



وزارة الاستثمار  
Ministry of Investment

استثمر في السعودية

INVEST  
SAUDI



# Invest In Riyadh



**Your Guide to Uncovering  
Value Propositions in  
Riyadh 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 Bandar bin Abdulaziz Al-Saud  
Prince of Riyadh region**

**The Riyadh region is experiencing significant growth and investment, which is proceeding in accordance with well-thought-out plans and programs. With the unwavering support of the wise leadership, as well as its advantages and potential for investment, Riyadh will become a major international investment hub.**

**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 Riyadh -- the Kingdom’s economic powerhouse and a leading investment attraction destination.

**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 Riyadh region, the contribution of the Tourism, Manufacturing, Financial Services, Healthcare, Education to the Kingdom's GDP is expected to increase. The Kingdom's growth perspectives are supported by a set of major Saudi Vision 2030 Realization Programs and initiatives.

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

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

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

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



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 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 are offered by the Saudi Industrial Development Fund (SIDF)**
-  **Tax credits on R&D investment and tax exemption on earnings from exports are 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 the 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 the United Nations Framework Convention on Climate Change (UNFCCC) climate action by guiding and supporting 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 RIYADH

**Riyadh region is the economic powerhouse of Saudi Arabia and a leading hub in the Middle East. With large-scale transformation, industry growth and government initiatives across the region, Riyadh's competitive and unrivaled investment environment is creating a global brand that attracts talent, businesses, tourists, and is synonymous with prosperity and quality of life.**

The region is seeing notable growth across key industries – from foundational sectors such as healthcare and education, to technology-enabled areas and renewable energy – due to its coordinated, efficient, responsive, competitive, and fiscally sound government. This growth is in large part supported by big and bold government initiatives which are facilitating transformation across the Kingdom. Among these initiatives is the national regional headquarter (RHQ) program which has led to premier multinational organizations establishing a base of operations in Riyadh and transforming the region into a leading global destination.

With Riyadh contributing almost 50% of the Kingdom's non-oil GDP, sectors across the region are

supporting the country's diversification endeavors and are full of investment potential. Home to over 3,587 factories, Riyadh's manufacturing sector is supporting this diversification and the Kingdom's growing production of key items within machinery and other equipment, and food products. The region's transport and logistics network (including air, rail, and a dry port) is further supporting the movement of goods nationally and internationally – with 55% of national air cargo moving through Riyadh. Additionally, growth within financial services and areas within ICT such as insurtech and fintech are helping create a strong innovation ecosystem across the region.

The region is also home to large-scale quality of life initiatives. Key initiatives aimed at enhancing the healthcare and life sciences sector and attracting leading international academic institutions are improving services across the region. Additionally, a growing focus on the tourism sector is helping to provide entertainment options for visitors and tourists alike. The region now has something for everyone – from souqs, intriguing museums and ancient architecture, to modern culinary experiences, art and shopping options.

With an electric environment full of opportunity – the time is now to invest in this transforming powerhouse.



**Over 3,500 active factories (around 40% of the Kingdom's total) across 8 industrial cities**



**A booming cultural and heritage tourism sector** with one UNESCO World Heritage site and more than **1,000** accommodation facilities



**Emerging renewable energy opportunities** – with the region expected to attract about **40%** of investments into the Kingdom between 2022 and 2030.



**Excellent connectivity to key global hubs and the rest of the Kingdom** – with **3** well-connected airports, high-quality roads and rail



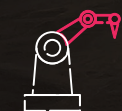
**Home to the first digital capital city (Riyadh City)** in the Arab world



**A leading regional business hub**, boosted by the regional Headquarters Program (RHQ)



**A growing hub for the pharmaceutical industry**, with more than **40** factories



**A sizeable machinery and equipment cluster**, with **188** factories across the region's industrial cities



**Key food supplier to the Kingdom**, with the largest area of agriculture holdings across Saudi Arabia



Schools across the region account for **26% of all schools in the Kingdom (2021)**



**The Kingdom's financial hub** with SAMA's financing program totaling more than **USD 13 billion**



Between 2015 to 2021, The Saudi Ministry of Investment granted **3,551 investment licenses in Riyadh**

# RIYADH AT A GLANCE

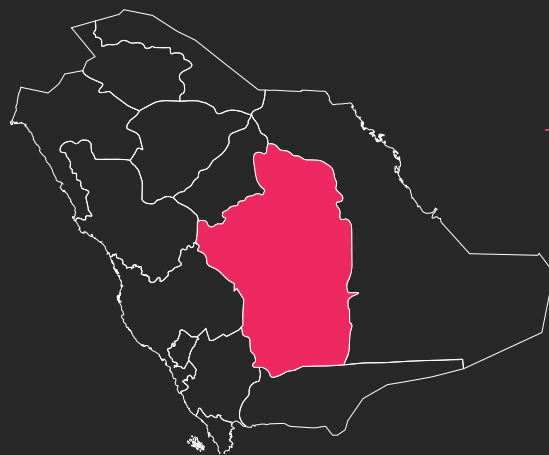


- Population >
- Employment >
- Innovation >
- Infrastructure >
- Economic Performance >
- Digital Connectivity >

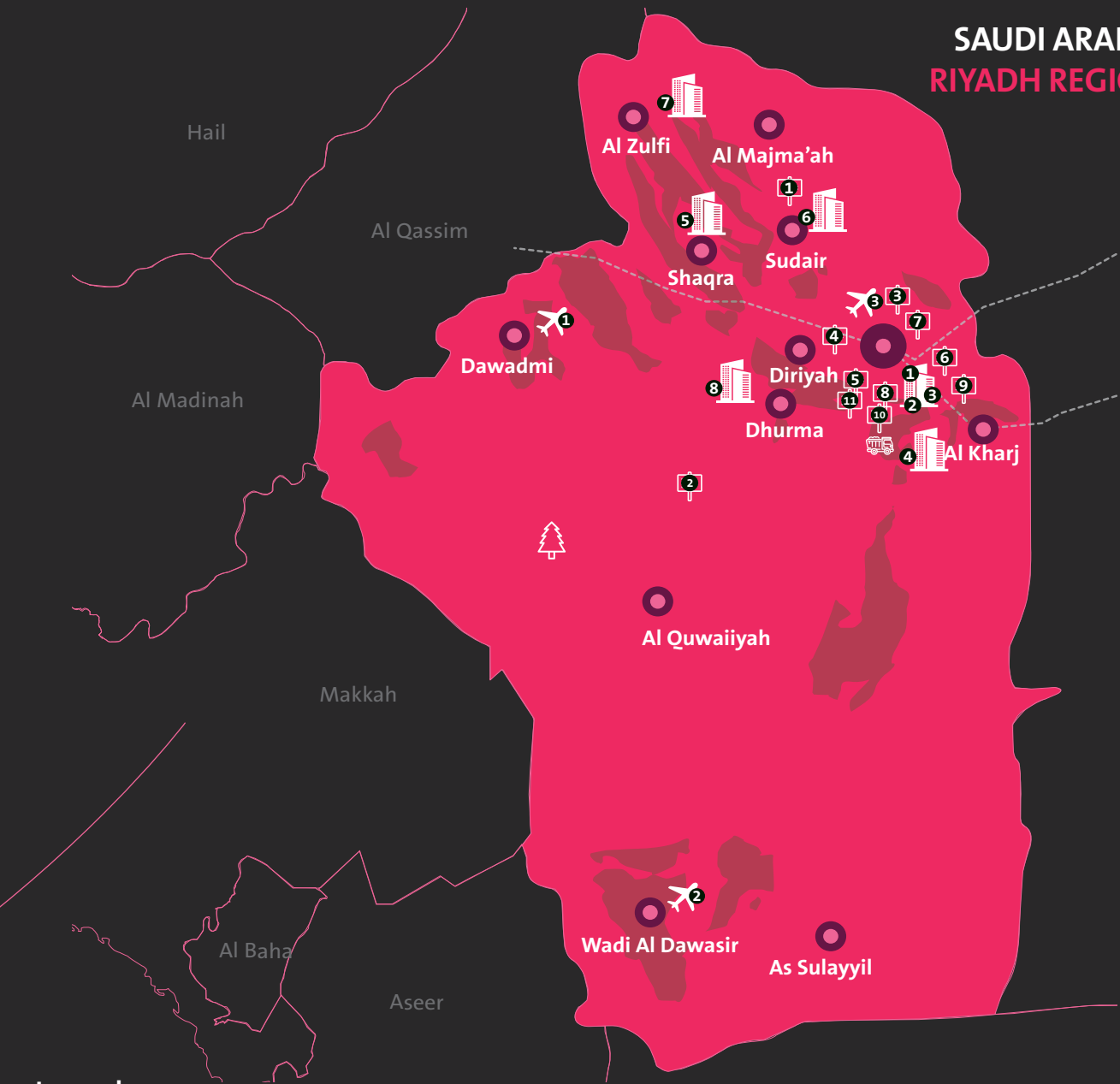
Located in the center of Saudi Arabia, Riyadh Region is surrounded by Al Qassim region in the north; Aseer, Makkah, and Al-Madinah in the west; Najran in the south and the Eastern Region in the east. Riyadh enjoys mild weather, with temperatures ranging from a minimum of 12°C to a maximum of 44°C throughout the year

Riyadh is the second largest region in the Kingdom, extending over 380,000 square kilometers and representing 19% of the total area of the country. The region is home to the city of Riyadh and is divided administratively into twenty-one governorates including Diriyah, Al Kharj, Al Zulfi, Dhurma, and Sudair, among others.

Riyadh City (known by the same name as the region) it is the Kingdom's capital and the financial center of Saudi Arabia. Diriyah, widely known for its historic legacy and cultural heritage, is considered to be one of the most important cultural tourism attractions in the Kingdom. The region is also home to industrial cities located within areas such as Al Kharj, Al Zulfi, Shaqra, Dhurma and Sudair.



## SAUDI ARABIA RIYADH REGION



### Legend:

- Main cities** - Al Zulfi, Al Majma'ah, Shaqra, Sudair, Diriyah, Dawadmi, Dhurma, Al Kharj, Qiddiya, Al Quwaiyah, Wadi Al Dawasir, As Sulayyil
- Airports** - 1 Dawadmi Airport 2 Wadi al Dawasir Airport 3 King Khalid International Airport
- Industrial cities / clusters** - 1 Riyadh- 1st Industrial City 2 2nd Industrial City 3 3rd Industrial City 4 Al-Kharj Industrial City 5 Shaqraa Industrial City 6 Sudair City for Industry and Businesses 7 Al-Zulfi Industrial City 8 Dhurma Industrial City
- Riyadh Dry Port**
- Key Projects** - 1 Powerplant 2 Qiddiya 3 RHQ 4 Communications and information tech 5 Green Riyadh 6 Digital City 7 KAFD 8 ROSHN 9 Alibaba cloud 10 FSDP 11 PV cell
- King Abdullah International Gardens**
- Agricultural Land** **Railways**



## Population

Riyadh is the second most populous region in the Kingdom, with 8,872,712 inhabitants in 2020 – 58% of which are under the age of 35 (2019).

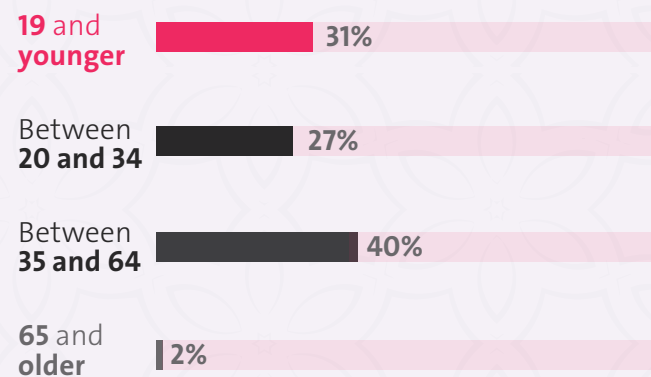


Population growth  
(2016-2020)

10.7%



Population age groups  
(2019)



## Employment

According to Saudi Labor Law, the legal working age in the Kingdom is 15 years. Top sectors of employment in Riyadh include wholesale and retail trade, construction, and administrative and support services.



