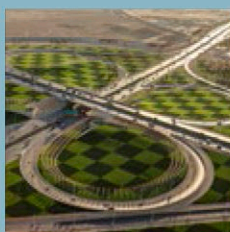
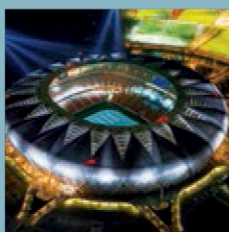
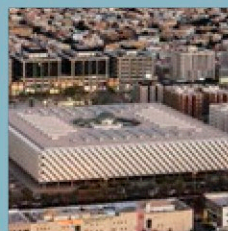
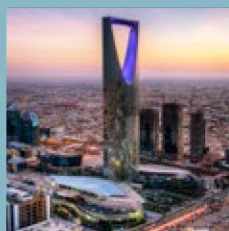
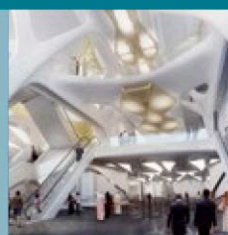
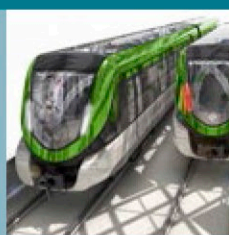
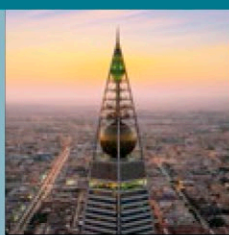




INVESTMENT CLIMATE IN ARRIYADH 2015



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



Arriyadh holds a strategic and pivotal role as the capital of the Kingdom of Saudi Arabia which is the birthplace of the Message of Prophet Mohammed (Peace be upon Him) and the location of the Two Holy Mosques. The dynamic capital hosts diplomatic, Islamic, political, economic, financial, trade, scientific, technological and educational institutions and is a fast developing national, regional and international center. Arriyadh is also a hub of administration with national cultural and heritage bodies and activities.

the Custodian of the Two Holy Mosques King Salman Bin Abdulaziz (may God bless him) has over many decades actively supported Arriyadh and its remarkable development. Today, with his Crown Prince, Deputy Prime Minister, Minister of Interior; and the Deputy Crown Prince and Defence Minister; King Salman is ably guiding the development of the Kingdom, its capital and provinces and ensuring the welfare, security and prosperity of the nation's population.

Evidence of this is seen in the range of visionary development and infrastructure projects, which are helping to transform the Kingdom and the wider region.

The development process in Arriyadh does not focus on specific areas or sectors. Rather it embraces a wide and comprehensive range of projects and needs. These include ambitious programs in transportation. The King Abdulaziz Public Transport Project in Arriyadh City is the largest of its kind and will provide a network of metro and bus services in the capital. The King Khaled International Airport Development Project will considerably expand passenger and airfreight capacity; and national and regional projects to develop railroad and road networks will soon offer remarkable improvements in transportation within the Kingdom and GCC.

The King Abdullah Financial District, the City of Communication and Information Technology, nano-technology and research centers are also emerging and helping to provide new and exciting opportunities for our youth. Other major projects in health, education, environment, infrastructure, housing, manufacturing, sport, welfare, culture and heritage are helping to make Arriyadh a favored destination of leading projects and secure inward investment.

The Investment Climate Report is part of the ongoing efforts of the High Commission for the Development of Arriyadh to annually provide up to date information and highlight the numerous and emerging opportunities provided by the city. As well as revealing the progress in our capital and nation as a whole, this report in its English edition, is a welcome and valuable reference and resource for those around the world who are keen to learn of the investment opportunities in Arriyadh as well as for the general reader interested in the remarkable story of our capital and nation.

Faisal Bin Bandar Bin Abdulaziz

Governor of Arriyadh

Chairman of the High Commission for the Development of Arriyadh



Arriyadh has become a favorite destination for both regional and international investors seeking promising and rewarding opportunities in a secure urban environment that offers sophisticated infrastructure and a quality lifestyle ideal for achieving aspirations.

Our nation's leadership, may God bless them, has ensured that the capital has been given attention through careful and effective planning to provide expanding and ever broadening economic development prospects. The visionary and ambitious plans, programs and projects for the city also open the doors wide to welcome local, regional and international investors in a wide range of economic sectors.

Arriyadh's favourable position is enhanced by a comprehensive range of strategic mega projects, which are being executed under the leadership and supervision of His Royal Highness Prince Faisal Bin Bandar Bin Abdulaziz President of the High Commission for the Development of Arriyadh, may God bless him. These multi-sectoral projects, along with localisation and diversification of the economy are promoting and accelerating Arriyadh's pace and quality of development.

The High Commission for the Development of Arriyadh publishes the Investment Climate Report (ICR) in both Arabic and English editions every year. It serves to introduce readers to the investment environment of the capital. It highlights facilities and available privileges as well as presents current economic indicators. It also explains systems and procedures and provides a valuable guide to bodies that are concerned with investment in the city.

The High Commission for the Development of Arriyadh, government agencies and the private sector are actively engaged in the planning and continuing development of the capital. It is our hope that this edition of the Investment Climate Report will provide a useful and informative resource for all those interested in the numerous opportunities that our capital offers to businesses and entrepreneurs.

Ibrahim bin Mohammed Al-Sultan

President of Arriyadh Development Authority

Member of the High Commission for the Development of Arriyadh

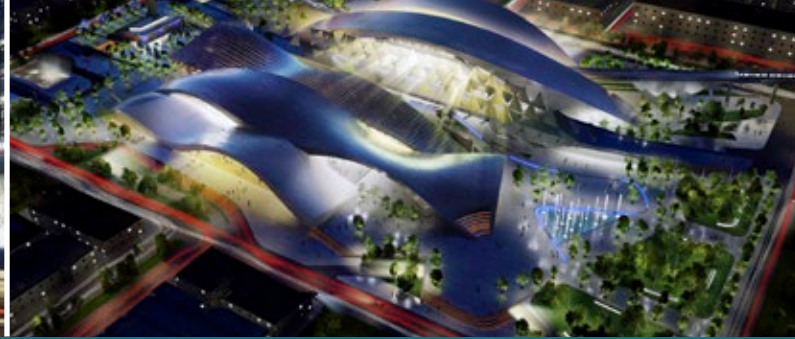
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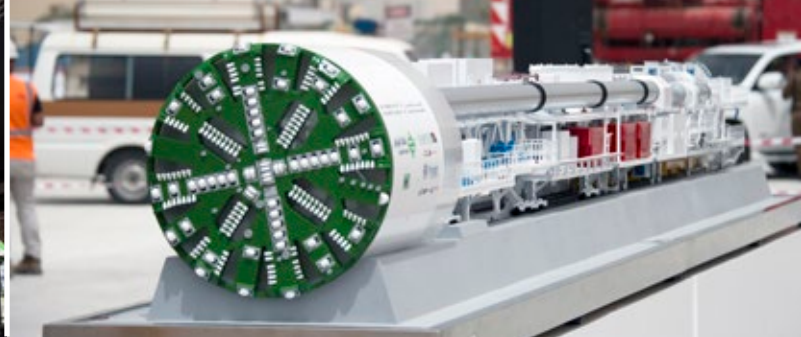
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This Report

The Investment Climate in Arriyadh Report represents one of the objectives of the High Commission for the Development of Arriyadh and the Riyadh Competitiveness Center 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 2015 Report, 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, includes the macro-economic indicators in Saudi Arabia and outlines policies and procedures adopted by the Saudi Government to support 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, including Council of Economic and Development Affairs, the General Investment Authority, Telecommunication and Information Technology Commission and the Saudi Commission for Tourism and National Heritage. It also includes the agencies which provide development funding and investment support 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 and the investment strategy in the Kingdom.

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

The Investment Climate Report concludes with statistical tables of 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 2014 shows that economy of Kingdom of Saudi Arabia is the best performer among the Group of Twenty (G-20), and has played a significant role over recent years in stabilizing the global oil market. It achieved an average growth rate of GDP of 4% in 2014.⁽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 (half of whose members are elected) were also established to participate in the decision making process.

The King and Prime Minister of the Kingdom of Saudi Arabia: The Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al-Saud.

Crown Prince and the Deputy Prime Minister: His Royal Highness Prince Mohammad bin Nayef bin Abdulaziz Al-Saud.

Deputy Crown Prince and Second Deputy Prime Minister: His Royal Highness Prince Mohammad bin Salman 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 Gulf Cooperation Council (GCC)
2. The Arab League
3. The Organization of Islamic Conference

4. The United Nations (UN)
5. GCC Monetary Union
6. GCC Common Market
7. The Arab Monetary Fund
8. Arab Bank for Economic Development In Africa
9. Arab Fund for Economic and Social Development
10. The Arab Investment & Export Credit Guarantee Corporation
11. Arab Authority for Agricultural Investment and Development
12. The Islamic Development Bank
13. OPEC Fund for International Development (OFID)
14. The International Monetary Fund (IMF)
15. The World Bank Group
16. Bank of International Settlements
17. The Financial Stability Council
18. The Basel Committee
19. The Group of Twenty (G-20)
20. The Organization of Petroleum Exporting Countries (OPEC)
21. The World Trade Organization (WTO)

The Kingdom's Regions

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

Capital: Arriyadh

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.

Geographic Features

Location: The Kingdom of Saudi Arabia lies in the

(1) IMF Report, Article Four Consultations, 2013/14.

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 deserts of the Empty Quarter and An Nafud 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 humidity.

Working Hours

Government Sector: 7.30 a.m. to 2.30 p.m. (Sunday-Thursday).

Banking Sector: 9.30 a.m. to 4.30 p.m. (Sunday to Thursday).

Private Sector: Varies depending on company and location.

Shops: There are no binding regulations for commercial stores work hours, but mostly they open between eight and nine a.m and close at midday prayer and reopen after Asr prayer until 10 or 11 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 (Friday and Saturday), 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 Dhul Hijja^(*).

National Day: 23rd of September

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

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.

Customs Duty: duty on most imported items is five percent (5%).

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

Weights and Measures: The Kingdom adopts the metric system for all weights and measures.

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 2015 ⁽¹⁾	
Total Population	31521418 ^(**)
Population Growth Rate (%)	2.4
Saudi Population	21129960 ^(**)
Growth Rate of Saudi Population (%)	2.06

(*) 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: the Importance of Arriyadh

The importance of Arriyadh is represented in many factors:

Arriyadh is 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 is the Headquarter 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, Saudi Arabian General Investment Authority, Saudi Commission for Tourism and National Heritage, Customs Department and other major state organizations.

Arriyadh is the Location of Headquarters for Banks and Major Corporations

Arriyadh accommodates the headquarters of most 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.

The administrative headquarters of large companies are located in Arriyadh. These include SABIC, telecommunications companies, Tasnee, National Gas and Industrial Co (GASCO), Saudi 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 is the Kingdom's largest city and one of the world's largest and most advanced capitals.

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.

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

Arriyadh is 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 is the Location 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 location of the Central Gulf Bank in Arriyadh is significant and shows the competitive merit and financial importance of the Saudi capital.

Other Aspects Relating to the Importance of Arriyadh

The capital is also the location of King Abdullah Financial District planned as one of the world's largest financial areas. It is also a center for developing and exchanging electronic technology and knowledge, as well as the Kingdom's gate to an advanced economy with projects such as Riyadh Techno Valley, the Information Technology and Communications Complex (ITCC) and Saudi Industrial Property Authority (MODON).

Composition of Population

Arriyadh is one of the world's fastest growing cities and its population grew steadily at a rate of 4% during the period 2004-2010⁽²⁾.

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

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

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 residents from many cultures with more than 50 different 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 which has never been less than 4% and is high compared to similar cities. In the 1980s, 1990s and the early decade of the recent century that rate increased to 16%.

Another feature of Arriyadh population growth is that it is characterized by qualitative improvements in the standard of living of residents. ⁽¹⁾

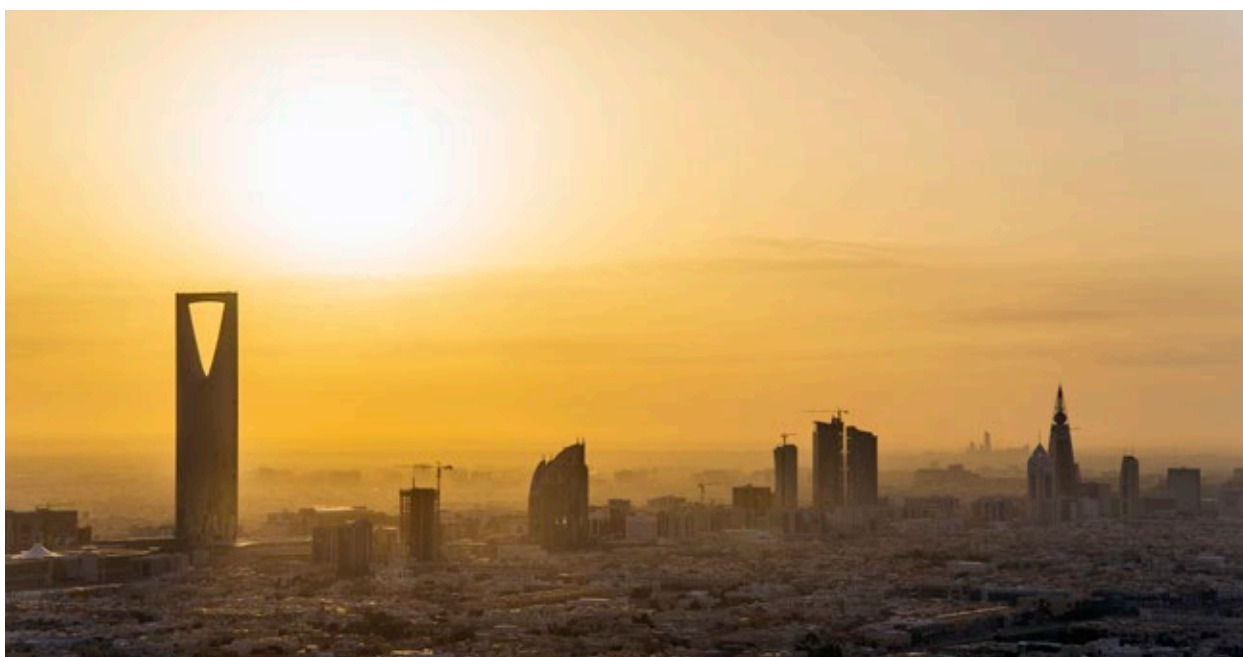
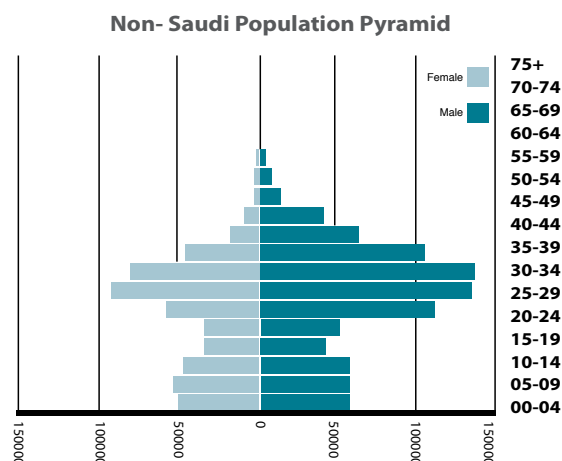
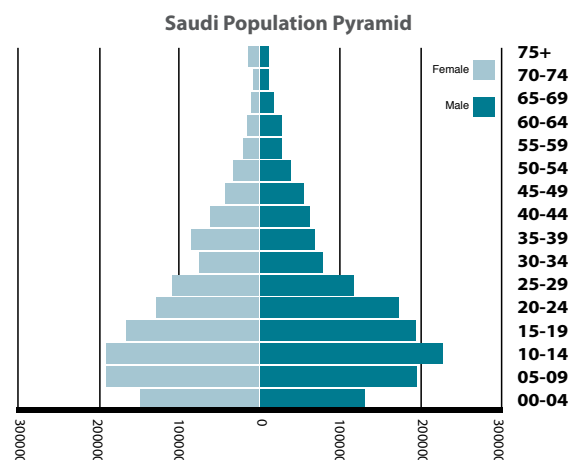
In 2015/16 the overall population of Arriyadh reached 6,152,180. ⁽²⁾ The Saudi population was 3.6 million representing 62.7% of the total, while the non-Saudi population was 2.2 million, 37.3% of the total. 57.7% of the population is male and 42.3% female. Population density is 2,379 individual per square kilometer ⁽³⁾. Number of occupied residences was 1,027,809.

Population Pyramid ⁽⁴⁾

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 under-14 age group in Arriyadh constitutes a high percentage compared to other major world cities and implies a rapid population growth. The rate of growth of the 15-59 age group is relatively close to that of other cities and contributes significantly to the demand for goods, services and housing.

According to statistics the percentage of the under-14 age group makes up 33.4% of the total population, while the age group between 15 and 59 comprises 64.7%. Those aged 60 and above constitute 2.9% of the population ⁽⁵⁾.



(1) CDSI, 44th Population Composition, 2012/13.

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

(3) The High Commission for the Development of Arriyadh.

(4) Arriyadh website: www.arriyadh.com.

(5) The High Commission for Development of Arriyadh.

Gender

There is a significant difference in gender ratios between the Saudi and non-Saudi population. According to studies, Saudi males represent 52% compared to 48% females, whereas non-Saudi males represent 67% compared to 33% females. Saudi and non-Saudi males represent 58% of the population compared to 42% females.⁽¹⁾

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%.⁽²⁾

There are 948,554 households in Arriyadh with an average size of 6.2 individuals per family. This average is expected to fall to about 5.9 individuals per family in 2024.⁽³⁾

Labour Force

Most recent data of the Central Department of Statistics and Information (CDSI)⁽⁴⁾ shows that the labour force in Arriyadh is 3,192,362. In the Kingdom the employed population in 2014 was 2,964,114 and unemployed 2,531,476⁽⁵⁾.

In 2013 the labour force in the private sector was 3,414,325, distributed between 3,178,201 males and 228,124 females

constituting 35.27% of the labour force. Non-Saudis in the labour force totalled 2,875,692 (81.6%) and Saudis 537,333 (15.7%)⁽⁶⁾.

Cost of Living

The period from 2009 to 2014 witnessed a noticeable increase in the cost of living index in the Kingdom. The index rose from 110.5 in 2009, to 114.7 in 2010, 119 in 2011, 122.4 in 2012 and 126.7 in 2013. The cost of living index during 2014 was 120.1⁽⁷⁾.

There are several reasons for these increases: the continuously increasing levels of governmental expenditures for economic and social development, higher oil prices during the period, a decrease of the skilled labour force, price increases for food and other commodities in world markets and the increase of dollar exchange rates compared to other currencies.



(1) Ministry of Economy and Planning, CDSI, Annual Statistical Book, (48), 2012/13.

(2) Ibid.

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

(4) CDSI, Labor Force Survey, 2014/15.

(5) Ibid.

(6) Ministry of Labor, Annual Statistical Book 2014/2015.

(7) CDSI, Cost of Living General Index.



Theme Two: Infrastructure in Arriyadh

Arriyadh's advanced infrastructure has turned the city into a hub of industrial and commercial activity. Recently, the major projects which have commenced in Arriyadh have encouraged many international companies to establish their regional headquarters 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 key factors affecting 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.

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 kilometers 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. The design and construction of the airport reflects Arab and Islamic heritage.⁽¹⁾ Currently, (Phase 1) is being implemented, which includes establishment of the fifth terminal that will cover an area of 100,000 square meters and provide a capacity of 12 million domestic flight passengers annually.

This contract will be completed in 2017 and increase the total annual capacity of the airport to 35 million passengers. The project also includes establishment of eight double gates

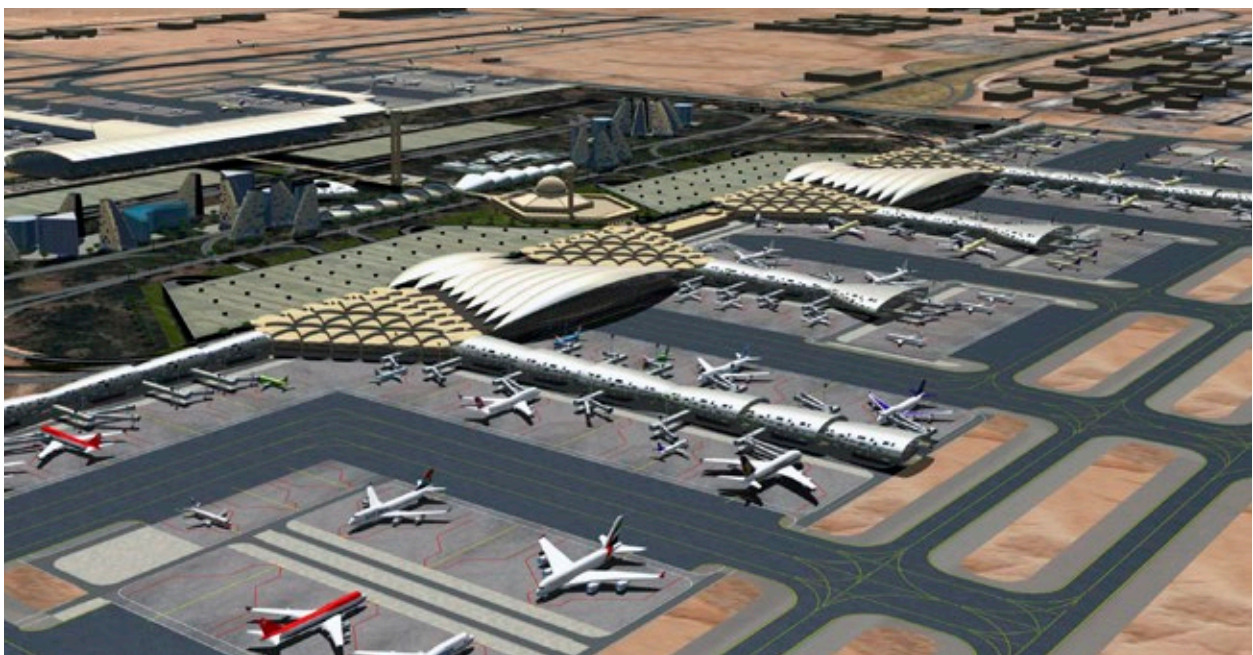
linking the new halls with terminals, aircraft parking areas and parking for 3,000 vehicles.

Phase 2 of the project includes development and expansion of terminals 3 and 4 in addition to upgrading runways, aircraft jetways and parking as well as the development of utilities and public roads.

Phase 3 includes expansion of terminals 1 and 2 and the zones separating them from the airside areas.

The development project also includes provision of free wireless internet access including 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 for the period 2012 - 2013.



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

King Khaled International Airport Flights 2013 / 2014 ⁽¹⁾

Kind of Flight	Flights (Arrivals and Departures)	
	2013	2014
Domestic	71,167	74,972
International	65,224	69,405
Total (Domestic and International)	136,391	144,377
Private Flights	17,142	16,937
Total	153,533	161,314
Passengers Traffic (Arrivals and Departures) by thousands		
Domestic	8,721	9,325
International	8,288	9,198
Total (Domestic and International)	17,009	18,523
Private Flights	60	61
Total	17,069	18,584
Transit Passengers	682	582
	17,751	19,166
Air Cargo and Mail (Arrivals and Departures) by tons		
Domestic	40,193	36,611
International	437,380	402,521
Total (Domestic and International)	477,573	439,132
Private Flights	9,233	9,700
Total	486,806	448,832



(1) General Authority of Civil Aviation, Statistics Dept, Statistical Book, 2013/14.

Ports and Railroads

Arriyadh is linked to the Eastern Province (Dammam and Al Ahsa) by a 556-kilometer railroad for freight and a recently-built 449-kilometer passenger line. The Saudi General Railroad Organization (SGRO) provides passenger 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 2025/26. The first of three planned phases started in 2010/11 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 further expansion.⁽³⁾

The number of passengers in 2014, according to the latest data available, was 1.2 million; and 4,550,000 tons of cargo carried.⁽⁴⁾

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

Telecommunications, Communication and Information Technology

Arriyadh 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 Company (Mobily), 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 2012/13 and 2014/15.

Latest statistics⁽⁵⁾ on development of telecommunication services in Arriyadh show availability of more than 1,414,374 landlines, 30% of the total in the Kingdom, 953,786 broadband subscribers representing 32.7% of all users and 4,238,375 internet users, representing 26% of the Kingdom's users.

Companies Licensed to Provide Telecommunication and IT Services 2012/13 – 2014/15 ⁽⁶⁾			
Service	Years		
	2012	2013	2014
Landline Communications	2	2	2
Mobile	3	3	3
Provided Services	2	2	3
Internet Services	40	41	50
Mini-Satellite Telecom (Alphasat)	19	19	19
Personal Mobile Telecom Via Satellite	2	2	1
Airplane Internet	0	0	0
Mobile Telecom Via Airplanes	0	0	0
Vehicle Tracking	64	74	89
Short Message Services	127	131	116
Recorded Texts (700)	6	5	6
Telecommunications Center Services	15	20	24
Electronic Books	0	0	0
Recharge Prepaid Telephone Cards	1	0	0
Network Management and Control	4	4	4
Joint Automatic Communication	0	0	0
Hosting Communications Machines and Equipment	7	6	6
Interactive Voice Messages	0	0	0
Total Licenses	292	309	323

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

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

(3) Ibid.

(4) Saudi General Railroad Organization, 2014/15 Statistics.

(5) Telecommunications and Information Technology Authority, as per the Annual Statistical Book 49, 2013/14 issued by CDSI.

(6) Ibid.

Post

The Saudi Post Corporation (SPC) provides all types of postal services in Arriyadh including 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 2012 statistics was 148 main offices, 30 postal agencies, 935 local post points, 62 street deposit boxes and 201,576 subscriber boxes and 50,500 postal agency boxes ⁽¹⁾. 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. In addition to Wasel service which provides delivery of shipments and official documents to the subscriber's place (house or company).

Mail services are also 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 6.8% during 2013, 262,685 Gigawatt/hours.⁽²⁾ Saudi Electricity Company sales in the Central Region totalled 76,679 Gigawatt/hours. In 2013 domestic consumption totalled 39.6 million Gigawatt/hours or about 52% of the total, 6.1 million Megawatt/hours (8%) was industrial consumption, 13.7 million (18%) - for government consumption 12.9 million (17%) for commercial consumption and 3.8 Megawatt (5%) was accounted for by consumption for other purposes⁽³⁾.

