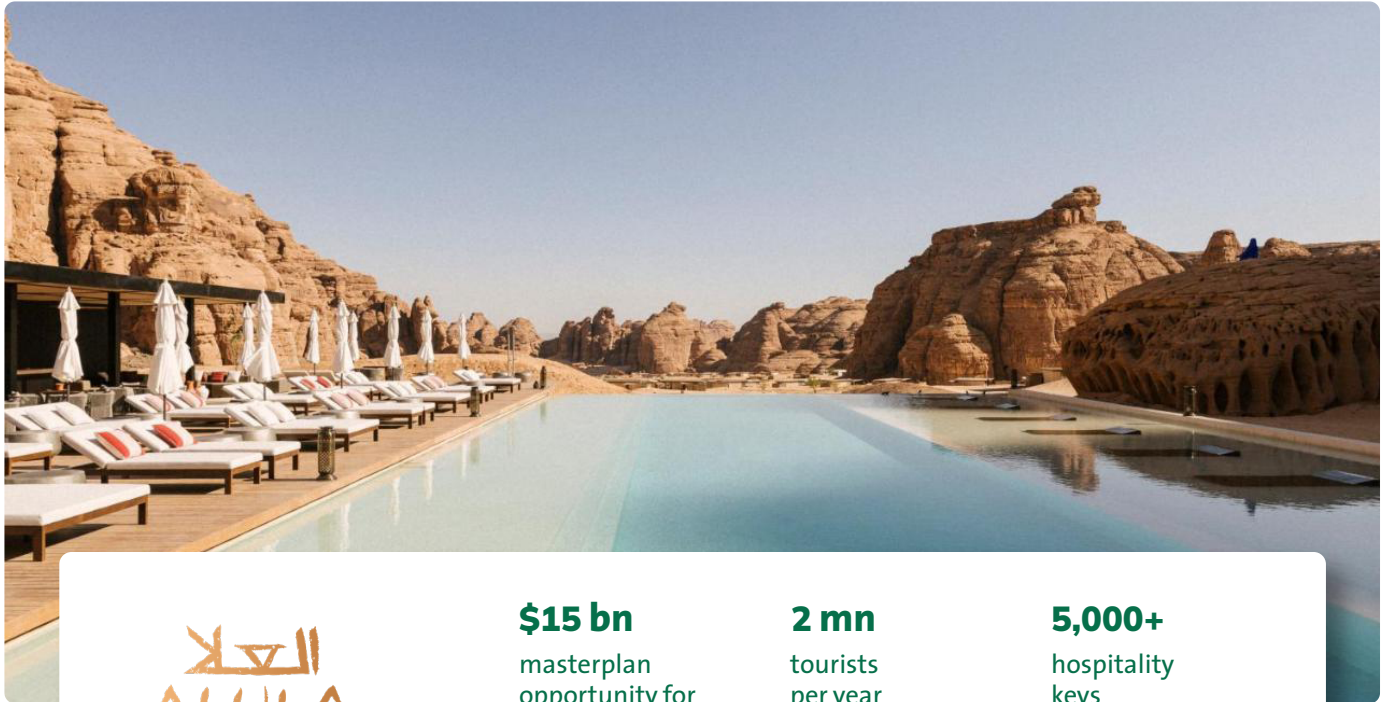
200
high-end retail
establishments



7
sq km project
area

\$17 bn
development
project

25 mn
tourists
annually



الأحلام
ALULA

\$15 bn

masterplan
opportunity for
public-private
partnerships

2 mn

tourists
per year

5,000+

hospitality
keys



السودة للتطوير
Soudah Development

\$3 bn

to be infused into
a luxury mountain
destination

\$8 bn

cumulative
contribution
to Saudi Arabia's
GDP by 2030

2,700

hotel rooms

1,300

residential units

+2 mn

annual visitors
by 2030

8,000

direct and indirect
permanent jobs
by 2030

30

commercial and
entertainment
attractions to
be built



Saudi Arabia opening its doors to global tourists through the sea and the air

Air connectivity

Saudi Arabia's air connectivity offers great potential for the Kingdom's carriers to expand their network of flights in and out of the country and contribute to the Kingdom's status as an emerging tourism hub. The Kingdom's three airline carriers, Saudia, flynas, and flyadeal are already offering multiple destinations for globe trotters to visit.



94
destinations



42
destinations



10
destinations





While the Kingdom already possesses 28 airports across the country serving local and international routes, the latest to join this growing network has been the NEOM Bay Airport. Saudia, the Kingdom's national flag carrier, and NEOM announced in May the start of a weekly roundtrip flight from NEOM Bay Airport to Dubai International Airport by the end of June 2022, with London to follow shortly.

To increase tourism's footprint in Saudi Arabia's economy, Saudia Airlines has recently announced the launch of direct flights to 10 major global cities from Riyadh, opening Saudi Arabia's doors wider to global tourists.

- | | |
|---------------------------------|-----------------------------|
| 📍 Chicago, US | 📍 Moscow, Russia |
| 📍 Amsterdam, Netherlands | 📍 Beijing, China |
| 📍 Bangkok, Thailand | 📍 Entebbe, Uganda |
| 📍 Barcelona, Spain | 📍 Seoul, South Korea |
| 📍 Malaga, Spain | 📍 Marrakech, Morocco |

Saudi Arabia's first low-cost airline, flynas, has also increased the diversity of direct flights from Riyadh and Jeddah to many destinations around the world, including Prague, Vienna, Salzburg, and Sarajevo among others.

These initiatives by Saudi Arabia's airlines are further supported by incentives to link the Kingdom to the rest of the world. The recently announced Air Connectivity Program, an initiative aiming to position the Kingdom as a top 5 global destination, works with local and international carriers to open new air routes into the market and increase point-to-point connections. Low-cost carriers (LLC) have been identified as a key tourism enabler, resulting in a Q2 partnership with Hungarian LLC WizzAir, a multistakeholder agreement working to increase inbound traffic to Dammam Airport in Eastern Province.





EXPERT OPINION

H.E. Eng. Ibrahim AlOmar

Director-General,
SAUDIA Group



How is the Saudi Aviation Strategy supporting the sector?

Critical to Vision 2030, the Saudi Aviation Strategy is transforming the aviation ecosystem to deliver 330 million passenger trips and connect the Kingdom to more than 250 global destinations by 2030. To do so, it is facilitating \$100 billion in private and public investment into the sector, including significant FDI. For SAUDIA Group in particular, the strategy provides incredible growth opportunities, from new route connectivity to increased capacity, state of the art facilities, and fleet expansion. Aviation is a critical enabler for several sectors of strategic importance, and SAUDIA Group's role is to enable the golden age of Saudi aviation.

Describe SAUDIA Group's network expansion strategy, and what role international partners play in this?

We are focused on strengthening existing relationships and forging new ones across the entire value chain, in order to connect to 250 destinations by 2030. In the last few months alone, we have introduced 19 new routes including Baku, Barcelona, and Seoul. Partnerships with companies like Honeywell, Liebherr, Thales, Leonardo, Inmarsat, and General Electric also enhance our maintenance and manufacturing capabilities. As part of our operational excellence goals, our Prince Sultan Aviation Academy (PSAA) is partnering with Airbus, the Spartan College of Aeronautics and Technology, and L3 Harris to accelerate both our training capabilities and capacity building. These international partnerships will have a significant impact on localizing content and talent, both of which are key to Vision 2030.

What is SAUDIA Group doing to help make the Kingdom a regional hub?

We are working to ensure that King Abdulaziz International Airport in Jeddah becomes a world-class hub through a series of measures. These include wave scheduling and enhancing the passenger experience through our flagship Alfursan Lounge. We are also strengthening our maintenance, repair, and operational (MRO) capacity through our new Saudia Aerospace Engineering and Industries (SAEI) MRO village, which is the largest in the MENA region and the biggest jet engine test-cell in the world.