Employment rate  
(Q2/2022)

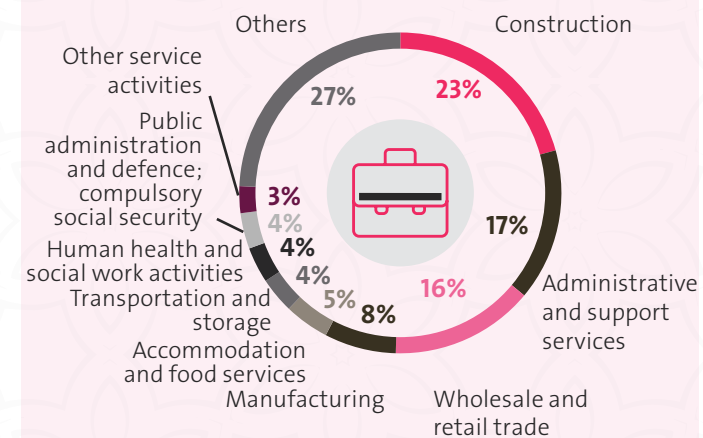


Average monthly wage (salary) of Riyadh (2019):

Male: 2,971.20 USD  
Female: 2,102.13 USD



Employment by sector  
(Q2/2022)



## Innovation

According to the International Institute for Management and Development (IMD) Smart City Observatory, Riyadh ranked 30th on the smart city index in 2021 and 3rd among Arab cities – climbing 23 positions from 2020.



Several initiatives have contributed to the rise of Riyadh as an innovation center, including the:

### Riyadh Technology Valley

A complex encouraging scientific research and investment in creativity and innovation. The project seeks to employ national talent in industries related to technology, services, and knowledge. The Valley seeks to achieve sustainable development and contribute to a modern knowledge economy.

### King Abdullah Petroleum Studies and Research Center (KAPSARC)

Works to advance the understanding of the usage of energy to support the economy, and to act as a catalyst for dialogue, promoting welfare for societies locally and globally. The center provides advisory services, collects data and develops reports related to the petroleum and energy sector. Advisory services leverage modeling and simulation, techno-economic assessment, and energy efficiency solutions. KAPSARC has been ranked 15th of out 101 centers for the “Top Think Tanks in the Middle East and North Africa” by the University of Pennsylvania in 2020.

### King Abdullah International Medical Research Center (KAIMRC)

Develops, supports and disseminates scientific research to understand health problems and solve them through the application of basic research at the community and clinical levels. The center is focused on the application of modern technologies, molecular analysis laboratories, and the establishment of innovative research infrastructure to achieve an effective partnership with the public and private sectors.

## Infrastructure

As a key hub in the Kingdom, Riyadh has strong infrastructure to support a well-connected transportation network which enables the efficient movement of high volumes of people and goods across the country.

The region features advanced transportation infrastructure including two domestic and one international airports, and a dry port that is connected directly to King Abdulaziz Port in Dammam (the largest Saudi port in the Arabian Gulf) by railway.

### Riyadh Dry Port

Built in 1982 and Operated by BAAS International Group Saudi Railways Organization, the dry port covers an area of 918,639 square meters. The port leverages public private partnerships to drive innovation and support the efficient movement of goods across the Region.

is aiming to increase its handling capacity to 1.5 million containers per year by 2030.

The dry port is connected to the Sea Port in Dammam and is considered the only logistics hub in the Kingdom which achieves an annual average growth rate of 9.75% in terms of imports volume. To support growing economic activity in the Kingdom, the Riyadh Dry Port

Saudi Global Ports, the container terminal operator of the King Abdul Aziz Port in Dammam, plans to develop and operate the Riyadh Dry Port and the Dammam Port as a single system to increase the efficiency of the logistics network and cut costs in the Kingdom. Plans are also currently underway to develop multimodal and cargo solutions, in partnership with the Saudi Railway Company and key stakeholders.



## Infrastructure (cont.)

### Major airports

#### King Khalid International Airport (RUH) (pre-pandemic 2019)

Total flights	Passengers
<b>212,163</b>	<b>29,084,238</b>
International flights	Cargo
<b>87,599</b>	<b>219,073</b>

King Khalid International Airport is the second largest airport in Saudi Arabia by the number of flights and passengers. Serving Riyadh region, the airport offers non-stop passenger flights to 82 destinations, 57 international flights in 40 countries and 25 domestic flights.

- Direct flights are available to **New York City (JFK), London, Mumbai (MOB), Cairo (CAI) and Guangzhou (CAN)**.
- Top international destinations include: **Dubai (DXB), Cairo (CAI), Los Angeles (LAX), New York (JFK), and London (LDN)**
- Top domestic destinations include: **Jeddah (JED), Abha (AHB), Dammam (DMM), Jazan (GIZ), and Al Madinah (MED)**.

#### Dawadmi Airport (pre-pandemic 2019):

Total flights	Passengers
<b>494</b>	<b>37,757</b>

- There is **8 domestic flight** from the airport including **direct flights to Jeddah (JED)**

#### Wadi al Dawasir Airport (pre-pandemic 2019):

Total flights	Passengers
<b>1,809</b>	<b>151,578</b>

- A domestic airport in Riyadh established in 1990 and serving Wadi Al Dawasir town with **13 domestic flights** including **Jeddah (JED) and Riyadh (RUH)**.



## Industrial and economic cities:




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





**8**

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
<b>Riyadh 1st Industrial City</b>	<b>USD 1.33/ square meter</b>	-	Electricity provided by <b>Saudi Electricity Company</b>  Drinking-water capacity provided by <b>National Water Company (NWC)</b>	Manufacture of formed metal products, except for machinery and equipment, service contracts, rubber and plastic products, manufacture of other non-metallic mineral products, and electrical equipment among other industries.
<b>Riyadh 2<sup>nd</sup> Industrial City</b>	<b>USD 1.07/ square meter</b>	<b>USD 66,667 for 1,500 square meters</b>	Electricity provided by <b>Saudi Electricity Company</b>  Drinking-water capacity <b>50,000 cube meters</b>	Service contracts, rubber and plastic products, fabricated metal products (except machinery and equipment), food products, chemicals and chemical products, other non-metallic mineral products, and electrical equipment among other industries.
<b>Riyadh 3<sup>rd</sup> Industrial City</b>	-	<b>USD 53,333 for 1,500 square meters</b>	Electricity ( <b>MVA</b> ) <b>14</b>  Drinking-water capacity <b>3,000 square meters (under construction)</b>	Food products, other manufacturing industries, chemicals and chemical production, rubber and plastic products, and services contracts among other industries.

## Infrastructure (cont.)

	 Annual rental rates for industrial land	 Leasing prices for Ready- built factories	 Utilities	 Targeted industries
<b>Al-Kharj Industrial City</b>	USD 0.53/ square meter	USD 16,000 for 700 square meters. USD 32,000 for 1,500 square meters	Electricity (MVA) 1,000 Drinking-water capacity 6,000 cube meters	Food products, rubber and plastic products, fabricated metal products (except machinery and equipment), other manufacturing industries, chemicals and chemical products, other non-metallic mineral products, and service contracts among other industries.
<b>Shaqraa Industrial City</b>	USD 0.27/ square meter	USD 24,000 for 1,500 square meters	Electricity (MVA) 15 Drinking-water capacity 1,000 cube meters	Coke and refined petroleum products, other manufacturing industries, food products, beverages, chemicals and chemical production, and rubber and plastic products among other industries.
<b>Sudair City for Industry and Businesses</b>	USD 0.53/ square meter	USD 32,000 for 1,500 square meters	Electricity (MVA) 254 Drinking-water capacity 6,000 cube meters (under construction)	Other non-metallic mineral products, fabricated metal products (except machinery and equipment), rubber and plastic products, food products, other manufacturing industries, and service contracts among other industries.

	 Annual rental rates for industrial land	 Leasing prices for Ready- built factories	 Utilities	 Targeted industries
<b>Al-Zulfi Industrial City</b>	USD 0.27/ square meter	USD 24,000 for 1,500 square meters	Electricity (MVA) 15 Drinking-water capacity 1,000 cube meters	Coke and refined petroleum products, services contracts, furniture, beverages, and leather and related products, Rubber and plastic products, other non-metallic mineral products, and fabricated metal products (except machinery and equipment).
<b>Dhurma Industrial City</b>	USD 0.8/ square meter	-	Electricity (MVA) 15 Drinking-water capacity 2,500 cube meters (under implementation)	Other non-metallic mineral products, coke and refined petroleum products, other manufacturing industries, chemicals and chemical products, and machinery and equipment not elsewhere classified.

**Real estate average prices (latest available as of 2022)**

	 Agricultural land USD 72.8/ square meters	 Commercial land USD 211.8/ square meters
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### Number of real estate deals (2020)

 Agricultural <b>7,767</b>	 Commercial <b>6,600</b>	 Industrial <b>8</b>
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Further information on real estate prices in Riyadh and across the Kingdom can be found via the [Real Estate Indicators database \(https://en.rei.sa/\)](https://en.rei.sa/)

## Economic Performance

Riyadh is an economic powerhouse within the Kingdom with a sophisticated service offering. Various government initiatives across the region are expected to further boost Riyadh's strengths. These include the Regional Headquarters (RHQ) program and King Abdullah Financial District (KAJD).

Average household monthly income (2018): USD 3,378

Number of active foreign investment licenses (2015-2021):  
**3,551**

Number of commercial registers (2021):  
**852,812**

Volume of point of sales transactions in Riyadh city (2021):  
**USD 39 billion**

Inflation rate (Riyadh city) (Q3 2022):  
**3.34%**

## Digital Connectivity

Riyadh is a well-connected region, with the required digital infrastructure to help ensure residents and businesses alike have strong and reliable online access. The main players in the ICT in the Kingdom include Mobily, Zain, and STC, all three of which have a presence in Riyadh. The 5G network has increased online 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)

Cellphone access  
**97.22%**

Internet access  
**97.23%**

Internet penetration (%) (2019)  
**93%**





## Digital Connectivity (cont.)



### National Development Fund

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



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



Key funds related to Riyadh's key sectors include (but are not limited to):



**The Saudi Industrial Development Fund (SIDF)** – Focused on the financing of industrial investment opportunities, the fund aims to support the industrial sector through project financing, the allocation of land and factories, and support to small and medium-sized businesses. SIDF awarded 70 loans totaling USD 256.5 million in 2020 to fund projects around the Riyadh Region – the highest number of granted loans and fourth in terms of their value for 2020. Since its inception, the fund has offered a total of almost **USD 8.2 billion** through 1,685 loans to projects in Riyadh.



**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 (CDF)** – 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.



# KEY COMPETITIVE SECTORS



Information and Communication Technology (ICT)



Financial Services



Industrial Manufacturing



Transport and Logistics



Tourism



Business Tourism



Healthcare



Education



## Information and Communication Technology (ICT)

**Riyadh is leading the Kingdom's ICT efforts through ongoing government support, a young and educated talent pool, and an increasing focus on private sector partnerships.**

Specifically, the region has the highest proportion of technology-skilled labor in the Kingdom as a result of a relevant university programs.

The government is further supporting the sector through ventures intended to provide high-performance public cloud services in Riyadh involving the Saudi Telecom Company (STC), Electronic World Trade Platform (eWTP) (an initiative to promote and facilitate global trade and digital economy), Arabia Capital, and Alibaba cloud. With a growing ecosystem supported by the government, Riyadh offers notable opportunities for investors looking to capitalize on ICT sector growth.

**Riyadh City was recognized as the first digital capital city in the Arab world**

During the 2020 G20 Summit, Riyadh was designated as the first digital capital city in the Arab world by the Council of Arab Ministers of Communications and Information Technology. The designation is a recognition of the city's achievements and ongoing advancements in this area. Continuing to present day, the city of Riyadh boasts a large competitive economy with ICT infrastructure that is constantly growing and innovating.

Further developing the ICT sector is a top priority for the Kingdom. The government is developing strategies that aim to address emerging topics such as electronic governance, smart cities growth, and the rapid expansion of telecommunication networks. To support these objectives, the government has launched the Smart Government Strategy to help transform government operations to become more agile, efficient and innovative, resulting in a seamless 'smart government' experience that meets the needs of residents.

E-commerce is also demonstrating strong potential for future growth. The market size of e-commerce in the Kingdom grew almost **60%** between 2019 and 2020. The increase in e-commerce was fueled by COVID-19 pandemic-related lockdown consumer habits and continues to grow today. By 2025, e-commerce in the Kingdom is expected to surpass USD 13 billion. Additionally, Saudi Arabia is in a unique position to become a regional e-commerce giant due to demand fueled by its young population and national internet and network penetration.

The Kingdom offers a **40% discount on electricity tariffs for cloud service providers**

Packages of technical services are available to entrepreneurs to develop digital business models

Global spending on digital transformation is expected to amount to **USD 2.8 trillion in 2025** and the global Artificial Intelligence (AI) market is expected to reach **USD 291.5 billion by 2026**. To capitalize on this growth, the Kingdom plans to invest **USD 18 billion** to build a nationwide network of hyperscale data centers that have a capacity of more than **1.3 GW**. This initiative is in line with the Ministry of Communications and Information Technology's (MCIT) investment plans to accelerate data center development.

A major milestone in digital transformation took place in 2020, when Riyadh hosted the SAP cloud center, the first live public cloud data center in the Kingdom, marking significant progress in achieving **Saudi Vision 2030** targets. The data center is part of the company's 4-year investment plan which amounts to **USD 76 million**. As a result of the data center, organizations using the SAP public cloud center can now benefit from scalable cloud solutions that are applicable to **25 industries** and 12 lines of business.