Most important projects of the electricity sector in Arriyadh is the establishment of three electrical energy conversion plants, expansion of existing ones in order to enhance transport network, and provide energy for Princess Nora bint Abdul Rahman University at a cost of SR 450 million. Also establishment of land cables at a cost of SR 170 million to feed the main plant and link it to the network of the university. Establishment of New Hiteen Conversion Plant in Arriyadh at a cost of SR 500 million⁽⁴⁾.

Growth of Sales by Saudi Electricity Company (Central Region) of Electrical Energy during 2014 ⁽⁵⁾

(Gigawatt hours)

Year	Total Energy Sold
2007	52,069
2008	55,984
2009	59,583
2010	63,746
2011	67,655
2012	72,086
2013	76,179
Rate of Change in 2013 = 5.7 %	

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. This

Electricity Services Indicators in the Central Region /Arriyadh 2013⁽⁶⁾

Generation Capacity (Megawatt)				
15,347				
Sold Energy (Gigawatt)				
Industrial	Commercial	Other	Housing	Government
6.1	12.9	3.8	39.6	13.7

(1) Saudi Post Corporation, as mentioned in the Annual Statistical Book 49, CDSI, 2013/14.

(2) Electricity and Cogeneration Regulatory Authority, 2013/14.

(3) Ibid.

(4) Ibid.

(5) Ibid.

(6) Ibid.

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.

According to latest statistics by the Ministry of Water and Electricity, the average daily water consumption in Arriyadh Region during 2013 was nearly 293 liter/day. Annual consumption increased from 516,000,000 m³ in 2009/10 to more than 621,000,000 m³ in 2010/11. The number of subscribers increased from 337,600 to 381,900 in 2011/12. In 2011 the consumption was 639,000,000 m³ by 384,200 subscribers, while in 2012 consumption reached 694,000,000 m³ by 394,100 subscribers⁽¹⁾, in 2013 consumption reached 808,000,000 m³.

According to the guiding plan, the sanitary waste disposal system serving 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 over four stages, at a cost of SR 25 billion. Each stage will take five years in order to provide sanitary waste services to all built up areas of Arriyadh. In 2005 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 have been 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, the third stage 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 billion.



(1) SAMA, 49, 2012. As mentioned in the Annual Statistical Book 48 issued by CDSI.



Theme Three: Economic and Service Sectors in Arriyadh

Components of the Comprehensive Strategic Plan of Arriyadh City include the following:

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

This Plan is also known as "Arriyadh Future Vision" and it is divided into three stages:

Long-term (50 years starting from 2003).

Medium-term (25 years)

Short-term (10 years)

The Plan includes 58 executive strategic programs, 65% of which were completed and 35% are under implementation.

Industrial Sector

As the political, commercial and financial capital of the Kingdom, Arriyadh 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.

There are two Industrial Cities in Arriyadh, both supervised by the Saudi Industrial Property Authority (MODON). The total area of the First Industrial City, which lies in the center of Arriyadh, covers 451,000 m² and includes 50 factories, while the second, with an area of 19 km² lies on the southern outskirts of Arriyadh and includes 1,050 factories. Also there is the industrial city in Al-Kharj with a total area of 100 million

m². The first phase of this is completed and 2.5 million m² were developed. Work on the second phase of development of 3.3 million m² is ongoing⁽¹⁾. 257 km² will be allocated to Sudair Industrial City⁽¹⁾.

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 elsewhere in the capital as well as in the wider Arriyadh Region.

The Saudi Industrial Development Fund (SIDF) finances



Loans by SIDF for Investors in Arriyadh from 2010/11 - 2013/14 ⁽²⁾

Year	Number of New Projects	Number of (Expanded) Projects	Number of Loans	% to Loans in the Kingdom	Value of Loans SR million
2010/11	22	10	32	15	964 million
2011/12	30	12	42	17	1,390 million
2012/13	33	14	47	16	1,547 million
2013/14	39	13	52	20	1,204 million

(1) Saudi Industrial Property Authority (MODON); www.modon.gov.sa.

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

the industrial sector in Arriyadh. During 2011/12 the total number of SIDF loans in Arriyadh Region was 1,322 to finance 927 industrial projects. This represents 36% of the Fund's total loans since its establishment up to end of 2013⁽¹⁾.

In the fiscal year 2013⁽²⁾ SIDF financed 52 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 39 new industrial projects and expanding 13 existing industrial projects. Arriyadh Region comes in first place in terms of number of accredited loans, and in third place in terms of accredited loans with a value of SR 1,204 million or 20% of the total accredited loans of the SIDF in 2013.

Agricultural Sector

The agricultural sector in Arriyadh Region is of major importance constituting 33.1% of the Kingdom's arable area. 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⁽³⁾.

Due to the state's policy to maintain resources of groundwater, the total arable land and production of grains in Arriyadh Region slightly decreased during 2013/14 to 21,901 hectares producing about 116,373 tons.



Estimate of the Assigned Area and Production of Grains in Arriyadh Region 2011/12 – 2013/14 ⁽⁴⁾ (Hectare/Ton)					
Years					
2011/12		2012/13		2013/14	
Area	Production	Area	Production	Area	Production
39,345	200,593	29,997	147,695	21,901	116,373
% to the Kingdom					
15.1	14.1	14.1	13.6	13.2	13.1

In 2013/14, the area assigned for the production of vegetables in Arriyadh Region was 54,755 hectares with 1,357,144 tons of production.

Estimate of the Assigned Area and Production of Vegetables in Arriyadh Region 2011/12 – 2013/14 ⁽⁵⁾ (Hectare/Ton)					
Years					
2011/12		2012/13		2013/14	
Area	Production	Area	Production	Area	Production
57,188	1,319,619	56,500	1,306,838	54,755	1,357,144
% to the Kingdom					
51.4	49.8	51.2	49.3	51.6	49.7

(1) SIDF, Annual Report, 2013/14.

(2) Ibid.

(3) Ministry of Agriculture.

(4) Ibid.

(5) Ibid.

In the same year, the area assigned for the production of fodder was 101,691 hectares with an estimated production of 2,137,740 tons.

Estimate of the Assigned Area and Production of Fodder in Arriyadh Region 2011/12 – 2013/14 ⁽¹⁾ (Hectare/Ton)					
Years					
2011/12		2012/13		2013/14	
Area	Production	Area	Production	Area	Production
96,913	1,946,817	101,014	2,096,516	101,691	2,137,740
% to the Kingdom					
51.8	53.3	51.9	53.5	52.0	53.7

In 2013 the area assigned for production of fruits was 51,887 hectares with an estimated production of 416,326 tons.

Estimate of the Assigned Area and Production of Fruits in Arriyadh Region 2012/13 – 2013/14 ⁽²⁾ (Hectare/Ton)					
Years					
2011/12		2012/13		2013/14	
Area	Production	Area	Production	Area	Production
53,148	335,975	53,112	402,255	51,887	416,326
% to the Kingdom					
23.2	20.9	23.3	24.5	22.9	24.7

In 2013 there were 99,747 camels in Arriyadh Region representing 42.8% of the Kingdom's total. The number of sheep (traditional and specialized breeds) was 1,093,902 representing 18.3% of the Kingdom's total. There were 151,083 goats, 14.6% of the total, and 251,397 cows representing 55.1% of the total. The combined production of 17 dairy farms was more than 1,258 billion litres of milk or 70.6% of the Kingdom's total milk production. The number of poultry (traditional and specialized) was more than 103.2 million or 17.1% of the total in the Kingdom. Apiaries in Arriyadh produced about 7,388 kg of honey representing about 7% of the Kingdom's total production.

Trade Sector

The trade sector in Saudi Arabia witnessed real growth during 2014/15. The preliminary GDP results (by real price) by type of activity indicated that growth of this sector was 10.4%, with a contribution to the GDP of 9.5%⁽³⁾.

- By 2013/2014, the number of commercial companies in Arriyadh was 404,336.
- During the fiscal year 2013/14 the Ministry of Commerce and Industry issued commercial registrations for the purpose of establishing 184,567 commercial companies distributed throughout various regions. 296.7% of these were in Arriyadh.

Total commercial companies operating in the Kingdom

Existing Commercial Companies in Arriyadh 2008/09 – 2013/14 ⁽⁴⁾		
Year	Number	% to Kingdom
New Records During 2008/09	21,840	31.9
New Records During 2009/10	21,226	30.3
New Records During 2010/11	24,167	30.3
Accumulated Total up to 2011/12	29,899	27.9
New Records During 2012/13	44,528	27
New Records During 2013/14	49,378	26.75
Total Accumulated up to 2013/14	404,336	29.52

(1) Ibid.
(2) Ibid.

(3) SAMA. Annual Statistical Book (51) 2015.
(4) CDSI. Annual Book (49), 2013/14.

and licensed from the Ministry by the end of 2013/14 was 1,369,668, 29.5% of them in Arriyadh. ⁽¹⁾

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 has experienced significant growth during past years. In 2014/15 this sector contributed 5.5% to the GDP at current prices and a building boom was a remarkable feature in Arriyadh ⁽²⁾.

Total licenses issued in 2014 numbered 29,136 or 25.7% of the total of 113,519 licenses issued in the Kingdom in the same year. 25,370 building licenses issued in Arriyadh Region were for construction of residential and commercial buildings ⁽³⁾. State-of-the-art, well-designed buildings, skyscrapers and sophisticated malls constitute the majority of new buildings in Arriyadh in recent years.

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

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 2014/2015 the real estate sector's contribution to the GDP was more than 6% at current prices. This is expected to grow supported by ongoing local demand

for 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. Loans totalled SR 69,285 million in Arriyadh Region in 2013/2014. ⁽⁶⁾

Used land area in Arriyadh (residential, industrial, agricultural, green and others) was 60,419 hectares of the total area. Unplanned land area constituted 50,242 hectares and the planned area 119,771 hectares. ⁽⁷⁾

The housing experience as a part of Arriyadh's recent development represents a clear turning point in both quality and quantity. Despite the growing population rate of more than 8% (higher than the majority of country 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 have focused on the necessity of providing convenient, high-standard residences for families according to their financial capabilities. Significant housing projects were completed in Arriyadh through the programs of granting residential land, 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.

Nine large comprehensive housing development projects are being implemented by the private sector in the city. These projects will provide more than 105,000 housing units,

Arriyadh Region Construction Licenses 2014⁽⁴⁾

Type of Building	No.	(%)	To the Kingdom	
			No.	(%)
Commercial and Residential	25,370	87.1	101,544	89.5
Industrial and Commercial	3,154	10.8	9,707	8.6
Mosques, Educational and Medical Buildings	513	1.8	1,684	1.5
Government-Social Buildings	99	0.3	584	0.5
Total	29,136	100	113,519	100

Number of Contracting Companies by Rank in Arriyadh 2014⁽⁵⁾

Degrees	First	Second	Third	Fourth	Fifth	Total
Number	32	30	63	101	130	356
% to the Kingdom	69	57	115	296	337	874
Rate to the Kingdom (%)	46.4	52.6	54.8	34.1	38.6	40.7

(1) Ibid.

(2) National Accounts Indicators, 2014/15, CDSI.

(3) Ministry of Municipal and Rural Affairs, Statistical Book, 2014.

(4) Ibid.

(5) Ibid.

(6) Real Estate Development Fund, 2013/14.

(7) Ministry of Municipal and Rural Affairs, Statistical Book (64), 2013.

mostly allocated for families with high and average incomes. Despite of these developments, Arriyadh is still experiencing an imbalance of supply and demand in the housing market 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 1,027,809 units; of which 4.3% were vacant, indicating an overall relative balance between supply and demand⁽¹⁾.

Education Sector

Education in Arriyadh 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 2014/15, there were 8,635 schools in Arriyadh with 87,965 classes, 106,079 teachers and 2,206,754 students⁽²⁾.

As for government higher education, Arriyadh accommodates King Saud University, Imam Muhammad Ibn Saud University and Princess Nora Bint Abdulrahman University.

In 2012/13 the number of students in these universities according to latest statistics by the Ministry of Higher

Education⁽³⁾ was 329,676, 24.3% of total 1,356,602 students in the Kingdom, staffing 19,166 of the faculties representing 29.6% of total 64,689 faculty staff in the Kingdom.

Private Higher Education comprises five private universities in Arriyadh: Prince Sultan University; Al Faisal Private University; Arab Open University, Arriyadh Branch; Al Yamamah University; 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-Ghad International Medical Sciences Colleges, INAYA Medical Colleges⁽⁴⁾ and Arab East Colleges.

The Institute of Public Administration (IPA) in Arriyadh completed a number of public and private training courses and applied workshops and symposia during 2012/13 as shown in the table below:

Technical Education and Vocational Training operates through the General Organization for Technical Education and Vocational Training (GOTEVOT) and private training centers in Arriyadh and includes Riyadh College of Technology, Telecommunications and Information College, and the Technical and Vocational Training College for Girls. These are vocational training organisations and the graduates are technically prepared to enter the labour market. In addition in 2013/14 there were 265 private training institutions for

Statistical Summary of Male and Female Education in the Kingdom 2014/15⁽⁵⁾

Schools	Gender	No. of Schools	Classes	Students
Kindergarten	Joint	577	3689	50,906
Primary	Males	887	12349	274,777
	Females	923	12488	289,223
	Total	1,810	24837	564,000
Intermediate	Males	603	5488	135,530
	Females	577	4484	122,593
	Total	1,180	9972	258,123
Secondary	Males	439	3660	132,490
	Females	450	3185	115,786
	Total	889	6845	248,276
Adult Education	Males	31	91	1,476
	Females	119	393	6,049
	Total	150	484	7,525
Total	Males	4,606	45,827	1,128,830
	Females ^(*)	6,566	67,415	1,673,103
	Total	8,635	87,965	2,206,754

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

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

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

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

(5) Statistical Card, Arriyadh Educational Gate.

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

Statistical Summary of Higher Education Students in Arriyadh, 2012/13 ⁽¹⁾													
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
Arriyadh	Males	10,715	39,452	4,423	54,590	26,343	121,348	13,445	161,136	5,682	14,952	2,161	22,795
	Females	2,798	42,202	4,132	49,132	7,217	148,826	12,497	168,540	1,645	17,486	1,591	20,722
	Total	13,513	81,654	8,555	103,722	33,560	270,174	25,942	329,676	7,327	32,438	3,752	43,517
Kingdom	Males	44,069	187,362	12,879	244,310	118,958	553,361	34,082	706,401	23,573	39,894	5,642	69,109
	Females	13,565	173,608	10,156	197,329	34,161	588,771	27,269	650,201	7,097	61,797	3,193	72,087
	Total	57,634	360,970	23,035	441,639	153,119	1,142,132	61,351	1,356,602	30,670	101,691	8,835	141,196
% to the Kingdom	Males	24.3	21.1	34.3	22.3	22.1	21.9	39.4	22.8	24.1	37.5	38.3	33
	Females	20.6	24.3	40.7	24.9	21.1	25.3	45.8	25.9	23.2	28.3	49.8	28.7
	Total	23.4	22.6	37.1	23.5	21.9	23.7	42.3	24.3	23.9	31.9	42.5	30.8

Training Activity of the Institute of Public Administration in Arriyadh 2012/12 ⁽²⁾			
Item	Arriyadh		Total of the Kingdom
	Main Center	Ladies Branch	
Trainees in the Public Training Programs	38,048	7,170	71,421
Trainees in the Private Training Programs	2,780	54	4,577
Trainees in Workshops	647	236	1,750
Trainees in Conferences, Symposia and Meetings	2,300	-	2,300
Graduates from Private Preparatory Programs	559	156	1,025
Graduates from Public Preparatory Programs	662	525	1,629
Trainees in Training Programs/Business Center	2,780	54	4,577

males distributed between 152 training centers, 88 training institutes and 25 higher institutes. There were also 78 institutes for females distributed between 16 training centers, 34 training institutes and 28 higher institutes⁽³⁾. 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 14,850 trainees.

Recently, Aviation Institute of Maintenance, the Institute of Transportation and Higher Institute of Advanced Technology have been established.

Tourism Sector

Arriyadh enjoys several attractive tourism features including recreational facilities for citizens, residents and visitors. The city has several historical sites, such as Al-Masmak Fort, Ad-Diriyah and King Abdulaziz Historical Center which comprises historical artifacts, museums, public libraries, squares, parks and gardens. Arriyadh 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 also has stylish shopping malls and

Private Training Institutes in Arriyadh 2013/2014 ⁽⁴⁾						
Institute	Males			Females		
	No. in Arriyadh	Total of the Kingdom	Arriyadh / Kingdom (%)	No. in Arriyadh	Total of the Kingdom	Arriyadh / Kingdom (%)
Training Center	152	315	48.3	16	42	38.1
Training Institute	88	232	37.9	34	136	25.0
Higher Institute	25	91	27.5	28	120	23.3
Total	265	638	41.5	78	298	26.2

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

(2) Technical and Vocational, Annual Achievement of institute, 2012/13.

(3) Technical and Vocational Corporation, Annual Achievement Report, 2012/14.

(4) Ibid.

state-of-the-art buildings which are recognized not only in the city but also worldwide.

Arriyadh is known for numerous recreational projects undertaken by the private sector, including recreational centers such as those on the Eastern Ring Road, Al-Thumamah Road and other areas. Several projects are currently underway, which will add to the attraction of Arriyadh such as the development of areas around Wadi Hanifa and Al-Thumamah Park, supervised by the High Commission for the Development of Arriyadh. The King Abdullah International Gardens is also under development and is a major environmental project and will form a significant achievement that distinguishes the Kingdom on the level of public gardens and park projects. This project houses several models of world and historic gardens with unique designs from various environments around the world. It is located to the west of Arriyadh along the Arriyadh-Jeddah highway. Work is underway to adapt the area in terms of controlling humidity and soil conditions to suit many tropical, winter and wet plants that will be brought from different parts of the world.

King Abdullah Park, under development at an estimated cost of SR 125 million, is located in Malaz and covers an area of 318,000 m². The park is in the central part of Arriyadh on the former equestrian grounds, 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 attraction 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.

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 the capital 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 hotels of different classes to accommodate visitors to the city. At the end of 2013/14, Arriyadh had 39 hotels distributed according to the new categorization of accommodation facilities of the Saudi Commission of Tourism and National Heritage (SCTH). There are 449 furnished units in the following categories:

Arriyadh Region Municipality in collaboration with the

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.
- Objectives of the Center include providing 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

Housing Sector in Arriyadh 2013/2014 ⁽¹⁾

Class	Number	Furnished Units	Number
Five Star Hotels	7	Five Star	3
Four Star Hotels	9	Four Star	162
Three Star Hotels	16	Three Star	269
Two Star Hotels	5	Two Star	15
One Star Hotels	2	-	-
Total	39	Total	449
% to the Kingdom	4.7	% to the Kingdom	33.3

Saudi Commission for Tourism and National Heritage 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.



(1) CDSI, Annual Statistical Book (49), 2013/14.

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 47 hospitals in Arriyadh Region out of a Kingdom-wide total of 268. There are also 435 medical centers out of 2,259, 18 anti-smoking clinics, one forensic center, a preventive health center, a central laboratory, a medical rehabilitation center, three dentistry centers⁽¹⁾ and 31 kidney disease centers.



Regarding the contribution of the private sector to the provision of 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 2013.

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

Labor Force Employed by the Ministry of Health by Gender and Nationality 2013 ⁽²⁾

Group	Gender	Nationality	Saudi	Non-Saudi	Total
Physicians	Males		1,268	2,942	4,210
	Females		456	1,028	1,484
	Total		1,724	3,970	5,694
Nurses	Males		2,383	617	3,000
	Females		3,548	8,144	11,692
	Total		5,931	8,761	14,692
Pharmacists	Males		171	10	181
	Females		239	19	258
	Total		410	29	439
Assisting Medical Categories	Males		4,919	408	5,327
	Females		1,683	945	2,628
	Total		6,602	1,353	7,955

The Contribution of the Private Sector to the Health Sector in Arriyadh 2013 ⁽³⁾

	Hospitals	Beds	Polyclinics	Private Clinics	Laboratories	Physiotherapy Centers	Optics Centers	Dental Centers	Pharmacies
Arriyadh	32	4,369	775	50	32	30	756	21	2,039
Kingdom	136	14,310	2,249	192	100	91	2,029	71	7,180
% to Kingdom	23.5	30.5	34.5	26.0	32.0	33.0	37.3	29.6	28.4

(1) Ministry of Health: Annual Statistical Book, 2013.

(2) Ibid.

(3) This table is derived from the Annual Statistical Book of the Ministry of Health, 2013.

Finance and Banking Services Sector

Finance and banking make up one of the most important economic sectors providing considerable investment potential to citizens and residents through the expansion of existing banks or the establishment of new ones. Another opportunity lies in the King Abdullah Financial District (KAJD) that is being established in Arriyadh which will accommodate different local and foreign financial firms with versatile activities.

Up to the end of August, 2015, 24 commercial banks provided financial and commercial services to citizens and residents

in Arriyadh including Arab and foreign branch banks (International Gulf Bank, Emirates Bank, National Kuwaiti Bank, Muscat Bank, Bahrain National Bank, B.N.B Bariba Bank, JP Morgan and Deutsche Bank, T.C Bankasi Bank and China 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 telecommunications 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 change 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⁽¹⁾:

- Provides high-level and reliable infrastructure for telecommunication and IT services and makes it available to all community members at affordable prices in all regions.
- Protects security and privacy of telecommunications and IT users.
- Provides capacity building in the field of telecommunications and IT.
- Creates national industry for telecommunication and IT that effectively contributes to meet demands for goods and services.

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, has announced plans to create an Information Technology and Communications Complex (ITCC) 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 ITCC will add a new economic dimension and provide 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 a technology-based city include:

- Application of IT in commercial bank transactions to meet the government services. This includes 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 telecommunications market account for the growth in subscribers and the quality of services.

According to latest data for 2013/14 provided by the Communications and Information Technology Commission, the number of subscribers to landline services was more than 1.4 million out of 4.7 million Kingdom-wide, with a subscription rate of 30%. There were 0.95 broadband users out of 2.9 million Kingdom-wide, a subscription rate of 32.7%. The number of internet users was more than 4.2 million out of 16.5 million users Kingdom-wide, a subscription rate of 25.7%.

Telecommunications Services in Arriyadh 2013/14 ⁽²⁾				
Item	Landlines	Mobiles	Broadband Services Subscribers	Internet Users
Arriyadh	1,414,374	953,786	0	4,238,375
Kingdom	4,718,200	2,919,000	14,268,000	16,519,999
%	30	32.7		25.7

(1) Ministry of Economy and Planning, Ninth Development Plan.

(2) CDSI, Annual Statistical Book 49, 2013/14.



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 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 establish basic programs for implementation, coordination and construction of projects.

The Comprehensive Strategic Plan for 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 rapid growth, as is the case of Arriyadh.

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

Element One: Outlook of the City

This has the following objectives and characteristics:

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

The High Commission for the Development of Arriyadh Strategy

The High Commission assures the principle of the interest of citizens as the central pivot for development. Hence, its programs touch human needs depending on analytical field studies. These are listed in the development strategy in order to comprise commercial, recreational and religious aspects for all ages and provide an ideal environment for their psychological, social and material needs.

The High Commission also adheres to preserving and strengthening local culture considering it a main tributary in the development process. This appears clearly in pairing – during the implementation of various projects – modernity and heritage through support for the continuity of this culture with all its moral, behavioural and material dimensions, whilst accommodating modern technology in order to produce a balanced and creative mixture. The High 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 its reflected values, norms, behavior and social and religious life.

One of the main elements taken into account by the High 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 and protecting human life, flora and fauna and different elements of nature in general.

integrating with social and cultural life and a center for Islamic art 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 reflects 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 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 5,961 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.

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

- **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 2030.
- **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. It takes into consideration the increasing rate of population growth and ensures the system effectively integrates with the continued urban growth of Arriyadh.

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

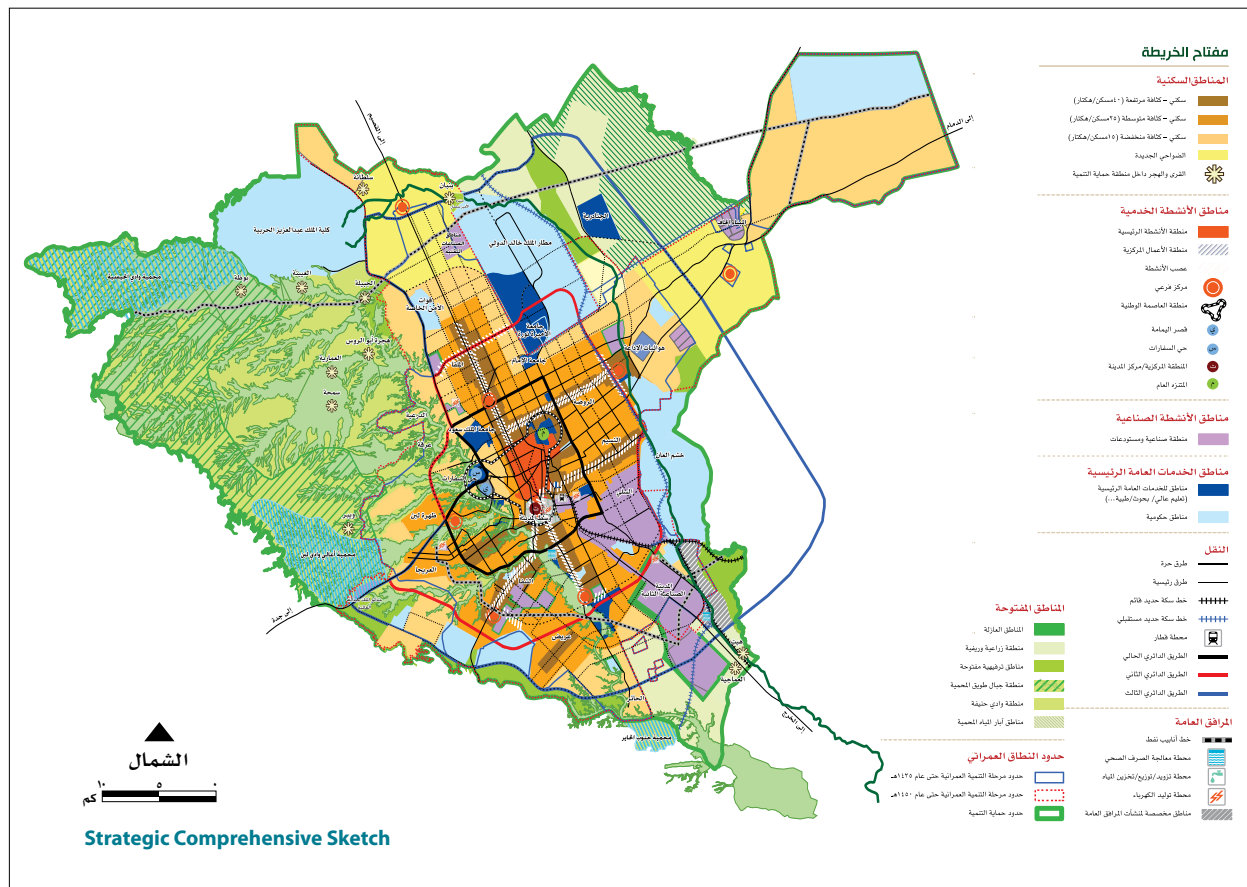
Sets up mechanisms for development of the housing sector to address and facilitate the increasing demand for housing; improve the residential environment and provide basic needs for all categories of the community.