We also have plans to boost our world-class training academy, the PSAA one of the few facilities in the region with all types of training, from cockpit and cabin crew to safety, management, and technical programs. We offer these not only for the SAUDIA Group employees but also to other local and international entities whether or not they are in the industry. The academy's increased capacity will play an instrumental role in supporting strategy's goal of creating over one million jobs in the sector by 2030.

How are SAUDIA Group's subsidiaries leveraging new opportunities to diversify the company portfolio, and what opportunities are you targeting for diversification?

Across all our subsidiaries, we are strongly positioned to benefit from the new opportunities arising from Vision 2030. Be it flyadeal, Saudi Ground Services (SGS), Saudi Airlines Logistics (SAL), Saudia Aerospace Engineering Industries, Saudi Airlines Catering Company (SACC), Saudia Cargo, or the PSAA. All of these and business units have an essential role to play in the growth of the Saudi aviation sector, as well as the Saudi economy over the coming years. That's why the group is undergoing a holistic transformation aiming to maximize growth and ensure scale efficiencies. We are confident that our recent recovery efforts and ongoing transformation initiatives will help us realize our ambition of being the "Wings of Vision 2030."



Sea connectivity

Saudi Arabia has established Cruise Saudi to increase the Kingdom's sea connectivity with the rest of the world, inviting cruise lines from around the globe to homeport in the country or add a port of call on its coastline to their itineraries.

Fully owned by Saudi Arabia's Public Investment Fund, the Jeddah-based Cruise Saudi has also set its eyes on becoming a world-class maritime operator, supporting the growth of the tourism sector with seven destinations in the new routes. Cruise Saudi also works hand-in-hand with ministries and regulators to build the onshore and offshore cruise ecosystem in the Kingdom.



Map of cruise Saudi destinations

- | | |
|-----------|-------------------------------|
| 1 Duba | 4 King Abdullah Economic City |
| 2 Al Wajh | 5 Jeddah |
| 3 Yanbu | 6 Jazan |
| | 7 Dammam |





Investors in Saudi's tourism industry supported with expanded financing

Saudi Arabia's vision to drive entrepreneurship, investment, and attract global players into the tourism industry is supported by a variety of funding initiatives, the most important of which is the Tourism Development Fund (TDF).

Established in 2020, TDF facilitates local and international investors' access to high-potential tourism opportunities across key destinations. Its financial support is extended to both large institutions and SMEs.

\$4 bn

in initial capital

150,000

hotel rooms to
be built by 2025



Short- to long-term
loans, as well as
loan guarantees



Common and
strategic equity
stakes

As well as funding, TDF offers advisory services that provide unmatched insight to key industry segments.



Experiences and activities



Tourism retail



F&B opportunities



Accommodation



Tourism and travel services



Destinations and attractions

The fund works closely with other stakeholders to ensure that investors it partners with also receive vital support from the entire ecosystem.

وزارة السياحة
Ministry of Tourism



SAUDI
TOURISM
AUTHORITY

الهيئة
السعودية
للسياحة



Tourism
Development
Council

مجلس
التنمية
السياحية



TDF has already created an impact in the industry, with \$400 million (SAR 1.5 billion) approved in the first quarter of 2022 across six strategic tourism projects.

\$1.7 bn

in approved projects by September 2021

112

projects, including 23 large ones, in pipeline, approx. \$4.5 bn (SAR 17 bn) total value

+3,500

hotel rooms delivered to date

15,000

jobs to be created, SAR 1.70 bn added to annual GDP

Key deals

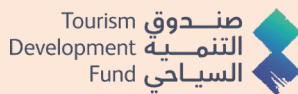
include Radisson Blu and Deutsche Hospitality



EXPERT OPINION

Qusai Alfakhri

CEO,
Tourism Development
Fund



Why should investors pay attention to Saudi Arabia's tourism industry?

Saudi Arabia's compelling geography, rich culture and heritage, historical sites, young and growing population, and strong domestic purchasing power make it an ideal market for investors in the tourism sector. Saudi Arabia is on its way to becoming a global tourism destination over the next decade and is looking forward to welcoming a large influx of international visitors – another incentive for investment. TDF's goal is two-fold and complementary: to unlock the potential of both Saudis and the country. The Kingdom recently moved up ten places in the Travel and Tourism Development index – a proof point that the country is activating its many national assets.

The Tourism Development Fund is focused on supporting everything from mega-projects to SMEs and individual entrepreneurs. We work very closely with the rest of the tourism ecosystem to incentivize investors, prepare the country for key foreign markets, and fill the gap in meeting domestic demand.

How does TDF enable the ecosystem?

In addition to unlocking capital of SAR 22.6 billion and adding more than 7,500 hotel rooms, the fund also creates a range of opportunities beyond simple funding. Whether it's finding the right land to develop, sourcing the latest data, promoting an aspect of regional culture, or working with investors to ensure projects cover the right components. From plugging the right investors, developers, and occupiers to promoting the country's unique investment proposition, TDF is driving regional economic growth and stimulating domestic tourism.

We are focusing at TDF on 6 key sub-sectors within the industry that represent the highest growth, that would ultimately unlock the entire tourism value chain. These sub-sectors are 1.) Tourism Destinations & Attractions; such as theme parks, mixed-use development, 2.) Accommodation; housing solutions like hotels and overnight experiences, 3.) F&B; that provide culinary experiences, 4.) Tourism & Travel Services; companies that arrange travelers' journey such as travel reservations and booking, 5.) Tourist Experience & Activities; to enjoy the Kingdom's nature retreat, or its rich culture & heritage and lastly 6.) Tourism Retail; such as local handicrafts, souvenirs and shopping centers.

Our many international partnerships clearly demonstrate this flexible approach. For example, we established a SAR 1.5 billion joint investment fund between Ennismore and Al Rajhi Capital. We also engineered a strategic partnership worth SAR 1.1 billion with Melia Hotels International of Spain to bring new hospitality and tourism concepts to the Kingdom, including the first Porsche Design Hotel in the Middle East. Working hand in hand with MISA, we also help in licensing, sourcing land, and other qualitative aspects of the investor journey. Our willingness to take equity positions, co-invest, and ensure we have our own stake in the process, is highly reassuring for foreign investors.

Are there any specific policies designed to help small investors and SMEs?

Of 54 high-quality tourism projects we have enabled, approximately 39% were for SMEs. Initiatives such as our new Tourism Business Hub to help entrepreneurs develop their skills. We recently launched the country's first end-to-end Tourism Investment Portal, which will allow SMEs to apply for loans for every tourism sub-sector.





Key deals and programs to boost localization

With strategic support from across government, the Kingdom is striking a number of key localization deals that are boosting education, training, youth employment, and public-private partnerships.

In May, the Ministry of Tourism signed a deal with the Kempinski Al-Othman Hotel, a luxury 35-story high rise under construction in the heart of Riyadh's Al Olaya business district, to help train Saudi youth for the hospitality industry. This was followed by a similar agreement with the Carlton Al-Moaibed Hotel in Khobar. Both were reached under the ministry's broader initiative, Your Future Has Arrived.

The ministry also recognized a number of programs to help localize the industry. 15 key programs have been initiated, 6 of which geared towards SMEs. Central among these is the \$100 million (SAR 375 million) Tourism Trailblazers program launched in June.



100,000 Saudi youth to be equipped with wide range of cutting-edge hospitality skills



Full scholarships to train in France, Italy, Spain, Switzerland, UK, and Australia



Saudi Arabia hosts the Future Hospitality Summit

Held on the 24th and 25th of May, the Future Hospitality Summit descended on Riyadh under the theme of Reimagined Horizons. The gathering centered on the emerging tourism ecosystem, with a focus on innovation, impact and sustainability.



