



INVESTMENT CLIMATE IN ARRIYADH CITY 2013



In The Name Of Allah,
The Most Merciful,
The Most Compassionate



The Kingdom of Saudi Arabia continues to enjoy unprecedented and widespread development and modernization in both public and private sectors. These remarkable strides are testimony to the wise leadership of the Custodian of the Two Holy Mosques, King Abdullah Bin Abdulaziz, may God bless him, and His Royal Highness, Prince Salman Bin Abdulaziz, the Crown Prince and Deputy Prime Minister.

The public sector of the Kingdom has benefited from the care and attention of insightful leadership while at the same time the private sector has also been the target of a wide range of support and encouragement. Such measures have formed fundamental pillars of development facilitating a major national achievement at local, regional and international levels and enabling the Kingdom assume top rankings in the field of competitiveness on the world stage.

With thanks to God, Arriyadh is a successful model in terms of achieving successful development in both public and private sectors. This has sustained the city's economic position, enhanced competitiveness and created wider, larger, more feasible and safer investment opportunities in vital sectors.

This annual Investment Climate in Arriyadh report is integral to the role of the High Commission for the Development of Arriyadh in developing the city's economy, highlighting the strong economic merits of the capital and providing accurate economic data. This edition of the Report describes the very latest developments in the city including the visionary new public transport project. It reveals the highly attractive investment environment in Arriyadh and provides details of the supportive regulatory framework as well as the many advantages and opportunities open to all those willing to invest and start businesses in Arriyadh.

H.R.H. Prince Khalid Bin Bandar Bin Abdulaziz Al-Saud

Governor of Arriyadh

Chairman of the High Commission for the Development of Arriyadh



Arriyadh is an international Arab capital strategically located and benefitting from sophisticated infrastructure, which by the Grace of God and through the good governance of our nation's leadership, have made the city a highly attractive destination for investors from around the world and a viable and secure location for new entrepreneurial ventures across many sectors. Youthful, dynamic and liveable, Arriyadh is also recognised for its modern and comprehensive infrastructure, high grade public facilities and utilities which include rapidly expanding power generation capacity, and other significant developments in both Government and private sectors. All this is set within the secure framework of a stable, open and buoyant national economy backed by major resources of capital, strategically located and open to Saudi, regional and wider global markets.

Underpinning and confirming this are generous government investments in future development as well as the significant purchasing power of a substantial market in what is a very young society in an equally youthful, dynamic and liveable city that still remains strongly connected to its past and traditions.

Diverse projects are being undertaken in finance, technology, housing, road and infrastructure construction, and power. All this has lead Arriyadh to be recognised by many specialist international agencies as one of the world's top-ranked urban centers in terms of projects and development.

This edition of the Investment Climate in Arriyadh report that the ADA publishes every year contains a wealth of up-to-date information and statistics and provides a useful resource for anyone interested in the numerous and exciting investment opportunities available in Arriyadh.

H.R.H. Prince Turki Bin Abdullah Bin Abdulaziz Al-Saud
Deputy Governor of Arriyadh



Arriyadh is a major city that offers many benefits to anyone seeking promising investment opportunities. Besides its strategic location and its political, administrative, demographic and service components, Arriyadh enjoys a vigorous economy that makes it one of the region's largest and fastest growing cities benefitting from stable free markets in a wide variety of sectors.

Arriyadh continues to demonstrate its capacity for urban renewal and modernization by effective use of available human, financial and technical resources. In the recent decades of prosperity in the Kingdom, Arriyadh has witnessed the establishment of diverse development projects in many key areas. They include industrial, economic, urban planning, services, education, health, environment and technology covering major sectors such as transport, housing and welfare. This has helped make the city a unique oasis filled with fruitful investment opportunities.

As part of its efforts to showcase the city's economy, the High Commission for the Development of Arriyadh presents this edition of the Investment Climate in Arriyadh report outlining investment opportunities including those which can make use of transfer of technology and scientific, technical and administrative skills. The report also provides the latest data and details of the significant features and competitive facilities available to both local and foreign investors and describes the exciting developments in public transportation including the new metro and bus system for Arriyadh and major national railroad developments.

Arriyadh offers a warm welcome to those who seek investment opportunities that are safe, feasible and play a role in the development of various vital sectors in the city. In addition the report presents details on how investors can effectively make use of the attractive environment, numerous modern facilities and generous opportunities and privileges offered by Arriyadh.

Ibrahim Bin Mohammad Al Sultan

President of Arriyadh Development Authority

Member of the High Commission for the Development of Arriyadh



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This Report

The Investment Climate in Arriyadh Report represents one of the objectives of the High Commission for the Development of Arriyadh to provide local and foreign businessmen and investors with guidelines and information on policies and procedures related to relevant agencies and the range of investment opportunities available in Arriyadh.

The 2013 edition, as in the editions of previous years, comprises four parts:

Part One provides background and general information on the Kingdom of Saudi Arabia.

Part Two under the title Arriyadh City presents the importance and features of the city; infrastructure, economic and service sectors and the role of the High Commission for the Development of Arriyadh in the development of the capital.

Part Three shows the role of the Kingdom in enhancing the investment climate, including the macro-economic indicators in Saudi Arabia, and policies and procedures adopted by the Saudi Government to support the investment in the Kingdom in general and Arriyadh in particular. It outlines key regulations and procedures, including the recent labour law related to investment, foreign investment and capital markets. It also covers main government agencies related to investment in the Kingdom and Arriyadh, such as the Supreme Economic Council, Supreme Council for Petroleum and Minerals, General Investment Authority, Saudi Commission for Tourism and Antiquities, Telecommunication and Information Technology Commission. It also includes the agencies which provide funding and investment support, in the first place development funds such as the Saudi Industrial Development Fund, Real Estate Development Fund, Agricultural Development Fund, Saudi Fund for Development, Public Investment Fund as well as commercial banks. This part ends with a brief on the indicators and goals of the Ninth Development Plan, in particular the investment strategy in the Kingdom.

Part Four handles investment opportunities in Arriyadh which are provided by various public agencies such as the High Commission for the Development of Arriyadh, the Saudi Commission for Tourism and Antiquities and other agencies. It also includes information on investment opportunities in various private economic and service sectors and the opportunities resulting from studies of sectors.

The Investment Climate Report concludes with various statistical tables that review the essential economic, service and social indicators in the Kingdom in general and Arriyadh in particular. This is accompanied by a list of websites and other useful information on the most important public and private organizations involved in investment, administrative and legal procedures.



KINGDOM OF SAUDI ARABIA
GENERAL INFORMATION



The Kingdom of Saudi Arabia is situated in the northern hemisphere between three major continents and is a center of many historic civilizations and the cradle of Islam. The Kingdom's territory is characterized by a variety of topography including mountains, plateaus, volcanic lava fields, deep valleys, low coastal plains, sand dunes and coral islands.

A report by the International Monetary Fund in 2012/13 shows that Saudi Arabia vitally supports the world economy. Its oil revenues contribute to accelerating progress and the realization of national goals in addition to supporting those of other economies in the region.⁽¹⁾

Basic Law

The Kingdom of Saudi Arabia is an Arab Islamic country, applying Islamic Sharia law in its judicial system. The constitution of the Kingdom is based on the Holy Qur'an and the Sunna of the Prophet (peace be upon him).

The political system is based on absolute monarchy. The executive and legislative powers are exercised by the King and the Council of Ministers in accordance with the teachings of Islam. The Consultative Council was established to provide advice to the King and the Council of Ministers in matters of relevance to the Government and its policies. Regional municipal councils (of whom half are elected) were also established to participate in the decision making process.

The King of the Kingdom and Prime Minister:

The Custodian of the Two Holy Mosques, King Abdullah bin Abdulaziz Al-Saud.

Crown Prince and the Deputy Prime Minister:

His Royal Highness Prince Salman bin Abdulaziz Al-Saud.

Second Deputy Prime Minister:

His Royal Highness Prince Megren bin Abdulaziz Al-Saud.

The Saudi Emblem

The emblem of the Kingdom of Saudi Arabia is made up of two crossed Arabian swords; the space above is topped with a palm tree. The two swords symbolize strength and justice, whereas the palm tree symbolizes growth and prosperity.

Religion: Islam

Official Language: Arabic

Membership in Political, Economic, Regional and International Organizations

The Kingdom of Saudi Arabia is a member of many political, economic, regional and international organizations including:

1. The Organization of Islamic Conference.
2. The Arab League.
3. The Gulf Cooperation Council.
4. The Islamic Development Bank.
5. The United Nations.
6. The World Trade Organization.
7. The Arab Monetary Fund.
8. The Arab Investment Guarantee Corporation.
9. The Greater Arab Free Trade Organization.
10. The World Bank.
11. The International Monetary Fund.
12. The Group of Twenty (G-20).
13. The Organization of Petroleum Exporting Countries (OPEC).
14. The Organization of Arab Petroleum Exporting Countries (OAPEC).

The Kingdom's Regions

The Kingdom consists of 13 administrative regions. Each one consists of a number of governorates. There are 43 class A and 61 class B governorates in the Kingdom.

Capital: Arriyadh City

Main Cities

Makkah: Islam's holiest place.

Madinah: Islam's second holiest place.

Jeddah: the commercial capital, an important port and the main gateway for pilgrims.

Dammam: the capital of the Eastern Province, rich in oil and an important port.

Dhahran: the headquarters of Saudi Aramco, the world's largest oil company.

(1) IMF Report, Article Four Consultations, 2012/13.

Geographic Features

Location: The Kingdom of Saudi Arabia lies in the southernmost part of western Asia. It is bordered by the Red Sea on the west; the Arabian Gulf, the United Arab Emirates and Qatar on the east; Kuwait, Iraq and Jordan to the north and Yemen and the Sultanate of Oman to the south.

Area: The Kingdom occupies about four-fifths of the Arabian Peninsula with a total land area of 2,149,690 square kilometers.

Terrain: There are various types of terrain in the vast geographical area of the Kingdom. In the west is a narrow coastal plain paralleled by a mountainous chain gradually sloping eastwards towards the Arabian Gulf. The Empty Quarter and An Nafud Deserts occupy the south-eastern and northern parts of the Kingdom respectively.

Climate: The climate of the Kingdom varies from region to region and is also dependent on the type of terrain. In general, it is continental: hot during summer and cold during winter, with low rainfall. However, the climate is moderate in the western and south-western highlands. In the central region, the climate is dry and hot in summer and dry and cold in winter. The coastal areas are generally characterized by high degrees of humidity.

Working Hours

- **Government Sector:** 7.30 a.m. to 2.30 p.m. (Saturday-Wednesday).
- **Banking Sector:** 9.30 a.m. to 4.30 p.m. (Saturday to Wednesday).
- **Private Sector:** Varies depending on company and location.
- **Shops:** 10 a.m. to 12 noon and 4 p.m. to 10 p.m.
- **The Calendar:** the Kingdom follows the Islamic Hijri calendar. This is based as a starting date of the day when Prophet Mohammed (peace be upon him) emigrated from Makkah to Madinah, corresponding to the Gregorian year 623. The Hijri year consists of 12 lunar months and is 10 or 11

days shorter than the Gregorian Year. The days of the Hijri month range between 29 and 30 days.

Official Holidays

Besides the weekends (Thursday and Friday), the following official holidays are customary:

- **Eid Al-Fitr:** from the 25th of Ramadan to 5th of Shawal^(*).
- **Eid Al-Adha:** from the 5th to 15th of Dhil Hijja^(*).
- **National Day:** 23rd of September

Official Time

The Kingdom's official local time is three hours ahead of Greenwich Mean Time (GMT).

Currency

The currency unit of the Kingdom is the Saudi Riyal, which is divided into 100 Halalas. Parts of the Riyal are:

- **Paper Currency:** 1 Riyal, 5 Riyals, 10 Riyals, 20 Riyals, 50 Riyals, 100 Riyals, 200 Riyals and 500 Riyals.
- **Coin Currency:** 1 Riyal, 50 Halalas, 25 Halalas, 10 and 5 Halalas.

Custom duty on most imported items is five percent (5%).

Foreign Exchange Control

There is no restriction on currency transfer in or out the Kingdom. The exchange rate of the Saudi Riyal is SR 3.75 = \$1.00 US Dollar.

Measures and Weights

The Kingdom adopts the metric system (kilometer, meter, and centimeter) in measures and kilograms and ton in weights.

Power Voltage

Both 110 and 220 Volts are used.

International Telephone Code

00966+ Area Code (Arriyadh 11, Jeddah 12, and Dammam, Dhahran and Al Khobar 13).

Population in the Kingdom 2013/2014 ⁽¹⁾	
Total Population	29,994,272 ^(**)
Population Growth Rate (%)	2.9
Saudi Population	20,271,058 ^(**)
Growth Rate of Saudi Population (%)	2.28

(*) Holidays in the private sector vary from one firm to another.

(1) Central Dept of Statistics and Information: (latest statistical reports) www.cdsi.gov.sa

(**) Preliminary results of General Census of Population and Housing, 2010/11 – CDSI.



ARRIYADH CITY
CONTINUOUS DEVELOPMENT AND
PROMISING INVESTMENT OPPORTUNITIES



Theme One: Arriyadh City Importance

The importance of Arriyadh City is represented in many factors:

Arriyadh: the Capital of the Kingdom of Saudi Arabia

Arriyadh is the political and administrative capital of the Kingdom. In 1824 it was the second Saudi capital, and then it regained its glory after being restored by King Abdulaziz in 1902.

Arriyadh: the Headquarters of Central Governmental Agencies

Arriyadh is the location of the Royal Court, the Prime Ministry, ministries, most central governmental agencies, military headquarters as well as civil agencies and telecommunications headquarters. It is also the location of the Saudi Press Agency, Saudi Arabian Monetary Agency, King Abdulaziz City for Science and Technology, Capital Market Authority, General Investment Authority, Saudi Commission for Tourism and Antiquities, Customs Department and other major organizations.

Arriyadh: the Headquarters of Banks and Major Corporations

Arriyadh accommodates the headquarters of Saudi commercial banks. These include Arriyadh Bank, Al Bilad Bank, Al Inma Bank, Al Rajhi Bank, Saudi Hollandi Bank, Banque Saudi Fransi, SABB, SAMBA Financial Group, Saudi Investment Bank and Arab National Bank. It is also the Saudi Arabian headquarters of Arab and foreign branch banks such as Emirates Bank, Kuwaiti Bank, Muscat Bank, Bahrain National Bank, Deutsche Bank Group and others.

Also the administrative headquarters of large companies are located in Arriyadh. These include SABIC, telecommunications companies, Tasnee, National Gas and Industrial Co (GASCO), Saudi

Arriyadh is the Kingdom's largest city and one of the world's largest and most advanced capitals.

The name Arriyadh was noted in 1745 when Dahham bin Dawwas made it the center of his rule.

Arriyadh occupies a prominent place among ancient cities of the Arabian Peninsula due to its geographical and strategic location in the middle of its landmass. It is at the crossroads of main communication routes; it links the Arabian Gulf with the Red Sea, and the Levant and Iraq with Southern Arabia. Furthermore, it acts as a central point and transit hub between the countries of the Arabian Peninsula in particular and those of the Middle East.

Advanced Industries Company, the National Company for Glass Industries, Saudi Chemical Company, Saudi Arabian Mining Company, Saudi Cable Company, Al Marai, Yamamah Cement Company, Arriyadh Development Company and Saudi Real Estate Company.

Arriyadh gains significant economic importance as well as a competitive advantage from being the headquarters of banks and large corporations.

Arriyadh: the Largest Population Center in the Arabian Peninsula

Arriyadh is the largest population center in the Arabian Peninsula. The population of Arriyadh has grown from almost one million in 1980 to nearly six million today and is expected to reach 8.2 million in 2029⁽¹⁾.

Arriyadh: the Headquarters of Central Gulf Bank

Arriyadh has been selected to be the headquarters of the Joint Central Gulf Bank which will supervise the execution of the monetary policy of the Gulf Cooperation Council (GCC) as an economic assembly for the GCC states. It will also supervise the foreign monetary reserves and methods of their management and set the mechanisms that maintain the financial and monetary stability of members. Economically speaking, the existence of such a bank in Arriyadh gives it a financial importance and shows its competitive merit.

Other Factors Related to the Importance of Arriyadh

The importance of Arriyadh is not only limited to the

(1) The High Commission for the Development of Arriyadh: Estimates of Population, 2029.

previously mentioned aspects. It is also the location of King Abdullah Financial District planned as one of the biggest world financial centers. It is also a center for exchanging electronic technology and knowledge, the Kingdom's gate to an intellectual economy with projects such as Riyadh Techno Valley, Riyadh Assembly for Communications and IT and Saudi Industrial Property Authority.

Composition of Population

Arriyadh City is one of the world's fastest growing cities and its population grew steadily at a rate of 4.5% during the period 2004-2010⁽¹⁾.

In the early 1970s, the population of the city was no more than 100,000, mostly of common heritage and following a pattern of life characterized by unified activities. Today the city accommodates more than 50 different cultures and languages.

The increase in population is still the most prominent feature of the city and is responsible for the growth of other sectors. The most important advantage of this growth is the rate of increase has never been less than 4.5% which is high compared to similar cities. In the 1980s, 1990s and the early decade of the recent century that rate increased to 16%.

The other advantage of Arriyadh population growth is characterized by qualitative features in the standard of living of residents⁽²⁾.

In 2012/13,⁽³⁾ the overall population of Arriyadh City reached 5,676,621⁽⁴⁾. However according to preliminary results of the General Census of Population and Housing the overall population of Arriyadh City was more than 5.2 million⁽⁵⁾ with 59% males and 41% females. The Saudi population was more than 3.2 million or 60% of the total, while the non-Saudi population was 2.1 million or 40%.

Population Distribution in Arriyadh City ⁽⁶⁾				
Saudis				
Males	Females	Grand Total	Males %	Females %
1,645,060	1,506,149	3,151,209	52	48
Non-Saudis				
1,460,578	642,773	2,103,351	69	31
Total				
3,105,638	2,148,922	5,254,560	59	41
Occupied Residences 872,038				



(1) The High Commission for the Development of Arriyadh: Population Estimates of Arriyadh City, 2004-2024

(2) CDSI, Population Composition, 2012/13.

(3) Population distribution in the administrative regions - CDSI.

(4) Ministry of Economy and Planning, CDSI, preliminary results of the General Census of Population and Housing, 2010.

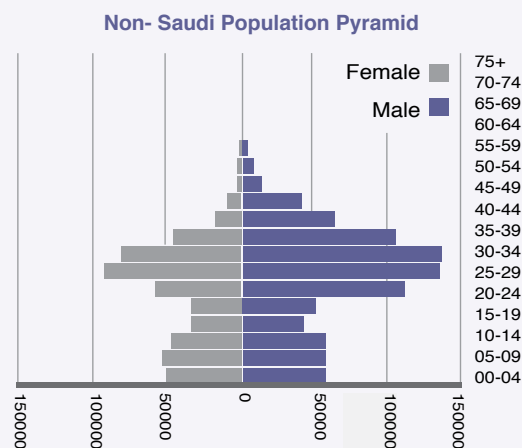
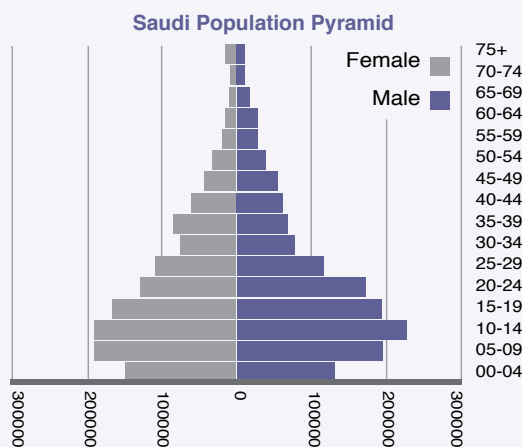
(5) The exact number is 5,254,560.

(6) Ministry of Economy and Planning, CDSI, Annual Statistical Book 47, 2010/12.

Population Pyramid ⁽¹⁾

Young people make up the majority of the population of Arriyadh. Those under 15 years of age constitute about 34% of the total, as shown below, thus the base of the pyramid is wide due to the growing number of youth. This will lead to an increased labour force in the future and necessitate economic programs and projects in order to increase job opportunities.

The Saudi population as a whole is typically younger compared to other countries. The under-15s make up 40% of Saudis and 23% of non-Saudis (as shown below) and that is due to recruiting young people for employment.



Gender

There is a significant difference in gender ratios between the Saudi and non-Saudi population. According to results of the 2010/11 General Census of Population and Housing, Saudi males represent 52% compared to 48% females, whereas non-Saudi males represent 69% compared to 31% females.⁽²⁾

Saudi and non-Saudi males represent 59% of the population compared to 41% females.

Households

Arriyadh witnessed a noticeable increase in the number of households. There are two types of households: the nuclear family, consisting of one couple and their children, and the extended family, consisting of married couples and / or their relatives. The changing pattern of Saudi households shows an increase in numbers of nuclear families – 75% in 2004, compared to 67% in 1996. The percentage of extended families in 2004 was 21%.⁽³⁾

There are 774,000 households in Arriyadh with an average size of 6.2 individuals per family. This average is expected to fall to about 5.7 individuals per family in 2024,⁽⁴⁾ and according to statistical expectations there will be an estimated 1.1 million households in 2024⁽⁵⁾.

Labour Force

Most recent data by the Central Department of Statistics and Information (CDSI)⁽⁶⁾ shows that the labour force in Arriyadh is 3,013,146; 27.4% of the total labour force in the country. The number of unemployed in 2012/13 was 2,163,159, about 23.2% of total unemployed in the Kingdom⁽⁷⁾.

Until 2010/2011 the number of Saudis working in the private sector was 259,994, about 35.88% of total labour force, distributed between 236,621 males and 23,373 females. Non-Saudis in the labour force totalled 2,136,638 or 34.28% distributed between 2,098,781 males and 37,857 females⁽⁸⁾.

Cost of Living

The period from 2004 to 2009 witnessed a noticeable increase in the cost of living index in the Kingdom. The annual average increased from 116.5 in 2008 to 122.4 in 2009, 128.9 in 2010 to reach 135.4 in 2011 and 140.4 in 2012⁽⁹⁾. The cost of living index increased during 2012 by 2.9% compared to 2011, and it increased by 4.5% when compared to 1999 the base year and commodities and services of that year⁽¹⁰⁾.

These increases are due to several reasons: the continuously increasing levels of governmental expenditures for the purpose of enhancing economic and social development, increase in oil price, decrease of skilled labour force, price increases of food categories and other commodities in world markets in addition to the increase of dollar exchange rates compared to other currencies.⁽¹¹⁾

(1) Arriyadh City website: www.arriyadh.com

(2) Ministry of Economy and Planning, CDSI, Annual Statistical Book 46, 2010/11.

(3) Ibid.

(4) The High Commission for the Development of Arriyadh: Housing Reality and Future in Arriyadh City, 2009.

(5) Ibid.

(6) CDSI, Annual Statistical Book, (46), 2010/2011.

(7) CDSI, Labor Force Survey, 2012/13.

(8) Ministry of Labor, Annual Statistical Book 2010/2011

(9) CDSI, www.cdsi.gov.sa.

(10) Statement of the Ministry of Finance, State Budget, 2013/14.

(11) SAMA, 47th Annual Report, 2011.



Theme Two: Infrastructure in Arriyadh City

Development of King Khaled International Airport (KKIA)

King Khaled International Airport links Arriyadh with the outside world and with other airports in the Kingdom. The airport was inaugurated by the late King Fahd bin Abdulaziz, the Custodian of the Two Holy Mosques, in 1984. KKIA is located 35 km north of Arriyadh, covers 225 km² and is capable of serving 18 million passengers annually. Accommodation houses more than 2,000 airport staff and their families. When constructing the Airport, Arabic and Islamic heritage were taken into consideration⁽¹⁾.

Data issued by General Authority of Civil Aviation shows that project to radically further develop of King Khaled International Airport will increase its capacity

Arriyadh is characterized by unique infrastructure that has turned the city into a hub of industrial and commercial activity. Recently, several major projects which commenced in Arriyadh have led to regional headquarters of many international companies being established in the Saudi capital.

The comprehensive strategic plan for the development of Arriyadh is the starting point of the development process. This plan has developed a strategy to accommodate all factors affecting the urban, construction, environmental, economic, social and cultural growth of the city. The strategy is also concerned with issues related to transportation, housing, services and facilities.

to 25 million⁽²⁾ passengers annually as part of a program that includes passenger lounges, support services, enhanced baggage handling facilities and improvement to the interiors of the terminals.

It will also include provision of free wireless internet access (Wi-Fi) in addition to free fourth generation wireless facilities in all airport lounges. This service will be linked to the arrival and departure flight display system for all airlines operating at the Airport.

The following table shows KKIA flights during 2010/2011 and 2011/2012.

King Khaled International Airport Flights 2010/2011 – 2011/2012 ⁽³⁾		
Kind of Flight	Flights (Arrivals and Departures)	
	2010/11	2011/12
Domestic	59,887	60,668
International	49,685	55,410
Total (Domestic and International)	109,572	116,078
Private Flights	20,040	19,679
Total	129,612	135,757
Passengers Traffic (Arrivals and Departures) by thousands		
Domestic	6,875	7,428
International	6,692	7,408
Total (Domestic and International)	13,567	14,836
Private Flights	49	52
Total	13,616	14,888
Transit Passengers	511	597
Air Cargo and Mail (Arrivals and Departures) by tons		
Domestic	42,588	42,858
International	186,920	221,028
Total (Domestic and International)	229,508	263,886
Private Flights	5,605	10,456
Total	235,113	274,342

(1) Arriyadh Governorate website: www.riyadh.gov.sa/RiyadhCity.asp.

(2) General Authority of Civil Aviation: www.gaca.gov.sa.

(3) General Authority of Civil Aviation, Statistics Dept, Statistical Book, 2011.

Ports and Railroads

Arriyadh City is linked with the Eastern Province (Dammam and Al Ahsa) by a 556 kilometer-long railroad (for freight), and a recently-built 449 km stretch for passengers. The Saudi General Railroad Organization (SGRO) provides passengers and goods transport services to Arriyadh Dry Port, making it an extension of Dammam Port. Customs clearance and storage take place in this Dry Port⁽¹⁾. SGRO has adopted a strategic expansion plan Kingdom-wide for the period from 2010/11 to 2040/41 including three phases; the first starts in 2009/11 and runs to 2025/26 for the development of a second railway between Dammam and Arriyadh⁽²⁾.

Arriyadh Dry Port area covers an area of 918,639 m² accommodating six stores, each of 6,480 m². It can handle more than 300,000 containers annually with capacity for the development and accommodation of larger numbers⁽³⁾.

The number of passengers travelling from Arriyadh to the Eastern Province and vice versa in 2011/12, according to the latest data available, was about

1.23 million; and the cargo carried exceeded four million tons ⁽⁴⁾.

According to strategic plans of the SGRO, new lines will operate between Arriyadh and Jeddah and Makkah. The private sector will contribute to the implementation of these new projects.

Telecommunications, City of Communication and Information Technology

Arriyadh City is the headquarters of the Arab Satellite Communications Organization (Arabsat). Various telecommunications services are provided through landlines, mobile telephones, internet and data transmission services by three telecommunications companies; Saudi Telecom Company (STC), Etihad Itisalat (Mobily) Company (a Saudi-UAE Joint Stock Company) and Zain Company (a Saudi-Kuwaiti Joint Stock Company) in addition to two landline telecommunications companies; STC and Atheeb Telecommunications Company. The following table shows the companies licensed to provide telecommunication and information technology services during 2009/2010 and 2011/2012.

Companies Licensed to Provide Telecommunication and IT Services During 2009/2012 ⁽⁵⁾			
Service	Years		
	2009/10	2010/11	2011/12
Landline Communications	2	2	2
Mobile	3	3	3
Provided Services	2	2	2
Internet Services	57	56	26
Mini-Satellite Telecom (Alphasat)	16	18	17
Personal Mobile Telecom Via Satellite	3	3	2
Airplane Internet	1	1	0
Mobile Telecom Via Airplanes	2	2	1
Vehicle Tracking	28	44	25
Short Message Services	143	137	105
Recorded Texts (700)	15	14	7
Telecommunications Center Services	8	11	10
Electronic Books	6	5	0
Recharge Prepaid Telephone Cards	3	5	2
Network Management and Control	4	4	3
Joint Automatic Communication	0	0	0
Hosting Communications Machines and Equipment	5	6	5
Interactive Voice Messages	0	0	0
Total Licenses	298	313	210

(1) Saudi General Railroad Organization website: www.saudirailways.org.

(2) Saudi General Railroad Organization: Strategic Expansion Plan, www.saudirailways.org.

(3) Ibid.

(4) SAMA, 47th Annual Report, 2012.

(5) Telecommunications and Information Technology Authority, annual report 2011/2012.

Latest statistics⁽¹⁾ on development of telecommunication services in Arriyadh show availability of more than 1,248,100 landlines, 30% to the Kingdom, 1,439,543 subscribers representing 32% and 2,924,000 internet users, 26% to the Kingdom in the broad band services.

Post

The Saudi Post Corporation (SPC) provides all types of postal services in Arriyadh City such as parcel post, express mail service (EMS), commercial mail, promotional mail and postal agencies. SPC also supervises mail services provided to customers. The private sector contributes to providing these services through investments in postal agencies which provide mail services to citizens. The number of post offices in Arriyadh region, according to 2010 statistics was 104 main offices, 32 postal agencies and 1,025 surface and Tawwaf (mobile) post.

The number of street mail boxes was 63, with more than 206,282 subscribers to post office mail boxes and 52,000⁽²⁾ subscribers to postal agency boxes. Since early 2006, SPC has offered home mail delivery services through subscription to this service with the mail box placed in a location determined by the subscriber.

Furthermore, mail services are provided by private companies such as DHL, ARAMEX, FedEx, UPS and others which offer domestic and international express courier service in Arriyadh.

Electricity

Preliminary data by Saudi Electricity Company shows that electricity consumption in all regions of the Kingdom increased by 3.5% during 2011/2012 to 219,662 Gigawatt/hours.⁽³⁾ Saudi Electricity

Company sales in the Central Region was 67,655 Gigawatt/hours. In 2011 domestic consumption totalled 37.04 million Gigawatt/hours or about 54.8%, 4.8 million Gigawatt/hours or about 7.2% was industrial consumption, 11.2 million, 16.6% for government consumption, 11.3 million, about 16.6% for commercial consumption and 3.2 Gigawatt/hours, 4.7% was accounted for by consumption for other purposes. There were 1.91 million subscribers in 2011/2012⁽⁴⁾.

Prominent electrical projects in Arriyadh include the establishment of three stations for electricity transmission along with expansion of the existing station for the public transport system and to provide power for Princess Nora Bint Abdul Rahman University facilities representing an investment of SR 450 million. Projects also include the establishment of land transmission lines at a cost of SR 170 million to feed the central station and link it with the network in Princess Nora University and the establishment of the new Hitteen transmission station in Arriyadh at a cost of SR 500 million⁽⁵⁾.

Growth of Sales by Saudi Electricity Company (Central Region) of Electrical Energy during 2007-2011⁽⁶⁾ (Gigawatt hours)

Year	Total Energy Sold
2007	52,069
2008	55,984
2009	59,582
2010	63,746
2011	67,655
Rate of Change in 2011 = 6.1 %	

Electricity Services Indicators in the Central Region /Arriyadh 2011/2012 ⁽⁷⁾				
Generation Capacity (Megawatt)				
Actual		Peak Loads		
12,061		14,792		
Sold Energy (Gigawatt)				
Industrial	Commercial	Agricultural	Housing	Government
4.83	11.33	3.19	37.04	11.24
Number of Subscribers: 1.91 million				
Category	Number of Subscribers (million)		%	
Housing	1.5		78.5	
Commercial	0.3		15.7	
Other	0.11		5.8	
Total	1.91		100.0	

(1) Telecommunications and Information Technology Authority, as per the Annual Statistical Book 47, 2011/2012 issued by CDSI.

(2) Saudi Post Corporation, as mentioned in the Annual Statistical Book 47, CDSI, 2011/2012

(3) Electricity and Cogeneration Regulatory Authority, 2011/12.

(4) Ibid.

(5) Ibid.

(6) Electricity and Cogeneration Regulatory Authority, 2011/12.

(7) Ibid.

Water and Sanitary Waste

Drinking water is delivered to the city from two main sources. The first is from desalinated seawater through special pipes from desalination plants in Jubail on the Arabian Gulf, which represents 60% of total water supplied to the city. The second source is from local artesian wells making up 40% of the total water supply. The extent of coverage of water networks reached 96% of the population in 2011/12, while sanitary waste network coverage was 53% during that year ⁽¹⁾.

According to latest statistics by the Ministry of Water and Electricity, the average daily amount of water consumed in Arriyadh Region during 2010 was nearly two million m³ (1,980,000 m³). Annual consumption increased from 516 million m³ in 2009/10 to more than 621 million m³ in 2010/11. The number of subscribers increased from 337,000 to 381,000. ⁽²⁾

According to the guiding plan, the sanitary waste

servicing the urban area of Arriyadh city will be completed by 2021. Solutions will be implemented in order to expand the existing network to cope with the geographical and population growth of the city in a time-line of four stages, with a cost of SR 25 billion. Each stage will take five years in order to cover the sanitary waste services of the total constructed area of Arriyadh. In 2005 all necessary designs for the first stage were prepared at a cost of SR 5.2 billion. Other executive contracts were also prepared. Some of these projects are being completed, and 54 projects are being implemented with a total cost of SR 3.3 billion. Special designs related to areas located inside the second stage of the city's constructed area will be implemented according to available funds. In 2010 the second stage began at a total cost of SR 5.2 billion, the third will commence in 2015 at a total cost of SR 5.6 billion, and the fourth and final stage will begin in 2021 with an expected cost of SR 9.0 billion.



(1) National Water Company, Business Unit of Arriyadh City Water.

(2) SAMA, 47, 2011. As mentioned in the Annual Statistical Book 46, 2010/11 issued by CDSI.



Theme Three: Economic and Service Sectors in Arriyadh City

Industrial Sector

As the political, commercial and financial capital of the Kingdom, Arriyadh City is witnessing growth rates higher than those of other cities. The strength of its economy can be explained by population growth and increasing job opportunities which sustain the growth of demand for goods and services; as well as its strategic location at the center of a large regional market represented by the GCC States and other neighbouring countries. Arriyadh has also become a financial hub, home to the headquarters of the country's commercial banks, Saudi Arabian Monetary Agency (SAMA), Capital Market Authority (CMA) in addition to other government credit and financial institutions.

These factors have played a key role in the positive development of the city through the past three decades in the various economic areas such as the industrial and commercial sectors. The private sector, with its growing number of industrial and manufacturing plants, has likewise played a part in the success of the city.

Arriyadh houses two Industrial Cities, both supervised by the Saudi Industrial Property Authority (MODON)⁽¹⁾. The total area of the first Industrial City, which lies in the center of Arriyadh, is 451,000 m² and includes 58 factories, while the second, with an area of 18.8 km², lies on the southern outskirts of Arriyadh and includes 730 factories⁽²⁾.

Data shows that MODON is receiving a large number of demands to study, plan and construct new developments as a result of the capacity of the industrial areas to establish more plants. There is also an increasing need to establish new developed industrial areas in Arriyadh Region and City. The number of applications for the establishment of new plants represented about 75% of the total

Outcomes of the comprehensive strategic plan of Arriyadh city are reflected in the following:

- Economic Development Strategy
- Public Services Strategy
- Public Utilities Strategy
- Transportation Strategy
- Environment Strategy
- Housing Strategy

This plan has been shortened to what is called "Arriyadh Future Vision" and it is divided into three stages:

Firstly: Long-term (50 years starting from 2003).

Secondly: Medium-term (25 years)

Thirdly: Short-term (10 years)

They include 58 executive strategic programs, 65% of which were completed and 35% are under implementation.

applications received by the Authority from all parts of the Kingdom⁽³⁾.

The Saudi Industrial Development Fund (SIDF) finances the industrial sector in Arriyadh. During 2011/12 the total number of SIDF loans in Arriyadh Region was 1,223 to finance 855 industrial projects, representing 37% of the Fund's total loans since its establishment⁽⁴⁾.

In the fiscal year 2011/2012⁽⁵⁾ SIDF financed 42 loans for projects located in Arriyadh Region representing 36% of the accredited loans during that year. These loans were granted for the purpose of constructing 30 new industrial projects and expanding 12 existing industrial projects. Arriyadh Region comes in first place in terms of number of accredited loans, whose value reached SR 1,390 million or 17% of the total accredited loans of the SIDF in 2011/12.



(1) 257 km² were allocated to the Sudair Industrial City in Arriyadh Region, which is still under execution.

(2) Saudi Industrial Property Authority: www.modon.gov.sa.

(3) Tatweer Magazine, High Commission for the Development of Arriyadh, Issue 52, 2008.

(4) SIDF, Annual Report, 2011/12.

(5) Ibid.

Loans by SIDF for Investors in Arriyadh during 2009/10 – 2011/12⁽¹⁾

Year	Number of New Projects	Number of (Expanded) Projects	Number of Loans	% to Loans in the Kingdom	Value of Loans SR million
2009/10	25	16	41	16	814
2010/11	22	10	32	15	964
2011/12	30	12	42	17	1,390

Agricultural Sector

The agricultural sector in Arriyadh Region is of major importance constituting 35% of the Kingdom's agricultural production. Arriyadh Region lies at the center of the main agricultural areas in the Kingdom. This, and its proximity to Al-Kharj Governorate, one of the largest agricultural regions; makes the city pivotal in the distribution of agricultural production in the Kingdom⁽²⁾.



Estimate of the Arable Land for all Crops in Arriyadh Region 2007/08 - 2010/11⁽³⁾ (Hectares/Ton)

Years	2007/08	2008/09	2009/10	2010/11
Area	283,717	243,414	211,796	245,140
Percentage/Kingdom (%)	27	25	26	31

The total arable land and production of grains in Arriyadh Region increased during 2010/11 to 40,461 hectares producing about 205,380 tons.

Estimate of the Assigned Area and Production of Grains in Arriyadh Region⁽⁴⁾ 2008/09 – 2010/11 (Hectare/Ton)

Years					
2008/09		2009/10		2010/11	
Area	Production	Area	Production	Area	Production
65,415	338,918	34,876	176,974	40,461	205,380
% to the Kingdom					
14	14	11	12	15	13

In 2010/11, the area assigned for the production of vegetables in Arriyadh Region was 54,824 hectares with 1,263,357 tons of production.

Estimate of the Assigned Area and Production of Vegetables in Arriyadh Region 2008/09 – 2010/11⁽⁵⁾ (Hectare/Ton)

Years					
2008/09		2009/10		2010/11	
Area	Production	Area	Production	Area	Production
51,454	1,174,541	48,708	1,131,459	54,824	1,263,357
% to the Kingdom					
51	51	43	46	44	48

(1) This table is derived from the SIDF Annual Report.

(2) Ministry of Agriculture.

(3) Annual Statistical Yearbook 24, 2010/11, available on the website of the Ministry of Agriculture: www.moa.gov.sa

(4) Ministry of Agriculture: Annual Statistical Yearbook 24, 2010. Some estimated numbers during the past years are changed to actual numbers.

(5) Ibid.

In the same year, the area assigned for the production of fodders reached 96,382 hectares with an estimated production of 1,938,347 tons.

Estimate of the Assigned Area and Production of Fodders in Arriyadh Region 2008/09 – 2010/11 ⁽¹⁾ (Hectare/Ton)					
Years					
2008/09		2009/10		2010/11	
Area	Production	Area	Production	Area	Production
51,454	1,174,541	48,708	1,131,459	54,824	1,263,357
% to the Kingdom					
48	44	46	43	51	51

The area assigned for fruit production reached 53,473 hectares with an estimated production of 335,432 tons.

Estimate of the Assigned Area and Production of Fruits in Arriyadh Region 2008/09 – 2010/11 ⁽²⁾ (Hectare/Ton)					
Years					
2008/09		2009/10		2010/11	
Area	Production	Area	Production	Area	Production
50,916	307,528	52,556	297,755	53,473	335,432
% to the Kingdom					
22	19	22	19	24	22

In 2010 there were 90,455 camels in Arriyadh Region representing 43% of the Kingdom's total. The number of sheep (traditional and specialized breeds) was 740,723 representing 15% of the Kingdom's total. There were 144,287 goats, 14% of the total, and 230,349 cows representing 59% of the total. The production of 18 dairy farms was more than 1,173 billion litres of milk or 40% of the Kingdom's total milk production. The number of poultry (traditional and specialized) was more than 83 million or 19% of the total in the Kingdom. Apiaries in Arriyadh produced about 8,617 kg of honey representing about 7% of the Kingdom's total production.

The Agricultural Development Fund finances animal and agricultural projects in the Kingdom. In 2008/09 there were 2,360 loans for these projects with Arriyadh's share representing more than 13%.⁽³⁾

Trade Sector

The trade sector in Saudi Arabia witnessed real growth during 2012/13. The preliminary GDP



results (by real price) by type of activity indicated that growth of this sector was 10.7%, and its contribution to the GDP reached 8%⁽⁴⁾.

(1) Ministry of Agriculture, Annual Statistical Book 24, 2010/2011.

(2) Ibid.

(3) The Agricultural Development Fund, Annual Report 46, 2009.

(4) National Accounts Indicators, 2012/13, CDSI.

- In 2011/12, the number of commercial companies in Arriyadh was 29,899.

Existing Commercial Companies in Arriyadh 2008/09 – 2011/12 ⁽¹⁾		
Year	Number	% to Kingdom
New Records During 2007/08	20,985	30.6
New Records During 2008/09	21,840	31.9
New Records During 2009/10	21,226	30.3
Accumulated Total up to 2010/11	24,167	30.3
New Records During 2011/12	29,899	27.9
Total Accumulated up to 2011/12	310,430	30.4

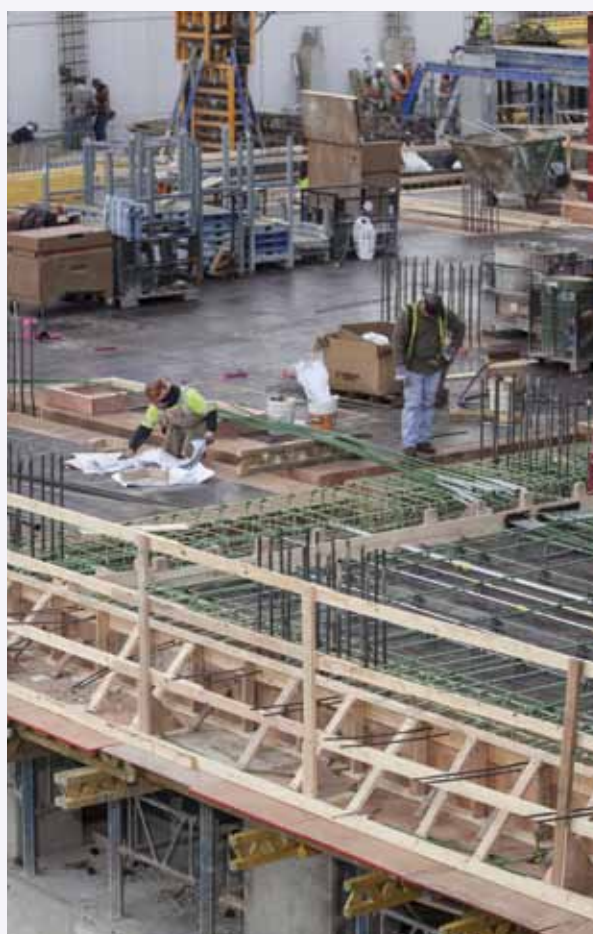
- During the fiscal year 2011/12 the Ministry of Commerce and Industry issued commercial registrations for the purpose of establishing 107,028 commercial companies distributed throughout various regions. 27.9% of these were in Arriyadh.

