



وزارة الاستثمار  
Ministry of Investment

استثمر في السعودية

INVEST  
SAUDI



# Invest In Northern Borders



**Your Guide to Uncovering  
Value propositions in the  
Northern Borders Region**

| January, 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 Faisal bin Khalid bin Sultan bin Abdulaziz Al-Saud  
Prince of Northern Borders region**

**HRH King Salman bin Abdulaziz and HRH the Crown Prince's government has strived to provide all means of success to creating the Waad AlShamal City in the Northern Borders aiming for it to be a model and complete industrial city promoting the mining sector to become the third pillar of the Saudi economy after Oil and Petrochemicals, as well as its contribution to the GDP and the diversification of sources of income and reducing dependency on oil, in addition to what the city represents in social, economic and environmental sustainability.**

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

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

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

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

We understand that one of the key factors associated with successful investment decisions is site selection. The Ministry of Investment (MISA), through collaboration with key entities, has developed reports such as this one to showcase opportunities found in all regions across the Kingdom. Our 13 provinces have key differentiators and a unique value proposition in specific sectors. Throughout this report, we help shine a light on Northern Borders — Saudi Arabia's emerging mining, chemicals and chemical products, and transports and logistics.

**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 Northern Borders region, the contribution of the mining, chemicals and chemical products, and transport and logistics 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 adopting and implementing state-of-the-art information and communications technologies (ICTs).

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.

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



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



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



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



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



Key sectors have been identified for the country which include renewable energy, tourism, healthcare, financial services, industrial manufacturing, logistics, and mining. In line with Saudi 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 increase of 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](http://www.saudigreeninitiative.org)

# WHY INVEST IN NORTHERN BORDERS

**Northern Borders is Saudi Arabia's emerging metals and chemicals hub. Supported by an abundance of natural resources, well-established mining and chemical production sectors, and a reliable rail and road network, this booming ecosystem is bringing vital metals and chemical products to national and international markets.**

Northern Borders is home to 7% of the world's total phosphate reserves. With increasing government investment, the Kingdom aims to become the 2nd largest phosphate producer in the world by 2024. Coupled with the global phosphate fertilizer market projected to pass over USD 90 billion by 2028, Northern Borders presents unparalleled opportunities for investors in the sector.

Enabled by large-scale initiatives, the region's emerging sectors – chemicals and chemical products; as well as transport and logistics – are strongly contributing to economic growth with future opportunities on the horizon. Specifically, Northern Borders' growing chemical production capabilities and transportation networks are further supporting the region's growing industrial ecosystem. The region is home to 2 high-production capacity industrial cities one of which is Wa'ad Alshamal – the Kingdom's leading phosphate and chemical production site.

The region also has a strong road and rail transportation network with over 98,011 kilometers of well-maintained roads and highways, and a leading freight network equaling over 1,550 kilometers in length. This network links Northern Borders with growing national markets, and key international markets (including Jordan and Iraq). The region's transport infrastructure helps provide companies operating in the region with reliable transportation networks to get their products to national and international markets.

With unparalleled government support and ambition, opportunities in Northern Borders await.



Home to **7% of the world's total phosphate reserves**



The region is home to **43 factories and 2 industrial cities**, with more than **4,200 licensed workers** and a **capital of USD 20.3 billion**



**Important link between GCC and Asian markets and the Kingdom** – Supported by the new **Arar port** located between the Saudi-Iraqi borders



Home to the **Wa'ad Al-Shamal industrial city**, a **hub for phosphate production** in the Kingdom



**High production capacity in chemicals and chemical products.**



King Salman launched **65 projects worth USD 2.6 billion in the Kingdom**, including **17 educational and municipal projects.**

# NORTHERN BORDERS AT A GLANCE

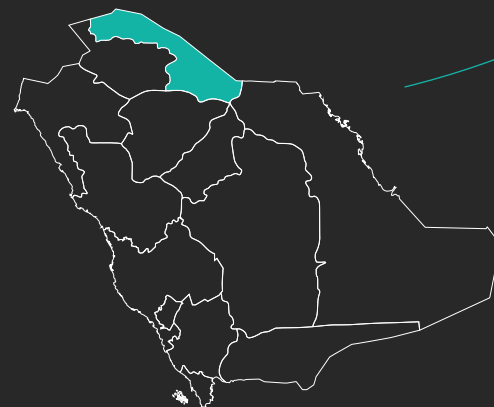


- Population >
- Education >
- Healthcare >
- Employment >
- Infrastructure >
- Economic Performance >
- Business Enablers >