Additionally, the Ministry of Media announced that the Kingdom is in talks with large-scale technology companies such as Amazon and Google to invest in the Kingdom and localize their content and services.





## Key Projects and Initiatives

### 01 Communications and Information Technology Complex

The Public Pension Agency is constructing the Communications and Information Technology Complex in Riyadh. Its advanced infrastructure for modern technology industries is part of the Kingdom's ICT sector development strategy. The complex will be used for:

- Providing infrastructure to undertake technical work.
- Assembly and fabrication of high-tech prototypes.
- Technical support services to manufacturers.
- Research and development.
- Commercial activities such as hotels, restaurants, and banks.

The project's overall built area will be approximately 1 million square meters. The complex will provide opportunities for private and public sector investors to take advantage of the complex's many features.

### 02 Alibaba Cloud Center

The Saudi Cloud Computing Company (SCCC), a joint venture between Alibaba Cloud, Saudi Telecom (STC), eWTP Arabia capital and the Saudi Company for Artificial Intelligence (SCAI) announced the launch of Alibaba cloud operation in Riyadh in 2022 with two data centers. The cloud services will contribute to achieve digital sustainability, developing, and training local talent, and accelerating the growth of the local economic ecosystem. Alibaba Cloud has allocated up to USD 500 million for investments in the Kingdom over the next five years. The investment will also include world-class comprehensive resources to aid with sustainability and localization. In addition, a new office in Riyadh will be established to provide better services to local consumers, as well as the regional training and management center.

### 03 Digital City

Located in the heart of Riyadh, the digital city is a mixed-use complex combining commercial, residential, and retail facilities. The complex was conceived as a space to welcome innovators and to simulate the growth of a knowledge-based economy. It comprises 400,000 square meters of commercial space and 2,000 residential units.



## Financial Services

Economic and financial structural reforms have taken place in the Kingdom, promoting economic growth while maintaining financial stability and sustainability. This can be seen in the Kingdom's improved business environment and ongoing efforts to empower the private sector to assist economic diversification by removing barriers and increasing the appeal of engaging in previously untapped industries.

As the Kingdom's financial hub, Riyadh has a leading financial services sector, supported by technological advancements and key initiatives under Saudi Vision 2030. Areas ripe for investment in the region include commercial and digital banking, automated insurance, investment banking and capital markets.

As part of the Kingdom's goal to further develop the financial sector and grow the capital market, the Saudi Tadawul Group was established in 2021. The Saudi Exchange (Tadawul), the largest stock exchange in the region, is now open to foreign investors, with a **49% cap on foreign ownership**, potentially increasing to **100%** for strategic investors, and has joined global indices such as MSCI, S&P's Dow Jones, and FTSE Russell. The group has four subsidiaries including the Saudi Stock Exchange, the Securities Clearing Center Company (Muqassa), Securities Deposit Center (Edaa) and Wamid – an applied technology services business and serves as the innovation support for the group.

Another key program was the launch of SAMA's (Saudi Central Bank) Private Sector Financing Support Program in 2020, which is injecting more than **USD 13 billion** into the Kingdom's financial services sector including Riyadh to further position the region as a growing financial services center. More broadly, banking assets are expected to almost double from 2019 to 2030 across the Kingdom. The Financial Sector Development Program (FSDP) aspires to increase gross written premiums from the insurance sector as a percentage of non-oil sector **GDP to 4.3% by 2030** (from 1.9% in 2019).

As the Kingdom's financial services hub, Riyadh is well positioned to benefit from and support this ongoing national growth. Specifically, investment opportunities exist to benefit from this maturing ecosystem and to further support the growth of Riyadh's financial sector to further propel the region into a competitive financial services hub.





## Financial Services (cont.)

### Insurance and Insurtech

The Kingdom is seeing an increase in the insurance and insurtech sector, driven in large part by the country's sharia compliant insurance markets – one of the largest in the world. More broadly, the insurance sector in the Kingdom witnessed growth of 8.4% in 2021 with total written premiums reaching USD 11.2 billion.

As the financial capital of the Kingdom, Riyadh is at the center of the insurance and insurtech ecosystem, with continued projected opportunities on the horizon for the region.

#### Highlights of the Insurance Sector Performance:

- In 2021, the Saudi insurance sector witnessed an increase in total gross written premiums reaching USD 11.2 billion (8.4%) compared to USD 10.3 billion in 2020.
- In 2021, the gross written premiums of health insurance witnessed an increase, reaching USD 6.7 billion (10%) compared to USD 6.1 billion in 2020.
- In 2021, the gross written premiums of other general insurance witnessed an increase, reaching USD 1.9 billion (11%) compared to USD 1.6 billion in 2020.
- In 2021, the gross written premiums of protection and saving insurance witnessed an increase, reaching USD 455.2 million (35.1%) compared to USD 337 million in 2020.



## Fintech

The growth of the fintech community in Saudi Arabia reflects the country's expanding economic diversification, which is a key component of Saudi Vision 2030. In 2021, 80% of Saudi Arabia's fintech businesses were based in Riyadh, with other cities seeing an increase in activity as well.

In the digital payments segment, the number of users is expected to amount to 36.64 million users by 2026

In its 2021 global report, Startup Genome named Riyadh as one of the top five cities to watch for financial technology (fintech) developments in the MENA region. The report also focuses on a notable expansion of Riyadh's fintech industry, with 150 startups in 2021 compared to 15 in 2018, and a significant increase in funding from USD 30 million in 2016 to around USD 168 million in the first half of 2021. The government offers a program, Meras, that provides the necessary services to set up a business in a single day in addition to prioritizing the business application process.

Since 2018, The Saudi Ministry of Investment granted 700+ entrepreneurship licenses in Riyadh

With a technology sector valued more than USD 40 billion, Saudi Arabia is the largest technology market in the MENA region. Additional investments announced at LEAP22 are part of the Kingdom's ongoing transformation into an innovation-based economy, which has already seen the country become one of the region's fastest-growing new markets for fintech and digital content.

Following the growth of fintech companies in worldwide, Saudi Arabia has opened the Financial Technology Center, a first-of-its-kind financial technology hub in Riyadh. The Financial Technology Center is a collaboration between the Saudi Central Bank and the Capital Markets Authority, aimed at boosting growth in the Kingdom's financial technology industry.

The global fintech industry is witnessing an increase in investments. In 2021, fintech investments reached over 5,000 deals for USD 210 billion. Shifts towards digital services and increasing regulatory awareness are expected to drive growth in the sector. With a growing fintech ecosystem and ongoing national and global growth, Riyadh continues to present ongoing opportunities in the sector.





## Key Projects and Initiatives

### 01 King Abdullah Financial District (KAFD)

KAFD is a thriving district that offers residential and office towers, and a variety of cultural and entertainment venues such as cinemas, theater performances, and entertainment events.

The KAFD Development and Management Company was established in 2018 to accelerate the development of the 1.6 million square meter district. In 2021, KAFD signed several contracts to support completion of the project. The district features an impressive array of more than 70 office towers, residential towers, and hotel buildings.

KAFD will provide new types of urban high rise working and living outside retail, food and beverage, and entertainment for citizens and residents in its broader Saudi and non-Saudi community.

- Entertained across more than 110,000 square meters
- More than 220,000 square meters of food and beverages retail
- Around 1 million square meters of office space
- More than 30,000 square meters of conference centers
- An estimate of 15,000 residents
- 5,200 residences

### 02 The Fintech Lab

The Capital Markets Authority (CMA) established the CMA FinTech Lab in December 2017 to promote fintech innovation in the Kingdom. With new technologies such as blockchain and artificial intelligence emerging in the Kingdom, the FinTech lab supports firms that can drive innovation in capital markets by establishing a simpler regulatory framework to minimize barriers to entry.

### 03 Digital Banking

The Saudi Digital Transformation Plan, an important aspect of Saudi Vision 2030, is being realized by digital banks. The Kingdom has accelerated digital transformation through the adoption and implementation of cutting-edge telecommunication systems and ICT technology that aid in the facilitation of the overall mechanisms of digital transformation, launching a knowledge-hungry economy and an immersive e-commerce language.

### 04 Financial Sector Development Program

The Council of Economic and Development Affairs (CEDA) launched ten delivery programs to help achieve Saudi Vision 2030 on April 24, 2017. The Financial Sector Development Program (FSDP), which aims to develop the national economy, is among the most prominent of these projects.

The FSDP directly contributes to three of Saudi Vision 2030's key objectives by:

- Enabling financial institutions to assist private sector growth.
- Ensuring the development of an advanced capital market.
- Encouraging and facilitate financial planning (retirement, savings, etc.).

The Program has established a set of commitments to be completed by 2025 that will serve as the foundation for accomplishing Saudi Vision 2030 goals, including:

- Increasing total banking sector assets to USD 937 million by 2025, up from USD 701 million in 2019.
- Raising the stock market's market value as a percentage of GDP to 80.8% by 2025, up from 66.5% in 2019, and the volume of debt instruments as a percentage of GDP to 24.1 percent by 2025, up from 14 percent in 2019.
- Increasing the share of SME financing in banks to 11% by 2025, up from 5.7% in 2019.
- Raising gross written premiums as a percentage of non-oil GDP to 2.4% by 2025, up from 1.9% in 2019.
- Raising the share of non-cash transactions to 70% by 2025, compared to 36% in 2019 this is to further develop the digital infrastructure.

Finally, the program adheres to international financial stability standards, including the regulations of the Bank for International Settlements and the International Organization of Securities Commissions, to ensure overall financial stability for the financial services industry.

Furthermore, digital innovation (such as financial technology businesses) has been allowed to stimulate innovation and competition in the financial services sector. In addition to licensing companies in other industries such as insurance, financing, and others, the sector awarded licenses for several Fintech companies.

### 05 Open Banking

Saudi Central Bank (SAMA) is supporting the Kingdom's economic growth, while ensuring financial and monetary stability. In line with these efforts, in January 2021 SAMA announced the development of "Open Banking", new technological innovation that enables customers to securely share their data with third parties.

There are numerous benefits to open banking in Saudi Arabia, including:

- Increased innovation
- Growing competition
- Greater inclusion in the financial system
- Improved efficiency of the banking system



## Key Projects and Initiatives (cont.)

### 06 SAMA's Regulatory Sandbox

SAMA has created a Regulatory Sandbox that welcomes local and foreign firms wishing to test new digital solutions in a "live" environment with a view to deploy them in the Kingdom in the future. This is done in order to understand and assess the impact of new technologies in the Kingdom's financial services market as well as to help transform the Saudi market into a smart financial center.

The Sandbox can be thought of as a regulatory procedure that serves as a "safe space" in which financial services firms are given the opportunity to test new digital solutions under restrictions and conditions intended to protect consumers, but without being immediately obligated to adhere to all the standard regulatory requirements resulting from engaging in the activity in question.

In order to clarify the rules and regulations that apply to a new digital solution that does not naturally fit into the current regulatory framework, start-up as well as established FS firms may find the Regulatory Sandbox to be helpful. Firms will be able to test their solution in the Sandbox for a predetermined amount of time in a controlled environment. Following a solution's successful testing, businesses are permitted to introduce their new products to the market in accordance with the regulations established by the regulator.

### 07 SAMA' Private Sector Financing Support Program

In 2020, SAMA has announced the introduction of Private Sector Financing Support Program which is investing more than USD 13 billion in the financial sector of the Kingdom, including Riyadh, to strengthen the region's position as a growing center for financial services.

The program consists of three basic elements as follows:

- **Deferred Payments Program:** Depositing an amount of about USD 8 billion for banks and financing companies
- **Funding for Lending Program:** Providing concessional finance of about USD 3.53 billion for SMEs by granting loans from banks and finance companies
- **Loan Guarantee Program:** Depositing an amount of USD 1.6 billion for banks and insurance companies to enable insurance entities



## Industrial Manufacturing

Riyadh is a promising industrial manufacturing investment destination – supported by the region’s location, connectivity, access to raw materials and ongoing government initiatives. Riyadh’s industrial manufacturing sector is expected to grow in the years to come, creating key investment opportunities for the country.

Home to over 3,500 factories and 8 industrial cities, Riyadh accounts for approximately 40% of the Kingdom’s manufacturing sector, the largest number across the Kingdom. The region offers a competitive location which is well-connected to regions with abundant natural resources such as Eastern Region (known as the oil and gas center of Saudi Arabia), Qassim (home to the largest Bauxite mine in the Middle East) and Northern Borders (the location of home to Waad Al Shamal, a phosphate mining hub).