Total commercial companies operating in the Kingdom and licensed from the Ministry by the end of 2011/12 was 1,020,281, 30.4% of them in Arriyadh⁽²⁾.

Construction and Building Sector (Contracting)

The building and construction sector is crucial to the development and support of infrastructure and other productive sectors. The sector experienced a remarkable growth during the past years. In 2012/13 this sector contributed 4.57% to the GDP by current prices and a building boom was a remarkable feature in Arriyadh⁽³⁾.

Total licenses issued in 2011/12 numbered 29,757 or 26% of the total of 112,362 licenses issued in the Kingdom in the same year. 27,309 building licenses issued in Arriyadh Region were for construction of residential and commercial buildings⁽⁴⁾. State-of-the-art, well-designed buildings, skyscrapers and sophisticated malls constitute the majority of new buildings in Arriyadh City in recent years.



Arriyadh Region Construction Licenses 2010/11 ⁽⁵⁾				
Type of Building	No.	(%)	To the Kingdom	
			No.	(%)
Commercial and Residential	27,309	92	103,668	26
Industrial and Commercial	1,796	6	6,363	28
Mosques, Educational and Medical Buildings	538	1.8	1,621	33
Government-Social Buildings	114	0.4	710	16
Total	29,757	100	112,362	26

(1) CDSI, Annual Statistical Book 47, 2011/12.

(2) Ibid.

(3) National Accounts Indicators, 2012/13, CDSI.

(4) Ministry of Municipal and Rural Affairs, Statistical Book 62, 2011.

(5) Ibid.

A large number of Saudi, foreign and joint construction companies operate in Arriyadh City. They cover all the sub-sectors of the construction including bridges, residential and commercial buildings, factories and maintenance of facilities.

Number of Contracting Companies by Ranks in Arriyadh 2011 ⁽¹⁾						
Degrees	First	Second	Third	Fourth	Fifth	Total
Number	48	44	64	269	468	893
% to the Kingdom	59	48	51	44	37	41

Arriyadh's building and construction sector is further enhanced by the existence of more than 170 licensed factories producing building materials, china, ceramics and glass, and there were 74 licenses for new factories. The sector is also sustained by the concessionary loans provided by the Real Estate Development Fund.

Real Estate Sector

During the period 2011/2012 the real estate sector's contribution to the GDP was more than 3.9% by current prices. That rate is expected to grow supported by ongoing local demand on housing projects and increasing commercial development projects as well as growth of the hospitality sector. This sector is supported by the Real Estate Development Fund, which grants residential loans to citizens and to investors to build malls or residential buildings. The Fund finances 70% of citizens' private residences and 50% of investment loan costs. Total loans reached SR 87.40 million in 2011/2012.⁽²⁾



Used land area in Arriyadh City (residential, industrial, agricultural, green and others) was 60,419 hectares of the total area, whereas unplanned land constituted 50,241 hectares and the planned area constituted 123,398 hectares.⁽³⁾ The housing experience as a part of Arriyadh's development is a clear turning point in quality and quantity. Despite the growing population rate of more than 8% (higher than the majority of world rates) between 1986 and 1996, the city has never suffered any housing problems. This is due to government supporting programs emanating from the directives of the Five-Year Plans. These plans focused on the necessity of providing convenient, healthy residences for families according to their financial capabilities. Significant housing projects were completed in Arriyadh through the programs of granting residential lands, loans of the Real Estate Development Fund, contribution of the public planning agencies in the preparation of plans to meet the requirements of the rapid population growth and also the private sector's contribution to the development of housing projects and development of housing.

Arriyadh City is witnessing nine large comprehensive housing development projects implemented by the private sector. These projects provide more than 105,000 housing units, but they are mostly allocated for high and average income individuals. However in spite of these developments, Arriyadh is still experiencing an imbalance of supply and demand in the housing market, especially in the market of affordable housing for the low income and low-medium income population.

According to the latest study by the High Commission for the Development of Arriyadh, the overall number of housing units in Arriyadh was 831,000 units; of which 6.9% were vacant, indicating a relative balance between supply and demand⁽⁴⁾.

(1) Ministry of Municipal and Rural Affairs, Statistical Book 62, 2011.

(2) CDSI, Annual Statistical Book 47, 2011/12.

(3) Ministry of Municipal and Rural Affairs, Statistical Book 62, 2011.

(4) The High Commission for the Development of Arriyadh: Population Reality and Future in Arriyadh City, 2009.

Insurance Services Sector

The Saudi insurance market witnessed significant development in 2010 with growth of about 12.2% and gross premiums amounting to SR 16.4 billion compared to SR 14.6 billion in 2009. Development was helped by the awareness of the importance of insurance, favourable economic conditions as well as the compulsory expansion of vehicle and health insurance⁽¹⁾.

General insurance made up about 41% of the insurance market, growing by 6.5% to SR 6.7 billion in 2010 compared to SR 6.3 billion in 2009. 53% was allocated to health insurance, which grew by 19.2%, SR 8.7 billion in 2010 compared to SR 7.3 billion in 2009⁽²⁾.

By 2012 there were 33 insurance companies listed

on the Saudi stock market. These provide various kinds of cover including against accidents, vehicles insurance, property insurance, marine, air, power and engineering insurance. Three new insurance companies were licensed by the concerned parties.

Education Sector

Education in Arriyadh City is provided by government and private sectors for both genders at all levels: schools, technical and vocational training and higher education.

According to latest statistics by the Ministry of Education in 2009) there were 1,441 schools in Arriyadh with 18,301 classes, 29,398 teachers and 469,086 students⁽³⁾.

Statistical Summary of Male and Female Education in the Kingdom 2011/12⁽⁴⁾

Schools	Gender	No. of Schools	Classes	Students
Kindergarten	Joint	2,323	9,089	141,422
Primary	Males	6,897	69,433	1,285,270
	Females	6,948	65,142	1,245,474
	Total	13,845	134,575	2,530,744
Intermediate	Males	4,326	30,143	636,354
	Females	3,915	29,333	575,675
	Total	8,241	59,476	1,212,029
Secondary	Males	2,914	30,934	681,085
	Females	2,744	30,341	545,120
	Total	5,658	61,275	1,226,205
Special Education	Males	1,136	3,555	17,471
	Females	567	1,796	9,968
	Total	1,703	5,351	27,439
Adult Education	Males	766	1,216	8,139
	Females	2,213	5,418	41,520
	Total	2,979	6,634	49,659
Total	Males	16,039	135,281	2,628,319
	Females ^(*)	18,710	141,119	2,559,179
	Total	34,749	276,400	5,187,498

(1) The High Commission for the Development of Arriyadh: Population Reality and Future in Arriyadh City, 2009.

(2) SAMA, Annual Report 47, 2011.

(3) General Department of Education in Arriyadh: www.riyadhedu.gov.sa.

(4) Ministry of Education website: www.moe.gov.sa

(*) Total kindergarten to total females in the Kingdom.

As for government higher education, Arriyadh City accommodates King Saud University, Imam Mohamed Bin Saud University and Princess Nora Bint Abdurrahman University.

In 2010/11 the number of students in these universities according to latest statistics by the Ministry of Higher Education⁽¹⁾ was 181,168, 20% of total 898,251 students in the Kingdom, staffing 11,617 of the faculties representing 25% of total 45,593 faculty staff in the Kingdom.

Private higher education comprises five universities in Arriyadh: Prince Sultan University; Al Faisal Private University; Arabic Open University, Arriyadh Branch; Al Yamamah University; and Dar Al Uloom University. In addition there are six private colleges; Riyadh Colleges of Dentistry and Pharmacy, Al Maarefa College for Science and Technology, Al Farabi Dentistry College, Al Faisal Colleges, Al-Ghad International Medical Sciences Colleges, and INAYA Medical Colleges.



The total number of registered students in private higher education in 2010/2011 was 23,872 divided between 12,156 males and 11,716 females⁽²⁾.

Statistical Summary of Higher Education Students in Arriyadh, 2010/11⁽³⁾.

Gender		New				Enrolled				Past Year Graduates			
		Intermediate Diploma	Bachelor Degree	Higher Education	Total	Intermediate Diploma	Bachelor Degree	Higher Education	Total	Intermediate Diploma	Bachelor Degree	Higher Education	Total
Government	Males	2,316	25,636	2,306	30,258	7,254	91,706	8,938	107,898	1,254	7,397	718	9,369
	Females	3,033	29,739	2,124	34,896	3,803	118,482	6,681	128,966	862	13,152	609	14,623
	Total	5,349	55,375	4,430	65,154	11,057	210,188	15,619	236,864	2,116	20,549	1,327	23,992
% to the Kingdom 20													
Private	Males	0	2,660	677	3,337	0	11,139	1,017	12,156	209	470	0	679
	Females	0	2,585	491	3,076	0	10,952	764	11,716	248	404	0	652
	Total	0	5,245	1,168	6,413	0	22,091	1,781	23,872	457	874	0	1,331
% to the Kingdom 6													
Other	Males	8,033	574	200	8,807	14,884	1,656	334	16,874	4,139	387	59	4,585
	Females	676	0	0	676	1,792	0	0	1,792	614	0	0	614
	Total	8,709	574	200	9,483	16,676	1,656	334	18,666	4,753	387	59	5,189
% to the Kingdom 4													

(1) Ministry of Higher Education, University Statistics, www.mohe.gov.sa

(2) Ministry of Higher Education: Statistics of the Ministry: www.mohe.gov.sa.

(3) Ministry of Higher Education: Ibid.

The Institute of Public Administration in Arriyadh completed a number of public and private training courses and applied workshops and symposia during 2010/11.

Training Activity of the Institute of Public Administration in Arriyadh 2009/10 ⁽¹⁾			
Item	Arriyadh Main Center	Arriyadh Ladies Branch	Total of the Kingdom
Trainees in the Public Training Programs	29,027	4,246	44,317
Trainees in the Private Training Programs	1,278	68	2,008
Trainees in Training Programs/Business Center	6,386	518	8,845
Trainees in Workshops	863	283	1,691
Trainees in Conferences, Symposia and Meetings	300	-	2,000
Graduates from Private Preparatory Programs	559	-	877
Graduates from Public Preparatory Programs	113	-	113

Technical education and vocational training operates through the General Organization for Technical Education and Vocational Training (GOTEVOT) and private training centers in Arriyadh City and includes Riyadh College of Technology, Telecommunications and Information College, and Technical and Vocational Training/ Girls Department. These are vocational training organisations and the graduates are technically prepared to enter the labour market. In addition in 2011/12 there were 251 private training institutions for males distributed between 137 training centers, 75 training institutes, 28 higher institutes, 10 commercial and technical institutes and one technical supervision institute. There were also 97 institutes for females distributed between 24 training centers, 36 training institutes and 37 high institutes⁽²⁾. In addition there are educational and training institutions in cooperation with the private sector such as the Higher Institute for Plastics Fabrications, Saudi OGER Training Institute, General Motors and Saudi Electronics and Home Appliances. These accommodate more than 3,650 trainees.

In 2011/12 there were 2,524 diploma and bachelor graduates from the Technical Trainers College in Arriyadh⁽³⁾.



(1) Riyadh Chamber of Commerce and Industry, Riyadh Economy, Issue 20, 2012.
 (2) Technical and Vocational Corporation, Annual achievement Report, 2010/11.
 (3) Riyadh College of Technology: www.tvtc.gov.sa

Private Training Institutes in Arriyadh 2011/2012 ⁽¹⁾						
Institute	Males			Females		
	No. in Arriyadh	Total of the Kingdom	Arriyadh / Kingdom (%)	Arriyadh/ Kingdom (%)	No. in Arriyadh	Arriyadh / Kingdom (%)
Training Center	137	281	49	24	38	63
Training Institute	75	201	37	36	106	34
Higher Institute	28	95	29	37	119	31
Technical Commercial Institute	10	26	38	-	-	-
Technical Supervision Institute	1	2	50	-	-	-
Total	251	605	41	97	263	37

Tourism Sector

Arriyadh City enjoys several attractive tourism features, including recreational facilities for citizens, residents and visitors. The city has several historical sites, such as Al-Masmak Fort, Addiriyah archeological site and King Abdulaziz Historical Center which comprises historical artifacts, museums, public libraries, squares, parks and gardens. Arriyadh City has a number of public parks, the most famous of which is Salam Park at the city center and Al-Watan Park within King Abdulaziz Historical Center, in addition to sport clubs and Malaz Zoo. The zoo is equipped with recreation and children's facilities and entertainments. Arriyadh accommodates stylish shopping malls and state-of-the-art buildings which are recognized not only in the city but also worldwide.

Arriyadh is known for many recreational projects undertaken by the private sector, such as the private and public and open or closed recreational centers spread all over the city, notably those on the Eastern Ring Road and Al-Thumamah Road. Several projects are currently underway, which will add to the attraction of Arriyadh such as the development of areas around Wadi Hanifa, Al-Thumamah Park, supervised by the High Commission for the Development of Arriyadh, and King Abdullah International Gardens which is one of the essential environmental projects and a historical achievement that distinguishes the Kingdom on the level of garden making and park projects. The project houses several models of world and old gardens with unique designs from various world environments. It is located on the west side of Arriyadh parallel to Arriyadh-Jeddah highway in the desert. Works are being implemented

in order to adapt the area in terms of controlling humidity and soil conditions to suit many tropical, winter and wet plants brought from different parts of the world. Another project is the King Abdullah Park in Malaz with an area of 318,000 m² and an estimated cost of SR 125 million. The park is in the central part of Arriyadh on the former equestrian field, north of the stadium of Prince Faisal bin Fahd. The park will provide recreational, educational and commemorative activities in the heart of Arriyadh thus forming a key and remarkable landmark.

These projects constitute good investment opportunities and serve as additional entertainment and recreational areas for the inhabitants of the city. Arriyadh hosts the famous annual Janadriya Festival of National Heritage and Culture, attended by national and international guests. Arriyadh also hosts important international exhibitions, the most important of which is the International Book Fair.



(1) Technical and Vocational Corporation, Annual Achievement Report, 2011/2012.

The fact that the headquarters of all ministries and government agencies are located in Arriyadh assists the city in hosting international conferences which offer more opportunities for conference tourism. Also, students from all regions come to Arriyadh for the purpose of studying in Arriyadh's universities, colleges and institutions. Others come for medical treatment, since Arriyadh provides advanced government and private medical facilities.

The tourism sector in Arriyadh serves a number of hotels of different classes to accommodate visitors to the city. At the end of 2011/12, Arriyadh had 60 hotels distributed according to the new categorization (92 hotels before the categorization) of accommodation facilities of the Saudi Commission of Tourism and Antiquities, as follows :

Tourism, Information and Research Center (MAS)

- The Center was established in 2002 to be the formal reference of tourism data and research in the Kingdom.
- One of the objectives of the Center is to provide partners, investors and operators in the tourism sector and visitors with data, statistics and documentary analyses.

For communication with the Center

email: info@mas.gov.sa

website: www.mas.gov.sa

Hotels in Arriyadh City 2011/2012⁽¹⁾

Class	Hotels Number	Number of Rooms
Five Star Hotels	16	2,415
Four Star Hotels	11	3,041
Three Star Hotels	14	1,002
Two Star Hotels	19	1,647
Total	60	8,105
% to the Kingdom	6	5

According to recent classification, the number of furnished housing units prepared for rent till the end of 2011/12 was 276 providing 7,226 apartments, 8% of the total, in the Kingdom. Arriyadh also has 331 travel agencies, 44 tourism operation offices, 44 tour guides and 19 museums⁽²⁾.

Arriyadh Region Municipality in collaboration with the Saudi Commission for Tourism and Antiquities (SCTA) is implementing many future development projects such as parks in residential quarters, municipal plazas and botanical gardens. All of these represent significant investment opportunities for the private sector.

Health Sector

Health services are offered by three major sectors in the Kingdom and Arriyadh, namely the Ministry of Health entities, other government agencies and the private sector.

Arriyadh houses a number of Ministry of Health hospitals such as King Fahd Medical City, Arriyadh Medical Center, Prince Salman Hospital, Al-

Yamamah Hospital, Al-Iman Hospital, the Pediatrics Hospital, the Psychology Health Hospital, Al-Amal Hospital, the TB and Pulmonary Diseases Hospital and the Convalescence Hospital. There are also many Primary Health Care Centers spread throughout the city. These hospitals provide free treatment, diagnosis and surgery for citizens.

Additionally, there are other medical facilities affiliated with other government agencies such as university hospitals, King Faisal Specialist Hospital, the General Presidency for Youth Welfare Hospital, the Armed Forces Hospital, King Abdulaziz Medical City of the National Guard, the Security Forces Hospital, King Khaled Eye Hospital, the General Organization for Social Insurance (GOSI) Hospitals and the Schools Health Care Units.

King Fahd Medical City in Arriyadh is one of the largest and most modern facilities in the Middle East.

According to latest data by the Ministry of Health, there are 54 hospitals in Arriyadh Region out of a total of 251. There are also 401 medical centers

(1) Tourism, Information and Research Center, MAS, Tourism Statistics, 2011/12.

(2) Ibid.

out of 2,109 Kingdom wide, 12 anti-smoking clinics, one forensic center, a preventive health center, a central laboratory, a medical rehabilitation center and three dentistry centers⁽¹⁾.

The following table shows labor force employed by the Ministry of Health.

Labor Force Employed by the Ministry of Health by Gender and Nationality 2011 ⁽²⁾				
Group	Gender/ Nationality	Saudi	Non-Saudi	Total
Physicians	Males	1,106	3,552	4,658
	Females	484	1,226	1,710
	Total	1,590	4,778	6,368
Nurses	Males	3,317	780	4,097
	Females	3,135	8,784	11,919
	Total	6,452	9,564	16,016
Pharmacists	Males	175	19	194
	Females	265	18	283
	Total	440	37	477
Assisting Medical Categories	Males	6,378	434	6,812
	Females	1,488	887	2,375
	Total	7,866	1,321	9,187

Regarding the contribution of the private sector to the medical services, the data of the Ministry of Health refers to the increase of the services provided by the private sector in the Kingdom in

general and Arriyadh in particular. The following table shows the contribution of the private sector to the health sector in Arriyadh up to the end of 2010.

The Contribution of the Private Sector to the Health Sector in Arriyadh 2011 ⁽³⁾										
	Hospitals	Beds	Polyclinics	Private Clinics	Company Clinics	Laboratories	Physiotherapy Centers	Optics Centers	Dental Centers	Pharmacies
Arriyadh	31	3,852	686	46	0	20	19	627	15	1,804
Kingdom	130	13,298	1,987	198	135	84	59	1,770	92	6,373
% to Kingdom	24	29	35	23	0	24	32	35	16	28



(1) Ministry of Health: Annual Statistical Book, 2011.

(2) Ibid.

(3) This table is derived from the Annual Statistical Book of the Ministry of Health, 2011.

Finance and Banking Services Sector

The finance and banking sector is one of the most important economic sectors providing huge renewable investment potential through the expansion of existing banks or the establishment of new ones. Another opportunity lies in the King Abdullah Financial Center that is being established in Arriyadh which will accommodate different local and foreign financial firms of versatile activities.

Up to the end of 2011, 23 commercial banks provided financial and commercial services to citizens and residents in the Kingdom including Arab and foreign branch banks (International Gulf Bank, Emirates Bank, National Kuwaiti Bank, Muscat Bank, Bahrain National Bank, BNP Paribas Bank, JP Morgan and Deutsche Bank), adding important economic weight to the city.

Thus, Arriyadh is considered an important fiscal center for investment in the activities of the financial and banking sector. Arriyadh's strategic vision of the comprehensive strategic plan aims to be a prosperous commercial and financial center which opens the door for outstanding private sector strategic and investment opportunities.

Telecommunications and Information Technology Sector

Telecommunications and IT play a decisive role in the community development process. Information and knowledge have become key factors in economic growth as they encourage productivity in other sectors. The infrastructure of telecommunication and the internet have become the nervous system of modern communities helping to transform them into information and knowledge-based communities.

The telecommunications sector in the Kingdom in general, and in Arriyadh in particular, has experienced fundamental changes after the privatization of the sector and the establishment of the Communication and Information Technology Commission (CITC), headquartered in Arriyadh. The Kingdom's orientation towards information and knowledge-based communities has been embodied through the e-government program, which is based on the National Plan of Information Technology. This program is⁽¹⁾:

- Making telecommunication and IT services available to all community members.

- Providing an educational and training environment that ensures the majority of citizens possess adequate skills to deal with telecommunication and IT applications.
- Pushing the economic and social sectors towards achieving advanced levels of IT applications.
- Making the telecommunications and IT sectors a major source of revenues.

As part of the Government's policies to encourage investment in the telecommunications and IT industries and motivate private companies to take advantage of technology applications, particularly e-commerce; the High Commission for the Development of Arriyadh, in collaboration with the Riyadh Chamber of Commerce and Industry, announced plans to create a Telecommunications and IT City on an area of 800,000 m² on land owned by the Public Pension Agency, which is the owner and the actual investing party. The Telecommunications and IT City will add a new economic dimension and a gateway to commercial and industrial firms to enter the open market at the regional and international levels. It will also assist in the attraction of foreign investment and large-scale hi-tech companies.

Signs indicating that Arriyadh has become technology-based city include:

- Application of IT in commercial bank transactions to meet the government services (payment of electricity, water and telecommunications bills; passport, traffic and aviation services, account movement).
- Application of IT in most private and public sector organizations.
- Rapid expansion of mobile phones.

The services of mobile telephone companies have witnessed great progress over recent years in terms of spread, versatility of services as well as competitive pricing. The advantages of competition in the telecommunication's market account for the growth in subscribers and the quality of services. According to latest data by Communications and Information Technology Commission for 2010/11, the number of subscribers to landline services reached more than 1.2 million out of 4.2 million Kingdom-wide, with a subscription rate of 30% .

(1) Ministry of Economy and Planning, Eighth Development Plan, 2004-2008.

Broadband users in rural areas reached 1.4 million out of 4.4 million Kingdom-wide, a subscription rate of 32.4%. The number of internet users was more than 2.9 million out of 11.4 million users Kingdom-wide with a subscription rate of 25.7%.

Telecommunications Services in Arriyadh 2010/11 ⁽¹⁾				
Item	Landlines	Mobiles	Rural Broadband Services Subscribers	Internet Users
Arriyadh	1,248,100	Not Available	1,439,543	2,924,000
Kingdom	4,165,014	51,600,000	4,441,001	11,393,000
%	30	-	32.4	25.7



(1) CDSI, Annual Statistical Book 47, 2011/12.



Theme Four: The High Commission for the Development of Arriyadh and its Role in the Development of the City

Introduction to the Commission

The High Commission for the Development of Arriyadh was established by a resolution of the Council of Ministers in 1974. The responsibility of the Commission is to implement plans to develop the City in economic, social, cultural, urban and environmental aspects. It also develops policies that improve the level of services so as to contribute to the welfare and quality of life of citizens. The major responsibility of the Commission is to set up comprehensive plans for Arriyadh and emplace basic programs for implementation, coordination and construction of projects.

The Comprehensive Strategic Plan for the City of Arriyadh

The most remarkable efforts of the High Commission for the Development of Arriyadh are reflected in the implementation of the comprehensive planning and development of the city in the Comprehensive Strategic Plan. It symbolizes integrated and renewable organizational environment of a strategic nature that organizes and directs urban, environmental, economic and social activities. It does this in a way that accommodates future requirements and benefits from modern facilities and in general avoids the negative aspects of city growth, particularly those resulting from fast growth, as is the case of Arriyadh.

The Comprehensive Strategic Plan of Arriyadh comprises several key elements as follows:

Element One: Outlook of the City

This has the following objectives and characteristics:

- Introduce the City as the Capital of the Kingdom.
- A City of Humanity, Welfare and Prosperity.

The High Commission for the Development of Arriyadh Strategy

The Commission assures the principle of the interest of citizens as the central pivot for development. Hence, the Commission's implemented work touches human needs depending on analytical field studies. These are listed in the development strategy in order to comprise the commercial, recreational and religious aspects for all ages and provide the adequate environment for their psychological, social and material needs.

It also adheres to preserving and strengthening the local culture considering it a main tributary in the development process. This appears clearly in the pairing – during the implementation of various projects – between modernity and heritage through its support for the continuity of this culture with all its moral, behavioural and material dimensions, in addition to accommodating modern technology in order to produce a balanced creative mixture. The Commission seeks the continuity of culture in two complementary realms. The first is based on the physical dimension in the local culture which belongs to the surrounding environment with the focus on the spirit of architecture in general. The second deals with the intangible dimension of domestic culture with is reflected values, norms, behavior and different shapes of social and religious life.

Furthermore, one of the main elements taken into account by the Commission is the interest in the natural environment in terms of protection and conservation, improvement of the urban environment and minimizing negative effects of various developments by maintaining air quality, human life, flora and fauna and different elements of nature in general.

- A modern oasis with development in harmony with the desert environment through the optimum use of technology and environmentally successful structural planning.
- A center of scientific and cultural enlightenment.
- A financial and commercial center.
- A beautiful city with distinguished and stylish design integrating with social and cultural life and a center for Islamic arts and culture.

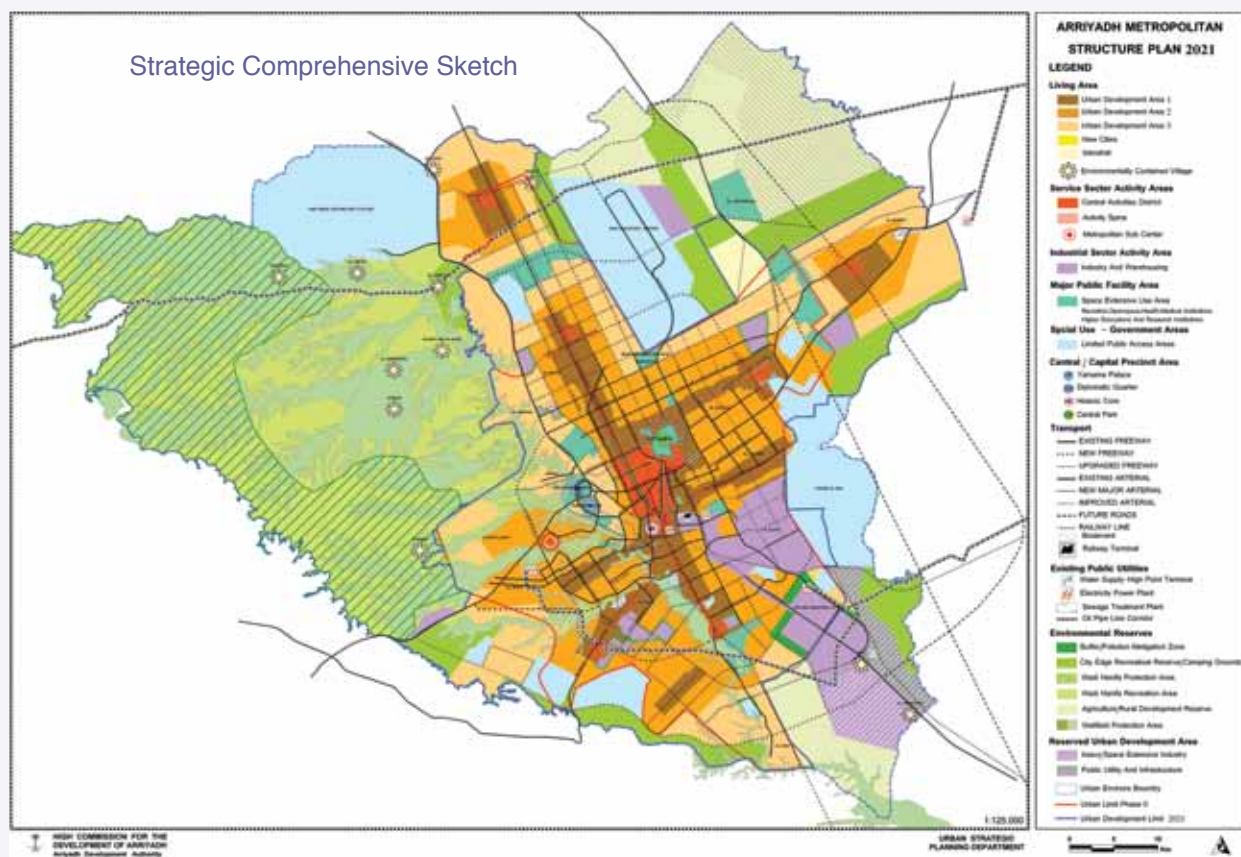
Element Two: Strategy of the Urban Development

This consists of several plans which represent

- policy execution mechanisms as follows:
 - **Structural Plan of Arriyadh** reflecting all urban and functional aspects of the objectives, strategies and different urban policies which are incorporated in the Comprehensive Strategic Plan. The Plan defines distribution of land use, major activities, business centers, city transportation system, and the network of public utilities. It specifies the environmental protection areas, open areas, directions and boundaries of urban development. The Structural Plan covers all parts of Arriyadh as follows:
 - Urban development stage until 2014, 2,395 km².
 - Urban development stage until 2029, 3,115 km².
 - The boundaries of the development protection with an area of 5,691 km²(1).
 - **Local Structural Plans** which aim to clarify policies and controls related to certain areas of significant spatial importance. Most important of these plans is the Structural Plan for the city center, There are also Structural Plans for urban areas and Structural Plans for hubs.
- **Land Usage Plan** is considered one of the most important executive tools for the plans and policies of the Comprehensive Strategic Plan. This plan defines the current and future use of land up to 2021.
- **Regulations of Land Use and Development** divide the city into specific zones in accordance with the Land Usage Plan. These regulations set up rules and systems and recommend development standards with respect to density, height and other conditions to ensure privacy and protection of property, environment, heritage and urban issues. It also lists procedures and steps required for regulations related to planning licenses and building licenses and encouraging distinguished construction designs.

Element Three: Transportation Strategy

The objective of this Plan is to provide safe and convenient transportation to accommodate existing and future requirements, taking into consideration the increasing rate of population growth provided this system integrates with the continued urban growth of the city.



(1) The High Commission for the Development of Arriyadh: Population Forecasts Study, Arriyadh City, 2004-2024.

Element Four: Economic Development Strategy

Aims to achieve a balanced socio-economic development through the diversification of the economic base, increase the city's income sources, limit the flight of income, take full advantage of the city's competitive characteristics and enhance its role as a financial, commercial and IT center.

Element Five: Environmental Strategy

Aims to achieve a sustainable environment while planning for the city of the future, preserve natural resources and improve environmental quality. It also aims to achieve the optimum use of resources to meet the needs of future generations.

Element Six: Housing Strategy

Sets up mechanisms for development of the housing sector to address and facilitate the increasing demand for housing; improve residential environment and provide basic needs for all categories of the community.

Element Seven: Public Utility Strategy

Aims to upgrade the standards of public utilities (electricity, telephone, water and sanitary waste), provide solutions for the current deficit, provide good integrated network for public utilities and apply the concept of optimum resources management.

Element Eight: Urban Management Strategy

Aims to make administrative arrangements to develop existing systems to ensure well-coordinated future growth of the city. This will be achieved through integrated planning and application of decentralization of decisions to allow the private sector and residents to participate in the decision-making process.

The approval of the Comprehensive Plan of Arriyadh City will reshape the future of the city over the next 20 years. There are significant investment opportunities available to the private sector, including building materials, housing, transportation, tourism and recreational services, health and educational services.

Sub-Centers⁽¹⁾

The comprehensive strategy of Arriyadh integrates with the vision of urban centers which are connected with Arriyadh; the sub-centers. These are known as urban areas of various activities and services. Their area ranges between two and 2.5 km² and they serve about 600,000 to one million people in a circle of about 20 km in diameter and are provided with comprehensive civil services.

The future outlook of these sub-centers is based on their being multi-purpose new centers with various activities and usages. They are connected with each other via highways and public transportation in order to provide a safe and attractive environment in terms of living and engagement in recreational and commercial activities. They enjoy being areas of high economic feasibility that provide great job opportunities due to accommodation of active and prosperous business centers to meet the commercial and financial needs of the city. At the same time, they reflect the high level of local culture of the population. Public and private sector opportunities will be included in these centers, among them government and administrative centers, economic activities, offices, companies, banks, shopping centers as well as social, cultural and recreational services.

The Future Outlook of the Sub-Centers

- Multi-purpose new centers.
- Multiple activities and uses.
- Safe and attractive environment for living.
- An atmosphere suitable for the conduct of business.
- Various forms of entertainment.
- An environment of high economic feasibility.
- Incubators of specialized educational institutions.
- A mixture of local building traditions and stylish modern buildings.
- Environmental considerations taken into account.

The Objectives of the Sub-Centers

The sub-centers represent a progressive urban pattern and a long-term vision for the development and planning of the city. The objectives and benefits of this architectural style are:

- Support the current center of the city.
- Support the orientation of the urban administration towards decentralization.

(1) The High Commission for the Development of Arriyadh; Arriyadh Sub-Centers.

- Provide activities and services for the new sub-regions distant from the center of the city.
- Create new job opportunities in different sectors of the city.
- Reduce the rate of traffic trips to the city center.
- Improve the urban environment in general through high-efficiency and quality when planning these centers.
- Promote the contribution of the public and private sectors to the process of urban development.

The Functions of the Sub-Centers

These centers will include the functions of public and private sectors, including the accommodation of the economic activities, offices, companies, banks, malls, government and administrative centers as well as social, cultural and recreational services. The new sub-centers will house the following uses and functions:

The Economic Function

Each sub-center in Arriyadh will provide various broad economic opportunities that characterize the city center. These opportunities will be accessible for the residents of the area and stop the inconvenience of moving to distant areas to reach their needs. Activities include commercial and marketing offices, banks and companies. The center also comprises relatively large development projects represented among others by exhibitions, hotels and entertainment venues.

The concentration of these economic activities in itself is considered a basic objective of the planning process of these new centers. The resulting economic feasibility is a significant motivation for the attraction of investments, provision of investment opportunities and revitalization of the city's new squares.

The Administrative Function

Each new sub-center houses a new administrative center and branches of government departments and ministries (a branch of Arriyadh Region governorate, subsidiary municipality, police, civil defence, post, communications office, etc). The sub-centers will be targeted by the departments aiming to achieve administrative decentralization and looking towards the sub-sites.

The Cultural and Promotional Function

The creation of cultural and promotional

activities addressed to different classes and strata of the society is one of the pressing needs of the population of Arriyadh, particularly for the families that live in neighbourhoods distant from the city center.

Thus, the creation of such sub-centers will provide an adequate opportunity for these kinds of activities. These centers will include multi-cultural activities such as public libraries, festivals, celebrations and artistic exhibitions. Furthermore, these centers will accommodate various places for family recreation, public parks, playgrounds and green areas, all of which are elements that make these centers an attraction point and a destination for the sector's population served by these centers.

The Educational and Health Functions

The sub-centers will be prepared to house major educational institutions such as technical institutes, specialized colleges as well as health centers to serve the residents of the centers or the surrounding neighbourhoods. This will contribute to meet the population needs and reduce the hardship of travelling to other places in order to obtain these services.

The Housing Function

In order to avoid city centers in general becoming abandoned areas out of working hours, the new sub-centers will provide residences for various



social classes who prefer to live near the center, offering a variety of good quality apartment buildings for lease or ownership. Thus, the sub-centers will not be isolated from the surrounding residential areas and will be designed in a way that ensures privacy and security of the residents.

The residential areas around the sub-center will provide housing units with different sizes and less density for large families, while the center will provide higher density housing through smaller residential units to meet the needs of new families.

Advantages and Motivations Related to the Development of the Sub-Centers

The centers are characterized by a number of benefits that make them different from the other parts of the city. As areas of special development; each will represent a model of an integrated-services city center. Skyscrapers are permitted to make them stand out from the surrounding area, with high-density skyscrapers of multi-purposes and activities at the city level. Upon completion, they will represent an attractive urban and economic environment.

The private sector will contribute to the development of these centers. This will provide significant investment opportunities in Arriyadh. These opportunities will raise the level of the city’s economic performance and enhance the mechanisms of partnership between the public and private sectors in the process of urban development.



Spatial Scope of the Sub-Centers’ Site				
The Sector	Directions			
	North	South	East	West
Southern	Al Naser Road	Following the borders of the ring on the adopted map	The Extension of the Eastern Road from the South	Al Hair Road
South West	South West Ring Road	Following the borders of the ring on the adopted map	Wadi Hanifa	Following the borders of the ring on the adopted map
Western	Prince Meshaal bin Abdulaziz Street	Al Madinah Street	Wadi Hanifa	Following the borders of the ring on the adopted map

Standards of the Sub-Centers

- The location of these centers within an area ranging between 20 and 25 kms from the center of the city (Cairo Field) within the spatial scope.
- Provide service to the residents of the surrounding areas within a radius of 10 km to serve a population of between 600,000 to a million.
- To be located in the center of each sector.
- The space allotted for each center ranges between 2 km² and 2.5 km².
- Proximity to highways.
- Proximity to the end of hubs mentioned in the structural scheme of the city.
- The centers' appropriateness to the nearby activities whether developed or specialized.

Development of the Eastern Sub-Center

The High Commission for the Development of Arriyadh approved the project of the Eastern Sub-Center in Arriyadh City. It is located on the intersection of Sheikh Jaber Al-Ahmad Al-Sabah Road with the end of King Abdullah Road on an area covering two million m². The most prominent features of the project are the diversity of land use. This is made up of residential 11%, commercial 20% and other uses (commercial/offices/hotels) 18%. It will accommodate a population 44,000, in more than 12,500 residential units. Buildings will be between four to 32 storeys. 50% of land use will be allocated to public purposes.

This sub-center is meant to realize the comprehensive strategic plan of Arriyadh City which has adopted the transformation of future planning of the city from centralization to decentralization via the establishment of more five sub-centers. These, second place in terms of area after the city center, will provide jobs for both public and private sectors and contribute to distribution of the economic activities, administrative and population services in the new areas. Furthermore, they will have a role in the creation of new job opportunities for various sectors⁽¹⁾.

Development of both Northern and Eastern Suburbs

The Northern Suburb

This is located north of Arriyadh City, 20 km away from the intersection of King Fahad Road with the North Ring Road, on an area of 205 km².

Construction controls along King Abdullah Road:

- Permission of using of different kinds of lands (residential, commercial and office).
- Maximum height of buildings is six floors.
- Provision of under- or above-ground parking with a maximum five floors height.

Development in land planning includes study of the planning and development process inside the suburb itself in terms of road networks, housing and rest houses.

The suburb includes Prince Salman Park on an area of 3.2 km² and Durrat Arriyadh Project of 10 km² ⁽²⁾.

The Eastern Suburb

Located east of Arriyadh City, 20 km away from intersection of East Ring Road with North Ring Road on an area of 214 km² ⁽³⁾.

This involves a study of planning and development process and approval of roads networks and many public utilities within the suburb.

High Committee for Environment Protection

Regarding the environment, the High Commission is undertaking the implementation of projects in Ober and Mahdiah Valleys within the program of the Commission to rehabilitate valley feeders of Wadi Hanifa in addition to adapting Al Jaber Lakes which are the final downstream outflow of water discharged into Wadi Hanifa. These are open zone and park investments for residents of the southern part of the city ⁽⁴⁾.

The High Commission for the Development of Arriyadh has sought to get all parties, which are directly or indirectly concerned with environmental issues, involved in the formation of the Higher Committee for Environment Protection in Arriyadh, including 18 public parties in the city.

The Commission endeavours to accommodate up-to-date data bases for better data processing. Thus, qualified staff will be able to transform such data into smart and accurate information, to diagnose the environmental reality of the city and provide solutions, performance policies, execution standards and quality criteria for best recent practice development.

Chairman of Projects and Planning Center

(1) The High Commission for the Development of Arriyadh, Tatweer Magazine 66, 2012.

(2) The High Commission for the Development of Arriyadh, Tatweer Magazine 66, 2012.

(3) Ibid

(4) Ibid



The High Commission for the Development of Arriyadh has approved in its third meeting held on 5/6/2006 the formation of a Higher Committee for Environment Protection in Arriyadh, in light of the strategy techniques in the overall strategic plan. It aims to maintain the urban environment in Arriyadh and achieve a kind of environmental quality represented in cutting pollution levels to a minimum, reduce waste particularly waste which cannot be recycled and can adversely effect the environment.

In 2007 the Higher Committee for Environment Protection in Arriyadh adopted the following executive plan for the period 2007 to 2014. All concerned parties have contributed to the preparation of this plan including recent programs and futures strategies. The plan includes five key elements:

1. Control of pollution.
2. Management of waste.
3. Development of water resources.
4. Development of natural resources, open areas and wildlife.
5. Environmental management.

For more information on the executive plan document see the website of the High Commission for the Development of Arriyadh : www.ada.gov.sa

Public Services Coordination Plan

Raising the level of public services in Arriyadh City is one of the significant tasks that the High Commission for the Development of Arriyadh has endeavored to realize in order to keep up with the city's rapid population and urban growth which have led to increasing demand on such services.

In light of this, the united executive plan was adopted to coordinate and provide public services in Arriyadh until 2029 when the estimated future needs of public services land will be 142 km².

The estimated costs for provision of such services amounted to about SR 209 billion for 17 years⁽¹⁾.