**Northern Borders is the Kingdom's northernmost province – located on the international line which connects the Kingdom to the Levant. The region connects the country with Iraq and Jordan to the north and Aljouf, Hail, and the Eastern Region to the south. Northern Borders is divided into three governorates: Rafha Governorate, and Turaif Governorate, and Al-Awiqilah. Along with the capital of the region Ar'ar city, which cover a total area of over 104,000 square kilometers.**

Ar'ar City, Rafha, and Turaif are recognized as the main cities of Northern Borders. In 2015, Ar'ar City the capital of the Northern Borders, was home to over 55% of the Northern Border population. Rafha governorate, is a town north of Saudi Arabia and borders Iraq, it is the second biggest city in the region. The City of Turaif, home to Maaden's Wa'ad AlShamal and one of Northern Border's most renowned cities, located near the borders of Jordan.

Northern Borders is noted for having a pleasant and cooler climate than the rest of the Kingdom, the temperature oscillates between a minimum of 6°C and a maximum of 41°C. With a pleasant weather, and being the Kingdom's least populous region, Northern Borders is known for its fertile pasture fields. Ar'ar, Rafha, Turaif, and other suburb villages in the Northern Borders are heavily involved in growing livestock (as sheep and camels).



## SAUDI ARABIA NORTHERN BORDERS REGION



### Legend:

- Main cities - Turaif, Ar'ar, Rafha
- ✈ Airports - 1 Ar'ar Domestic Airport (RAE), 2 Rafha Domestic Airport (RAH), 3 Turaif Domestic Airport (TUI)
- ⚙ Key Project - 🚚 Ar'ar Port development project 🌳 Imam Turki bin Abdullah Royal nature reserve
- 🏭 Industrial cities - 1 Wa'ad Al shamal industrial City 2 Ar'ar industrial City
- 🎓 Northern Borders University 🟩 Agriculture land 🚉 Railways

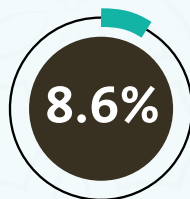


## Population

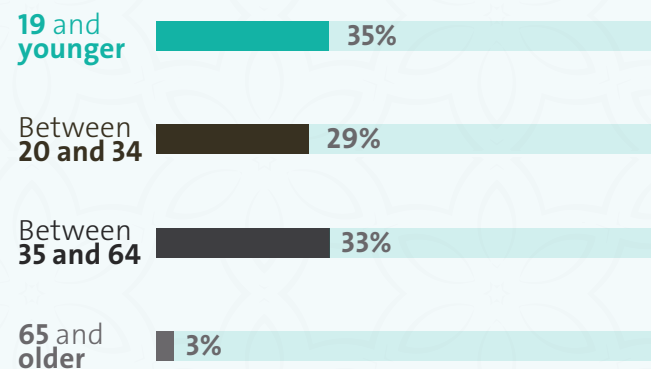
Northern Borders has a population of 390,656 (2020) with over 64 % of individuals under the age of 35.



Population growth  
(2016-2020)



Population age groups  
(2019)



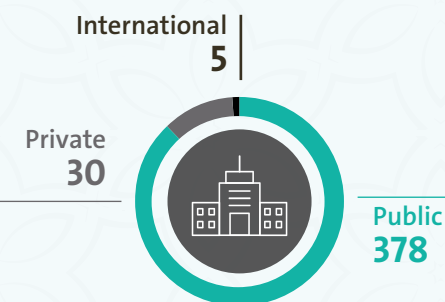
## Education

Northern Borders' education system plays a vital role in the expansion of the region's key sectors. The region's talent pool is further supported by vocational schools and STEM-related (science, technology, engineering, and mathematics) programs. With the region's continuous development, potential opportunities exist, especially in higher education, to further bolster the development of the region.

Number of technical and vocational training units (2019)



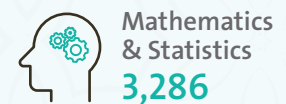
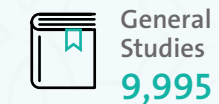
Number of schools (2021):



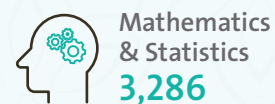
Ratio of students to the number of schools and universities (2021):



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



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



## Education (cont.)

### The University of Northern Borders



The total number of enrolled students



Previous year graduates



Key areas of focus



Northern Borders University

25,405  
(2019)

2,573  
(2019)

Medicine, business administration, arts, sciences, and more.