The region’s sector is well supported by ongoing government initiatives. The Saudi Industrial Development Fund (SIDF) has awarded 70 loans totaling **USD 256 million in 2020** to finance industrial investment opportunities in Riyadh – an increase of 100% from 35 loans, with a total of **USD 177 million in 2019**. With a surplus of skilled workers and fiscal incentives (such as SIDF loans, which reduce operational costs), the sector is expected to attract global manufacturing companies to Riyadh. In 2020, the National Industrial Development and Logistics Program (NIDLP) invested **USD 2.4 billion** in developing industrial infrastructure in the Kingdom. Moreover, knowledge sharing initiatives such as the Saudi Advanced Manufacturing Hub (Saudi AMHUB) promotes the adoption of advanced manufacturing and access to advanced technology such as machine learning and internet of things (IoT) that aid in reducing operating costs.

With an availability of advanced industrial infrastructure within the region’s industrial cities, access to raw material, and ongoing government support, growth is on the horizon for manufacturing in Riyadh.

Riyadh region accounts for 40% of the Kingdom’s factories – with over 3,500 factories located in the region

Number of SIDF loans in the region increased by 100% from 35 to 70 loans from 2019 to 2020

NIDLP invested USD 2.4 billion in developing industrial infrastructure in the Kingdom in 2020

The region will be home to the largest industrial city in the world



## Machinery and Other Equipment

Riyadh region hosts 8 industrial cities, the highest number across the Kingdom with 188 machinery and equipment factories located within the region. Riyadh benefits from the Kingdom’s competitive advantages in this sector including access to a large domestic market, excellent infrastructure for connectivity and transport, a central location, access to raw materials (such as copper, aluminum, zinc, and iron), and the presence of established industrial cities.

In 2019, the Kingdom’s market size for machinery and equipment alone amounted to **USD 22 billion** and is expected to reach a value of **USD 32 billion in 2030**, approximately 44% of the total Middle East and Africa market size. Furthermore, continuous demand from sectors such as oil and gas and ongoing mega and giga projects taking place across the Kingdom and predominantly Riyadh – such as **Qiddiya, Diriyah Gate**, and King Salman Park – will help drive ongoing growth. This also includes upcoming government support offering incentives, including customs exemption for machinery and equipment, spare parts, and raw materials.

Further, localization efforts supported by **Saudi Vision 2030** aim to position the Kingdom’s machinery and equipment industry as a pioneering industry through technological development and localization of the value chain.

188 machinery and equipment factories are located in Riyadh’s industrial cities

The Kingdom’s machinery and other equipment market is expected to reach a value of **USD 32 billion in 2030**

Investment opportunities have been identified across the value chain of machinery and equipment manufacturing. This includes opportunities to support the reduction of machinery and equipment imports to the country, which in 2019 amounted to around **USD 14 billion**.

### Machinery and Equipment

Research & Development	» Design engg.(D&E) & Raw Materials	» Production	» Assembling and testing	» Installation and after sales services
<ul style="list-style-type: none"> <li>Activities performed to explore new international methods to enhance the products, processes and techniques</li> </ul>	<ul style="list-style-type: none"> <li>Validation, and development of engineering and design</li> <li>Super selection for the raw materials</li> </ul>	<ul style="list-style-type: none"> <li>Processing</li> <li>Casting</li> <li>Forging</li> </ul>	<ul style="list-style-type: none"> <li>Integration or assembly</li> <li>Quality control</li> <li>Product safety testing</li> <li>Trial runs</li> </ul>	<ul style="list-style-type: none"> <li>Direct sales</li> <li>Retail</li> <li>Aftercare services</li> </ul>

## Industrial Manufacturing (cont.)

### Food Products

Riyadh is developing ‘food value park’, which promotes private sector collaboration to increase the competitiveness of food segments across the Kingdom. The park is geared towards fulfilling increasing food demand and providing cost-competitive infrastructure for food manufacturers.

The park also helps facilitate strategic collaborations between farms or ranches and other supply-chain partners that distribute large volumes of high-quality unique food products.

The Kingdom is currently a net importer of key items, and the government is working towards reducing the reliance on foreign products. In 2019 the Kingdom was the largest importer of dairy across the Gulf Corporation Council (GCC) – with USD 606 million worth of cheese imports and USD 220 million worth of butter imports, while milk accounted for USD 79.4 million worth of imports. The second largest meat and poultry importer in MENA, amounting to USD 2.14 billion. The Kingdom is also the largest importer of confectionery and starch products in the MENA region.

Specifically, in line with Saudi Vision 2030, the National Food Security strategy aims to reach 85% localization of the country’s food industry by 2030 in segments deemed essential for national resilience. Riyadh is expected to play a key role in meeting this goal through its existing food manufacturing and agricultural strengths. Opportunities further exist to build out the region’s food products manufacturing capabilities to support the attainment of this goal.

Additional to its manufacturing capabilities, the region is an important agricultural center. Riyadh Region has abundant water reserves which hold the largest area of agricultural holdings in the Kingdom, amounting to more than 28% of the national total.

**Saudi Arabia’s food processing and beverage market size is expected to reach a value of about USD 55 billion by 2030**

**Riyadh Region holds the largest area of agricultural holdings in the Kingdom**

Furthermore, various incentives are offered by the government for investors supporting food production, including facilitating the trading processes for first-time exporters and access to special loans with banks and funds.

### Food Products

Inputs	Production	Primary Processing	Secondary Processing	Distribution
<ul style="list-style-type: none"> <li>Production of fertilizers</li> <li>Production of seeds</li> <li>Enhancement of Agrotech</li> </ul>	<ul style="list-style-type: none"> <li>Breeding of livestock</li> <li>Breeding of broilers</li> <li>Fisheries and aquaculture</li> <li>Crops &amp; Plantation</li> <li>Water and Cereals</li> </ul>	<ul style="list-style-type: none"> <li>Processing of frozen seafood, milk</li> <li>Packed vegetables, dates</li> <li>Packed chilled meat</li> </ul>	<ul style="list-style-type: none"> <li>Processed Meat</li> <li>Processed Poultry</li> <li>Cheese, yogurt, juices, sauces</li> </ul>	<ul style="list-style-type: none"> <li>Warehousing</li> <li>Retailing to traditions vs modern retail exports</li> </ul>





## Transport and Logistics

**Riyadh region's strategic location, growing industry, and world-class infrastructure have positioned the region as a core transport and logistics hub in the Middle East.**

The sector is comprised of an internationally recognized airport, a leading rail network, and a premier dry port which support the efficient and effective movement of goods and people to and from strategic global destinations.

With the Kingdom looking to further diversify its economy, and Riyadh contributing almost **50%** to non-oil GDP of the country, there is growing need and opportunity to further support growth across the sector. As the Kingdom looks to increase trade, tourism, and manufacturing outputs, advanced logistics services in Riyadh will be critical in supporting national and international value chains.

World-class infrastructure in Riyadh is a key driver that enables this sector to flourish further. The region is home to a network of three airports that hold a total share of **55%** of air cargo handled in Saudi Arabia. The Kingdom is expanding its freight transportation by developing 6 logistic zones to move cargo between each location. The region's rail network also supports the movement of key goods.

**Saudi Arabia's transport and logistics market is valued at USD 18 billion, and expected to grow at a 12% CAGR, reaching USD 26 billion**

With a strong value proposition, leading global logistics service providers have turned their attention to developing logistical parks and moving their regional headquarters to Riyadh. The development of these parks and the set-up of an extensive network of smart logistics and distribution facilities is consistent with the Kingdom's intent to become a regional and global logistics hub. Billions of dollars' worth of logistics projects were undertaken recently in Riyadh. Specifically, J&T Express Group, one of the world's fastest-growing logistics companies has invested **USD 2 billion** in the region. The investment will see the company's MENA headquarters established in Riyadh, as well as the establishment of an extensive network of smart logistics and distribution facilities, extending the Kingdom's reach as the regional center for modern logistics.

More broadly, in alignment with Saudi Vision 2030, Saudi Arabia plans to maximize benefits deriving from its strategic geographical location at the crossroads of main international trade routes between Asia, Europe, and Africa. The country is aiming to be ranked 10th globally on the Logistics Performance Index, position itself as a regional leader and increasing the sector's contribution to **GDP from 7.9% to 12% by increasing the sector's annual contribution to non-oil revenues to USD 1.6 - 2.4 trillion by 2030.**

To achieve this goal, the country plans to invest more than **USD 133 billion** in the transport and logistics sector, where it is ranked as the third most attractive logistics sector within emerging markets, and accounts for 55% of logistics activity in the Gulf Cooperation Council (GCC). As a central transport and logistics hub, Riyadh is set to see significant benefits from this notable government investment.

## Airports

**Serving as the gateway to Riyadh (Saudi Arabia's largest city), King Khalid International Airport is considered the second-largest airport in Saudi Arabia. The airport handled over 212 thousand flights, 29 million passengers, and 219 thousand cargo shipments in 2019.**

The airport was ranked **1st by the General Authority of Civil Aviation** in Saudi Arabia's international and domestic airport performance report in March 2022.

To support its standing as a world-class hub, the airport has committed to improving passenger experience by a rate of **82%**. The region is also home to two domestic airports – Dawadmi and Wadi Al Dawasir which offer domestic flights to destinations such as Jeddah and Riyadh City.



## Railways

Riyadh region is connected with key Saudi cities through an extensive network of railways and lines that includes the North railway, and the Riyadh-Dammam railway.

The North railway project is the world's longest railway network that uses the European Traffic Management System (ETCS-L2), connecting Riyadh and Al-Jouf region through Al Majmah, Qassim, and Hail. This project covers more than **2,750 kilometers of track**. The North Train Passenger Line originates in Riyadh and has a length of 1,250 kilometers, running northwest near the Jordanian border to Al Haditha

On the other side, Riyadh region is linked to Eastern Region through a cargo line of 556 kilometers. The line connects the King Abdul Aziz Port with Riyadh through Al-Ahsa, Abqaiq, Al-Kharj, Haradh, and Al-Tawdhiyah. Additionally, a passenger line connects Riyadh to Dharan, Baqiq, Al Hofuf, and Dammam. Almost **350,000 containers** of twenty-foot equivalent unit (TEU) are transported by the Riyadh-Dammam railway.

The National Transport Strategy aims to enhance the railway connectivity between regions through various initiatives targeted to increase the capacity of the current freight network, enhance the safety measures and improving the railway network connectivity through projects such as the Saudi Arabian Land Bridge project. The project aims to further connect Riyadh city to Jeddah and the Kingdom's seaports on the Red Sea coast with the seaports on the coast of the Arabian Gulf through Riyadh. The project is anticipated to be completed in 5-7 years.



## Key Projects and Initiatives

### 01 The National Transport and Logistics Strategy

The strategy has played a fundamental role in improving the sector's efficiency and competitiveness in Riyadh, while making Saudi Arabia a prime destination for international transportation and logistics investors. Key initiatives under the strategy include:

**Creating and improving the performance of logistic hubs by:**

- Building the King Khalid International Airport (KKIA) Terminal 6 which is designed to handle 35 million passengers a year, costing almost USD 16 billion
- Preparing engineering plans and architectural designs to create a new hall in King Khalid Airport
- Launching a new carrier focused supporting Riyadh

Planning, establishing, and supervising the development of logistic service areas to support the development of air freight by building the logistics zone in the Special Integrated Logistics Zone (ILBZ) in Riyadh's airport

**Improving urban mobility, including reducing congestion by:**

- Completing the Riyadh ring road to decongest the urban area in Riyadh
- Expand Riyadh-Dammam to 4 lanes expressway and transform it into a toll road

**Some of the national targets set in the National Transport and Logistics Strategy include:**

- Positioning Saudi Arabia as the 5th global air transit passenger route
- Launching an additional new national carrier
- Doubling air cargo capacity to more than 4.5 million tones

### 02 Riyadh Metro

The Riyadh City Metro project is being developed by a consortium of leading engineering companies globally including Bechtel, Siemens, Alstom, Samsung, and others. The metro's capacity can reach more than 1.16 million daily passengers. Plans are also underway to extend this number in the coming 10 years to more than 3.6 million daily passengers.

The metro consists of 6 lines with 85 stations, where the main stations are located in populated neighborhoods and at the crossroads of metro lines and bus network, acting as the backbone of the public transport system in Riyadh. Additionally, the metro includes stations that will serve as transit stops for various metro lines and will connect to the bus network, where the aim is to make it easier for passengers to navigate between the various levels of Riyadh's public transportation system. The integration with the Riyadh Bus Network will significantly reduce the number of cars, leading to less pollution and congestion.

### 04 Integrated Logistics Bonded Zone (ILBZ)

Saudi Arabia issued main regulations for its first integrated logistics zone in Riyadh, that was announced in 2018 by the General Authority for Civil Aviation, offering its services across a 3 million square meter zone. The zone is targeting to serve more than 650 million customers from Asia, Europe, and Africa.