Development of the Western Part of King Abdullah Road

Within its development program, the High Commission for the Development of Arriyadh has adopted the upgrading and conversion of King Abdullah Road into a highway and one of the main arterial routes in the city. This has involved the project of development of the western part extending from west of Prince Turki bin Abdulaziz the First Road to west of King Khaled Road. It has included ⁽²⁾:

- Creation of three lanes on the main highway plus numerous service roads in each direction and an increase in the number of intersections, entrances and exits from and to the main highway.
- Preparation of the main road to accommodate the metro line being implemented.
- Implementation of King Abdullah Road intersection with King Khaled Road in three phases; a 800-meter tunnel at the intersection with King Khaled for ease of transport toward the east and west, allowing for improved transport toward both the the north and south, as well as construction of flyover for easy turning.
- Implementation of a tunnel at the entrance of King Saud University.
- Provision of road services including; electricity, water, drainage, lighting, safety controls in tunnels, monitoring and controls systems, guiding program, planting and paving the area.
- Conversion and re-establishment of public utility network which feeds the neighborhoods surrounding the main road including electricity, water and sanitary waste.
- Provision of the road with an up-to date system of traffic lights.

(1) The High Commission for the Development of Arriyadh, Tatweer Magazine 66, 2012.

(2) Ibid

Intersection Tunnel of Makkah Road with Salah Edden Al Ayoubi Road

The High Commission for the Development of Arriyadh approved implementation of intersection tunnel of Makkah Road with Salah Edden Al Ayoubi in Al Malaz district. This vital project integrates with implementation of extension works of Abu Baker Road across Riyadh Air Base. Its length is 1,500 meters with six lanes in each direction. In addition a 750-meter long tunnel with three lanes and three service roads in each direction will be constructed for transport toward the north and south. More lanes will be introduced at the entrances and exits of the intersection above the tunnel.

Also special lanes are allocated for turns above the tunnel. A variety of network services will be provided⁽¹⁾.

Bridge Project of the East Ring Road Intersection with Oruba Road

This project implies construction of a 750-meter overpass with two lanes for traffic coming from the south at the East Ring Road toward Oruba and the west. It will enable turning at the East Ring Road in the intersection area for movement toward the north and south.

These vital projects are part of the High Commission's programs to develop future road networks in the city for the purpose of upgrading the existing networks and introducing new elements to facilitate transportation and movement between different parts of the city. They will enhance the economic activities and encourage urban development⁽²⁾.



(1) The High Commission for the Development of Arriyadh, Tatweer Magazine 66, 2012.

(2) Ibid



Theme Five: The Riyadh Chamber of Commerce and Industry

The Riyadh Chamber of Commerce and Industry (RCCI) was established in 1961 to maintain, protect and develop the interests of the private sector through achieving various goals. The most important of these are encouraging the private sector to invest in sectors of competitive advantage, improving the investment environment and attracting more investment to Arriyadh Region. The Chamber has 10 internal branches⁽¹⁾, 11 external branches⁽²⁾, a women's branch independent from the Chamber, two independent centers for conferences and exhibitions and another for local products both related to independent management within the Chamber and Arriyadh Economic Forum. The Chamber also comprises more than 30 sector committees for various economic and vocational sectors of the chamber.

The Chamber's Role in the Enhancement of the Investment Climate

The Chamber seeks to support the investment climate in Arriyadh. It does this by identifying the available investment opportunities to benefit from and determine new areas of investment and related feasible opportunities. It also prepares studies and research and provides consultancy on economic issues to encourage the private sector to invest in economic sectors with comparative advantages. This helps to increase the competitive capacity in a way that contributes to the development of Arriyadh economy and society, attracts more investment and encourages the establishment of joint stock companies.

The Chamber also supports the investment climate by studying the results and positives factors of application of systems and procedures in force. It deploys them and recruits the private sector to understand and work accordingly. It helps

The Riyadh Chamber of Commerce and Industry occupies a privileged position in the economic activities due to many reasons:

- Its location in the political and economic capital make it close to decision-making centers.
- Availability of the largest number of entities in Arriyadh
- The increasing role of the private sector in the implementation of development programs.
- Succession of global economic developments and changes affecting the national economy, and the Chamber's role to follow up these variables and their effects.
- All visiting dignitaries, government delegations and business owners' delegates are interested in visiting the Chamber to get introduced to its activities.
- The Chamber's role in supporting the growing business of charities and related committees, associations and centers.

discover the negative impact of old regulations and resolutions that might be inadequate to the development circumstances in the Kingdom and criticizes them objectively. It suggests alternative proposals and seeks to convince the government sector to reform regulations.

The Role of the Investment Center in the Chamber

The Investment Center is one of the operating departments in the Chamber. It seeks to contribute to the development of the investment climate and activity in general and in Arriyadh in particular. It endeavours to increase its competitiveness to attract foreign investments and settle domestic capital. The Center also prepares studies and reports on the reality and foundations of the development of the main pillars of investment activity. It monitors related opportunities, prepares relative databases and promotes national investment products joined with foreign capital. It also promotes the advantages granted to foreign investment, raises the awareness of the basics of investment activities and answers members' inquiries about issues of relevance to investment.

The Center prepares and publishes studies on the investment climate and development requirements and investment opportunities for different economic sectors. It also prepares databases targeted by the businessmen and researchers, in addition to the promotional campaigns for foreign investment in the Kingdom and Arriyadh ⁽³⁾.

(1) Branches: 1st and 2nd Industrial Areas, Alnaseem, Alshifa, the Ministry of Commerce, the Investment Authority, National Products, Al Badeea'a and Al Khaleej.

(2) Branches: Wadi Aldawaser, Al Dawadmi, Shaqra, Afif, Remah, Muzahemiah, Hota Bani Tamim, Sajer (Nafi, Alsleil, Aljash offices).

(3) For more information on the achievements of the Center and references of the investment opportunities, see the website of the Riyadh Chamber of Commerce and Industry: www.riyadhchamber.com

The Role of the Chamber's Other Centers and Departments

Departments and Centers⁽¹⁾ of the Chamber and Riyadh Economic Forum play a significant role in supporting the investment climate in Arriyadh Region through several administrative, training, consulting and research services.

They provide data relevant to the economic sectors and guide businessmen and investors to various investment opportunities. They also direct them with regard to importation and exportation in various countries around the world.

Riyadh Economic Forum

Riyadh Economic Forum is a body that administratively relates to the Riyadh Chamber of Commerce and Industry through a board of trustees that consists of a number of the Chamber's board of directors and others.

The Forum holds a conference once every two years, during which it addresses a range of economic and social issues of the Saudi community.

The Forum's Strategic Objective

Riyadh Economic Forum seeks to be a strategic and intellectual center that discusses national economic issues depending on a practical and scientific approach. It also follows different methodologies based on the principle of a Think Tank towards a better contribution to sustainable economic development.

Sessions of the Forum

Riyadh Economic Forum has held five sessions (a round every two years) since 2003. The fifth

session was held in December, 2011. The following subjects were discussed⁽²⁾

- Assessment of investment in the Kingdom⁽³⁾ during the last decade in terms of quantity and quality to see the economic and social return of these investments, the efficiency of attractions and the contribution of foreign investments in the diversification of economy and its added value. The Forum also encouraged the contribution of the national private sector to competition, creating job opportunities to Saudis, analyzing opportunities and risks facing foreign investments and putting all efforts to grow the flow of these investments.
- Develop a vision to achieve balanced development of regions of the Kingdom. Study the current situation for development of the selected regions via a number of quantitative indicators. Determine development gaps, challenges and impediments facing various development plans.
- Food security between agriculture, import and foreign agricultural investment; through studying various methods to realize food security in the Kingdom, and trade-off between domestic and foreign agriculture and import. Identify the pros and cons of each alternative.
- Development of transportation between cities and seek solutions for any existing problem in the major cities. This includes study, analysis and diagnosis of transportation challenges, finding solutions and utilizing from other international experiences, opinions and directions of decision-makers and citizens in order to shape a better transportation future



(1) More than 40 departments and centers.

(2) For more information on the studies and symposia of the Forum's fifth round and other rounds please visit www.riyadhef.com

(3) This was prepared by Middle East Consulting Center.

vision and improve this service later.

- The appropriateness of technical education and vocational training for the development needs of the labour force. This is done through analyzing the current situation of the technical education and vocational training and setting out a future vision that fits development requirements.

Recently, the sixth round is being prepared and it addresses five themes: water issues, development of the construction sector, development of small entities, localization of jobs and administrative and financial corruption.

Riyadh International Conventions and Exhibitions Center

This is one of Riyadh Chamber of Commerce and Industry's facilities. It was established to be a place for local and international commercial fairs, conventions and various economic events. It is an independent administrative body located on King Abdullah bin Abdulaziz Road close to the Prince Salman Social Center, 15 minutes away from King Khaled International Airport on the East Ring Road. The area of the Center is 189,000 square meters extended in a rectangular shape from north to south. The Center's vision is embodied in the establishment of conventions and exhibitions industry in line with the aspirations of the Saudi economy of being one of the influential world economies.

Ladies Section

The Chamber is interested in providing services to the business women's section in Arriyadh and endeavours to support their development efforts. In

2004, the Ladies Section commenced work in an independent building.

The task of this Section, which is run by national qualified staff, is to exert all efforts possible to improve the regulatory and legislative business environment available to all business women in Arriyadh. The Chamber helps create more job opportunities and investments that particularly fit the Saudi woman and her privacy. It provides special commercial malls as well as women's industrial cities.

The Section aims to study risks and obstacles facing the development of women's business section, particularly since the volume of commercial records of business women in Arriyadh has reached 34% of total activity in the Kingdom.

There are about 3,000 subscribers in the Women's Section and they are engaged in about 7,800 commercial, industrial and service activities.

The Section succeeded in the formation of a women's executive council which aims to discuss economic issues related to business women's activities, meet their counterparts from inside and outside the Kingdom and develop the national economy in general and Arriyadh economy in particular.

The Section has initiated business relating to subscription procedures, ratification of the transaction and renewal of membership in the Chamber. Also, it has undertaken the responsibility of organizing many events that contribute to development of their leading and technical skills or other issues that help business women explore more domestic and foreign commercial and investment opportunities.







THE KINGDOM OF SAUDI ARABIA
AND THE ENHANCEMENT OF
INVESTMENT CLIMATE



Theme One: Macro-Economic Indicators in the Kingdom

The Saudi economy is very flexible in reacting to different economic variables at global, regional and local levels. Best evidence is the successive achievements of the Kingdom in annual world rankings. Saudi Arabia is ranked fourth in financial freedom worldwide; its tax system is ranked seventh in the world among the best tax systems stimulating investment. It is also one of the largest of the 20 economies in the Middle East and North Africa as well as one of the fastest growing countries. Average individual income is expected to reach \$33,500 US dollars in 2018.

Saudi Arabia accounts for 25% of Arab GDP. It owns about 25% of oil reserves in the world.

State Budget for the Fiscal Year 2013/2014

The State continued to allocate the biggest proportion of its resources for development projects which accounted for the largest share of the state budget for the fiscal year 2013/2014. This promotes continuing growth, long-term development and consequently opens the door for more job opportunities.

- Public revenues were estimated at SR 849 billion, while public expenditures were estimated at SR 820 billion with an estimated surplus of SR 9 billion.
- Sectors of human resources development (general education, higher education and employment training) accounted for SR

204 billion, 25% of the financial allocations. This represents a 21% increase in what was allocated for 2012/2013.

- SR 100 billion for health, health services and social development, about 16 % increase from 2012/13 allocations.
- Municipal services accounted for SR 36 billion, a 23% increase from 2012/13 allocations.
- Infrastructure and transport services accounted for SR 65 billion, a 16% increase from 2012/13 allocations.
- Water, industry, agriculture services and other economic resources accounted for about SR 57 billion, an 11% increase from 2012/13 allocations⁽¹⁾.

Distribution of Estimated State Budget Allocations 2012/2013⁽²⁾

Item	Million Riyal	%
Human Resources Development	167,933	24.3
Transport and Communications	20,566	3.0
Economic Resources Development	36,048	5.2
Health and Social Development	61,009	8.8
Infrastructure Development	11,211	1.6
Municipal Services	25,460	3.7
Defence and National Security	212,715	30.8
General Management, Facilities and General Items	111,434	16.1
Specialized Government Credit Institutions	10,785	1.6
Subsidies	32,839	4.8
Total	690,000	100.0

(1) Ministry of Finance: statement of the Ministry of Finance for the fiscal year 2013/2014.

(2) Ministry of Finance: according to SAMA 48th Annual Report, 2012.

According to a statement by the Ministry of Finance⁽¹⁾ on the state budget for the fiscal year 2013/2014, actual revenues are expected to reach SR 1,239.5 billion by the end of the fiscal year 2012/2013, an increase by 77% from estimated allocations. 92% of which are petroleum revenues.

Actual expenditures are expected to reach SR 853 billion, an increase by SR 163 billion or 23.6% from 2012/2013 allocations.

Future Vision of the Saudi Economy

The International Monetary Fund commends the financial policy of the Kingdom. A report issued by experts of the Fund on the Fourth Article consultations 2012/13 showed that future prospects of the Saudi economy are strong, with growth rate expected to remain high led by the private sector and surpluses expected in both public finances and external balances.

The Saudi economy did not appear directly affected by the Euro Zone crisis due to its robust public finance controls and effective macro precautionary instruments which contribute to the stability of the economy in the face of fluctuating oil prices.

Initiatives of the Saudi labour market continue to provide more job opportunities to citizens in line with current initiatives aiming to ensure sufficient number of qualified citizens to take up created jobs. An increase in productivity represents a key element to maintain the current rate of growth.⁽²⁾

Realized Standard Financial Surpluses

In addition to expenses included in the state budget of SR 853 billion in 2013/14, a large number of development projects are being financed by an additional program which is financed by surplus revenues from previous budgets.

By the end of the fiscal year 2012/13 the amount of expenses for these budgets is estimated at SR 46 billion, financed by open accounts set for this purpose in SAMA.

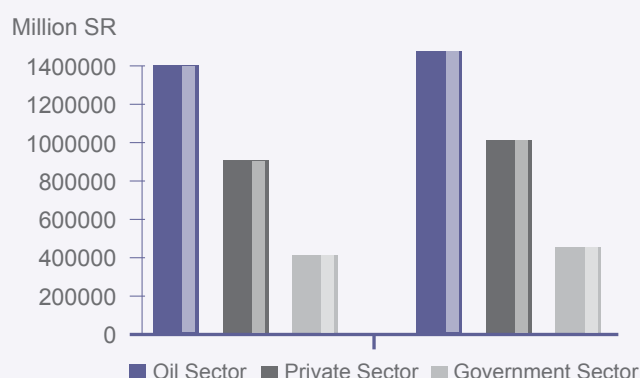
The number of project contracts raised during the fiscal year 2012/13 and reviewed by the Ministry of Finance reached 2,000 with a total value of SR 137 billion.⁽³⁾

Gross Domestic Product (GDP)

- According to estimates by CDSI, GDP is expected to reach SR 2,727.4 billion by current prices by the end of 2012/13, an increase by 8.63% from the previous year 2011/12 when the GDP was SR 2,510.7 billion.

- In 2012/13 GDP grew by fixed prices to SR 1,236.4 billion⁽⁴⁾, an increase of 6.81% from the previous year.
- In 2012/13 GDP of the government sector was SR 410.6 billion by current prices, an increase by 10.63%.
- GDP of the private sector was 943.1 billion by current prices, an increase by 11.5% from the previous year.⁽⁵⁾
- In 2012/13 the oil sector grew by 6.04% by current prices, it increased from SR 1,276.4 billion in 2012/13 to SR 1,353.6 billion.

GDP by Current Prices



(1) Ministry of Finance: statement of the Ministry of Finance for the fiscal year 2013/2014.
 (2) Qatari report No. 271/12 issued from IMF.
 (3) Statement of the Ministry of Finance on the State Budget, 2013/14.
 (4) Ibid.
 (5) CDSI, National Accounts Indicator, 2012/13.

Contribution of the most Important Economic Sectors

In 2012/13 most economic activities contributing to the gross domestic product for the non-oil sector achieved positive growth.⁽¹⁾ The real growth in the non-oil manufacturing industries was estimated at 10.93%. This was made up by 12.15% for telecommunications, transport and storage activities; 8.43% for electricity, gas and water; 16.48% for building and construction activity; 10.68% for the wholesale and retail, restaurants and hotels; 11.13% for finance services, insurance and real estate; and 3.61% for agriculture, forestry and fisheries.

Constantly adopted procedures and resolutions on economic reforms had an impact in realizing positive rates of growth in the private sector. These rates led to diversifying and expanding the base of the national economy and led to a GDP

growth of 49.6% by current prices and 58.2% by fixed prices in 2012/2013. These indicators show the increasing efficiency of this sector, particularly in manufacturing industries and services which continue to develop.⁽²⁾

Furthermore, all economic activities contributing to the GDP of the non-oil sector realized a positive growth during 2012/2013. The contribution of industrial activity to the GDP by current prices (including oil refining) was 10.2%. Industrial activity grew by 10.2% by current prices. The contribution of mining and quarrying (including crude oil, natural gas and other mining and quarrying activities) to the GDP was 47.2% as this sector grew by 5.86%. Building and construction sector contributed 4.6% and grew by 16.48%.

Electricity, gas and water activity contributed 1.1% to the GDP by current prices and grew by 8.43%.⁽³⁾

Contribution of Economic Activities to the GDP for 2012/2013
(by current prices)⁽⁴⁾

Activity	Value	%
Mining and Quarrying	1,286,804	47.2
Building and Construction	124,658	4.6
Electricity, Water and Gas	30,670	1.1
Agricultural Activity	49,903	1.8
Industrial Activity	279,538	10.2
Finance, Insurance and Real Estate Services	216,759	7.9
Social Services	46,509	1.7



(1) CDSI, National Accounts, 2012/13.
(2) Ibid.
(3) Ibid.
(4) CDSI, Preliminary Data, 2011/12.

Balance of Payments

Current Account

The current account of the balance of payments in the Kingdom for the fiscal year 2011/2012 realized a surplus of SR 594.2 billion compared to SR 250.3 billion in the previous year, an increase of 13%. That increase is due to a 103.3% rise in the surplus of services and commodities to SR 668.1 billion. It is also due to the 5.2 % increase of the surplus of net current transfers abroad to SR 110.1 billion. The current balance of commodity and service items realized the highest surplus in 2011/2012, while the current transfers item witnessed the highest deficit during the period.⁽¹⁾

According to preliminary estimates by SAMA,⁽²⁾ the

balance of trade will realize a surplus of SR 1,005 billion in 2012/2013, an increase of 10% from the previous year. This is due to growth of petroleum and non-petroleum exports in addition to the modest growth of commodity imports. The current account of the balance of payments is expected to realize a surplus of SR 669.2 billion, an increase of 13% from the previous year.

The Surplus and Deficit

By the end of the fiscal year 2012/2013, the current account of the balance of payments (which illustrates services and commodities exports and imports) witnessed a surplus of 24.5% of GDP compared to 27.5% in the previous year⁽³⁾.

Surplus of the Current Account to the GDP (million Riyals) ⁽⁴⁾			
Year	Current Account	GDP	%
2007/2008	349,985	1,442,572	24.3
2008/2009	496,208	1,786,143	27.8
2009/2010	78,580	1,412,596	5.6
2010/2011 ^(*)	250,320	1,679,109	14.9
2011/2012	594,222	2,163,094	27.5
2012/2013	669,200	2,727,400	24.5



(1) CDSI, Preliminary Data, 2011/12.

(2) Ministry of Finance: statement of the State Budget, 2012/13.

(3) SAMA, Annual Report 48, 2012.

(4) SAMA, Annual Report 48, 2012, statement of the Ministry of Finance, 2013/14.

(*) Preliminary Figures.

Foreign Trade Relations

The preliminary data on foreign trade for the fiscal year 2011/2012 shows that the commodity trade of the Kingdom increased from SR 1.1 trillion to SR 1.3 trillion over the previous year due to the increase of the value of total exports and imports. As an indicator to the high degree of the Kingdom opening up to the world economy, the percentage of commodity foreign trade to the GDP of the Kingdom was 78.9% compared to 76.8% in the past year.⁽¹⁾

The Volume and Development of Exports and Imports

Oil is the most important export of the Kingdom's commodities and the most influential balance of payments item. Hence, any change in the price of oil and its production quantities will directly impact the current account of the balance of payments. The preliminary data of CDSI shows that the total commodity and service exports value of the Kingdom was SR 1,525.6 billion during 2012/2013 compared to SR 1,410.7 billion in the previous year, an increase by 8.14%. Oil exports represent about 85% of the total exports of the Kingdom.



Kingdom's Commodity Exports ⁽²⁾				Million Riyals
Item	2009/2010	2010/2011	2011/2012	2012/2013
Oil Exports	611,490	806,809	1,191,051	1,301,681
Crude Oil	533,177	710,024	Not Available	Not Available
Refined Products	78,313	96,785	Not Available	Not Available
Non-Oil Exports	114,684	117,608	176,568	183,490
Petrochemicals	52,967	72,556	Not Available	Not Available
Building Materials	8,738	8,136	Not Available	Not Available
Agricultural, Animal and Food Products	10,159	9,786	Not Available	Not Available
Other Commodities ^(**)	42,820	27,130	Not Available	Not Available
Total	726,174	924,417	1,367,619	1,485,171

The value of the Kingdom's oil exports including refined products was SR 13,017 billion in 2012/13, an increase of 9.29% compared to SR 1,191.1 billion in the previous year.

Non-oil exports were SR 183.5 billion in 2012/13, an increase of 3.92% compared to SR 176.6 billion in the previous year. The value of service exports was SR 40.4 billion in 2012/13 compared to SR 43.1 billion in the previous year, a decrease by 6.19%.

In 2012/13 the value of commodity and service imports was SR 781.3 billion compared to SR 742.4 billion in the previous year, an increase of 5.23%.

In 2012/13 the value of commodity imports was SR 533.1 billion compared to SR 493.5 billion in the previous year, an increase of 8.03%. Service imports were SR 248.2 billion compared to SR 249 billion in the previous year, a decrease of 0.3%.

(1) SAMA, Annual Report 48, 2012.

(2) Ministry of Finance: statement of the State Budget, 2012/13.

(**) Including re-export.

Kingdom Imports (CIF) According to Main Components ⁽¹⁾				(million Riyals)
Item	Years			Annual Change Rate 2010/2011
	2008/2009	2009/2010	2010/2011 ^(*)	
Machinery, Equipment and Electrical Appliances	117,318	103,093	99,027	-3.9
Food Products	62,199	53,280	63,202	18.6
Chemicals and Metal Products	53,039	47,936	56,748	18.4
Textiles and Clothing	13,875	12,656	13,387	5.8
Metals and Related Products	66,012	39,538	49,524	25.3
Wood Products and Jewellery	8,355	5,946	9,363	57.5
Transport Equipment	77,620	62,287	73,628	18.2
Other Commodities	33,335	33,554	35,857	6.9
Total	431,753	358,290	400,736	11.8

Cost of Living Index

General Index

Preliminary estimates of 2012/13 show that the cost of living index for the whole population has increased by 2.89% compared to the previous year, in accordance with methodology using a basket of commodities, the new services and a base year of 2006/07. The change in comparison with the old methodology used and the base year of 1997/98 represents 4.5% for the same period.⁽²⁾

The cost of living index for the whole population during the first quarter 2012/113 witnessed an increase of 3% to 139.4 points compared to 135.4 points in the previous year. All major groups to varying degrees contributed to this increase.

The Cost of Living Index (for the whole population) during 2012/113 ⁽³⁾	
Item	Average
General Index	139.4
Food and Beverages	159.7
Textile, Clothes and Shoes	87.8
Restoration, Leasing, Fuel and Water	182.9
Home Furnishing	118.9
Medical Care	114.6
Transport and Communications	93.6
Education and Recreation	107.5
Other Services and Commodities	167.5

The increase in government expenditures has greatly affected the general level of prices during 2012/13 with the Kingdom embarking on an expansion policy of financing numerous infrastructure projects. Also the increase in the world oil prices has indirectly affected the general level of local prices. Furthermore, the decrease of US dollar exchange rates against other currencies partially contributed to the increase of the inflationary pressures on the prices of the Kingdom's imports and consequently on general price levels.

Inflation Rate

The deflation factor of the GDP of the non-oil sector is a key economic indicator to measure the inflation at the economy level. It is expected to have increased by 3.8% in 2012/13 compared to the previous year⁽⁴⁾.

Wholesale Index

General Index⁽⁵⁾

This index measures the average of changes in commodities and service prices sold in the wholesale markets. It includes a sample containing 160 items distributed over ten major parts of the typical international trade categories (excluding some items related to weapons) and their value compared to the value of the total items. The wholesale general index during 2012/13 reached 156.4 points compared to 152.6 in the previous year. This is an increase of 2.5%. This is due to increases among the major groups of the index.

(1) Ministry of Finance: statement of the State Budget, 2012/13.

(*) Preliminary data.

(2) CDSI, National Accounts Indicators, 2012/13.

(3) SAMA, Annual Report 48, 2012.

(4) Ibid.

(5) Ibid.

The group of chemical fuels and related materials realized the highest increase of 15.4%, followed by the group of other commodities 7.7% then the group of versatile manufactured commodities 4.3%. Ranking fourth, machinery and transport equipment 3.2%, raw materials except fuel by 2.8% followed by food products 2.6%.



Annual Average of the Wholesale Index ⁽¹⁾					
Item	Proportional Weights %	2011/2012	2012/2013	Annual Change %	
				(1988 = 100)	
				2011/2012	2012/2013
General Index	100	152.6	156.4	4.3	2.5
Livestock and Foodstuff	31.9	174.1	178.6	3.4	2.6
Beverages and Cigarettes	1.2	151.4	151.6	0.9	0.1
Raw Materials Except Fuels	0.3	211.5	217.4	10	2.8
Mineral Fuels and Related Materials	10.1	184.8	184.8	0	0.0
Animal Fats and Botanical Oils	0.4	147.9	149.3	7.3	0.9
Chemical Fuels and Related Materials	9.8	188.6	217.7	12.5	15.4
Manufactured Commodities Categorized by Materials	26.2	142.5	144.1	3.1	1.1
Machinery and Transport Equipment	13.4	132	136.2	4.4	3.2
Versatile Manufactured Categories	6.4	145.5	151.8	7.9	4.3
Other Commodities	0.3	288.6	310.9	23	7.7

Per Capita Income

In 2011/2012 preliminary figures show an increase of 6.5% in the individual's share of GDP to reach SR 76,246.

Per Capita Average Income ⁽²⁾			
Item	2009/2010	2010/2011 ^(*)	2011/2012 ^(**)
GDP (by current prices / million Riyals)	1,412,596	1,690,470	2,163,094
Population (million)	26.66	27.56	28.37
Per Capita share of the GDP (Riyals)	52,986	61,331	76,246

Labour Market Structure

Total Local and Foreign Employment

The results of the Labour Force Survey for 2012/13 show the following:

- Total labour force in the Kingdom was more than 11 million.
- Total employed was 10.4 million, representing 94.5% of the total labour force with 9.1 million males representing 87.2% of the total labour force and 1.3 million females representing 12.8% of the total.
- Total unemployed was 607,500 representing 6.5% of the total labour force divided between 248,200 males representing 40.9% and 359,300 females representing 59.1%.
- Saudi labour force (aged 15 and above) was five million; 45.5% of total labour force with four million males representing 80% and 1,005,500 females representing 20% .
- Total employed Saudis was 4,397,371 representing 88% of the total labour force with 3,750,781 males representing 85% and

(1) SAMA, Annual Report 48, 2012.
 (2) Labor force survey, 2012/13, CDS.
 (*) Updated data.
 (**) Preliminary data.

646,590 females representing 15%. Total unemployed reached 602,853; 12% divided between 243,983 males, 40.5% and 358,870 females representing 59.5% of the total labour force.

- The total non-Saudi labour force was six million representing 57.7% of the total labour force with 5.3 million males representing 88.6% and 1,329,504 females representing 11.7%.

Public Sectors Employment ⁽¹⁾

- By the end of 2011/2012 the number of Saudi and non-Saudi employees in the public sector was 998.1 thousand, an increase by 3.9% from the previous year. The percentage of Saudis working in the government sector to total employment is 92%, 919,108 of them Saudis, an increase by 3.5% from the previous year distributed between 616,748 males and 302,360 females.
- The number of non-Saudis working in the government sectors is 79,030, representing 5% of total government sector employment, divided between 37,128 males, 47% and 41,902 females, 53%.
- The minimum range of average monthly salary for Saudis working in the government sector is SR 3,945 (minimum range of salaries in employee scales), while the highest range of salaries (rank 15) is SR 24,750.



Employment of the Government Sector 2011/2012 ⁽²⁾					
Saudis			Non-Saudis		
Males	Females	Total	Males	Females	Total
616,748	302,360	919,108	37,128	41,902	79,030
Grand Total 998,138					

Private Sector Employment

Most recent figures by the Ministry of Labor⁽³⁾ show that the number of private sector employees (Saudis and non-Saudis) was approximately seven million in 2010/11, an increase of 1.4% from the previous year. The number of Saudis working in the private sector to total employment of this sector is about 10.4%. In 2010/11 the number of employees in the private sector was 700,000 Saudis, an increase of 6.3% from the previous year, while non-Saudis were 6.3 million, an increase of 0.8% from the previous year. Saudi males were 700,000, an increase of 5.7% while females accounted for

60,000, an increase of 14.9%.

- Non-Saudi males were 6,200,000, an increase of 0.9% while non-Saudi females 90,000, a decrease of 0.7%.
- In 2010/11 private sector employment distributed by economic activity was as follows:
- 43.2% for building and construction, three million workers.
- 21.5% for the wholesale trade sector, 1.5 million workers.
- 10.7% for manufacturing industries sector, 700,000 workers.
- 0.4% for electricity, gas and water sector, 30,000 workers⁽⁴⁾.

(1) Ministry of Civil Service, Annual Statistical Book, 2011.

(2) SAMA, 48, 2012.

(3) Ministry of Labour, 2010/11 Statistics, SAMA, 47, 2011.

(4) SAMA, 48, 2012.

Private Sector Employment 2010/11 ⁽¹⁾									
Nationality	Saudi			Non-Saudi			Total		
Gender	Males	Females	Total	Males	Females	Total	Males	Females	Total
Number	669,037	55,618	724,655	6,178,130	88,415	6,266,545	6,847,167	144,033	6,991,200
% to Nationality	92.33	7.68	100	98.59	1.41	100	97.94	2.06	100
Gender to Total (%)	9.57	0.80	10.37	88.37	1.26	89.63	97.94	2.06	100
Nationality to Total	9.77	38.61	10.37	90.23	61.39	89.63	100	100	100

Data issued by annual achievement reports of the Ministry, 2011 shows that total number of Saudis and non-Saudis working in the private sector was more than 7.7 million, Saudis represent 10%, 808,335 workers divided between 717,361 males and 90,974 females. Non-Saudis constituted about 6,914,407; 6,801,433 males and 112,637 females⁽²⁾. In 2012 results of the labour force survey showed that total unemployed constituted about 607,532; 248,216 males and 359,316 females, and 602,853 are unemployed Saudis of total labour force divided between 243,983 males and 358,870 females⁽³⁾.

Transport and Telecommunications Infrastructure

Roads

The road network in the Kingdom of Saudi Arabia is remarkably safe. The total length of completed roads in 2011/12⁽⁴⁾ was 59,143 km, 14,956 km of these being highways linking main regions of the Kingdom as well as international borders. This network also serves large urban areas, 9,577 thousand km are minor roads linking major cities, 34,610 thousand km are branch roads serving villages and agricultural areas. In addition there are 136,832 km of unpaved agricultural roads. The length of all roads in 2011/2012 totalled 195,975 km.



Total Length of Accumulated Roads in the Kingdom 2011/2012 ⁽⁵⁾			
Item	Distance	Rate (%)	
		To Total Paved Roads %	To Total Roads
Paved Highways	14,956	25.3	7.6
Paved Minor Roads	9,577	16.2	4.9
Paved Branch Roads	34,610	58.5	17.7
Total Paved Roads	59,143	100	30.2
Unpaved Agricultural Roads	136,832	-	69.8
Total Roads	195,975	-	100

(1) Ministry of Labour, Annual Statistical Book, 2010/11.
(2) Ministry of Labour, Annual Achievements Report, 2011.
(3) CDSI, Labour Force Survey, (second session), 2012.
(4) Ministry of Transport Statistics, 2011/12.
(5) Ibid.

Railways

Railways in the Kingdom have experienced remarkable development. Advanced networks, as well as several modern passenger stations, were developed. Moreover, high-speed trains have started operations, leading to improved passenger and freight services. Particularly noteworthy is the Royal Decree Number 26 of 2006 to establish Saudi Railways Organization (SAR) with a capital of SR 1 billion in order to run a 2,400-km North-South line. The project of the Haramain Highspeed Rail Project (HHR) is one of the essential elements in the process of expansion of the railway network in the Kingdom. This railway service was operated during Hajj time (in 2010) at 35% of its capacity. Another project is the 950 km land bridge linking Arriyadh with Jeddah passing a number of cities along the route. Another 120 km railway land bridge will link Dammam with Jubail. The Saudi Railway Company is preparing a study to link Madinah and Tabuk (the old Hijaz Railway line); another Al Taif, Khamis Mushayt, Abha land bridge project; as well as Jeddah to Jazan and Yanbu to Jeddah lines.

The current supply of rolling stock of the Saudi Railways Organization is 59 diesel locomotives and 75 carriages for passengers with the following classes: 13 Al-Rihab class with 585 seats, 10 Al-Taleaa class with 714 seats and 27 Al-Qafela class with 2,096 seats. In addition there are nine dining carriages, 13 for luggage and power generation and one equipped as a medical carriage. There are also 1,860 freight carriages of different sizes and kinds⁽¹⁾.

In the operating field of the Saudi Railways Organization, 1.11 million passengers used the railway linking Arriyadh City with the Eastern Province during 2010/2011 along with 4.06 million tons of goods transported. The number of containers transported via the land bridge is expected to exceed 700,000 carrying eight million tons of freight by 2014/2015⁽²⁾.

Airports and Air Transport

The airport network in the Kingdom comprises 27 airports, including four international and 23 domestic airports across the Kingdom. These are equipped with the most advanced ground equipment and systems. Today, integrated airports are being established in Yanbu and Al Ula, in addition to the project of King Abdullah Airport in Jazan and Al Taif Airport project. King Abdulaziz Airport in Jeddah is

being expanded in two stages at a cost of SR 27 billion for the first stage.

There are two Saudi airline companies serving passengers: Saudi Arabian Airlines and NAS (National Air Services Company). In 2011/2012, 54.4 million passengers travelled on a total of 477,002 civil aviation flights, with 642,000 tons of airfreight carried.

The number of passengers on the two Saudi carriers was 21.5 million on 162,460 flights with 445 thousand tons of airfreight carried.⁽³⁾



Seaports

There are eight commercial and industrial seaports in the Kingdom in addition to a new seaport project in Ras Al-Zour in the Eastern Province. Through these ports, large amounts of goods are delivered annually. In 2011/12 there were more than 1.4 million passenger departures and arrivals, 5.7 million standard containers were handled and a total of more than 163 million tons of non-oil imported and exported goods were handled⁽⁴⁾.

(1) SAMA, 47th Annual Report, 2011.

(2) Saudi Railways Organization, www.saudirailways.org.

(3) General Authority of Civil Aviation Statistics, 2011/12.

(4) Saudi Ports Authority, 2011/2012 Statistics from the Authority's website www.ports.gov.sa.

Operating Movement of the Seaports in the Kingdom, 2009/10 - 2011/12⁽¹⁾

Item	2009/10	2010/11	2011/12
Goods/weight ton	142.3 million	154.02 million	162.5 million
Containers	4.4 million	5.3 million	5.7 million
Passengers	1.1 million	1.2 million	1.4 million

Postal Services

Postal services are spread all over the Kingdom through main post offices, branches, express mail centers and postal agencies (private offices) in addition to mail boxes and mobile and surface mail services. Saudi Post statistics in 2010 show the number of main postal offices was 537 and 185 express mail offices. The number of postal agencies (private offices) established by the private sector was 60, with 30 of them located in Arriyadh. In addition to mail boxes and mobile mail services that serve villages and suburbs; surface mail covers 647 villages, while mobile mail (tawwaf) covers 3,985 villages. 703.4 million postal items were delivered in 2010/2011, postal letters constituted 89.6% of total number postal items.⁽²⁾

Telephone Lines

By the end of 2011/12, the total number of working land telephone lines in the Kingdom stood at approximately 4.63 million lines. 3.3 million (71%) of these are household lines.

The number of mobile telephone subscribers was 53.7 million, while the number of broadband subscriptions reached 11.3 million, a 39.6% spread of the population.⁽³⁾

Internet Network

The data issued by the Communications and IT Authority shows the growth of internet users in the Kingdom during the past eight years, from one million users at the time of establishment of the Authority to about 13.6 million by the end of 2011/12, a 47.5% spread rate. This spread rate is higher than the world average of 28.7%, and the average of Arab Countries of 24.9% as well as third world countries of 21%, but it is less than average spread rate of advanced countries which stands at 71%.⁽⁴⁾

The Communications and IT Authority continued to promote competition by issuing new licences for a number of versatile services while it called off some other licences.

By the end of 2011/12 total issued licences were 230 compared to 313 at the end of 2010/11.⁽⁵⁾

Major Producing Sectors

Agriculture

The private and public sectors are greatly interested in the agricultural sector. The strategy of agricultural development aims to internally and externally invest in this sector. This strategy achieved a level of self-reliance in the productive animal, botanical and fishing sectors.

According to the Statistical Yearbook issued by the Ministry of Agriculture 2011/2012, the arable land area for 2010/2011 was 807,000 hectares. The estimated area for grain crops was 286,932 hectares with 1,571,000 tons production. The area under vegetable cultivation was 108,845 hectares with a production of 2,622,000 tons. Fruits estimated area is 226,443 hectares with a production capacity of 1,548,000 tons. The area allocated for fodders is estimated at 184,000 hectares with production of 363,000 tons.

The number of camels in 2010/11 was 213,300 thousand (not including free ranging camels). There were an estimated 5.2 million sheep (traditional and other breeds), 10.5 million goats, 393,300 cows (traditional and other breeds) and 22,200 horses, 444.7 million birds (traditional and special) in poultry.

The Kingdom's production of raw milk through 27 projects was 1.6 billion litres, fish 100,471 tons, and honey 125,658 kg. The total workers in the agriculture was 492,653; with 230,513 Saudis representing 46.8 % of the total.⁽⁶⁾

Industry

The achievements of the industrial sector in the Kingdom are represented through the national strategy for industries which draws up the features of the future of industry in the Kingdom until 2020. This strategy aims to raise the contribution of industry to the GDP to reach 20% by the beginning of 2020. According to statistics issued from the

(1) Saudi Ports Authority, 2011/2012 Statistics from the Authority's website www.ports.gov.sa.

(2) Saudi Post Statistics, 2010 as stated in SAMA 47th Annual Statistical book.

(3) Communications and IT Authority, Annual Report, 2011/12.

(4) Ibid.

(5) Ibid.

(6) Ministry of Agriculture, 24th Annual Statistical Yearbook, 2011/12. Some estimated figures have been changed to actual realized figures.

Ministry of Commerce and Industry up to the fourth quarter of 2012, the number of operating plants is 5,991 with a total finance of SR 647.4 billion. These plants employ more than 768,500 employees and workers⁽¹⁾.

Trade

The accumulated number of commercial companies in the Kingdom was 1,020,281⁽²⁾ by the end of 2011/12. The number of commercial agencies registered in the Kingdom by the end of 2010/11 was 10,973, while the number of free business licences was 8,129⁽³⁾.

Tourism

The state seeks to develop the tourism sector to increase its contribution to the GDP and provide various kinds of jobs for citizens. Data and statistics are key elements to measure the economic impact resulting from development, activities and tourism investments, and measure the effectiveness of implementation of tourism development plans nationally or regionally.

Data by the Saudi Commission for Tourism and Antiquities shows that number of tourists by the end of 2011/12 was 39.9 million and that they spent 448,566 nights and SR 84,563 million. Visitors to

tourists festivals reached 10,34 million, spending SR 4,595 million.

Data issued by the Saudi Commission of Tourism and Antiquities showed that number of operating hotels in the Kingdom was 951 from the various classes (79 five-star hotels, 44 four-star hotels, 179 three-star hotels, 649 two-star hotels). The total number of rooms in these hotels was 157,430 (according to new categorization). There were 2,026 furnished residences providing a total of 85,687 apartments⁽⁴⁾. Contribution of tourism sector to GDP reached 3.1%, 7.2% to the non-oil sector and 11.7% to the private sector.

Water and Electricity

The Kingdom's production of desalinated water during 2010/2011 was 883.8 million M³ with a daily production electrical capacity of 24.7 million megawatts⁽⁵⁾.

The latest statistics of the Ministry of Water and Electricity⁽⁶⁾ show an increase in consumption of electricity in the Kingdom during 2011/12 to 219,662 GW/hours. Electricity peak load rose to 48,461 MW/hours. Also generating capacity rose to 430.70 MW/hours. The number of subscribers to electrical services increased to more than 6.3 million subscribers, an increase of 6.8%.

Performance of the Saudi Economy and Future

Electricity Services and Infrastructure 2011/12 ⁽⁷⁾		
Item	Value	Average Annual Growth Rate (%)
Number of Subscribers (million)	6.3	6.8
Individual's Annual Share of Power (thousand KW/Hour)	7.8	3.2
Residential Complexes Provided with Power (by thousand)	12.3	4.4
Annually Produced Power (thousand GW/Hour)	250	6.4
Available Generation Capacity (thousand MW)	51	6
Length of Transmission Networks (thousand circular km)	50	6
Length of Distribution Network (thousand circular km)	206	7.8
Length of Subscribers Demands (thousand circular km)	204	6.9

(1) Ministry of Commerce and Industry, industrial database, various industrial statistics from the website of the Ministry: www.mci.gov.sa.

(2) Annual Statistical Yearbook 47, 2011.

(3) Statistics of the Ministry of Commerce and Industry.

(4) Saudi Commission for Tourism and Antiquities, MAS Center, Tourism Statistics, 2011/12.

(5) Ministry of Water and Electricity, Annual Report, 2010/11.

(6) Ministry of Water and Electricity Statistics, 2011/12.

(7) Ministry of Water and Electricity, CDSI, Power in the Kingdom (Aspirations and Achievements), 2012.

Outlook

Long-Term Strategy of the Saudi Economy⁽¹⁾

The current long-term strategy of the Saudi economy comes at a time when the Kingdom faces the challenges of raising living standards, improving the general quality of life for citizens, achieving sustainable development, enhancing the competitiveness of the national economy and regional Arab integration. It also comes at a time of high population growth accompanied with the growth of the income and significant improvement in all indicators of human development leading to the Kingdom being currently classified as one of the upper/middle-income countries. The likely rise to the rank of developmentally advanced countries in the coming years to 2023/2024 requires the duplication of the average of per capita share in the GDP and the improvement of the human development indicators in light of the relatively high population growth.