The University of Northern Borders – the region’s top university – plays a vital role in providing fresh local talent to the region’s industries. The public university educates and develops accomplished scientists and researchers through faculty members who are renowned in their fields.



Image source: <https://www.nbu.edu.sa/en>

## Healthcare

### Northern Borders’ healthcare system is focused on providing quality services to residents.

The region is ranked 4th in the Kingdom in terms of number of laboratory rooms, with local Primary Healthcare Centers (PHCC) having a higher portion of available hospital rooms due to the region’s lower population density.

Several projects have been implemented by public bodies in Northern Borders to further develop the healthcare industry in the region. In 2021, the government launched a USD 13.3 million project aimed at enhancing the present state of the healthcare sector. This includes bolstering human resources, dentistry centers, and cardiac clinics, as well as construct new institutions. The new institutions include the health centers in both south of Al-Faisaliah and Rafha governorate, and Diabetes and Endocrinology Center, among others. Opportunities, such as the establishment of private hospitals, exist in the region to further enhance the region’s healthcare sector to cater to the growing population and continuous developments.



42  
Number of healthcare centers (2019)



11  
Number of public sector hospitals – Ministry of Health (2020)



Hospitals and beds per population (2019)



Hospitals  
2.61/100,000



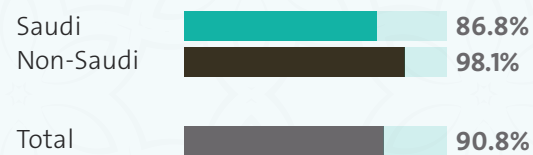
Beds  
355/100,000



## Employment

According to Saudi Labor law, the legal working age in the Kingdom is 15 years. Top sectors of employment in Northern Borders include: construction, trading, public administration and education, manufacturing, accommodation food services, transportation, and healthcare.

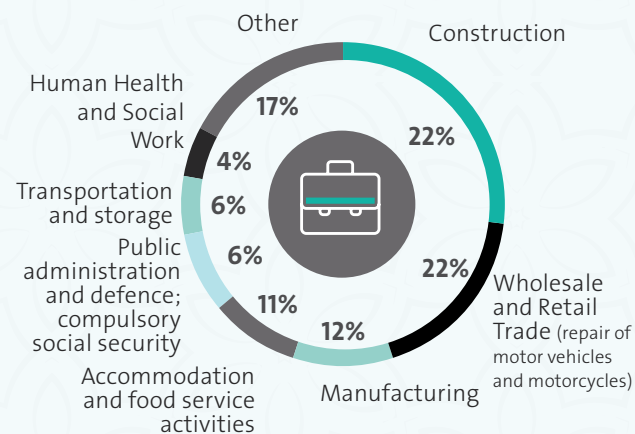
### Employment rate (2022/Q2):



### Average monthly wage (salary) of Northern Borders (2019):

Male: 1,764.53 USD  
Female: 1,689.33 USD

### Employment by sector (2022/Q2):



## Infrastructure

Northern Borders has strong and stable infrastructure which helps support businesses across the region. This includes access to reliable public water and sanitation networks supported by 11 dams, and strong electricity infrastructure.

The region also has a strong road and rail transportation network with over 98,011 kilometers of well-maintained roads and highways.

Arar port, a development project that began in 2020, is located in the region. The project will include the construction of a new trade route network connecting the zone's facilities. The trade route will adhere to the most recent international standards, enhancing bilateral trade and economic ties.

Residents of Northern Borders have easy access to key economic regions in the Kingdom such as Riyadh City and Jeddah, accessible by affordable 90-minute domestic flights. Northern Border's connectivity to Riyadh City allows residents to tap into the Riyadh's international connectivity, including over 87,000 international flights per year. Specifically, the region is supported by three airports and a robust road and rail network.

### Major airport capacity statistics

#### Ar'ar Domestic Airport (RAE) – Ar'ar:

Total flights pre-pandemic (2019)	Passengers (2019)
<b>3,332</b>	<b>345,764</b>

The airport offers domestic direct flights to **Jeddah (JED)**, **Riyadh (RUH)**, and **Dammam (DMM)**.