**The zone offers incentives to companies that establish their operations at the site adjacent to the international airport in Riyadh, including:**

- 50-year 'tax holiday' which includes a VAT customs suspension
- Zero-rated corporate, income and withholding tax on certain payments
- 100% business ownership
- 100% suspension of customs and import restrictions
- No restrictions on capital repatriation

The zone will include different facilities and services including aircraft facilities, government-sponsored training programs, cargo handling services, and innovative technologies for cargo-tracking. The zone will be supported by a Government Services Office that will act as a one-stop-shop for investors seeking government services.



## Tourism

**The Riyadh region is emerging as a leading tourism destination in the Middle East. Over the last few years, the region's appeal has grown due to its old-world charm and important megaprojects aimed at creating a bustling location.**

Riyadh has transformed into a leading modern tourism destination with all of the comforts and excitement present in a well-recognized metropolitan hub. With ongoing focus on tourism in the region, investment opportunities in the sector are abundant.

The region is home to historic sites such as Al Masmak Palace, the Diriyah area, the old town of Al Ghat, and the village of Sadus. Markets, huge commercial complexes, malls, car shows, sports clubs, significant hotels and restaurants, and modern parks and gardens can also be found in Riyadh. The city is also commonly the setting for large festivals, conferences, seminars, exhibitions, and fairs. Riyadh Season, in the capital, is an entertainment festival drawing national and international performers, sporting events, and fine gastronomy. As a result of this large-scale activity, the World Tourism Organization (UNWTO) opened a regional office in Riyadh, serving as a hub for its activity across the Kingdom.

As the home to government agencies, corporate offices, banks, embassies and consulates, the city of Riyadh in particular is an attractive destination for both business and leisure. The city is the focus of the RHQ program which aims to grow the presence of multinational corporations in the Kingdom by in part providing a high quality of life through initiatives such as entertainment options for current and future residents.

**Total tourist expenditures in Riyadh amounted to USD 7.3 billion in 2019**

**In 100 days, the 'Riyadh Season' (an entertainment festival) attracted ten million visitors and one million tourists.**

**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.**

More broadly, the Kingdom has important plans for the tourism sector, aiming to reach **100 million overnight visits by 2030** and become a top 5 global destination. To achieve this, the Kingdom is implementing numerous giga and mega projects in Riyadh, such as Qiddiya – an entertainment complex featuring sport, nature, arts and culture facilities. Also, the Diriyah Gate project located in the city of Riyadh, features one of the Kingdom's 6 UNESCO World Heritage Sites.

Despite the disruption caused by the COVID-19 pandemic, the global travel and tourism market is expected to recover and surpass **USD 8.9 trillion by 2026**. With ongoing focus by the national government, Riyadh's existing strengths, and projected global growth in the sector, the region's tourism sector presents fruitful investment opportunities for investors.

Investment in infrastructure, accommodation, food and beverage, entertainment and leisure and retail sector has been proposed at an investment value of **USD 260 million** to further boost tourism in Riyadh region, specifically in AlGhat, Sadus, AlAflaj, and AlAmaria clusters. The region aims to develop supporting touristic assets while preserving the city's authenticity and integrity of historical remains.

## Culture and Heritage Tourism

**The city of Riyadh is home to Diriyah, the birthplace of the first Saudi state. The giga project is set to be the Kingdom's historic and cultural center, offering visitors a mix of heritage, hospitality, education, shopping, and food experiences.**

The region also holds one of 6 UNESCO World Heritage Sites in the Kingdom, At-turaif. At-turaif, which represents a symbol of Saudi Arabia's

rich history, is a sanctuary for national heritage, and comprises an important development project within Diriyah, which is valued at **USD 17 billion**.

Apart from its modern infrastructure, the Riyadh region is also rich in historical and cultural sites that showcase the finest of Arab heritage. The region is home to old markets, and museums with numerous examples of fascinating architecture. With **16%** of global tourism spending related to culture and heritage, opportunities are big, and Riyadh has the right foundations to support future growth of this sector.

**Home to At-turaif, holds one of 6 UNESCO World Heritage Sites in the Kingdom**

**Diriyah is expected to contribute USD 7.2 billion to the Kingdom's GDP and visitor are expected to reach 27 million by 2030**



## Business Tourism

**Riyadh City is going through notable transformation to solidify its position as one of the world's leading global business, tourist, and quality of life hubs, with tremendous potential to develop its business tourism industry.**

Riyadh is now home to the regional headquarters of 44 multinational companies an increase of more than 100% since 2021 as a result of efforts to attract more firms to the city, with a goal of attracting up to 500 foreign companies and position the Kingdom as the leading regional hub for multinational companies.

Riyadh is fast becoming a 'go-to' destination for world-class conferences. Some of the conferences held in Riyadh include the Financial Investment Initiatives (FII), the Global Entrepreneurship Congress and the upcoming World Travel and Tourism Council (WTTC). The sector is expected to grow due to the Kingdom's ongoing transformation as part of the Saudi Vision 2030 and the RHQ initiative.

With approximately 600 exhibitions, conferences, and meeting venues, the Kingdom has held over **100,000 business events** per year and attracted **3.9 million tourists**. With a total expenditure over **USD 1.12 billion**, business tourism accounts for roughly 21% of the tourism sector in Saudi Arabia.

To support the growing influx of businesses and tourists, Riyadh region accommodation increased by 19% from 2020 to 2021, offering more than **150 hotels, 687 furnished apartments**, and 191 other accommodation facilities with over **40,000 keys in 2021**. The Kingdom plans to increase the number of hotels to accommodate the anticipated 100 million yearly visitors as part of Saudi Vision 2030.

**The Kingdom holds approximately 600 exhibitions, conferences, and meeting venues throughout the Kingdom.**

**Business tourism accounts for roughly 21% of the tourism sector in the Kingdom**

## Key Projects

### 01 Diriyah Gate Project

Diriyah will be developed into a prominent lifestyle destination for culture and heritage, hotel, retail, and education, located about 20 minutes northwest of Riyadh's city center. The At-Turaif UNESCO World Heritage Site, a famous mud-brick and was the first home of the royal Al-Saud family from Diriyah, the capital of the first Saudi state. Al-Turaif historic district is being conserved and restored for future generations.

The project will protect At-Turaif and the unique environment of Wadi Hanifah, reviving the locations as must-see destinations for Saudis and international visitors. The Diriyah Gate neighborhood, as well as the adjacent Wadi Safar and Al-Bujairi, will be transformed into dynamic locations. The locations will be known for their world-class hospitality, cultural delights, with relaxing and shopping opportunities.

**Main highlights of the Diriyah project include:**

Development of 5 asset classes: heritage and culture, hospitality, lifestyle and retail, education, live and work

- Over 19 hotels and resorts
- Over 3,000 hotel rooms across Diriyah Gate
- Over 5 museums
- Over 5 cultural academies
- Restoration of 2.5k square meters at Wadi Hanifah
- 27 million visitors are expected by 2030



Image Source: <https://qiddiya.com/>

## 02 Qiddiya

Qiddiya is an entertainment megaproject offering a diverse range of services across five pillars: sports and wellness, nature and environment, parks and attractions, motion and mobility, and arts and culture. The project offers numerous opportunities for all investors, contractors, suppliers, strategic capital, and infrastructure partners as well as healthcare providers. Covering an area of 367 square kilometers, Qiddiya is currently in its design and construction phase.

Qiddiya will also include the Kingdom's first and the MENA region's largest water themed park. With a budget of USD 750 million, the park will span 252,000 square meters of land and feature 22 rides and attractions, nine of which will be the first in the world. The Entry Gate, Camel Rock, Dub Grotto, Wave Wadi, the Den, Viper Canyon, Arabian Peak, the Herding Grounds, and Surf Lagoon are among the nine innovatively constructed zones inspired by the native creatures that inhabit the area around Qiddiya.

The following are the main highlights of the Qiddiya project:

- Six Flags Qiddiya
- Jack Nicklaus Championship Golf Course
- Qiddiya Stadium
- Water them park
- Saudi's first and the MENA region's largest water themed park
- Speed Park

Several other projects taking place in Riyadh aimed at boosting the culture and heritage tourism include:

**Qasr Al-Hukm District Development Project:** The Royal Commission for Riyadh City aims to develop the city center, starting with Qasr Al-Hukm District with an area of 8 square kilometers and accommodate up to 22,000 people in the heart of the city. The project aims to revive the area's historical and political standing.



Image Source: <https://qiddiya.com/>

**Riyadh Art:** As the first national public art initiative in the Kingdom of Saudi Arabia, Riyadh Art consists of more than 1,000 artworks and landmarks to be installed across the city of Riyadh. Artworks will be created by local and international artists. The program will reach residential neighborhoods, gardens, parks, squares, metro/bus stations, bridges, city entrances, and tourism destinations.

**King Abdulaziz Historical Center Project:** established as a national landmark, the project is intended to be a reminder of the divine blessing upon Saudi Arabia. It features an exhibition of the history of the Arabian Peninsula, the immortal message of Islam, and the solid grounds on which Saudi Arabia was founded.

The following are the main highlights of the project:

- The project total area is 440,000 square meters
- National Museum with an area of 17,000 square meters
- King Abdulaziz Mosque which holds 4,200 people
- An Auditorium which can hold up to 500 people

**King Fahad National Library Expansion Project:** A key landmark within the city, the library plays a pivotal role in documenting the Kingdom's national heritage and the local cultural production with a mission to serve researcher's and learners.

The project includes a:

- Pre-expansion total area 21,000 square meters
- Post-expansion total area 87,000 square meters
- Post-expansion capacity of books, periodicals, and documents is expected to be 2.4 million books, periodicals, and documents
- Parking areas capacity of 620 cars.



Image Source: <https://qiddiya.com/>

### 03 King Abdullah International Gardens (KAIG)

Designed to be one of the largest botanical gardens in the world, KAIG will be the newest garden of its kind in the arid desert of the Kingdom covering an area of 2 million square meters. The center of the garden will be a uniquely shaped crescent which accommodates different controlled environments allowing visitors to experience the changes to plants and landscapes.

Visitors will enjoy different amenities which include markets, theaters, meeting halls, coffee shops and playgrounds. The project is set to become a key tourist attraction aligning with the Kingdom Saudi Vision 2030.



### 04 Key Seminars Exhibitions and Conferences

#### The Financial Investment Initiative (FII)

The Kingdom launched the Future Investment Initiative as part of its effort to reduce dependency on oil and foster a knowledge-based economy. The FII is a nonprofit foundation focusing on ESG (Environmental, Social, and Governance) principles in five areas: artificial intelligence, education, healthcare, robotics and sustainability. FII Riyadh is a three-day annual event held in Riyadh. The event is organized by Saudi Arabia's Public Investment Fund (PIF) that brings together industry, government, and civil society leaders to discuss the future of global investment.

#### The Global Entrepreneurship Congress

The Kingdom was chosen to host The Global Entrepreneurship Congress in early 2022. The Congress gathers investors, entrepreneurs, researchers and policymakers to discuss the address challenges related to entrepreneurship ecosystem. Approximately USD 14 billion in agreements and investment tours were received over the four-day conference showcasing a strong investment ecosystem within Saudi Arabia. Solidifying its position, the Kingdom is rated first out of 45 nations for startup ecosystem performance, with Riyadh scoring one of the top five regional cities.

#### The World Travel and Tourism Council (WTTC)

The World Travel and Tourism Council (WTTC) which represents the worldwide Travel and Tourism sector, with Riyadh the host in 2022. The World Travel and Tourism Council's annual Global Summit is a key Travel and Tourism event. Saudi Arabia has been at the forefront of a new global approach to redesign tourism, and this summit in Riyadh will bring together industry leaders and key government representatives to rally support for the sector's ongoing recovery, guiding it toward a safer, more resilient, inclusive, and sustainable future.

## Healthcare

**Riyadh is home to a growing healthcare ecosystem – comprised of high-quality and accessible healthcare facilities, training institutes, research centers and medical devices manufacturing.**

The region's world-class healthcare entities are supported by ongoing government initiatives aimed at further propelling Riyadh as a dominant healthcare hub in the Middle East.

The Kingdom represents **60%** of healthcare expenditures within Gulf Corporation Council (GCC) countries. As the largest market in the Middle East, Saudi Arabia's healthcare sector has been prioritized as one of the Kingdom's key sectors. In 2022, the Kingdom's budget for healthcare and social affairs amounted to **USD 36.8 billion** compared to **USD 50.9 billion in 2021**, which represented **14.4%** of the total budget.

As part of Saudi Vision 2030, the Kingdom launched the Health Sector Transformation Program, with the aim of facilitating a more comprehensive, effective, and integrated system throughout the nation. Under these integrated networks of healthcare providers – or Accountable Care Organizations – the Program is developing 20 'clusters' across the Kingdom, with two clusters already in mature stages in Riyadh.

**The Riyadh Second Health Clusters has 46 primary care centres**



## Medical Services

**415 healthcare facilities currently operate across Riyadh, serving a population of over 8.8 million people. The region hosts the King Fahad Medical City (KFMC) – one of the fastest growing medical complexes in the Middle East.**

Since its inception, the Medical City has grown to consist of four hospitals and four medical centres that provide a total of 1,200 beds. This complex has the capacity to support 30,000 inpatients and 500,000 outpatients.

