



وزارة الاستثمار
Ministry of Investment

استثمر في السعودية
INVEST
SAUDI



Invest In Makkah



**Your Guide to Uncovering
Value Propositions
in Makkah Region**

| April, 2023



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

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



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

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



HRH Prince Khalid bin Faisal
Al-Saud
Prince of Makkah Region



The Makkah region, through its strategic objectives, is working largely to achieve long-term sustainable development for a promising future, and the Makkah region is characterized by the basic factors that contribute to attracting quality investments, and we work in collaboration with the private sector to overcome and remove the obstacles facing investors in developing their investments and developing the region economically and socially to achieve quality of life.

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

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

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

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

We understand that one of the key factors associated with successful investment decisions is site selection. The Ministry of Investment (MISA), through collaboration with key entities, has developed reports such as this one to showcase opportunities found in all regions across the Kingdom. Our 13 provinces have key differentiators and a unique value proposition in specific sectors. In this report, we focus on the Makkah region –with its coastal strip, major seaports, tourist attractions, and agricultural areas, the area serves as a center in addition to housing the holiest Islamic site and drawing millions of tourists annually. a world-class hub with many promising investment opportunities in many different industries.

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

SPOTLIGHT ON THE KINGDOM

The Kingdom's Transformational Journey Through Saudi Vision 2030



Saudi Arabia's nominal GDP was ~USD 834 billion in 2021, Based on the efforts of Makkah region, the contribution of the Transport and Logistics, Tourism, Mining, Fishing and Aquaculture, Automotive, and Sun, Sand and Mountains to the Kingdom's GDP is expected to increase. The Kingdom's growth perspectives are supported by a set of major Saudi Vision 2030 Realization Programs and initiatives.

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

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

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

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

Ranked
#36

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

Ranked
#1

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

Ranked
#2

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

Ranked
#6

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

Ranked
#9

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

Ranked
#41

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

Ranked
#3

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


Ranked
#47

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


A key area of focus for the Kingdom has been building top-tier digital infrastructure to enable its digital transformation strategy, through the adoption and implementation of state-of-the-art information and communications technology (ICT).


E-Government programs enabling the digitalization and improvement of multiple services have been leveraged to support this goal. This was done by developing electronic platforms, channels, and applications to improve the end-user experience and ensure the Kingdom can effectively support businesses and their new ways of working.

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

 Employment support (covering a percentage of wages) offered by the Saudi Human Resources Development Fund (HRDF)


 Project finance and working capital financing offered by the Saudi Industrial Development Fund (SIDF)


 Tax credit on R&D investment and tax exemption on earnings from exports offered by the Zakat Tax and Customs Authority (ZATCA).


 Customs exemption on raw material, machinery and equipment, and spare parts offered by the Ministry of Industry and Mineral Resources (MIMR).

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

 Reaching net zero emissions by 2060

 Doubling the number of Saudi heritage sites registered with UNESCO

 Having three Saudi cities recognized in the top-ranked 100 cities worldwide

 Increasing household spending on cultural and entertainment activities inside Saudi Arabia from current level of 2.9% to 6%



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



Spotlight: The Saudi Green Initiative

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



 Top Commitments include

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

Image source: www.saudigreeninitiative.org

WHY INVEST IN MAKKAH

Makkah Region has the potential to be a global hub with unparalleled investment opportunities. Investors can benefit from regional and local growth and innovation in transport and logistics, tourism, mining, industrial manufacturing, and fishing and aquaculture across Makkah City, Jeddah, and Taif, among others.

Located on the Arabian Peninsula and overlooking the Red Sea, Makkah is considered one of the world's most connected regions. Makkah's three main ports handled over USD 4 billion in exports and USD 11.6 billion in imports in the fourth quarter of 2021. Global shipping companies moving their goods to and from the region benefit from Makkah's strategic connections to Asia, Europe and the Gulf Cooperation Council (GCC), with approximately 12% of global trade passing through the Suez Canal (the connection between the Mediterranean with the Red Sea).

The region's tourism sector has something for everyone. As Islam's holiest region, the city of Makkah has long attracted visitors from around the world. Today, a growing number of tourists are starting to uncover the region's natural and cultural wonders – including old-world architecture in Jeddah Old Town, scenic beaches across the Red Sea Coastline, Taif's unique landscape of mountains and more than 900 rose farms, and expanding entertainment options.

Supported by large-scale initiatives, Makkah's key and emerging sectors are on the rise. The region's transport and logistics, tourism, mining, manufacturing, aquaculture and automotive sectors are attracting international attention and present immense potential. With unparalleled government support and ambition, opportunities in Makkah await.



One of the best-connected regions in the Middle East – Supported by 3 major seaports and 2 international airports



Thriving aquaculture and fish production sector – with the region responsible for more than 80% of the total fish production in the Kingdom (2019)



Emerging automotive sector, poised to serve as the bedrock of the Kingdom's car production – with Jeddah accounting 27% of the total auto-parts manufacturers and assemblers in the Kingdom.



Large and young talent pool supported by over 64 research centers



Host to the holiest city in Islam with unparalleled spiritual and cultural experiences serving over 10 million international Hajj and Umrah performers in 2019



Home to the next 'gold rush' with Makkah producing 50% of the Kingdom's gold output in 2019




Flourishing 'fun in the sun' destinations and activities which support Makkah as having the 2nd highest global overnight international visitor spending globally



Strong ongoing government support for future growth and a 'business friendly environment' through key initiatives such as Saudi Vision 2030, among others

MAKKAH AT A GLANCE



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

Located in the historic Hijaz area in western Saudi Arabia, Makkah Region covers a total of 137,000 square kilometers. Makkah's neighboring regions include Al-Madinah, Aseer, Riyadh and al Baha, and a coastline that extends over the Red Sea. The region experiences warm weather all year round, with a temperature ranging from 17°C to 40°C.

Makkah City (a key city known by the same name as the region), Jeddah, Taif and Rabigh are the region's main cities. Makkah City, the holiest Islamic city, sees millions of pilgrims visiting each year from all over the world. Jeddah is known for being the region's economic capital, as well as a sun and sand destination. Taif, known as 'the city of roses', has majestic scenic views and serves as a tourist destination due to its pleasant atmosphere. Rabigh, located in the Red Sea coast, is known for being the petrochemical hub of the region. Al Lith and Al Qunfudah are known for its abundance of aquaculture resources.



SAUDI ARABIA MAKKAH REGION



Legend:

-  Main cities - Makkah City, Jeddah, Taif, Rabigh
-  Airports - 1 King Abdul Aziz International Airport 2 Taif International Airport
-  Sea ports - 1 Port of Rabigh 2 King Abdullah Sea port 3 Jeddah Islamic Sea Port
-  Industrial cities / clusters - 1 Rabigh Industrial City 2 Makkah Al-Mukarrama industrial City 3 Jeddah 1st industrial City 4 Jeddah 2nd industrial City 5 Jeddah 3rd industrial City
-  Economic city - King Abdullah Econmic city
-  Religious and tourism sites - 1 Masjid Al haram 2 Al hada Mountain 3 Al Shafa Mountain 4 Silver Sands Beach
-  Key projects - Al Khomra Logistic zone

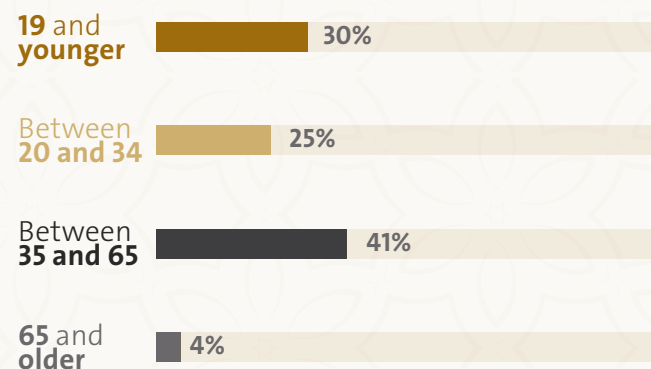


Population

As the Kingdom's most populous region, Makkah total population ascends to 9,261,257 (2020), with 55% of individuals under the age of 35 (2019).



Population age groups (2019)



Education

Makkah's education system helps ensure required skillsets are present across the region, and that key sectors are supported by a young and educated population. The region's talent pool is further supported by vocational schools and STEM (science, technology, engineering, and mathematics) related programs.

Number of technical and vocational training units (2019):



Number of schools (2021):



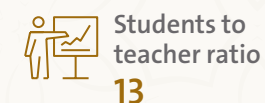
International
322

Private
675



Public
3,521

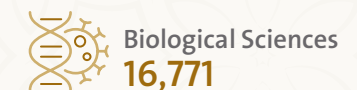
Ratio of students per the number of teachers and schools (2021):



Number of students in university (by largest program category) (2019):

