



Saudi Market Overview

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Saudi Arabia overview



- Saudi Arabia is ranked 5th in the world for “fiscal freedom” and it’s the 3rd most rewarding tax system in the world
- One of the world’s 20 largest economies and the largest economy in the MENA region
- One of the world’s fastest growing countries: economic growth is 6.8%.
- It’s the world’s fastest reforming business climate
- Represents 25% of total Arab GDP
- It has 25% of world's oil reserves
- 22nd out of 185 countries for the overall ease of doing business globally.
- 1st for ease of registering property and it’s the largest recipient of Foreign Direct Investment in the Arab world

Good ranking in business environment among MENA countries 2013/2014

country	Ranking Among MENA Countries	Ranking Among World Countries
Bahrain	1	16
Saudi Arabia	2	17
Emirates	3	22
Kuwait	4	29
Tunisia	5	32
Turkey	6	34
Jordan	7	40
Morocco	8	43
Egypt	9	48

Source : Global Competitiveness Report for 2013-2014

Good Ranking in the global competitiveness 2013/2014

Indicator	Ranking Among Arabic Countries	Ranking Among World Countries
Ease of doing businesses	1	22
Infrastructure	4	31
Macroeconomic environment	2	4
Property rights	5	27
Higher education and training	3	48
Financial market development	3	27
Technological readiness	3	41
Business sophistication	3	28

Source : Global Competitiveness Report for 2013-2014

Why Saudi Arabia?



- **Economic incentives**
- **Regulation incentives**
- **Financial incentives**

Economic incentives



- High purchasing power and continuous expansion.
- One of the fastest-growing countries worldwide, with **per capita income** forecast to rise from \$25,000 in 2012 to \$33,500 by 2020.
- The Saudi Riyal is one of the world's most stable currencies, with no critical changes in its exchange rates during the last three decades.
- Saudi Arabia permits transferring of capital and profit abroad.
- **Low inflation** rates and
- Mutual agreements with a number of countries in regards of promoting and protecting investment as well as preventing **double taxation**.