Realizing sustainable development requires a diversification of the economic base and strengthening of non-oil public resources in order to allow a gradual conversion of the oil revenues to productive assets and efficient human capital. In addition there is a need to develop human resources, employ them productively and achieve balanced development among regions. There is also a requirement to raise the level of competencies of using economic resources to raise productivity of factors of production in order to

strengthen the competitiveness that emanates from the abundance of energy and financial resources.

The fundamental axes of the long-term strategy are shown in the following:

- The expected annual growth of Saudi and non-Saudi population is 0.87% during the strategy period. In 2023/2024 the population is expected to reach 29.86 million.
- By 2023/2024, the national economy will be thriving and prosperous, and will be based on sustainable development providing rewarding employment opportunities for all citizens who are able to work. This national economy will be characterized with high quality and efficient systems of education and training and excellent health care in addition to all other services necessary for the provision of the welfare of citizens and the protection of social and religious values to preserve the Kingdom's heritage.
- The average per capita income is expected to more than double from SR 43,300 by the end of 2004 to SR 98,500 by the end of 2024 at current prices, with an annual rate of growth of 4.2% for the strategy period. In light of the expected growth of population, the required annual growth average of the GDP is 6.6% for the period of the long-term strategy.
- The investment expenditure at fixed prices

Expectations of the GDP and the Average Per Capita Income⁽²⁾

Years	GDP (billion Riyals)	Average Per Capita Income (thousand Riyals)
2013/2014	1,189.10	57
2018/2019	1,674.70	71.8
2023/2024	2,542.50	98.5
Average Annual Growth Rate (%)		
2009/2010 - 2013/2014	5.8	3.5
2014/2015 - 2018/2019	7.1	4.8
2019/2020 - 2023/2024	8.7	6.4
2004/2005 - 2023/2024	6.6	4.2

is expected to grow by an annual average of 9.3% during the strategy period compared to 5.3% only for consumable expenditure. Thus, the contribution of investment expenditures to the GDP is expected to increase from 20.5% to 33.9% during the same period. It is noted that most of the growth in the investment expenditure will be from private investment with an annual average of 10.3% for the

(1) Ministry of Economy and Planning, long-term strategy: www.mep.gov.sa.

(2) Ministry of Economy and Planning, long-term strategy.

strategy period. The average annual growth rate of general investment is expected to reach 4%, thus, the private investment contributions to the GDP will increase from 15.4 % to 30.7%. This investment flow will contribute to the increase of exports with an annual rate of 6% to 31.6% from the GDP by the end of 2024. However, that increase will be accompanied by an increase in imports with an average rate of growth of 5.2% to reach 21.6% of GDP by the end of the strategy period.

- The strategy's objective is the development of non-oil productive sectors with an average rate of growth of 7.15%, and its share of the GDP will increase from 24.9% to 27.4%. Hence, the industrial sector is expected to grow with an annual rate of 7.8%. Its contributions to the GDP will increase from 19.6% to 24.9%. Also the tourism sector is expected to achieve an annual average rate of growth of 8.8% and consequently its contribution to the GDP will increase from 27.4% to 41.9%.
- The oil sector is expected to grow with an annual average of 4.3% during the strategy period, but its share of the GDP is expected to decrease from 27.5% to 17.9%. The non-oil sector is expected to contribute 82.1% to the GDP by the end of the strategy period, compared with 72.5% at the beginning of that period. This increase reflects the expected role of the private sector whereby its contribution to the GDP will increase at fixed prices from 52.3% at the beginning of the strategy period to 69.3% at the end of the period, an annual average of 8.1% private sector rate of growth against a targeted annual rate of growth of 4.1% for the government sector.
- The average contribution of the national labour force is expected to increase from 36.9% by the beginning of the strategy period to 56.3% by the end due to the policy of reducing foreign labour and also reducing the rate of unemployment.
- The contribution of women to the national labour force is expected to increase from

Development of Targeted GDP by Fixed Prices 1999 (billion Riyals)⁽¹⁾

Item	2003/2004	2008/2009	2013/2014	2018/2019	2023/2024	Annual Average Rate of Growth ^(*) During the Strategy Period
Non-Oil Productive Sectors	178.25	234.22	322.25	445.15	696.02	7.1
Agriculture and Forests	38.01	44.4	50.32	56.51	65.81	2.5
Industry ^(**)	140.24	189.82	271.93	388.64	633.21	7.8
Services Sector ^(***)	195.91	258.49	409.02	652.04	1,066.16	8.8
Private Sector ^(****)	374.16	492.71	731.27	1,097.19	1,762.18	8.1
Public Sector	135.06	162.89	180.91	224.34	300.22	4.1
Oil Sector	196.7	225.05	262.49	335.60	455.28	4.3
Imports Fees	8.98	14.52	14.38	17.61	24.86	5.2
GDP	7,14.9	895.17	1,189.05	1,674.74	2,542.54	6.6



10.3% to 30% during the strategy period.

- The total labour force is expected to grow by an annual average of 2.8%, from 8.55 million by the beginning of the strategy period to 15 million by the end, an annual average of 6.2%. Foreign labour is expected to decrease by 4.7 million to 3.2 million with an annual decrease average of 2%.

(1) Ministry of Economy and Planning, Macro Economy Expectations.

(*) Rounded percentage.

(**) Including petrochemicals, refining and other manufacturing industries, also building, construction, electricity and mining.

(***) Including trade, transport, telecommunications, finance services, insurance, real estates and group services with the deduction of banking services.

(****) Excluding banking services fees.



Theme Two: Policies and Measures Supporting Investment in the Kingdom

The Economic Strategy and Privatization

Privatization policy has been prepared in the Kingdom of Saudi Arabia according to the Ministerial Resolution Number 60 dated 6/8/1997, to constantly increase the share of the private sector and expand its contribution to the national economy. It does this by following the best available means including transferring selected economic activities to this sector. The expansion of the contribution of the private sector to economic development and its role in the investment and funding is in accordance with national development plans.

Government encouragement of the private sector is clear from the First Five-Year Plan through to the Ninth Five-Year Plan. The general goal of the First Plan was to encourage the private sector to increase its productivity and contribution to the development process. The Second Five-Year Plan was interested in supporting and encouraging the private sector. It adopted constant support and encouragement of a strong private sector that greatly contributes to the national production and reduced dependency on petroleum as a sole source of income. The Third Five-Year Plan encouraged the private sector to increase investment in the field of importation and various commercial activities in addition to government support and funding of the private sector. The objective of the Fourth Five-Year Plan was to open the door for the private sector to further contribute to realize the various goals of development.

The Government, through the Five-Year Development Plans has supported privatization by encouraging the private sector to increase investments via several regulative procedures and incentives including the co-finance between the private and public sectors for development

Privatization policy was the Government's strategic choice to achieve socio-economic development. It was at the top of the general goals of the Sixth Development Plan (1995-1999). One of its objectives was "to promote the private sector's contribution to the process of socio-economic development."

The State showed its willingness to give the private sector a key role through privatizing some public sector institutions and companies for the purpose of improving performance, productivity and quality. This has been achieved through resource investment and improvement of investment climate to play a key role in diversification of the economy's production base of non-oil sectors to create new job opportunities, increase formation rates of business entities and grow GDP. Consequently, it actively contributes to realizing desired, sustainable, comprehensive and balanced development.

projects. The plan has taken into account the status of the Saudi economy and the extent of adequacy of finance markets to the process of transferring some of the public sector's properties to the private sector. It has also ensured continuous adoption of the policy of opening the door to the private sector to carry out more economic tasks in the Kingdom so that the government would not be responsible for economic activity that could be implemented by the private sector.

In the Sixth Five-Year Plan, the Government focused on the productive and administrative efficiency and improvement of the economic level of services provided by the government. The Ministerial Resolution Number 142 of 17/10/1992 shows that the priority of the Sixth Five-Year Plan is interest in the privatization policy focusing on:

- Privatization of funding through provision of private funds to finance public projects that experience funding problems as well as the privatization of production through granting more leasing and management contracts to the private sector.
- Privatization of property through the gradual sale of selected government assets in the joint stock companies after comprehensive studies of each case.
- Constant provision of the proper environment for investment and increase in the effectiveness of the system of market mechanisms.

The Seventh Five-Year Development Plan was prepared based on ambitious and optimistic future perspectives. It depended on long-term strategic bases and goals that align with world economic developments and comply with the requirements of economic globalization and the accession to the World Trade Organization. It also ensured preserving Islamic values. It encouraged a free economy, expanded production base in all fields and assigned a key role to the private sector and an orientation towards privatization as a strategic choice.

The private sector represents one of the major axes of the Seventh Development Plan. The importance of the private sector arises from government confidence in this sector to achieve development goals. The Government undertook many practical measures to financially and administratively prepare the private sector to replace the public sector to play a key role in economic development. Privatization is one of the essential axes for the Seventh Development Plan. The main goal of privatization is the Government's desire to diversify independent sources of revenues away from petroleum sector and to increase the contribution of the private sector to the economic activity for optimal use of resources. The investment climate opens the door for more governmental privatization procedures during the coming years.

The general goals and strategic foundations of the Seventh Development Plan according to the Ministerial Resolution 58 of 12/7/1999, in the eighth goal stipulate the increase of the contribution of the private sector to the socio-economic development process. The third strategic foundation stipulates opening the door for the private sector for more socio-economic achievements that will provide beneficial results in reducing the cost, and improving the performance quality and employment of citizens.

The goals and strategic foundations of the Eighth Five-Year Development Plan included increasing the contribution of the private sector to the social and economic development. This is through preparation of an adequate climate and privatization of more public facilities and services while taking into consideration increasing the possession of the private sector from the public assets in the frame of competitiveness and transparency ⁽¹⁾.

The Ninth Five-Year Development Plan (2010/2011 - 2014/2015) specified the ninth goal "to emphasize

the role of the private sector in the economic, social and environmental development. It also calls on expanding areas of private investments (national and foreign) as well as areas of partnership between the private and public sectors"⁽²⁾.

The Privatized Sectors

The Ministerial Resolution Number. 219, dated 11/11/2002 was issued to identify a list of facilities that shall be restructured and privatized:

- The Saline Water Conversion Company. Conversion to a joint stock holding company owned by the government. Related minor companies disclosed for private sector investors. Stocks of the holding company offered for public subscription.
- Saudi Electricity Company. Private sector contribution in implementing electrical generating, transmission and distribution services.
- Saudi Arabian Airlines. Conversion of non-fundamental sectors into commercial units. Transfer of the strategic units in sectors aimed to be privatized into companies to be privatized by private sector investors.
- Grains Silos and Flour Mills Organization. Conversion options to be a commercial company or separation of all silos from mills to be collected into a public company.



(1) Ministry of Economy and Planning: Eight Development Plan, 2004-2009.

(2) Ministry of Economy and Planning: Ninth Development Plan, 2010/11 - 2014/15.

- Privatization of agriculture services. License the private sector to establish laboratories for veterinary diagnoses. Operation and maintenance of sanitary waste for agriculture purposes. Establishment of hospitals and veterinary laboratories and operation of animals and manufacturing of veterinary medicines and vaccinations.
- Privatization of water and sanitary waste sector. Partnership with the private sector in the provision of drinking water and services of water and sanitary waste and linking all residences with the water and sanitary waste network.
- Saudi Ports Authority. Privatization of stations of grains and goods and receipt services in ports.
- Privatization of social services. Strategic project of privatization of social services such as the issuance of licences for private daily care centers and provision of services for the disabled.
- Privatization of health services. Cooperative health insurance system. Preparation of hospitals and licensing more than 25 specialized insurance companies⁽¹⁾.
- Privatization of Saudi Arabian Mining Company with shares to be offered for public subscription.
- Privatization of Saudi employment services in the private sector by partnership with the private sector through chambers of commerce and industry. Licence to open private employment offices.
- Privatization of sports centers and gyms by converting them to commercial entities to be divided between individuals and government.(
- Privatization of Saudi Post Authority services. Private sector investment of projects of Wasel Service, and the partnership between the private sector and the company of mobile and surface mail services (NAQEL). Assigning the services of promotional post to the private sector. Converting the Saudi Post Authority into a holding company that owns many branch companies in the post services sector⁽²⁾.
- Restructuring and privatization of many services of the General Authority of Civil Aviation (GACA) in association with the private sector or independently such as project of development of pilgrim facilities, commercial operation of the three international airports, free markets and King Khaled International Airport Hotel.
- Privatization of municipal services. Establishment and operation of abattoirs, public utilities markets and services of transport and traffic. Leasing heavy and light equipment.
- Privatization of educational services. Leasing lands, benefitting from all waste paper and school books, school transport, investment in school canteens and private education. Establishment and maintenance of educational buildings.
- Investment in the educational process. Establishment and management of kindergartens. Increase the share of the private sector in female vocational education and training, manufacturing supplies of educational technology. Investment in Saudi schools abroad and operating them by the private sector.
- Private sector investment in charity programs and projects and Quran keeping associations. Opening special institutes for adult teaching and pre-school teaching of reading, writing and computer skills to children.
- Private sector investment in private centers for individual of special needs in addition to rehabilitation and crafts centers that meet the labour market needs.

Projects Supporting the Kingdom's Transfer to a Knowledge-Based Economy

The projects that have been executed in the Eighth Development Plan by the private and public sectors, paved the way for the establishment of a knowledge-based economy in the Ninth Development Plan. These included major projects approved by the government, those mentioned in the investment plan and those financed by the surplus of budget revenues.

These projects are interested in the establishment of new industrial centers in sectors that contribute to the diversification of the economy and deepen the technological and intellectual dimension along with expansion of the geographical areas to cover all regions of the Kingdom for more balanced development.

King Abdullah University of Science and Technology

Work on the project of King Abdullah University of Science and Technology (KAUST) commenced

(1) SAMA, Annual Report 46, 2010.

(2) Ibid.

“As a new “House of Wisdom,” the University shall be a beacon for peace, hope, and reconciliation and shall serve the people of the Kingdom and benefit all the people of the world. It is my desire that this new University becomes one of the world’s great institutions of research; that it educates and trains future generations of scientists, engineers and technologists; and that it fosters, on the basis of merit and excellence, collaboration and cooperation with other great research universities and the private sector”.

King Abdullah bin Abdulaziz Al Saud



after the declaration in 23/6/2006 by the Custodian of the Two Holy Mosques. KAUST is expected to be one of the future pilot projects and one of the best scientific centers for creativity and innovation. KAUST is provided with the best scientists and experts who are globally distinguished which make it a beacon of scientific learning and communication with the Arab, Islamic and whole world. The University was established in Thule on the Red Sea coast at a cost of SR 10 billion on an area of 12 million m². The University comprises Sciences, Pharmacy, Medicine, Computer, Communications and Engineering Colleges. It can accommodate about 10,000 male and female students. KAUST

is provided with advanced technologies including nano technology, biotechnology, communications and information technology and water desalination. KAUST commenced research and academic work on 23/9/2009 after the declaration by King Abdullah inaugurating the University which was attended by many world leaders and invited dignitaries.

Execution of the First Five-Year Plan of Science and Technology

The first stage for the execution of the national policy of science and technology 2006/2007 - 2010/2011 that was prepared by King Abdulaziz City for Science and Technology (KACST) in cooperation with the Ministry of Economy and Planning and all concerned parties represents one of the four stages for the execution of that national policy that has been adopted by the Council of Ministers in 2002. The first stage of the implementation of the national strategy for science and technology includes eight major programs, 26 minor programs and 162 projects to be executed by 30 government parties in cooperation and participation of various relative private sector institutions. The total budget for the coming five years is estimated at SR 7.89 billion.

The outcome of the execution of these projects and programs is the acceleration of the pace of scientific research and technological development and innovation, diversification of the national economy, provision of new job opportunities for citizens, expansion of the scope of investment that works to fulfil the most advanced achievements of science, technology and innovation in order to serve the socio-economic development and preserve the comprehensive security of the Kingdom in light of the challenges and new national, regional and international events.

Economic Cities

The intellectual components in the globally modern commercial zones comprise of industrial clusters in medium and high tech industrial sectors. In addition there are applied higher education institutions, resources and facilities for scientific research and technological advance and innovation, financial support and technological service institutions, conferences halls, incubators of technologies and business as well as centers of excellence and technology transfer centers. The purpose is the creation of cooperative programs for research,

development, innovation and linkage with large companies, training and rehabilitation programs, technology-transfer programs, cooperative business (financial and marketing) programs to facilitate exportation, programs to spread and apply international and quality standards, various venture capital programs, special new incubators for the establishment of new companies within the commercial zones, in addition to technology incubators for business women.

Four of these economic cities have been inaugurated and they represent a leadership model in the building of modern commercial zones. In these cities, the industrial, educational, training and financial assemblies integrate to complete each other along with all previously mentioned elements in order to support the pillars of sustainable development and constitute a turning point witnessed in all fields of life in the Kingdom being a wheel of growth.

King Abdullah Economic City

King Abdullah Economic City is located on the coast of the Red Sea close to Rabigh Industrial City. It covers about 55 million m². This area has been increased to 168 million m². Construction works in King Abdullah Economic City are multi-purpose. They started in 2005 and require many execution stages. The city accommodates six areas: the industrial assembly area, residential area, port, facilities and shore resorts, educational area and financial peninsula. According to the estimates of the Saudi Arabian General Investment Authority (SAGIA), the City will provide 500,000 new job opportunities.

In this context, the following shall be taken into account:

- The “Industrial Area” will be established on eight million m² and it will be assigned to meet all needs of the industrial companies, small, medium and large.
- The “Financial Peninsula” will assign 500,000 m² for offices whose target is the global and regional financial institutions. This Peninsula also includes large numbers of business hotels and exhibition and conference centers.
- The “Education Area” will be a center for Saudi talent and creative capacities that will lead the Saudi economy to remarkable levels.

Prince Abdulaziz bin Mussaed Economic City in Hail

Prince Abdulaziz bin Mussaed Economic City, whose cornerstone was placed by the Custodian of the Two Holy Mosques, King Abdullah bin Abdulaziz in Hail extends over 156 million m² with total investments of SR 30 billion over ten years. The private sector will be responsible for the execution of these investments. The City will include developmental elements such as transport services, finance centers, logistical, commercial, educational, agricultural food materials, industrial, mining and recreational service centers and residences.

Knowledge Economic City in the East of Madinah

The project aims to establish an economic city in the east of Madinah. It comprises knowledge-based industries to be a cultural and national landmark for economic development based on knowledge-based industries. The Custodian of the Two Holy Mosques, King Abdullah bin Abdulaziz called the project “Knowledge Economic City” in Madinah, the first of its kind based on knowledge-based industries in the Kingdom to attract capital and investment to the region. The City extends over 4.8 million m². The constructed area extends to nine million m². SAGIA expects investment to reach SR 25 billion and to provide about 20,000 new job opportunities.



Jazan Economic City

The Custodian of the Two Holy Mosques, King Abdullah bin Abdulaziz announced the establishment of Jazan Economic City to be the fourth economic city. The capital of this city is SR 15 billion. Free stock of SR 375 million from the ownership company will be assigned to limited income residents of this region. The establishment of this city resulted from studies that showed that Jazan area is full of industrial resources. The most important minerals existing in this region are salt, lime stone, dolomite, marble, basalt, gypsum and silica sand.

SAGIA expects Jazan Economic City to attract more than SR 100 billion of industrial, commercial and residential investments upon completion of the infrastructure of the city, creating about 500,000 direct and indirect job opportunities.

Economic Cities in Tabuk and the Eastern Province

Studies have been conducted for the establishment of two economic cities in Tabuk and the Eastern Province as part of the plan of the economic cities. The Kingdom accommodates economically feasible investment opportunities due to the availability of the economic potential, the high growth rate of the population, factors that attract real investment and availability of natural resources and strategic location. In addition the commitment of the government to a fixed program of economic development and the constant improvement of the investment climate adds to viable investment opportunities.

Application of Government Electronic Dealings (Yesser)

The Kingdom is working on expanding the application of the e-dealings in all government departments for the purpose of raising the efficiency of government bodies, creating an environment that motivates economic activity and supporting accelerated progress of the knowledge-based economy and information community. The following is an example of some of these projects:

- Identifying the government services aims to identify the most important government services provided to individuals, the business sector and government sector and their major characteristics and electronic status quo.
- Saudi e-Government National Portal depends

on the construction of unified e-website that aims to facilitate the dealings of citizens, residents and private sector with the government sector and increase the level of transparency.

- Electronic forms. The purpose of this project is the application of the e-forms among government bodies. These forms can be printed or bar-coded or e-filed to be safely sent and automatically read. This is a government-to-government project.
- Government Agencies Directory. The purpose is to prepare an electronic directory in order to communicate with the government bodies and related information centers electronically on the internet through the website of the e-Government program "Yesser" or through easily generated CDs.
- Modular Systems. The purpose is unifying the requirements and specifications of the modular systems in government bodies such as the financial systems, personnel systems, administrative communication systems and management of stores and inventory systems as well as archive systems.

Other projects which are considered essential in supporting the foundations of the Kingdom's transfer into a knowledge-based economy include:

- Technology zone in Dammam (Saudi Industrial Property Authority).
 - Riyadh Technology and Information City (the High Commission for the Development of Arriyadh).
 - The projects of the new industrial areas according to the national strategy for industry.
 - Riyadh Techno Valley (RTV) and King Saud University Science Park (KSSP).
 - Riyadh Knowledge Corridor (King Saud University).
 - King Abdullah Program for Scholarships.
 - King Abdullah Program for Education Development.
 - King Abdullah Initiative for Arabic-Digital Content.
 - King Abdullah Financial District in Arriyadh City .
- (These projects have been mentioned in different points of this report).

In the context of full transformation of the existing economy based on a knowledge and information-based community, national policies and goals adopted by all sectors shall be efficiently executed.

Priorities shall be identified and indicators that measure the performance of these sectors will be adopted in this domain. This will be realized through development of programs and projects of the operational plans of these sectors to implement the Ninth Development Plan whose eighth stated objective is “the orientation toward knowledge-based economy and enhancement of the components of the information community”⁽¹⁾.

Economic Freedom and the Enhancement of Investment Climate

The policy of Saudi Arabia that supports economic freedom is reflected through the following basic principles

- Domestic economic reform which spans restructuring, structural changes and economic adaptation at government and private sector levels.
- Encouragement of foreign investment and capital inflow.
- Privatization and enhancement of the private sector’s role.
- Encouragement of exports.
- Monetary reforms.

Saudi Arabia was ranked eleventh in the 2011 World Bank General Index of the Ease of Doing Business. It was ranked first in the Middle East and Arab world. The Kingdom was ranked eighth in the World Investment Report of 2010 issued by UNCTAD.



Enhancement of the Investment Environment

The Kingdom is striving to become one of the world’s top ten competitive countries which attract strategic investments.

The unique geographic features of the Kingdom provide clear economic advantages to investors such as plentiful supplies of oil and gas, and thus low energy prices, as well as highly efficient transportation networks to the outside world.

- To take advantage of its natural resources, Saudi Arabia is seeking to become the global capital of energy and energy-related industries. This recognizes that the production of crude oil, basic industries of petrochemicals, minerals, electricity and water are all vital to the Saudi and global economies.
- Saudi Arabia has set up plans to become a logistics and transportation hub between the east and west. Saudi Arabian based railways and airways will provide access to huge markets of 250 million consumers all within three hours reach.
- Focus on knowledge-based industries such as health care, education and IT will constitute an inevitable and vital stimulant to sustainable development.
- The new communications infrastructure, new transportation routes, state-of-the-art industrial clusters, dynamic training opportunities and a commitment to greater economic efficiencies will be achieved through an attractive investment climate.

Finance Mega Investment Projects through Financial Surpluses

Saudi Arabia enjoys large financial surpluses which have resulted from record high oil prices. The following set of procedures would lead to an efficient use of the financial surplus:

- A binding national plan for an efficient use of financial surpluses.
- Engaging the private sector in investment management.

Following are the procedures that would support economic freedom and improve the investment climate

- Advance regulatory environment
- Generous financial incentives
- Currency stability (Saudi Arabia is one of the world’s most stable countries in terms of currency)

(1) Ministry of Economy and Planning, Ninth Development Plan 2010/11 – 2014/15.

The Heritage Foundation reported at the beginning of 2010 that the Saudi Arabian economy performs well in trade, fiscal, and business freedoms. The report indicated that the overall regulatory environment for business formation has become more streamlined and efficient. The tax regime is competitive, and the overall tax burden is low. Overall economic growth has slowed in recent years, but the impact of the recent global financial crisis on the banking sector has been relatively modest.

According to the Heritage Foundation Index, Saudi Arabia has achieved 84.6% in the overall business freedom index, 99.6% in the fiscal freedom index, 74.4% in the labor freedom index and 49% in the freedom of investment index.

Incentives for Industrial Sector Investment

The Government of Saudi Arabia offers many incentives to encourage and promote investment in the industrial sector:⁽¹⁾

- Rental starts at one Riyal per square meter in the industrial areas.
- Investment opportunities in industrial, residential, commercial, service and technical areas.
- Delivery of land is within a short period from the date of submitting the electronic application on the Authority's website.

Land prices and infrastructure services (electricity, water, energy) in the industrial cities are highly encouraging to industrial investment. Electricity cost starts at 12 halala/kilowatt, while cost of water allotted for industrial purposes starts at SR 1.7 per cubic meter.

Energy costs start at 12.5 halala per litre, and land prices start from one Riyal per square meter.

- Availability of multiple areas in all regions of the Kingdom (total existing and future industrial area is billion square meters).
- Proximity to domestic and international markets.
- Integrated infrastructure along with continuous development of other services (water, smart cities, industrial security, government services, shopping malls,

apartment complexes).

- Financial facilities and loans up to 50% of total cost of any project.
- Tax-free raw materials.
- Tax-free machinery and equipment.
- The State's commitment to provision of main services such as roads and electricity.
- Affordable services and industrial land.
- Supported electrical and industrial tariffs
- The possibility of investment by establishment of model (ready) factories for rental.
- Investment opportunities in development and operating services by BOT system.

Industrial Clusters

The industrial policy in the Kingdom adopted the program of industrial clusters to develop and promote a number of new industries for the purpose of diversification of Saudi economy, through development of these clusters which enhance the Kingdom's resources.

Industrial categories have been selected in areas of competitive advantages such as energy and raw materials required for the establishment of competitive projects to meet aspirations of the state and investors.

That policy has developed main criteria for identifying industrial categories in the Kingdom through careful analysis and studies which have raised a number of assumptions: Do these industrial clusters contribute to diversification of economy? Is this experience productive in light of the recent global conditions? Will industrial clusters create sustainable competitive climate of the Kingdom at the international level?

In addition there are other assumptions related to markets, raw materials, energy and human resources.

Five industrial categories have been selected within the program of development of industrial clusters:

- Metal manufacturing
- Hardware and electronic equipment
- Packaging plastic industry
- Vehicles
- Construction

Agricultural Investment Policy

The recent policy of the agricultural investment is reflected in the initiative of King Abdullah for Saudi Agricultural Investment Abroad through a vision that addresses the food crisis. It involves appropriate

(1) See: www.modon.gov.sa

procedures, ensures good living for citizens and realizes food security. This is done in accordance with a strategy which endeavours to supply strategic stock of essential commodities including rice, wheat, barley, soy beans and livestock in order to ensure food security in the Kingdom.

This will consequently prevent any future food crisis and keep stable prices of food materials at a sustainable basis.

Agricultural investment policy is also embodied in paying special care to the agricultural sector locally. On this basis the name of the Agricultural Bank was converted into the Agricultural Investment Fund and its capital was increased to more than SR 21 billion to provide appropriate loans to farmers and various agricultural, livestock, fisheries (including fish farming) and beekeeping projects.

It also enhances the role of cooperative associations in supporting work and requirements of production, marketing, education and agricultural extension. Development of organic agriculture is also significant and Saudi Arabia is the second Arab country after Tunisia in setting regulations and by-laws that organize organic agriculture in accordance with circumstances of the Kingdom and conditions of the International Federation of Organic Agricultural Movement.

The Kingdom and the World Trade Organization (WTO)

The Impact of the Kingdom's Accession to WTO on the Saudi Economy

The Kingdom's accession to the WTO enhances the integration of the Saudi economy in the global economy, contributes to attracting more domestic and foreign investment and eventually creates more job opportunities for Saudi nationals. Additionally Saudi products and services will have better access to global markets.



The execution of the investment agreement will create favourable conditions to attract investment flows. According to studies by UNCTAD, most of the international investments tend to flow to WTO members who provide free markets and modern legislation. Flow of foreign investment to the Saudi market is quite evident as affirmed by the UNCTAD's report for the year in question, where the Kingdom was ranked first among Arab countries, attracting investment worth \$ 35.5 billion, which represents 44% of the total investments in the entire Arab World⁽¹⁾.

Positive outcomes of the Kingdom's accession to WTO are clearly seen in:

- Increasing the number of local banks, cooperative insurance companies, and establishment of financial services firms.
- Issuance and modifications of various economic regulations.
- Other positive outcomes related to issues of anti-dumping, subsidies and countervailing measures through the Commission of Commercial Disputes in the Organization.
- The ability to negotiate with the member states in order to call off fees for national products.
- The Kingdom is ranked 11th after being 67th among world economies in the business environment.
- The Kingdom is ranked eighth among world countries in terms of attraction of foreign investment, ranked 12th in world export value and 16th in imports.
- The Kingdom is ranked 18th in terms of GDP value to deservedly join the Group of Twenty which includes the largest world economies.
- Saudi non-oil exports increased by 20% annually since the Kingdom became a member of the WTO until now due to opening to world markets and the imposition of lower tariffs for local Saudi exports⁽²⁾.

Concerned government bodies still work on implementing the Kingdom's obligations arising from its accession to WTO, for example:

The Latest Update on the Kingdom's Membership in the WTO

After the Kingdom's accession to WTO, the Saudi economy "was challenged to increase competitiveness of national products in the domestic and international markets. That entails following best production mechanisms resulting

(1) Report on the Investment Climate in the Arab World, 2010/11.

(2) From the interview of Dr. Fawzi Alalami, previous president of the Saudi team for negotiation in WTO, www.aleqt.com.

in low production cost and improvement of Saudi products quality in global markets, in light of the growing trends of economic and trade protectionism against exports of developing countries”⁽¹⁾.

In addition to the challenge “the banking and financial sector faces in light of WTO laws and the continued liberalization of financial services trade. At the time global developments reconcile with Saudi Arabia’s approach and policies of trade liberalization and economic freedom, economic globalization, that includes convention of liberalization of financial services trade, may represent a significant challenge. Financial crisis of any country may rapidly move to other countries, thus financial and banking sector shall be maintained strong enough by application of international standards that supervise and monitor financial systems»⁽²⁾.

Saudi Arabia’s Capital Market

Development of the Stock Market

The Capital Market Authority (CMA) continues to enact and update the rules, regulations and bylaws which regulate the capital market. CMA amended the terms used in the implementation of regulations by the addition of new terms, and amended articles 25 and 30 of the Listing Rules.

CMA issued Anti-Money Laundering and Counter-Terrorist Financing Rules. It amended paragraph E of Article 9 of the Rules of Corporate Government to make it a mandatory requirement. Paragraphs C of Article 12 and E of Article 14 have been amended as a mandatory requirement.



Statistics of the Saudi Stock Exchange (TADAWUL), 2012 show the following:

- The market opened up with 6,620.75 points.
- The market’s highest point was 6,788.42.
- The market’s lowest point was 5,323.27.
- The market closed at 6,417.73 points.
- Change level was -202.95 point at -3.07%.
- Number of traded corporations was 149.
- The total value of 48,545 million traded shares stood at SR 1,098,837 million. The market value of the shares was SR 1,319 billion for 25,546,933 transactions.⁽³⁾

According to data available on the Saudi Stock Market until (November 2012)⁽⁴⁾ the general indicator registered an increase by 1.9% to 6,840 points, an annual increase of 11.9%. The number of traded shares declined by 44.1% to reach 15.5 billion shares. At the same time the number of traded shares annually increased by 95.9%.

The total value of shares declined by 34.2% to SR 369.9 billion. The annual increase is 91.6%.

The market value of traded shares increased by 2.7% to SR 1,373 billion, an annual increase of 13.1%.

Total transactions until November 2012 declined by 31.7% to SR 8.5 million. The annual increase of total executed transactions is 82.5%.

The following two tables show number of transactions executed and their value during 2011/12.

The Capital Market Authority (CMA) publishes news and decisions issued by the CMA council on its website to ensure that investors have convenient access to information.

The CMA publishes information to explain and interpret the news and the decisions. It also receives inquiries and complaints from the media and citizens and provides answers by phone, fax and e-mail. As part of the investor awareness program the CMA has issued a number of booklets including:

- A Guide to Young Investors
- Investor’s Guide to Retirees
- How to file a complaint
- Glossary of Investment Terms
- The Guide to the trader with regard to the litigation of securities disputes
- Financial Investments and Stock Markets

The CMA has also launched an online investors’ education center.

(1) SAMA, 47th Annual Report, 2011.

(2) Ibid.

(3) SAMA, TADAWUL Website: www.tadawul.com.sa

Indicators of the Stock Market 2009/10 – 2011/12⁽¹⁾

Year	No. of Shares (million)	Value of Traded Shares (million Riyals)	Market Shares Value (billion Riyals)	Number of Transactions	General Indicator
2009/10	56,685	1,264,012	1,196	36,458,326	6,121.76
2010/11	33,255	759,184	1,325	19,536,143	6,620.75
2011/2012	48,545	1,098,837	1,271	25,546,933	6,417.73

Traded Shares by Sectors 2012/13⁽²⁾

Sector	Transactions	(%) of Total	Traded Shares	(%) of Total	Values of Traded Shares (SR)	(%) of Total
Banking and Financial Services	1,960,658	4.7	9,499,914,343	11.5	163,040	8.5
Petrochemicals	4,484,652	10.7	11,008,809,002	13.3	311,181	16.1
Cement	2,176,374	5.2	2,885,030,697	3.5	70,160	3.6
Retail	1,392,954	3.3	1,728,094,685	2.1	48,702	2.5
Energy and Utility Services	220,664	0.5	1,236,382,445	1.5	18,210	0.9
Agriculture and Food Industry	3,047,913	7.2	3,676,724,830	4.5	122,738	6.4
Communications and IT	3,825,763	9.1	9,766,278,092	11.8	194,686	10.1
Insurance	13,036,692	31.0	11,594,916,035	14.1	451,044	23.4
Multi-investment Companies	2,164,189	5.1	4,298,738,867	5.2	86,826	4.5
Industrial Investment	2,028,222	4.8	2,158,811,401	2.6	82,987	4.3
Building and Construction	2,323,580	5.5	4,027,152,015	4.9	903,159	4.7
Real Estate Development	3,545,982	8.4	17,566,177,459	21.3	211,562	11.0
Transportation	924,123	2.2	2,344,734,691	2.8	45,583	2.4
Media and Press	371,967	0.9	303,581,896	0.4	13,439	0.7
Hotels and Tourism	601,315	1.4	449,632,328	0.5	18,843	1.0
Total	42,105,048	100.0	82,544,978,786	100.0	1,929,318	100.0

**Real Estate Investment, Companies and Funds**

The real estate sector in the Kingdom maintained a growth rate of 7% until the end of 2012. The study conducted by Global Investment House estimates that the real estate sector contributes 7.2% to the GDP.

The real estate sector has forward and backward links with approximately 80-100 sub-sectors of the economy, particularly building materials and contracting sectors.

The real estate sector comprises two main sub-sectors: real estate bureaus and real estate companies. Some of the latter are Saudi joint stock

(1) Capital Market Authority: 2011/12 Statistics.
 (2) TADAWUL Website.

companies, which are well known and enjoy the confidence of different groups benefiting from their services. They are managed by the private sector and are specialized in real estate investment and development.

The Demand for Housing

The demand for housing is growing significantly. A recent study conducted by the Department of Urban and Regional Planning at King Faisal University revealed that the demand for new housing units in the Kingdom is expected to grow to 2.9 million during a period of 20 years from 2005 to 2025, an average annual increase of about 145,000 units. The study estimated the number of dwellings to be rebuilt in the same period at about 1.1 million housing units. According to the study, the number of traditional housing units is decreasing while the demand for apartments is increasing. The cumulative numbers of modern villas is on the rise as well as other types of housing such as independent duplexes. The demand for residential areas is expected to reach 24,143 hectares at the end of the 2025⁽¹⁾.

The Ninth Development Plan estimates the demand for housing at 1.25 million units during the Plan term. The Public Housing Authority, the Real Estate Fund and the private sector are expected to build 80% of the new houses⁽²⁾.

Demand for Housing During the Ninth Development Plan ⁽³⁾ (Thousand units)	
New Housing Units (Saudis)	800
New Housing Units (Non-Saudis)	200
Housing Units for the demand brought forward from the Eighth Five-Year Plan	70
Housing Units Required for Replacement of Old Houses.	70
10% Reserve Units to Ease Inflation of Housing Lease.	110
Total Housing Units of the Ninth Development Plan	1,250
Annual Average of the Ninth Development Plan	250

The Emergence of Joint Stock Real Estate Companies⁽⁴⁾

The real estate sector has witnessed the launch of various public and closed joint stock real estate companies, in addition to the efforts of some existing companies to professionally develop their

business systems and mechanisms to keep abreast of market developments and changes.

The Council of Saudi Chambers estimates a demand for housing of 2.62 million units to 2020, 262,000 units per year. The funds required to finance the construction of new housing units over ten years is estimated at SR 484 billion. Real estate investment will exceed SR 82 billion in just three years from 2011 to 2013.

Several real estate companies shifted to public joint stock companies in a move that is considered the largest in the history of the Kingdom. So far seven joint stock real estate companies are already in place, while some other large companies working in non-real estate sectors have decided to establish real estate divisions. As an example Savola Group, recently announced its intention to establish a real estate company, and Asir Company has teamed up with Emaar in King Abdullah Economic City.

Eight companies listed in the capital market work in the real estate sector

Saudi Real Estate Company with a paid-up capital of SR 600 million (US\$ 160 million).

Taiba Development and Investment Company with a paid-up capital of SR 1.5 billion (US\$ 400 million). Makkah Construction and Development Company with a paid-up capital of SR 1,488 billion (US\$ 396.8 million). Makkah focuses on the development of the area around the Holy Mosque.

Arriyadh Development Company (ADCO) with a paid-up capital of SR 1 billion (US\$ 266 million). ADCO works on the construction and development of facilities and commercial buildings, office and residential buildings which will eventually be sold out or leased.

The Jabal Omar Company operates with a paid-up capital of SR 6.7 billion (US\$ 1.79 billion). The Company is responsible for the construction and development of Jabal Omar area located to the west of the Holy Mosque.

Dar Al Arkan Real Estate Development Company with a capital of SR 10.8 billion (US\$ 2.9 billion). This is active in buying and owning real estate, land, general contracting and construction of commercial and residential buildings.

Emaar Economic City, with a paid-up capital of SR 8.5 billion (US\$ 2.3 billion). Emaar operates in real estate development and land and infrastructure in addition to other land in special economic areas.

(1) Dr. Adnan Al-Shiha, Housing Demand for the next twenty years: www.pscgl.org.sa

(2) Ministry of Economy and Planning, Ninth Development Plan 2010/11 - 2014/15.

(3) Ibid.

(4) A worksheet presented by the President of the Real Estate Commission in the Council of Saudi Chambers during the First International Conference on the Development and Real Estate Investment, Syria.

Knowledge Economic City Company, which has a capital of SR 9.1 billion (US\$ 2.4 billion). This is currently building the Knowledge Economic City in Madinah as the first Smart City in the Kingdom with a total investment of SR 30 billion (US\$ 8 billion).

Savola Group which is a Saudi Joint Stock Company listed on the stock market announced establishing a real estate division with over SR 700 million of capital. Savola will eventually sell portions of the stock to selective partners.

It was announced that five real estate companies will be launched and offered to the public and investors upon meeting the requirements of the Capital Market Authority. The total capital of the five companies will be around SR 27 billion (US\$ 7.2 billion). The largest of the five companies will have a capital of SR 17 billion (US\$ 4.3 billion). The objective is to launch real estate giants which will contribute to the development of the real estate sector in Saudi Arabia and work on the development of real estate projects, residential and commercial, administrative, industrial, recreational and tourism buildings of high and innovative quality.

Other real estate companies include Yamama Real Estate with a paid up capital of SR five billion (US\$ 1.3 billion) with a mission is to develop real estate in various forms. Tarabuh is another real estate company with a paid-up capital of SR two billion (US\$ 533 million) in addition to United Company with a paid-up capital of about SR two billion (US\$ 533 million) as a Saudi joint stock company, and finally the Line Real Estate Development Company with a paid-up capital of SR one billion (US\$ 266 million).

The Emergence of Real Estate Funds

The Capital Market Authority (CMA) has issued a draft which organizes, regulates and controls real estate investment funds based on the Council of Ministers Resolution Number 220 dated 26/9/2005 which sets up the terms and conditions of offering real estate investments to the public. The new regulations stipulated the approval of the Ministry of Commerce and Industry on real estate joint stock funds prior to the approval of the CMA. The CMA monitors the real estate funds to protect the shareholders and to ensure compliance with the transparency and disclosure requirements.

Several real estate investment funds were recently launched by commercial banks operating in the Kingdom, and other financial companies licensed by the Capital Market Authority. Examples of the recently established real estate funds are: Aqar Fund which

is owned by Albilad Bank, the Real Estate Funds by SAMBA, the Global Real Estate Fund by Riyadh Financial Company, KASB Fund of Taiba Real Estate Company, Al-Qasr Real Estate Fund by the Saudi French Bank and Alrajhi Real Estate by Alrajhi Finance.

Banking System Development

The Level of Banking Services Quality in the Kingdom

The Kingdom of Saudi Arabia has a modern banking system that is recognised internationally for the quality of service and effectiveness of regulations.

The Saudi commercial banks are at the forefront of service sectors. They employ technology in the service of its customers, and invest huge sums of money for the applications of advanced technologies in the field of banking services, making it one of the most sophisticated commercial banking systems in the world in the field of technology.

The year 1990/1991 witnessed the inauguration of the Saudi Payments Network (SPAN) under the auspices of Saudi Arabian Monetary Agency for the provision of electronic banking service for individuals which were previously made through bank branches, the most important of which are cash withdrawals and money transfer. The electronic banking services have expanded in the past 20 years to include most banking transactions, in addition to the payment of government fees, utility bills, trading of shares and provision of internet banking.

Electronic banking operations are experiencing steady growth over the years, driven by the evolution of communication and telephone services as well as the improvement of banking software. Banks strive to provide state-of-the-art services to retain and attract customers in light of the tough competition in the banking sector.

It is obvious that the electronic payment network has fully achieved its primary objective. For example, the total number of operations and network cards, POS and ATM is growing year on year. Bank clients are increasingly relying on the SPAN and ATM networks which put more burden on banks to provide the highest levels of support for users of the entire Saudi Payments Network. The network provides other banking services as well. These services include support of international institutions such as Visa and Master Card inside or outside the Kingdom. The network is directly connected to these institutions, including a full range of support services providing debit and credit transactions.