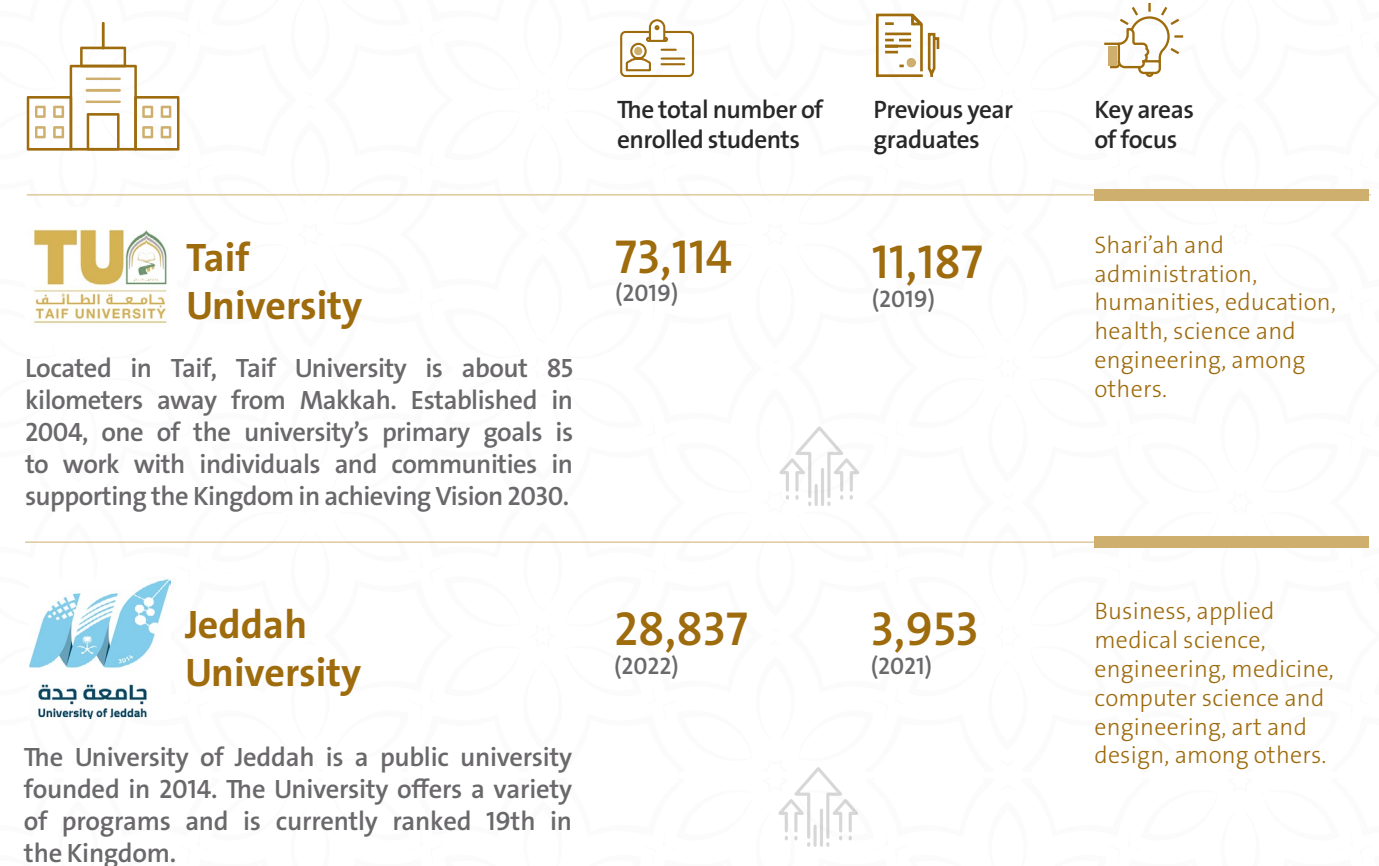
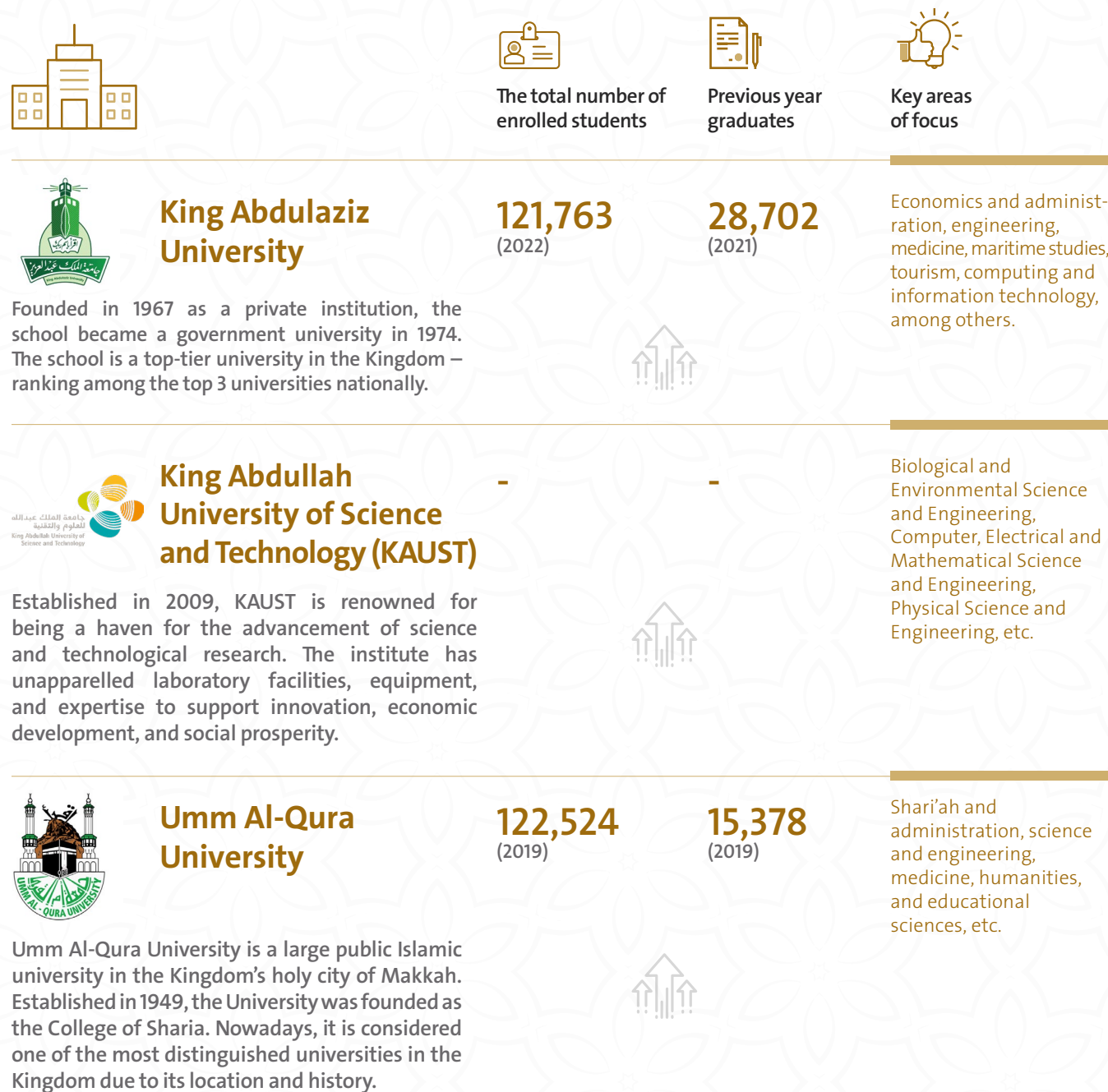


Number of university students in STEM-related programs (2019):



Education (cont.)

The region's higher education system in Makkah relies on five renowned universities:



Innovation

Makkah fosters innovation through the development of programs, initiatives and events congregating leading thinkers.

One such initiative is the Makkah Region Projects Digital Exhibition which brings together participants to discuss leading technology innovations. The region has also established centers of excellence in academic institutions such as the Centre for Creativity and Entrepreneurship of King Abdulaziz University, which helps further equip students with the necessary skillset to successfully bring innovative products to market. With an increased focus on innovation and a growing fresh talent pool, emerging opportunities exist to help turn innovation into commercial products.



Over 64 research centers (2018),

where 64 are directly supported by the region top universities and 3 are supported by the Ministry of Environment, Water and Agriculture.

Research Centers related to Makkah's key sectors include (not limited to):

King Abdulaziz University

- 1 Research and Development Center
- 2 Center of Excellence in Intelligent Engineering Systems (CEIES)
- 3 Center of Excellence for Advanced Materials Research (CEAMR)

Key project: modeling and flight control system technology

- Research fields:
- Design of Material
 - Organic Material
 - Semiconductor Material
 - Polymers
 - Catalysis

King Abdullah University

- 1 Red Sea Research Center (RSRC)
- 2 Extreme Computing Research Center (ECRC)
- 3 Visual Computing Center (VCC)

Umm Al-Qura University

- 1 The custodian of the Two Holy Mosques Institute for Hajj and Umrah Research

Healthcare

Makkah's healthcare sector is comprised of public and private facilities. The region currently has 335 healthcare centers – two times the average number of healthcare centers present in other regions in the Kingdom.

Makkah's hospital sector continues to provide world-leading healthcare services using innovation and emerging technologies. **One such project is the first phase of King's College Hospital Jeddah, set to open in 2023.** The new hospital is a joint effort by King's College Hospital London, Ashmore Group, and Saudi-based Bugshan Group. The initiative – which will be fully integrated with King's College Hospital's facilities in London – will leverage innovation and technology to provide leading expertise in women's health, metabolic diseases and bariatric surgery, orthopedics and health and vascular disciplines. Further opportunities exist to leverage partnerships to increase **innovation across the region's healthcare sector.**



335
Number of healthcare centers (2019)



Hospitals and beds per 100,000 population (2019)



52
Number of private sector hospitals (2020)



Hospitals
1.16/100,000



44
Number of public sector hospitals – Ministry of Health (2020)



Beds
181.6/100,000



Employment

According to Saudi Labor Law, the legal working age in the Kingdom is 15 years.

Top sectors of employment in Makkah include wholesale and retail trade, construction, and manufacturing.