500
attendees



20
countries



100
speakers

The event witnessed ambitious commitments by global tourism leaders. Radisson Hotel Group stated their aim of opening 20 new hotels in Saudi Arabia, with the Kingdom constituting 50% of its portfolio by 2026. On the event's sidelines, separately, Hilton Hotels & Resorts told local media it aims to open 59 additional hotels in the Kingdom over the next 10 years.

Major partnerships and agreements were also inked during the two days. Red Sea Global announced three management agreements with international resort brands for its Red Sea tourism giga-project. The Tourism Development Fund additionally entered into an agreement with Rimal al-Khobar Real Estate Company, who will work to develop a Nobu in Eastern Province.



وزارة الاستثمار
Ministry of Investment

استثمر في السعودية
INVEST
SAUDI



CHAPTER 3

REFORMS DRIVE INVESTOR APPETITE





Overview

Saudi Arabia's process of legislative and regulatory reform is changing the way business, trade and investment is carried out in the Kingdom, and creating one of the most dynamic investment landscapes in the world. Heightened transparency, more clearly defined rights and responsibilities, and a robust legislative framework are opening new opportunities for foreign and domestic investors.

National Investment Strategy: A roadmap for reform

Launched in 2021, Saudi Arabia's National Investment Strategy (NIS) maps the Kingdom's course towards becoming a global investment hub for business and talent. The NIS introduces a raft of initiatives, already being felt in the economy, and establishes three major investment targets.



\$545 bn

(SAR 2.0 tn)

annual investment
volume by 2030



\$3.3 tn

(SAR 12.4 tn)

of cumulative
investment 2021-2030



\$480 bn

(SAR 1.8 tn)

cumulative Foreign
Direct Investment
(FDI) 2021-2030

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



Green energy



Technology



Healthcare



Biotechnology



**Mobility and
logistics**



**Innovative
startups and
entrepreneurship**

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



**Investment
opportunities**



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.

**Increased
competitiveness**

supported by range of
incentive packages.



International Monetary Fund comments on Saudi Arabia's reform effort

The International Monetary Fund (IMF), in the conclusion of its 2022 Article IV Mission in June, recognized the progress made by the Kingdom in its efforts to boost investment. The achievements highlighted by the report spanned a broad range of economic activity.



Improved

ease of doing business (one-stop shop to register a business in 3 minutes)



Increased

homeownership in the Kingdom



Increased

investment, in line with the National Investment Strategy



Enhanced

digitalization of government operations (procurement, pay, and social services)



MIZA: Saudi Arabia's Next Generation of Value-Added Investor Services

A key initiative of Saudi Arabia's National Investment Strategy, MIZA will provide investors with a suite of financial advisory and business services that helps them navigate the Kingdom's opportunities throughout every step of the investment journey. Designed for both domestic and international investors, MIZA will guide entrepreneurial newcomers, both institutional and individual, across a swathe of new sectors. In addition to helping firms that wish to set up regional headquarters in the Kingdom, it will also soon launch a package of distinguished services that ease and enrich the investor experience.



Financial and tax advisory



Business setup services



Logistics



Site rental services



EXPERT OPINION

Dimitrios Dosis

President,
Mastercard Eastern
Europe, Middle East &
Africa



How would you characterize consumer habits in Saudi Arabia relative to MENA, and what changes in consumer spending patterns should investors be aware of?

Four trends are clear. First, consumer optimism in Saudi Arabia has remained steady throughout the pandemic. Second, e-commerce is up, with our recovery insights showing that 33% of Saudis spent more online last year. Third, industry studies show that two thirds of Saudi consumers prefer quality over quantity when it comes to international brands. Fourth, more than half of Saudi consumers have become more mindful of how they spend their money.

As the economy continues to recover from the pandemic, consumer confidence is increasing, and new payment technologies are shaping consumer habits and spending patterns. At Mastercard, we can see that consumers are becoming more comfortable with different platforms and emerging digital payment methods. This is evident in Mastercard's New Payment Index 2022, which revealed that 89% of people in Saudi Arabia have used at least one emerging payment method in the last year, while 69% of Saudi users—compared to 61% globally—increased their use of at least one digital payment method.

How much is Saudi Arabia's payment ecosystem shifting in terms of market growth and digital solutions?

Saudi Arabia's payment ecosystem has seen a significant transformation, especially during the pandemic. In October, for example, the Kingdom introduced a new e-commerce law to help unlock the country's potential as a regional e-commerce hub.

Mastercard has collaborated over many years to help develop the country's ecosystem. We teamed up with Saudi Arabia's domestic payment network, mada, to enable online payments using Mastercard's Payment Gateway Services technology. We also partnered with Saudi Payments, in collaboration with IBM, to launch sarie, an instant payments system to improve the Kingdom's financial ecosystem through faster payments and bank reconciliation. From open banking and mobile wallets to digital currencies and multi-rail solutions, Mastercard and its partners will continue innovating, investing in, and exploring transformative technologies in the Kingdom.

Mastercard recently entered a partnership with Saudi Arabia's HyperPay. What are the objectives of this and how will it develop the payments space?

Growing the payments ecosystem is crucial for the development of a robust digital economy that is more inclusive. Our partnership with HyperPay is meant to power the use of new technologies, grow digital commerce across the region, and bring practical innovation to millions of consumers. We will work together with HyperPay to give businesses, governments, and SMEs access to innovative, seamless, and secure payment solutions. With this shared vision, Mastercard and HyperPay have the opportunity to unlock the region's potential and use technology to pave the way for a streamlined, efficient, and more inclusive future.

How will reforms in Saudi's digital and payment ecosystem impact Mastercard's growth targets within the national market?

Saudi Arabia has been leading from the front in terms of building a digital infrastructure that enables cashless commerce, a robust digital ecosystem, and a strong financial market. As such, its Financial Sector Development Program (FSDP) is one of many initiatives that aim to diversify the financial sector and stimulate savings, finances, and investments. FSDP's aim is to increase the share of non-cash transactions from 36% in 2019 to 70% in 2025, an initiative we fully support. For example, Vocalink, a Mastercard company, partnered with Saudi Payments to enable the Kingdom's first ever account-to-account payments.



Companies Law

In June 2022, the Council of Ministers approved a new Companies Law, which will go into effect in 2023. Following over two and a half years of research and evaluation, the new legislation is a significant enhancement to the Kingdom's investment environment, introducing greater flexibility to the legislative framework.



Distribution of interim or annual dividends to partners and shareholders



Eliminated restrictions on company names, stock trading, and all stages of incorporation, practice, and exiting



Segmentation or division of shares into smaller nominal shares, with those smaller shares merging to represent larger nominal ones



Empowered non-profit organization sector



New 'Simple Joint Stock Company' targets entrepreneurs and VC



SMEs exempt from auditor requirements



Provisions for company conversion and merger, as well as the ability to divide the company into two or more



Electronic voting on resolutions, electronic assembly attendance, and electronic incorporation application submission



Comprehensive arbitration framework



Family businesses permitted to create a family charter governing family operations of a company



EXPERT OPINION

Zeyad Khoshaim

Managing Partner,
Khoshaim & Associates

K&A

How has the broader investment environment been affected by recent regulatory changes?

What has made things particularly interesting over the past year is that regulators have been listening to international and local investors to ensure that the rules are clear, practical, and predictable for those looking to invest in the Kingdom. This applies to every sector, be it traditional ones such as healthcare, hospitality, general entertainment, and energy, or newer ones like tech, cyber security, and infrastructure-related investments. This predictability is very important because it ensures that when capital is deployed or a business plan set out, investors know that no surprises will occur.