**1.22 hospitals and 226.7 beds per 100,000 population (2019)**

**Home to 49 public and 45 private hospitals (2020)**

**415 healthcare facilities are present in the region (2019)**

Additionally, the presence of academic and training facilities in Riyadh city benefit from strong collaboration with international institutions. For example, in collaboration with the University of Cincinnati and the American Society of Blood Banks, KFMC offers research, continuous professional development, health training and postgraduate programs. The city also has highly developed research centers with advanced tools and innovative research in the following fields: histology and microbiology, molecular medicine and biochemistry and analytical chemistry.

The region's health and life sciences ecosystem also includes world-class research institutions such as the King Faisal Specialist Hospital and Research Center. The center, which is ranked among the top 100 hospitals in the world, is widely regarded as one of the most prestigious medical facilities in the Middle East, particularly in fields such as oncology, organ transplantation (more than 17,450 transplants have been performed over the last 40 years), genetics, and neuroscience. The center also offered 424 robotic surgeries, and has 63 fellowship programs with 96 sub-specialty programs.

Riyadh Elm University also plays a critical role in the development of Riyadh region's pipeline of medical practitioners, with 7 undergraduate and 4 masters programs specially in dentistry and pharmacy. The King Abdullah International Medical Research Center (KAIMRC) is a new and promising hub for offshoring clinical research.

**King Fahad Medical City is the largest and most advanced medical complex in the Middle East with a bed capacity of 1,200**

## Medical Devices

**Riyadh region is the Kingdom's hub for manufacturing medical devices, hosting approximately 60% of all medical devices manufactures in the country, supplying medical furniture, dental equipment, lab equipment and supplies, and consumables.**

The Kingdom's medical devices market is the biggest in the MENA region having stable demand through buyers such as National Unified Procurement Company (NUPCO) – the Kingdom's largest medical supplies provider for government healthcare facilities - and GULF Health Council. By 2025, the Kingdom aims to expand its current global market share of medical devices manufacturing of **6% to 16%** by expanding products portfolio and venturing into MedTech devices driven by local and regional demand. The increasing focus on home healthcare services will further trigger demand for home devices and telemedicine-led equipment.

**The Kingdom's MedTech market valued at USD 5.4 billion in 2021**

The market of medical devices is regulated by Saudi Food and Drug Authority (SFDA) which recognizes USFDA, EU and Japanese approvals, providing easy access to international investors in the sector. Riyadh's growing healthcare ecosystem will further push the demand for medical devices manufacturing in the region



## Digital Health

**In Saudi Arabia, digital healthcare is shaping the healthcare sector transformation through increasing efficiency and producing better outcomes – with Riyadh playing a vital role in these efforts.**

The Digital Health Strategy operated by the Ministry of Health (MoH) focuses on telehealth and advanced systems of care, delivered efficiently and safely to all. Phone applications such as Tawakkalna, Sehhaty and Mawid, developed by the MoH encourage digitization of the healthcare sector, providing easy access to healthcare providers through virtual appointments and making a wide range of medical services available to patients.

Additionally, the National Health Command Centre, operated and established in Riyadh in 2019 by the Ministry of Health, serves as a central database for gathering and visualizing healthcare data using artificial intelligence and, in the process, digitizing the patient's journey. The centre works to support the Kingdom's transformation into electronic healthcare services, facilitate dissemination of health data safely, and support programs of research and health studies, all the while maintaining the privacy of the patients.

The region also hosts the Middle East's first virtual hospital—Seha. The hospital is supported by **130 hospitals** across the Kingdom providing more than **30 specialized** services. It offers emergency and critical services, home care services and several other medical support services.

In addition, under Saudi Vision 2030's goal of addressing health challenges, Riyadh inaugurated its first global medical biotechnology summit to target biomedical and health experts from all over the world and to discuss the Kingdom's role in becoming a regional hub in biotechnology.

**The National Transformation Program aims to increase private sector investment in the healthcare sector from 40% to 65%**

Under the umbrella of Saudi Vision 2030, the government will invest **USD 65 billion** in the coming years to continue to grow and develop the Kingdom's healthcare sector. As a core initiative, the National Transformation Program aims to increase private sector investment in the healthcare sector from **40% to 65%**, which will ultimately target the privatization of 290 hospitals and **2,300 primary health centers** operating in the Kingdom. This target presents unparalleled opportunities for healthcare and infrastructure-related investments across the region.



## Pharmaceutical Products

**Under the National Transformation Plan, the Kingdom has established a target to localize 40% of the pharmaceutical sector by 2030.**

Specifically, this target is aimed at strengthening biologics, fill and finish processes, and pharmaceutical related secondary packaging. Riyadh has been placed at the forefront in supporting the Kingdom's ambitions under the National Transformation Plan.

As part of the Kingdom's efforts to increase localization across the healthcare sector, in 2021 the Saudi Authority for Industrial Cities and Technology Zone (MODON) signed three contracts to establish new generic production facilities. Two of the facilities will be located in Riyadh's Second and Third Industrial Cities. More broadly, there are currently over **40 pharmaceutical factories** located in the region's industrial cities (2nd, 3rd, Al Kharj and Sudair Industrial City) including Sudair Pharma, Riyadh Pharma, Saudi pharmaceutical industries, Al Razi Pharma and others. Specifically, Sudair Industrial City includes the first pharmaceutical industrial complex in Saudi Arabia which contains 20 pharmaceutical factories.

**The Saudi pharmaceuticals market is expected to grow at a 5% rate each year until 2025, reaching a value of USD 10 billion**

The Kingdom's market size for pharmaceuticals and biopharma is further expected to grow at **CAGR 4.6%** and **5.4% by 2030**, respectively. The Middle East and Africa (MEA) market, which is usually more dependent on conventional pharmaceutical products, is expected to grow at a higher pace than the global market. As the largest market in the Middle East for pharmaceuticals, Saudi Arabia is responsible for over **45%** of the

pharmaceuticals imported to Gulf Corporation Council (GCC) countries, with growth expected to reach **USD 10 billion by 2025**. The Kingdom also has one of the highest adoption rates for biological drugs. With this growing global, regional and national demand, opportunities exist to expand Riyadh's focus to not only support the Kingdom's pharmaceutical needs, but global and regional demand as well.

Additionally, to support growth of the pharmaceutical sector, including Riyadh's role in meeting market needs, the government offers various incentives to potential investors. Among these incentives is a fixed price for registered chemical and biological products to foreign companies that transfer all of their manufacturing processes to the Kingdom. Foreign companies who make the move are also exempt from registration fees and fees from pharmaceutical and inspection services.

More broadly, Riyadh's pharmaceutical sector offers a wide range of investment opportunities, especially as it relates to the localization of manufacturing of numerous products, for example: biological medications, vaccines, insulins in different dosage forms and presentations, plasma derived medications (including albumins, immunoglobulins, anticoagulants, and others), solid oral dosages in key therapeutic areas, sterile injectables and APIs.

**Riyadh region's 2nd, 3rd, Al Kharj and Sudair industrial cities feature over 40 pharmaceutical factories equipped to support increasing localization of the sector**

Research and Development	Production	Active Pharmaceutical	Formulation	Fill and Finish	Distribution
<ul style="list-style-type: none"> <li>Identify Need e.g. gaps in knowledge and technology</li> <li>differentiate from standard of care</li> <li>Basic Research/ Early Discovery</li> <li>Uncover insights into biology of disease and identify pathways, compounds, target candidates.</li> <li>Therapeutic modulation.</li> <li>invitro (cell-based) experimentation</li> <li>Preclinical Research:</li> <li>invivo (model organism)</li> <li>Experiments of nature (drug-gene pairs).</li> <li>Clinical Trials (interventional &amp; observational):</li> <li>1. Phase I</li> <li>2. Phase II</li> <li>3. Phase III</li> <li>4. Phase IV</li> </ul>	Raw Materials	Biological API (Large Molecule API)	Adding excipients (wax excipients and mAb excipients)	<ul style="list-style-type: none"> <li>Fill (primary packaging): solid orals, pre-filled syringes, vial, inhalers, Topical)</li> <li>Finish (Secondary packaging; Outer cartoons, boxes, leaflets.</li> </ul>	<ul style="list-style-type: none"> <li>Shipping services and supplies</li> <li>Time temperature indicator</li> <li>Container closure</li> </ul>
		Active Pharmaceutical Ingredients	Formulation		
		Chemical API (small Molecule ASI).	<ul style="list-style-type: none"> <li>Powder blending (blend excipient with API to produce solid dosage form)</li> <li>Wet/dry granulation</li> <li>Milling and compression (tableting, coating, polishing)</li> <li>Dissolution.</li> </ul>		

## Education

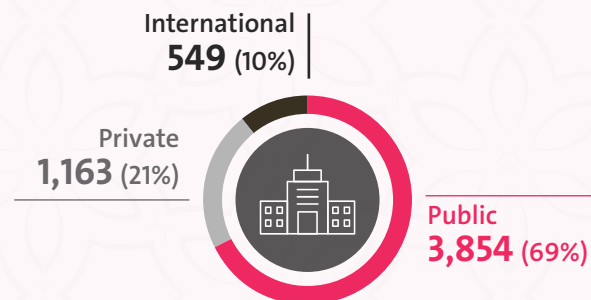
Riyadh has a well-educated talent pool, supported by a young and educated population with a diversity of qualifications. As Riyadh continues to undergo significant transformation and growth supported by key government initiatives such as the RHQ program, notable opportunities are emerging to strengthen education and bring world-class learning to the region.

As of 2021, schools in Riyadh Region accounted for 26% of all schools in the Kingdom.

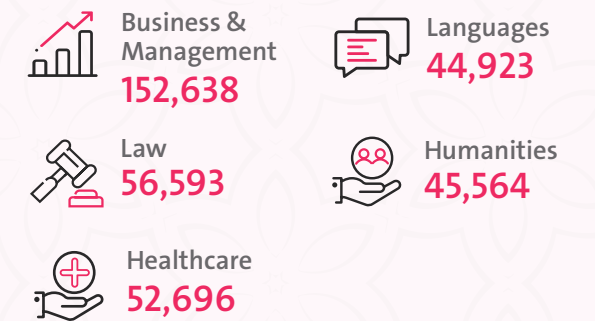
Number of technical and vocational training units (2019):



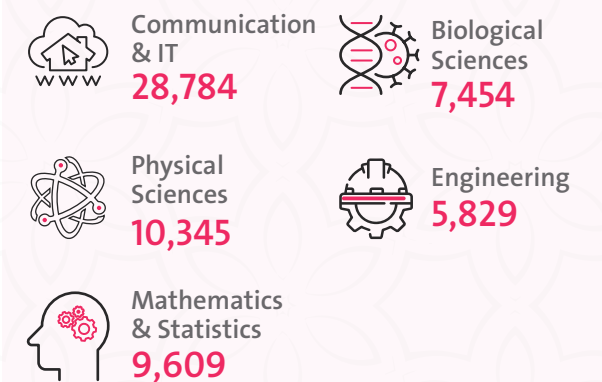
Number of schools (2021):



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



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



## Education (Cont.)

Between 2019 and 2021, the government supported Riyadh's education system with more than USD 267 million to further develop the sector and facilitate the safe return of students after the end of Covid-19 pandemic restrictions. To further support the structural transformation of the education sector in the region, the Royal Commission for Riyadh City (RCRC) launched the international schools' attraction program in partnership with the Ministry of Investment and Ministry of Education.

The Kingdom supported Riyadh's education system with **USD 267 million** to help develop the sector during COVID-19

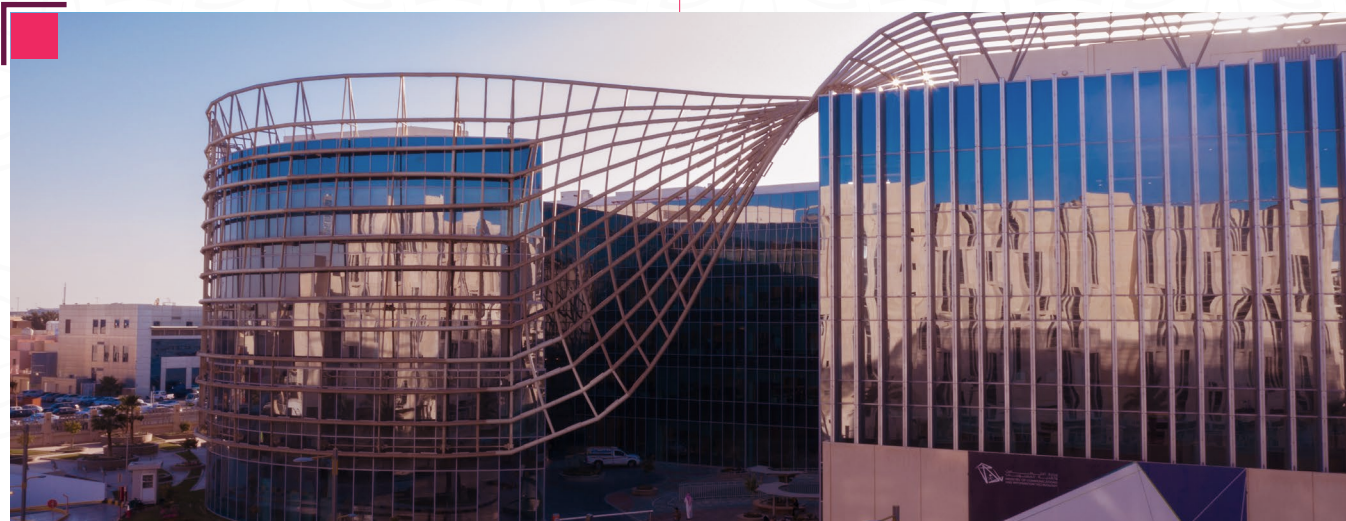
The Kingdom aims to have two Saudi Universities among the top **100 universities** in the world by 2030.