Regulation incentives

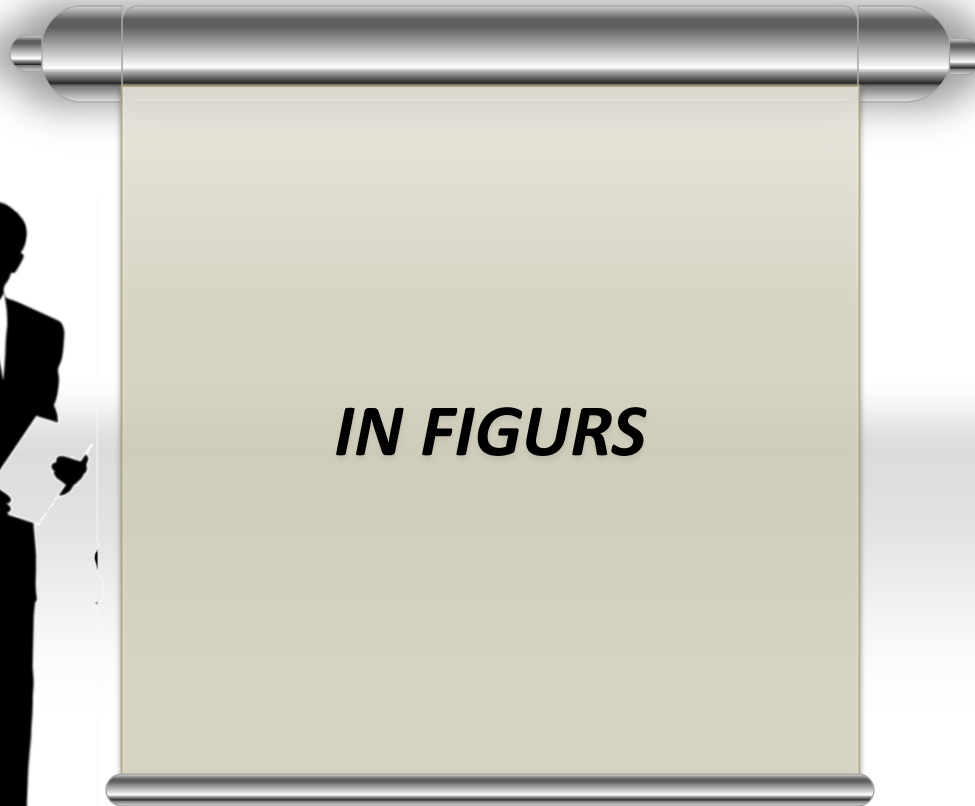


- The establishment of **SAGIA**;
 - issuing investment licenses to foreign investors
 - coordinating with other related governmental bodies for the approval.
- Minimum Capital to establish Limited Liability Companies .
- Permissions of transferring capital and profit abroad.
- Flexibility of transferring/allocation of companies shares between shareholders according to regulations.
- The licensed company is sponsoring the investor and its employees (non-Saudis).
- The availability and eligibility to apply for loans from the Saudi Industrial Development Fund.

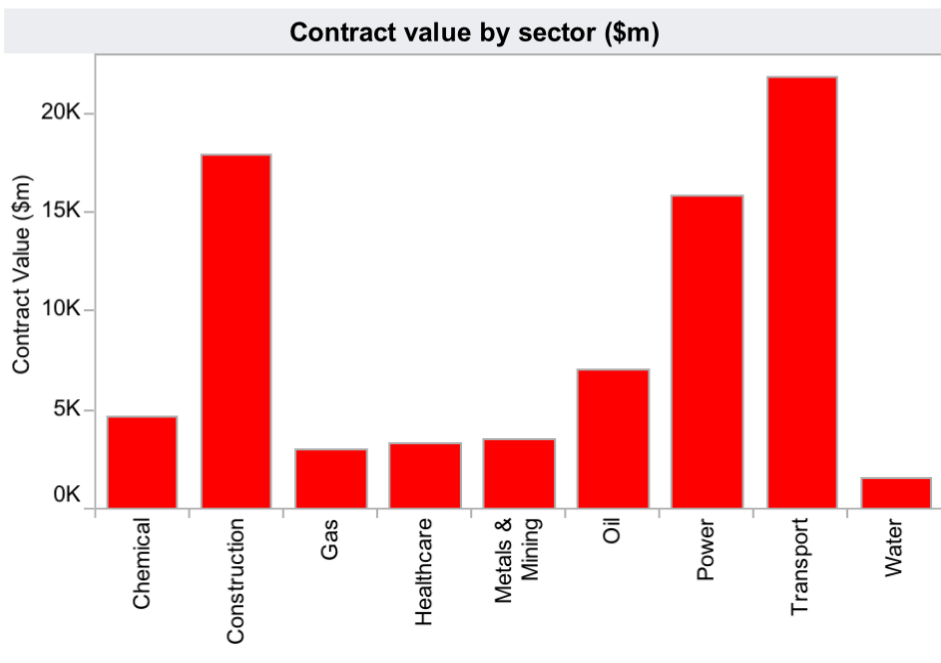
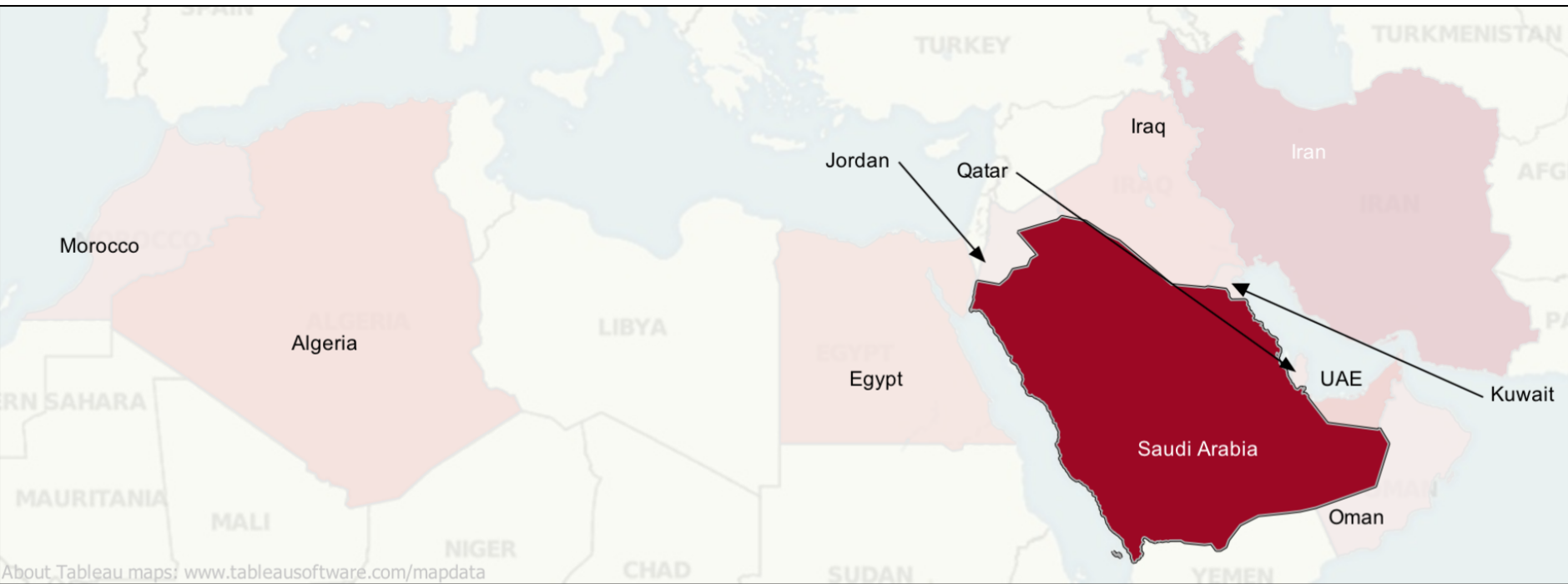
Financial incentives