Investors follow each new regulatory development closely since these have a broad applicability to their activities. For example, the National Investment Strategy and the Companies Law touch every aspect of investing in Saudi Arabia. So long as the law is clear and the officials are consistent, this is very helpful. Take, for example, the new Companies Law, which was just issued and will come into force in 2023. The Companies Law is designed to boost investment in the Kingdom, as it addressed several issues that local and international investors had noted, including allowing new corporate forms.

Overall, all of this shows that investors' concerns are being addressed, which is very important for the future of the broader ecosystem. Moreover, these new regulations also strike a good balance between attracting scaled investment while ensuring that there is a level playing field for smaller investors, too, and encouraging investment in local talent and infrastructure. Taken together, the message to investors is that if you want to be in Saudi Arabia, you really have to be in Saudi Arabia.

What opportunities are there for companies who establish their headquarters in Saudi Arabia?

Most international investors welcome the localization measures being taken because they view Saudi talent as highly skilled and able to participate in a knowledge economy. I have always advised my clients to invest in Saudi talent, since these are the employees that will remain with you for the long term. When it comes to facilities, whether office space or factories, there is no lack of excellent supply, especially when you think of the RCJY, Modon facilities, KAEC, and NEOM down the line. Investors want a return, and if the math works out, they will come. Given how dramatically things have improved in the past few years, people want very much to be in Saudi Arabia right now. What matters now is making the math work for both the Kingdom, the investors, and the average Saudi Arabian national looking to have a career.

Are there any specific new policies that benefit small investors?

The entrepreneurial program run by MISA is especially good for tech startups, especially those with good ideas who want to form companies very quickly. The new Companies Law should also reduce cumbersome corporate requirements for smaller firms, while small businesses with a certificate from the Small and Medium Enterprises General Authority (Monsha'at) do not need a bank guarantee when applying for government tenders. These changes are incremental, but they allow smaller players to focus on their competitive advantages and get started without sinking lots of capital.



Saudi Arabia ranks 7th among G20 for competitiveness

In June, the Kingdom was ranked as the seventh most competitive economy in the G20 by the Switzerland-based International Institute for Management Development (IMD), beating major economies such as Japan, India and France. The IMD's World Competitiveness Yearbook assesses and ranks 63 economies based on economic wellbeing and survey responses from executives.



7th place

in G20 in 2022



24th place globally

an 8-place gain over 2021

The Kingdom's improvement on its 2021 ranking was largely attributable to advances in economic performance, government efficiency, business efficiency and infrastructure.



31st

globally for economic performance in 2022, up from 48th in 2021



19th

globally for government efficiency in 2022, up from 24th in 2021



16th

globally for business efficiency in 2022, up from 26th in 2021



34th

globally for infrastructure in 2022, up from 36th in 2021

Demonstrating the depth of the government's reform measures, the Kingdom also ranked in the global top 10 in many sub-indicators, including:



Adaptability of government policy



Digital transformation in companies



Public finances



Energy infrastructure



Cybersecurity



Public expenditure on education



Digital skills



National culture



Regional Headquarters Program brings business to the Kingdom

The Regional Headquarter Program (RHQ) is a Vision 2030 initiative jointly developed by MISA and the Royal Commission for Riyadh City (RCRC). The initiative is designed to encourage global companies to establish or relocate their regional headquarters in Saudi Arabia.

The program aims to capitalize on the Kingdom's growing attractiveness as a location to live and do business. As a result, several foreign companies are relocating their regional headquarters to Riyadh.



60%

of the GCC's
population live in
Saudi Arabia



21st

in 2021 World
Happiness Index



34th

in World Digital
Competitiveness
Index 2021



67%

of population
under 35 years
of age

The program offers a broad array of incentives to companies that choose Saudi Arabia as their base for regional operations.



**Saudization
exemptions**



**Visa limit
waivers**



**End-to-end
business
services**



**Spouse and
dependent
work permits**



**Government
tendering**

MISA also provides a generous framework of support to smooth the transition process for relocating companies.



**Relocation and
facilitation services**



Professional services



Concierge services



**Discounts on airlines,
accommodation and more**



EXPERT OPINION

Anthony Nakache

Managing Director,
Google MENA

Google



How is digital transformation affecting Saudi Arabia's economy?

Present in Saudi Arabia for over a decade, Google is continuing to work towards its mission of helping Saudis of every background access useful and reliable information and local businesses to grow online. PublicFirst research estimates that we contributed 12.2 billion SAR to the Saudi economy (almost 1% of Saudi Arabia's GDP) similar to our impact in other important markets such as France and Germany. Further opportunities remain. For example, we estimate the Kingdom can generate an additional \$318 billion in economic activity by accelerating its digital transformation through our Digital Sprinters Framework. Since infrastructure is so key to the digital transformation journey, Saudi Arabia's proven commitment to enabling policies and investing in digital infrastructure will benefit the entire ecosystem, spurring further economic growth in the Kingdom for years to come.

What are Google's ambitions for expanding cloud computing capacity in Saudi Arabia, and what is your anticipated roadmap for more data centers in the region?

We are very excited to be a part of Saudi Arabia's ambitious digital transformation goals, whether by supporting people in their day to day lives or helping local businesses leverage Google Cloud solutions. The presence of a Cloud region will enable the public and private sectors alike to actively participate in the country's digital transformation. This, in turn, will support startups and SMEs, helping build a more holistic digital economy ecosystem throughout all of MENA. Indeed, regional connectivity is crucial for business growth. A 2021 Alphabet study shows that cross-border data flows drive 56% of the total economic impact of cloud technologies in Saudi Arabia, which translates into \$113 billion in economic value by 2030.

What prospects do you see for the emergence of strong Saudi startups?

It's been exciting to see the growth of the startup ecosystem in Saudi Arabia in recent years, with greater funding opportunities than ever before. In 2021 alone, funding for startups in Saudi Arabia grew by 270%, by far the highest growth in MENA. This has come on the back of more high potential startups, an active venture capital community with more accessible funding, and public and private sector initiatives that help support the ecosystem. One of Google's initiatives is the 'Google for Startups Accelerator: Middle East and North Africa, which has trained more than 30 startups to date, seven of which were in Saudi Arabia.

Altogether, there is strong momentum for Saudi startups, specifically in FinTech and local commerce such as hyperlocal food delivery and new forms of e-commerce. A wide array of impressive new companies are working hard to digitize the economy and spur useful new forms of commerce across the entire value chain. That's why supporting Saudi Arabia's creative and entrepreneurial population is so key to the region's digital transformation. It's also why Google is building out its training and skill development programs in both the Kingdom and wider region. Since 2018, we trained over 1.5 million participants from the region in our Arabic language "Maharat min Google" program, which teaches the fundamentals of digital marketing to help job seekers and businesses grow and find opportunities online. We also used scalable and sustainable programs to train more than 700,000 developers across MENA in 2021, 35% of whom were women.

MISA is collaborating with stakeholders across government to ensure that the Kingdom offers an attractive environment to investors. This is taking place across four key themes.



Regulation

boosting business and improving the investment ecosystem



Livability

building healthy, vibrant, connected and safe international spaces



Governance

increasing coordination and efficiency



Attraction

reaching out to multinational companies

The education sector, for example, is working closely with RHQ to improve choice and quality in the system, and an array of high-profile education brands have either established in the Kingdom or will do so in 2022.