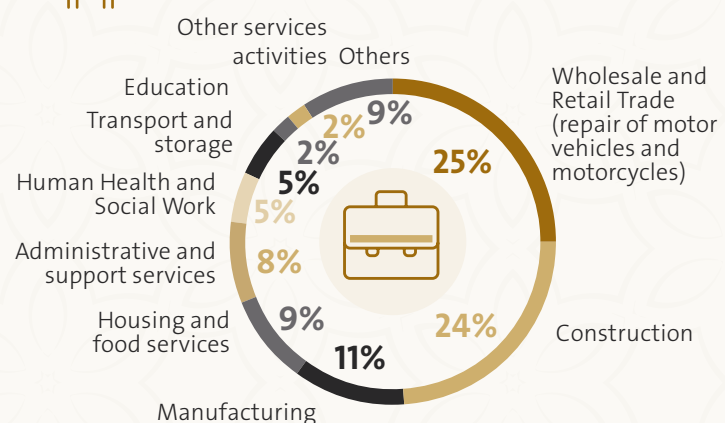
Employment rate (2022/Q2)



Average monthly wage (salary) of Makkah (2019):

Male: 2,564.27 USD **Female:** 2,419.73 USD

Employment by sector (2022/Q2):



Infrastructure

As a potential central global hub, Makkah is a well-connected region with the required infrastructure to support the movement of goods and people by land, sea, and air.

Major ports

Jeddah Islamic Port

Terminals **4**
Capacity **130 million tons/approx. 8.2million TEU**
Area **12.5 square kilometers**
Berths **62**



King Abdullah Port

Terminals **3**

- Total capacity for bulk, agri-bulk and general cargo: **30 million tons**
- Container total capacity: **25 million TEUs** (twenty-foot equivalent unit)
- Roll-on/roll-off (RO/RO) total capacity: **1.5 million CEUs** (cost-equivalent unit)



Port of Rabigh

Located in the north of Makkah, the port's main activities relate to the export of oil products.



Infrastructure (cont.)

Major airports

King Abdulaziz international airport (KAIA/JED) Pre-pandemic (2019)

Total flights	Passengers	Cargo
241,940	37,540,861	366,954

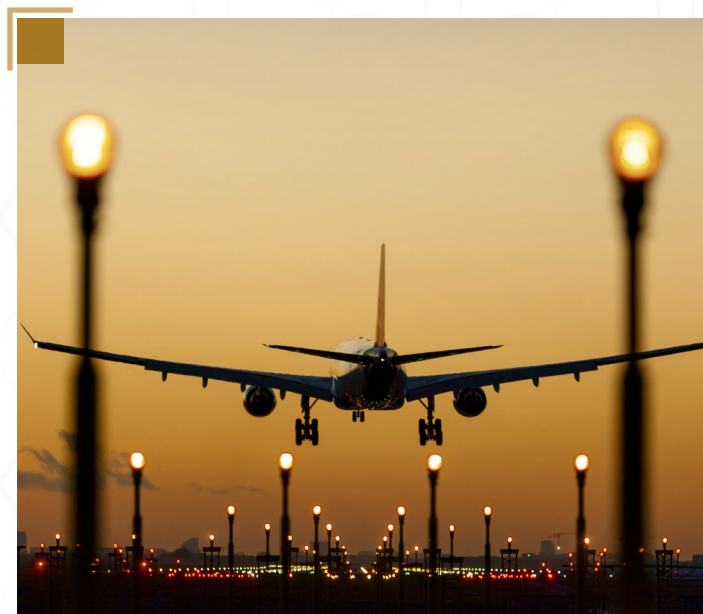
- Busiest airport in 2018 (35.8 million passengers)
- Direct flights to Europe, USA, Africa, Middle East, India, China, South-East Asia, and Central Asia
- The airport is connected to over 15 airport destinations in India
- There are more than 16 direct flights to Europe including London and Manchester
- Three direct flights to the United States including: Los Angeles (LAX), New York City (JFK) and Washington (IAD)
- Government initiatives are currently in development to expand the new King Abdulaziz International Airport by adding two new terminals, to reach a capacity of 114 million passengers by 2030.



Taif airport Pre-pandemic (2019)

Total flights	Passengers
10,855	1,174,246

- **Top domestic destinations:** Riyadh (RUH) and Dammam (DMM), Abha (AHB), Jizan (GIZ), Jeddah (JED), Sharurah (SHW),
- **Top international destinations:** Cairo (CAI), and Dubai (DXB)
- The airport is currently undergoing a major expansion project which should bring total capacity to 6 million passengers a year, including 1.5 million passengers for Hajj and Umrah. The project is designed to accommodate new generation giant aircraft (such as A380).







Industrial and economic cities

 Number of industrial cities administered by Saudi Authority for Industrial Cities and Technology Zones (MODON): **6**

Further details on some of the key industrial cities include:



	 Annual rental rates for industrial land	 Leasing prices for Ready-built factories	 Utilities	 Targeted industries															
Jeddah 1st industrial city	USD 1.33/square meter	USD 33,300 for 700 square meters	Electricity: Provided by Saudi Electricity Company Drinking Water Capacity: 40,000 cubic meters	Services, food products, furniture, machinery, electronics, wood products, pharmaceuticals, rubbers and plastic product, chemical and chemicals products, metals products and other non-metallic products															
Jeddah 2nd industrial city	USD 1.07/square meter	USD 20,000 for 700 square meters and USD 40,000 for 1,500 square meters	Electricity: 468 MVA Drinking Water Capacity: 10,000 cubic meters under implementation	Services, food products, furniture, machinery, basic metals, textiles, pharmaceuticals, rubbers and plastic product, chemical and chemicals products, metals products and other non-metallic products															
	<table border="1"> <tr> <td>Land use</td> <td>11.3%</td> <td>Heavy industries</td> <td>3%</td> <td>Logistics</td> </tr> <tr> <td></td> <td>24.8%</td> <td>Medium industries</td> <td>1.5%</td> <td>Commercial</td> </tr> <tr> <td></td> <td>25.7%</td> <td>Light industries</td> <td>2.3%</td> <td>Residential</td> </tr> </table>	Land use	11.3%	Heavy industries	3%	Logistics		24.8%	Medium industries	1.5%	Commercial		25.7%	Light industries	2.3%	Residential			
Land use	11.3%	Heavy industries	3%	Logistics															
	24.8%	Medium industries	1.5%	Commercial															
	25.7%	Light industries	2.3%	Residential															
Jeddah 3rd industrial city	USD 1.07/square meter	USD 20,000 for 700 square meters and USD 40,000 for 1,500 square meters	Electricity: 1,000 MVA Drinking Water Capacity: 10,000 cubic meters	Services, food products, furniture, machinery, basic metals, apparel, pharmaceuticals, paper and paper products, motor vehicles, rubbers and plastic product, chemical and chemicals products, metals products and other non-metallic products															
	<table border="1"> <tr> <td>Land use</td> <td>17.2%</td> <td>Heavy industries</td> <td>10.6%</td> <td>Logistics</td> </tr> <tr> <td></td> <td>5.2%</td> <td>Medium industries</td> <td>3.4%</td> <td>Commercial</td> </tr> <tr> <td></td> <td>9.4%</td> <td>Light industries</td> <td>3.1%</td> <td>Residential</td> </tr> </table>	Land use	17.2%	Heavy industries	10.6%	Logistics		5.2%	Medium industries	3.4%	Commercial		9.4%	Light industries	3.1%	Residential			
Land use	17.2%	Heavy industries	10.6%	Logistics															
	5.2%	Medium industries	3.4%	Commercial															
	9.4%	Light industries	3.1%	Residential															

Infrastructure (cont.)

	 Annual rental rates for industrial land	 Leasing prices for Ready- built factories	 Utilities	 Targeted industries
Jeddah Modon Oasis	USD 1.07/square meter	USD 26,600 for 700 square meters and USD 53,300 for 1,500 square meters	Electricity: Provided by Saudi Electricity Company Drinking Water Capacity: Under implementation	Medical supplies and food products
Makkah Al Mukarrama industrial city	USD 1.07/square meter	USD 66,500 for 1500 square meters	Electricity: Provided by Saudi Electricity Company (SEC) Drinking Water Capacity: Provided by National Water Company	Services, food products, furniture, machinery, electronics, wood products, pharmaceuticals, rubbers and plastic product, chemical and chemicals products, metals products and other non-metallic products

Land use	Percentage	Category	Percentage	Category
	18.1%	Light industries	7.5%	Commercial
	2.4%	Logistics	27.3%	Residential

Real estate average prices (latest available as of 2022)

 Agricultural land USD 38 / square meters	 Commercial land USD 367 / square meters
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Number of real estate deals (2020)

 Agricultural 1,063	 Commercial 5,147	 Industrial 11
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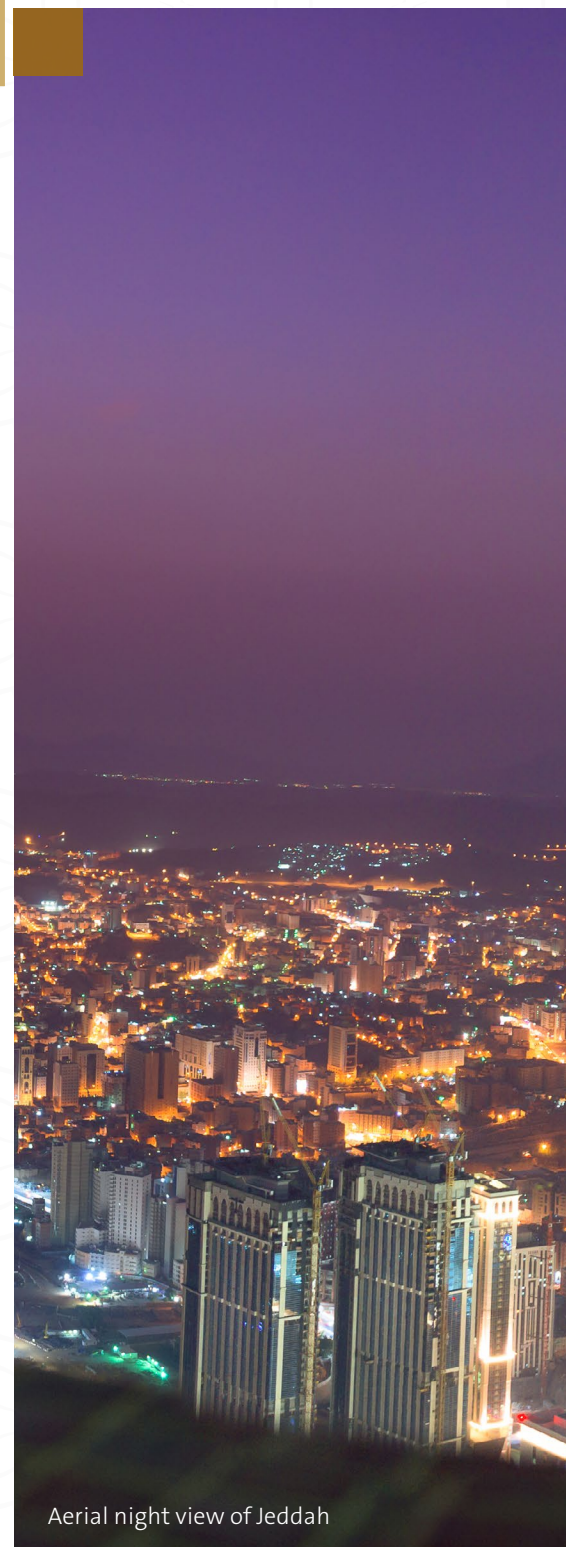
Further information on real estate prices in Makkah and across the Kingdom can be found via the [Real Estate Indicators database \(https://en.rei.sa/\)](https://en.rei.sa/).