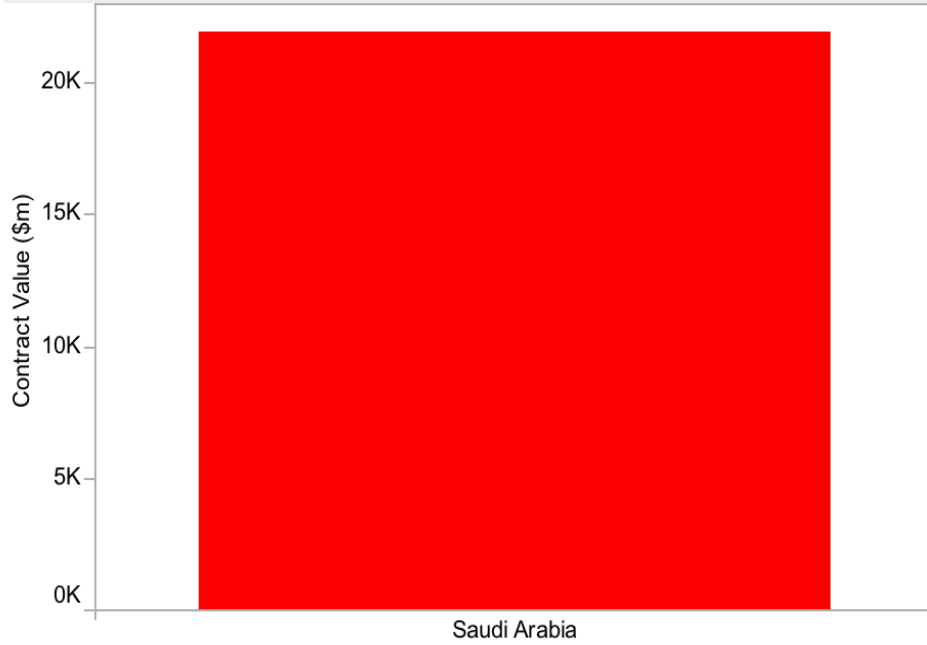
- Benefit from corporative/collateral and massive agreements regarding taxation and investment with other countries.
- No personal income taxes.
- Taxes are 20% from total profits on companies.
- Competitive industrial utility rates for water, power and land
- Foreign investors have access to generous regional and international financial programs and incubators, including:
 - Saudi Industrial Development Fund(SIDF)
 - Arab Fund for Economic and Social Development (AFESD)
 - Islamic Development Bank and others