Kings College
Riyadh (KCR)



Aldenham Education
Group (AEG)



Downe House Riyadh



SEKS school



OWIS (a school from
Enterprise Singapore)



Chatsworth
School



**Considering relocating your
headquarters to Saudi Arabia?**

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CHAPTER 4

KEY DEALS UNDERPIN DIVERSIFICATION



Key deals highlight Saudi Arabia as investment location of choice

National Investment Strategy gains traction

Saudi Arabia's upward economic trajectory continued in Q2 2022, supported by a strong post-pandemic recovery and growing investor interest thanks to implemented reforms and the launch of the National Investment Strategy. In Q2, the Ministry of Investment oversaw the signing of investment deals worth a total of \$925 million (SAR 3.46 billion).



49

closed deals



33

deals with disclosed
investment amounts



\$925 mn

in expected
investment



1,969+

jobs to be
created

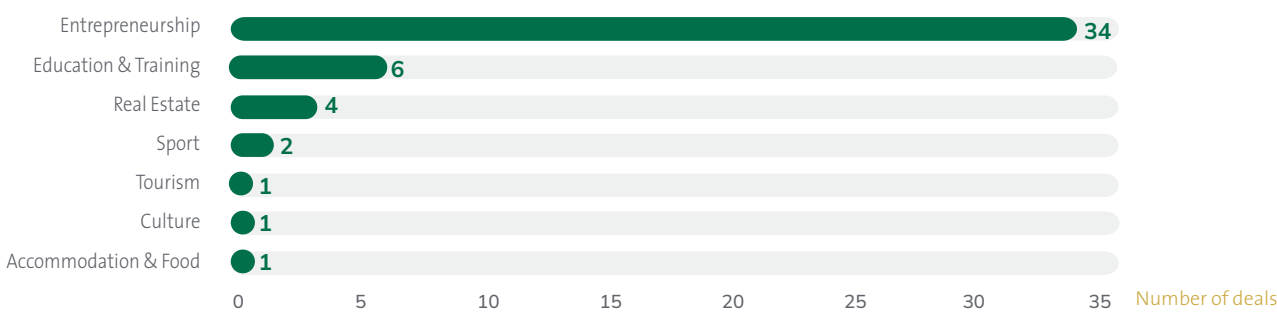
This quarter saw investment deals to the value of \$288.5 million (SAR 1.08 billion) in the real estate sector, with investors looking to capitalize on soaring housing demand in Saudi Arabia. Within the tourism sector, a deal of \$160 million (SAR 600 million) was signed to develop a hotel. The deal is expected to create 340 jobs in the growing tourism space. Similarly, the education and training sector saw deals closed with major international players from France, the USA and UK, to establish facilities in the Kingdom.

MISA also oversaw much movement within the dynamic entrepreneurial space, with 34 deals signed valued at \$115 million (SAR 431.76 million). Deals were signed to boost funding and capacity for different global entrepreneurs and scale-ups, with local and foreign players from countries including the UK, UAE, Jordan and Netherlands. Moreover, two major deals to highlight are \$19.0 million (SAR 71.25 million) for tourism entrepreneurship, and \$11.5 million (SAR 43.12 million) for a media streaming start-up.

Saudi Arabia is attracting investors and global partners across different sectors

Distribution of Deals by Sector in Q2 2022

Source: MISA



Advanced Manufacturing

Saudi Arabia’s Shaker Company partners with Italian Bompani to manufacture cookers locally

In June, Al Hassan Ghazi Ibrahim Shaker Co. and Italy’s Bompani signed an MoU to set up a joint venture factory to manufacture cooker ranges in Saudi Arabia. Shaker Group is the exclusive importer and distributor of various leading home appliances and air conditioning brands, while Bompani is a leading manufacturer of home appliances. The agreement looks to bring manufacturing to Saudi Arabia within the next 12 months.

Construction on first Lucid Motors Plant begins

A joint-venture between Saudi Arabia’s Public Investment Fund and the California-based electric vehicle (EV) manufacturer, construction of the first of three EV manufacturing plants in Saudi Arabia started in King Abdullah Economic City near Jeddah in May. The first factory will start rolling out the highly sought-after Lucid Air model off the assembly line by 2023, with ultimate completion of the factory set for 2025-2026.



155,000

EVs to be manufactured per year



50,000 - 100,000

orders of EVs by Saudi government



Ministry of Industry and Mineral Resources secures investment for steel plate mill complex and electric vehicle (EV) battery metals plant

In May, the Ministry of Industry and Mineral Resources announced that it had secured \$6 billion (SAR 22.5 billion) from financiers for the construction of a manufacturing complex which will house a steel plate mill and an EV battery metals plant. The steel plate mill complex will focus on constructing steel for the shipping, defense, oil and gas, and construction industries. It will also have a flat steel complex to supply steel for machinery equipment for the food processing, vehicle assembly and light manufacturing sectors. The ministry is investigating 145 license applications from international companies looking to participate in the project.



14,000 jobs

to be created at the steel and EV battery complex



\$32 bn

target investment of the Ministry for mining, refineries, and manufacturing



9 projects

identified for midstream minerals and metals



Information and Communication Technology

Saudi Telecom Group (stc) and Alibaba partner for cloud computing

In May, stc, the largest mobile operator in the Kingdom, and Alibaba Group, the Chinese tech firm, announced a \$238.40 million (SAR 894 million) investment in Saudi Arabia's cloud computing capabilities. Through a JV, the two firms will work alongside the Saudi Company for Artificial Intelligence, eWTP Arabia and Saudi Information Technology Company, to develop cloud infrastructure and build digital data storage facilities.

Embracer Group to set up regional hub in Saudi Arabia following a major PIF investment

After an earlier investment in 2022, the PIF has committed another \$1.05 billion (SAR 3.94 billion) into Sweden's gaming industry. PIF's Savvy Gaming Group has acquired an 8.1% stake in Embracer Group, a holding company with ten subsidiaries operating across the global video game and media landscape. The deal sees Savvy and Embracer move toward setting up a hub for Embracer in the Kingdom, from which it aims to grow its regional footprint and collaborate on further investments.



100 mn

shares bought in Embracer Group by PIF



\$1.05 bn

has been invested by PIF into Swedish gaming



5%

PIF stakes in Nintendo, Capcom and Nexon Co., respectively



Sports

MISA signs MoU with padel company to grow sport in Saudi Arabia

MISA and PadelX signed an MoU in June to expand the presence of the increasingly popular sport in Saudi Arabia. With padel tennis identified as a key growth industry in the country, the agreement will see MISA work alongside PadelX to attract investments to the sports industry.



20

new court facilities
have been built across
Riyadh since 2021



\$2 bn

to be invested by Saudi
government into sports
industry by 2024



\$4.8 bn

target GDP
contribution by sports
industry by 2030

MISA deal brings International Sports Company and Juventus Academy to Saudi Arabia

In May, MISA signed an MoU with the International Sports Company and the renowned Italian football institution, the Juventus Academy. The MoU will expand the presence of the Academy in the Kingdom and seek to develop new investment opportunities within the sports industry.



Entertainment

BBC Studios and MBC-Studios partner up to create Saudi adaptation of 'The Office'

In May, MBC Studios and the UK's BBC Studios announced that they are partnering up to create the first Arab version of award-winning hit comedy series, 'The Office'. Titled 'Al Maktab', production started in June and will feature a talented Saudi cast. The 20-episode show will air on MBC channels and the Shahid VIP streaming service.



Entrepreneurship

Wa'ed Ventures leads Wahed's FinTech's latest funding round

In June, Wa'ed Ventures, the venture capital arm of Saudi Aramco, led Wahed, the global Islamic fintech company's Series B funding round of \$50 million (SAR 187.50 million). Footballer Paul Pogba joined as an investor and the company's new brand ambassador. This latest funding will support the company's ongoing growth, as it plans to refine its super-app finance services for clients and the launch of its digital bank. Wahed has over 300,000 clients globally.