Jeddah City Scape

Economic Performance

Makkah is anticipated to continue experiencing economic growth with on-going development programs and projects including the Pilgrim Experience Program, Masar, and the Jeddah Central project. These programs and projects along with others are supported by governmental entities such as the Agricultural Development Fund, Tourism Development Fund, etc.



Aerial night view of Jeddah

Average household monthly income (2018): USD 3,089



Number of active foreign investment licenses (2015-2021)
1,850



Number of commercial registers (2021):
716,467



Volume of Point of Sales transaction in Makkah city (2021):
USD 4.2 Billion



Inflation rate in makkah city (Q3 2022):
0.3%



Business Enablers

The presence of strong enabling sectors in Makkah helps ensure residents and businesses alike have access to quality essential services and innovative products. Opportunities exist for further investment within these enablers to support growing and rapid growth within Makkah's key and emerging sectors. Opportunities include supporting the growth of Jeddah's financial services ecosystem and increasing digitization across the region.



Information and Communications Technology (ICT)

The government of Saudi Arabia is focused on ensuring residents have the required skillsets to effectively navigate the digital era. To support this endeavor, the Ministry of Communications and Information Technology, has introduced the Future Champions initiative. The initiative is focused on providing youth with the necessary capabilities to navigate emerging online challenges such as managing cybersecurity and protecting personal data.

Makkah's increasing focus on digitization is aligned with growing efforts across the Kingdom to provide strong ICT infrastructure. This includes developing public-private partnerships to expand fiber-optic networks to meet increasing high-speed internet needs. Recent efforts have also helped expand internet coverage to the Holy Mosque in Makkah. With efforts still underway to improve connectivity across the Kingdom, opportunities exist for investors and providers to help meet growing demand. **The ICT sector is one of the major enablers for Vision 2030**, which makes it very competitive and allows it to grow.

The main players in the ICT space in the Kingdom are Mobily, Zain, STC, all three have presence in Makkah. **The 5G network has increased** its coverage and speed through the kingdom covering a total of **84 governorates by 4Q2021** with an average download speed of 368.69 Mbps.

- Percentage of household ICT access indicators (2021):
 - Cell phone access **99.28%**
 - Internet access **96.59%**
- Internet penetration (%) (2019): **94%**



Financial Services

The Makkah financial services ecosystem involves banks and related financial institutions in the region that provide personal and professional banking services to multinational organizations, SMEs, international brokers, and the like. Primarily centered in Jeddah, financial institutions assist local and international investors through more traditional means as well as innovative platforms such as corporate digital banking.



Makkah's financial services sector has experienced growth over the last few years through the presence of **424 bank branches in the region (2020)**. Investment opportunities exist to benefit from the existing ecosystem and further grow Jeddah's financial sector to transform the city into a competitive financial services hub.



The National Development Fund

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



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



Mekkah city and Buildings-Makkah al-Mukarramah



Business Enablers (cont.)

Key funds related to Makkah's key sectors
(not limited to):



Saudi Industrial Development Fund (SIDF)

Focused on the financing of industrial investment opportunities, the fund aims to supporting the industrial sector through project financing, the allocation of land and factories, and support to small and medium-sized businesses (e.g., "Kafalah" funding scheme). Since its inception, the fund offered a total of almost **USD 8.51 billion** through **1114 loans** to projects in Makkah.



The Tourism Development Fund (TDF)

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



The Cultural Development Fund

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



Scenic view of Makkah city from mountains

KEY COMPETITIVE SECTORS

Transport and Logistics

Tourism

Mining

Fishing and Aquaculture

Transport and Logistics

With world class infrastructure and thriving economy, Makkah is considered one of the Kingdom's main logistical hub. The region is home to many of the largest freight and logistics companies in the world, which benefit from its strategic location on the Red Sea to serve the Middle East and North Africa (MENA), European and Asian markets.

Saudi Arabia as a whole also has one of the most promising logistics sectors in the world. The Kingdom, which accounts for **55% of logistics activity in the Gulf Cooperation Council (GCC)**, is ranked as the third-most attractive region within emerging markets. **The Kingdom dominates 90% and 30% of the red sea and eastern African trade routes**, respectively, with 15,000 ships passing through their ports each year. The country has a promising rail network with several capabilities, including the ability to transport 10.4 million tons of mineral cargo using the north-south railway alone. Due to the development of six different industrial and economic cities, freight transportation will be extended, allowing cargo to be transported even more freely.

Makkah's transport and logistics network is supported by three important seaports, the Jeddah Islamic Port, King Abdullah Port, and the Port of Rabigh.

Saudi Arabia's transport and logistics market is valued at USD 18 billion, and it is expected to reach USD 26 billion annual growth forecast prior to 2030, (CAGR 12%)

01 Jeddah Islamic Port

The port is the largest in the Kingdom in terms of value and capacity, with **nearly 49%** of the Kingdom's container throughput goes through the port.



Jeddah Islamic port handled over **USD 2.8 billion** worth of non-oil exports and **USD 10.2 billion** imports, amounting to **71%** and **89%** of total non-oil exports and imports in the region.

02 King Abdullah Port

As the first privately owned and funded port in Saudi Arabia, the King Abdullah Port is also recognized as one of the most efficient ports in the world, ranking **2nd as per the 2020 Container Port Performance Index** (out of over 350 ports internationally).



Known for exporting containers and general cargos, King Abdullah port handled **USD 459.7 million** worth of **non-oil exports** and **957.6 million** imports, amounting to **12%** and **8%** of total non-oil exports and imports in the region.

03 Port of Rabigh

The port is mainly known for handling oil and other chemical products, with approximately **10 million tons** of petroleum products and **14 million tons** of sulfur being exported from the port on an annual basis.



Rabigh port had **USD 676.3 million** worth of non-oil exports and **USD 366.9 million** imports, amounting to **17%** and **3%** of total non-oil exports and imports in the region.

With growing pressures on global supply chains, Makkah's state-of-the-art port infrastructure provides companies with reliable and efficient access to critical transportation networks.

Makkah's transportation and logistics sector is further supported by two international airports. The airports provide millions of tourists and cargo shipments safe and timely transport to Makkah's natural wonders and key industrial hubs. In 2019, King Abdulaziz international airport handled over **241,940 flights**, **37 million passengers**, and **366,954 cargo** shipments a year and plan to accommodate **114 million passengers by 2030**. **as of 2022, 23% of KSA's non-oil cargo passes through KAIA**. Taif Airport handles over **10,855 flights**, and **1,174,246 passengers a year**.



Makkah's three main ports handled over USD 4 billion in exports and USD 11.6 billion in imports in 2021

King Abdullah Port

Transport and Logistics (cont.)

The development of Makkah's transportation and logistics sector has been fostered by a number of strategic initiatives undertaken by the Kingdom, which has invested more than **USD 100 billion** in the sector nationwide over the last decade. In particular, the National Industrial Development and Logistics Program (NIDLP) has played a pivotal role in improving the sector's efficiency and competitiveness, while making Saudi Arabia a prime destination for international transportation and logistics investors. Key NIDLP orientations and objectives include:

Involving the private sector in the management of some port facilities (e.g., King Abdullah Port and BOT agreement in the Jeddah Islamic Port)

Improving import and export procedures and minimizing import and export clearance times to ensure time competitiveness and the Kingdom's status as a global logistics center

Increasing passenger numbers, increasing cargo volume, and increasing the attractiveness of the aviation sector to investors

The Kingdom's increased focus on enhancing efficiency, quality, speed of logistics, as well as clearance procedures, creates opportunities for logistics providers interested in taking part in the sector's growth and transformation. With large volumes of goods moved to and from Makkah, the region's warehousing sector also presents investment opportunities, particularly given the growing importance of supply-chain resilience highlighted by the COVID-19 pandemic.



Roads and the transports of Saudi Arabia. Jeddah, Makkah

Key Projects and Initiatives

Makkah has developed paramount projects that will further support the expansion of its logistics network and position the region as global logistics hub.

01

King Abdulaziz International Airport (KAIA) Expansion

The KAIA expansion project was launched to increase the annual passenger capacity of the airport from 13 million to 114 million by 2030. Terminal 1 initiated the trial run in May 2018 and started operating in December 2021 as part of the initiative. The terminal has capacity to move 30 million passengers per year and is considered one of the largest terminals in the world with a total area of 810 square kilometers. The airport includes luxury facilities which help provide enjoyable travel experiences for visitors, including a first-class lounges and a VIP lounge.