Element Seven: Public Utility Strategy

Aims to upgrade the standards of public utilities (electricity, telephone, water and sanitary waste), provide solutions for the current deficits, provide integrated networks for public utilities and apply the concept of optimum resource 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. These are known as sub-centers and are urban areas of various activities and services. Their area ranges between two and 2.5 km² and they serve from 600,000 to one million people in a circle of about 20 km in diameter. The areas are provided with comprehensive civil services. The High Commission has recently approved to develop the Eastern Sub-Center by the private sector.

The future outlook of these sub-centers is based on their being new multi-purpose 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 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.

Features and Future Outlook of 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.
- 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 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 possess the following uses and functions:

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.

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 to achieve this.

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.

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

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 and surrounding neighbourhoods. This will contribute to meeting the population needs and reduce the hardship of travelling to other places in order to obtain these services.

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 lower density for large

families, while the core area of the sub-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 sub-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 form 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

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 falls 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 kms to serve a population of between 600,000 to one 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 has approved the project of the Eastern Sub-Center in Arriyadh. 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 2,000,000 m². The most prominent features of the project are the diversity of land use. This is made up of 11% residential, 20% commercial and 18% other uses (commercial, offices, hotels). It will accommodate 44,000 people, in more than 12,500 residential units. Buildings will be between four and 32 storeys tall.

50% of land use is allocated to public uses including four mosques, 13 schools, two hospitals (government and private), a cultural center and an administrative center that will be built on an area of 4,000 m². The center will accommodate a number of government service agency branches including a branch of the Principality of the Region, Sharia'ah Departments, the Commission of Virtue Promotion and Vice Prevention, Security Departments, Sub-Municipality, Civil Affairs, Red Crescent, a social and cultural center and a public library.

10% of the Center's area is allocated for parks, gardens and pedestrians footpath. It also accommodates public transport station and bus stations. 30% of total land area is allocated for streets and highways.

This sub-center is meant to realize the Comprehensive Strategic Plan for Arriyadh which has adopted the transformation of future planning of the city from centralization to decentralization via the establishment of five sub-centers. These, taking second place after the city center in terms of area, will provide both public and private sectors jobs and help distribute economic activities, administrative and population services to the new areas. Furthermore, they will play a significant role in the creation of new job opportunities in various sectors⁽¹⁾.

Construction controls along King Abdullah Road:

- Permission for using different kinds of land (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 of both Northern and Eastern Suburbs

The Northern Suburb

This is located north of Arriyadh, 20 km from the intersection of King Fahad Road with the North Ring Road, on an area of 205 km². 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 King Salman Park in Banban an area of 3.2 km² and Durrat Arriyadh Project of 10 km²⁽²⁾. The High Commission has approved development of a residential area related to a real estate company.

The Eastern Suburb

This is located east of Arriyadh, 20 kms from the intersection of East Ring Road with North Ring Road on an area of 214 km²⁽³⁾.

It involves a study of planning and development process and approval of road networks and public utilities within the suburb. A government project for the Ministry of Interior is under development by the Ministry of Transport including establishment of two bridges on Dammam Road.

(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

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 High 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⁽¹⁾.

In light of the strategy techniques in the overall strategic plan the High Commission for the Development of Arriyadh approved in 2006 the formation of a High Committee for Environment Protection in Arriyadh.

It aims to maintain the urban environment in Arriyadh and achieve effective environmental quality by cutting pollution levels to a minimum and reducing waste particularly waste which cannot be recycled and can adversely effect the environment.

In 2007 the High Committee for Environment Protection in Arriyadh adopted the following executive plan. Concerned parties contributed to the preparation of this plan including recent programs and future 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 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 demands on such services.

In light of this, the unified 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 has amount to SR 209 billion over 17 years⁽²⁾.

Arriyadh Urban Observatory

In 2013 the High Commission for the Development of Arriyadh in its first meeting stated the organizational structure of Arriyadh Urban Observatory, which aims to monitor all aspects of the process of urban development of the city in terms of policies and programs that integrate with the comprehensive strategic plan of Arriyadh. The plan enables various sectors to participate in and follow up performance evaluation. The index is a model that summarizes all information on a particular topic and gives clear picture of the current situation, evaluates performance

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 High 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

and predicts future conditions and general trends. The urban observatory consists of a council, executive committee in addition to work teams and technical units.

Urban indicators are divided into seven main axes:

- a-General Background Indicators
- b-Socio-economic Development Indicators
- c-Transport Indicators
- d-Infrastructure Indicators
- e-Appropriate Housing Indicators
- f-Environment Management Indicators
- g-Local Management Indicators

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. It is 1,500 meters in length 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⁽³⁾.

Upgrade of Abu Baker Asseddik Road Project

The purpose of this project is to improve transport level of this road extending from the far north, the intersection with King Abdullah Road with Prince Salman Bin Abdulaziz to the north. The first phase of the project includes building a vehicle overpass between Abu Baker Road and Imam Saud Bin Abdulaziz Road, in addition to three pedestrian bridges designed to match the innovative architectural shape of the overpass. The second phase of the project includes implementation of three vehicle bridges, six pedestrian bridges and establishment of 14 elevators for handicapped.

(1) Ibid
(2) Ibid.

(3) Ibid.

Project of Advanced Management for Traffic Signals

It was approved to award implementation of the project of Advanced Management for Traffic Signals to a world-class specialized company. The project includes supplying of 350 intersection roads with latest smart transport systems, programming of traffic signals and improvements of traffic engineering.

The project applies central control system on all traffic signals to directly deal with traffic on highways, as well as monitor traffic signals in the city and manage traffic flow at road intersections. The system also directly monitors traffic and congestion problems through digital cameras. .

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⁽¹⁾.

First Five-Year Plan (2001-2006) and the Second Five-Year Plan (2007-2011) have been completed and the Third Plan (2012-2016) is now being implemented. Key elements include:

- Completion of 13 kms of the North-West Ring Road
- Completion of 27 kms of the Second East Ring Road
- Completion of extension of Abu Baker and Oruba Road passing by Riyadh Air Base with a length of 11 kms.
- Development of the first phase of King Abdullah Road with a total length of 5 kms.
- Completion of 7 kms of Derab Road

Comprehensive Plan of Public Transportation in Arriyadh

The High Commission has prepared a comprehensive plan of public transportation in Arriyadh. The King Abdulaziz Public Transportation Project in Arriyadh includes two elements; a metro system and an integrated multi-level bus network.

A Cabinet Resolution approved the project in accordance with studies prepared by the High Commission for Development of Arriyadh.

Four specialized and qualified global companies with world-class technical experience are participating in the project for completion of four years after commencement of work.

The supervisory committee responsible for implementation of the public transportation project has awarded the metro project several consortia 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. Six main axes with a total length of 175 kms are planned with six lines:

1. Line One: The Blue Line. Olaya – Batha – Al Hair Road. 38 km.
2. Line Two: The Red Line. King Abdullah Road. 25.3 km.
3. Line Three: The Orange Line. Madinah Road. 40.4 km.



(1) Ibid.

4. Line Four: The Yellow Line. King Khaled International Airport Road. 29.2 km.

5. Line Five: The Green Line. King Abdulaziz Road. 12.9 km.

6. Line Six: The Purple Line. Abdulrahman bin Ouf – Sheikh Hassan bin Hussein Street. 29.5 km.

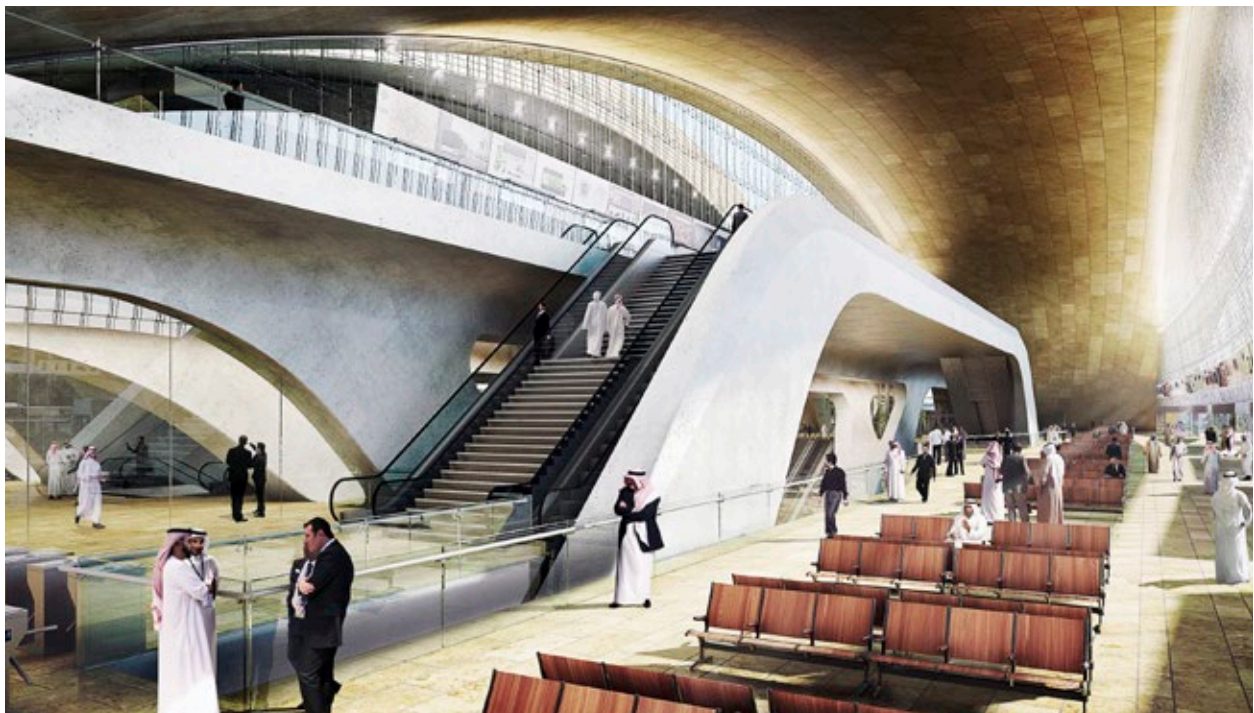
The metro network has been designed according to latest technology and adopted the system of running trains automatically (driverless) while monitoring operation from state of the art central control rooms that enable operation to the highest standard and resolution. There will be various classes of carriages including for families, and communications and wifi will be available for passengers.

Specialists in the High Commission in cooperation with analysis teams have studied suggested designs from the manufacturers to prepare one distinctive theme for all the Arriyadh metro trains. The color of the carriages will correspond to the color of each of the six lines.

Stations have been designed according to uniform architectural concepts which represents the identity of the King Abdulaziz Public Transportation Project in Arriyadh. All stations are air-conditioned and provided with safety features, passenger facilities including internet connection. Stations will also include data systems for the trips and some will accommodate commercial stores, parking and solar power technology that will save about 20% of electricity consumption required for air conditioning and lighting.

Main Stations

The project includes four main stations at the intersection of the lines, they are characterized by being located in high density areas at the intersection of metro and buse routes. This represents an attraction point for passengers and contributes to success of public transport system. The main



stations will provide several services supporting public transportation including car parking areas, ticket sales points and customer service offices.

The High Commission for Development of Arriyadh organized architectural competitions in which architectural practices specialized in station design were called to participate in designing the main stations and propose innovative engineering and architectural designs for the project.

- **Qasr Alhokm Metro Station:** at the intersection of Olaya-Batha Line, Madinah Al Munnawarah Street and Prince Saad Bin Abdulrahman on an area of 196,000 m² beside Eid Prayer Ground in the heart of Arriyadh City. Snohetta Architectural Design Company is responsible for designing the station.
- **Olaya Metro Station:** located at the intersection of Olaya-Batha hub with King Abdullah Road on an area of 1,100 m². Gerber Architekten from Germany is responsible for designing the station.
- **King Abdullah Financial District Metro Station:** located at King Fahad Road on an area of 8,150 m². Three lines meet at this station: Olaya-Batha Line, King Khaled Airport Line and Abdulrahman Bin Ouf - Hassan Bin Hussein Bin Ali Road Line. Zaha Hadid Architects, a British company, is responsible for designing this station.

- **Western Metro Station:** located on an area of 12,500 m², at the central vegetable market in Swaidi Quarter. Here the Madinah Line meets with bus routes at Mohammed Bin Abdullatif Street. The station handles metro and buses and has a parking area with a capacity of 1,000 cars. Omrania and Associates Firm is responsible for designing this station.

Public Car Parking

A total of 21 parking areas will be provided each with a capacity for between 200 and 600 cars.

Housing and Maintenance Center

The project includes seven housing and maintenance centers including workshops, warehouses required for periodic maintenance, offices for employees and workers responsible for operation, maintenance, stations and monitoring centers.

Security, Safety and Operation System

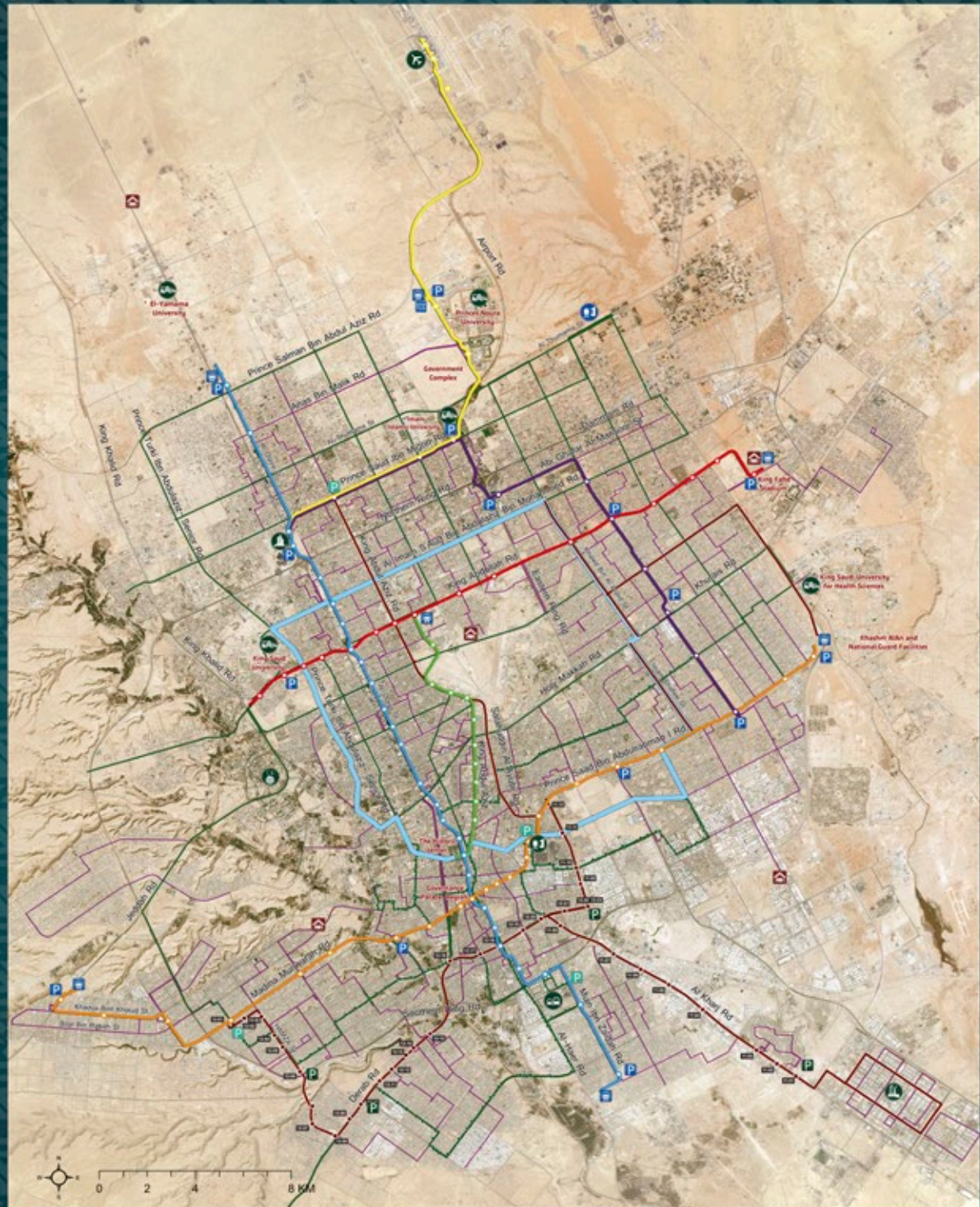
The project provides safety and security requirements for passengers and utilities through provision of facilities with advanced monitoring systems with cameras, public warning systems and fire fighting systems.



Major Components of the Metro Tracks in Arriyah⁽¹⁾

Item	Line One	Line Two	Line Three	Line Four	Line Five	Line Six
	Olaya Road	King Abdullah Road	Madinah Road	Airport Road	King Abdulaziz Road	Hassan bin Hussein Road
Total Length (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 Tunnels (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.



Metro Lines - 1	Bus Circular Line	Metro Park + Ride	Transport Control Center	University
Metro Lines - 2	Bus Community Lines	Metro & Bus Park + Ride	Railstation (Current)	Industrial City No.02
Metro Lines - 3	Bus Feeder Lines	Bus Park + Ride	Railstation (Future)	Diplomatic Quarter
Metro Lines - 4	Metro Stations	Bus Depot	Coach Station	King Abdullah Financial Center
Metro Lines - 5	Bus Stations		Airport	
Metro Lines - 6	Bus Stop (phase1)			
Bus (BRT) Lines				

Five monitoring and operation centers will be established.

The project requirement of power is estimated at 568 Megavolt ampere (MVA) Power will be supplied via 12 main power stations in the city and the expansion of eight existing stations of 380 K/V. The stations will be linked with the network by extending land cables of 83 km.

Execution Consortia

Contracts have been signed with awarded parties to execute Arriyadh Metro Stations

- Line One: The Blue Line (Olaya - Batha) awarded to BACS Consortium. Value: US \$6.6 billion.
- Line Two: Red Line (King Abdullah Road) awarded to BACS Consortium. Value US \$2.9 billion.
- Line Three: Yellow Line (Madinah Road – Prince Saad Bin Abdulrahman Road) awarded to Arriyadh New Mobility. Value US \$5.2 billion.
- Line Four: Orange Line (King Khaled International Airport Road) awarded to FAST Consortium. Value US \$3.1 billion.
- Line Five: Green Line (King Abdulaziz Road) awarded to FAST Consortium. Value US \$2.2 billion.
- Line Six: Purple Line (Abdulrahman Bin Ouf Road - Sheikh Hassan Bin Hussein Road) awarded to FAST Consortium. Value US \$2.17 billion.
- Both stations of (King Abdullah Financial District and Olaya) were awarded to BACS Consortium.
- Kasr Alhokm Station and West Station were awarded to ANM Consortium.

The project will be implemented over four years preceded by eight months for preparation of designs and preparatory work and coordination, followed by four months for trial operation and project receipt.

Development of the Project Implementation

Arriyadh City is currently experiencing implementation of King Abdulaziz Transport Project at more than 82 sites along the six network lines of the metro. Construction and drilling

works are running in the control and operation building, maintenance centers with tunnel boring machines (TBMs) starting points for underground tracks.

Bridge bases and service conversion works are being implemented in various sites, in addition to installing underground cables along Prince Salman bin Mohammed Road over 19 kms.

HRH Prince Faisal bin Bandar bin Abdulaziz, President of the High Commission for Development of Arriyadh inaugurated a bridge installation process in Arriyadh that employs the latest technique known as Full Span Launching.

This method is characterized by reducing the impact of installation work on roads traffic. A span weighing 457 tons ,36 m length and 9 m high is transferred by rail and installed without using trucks.

Tunnel Boring Machine (TBM)

The number of boring machines utilized in the project is seven, used to excavate three tracks within the project, at a length of 35 km. Each machine weighs over 1,500 tons and drills 30 m deep underground, transfers soil, builds tunnel walls and lays track in 90-120 m lengths.

The High Commission launched a contest to chose names for the metro's TBMs and attracted 40,000 entrantss. Winning names selected include "Dafra", " Sana'a", "Jazlah" and "Munefah". The TBMs were launched by HRH Prince Bandar bin Abdulaziz and tunnel boring commenced in 2015.

Metro Carriages

Sophisticated metro carriages that employ the very latest technologies in metro manufacturing. have been selected for the project.The carriages have family compartments and communication services which provide information for passengers using the metro.

470 carriages are being manufactured by Siemens, Bombardier and Alstom Companies.





2- Bus Project

The bus network is the main feeder tributary for the metro network in Arriyadh and represents a major transport means for passengers in the neighbourhoods of the city's quarters. These routes have been selected according to various criteria and principles:

- Integration with train network
- Integration with the urban plan and future expansion of the city
- Linking employment centers with commercial centers and neighborhoods
- Reducing vehicles movement on streets and roads
- Reducing environment pollution, energy consumption wastage and time lost on roads networks
- Accordingly, the bus route network will be divided into four levels:
 - a- Level One: bus lines with special routes consisting of four main routes over a total length of 96 km with 103 stations.
 - b- Level Two: circular bus routes which serve high density areas in the city and consist of two main routes with a total length of 83 km with 67 stations.
 - c- Level Three: regular bus routes linking residential areas, consisting of 18 routes with a total length of 450 km
 - d- Level Four: bus feeder routes: these operate within residential areas over a total length of 600 km and cover most quarters of the city depending on various criteria that ensures coverage of neighbourhoods with a network of buses that effectively transport passengers to and from stations.

The bus project consists of:

Stations

The project contains four categories of stations which are specially designed in space and functions to fit the network's multi levels. These stations are the main stations, bus stations, special route stations, regular bus and bus feeder stations.

Bus Tracking and Passengers Information System

This aims to raise efficiency of bus operation and monitoring to give safe and updated data to passengers on trip timing.

Ticketing System for Public Transport Project

This project includes setting up an integrated and convenient ticketing system for passengers of trains and buses throughout all lines and routes of the public transport network.

Public Parking

Four car parking areas have been provided, the capacity of each is between 200 and 600 vehicles. The total number of public car parking areas is 25.

Control and Operations Center

This project implies implementation of control and operations center for the whole transport system in Arriyadh. It enables the effective and safe control and operation of all vehicles and monitors them; communication with buses drivers through communication system between the vehicle and the center and manages services, safety and security of the passengers.

Bus Project Stages

The bus project will be divided into three stages:

First Stage

This is concentrated in the south of Arriyadh. The total length of bus routes is 145 km as follows:

Old Al-Kharj Road extending from the Second Industrial Area to Prince Saud Bin Abdulrahman the First Road.

Hamzah Bin Abdulmuttaleb Street - Derab Road and Prince Mohammed Bin Abdulrahman Road.

In addition to 18 regular bus routes within the residential areas.

Second Stage

This is concentrated in the middle of Arriyadh with a total length of 127 km.

Khurais Road extending from Sheikh Jaber Alsobah (near National Security) to King Abdulaziz Road.

Salah Eddeen Alayoubi Road extending from Prince Saad Bin Abdulrahman Road to King Abdulaziz Road near the entrance to the Riyadh Air Base.

In addition to bus routes within the residential centers, there are 12 routes for regular buses.

Third Stage

This covers the remaining bus routes and is located in the north of Arriyadh with a total length of 175 km.

Buses with Special Routes:

King Abdulaziz Road extending from Salah Eddeen Road to Prince Saud Abdulrahman Bin Megren Road.

Khaled Bin Alwaleed Street extending to the south to Imam Shafi' Street

Ring Road Buses

Prince Turki Bin Abdulaziz the First Road - Imam Saud Bin Abdulaziz Road - King Abdulaziz Road - Salah Eddeen Alayoubi Road.

Prince Saad Bin Abdulrahman Road - Salah Eddeen Alayoubi Road - King Abdulaziz Road - Imam Saud Bin Abdulaziz Road.

In addition to bus routes within the residential centers, there are 12 routes for regular buses.

Amendment works of the first phase of BRT routes are running in south of Arriyadh, after signing the contract of supply, operation and maintenance of the project in 2015. An alliance composed of SAPTCO and the French Company RATP will implement a contract worth SR 7.8 billion for ten operational years preceded by two processing years.

The contract implies supply, operation and maintenance of the bus network including one thousand buses of different sizes and capacities. They are classified according to the highest specifications by major companies. The bus fleet will operate more than 91.5 million km annually and have a capacity of 900,000 passengers daily.

Operational works will be launched in three phases, the first starts in south of Arriyadh, the second is in the city center and in east and west parts of the city. The second phase will start six months post to the first phase. The third phase will include remaining neighbourhoods in the north part of the city.

Wadi Hanifa Rehabilitation Program

The environmental rehabilitation of Wadi Hanifa is the base of any future development projects. This project has worked on achieving two essential axes:

First Axis

Work on preserving Wadi Hanifa as a runoff facility for rain, flood and permanent water to be part of the natural environment. The objective is to make the wadi pollution-free and remove all obstacles preventing natural drainage

in the valley and provide a flourishing living environment. It includes the necessary realignment of facilities and existing services.

Second Axis

Rehabilitation of the wadi to be one of the open areas for the city residents by paving roads and providing necessary infrastructure and facilities. Water drains have been laid at three different levels;

Permanent water runoff 57 km long, six meters wide and one meter deep

Torrential storm water flowing in the wadi in rainy seasons

Flood control through construction of dams to regulate water flow and remove boulders and rubble.

The project has adopted a natural system for water treatment due to its low cost and it being compatible with the nature of the wadi. The lower part of Wadi Hanifa adjacent to Algeria Field in the south part of Arriyadh has been selected to accommodate a plant for of water treatment with an area of 100,000 m² for the purpose of increasing water flow and oxygenation.