Financial Sector

Mastercard invests in Saudi Arabia e-commerce firm HyperPay

In May, payments industry giant Mastercard announced a strategic partnership with HyperPay, the rapidly growing Saudi e-commerce payment service provider. Leading the funding round of \$36.70 million (SAR 138 million), Mastercard will work alongside HyperPay to use new and improved payment technologies for SMEs, businesses and government entities within their cash-free payment systems. Amwal Capital Partners and AB Ventures also participated in the funding round.

Read our exclusive interview with Dimitrios Dosis, President, Mastercard Eastern Europe, Middle East & Africa, on page 47.



Health and Life Sciences

Novartis and MISA aim to grow Saudi Arabia's biopharmaceutical capabilities

In June, MISA and Novartis, the Swiss pharmaceuticals multinational, signed an MoU to expand the Kingdom's biopharmaceutical sector. Novartis, who sees Saudi Arabia as a key market in MENA, looks to swell its investment in the Kingdom to over \$857 million (SAR 3.2 billion) by 2024. This latest agreement will see MISA and Novartis team up in cell and gene therapy development, clinical research development, next generation therapy research, and technology transfers to local partners. The agreement will see the creation of a Cell and Gene Research and Manufacturing Centre, and, with a strong focus on realizing local scientific talent, will have a 75% Saudization target.

Hevolution Foundation to develop anti-ageing research hub

Saudi-based non-profit, the Hevolution Foundation, will invest \$1 billion (SAR 3.75 billion) annually to fund anti-ageing research and the biology of extending healthy human life. With the project in an early developmental phase, Hevolution looks to provide financing support to age reversal research groups. So too, with a growing number of diabetics in the Kingdom, Hevolution has reached an initial agreement to fund the research project Targeting Aging with Metformin (TAME) – a project that administers metformin diabetes medication to elderly people. TAME, which is based at the Albert Einstein School of Medicine in New York, is the first major test of any drug aimed at postponing aging in humans.



Renewable Energy

Ma'aden, state-owned mining company, signs MoU to develop solar plant

In June, Saudi Arabia's state miner, Ma'aden, signed an MoU with GlassPoint, the American solar plant developer, to build a 1.5 GW solar steam facility to power its Alumina refinery. The solar thermal plant, named Ma'aden Solar 1, will be the world's largest solar-powered steam plant and be used to refine bauxite ore into alumina. It will be the first of its kind globally to be used to power the aluminum supply chain.



600,000 tons

of CO² emissions will
be cut annually



50%

of Ma'aden's carbon
footprint will be cut



14,000 tons

of steam produced
daily



Transport and Logistics

Saudi Ports Authority and DP World to build Jeddah Logistics Park

The Saudi Ports Authority (Mawani) signed a 30-year agreement in June with the UAE's DP World to build a state-of-the-art Logistics Park at the Jeddah Islamic Port. The \$133.33 million (SAR 500 million) investment will see the construction of a purpose-built logistics mega-development, which will boost the port's export capabilities and reduce logistics time constraints for importers and exporters. It will have a dedicated last-mile service platform, as well as processing, labelling, fulfilment, and temperature-controlled storage facilities for cargo.



415,000 m²

total size of
Logistics Park



250,000 TEU

in-land container
depot



100,000 m²

warehousing
storage space



200,000 m²

space for warehouse
expansion

Amazon to provide support to logistics startups

In June, Saudi Arabia became the first country in the region to host Amazon's flagship program aimed at establishing startups in the logistics industry. Monsha'at, who are mandated to drive SME development in the Kingdom, will work alongside Amazon to help entrepreneurs set up and manage their own logistics businesses to deliver Amazon packages. Entrepreneurs will receive dedicated volume from Amazon, have access to the company's delivery technology, be insured and receive hands-on training.



30

new logistics startups to be
created through program



100's of jobs

to be created in first 3 years
of program

Electromin to roll out EV charging network across Saudi Arabia

In May, Electromin, the e-mobility solutions subsidiary of Petromin, announced plans to deploy 100 EV charging stations throughout the Kingdom. Aiming to offer EV drivers a broad spectrum of access points, the chargers will form part of satisfying the growing demand for EVs, which is set to see 1.3 million units sold in Saudi Arabia by 2030.



PHASE 1

will provide charging
points for all EVs using
AC Type 2 connectors



PHASE 2

will include AC and
DC chargers of up to
360kW, allowing users
to add 100km for 4
minutes of charging



Electromin's app

will allow users to
find charging points



Water

Saudi Water Partnership Company (SWPC) launches \$148 million (SAR 550 million) water project in Tabuk

The SWPC has launched a new 90,000 cu m/day independent sewage treatment plant in Tabuk with a total cost of \$146.7 million (SAR 550 million). The project received financial support from different backers, and will be funded, built, and operated by a consortium of Tamasuk, Acconia and the International Water Distribution Company. This project will be operational by 2024.

Engie-led consortium starts construction of SWPC independent water plant (IWP)

The SWPC has awarded a \$690 million (SAR 2.6 billion) IWP project to a consortium of France's Engie and Saudi partners Nesma and Abdulaziz Al Ajlan Sons. The contract will be to build, own and operate the Jubail 3B IWP which is located 65km north of Dammam airport. Construction of the plant started in May and will, once completed, produce 570,000 cu m/day of potable water using reverse osmosis technology. The plant will become operational in 2024 and the contract will expire after 25 years. SWPC also recently signed a deal with French utility Veolia's Saudi-based subsidiary, Veolia Water Technologies, to increase the proportion of localized water desalination suppliers.





Mega and giga projects drive opportunity for SMEs

Saudi Arabia's mega and giga projects, which are central to the Kingdom's vision for the future, continued to evolve and develop over the last quarter, with major developments, investment deals and partnerships from international players.

Explore Chapter 2 to learn how these exciting new deals contribute to the Kingdom's tourism sector value proposition.



The Red Sea Development Company (TRSDC) announces \$2.67 billion (SAR 10 billion) in deals in bidding stage



AMAALA

PIF announced in May that TRSDC will merge with AMAALA under a single new entity. The holding structure will have different subsidiaries, which will include The Red Sea Project and the first phase of AMAALA. With \$2.67 billion (SAR 10 billion) worth of contracts in the bidding stage, The Red Sea Project will comprise of 50 hotels and up to 8,000 hotel rooms across 22 islands. AMAALA is an ultra-luxury wellness destination within the Prince Mohammad bin Salman Natural Reserve which will have 25 hotels, 3,000 hotel rooms, and 900 luxury residential villas.



HYATT®



THE RITZ-CARLTON

Ritz-Carlton, Hyatt Hotels, and Rosewood to develop resorts at The Red Sea Project

In May, TRSDC announced that hospitality groups, Ritz-Carlton, Hyatt Hotels, and Rosewood will all be developing resorts within The Red Sea Project. Hyatt will develop a 180-room luxury wellness resort named 'Miraval The Red Sea' which will be located on Shura Island. Ritz-Carlton, meanwhile, will develop only the 5th Ritz-Carlton Reserve globally on the idyllic Ummahat Islands. A Rosewood Hotel is also in the works for Shura island. The exclusive resorts will feature nearly 500 units, including various villas, luxury spas and high-end amenities.

ROSEWOOD
HOTEL GROUP



TRSDC awards Caterpillar deal to supply power solutions

In May, Red Sea Global announced that Caterpillar, one of the world's largest manufacturers of construction equipment, has been selected as the main contractor to supply power solutions to The Red Sea Project. Through its local subsidiary, Zahid Tractor, Caterpillar will deliver 32 MW of prime power to the development through 69 generator sets, which are essential for the development phase of the project.