The Number of National and Foreign Banks

The following national and foreign banks are working in Saudi Arabia:

- Twelve national banks which are National Commercial Bank, SAMBA, SABB, Saudi Fransi, Al Rajhi, Riyadh, Albilad, Al Jazeera, Saudi Hollandi, Inma Bank, Arab National Bank and Saudi Investment Bank.
- Eleven Arab and foreign branch banks are present in Saudi Arabia, namely; Gulf International Bank, National Bank of Kuwait, Muscat, Bahrain National Bank, Emirates Dubai Bank, BNP Paribas, JP Morgan and Deutsche Bank, National Bank of Pakistan, State Bank of India (both are licenced but not working) TC Ziraat Bankasi.

These banks are branches and representatives of the mother banks.

Performance Indicators of the Banking Sector

- The banking sector has achieved good growth rates in recent years according to latest data issued from General Economic Research and Statistics Department in SAMA. The report illustrates economic developments in the final quarter of 2012.⁽¹⁾
- Total bank deposits till the end of November 2012 increased by 1.7% (SR 19.3 billion), to SR 1,179.8 billion.
- Total bank deposits to total money supply (M3) was 90.1%. A review of deposit components by type shows an increase of deposits under demand by 1% (SR 6.9 billion) to SR 692.9 billion. Time and saving deposits dipped by 4.9% (SR 15.1 billion) to SR 293.8 billion. Other quasi-money deposits increased by 16.6% (SR 27.5 billion) to SR 193.1 billion.
- Total liabilities of commercial banks for both government and private sectors (bank credit and investments) increased by 1.6% (SR 18.2 billion) to SR 1,182.9 billion. Liabilities of commercial banks for both government and private sectors amounted 100.3% of total banks deposits. Total liabilities of commercial banks of the private sector increased by 3.4% (SR 31.9 billion) to SR 965.3 billion. Liabilities of commercial banks of the private sector to total banks deposits was 81.8% while total liabilities of commercial banks of the government and semi-government sector decreased by 6.2% (SR 14.1 billion) to reach SR 214.5 billion. Total liabilities of the government and semi-government sector to total banks deposits was 18.2%.
- Short-term bank credit increased by 2% (SR 10.9 billion) to SR 555.9 billion. Medium-term bank credit increased by 4.4% (SR 7.4 billion) to SR 173.7 billion. Also long-term bank credit increased by 8% (SR 18.1 billion) to SR 243.5 billion. Total bank credit provided by economic activity increased by 3.9% (SR 36.5 billion) to SR 973.2 billion.
- Total foreign assets of commercial banks declined by 0.7% (SR 1.7 billion) to SR 229.5 billion. Total foreign liabilities of commercial banks increased by 6.3% (SR 4.9 billion) to SR 83.4 billion. Net assets declined by 4.3% (SR 6.6 billion) to SR 146.3 billion.
- Capital and reserves of commercial banks declined by 0.76% (SR 1.6 billion) to SR 209.9 billion. Capital and reserves rate of commercial banks to total banks deposits was 17.8%. Profits of the commercial banks was SR 7.9 billion. The number of commercial banks in the Kingdom increased to 1,676 branches with a growth rate of 0.4% (seven branches).
- Total assets and liabilities of commercial banks stood at SR 1,649.4 billion, an increase of 1.8% (SR 29.9 billion).
- Total value of Saudi Arabian Riyal Interbank Express Service (SARIE) was SR 13,211.7 billion through 1.6 million messages containing about 14.7 million money transfer via SARIE Service. Total payments reached SR 12,875.4 billion. Total scheduled payments SR 332.1 billion, total customers payments SR 986.9 billion and total payments between banks SR 12,220.6 billion. Total executed ATM transactions reached SR 328.3 million with total cash withdrawal of SR 157.5 billion within banks and the Saudi network.
- Total transactions executed through POS reached SR 60.2 million with total sales of SR 31.1 billion. The total number of ATMs was 12,431 and the total number of cards issued from local banks 15.3 million. The number of POS terminals was more than 90.1 thousand, while the number of cheques in clearing house (outgoing and incoming) was about 1.6 million at a total value of SR 178.7 billion. Individuals and firms cheques reached about 1.4 million at a total cost of SR 138.2 billion. Certified cheques reached about 217.2 thousand at a total cost of SR 40.4 billion.

(1) SAMA, Economic Developments, 2012.



Theme Three: Rules of Investment in the Kingdom and Related Procedures

Labor Law, Nitaqat System and Hafez System Introduction to the Labor Law

The Labor Law governs worker and employer relations in the private (non-governmental) sector. It was first issued by Royal Decree R/21 dated 15/11/1969 as the Labor and Workmen Law. The recent adopted labor law was amended and reissued by Royal Decree R/51 dated 27/9/2005.

Key provisions

- Organize the recruitment processes (recruitment units, employment and recruitment agencies).
- Set up the employment policies of non-Saudis.
- Set up the training and rehabilitation policies and procedures and employers' responsibilities.
- Set up the policies and procedures of labor relations and working conditions and circumstances.
- Set up the safety policies and procedures for the prevention of work hazards and industrial accidents, work injuries and health and social services.
- Set up the policies and procedures for the employment of women, juveniles and work in mines and other similar environments.

In addition there are provisions relating to settlement of labor disputes and inspection of work environment and the relevant penalties.

Advantages

- Educate the workers of their duties, responsibilities and rights.
- Ensure that workers are not exploited by employers.

For more information on the labor law, please visit the Ministry of Labor website at: www.mol.gov.sa

The Kingdom of Saudi Arabia is one of the most attractive countries for foreign direct investment. Its tax regime is one of the best worldwide in terms of stimulating investment. It accounts for 25% of world oil reserves, and 25% of total Arab GDP.

The Kingdom is considered the first in the world in terms of registration of property and the largest free market in the Middle East and North Africa (MENA).

Nitaqat System⁽¹⁾

This is a system adopted by the Ministry of Labor to assess the performance of firms and categorize them into bands: excellent, green, yellow and red. Both excellent and green bands are rewarded being the highest in Saudization while it deals firmly with the red band that is of low Saudization rate, and gives longer time to firms categorized in the yellow band. The objective is to make Saudization an essential feature of excellence and competition that is sought out by enterprises.

Nitaqat System is meant to stimulate enterprises to employ Saudi citizens and it mainly depends on categorizing firms or enterprises into four categories in accordance with their efforts to hire Saudis. Firms in the yellow and red bands are classified weak in this system, while firms in green and excellent categories are classified the best in employing Saudis. Recording these assessment of enterprises enables comparison of their performance with others.

The system divides the Saudi market into 45 activities, each is of five sizes with 225 classes. Each class consists of a number of enterprises which are similar in size and activity in order to be fair when evaluating their performance.

Enterprises have been categorized in a way to stimulate and encourage. Half of them have realized good Saudization rates, (green and excellent), while the minority of low Saudization rate and those classified in the red band does not exceed one fifth of the total number of enterprises. Enterprises categorized in the yellow band, considered to have realized a medium rate of Saudization, are given some time to improve their banding.

Through Nitaqat System the Ministry of Labour works to support firms within the excellent and green categories which are willing to hire Saudis, by

(1) Ministry of Labour website: www.emol.gov.sa

issuing new visas for their business development; facilitates contracting with expatriates from red and yellow enterprises within the labour market and utilizes from their expertise and presence. This will contribute to reducing additional imported employment and encourage red and yellow enterprises to realize higher Saudization rates and so move to the green or excellent bands and at the same time keep their expatriate employees.

The Foreign Investment Act

The Foreign Investment Act is the regulatory authority to the foreign investor in the Kingdom for the employment of capital in the activities authorized under this Act. The Foreign Investment Act was issued by the Royal Decree R/1 dated 10/4/2000.

Key Provisions

- **First:** To license any investment of foreign capital in the Kingdom, permanently or temporarily, in all investment activities except those excluded.
- **Second:** Identification of benefits, incentives and guarantees to be applied to all foreign investment enterprises. These shall enjoy benefits, incentives and guarantees enjoyed by national enterprises according to the following terms:

Among the key objectives of the Kingdom's Development Strategy is to ensure that direct foreign investments play a significant role in shifting the national economy towards a knowledge-based economy. This is achieved through technical development and support of technology transfer to the Kingdom, innovation and application of new technologies, as well as contributing to the development of technically qualified national cadres.

1. The incentives stipulated in the Protection and Promotion of National Industries law issued by Royal Decree R/50 in 1961.
 2. To own real estates necessary for conducting the licensed activity or for residence or the residence of non-Saudis ownership of properties or investment of these properties as issued by Royal Decree R/15 in 2000.
 3. The benefits ensuing from agreements of avoiding double taxation and agreements of promotion and protection of investments signed by the Kingdom.
 4. It is not permissible to confiscate investments in whole or in part except by a judicial resolution or to expropriate in whole or in part except for public interest and against fair compensation.
 5. Retransfer of the foreign investor's share from the sale of his share or from the liquidation surplus or profits realized by the entity to the outside and disposal of it in any other legal obligations. The investor has also the right to transfer any amounts required for any contractual obligations related to the project.
 6. Freedom of movement of shares among partners and others.
 7. The sponsorship of the foreign investor and his non-Saudi employees is related to the licensed entity.
 8. To obtain industrial loans according to the provisions of the Industrial Development Fund.
 9. Bring forward the losses realized by the entity to the coming years and not to calculate them at tax reconciliation for the years in which the entity reaps profits.
- **Third:** The executive bylaws which construe the foreign investment policies, procedures, scope, incentives, guarantees, terms and conditions of licensing and obligations of foreign investors.
 - **Fourth:** It is permissible that foreign investments might be jointly owned by national and foreign investors or wholly owned by a foreign investor.
 - **Fifth:** the Saudi Arabian General Investment Authority (SAGIA) shall process licenses within thirty days from the application submission date.
 - **Sixth:** A project licensed under the foreign investment act shall enjoy all the privileges, incentives and guarantees enjoyed by a national project.
 - **Seventh:** The foreign investor may retransfer his share from the sale of investments or liquidation of projects or the profits made by the licensed activity.
 - **Eighth:** Foreign investors are allowed to own 100% of the investment projects.
 - **Ninth:** Foreign investments enjoy the full

privileges, incentives and guarantees granted to national investments.

- **Tenth:** Corporate profits tax is subject to a maximum cap of 20%.
- **Eleventh:** The sponsorship of foreign investor and his non-Saudi workforce shall be against the licensed investment entity.

For further information please visit the Ministry of Commerce and Industry website:

www.commerce.gov.sa

Or the Saudi Arabian General Investment Authority at: www.sagia.gov.sa



Capital Market Law

The Capital Market Law was issued by Royal Decree R/30 dated 31/7/2003. The Law provides a legal and institutional and administrative framework for the capital market investments. The law includes a set of regulations, provisions and bylaws that regulate the Saudi Capital Market.

Key Provisions

- The establishment of the Capital Market Authority (CMA). The CMA personnel and employment terms are governed by the Saudi Labor Law.
- The establishment of a market for trading of securities in the Kingdom under the name of Saudi Capital Market which is incorporated as a joint stock company.
- The establishment of the Securities Deposit Center as the sole agency in the Kingdom which is authorized to carry out transactions related to deposit of securities traded in the Kingdom.
- Organize the financial brokerage business as well as the investment portfolios and funds which are run by banks.
- Set up disclosure procedures.

- Set up procedures that prevent fraud and leakage of listed companies' information for the benefit of traders.
- Set up the proxy, purchase and sales procedures.
- Penalties and violations handling procedures.

Advantages of the Law

- The law provides a legal and institutional framework for the capital market. It clearly spells out the structures, institutions, regulatory, supervisory and operational entities of the financial market, and determines their powers and functions clearly by separating the supervisory role and the monitoring role through the creation of new institutions and committees represented in CMA to settle the disputes.
- The law strengthens confidence and attractiveness of the market and investors to ensure disclosure and transparency with respect to securities and the provision of fair and equal treatment and protection of the dealers.

For further information please visit the CMA website: www.cma.org.sa

Corporate Law

Corporate Law is the framework which governs and guides the process of doing business in Saudi Arabia. The law has been issued by Royal Decree R/6 dated 21/7/1965. Corporate law is currently undergoing several amendments.

Key Provisions of Corporate Law

- Identify the types of companies (limited liability, simple liability partnership, limited partnership by shares, limited liability, joint stock, joint venture, etc), and their licensing and declaration steps.
- Define the mechanisms of merger and liquidation.
- Enforce corporate law on foreign companies operating in the Kingdom through affiliates, agencies or representative offices.
- Identify legal procedures and penalties on violators of the provisions of the law.

Advantages of the Corporate Law

- Enlighten and educate businessmen on the rules and principles governing the

establishment of companies of various kinds.

- Enlighten and educate foreign investors on the rules and principles applicable in the Kingdom with respect to the establishment of companies or joint ventures.

Most Important Expected Amendments.

- Allow a single person or a legal entity to establish a Limited Liability Company.
- Assign the supervisory responsibility of all listed companies in the financial market to one entity.
- Ministry of Commerce and Industry shall have the right to control and monitor the companies regarding the enforcement of corporate law, the executive bylaw and the company's articles of association. This shall take place through appointment of one or more representatives or a panel of experts.
- The Board of Grievances to adjudicate in all civil actions and disputes arising from the application of the corporate law.
- The Bureau of Investigation and Prosecution shall be in charge of investigations where there are claims of violations to the corporate law.
- The imposition of severe penalties on corporate executives, senior management and board members for making false and or misleading financial statements or reports or hiding the company's financial position from partners or others.

In general, the draft of the new corporate law deletes 43 articles out of 233 and adds 24 new articles.

For more information please visit the Ministry of Commerce and Industry website: www.mci.gov.sa

Commercial Register Law

Definition

The Commercial Register (C.R.) Law is a set of rules and provisions governing the registration of ownership of any business activity in the Kingdom (trade name, name of merchant, type of activity, capital, headquarters and branches).

The C.R. Law was issued by Royal Decree R/1 dated 21/4/1996 and the Council of Ministers resolution 36 dated 18/7/1996.

Key Provisions and Features

- According to this law, every merchant whose capital is SR 100,000 or more is required

to register within 30 days from the date of opening a commercial entity, or from the date of possessing a commercial entity to submit an application to obtain a Commercial Register from the nearest center whether it is a main office or a branch office or an agency.

- The law also stipulates that all companies incorporated in the Kingdom shall obtain a Commercial Register within 30 days from validation of its articles by a public notary. The same applies for the branches of the company.
- Foreign companies licensed to open a branch or office in the Kingdom are required by the C.R. Law to apply for registration in the Commercial Register within 30 days from the date of opening.
- Terms of cancellation of registration.
- Penalties taken against the violators of the provisions of the articles of the Commercial Registration.

Advantages

- The Ministry of Commerce and Industry is assigned to issue regulations of the Law.
- The Law shall be continuously amended and developed.
- The commercial agent shall be provided with all obligations and any associated rights.

For more information visit the website of the Ministry of Commerce and Industry: www.mci.gov.sa



Trade Agencies Law

Introduction

The Trade Agencies Law is a set of rules and regulations that govern the commercial agencies⁽¹⁾. The Saudi Trade Agencies Law was issued by Royal Decree R/11 dated 22/7/1962 and was subject to several amendments the latest of which was issued by Royal Decree R/32 dated 24/6/1980.

Key Provisions

- The law stipulates that the Trade Agent must be Saudi with a Commercial Register, that the capital of the companies assuming the role of the Trade Agencies must be fully owned by Saudis, and all members of the board of directors of such companies and their authorized signatories must be Saudis.
- The law outlines the licensing procedures for trade agents as well as license termination procedure.
- The law states the obligations of the commercial agent.
- The law outlines penalties associated with violations of the laws and regulations.

Advantages

- Mandate of the Ministry of Commerce and Industry issues the executive bylaws.
- The law is undergoing continuous improvements through series of amendments.
- The law enlightens the commercial agents of their rights and obligations.

For more information please visit the website of the Ministry of Commerce and Industry at:

www.mci.gov.sa



Trademarks Law

The Trademarks Law sets out the procedures for registering, publicizing, renewing, cancelling, transferring the ownership, mortgaging and placing a lien on trademarks, as well as licensing contracts, joint trademarks and relevant fees.

The Saudi Trade Marks Law was issued by the Royal Decree R/21 dated 5/2/1984.

Key Provisions

- According to this law, any distinguished names or signatures, words, letters, numbers, pictures, stamps or any sign or combination of signs are considered as trademarks if they are suitable to differentiate industrial, commercial, agricultural or handicraft products or forests utilization projects or a natural resource or to evidence that the item which will carry the trade mark is owned by the owner of the trade mark for the sake of processing, purifying, inventing or trading or as evidence of providing a service.
- According to the law, the following groups are allowed to register trademarks: naturalized or legal Saudis, foreigners residing in the Kingdom who have permission to undertake trade or handicraft works, foreign nationals of countries which have reciprocal relations with the Kingdom.
- The rights of the owner of the registered trademark continue for ten years and may be extended to a similar period upon requesting renewal.
- Procedures for registering, renewing, canceling, transferring the ownership, mortgaging and placing a lien on trademarks.
- The conditions that determine what cannot be registered as a trademark.
- The consequences for the registration of trademarks.
- Fees required for the registration of trademarks.
- Penalties associated with fraudulent trademarks and other penalties associated with violating the provisions of this law.

Advantages

- The executive bylaw that construes the law is in place, including the procedures of temporary protection of trademarks of items presented in national and international exhibitions which are hosted by the Kingdom or countries that provide reciprocal treatment.

(1) A commercial agent is the one who enters into a contract with a producer to distribute the goods and services of the producer against an agreed commission or profit margin.

- Enlighten those wishing to register trademarks of their obligations and responsibilities.
- The law authorizes the Minister of Commerce and Industry to issue the executive bylaws and issue amendments as required.

For more information please visit the website of the Ministry of Commerce and Industry:

www.mci.gov.sa

Commercial Papers Regulations

Introduction

These are a set of rules and provisions governing the process of dealing with commercial papers (promissory notes and checks) in the Kingdom. The Commercial Paper Act was issued by Royal Decree R/37 dated 24/3/1964 and amended by Royal Decree R/45 dated 13/7/1989.

Key Provisions

- Define the promissory note and the check and the necessary data for their acceptance.
- List the procedures associated with the circulation and endorsement of checks and promissory notes.
- List the conditions of the promissory note and check acceptance and fulfillment of obligations and the timeframe.
- Define the rights of the check or promissory holder and matters related to production of multiple copies and distortion of the check or promissory note.
- The penalties associated with non-fulfillment of the obligations of commercial paper (promissory note or check).

Advantages

- An executive bylaw to construe the terms and conditions of the law which will be amended as required is in place.
- Enlighten dealers with the rights and obligations associated with dealing with commercial papers and the consequence of non-compliance.

For more information please visit the website of the Ministry of Commerce and Industry: **www.mci.gov.sa**

Customs Law

These are a set of provisions and articles governing the cancellation or reduction of customs duties on many imported goods for the welfare of citizens. The Customs Law was issued by Royal Decree R/9 dated 5/7/1973.



Key Provisions

- Tariff laws applied by the Saudi Customs⁽¹⁾.
- Directory of temporary entry of imported goods free of duties provided they are re-exported
- Directory of goods which are subject to provisions particularly precious goods
- Directory of unloading goods in the customs zones
- Directory of zones designated for depositing imported and exported goods

Advantages

The Customs Law embodies the religious and security objectives of the customs policy in the Kingdom demonstrated by preventing the entry of contraband that is offensive to the Muslim faith or contrary to public morality or harmful to society and its stability. The economic objective which defines the customs duties on imported goods is in accordance with the rates prescribed in the tariff. It facilitates export procedures, protects national industries, and social goals, aims to exempt essential consumer commodities from customs duties or imposes low customs duties on some imported goods.

For more information please visit the Saudi Customs website: **www.customs.gov.sa**

Income Tax Law

Introduction

The Income Tax Law is a set of rules and provisions governing the process of collecting taxes from companies and banks owned by the Saudis and non-Saudis, in addition to Zakat for Saudi citizens. The new Income Tax Law was issued by Royal Decree R/1 dated 7/3/2004⁽²⁾.

(1) It should be noted that the Kingdom's accession to the Convention on the World Customs Organization Harmonized System was in 1990, and membership of the Customs Cooperation Council in Brussels was made under the Royal Decree R/68 dated 3/2/1973. Saudi Arabia has also held an agreement with the Arab League countries to facilitate trade and transit trade since 1953, in addition to making standard scale of tariffs between the countries of the Arab League.

(2) The old Income tax laws were issued by Royal Decree 17/2/28/3321 dated 2/11/1950.

Key Provisions

- The following are all subject to income tax: the resident capital company on shares of non-Saudi partners, non-Saudi resident who is engaged in an activity in the Kingdom, the non-resident who practices activity through a permanent establishment, the non-resident who has other income subject to tax from a source in the Kingdom, and those who work in the field of investment and production of natural gas, oil and hydrocarbons..
- Set up the tax base and tax rates in the Kingdom.
- Taxable income includes all income, profits, gains of any type and of any form of payment resulted from carrying out activity in the Kingdom, including capital gains and any incidental income less tax exempted income and donations.
- Determination of business expenses (all expenses, paid or accrued, that are necessary and normal to running the business are allowed as deductions) as well as expenses that are not allowed as deductibles, bad debts, reserves, allowances, research and development and depreciations.
- Define the rules of tax accounting, and additional rules for determining the tax base and tax rules on personal companies, capital and finance companies and natural gas investment tax.



Merits

The new tax law has many advantages which aim to create a favorable investment climate in the Kingdom, attract foreign investment and strengthen the role of the private sector in economic development. The most important of these merits are:

- Clarity and transparency
- Adoption of moderate tax rates
- Carrying forward losses for an unlimited number of years
- Adoption of group and accelerated assets depreciation approach
- Adoption of self-allocation
- Endorsement of deduction tax for the first time
- Clear identification of the rights and duties of the tax department and tax payers.
- Enhancement of the mechanism of tax collection (clear measures to prevent tax evasion and irregular provision of tax declarations)
- Implementing the right of the tax payer to appeal to the Grievance Board for the first time in the Kingdom

For more information on the tax system please visit the Department of Zakat and Income Tax website: www.dzit.gov.sa

Calibration and Standards Law

This law is composed of a set of rules and provisions governing the adoption of the standard decimal units (length, weight, size and area) and their application in the Kingdom. The Saudi Weights and Measures Law was issued by Royal Decree R/29 on 27/1/1964 and was amended by Royal Decree R/3 dated 5/8/1965.

Key Provisions

- Determine the standard decimal units in the Kingdom (length: meter and its units; weight: kilograms and its units; liquid volume: liter and its units; and space: the meter and its units). These units are linked to the corresponding international standard units.
- The law stipulates that all companies and firms, importing goods to the Kingdom or producing goods in the Kingdom or exhibiting goods for sale, shall put these units on such goods or packages.
- Violators will be penalized as stated in this law.

Advantages

- Enlighten importers, exporters and producers

of the importance of compliance with the measurement system and putting these units on such goods or packages.

- Explain the importance of adhering to the standard units which should conform to the international standards. The law highlights the negative impact on the quality national products due to failure to comply.

For more information on this law please visit the Ministry of Trade and Industry website:

www.mci.gov.sa

Cooperative Insurance Law

The law aims at setting a regulatory framework for the local insurance market which includes health insurance, fire insurance, car accidents, aviation and goods etc.

The Saudi Insurance Law was issued per Royal Decree R/32 dated 1/8/2003.

Key Provisions and Features

- License insurance companies to operate in the Kingdom on a cooperative insurance basis.
- Set up the policies and procedures which regulate the business of insurance companies in the Kingdom.
- Saudi Arabian Monetary Agency (SAMA) will be in charge of the insurance and reinsurance business activity in the Kingdom.
- Setting standards and administrative requirements to ensure the quality of insurance services and protect customers and investors in this sector.

Advantages

- Enhance competition in the insurance and reinsurance sector.
- Achieve further improvement of insurance services provided by specialized companies, brokers, agents, consulting bureaus and insurance auditing bureaus.

For further information please visit SAMA website:

www.sama.gov.sa

Social Insurance Law

The Saudi Social Insurance Law is a set of rules and regulations that set the framework for social insurance enrolment and subscriptions.

The Saudi Social Insurance Law was issued by Royal Decree R/22 dated 15/11/1969. The Law was amended by Royal Decree R/33 of 29/11/2000 and became effective on 25/3/2001.



Key Provisions and Features

- Establish the social insurance divisions which are occupational hazards which provide compensation in case of work injuries and occupational diseases (the employer pays 2% of the worker's wage irrespective of nationality). Pensions, where the system provides compensation in case of retirement or and death (18% of the wage where the employee contributes 9% and the employer 9% applied to Saudis only).
- The occupational hazards branch is applied, on an obligatory basis, on all workers, irrespective of gender, age or nationality. The pension branch is applied, on obligatory basis, on all Saudi only workers irrespective of gender.
- The Law lists the parties that are excluded from social insurance.

By this Law the General Organization for Social Insurance (GOSI) is in charge of the social insurance, in addition to the financial structure and financial resources.

Advantages

The Law calls for a detailed review of the financial performance of GOSI and each branch of insurance once every three years at least. The GOSI premiums will be assessed in light of the study findings and in the case of fiscal deficit, the government will provide financial support.

For more information about the social insurance system visit the GOSI website: www.gosi.com.sa

General Environment Law

This Law is a set of rules and regulations that aim to protect the environment against pollution, ensure public health; conservation, and the development and rational utilization of natural resources. It also aims to make environmental planning an integral part of the comprehensive development planning in the industrial, agricultural and urban fields. This Law was issued by Royal Decree R/34 dated 16/10/2001.

Key Provisions

- Define responsibilities, obligations and accountability with respect to environmental protection.
- Identify violations, accountabilities and penalties.

Advantages of the Law

- Enhances environmental awareness
- Deepens the sense of responsibility towards environmental protection and improvement.
- Encourages national voluntary efforts.
- Links loan provisions to projects that adhere to environment protection standards.

For further information please visit the Presidency of Meteorology and Environment at: www.pme.gov.sa

Intellectual Property Rights

This is a set of rules and provisions for the protection of intellectual property rights in the Kingdom. The Law has been issued by Royal Decree R/11 dated 18/12/1989.

Key Provisions and Features

- Procedures related to copyrighted materials.
- Procedures relating to the protection of copyright and the transfer of ownership.
- Terms and scope of copyright protection and term.
- The obligations of authors under the protection of their rights.
- Penalties associated with violating the intellectual property rights.

Advantages

- Enlightens the author of his obligations and responsibilities with respect to intellectual production.

- Enlightens violators of intellectual property rights of the seriousness of this action and penalties taken against them.
- Contributes to the protection and security of authors of materials protected by this law.

For more information about this law, please visit the Ministry of Information website at: www.ifo.gov.sa

Commercial Mortgage Law

The Commercial Mortgage Law was issued by Royal Decree R/75, dated 1/1/2004. It is a set of rules and regulations which aims to clarify the policies and measures related to commercial mortgage of any money to be transferred as commercial debt for the debtor.

Key Provisions

- Setting standards and obligations associated with proving the commercial mortgage.
- Setting up the mortgage and the associated debt recovery procedures.
- The Board of Grievance shall adjudicate in disputes arising from the application of this law.

Advantages of the Law

Enlightens the creditor against the mortgage, and the mortgagor of their rights and obligations. For further information please visit the Ministry of Commerce & Industry website at: www.mci.gov.sa

Competition Law

This Law aims to protect and encourage fair competition and combat monopolistic practices that affect lawful competition. It was issued by Royal Decree R/25, dated 22/6/2004.



Key Provisions and Features

- Provisions of this Law shall apply to all firms working in Saudi markets except public corporations and wholly-owned state companies.
- Enforce the terms and conditions that monitor and control competition among business institutions.
- An independent council named the Competition Protection Council shall be established.
- Set up the fines which will be imposed in the event of violations.

Advantages of the Law

- Establishes the rules of the market and the trading of goods.
- Provides freedom and transparency of prices.
- Eliminates practices that would impact legitimate competition.

For more information the Competition Law please visit the Ministry of Commerce and Industry at: www.mci.gov.sa

Mining Investment Law

This is a set of general and special terms and conditions which regulate the procedures and requirements for public bidding for exploration and mining licenses.

The Mining Investment Law was issued by Royal Decree R/47 dated 4/10/2004.

Key provisions

The Mining Investment Law includes general provisions that specify that public ownership of mines, the government agency in charge of the Law, the licensing process and exclusions.

The Law outlines the general licensing provisions, the conditions to be met by the applicant and the procedures for the processing of applications, acceptance and rejection, etc.

The general provisions of surveying, explorations, the rights and obligations of licensees.

The general terms of explorations with regard to issuing of licenses and the associated rights and obligations.

The terms and conditions of exploitation and investment with regard to rights and obligations of the parties winning licenses in addition to the provisions of other law articles, and financial provisions related to fees and surface rental and investment incentives and exemption from



customs duties and penalties associated with the provision of inaccurate information or delay to pay the amounts due to the government or arbitration.

Advantages of the Law

Provides investors with the policies, procedures and forms that should be completed to obtain a mining investment licenses.

For further information on the Mining Investment Law please visit the Deputy Ministry for Mining Resources: www.dmmr.gov.sa

Electronic Transactions Law

This is a set of general and special terms and conditions which regulate the procedures of electronic transactions such as e-signature and e-authentication, in addition to many rules and regulations relating to the National Center for Electronic Certification in the Kingdom.

Key Provisions

The Electronic Transactions Law aims to adjust electronic transactions and signatures and organize them within a legal framework. It creates united legal rules for the use of safe, confidential and easy electronic transactions, signatures and e-records domestically and internationally. The e-transactions are included in many government procedures, trade, medicine, education and financial electronic payments.

Advantages

Merits of this law are reflected in a set of regulations whose purpose is to eliminate all obstacles facing e-transactions and signatures, and prevention of any attempts to abuse or fraud.

In 2013 there will be a total number of 36 laws.

For more information on the content of all laws regulations please visit the website of the Ministry of Commerce and Industry www.mci.gov.sa

No.	Item	Party
1	The Commercial System of Anti-Dumping	Royal Decree R/30, 13/6/2006
2	Saudi Industrial Property Authority Law	Ministerial Resolution 235, 12/11/2001
3	Functions of the Ministry of Commerce Regulation	Ministerial Resolution 66, 2/12/1954
4	Chemicals Import and Management Law	Royal Decree R/38, 12/7/2006
5	Trade Names Law	Royal Decree R/15, 20/11/1999
6	Commercial Papers Law	Royal Decree R/37, 25/2/1964
7	System of Deposits in Public Stores	Royal Decree R/29, 6/6/2006
8	Foreign Investment Law	Royal Decree R/6, 20/4/2000
9	Commercial Data Law	Royal Decree R/15
10	System of Retail	Ministerial Resolution 57
11	Law of Arbitration	Royal Decree R/34, 16/4/2012
12	Protective Compromise of Bankruptcy Law	Royal Decree R/16, 25/1/1996
13	Common System of Industrial organization	Royal Decree R/20, 2/5/2006
14	Commercial Books Law	Royal Decree R/61, 21/7/1989
15	Commercial Mortgage Law	Royal Decree R/75, 19/7/1959
16	Commercial Register Law	Royal Decree R/1, 13/1/2004
17	Common Trade Policy for the Gulf Corporation Council	Royal Decree R/201, 4/9/2006
18	Corporate Law	Royal Decree and Amendments R/6, 22/7/1965
19	Professional Companies System	Royal Decree R/4, 28/8/1991
20	Trade Marks Law	Royal Decree R/21, 7/8/2002
21	System of Chamber of Commerce and Industry	Royal Decree R/6, 18/3/1980
22	System of Hotels and Residential Units	Royal Decree R/27, 23/4/1975
23	Legal Accounts System	Royal Decree R/12, 20/11/1991
24	Commercial Court Law	Royal Decree R/2, 23/3/1970
25	Private Laboratories Law	Royal Decree R/3, 21/4/2002
26	System of Precious Metal and Gems	Royal Decree R/42, 24/4/1983
27	Calibration and Standards Law	Royal Decree R/29, 28/1/1964
28	Intellectual Property System	Royal Decree R/21, 7/8/2002 Royal Decree R/41, 30/8/2003
29	Competition Law	Royal Decree R/25, 22/6/2004
30	System of Saudi Engineers Organization	Royal Decree R/36, 1/9/2002
31	System of Saudi Arabian Organization for Standardization and Metrology	Royal Decree R/10, 7/5/1972
32	Trade Agencies Law	Royal Decree R/11, 22/7/1962
33	System of Protection and Encouraging National Industries	Royal Decree R/50, 28/5/1962
34	Province Israel System	Royal Decree R/28, 23/11/1962
35	System of Anti-Incognito	Royal Decree R/22, 22/6/2004
36	System of Commercial Anti-Fraud	Royal Decree R/11, 2/3/1984



Theme Four: Higher and Major Investment Authorities in the Kingdom

The Supreme Economic Council

Introduction

The Supreme Economic Council represents the highest economic authority in the Kingdom. It is concerned with works and tasks needed to enable the Council of Ministers to practice its responsibilities and authorities. The Supreme Economic Council is chaired by the Custodian of the Two Holy Mosques, with HRH the Crown Prince as Vice Chairman.

Membership of the Council

Includes Ministries of Labor, Commerce and Industry, Petroleum and Mineral Resources, Finance, Economy and Planning, Water and Electricity and two State Ministers in addition to the Governor of SAMA.

The Main Authorities of the Council are

- Set up the economic policy and appropriate options.
- Coordination among Government agencies.
- Following up economic policy implementation and related Council of Ministers resolutions regarding economic affairs
- Studying the general frame of the development plan, fiscal policy, drafting the State.
- Drafting regulations and rules related to economic affairs.

For more information on the Supreme Economic Council please visit www.sec.gov.sa

The Supreme Council for Petroleum and Mineral Affairs

The Supreme Council for Petroleum and Mineral Affairs is in charge of the petroleum and mineral policy in the Kingdom. It was formed by Royal Decree D/212 on 3/1/2000, under the chairmanship

of the Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz.

There are many government and private parties relating to investment in the Kingdom. The most important of them is the Saudi Arabian General Investment Authority. This is the highest government body that oversees national and foreign investment in the Kingdom.

The Authority provides electronic services for investors through its business center on the website info@sagia.gov.sa and a self-service system for the Authority's clients, in addition to the united window service and other merits.

of the Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz.

The Council's Role and Responsibilities

The Council's authorities and functions include

- Set up policies and strategies of oil, gas and other hydrocarbons.
- Decide the production quantities of oil, gas and other hydrocarbon products. Set up prices policies of energy products in the Kingdom
- Decide the production quantities of oil, gas and other products. Set up prices policies of energy products in the Kingdom.
- Set up the general policy of Saudi Aramco.
- Review drafts of international agreements of petroleum, gas and minerals.
- Follow up implementation of petroleum and gas strategies.
- Assume the responsibilities of the Supreme Council of Saudi Aramco.

For more information on the Supreme Council of Petroleum and Mineral Affairs please see:

www.scpma.gov.sa



Saudi Arabian General Investment Authority (SAGIA)

Introduction

The Saudi Arabian General Investment Authority (SAGIA), the highest government body responsible for investment in the Kingdom, was established in 2000

Roles and Functions

- SAGIA endeavours to review and improve the investment climate to make it more competitive relative to other countries.

This includes identification and elimination of constraints which impede investment activities, increasing the degree of transparency and providing relevant information to investors.

National Competitiveness Center (NCC)

NCC is an independent body established to monitor and evaluate competitiveness in the Kingdom, and is therefore committed to push the Kingdom to the highest levels of competitiveness.

With achieving 10x10 vision consistently and seriously the NCC has three objectives:

- Think Tank
 - Facilitator
 - Communicator
- SAGIA is seeking to attract sufficient investment to achieve rapid and steady economic growth taking advantage of the elements of strength of the Kingdom as the most important source of energy in the world, and a major hub between East and West.⁽¹⁾ It has been the key objective of SAGIA that the Kingdom is placed among the top ten countries in the world in terms of the competitive investment environment by 2010 through the creation of a healthy business environment, and knowledge-based society and new global economic cities⁽²⁾.
 - SAGIA provides a variety of tools to guide the investor such as the licensing process manual and specialized investment authority packages (investor packages, media packages and the general package).
 - SAGIA provides investors with information and data on the investment climate in the Kingdom. These include investment incentives (regulatory, financial, tax), government agencies with partial

responsibilities over investment, financing procedures and agencies, information on laws related to investment (trademarks, copyright, patents etc) and information on the costs of setting up a business and obtaining support.

For more information please visit SAGIA website: www.sagia.gov.sa

The Saudi Commission for Tourism and Antiquities (SCTA)

Introduction

This is a government institution formed by Council of Ministers Resolution 9 on 17/4/2000 with the objective of care of tourism in the Kingdom by organizing, developing and promoting it, enhance the role of tourism sector and eliminate any impediments.

SCTA's Role, Functions and Authorities

The SCTA is the stimulating center for tourism. It works in close partnership with various stakeholders and partners to achieve the vision and mission of tourism in the Kingdom.

The SCTA is committed to facilitate the development of a sustainable and successful tourism industry in the Kingdom through the provision of clear policies for the industry.

With regard to SCTA's mission towards antiquities and museums, it will strengthen its ability to protect ruins, explore and study them. Also develop museums and architectural heritage and promote knowledge of the elements of the cultural heritage of the Kingdom.

For further information please visit SCTA's website: www.scta.gov.sa

Royal Commission for Jubail and Yanbu

This is a government commission that was established in 1975. Its headquarters are located in Arriyadh. The Commission is governed by a board of directors responsible for preparation of policies and managing their implementation, through two general directorates located in Jubail and Yanbu Industrial Cities. The Commission was entrusted with the responsibility of implementing physical and social infrastructure required for the development of Jubail and Yanbu industrial regions.

Role, Responsibility and Level of Authority

- To encourage the development of basic, downstream and light industries to utilize the

(1) SAGIA Vision
(2) SAGIA Mission

- Kingdom's natural resources.
- To plan and maintain various infrastructure and services needed for these industries.
- To urge these industries to employ Saudi nationals and upgrade their skills and capabilities.
- To encourage private sectors to invest in the two cities.

International and Regional Recognition:

The Royal Commission for Jubail and Yanbu has received many international prizes in recognition of efforts in various fields:

In 1988, the Royal Commission was presented with an award in recognition of its work on behalf of the environment from the Kuwait-based Regional Organization of the Protection of the Marine Environment.

In 1995, the Jubail Directorate received the Arab Cities Award for Environmental Protection.

In 1998, the Arab League presented Yanbu Directorate with a certificate of honor for its achievements in the field of environmental awareness.

- To coordinate with other related agencies to facilitate supply of feedstock and services needed by such industries

For further information please visit the Royal Commission for Jubail and Yanbu website:

www.rcjy.gov.sa

The Capital Market Authority (CMA)

The CMA is an administratively and financially autonomous government agency reporting directly to the Chairman of the Council of Ministers. The CMA is responsible for supervision, regulation and development of the capital market as well as issuing rules, regulations and directives required for enforcement of the provisions of the Capital Market Law in order to create a sound investment climate in the market and to enhance trust and confidence in it. CMA is also responsible for ensuring adequate disclosure and transparency for the companies listed in the market as well as protecting investors and traders of securities. The CMA was founded by the Royal Decree R/30 dated 1/8/2003.

Roles and Functions of the CMA

- Regulate and develop the capital market and promote appropriate standards and techniques for all concerned parties.
- Protect investors and the public from unfair and unsound practices involving fraud, deceit and cheating.
- Maintain fairness, efficiency and transparency in transactions of securities.
- Develop appropriate measures to reduce risks pertaining to transactions of securities.
- Regulate and monitor the activities of entities working under CMA.

For more information please visit the CMA website:

www.cma.org.sa

Communications and Information Technology Commission (CITC)

Introduction

It is a government institution formed by the Council of Ministers Decision 133 dated 21/7/2003. The Commission is entrusted with providing high quality communication and information technology services in the Kingdom at affordable prices. It is a financially autonomous body.

Roles, Responsibility and Level of Authority

- Provide appropriate and fair environment to promote competition, and safeguard public interest and stakeholder rights.
- Protect the interests of users of telecommunications services and monitor the performance of companies licensed to provide those services.
- Set up an appropriate environment to encourage investments in the telecommunications and information technology sector.
- Enforce policies, plans and programs to develop the telecom and information technology sector.
- Raise awareness and promote the use of information technology and communications.
- Develop human resources to the highest standards of professional performance in a positive working environment.

For further information please visit the CITC website: **www.citc.gov.sa**

Saudi Industrial Property Authority (MODON) Introduction

This is jointly managed by the private and government sectors. It is in charge of planning, supervision and control and the private sector is responsible for financing and operation on a competitive basis.

In accordance with Articles 16 and 18 of the bylaws of the Saudi Industrial Property Authority it is not allowed to establish, develop and operate an industrial city (industrial cities and technology zones) without the approval and licenses from the Authority including the requirements and in accordance with the provisions and executive bylaws of the Authority.

The basic legislation to set up the Authority was endorsed by Council of Ministers' Resolution 235 on 13/11/2001.

According to the Council of Ministers' Resolution 265, 2004; the Ministry of Commerce determined the missions of the industrial cities in 2005.

Role, Responsibility and Level of Authority

The main objective of the Saudi Industrial Property Authority (MODON) is represented in the planning of the industrial cities and encouraging the construction, development, management, maintenance and supervision of these cities to include but not limited to the following functions:

- Implementing Industrial Cities Development Strategy.
- Establishing rules and procedures related to the construction development, management, maintenance and operation of the specified industrial cities.
- Proposing the allocation of the appropriate locations of government land to establish industrial cities, and adoption of land owned by the private sector as Specified Industrial Cities in accordance with this regulation and its executive bylaws.
- Coordinating with the relevant authorities for the provision of services and the required facilities to the limits of the Specified Industrial Cities.
- Encouraging the private sector to construct, develop, manage, operate and maintain the industrial cities.

- Granting of licenses to the developers and operators of the specified Industrial Cities in accordance with this regulations and executive bylaws.
- Taking necessary measures to protect the environment in the Specified Industrial Cities in coordination with the relevant authorities.
- Monitoring the performance of developers and operators to ensure their commitment to the terms of development and operation contract, or one of them, and ensure the implementation of all provisions and instructions.

Private Industrial Cities

- Al-Ojaimi City (Riyadh-Kharj Road).
- Al-Fanar City (Riyadh, adjacent to Phase III of Arriyadh Second Industrial City).
- Arabian Water and Energy Development City (Riyadh, Eastern Ring Road to Kharj).
- Al-Obaikan City (Riyadh, adjacent to Phase III of the Second Industrial City, Riyadh).