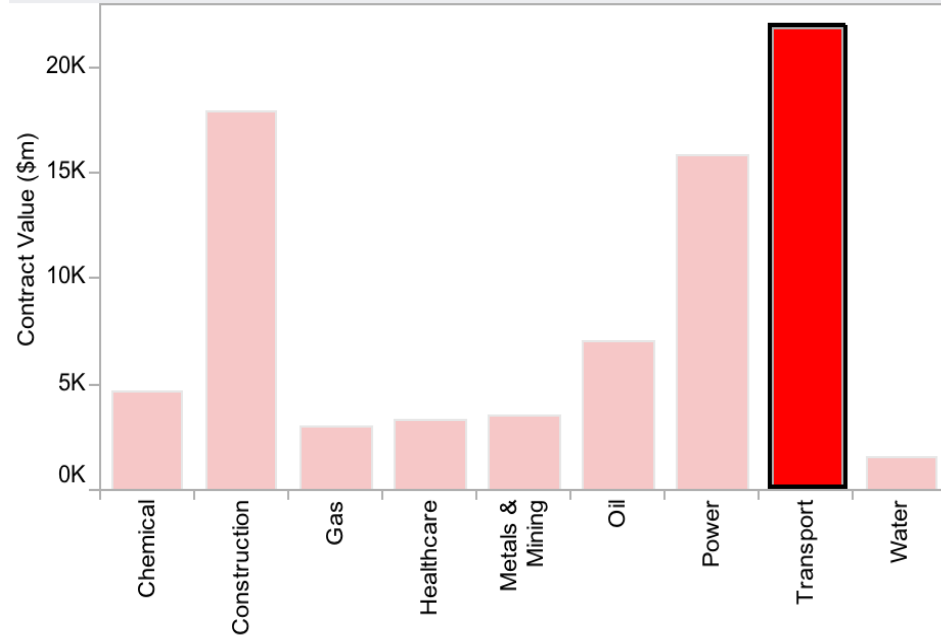
IN FIGURS



Value by country (\$m)

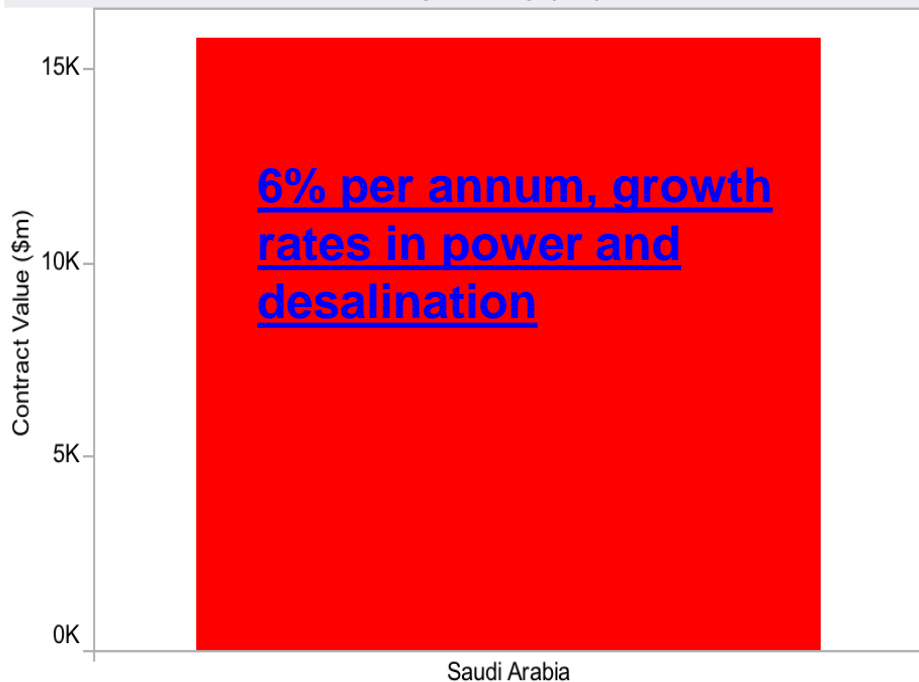


Contract value by sector (\$m)