The project also includes realignment of public utilities surrounding the wadi and improving them to meet the requirements of a sensitive and fragile environment. Electric utilities have been converted to overhead lines and an area along the valley has been allocated for public utilities.

A 43-km road with a width between six and nine meters has been established near the wadi, extending from Ad-Diriyah in the north to Mansoura Road. 22 bridges have been constructed at the intersection with the channel, 2,500 lampposts installed, side parks to accommodate more than 2,000 cars, 47 km of pedestrian footpaths in the most beautiful areas along the wadi and 7.4 km of paved walkways. 30,000 desert trees and 7,000 palm trees have been planted in the wadi, with 2,000 trees moved to the lower stretch. 50,000 shrubs have also been planted as part of the greening project of Wadi Hanifa.

The project also includes establishment of open parks including pedestrian footpaths, seating and parking.

Wadi Namar Development Project

Wadi Namar is located in the southern part of Arriyadh. It extends from west to the east and meets Wadi Hanifa in an area called Atiqa. Development includes work adapting streams, establishment of local illuminated roads provided with guiding signage and improved traffic flow as well as service roads. Other measures include replanting the area with trees, palm trees and native plants and the establishment of a cornice overlooking the dam lake. A six-kilometer local road is provided with roadside parking that can accommodate 800 cars.

892 m of footpaths have been laid. Roads and pedestrian walkways have been supplied with 245 lights. More than 520 palm trees and 9,500 shrubs have been planted in the wadi.

Namar Lake area covers 200 thousand m² with a length of two km, 170 meters wide and is 20 meters deep. A 3,100 meter channel, eight meters wide and 1.5 meter deep has been constructed to facilitate smooth waterflow from Namar Dam to downstream in Wadi Hanifa.

The two kilometer cornice overlooking the lake has been planted with palm trees and provided with WCs.

Wadi Laban Development Project

Wadi Laban extends from west of the city to the east and meets Wadi Hanifa in an area called Qurashyyah. The project includes cleaning the wadi and dam basin from waste, work on the floodplain, establishing illuminated roads to improve the traffic flow for hikers and farmers.

Other measures include establishment of service roads, landscaping, seating and establishment of a 3.8 km road provided with illuminated parking areas that accommodates 328 cars. 4.3 km of landscaped paths with stones will be constructed in addition to footpaths covering an area of 2,800 m².

Wadi Laban has been planted with 100 palm trees, 1,500 shrubs of various kinds and desert plants. 30 sites overlooking the dam basin have been provided with stone seats for hikers.

King Fahad Library Expansion Project

Due to increase of book collections and archives at King Fahad Library, its board of trustees decided to expand the library building to become a national public library and a research and study center.

This development project plays a significant role, has a distinctive design as well as making optimum use of land in terms of functions. The total area of the library is about 21,000 square meters. The library has a total area of 87,000 m² and includes an underground parking area.

To the north of the library there is an area of 20,000 m² allocated to be a public square. Underground car parking for staff and visitors will be over two floors covering 16,000 m² accommodating up to 350 cars, in addition to external parking for 170 vehicles.

The purpose of this project is to raise the capacity of the library from 600,000 books to 2.4 million books and later to more than three million books.

Comprehensive Plan for Storm Water Drainage in Arriyadh City

The High Commission for Development of Arriyadh approved a comprehensive plan for storm water drainage in the city,



it covers the urban boundary borders up to 2050. The plan provides for planning and environmental solutions that control floods over the future of the city.

A permanent work plan was developed containing the most feasible solutions to deal with risks of flooding in 1,471 areas citywide. Procedures were taken to address risks surrounding each area and account for the level of urban development in such places. It applies the concept of "event management" with respect to critical sites in rainy times that might potentially exceed assumed capacity.

Development of Thumamah Park

The plan includes a full range of integrated programs and projects and includes completion of 123 camps. Required designs also are prepared for 243 daily family camps. A local road network leading to wilderness campsites is being completed, in addition to other works such as fencing to prevent vehicles entering sensitive environmental areas.

Riyadh Public Park

Future vision and conception designs of Riyadh Public Park include establishment of a park and public garden on an area of 2,500,000 m² allocated in the old airport of Arriyadh.

Initial and final design of the park will be prepared, in addition to a comprehensive planning study of the area surrounding the park, starting from King Abdullah Road in the north to Makkah Road in the south, East Ring Road in the east and King Abdulaziz Road in the west.



Theme Five: 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. The Chamber's most important goals 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 secretariat general within the Chamber and Riyadh Economic Forum.

The Chamber also comprises more than 30 sector committees for its various economic and vocational sectors.

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's 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 positive factors of application of systems and procedures in force. It deploys them and recruits the private sector to understand and work accordingly. It helps discover and assess the negative impact of old regulations and resolutions that might be inadequate to the development circumstances in the Kingdom. It criticizes these objectively, 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 improvement

The Riyadh Chamber of Commerce and Industry occupies a privileged position in the economic activities for various reasons:

- Its location in the political and economic capital make it close to decision-making centers.
- Availability of the largest number of commercial 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.
- Visiting dignitaries, government delegations and business owners' delegates are interested in visiting the Chamber to be introduced to its activities.
- The Chamber's active role in supporting the growing business of charities and related committees, associations and centers.

of the investment climate and develop investment activity in general and in Arriyadh in particular. It endeavours to increase its competitiveness to attract foreign investments and 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 related 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 promotional campaigns for foreign investment in the Kingdom and Arriyadh⁽³⁾.

The Role of the Chamber's Other Centers and Departments

Departments and Centers⁽⁴⁾ 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 import and export regulations 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

(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, Alslel, 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

(4) More than 40 departments and centers.



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 six sessions (every two years) since 2003. The sixth session was held in January, 2014.⁽¹⁾

The seventh round is being prepared, the following themes will be discussed:

- The economics of alternative and renewable energy, future prospects in the Kingdom and reduction of waste of conventional energy.
- The development of the judicial system, strengthening and motivating elements and their effect on the national economy.
- The development of the information sector as a catalyst for development and transition to a knowledge-based economy.
- The ability of Saudi economy to create job opportunities for citizens.

Riyadh International Conventions and Exhibitions Center

This Chamber facility 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 m². The Center's vision is embodied in the establishment of a 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 businesswomen'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 improve the regulatory and legislative business environment available to all businesswomen in Arriyadh. The Chamber helps create job opportunities and investments that particularly fit the Saudi woman and her need for privacy. It provides special commercial malls as well as women's industrial zones.

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 records 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.

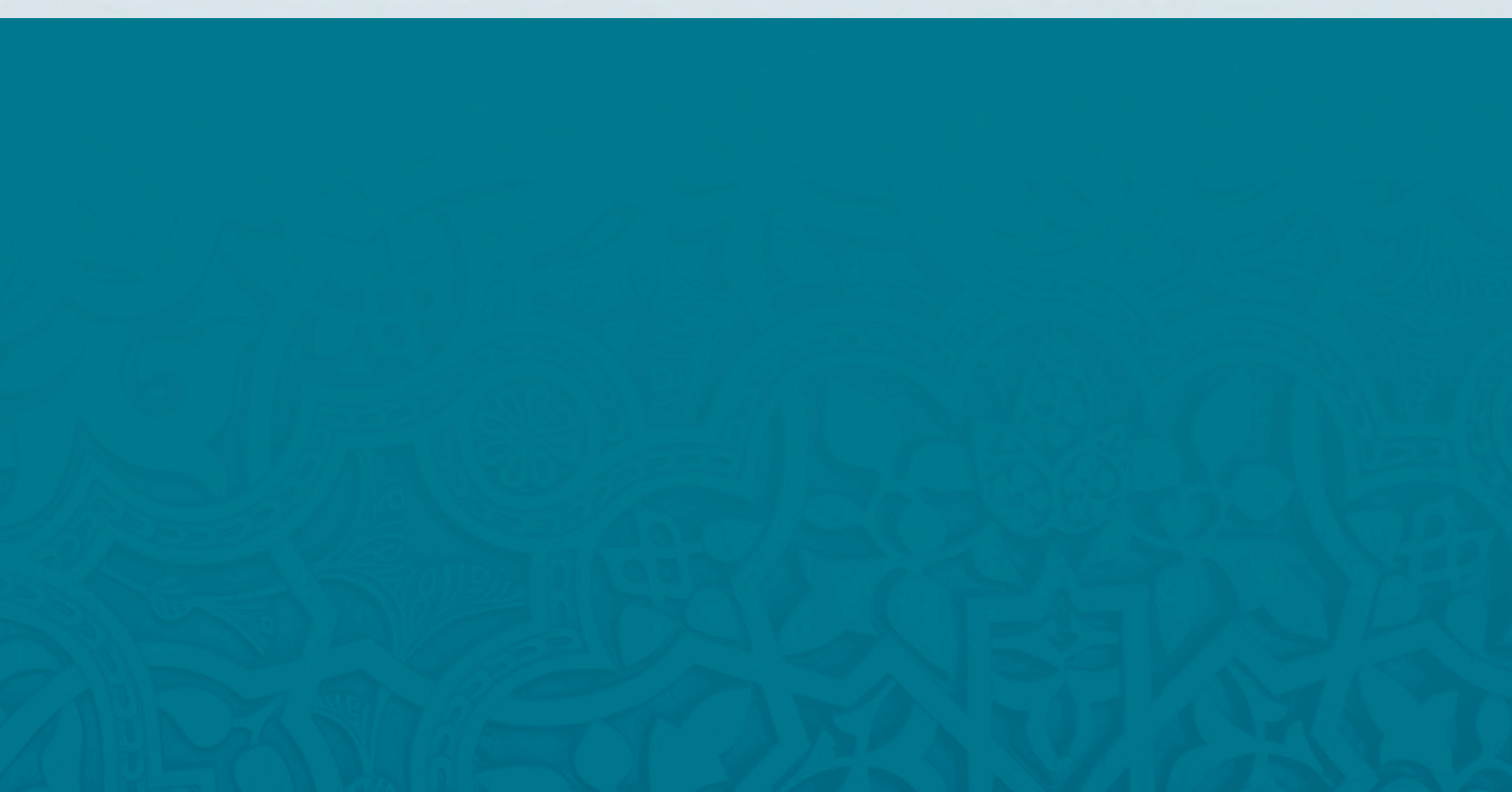
The Section succeeded in the formation of a women's executive council which aims to discuss economic issues related to businesswomen's activities, meet their counterparts from inside and outside the Kingdom and develop the national economy in general and Arriyadh's economy in particular.

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 events that contribute to development of specialised and technical skills and other issues that help businesswomen realise domestic and foreign commercial and investment opportunities.

(1) For more information on the studies and symposia of the Forum's 7th round and other rounds please visit www.riyadhcf.com



**The Kingdom of
Saudi Arabia and
the Enhancement of
Investment Climate**





Theme One: Macro-Economic Indicators in the Kingdom

The Saudi economy is flexible in reacting to different economic variables at global, regional and local levels as evidenced by the successive achievements of the Kingdom in annual world rankings. Saudi Arabia is ranked fourth in financial freedom worldwide and 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 (MENA) as well as one of the fastest growing countries. Average individual income is expected to reach \$33,500 US dollars in 2118.

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

State Budget for the Fiscal Year 2015/2016

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 2015/2016. This promotes continuing growth, long-term development and consequently opens the door for more job opportunities. Public revenues were estimated at SR 715 billion, while public expenditures were estimated at SR 860 billion.

Sectors of human resources development (general education, higher education and employment training) accounted for SR 217 billion, 25% of the financial allocations.

SR 160 billion are allocated for health, health services and social development, about 51% increase from 2014/15 allocations.

Municipal services accounted for SR 40 billion, a 2.6% increase from 2014/15 allocations.

Infrastructure and transport services accounted for SR 63 billion, a 2.5% increase.

Water, industry, agriculture services and other economic resources accounted for about SR 60 billion⁽¹⁾.

2015/16 budget was affected by challenging economic and financial conditions, including decline of world economic growth from previous level, oil price decline to the lowest level since 2008/09, in addition to other factors of instability in neighbouring areas. The Kingdom of Saudi Arabia will continue investing in development programs and projects in the education sector, health, security, social and municipal services and sanitation, and support of scientific research in order to achieve sustainable development of this generation and future generations.

According to a statement by the Ministry of Finance⁽³⁾ on the state budget for the fiscal year 2014/2015, actual revenues are expected to reach SR 1,046 billion by the end of the fiscal year 2015/2016, an increase by 22% from estimated allocations. 89% of which are petroleum revenues.

Actual expenditures are expected to reach SR 1,100 billion, an increase by SR 245 billion or 28.7% from 2014/2015 allocations.

Distribution of Estimated State Budget Allocations 2014/2015⁽²⁾

Item	Million Riyal	%
Human Resources Development	209,296	24.5
Transport and Communications	23,506	2.7
Economic Resources Development	49,537	5.8
Health and Social Development	78,166	9.1
Infrastructure Development	13,540	1.6
Municipal Services	34,610	4.0
Defence and National Security	302,859	35.4
General Management, Facilities and General Items	84,558	9.9
Specialized Government Credit Institutions	15,375	1.8
Subsidies	43,553	5.1
Total	855,000	100

(1) Ministry of Finance: statement of the Ministry of Finance for the fiscal year 2015/16.

(2) Ministry of Finance: according to SAMA 51st Annual Report, 2014/15.

(3) Ministry of Finance: statement of the Ministry of Finance for the fiscal year 2015/2016.

Future Vision of the Saudi Economy

The immediate economic outlook appears positive. Oil production is expected to slightly change compared to 2014/15. Non-oil activity will grow supported by activity of the private sector and government expenditure on infrastructure of mega projects of the transport sector and housing sector. Inflation is expected to remain at low levels.

Current provisions and financial precautions allow macro economic policies to deal with risks. Financial policies and macro precautionary safety policies are adequate to contend with the recent conditions. Development of macro-economic policies should help promote macro-economic management and create appropriate environment for investment and provide new job opportunities.

Realized Standard Financial Surpluses

In addition to expenses included in the state budget of SR 860 billion in 2015, 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 2015/16 the amount of expenses for these budgets is estimated at SR 185 billion, financed by open accounts set for this purpose by SAMA.

Gross Domestic Product (GDP)

According to CDSI, in 2014/15 GDP is expected to grow by current prices to SR 28,217 billion⁽¹⁾, an increase of 1.09% from the previous year of SR 27,947 billion.

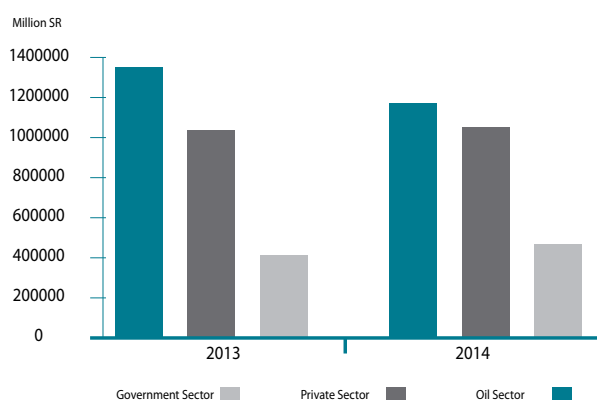
In 2014/15 GDP increased by 3.59% by fixed prices, compared to 2.67% in the previous year.

In 2014/15 GDP of the government sector reached 6.2% by current prices.

GDP of the private sector grew by 9.11% from the previous year by current prices.⁽²⁾

In 2014/15 the oil sector decreased by 7.17% by current prices, non-oil sector grew by 8.21%.⁽³⁾

GDP by Current Prices



Contribution of the most Important Economic Sectors

In 2014/15 most economic activities contributing to the gross domestic product for the non-oil sector achieved positive growth.⁽⁴⁾ The real growth in manufacturing industries was estimated at 9.27%. This was made up of 7.62% for telecommunications, transport and storage activities; 6.97% for electricity, gas and water; 13.21% for building and construction activity; 9.61% for the wholesale and retail, restaurants and hotels; 8.43% for finance services, insurance and real estate; and 3.65% 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 led to diversifying and expanding the base of the national economy and to a GDP growth of 40.3% by current prices and 39.5% by fixed prices in 2014/2015. These indicators show the increasing efficiency of this sector, particularly in construction, retail, wholesale and restaurant services which continue to develop

Furthermore, all economic activities contributing to the GDP of the non-oil sector realized a positive growth during 2014/2015. The contribution of industrial activity to the GDP by current prices (including oil refining) was 10.8%. Industrial activity grew by 9.27% by current prices. The contribution of mining and quarrying (including crude oil, natural gas and other mining and quarrying activities) to the GDP was 40.2%.

Contribution of Economic Activities to the GDP for 2014/2015 (by current prices)⁽⁵⁾

(million Riyals, excluding import fees)

Activity	Value	%
Mining and Quarrying	1,133,344	40.2
Building and Construction	152,367	5.4
Electricity, Water and Gas	32,758	1.2
Agricultural Activity	53,625	1.9
Industrial Activity	303,860	10.8
Finance, Insurance and Real Estate Services	292,541	10.4
Social Services	53,508	1.9

Balance of Payments

Current Account

The current account of the balance of payments in the Kingdom for the fiscal year 2014/2015 realized a surplus of SR 288.4 billion compared to SR 507.9 billion in the previous year, an decrease of 43.1%. That decrease is due to a 37.1% fall in the surplus of services and commodities to SR 371.8

(1) Ibid.

(2) CDSI, National Accounts Indicator, 2013/14.

(3) Ibid.

(4) CDSI, National Accounts, 2013/14.

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

billion, despite increase of surplus of net current transfers abroad to SR 134.9 billion, 5.7%.⁽¹⁾

According to preliminary estimates by SAMA, the balance of trade will realize a surplus of SR 788.7 billion in 2014/2015. This represents a decrease of 5.6% from the previous year and is due to the fall in petroleum and non-petroleum exports in addition to the growth of commodity imports. The current account of the balance of payments is expected to realize a surplus of SR 399 billion, a decrease of 19.8% from the previous year.

The Surplus and Deficit

By the end of the fiscal year 2014/2015, the current account of the balance of payments (which illustrates services and commodities exports and imports) witnessed a surplus of 14.3% of GDP compared to 17.8% in the previous year⁽²⁾.

Foreign Trade Relations

The preliminary data on foreign trade for the fiscal year 2014/2015 shows that the commodity trade of the Kingdom decreased from SR 2,040.1 to SR 1,935.5 billion 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 69.2% compared to 72.3% in the past year⁽³⁾, which is a very high rate.

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

Surplus of the Current Account to the GDP ⁽⁴⁾
(million Riyals)

Year	Current Account	GDP	%
2009/2010	78,580	1,412,596	5.6
2010/2011 ^(*)	250,320	1,679,109	14.9
2011/2012	595,545	2,163,094	27.5
2012/2013	617,864	2,727,400	23.2
2013/2014	497,400	2,791,259	17.8
2014/2015	398,991	2,798,432	14.3



(1) Ministry of Finance, statement of the Ministry, 2015/16.

(2) SAMA, Annual Report 51, 2014/15.

(3) SAMA, Annual Report 51, 2015.

(4) SAMA, Annual Report 51, 2014/15, statement of the Ministry of Finance, 2015/16.

(*) Preliminary figures.

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 1,283.6 billion during 2014/2015 compared to SR 14,095 billion in the previous year, a decrease of 8.9%. Oil exports represent 83.1% of the total exports of the Kingdom.⁽¹⁾

The value of the Kingdom's oil exports including refined products was SR 10,666 billion in 2014/15, a decrease of 11.6% compared to SR 12,071 billion in the previous year.

Non-oil exports were SR 217 billion in 2014/15, an increase of 7.2% compared to SR 2,025 billion in the previous year.

In 2014/15 the value of commodity imports was SR 6,518 billion compared to SR 6,305 billion in the previous year, an increase of 3.4%.



Kingdom's Commodity Exports ⁽²⁾ (Million Riyals)				
Item	2011/2012	2012/2013	2013/2014	2014/2015
Oil Exports	1,191,051	1,263,555	1,207,080	1,066,590
Crude Oil	1,068,658	1,144,638	1,102,478	938,959
Refined Products	122,393	120,796	104,602	127,631
Non-Oil Exports	176,568	190,952	202,443	217,030
Petrochemicals	114,680	124,184	131,509	143,647
Building Materials	10,332	10,536	11,753	13,704
Agricultural, Animal and Food Products	12,605	12,853	12,628	13,405
Other Commodities 29 ^(*)	38,951	43,379	46,553	46,274
Total	1,367,619	1,454,507	1,409,523	1,283,620

Kingdom Imports (CIF) According to Main Components ⁽³⁾ (million Riyals)				
Item	Years			Annual Change Rate 2014/2015 (%)
	2012/2013 ^(**)	2013/2014	2014/2015	
Machinery, Equipment and Electrical Appliances	154,062	165,230	171,011	3.5
Food Products	81,249	90,341	91,626	1.4
Chemicals and Metal Products	79,492	53,009	58,295	10
Textiles and Clothing	18,065	18,880	20,229	7.1
Metals and Related Products	80,376	78,102	79,759	2.1
Wood Products and Jewellery	16,936	24,909	25,131	0.9
Transport Equipment	103,544	107,552	108,610	1
Other Commodities	49,749	92,559	97,215	5
Total	583,473	630,582	651,876	3.4

(1) SAMA, Annual Report 51, 2015

(2) Ibid.

(*) Including re-export

(**) Preliminary data

(3) Ibid.

Cost of Living Index

General Index

Preliminary estimates of 2014/15 show that the cost of living index for the whole population has increased by 2.7% compared to the previous year, in accordance with methodology using a basket of commodities, new services and a base year of 2006/07.⁽¹⁾

The increase in government expenditures has greatly affected the general level of prices during 2014/15 with the Kingdom embarking on an expansion policy of financing numerous infrastructure projects. Also world oil prices have 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.⁽²⁾ According to SAMA statistics, inflation was 2.7% in 2014/15 compared to 3.5% in 2013/14.

Wholesale Index

General Index⁽⁴⁾

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 2014/15 was 159.1 compared to 158.2 in the previous year, an increase of 0.6%. This is due to increases among the major groups of the index. The group of chemical fuels and related materials realized the

The Cost of Living Index (for the whole population) during 2014/15 ⁽³⁾	
Item	Average
General Index	130.1
Food and Beverages	145.1
Tobacco	162.3
Clothes and Shoes	105.5
Residence, Water, Electricity and other domestic Fuels	159.1
Home Furnishing	128.2
Medical Care	112.6
Transportation	110.4
Communications	93.7
Recreation	114.0
Education	115.9
Restaurants and Hotels	129.6
Other Services and Commodities	120.1

highest increase of 3.9%, followed by the group of beverages and cigarettes of 3.7%.

Per Capita Income

In 2014/2015 preliminary figures show a decrease of 2.3% in the individual's share of GDP to SR 90,946.

Labour Market Structure

Total Local and Foreign Employment

The results of the Labour Force Survey for 2013/14 show the following:

Annual Average of the Wholesale Index ⁽⁵⁾ (1988 = 100)					
Item	2010/11	2011/2012	2012/2013	2013/2014	2014/2015
General Index	152.6	156.4	157.8	158.2	159.1
Livestock and Foodstuff	174.1	178.6	178.9	185.3	186.7
Beverages and Cigarettes	151.4	151.6	153.1	170.9	177.3
Raw Materials Except Fuels	211.5	217.4	217.9	204.1	204.0
Mineral Fuels and Related Materials	184.8	184.8	184.8	186.3	186.3
Animal Fats and Botanical Oils	147.9	149.3	149.0	150.7	148.9
Chemical Fuels and Related Materials	188.6	217.7	227.9	203.8	211.8
Manufactured Commodities Categorized by Materials	142.5	144.1	145.2	143.9	143.4
Machinery and Transport Equipment	132.0	136.2	139.8	143.3	143.4
Versatile Manufactured Categories	145.5	151.8	152.5	135.8	137.0
Other Commodities	288.6	310.9	307.6	275.7	257.3

(1) CDSI, National Accounts Indicators, 2013/14.

(2) SAMA, Statistical Book (51),2015.

(3) Ibid.

(4) Ibid.

(5) Ibid.

Per Capita Average Income ⁽¹⁾				
Item	2011/12	2012/13 ^(*)	2013/14	2014/15 ^(**)
GDP (by current prices / million Riyals)	2,510,650	2,752,334	2,791,259	2,798,432
Population (million)	28.37	29.2	29.99	30.77
Per Capita share of the GDP (Riyal)	88,497	94,274	93,060	90,946
Per Capita share of the GDP (US dollar)	23,599	25,140	24,816	24,252

- Total labour force in the Kingdom was more than 11.7 million.
- Total employed was 11.1 million, representing 94.3% of the total labour force with 9.6 million males representing 87% of the total labour force and 1.5 million females representing 13% of the total.
- Total unemployed was 671,600 representing 5.7% of the total labour force divided between 272,500 males representing 40.6% and 399,100 females representing 59.4%.
- Saudi labour force was 5.6 million; 47.5% of total labour force with 4.4 million males representing 78.5% and 1.2 million females representing 21.5% .
- Total employed Saudis was 4.9 million representing 88.3% of the total labour force with 4.1 million males representing 83.6% and 805,700 females representing 16.4%. Total unemployed reached 651,300, divided between 258,800 males, 49.7% and 392,400 females representing 60.3% of the total labour force.
- The total non-Saudi labour force was 6.2 million representing 53% of the total labour force with 5.5 million males representing 89.4% and 651,400 females representing 10.6%.

Public Sectors Employment

- By the end of 2015 the number of Saudi and non-Saudi employees in the public sector was 1,254,500. The percentage of Saudi was 94.3% or 118,280 , distributed between 713,893 males and 468,965 females.
- The number of non-Saudis working in the government sector was 71,612 representing 5.7% of total government sector employment, divided between 35,643 males, 50% and 35,643 females, 50%.
- The minimum range of average monthly salary for Saudis was SR 3,945 (minimum range of salaries in employee scales), while the highest range of salaries (rank 15) was SR 24,750.



(1) SAMA, Annual Report 51, 2015.
 (*) Amended Data.
 (**) Preliminary data.

Private Sector Employment

Most recent figures provided by the Ministry of Labor⁽¹⁾ show that the number of private sector employees (Saudis and non-Saudis) was approximately 9.7 million in 2013/14. The number of Saudis working in the private sector to total employment of this sector was 15.2%. By end of the same year the number of employees in the private sector was 1.5 million Saudis, non-Saudis were 8.2 million. Saudi males were 1.1 million, and females accounted for 0.4 million.