NEOM launches regreening initiative to plant 100 million trees by 2030

In May, NEOM, in collaboration with the National Center for Vegetation Cover and Combatting Desertification, announced that it will plant 100 million native trees, shrubs, and grasses by 2030. The initiative will also rehabilitate 1.5 million hectares of land and repair wildlife habitats. This forms part of the wider Saudi Green Initiative, which sees \$186.55 billion (SAR 700 billion) invested in environmental projects.



NEOM



United Nations
Convention to Combat
Desertification

NEOM awards two tunneling contracts for THE LINE

In June, NEOM awarded drill and blasting tunneling contracts to two JVs for the delivery of 28 km of tunnels to be built for THE LINE. The first contract was awarded to FCC Construction SA, China State Construction Engineering Corporation, and Shihb Al-Jazira; while the second went to Samsung C&T, Hyundai Engineering and Construction, and Saudi Archirodon Company. The tunnels will provide for high-speed and freight rail services, with a focus on safe and efficient movement of people and goods.



NEOM

THE LINE





ENOWA.
NEOM

NEOM subsidiary ENOWA to build first desalination plant powered by renewable energy

In June, NEOM's subsidiary, ENOWA, signed an agreement with Japan's ITOCHU and France's Veolia to develop a desalination plant which will be located in NEOM's manufacturing and innovation city, OXAGON. The desalination plant, which is set to be completed in 2025, will produce 500,000 cubic meters of desalinated water per day and be responsible for 30% of NEOM's water demand. Run on renewable energy, ENOWA sees this project as part of its effort to create sustainable and abundant water for the businesses and inhabitants of NEOM.



ENOWA.
NEOM

NEOM subsidiary ENOWA launches Hydrogen Innovation and Development Centre

ENOWA, NEOM's energy, water, and hydrogen subsidiary, established the Hydrogen and Innovation Development Centre (HIDC). The HIDC will be located in NEOM's advanced manufacturing and innovation city and will act as a lab to develop and market hydrogen and green fuel solutions. HIDC is set to open in 2023 and will gather and test data from NEOM's Green Hydrogen Company, the world's largest green hydrogen and ammonia plant. Working alongside ACWA Power and Aramco, HIDC will also have a testing site for hydrogen-powered vehicles.



ROSHN

ROSHN announces AL-AROUS, its first integrated community in Jeddah

After the 2021 launch of its first project, Riyadh's SEDRA, ROSHN announced in May that it will start work on its second development, AL-AROUS, located in the north of Jeddah. The project fuses modern and traditional design, and will be developed across 4 million m² and see 18,000 homes developed. It will feature a range of integrated amenities, including parks, restaurants, cafes, schools, mosques, walkways, and bicycle tracks. ROSHN, which is backed by the PIF, is the Kingdom's leading real estate developer and has a mandate to support the Vision 2030 objective of 70% home ownership.





Qiddiya looks to finish phase 1 of entertainment city in 2022

Qiddiya is working to open the first phase of its highly anticipated entertainment city, located 45km south of Riyadh, in late 2022 or early 2023. Qiddiya forms part of Vision 2030's drive to develop the entertainment and hospitality sector. 2022 saw the award of a \$750 million (SAR 2.8 billion) contract to a JV between ALEC Saudi Arabia Engineering and El Seif Engineering to build Saudi Arabia's first water park – which will feature 22 rides and attractions. The project will also see the development of the Six Flags theme park, which is scheduled for opening to the public in early 2023 and will feature the world's fastest rollercoaster.



Diriyah Gate Development Authority (DGDA) to inaugurate world's first digital arts education center

Diriyah Art Futures, the world's first educational art center dedicated to digital art, will soon be inaugurated by DGDA, in collaboration with the Ministry of Culture. The center is located in Diriyah and is built on a 10,000 m² terrain which features six art studios, an artist workspace, workshops and classrooms, a library and art shop. The complex will act as a creative platform for artists and provide visitors with insight into the evolving world of the digital arts. Educational tracks offered at the center include Arts and Artificial Intelligence, Creative Computing, Art Research, and Machine Learning.



Green Riyadh launches in first 7 neighborhoods – 113 more to follow

In May, one of the largest integrated and comprehensive urban afforestation projects in the world, Green Riyadh, officially launched in 7 neighborhoods throughout the Kingdom's capital city. The project aims to rehabilitate and afforest 120 residential neighborhoods and transform Riyadh into one of the world's most livable cities. At a cost of \$22.92 billion (SAR 86 billion), the project will plant 7.5 million trees and increase per capita green space from 1.7 m² to 28 m², expanding total green space in the city to 9% by 2030. The first phase of the project will include establishing 56 gardens in Azizyah and 97 gardens in Al-Naseem.





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CHAPTER 5

INVESTMENT EVENTS: LOCAL & INTERNATIONAL

In Q2 2022 Saudi Arabia's Ministry of Investment hosted or attended a multitude events at home and abroad, meeting hundreds of domestic and international investors and showcasing the investment opportunities emerging from the Kingdom's increasingly diverse economy.

The events that MISA participated in during the quarter ranged from bilateral forums with markets as diverse as Spain and Thailand, aimed at boosting investment flows and private sector partnerships, to global gatherings of sector-specific stakeholders such as the African Mining Indaba - which brought more than 6,500 mining experts to Cape Town.



Saudi-Uzbek Ministerial Meeting

AREA OF FOCUS: Bilateral

DATE: April 18

Minister of Investment, H.E. Khalid Al-Falih, met in Riyadh with Uzbekistan's Deputy Prime Minister and Minister of Investments and Foreign Trade, H.E. Sardor Umurzakov, to discuss investment cooperation between the Kingdom and Uzbekistan. Currently, 40 Saudi companies, including ACWA Power and Al-Habib Medical Group, operate in Uzbekistan. The ministers discussed plans to increase business cooperation between the two countries, highlighting opportunities in energy, chemicals, metallurgy, mining, agriculture and textiles. Both ministers emphasized an intention to attract private sector participation to future projects in these and other sectors.





Future Aviation Forum

AREA OF FOCUS: **Transport & Logistics**

DATE: **May 9 - 11**

Saudi Arabia's first ever Future Aviation Forum brought CEOs, regulators and leading international aviation sector stakeholders to Riyadh for two days of networking and events. The Forum's thematic focus was on passenger experience, sustainability and the post-Covid recovery of the aviation business. The event saw MISA establish a number of fruitful partnerships, including an MoU with Hungarian carrier Wizz Air to explore market opportunities in the Kingdom, as well as grant the International Air Transport Association their first license to invest in the Kingdom.



African Mining Indaba

AREA OF FOCUS: **Mining & Metals**

DATE: **May 9 - 12**

MISA joined by delegation from the Ministry of Industry and Mineral Resources, as well as leading entities in the Kingdom's mining sector, to attend the African Mining Indaba. For nearly three decades the event has gathered sector stakeholders and experts from around the world to network and exchange views on the latest developments in the field. The event provided MISA with an opportunity to connect with global investors and highlight opportunities in the sector.



Saudi-Thai Investment Forum

AREA OF FOCUS: **Bilateral**

DATE: **May 16**

MISA welcomed a historic visit from the largest commercial and public delegation from Thailand ever to visit the Kingdom. The Saudi-Thai Forum hosted by MISA provided a space for the forging of private sector partnerships and the exploration of new opportunities. Featuring speakers and workshops for almost 400 attendees, the forum's key themes included ways to fortify partnerships, and witnessed the signing of 6 MoUs across the petrochemicals, oil & gas and tourism sectors.



ESG Summit for Emerging Markets

AREA OF FOCUS: **Multilateral**

DATE: **May 20**

The Future Investment Initiative (FII) hosted the Inclusive Environmental, Social and Corporate Governance (ESG) Summit for Emerging Markets in Rosewood, London. The event was attended by international investors, world leaders, thought leaders, policymakers, and CEOs and global heads of sustainability.