- Seeking to resolve the disputes that may arise between the developers and operators of the Specified Industrial Cities, and between tenants, beneficiaries or residents in an amicable manner.
- Encouraging the establishment and growth of modern technology zones, for instance, by providing additional services in these areas to attract technology, and support intellectuals and innovative projects.

For further information please visit:

www.modon.gov.sa

National Anti-Corruption Commission

Introduction

This is a government institution directly related to the Custodian of the Two Holy Mosques. Founded by a Royal Decree D/65 on 18/3/2011 to protect public money and combat corruption and eliminate it and its severe impact on society, individuals, institutions and the future generation.

Role and Function

The Commission's task includes all government sectors. It is entrusted with following up execution of tasks and orders related to the public as well as all aspects of financial and administrative corruption.

“..... All ministries, institutions, government parties and other bodies shall report to the Commission all approved projects, contracts, execution period, maintenance and operation date. Tasks of the Commission includes all government sectors, none is excluded....”

King Abdullah bin Abdulaziz

King Abdullah Nuclear and Renewable Energy City

A government institution (a city of science) that was established by the Royal Decree D/35 on 17/4/2010 by the name “King Abdullah Nuclear and Renewable Energy City”.

Role and Authorities

The City aims to contribute to sustainable development in the Kingdom, depending on science, research and industries related to nuclear and renewable energy for peaceful purposes, thereby raising the standard of living and improving the quality of life in the Kingdom.

The City is entrusted with the following:

- Support and sponsor research and scientific development activities and technology.
- Identify and coordinate activities of companies and scientific research centers in the Kingdom in this domain.
- Organize local conferences and participate in international conferences.
- Identify priorities and national policies in the field of nuclear and renewable energy in order to build technology and a scientific base in power generation, desalinated water, medical, industrial, agricultural and mining areas.
- Work to develop Saudi scientific competencies in their own majors.

The City accommodates all requirements of scientific research such as laboratories, means of communication and information sources.

The City is the only party concerned with national commitments and fulfilment of all nuclear and renewable agreements signed or that will be signed by the Kingdom. It is also a supervisory and observatory body on all business and works of nuclear energy uses and any related radioactive waste.

For further information please visit:

www.energy.gov.sa

King Abdullah Institute for Nano Technology (KAIN)

Introduction

A scientific research center for Nano Technology, located in Riyadh Techno-Valley within the campus of King Saud University in Arriyadh City.

The mission of the Institute is to develop Nano research, technologies and based industries and build partnerships between universities and various related sectors for the purpose of contribution to build a knowledge-based economy.

Role and Functions

The Institute has the following main objectives⁽¹⁾:

- Develop and qualify local expertise in the domain of Nano technologies.
- Attract scientists and researchers who are talented in Nano domain.
- Develop academic programs in universities linked to Nano sciences and technologies.
- Prepare infrastructure required for development and research in the domain of Nano sciences and technologies.
- Promote Nano projects and research in universities and colleges.
- Develop a strategy of cooperation and coordination in the field of Nano sciences and research with universities and local research institutions.
- Raise awareness on the scientific social and educational level and Nano sciences and technologies.

The Institute focuses on the following functions and activities

- Research, development and applied activities in the field of energy, water desalination and treatment, telecommunications, medicine, pharmacology, food, environment and manufacturing of Nano materials.
- Modelling and simulation of Nano materials.
- Education and training in various Nano technology fields.
- Nano technologies related to economic and industrial fields.

(1) Institute website: www.nano.ksu.edu.sa

King Abdullah Petroleum Studies and Research Center (KAPSARC)

Introduction

This is a scientific center that researches in petroleum, power, environment and future policies. This Center has been developed by Saudi Aramco. Its headquarters are in Arriyadh City.

Role and Key Functions

The Center aspires to be a place for exchange of experience and ideas related to energy, environment as well as strategies and policies both domestically and internationally on the basis of the Kingdom's leading role in the field of energy and petroleum.

Research functions of the Center are reflected through the following activities and programs⁽¹⁾:

1. Development of Local Energy Sector and Economic Activities.
2. Energy Efficiency and Productivity.
3. Markets and Economies of World Energy.
4. Energy and Environment Technologies.
5. Environment and Carbon Management.

Saudi Aramco

The Arabian American Oil Company (Aramco) was established in 1933, when Saudi Arabia granted an oil concession to California Arabian Standard Oil Company (Casoc). In 1974 the Saudi Arabian



Petro Rabigh presents an opportunity for increased industrialization in Saudi Arabia and is a platform for more diversified downstream conversion industrial development in the Kingdom. The project is part of the Kingdom's strategy to attract foreign investment to expand its economy and provide increased job opportunities for Saudi nationals. It is also consistent with the objective of creating opportunities for private local investment in service and other related industries.

This huge project represents a new era of petrochemical industries in the Kingdom. It is an important development in this booming economic sector that will contribute to providing additional value to hydrocarbon resources.

Government acquired 25% participation interest in Aramco and in 1980 the company became wholly owned by the Saudi Government and from that date was known as Saudi Aramco. The Company's headquarters are in Dhahran.

Role and Key Functions

Saudi Aramco is a pillar of the national economy, and contributes significantly to the growth of GDP and the provision of government revenues and export earnings.

Saudi Aramco operates the second-largest tanker fleet in the world, as well as affiliated companies, joint ventures and offices and companies in China, Japan, the Netherlands, the Philippines, South Korea, Singapore, the USA, Egypt and United Arab Emirates.

Saudi Aramco, once famous purely as a giant producer of crude oil, has become an integrated global petroleum company. The company continues to increase its investment in research and development to improve rates of extraction of oil. It also focuses on the development of more environmentally friendly and energy efficient fuels. The company ensures the optimum exploitation of hydrocarbon resources of the Kingdom to increase the added value of projects through the refining, distribution and related industries. Saudi Aramco actively promotes private sector growth, and the development of human resources within the company and the Kingdom⁽²⁾.

For further information please visit Aramco website: www.saudiaramco.com

(1) King Abdullah Petroleum Studies and Research Center (KAPSARC): www.kapsarc.org
 (2) Saudi Aramco in 75 Years: www.saudi.aramco.com

Saudi Basic Industries Corporation (SABIC)

SABIC is one of the world's leading companies in manufacturing petrochemical industries, polymers, specialized products, fertilizers and minerals. It was established in 1976 based on an ambitious strategy for the investment of plentiful hydro carbon resources to be turned into industrial products of high added value economically and environmentally.

SABIC is a public company based in Arriyadh. The Saudi Arabian Government owns 70% of its shares, and the remaining 30% are held by private investors in Saudi Arabia and other countries of the Gulf Cooperation Council. SABIC is listed in the Saudi Capital Market (TADAWUL).

Role and Key Functions

- SABIC is one of the ten largest global petrochemical companies, and is one of the largest producers and exporters of fertilizers, polymers, and chemicals and is in the forefront of producing iron and steel in the Middle East.
- SABIC enjoys an abundant production capacity in both quantity and quality coupled with the highest professional and technical services which enhance SABIC's presence in the world markets.
- SABIC is a key contributor to industrial development and national income in the Kingdom.
- SABIC runs its operations through six Strategic Business Units: Basic Chemicals, Intermediates, Polymers, Specialized Products, Fertilizers and Metals. In addition there are other supportive units such as research and technology, finance, human resources, the development of manufacturing processes, legal, and auditing.

For more information on SABIC please visit:

www.sabic.com



Saudi Arabian Mining Company (Ma'aden)

Ma'aden was formed as a Saudi joint stock company on 23 March 1997 for the purpose of facilitating the development of Saudi Arabia's mineral resources. Its mission is to be a profitable, publicly owned, international mining company, while maintaining the utmost concern for human resources, health, safety, environmental and social issues.

Role and Key Functions

Ma'aden focuses on developing the mining sector as the third pillar of Saudi industry through existing mega-projects and expansion as well as future endeavours and becoming a catalyst for the development and diversification of the Kingdom's economy.

Ma'aden plans to become a global player in the mining and minerals industry through strategic national and world-class partnerships.

Partnerships

Ma'aden's business units operate through separate subsidiaries to facilitate strategic partnerships and each has its own board and management.

Through existing agreements SABIC and Alcoa each provide the benefit of their world-class technical, and operational experience giving input and know-how in the engineering design phases of the phosphate and aluminum projects and during the project execution and operational phases of the projects.

The partners will also provide expertise with respect to the sale and marketing of joint products reflected.

Partner Companies

SABIC and Alcoa is an American company listed on the New York Stock Exchange. It is the world leader in the production and management of primary aluminum, fabricated aluminum and alumina combined, through its active and growing participation in all major aspects of the industry. Alcoa serves the aerospace, automotive, packaging, building and construction, commercial transportation and industrial markets.

For further information please visit Ma'aden website: **www.maaden.com.sa**

National Water Company (NWC)

A joint stock company founded by the Ministerial resolution 5 on 21/1/2008, emanating from the

Ministry of Water and Electricity after execution of the privatization policy in the Ministry and the decree of the Supreme Economic Council 8/27 dated 4/9/2006. It stated the approval on restructuring the sector of subterranean water, potable water distribution sector and turning these into a joint venture totally owned by the state represented by Public Investment Fund.

Role and Key Functions

NWC aspires to have a leading role in the Saudi community through developing new projects, and pursuit independency of business units, local expansion, improvement of (quality, qualification and cost) process, identification of best business models, regional expansion and execution of strategic organizational management. That is according to an economic vision that provides seamless and reliable world-class services in the domain of water and sanitation, while focusing on customers and community confidence through effective performance of a commercial facility able to develop and grow. (Company website:

www.nwc.com.sa).

Arriyadh Techno-Valley Project

Objectives

Arriyadh Techno-Valley is a knowledge investment center that endeavours to attract and develop innovation and invest outcomes of researches for resettlement of technology, through establishment of knowledge companies and provision of high-income jobs that contribute to the creation of knowledge-based economy.

In this context, Arriyadh Techno-Valley and Riyadh Valley Holding Co.⁽¹⁾ were founded in King Saud University in Arriyadh aiming to carry out the following strategic objectives:

1. Transfer and develop technology to serve the national economy and achieve sustainable development.
2. Promote cooperation between the University and research and development centers locally and internationally.
3. Create a stimulating and attractive environment for national and international investment firms specialized in research and development.
4. Discover, attract and adopt Saudi and foreign talented innovators and geniuses.
5. Enhance the utilization of knowledge and skills of all university students to harmonize between

outputs of the education and requirements of labor market.

6. Provide distinguished job opportunities in knowledge-based industry arenas. Develop labour force and employ them in line with development plans.
 7. Develop the University's resources for financial stability.
 8. Enhance competitiveness of national economy.
- Arriyadh Techno-Valley is a unique new project for the development of knowledge-based industries. It is a huge investment in the field of industries of researches and technologies, and paves the way for urban modern society where up-to-date industrial, commercial and technological systems efficiently contribute to researches industry to be economically invested.

Tens of companies and local, regional and international research projects are invested and in place to employ, directly and indirectly, about 3,000 researchers and 12,000 commercial experts. These will provide about 5,000 job opportunities for students and graduates by 2020 within and outside the Techno-Valley.

For further information on Riyadh Techno-Valley please visit: www.rtv.com.sa

Riyadh Techno-Valley Foundations

Riyadh Techno-Valley seeks to establish an infrastructure necessary for the success of any scientific oasis, based on provision of highly qualified competencies in the field of research and development, and the work to build sustainable-based economy and enhance research and development environment in the Techno-Valley.

(1) Resolution of King Saud University's Board Number 1 to approve Riyadh Techno-Valley Project and establishment of Riyadh Valley Holding Co.



Theme Five: Financial Services and Credit Funds in the Kingdom

The Government of the Kingdom of Saudi Arabia offers financial services to investors through several government funds in Arriyadh City with branches throughout the regions of the Kingdom. The most important of these development funds are the following:

Saudi Industrial Development Fund (SIDF)

The Saudi Industrial Development Fund (SIDF) is a government body established in 1973 with the purpose of realizing goals and policies of the Kingdom's industrial development programs in collaboration with relevant government industrial agencies.

Projects Financed by SIDF

SIDF provides funding for a number of activities of the industrial sector, such as

- Chemical industries.
- Engineering industries.
- Consumer products industries.
- Cement industries.
- Building materials industries.

The following table shows cumulative loans provided by the Fund till 2011/12:

Cumulative Loans Provided by SIDF up to 2011/12 (million Riyals) ⁽¹⁾		
Sector	Loan Amount	(%)
Chemical Industries	37,630	39.4
Engineering Industries	19,765	20.7
Consumer Products Industries	15,612	16.4
Cement Industries	9,784	10.2
Other Building Material Industries	10,457	11
Other Industries	2,228	2.3
Total	95,476	100

(1) Saudi Industrial Development Fund: Annual Report, 2011/12.

Main policies pertaining to SIDF's lending rules

- The Fund finances industrial projects up to 50% of the costs of fixed assets, incorporation expenses and working capital, provided that not more than one year has passed since the start of commercial production
- The Fund stipulates projects' owners finance not less than 25% of their projects' costs
- Loan disbursements shall be in accordance with the actual project progress and submission of supporting documents.
- The terms of loans provided by the Fund shall not exceed 15 years.
- Loans will be provided to individuals, institutions and national and foreign companies having industrial licenses.



Detailed information is available at SIDF website:
www.sidf.gov.sa

Agricultural Development Fund (Formerly Saudi Arabian Agricultural Bank)

A government financing institution established in 1963 specializes in providing finance for various agricultural activities in all regions of the Kingdom. In 2009 the bank was renamed to the Agricultural Development Fund. The Fund provides soft loans and credit facilities for the objective of achieving sustainable agricultural development.

Funded Projects

- Projects that use modern technologies and resettlement of water-saving techniques.
- Agricultural cooperative associations projects.
- Projects that are small and medium enterprises.
- Livestock, poultry, fish, shrimp breeding and fishing projects.
- Agricultural storage and marketing projects.

During 2011/12 total loans provided by the Fund was SR 916.4 million. The rate of payments was SR 662 million. Total loans provided by the Fund since inception reached SR 31,162 million, 82.5% of which were collected.⁽¹⁾

For further information on the Agricultural Development Fund (formerly known as the Saudi Arabian Agricultural Bank) please visit:

www.adf.gov.sa

Saudi Fund for Development (SFD)

The Saudi Fund for Development was established in 1974 and started operation in 1975. The objective is to provide soft loans to governments of developing countries with a view to help financing priority development projects, and support non-oil exports. SFD is financially independent. It began with a capital of SR 10 billion which has grown to SR 31 billion over the years.

Funded projects

- Development Projects.
- Finance and guarantee of exports.

Rules of Financing Development Projects

- The loan receiving country shall confirm and prove to SFD the economic and social feasibility of the project that will be financed.
- Loan amount shall be paid and recovered in Saudi Riyals.
- The loan amount for a project should not exceed 5% of the SFD's capital and 50% of the total cost of the project.
- The total amounts of loans granted to any country shall not exceed 10% of the SFD capital.

Rules of Export Credit Insurance and Guarantee Service

- The national commodity and services shall be of manufacturing industries, including secondary products in the oil sector, and industrial and agricultural goods and exports of services and projects. The national value-added to goods and services to be exported shall be no less than 25%.
- SFD may finance up to 100% of the value of exports depending on the type of exports and the nature of the process and the commercial and political risks associated. The terms of funding ranges between one year and twelve years. The percentage of credit insurance and guarantee services will be up to 90% of the value of unsettled exports.
- The use of the Saudi Riyal or the U.S. dollar in all operations of the program.
- The program meets the necessary guarantees to safeguard the rights of the SFD according to the type of process, risks and legal status of the parties.

The following table shows number of beneficiary countries until 2011/12.

**Cumulative Contributions of SFD from 1974/75 to 2011/12
(million Riyals) ⁽²⁾**

Benefiting Countries	Projects		Programs		Projects & Programs		Signed Loans Agreements
	Number	Amount	Number	Amount	Number	Amount	
80	468	34,913.88	26	737.61	494 ^(*)	35,651.49	511 ^(*)

(1) Ministry of Agriculture, Annual Statistical Book, 2010/11.

(2) Saudi Fund for Development: Ibid.

(*) The reason that the number of loans agreements exceed the number of projects and programs is due to the fact that some projects receive more than one loan.

For further information on SFD please visit:
www.sfd.gov.sa

The Public Investment Fund (PIF)

PIF was established in 1971. The purpose of establishing PIF was to provide financing support to productive projects which are of a commercial nature and are strategically significant for the development of the national economy and cannot be implemented by the private sector alone either because of insufficient experience or inadequate capital resources or both.

Projects Financed by PIF

- Oil refineries, lubricant refining and processing and petroleum products storage tanks.
- Crude oil and petroleum products distribution pipelines.
- Iron and steel factories.
- Fertilizer and petrochemical factories.
- Electricity, water and railways projects.

The total amount of loans committed by PIF up to the end of fiscal year 2010/2011 was SR 120.3 billion. Repayment of loans during the same period was SR 60.3 billion, bringing total loans by the end of the same year to SR 50.9 billion, an increase of 20.7% from the previous year.

Total disbursement of loans decreased during 2010/11 by 39.7% to SR 9.3 billion. Total paid contributions of the fund to local firms, Arab and joint, was SR 3.2 billion.



Total contributions of the fund reached SR 65.4 billion, an increase of 5.1% from the past year⁽¹⁾. For further information please visit: www.mof.gov.sa

Real Estate Development Fund (REDF)

The Real Estate Development Fund (REDF) was established in 1974 to provide loans to citizens and institutions to help them construct their own homes as well as for investment and commercial purposes.

A Royal Decree D/64 issued on 18/3/2011 raised the ceiling of the housing loan provided by REDF from SR 300,000 to SR 500,000, and ensure no impact on the number of provided loans.

Individuals' Loans

Payments against individuals' loans will be disbursed as follows:

- 10% following the mortgage of land and signature of contract.
- 40% after the completion of the building structure skeleton.
- 35% after the completion of the work of laying the internal and external flooring.
- 15% after the mortgage the entire building.

Investment loans

The upper ceiling of the investment loan is SR 10 million. However, the loan shall not exceed 50% of the total project cost as estimated by the owner or REDF whichever is less. A copy of the deed of land that will be used for the project must be submitted to REDF.

Financed Projects

Real estate investment loans for commercial and housing projects and private housing.

Since the inception of its activities and up to the end of fiscal year 2010/2011, REDF has granted loans with a total value of SR 153.7 billion. Total loans in the same year amounted to SR 77.6 billion, an increase of 1.1% from the previous year.⁽²⁾

For further information please visit: www.redf.gov.sa

(1) SAMA: 47th Annual Report, 2011.
(2) SAMA: 47th Annual Report, 2011.

Human Resources Development Fund (HRDF)

HRDF is a financial and development government body, founded in 2000 with branches all over the Kingdom.

HRDF is an effective tool that contributes towards providing qualified and well-trained Saudi youth (both male and female), to realize the strategic objective of providing the nation with social, economic and security benefits.



Projects Financed by HRDF

HRDF services are provided through a number of programs:

- On-the-job training ending with acquiring skills and experience.
- Training that ends with employment in the private sectors establishments.
- Training and qualifying professional cadres (Maher 12/12 program) based on the labor market requirements⁽¹⁾.
- Providing career guidance and advice to job seekers and students.
- Conducting research on employment, employment of women, attrition, labor market requirements in the field of telecommunications and IT, etc.

For further information on HRDF programs please visit: www.hrdf.org.sa

The Centennial Fund

The Centennial Fund is a non-profit organization established by the Royal Decree D/190, 1998 as a Saudi private charity foundation. The Fund aims at rendering assistance to Saudi youth of both genders to establish their own commercial businesses. The Fund was established in honor of 100 years of the Kingdom's foundation by King Abdulaziz, the founder of Saudi Arabia from which it takes its name The Centennial Fund.⁽²⁾

The Centennial Fund provides services to young entrepreneurs through

- Partial or total funding to entrepreneurs in the form of interest-free loans from SR 200,000 to SR 500,000.
- Counseling by providing advisors or guides to each project owner.
- Facilitate government procedures through comprehensive service centers of SAGIA throughout the Kingdom.
- Support services such as training, banking services and insurance, computer services, marketing and public relations, facilities and discounts when purchasing supplies.

More information on the Centennial Fund can be found on the Fund's website: www.tcf.org.sa

Saudi Credit Bank (SCB)

The Bank is considered to be one of the cornerstones of the Government of Saudi Arabia in the provision of loans to citizens. SCB was established in 1971 and later amended in 2006. SCB has 26 branches throughout the Kingdom.

- The maximum amount of a professional project loan is SR 200,000.
- The taxi loan is paid back in monthly installments not exceeding 48 months.
- The Saudi Credit Bank coordinates with over 38 governmental and civil agencies interested in supporting projects of small and emerging enterprises.

Projects Funded by SCB

SCB supports projects undertaken by small and emerging enterprises, projects owned by individuals within the social

policy of the SCB, namely:

- The Hadaf Program for the support of small enterprises.
- Small projects (educational program, services, industrial, medical).
- Social projects (marriage, house repair, and other family requirements).
- Professional projects (technical, professional and handicrafts).
- Taxi and school bus projects.
- Small enterprises sponsoring program.

Total loans provided by the Bank since inception

(1) Plan to train 12,000 job seekers by the end of 2012.

(2) Fund website: www.tcf.org.sa

up to the fiscal year 2010/11 reached about SR 30 billion. Total loans for the year 2010/11 were SR 14.6 billion, an increase of 3% from the past year. During 2010/11 the Bank provided about SR 4.4 billion in loans. SR 3.5 billion was the repayment of loans during the same year.⁽¹⁾

More information on the Saudi Credit Bank, can be found on the Bank's website: www.scb.gov.sa

Saudi Commercial Banks and Branches of Foreign Banks

Saudi Banks

By the end of the fiscal year 2012/2013 there were 21 commercial banks operating in the Kingdom. This includes 12 Saudi banks: National Commercial Bank, Riyadh Bank, Saudi Fransi Bank, Arab National Bank, Saudi British Bank (SABB), Saudi Hollandi Bank, Saudi Investment Bank, Al Rajhi, Samba, Inma, Albilad, Aljazira Bank. The total number of branches was 1,646.

Consolidated Financial Position of Commercial Banks in the Kingdom by the End of 2012/13 ⁽²⁾	
Description	Value (million Riyals)
Assets	
Bank Reserves	217,455
Foreign Assets	212,829
Liabilities of the Private Sector	999,127
Other Liabilities	304,732
Total Assets^(*)	1,734,141
Liabilities	
Bank Deposits	1,260,608
Foreign Liabilities	79,396
Capital and Reserves	243,002
Other Liabilities	151,135
Total of Liabilities	1,734,141

Branches of Arab and Foreign Banks

Recent financial policies of the Kingdom have allowed Arab and foreign banks to open branches in the Kingdom. As a result, nine Arab and foreign banks are present in Saudi Arabia; Gulf International Bank, Emirates NBD, National Bank of Kuwait, Muscat, Bahrain National Bank, Emirates Dubai Bank, BNP Paribas, JP Morgan, Deutsche Bank, T.C. Ziraat Bankasi, in addition to two licensed banks; National Bank of Pakistan and State Bank of India.⁽³⁾

Statistics of Banking Activity⁽⁴⁾

The banking sector has achieved robust growth rates despite the global fluctuations of the capital markets. This was due to ongoing government spending on development projects in addition to procedures taken by SAMA to boost bank liquidity, improve risk management systems of commercial banks as well as the performance of commercial banks in managing their financial resources.

Commercial banks showed good performance in the fiscal year 2012/13 through the following:

- Increase of general activities
- Promotion of financial positions and increase of total assets by 12.2% and deposits by 14.2%
- Capital and reserves grew by 9.9%, while profits declined by 8.4%
- Remarkable expansion of operation and application of advanced banking technologies, including banking telephone and internet services
- Ability to serve the national economy through providing a full range of integrated, modern and high-tech banking services

The following data shows development of commercial bank activity during the fiscal year 2012/13:

1. Assets grew by 12.3% to SR 1,734.1 billion.
2. Private sector deposits increased by 16.4% to SR 999.1 billion.
3. Deposits of foreign currency declined by 1.9% to SR 208.7 billion.
4. The number of consumer loans granted by commercial banks has grown in the second quarter to SR 277.5 billion by the end of the fiscal year 2012/2013.
5. The total profits of these banks by the end of reference year amounted to SR 26.1 billion, a fall of SR 0.6 billion, 2.3%, over the previous year's profits of SR 26.8 billion.

Consumer Loans to Individuals and Credit Cards Loans for the Second Quarter of 2012/2013 ⁽⁵⁾	
Description	Value (million Riyals)
Real Estate	47,859
Vehicles and Machinery	54,261
Others	175,412
Total	277,532
Credit Cards	7,880

(1) SAMA, 47th Annual Report, 2011.

(2) SAMA website: www.sama.gov.sa. (statistics of the fourth quarter 2012/13).

(*) Assets figures and total are different due to rounding figures to the nearest million riyal.

(3) Ibid.

(4) Ibid.

(5) SAMA, Annual Report 48, 2012/13.



Theme Six: Ninth Development Plan and Investment Outlook in the Kingdom

This report is being prepared after two years⁽¹⁾ of the execution of the Ninth Development Plan for period 2010/2011 - 2014/2015.

As a backdrop to the Ninth Development Plan the global economy has been going through a financial and economic crisis. In spite of the burden created by the crisis on all countries of the world, the development program adopted by the Plan reflects the Government's determination to continue and accelerate the development process, and enhance the momentum that plans experienced over the past decade, especially the years of the Eighth Development Plan.

The Ninth Development Plan is based on five main themes, which constitute an integrated framework for a comprehensive, balanced and accelerated development in the coming years, as well as laying the foundations for sustainable development in the long run. Following are the five themes of the Ninth Development Plan:

- Maintain the efforts to improve the standard of living and quality of life for citizens.

The Ninth Development Plan is integral to the development approach that Saudi Arabia has endeavoured to follow during the past four decades. This approach combines directive planning of the government sector and the indicative planning of the private sector in the context of the developmental courses and the future vision of a long-run strategic planning. The Ninth Development Plan covers the period from 2010/2011 to 2014/2015. SR 1,444 billion has been allotted for this plan, an increase of 67% from the allocation for development expenditure of the Eighth Development Plan. The biggest portion of that amount was allotted for the sector of human resources development (education and training) and also social and health development sector.

- Develop national human resources and increase of the rates of employment.
- Structural development of the Saudi economy.
- Balanced regional development.
- Enhance the competitiveness of the national economy and Saudi products in the domestic and overseas markets.

Additional features include expansion and maintenance of infrastructure, accelerating the pace of institutional and economic reform and privatization program, promoting technical and information technology development, raising economic efficiency and productivity in both public and private sectors, development of natural resources, especially water resources, and environmental protection.



(1) This Report was prepared by the beginning of 2012.

The General Objectives of the Ninth Development Plan 2010 / 2011 - 2014 / 2015 ⁽¹⁾	
First objective	To safeguard Islamic teachings and values, enhance national unity and security, guarantee human rights, maintain social stability and consolidate the Arab and Islamic identity of the Kingdom.
Second objective	To continue to develop the Holy Places, and improve the services provided to Hajj and Umrah performers to ensure performance of religious rites easily and conveniently.
Third objective	To achieve sustainable economic and social development by accelerating the rate of economic growth and social welfare.
Fourth objective	To achieve balanced development among regions of the Kingdom and enhance their role in social and economic development.
Fifth objective	To enhance human development, expand the range of options open to individuals to enable them to acquire and use knowledge, skills and expertise, and provide appropriate healthcare services.
Sixth Objective	To raise the standard of living and improve the quality of life of all citizens.
Seventh Objective	To diversify the economic base horizontally and vertically, expand the absorptive and productive capacities of the national economy and enhance its competitiveness and maximize the return on competitive advantages.
Eighth Objective	To move towards a knowledge-based economy and consolidate the basis of an information society.
Ninth Objective	To enhance the role of the private sector in socioeconomic and environmental development and expand domains of private investments (domestic and foreign) and public-private partnerships.
Tenth Objective	To develop, conserve and ensure rational utilization of natural resources, particularly water, protect the environment and develop environmental systems within the context of sustainable development
Eleventh Objective	To continue socioeconomic and institutional reform, develop regulations aimed at raising efficiency and improving performance, work towards entrenching transparency and accountability and support civil-society institutions in advancing their developmental activities.
Twelfth Objective	To strengthen economic integration with Gulf Cooperation Council and Arab states and develop relations with Islamic and friendly countries.
Thirteenth Objective	To develop the sector of small and medium enterprises to increase their contribution to GDP, and create frameworks for nurturing and organizing them.

The plan includes 36 chapters. They define the structure of the national economy in the Kingdom, the institutional and administrative development of public sector institutions and the role of the private sector in the achievement of a comprehensive and balanced development. They also cover the reality and the future of investment in the Kingdom, issues of workforce and the labor market, population and standard of living, and the development of regions and various aspects of the infrastructure of the society. They include development of the

General Frameworks of the Ninth Development Plan Directives 2010/2011 2014/2015

- Improve the standard of living and quality of life.
- Balanced development among regions.
- Diversity of the economic base.
- Support the directive of knowledge-based economy.
- Development of human resources.
- Enhance competitive potentials.

(1) Ministry of Economy and Planning: Ninth Development Plan, 2010/11 – 2014/15.

construction sector and the issues of environment and tourism and antiquities, trade, industry, agriculture and financial services, issues of youth and development, women, family and housing, and human resource development, science, technology and innovation, health, education,

water and sanitation, electricity, communications and information technology, oil and natural gas, mineral resources, transport and municipal affairs, culture, media, religious services, the judiciary, Hajj and Umrah.

Targeted Investment in the Ninth Development Plan ⁽¹⁾			
Sectors and Capital Goods Category	Value ^(*) (billion Riyals)	Proportional Distribution	Average Annual Growth Rate of the Plan (%)
a- Non-Oil Sectors	1,680.8	95.4	10.5
1- Productive Sectors.	763.1	43.3	8.2
1-1 Agriculture, Forestry and Fishing	22.8	1.3	6.6
1-2 Non-Oil, Mining, Quarrying	3.6	0.2	22.4
1-3 Manufacturing	534.0	30.3	7.7
1-3-1 Oil Refining	272.4	15.5	3.0
1-3-2 Petrochemicals.	163.1	9.3	12.2
1-3-3 Other Manufacturing Industries.	98.5	5.6	15.3
1-4 Electricity, Gas and Water	179.9	10.2	8.0
1-5 Building and Construction	22.8	1.3	23.7
2- Special Services Sector.	594.2	33.7	17.0
2-1 Trade, Restaurants and Hotels.	72.9	4.1	20.4
2-2 Transportation and Communication	85.5	4.9	14.0
2-3 Finance, Insurance, Business and Real Estate Services.	395.1	22.4	16.1
2-3-1 Real Estate Services	335.9	19.1	16.1
2-3-2 Finance, Insurance and Business Services	59.2	3.4	16.2
2-4 Community and Personal Services	40.8	2.3	29.2
Total Non-Oil Private Sector	1,357.4	77.0	11.8
3- Government Services	323.4	18.3	5.2
b- Crude Oil & Natural Gas	81.9	4.6	7.9
Total Investments	1,762.7	100.0	10.4
Construction of Residential Buildings	181.6	10.3	2.7
Construction of Non-Residential Buildings	485.3	27.5	10.1
Machinery, Equipment and Transportation	1,095.8	62.2	12.0
Total Investment by Capital Goods Category	1,762.7	100.0	10.4

(1) Ministry of Economy and Planning: Ninth Development Plan, 2010/11 – 2014/15.

(*) Values are rounded to the nearest decimal number, and at fixed prices of 1998/1999.





INVESTMENT OPPORTUNITIES IN ARRIYADH CITY

Arriyadh is a strategic center for national and foreign investments and one of the most important commercial centers in the Middle East. Arriyadh is looking to become a world-class financial center. Arriyadh's position is further enhanced by other merits, among them the fact that it is the administrative capital of the Kingdom of Saudi Arabia and the location of all major investment agencies. Administrative and legal procedures have been developed to improve the investment environment. These include the simplification of customs exemption procedures to ensure faster transactions within no more than one month, electronic information sharing projects, facilities

provided by the Saudi Fund for Development to subsidize export financing and services of the Saudi Industrial Development Fund. In addition, visa procedures have been simplified, allowing easier entry for businessmen visiting Saudi Arabia, and offices of the Saudi Arabian General Investment Authority (SAGIA) established in Saudi Embassies abroad. The Kingdom's Strategic Investment Plan implemented through SAGIA aims at making the Kingdom one of the world's top ten competitive countries included in the 'Doing Business Competitiveness Report' published by the World Bank⁽¹⁾.



(1) SAGIA: 2005-2010 Strategy.



Theme One: Investment Opportunities Offered by the Government and Other Agencies

The High Commission for the Development of Arriyadh

A program of follow-up of Arriyadh Region projects was founded pursuant to direction of HRH President of the High Commission for the Development of Arriyadh to be one of the executive programs of Arriyadh regional plan. The project aims to count and follow-up projects of the region, create mechanisms for coordination between various bodies and give decision-makers and stakeholders a clear vision of the projects. 45 development parties participate in the projects based on an information system that provides instant data on various sector projects. Results showed availability of 2,980 projects with a total value of SR 264 billion to be implemented during 2013/14.

Completed projects represent 21% of total projects value, 75% is the rate of projects under construction, 2% of projects are delayed and 2% are stalled projects in terms of total projects costs in Arriyadh region.

347 public utility projects at a cost of SR 57 billion

The Ninth Development Plan is integral to the development approach that Saudi Arabia has endeavoured to follow during the past four decades. This approach combines directive planning of the government sector and the indicative planning of the private sector in the context of the developmental courses and the future vision of a long-run strategic planning.

The Ninth Development Plan covers the period from 2010/2011 to 2014/2015. SR 1,444 billion has been allotted for this plan, an increase of 67% from the allocation for development expenditure of the Eighth Development Plan. The biggest portion of that amount was allotted for the sector of human resources development (education and training) and also social and health development sector.

represent 29% of total costs of the region's projects and include water, electricity, sanitation and storm drainage. There are 804 educational projects with a total cost of SR 54 billion representing 27% which include: universities, colleges, public schools and training institutes.

There were 42 economic development projects at a total cost of SR 43 billion, 21% of total projects' value. These include financial and technology cities, hotels and offices towers and industrial cities. There were 557 transport sector projects at a total cost of SR 24 billion, 12% of total project values. These include roads networks, railways and airport developments.

Health projects numbered 127 with a total cost of SR 8.5 billion representing 4% of total projects' cost in the region.⁽¹⁾



(1) The High Commission for the Development of Arriyadh, Tatweer Magazine 67, 2013/14.

Arriyadh Projects 2013/14 ⁽¹⁾

Projects by Kind of Project		
Project	Number of Projects	Total Cost (billion riyal)
Government	2,834	166
Private	51	60
Government and Private	56	35
Charity	34	2.5
Projects by Development Sectors		
Project Type	Number of Projects	Total Cost (billion riyal)
Public Utilities Sector	347	57
Educational Services Sector	804	54
Health Services Sector	127	8.5
Transport Sector	577	24
Public Services and Housing Sector	998	15
Economic Development Sector	42	43
Private sector	51	60
Charity Sector	34	2.5
Projects by Clusters of Development Centers and Governorates		
Project Type	Number of Projects	Total Cost (billion riyal)
Projects Serving the Whole Region	151	31
Central Development Centers (Arriyadh City, Addariyah, Muzuhimiah, Rimah, Thadek, Horemilaa)	1,398	154
Eastern Development Center (Kharj – Aflaj – Hotal + Bani Tamim, Hareek Governorates)	363	6
North Development Centers (Mujamah, Zulfi, Gatt Governorates)	311	3
Western Development Centers (Dawadami, Kwekaa, Affif, Shaqraa, Marat Governorates)	536	5
South Development Centers (Dawaser and Sulayyil Governorates)	136	2
Projects by Clusters of Development Centers and Governorates		
Project Status		%
Completed		21
Not Completed		75
Delayed		2
Stalled	Stopped	0.5
	Did not start yet	1.5

(1) The High Commission for the Development of Arriyadh, Tatweer Magazine 67, 2013/14.

Within its development plan of the city, the High Commission for Development of Arriyadh offers numerous investment opportunities. The most prominent are:

Riyadh Sub-Centers

Riyadh sub-centers are sub-urban communities with activities and a variety of services. They therefore offer significant investment opportunities embodied in residential areas and associated support services, major educational institutions, health centers, promotion and cultural activities, governmental administrative complexes and commercial and financial complexes. ⁽¹⁾

Comprehensive Development Projects in Arriyadh

2,980 development projects are being implemented in Arriyadh Region with a total cost of more than SR 264 billion⁽²⁾.

The geographical boundaries of each location are as follows:

- The eastern sector is located between Prince Saud bin Mohammed bin Megrin Street in the north, Imam Ahmad ibn Hanbal Street in the south, Janadriyah Street in the east, and the Eastern Ring Road in the west.
- The southern sector lies between Nasr Street in the north, the Eastern Ring Road in the south and Al-Haer Street in the west.
- The south-western sector lies between South-West Ring Road in the north, Wadi Hanifa in the east and from south and west is as shown on the location map.
- The western sector lies between Prince Mishal bin Abdulaziz Street in the north, Medina Street in the south, Wadi Hanifa in the east and west boundaries are shown on the location map .

The main activities and investment opportunities available⁽³⁾

- Commercial and marketing areas, offices, banks and companies.
- Development of relatively large-scale projects including exhibition centers, hotels, entertainment places and others.
- Preparation of cultural and entertainment activities geared towards all social classes especially to families residing in areas away from the city center.

- Multi-cultural activities such as public libraries, festivals, celebrations and artistic exhibition centers and other activities.
- A variety of places for family recreation, parks, playgrounds and green areas to be destinations and attraction points for residents of the area served by the center.
- Private or public universities and colleges, technology institutes and specialized colleges in addition to private and public medical centers.

Parking in High Density Areas

This can be offered by establishing multi-storey parking to be invested in over a pre-determined period and then returned to the government sector. This kind of investment is widespread around the world. Another way is by obtaining concessions for the best utilization of parking on main roads such as the commercial zones, hubs and downtown areas with high traffic densities, against payments from the private sector to the public sector.

Roads Projects and Available Opportunities

The High Commission for the Development of Arriyadh is supervising the implementation of a



(1) The High Commission for Development of Arriyadh. Tatweer Magazine 67, 2013.

(2) Ibid.

(3) The High Commission for Development of Arriyadh, Investment Opportunities at the Commission, 2008.

road network in the project areas of King Khaled International Airport and the extension of Abu Baker and Oruba Roads through Arriyadh Air Base, King Abdullah Road and King Abdulaziz Road.

The implementation of these projects will result in many investment opportunities such as:

- Petrol stations, cafes, restaurants and various commercial centers.
- Tree planting, irrigation, paving and lightning works.
- Installation of security monitoring systems as well as safety and traffic management systems.

All of the previously mentioned are investment opportunities for the private sector.

Investment opportunities within the program of developing Addiriyah Historic City ⁽¹⁾

- Shops in Albeheri square (Addiriyah Park): 86 shops with an average area of 40 m² provide services for Addiriyah Park visitors such as food and beverages, traditional commodities, clothes and shoes.
- Al Turaif Inns (heritage inns for daily rent) these residences are made out of mud in Al Turaif Square in Addiriyah Historic City. There are 15 inns divided into 40 suites.
- Al Turaif market and the food court: this market has 38 shops which is adobe constructed buildings used as shops and restaurants for families and individuals.
- The Heritage Hotel (west of Al Turaif Square): the investor is designing and building this hotel according to the development plan and methodology of the region and also is providing transport to the hotel, parking and all services necessary for the success of this investment project.

There are also many other investment opportunities in Addiriyah Historic City but they are in need of the investors' operation such as:

- Snacks stalls in Albeheri and Al Turaif Squares.
- Gift and souvenir shops in museums in Al Turaif Square in addition to visitor centers.
- Internal and tourism transport systems (within Al Turaif Square and between Albeheri and Al Turaif Squares).
- Entry tickets to some sites and activities in Al Turaif Square (sound and light show and seasonal events).
- Interactive services in Al Turaif Square (audio systems to explain some events and sites).

- Internet website applications for visitors of Addiriyah Historic City.
- Commercial advertisements.
- Establishment of seating areas and traditional spaces for heritage and folk shows within the walls of Al Turaif Square.
- Preparation of sound, light and multimedia services in addition to restaurants, cafes and souvenir shops in Ghosebeh square. The implementation of these opportunities is related to considerations and determinants of the investment program of Addiriyah such as:
 1. Dealing with the investment opportunities within historic Addiriyah shall be consistent with the city's environmental and heritage nature and according to concepts of development of the historic sites being considered for cultural tourism in Arriyadh City.
 2. Maintaining the site's natural, heritage and historic characteristics.
 3. Compatibility with the urban systems of the historic Addiriyah and land use.⁽²⁾

New Investment Opportunities in the New Suburbs

Since 2007 the High Commission for the Development of Arriyadh approved the structural schemes of both northern and eastern suburbs in Arriyadh. The northern suburb of 205 square km is 20 kilometers from the crossroad of King Fahad Road and the Northern Ring Road. The scheme of this area comprises roads network, rest houses, technical and residential area and a sports city. These are investment opportunities favourable for the private sector.

The Eastern suburb of 214 square km is 20 km from the cross road of the Eastern Ring Road and the Northern Ring Road. It comprises major activities including industrial services, hotels, dry port, construction, housing, government institutions, banks, companies' branches, commercial malls, camping areas and parks. These activities and services are investment opportunities which provide about one hundred thousand job opportunities.⁽³⁾

Saudi Commission for Tourism and Antiquities (SCTA)

Eco-lodges and Rural Guest Houses

The High Commission for the Development of Arriyadh offers eco-lodges and rural heritage

(1) The High Commission for the Development of Arriyadh: investment opportunities of the program of development of Addiriyah Historic City, 2009.

(2) The High Commission for the Development of Arriyadh: investment opportunities of the program of development of Addiriyah Historic City.

(3) The High Commission for the Development of Arriyadh, Structural Schemes of the New Suburbs in Arriyadh City, Executive Summary, 2007.

guesthouses as an investment opportunity available to the private sector which receives the attention of the Commission. Several locations are available for these projects such as Wadi Hanifa and Thumamah.

Heritage Hotels

The heritage hotels project is another investment project presented by the Commission within the investment opportunities available to the private sector. The old city of Arriyadh and Addiriyah are the most suitable for the existence of these heritage hotels.