Terminal 1 facilities include: 220 passenger desks, 135 passport control desks, 2 moving walkways to carry the passengers from the passenger desks to the international flights terminal, 8,200 short-stay parking spaces, 2,500 long-stay parking spaces, a 27,000 square meter business and commercial area, an 18 thousand square meter indoor park, a 4-star hotel with 3 floors and 120 hotel rooms, a train station, including 6 platforms; and the world's largest aquarium with a length of 14 meters and width of 10 meters.

The expansion is not limited to passengers; it also seeks to double cargo handling capacity by expanding the cargo center to 75,000 square meters, which is more than double its current size. The airport targets to increase cargo capacity from 400,000 tons to 2,500,000 tons by 2030.

02

Al Khomra Logistics Zone

Al Khomra is the Kingdom's largest logistics zone. Located close to the Jeddah Islamic port and the Saudi land bridge route, the zone provides modern commercial facilities and a customs bonded zone. Al Khomra's large-scale facilities covers a land area of 2,378,085 square meters and a gross flat surface of 1,265,832 square meters. During the first phase of the project, Al Khomra's key objectives include reducing emissions, achieving leading traffic management and supporting the creation of direct and indirect jobs for the region. Opportunities exist for investors to support these initiatives and growing logistics demand within the Kingdom and abroad.

03

Makkah Public Transportation Network Project

The Makkah Public Transportation Network Project aims to develop a well-connected bus network in Makkah surrounding the Holy Mosque. The project includes increasing assets (such as buses, bus depots, bus stops, and stations) and developing the related public transportation network.

Covering over 300,000 square meters, the bus depot will include a control building, fuel facilities, light and heavy workshops and more. The bus stops' location has been strategically chosen to meet the needs Makkah residents.

Tourism

Makkah Region's tourism sector offers something for everyone. Home to the holiest Islamic destination – Almasjid Al Haram – the region has old-world architecture, beaches, mountains, sports, entertainment, souks and world-class cuisine.

The region's strong tourism sector is leading the way in helping the Kingdom reach its goal of **120 million** overnight visits in **2030** and becoming a **top 5 global travel destination**.

With booming spiritual and cultural experiences and natural wonders, the sector has become one of Makkah's key economic pillars. The sector provides the **4th highest** inflow of capital investment to the region and is supported by large-scale government initiatives aimed at unlocking further potential. Initiatives such as the Tourism Development Fund, the Cultural Development Fund and the Kingdom's new visa program help enable continued growth and facilitate investment into Makkah's tourism sector.

Despite the COVID-19 pandemic, the global travel and tourism market is estimated to surpass **USD 8.9 trillion by 2026**. Makkah has the right ingredients to tap into expected global growth with ongoing strong international and local demand for the region's holy sites and sun destinations, with no signs of stopping.



The Tourism Development Fund provides funding for organizations working in the tourism field, including organizations that provide **technological innovations** across different tourism attractions.

The Cultural Development Fund offers funding and financing to private institutions and establishments that support **cultural activities**.

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



Over **27 million** tourist trips to Makkah in 2019



Home to over **1,086** hotels



Through ongoing government support and initiatives, Makkah aims to become a **top 5** global travel destination

Exterior view of the masoned Makkah Gate or Baab Makkah

Tourism (cont.)

Hajj and Umrah Visits

Makkah is considered Islam's holiest city. The region is home to the Great Mosque of Makkah, Masjid Al Haram, and the birthplace of Prophet Muhammad. Makkah's notable destinations also include Jabal Al Nour which hosts Hira'a Cave where the first of Quran was recited.

Hajj, one of the five pillars of Islam, and Umrah, are key pilgrimages practiced by Muslims around the world. Makkah attracted **8.5 million international Umrah performers** and **1.8 million Hajj performers by 2019**. The Hajj and Umrah sector contributed **USD 25 billion** to GDP and **USD 2.56 billion** to non-oil revenues of the Kingdom in 2019.



- **Makkah attracted 8.5 million international Umrah visitors in and 1.8 million Hajj performers in 2019**
- **Hajj and Umrah represent 7% of the Kingdom's GDP and 20% of the non-oil revenues**

- **The Great Mosque expansion accommodates 2.2 million worshippers**
- **The Kingdom aims to increase pilgrimage visits from 8.5 million in 2019 to 30 million in 2030.**

The large annual influx of pilgrims and cultural tourists have contributed to a robust tourism ecosystem within Makkah. As the demand grew, so has the supporting infrastructure for tourism for primary and secondary services. This includes the Great Mosque which has undergone expansion efforts to accommodate more than **2.2 million** worshippers compared to the previous **600 thousand**.

Spiritual and cultural experiences are ever-growing. Worldwide, the pilgrimage and cultural tourism market size increased from **USD 177 billion** in 2017 to **USD 189 billion** in 2018 and is expected to continue growing at an accelerated **CAGR of 6.4%**, reaching **274 billion by 2024**.

By 2026, more than **230 million Muslim tourists worldwide are expected to travel and inject USD 300 billion** into the global economy which will further drive demand for spiritual and cultural experiences in one of the holiest sites in the world.

With **16%** of the global tourism spend related to culture and heritage, Makkah's gems have the potential to attract and provide one-of-a-kind experiences and investment opportunities not available anywhere else in the world.

Key Projects and Initiatives

To support the continued growth of the global Muslim population and increased demand for religious experiences, the Kingdom is focused on enhancing the pilgrimage experience and expanding Makkah's tourism capacity.

01 Jabal Omar

The Jabal Omar project is a Makkah development project aimed at improving the visitor experience to the Holy Mosque and Kaaba by exposing travelers to distinct designs, exceptional services, and luxury. The project is made up of 40 towers across over 16 sites located on approximately 2 million square meters. Once completed, the Jabal Omar project will include a variety of five- and four-star hotels that can accommodate up to 36,000 guests a year and more than 100,000 visitors during the Hajj.

The plan includes two iconic 40 story towers. Walking distance from the Grand Mosque, the towers offer majestic views over the city of Makkah. Each tower will consist of 609 deluxe rooms, 131 suites, luxurious penthouse and occupy an area of 5,000 square meters. Phase 1 – focused on developing 10 hospitality and residential towers over an area of 26,959 square meters – was completed in 2017.

02 Masar Makkah

Masar Makkah is located in the western part of Makkah City near Jabal Omar on the outskirts of the Haram Al Sharif. Masar Makkah aims to develop infrastructure that provides integrated mobility options for Makkah residents, visitors, and pilgrims. A key focus of the projects is to facilitate access to the Grand Mosque, through a pedestrian boulevard that connects visitors to Haram Al Sharif from the western entrance of Makkah City. The project area covers 3,650 meters in length with a total area of 1.25 million square meters.

The project provides an attractive investment environment for multinational hotels and restaurants, as well as operators of Umrah and Hajj services, and the hospitality and commercial sectors.

03 Seamless Pilgrimage and Cultural Experiences through Pilgrims Without Bags and Eyab Initiatives

The Pilgrims Without Bags initiative aims to reduce the waiting time at airports for pilgrims. In 2019 the waiting time at airports was reduced by 51% and saving more than 400,000 work hours by delivering the bags of 500,000 pilgrims. Eyab initiatives help to facilities the pilgrim's journey back home by checking in their luggage 24 hours before departure.

04 Eatmarna Application

The application was launched in 2020 to facilitate Umrah and offer a safer experience for visitors. The application is designed to monitor the number of Umrah performers by issuing permits for a specific day and time through the application.

Mining

Makkah is widely recognized as a hub for mining, holding several of the most important operational mines and exploration projects in the Kingdom. The region has a robust investment ecosystem, holding about 15.4% of total mining licenses in the Kingdom as of 2019.

The Kingdom aims to increase efficiencies within the mining process and further unlock the unexploited reserves available to meet global growing demand, specifically for gold. Makkah holds over 45 metric tons of gold reserves and more than 80 metric tons of probable reserves. With such abundant reserves, Makkah's metal and mining industry presents a key investment opportunity within the country.

To support Saudi Vision 2030's goal of attracting and enabling mining sector investments, the Kingdom has introduced a new mining regulatory regime. In 2020 the Kingdom established the Mining Fund to provide finance for exploration and development activities. Alongside this, the Mining Investment Regulations encourage investments in mining value chains and offer sustainable funding to attract investment from outside and inside the Kingdom.

In addition, to unlock investments in the region, various incentives have been developed, including customs exemption on raw materials, support for obtaining permits and approvals for machinery and equipment, customs waiver on machinery/equipment and protection request from unfair competition. SIDF grants project and working capital financing incentives in the mining industry amounting to up to 75% of the project value, depending on the type of project and location, with a repayment period of up to 20 years.

In 2018, The mining sector had a 38.8% share of the total GVA of the Kingdom

Makkah's metals and mining sector is diverse and robust, with 246 companies holding licenses across the sector's value chain

In 2020, Makkah produced roughly 250,000 ounces of gold which accounted for more than 50% of the total Kingdom production

Gold

Only a few locations in the world have gold, and the Kingdom is one of them. Makkah extracts almost 250,000 ounces per year which represents more than 50% of the total gold production in the Kingdom. The region is home to one of the largest gold mines in the Kingdom, Ad Duwahyi, and is a major contributor to Makkah's economy

The Kingdom's gold production capacity in 2021 is expected to be at 440,000 ounces, spread among five mines

In 2020, the Ad Duwahyi mine site located in Makkah produced roughly 250,000 ounces

Mining (cont.)

Besides being an internationally recognized store of value and jewelry raw material, gold is also a key input for the electronics, medical devices, transport and telecommunication industries. In 2020, the worldwide gold market was estimated at 3,200 metric tons—with gold demand experiencing a 10% increase during 2021.