Non-Saudi males made up 8.1 million, while non-Saudi females 160,000.

In 2014/15 private sector employment distributed by economic activity was as follows:

48.3% for building and construction, 4.7 million workers.

20% for the wholesale trade sector, 1.9 million workers.

9.5% for manufacturing industries sector, 0.9 million workers.

0.5% for electricity, gas and water sector, 0.5 million workers⁽²⁾.

Transport and Telecommunications Infrastructure

Roads

The road network in the Kingdom of Saudi Arabia is both comprehensive and advanced. The total length of roads under construction until 2013 totalled 28,163 km linking main regions of the Kingdom as well as international borders. 37,324 km is the length of existing paved, planted and illuminated roads (inside cities), 87,168 km is the length of paved roads. 40,276 km of roads will be paved over coming years.

Employment in the Government Sector 2015 ⁽³⁾					
Government Sector					
Saudis			Non-Saudis		
Males	Females	Total	Males	Females	Total
713,894	468,965	1,182,858	35,969	35,643	71,612
Total 1,254,470					

Private Sector Employment 2013/14 ⁽⁴⁾									
Nationality	Saudi			Non-Saudi			Total		
Gender	Males	Females	Total	Males	Females	Total	Males	Females	Total
Number	1,068,315	398,538	1,466,853	8,051,394	161,388	8,212,782	9,119,709	559,926	9,679,635
Gender to Total (%)	72.83	27.17	100	98.03	1.97	100	94.22	5.78	100
Nationality to Total	11.71	71.18	15.15	88.29	28.82	84.85	100	100	100



(1) Ministry of Labour, 2013/4 Statistics.

(2) Ibid.

(3) Ministry of Civil Service, 2015 Statistics.

(4) Ministry of Labour, 2013/14 Statistics.

Total Length of Roads in the Kingdom 2013 ⁽¹⁾				
Item	Paved / Illuminated / Planted (km)	Paved Roads (km)	Total Roads (km)	Total light Poles
Existing Roads	37,324	87,168	124,492	1,423,731
Under Construction Roads	9,677	18,486	28,163	160,354
Roads to be Constructed	15,880	24,395	40,276	344,612
Total Length	62,882	130,049	192,931	1,928,697

Railways

Railways in the Kingdom have experienced remarkable development. Advanced networks and several modern passenger stations have been developed. 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 will operate between Makkah and Jeddah over the coming period. 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); 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 61 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 2,497 freight carriages of different types and sizes.⁽²⁾

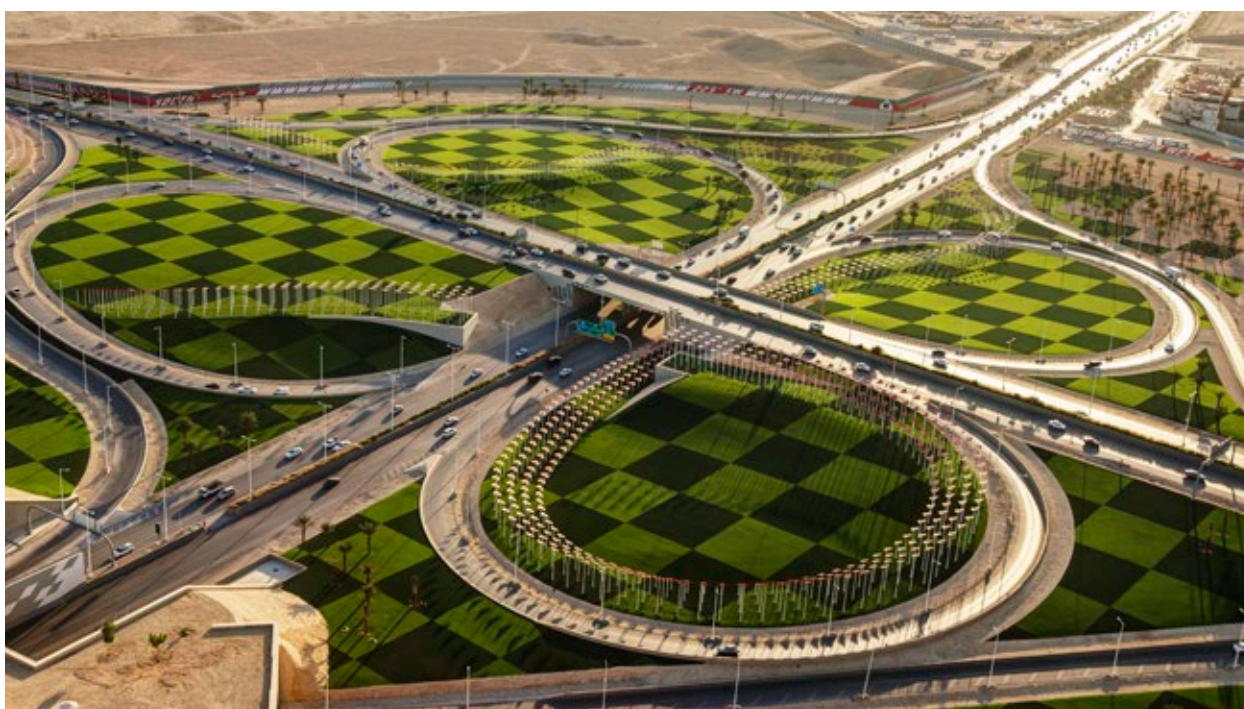
In the operating field of the Saudi Railways Organization, 1,172,000 passengers used the railway linking Arriyadh with the Eastern Province during 2013/2014 along with 3.88 million tons of goods transported. The number of containers transported via the Land Bridge is expected to exceed 700,000 carrying eight million tons of freight in 2014/15⁽³⁾.

After completion of the project of Haramain High Speed Rail, the number of Hajj and Umrah pilgrims is expected to increase. According to statistics of the Ministry of Hajj and Umrah, the annual number of Hajj pilgrims will reach three million and 11 million Umrah pilgrims over the coming twenty five years.

Increasing train capacity is now recognised as the best way to transport Hajj and Umrah Pilgrims.

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



(1) Ibid.

(2) CDSI, Annual Report, 49, 2013/14.

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

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 2013/2014, 68 million passengers travelled on a total of 565,631 civil aviation flights, with 1.059,000 tons of airfreight carried.⁽¹⁾

Seaports

There are eight commercial and industrial seaports in the Kingdom in addition to a new seaport project in Ras Alkher (Ras-Al-Zour previously) in the Eastern Province. Through these ports, large amounts of goods are delivered annually. In 2014/15 there were more than 1.3 million passenger departures and arrivals, 6.3 million standard containers were handled and a total of more than 210.2 million tons of non-oil imported and exported goods were handled⁽²⁾.

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 2012 show the number of main postal offices was 597 and 210

express mail offices. The number of postal agencies (private offices) established by the private sector was 59, with 30 of them located in Arriyadh.

In addition to 353 deposit boxes,⁽⁴⁾ subscribers boxes reached 621,161 and 91,697 boxes for agencies, Wasel distributed services and deliveries reached 4,752,260 items.

Telephone Lines

By the end of 2014/15, the total number of working land telephone lines in the Kingdom stood at approximately 3.62 million lines. 2.53 million (70%) of these are household lines.

The number of mobile telephone subscribers was 53 million, while the number of broadband subscriptions reached 29 million, a 94.5% spread of the population.⁽⁵⁾

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 19.6 million by the end of 2014/15, a 63.7% spread rate compared to 13% in 2013/14. The demand for internet is expected to rise in the next coming years due to provision of fiber-optic networks which offer high speed and broad coverage of third and fourth

Operating Movement of the Seaports in the Kingdom, 2011/12 - 2014/15 ⁽³⁾

Item	2011/12	2012/13	2013/14	2015/16
Goods/weight ton	162.5 million	187.7 million	194.7 million	210,1 million
Containers	5.7 million	6.6 million	6.5 million	6,3 million
Passengers	1.4 million	1.5 million	1.3 million	1.3 million



(1) General Authority of Civil Aviation Statistics, 2013/14.

(2) Saudi Ports Authority, 2012/2013 Statistics from the Authority's website www.ports.gov.sa.

(3) Ibid.

(4) Communications and IT Authority, Annual Report, 2014/15.

(5) Communications and IT Authority, Annual Report, 2014/15.

generation networks. Adding to that spread of smart devices that contain application based on internet connection.⁽¹⁾

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 2013/14 total issued licences were 325 compared to 309 at the end of 2013/14.⁽²⁾

Major Producing Sectors

Agriculture

Both private and public sectors are greatly interested in the agricultural sector. The strategy of agricultural development aims to encourage internal and external investment 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 2013/2014, the arable land area was 694,000 hectares. The estimated area for grain crops was 166,005 hectares with 885,000 tons production. The area under vegetable cultivation was 106,176 hectares with a production of 2,731 thousand tons. Fruits estimated area is 226,763 hectares with a production capacity of 1,688 thousand tons. Number of palm trees reached 25.1 million. Fodder estimated area is 195,000 hectares with a production capacity of 3,977 thousand tons.

The number of camels in 2013/14 was 233,000 (not including



free ranging camels). There were an estimated six million sheep (traditional and other breeds), 10.3 million goats, 456,400 cows (traditional and other breeds) and 27,100 horses, 602.2 million birds (traditional and special) in poultry. The Kingdom's production of fish reached 900,53 tons.



(1) Ibid.
(2) Ibid.

The Kingdom's production of raw milk through 26 projects was 1.078 billion litres, and honey 107,000 kg. The total workers in the agriculture was 449,211; with 195,211 Saudis representing 43 % of the total.⁽¹⁾

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 Ministry of Commerce and Industry up to the first quarter of 2015, the number of operating plants was 6,789 with a total finance of SR 992 billion. These plants employ more than 931,1 employees and workers⁽²⁾.

Trade

The accumulated number of commercial companies in the Kingdom was 1,369,668⁽³⁾ by the end of 2013. The number of commercial agencies registered in the Kingdom by the end of the second quarter of 2014 was 5,778, while the number of registered trade marks in the second quarter of 2014 reached 2,939⁽⁴⁾.

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 National Heritage shows that number of tours by the end of 2013/14 was 37.2 million and that they spent SR 72.1 billion.⁽⁵⁾

Data issued by the Saudi Commission of Tourism and National Heritage showed that number of operating hotels in the Kingdom was 1,089 from the various classes (85 five-star



(1) Ministry of Agriculture, (27) Annual Statistical Yearbook, 2014.

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

(3) CDSI, Annual Statistical Book (49), 2014.

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

(5) Saudi Commission for Tourism and National Heritage, MAS Center, Tourism Statistics, 2011/12.



hotels, 47 four-star hotels, 225 three-star hotels, 220 two-star hotels and 521 low class hotels). The total number of rooms in these hotels was 184,832 (according to new categorization). There were 1,971 furnished units providing a total of 89,681 apartments. Contribution of the tourism sector to GDP reached 2.6%, 5.2% to the non-oil sector and 7.5% to the private sector.⁽¹⁾

Water and Electricity

The Kingdom's production of desalinated water during 2013/2014 was 1,054.7 million m³ with a daily production electrical capacity of 6,166 thousand m³⁽²⁾.

The latest statistics of the Ministry of Water and Electricity⁽³⁾ show an increase in consumption of electricity in the Kingdom during 2013/14 to 262,685 GW/hours. Electricity peak load rose to 53,700 MW/hours. Also generating capacity rose to 69,760 MW/hours. The number of subscribers to electrical services increased to more than 7.2 million, an increase of 7.5%.⁽⁴⁾

Insurance Services Sector

In 2014/15 the insurance market in the Kingdom grew by 20.8%. Total subscribed premiums reached SR 30.4 billion compared to SR 25.2 billion in 2013/2014. This increase is

Electricity Services and Infrastructure 2013/14 ⁽³⁾		
Item	Value	Average Annual Growth Rate (%)
Number of Subscribers (million)	7.2	6.1
Individual's Annual Share of Power (thousand KW/Hour)	8.5	5
Residential Complexes Provided with Power (by thousand)	12.6	1.3
Annually Produced Power (thousand GW/Hour)	2.84	4.5
Available Generation Capacity (thousand MW)	58.4	9.1
Length of Transmission Networks (thousand circular km)	54.3	4.17
Length of Distribution Network (thousand circular km)	238	7.4
Length of Subscribers Demands (thousand circular km)	227	5
Networks peak loads (1,000 M/W)	54	3.2

(1) Ibid.

(2) Ministry of Water and Electricity, Annual Report, 2013/14.

(3) Ibid.

(4) Ibid.

attributed to awareness of the importance for insurance, appropriate economic conditions during that year, and compulsory insurance on vehicles and cooperative health insurance.⁽¹⁾

Public insurance made up about 45.5% of the insurance market. It grew by 20.5%, SR 13.8 billion in 2014/15. Health insurance represented 51.5% of insurance market in the kingdom. It grew by 21.9%, SR 15.7 billion in 2014/15 compared to SR 12.9% in 2013/14.⁽²⁾

Insurance companies licensed by SAMA up to 2014/15 reached 35. These companies provide different types of insurance such as; accident insurance, vehicle insurance, property, marine, air, energy and engineering insurance.



(1) No available statistics on insurance services in Arriyadh, 2013.

(2) SAMA, Annual Report (51), 2014/15.



Theme Two Policies and Measures Supporting Investment in the Kingdom

Privatization policy was the Kingdom'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.

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, and aims to steadily 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 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 Tenth 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 supported privatization by encouraging the private sector to increase investments via several regulative procedures and incentives including co-finance between the private and public sectors for 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 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 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 ownership by the private sector of public assets within a frame of competitiveness and transparency.

The Ninth Five-Year Development Plan (2010/2011 - 2014/2015) specifies 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"⁽¹⁾.

The Tenth Five-Year Development Plan (2015/16 - 2019/20) has focused in its primary goals and policies on completion of privatization policy within specific time schedule, in order to increase capacity of the national economy, enhance its growth, stability and competitiveness.⁽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.
- Privatization of agriculture services. License the private sector to establish laboratories for veterinary diagnostics. 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 connecting all residences to the water and sanitary waste network.

- Saudi Ports Authority. Privatization of terminals for freight and grain and receipt services in ports.
- Privatization of social services. Strategic project of privatization of social services such as the issue 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⁽³⁾.
- Privatization of Saudi Arabian Mining Company. 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⁽⁴⁾.
- 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 land, 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

(1) Ministry of Economy and Planning: Ninth Development Plan.

(2) Ministry of Economy and Planning: Tenth Development Plan.

(3) SAMA, Annual Report 46, 2010.

(4) 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

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 after the declaration in 23/6/2006 by the Custodian of the Two Holy Mosques. KAUST is one of the future pilot projects in the region 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 attended by many world leaders and invited dignitaries.

Execution of the Second Five-Year Plan of Science and Technology (2015/16 – 2019/20)

In order to achieve requirements of preparation of the Second Five-Year Plan of Science, Technology and Innovation, which coincides with preparation of the Tenth Five-Year Plan, Arriyadh embarked on a project to assess the First Five-Year Plan of Science, Technology and Innovation. The project creates a new general framework of the Second Five-Year Plan in cooperation with the French Evaluation Agency for Research and Higher Education (aeres). It included a range of activities and criteria as follows:

- Evaluation of the National Plan of Science, Technology and



Innovation and its impact on research and development process. Concentration on strategic technologies essential to the future of science, technology and innovation in the Kingdom.

- Evaluation of regulations and legislations of the national plan of research and development management, and its impact on the national plan.
- Develop a road map of the Second-Five-Year Plan of Science, Technology and Innovation.

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 exports, 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 are integrated along with previously mentioned elements in order to support the pillars of sustainable development and stimulate growth in all fields of life in the Kingdom.

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 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 help lead the Saudi economy to remarkable levels.

The value of investments that will be provided to the city is expected to reach SR 13 billion for the next three years with SR five billion provided by 2020. The capacity of King Abdullah port will reach seven million containers, six thousand residential units are under development and 70

international and local companies have signed contracts to invest in the industrial city.

King Abdulaziz bin Mussaed Economic City in Hail

King Abdulaziz bin Mussaed Economic City, whose cornerstone was laid 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.

Madinah Knowledge Economic City

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, the late 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, limestone, dolomite, marble, basalt, gypsum and silica sand. SAGIA expects Jazan Economic City to attract more than SR 100 billion in 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 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 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:

- Assessing 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.
- The Saudi e-Government National Portal depends on the construction of a 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 (KSPP)
- 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
- (These projects are mentioned in various sections 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 will be identified and indicators that measure the performance of these sectors adopted. This will be realized through development of programs and projects of the operational plans of these sectors to realize the objective "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.

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,

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

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 healthcare, 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 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)

The Heritage Foundation reported at the beginning of 2014/15 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 76.45% in the overall business freedom index, 99.7% in the fiscal freedom index, 72.7% in the labor freedom index and 40% 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.

- 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 the 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 of the 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

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 at one Riyal per square meter.

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

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 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 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 \$ 47 billion, which represents 25.8% of the total investments in the entire Arab World⁽¹⁾.

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

The increase in the number of local banks, cooperative insurance companies, and establishment of financial services firms.



(1) Report on the Investment Climate in the Arab World, 2013/14.

The issue and modification 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 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⁽¹⁾.

Concerned government bodies still work on implementing the Kingdom's obligations arising from its accession to WTO.

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 IX 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), 2015 show the following⁽²⁾

- The market opened up with 9,892 points.

The Capital Market Authority (CMA) publishes information 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 information 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 and launched an online investors' education center.

- The market's highest point was 11,159.
- The market's lowest point was 7,255.
- The market closed at 9,532 points.
- Change level was 359 points at -3.6%.
- Number of traded corporations was 162.
- The total value of 70,803 million traded shares stood at SR 2,146,511 million. The market value of the shares was SR 1,813 billion for 35,761 transactions.⁽³⁾
- It is worth mentioning that CMA has issued a number of investor awareness guidebooks:
 - Guide for Young Investors
 - How to File a Complaint
 - Guide for Investment Terminology
 - Manual Dealing with Committees for Resolutions of Securities Disputes
 - Financial Investments and Stock Market

The following table shows stock market indicators during 2009/10 – 2014/15:

Year	No. of Shares	Value of Traded Shares (million Riyals)	Market Shares Value (billion Riyals)	Number of Transactions	General Indicator
2009/10	57,416	1,264,012	1,196	36,458,326	6,122
2010/11	33,526	759,184	1,325	19,536,143	6,621
2011/12	48,723	1,098,837	1,271	25,546,933	6,418
2012/13	83,282	1,929,318	1,400	42,105,048	6,801
2013/14	52,502	1,369,665	1,752	28,967,697	8,536
2014/15	70,803	2,146,511	1,813	35,761,091	8,333

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

(2) CMA- Tadawul website: www.tadawul.com.

(3) Ibid.

(4) Capital Market Authority: 2012/14 Statistics.

The following table shows shares trading by sectors in 2014/15:

Traded Shares by Sectors 2014/15 ⁽¹⁾						
Sector	Transactions	(%) of Total	Traded Shares (million)	(%) of Total	Values of Traded Shares (billion Riyal)	(%) of Total
Banking and Financial Services	2,820,487	7.89	10,029	14.16	279.71	13.03
Petrochemicals	3,459,832	9.67	10,866	15.35	332.61	15.5
Cement	1,701,761	4.76	2,379	3.36	78.94	3.68
Retail	2,666,042	7.46	2,035	2.87	129.83	6.05
Energy and Utility Services	204,358	0.57	980	1.38	16.34	0.76
Agriculture and Food Industry	3,411,934	9.54	3,881	5.48	171.53	7.99
Communications and IT	1,646,798	4.6	8,076	11.41	148.43	6.91
Insurance	8,513,764	23.81	8,646	12.21	319.07	14.86
Multi-investment Companies	1,194,942	3.34	2,364	3.34	63.04	2.94
Industrial Investment	2,690,910	7.52	3,893	5.5	162.77	7.58
Building and Construction	2,779,761	7.77	4,072	5.75	131.56	6.13
Real Estate Development	2,358,755	6.6	11,300	15.96	198.44	9.24
Transportation	840,417	2.35	1,278	1.8	48.28	2.25
Media and Press	479,742	1.34	373	0.53	18.67	0.87
Hotels and Tourism	991,588	2.77	631	0.89	47.3	2.2
Total	35,761,091	100	70,803	100	2,147	100

Real Estate Investment, Companies and Funds

The real estate sector in the Kingdom maintained a growth rate of 5.4% until the end of 2013/14. The study conducted by Global Investment House estimates that the real estate sector contributes 7.2% to the GDP.⁽²⁾

The real estate sector has forward and backward links with approximately 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 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.

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	1250
Annual Average of the Ninth Development Plan	250

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⁽⁴⁾.

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⁽⁵⁾.

The Emergence of Joint Stock Real Estate Companies⁽⁶⁾

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

(1) TADAWUL Website.

(2) CDSI, National Accounts 2014/15.

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

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

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

(6) 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.

The Council of Saudi Chambers estimates a demand for housing of five million units to 2020, 262,000 units per year. The funding required to finance the construction of new housing units over ten years is estimated at SR 640 billion. Real estate investment exceeds SR 1.3 trillion.

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

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 eight 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 1.2 billion (US\$ 320 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 1,648 million (US\$ 440 million). Makkah focuses on the development of the area around the Holy Mosque.

Arriyadh Development Company (ADCO) with a paid-up capital of SR 1,333 million (US\$ 355.5 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 9.3 billion (US\$ 2.5 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.

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

Knowledge Economic City Company, which has a capital of SR 3.4 billion (US\$ 0.9 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 it will establish 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 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 1990/91 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 MasterCard 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.
- Twelve 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, Deutsche Bank, National Bank of Pakistan, State Bank of India, T.C Ziraat Bankasi and China Bank).

These banks are branches and representatives of the parent 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 first quarter of 2015/16.⁽¹⁾

Total bank deposits increased by 9.8% (SR 144 billion), to reach SR 1,618.6 billion for same period of the past year.

Total bank deposits to total money supply (M3) was 90.7%. a review of deposit components by type shows an increase of deposits under demand by 14.8%, SR 1,050.9 billion. Time and saving deposits increased by 10.5% to SR 384.6 billion. Other quasi-money deposits decreased by 13.2% to SR 183 billion.

Total liabilities of commercial banks for both government and private sectors (bank credit and investments) increased by 9.3% to reach SR 2,175.8 billion. Liabilities of commercial banks for both government and private sectors amounted 134.4% of total banks deposits. Total liabilities of commercial banks of the private sector increased by 10.4% to SR 1,287.5 billion. Liabilities of commercial banks of the private sector to total banks deposits was 79.5% while total liabilities of commercial banks of the government and semi-government sector increased by 10.4% to reach SR 99.3 billion. Total liabilities of the government and semi-government sector to total banks deposits was 6.1%.

Short-term bank credit increased by 9.6% to reach SR 661.2 billion. Medium-term bank credit increased by 11.6% to SR 238.7 billion. Also long-term bank credit increased by 10.8% to SR 381.7 billion. Total bank credit provided by economic activity increased by 10.3% to SR 1,281.6 billion.

Total foreign assets of commercial banks increased by 21.7% to reach SR 278.1 billion. Total foreign liabilities of commercial banks decreased by 3.1% to SR 76.9 billion. Net assets increased by 34.8% to SR 201.4 billion.

Capital and reserves of commercial banks increased by 9.9% to reach SR 295.2 billion. Capital and reserves rate of commercial banks to total banks deposits was 18.2%. Profits of the commercial banks were SR 10.8 billion. The number of commercial banks in the Kingdom increased to 1,937 branches with a growth rate of 5.6% (103 branches) .

Total assets and liabilities of commercial banks stood at SR 2,175.8 billion, an increase of 9.3%.

Total value of Saudi Arabian Riyal Interbank Express Service (SARIE) was SR 54,459 billion through 64.6 million messages. Total payments reached SR 51,78.7 billion. Total payments between banks SR 49,247 billion. Total executed ATM transactions reached SR 1,531,559 million with total cash withdrawals of SR 722.0 billion within banks and the Saudi network.

Total transactions executed through POS reached SR 362.5 million with total sales of SR 1.699,27 million. The total number of ATMs was 15,516 and the number of cards issued from local banks 20.5 million. The number of POS terminals was more than 138,000, while the number of cheques in clearing house (outgoing and incoming) was 7.822,71 at a total value of SR 250 billion. Six million individual and company cheques were issued with a total value of SR 646 billion.



(1) SAMA, Economic Developments, first quarter, 2015/16..



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 imposing appropriate 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

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 (the percentage of Saudis employed). The Ministry deals firmly with the red band that shows a low Saudization rate, and

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. There are no taxes on individual income and company taxes are 20% of net profits. 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).

gives a grace period to firms categorized in the yellow band. The objective is to make Saudization an essential feature of excellence and competition and one 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 this assessment of enterprises enables comparison of their performance.
- 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 do 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 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 for 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.

(1) Ministry of labor: Nitaqat, www.emol.gov.sa.

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.

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:

- The incentives stipulated in the Protection and Promotion of National Industries law issued by Royal Decree R/50 in 1961.
- To own real estate necessary for conducting the licensed activity or for residence or the residence of non-Saudi ownership of properties or investment of these properties as issued by Royal Decree R/15 in 2000.
- The benefits ensuing from agreements of avoiding double taxation and agreements of promotion and protection of investments signed by the Kingdom.
- 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.
- 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.
- Freedom of movement of shares among partners and others.
- The sponsorship of the foreign investor and his non-Saudi employees is related to the licensed entity.
- To obtain industrial loans according to the provisions of the Industrial Development Fund.
- 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.
- Impose penalties and deal with procedures for handling violations.

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. It 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 mergers 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 adjudicates 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 Trademarks 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 trademark 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.
- 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



(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 on profit margin.

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⁾

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.



(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 No. 17/2/28/3321 dated 2/11/1950.

- 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) is 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 adjudicates 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 and 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 applies 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 has been established.
- Set 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 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, exploration, the rights and obligations of licensees.