Saudi Arabian General Investment Authority (SAGIA)⁽¹⁾

SAGIA provides many investment opportunities spanning all regions of the Kingdom, including Arriyadh. The most important of these investment opportunities are:

- Investment opportunities in the energy sector.
- Investment opportunities in the information technology and communications sector.
- Investment opportunities in the health sector.
- The opportunity to invest in the life sciences sector.
- The opportunity to invest in the education sector.

The total value of investment projects in these sectors is estimated at SR 500 billion.

Saudi Industrial Property Authority (MODON)

Following are the most important investment opportunities offered by MODON in Arriyadh and other cities:

- Projects of recycling various kinds, sizes and specifications of materials and demands through the provision of land for investment with encouraging incentives. Support and cooperation with investors through communication with plants using materials that can be recycled.
- Hotel projects, through attraction of investors for the establishment, operation and maintenance of hotels by BOT system.
- Projects of commercial complexes by BOT system.
- Projects of vocational, technical and administrative training centers for rehabilitation of individuals in factories.
- Projects of medical services including hospitals

and health centers.

- Communications and mobile telephone tower projects.
- Banking services projects (offices, mobiles, ATMs).
- Restaurants and cafe projects.
- Logistical service projects (transportation, storage, supply, packaging, export and establishment of warehouses).
- Model plant projects (establishment of model projects to be promoted to manufacturers willing to hire such plants).

For more information on investment opportunities, please visit the website: www.modon.gov.sa

Arriyadh Region Municipality

Arriyadh City Municipality is implementing many service projects such as King Abdullah International Gardens, King Abdullah Park in Malaz, public plazas and others. Many investment opportunities will result from these projects:

- Cafes
- Fast food shops
- Gift and souvenir shops

King Abdullah International Gardens are composed of the following

- Botanical Garden
- Botanical Museum
- Seed and gene bank
- Science parks (birds, butterflies, geological, flowers etc.)
- International Garden
- Valley walkway and watchtowers
- Festivals square

The Municipality also offers many other investment opportunities such as:

Petrol stations on the new roads and newly established areas in addition to special plazas for youth (females) that are designed in a way that take social circumstances, habits and traditions into consideration.

Public Pension Agency

The Public Pension Agency is implementing many important development and service projects in Arriyadh such as the King Abdullah Financial District and Information Technology and Communications Center (ITCC) where many

(1) SAGIA website: www.sagia.gov.sa

investment opportunities will be available for the private sector. They include:

- Investment of commercial, office and residential centers in King Abdullah Financial District.
- Hotel investment in facilities for celebrations, conferences, restaurants and recreational areas in ITCC.

General Organization for Social Insurance

Hilton Riyadh

Hilton Worldwide has signed a management agreement with Saudi Arabia's Granada Investment Center established by General Organization for Social Insurance (GOSI). The hotel is located on Riyadh's Eastern Ring Road, a major corridor linking King Khalid International Airport with the downtown area. The new-build Hilton Riyadh Hotel and Residence in Saudi Arabia will feature two towers; a 20-storey, 480-room hotel tower, and a 14-storey tower with 250 hotel apartments.

The site is 466,000 square meters within the Granada Center, one of the capital's largest shopping and entertainment malls. GOSI expects the project to be one of the prominent economic and tourism projects in Arriyadh.

In addition other investment opportunities are presented in Olaya Towers Project and Granada Oasis Project:

- Investment of galleries and exhibitions.
- Investment of flower stalls, cafes and gift and souvenir stores.
- Investment of commercial and service shops.

King Saud University in Arriyadh

King Saud University is implementing many projects related to technology and knowledge development such as Arriyadh Techno-Valley and endowments of King Saud University (residential, hotel, office and educational towers).

These projects will open the door for many investment opportunities represented in service and commercial utilities relevant to these projects.

Princess Nora Bint Abdul Rahman University

This University commenced work in its new building as the largest educational project for women in the Middle East at the beginning of the academic year 2011/2012.

The University provides investors with a range of commercial and service activities:

- Restaurants and cafes

- Students services centers
- Banking services centers
- Airlines services centers
- Commercial centers in residential communities and other commercial and services activities.



Saudi Electricity Company

Saudi Electricity Company sets strategic plans to open up investment opportunities to the private sector in the area of electricity generation.

The private sector is encouraged to participate in the electricity production projects on build, own and operate basis while the Saudi Electricity Company will in return commit to purchase the entire production under long-term contracts. The Company will provide fuel, land and link the project to the public network. Three power generation projects are now available for the private sector; one of them is in Arriyadh District (Central) that runs on gas and the capacity of 2000 MW.



Power Generation Stations Available to the Private Sector's Investment ⁽¹⁾			
Station / Region	Start-up	M.W.	Fuel
Rabigh / Western	2012	1,200 – 1,400	Heavy Fuel
Riyadh 11 / Central	2013	2,000	Natural Gas
Qarya / Eastern	2014	2,000	Heavy Crude Fuel

These projects present great investment opportunities to the private sector within the program of private sector participation in electricity generation projects⁽²⁾:

Budget Surplus Projects

The Saudi economy is witnessing a growth in the implementation of a large number of development projects in all regions and cities of the Kingdom, including Arriyadh Region.

The various projects being carried out in Arriyadh Region taking advantage of the budget surplus allocations offer favorable investment opportunities to the private sector. The majority of these opportunities are public education and higher education projects: 404 projects worth SR 5,959 million. There are 301 health projects with an allocated amount of SR 1,045 million, and 295 municipal services projects worth SR 1.831 million. These projects are within the fiscal year 2010/2011⁽³⁾.

Allocation of Budget Surplus to Riyadh Region Projects Fiscal Year 2010/2011 ⁽⁵⁾		
Description	Projects	Value (million Riyals)
General and Higher Education	404	5,959
Technical and Vocational Education	25	1,540
Health	301	1,045
Water and Sanitation	31	1,411
Water Desalination	2	40
Roads	16	1,260
Municipal Services	295	1,831
Industry	3	679
Royal Commission for Jubail and Yanbu	7	130
Developmental Housing and Social Affairs	9	865
Total	1,093	14,760

Electricity Generation Capital Projects Central Region 2010⁽³⁾

- Replacement of four units in Qassim Station (Phase 1)
- Expansion of Hail Station – Phase 1 (110 M.W.)
- Replacement of raw fuel heaters in the Seventh Station
- Replacement of vibration monitoring system – Qassim.
- Upgrade the control system “DCS” – Qassim.
- Establishing an evaporation lake to get rid of waste.
- Enhance the safety and fire prevention system.
- Replacement of raw fuel heaters in Hail.
- Upgrade the water treatment stations.
- Replace the fuel meters in the Eighth Station.
- Supply a transformer to the Ninth Station.
- Supply strategic spare parts to the Eighth Station.
- Supply a transformer to the Seventh Station.
- Upgrade the security systems of the Ninth Generation Station.
- Supply additional gas filters to the Eighth Station.
- Supply and install fuel tanks at Qassim, Hail and Al-Wadi.

(1) Saudi Electricity Company, Annual Report, 2009/10.

(2) Ibid.

(3) Ministry of Finance, according to SAMA, 47th Annual Report, 2011.

(4) Saudi Electricity Company, Annual Report, 2009/2010.

(5) This table is derived from SAMA 47th Annual Report, 2011.



Theme Two: Investment Opportunities Offered by Other Parties

Saudi Aramco

Saudi Aramco provides multiple opportunities for investment by the private sector. The most important of these investment opportunities are:

Opportunities in Manufacturing and Services Projects

Investment opportunities are available in the manufacturing of the following supplies and consumables: valves, iron casting and forming, heat exchangers, air coolers in the oil and gas labs, catalysts, manufacturing machinery, compressors, turbines, chemical catalysts and chemicals used in drilling. The investment value of these projects is over SR 18 billion.

Opportunities in Manufacturing Projects

The Petro Rabigh Manufacturing Industries offer several opportunities including propylene films for the local market and export, dual factory for polyethylene containers, large flat bags made of polyethylene, lotions and medical bottles, acute containers for the local market and export, pipes and fittings with a solid wall made of high density polyethylene for the local market and export, composite pipe, industrial vehicles, parts for household appliances and coloured plastic palettes.

Other Investment Opportunities

- Product development centers (training, technical assistance, mold design and manufacture, testing and selection of materials).
- Supply chain management (logistics, licenses and services provision).
- Installation of polymers and supply of additives.

For further information on investment opportunities in Saudi Aramco, please contact the New Projects

In addition to various government agencies, other large economic and non-government bodies such as Saudi Aramco and SABIC offer opportunities for both national and foreign investment, favourable for the private sector for the promotion of a positive investment climate in Arriyadh.

Also the Riyadh Chamber of Commerce and Industry has established an independent investment center for the purpose of contribution to development of the investment climate in the Kingdom in general and in Arriyadh in particular.

Assessment Department, and Development of Local Projects Section at the following email addresses:

NBD-NBE@aramco.com

NBD-LEDD@aramco.com

Riyadh Chamber of Commerce and Industry

The Investment Center that was established by the Riyadh Chamber as an independent center is seeking to achieve a number of key objectives. These include the development of the investment climate in the Kingdom in general and in Arriyadh Region in particular through repatriation of capital and attraction of foreign capital. The Center also aims to monitor the investment opportunities of the various business sectors in Arriyadh Region and provinces, and promotion of the benefits accorded to foreign investment in the Kingdom by SAGIA. It also works on the preparation of studies and reports on investment activity in the Kingdom and manages databases on investment in Arriyadh Region in particular.

The Investment Center of the Riyadh Chamber of Commerce has issued a guide on the professional and small craft investment opportunities, which contains 27 new opportunities. The capital of most of those opportunities is around SR 500,000.

The Center has issued a comprehensive directory of investment opportunities highlighting 65 investment projects in the areas of food, industrial and commercial projects. The directory provides financial analysis of projects and marketing channels, sales, land space, and labor required, and lines of production and profitability. It also presents investment opportunities for businesswomen, including 38 proposed projects with an investment value ranging between SR 0.6 million and SR 22 million.

Investment Opportunities for Businesswomen Studied in Collaboration with Consulting Offices			
First: Industrial Projects			
1	Women's accessories	12	Upholstery and windows curtains
2	Children's toys	13	Crystal and glass accessories
3	Perfumes	14	Textiles
4	Clothing accessories	15	Stock cubes
5	Women's readymade clothes	16	Stoves for keeping food temperature
6	Women's underwear	17	Knitting gear
7	Shawls and headwear.	18	Manufacturing of handicapped tools and requirements.
8	Children's food	19	Children's furniture
9	Travel bags and accessories	20	Catalogue printing.
10	Cake and pasta mixes	21	Pickling factories
11	Ceramic decoration products	22	Wallpaper
Second: Services Projects			
1	Children's care centers	9	Female students transport services
2	Women's gold and jewellery showrooms	10	Physiotherapy centers
3	Women's photography and art institutes	11	Rehabilitation centers for people with special needs
4	Women's centers for consulting and economic studies	12	Private institutes for sewing and embroidery
5	Women's fine arts centers	13	Women-dedicated malls
6	Computer training centers	14	Beauty and weight loss centers
7	Administrative training centers	15	Businesswomen's service centers
8	Paramedical training institutes (laboratory and x-ray technicians)	16	Food supply companies.

For more information on the investment opportunities please visit the Riyadh Chamber of Commerce website at: www.riyadhchamber.com

Riyadh Valley Company (RVC)

RVC is one of the non-government companies which invests in the sector of knowledge, and a recent achievement of King Saud University. It was established to stimulate entrepreneurship and knowledge investment in the Kingdom.

Riyadh Valley Company invests on sectors of national targets for creation of successful activities in the market.

Most prominent investment opportunities in RVC are:

- Biotechnology and pharmaceutical, medical and food industry.
- Chemicals, petrochemicals and energy.
- Communications and information technology.
- Engineering and manufacturing.

Investment opportunities available for these sectors are reflected in establishment of companies in joint ventures with regional, international and local partners, marketing or accommodation of innovations that will be turned later to productive companies.



Theme Three: Investment Opportunities Resulting from Sectoral Studies

Over 1,800 development projects have been initiated in Arriyadh in the areas of health, education, housing, roads, environment, water, sanitation, electricity, telecommunication and public services. The estimated cost of these projects is around SR 120 billion. These projects span all the provinces of Arriyadh Region aiming to achieve a balanced and sustainable development related to actual needs, resources and geographical location.

Transport and Roads Sector

The investment opportunities in roads and transportation sector in Arriyadh Region is dependent upon the new road projects that will be implemented to link provinces and cities in the region and develop the existing roads, as well as development of road networks within cities. The total budget allocated to these investment projects is over SR 3.18 billion.

Length of roads approved for implementation in the Ministry budget for Arriyadh Region reached 814 km while 759 km are being studied and designed. Most prominent of these projects are⁽¹⁾:

- A highway to link Kharj with Arriyadh-Dammam highway (phase one) 30 km.
- Dawadmi highway, Arqaa and Nafi Alrass (the part located in Arriyadh Region). Phase one is 20 km.
- Hijrat Alnasser - Al Mekhlaf Road of 22 km.
- Al Edaniyah – Al Saqrah Road of 25 km. Afif – Khaserah Road of 35 km.
- 23 km road linking Hijrat Om Alsheh with Asiyah.
- Orwa - Mthelan – Masel Road of 37km.
- Completion of Riyadh - Arren Beshah (Arriyadh City part) of 30 km.
- Completion of Mujamaa – Shaqraa highway of 27 km.

Several parties undertake the preparation of different sector studies. There are investment opportunities available for companies operating in the field of these studies, as well as for consulting, administrative, economic and financial offices and others.

- Completion of 31 km highway linking Zulfi with Arriyadh - Qassim Road from the west.
- Completion of Shaqraa - Dawadmi highway of 20 km.
- Completion of Dawadmi-Hoferah – Fedat ALmafes - Mazalaa highway of 15 km.
- Completion of Zulfi - Algat highway of 23 km.
- Completion of Asheerat Jalajel with the valley bridge of 2 km.
- Completion of Afif - Thalam Road of 100 km.

The High Commission for the Development of Arriyadh gave the priority to implementation of 26 projects in Arriyadh City. These are part of the future plan of road network development with a total length of 636 km including: the Second Ring Road of 107 km, the Third Ring Road of 180 km and main roads in the city of 349 km, All are being implemented by the High Commission for the Development of Arriyadh, Arriyadh Region Municipality and Ministry of Transport. These are:

The City Ring Road

- Development of the eastern part (Second Ring Road) starting from Khashem Alan in the south up to Thumamah in the north of 25 km.
- Implementation of the eastern part extension (Second Ring Road) of 12 km starting from Thumamah in the south up to Prince Salman bin Abdulaziz through King Khaled International Airport.
- Development of Prince Salman bin Abdulaziz Road of 13 km (the north part of the Second Ring Road) starting from King Khaled Road in the west up to the perimeter of King Khaled International Airport in the east.
- Implementation of the south part (of the Second Ring Road) of 41 km starting from old Kharj Road in the east to Jeddah Highway in the west.
- Completion of the northern part of (the Third Ring Road) of 28 km starting from King Khaled Road in the west to Khuzam Roundabout in the east.

(1) Ministry of Transport, 2012/13.

- Implementation of the eastern part (the Third Ring Road) of 93 km starting from Khuzam Roundabout in the north to Kharj Road in the south.
- Implementation of the south part (the Third Ring Road) of 58 km starting from Kharj Road in the east to Jeddah Road in the west.

Madinah North-South Road

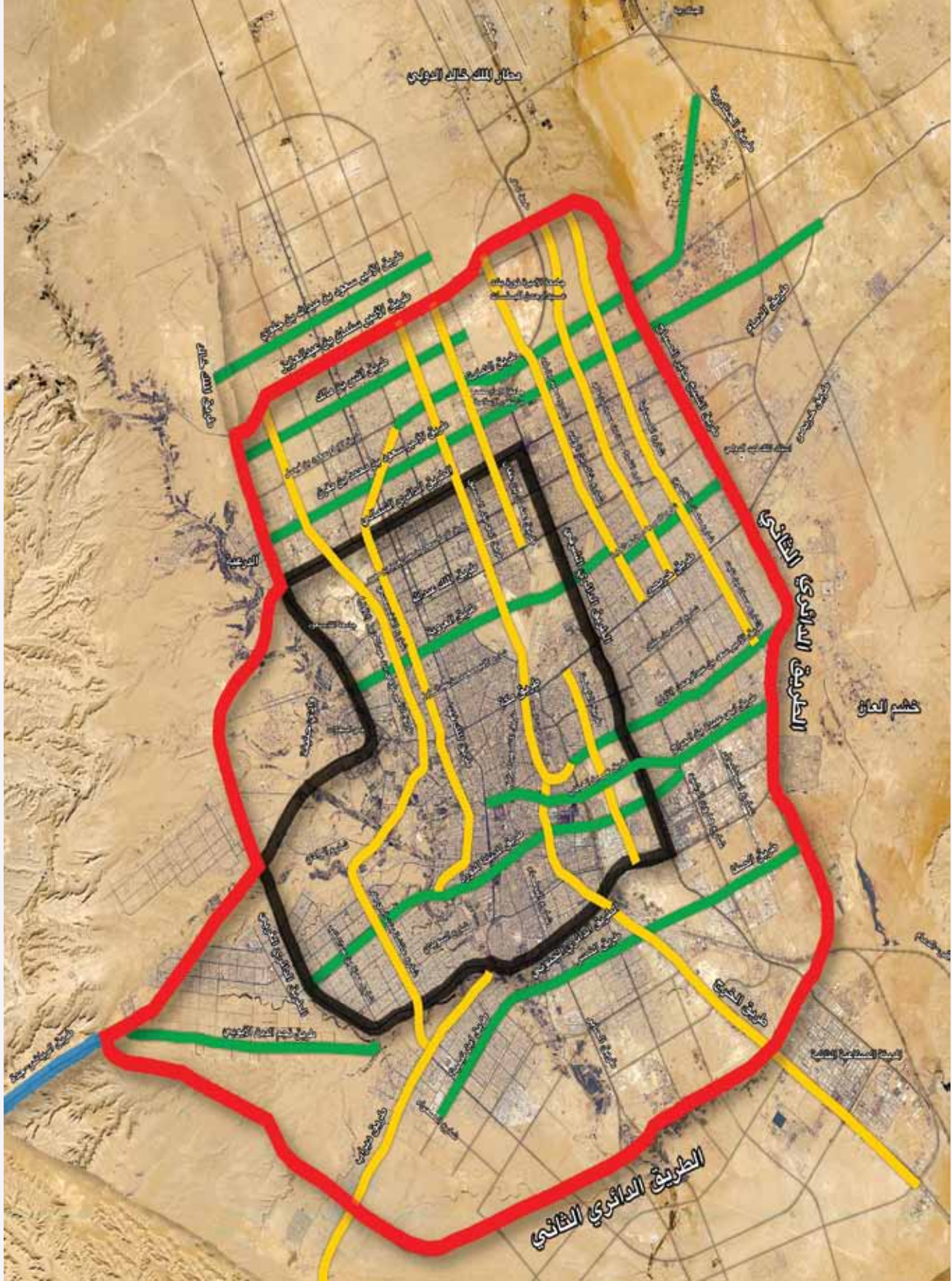
- Improvement of entrances and exits of King Fahad Road from Cairo Square to Oruba Crossroad.
- Upgrade Abu Baker Assedik Road into a 12 km highway starting from its intersection with King Abdullah Road in the south to Prince Salman bin Abdulaziz Road in the north.
- Development of old Kharj Road starting from the beginning of new Kharj Road in the south passing by Dahran Street to Salah Edden Al Ayoubi Road in the north. The length of this road is 28 km.
- Development of Derab Road of 20 km starting from Algeria Field in the north to the south part of the Third Ring Road in the south.
- Development of Nahdah Road of 10 km starting from the South Ring Road in the south to Makkah Road in the north.
- Development of Prince Turki bin Abdulaziz (the First) Road of 35 km starting from Prince Salman bin Abdulaziz Road in the north to King Khaled Road in the south linking it with Ayshah bint Abu Baker Road till the South Ring Road and then linking it with Derab Road.
- Improvement of Takhasosi Street of 15.5 km starting from the North Ring Road in the north to King Saud Field in the south (at the Ministry of Foreign Affairs) and its extension in the south to Imam Abdulaziz bin Muhammad bin Saud (Osarat).
- Improvement of Othman bin Affan Road of 12 km starting from Prince Salman bin Abdulaziz Road in the north to King Abdullah Road in the south.
- Improvement of Khaled bin Alwaleed Street and its extension with Saeed bin Zaid Street starting from Khurais Road in the south up to Prince Salman bin Abdulaziz Road in the north of 17 km.
- Improvement of the axis of Hasan bin Thabet Street "Salman Alfarisis" – AISahabah of 23 km starting from Prince Saad bin Abdulrahman

(the First) Road in the south to Prince Salman bin Abdulaziz Road in the north.

- Improvement of Sheikh Hasan bin Husen bin Ali Street of 18 km starting from Khurais Road in the south to Prince Salman bin Abdulaziz Road in the north.

Madinah East – West Road

- Improvement of Oruba Road Axis: Abdulrahman Algafiki Street and Prince Bandar bin Abdulaziz Street starting from King Khaled Road in the west to the west part of the Second Ring Road of 23 km.
- Upgrade the level of Obedah bin Aljarrah Road, Omar bin Alkhattab Road and Ali bin Mohammed bin Abdulwahhab Road to become a highway of the east part (the Second Ring Road) to Washim Street in the west, of 15 km.
- Development of Takhasosi Street starting from its intersection with the north part of the Ring Road toward the north and extension with Thumamah Street to Aredah Roundabout in the east, of 33.7 km.
- Development of Prince Saud bin Mohammad bin Megren Road starting from King Khaled Road in the west to Dammam Road in the east, of 23 km.
- Improvement of Anas bin Malek Road starting from King Khaled Road in the west to the Airport's east perimeter, of 13.5 km.
- Development of Prince Saud bin Abdullah bin Jalawi Road starting from King Khaled Road in the west to the Airport's east perimeter, of 12.5 km.
- Improvement of Madinah Road starting from the West Ring Road in the west to Haroon Alrashid Street in the east, of 23 km.
- Development of Prince Saad bin Abdulrahman the First Road starting from Ali bin Abi Taleb in the west till the eastern part of the Second Ring Road, of 13 km.
- Improvement of axis of bin Taimiah Road – Al Naser - Al Safa Road, of 23 km.
- Improvement of Najem Aldeen Alayoubi Road starting from Jeddah Highway in the west to Hamzah bin Abdulmottalib Street in the east, of 14 km.
- Upgrade the level of Makkah Road starting from Nakel Field to the East Ring Road.



One of the mega projects under construction is the recently approved public transport network within Arriyadh City.

Transportation Network Inside Arriyadh City

A Cabinet Resolution was issued to approve the project of public transportation in Arriyadh City (metro and buses) in accordance with studies prepared by the High Commission for Development of Arriyadh. A Committee has been set up headed by HRH the Governor of Arriyadh, the President of the High Commission for the Development of Arriyadh, and the following members; Minister of Municipal and Rural Affairs, Minister of Transport and Minister of Finance.

Specialized and qualified global companies with world-class technical experience have been invited to participate in the project.

38 consortia consisting of 391 companies from 50 countries applied to the metro project. 17 consortia consisting of 146 companies applied to the bus project. Four consortia of international specialized companies were approved based on their demonstrated technical and financial competence in the process of implementation of the project.

The supervisory committee responsible for implementation of the public transportation project will grant the metro project to more than one consortium due to the scale and complexity of the project.

A number of consortia will also be selected for the bus project.

The network consists of two main parts as follows:



1. The Metro Project

The metro network constitutes the backbone of the public transport system in Arriyadh City. Six main axes with a total length of 175 km were selected and the tracks are distributed as follows:

- **Line One, The Blue Line: Axis of Olaya – Batha - Alhair Street. 38 km.**
- **Line Two, The Green Line: King Abdullah Road. 25.3 km.**
- **Line Three, The Red Line: Madinah Road. 40.4 km.**
- **Line Four. The Orange Line: King Khaled International Airport Road. 29.2 km.**
- **Line Five. The Yellow Line: King Abdulaziz Road. 12.9 km.**
- **Line Six. The Pink Line: Abdulrahman bin Ouf – Sheikh Hasan bin Husen Road. 29.5 km.**



The project comprises three main stations for the metro and they have been identified to be a meeting point for lines, and designed according to sophisticated architectural models. Some main stations will accommodate commercial shops, parking such as main transportation center being established at the intersection of King Abdullah Road with Olaya Street. This is a three-storey center that serves users of the metro. The project will also serve safety and security of passengers and facilities being supplied with monitoring, safety, and telecommunications systems as well as fire extinguishers.

Also maintenance workshops with supply warehouses for periodic maintenance, and keeping the fleets of trains not in operation, as well as offices and special facilities.

The project will include a modern control and operations center to manage and control movement of the trains and all elements of the system.

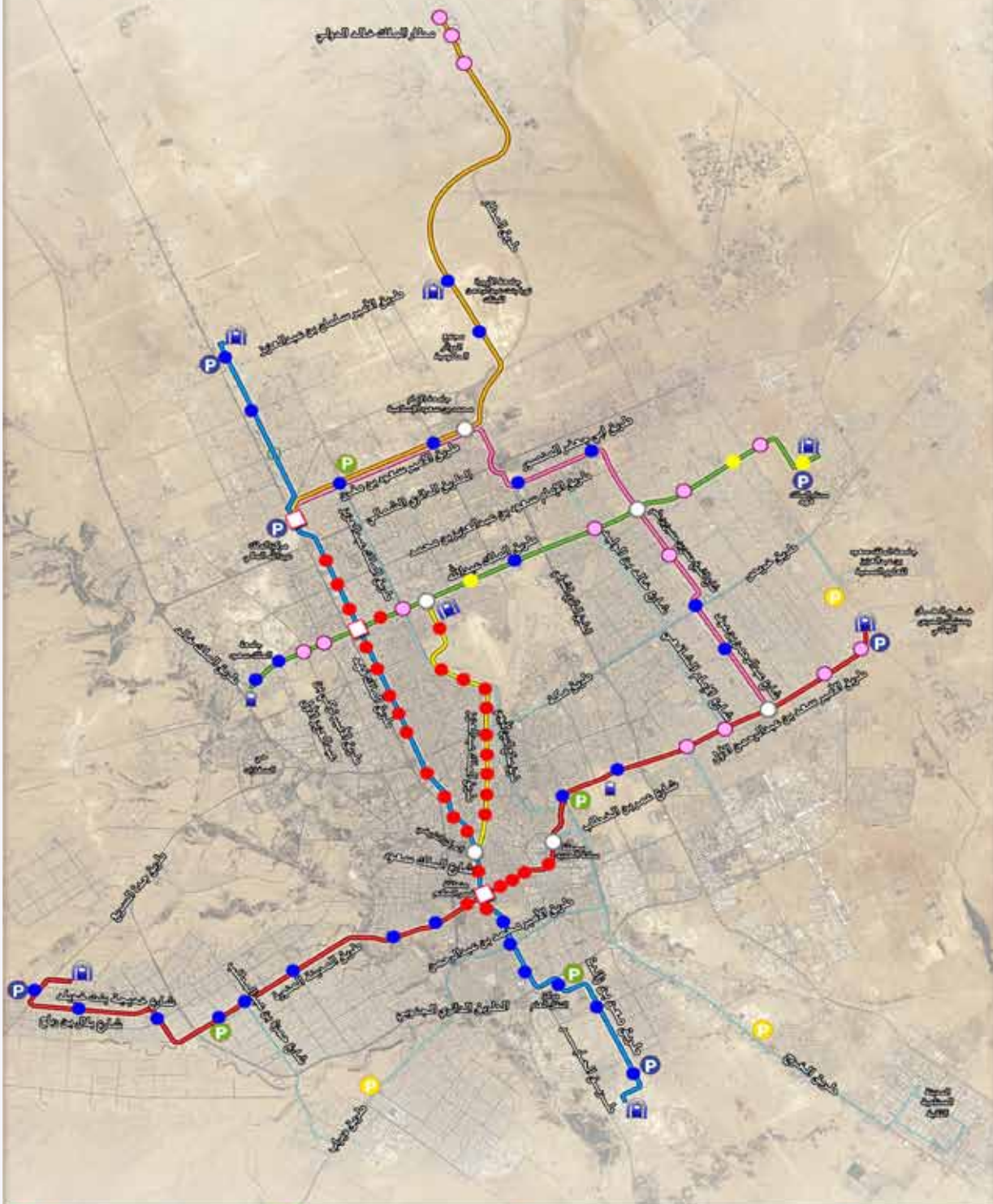
The following table shows major components of each single line:

Major Components of the Metro Tracks in Arriyah City ⁽⁶⁴⁾						
Item	Track One	Track Two	Track Three	Track Four	Track Five	Track Six
	Olaya Road	King Abdullah Road	Madinah Road	Airport Road	King Abdulaziz Road	Alhasan bin Alhusen Road
Total Development (km)	38	25.3	40.4	29.2	12.9	29.5
Length of Deep Tunnels (km)	16.2	2.9	6.3	0	12.9	0
Length of Ordinary Tunnel (km)	1.1	0	0	2.1	0	8.4
Length Above Ground (km)	4.8	17	8	0	0	0
Total Length (km)	15.9	5.4	26.1	27.1	0	21.1
Stations	24	15	21	8	12	7
Main Stations	1	1	1	0	0	0
Generation Plants	1	1	2	0	0	0
Passenger Stations	22	13	18	8	12	7
Operation and Maintenance Centers	2	2	3	1	1	0
Parking	3	0	4	0	0	0



(1) The High Commission for the Development of Arriyadh, Tatweer Magazine 67, 2013/14.

مسارات القطار الكهربائي بمدينة الرياض
RIYADH METRO PROJECT



Line (1) Blue Line Olaya - Bitha - Al Hayar Road	Line (4) Orange Line Airport Road	Elevated Station	Transfer Station	Metro Park & Ride
Line (2) Green Line King Abdullah Road	Line (5) Yellow Line King Abdul Aziz Road	Shallow Underground Station	Main Station	Bus Park & Ride
Line (3) Red Line Madina Al Munawara - Amir Saad bin Abdul Rahman Al Awwal Road	Line (6) Purple Line Abdul Rahman bin Ouf - Shaikh Hassan bin Hussain bin Ali	Atgrade Station	Depot	Metro & Bus Park & Ride
		Deep Underground Station	BRT Line	
		Provisional Future Station	Stabling Area	

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2. Bus Network

The plan includes establishment of an integrated bus network that spans all parts of Arriyadh City, complementary to the metro via common networks at four different levels. These are distributed as follows:

a- Bus Lines of Special Routes

These are divided into three routes:

- Alkharj - Salah Eddeen – King Abdulaziz – Prince Saud Road. 42 km.
- Hamzah bin Abdulmottaleb – Derab Alswedi – Prince Mohammad bin Abdulrahmman Road. 23.5 km.
- Khurais Road. 18.5 km.

b- Circular Bus Lines. There are two lines:

- Imam Saud - Turki bin Abdulaziz - Salah Eddeen – King Abdulaziz Road. 37.4 km.
- Khaled bin Alwaleed – Imam Saud - King Abdulaziz - Salah Eddeen - Saad bin Abdulrahman – Imam Shafie Road. 45.8 km.

3. Ordinary Bus Lines

These include 18 lines of 3.6 km each.

4. Bus Lines Serving the Neighborhoods

Total length is about 600 km covering 70 neighborhoods of Arriyadh.

The bus network will consist of a number of stations along routes of different areas and functions. These are provided with a unified ticketing system, telecommunications and information systems and advanced monitoring. The bus and metro systems are integral to each other in many aspects:

- Both system networks share the same number

of lines and feeder lines.

- A unified ticketing system and telecommunications and passenger data.
- Establishment of control rooms for both systems to supervise and monitor operation of each separately.

Railway Projects

Kingdom of Saudi Arabia offers a number of railway projects that will link Arriyadh with the west, east and north of the Kingdom and to the Gulf Countries. These projects are:

1. North–South Line

This is one of the key projects in the executive program of expansion of railways network in the Kingdom, approved by the resolution of the Supreme Economic Counsel 3/23, dated 4/6/2002. The Council of Ministers' Resolution in 2005 approved the establishment of Saudi Railway Company (SAR) to implement the project of North-South Railway and related services and utilities. The company will be responsible for operation and management and be directly or indirectly supervised in accordance with economic operating and international standards of performance and safety. The company will handle establishment, execution, management, operation and supervision of railway projects as well as transport of mining materials, raw material, fuel, cargo and passengers.

The capital of the company is one billion Riyals divided into 100 equal shares, the nominal value of each is SR 10. The general assembly may disclose shares of the company or offer part of them for public subscription.



The Project involves the following:

- Transfer of heavy metal including phosphate from Jalameed mines and bauxite from Zuberah mines to processing facilities in Ras Alzour.
- General cargo transport through traditional services and multi-purpose transport services. Shipping will be for wholesale petroleum and chemical products.
- Rapid passenger transportation via 200 kph trains between Arriyadh and Haditha to serve stations of King Khaled International Airport, Sudair, Qassim, Hail, Jauf and Haditha.

The project consists of two main lines; the first starts from Arriyadh and extends towards the northwest to Haditha on the Saudi-Jordanian border. The second line starts from a mid point on the Arriyadh – Haditha line and runs to a point named Multaka Al Zuberah in the north passing by an area of bauxite deposits in Zuberah to the processing and export

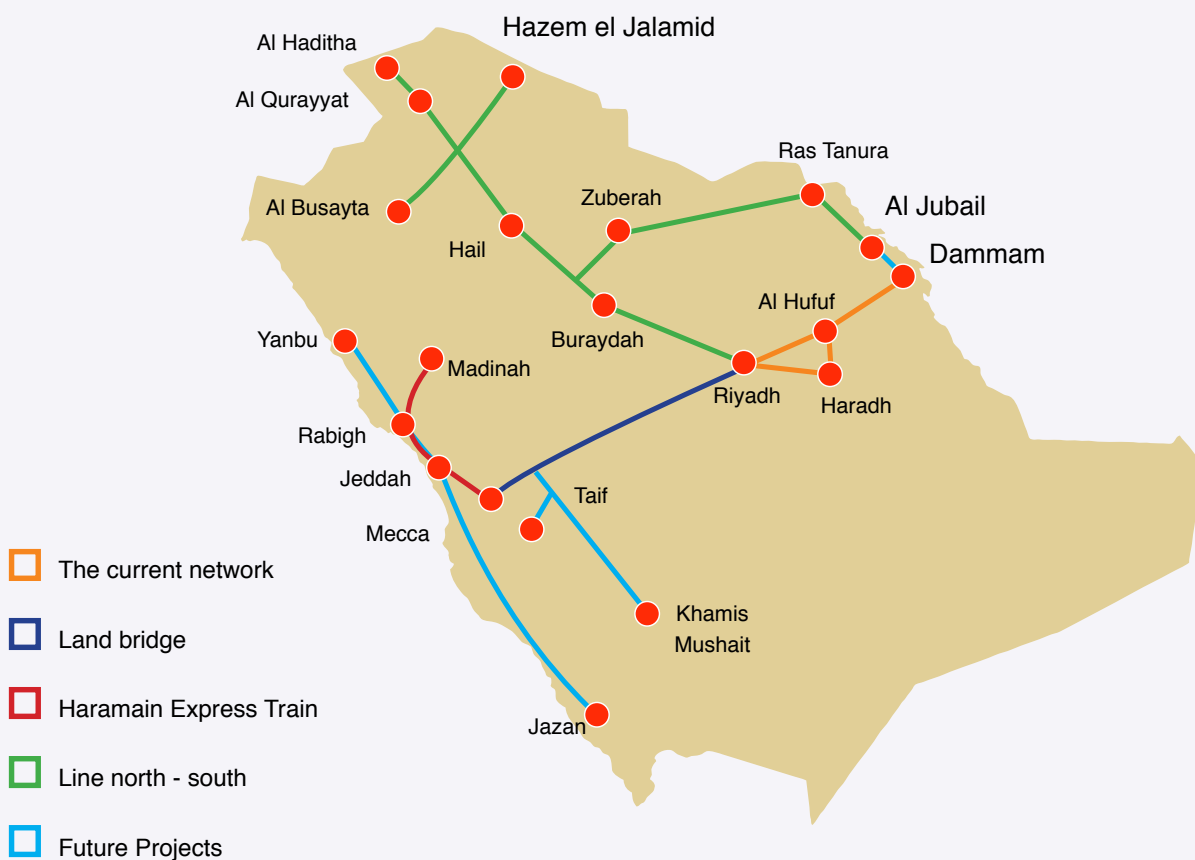
facilities which are will be established in Ras Alzour on Arabian Gulf coast.

Branch lines will be established as part of the project. One of the main line’s branches extending from Arriyadh to Haditha will be allocated for serving phosphate mines in Jalameed area in the northwest of the country.

Another line will be allocated to serve Albasetah agricultural area in the northeast part of the city.

A branch line starting from the main line extending between Al Zuberah to Ras Alzour will be allocated to serve bauxite mines in Al Zuberah area. Also a branch line will serve Jubail Industrial City overlooking the Arabian Gulf.

The project includes establishment of a railway of 2,400 km, side warehousing, maintenance points, six passengers stations (Arriyadh, Mujamaa, Qassim, Hail, Jauf and Haditha); six freight stations, administrative facilities and 107 bridges. The project will purchase locomotives, rolling stock and other maintenance and emergency equipment.



2. Land Bridge Line (Railways)

This project aims to link the Red Sea with the Arabian Gulf and serve container traffic whether nationally or with other GCC markets. It consists of two lines: the first starts from Jeddah Islamic Port and ends in Arriyadh with a total length of 950 km. The second line links Jubail Industrial City, one of the main industrial areas in the Kingdom and the Arabian Gulf region, with other parts of the network with a total length of 115 km.

This is among the large scale projects that will be implemented in the region and will play a great role in the development of transportation routes due to the strategic geographical location of the Kingdom. It is a unique opportunity for railroad companies, civil and mechanical works contractors and investors to contribute to its implementation which will be crucially important to transportation and to the economic development of Jeddah Islamic Port.

That means attraction of more transit trade and economies by saving in transportation costs in the region.

The number of containers handled on the land bridge is expected to reach 700,000 with a total of eight million tons of cargo carried to the markets of the Kingdom and neighboring countries. The Land Bridge project is expected to serve millions of passengers annually.

This mega project represents an essential element in the expansion program approved by the Supreme Economic Council in the Kingdom (within the frame of transferring assets and employees of the existing company to the party granted implementation of the project). The project aims to:

- Link main ports of the Kingdom in Jeddah and Arriyadh to a developed railway network which utilizes advantages of rail transport Kingdom-wide.
- Provide express, safe and reliable services for shipping of increasing numbers of containers headed to the local markets and markets of the Gulf countries. Container freight on this line is estimated at eight million tons.

The Council of Ministers Resolution 322, of 2011 on the Land Bridge Project which links Jeddah Islamic Port with Dammam and Jubail Port through the existing network between Arriyadh and Dammam stipulates that the implementation of the railway projects linking the west of the Kingdom

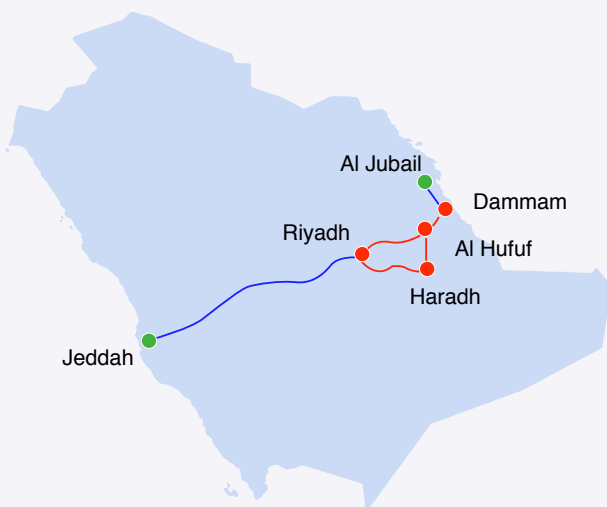
on the Red Sea with the east on the Arabian Gulf coast via the existing network between Arriyadh and Dammam shall match implementation of the North – South Project and the Two Holy Mosques Railroad.

The Public Investment Fund will assume funding of the project's infrastructure. The work team shall be formed in the Public Investment Fund including members from the Ministry of Transport, Ministry of Finance, Saudi Railways Organization and members of the Fund to supervise implementation of the project's infrastructure in public competition. It might cooperate with Saudi Railway Company and offer operation of the project to competition according to a mechanism set by the work team referred to thereof.

The resolution also included the State's right to owning infrastructure of all existing and future railway projects and existing facilities of Saudi Railways Organization. The board of directors of the Public Investment Fund (in coordination with the Ministry of Transport) shall study the matter of establishment of a new joint stock company (fully owned by the Fund) to be the owner of the railway infrastructure.

Saudi Railways Organization shall supervise the infrastructure company and undertake organization of the railway transportation activities and operation safety in accordance with what has been stated in regulations of the Organization issued through Cabinet Resolution 1, in 2008.

Saudi landbridge project



3. GCC Train project

As part of the interest of the GCC in this project, world expertise specialized in conducting studies were entrusted with this mission. A financial and technical committee has been formed to conduct detailed studies for the practical implementation of the idea by the GCC member states.

Studies drew up a roadmap of the project, identified business stages and proposed a timetable required for each stage as follows:

- a- Preparation of feasibility studies of the project.
- b- Preparation of detailed engineering sketches of the project (the proposed route).

The Gulf Railway Line is planned to start from Kuwait City passing by Dammam City in Saudi Arabia to the Kingdom of Bahrain via a proposed bridge to be constructed in parallel to the King Fahad Causeway. From Dammam it will run overland to Qatar via Salwa Port. It will also link Qatar with Bahrain via the Qatar – Bahrain Bridge proposed to be constructed.

From Saudi Arabia it will pass by Batha Port to the United Arab Emirates (Abu Dhabi – Al Ain) then on to the Sultanate of Oman via Sohar to Muscat. The total length of these lines is 2,116 km. The length of the line in Saudi Arabia is 663 km. Bahrain will be connected to the GCC Railway via a sea bridge linking Qatar, Bahrain and Saudi Arabia proposed to be established in parallel to the King Fahad Causeway.

The approval of King Abdullah has issued and assigned the Ministry of Transport to prepare detailed studies of the project, form a technical work team in the Ministry to set up studies and prepare engineering designs for parts located inside the Kingdom.

The team started consultations to lay foundations of work methodology and steps required to be achieved in this domain according to a specific timetable.

Regarding implementation, the project will start by the end of 2012/13 and is expected to be completed by mid-year 2017/18. There is also an intention to expand the system by joining with other Arab countries as the Kingdom is a member of the Economic Social Committee of West Asia (ESCWA).