#### Rafha Domestic Airport (RAH) – Rafha:

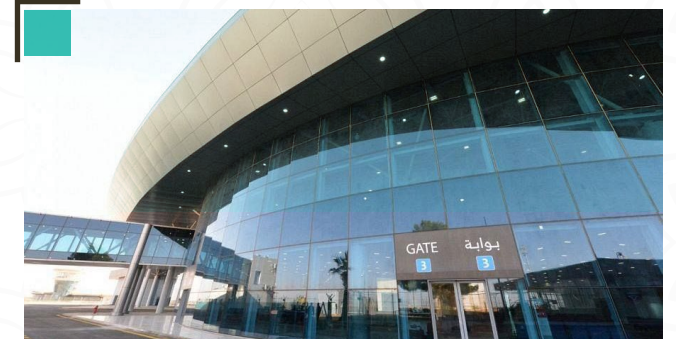
Total flights pre-pandemic (2019)	Passengers (2019)
<b>946</b>	<b>90,757</b>

The airport offers a domestic direct flight to **Riyadh (RUH)**.

#### Turaif Domestic Airport (TUI) – Turaif:

Total flights pre-pandemic (2019)	Passengers (2019)
<b>1,512</b>	<b>104,678</b>

The airport offers a domestic direct flight to **Riyadh (RUH)**.



## Industrial and economic cities



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

2



Annual rental rates for industrial land



Utilities



Targeted industries

Arar Industrial City

USD 0.27 / Square meter

Electricity 18 MVA

Drinking Water Capacity 1,000 cube meters

Rubber and plastics, food products, chemicals, pharmaceuticals as well as fabricated metal products and service contracts .

Wa'ad Al Shamal Industrial City

-

Electricity To be provided by Saudi electricity company (SEC)

Drinking Water Capacity Under implementation to be connected to public network

Metal, fertilizer, oils. Glass, non-metallic minerals and building materials, medical supplies, wood and furniture, plastic materials, chemical and chemical products, paper and paper products, clothing, textiles and leather, food products.



Real estate average prices (latest available as of 2022)



Commercial land USD 88/ square meters

Number of real estate deals (2020)



Agricultural 63



Commercial 829

Further information on real estate prices in Northern Borders and across the Kingdom can be found via the [Real Estate Indicators database \(https://en.rei.sa/\)](https://en.rei.sa/)



## Economic Performance

The mining, and chemical production sectors are strong contributors to economic activity in Northern Borders. These sectors are further supported by 2 industrial cities and the National Industrial Development and Logistics Program, which aims to foster a globally attractive investment environment in order to achieve economic diversification and long-term growth.

Average household monthly income (2018): Approx. USD 2,953

Number of active foreign investment licenses granted (2015-2021): 4

Volume of Point of Sales Transaction in Ar'ar city (2021): More than USD 663 million

Inflation Rate in (Ar'ar city) (Q3 2022): 1.5%



## Business Enablers

The economy of the region is supported by a network of enabling services, currently undergoing expansion. The region has taken steps to enhance enabling sectors to continue growing the local business landscape. Opportunities exist for further investment within these enablers to support growth within Northern Borders' key and emerging sectors.

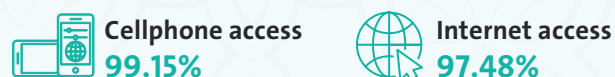


## Information and Communications Technology (ICT)

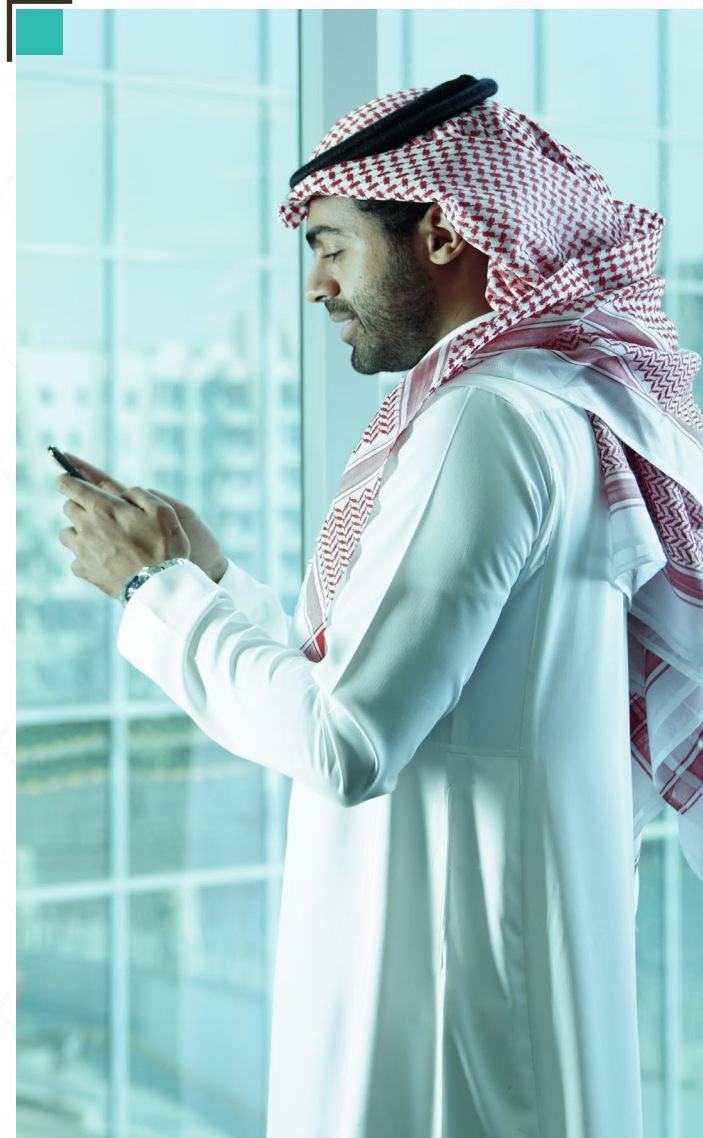
Information and communication technology (ICT) has become a major source of innovation and efficiency improvement within Northern Borders. Understanding the importance of communication and digitalization, Northern Borders is focused on increasing internet services and broadcast platforms in the region. With this in mind, King Salman launched 65 projects worth USD 2.6 billion in the Kingdom, including 17 educational and municipal projects. As part of the initiative, the Communications and Information Technology Commission (CITC) has launched the second and third phases of its local roaming service within 124 settlements.