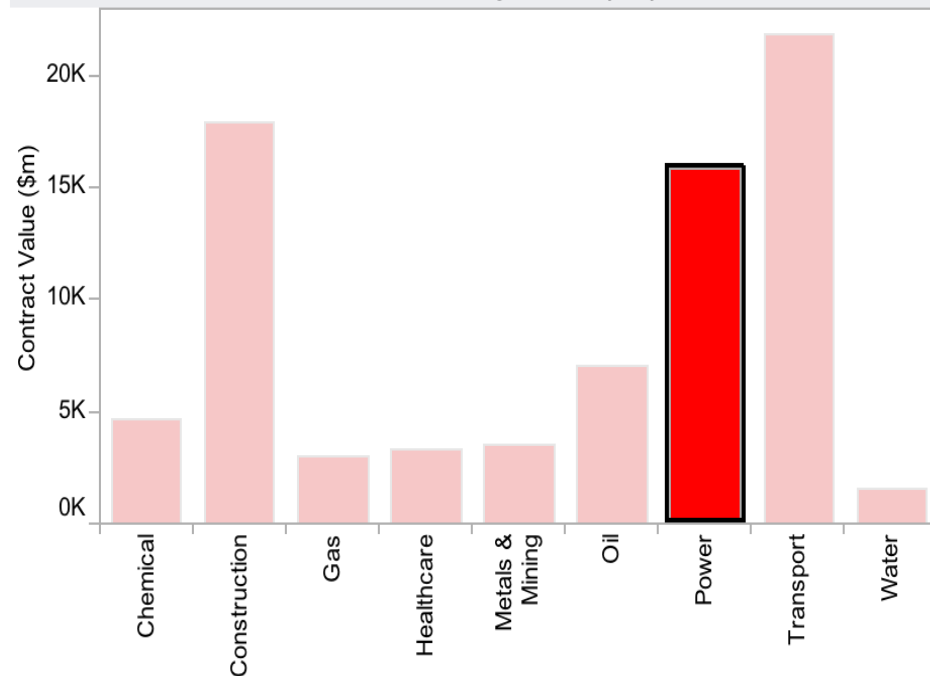


Rank Q1	Project	Project Owner	Sector	Country	Contract Value (\$m)
3	Haramain High-Speed Rail Network (HHR): Phase 2	Saudi Railways Organisation	Transport	Saudi Arabia	7,733
10	King Abdulaziz International Airport: Phase 1: Revamp of New Terminal: Package 1	Saudi Arabia General Authority for Civil Aviation	Transport	Saudi Arabia	4,034
22	King Abdulaziz International Airport: Phase 1: Revamp of New Terminal: Package 2	Saudi Arabia General Authority for Civil Aviation	Transport	Saudi Arabia	3,194
54	Haramain High-Speed Rail Network: Phase 1: Package 2	Saudi Railways Organisation	Transport	Saudi Arabia	2,149
77	Haramain High-Speed Rail Network: Phase 1: Package 1	Saudi Railways Organisation	Transport	Saudi Arabia	1,786
89	Madinah Knowledge Economic City: Infrastructure Works	Madinah Knowledge Economic City	Transport	Saudi Arabia	1,500
	Prince Mohammed Bin Abdulaziz Airport Expansion	Saudi Arabia General Authority for Civil Aviation	Transport	Saudi Arabia	1,500

Value by country (\$m)