The general terms of exploration 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 were 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	arty
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	Law of Consigning in the Public Warehouses	Royal Decree R/29, 6/6/2006
7	Commercial Data Law	Royal Decree R/15, 6/25/2002
8	Installment Sales System	Ministerial Resolution R/57, 4/11/2005
9	Arbitration Law	Royal Decree R/34, 4/16/2012
10	Protective Compromise of Bankruptcy Law	Royal Decree R/16, 1/25/1996
11	Common System of Industrial Organization	Royal Decree R/20, 2/5/2006
12	Commercial Books Law	Royal Decree R/61, 7/21/1989
13	Common Trade Policy for the Gulf Corporation Council	Royal Decree R/201, 9/4/2006
14	Professional Companies Law	Royal Decree R/4, 8/28/1991
15	Corporate Law	Royal Decree R/21, 8/7/2002
16	System of Chamber of Commerce and Industry	Royal Decree R/6, 3/18/1980
17	System of Hotels and Residential Units	Royal Decree R/27, 4/23/1975
18	Legal Accountants System	Royal Decree R/12, 11/20/1991
19	Commercial Court Law	Royal Decree R/2, 3/23/1970
20	Private Laboratories Law	Royal Decree R/3, 4/21/2002
21	System of Precious Metal and Gems	Royal Decree R/42, 4/24/1983
22	Intellectual Property System	Royal Decree R/21, 8/7/2002
23	System of Saudi Engineers Organization	Royal Decree R/41, 8/30/2003
24	System of Saudi Arabian Organization for Standardization and Metrology	Royal Decree R/10, 4/17/1972
25	System of Protection and Encouraging National Industries	Royal Decree R/50, 5/28/1962
26	Israel Boycutting Law	Royal Decree R/28, 11/23/1962
27	System of Anti-Incognito	Royal Decree R/22, 6/22/2004
28	System of Commercial Anti-Fraud	Royal Decree R/11, 3/2/1984



Theme Four: Higher and Major Investment Authorities in the Kingdom

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 www.sagia.gov.sa and a self-service system for the Authority's clients, in addition to the united window service and other merits.

The Custodian of the Two Holy Mosques, King Salman Bin Abdulaziz, issued a Royal Decree on 29/1/2015 to abolish 12 government bodies and establish two alternative ones.

Abolished Bodies:

- The Higher Committee for Educational Policy
- The Higher Committee for Administrative Organization
- Civil Service Council
- Higher Committee for King Abdulaziz City for Science and Technology
- Council of Higher Education and Collages
- Higher Education Council
- Supreme Council for Mineral and Petroleum Affairs
- Supreme Economic Council
- National Security Council
- Supreme Council of King Abdullah City for Atomic and Renewable Energy
- Supreme Council of Islamic Affairs
- Supreme Council of Disabled Affairs

Two Councils will be established and will be organizationally linked to the Council of Ministers:

- Supreme Council of Islamic Affairs
- Council of Economic and Development Affairs

Council of Economic and Development Affairs

The Council implies:

HRH Prince Mohammed Bin Salman bin Abdulaziz (President).

- Minister of Justice
- Minister of Water and Electricity
- Minister of Housing
- Minister of Transport
- Minister of Petroleum and Mineral Resources
- Minister of Labor
- Minister of Hajj
- Minister of Commerce and Industry
- Minister of Communication and IT



- Minister of Social Affairs
- Minister of Health
- Minister of Culture and Education
- Minister of Education
- Minister of Municipal and Rural Affairs
- Minister of Civil Service
- Minister of Agriculture
- Mohammad bin Abdulmalik Al Sheikh, Minister of State
- Dr. Musaad bin Mohammad Al Aiban. Minister of State
- Dr. Essam bin Saad bin Saeed. Minister of State

Role and Function of the Council

The Council of Ministers headed by the Custodian of the Two Holy Mosques, King Salman Bin Abdulaziz, approved functions and role of the Council of Economic and Development Affairs to set visions, orientations and goals related to economic and development affairs, monitor the strategies and economic and development plans, follow up implementation and coordination between them.

Saudi Arabian General Investment Authority (SAGIA)

Introduction

The Saudi Arabian General Investment Authority (SAGIA), the 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 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.
- SAGIA is seeking to attract sufficient investment to achieve rapid and steady economic growth taking advantage of the strength of the Kingdom as the most important source of energy in the world, and its position as 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).

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.

The three core objectives of NCC are to act as :

- Think Tank
- Facilitator
- Communicator

- 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 National Heritage (SCTH)

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.

SCTH's Role, Functions and Authorities

- The SCTH 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 SCTH 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 SCTH's mission towards national heritage and museums, it strengthens its ability to protect antiquities, 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 SCTH'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

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.

(1) Vision SAGIA
(2) Mission SAGIA.

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 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 the private sector to invest in the two cities.
 - 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. It 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

This 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.

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



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.

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.
- 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

Private Industrial Cities

- Al-Ojaimi City (Arriyadh – Al-Kharj Road).
- Al-Fanar City (Arriyadh, adjacent to Phase III of Arriyadh Second Industrial City).
- Arabian Water and Energy Development City (Arriyadh, Eastern Ring Road to Al-Kharj).
- Al-Obaikan City (Arriyadh, adjacent to Phase III of the Second Industrial City, Riyadh).

“... I address all ministries, and official bodies in their positions, we are all in the service of the citizen , who is the focus of our attention. We had directed the concerned bodies to review audit organizations, in order to ensure enhacenhancement of competencies, improve performance of duties and responsibilities. Help eradicate corruption, save the public money and ensures accountability for negligents”
King Salman bin Abdulaziz

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.

King Abdullah Nuclear and Renewable Energy City (K.A.CARE)

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 roles:

- 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 that cares of Nanotechnology, located within the campus of King Saud University in Arriyadh.

The mission of the Institute is to develop Nano research, technologies and related 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.

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 with its headquarters in Arriyadh.

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 world-leading role in the field of energy and petroleum.

Research functions of the Center are reflected through the following activities and programs⁽²⁾:

- Development of Local Energy Sector and Economic Activities.
- Energy Efficiency and Productivity.
- Markets and Economies of World Energy
- Energy and Environment Technologies
- 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 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 one of the world largest fleets for petroleum transfer. 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.



(1) Institute website: www.nano.ksu.edu.sa.

(2) King Abdullah Petroleum Studies and Research Center (KAPSARC): www.kapsarc.org.

Petro Rabigh presents an opportunity for increased industrialization in Saudi Arabia. It is a platform for more diversified downstream developments 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.

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⁽¹⁾.

A Higher Council of the Company has been established consisting of ten members headed by HRH Prince Mohammad bin Salman bin Abdulaziz, Deputy Crown Prince. It was approved to restructure ARAMCO and separate it from the Ministry of Petroleum according to the new vision put forward by HRH Prince Mohammad.

For further information please visit Aramco website:
www.saudiaramco.com

Saudi Basic Industries Corporation (SABIC)

SABIC is one of the world's leading companies in downstream petrochemicals and is a leading global producer of 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 Stock Exchange (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.

Role and Key Functions

- Ma'aden focuses on developing the mining sector as the third pillar of Saudi industry through existing mega-projects



(1) Saudi Aramco in 75 Years: www.saudiaramco.com.

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.
- Ma'aden's business units operate through separate subsidiaries to facilitate strategic partnerships and each has its own board and management.
- The partners will also provide expertise with respect to the sale and marketing of joint products reflected.

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 the development of new projects, creation of independent business units, local expansion, improvement of (quality, qualification and cost) process, identification of best business models, regional expansion and execution of strategic organizational management. Its economic vision provides for 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.

For further details visit Company website: www.nwc.com.sa.

Riyadh Techno Valley Project (RTV)

Objectives

Riyadh Techno Valley is a knowledge investment center that endeavours to attract and develop innovation and invest in outcomes from research in new technology, establishment of knowledge companies and provision of high-income jobs that contribute to the creation of knowledge-based economy.

In this context, Riyadh Techno Valley and Riyadh Valley Holding Company⁽¹⁾ were founded in King Saud University in Arriyadh with strategic objectives to:

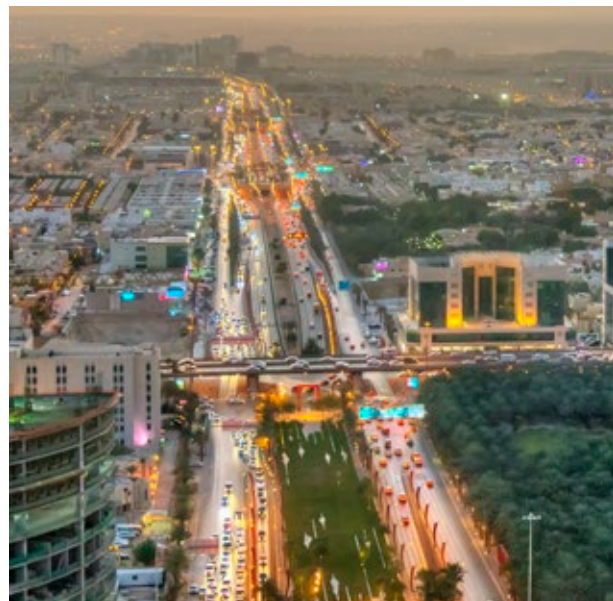
- Transfer and develop technology to serve the national economy and achieve sustainable development.
- Promote cooperation between the University and research and development centers locally and internationally.
- Create a stimulating and attractive environment for national and international investment firms specialized in research and development.

- Discover, attract and adopt Saudi and foreign talented innovators and geniuses.
- Enhance the utilization of knowledge and skills of all university students to harmonize between outputs of the education and requirements of labor market.
- Provide distinguished job opportunities in knowledge-based industry arenas, develop the labour force and employment opportunities in line with development plans.
- Develop the University's resources for financial stability.
- Enhance competitiveness of the national economy.

Riyadh Techno Valley is a unique new project for the development of knowledge-based industries. It major investment in the field of research and technology, and paves the way for urban modern society where up-to-date industrial, commercial and technological systems efficiently contribute to investment in research industries.

Dozens 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 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 all 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 2012/13:

Detailed information is available at SIDF website:

www.sidf.gov.sa

Cumulative Loans Provided by SIDF up to 2013/14 ⁽¹⁾ (million Riyals)		
Sector	Loan Amount	(%)
Chemical Industries	43,928	39.2
Engineering Industries	22,561	20.1
Consumer Products Industries	19,103	17.0
Cement Industries	11,515	10.3
Other Building Material Industries	12,177	10.9
Other Industries	2,811	2.5
Total	112,095	100

(1) Saudi Fund for Development: Annual Report, 2013/14.

Main policies pertaining to SIDF's lending rules

- The Fund finances industrial projects by 50% - 70% in less developed areas, 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 are in accordance with the actual project progress and submission of supporting documents.
- The terms of loans provided by the Fund do not exceed 15 years.
- Loans are provided to individuals, institutions and national and foreign companies having industrial licenses.

Agricultural Development Fund (Formerly Saudi Arabian Agricultural Bank)

This government financing institution established in 1963 specializes in providing finance for various agricultural activities in all regions of the Kingdom. 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 association projects.
- Projects that are small and medium enterprises.
- Livestock, poultry, fish, shrimp breeding and fishing projects.
- Agricultural storage and marketing projects.

During 2013/14 total loans provided by the Fund was SR 10,483,800, totaling 4,524 loans, of which SR 14,556 thousand financing 331 short-term loans and 4,193 loans for medium – term loans with a value of SR 1,033,824.⁽²⁾

For further information on the Agricultural Development Fund. 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

(2) Ministry of Agriculture, Annual Statistics Book, 2013/14.

The following table shows number of beneficiary countries until 2013/14.

For further information on SFD please visit: www.sfd.gov.sa



Cumulative Contributions of SFD from 1974/75 to 2013/14 ⁽¹⁾ (billion Riyals)

Benefiting Countries	Projects		Programs		Projects & Programs		Signed Loans Agreements
	Number	Amount	Number	Amount	Number	Amount	
81	516	41,585.39	26	737.61	542 ^(*)	42323	563 ^(*)

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 Public Investment Fund (PIF)

PIF was established in 1971. The purpose of establishing PIF is 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
- Information Technology
- Real Estate and Hotels
- Cooperative Insurance

In 2014/15 loan values amounted SR 90,395 million compared to SR 77,045 million in 2013/14. The Fund's expenditures in 2014/15 reached SR 16,017 million, SR 2,694 million for payments and SR 13,323 million for net loans. ⁽²⁾

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

(1) 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.

(2) SAMA, Annual Report 51, 2015

500,000, and ensure no impact on the number of provided loans.

Financed Projects

- Housing loans.
- Loans to invest in real estate, residential and commercial projects.

Total loans granted since inception till 2013/14 in all regions of the Kingdom⁽¹⁾:

No. of Loans	755,801
Residential Units	906,978
Spent Amounts	236,040 million
No. of Orders	492,733

For further information please visit: www.redf.gov.sa

Human Resources Development Fund (HRDF)

HRDF is a financial and development government body, founded in 2000 with branches all over the Kingdom.

The Fund contributes towards providing qualified and well-trained Saudi youth (both male and female), to realize

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.



the strategic objective of providing the nation with social, economic and security benefits.

The Fund aims to support efforts of rehabilitation of national workforce to employ in the private sector and achieve the following objectives:

- Provide subsidies for rehabilitation and training of national workforce to be employed in the private sector.
- Participation in costs of rehabilitation of national workforce. The board of directors of the Fund determines participation rate. The remaining rate is paid by the employer who benefits from rehabilitation of the trainees.
- Pay part of each employee's salary, after being trained and rehabilitated to work in the private sector, in coordination with the Fund (the Fund pays for no more than two years). The employer bears the remaining part of the salary. The board of directors sets necessary conditions.
- Support financing of field programs, projects, plans and studies aimed at employing Saudis to replace foreign employment.
- Provide loans for newly-established enterprises that train and rehabilitate national workforce, and for existing enterprises which are extending their activities or applying new technologies.
- Conduct research and studies relating to rehabilitation of the national workforce. Provide technical and administrative advice for enterprises responsible for this.

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.

In 2013/14, 4,168 projects were financed, in addition to

(1) SAMA, Annual Report (51), 2015.

(2) CDSI, Annual Report (51,) 2015.

10,000 future projects, 20 national and world initiatives and 10 organizations in the Gulf region.

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.

Projects Funded by SCB

- SCB supports projects undertaken by small and emerging enterprises, as well as 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 enterprise sponsoring program.

Total current loans provided by the Bank since inception up to the fiscal year 2014/15 was SR 36,949,000. Total loans for the year 2013/14 were SR 84,828 million, and SR 25,257 million in 2012/2013.⁽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 2014/2015 there were 24 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, Bank AlJazira. The total number of branches was 1,912.

- 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.

Consolidated Financial Position of Commercial Banks in the Kingdom by the End of 2013/14 ⁽²⁾

Description	Value (million Riyals)
Assets	
Bank Reserves	213,073
Foreign Assets	251,613
Liabilities of the Private Sector	1,256,210
Other Liabilities	185,687
SAMA Bills	225,993
Total Assets ^(*)	2,132,577
Liabilities	
Bank Deposits	1,575,579
Foreign Liabilities	92,277
Capital and Reserves	248,111
Other Liabilities	216,610
Total of Liabilities	2,132,577

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, 12 Arab and foreign banks are present in Saudi Arabia; Gulf International Bank, Emirates NBD, National Bank of Kuwait, Bank Muscat, Bahrain National Bank, Emirates Dubai Bank, BNP Paribas, JP Morgan, Deutsche Bank, T.C. Ziraat Bankasi, National Bank of Pakistan, and State Bank of India. (China Bank for Industry and Trade has been licenced but has not commenced operations.).⁽³⁾



(1) CDSI, Annual Report, (49).

(2) SAMA, Annual Report (51), 2015.

(*) Assets figures and total are different due to rounding figures to the nearest million Riyal.

(3) Ibid.



Statistics of Banking Activity⁽¹⁾

Despite the global fluctuations in the capital markets, the banking sector in Saudi Arabia has achieved robust growth rates. This is 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 2014/15 with the following highlights:

Increase of general activities

Promotion of financial positions and increase of total assets by 12.6% and deposits by 5%

Growth of capital and reserves by 6.3%.

Remarkable expansion of operation and application of advanced banking technologies, including telephone banking, internet services and smart phone applications.

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 2014/15:

- Assets grew by 12.6% to SR 21,326 billion.

- Private sector deposits increased by 11.8% to SR 12,562 billion.
- Deposits of foreign currency grew by 19.4% to SR 251.6 billion.⁽²⁾

The number of consumer loans granted by commercial banks has grown in the second quarter to SR 313.1 billion by the end of the fiscal year 2014/2015.

Consumer Loans to Individuals and Credit Cards Loans 2014/2015 ⁽²⁾

Description	Value (million Riyals)	Rate (%)
Real Estate Restoration and Improvement	25,604	8.18
Vehicles and Machinery	35,880	11.46
Furniture and Durable	5,455	1.74
Education	414	0.13
Health Care	246	0.08
Tourism and Travel	103	0.03
Other	245,398	78.38
Total	313,100	100
Credit Cards	9,667	

(1) Ibid.

(2) Ibid.



Theme Six: Tenth Development Plan and Investment Outlook in the Kingdom

The Tenth 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 Tenth Development Plan covers the period from 2015/2016 to 2019/2020.

Preparation of this report⁽¹⁾ coincides with preparation of the Tenth Development Plan. Some objectives and policies have been stated through the Ministry of Planning, with further information to be detailed.

Objectives of the Tenth Development Plan 2015/16– 2019/20

First Objective:

- Maintain Islamic values and teachings, promote national unity and consolidate Saudi, Arab and Islamic identity;
- Maintain values and teachings of Islam and consolidate the Kingdom's identity.
- Enhance National Unity.

Economic Development

- Deepen the various dimensions of economic diversification.
- Encourage transition to a knowledge-based economy and knowledge-based society.
- Expand capacity of the national economy, enhance growth, stability and competitiveness.
- Raise the level of productivity of national economy.
- Increase added value of natural materials in the national economy, diversify their resources, ensure sustainability, environmental protection and preservation of wildlife.
- Develop small and medium-sized enterprises and increase their contribution to GDP and resettlement of employment.
- Increase contributions of the private sector and raise productivity in order to realize development objectives.

Social Development

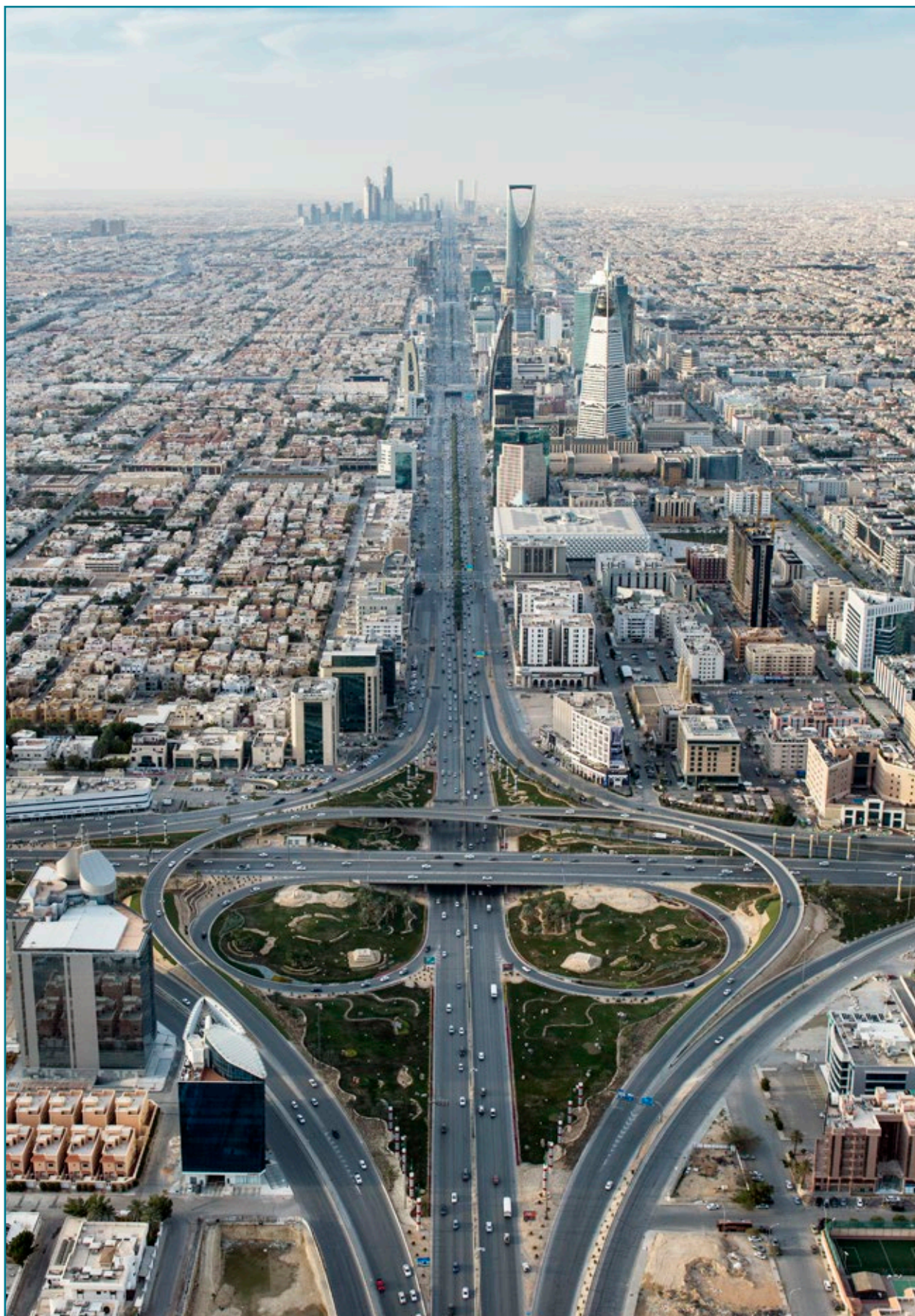
- Optimal investment in residential resources, improve standard of living and quality for all community segments.
- Development of human resources, raise productivity, expand options of acquiring knowledge, skills and experience.
- Improve competencies and physical abilities of youth for best contribution to development process.
- Support women and raise their contribution to various development fields.

- Strengthen social safety, care, family and childhood networks.
- Provide appropriate job opportunities for national employment and reduce unemployment.
- Facilitate citizens' access to adequate house according to variety of options that meet their demands.
- Provide comprehensive high quality and accessible health care to the entire population.
- Development of cultural movement and upgrade media activity.

Organizational and Administrative Development

- Enhance institutional reform, support civil society firms and upgrade productivity and efficiency of the State's bodies and officials.
- Upgrade quality of program application and project implementation. Develop execution mechanisms and maintenance follow-up.
- Achieve balanced development between regions of the kingdom.
- Strengthen the principles of accountability, transparency, integrity protection and combatting corruption.
- Deepen economic integration with Gulf Corporation Council (GCC) and Arab Countries. Improve the Kingdom's relations with Islamic countries and friendly countries. Enhance the role of the Kingdom worldwide.

(1) This Report was prepared by the beginning of 2014.





Investment Opportunities in Arriyadh



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 strengthen its role as 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

For the purpose of implementation of the privatization policy adopted by the State, some government bodies offer several investment opportunities available for the private sector and foreign investment parties.

Arriyadh constitutes an attractive strategic location being one of the commercial sites in the Middle East. This location is enhanced with being the administrative capital of the Kingdom, and the headquarters of major authorities supervising investment. That reflects a positive investment climate for the Saudi and foreign private sectors.

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 4,821 projects with a total value of SR 509 billion to be implemented during 2015/16.

Completed projects represent 89% of total projects value, 64% is the rate of projects under construction, 17% of projects are delayed or stalled.

899 public utility projects at a cost of SR 110 billion represent

29% of total costs of the region's projects and include water, electricity, sanitation and storm drainage. There are 795 educational projects with a total cost of SR 32.8 billion representing 8% which include universities, colleges, public schools and training institutes.

There were 116 economic development projects at a total cost of SR 41 billion, 11% of total projects' value. These include financial and technology cities, hotels and office towers and industrial cities.

There were 479 transport sector projects at a total cost of SR 128 billion, 33% of total project values. These include road networks, railways and airport developments.

Health projects numbered 279 with a total cost of SR 30.1 billion representing 8% of total project costs in the region.⁽¹⁾

Total projects that serve the region is 209 with a total value of SR 48,559 million. The most important are:

Establishment of the Thirteen Generation Plant and link it to the network with a total cost of SR 7,650 million.



(1) The High Commission for the Development of Arriyadh, Projects' Follow up program- Eighth Report-2015.

The project of enhancement and improvement of distribution plants network with a total cost of SR 913 million.

The project of completion of Arriyadh/Al rayn/Bishah Road with a total length of 147 km and total cost of SR 240 million.

Main roads projects in Arriyadh Region with a total cost of SR 208 million.

Arriyadh City projects reached 1,409 with a total cost of SR 291,424 million.

King Abdulaziz Transport Project in Arriyadh City. Total cost of the first stage is SR 37,827 million, representing 9.6% of the

completed project. The second stage cost is 22,282 million, 9.5% of the completed project. The cost of the third stage is SR 29,592 million, 10.13% of the completed project.

A contract of the project of maintenance and operation of buses was signed with a total cost of SR 7,856 million.

Office Buildings Project (Phase 1: IT Complex) with a total cost of SR 1,688 million.

The project of connecting Twelfth Power Plant with a total cost of SR 1,562 million.

The project of designing and implementation of Terminal 5

Arriyadh Projects 2015 ⁽¹⁾		
Projects by Project Type		
Project	Number of Projects	Total Cost (billion Riyal)
Government	4,304	313.742
Private	235	121.643
Government and Private	208	71.35
Charity	74	2.31
Projects by Development Sectors		
Project Type	Number of Projects	Total Cost (billion Riyal)
Public Utilities Sector	899	110.322
Educational Services Sector	795	32.897
Health Services Sector	279	30.106
Transport Sector	479	128.272
Public Services and Housing Sector	1,944	42.406
Economic Development Sector	116	41.088
Projects by Clusters of Development Centers and Governorates		
Project Type	Number of Projects	Total Cost (billion Riyal)
Projects Serving the whole Region	209	48,559
Central Development Centers (Arriyadh, Addiriyah, Muzuhimiah, Rimah, Thadek, Horemilaa)	1,813	296,601
Eastern Development Center (Al-Kharj – Al Aflaj – Hotat Bani Tamim, Hareek Governorates)	587	14,055
North Development Centers (Mujamah, Zulfi, Gatt Governorates)	634	9,096
Western Development Centers (Dawadami, Kwekaa, Afif, Shaqraa, Marat Governorates)	1,093	11,748
South Development Centers (Dawaser and Sulayyil Governorates)	176	5,032
Projects by Clusters of Development Centers and Governorates		
Project Status		%
Completed	850	40.766
Not Completed	2,871	286.34
Delayed	148	31.646
Stalled	643	26.34

(1) Ibid.

and related facilities at King Khaled International Airport with a total cost of SR 1,490 million.