During the COVID-19 pandemic, the Kingdom's education system demonstrated strong resiliency by successfully continuing the educational process. This was in part achieved through e-learning and distance education systems such as the Madrasati Platform,

which manages and monitors educational processes to meet current and future digital needs. Many electronic educational tools are included in the platform, which supports teaching and learning processes.

Across the Kingdom, the education sector is projected to grow through 2030 with a **+3.3% CAGR** for elementary and high schools and **+5.0% CAGR** for pre-school and primary schools. To support this projected growth, the Kingdom offers investors seeking to create elementary and high schools' access to affordable land and building prices (low cost of construction), competitive operational costs, and facilitates foreign visas for employees. For pre-school and primary schools, 100% investor ownership is permitted, and nationals are exempted from tuition taxes. The Human Resource Development Fund (HRDF) covers **30% to 50%** of the wages for Saudi employees. Also, investors can set-up flagship units of their institutions in Riyadh and other cities such as Jeddah, Dammam, etc., and launch **Tier 2 and Tier 3 branches** in other cities.

The Saudi education market is projected to grow through 2030 by a **CAGR of 3.3% CAGR** for elementary and high schools and a **CAGR of 5%** for primary and pre-schools



The education sector in Riyadh is also supported by universities, which provide relevant programs to support the development of the Region's strong labor pool. These universities include:



The total number of enrolled students



Previous year graduates



Key areas of focus

### King Saud University

62,711  
(2019)

8,209  
(2019)

Engineering, business administration, computer and information sciences, law and political sciences, languages and translation, and applied medical sciences, among others.

A public university founded in 1957 by King Saud bin Abdulaziz and ranked among the top 3 universities nationally. The university is particularly well known for its health and social services programs and two hospitals that are highly recognized for their equipment, qualified consultants, and technology.

### Imam Mohammed bin Saud Islamic University

176,488  
(2019)

14,563  
(2019)

Science, Sharia, fundamentals of religion, medicine, engineering, language and translation, and computer and information among others

The university was founded in 1953 which combines a commitment to Islamic values with academic excellence, the university is comprised of 14 colleges, 3 institutes for postgraduate studies, several support deanships, research and service centers, and scientific research chairs.

### Princess Nourah Bint Abdulrahman University

39,199  
(2019)

9,308  
(2019)

Business administration, science, engineering, health sciences, languages, education and law, among others.

A women's higher education institution founded in 1970 with six colleges in Riyadh. The university has grown to include 16 colleges. The university is focused on languages, sciences, teacher education, social work, home economics, and arts, and it is the largest women's university in the world, with a total size of 8 million square meters, 600 smart buildings, and 4,000 solar panels.



## Key Projects and Initiatives

### 01 International Schools' Attraction Program

The international school's attraction program aims to expand the presence of international schools in the region. Over the past couple of years, Royal Commission for Riyadh City (RCRC) has worked to attract several world-leading international institutions to the region, including:

In April 2021, RCRC signed a partnership with King's College (one of the most prestigious British schools) to open in Riyadh as the first school under the RCRC international schools' attraction program. The school is the first British private school in the Kingdom and started its first educational year in August 2021.

In September 2021, RCRC attracted SEK International Schools, which has over 130 years of educational presence worldwide, to inaugurate its international school in Riyadh. The school is seeking to be part of the IB World Schools that share high quality teaching and implement technology and innovation in their educational systems.

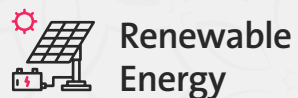
In December 2021, Britus Education, launched its 5th international school in Riyadh. The school follows the American education system and aims to host more than 2,000 students after the completion of its expansion plan.

In September 2022, Aldenham Education Group, one of the oldest British schools with over 425 years of educational history, will inaugurate its first school in Riyadh in partnership with RCRC, the Ministry of Investment, and Ministry of Education. The school is the third established educational body in Riyadh under the RCRC International schools' attraction program.

### 02 Human Capability Development Program (HCDP)

The HCDP focuses on developing the capabilities of the young, Saudi population, both locally and globally, through the improvement of the education sector. HCDP aims to boost education in the Kingdom to higher standards and quality in order to ensure that young talented generations are prepared for the current and future labor market and thus increase the Kingdom's worldwide competitiveness. The program will cover 16 of the Saudi Vision 2030's strategic objectives through 89 initiatives. The initiatives will cover Kindergarten expansion and enrollment from 23% to 90%, which will ensure a resilient educational foundation for future generations, provide guidance for job seekers, enable entrepreneurs, etc. Furthermore, the program aims to place two Saudi universities among the top 100 universities worldwide by 2030.

# EMERGING SUB-SECTORS



Renewable Energy

In addition to well-established key sectors, Riyadh is home to emerging areas that have demonstrated notable potential for future growth and opportunity. In particular, the region's location confers a significant potential for solar power generation.

Thanks to strategic government initiatives, strong infrastructure assets, and an existing talent pool, the renewable energy sector is on the rise.



## Renewable Energy

The Kingdom's location and landscape provide a strong foundation to ensure commercial viability for projects related to renewable energy sources (particularly solar power).

Riyadh has good generation potential, the largest market in the Kingdom, and a robust transmission infrastructure.

The region is home to 12 solar power plants, which account for 26.1% of the total solar power plants in the Kingdom (2019)

Home to a 1500 MW solar plant project in Sudair that will be capable of powering 185,000 homes and offsetting nearly 2.9 million tons of emissions per year

Total projected investments in renewable energy in the Kingdom are estimated to reach USD 94.7 billion by 2030. Supported by this large-scale investment, Riyadh has the potential to become a key hub for renewable energy, and it is expected to attract over 40% of investments flowing into the Kingdom between 2022 and 2030.

Several solar energy projects are underway in Riyadh including Saad the Solar Energy Project, Laila Solar Energy Project and Wadi al Dawasir Solar Energy Project

49.14% of households in the Kingdom want to use solar energy in their homes

Saudi Arabia is aiming for 50% of its energy to be generated from renewable energy sources by 2030. As part of Saudi Vision 2030, the National Renewable Energy Program (NREP) is a strategic initiative with the goal of increasing the Kingdom's share of renewable energy production. The program seeks to balance the mix of local energy sources and support the Kingdom's carbon dioxide emission reduction targets. The National Industrial Development and Logistics Program signed the first contract to localize renewable energy technologies (solar systems and hybrid diesel generators and testing electricity in low temperatures) and commence planned projects.

By 2026, global renewable electricity capacity is forecasted to rise more than 60% from 2020 levels. Renewables are set to account for almost 95% of the increase in global power capacity through 2026, with solar photovoltaic (PV) alone providing more than half. This presents notable opportunities for this emerging sector in the region.

Saudi Arabia is aiming for 50% of its energy to be generated from renewable energy source by 2030



## Key Projects and Initiatives

### 01 Solar PV Cell Project

The project entails a solar PV cell and module manufacturing plant, and a PV reliability laboratory to produce solar panels and cells. An initiative born out of King Abdulaziz City for Science and Technology (KACST) national research laboratories, the project aims to create real-world technology applications. KACST has also developed the world's first globally authorized laboratory to test the efficiency and dependability of solar panels and design standards that are environmentally friendly for the Kingdom. It is the first factory to produce solar panels and cells in the Kingdom and the first internationally accredited Saudi laboratory for testing the reliability of solar panels in KSA.

#### Results to date include:

- 60,000 cubic meters/day of clean water produced by the Al Khafji desalination plant using solar energy.
- 35,000 solar panels produced locally.
- The largest facility to be powered by locally manufactured solar panels to-date.

#### Sub-projects include:


- Solar PV module manufacturing plant with an annual production capacity of 100 MW.
- Solar PV cell manufacturing plant with an annual production capacity of 100 MW.
- Internationally accredited solar panel reliability testing laboratory authorized to issue IEC certifications.
- Using solar energy for water pumping.
- Using solar energy to power schools.

### 02 Sudair Solar Power Plant

The Sudair solar power project is a 1.5GW photovoltaic (PV) solar farm being built in the Riyadh Region. The plant will be the biggest solar power plant in the Kingdom upon completion. The plant was announced in April 2021 and it is expected to start generating electricity in 2022.




# KEY PROJECTS

 Regional Headquarters Road Safety Program (RHQ) >

 Green Riyadh >


 ROSHN >

 Riyadh Sports-Boulevard >

 Saudi Genome Program based in King Abdulaziz City for Science and Technology (KACST) >

 King Salman Park Project >

 King Abdulaziz Project for Riyadh Public Transport >

 Riyadh Sustainability Strategy >

## Regional Headquarters Program (RHQ)

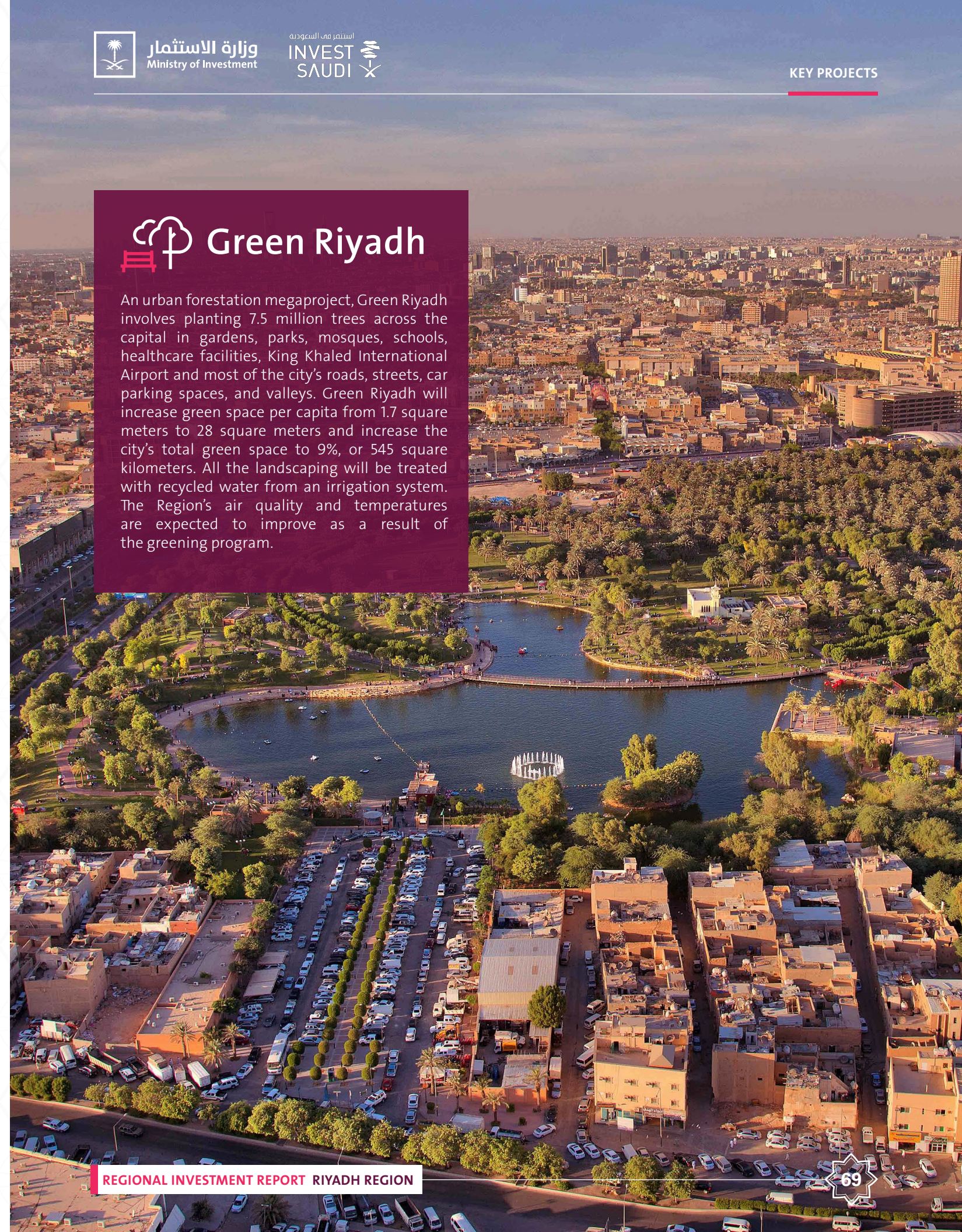
The RHQ program was developed in collaboration between the Ministry of Investment (MISA) and RCRC to promote the establishment of regional headquarters of multinationals in Saudi Arabia. As part of Saudi Vision 2030, the program seeks to entice global companies' regional headquarters to locate to the Kingdom.