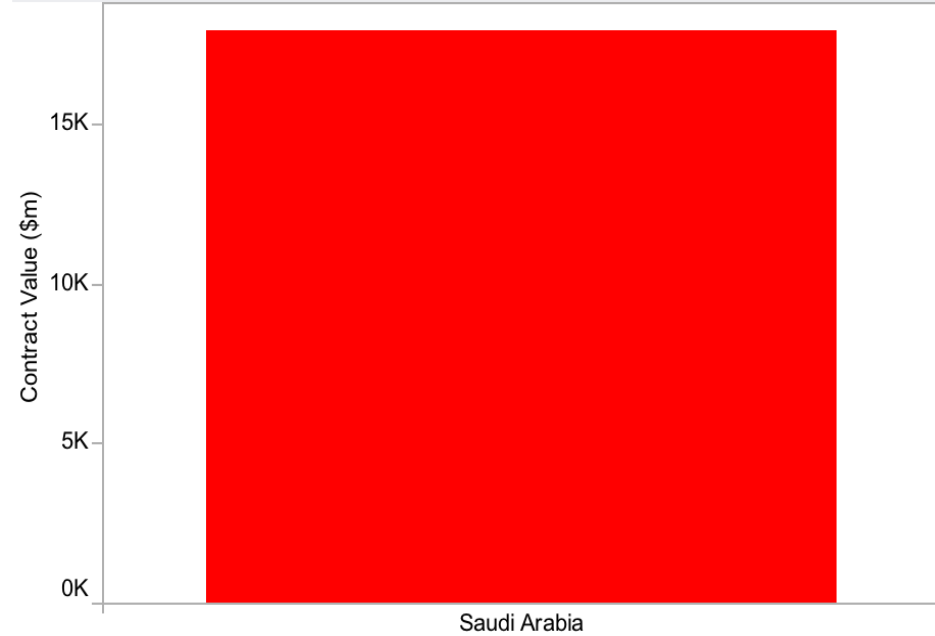


Contract value by sector (\$m)

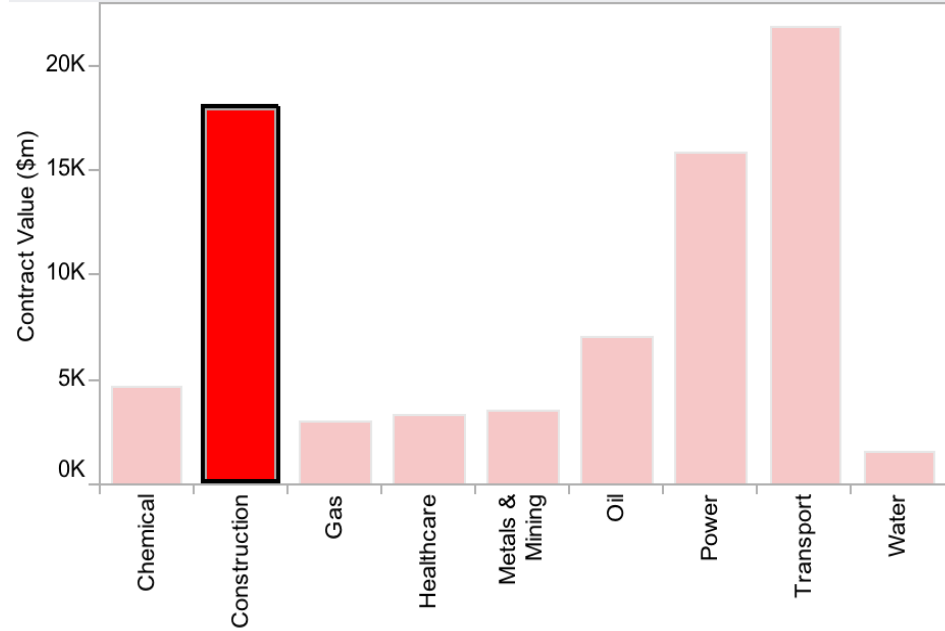


Rank Q1	Project	Project Owner	Sector	Country	Contract Value (\$m)
18	Rabigh Power Plant Extension: Phase 6	Saudi Electricity Company	Power	Saudi Arabia	3,400
23	Jeddah South Thermal Power Plant	Saudi Electricity Company	Power	Saudi Arabia	3,120
32	Qurayyah IPP 1 & 2	Hajr Electricity Production Company	Power	Saudi Arabia	2,850
38	Rabigh 2 IPP	Saudi Electricity Company	Power	Saudi Arabia	2,500
47	Ras Al-Khair Power Plant	Saline Water Conversion Corporation / Maaden JV	Power	Saudi Arabia	2,420
89	Yanbu Power Plant: Phase 3	Saline Water Conversion Corporation / Marafiq JV	Power	Saudi Arabia	1,500

Value by country (\$m)