The main players in the ICT space in the Kingdom are Mobily, Zain, STC, all of which have a presence in Northern Borders. 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)



Internet penetration (%) (2019) **94%**



## The National Development Fund

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

The National Development Fund 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.

Funds that are especially relevant for Northern Border's key sectors include:



**Saudi Industrial Development Fund** – 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 883.2 million** through 15 loans to projects in Northern Borders.



# KEY COMPETITIVE SECTORS

Mining

Chemicals and Chemical Products

## Mining

**Northern Borders is seeing increased economic activity driven by the extraction and production of abundant metals and minerals found within the region, such as phosphate, dolomite, and bauxite. This growth is supported by 43 active factories and 2 industrial cities, including Wa'ad Al Shamal City Development Project which resulted in 6.5 million metric ton of phosphate output in the Kingdom during 2020.**

Mining exports account to USD 6.9 billion across the Kingdom

The national mining sector contributed USD 17.1 billion to the national GDP and provided nearly 250,000 jobs for the Kingdom

The region is home to abundance of dolomite reserves, which is commonly used in the agriculture, cement, mining, and pharmaceuticals among other industries

The region's growth in mining is further enabled by key initiatives as part of the Saudi's Vision 2030 which aim to establish the industry as the third pillar of the Saudi economy (following oil and gas, and chemicals). Various incentives have also been developed to encourage investment in the region, including customs exemption on raw materials, assistance in obtaining permits and approvals for machinery and equipment, customs waivers on machinery and equipment, and requests for protection from unfair competition. For example, Saudi Industrial Development Fund provides mining companies with project and working capital financing incentives of up to **75%** of the project value, depending on the type of project and location, with a repayment period of up to 20 years.

Mining regulations in the Kingdom are focused on long-term sustainability and environmental commitment, as well as ensuring transparency and investor confidence, in order to achieve Saudi Vision 2030's goal of growing the mining sector. The regulations encourage investment throughout the mining value chain and provide long-term funding to both attract and enable foreign and domestic investment.

### Phosphate

Northern Borders is home to one of the world's biggest phosphate reserves – accounting for **7%** of the global reserves. Phosphate is a large contributor to the region's economy and presents notable opportunities for current and future investors.

**Northern Borders has one of the world's biggest phosphate reserves – equal to 7% of the world's total phosphate reserves**

These opportunities are largely supported by Wa'ad Al Shamal City Development Project which gives a developmental and economic lift to the region and drives the Kingdom to be the second largest producer for phosphates by 2024. Wa'ad Al Shamal is already a symbol of long-term economic and social development, providing a wide range of benefits to residents, including new employment and business opportunities.

The global phosphate market (which largely includes agriculture fertilizer products) is anticipated to reach over **USD 90 billion by 2028**. This anticipated growth presents notable opportunities for Northern Borders's phosphate sector to meet increasing global demand. Northern Borders' phosphate industry also presents increasing export opportunities through the region's increasingly connected rail and road networks.