The price of gold has risen dramatically from USD 1,268 in 2018 to an average price of USD 1,770 per troy ounce in 2020.

Through different exploration studies and new projects about to start operations, the gold sector is experiencing a major expansion in Makkah. These will create more opportunities for mining licenses for private companies.

Makkah's world-leading transport and logistics sector further presents notable opportunities to trade gold materials and products with markets around the world. Investment opportunities exist throughout the gold value chain from extraction to distribution.

Gold				
Raw Materials	Processing	Refining and Production	Product Assembly	Recycling
<ul style="list-style-type: none"> Mining of ore with gold-bearing minerals Large rocks are separated into ore with gold and others Recycled gold 	<ul style="list-style-type: none"> Crushing and grinding processes to turn ore into power Flotation process separates gold-bearing minerals Leaching process to chemically treat gold concentrates 	<ul style="list-style-type: none"> Gold concentrates are refined by electrolysis. Gold bars are created by melting in furnaces. 	<ul style="list-style-type: none"> Gold bars are transported to banks, wholesalers, jewelry fabricating and industrial/technological manufacturers Gold is transform into final products for sale to final customer 	<ul style="list-style-type: none"> Recollection of gold scrap Smelting and refining scraps into gold concentrate Recycle products

Key Projects and Initiatives

Mansourah-Massarrah Project, will not only become the Kingdom's largest gold mine but a global leader in gold production. The mine will become operational in the first half of 2022, with an expected production capacity of 250,000 ounces. The gold ore will be processed at the mine utilizing autoclave technology, a one-of-a-kind gold extraction method utilized in only five sites around the world.

The Ar Rjum mine is in the process of completing the necessary feasibility studies and expected to produce 250,000 ounces a year, for a 10-year lifespan.

These projects will introduce new sustainable technological innovations that will provide the mining sector with unseen efficient methods of extraction and simultaneously reduce total energy consumption and carbon emissions.

During the operation stage, the total number of employees will reach roughly 900, with a localization rate of 49%.

Total investment for the Mansourah and Massarah project ascends to USD 880 million

Each mine plans to have a total production capacity of 250,000 ounces



Fishing and Aquaculture

Located on the Red Sea, Makkah has a global competitive advantage in the fish farming and production sector.

The region is responsible for more than **80% of the total fish production** in the Kingdom which ascended to **86 thousand tons in 2018**. Makkah holds a robust aquaculture ecosystem with 3 farms and 1,134 ponds which produced **around 70,000 tons of fish and 63,000 tons of prawns in 2018**. Makkah's expertise is particularly strong in the production, sales and exporting of prawns. The Ministry of Environment, Water and Agriculture of Saudi Arabia (MEWA) has identified four investor ready locations across Makkah that are geographical and environmentally suitable for aquaculture. These locations include Mastoura, Rabigh, Al Muzailif and Qunfudah.

Saudi Arabia's aquaculture market was valued at over **USD 500 million in 2019** and is projected to grow at a **CAGR of nearly 8%** to reach over **USD 860 million in 2026**. Specifically, the Kingdom is looking to double the national per capita fish consumption from **11 kg per annum to 22 kg by 2030**. Continued growth in the Saudi Arabia population along with healthier trends, where people are looking to consume more nutritious food, will continue to drive the increase in fish demand. To supply the accelerated market growth MEWA is planning to increase the Kingdom's aquaculture production from 80,000 tons in 2018 to 600,000 tons by 2030

Makkah produced 81% of the fish production in the Kingdom in 2018

Makkah ranks 1st as the region with the highest number of fishponds in the Kingdom and 3rd in the number of fish farms

The National Fisheries Development Program (NFDP) plans to attract more than USD 4 billion of foreign and local investment in the aquaculture sector



Thanks to its pivotal role in Saudi Arabia's aquaculture industry, Makkah offers opportunities for investors across the value chain, from hatchery and nursery to processing and distribution.

Agriculture & Food			
Inputs	Growing	Distribution	Processing & Selling
<ul style="list-style-type: none"> Fertilizers Agricultural machinery & equipment Precision farming Crop production Food additives Precision farming Plant genetic Refrigeration equipment Packaging materials Animal genetics 	<ul style="list-style-type: none"> Row crops Sugar Cash crops Milk Meat Aquaculture Vertical farming other 	<ul style="list-style-type: none"> Trading platform Grain storage & seed handling eq. Animal genetics 	<ul style="list-style-type: none"> Milling Oilseeds crushing Biofuel production Veg & fruit wholesale Dairy processing Meat processing Fish processing Meat by products Non-food processing Brand packaged goods processed fruits & veg Baked goods Rice, pasta & noodles Beverages Confectionary Oils, spreads & source Dairy Baby food Snacks Ready Meal
Food testing and quality control			
Ag. Financing			
Other Ag. Services			

Fishing and Aquaculture (cont.)

Various projects in aquaculture have been launched by the private sector and the government in Makkah to support investment opportunities, including promotional activities, studies and local academic facilities. The region already hosts major aquaculture projects, including Naqua and Aqua Bridge Farms, both located in Al Lith, in the south of Makkah.

With over 4,000 employees, the Naqua project specializes in shrimp and fish production and exports from Saudi Arabia to up to 32 different countries. Aqua Bridge Farms also has operations with a production capacity of three million juveniles per year in Makkah. With a long-term target of 10 million juveniles, the project includes hatcheries, inland fish RAS farming, coastal shrimp farming, and marine cage farming.

Investment throughout the aquaculture value chain has been facilitated by the Kingdom via key programs such as:



The National Fisheries Development Program (NFDP)

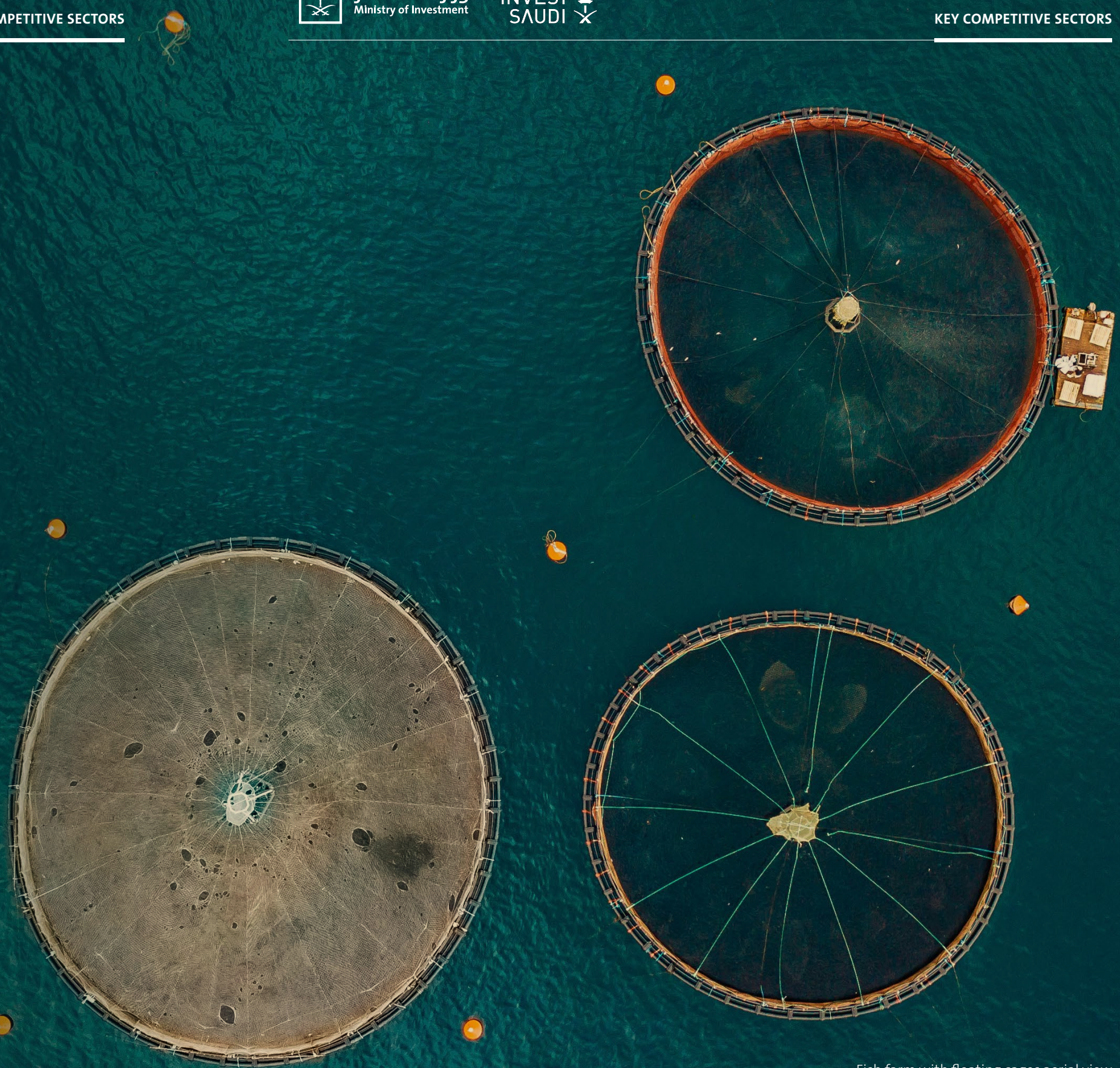
which includes incentive schemes for localizing the aquaculture sector. The program invested over **USD 80 million** during the last 3 years for research and technology-related efforts. The program aims to support increased productivity and efficiency of aquaculture farms and plants to attract more than **USD 4 billion of foreign and local investment** in the aquaculture sector, in line with the Vision 2030.



The Agricultural Development Fund

which supports projects that contribute to the growth of aquaculture in the region, including loans to fishermen and fish farmers. The Makkah branch granted a total of **USD 1.6 million** in loans for this sector in 2019.