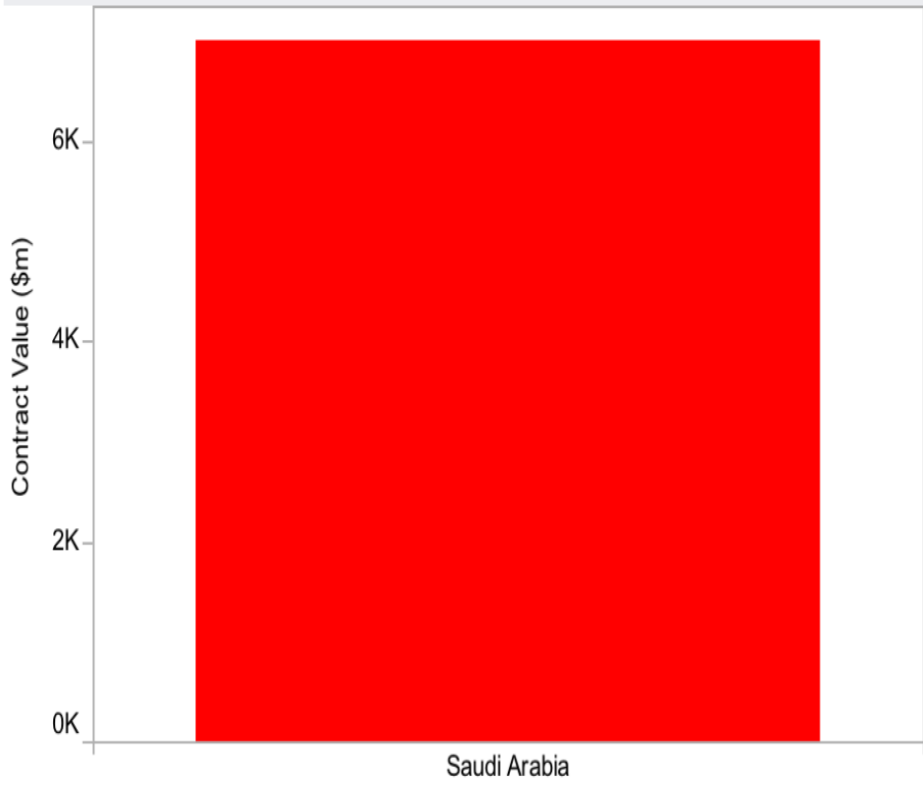


Contract value by sector (\$m)