## Phosphate

Raw Materials	Processing	Refining and Production	Product Assembly	Distribution / Sales
<ul style="list-style-type: none"> <li>Conduct drilling for mineral extraction</li> <li>Implement blasting technique to extract minerals from rocks</li> </ul>	<ul style="list-style-type: none"> <li>Minerals must go through various screening techniques to group the necessary Ores</li> </ul>	<ul style="list-style-type: none"> <li>The ores goes through processes to make sure the phosphate ores are ready for production</li> </ul>	<ul style="list-style-type: none"> <li>Phosphoric acid</li> <li>Purified acid</li> <li>Fertilizer</li> <li>Phosphate ores</li> </ul>	<ul style="list-style-type: none"> <li>Exports or to the chemical industry</li> <li>Method of transportation such as loading trains, ports, planes</li> </ul>

With growing global demand, the Kingdom's focus on unlocking mining potential, and the region's natural wealth, the time is now to invest in Northern Borders.

## Key Projects and Initiatives

### 01 Accelerated Exploration Program

The initiative was launched to improve access to mineral deposits by implementing highly reliable exploration programs. The aim of the programs is to increase metal exploration spending, speed up exploration work, increase promising investment opportunities for local and international investors, contribute to the establishment of the exploration sector, activate the role of small and medium enterprises, and improve national competencies in exploration and mining.

### 02 Geological Survey General Program

The initiative was established to provide investors with highly accurate primary regional geological information. This data is critical and can be used to support the acceleration of investment in metal exploration. By utilizing advanced centers that use the most recent AI technology to analyze, interpret, and model all necessary geological information, investors can benefit from increased efficiency and insights.

## Chemicals and Chemical Products

With ease of access to phosphate and other minerals, Northern Borders' chemical production industry shows promise for future growth. In 2019, the chemical production sector had an existing investment ecosystem, holding approximately 10% of the national and joint licenses in the Kingdom, which can be leveraged for future opportunities.

Northern Borders is expanding its chemical production capabilities. Currently, the region has **43 active factories, 13 factories underdevelopment and 2 industrial cities**, including the **Wa'ad Alshamal industrial city**. With global demand for chemical production in commodities estimated to increase by around **USD 240 billion over the by 2025**, Northern Borders is poised to further capitalize on growing global demand by continuing to build on and leverage existing strengths within its chemicals sector.

The Kingdom is considered one of the largest chemical producers worldwide. As of 2021, the Kingdom held 10% of the total global output

The Kingdom has a robust chemical production section with a total of 773 factories holding licenses in 2019

In 2019, 14% of the Kingdom's total industrial exports were dedicated to chemical production

In 2019, the chemical and chemical production industry operated with 95,388 employees in the Kingdom

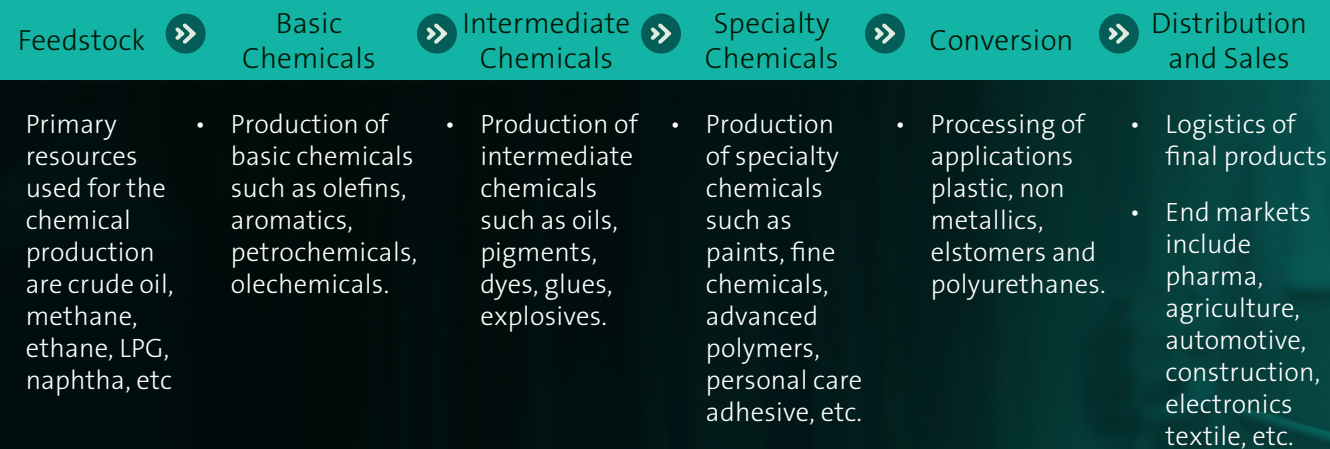
With an abundance of mineral reserves, two industrial cities underway, and an exceptional logistics system that has strong connectivity and solid infrastructure, Northern Borders has positioned itself as a key competitive sector, and a well-established chemical production hub.