Within its development plan of Arriyadh, the High Commission for Development of Arriyadh offers numerous investment opportunities. The most prominent are:

Arriyadh Center Development Program

The purpose of the program is to transform Arriyadh's downtown area into a historical, administrative, economic and cultural center at the national level through the preservation of architectural and cultural heritage as well as existing commercial activity. The benefits include the increase of employment opportunities, diversification of housing patterns, achievement of social and demographic balance, expansion of open areas, enhancement of urban security, as well as the improvement of road networks and public utilities in each area.

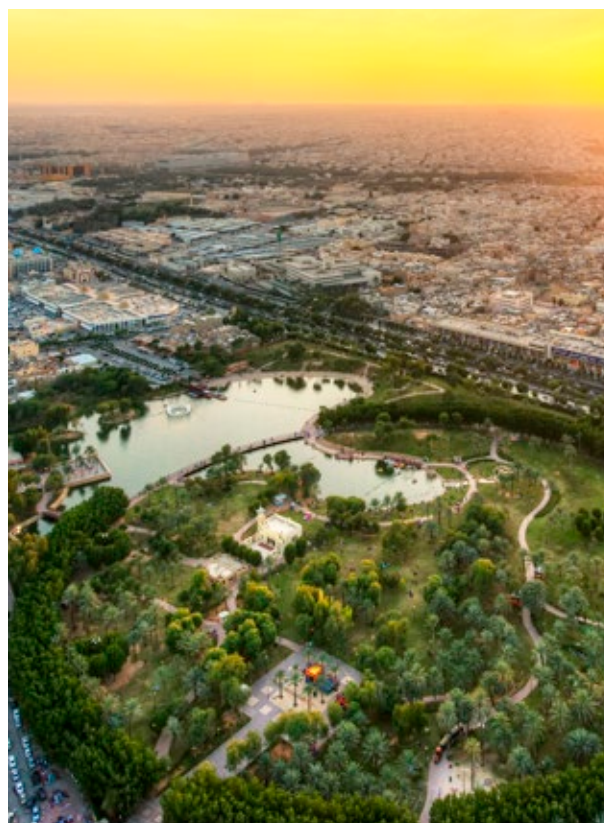
The plan identifies Arriyadh downtown starting from Washim Street that is connected by Omar Bin Alkhattab in the north and Ammar Bin Yaser Street, connected by Asha Street in the south and Imam Abdulaziz Bin Mohammed Street in the west, an area of 15 km². The most prominent features of this plan are development of housing in a number of neighbourhoods of the city center, redevelopment of residential areas of different densities and creation of residential units in order to increase population in a secured area with a good quality of life.

A comprehensive transportation plan was set that includes rehabilitation of roads in a circular path that surround the area as well as the establishment of new roads, rehabilitation of intersections, improvement of pedestrians areas and allocation of parking areas in different parts.

The plan focuses on increasing open areas and gardens through providing public squares connected with public transport stations as well as the establishment of safe pedestrians footpaths and creation of open areas in the south of King Abdulaziz Historic Center. The plan also includes expansion of Alsalam Park from the east and the creation of public parks that serve the area and city as a whole.

The development plan considers the area within the old walls of Arriyadh as an area with special controls that include preservation of heritage buildings by development of historic Aldahera and Aldaho districts. The plan includes the creation of a cultural heritage tourist path extending from King Abdulaziz Historical Center in the north to the heritage village to be established in Shumaisi Quarter in the south, passing by heritage, cultural and entertainment landmarks in Aldahera, Aldaho, Qasr Alhokm and Alsalam Park.

The plan also focuses on the role of the downtown as an administrative center of the city that accommodates more government departments in the area located south of Qasr Alhokm, and near the Ministry of Culture and Information as well as the area near King Abdulaziz Historical Center.



Arriyadh Sub-Centers

Arriyadh sub-centers are sub-urban communities with a variety of activities and services. They therefore offer significant investment opportunities 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⁾

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.

Main available activities and investment opportunities⁽²⁾

- Commercial and marketing areas, offices, banks and companies.
- Development of relatively large-scale projects including exhibition centers, hotels, entertainment places and others.

(1) The High Commission for Development of Arriyadh, Tatweer Magazine 67, 2013.

(2) The High Commission for Development of Arriyadh, Investment Opportunities at the Commission.

- 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 serve as 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 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 numerous investment opportunities such as:

Petrol stations, cafes, restaurants and various commercial centers.

Tree planting, irrigation, paving and lighting works.

Installation of security monitoring systems as well as safety and traffic management systems.

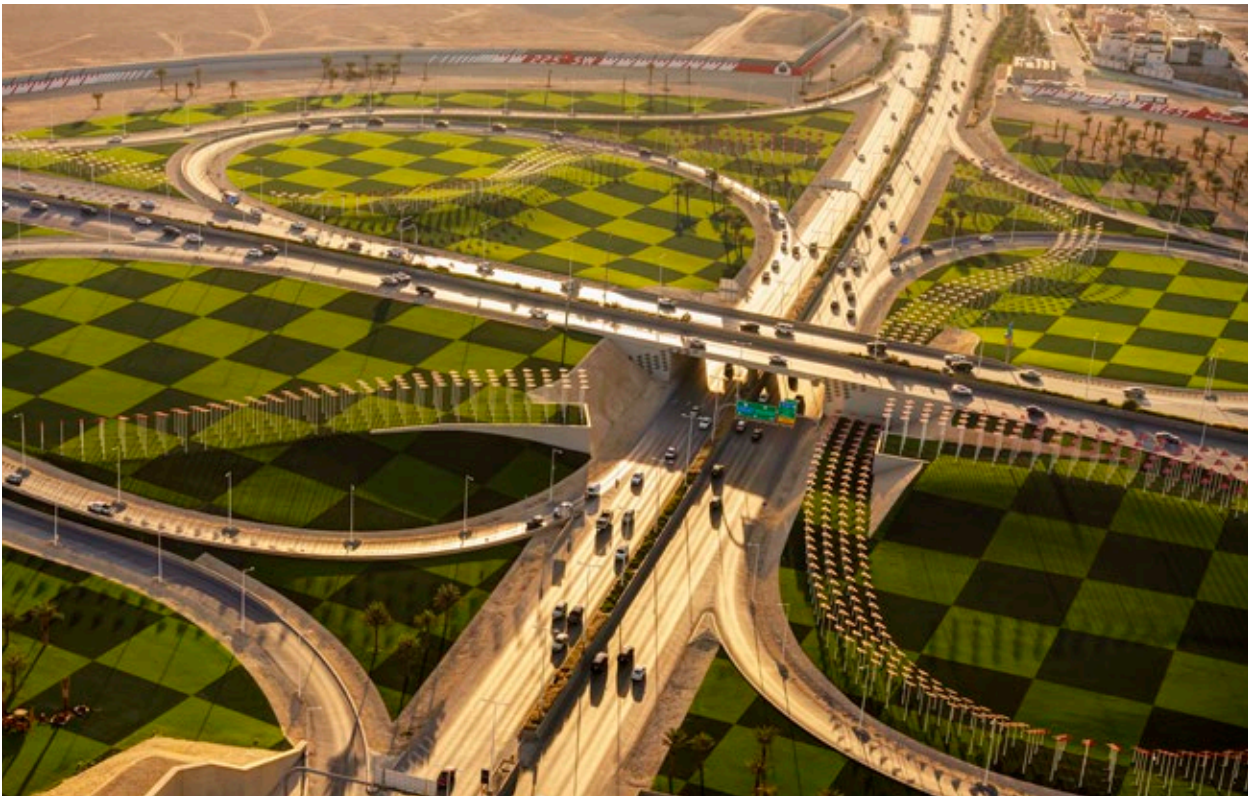
All of the previously mentioned are investment opportunities for the private sector.

Investment opportunities within the program of developing Historic Addiriyah ⁽¹⁾

- Shops in Al Bujairi Plaza (Addiriyah Park): 86 shops with an average area of 40 m² provide services for Addiriyah 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 Historic Addiriyah . 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.

Other investment opportunities in Historic Addiriyah include:

- Snack stalls in Al Bujairi and Al Turaif.
- Gift and souvenir shops in museums in Al Turaif in addition to visitor centers.



(1) The High Commission for the Development of Arriyadh: investment opportunities of the program of development of Addiriyah Historic City, 2009.

- Internal and tourism transport systems (within Al Turaif and between Al Bujairi and Al Turaif).
- Entry tickets to some sites and activities in Al Turaif (sound and light show and seasonal events).
- Interactive services in Al Turaif (audio systems to explain some events and sites).
- Internet website applications for visitors to Historic Addiriyah.
- Commercial advertisements.
- Establishment of seating areas and traditional spaces for heritage and folk shows within the walls of Al Turaif.
- 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:
- 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.
- Maintaining the site's natural, heritage and historic characteristics.
- Compatibility with the urban systems and land use of Historic Addiriyah .⁽¹⁾

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 road networks, rest houses, technical and residential areas 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.⁽²⁾

Saudi Commission for Tourism and National Heritage (SCTH)

Eco-lodges and Rural Guest Houses

Saudi Commission for Tourism and National Heritage offers eco-lodges and rural heritage guesthouses as an investment opportunity available to the private sector which receives the attention of (SCTH). 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 (SCTH) 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.



(1) The High Commission for the Development of Arriyadh: investment opportunities of the program of development of Addiriyah Historic City.

(2) The High Commission for the Development of Arriyadh, Structural Schemes of the New Suburbs in Arriyadh City, Executive Summary, 2007.

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 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

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

Alriyadh Municipality

Alriyadh 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 outlets
- Gift and souvenir shops

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 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 Arriyadh'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 in galleries and exhibitions.
- Investment in flower stalls, cafes and gift and souvenir stores.
- Investment in commercial and service shops.

(1) SAGIA website: www.sagia.gov.sa

King Saud University in Arriyadh

King Saud University is implementing many projects related to technology and knowledge development such as Riyadh 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 buildings 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:

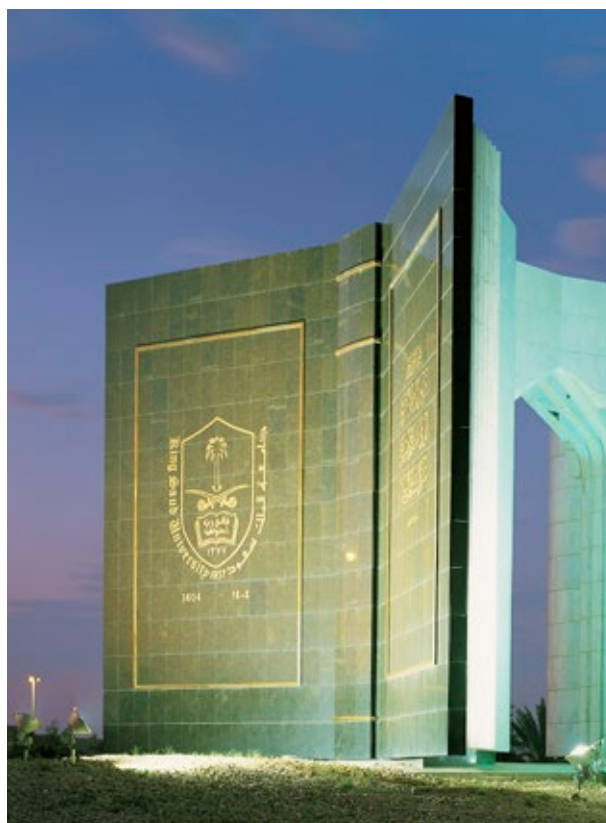
- Restaurants and cafes.
- Students services centers.
- Banking services centers.
- Airlines services centers.
- Commercial centers in residential communities and other commercial and services activities.

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 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 and 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 2,000 MW.

These projects are investment opportunities available for the private sector within the program of private sector participation in electricity production projects:



Power Generation Stations Available to Private Sector Investment ⁽¹⁾			
Station / Region	Start-up	M.W.	Fuel
Rabigh / Western	2014	-1,200	Heavy Fuel
Riyadh 11 / Central	2014	2,000	Natural Gas
Qarya / Eastern	2015	3,927	Heavy Crude Fuel
Rabigh (2)	2017	2,000	Heavy Fuel

(1) Saudi Electricity Company, Investment opportunities.



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

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 Assessment Department, and Development of Local Projects Section at the following email addresses:

- NBD-NBE@aramco.com
- NBD-LEDD@aramco.com

In addition to various government agencies, other large economic 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.

Riyadh Chamber of Commerce and Industry

The Investment Center established by the Riyadh Chamber as an independent center is seeking to achieve a number of key objectives. These include the enhancement 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.

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.

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.

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

Investment opportunities resulting from sectoral studies in Arriyadh relate to development projects which had put their cornerstone. Over 1,800 development projects have been initiated in Arriyadh in the areas of health, education, housing, roads, environment, water, sanitation, electricity, telecommunication, public services, and government and private development projects. 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, geographical location, population and agricultural potential.

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.

Public Transport Project in Arriyadh City

The Public Transport Project in Arriyadh City is one of the largest projects under implementation in the Kingdom. It will provide hundreds of investment opportunities for investors during establishment and after operation. It implies variety of activities in the industrial and service sectors as shown in the following table.

Economic Sectors, Job Opportunities and Investment in Public Transport Project

Sector	Opportunities
Buildings Construction	Construction of all types of residential and non-residential buildings (workshops, assembly factories, garages) including underground garages, warehouses, assembly points and installation of prefabricated buildings in the site.
Telecommunication	Operation, maintenance and facilitation of access of human voice, data, text, sound and image and internet to target facilities, using infrastructure of telecommunication and supplying phone and internet services to public facilities
Specialized Construction Activities	Demolition of buildings, removal of construction sites, land works, drilling, construction of tunnels, provision of electric supplies for buildings and other projects' facilities including cooling, air conditioning, solar panels, sanitation and elevators. Other coating works such as aluminum, plaster and other specialized construction activities.
Manufacturing of Prefabricated Metallic Products Except Machinery and Equipment	Manufacturing of tires and construction metal supplies (towers, masts, beams and bridges). Manufacturing of industrial metal tires and prefabricated buildings mainly made from metal, in addition to metal doors, windows, tanks and cisterns.
Storage and Transport Support Activities	Run stores and warehouses that store all types of land, air and marine commodities and passengers' cargo. Arrange transport operations by land, air or sea as well as all logistic services. Planning, design and support of transport, storage and distribution operations.
Land Transport Network	Passenger transport via metro and buses. Transport lines from the city to the airport or to terminals. Goods cargo via main railroads network. Special short railroads and self-run trucks rental
Basic Metals Manufacturing	Blast furnaces operation, steel converters, rolling machines, refinement and production of ferroalloys, iron pellets or powdered iron, steel molds, re-melting scrap of iron or steel, production of steel semi-finished products and steel wires in addition to many other works associated with these industries.
Plastic and Rubber Products Manufacturing	Manufacturing and remanufacturing of tires tapes, skips or interchangeable wicks. Manufacturing of steel and rubber tubes arms, final plastic products, construction plastic supplies and other plastic products.

Sector	Opportunities
Chemicals Manufacturing	Manufacturing of paints or varnish, enamel paints or lacquers, paints thinners, organic compounds solvents, soap, detergents and polishing products.
Services Provided to Buildings Construction and Indoor Places Coordination	Provision of support services within client's facility such as general interior cleaning, maintenance, waste disposal, security, safety, postal services, laundry and other related services within the facility.
Services Provided to Buildings Construction and Indoor Places Coordination	Indoor and outdoor cleaning for all types of buildings, sterilization and pesticide, streets sweeping, industrial cleaning, planting parks and gardens and provide maintenance services to maintain balanced environment view.
Civil Engineering	Construction of highways, streets internal pathways, cars and pedestrians tracks and bridges. Establishment of civil engineering constructions including transport lines of the city, sewage system and land division and improvement.
Machinery Manufacturing	Manufacturing of commercial machines such as large vehicles, trucks, tractors and semi-trailers. Manufacturing of motorized structures and other vehicle, concrete-mixer trucks, special containers spare parts and various accessories required for motor vehicles
Non-Metallic Products Manufacturing	Manufacturing of flat glass including armed glass, colourful and dyed, glass tiles, fibre glass and insulating glass. Manufacturing of clay, concrete, heat-resistant ceramic. Manufacturing of dried-mud paving stones, electrical insulators, ceramic products, ceramic insulation, burners and hydraulic cement including Portland cement, aluminium cement, acid phosphate cement, pre-casting cement as well as concrete and stone materials used in construction: bricks, stone tablets, plates, pipes and beams. Manufacturing of plant-based building materials (wool, straw, reeds). Manufacturing of ready-mix or dry concrete and mortar. Other works include cutting, shaping and smoothing stones used for roads roofing... etc
Leasing and Rental Activities	Renting or leasing machinery for operation purposes: passengers self-run vehicles, trucks, trailers, recreational vehicles and other ones used in industry as capital commodities leasing, flights, construction and civil engineering machinery. Renting of residences and containers to be used as offices.
Machinery and Equipment Maintenance and Instalment	Repair and maintenance of electric motors, power generators, single-use batteries and rechargeable batteries.
Chemicals Manufacturing	Paint and varnish industry, similar coating materials, anti-leak material, printing ink, printing paper and writing paper. Manufacturing of liquid and compressed inorganic industrial gases.
Electrical Equipment Manufacturing	Manufacturing of electrical distribution transformers, arc welding transformers, fluorescent ballasts, substations transformers for power distribution and voltage transmission devices and distributors. Manufacturing engines, generators, circuit breakers, control panels for power distribution, delivery tubes with switchgear panels and power switching equipment. Manufacturing door opening and closing devices, transportation lighting equipment, discharge lamps and fluorescent lamps, ultraviolet and infrared lamps. Insulated wires and cables, switchers, electric cables boxes, traffic and pedestrians lights.
Machinery and Equipment Manufacturing (not categorized)	Manufacturing of train engines, pistons and piston rings, carburetors for all internal combustion engines. Exit and entry valves in the exhaust of internal combustion engines. Hydraulic and pneumatic components, fluid power systems, and designed pumps that fit internal combustion engines. Carriers of cylinders and related parts, gears and gear boxes, speed change gear box, couplers, joints and similar materials made out of combination of materials or layers of the same material.
Other Transport Equipment	Manufacturing electric railway locomotives run by diesel, steam or others. Electric railways, buses and their special parts; pivotal parts, axes, wheels, brakes, brakes parts such as hooks, couplers. Shock absorbers, wagons and locomotive outer structures. Train seats, control equipment, electrical and electromechanical traffic signs and safety system of the railroads.
Repair and Installation of Machinery and Equipment	Repair and maintenance of other kinds of motors such as ships, and engines of railroads trains, lighting equipment, locomotives and trailers via mobile welding equipment, pumps and related parts, fluid power equipment, valves, gears, transducers, switchgear, electric relays and control devices.
Computer Programming, Consultancy Services and Related Services	Design computer code structure, content, electronic facilities management and activities and provision of consultancy via computer.
Waste Collection	Collection of solid non-hazardous waste and all recycable materials

The following table shows most important investment opportunities for resettlement of industries related to public transport project (bus and metro) in Arriyadh.

Investment Opportunities for Resettlement of Industries Related to Public Transport Project in Arriyadh	
Railways	Buses
Available Opportunities	
Railways Spare Parts Manufacturing	Manufacturing of High Cost Buses Components
Wheels	Vehicle Management Units
Production/Assembly Low Cost Vehicles	Anti-Lock Braking System
Brakes and Brake Blocks	Engine Management Systems
Bearings	Manufacturing of Low Cost Buses Components
Gears	Windscreens
Helical Springs, Leaf Springs and Paper Springs	Tires
Lower and Upper Axes and Parts of Suspension System	Batteries
Hoses and Pneumatic and Hydraulic Fittings	Body Panels
Automatic Gates Machinery	Interior Furnishing
Long-Term Aspirations	
Renovation/Manufacturing of Locomotives and Equipment	Complete Assembly of Parts in KSA
Planning and Designing Signal Equipment	Joint Venture with Company Produces Technical Components.

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 executive program of the regional plan in the transport sector worked on development and upgrading the biggest

Bases of Implementation of Roads for the coming Fiscal Year 2015-2016				
No	Item	Roads	Length	Condition
1	Ring Road	Second Circular Road in Arriyadh City- Phase 2 of Alkharj-Jeddah Highway	41km	
		Development and Implementation of Second East Ring Road Starting from Khrais Road in the South to Prince Salman Road.	27km	
2	Free Road	Prince Turki bin Abdulaziz the First Starts from Second Ring Road (Prince Salman Road) and link it with Aisha bint Abibaker Road	33.8km	Under Design
3	Free Road	Imam Saud bin Faisal Road (Thumamah) starting from King Khaled Road up to Second Ring Road (Sheikh Jaber Al Sobah)	23km	Under Design
4	Intersections	Salman Alfarsi (Alsahabah) with Dammam Road	Implementation of Structural Intersection	
5	Ring Road	Development of the Western Ring Road Starting from Khadejah bint Khweld Road to Jeddah Highway	4km	
6	Free Road	Hayir Road starting from South Ring Road up to Hayir Suburbs	23km	Under Design
7	Free Road	Imam Muslim Road starting from Derab Road to Broad Plan Area		
8	Intersections	Intersection of Hasan bin Thabet Intersection with Khrais Road		Traffic Management and Engineering
9	Free Road	Intersection of Madinah Road with East Ring Road (Exit 17)		Traffic Management and Engineering
10	Free Road	Makkah Road/Khrais Road from Takhasosi Street to Sheikh Jaber Road	19km	Traffic Management and Engineering (entrances and exits)

No	Item	Roads	Length	Condition
11	Free Road	King Fahad Road Starting From South Ring Road to Intersection with Prince Mohammed bin Abdulrahman Street (Alswedi) And from Washim Street to Cairo Field	6km	Traffic Management and Engineering (entrances and exits)
12	Intersections	Prince Salman Bin Abdulaziz Road with Othman Bin Affan Road	Implementation of Structural Intersection	Planned to be designed
13	Main Road	Prince Saud bin Mohammed bin Megren Road from King Khaled Road to Dammam Road	32km	Designed
14	Main Road	Imam Saud bin Abdulaziz bin Mohammad from Prince Turki the First Road to East Ring Road	10km	Planned to be designed Traffic Management and Engineering (entrances and exits)
15	Arterial Road	Taif Street from Shifa Street to Jeddah Highway	8km	Designed
16	Main Road	Prince Mohamed bin Saad bin Abdulaziz Road (Alkher) from North Ring Road to Prince Saud bin Abdullah bin Glwi Road	10km	Designed Traffic Management and Engineering
17	Main Road	Othman bin Affan Road from King Abdullah Road to North Ring Road	4km	Designed
18	Free Road	Omar bin Al Khattab Road from King Abdulaziz Road to East Ring Road Abi Obaidah bin Al Jarrah Road from East Ring Road to Second East Ring Road	15km	Designed
19	Intersections	Implmentation of a Bridge Linking Saeed bin Zaid Road with Princess Norah bin Abdulrahman University from the West		
20	Ring Road	Prince Salman bin Abdulaziz Road from King Khaled Road in the West to King Fahad Road in the East	6 km	
21	Intersections	Intersection of Omar bin Abdulaziz Road with East Ring Road (Exit 14)		
22	Intersections	Orejah Road with Prince Salman bin Abdulaziz Road	Traffic Management	Under Design
23	Intersections	King Abdulaziz Road with Makkah Road		Traffic Management and Engineering
24	Intersections	King Fahad Road with Washim Street		Traffic Management and Engineering
25	Intersections	Makkah Road with Prince Abdulaziz Musaed bin Jiluwi Road (Dabab)		Traffic Management and Engineering

part of the existing roads network through establishment of a number of main regional roads to connect parts of the area and other roads that connect centers' clusters.

Railway Projects

The Kingdom of Saudi Arabia offers a number of railway projects to link Arriyadh with east, west and north parts of the Kingdom and Gulf states. These projects are:

North-South Line:

This project is one of the key projects in the executive program to expand the railway network in the Kingdom, adopted by a resolution from the Supreme Economic Council No. 3/23 dated 4/6/2002. In 2005 the Council of Ministers approved the establishment of Saudi Railway Company (SAR).

The Company is entrusted with establishment of North-South railway project and related services, facilities, operation, management and supervision directly by the Company itself or by other third parties, in accordance with economic operation standards as well as safety and performance standards.

Other projects include railways establishment, management, operation, supervision, transfer of minerals, raw materials, fuel, goods and passengers.

Capital of the Company is SR one billion divided into SR one million equal shares, each share's nominal value is SR 10. The

general association might offer all or part of the Company's shares to public subscription.

The project achieves the following:

- Transfer of heavy metals consisting of phosphate from mines in Jalamid and bauxite in mines of Zubaira to treatment facilities in Ras Alker (Alzour previously).
- Public shipping through regular transportation services, and multi-purpose transportation services of goods, petroleum and chemical products.
- Rapid transport of passengers by trains (200km/hour) between Arriyadh and Haditha, serving stations at King Khaled International Airport, Sudair, Kassim, Hail, Jauf and Haditha.

The project consists of two main lines; the first starts in Arriyadh and extends to the west north to Haditha near the Jordanian borders. The second line starts at a point in the middle of the line extending between Arriyadh-Haditha to a point called Multaka Alzubaira in the north, passing by bauxite deposit area in Zubairah to the treatment and export facilities on the Arabian Gulf Coast.

Many branch lines of the project will be established.

A line extends from the main line that links Arriyadh to Haditha will be allocated to serve phosphate mines in Jalamid Region in the north west of the Kingdom.

A line will be allocated to serve Basita agricultural area in the north east part of the Kingdom.

A branch line extends from the main line linking Zubairah Region with Ras Alkher will be allocated to serve bauxite mines in Zubairah Region.

A branch line to serve Jubail Industrial City on the Arabian Gulf.

A railway of approximately 2,400 km will be established, side rail storage, plazas, maintenance points and six passengers stations (Arriyadh - Almajma'a - Qassim - Hail - Jauf - Haditha), six shipping stations, management facilities and 107 bridges.

The project will purchase locomotives, equipment, rolling stock and other maintenance and emergency equipment.

2- Railway Land Bridge Line

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 significant 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.