World Economic Forum, Davos 2022

AREA OF FOCUS: **Multilateral**

DATE: **May 22-26**

Minister of Investment, H.E. Khalid Al-Falih attended the World Economic Forum's annual meeting in Switzerland as part of the Saudi delegation. This year's gathering was widely viewed as a particularly important geo-economic moment, held against the backdrop of a once-in-a-century pandemic. The meeting brought together over 2,000 international leaders and experts, all committed to a "Davos Spirit" of improving the state of the world.



Saudi-Greek Investment Forum

AREA OF FOCUS: **Bilateral**

DATE: **May 29-31**

Following on from the Saudi-Greek Investment Forum organized by MISA and held in Riyadh during March, MISA led a Saudi delegation of government officials and business leaders to Athens for a three-day exchange of ideas and exploration of investment opportunities. The Saudi delegation met with numerous ministers, business leaders, as well as Greek Prime Minister Kyriakos Mitsotakis.



Czech-GCC Investment Forum

AREA OF FOCUS: **Bilateral**

DATE: **May 30-June 4**

MISA participated in the Czech-GCC Investment Forum, held in Prague, to showcase the Saudi Arabia's business-friendly investment environment, as well as mutually beneficial investment opportunities across the Kingdom's diversifying economy.



2022 IsDB Group Private Sector Forum

AREA OF FOCUS: **Financial Services**

DATE: **June 1-4**

Invest Saudi's booth at the Islamic Development Bank's annual event in Egypt brought exposure to more than 2,000 attendees from government bodies, international and regional organizations, the private sector, academia, and civil society. Discussions, debates and knowledge-sharing events addressed challenges and explored opportunities facing member countries across a wide range of funding and financing disciplines, around a central theme: "Beyond Recovery: Resilience and Sustainability."



Saudi-Brazilian Investment Forum

AREA OF FOCUS: Bilateral

DATE: June 2

Jointly hosted by Minister of Investment, H.E. Khalid Al-Falih, and Admiral Flavio Rocha, Brazil's Secretary for Strategic Affairs, the Saudi-Brazil Investment Meeting reviewed bilateral investment relations and explored mutually beneficial investment opportunities in the areas of data & ICT, healthcare, food & agriculture, and the fertilizers industry.



Saudi-Spanish Investment Forum

AREA OF FOCUS: Bilateral

DATE: June 5

MISA and the Saudi Ministry of Tourism jointly hosted a large commercial and public delegation from Spain. The Forum provided an opportunity for the two nations to form private sector partnerships and explore new opportunities across a range of sectors – with a special focus on driving fruitful collaboration in the tourism industry. MISA also took the opportunity to showcase to the 300 attendees the National Center for Privatization & PPP - a world class center of excellence for the Kingdom's privatization program.



Saudi Mexican Ministerial Visit

AREA OF FOCUS: Bilateral

DATE: June 15

Minister of Investment, H.E. Khalid Al-Falih, held a meeting in Mexico City, Mexico, with the country's Secretary of Foreign Affairs, H.E. Marcelo Ebrard, to discuss investment promotion between the two countries. The ministers discussed investment potential in manufacturing, giga and mega projects, and renewable energy. Mexico and Saudi Arabia are looking to strengthen cooperation in several industries, particularly in the automotive manufacturing sector wherein Mexico is a global leader. The visit coincides with the 70th year of diplomatic relations between the two countries and saw the respective ministers discuss plans for the Saudi Mexican Forum, which will be held later this year.



Electric Vehicle Insights Session

ARRIVAL

AREA OF FOCUS: Automotive

DATE: June 16

In conjunction with the National Industrial Center and British electric vehicle manufacturer, Arrival, MISA hosted an insights session on “Commercial Electrical Vehicles: the future and challenges”. The workshop aimed to highlight the benefits and potential role of commercial electric vehicles in global public transport. London-headquartered Arrival is developing a range of electric vehicles that target the public transport market, including a bus, two models of van and a small vehicle platform.



Saudi Egyptian Business Council

AREA OF FOCUS: Bilateral

DATE: June 21-22

Minister of Investment, H.E. Khalid Al-Falih, led a delegation of Saudi business leaders to Cairo, to attend the Saudi Egyptian Business Council, in conjunction with the visit of His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, Crown Prince, Deputy Prime Minister and Minister of Defense, to Egypt. The Council's main goal is the promotion of trade and investment between the two nations - the signing ceremony at this year's gathering, which attracted more than 200 participants, saw the signing of 14 agreements worth more than \$7.73 billion (SAR 29 billion).



SelectUSA Investment Summit

AREA OF FOCUS: Multilateral

DATE: June 26-29

Minister of Investment, H.E. Khalid Al-Falih attended the SelectUSA Business Summit in Washington D.C. The event is the most high profile in the United States dedicated to promoting foreign direct investment, attracting service providers, industry experts and international tech startups from more than 80 markets. The Summit provided the Saudi delegation with an opportunity to meet with potential and existing industry partners from across the United States, as well as take part in more than 100 sessions focused on issues ranging from workforce development to incentive structures. The event drew nearly 3,000 attendees and featured over 300 speakers.



Saudi-U.S. Roundtable at SelectUSA

AREA OF FOCUS: Bilateral

DATE: June 27

Coinciding with the SelectUSA Investment Summit, Minister of Investment, H.E. Khalid Al-Falih, led a Saudi delegation to participate in a roundtable event at the U.S. Chamber of Commerce's headquarters in Washington D.C. The event, which centered on strengthening business relations between the Kingdom and the USA, saw opening remarks by H.R.H. Princess Reema Al Saud, Ambassador of Saudi Arabia to the USA, a keynote address by H.E. Khalid Al-Falih, and a moderated discussion by Steve Lutes, the Chamber's Vice President for Middle East Affairs. The exclusive event was attended by at least 50 executives of various top U.S. companies, including Citi, Honeywell, IBM and Lockheed Martin.



Saudi-Italian Investment Forum

AREA OF FOCUS: Bilateral

DATE: June 27

MISA welcomed a high-level Italian delegation to Riyadh, led by Italian Minister of Foreign Affairs and International Cooperation Luigi Di Maio. The Forum highlighted mutually beneficial investment opportunities across multiple sectors and saw the signing of numerous MoUs – including one that established a Saudi-Italian Business Council that formalizes the businesses relationship between the Kingdom and one of its major European markets. In addition to meeting with prospective Saudi partners, the more than 400 participants had an opportunity to review the world-leading support services provided by Invest Saudi.





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BECOME PART OF THE INVESTMENT STORY



How to become part of the Kingdom's investment journey

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



1 business day

to obtain your license.



2 documents required

for an investment license.

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



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



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



Download MISA's Investor Services Manual [here](#) to learn how you can start investing in Saudi Arabia today!



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



Investor Services Manual



Licensing Portal



How to set up a regional headquarters under the RHQ program



The RHQ program invites global companies' regional headquarters to relocate to Saudi Arabia and offers assistance to establish offices.

- › Relocation services (Temporary office space, apartments and villas, local recruitment, arrival essentials).
- › Concierge services (Reservations, event organizing, sport & fitness, personal assistant).
- › Professional services (Tax consultancy, GRO services, opening bank accounts).
- › Facilitation services (Staffing, business setup, domestic labor, contractors).
- › Exclusive discounts (Airlines, offices, accommodation, and schools).



Visit the **RHQ section** on the **INVEST SAUDI website** to find out more.

How we can help you



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

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



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



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

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



**MISA
website**



**INVEST SAUDI
website**

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



Investor Services
Manual



Investor journey
guidelines



Investment license
check



Living in
Saudi Arabia



Sectors and investment
opportunities in the Kingdom

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Ministry of Investment

استثمر في السعودية
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