To be eligible for the RHQ program, companies must have at least two subsidiaries or branches in countries other than the Kingdom. Under the program, eligible companies will receive noteworthy incentives such as Saudization exemptions, visa limit exemptions, end to end business services, spouse and dependent work permits and others. By October 2021, 44 multinationals had received licenses to relocate their headquarters to Riyadh



## Green Riyadh

An urban forestation megaproject, Green Riyadh involves planting 7.5 million trees across the capital in gardens, parks, mosques, schools, healthcare facilities, King Khaled International Airport and most of the city's roads, streets, car parking spaces, and valleys. Green Riyadh will increase green space per capita from 1.7 square meters to 28 square meters and increase the city's total green space to 9%, or 545 square kilometers. All the landscaping will be treated with recycled water from an irrigation system. The Region's air quality and temperatures are expected to improve as a result of the greening program.





## ROSHN

**ROSHN is a national community developer backed by the Public Investment Fund focusing on providing Saudis with high-quality residential communities. The company seeks to improve homeownership rates in line with Saudi Vision 2030 by increasing homeownership rate to 70% in the Kingdom.**

ROSHN has signed USD 426 million in 6 partnership contracts to develop the first phase of its integrated neighborhoods in Riyadh. The project will extend over an area of more than 20 million square meters and will include more than 30,000 homes.

### The goals for ROSHN include:

- Offering a viable solution to Saudi nationals that will enable citizens to own their own homes according to their needs and financial circumstances;
- Providing superior living experiences to current and future generations;
- Rapidly increasing the volume of affordable homes supply and enhancing access to subsidized and appropriate funding;
- Supporting the advancement of the legislative and regulatory environment;
- Supporting business growth by empowering local companies through strategic partnerships



## Riyadh Sports Boulevard

**The sports boulevard is a complex with green pedestrian walkways, 134 kilometers of horseback riding trails, and two major cycling routes (135 kilometers and 85 kilometers, respectively) for riders of all abilities.**

The complex stretches 135 kilometers across Riyadh, connecting the valleys of Wadi Hanifah in the west to Wadi Al Sulai in the east through the Prince Mohammed bin Salman bin Abdulaziz Road, and contributes to Saudi Vision 2030's goals of increasing quality of life. The Riyadh Sports Boulevard has 9 key areas: Hanifah Valley Zone, Art Zone, Al Yasen Zone, Recreational Zone, Sports Zone, Sports Tower, Environmental Zone, Al Sulai Valley Zone, and Sand Dunes Park Zone

### Riyadh Sports Indicators:

- 4,200,000 square meters of green space areas
- 120,000+ trees to be planted
- 45% increase of the per capita share of green space in city
- 100% recycled water used for the irrigation of trees and green spaces
- 35% reduction in journey times between neighborhoods using environmentally friendly transportation such as cycling and horse riding to promote a culture of public health.

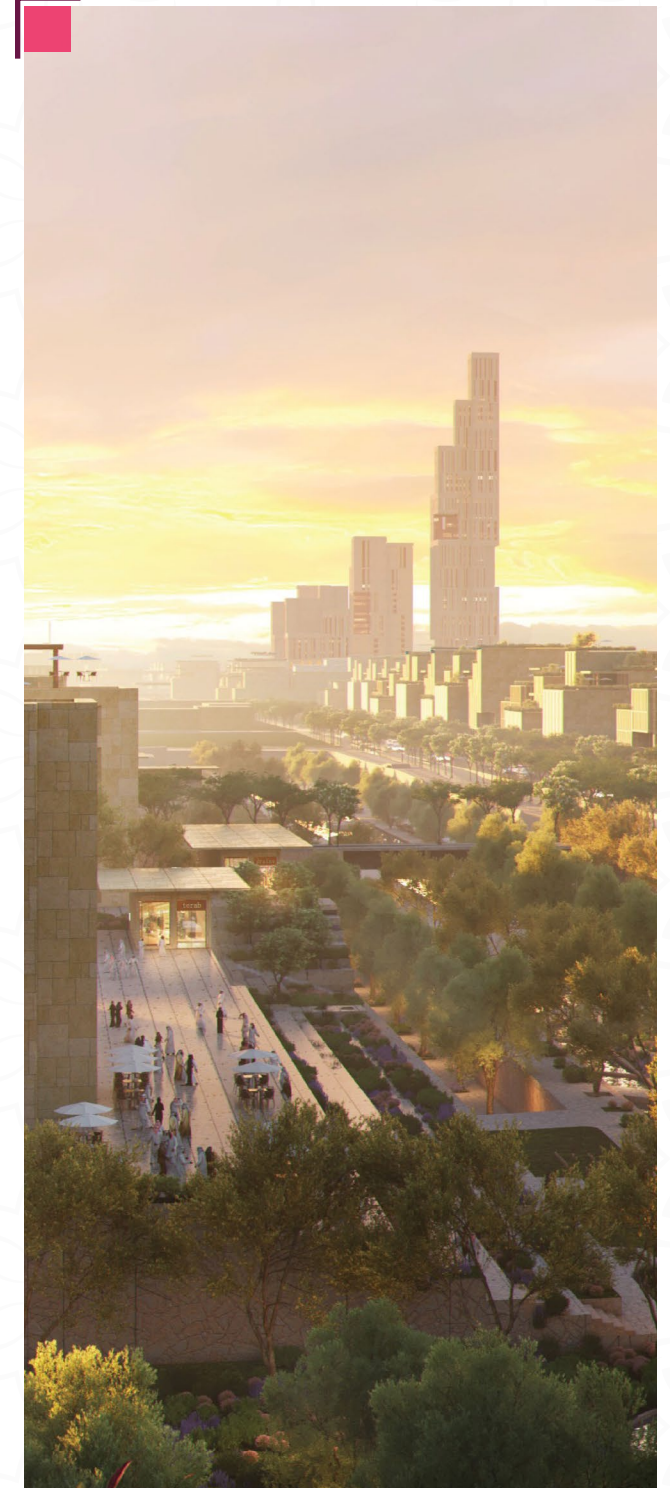


Image Source: <https://sportsboulevard.sa/en/media-center/>



## Saudi Genome Program based in King Abdulaziz City for Science and Technology (KACST)

**A testament to the Government's attention to the nation's healthcare services, the program aims to reduce and prevent genetic diseases by implementing reliable screening and detection methods and creating the physical and legislative infrastructure for development of personalized medicine.**

Initiatives within KACST provide support for substantial medical progress aimed at detecting the genes responsible for genetic diseases in the Kingdom.

### Saudi Genome Program indicators:

- 100+ researchers involved
- 8 Saudi Research Centers working in collaboration
- 134 peer-reviewed papers published in international journals
- 25 gene panels developed



## King Salman Park Project

**The King Salman Park Project aims to create one of the world's largest city parks.**

The park spans more than 16 square kilometers and provides inhabitants and visitors with a diverse selection of options and high-quality activities. The park will comprise enormous open green spaces totaling more than 11.6 square kilometers, one million trees, a 7.2 kilometers pedestrian path (loop), and a "valley" area in the center of the park surrounded by art and water features. The Park will provide a significant contribution to the region's vegetation growth and increase the rate of per capita green space, both of which will have a direct and positive influence on the quality of the environment and climate.

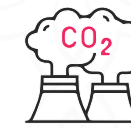
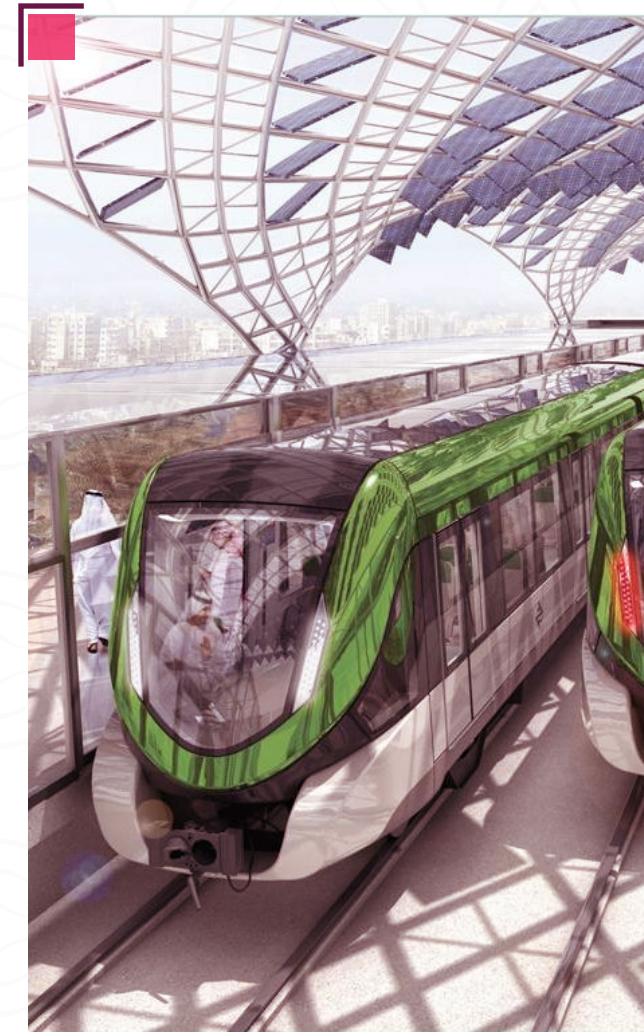
### The following are the main highlights of the King Salman Park project:

- Green areas and open spaces totaling more than 9.3 Million Square meters
- Various gardens covering over 400,000 square meters.
- Royal Art Complex occupying an area of more than 400,000 square meters
- Cultural facilities, including 7 different museums, Plazas to host different events with a total area of 400,000 square meters
- Sports and Entertainment facilities, including a Royal Golf Course covering an area of 850,000 square meters, A sports complex covering an area of 50,000 square meters, A sky diving center and more
- Housing hospitality and business, including Residential compounds providing 12,000 housing units and 16 hotels with a total of 2,300 rooms
- Public facilities, including main and service road, and 280,000 square meters of parking spaces



## King Abdulaziz Project for Riyadh Public Transport

The metro network constitutes the backbone of the public transport system in Riyadh. With six lines at a total length of 176 km and 85 metro stations, the metro network will cover most of the densely populated areas, public facilities, educational, commercial, and medical institutions



## Riyadh Sustainability Strategy

**The Riyadh Sustainability Strategy will see carbon emissions in the city reduced by 50%. In addition, there will be USD 92 billion invested in sustainability initiatives and projects, stimulating the private sector.**

His Excellency Fahad Al-Rasheed emphasized the efficient management of natural resources, referring to an investment of USD 8 billion to increase the use of treated water for irrigation in Riyadh from 11% to 100%. This will ensure every drop used is recycled, making the capital's water consumption more sustainable. The plans also commit to investing nearly USD 15 billion in waste management projects to recycle 94% of waste into energy.

The Kingdom will also join the Global Methane Pledge to contribute to cutting global methane emissions by 30 percent by 2030, as part of its commitment to deliver a cleaner, greener future.

The Kingdom has announced that at least 30% of cars in its capital Riyadh would be electric by 2030.



# INTERESTED IN INVESTING IN RIYADH?

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

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.

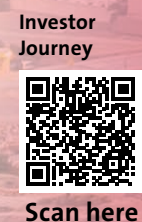
Not only does MISA's connectivity range from trade associations, all sector companies, relevant universities, and much more, but the Ministry is responsible for issuing and regulating investment licenses.



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 Riyadh.



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



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



Scan here

Existing opportunities in Riyadh region include:

- **Machinery and Other Equipment**
  - Couplings
- **Medical Devices**
  - Lab Centrifuge And Parts
- **Education**
  - Premium-And-Super-Premium-International-Schools-In-Riyadh
- **Renewable Energy**
  - Saad Solar PV 300 MW
- **Food Products**
  - Cheese



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Reach out to the Ministry of Investment  
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For questions and to learn more about opportunities in  
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