The Ministry of Environment, Water and Agriculture of Saudi Arabia (MEWA) has also launched a series of initiatives amounting to **USD 346 million** to achieve food security, support local economy, provide job opportunities and meet 65% of domestic demand while reducing production costs by 30% by 2030.



Fish farm with floating cages aerial view

EMERGING SUB-SECTORS

Automotive

Sun, Sand & Mountains

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

Supported by strategic government initiatives, strong infrastructure assets, and an existing talent pool, Makkah's automotive sub-sector and sun destination sub-sector are on the rise. With anticipated growth over the coming years, investors have an opportunity to 'get in on the ground floor' of these emerging sub-sectors.



Automotive

With a growing number of automotive manufacturing companies, Makkah Region, and specifically Jeddah, has positioned itself as an emerging automotive hub in the Kingdom. Auto-parts manufacturers and assemblers in Jeddah account for 27% of the total number in the Kingdom, which provide a range of activities related to supplying and assembling vehicle components. With local and global market demand set to increase, this sector is anticipated to continue to grow in Makkah.

Makkah's automotive sector has the ability to benefit from the region's existing industrial strengths. Makkah is a key industrial hub in the Kingdom with an extensive number of active factories (1,947), across 6 industrial cities. Additionally, the region's strategic location on the Red Sea, with the largest port of the Kingdom, gives Makkah notable opportunities to trade goods nationally and internationally.

The global automotive market is expected to rise from 94 million vehicles produced in 2018 to 110 million in 2026. The emerging automotive market will account for 80% of the global automotive sector, which includes Saudi Arabia. The Kingdom is the leading Middle Eastern market in auto parts, used car, and new car sales and contributes to 52% of vehicles sales in the GCC and 35% in the MENA region (2020). In 2021, the light car sales reached 484,000 units and the demand in the Kingdom for SUVs and luxury cars has remained robust and is expand.

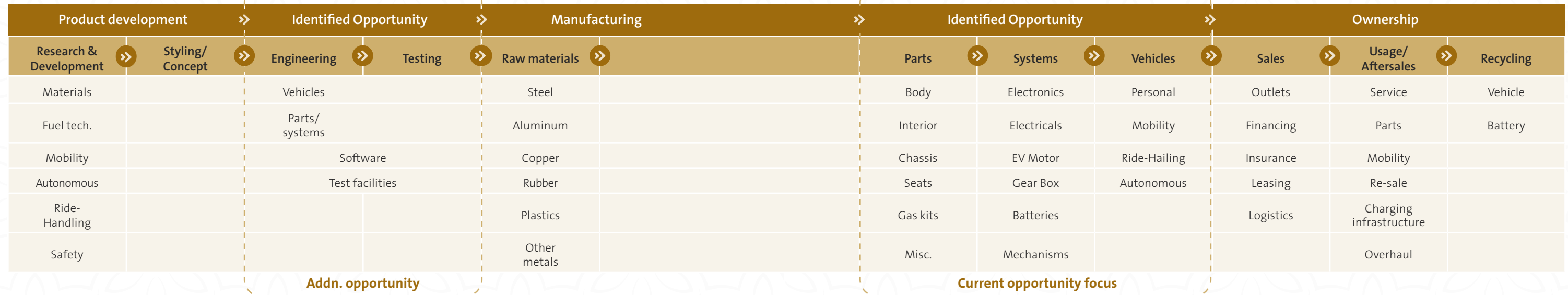
Makkah's automobile industry commercial activity permits increased by 56% (1,718 permits) from 2018 to 2019

Jeddah accounts for 27% of the total auto-parts manufacturers and assemblers in the Kingdom, with 14 existing automotive factories in Jeddah's industrial cities.

The automobile industry in Makkah has also grown significantly in recent years. Automotive permits issued within the region increased from 3,047 in 2018 to 4,765 permits in 2019. Makkah's robust network and infrastructure is one of the competitive advantages of the region for continuously attracting new automotive players. The King Abdullah port plays a crucial role in the industry's imports and exports by connecting Makkah to other markets and neighboring countries. Their RO/RO terminal has a total capacity of 1.5 million car-equivalent units (CEUs) and can service manufactured vehicles and wheeled equipment such as trucks and tractors used in the Kingdom's mega projects development.

Currently, local manufacturers focus on producing automotive replacement parts like as AC units, breaks, exhausts, glass, among others. In the near term, the automotive sector in Makkah presents investment opportunities in vehicle parts manufacturing in areas such as: plastic modules, wheels and tires, exterior plastic fitting, and HVAC.

The auto value-chain



Over the next few years, Makkah is turning its attention from car assembly to fully producing automobiles in the Kingdom. This provides further opportunities for the region's automotive manufactures and investors operating in the region. These investment opportunities will concentrate in parts assembly for light and commercial vehicles, including light vehicle electric batteries, light vehicle internal combustion engines, and commercial vehicles electric batteries.

As the automotive industry is being reshaped by global trends (such as increasing adoption of electric vehicles and achieving zero carbon emissions), the Kingdom unveiled the Saudi Green Initiative. The initiative seeks to have **at least 30%** of automobiles owned by electric by 2030. Makkah's automotive sector is looking to embrace these trends and boost innovation and technology to increase their focus on electric vehicles and related parts.

With the Saudi Arabian Government looking to expand the local automobile market, industrial clustering support in creating economies of scale to help increase efficiency and create more value-added jobs.

As the government is encouraging investment attraction, various incentives have been provided by governmental entities for investors. Major incentives include exemptions from tariffs on imports (if an automotive raw material is not available locally) and support in getting permits and approval for machinery and equipment.



Additionally, the Human Resources Development Fund provides financial support for training, employment, and innovation grants for collaborative industrial-academic research.



Key Projects and Initiatives

Lucid group has announced the construction of an electric vehicle (EV) facility in King Abdullah Economic City, to be completed by 2026. The initiative presents a first step in achieving the Kingdom's goal of 30% of total vehicles in the Kingdom being EVs by 2030. This is further supported by the national green initiative which aims to reduce global carbon emissions by 4%.

The Public Investment Fund (PIF), which holds **61%** of stake in Lucid Motors, intends to collaborate with Lucid in the local EV production plant. This includes a combined total of **320,000 units** manufactured both locally (in Makkah's King Abdullah Economic City) and internationally (in Arizona, USA) by 2030. This is anticipated to result in cost savings which target North American, Chinese, and European luxury and premium vehicle export segments.



Lucid Motors estimates the value of its future plant in Makkah to be USD 3.4 billion over the next 15 years.





Sun, Sand and Mountains

Makkah Region is home to sandy beaches found along the Red Sea coastline, scenic mountains, and desert sand banks. With global tourism experience set to continue growing over the coming years, opportunities exist to further develop Makkah's hidden gems and support the region's emerging sun, sand and mountains destination sub-sector.

Over the last few years, the Kingdom has worked to develop Makkah's heritage sites, bays, theme parks, yearly entertainment and sport events. With well-established infrastructure aimed at enriching the spiritual and cultural experiences, Makkah has the right foundations – including well-developed road and air infrastructure, hotels and security – to support future growth in sun destination tourism.

Sun and sea tourism expenditures are expected to grow at **CAGR of 4% between 2017-2030 globally**, while adventure expenditure is expected to grow at a CAGR of **9%**. Makkah's existing assets and natural wonders present notable opportunities to uncover this untapped potential. To help untap Makkah's potential in this growing field, the Kingdom has developed key initiatives aimed at the tourism sectors. This includes seeking to increase leisure, friends and business visitors in the Kingdom from **25 million to 83 million by 2030**.

Investment in infrastructure, accommodation, food and beverage, entertainment and leisure and retail sector has been proposed at an investment value of USD 717 million to further boost tourism in Makkah region, specifically in Taif. The region aims to develop supporting touristic assets while preserving the city's authenticity and integrity of historical remains.



Hejaz mountains, taif city, Makkah

Makkah city ranked second in global overnight international visitor spending globally

Makkah received over 10 million international overnight visitors in 2019

In 2019, the total global overnight International visitor spending in Makkah was USD 20.09 billion – an average of USD 159 spent per day



Key Projects and Initiatives

Government initiatives are underway in Jeddah, Taif, Maysaan, Bahrah, Qunfudah and Lith to support the future growth of the sun, sand and mountains tourism sector. Key initiatives include:

- Developing 2 eco-tourism and adventure sports centers in Al Taif and Maysaan which provide unique experiences
- Developing mid-range beach resort complexes in coastal governorates
- Developing 3 marinas across coastal governorates (Al Qunfudah, Al Lith, Bahrah), including 1.2 square kilometers of waterfronts, food and beverage, retail and leisure activities
- Developing local and attracting international cruises to the Makkah Region

Obhur Bay in Jeddah – known as the 'Bride of the Red Sea' – extends 11 kilometers along the Red Sea's east coastline. It has one of the finest clusters of public and private beaches on the city's northern cornice. Known for its clear sea waters, the bay attracts people of all ages. The area offers a plethora of attractions and festivals, many of which are delivered in collaboration with the Saudi Tourism Authority.

02

Al Hada and Al Shafa

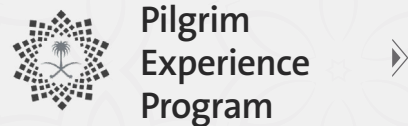
The mountains of Al Hada and Al Shafa located near Al Taif provide visitors with a diversity of outdoor entertainment options including theme parks and natural attractions. The new tourism axis between the two locations aims to develop the tourism in the region through the integration of entertainment activities, public services, infrastructures networks and promotional activities.

01

Jeddah Beaches Development

Over the past few years, several beach development projects have been launched in Makkah, in particular in Jeddah. Projects include developing public beaches, private beaches, bays and complexes. One of these projects is Silver Sands Beach which consist of a private beach over the coast of Jeddah. The project includes a complex of apartments with different types of amenities. Visitors have an opportunity to enjoy the pristine shoreline, as well as local restaurants and cafes located right outside of the City.