Additionally, to unlock investments in the region and support the growth of the key sector, 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.

One of the region's key attributes is its high capacity for chemical production, more specifically, sulfuric acid and phosphoric acid which continue to be in demand globally. On a global scale, sulfuric acid is forecasted to have a CAGR of 3%, with an anticipated market increase to USD 17.5 billion by 2027. While phosphoric acid's market size is set to increase from USD 31.3 billion in 2020 to USD 45 billion in 2028. With the notable increase in global demand for chemicals, the region has the potential to play a crucial role in helping to meet global demand.

With abundant natural resources, the initial stage of the chemicals value chain has demonstrated a high degree of opportunity for Northern Borders. The industry has opportunity to benefit from the region's accessibility to raw resources such as phosphate and dolomite, as well as competitive production capabilities, moreover, emerging sectors such as transportation and technology, the chemical sector will experience further growth.

## Chemicals



# EMERGING SUB-SECTOR



Transports and Logistics

**In addition to well-established key sectors, Northern Borders is home to an emerging sector which has demonstrated notable potential for future growth and opportunity.**

Supported by strategic government initiatives, strong infrastructure assets, and natural wealth, Northern Border's transport and logistics sector is on the rise. With anticipated growth over the coming years, investors have an opportunity to 'get in on the ground floor' of this emerging sub-sector.



## Transports and Logistics

**Northern Borders' road and rail network is a key supporting pillar of the region's mining, and chemicals ecosystems. The region serves as a critical link between foreign markets (including Jordan and Iraq) to the North, and the Kingdom's regions to the South.**

The region's growing transportation network includes state-of-the-art highways and domestic airports, and freight railways. The region is supported by three local airports (Arar, Turaif, and Rafha) that serve the needs of passengers and help move cargo across the region and key national centers.

The region has a total of 4,009 roads, amounting 98,011 kilometers

Three local airports supporting the movement of people and goods across key national centers

Access to international markets, such as Jordan, Iraq, Syria, Lebanon, and Gulf Cooperation Council (GCC) countries

Most commonly transported products include phosphate, bauxite, phosphoric acid, and molten sulfur. Phosphate mineral transportation is handled by **61 locomotives and 523 wagons, 240 wagons for Bauxite, 562 wagons for Molten Sulphur, and 589 wagons for Phosphoric Acid (MGA).**

One of **Saudi Vision 2030's key targets** are to increase exports. Northern Borders' connectivity to other regions and countries will play a crucial role on fulfilling the Saudi's vision and supporting economic growth in the Kingdom.

The Kingdom's international agreements and initiatives, such as the opening of the Arar port which further connects the Kingdom with the Iraqi market, are helping to establish the country as a lead economic presence in the Middle East. These growing networks are further solidifying Northern Borders as a 'one stop shop' for investors – from the availability of natural resources, to local production capabilities, to well-connected networks – the region has all of the key ingredients to provide commercial success at its doorstep.

Given the region's high chemical production capacity, large phosphate reserves, and the goal of becoming the world's second largest phosphate producer, the region's transport and logistics networks are crucial. Additionally, with the Kingdom's increasing focus on increasing freight train capacity, improving logistics efficiency, quality, speed, and clearance procedures, there are opportunities for supporting companies to participate in the sector's growth and transformation. This includes delivering innovative technology to ensure high-quality asset management and infrastructure.

Ongoing investments into Northern Borders' infrastructure, logistics and transportation hubs are further supporting the efficient movement of goods nationally and internationally. Specifically, Saudi Arabia Railway has a railway transportation linkage, linking Wa'ad Al Shamal City to mining industries and Ras Al Khair's processing and export facilities.

The freight line (which has a length of 1,550 kilometers) runs from Al-Jalamid mine in Northern Borders and passes by Jouf and Hail until a point referred to as AlBaithah Junction, in Qassim province. The line then heads east to the processing and export facilities in Ras AlKhair, which is located on the Arabian Gulf's eastern coast. Additionally, the North railway is a key corridor for the movement of goods across the region and to neighboring markets – with nearly **11,000 tons transported in 2020 and a capacity of 16,000 tons.**

# KEY PROJECTS

Wa'ad Al Shamal City Development Project

Ar'ar Industrial City

Arar Port Development Project

Imam Turki Bin Abdullah Royal Nature Reserve

## Wa'ad Al Shamal City Development Project

Wa'ad Al Shamal is an industrial city established through a USD 8 billion joint venture between the public and private sectors. The city is located 20 kilometers East of Turaif and serves as a major mining hub for phosphate processing facilities.