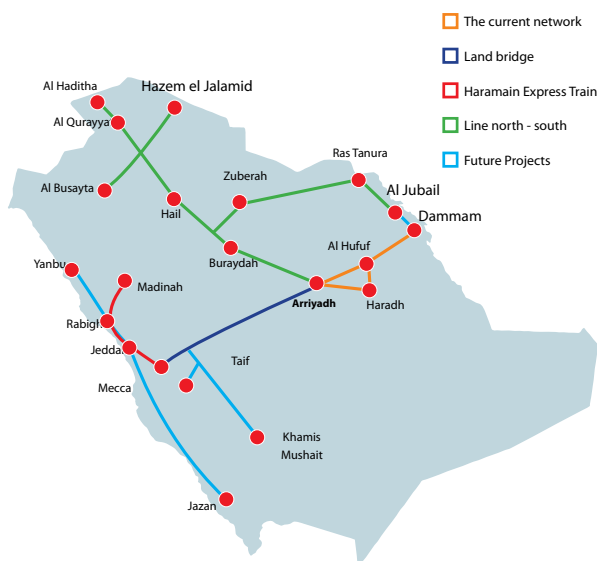
The number of containers handled on the Land Bridge is expected to reach 700,000 with a total of eight million tons of cargo carried to the markets of the Kingdom and neighboring countries. The Land Bridge project is expected to serve millions of passengers annually.

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 includes 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 operational safety in accordance with regulations of the Organization issued through Cabinet Resolution 1, in 2008.



3- GCC Railway Project

As part of the interest of the GCC in this project, world expertise specialized in conducting studies have been 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 have drawn 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 the late King Abdullah 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 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 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

Establishment of Passenger and Freight Stations in Arriyadh Region

Part of the Land Bridge and SAR railway projects is to establish passenger and freight stations including:

- King Khaled International Airport Station
- Freight Station in Sudair Industrial City
- Passenger Station in Majma'ah
- Passenger Station in Muzahemiah
- Passenger Station in Zulfi
- Passenger Station in Rwedah

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.
- Development of Sudair Industrial City at a cost of SR 539 million.

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
- Building Materials
- 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.
- Heavy industries associated with Public Transport Project in Arriyadh City.
- Vehicles spare parts
- Chemicals Industries
- Agricultural products such as fertilizers and pesticides
- Conversion and investment of ethylene
- Solar cells production project
- Therapeutic and medical diagnostic equipment
- Support services in the industrial cities such as residential complexes, office buildings, medical centers, hotels, integrated entertainment centers, banks, logistics projects and others.

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⁾:

- Establishment of Ras-Al-Kher station for water desalination (phase one) with a total cost of SR 9,072 million..
- Implement water network projects in Arriyadh at a cost of SR 285 million. These projects constitute 21% of all those in the Kingdom .
- Water treatment projects in Arriyadh at a cost of SR 54.2 million.
- Design and implementation of water extraction project from Wasia wells, water wells, purification plant, pumping stations, assembly and transit lines.

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 largest station of environmental treatment of sewage was established in Arriyadh and has been experimentally operated and entered into service. The total cost of this station is SR 400 million with a capacity of 400 thousand m³ per day, reaching 640 thousand m³ at peak time. The first phase of transit lines was completed with a length of 25 km. The cost of the second phase will amount SR 700 million with a total length of 38 km.

Many sewage projects are offered for implementation in the tenth phase including:

Implementation of sewage connections inside Arriyadh.

Replacement of old connections.

Expansion and development of sewage plants.

These projects are investment opportunities available for the private sector to play a leading role in the development process.



(1) Ministry of Water and Electricity, 2013/2014 Annual Report.

Electricity Sector

The electricity sector in Arriyadh offers investment 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.

Other opportunities include production of simple, mixed and steam turbines; in addition to other engineering, consulting, contracts, electrical and mechanical works, supply of gas turbine materials, boilers for power plants, transformers, distribution management, gas generators and air pumps.

Education Sector

The education sector in Arriyadh Region offers for investment 795 approved educational projects for boys and girls in various stages of education at a total cost of SR 32,897 million.

Arriyadh City has witnessed remarkable development in the education sector in terms of government and private schools and the number of colleges. Arriyadh accommodates a number of government and private universities, institutions and colleges offering various majors at the highest level of competence and equipment.

Most important of these projects:

- Establishment of a building of Engineering Faculty and Deanship (preparatory year) at Imam Mohammad ibn Saud University at a total cost of SR 380 million.
- Establishment of Dentistry College in King Saud bin Abdulaziz University for Health Sciences at a total cost of SR 271 million.
- Establishment of Vital Technology Research Center in King Saud bin Abdulaziz University for Health Sciences at a total cost of SR 271 million.

The following table shows key educational parties and projects in Arriyadh Region, 2015.

Educational Projects in Arriyadh ⁽²⁾		
Party	Number of Projects	Total Cost
Ministry of Higher Education	10	312,134,403
Ministry of Education	493	5,132,930,440
Princess Nora bint Abdulrahman University	11	253,370,562
King Saud University	33	6,439,100,151
Imam Mohammad ibn Saud University	25	6,179,127,789
King Abdulaziz City for Science and Technology	12	943,540,311
Institute of Public Administration	2	406,000,000

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 279 health projects that will be implemented in Arriyadh Region is over SR 301,106 million. They include:

- Private Medical City of the Ministry of Interior in Arriyadh City at a total cost of SR 10,368.
- Establishment and equipping of obstetric and gynecology hospital in King Abdulaziz Medical City at a total cost of SR 1,201 million.
- Cancer Center, National Institute of Neuroscience, Cardiology Clinic and Administration building in King Fahad Medical City at a total cost of SR 1,180 million.
- Establishment of the third tower in King Saud Medical City (500 beds) at a total cost SR 587 million.
- Establishment of a hospital in north of Arriyadh (300 beds) at total cost of SR 210 million.
- The following table shows health parties in Arriyadh Region in 2015.

Health Projects in Arriyadh ⁽³⁾		
Project	Projects	Cost
Health Affairs in the Ministry of National Security	48	3,366,540,732
Saudi Red Crescent Authority	2	172,560,170
Ministry of Health	222	12,539,257,501
King Fahad Medical City	9	2,093,078,000

Telecommunications Sector

The telecommunications projects in Arriyadh include headquarters building for the Communication and Information Technology Commission, the establishment of the e-Government center, and the project of new post services.

The following table shows most important telecommunication projects.

Telecommunication Projects in Arriyadh ⁽⁴⁾		
Party	No. of Projects	Cost
Saudi Telecom Company	15	1,342,105,448
Zain Company	2	232,192,159
Bayanat Company	15	120,908,720
Mobily Company	7	34,755,000

(1) Ibid.

(2) The High Commission for Development of Arriyadh City- Projects Follow up Program- 8th Report, Report, 2015.

(3) Ibid

(4) Ibid

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:

- The housing project of SABIC employees (Tilal Al Waseel) for a total cost of SR 2,094 million.
- Integrated Housing Complex, IT and Telecommunication Project at a total cost of SR 2,031 million.
- Conferences Center with a total cost of SR 967 million.
- Kharj Housing Project with a cost of SR 505 million.
- The project of King Abdullah International Gardens at a cost of SR 369 million.
- There are 1,944 housing sector projects with a total cost of SR 42,406 million.

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⁽¹⁾.

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, 35 licenses for travel agencies (13 main offices and 22 branch offices) in addition to establishment of five-star hotel for the Public Pension Company with a cost of SR 330 million, the completion rate is 7% . All of these licenses will be translated into investment projects in the tourism sector in Arriyadh.

Other investment opportunities include development of Thumamah suburb, establishment of a world natural museum, botanical garden, audio and lighting shows, Safari chalets, a world horse center and show rings, establishments of 123 wilderness camps supported by sport courts and activities. In addition to 243 family camps and 130 youth camps.

Many attractive tourism resorts will be established in Wadi Hanifa and lakes on an area of five million square meters with related service projects.



Insurance Sector

Although there are about 35 insurance companies listed in the stock market, the size of the Saudi economy, its dynamic development and abundance of development projects still provide more opportunities for insurance facilities with up-to-date technologies that align with the requirements of the Saudi market.

Media

Saudi Arabia lacks advanced media and this fact presents opportunities in the creation of more activities, and establishment of modern media facilities in print and broadcast media, whether traditional or based on information technology and telecommunications to meet the sophisticated requirements of the Saudi community and economy.

Military Sector

The Ministry of Defence announced its support to domestic manufacturing of spare parts in order to meet the requirements of the Saudi armed forces, prevent the monopoly of foreign weapons and save time.

The Ministry of Defence has more than two million categories of consumed parts that are subject to quality and value standards.

A large proportion of these parts might be subject to recycling operation and the breaking of secrecy barriers. The Ministry contacted with more than 924 plants and rehabilitated 526 of them to meet needs of the Ministry.

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

(1) Ibid.



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 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 Tenth 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, Arriyadh 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

The majority of Arriyadh households require periodic maintenance services in areas of electricity, air-conditioning, water supply and sanitary connections etc. Such services are mostly provided by individually-owned establishments, which provide only one type of maintenance often of poor quality by unqualified staff. Arriyadh provides significant investment opportunities where professional 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, with collection from and delivery 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 continues to provide 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 facilities 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 services, such as car washing and oil change, and other related services 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.

Statistical Tables and Key Addresses





Statistical Tables and Key Addresses

Statistical Tables

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Table (1)
Arriyadh City Population 2014/15 ⁽¹⁾

Type	Number	(%)
Saudis	3,559,248	57.9
Non-Saudis	2,592,932	42.1
Total	6,152,180	100.0
% in the Kingdom	31,521,418	
Total to the Kingdom %	19.50%	

Table (2)
Labour Force in Arriyadh Region 2014/2015 ⁽²⁾

Labour Force	% to Total	Employed	% to Labour Force	Unemployed	% to Labour Force
7.1	228,248	92.9	2,964,114	27.2	3,192,362

(1) Ministry of Economy and Planning, CDSI, Population Estimates 2010-2025.

(2) CDSI, (as mentioned in labour force search 2014/15).

Table (3)
Distribution of Labour Force Working in the Private Sector in Arriyadh Region
by Gender and Nationality 2013/2014 ⁽¹⁾

Nationality	Gender		Total	%
	Males	Females		
Saudi	378,568	160,065	538,633	15.8
Non-Saudi	2,808,633	67,059	2,875,692	84.2
Total	3,187,201	227,124	3,414,325	100
Total in the Kingdom	9,119,809	559,923	9,679,732	

Table (4)
Achievements of the Social Security in Arriyadh Region 2011/2012 ⁽²⁾

Item	Spent Sums	% to the Total	Number of Beneficiaries	% to the Total
Arriyadh	294,227,790	3.30%	131,106	16.40%
Total in the Kingdom	8,790,298,368	100	798,858	100

Table (5)
General Education Indicators for the School Year 2014/2015 in Arriyadh Region ⁽³⁾

Item	Males	Females	Total/Arriyadh	Total/Kingdom
No. of Students	544,264	584,557	1,128,821	5,441,480
No. of Schools	1,960	2,646	4,606	35,397
No. of Teachers	44,618	61,461	106,079	531,553

Table (6)
Existing Commercial Companies in Arriyadh Region 2013/2014 ⁽⁴⁾

Number	%	Accumulated Total	
		Number	%
49,378	26.8	404,336	29.5

(1) Ministry of Labor, 2013/14.
 (2) Ministry of Social Affairs, 2011/12

(3) Ministry of Education, Annual Statistics 2014/15.
 (4) Ministry of Commerce and Industry (as mentioned in the 49th, 2014, CDS.

Table (7)
National and Joint Productive Plants in Arriyadh Region to End of First Quarter of 2015 ⁽¹⁾

Industrial Activity	Number	Funding (million Riyals)	Labour Force
Foodstuff	251	21,727	57,965
Beverages	59	3,446	17,727
Textiles	38	1,824	8,838
Clothing	52	814.7	8,034
Leather Products	18	159.1	1,478
Wood Products except Furniture	32	148.6	1,420
Paper Products	94	4,225	12,171
Printing and Publishing	36	1,276	3,707
Coke Charcoal Manufacturing and Refined Petroleum Products	65	964	4,130
Chemicals and Related Products	272	5,014	17,620
Basic Pharmaceutical Products	19	1,221	3,888
Plastic and Elastic Products	368	8,138	35,097
Non-Metallic Products	509	30,084	71,278
Basic Industries of Metals	91	5,459	10,935
Constructive Metallic Products	453	7,183	38,525
Computers, Electronics and Visuals	33	813.5	4,174
Electrical Equipment	108	9,475	21,423
Categorized Appliances	84	2,360	10,120
Vehicles and Trailers	79	1,140	7,270
Transport Machinery	3	71	453
Furniture	205	1,941	17,385
Other Manufacturing Industries	39	8,889	6,671
Fixing and Maintenance of Machinery and Equipment	3	655.5	3,501
Total	2,911	117,026	363,810

(1) Ministry of Commerce and Industry, Statistical Indicators: www.mci.gov.sa

Table (8)
National and Joint Productive Plants in Arriyadh Region to End of First Quarter of 2015 ⁽¹⁾

Industrial Activity	Number	Funding (million Riyals)	Labour Force
Foodstuff	36	588.7	2,323
Beverages	11	119.7	772
Textiles	6	18.3	270
Clothing	12	34	670
Wood Products except Furniture	4	5.3	162
Paper Products	9	462.1	478
Coke Charcoal Manufacturing and Refined Petroleum Products	12	253.1	911
Chemicals and Related Products	30	261.5	921
Basic Pharmaceutical Products	4	857.6	455
Plastic and Elastic Products	73	367.2	2,612
Non-Metallic Products	110	2,837.70	8,699
Basic Industries of Metals	10	981.1	1,479
Constructive Metallic Products	93	512.9	3,830
Electrical Equipment	13	181.2	765
Categorized Appliances	3	13	130
Vehicles and Trailers	11	428.8	894
Transport Machinery	1	1.1	20
Furniture	68	256.9	2,665
Other Manufacturing Industries	2	15.7	109
Total	508	8.196	28.165

Table (9)
Entities Subscribed in the Social Insurance System in Arriyadh Region up to end of 2014 ⁽²⁾

Item	Government		Private		Total	
	No.	(%)	No.	(%)	No.	(%)
No. of Entities	414	0.5	90,731	99.5	91,145	100
No. of Subscribers	316,474	3.3	9,372,344	96.7	9,688,818	100

(1) Ministry of Commerce and Industry, Statistical Indicators: www.mci.gov.sa

(2) General Organization of Social Insurance, Statistical Report, 2014.

Table (10)
Cost of Living Indicators for all Cities Including Arriyadh 2013/14 to end of 2014/15 ⁽¹⁾
 (100 = 1999)

Item	2013/14	2014/15
General Index	126.7	130.1
Food and Beverages	140.5	145.1
Tobacco Products	153.1	162.3
Textiles, Clothes and Shoes	104.8	105.5
Housing, Water, Electricity and Fuel	153.8	159.1
Appliances and Maintenance	122.6	128.2
Medical Care	109.0	112.6
Transport	111.0	110.4
Communications	93.8	93.7
Education and Recreation	106.3	114.0
Education	112.6	115.9
Hotels and Restaurants	126.8	129.6
Commodities and Other Services	117.6	120.1

Table (11)
Branches of Commercial Banks in Arriyadh Region ⁽²⁾

Period	Number	Total of the Kingdom	% to the Kingdom
2011	481	1,591	30.2
2011/12	493	1,646	30.0
2012/13	506	1,696	29.8
2013/14	535	1,768	30.3
2014/15	586	1,912	30.6

Table (12)
Licences of Shops Issued in Arriyadh Region during 2014 ⁽³⁾

Type of Activity	Food Supplies	Central Markets	Commercial Institutions	Industrial Workshops	Furniture and Fixtures	Maintenance and Machinery	Vehicle Maintenance	Sanitary Materials	Fuel and Services	Personal Services	Others	Total
New	4,391	134	8,950	506	756	2,217	1,290	1,074	2,698	3,228	5,028	30,272
Renew	17,885	415	13,536	1,002	2,696	7,372	2,941	3,300	9,171	12,456	15,219	85,993
Total	22,276	549	22,486	1,508	3,452	9,589	4,231	4,374	11,869	15,684	20,247	116,265
Total of the Kingdom	69,031	1,399	64,250	8,830	9,871	16,561	17,956	9,204	21,275	48,731	53,769	320,877
Total to Kingdom	32.3	39.2	35	17.1	35	57.9	23.6	47.5	55.8	32.2	37.7	36.2

(1) CDSI, Cost of Living, 2015.

(2) SAMA, Annual Report (51), 2015.

(3) Ministry of Municipal and Rural Affairs, 2014 Statistics.

Table (13)
Building Licences Issued in Arriyadh Region during 2014 ⁽¹⁾

Building Usage	No of Licences	Land Area m ²	Building Area m ²	Number of Stores	Store Space m ²	Wall Height m
Residential and Commercial	25,370	109,887,455	8,270,788	73,570	21,175,491	1,974,962
Industrial / Commercial	3,154	21,883,053	3,045,334	4,878	4,917,563	181,976
Education, Health and Mosques	513	5,718,647	587,195	1,246	1,280,909	77,294
Social and Governmental	99	1,834,259	105,731	187	278,630	28,291
Total	29,136	139,323,414	12,009,048	79,881	27,652,593	2,262,523
Total of the Kingdom	113,519	319,586,912	47,549,106	308,763	118,669,661	8,794,881
Total to Kingdom	25.7	43.6	25.3	25.9	23.3	25.7

Table (14)
Lengths of Existing, Under Construction and Proposed Roads in Arriyadh Region 2014⁽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	5,001	39,508	13	16,840	94,990	18	258,029	1,500,951	17
Roads Under Construction	1,398	7,550	19	7,746	22,957	34	56,283	172,267	33
Proposed Roads	1,769	13,131	13	4,673	25,731	18	85,753	406,215	21

Table (15)
Medical Service Providers in Arriyadh Region, To end of 2013 ⁽³⁾

Item	No	%	Total in the Kingdom
Hospitals	32	23.5	136
Medical Centers	775	34.5	2,249
Pharmacies	2,039	28.4	7,180
Optical Store	756	37.3	2,029
Laboratories	32	32	100
Physiotherapy Centers	30	33	91
Dental Laboratories	21	29.6	71
Special Clinics	50	26	192
Total	3,735	31	12,048

Table (16)
Communications Services Development in Arriyadh Region 2013/14 ⁽⁴⁾

	Telephone Land Lines	Broadband Subscribers	Mobile Broadband Subscribers	Internet Users	Mobile Telephone Lines
Arriyadh	1,414,374	953,786	0	4,238,375	0
Kingdom	4,718,200	2,919,000	14,268,000	16,519,999	50,887,000
%	30	32.7		25.7	

(1) Ibid.

(2) Ibid.

(3) Ministry of Health, 2013 Statistics.

(4) CDSI, Statistical Book (49), 2014.

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 Education (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
20	Ministry of Social Affairs	4778888	4789175	Arriyadh 11157
21	Ministry of Housing	2894100	4070050	PO Box 68222 Arriyadh 11527
22	Secretariat General of the National Plan for Information Technology Project	4625004	4625003	PO Box 5964 Arriyadh 11432
23	Saudi Commission for Tourism & National Heritage (SCTH)	4808850	4808844	PO Box 1267 Arriyadh 11431
24	The High Commission for the Development of Arriyadh	4883331	4829331	PO Box 94501 Arriyadh 11614

S/N	Address	Telephone	Fax	Mailing Address
25	Saudi Arabian General Investment Authority (SAGIA)	4484533	4481234	PO Box 3437 Arriyadh 11471
26	Saudi Arabian Standards Organization (SASO)	4520000	4520086	PO Box 8218 Arriyadh 11482
27	Royal Commission for Jubail & Yanbu	4794445	4793275	PO Box 84214 Arriyadh 11671
28	National Anti-Corruption Commission	2644444	2645555	PO Box 7667 Arriyadh 13311
29	Riyadh Competitiveness Center (RCC)	4053200	4065196	PO Box 16683 Arriyadh 11474
30	Saudi Industrial Property Authority	2831331	4775235	PO Box 84214 Arriyadh 11671
31	Communications & Information Technology Commission (CITC)	4618000	4618002	PO Box 75606 Arriyadh 11588
32	Saudi Food and Drug Authority	2038222	2751164	PO Box 6288 Arriyadh 13312
33	Capital Market Authority (CMA)	2797777	2797770	PO Box 25022 Arriyadh 11311
34	Alriyadh Municipality	4112222	4118686	Arriyadh 11146
35	General Organization for Social Insurance (GOSI)	4777735	Ext. 1200	PO Box 878 Arriyadh 11421
36	Saudi Arabian Monetary Agency (SAMA)	4662200	1662439	PO Box 2992 Arriyadh 11169
37	Public Pension Agency	4025100	4053645	PO Box 18364 Arriyadh 11168
38	Grain Silos & Flour Mills Organization	4643500	4631943	PO Box 3402 Arriyadh 11471
39	Saudi Government Railroad Organization (SGRRO)	4480811	4489400	PO Box 40471 Arriyadh 11499
40	Saudi Ports Authority	4050005	4082739	PO Box 5162 Arriyadh 11188
41	General Organization for Technical Education and Vocational Training (GOTEVOT)	4052770	4065876	PO Box 7823 Arriyadh 11472
42	Saline Water Conversion Corporation (SWCC)	4631111	4641630	PO Box 5968 Arriyadh 11422
43	Saudi Exports Promotion Center	4053200	4065196	PO Box 16683 Arriyadh 11474
44	King Abdulaziz City for Science & Technology (KACST)	4883555	4883756	PO Box 6086 Arriyadh 11442
45	Saudi Customs	4013334	4043412	PO Box 3483 Arriyadh 11197
46	Central Department of Statistics & Information (CDSI)	4014138	4059493	PO Box 3735 Arriyadh 11481
47	The Saudi Arabian Board of Grievances	4021724	4034296	PO Box 1138 Arriyadh 11138
48	Saudi Arabian Airlines	4500000	4569383	PO Box 2836 Arriyadh 11461
49	Saudi Fund for Development	4640292	4627450	PO Box 1887 Arriyadh 11149

S/N	Address	Telephone	Fax	Mailing Address
50	Saudi Industrial Development Fund (SIDF)	4774002	4775138	PO Box 4143 Arriyadh 11149
51	Real Estate Development Fund	4792222	4786232	PO Box 67778 Arriyadh 11517
52	Human Resources Development Fund	2790804	2790803	PO Box 67778 Arriyadh 11517
53	The Centennial Fund	2253100	4191512	PO Box 231265 Arriyadh 11321
54	Agricultural Development Fund	2118888	2198013	Arriyadh 11126
55	Saudi Credit Bank	4797200	4797204	PO Box 1138 Arriyadh 11138
56	Saudi Press Agency (SPA)	4193333	4193492	PO Box 7186
57	King Saud University	4670000	4678126	PO Box 2454 Arriyadh 11451
58	Imam Mohammed bin Saud Islamic University	2580000	2580707	PO Box 571 Arriyadh 11432
59	Naif Arab University for Security Sciences (NAUSS)	2463444	2464713	PO Box 6830 Arriyadh 11452
60	Princess Nora Bint Abdul Rahman University	2297290	2297291	PO Box 84428 Arriyadh 11671
61	Prince Sultan Private University	4548489	4548317	PO Box 66833 Arriyadh 11586
62	Al Faisal University	920000570	2157826	PO Box 50927 Arriyadh 11533
63	Al Yamamah Private University	2242222	2242222	PO Box 45180 Arriyadh : 11512
64	Dar Al Uloom University	4949000	4949490	PO Box 3535 Arriyadh 13314
65	Arab Open University (Riyadh Branch)	2742277	2742696	PO Box 8490 Arriyadh 11681
66	Institute of Public Administration (IPA)	4768888	4768878	PO Box 205 Arriyadh 11141
67	General Presidency for Youth Welfare	4018888	4010376	PO Box 956 Arriyadh 11185
68	General Audit Bureau	4056770	4032057	PO Box 7185 Arriyadh 11128
69	Saudi Arabian Red Crescent	4740027	4740430	Arriyadh 11129
70	General Presidency for Environment Protection and Meteorology	2211584	2211581	PO Box 1158 Jeddah 21431
71	Saudi Arabian Basic Industries (SABIC)	2258000	4013831	PO Box 5101 Arriyadh 11422
72	The National Shipping Company of Saudi Arabia (Bahri)	4785454	4777478	PO Box 8931 Arriyadh 11492
73	Saudi Arabian Mining Company (Ma'aden)	4740857	4721333	PO Box 68861 Arriyadh 11537
74	Saudi Telecom Company	4527000	4525229	PO Box 87912 Arriyadh 11652

S/N	Address	Telephone	Fax	Mailing Address
75	Etihad Etisalat Company	2735050	0560412070	PO Box 9979 Arriyadh 11423
76	Zain Telecommunications	2444444	0590005959	PO Box 295814 Arriyadh 11351
77	Saudi Aramco	4410200	8738190/03	PO Box 5000 Dhahran 31311
78	National Company for Cooperative Insurance	2180100	2180102	PO Box 86959 Arriyadh 11632
79	Council of Saudi Chambers of Commerce & Industry	4053200	4024747	PO Box 1183 Arriyadh 11474
80	Riyadh Chamber of Commerce & Industry	4040044	4020110	PO Box 596 Arriyadh 11421
81	National Commercial Bank	6493333/02 Jeddah 4787877 Arriyadh	6612348/02	PO Box 3555 Jeddah 21481
82	Al-Jazira Bank	6158070/02	6533278/02	PO Box 6277 Jeddah 21442
83	Arab National Bank	4023503 4029000	4027747	PO Box 56921 Arriyadh 11564
84	Al-Bilad Bank	4798888	2916069	PO Box 140 Arriyadh 11411
85	Riyadh Bank	4013030	404207	PO Box 22622 Arriyadh 11416
86	Saudi Investment Bank	4778433	4776781	PO Box 3533 Arriyadh 11481
87	SAMBA Financial Group	4774770	Ext. 1200	PO Box 833 Arriyadh 11421
88	SABB	4050677	Ext. 4632	PO Box 9084 Arriyadh 11413
89	Banque Saudi Fransi	4042222	4042311	PO Box 56006 Arriyadh 11554
90	Saudi Hollandi Bank	4010288	4067888 Ext. 656	PO Box 1467 Arriyadh 11431
91	Al Rajhi Bank	4601000	4776781	PO Box 28 Arriyadh 11481
92	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 Education (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
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
The Northern Borders Province	www.northernborder.gov.sa (under construction)
Government Organizations	
The High Commission for the Development of Arriyadh	www.ada.gov.sa
Saudi Commission for Tourism & National Heritage	www.scta.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
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
Saudi Wildlife Authority	www.swa.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

Name of Organization	Web Address
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.rt.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 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
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 Bank Branches	
Gulf International Bank (GIB)	http://www.gib.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-not yet operating)	http://www.icbc.com.cn

This Report Was Prepared By

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