KEY PROJECTS



Pilgrim Experience Program



King Abdullah Economic City (KAEC)



Jeddah Central Project



Petro Rabigh



Pilgrim Experience Program

Pilgrim Experience program is a Saudi Vision 2030 program focused on Hajj and Umrah performers, aiming to elevate the services to pilgrims and preparing the Two Holy Mosques in Makkah and Al Madinah.

The program's key objectives include increasing international Umrah performers to **30 million by 2030**. Additionally, the program aims to increase Hajj and Umrah's GDP contribution from **USD 25 billion in 2019 to USD 84 billion in 2030**, boosting the Kingdom's non-oil revenue from **USD 2.56 billion to USD 17.6 billion by 2030**. Through these objectives, the program seeks to create more than 800,000 jobs in related sectors.

The program has four primary objectives to provide a transformative and spiritual experience for the pilgrims through innovation and a sustainable system.

Facilitate hosting more Umrah visitors and provide easier access to the holy mosques

Improve quality of services provided to Hajj and Umrah visitors

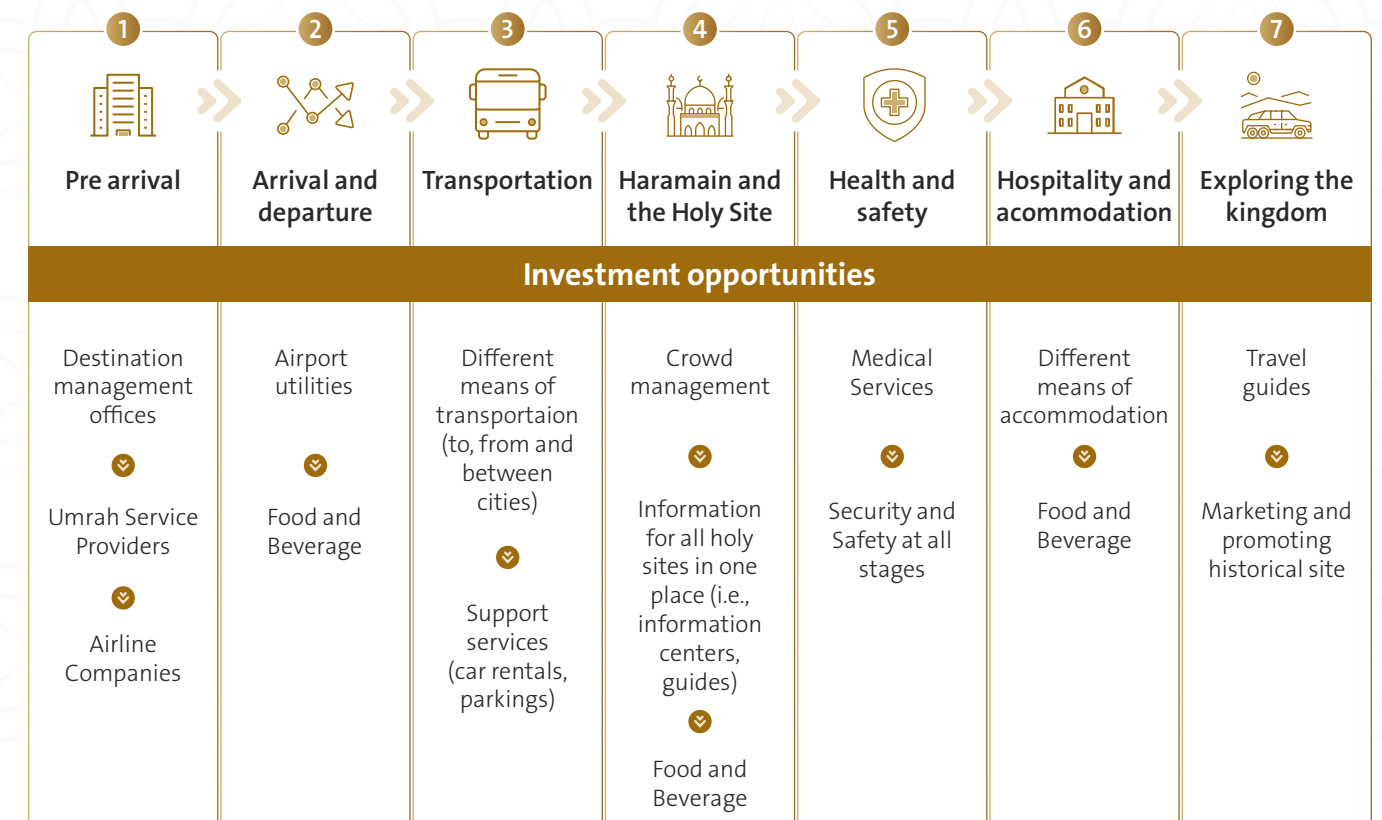
Enrich the spiritual and cultural experience of Hajj and Umrah visitors

Achieve the sustainability of serving Pilgrims

Accordingly, several initiatives have been designed to elevate the Hajj and Umrah experience:

- Enhancing connectivity through increased number of flights and developing roads infrastructure connecting Makkah to other cities
- Increasing the number of accommodations in the Two Holy Cities of Makkah and Al Madinah
- Launching incentive programs and attracting targeted categories of pilgrims
- Developing skills capabilities
- Rehabilitating historical and cultural sites and introducing pilgrims to the Two Holy cities local heritage
- Developing governance of Islamic historical and cultural sites, galleries, and museums
- Improving and upgrading infrastructure in the historical Islamic and cultural sites
- Establishing a fund to finance projects serving pilgrims
- Developing and marketing investment opportunities for investors in the pilgrim service sector (including catering, hospitality, transportation, health, electricity, water, tourism and recreation, safety, training and security)

The program has identified a **seven-steps journey** for pilgrims that starts at the pre-arrival and ends at their exploration of Saudi Arabia. The program aims to ease the process along all these steps.



King Abdullah Economic City (KAEC)

KAEC is the world's largest privately funded business city, covering a total area of 181 square meters of land (overlooking the Red Sea and is about the size as Washington DC). It aims to contribute significantly to achieving Saudi Vision 2030 of the Kingdom of Saudi Arabia and to be a major enabler factor for the socio-economic development by unlocking four strategic sectors: logistics and industrial services, quality of life, tourism and leisure, and the business and the Business sector.



KAEC's strategic location helps connect the east and west coast of the Kingdom. The King Abdullah Port, the second largest port in the country located in KAEC, serves the economic city by being a link between the Kingdom and three continents.

Governed by the Economic Cities and Special Zones Authority, the economic city offers investors a wide range of incentives such as **100% foreign ownership**, the Kingdom's special zones incentives (e.g., tax exemption) and ease of accessing permits and licenses related to living, working, operating businesses, and owning and managing properties.

Through its strategic location and strong incentives portfolio, KAEC is poised to become one of the most important cities in the Arab world by contributing to and benefiting from world trade.

Jeddah Central Project

Supported by USD 17.93 billion worth of investment, the Jeddah Central Project aims to develop 5.7 million square meters of land in Jeddah near the Red Sea.



The project will result in **3,000 hotel rooms**, **17,474 residential units**, and more than 14 high-quality entertainment and tourism initiatives. Significant worldwide icons are included in the project: an opera theater, a museum, a sports stadium, marina, Luxury cruise terminal, entertainment pier, sport park, and ocean basins and coral farms.

A key natural component of the project is a **4.5-kilometer water frontage**. Once complete, the seashore will boast a **2.1-kilometer long public beach** and an international-standard marina that can accommodate yachts from both inside and outside the Kingdom.

By 2030, the project is expected to add USD 0.72 billion to the Kingdom's GDP.



Petro Rabigh

Located on the West of Saudi Arabia, Petro Rabigh was established as a joint venture between Saudi Aramco and Sumitomo Chemical with a production capacity reached to more than 18.4 million tons per year of petroleum products and 2.4 million tons per year of ethylene and propylene derivatives.



As of 2017, the second phase of the project was established given the notable increase in demand, allowing it to further diversify Petro Rabigh offerings in high value-added products that are manufactured for the first time in the Kingdom and the Middle East.

Moreover, Petro Rabigh industrial complex (Rabigh PlusTech Park), **the Kingdom's first private Industrial Park** for conversion industries, is currently offering investment opportunities to accommodate polymer compounding Third Party Projects. It is located next to Petro Rabigh where downstream industries leverage Petro Rabigh products as feedstock to produce chemicals including polyols, polymer stabilizers, xylenes and solvents.

In addition, the Rabigh Plastic Technical Center (R-PTC), a state-of-the-art facility run by Sumitomo Chemical, **provides technical support and training in plastic processing technology**. This makes Petro Rabigh one of the projects that is continuously contributing to the region's development through incentivizing downstream investments and increasing job creation.



INTERESTED IN INVESTING IN MAKKAH?

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

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

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



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



More detail can be found in investsaudi.sa and [Investor Journey](#).

Invest in Saudi



Scan here

Investor Journey



Scan here



For more information about investment opportunities, please [click here](#) or scan the QR code



Scan here

Existing opportunities in Makkah region include:

- **Hajj and Umrah Visits**
 - Expansion Of Maarad Al Haramain & Kiswat Alkaaba Factory
- **Fishing & Aquaculture**
 - Feed Mill Plant
- **Transport And Logistics**
 - Temperature Controlled Warehouse Operator
- **Adventure Tourism**
 - Adventure Park & Eco Lodge

Ariel view of Makkah



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Ministry of Investment

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

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

For questions about the transport and logistics,
tourism, Mining, industrial manufacturing and fishing
and aquaculture sectors, please contact Invest Saudi:
InvestorCare@misa.gov.sa

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