The Kingdom has signed an international railways contract to link countries in the Gulf with other Arab countries.

There is also an Arab consensus on the completion of a railway link project in addition to improved land and sea connectivity for better economic interdependence and integration between Arab States.

The GCC project will have positive direct effect and benefits such as facilitation of trade movement between these countries, freedom of movement of citizens and residents and joint investments supporting their economies.

The following table shows total length of GCC railways in each country:

Total Lengths of GCC Railway ⁽¹⁾	
Countries	Length of the Railway
Kuwait	145
Bahrain	36
Qatar	283
Oman	306
UAE	684
Kingdom of Saudi Arabia	663
Total	2,117



(1) Saudi Railways Organization.

The Industrial Sector

The following are the industrial development projects in Arriyadh:

- Development of the Second Industrial City in Arriyadh at a cost of SR 73 million.
- Establishment of and equipping Arriyadh Laboratory at a cost of SR 34 million.
- Development and maintenance of Arriyadh Refinery at a total cost of SR 790 million, including the improvement of the safety system in the fuel tank yard, replacement of control boards, sewage networks, water systems, measuring devices and sub-stations etc.

Investment opportunities are available to the national private sector, and foreign investments as well in various industrial activities in Arriyadh, Examples are:

- Car tires.
- Medicines, vaccines, antibiotics, medical supplies and medical support.
- Household refrigerators.
- Pottery and colored reflective glass.
- Plastic sanitary ware.
- Water and gas meters.
- Cloth, yarn, blankets and bed sheets.
- Electrical appliances and air conditioning compressors.

The Water Sector

The investment opportunities in the water sector and water desalination include the establishment of additional stations and rehabilitation of existing stations to raise the production capacity. As a

result, there is a need for the establishment and expansion of water networks and storage facilities. The following are the most important investment opportunities of this sector in Arriyadh⁽¹⁾:

- 29 water network projects in Arriyadh at a cost of SR 823.5 million.
- Two water treatment projects at a total cost of SR 123 million.

Sanitation Sector

The efforts of Arriyadh Region have been focused on the rapid development of sewage networks and treatment capacities. This is aimed to keep up with water supply development programs and raise the potential of wastewater harvesting and processing. The cost of the sewage network development in Arriyadh Region is SR 770 million, including the extension of new networks in Arriyadh City and the provinces, and implementation of wastewater treatment plants.

Among the investment opportunities in Arriyadh are 21 sanitation projects with a length of 1,512 km and a cost of SR 430 million.

Other projects include construction of new stations, upgrading existing stations and implementation of wastewater treatment plant with a capacity of 200,000 cubic meters per day at a cost of SR 100 million⁽²⁾.

These projects are investment opportunities available to the private sector to play a leading role in the development process.

The Electricity Sector

The electricity sector in Arriyadh offers investment



(1) Ministry of Water and Electricity, 2009/2010 Annual Report.
 (2) www.arriyadh.gov.sa

opportunities to the private sector in terms of projects related to power generation, transmission and distribution. The value of approved projects in the electricity sector in Arriyadh Region is SR 22.4 billion for ten power generation projects, 62 power transmission projects and 19 projects of power distribution⁽¹⁾. These investment opportunities will engage both the government and private sectors.

Education Sector

The education sector in Arriyadh Region offers for investment 1,095 approved educational projects for boys and girls in various stages of education at a total cost of SR 5.19 billion. These comprise of 558 projects for boys' education at a cost of SR 2.69 billion and 537 projects for girls at a cost of SR 2.92 billion.

The general education projects include the establishment of 27 educational complexes, 47 large schools, 50 small schools, and three Department of Education and Guidance Centers. There are several projects in school buildings and educational facilities rehabilitation and maintenance. Another project is the establishment of the new headquarters buildings of the Ministry of Education in Arriyadh Region.

Arriyadh Region is exerting major efforts to raise the intake capacity of the higher education sector.



This focuses on the role of private education which will boost the intake capacity.

At the project level, major higher education projects are being established in Arriyadh, including a complex of several university colleges for boys and girls, and independent colleges in different disciplines. The total cost of these projects is over SR 1.3 billion. This excludes the ongoing projects of the Princess Nora Bint Abdul Rahman University and expansion projects at King Saud University⁽²⁾. Over 46 technical education and vocational training projects will be implemented in Arriyadh, including technical colleges, training institutes and specialized colleges. The total cost of these projects is SR 2.7 billion.

Educational Sector Projects in Arriyadh ⁽³⁾

Description	Number	Total Cost (billion Riyals)
Higher Education Projects	---	1.3
Technical Education and Vocational Training Projects	46	2.7
General Education Projects (Boys)	1,095	2.69
General Education Projects (Girls)	537	2.92
Other Projects	---	1.5

Health Sector

The many investment opportunities available to the private sector in Arriyadh in the health sector include hospitals and medical centers, training centers and health education. The total value of the health projects that will be implemented in Arriyadh Region is over SR 21.8 billion. They include:

- Establishing 15 new hospitals.
- Establishment, development and expansion of medical complexes and centers.
- The establishment, restoration and development of laboratories, medical operations facilities and clinics.
- Establishing 162 primary health care units⁽⁴⁾.
- The General Directorate of Health Affairs in Arriyadh has launched investment projects for small businesses such as:
 - Lease of sites for vending machines and ATMs etc.
 - Lease of stores within health units for the sale of groceries, flowers, pharmaceuticals, etc⁽⁵⁾.

(1) www.alriyadh.gov.sa

(2) Ibid.

(3) Data was taken from Arriyadh website: www.alriyadh.gov.sa.

(4) Arriyadh City website.

(5) Ministry of Health website.

The Telecommunications Sector

The telecommunications sector in Arriyadh offers a number of projects and investment opportunities to the private sector. At the top of the list are the new headquarters building for the Communication and Information Technology Commission, the establishment of the e-Government center and the new postal service center. The total cost of these investment projects is SR 509 million.



Housing Sector

The investment opportunities in the housing sector in Arriyadh Region are inclusive of housing projects which are under the supervision of government agencies, real estate investment companies, charitable foundations and others. The following are investment opportunities of the housing sector:

- Contracts for the implementation of 838 housing units offered by Prince Salman Charity Housing Project in Arriyadh Region at a total cost of SR 252 million.
- Establishment of 4,000 new housing units by the Ministry of Social Affairs for the benefit of low-income families in Arriyadh Region. The project will be implemented over four years

starting from 2008. Phase one of the project includes the construction of 1,000 housing units at a cost of SR 150 million⁽¹⁾.

The Social Welfare Sector

This sector offers several service projects as investment opportunities including psychiatric rehabilitation centers, social observation center, girls rehabilitation centers and social welfare buildings.

Following are the most significant investment opportunities in the social welfare sector in Arriyadh Region:

- Establishing a psychiatric rehabilitation center at a cost of SR 70 million in Arriyadh.
- Establishing a social monitoring center at a cost of SR 35 million in Arriyadh.
- Establishing a girls' rehabilitation home at a cost of SR 30 million in Wadi Aldawaser.
- Establishing a social welfare center at a cost of SR 20 million in Al-Kharj⁽²⁾.

The Tourism Sector

There are many investment opportunities available in the tourism sector in Arriyadh. At the top of the list comes new hotels and improvement and development of existing hotels and hotel apartments. SCTA granted licenses for 17 hotels in Arriyadh, 41 furnished apartments, and 35 licenses for travel agencies. All of these licenses will be translated into investment projects in the tourism sector in Arriyadh.

Personal Services Sector

In addition to large-scale investment opportunities and mega projects which require large capital and sophisticated technologies stated within this report, there are several investment projects available to individuals or small to medium enterprises (SMEs). Despite the absence of field studies providing detailed information on the actual requirements of the city, there is clear evidence that a significant need for personal and household services exists. Examples are:

- The urban development and expansion during the last three decades of the last century have not been accompanied by equal growth of modern establishments which provide personal services to residents.
- Whilst there are a number of sophisticated firms of medium size which provide personal

(1) Arriyadh City website.
(2) Ibid.

services to Arriyadh residents, the vast majority of firms still offer modest services due to the small volume of its services, provided in the traditional way by firms owned and managed by individuals.

- Implementation of the Ninth Development Plan will lead to further expansion in the City's facilities, in addition to mega projects which are currently being established, such as the King Abdullah Financial District in Arriyadh. This will increase the demand for personal services and will therefore open the door for new investments in these services. Accordingly, there will be a need for sophisticated firms which are capable of providing high quality services, particularly in, but not limited to, the following areas:

Auto Repair Workshops and Vehicle Service Centers

Except for auto dealers, the vast majority of workshops are individually owned and offer limited services. The city provides several investment opportunities to set up state-of-the-art integrated workshops capable of providing full repair and maintenance services. These include mechanical, electrical, body repair, paint jobs, car washing and polishing, wheel alignment and tire replacement, oil change, sale of parts, towing and options for maintenance services on a contract basis.

Car Parks

Due to the increased number of vehicles and the lack of adequate parking lots, the City is currently in need of multi-storey parking, particularly in areas with commercial activities, providing parking services on temporary basis or long term during vacations. Car parking with its growing demand offers a great investment opportunity.

Household Maintenance Services

A vast majority of Arriyadh households require periodic maintenance services in areas of electricity, air-conditioning, water networks and sanitary connections etc. Such services are mostly provided by individually-owned establishments, which provide only one type of maintenance of poor quality by unqualified staff. Arriyadh City provides great investment opportunities where qualified household

maintenance companies can be established to provide professional maintenance services by qualified and guaranteed technicians and with fixed prices.

Laundry Services

Although laundry services are available throughout Arriyadh, few of them provide high quality service. There is a need for companies that can provide good services, collect from and deliver laundry to homes.

Personal Services Offered to Females

Although there are large numbers of modestly sized establishments which provide personal services for females such as hairdressing, bridal shops and seamstresses, the City still has a requirement for modern and integrated beauty services.

Taxi Services with Paging Systems

Despite the large number of taxis and limousine services operating in Arriyadh, there is still a need for computer-controlled car hire companies. Such companies could also provide school transportation services.

Family Restaurants

Arriyadh has a large number of restaurants which serve fast food, traditional, oriental and western dishes. However, Arriyadh still provides excellent investment opportunities in this line of business. Demand exists for restaurants that provide good service to customers, a family ambiance, with diversified menus, parking and children's playgrounds.

Gas Stations

The majority of gas stations still request cash payments. A chain of gas stations that will accept credit card payments and offer other services, such as washing, oil change, etc. will be a welcome addition to Arriyadh.

It is clear therefore that the significant need for such entities which provide personal and high quality services for major investment prospects in Arriyadh.



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Table 1
Arriyadh City Population ⁽¹⁾

	Number	(%)
Males	3,105,638	59
Females	2,148,922	41
Total	5,254,560	100
% in the Kingdom	27,136,977	
Total to the Kingdom %	19.36	

Table 2
Labour Force in Arriyadh Region 2009/2010 ⁽²⁾

Labour Force	% to Total	Employed	% to Labour Force	Unemployed	% to Labour Force
2,351,492	27.3	2,267,199	96.4	84,293	3.6

Table 3
Distribution of Labour Force Working in the Private Sector in Arriyadh Region by Gender and Nationality 2010/2011⁽³⁾

Nationality	Gender		Total	%
	Males	Females		
Saudi	236,621	23,373	259,994	3.7
Non-Saudi	2,098,781	37,857	2,136,638	30.6
Total	2,335,402	61,230	2,396,632	34.6
Total in the Kingdom	6,847,167	144,033	6,991,200	

Table 4
Number of Job Seekers in the Private Sector in Arriyadh Region 2008/2009- 2010/2011⁽⁴⁾

Years	Number	%	Total
2008/2009	27,780	19	147,197
2009/2010	23,527	21	111,865
2010/2011	23,867	22.4	106,603

Table 5
Achievements of the Social Security in Arriyadh Region 2009/2010 ⁽⁵⁾

	Spent Sums	% to the Total	Number of Beneficiaries	% to the Total
Arriyadh	1,807.2	13.9	130,588	14.7
Total in the Kingdom	13043	100	888,820	100

(1) Ministry of Economy and Planning, CDSI, Statistical Book, 2010/11.

(2) CDSI: (as mentioned in the 47th Annual Report of SAMA) 2011.

(3) Ministry of Labor: (as mentioned in the 47th Annual Report of SAMA) 2011.

(4) Ibid.

(5) Ministry of Social Affairs (as mentioned in the 47th Annual Report of SAMA) 2011.

Table 6
General Education Indicators for the School Year 2009/2010 in Arriyadh Region ⁽¹⁾

Item	Males	Females	Total/Arriyadh	Total/Kingdom
No. of Students	768,535	729,640	1,498,175	6,309,502
No. of Schools	2,743	2,875	5,618	26,421
No. of Teachers	47,412	54,265	101,677	440,634

Table 7
Existing Commercial Companies in Arriyadh Region 2010/2011⁽²⁾

Number	%	Accumulated Total	
		Number	%
21,561	29.1	267,751	30.8

Table 8
National and Joint Productive Plants in Arriyadh Region to End of Third Quarter of 2012⁽³⁾

Industrial Activity	Number	Funding (million Riyals)	Labour Force
Foodstuff	231	17,067.5	42,359
Beverages	45	2,598.0	11,862
Textiles	34	1,618.7	7,552
Clothing	50	800.7	7,967
Leather Products	23	438.2	2,348
Wood Products except Furniture	19	97.8	818
Paper Products	88	3,741.5	10,318
Printing and Publishing	34	1,266.5	3,384
Coke Charcoal Manufacturing and Refined Petroleum Products	45	946.0	3,350
Chemicals and Related Products	219	3,971.7	14,139
Basic Pharmaceutical Products	16	1,017.7	2,708
Plastic and Elastic Products	281	6,965.7	29,637
Non-Metallic Products	405	24,959.7	56,458
Basic Industries of Metals	59	4,921.2	8,089
Constructive Metallic Products	369	5,972.2	31,642
Computers, Electronics and Visuals	23	758.0	3,601
Electrical Equipment	91	8,125.5	17,858
Categorized Appliances	80	2,628.8	10,119
Vehicles and Trailers	71	1,523.2	8,044
Transport Machinery	1	1.0	35
Furniture	163	1,804.6	14,017
Other Manufacturing Industries	34	1,335.5	6,483
Total	2,381	92,559.6	292,788

(1) Ministry of Education, Annual Statistics (as mentioned in the 47th Annual Report of SAMA) 2011.

(2) Ministry of Commerce and Industry (as mentioned in the 47th Annual Report of SAMA) 2011.

(3) Ministry of Commerce and Industry, Statistical Indicators: www.mci.gov.sa

Table 9
National Industrial Licences (not operating yet) in Arriyadh Region at End of the Fourth Quarter of 2012 ⁽¹⁾

Industrial Activity	Number	Funding (million Riyals)	Labour Force
Foodstuff	41	438.5	2,208
Beverages	15	220.4	2,212
Textiles	10	5,537.5	1,609
Clothing	16	42.7	805
Leather Products	2	3.9	65
Wood Products except Furniture	5	11.9	199
Paper Products	8	480.8	672
Coke, Charcoal Manufacturing and Refined Petroleum Products	13	250.5	500
Chemicals and Related Products	50	382.4	1,703
Basic Pharmaceutical Products	6	23.1	190
Plastic and Elastic Products	123	500.2	4,999
Non-Metallic Products	176	4,351.0	11,842
Basic Industries of Metals	19	918.4	1,719
Constructive Metallic Products	159	745.0	5,475
Appliances Industry	9	61.3	346
Categorized Machinery and Appliances	6	21.0	201
Vehicles and Trailers	32	528.0	1,702
Transport Machinery	2	4.2	70
Furniture	159	618.9	6,006
Other Manufacturing Industries	10	710.1	889
Total	861	15,849.7	43,412

Table 10
Entities Subscribed in the Social Insurance System in Arriyadh Region at End of 2011 ⁽²⁾

Government						Private		Total	
Government		Public Institution		Total		No	%	No	%
No	%	No	%	No	%				
237	24.9	31	15.2	268	23.2	50,556	18.5	50,824	18.5
Total of the Kingdom									
950	100	204	100	1,154	100	272,880	100	274,034	100

(1) Ministry of Commerce and Industry, Statistical Indicators: www.mci.gov.sa

(2) General Organization for Social Insurance, Statistical Report 33, 2011.

Table 11
Cost of Living Indicators for all Cities Including Arriyadh 2010 to the End of the First Quarter of 2011⁽¹⁾
 (100 = 1999)

Item	2011/12	2012/13
General Index	135.4	141.5
Food and Beverages	156.1	163
Textiles, Clothes and Shoes	86.0	88.5
Restoration, Leasing, Fuel and Water	172.7	186.7
Home Furniture	116.4	120.4
Medical Care	114.6	114.7
Transport and Communications	92.1	93.8
Education and Recreation	104.8	108
Commodities and Other Services	163.0	169

Table 12
Branches of Commercial Banks in Arriyadh Region 2012/2013⁽²⁾

Period	Number	Total of the Kingdom	% to the Kingdom
First Quarter	496	1,661	29.9
Second Quarter	495	1,669	29.7
Third Quarter	499	1,676	29.8
Fourth Quarter	506	1,696	29.8

Table 13
Licences of Shops Issued in Arriyadh Region during 2011⁽³⁾

Type of Activity	Food Supplies	Central Markets	Commercial Institutions	Industrial Workshops	Furniture and Fixture	Maintenance and Machinery	Vehicle Maintenance	Sanitary Materials	Fuel and Services	Personal Services	Others	Total
New	6,847	578	6,279	338	1,559	2,894	1,924	1,135	1,783	4,460	7,709	35,506
Renew	7,440	738	5,459	497	1,335	2,855	2,113	1,389	2,189	4,537	8,412	36,964
Total	14,287	1,316	11,738	835	2,894	5,749	4,037	2,524	3,972	8,997	16,121	72,470
Total of the Kingdom	58,588	2,470	50,868	6,419	10,208	13,434	18,885	7,406	12,458	43,057	47,246	271,039
Total to Kingdom	24.39	53.28	23.08	13.01	28.35	42.79	21.38	34.08	31.88	20.90	34.12	26.74

(1) SAMA, Statistics of the Fourth Quarter, 2012/13.

(2) SAMA, 48th Annual Report, 2012.

(3) Ministry of Municipal and Rural Affairs, 2011 Statistics.

Table 14
Building Licences Issued in Arriyadh Region during 2011⁽¹⁾

Building Usage	No of Licences	Land Area m ²	Building Area m ³	Number of Stores	Stores Space m ²	Walls' Height m
Residential and Commercial	27,309	41,969,720	8,942,636	76,730	21,262,484	2,607,612
Industrial / Commercial	1,796	73,000,805	2,675,536	4,370	4,473,293	215,063
Education, Health and Mosques	538	4,170,435	674,496	1,287	1,138,537	101,478
Social and Governmental	114	10,403,870	322,095	207	540,482	46,421
Total	29,757	129,544,830	12,614,763	82,594	27,414,796	2,970,574
Total of the Kingdom	112,362	298,969,412	46,771,518	293,219	110,041,755	9,660,389
Total to Kingdom	26.5	43.3	27.0	28.2	24.9	30.8

Table 15
Lengths of Existing, Under Construction and Proposed Roads in Arriyadh Region 2011⁽²⁾ (km)

Item	Asphalt, tree-lined with street lights			Asphalt Only			Number of Lamp Posts		
	Riyadh	Kingdom	% to the Kingdom	Riyadh	Kingdom	% to the Kingdom	Riyadh	Kingdom	% to the Kingdom
Existing Roads	4,042.5	32,549.9	12	15,229.4	84,469.5	18	235,993	1,310,218	18
Roads Under Construction	860.8	6,070.3	14	5,086.7	18,249.3	28	35,728	137,191	26
Proposed Roads	1,330.5	10,342.7	13	5,509.4	25,391.7	22	85,289	310,281	27

Table 16
Medical Services Providers in Arriyadh Region, First Quarter of 2011⁽³⁾

Item	No	%	Total of the Kingdom
Hospitals	30	20	153
Medical Centers	242	39	625
Pharmacies	90	29	312
Clinic Centers	206	37	558
Physician's Clinics	9	21	44
One Day Surgeries	5	39	13
Optical Stores	198	45	440
Laboratories	7	50	14
Diagnostic Centers	3	60	5
Physiotherapy Centers	6	60	10
Machinery and Industrial Stores	0	0	3
Total	796	37	2,177

(1) Ministry of Municipal and Rural Affairs, 2011 Statistics.

(2) Ibid.

(3) SAMA, 47th Annual Report, 2011.

Table 17
Cost of Living Index in Arriyadh Region 2006 - 2012⁽¹⁾ (1999 = 100)

Year	Index	Food and Beverages	Clothing, Textiles and Footwear	Restoration, Rent, Fuel and Water	Furniture and Fixtures	Medical Care	Transport and Telecommunications	Education and Recreation	Commodities and Other Services
2006	101.8	112.2	87.7	101.0	95.2	102.7	88.9	98.7	114.6
2007	106.0	120.1	85.6	109.2	96.4	107.0	88.1	98.9	120.7
2008	116.5	137.0	85.9	128.3	103.8	112.4	88.3	101.0	133.6
2009	122.4	139.6	86.3	146.4	112.6	113.2	89.2	102.3	139.3
2010	128.9	148.4	85.7	160.3	115.7	113.7	90.2	103.2	149.6
2011	135.4	156.1	86.0	172.7	116.4	114.6	92.1	104.8	163.0
2012	141.5	163	88.5	186.7	120.4	114.7	93.8	108	169

Table 18
Distribution of Allocations of the Budget Surplus on Projects in Arriyadh Region for the Fiscal Year 2010/2011⁽²⁾

Item	No.	Value (million Riyals)
General and High Education	404	5,959
Vocational and Technical Education	25	1,540
Health	301	1,045
Water and Sanitary Waste	31	1,411
Water Desalination	2	40
Roads	16	1,260
Municipal Services	295	1,831
Industry	3	679
Royal Commission for Jubail and Yanbu	7	130
Development Housing and Social Affairs	9	865
Total	1,093	14,760

Table 19
Promotion of Computer and Internet among Individuals in Arriyadh Region 2010/2011⁽³⁾

Item	%	Total of the Kingdom
Computer	54	56
Internet	43.3	34.7
Number of Users (estimated) by thousand	2,920	11,392

(1) CDSI, Ministry of Economy and Planning, 2011 Statistics.

(2) SAMA, 47th Annual Report, 2011.

(3) Ministry of Telecommunications and Information Technology, (as mentioned in the 47th Annual Report, 2010).

Key Addresses and Websites

Key Government and Private Agency Addresses

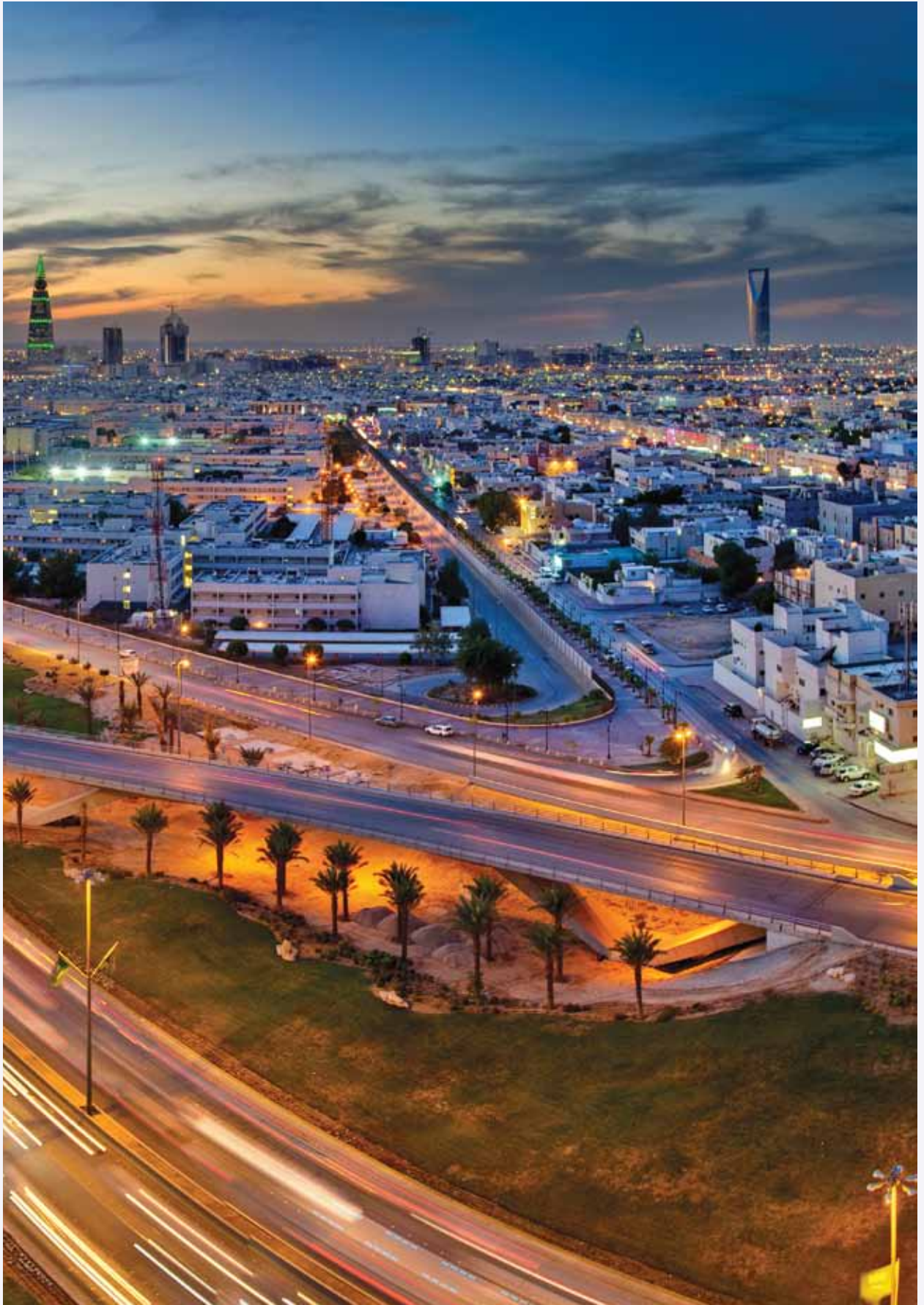
S/N	Address	Telephone	Fax	Mailing Address
1	Ministry of Defence & Aviation	4789000	4026457	Arriyadh 11165
2	Ministry of Foreign Affairs	4055000	4023707	Arriyadh 11124
3	Ministry of Municipal & Rural Affairs	4569999	4563196	PO Box 955 Arriyadh 11136
4	Ministry of Education	4046666	4037229	Arriyadh 11148
5	Ministry of Interior	4011111	4069279	Arriyadh 11134
6	Ministry of Justice	4057777	4059716	PO Box 7775 Arriyadh 11472
7	Ministry of Culture & Information	4068888	4350794	PO Box 5705 Arriyadh 11161
8	Ministry of Telecommunications & Information Technology	4522222	4522608	Arriyadh 11112
9	Ministry of Petroleum & Mineral Resources	4787777	4761123	PO Box 247 Arriyadh 11191
10	Ministry of Commerce & Industry	4012222	4038421	Arriyadh 11162
11	Ministry of Economy & Planning	4011444	4052051	PO Box 358 Arriyadh 11182
12	Ministry of Higher Education	4415555	4419004	Arriyadh 11153
13	Ministry of Health	4015555	4026395	Arriyadh 11176
14	Ministry of Labour	4778888	4789175	Arriyadh 11157
15	Ministry of Finance	4050000	4033130	Arriyadh 11177
16	Ministry of Transport	4043000	4035743	Arriyadh 11178
17	Ministry of Agriculture	4016666	4044592	Arriyadh 11195
18	Ministry of Water & Electricity	2038888	2052749	Arriyadh 11233
19	Ministry of Civil Service	4026666	4035665	PO Box 94737 Arriyadh 11416

S/N	Address	Telephone	Fax	Mailing Address
20	Ministry of Social Affairs	4778888	4789175	Arriyadh 11157
21	Ministry of Housing	2894100	4070050	PO Box 68222 Arriyadh 11527
22	Supreme Economic Council	4801052	4803750	Arriyadh 11272
23	Supreme Council for Petroleum & Mineral Affairs	4831444	4833085	PO Box 66680 Arriyadh 11586
24	Secretariat General of the National Plan for Information Technology Project	4625004	4625003	PO Box 5964 Arriyadh 11432
25	Saudi Commission for Tourism & Antiquities (SCTA)	4808850	4808844	PO Box 1267 Arriyadh 11431
26	The High Commission for the Development of Arriyadh	4883331	4829331	PO Box 94501 Arriyadh 11614
27	Saudi Arabian General Investment Authority (SAGIA)	4484533	4481234	PO Box 3437 Arriyadh 11471
28	Saudi Arabian Standards Organization (SASO)	4520000	4520086	PO Box 8218 Arriyadh 11482
29	Royal Commission for Jubail & Yanbu	4794445	4793275	PO Box 84214 Arriyadh 11671
30	National Anti-Corruption Commission	2644444	2645555	PO Box 7667 Arriyadh 13311
31	Saudi Industrial Property Authority	2831331	4775235	PO Box 84214 Arriyadh 11671
32	Communications & Information Technology Commission (CITC)	4618000	4618002	PO Box 75606 Arriyadh 11588
33	Saudi Food and Drug Authority	2038222	2751164	PO Box 6288 Arriyadh 13312
34	Capital Market Authority (CMA)	2797777	2797770	PO Box 25022 Arriyadh 11311
35	Arriyadh Region Municipality	4112222	4118686	Arriyadh 11146
36	General Organization for Social Insurance (GOSI)	4777735	Ext.1200	PO Box 878 Arriyadh 11421
37	Saudi Arabian Monetary Agency (SAMA)	4662200	1662439	PO Box 2992 Arriyadh 11169
38	Public Pension Agency	4025100	4053645	PO Box18364 Arriyadh 11168
39	Grain Silos & Flour Mills Organization	4643500	4631943	PO Box 3402 Arriyadh 11471

S/N	Address	Telephone	Fax	Mailing Address
40	Saudi Government Railroad Organization (SGRRO)	4480811	4489400	PO Box 40471 Arriyadh 11499
41	Saudi Ports Authority	4050005	4082739	PO Box 5162 Arriyadh 11188
42	General Organization for Technical Education and Vocational Training (GOTEVOT)	4052770	4065876	PO Box 7823 Arriyadh 11472
43	Saudi Water Conversion Corporation (SWCC)	4631111	4641630	PO Box 5968 Arriyadh 11422
44	Saudi Exports Promotion Center	4053200	4065196	PO Box 16683 Arriyadh 11474
45	King Abdulaziz City for Science & Technology (KACST)	4883555	4883756	PO Box 6086 Arriyadh 11442
46	Saudi Customs	4013334	4043412	PO Box 3483 Arriyadh 11197
47	Central Department of Statistics & Information (CDSI)	4014138	4059493	PO Box 3735 Arriyadh 11481
48	Grievance Board	4021724	4034296	PO Box 1138 Arriyadh 11138
49	Saudi Arabian Airlines	4500000	4569383	PO Box 2836 Arriyadh 11461
50	Saudi Fund for Development	4640292	4627450	PO Box 1887 Arriyadh 11149
51	Saudi Industrial Development Fund (SIDF)	4774002	4775138	PO Box 4143 Arriyadh 11149
52	Real Estate Development Fund	4792222	4786232	PO Box 67778 Arriyadh 11517
53	Human Resources Development Fund	2790804	2790803	PO Box 67778 Arriyadh 11517
54	The Centennial Fund	2253100	4191512	PO Box 231265 Arriyadh 11321
55	Agricultural Development Fund	2118888	2198013	Arriyadh 11126
56	Saudi Credit Bank	4797200	4797204	PO Box 1138 Arriyadh 11138
57	Saudi Press Agency (SPA)	4193333	4193492	PO Box 7186
58	King Saud University	4670000	4678126	PO Box 2454 Arriyadh 11451
59	Imam Mohammed bin Saud Islamic University	2580000	2580707	PO Box 571 Arriyadh 11432

S/N	Address	Telephone	Fax	Mailing Address
60	Naif Arab University for Security Sciences (NAUSS)	2463444	2464713	PO Box 6830 Arriyadh 11452
61	Princess Nora Bint Abdul Rahman University	2297290	2297291	PO Box 84428 Arriyadh 11671
62	Prince Sultan Private University	4548489	4548317	PO Box 66833 Arriyadh 11586
63	Al Faisal University	920000570	2157826	PO Box 50927 Arriyadh 11533
64	Al Yamamah Private University	2242222	2242222	PO Box 45180 Arriyadh 11512
65	Dar Al Uloom University	4949000	4949490	PO Box 3535 Arriyadh 13314
66	Arab Open University (Riyadh Branch)	2742277	2742696	PO Box 8490 Arriyadh 11681
67	Institute of Public Administration (IPA)	4768888	4768878	PO Box 205 Arriyadh 11141
68	General Presidency for Youth Welfare	4018888	4010376	PO Box 956 Arriyadh 11185
69	General Audit Bureau	4056770	4032057	PO Box 7185 Arriyadh 11128
70	Saudi Arabian Red Crescent	4740027	4740430	Arriyadh 11129
71	General Presidency for Environment Protection and Meteorology	2211584	2211581	PO Box 1158 Jeddah 21431
72	Saudi Arabian Basic Industries (SABIC)	2258000	4013831	PO Box 5101 Arriyadh 11422
73	National Shipping Company of Saudi Arabia	4785454	4777478	PO Box 8931 Arriyadh 11492
74	Saudi Arabian Mining Company (Ma'aden)	4740857	4721333	PO Box 68861 Arriyadh 11537
75	Saudi Telecom Company	4527000	4525229	PO Box 87912 Arriyadh 11652
76	Ittihad Itisalat Company	2735050	0560412070	PO Box 9979 Arriyadh 11423
77	Zain Telecommunications	2444444	0590005959	PO Box 295814 Arriyadh 11351
78	Saudi Aramco	4410200	013/8738190	PO Box 5000 Dhahran 31311
79	National Company for Cooperative Insurance	2180100	2180102	PO Box 86959 Arriyadh 11632

S/N	Address	Telephone	Fax	Mailing Address
80	Council of Saudi Chambers of Commerce & Industry	4053200	4024747	PO Box 1183 Arriyadh 11474
81	Riyadh Chamber of Commerce & Industry	4040044	4020110	PO Box 596 Arriyadh 11421
82	National Commercial Bank	012/6493333 Jeddah 4787877 Arriyadh	012/6612348	PO Box 3555 Jeddah 21481
83	Al-Jazira Bank	012/6158070	012/6533278	PO Box 6277 Jeddah 21442
84	Arab National Bank	4023503 4029000	4027747	PO Box 56921 Arriyadh 11564
85	Al-Bilad Bank	4798888	2916069	PO Box 140 Arriyadh 11411
86	Riyadh Bank	4013030	404207	PO Box 22622 Arriyadh 11416
87	Saudi Investment Bank	4778433	4776781	PO Box 3533 Arriyadh 11481
88	SAMBA Financial Group	4774770	Ext.1200	PO Box 833 Arriyadh 11421
89	SABB	4050677	Ext.4632	PO Box 9084 Arriyadh 11413
90	Banque Saudi Fransi	4042222	4042311	PO Box 56006 Arriyadh 11554
91	Saudi Hollandi Bank	4010288	4067888 Ext.656	PO Box 1467 Arriyadh 11431
92	Al Rajhi Bank	4601000	4776781	PO Box 28 Arriyadh 11481
93	Al Inma Bank	2185555	2185000	PO Box 66674 Arriyadh 11586



Web Addresses of Selected Organizations

Name of Organization	Web Address
Ministries	
Ministry of Interior	www.moi.gov.sa
Ministry of Foreign Affairs	www.mofa.gov.sa
Ministry of Municipal & Rural Affairs	www.momra.gov.sa
Ministry of Education	www.moe.gov.sa
Shura Council	www.shura.gov.sa
Ministry of Justice	www.moj.gov.sa
Ministry of Higher Education	www.mohe.gov.sa
Ministry of Civil Service	www.mcs.gov.sa
Ministry of Petroleum & Mineral Resources	www.mopm.gov.sa
Ministry of Labour	www.mol.gov.sa
Ministry of Social Affairs	www.mol.gov.sa
Ministry of Information & Culture	www.saudinf.com
Ministry of Commerce & Industry	www.commerce.gov.sa
Ministry of Economy & Planning	www.planning.gov.sa
Ministry of Health	www.moh.gov.sa
Ministry of Agriculture	www.agrwat.gov.sa
Ministry of Transportation	www.mot.gov.sa
Ministry of Finance	www.mof.gov.sa
Ministry of Communications and IT	www.mcit.gov.sa
Ministry of Water & Electricity	www.mowe.gov.sa
Ministry of Housing	www.housing.gov.sa

Name of Organization	Web Address
Governorates	
Governorate of Arriyadh	www.riyadh.gov.sa
Governorate of Makkah	www.makkah.gov.sa
Governorate of Madinah	www.imaratalmadinah.gov.sa
Governorate of Eastern Region	www.easternemara.gov.sa
Governorate of Hail	www.hail.gov.sa
Governorate of Al-Baha Region	www.albaha.gov.sa
Governorate of Tabuk	www.tabuk.gov.sa
Governorate of Aseer Region	www.emartaseer.gov.sa
Governorate of Al Jouf Region	www.aljouf.gov.sa
Governorate of Jazan Region	www.jazan.gov.sa
Governorate of Qassim Region	www.qassim.gov.sa
Governorate of Najran Region	www.najran.gov.sa
Governorate of Northern Border Region	www.northernborder.gov.sa (under construction)
Government Organizations	
Name of Organization	Web Address
The High Commission for the Development of Arriyadh	www.ada.gov.sa
Saudi Commission for Tourism & Antiquities	www.sct.gov.sa
Saudi Arabian General Investment Authority (SAGIA)	www.sagia.gov.sa
Royal Commission for Jubail & Yanbu	www.rcjubail.gov.sa
Communications & Information Technology Commission (CITC)	www.citc.gov.sa
Saudi Arabian Standards Organization (SASO)	www.saso.org.sa
Saudi Geological Survey	www.sgs.org.sa
Saudi Commission for Health Specialties	www.scfhs.org

Name of Organization	Web Address
Capital Market Authority (CMA)	www.cma.org.sa
National Anti-Corruption Commission	www.nazaha.gov.sa
Saudi Food and Drug Authority	www.sfda.gov.sa
National Commission for Wildlife Conservation & Development	www.ncwed.gov.sa
Saudi Industrial Property Authority	www.modon.gov.sa
Saudi Organization of Certified Public Accountants (SOCPA)	www.socpa.org.sa
National Shipping Company of Saudi Arabia	www.nscsa.com
Public Pension Agency	www.pension.gov.sa
Saudi Ports Authority	www.ports.gov.sa
Saudi Arabian Monetary Agency (SAMA)	www.sama.gov.sa
General Organization for Social Insurance (GOSI)	www.gosi.gov.sa
Saudi Fund for Development	www.sfd.gov.sa
Saudi Industrial Development Fund (SIDF)	www.sidf.gov.sa
Real Estate Development Fund	www.redf.gov.sa
General Presidency for Environment Protection & Meteorology	www.mepa.org.sa
Saudi Customs	www.customs.gov.sa
King Abdulaziz City for Science & Technology (KACST)	www.kacst.edu.sa
General Audit Bureau	www.gab.gov.sa
General Directorate for Passports	www.passport.gov.sa
Saudi Arabian Agricultural Bank	www.saab.gov.sa
King Abdulaziz Foundation for Research & Archive	www.darh.org.sa
Arriyadh Traffic Department	www.r-t.gov.sa
Department of Zakat & Income Tax (DZIT)	www.dzit.gov.sa
Saudi Press Agency (SPA)	www.spa.gov.sa
Saudi Stock Market	www.tadawul.com.sa
Saudi Money & Business Directory	www.allsaudi.com/defaultara.asp

Name of Organization	Web Address
Saudi Airline Companies	
Saudi Arabian Airlines	www.saudiairlines.com
NAS Airlines	www.flynas.com
Chambers of Commerce	
Council of Saudi Chambers of Commerce & Industry	www.saudichambers.org.sa
Riyadh Chamber of Commerce & Industry	www.riyadhchamber.org.sa
Chamber of Commerce & Industry – Eastern Region	www.chamber.org.sa
Chamber of Commerce & Industry – Madinah	www.madcci.org.sa
Chamber of Commerce & Industry - Jeddah	www.jcci.org.sa
Chamber of Commerce & Industry – Makkah	www.makcci.com
Saudi Daily Newspapers	
Riyadh Newspaper	www.alriyadh-np.com
Al-Jazeera Newspaper	www.al-jazirah.com
Al-Yaum Newspaper	www.alyaum.com
Okaz Newspaper	www.okaz.com.sa
Al-Watan Newspaper	www.alwatan.com.sa
Al-Eqtessadia Newspaper	www.aleqt.com
Al Madinah Newspaper	www.al-madina.com
Asharq Alawsat Newspaper	www.asharqalawsat.com
Albilad Newspaper	www.albilad-daily.com
Arab News	www.arabnews.com
Saudi Gazette	www.saudigazette.com.sa
Local Banks	
Al Rajhi Bank	www.alrajhibank.com.sa
National Commercial Bank	www.alahli.com
Al Bilad Bank	www.bankalbilad.com.sa

Name of Organization	Web Address
Al Inma	www.alinma.com
Al Jazeera Bank	www.baj.com.sa
Riyadh Bank	www.riyadhbak.com
SABB	www.sabb.com.sa
Saudi Hollandi Bank	www.saudihollandibank.com
Banque Saudi Fransi	www.alfransi.com.sa
Saudi Investment Bank	www.saib.com.sa
SAMBA Financial Group (previously Saudi American Bank)	www.samba.com.sa
Arab National Bank	www.anb.com.sa
Licensed foreign banks' branches	
Gulf International Bank(GIB)	http://www.gibonline.com
Emirates NBD	http://www.emiratesnbd.com
National Bank of Bahrain (NBB)	http://www.nbbonline.com
National Bank of Kuwait (NBK)	http://www.nbk.com
Muscat Bank	http://www.bankmuscat.com
Deutsche Bank	https://www.db.com
BNP Paribas	http://www.bnpparibas.com
J.P. Morgan Chase N.A	http://www.citytowninfo.com/mortgage-articles
National Bank Of Pakistan (NBP)	http://www.nbp.com.pk
State Bank of India(SBI)	http://www.sbi.co.in
T.C.ZIRAAT BANKASI A.S.	http://www.ziraatbank.com.tr
Industrial and Commercial Bank of China (ICBC) (Licensed - has not started yet)	http://www.icbc.com.cn



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