Led by **Ma'aden** (a Saudi state-owned mining company), in partnership with key government entities such as the Ministry of Energy, Saudi Aramco, the Saudi Railway Company (SAR), among others, the industrial city is part of a broader initiative to support economic growth within Northern Borders. The initiative aims to provide new jobs and investment opportunities while supporting and facilitating investment in the metals and mining sector. The initiative also seeks to provide downstream opportunities in value-added industries such as chemicals and chemical products.

The industrial city targets a variety of industries including: metals, fertilizers, oil, glass, non-metallic minerals and building materials, medical supplies, wood and furniture, plastic materials, chemicals and chemical products, paper and paper products, clothing, textiles and leather, and food products.

In addition to the industrial supports, Wa'ad Al Shamal provides high quality services and manages key assets such as:



Saudi Railway Company (SAR) stations and facilities



A water treatment plant



A five-star hotel



The Saudi Red Crescent Authority Center



A shopping complex



A fire station



## Ar'ar Industrial City

Ar'ar industrial city was the first industrial city within Northern Borders.

Established in 2009 and has total developed area of 1 million square meters, Ar'ar has made its mark on the region, supporting a plethora of industrial activities aimed at chemical and fabricated metal production.

Arar industrial city is well-connected to key sites in the region and is 22 kilometers from Arar Airport and 226 kilometers from Al-jouf Railway Station (a key connection between the region and Riyadh through Qassim and Hail).

Ar'ar provides supports for the following factories:

- 1 service contracts factory
- 2 food products factories
- 1 pharmaceuticals factory
- 2 chemicals and chemical products factories
- 2 rubber and plastic products factories
- 1 fabricated metal products factory (excluding machinery and equipment)



## Arar Port Development Project

Launched in 2018 and has been operating since 2020, King Salman bin Abdulaziz's Arar Port Development Project aims to further connect the Kingdom with neighboring countries through Northern Borders.

The port includes the renovation and creation of customs and immigration offices on both sides of the Saudi and Iraqi border to enhance passenger services, and administrative facilities for security and other customs-related structures.

As part of the project, a new trade route network linking the zone's facilities will be constructed. The trade route will be in line with the most recent international specifications, boosting trade exchange and economic links between the two nations. **The Arar project is projected to create significant economic benefits** and valuable job opportunities for Saudis, and serves as a hub for creativity, investment, and motivation.

This logistics zone is also expected to attract high-quality industrial investments, and further solidify the Kingdom's competitiveness in the Middle East. The zone also helps further develop Northern Borders' key transportation network and bring local products to international markets.



## Imam Turki Bin Abdullah Royal Nature Reserve

The Imam Turki bin Abdullah Royal Nature Reserve was established in 2018. Located within al-Jouf, Qassim, Hail, the Northern Borders and the Eastern region, the nature reserve aims to promote natural wonders available within the regions, maintain biodiversity, and resettle plants and animals.

The reserve provides an opportunity for visitors and residents alike to enjoy the region's natural wonders.

Located in the northeastern part of the Kingdom, the reserve covers an area of 91,500 square kilometers. The reserve's vegetation includes more than 120 types of plants, the most important of which are acacia and Ziziphus spina-christi or known as (Sidr) trees, and other shrubs such as bramble, arfaj and saxaul (ramth). There are more than 60 species of animals, including bustards, the Arabian wolf, lizards.

A key goal of the reserve is to protect the historical and cultural assets, provide an eco-tourism experience in the region by collaborating with specialized partners, to involve the local community by creating various opportunities.



# INTERESTED TO INVEST IN NORTHERN BORDERS?

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

MISA aims to facilitate and support new 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 Northern Borders.



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

Invest in Saudi



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Investor Journey



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



Scan here

Existing opportunities in Northern Borders region include:

- Mining
  - Rare Earth Elements (Ree)
  - Specialty Glass
  - Tantalum & Niobium Complex



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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 Northern Borders today

For questions and to learn more about opportunities in Northern Borders, please contact: [regions@misa.gov.sa](mailto:regions@misa.gov.sa)

For questions about the Mining, Chemicals and Chemical Products, and Transports and Logistics, please contact Invest Saudi: [InvestorCare@misa.gov.sa](mailto:InvestorCare@misa.gov.sa)

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