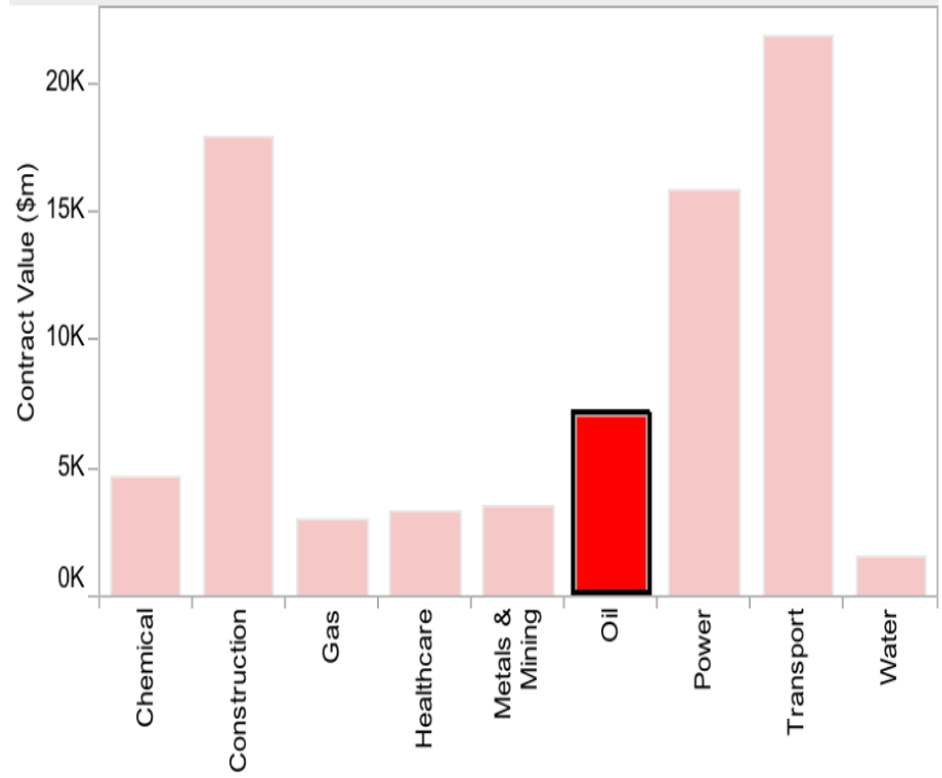


Rank Q1	Project	Project Owner	Sector	Country	Contract Value (\$m)
15	Riyadh King Abdullah Financial District: Phase 2: Towers	Rayadah Investment Company	Construction	Saudi Arabia	3,700
18	Rehabilitation Centres for Prisoners	Saudi Arabia Ministry of Interior	Construction	Saudi Arabia	3,400
38	Grand Mosque Expansion	General Presidency of the Grand Mosque and Prophet's Mosque Affairs	Construction	Saudi Arabia	2,500
58	Security Compound: KAP 1	Saudi Arabia Ministry of Interior	Construction	Saudi Arabia	2,019
73	Housing Development: Phase 1	Saudi Arabia National Guard	Construction	Saudi Arabia	1,800
89	Haram Expansion in Madinah	General Presidency of the Grand Mosque and Prophet's Mosque Affairs	Construction	Saudi Arabia	1,500
	Jeddah Conference Centre	Saudi Royal Protocol (Guest Palace)	Construction	Saudi Arabia	1,500
	Khobar Lakes	Emaar Properties	Construction	Saudi Arabia	1,500

Value by country (\$m)

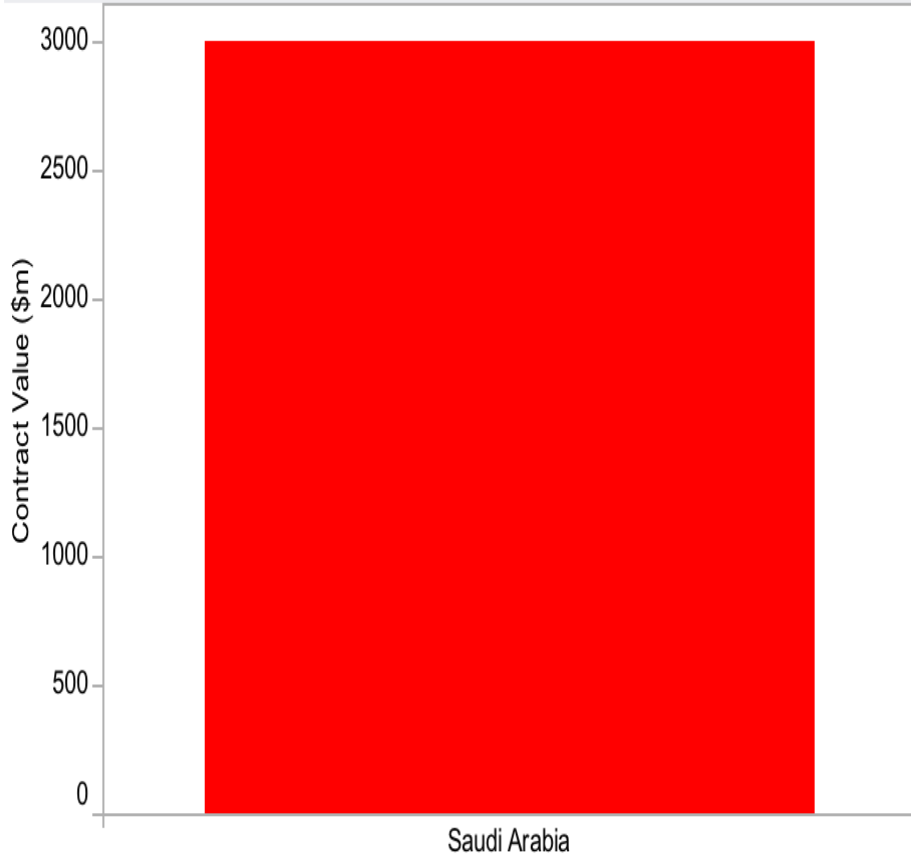


Contract value by sector (\$m)

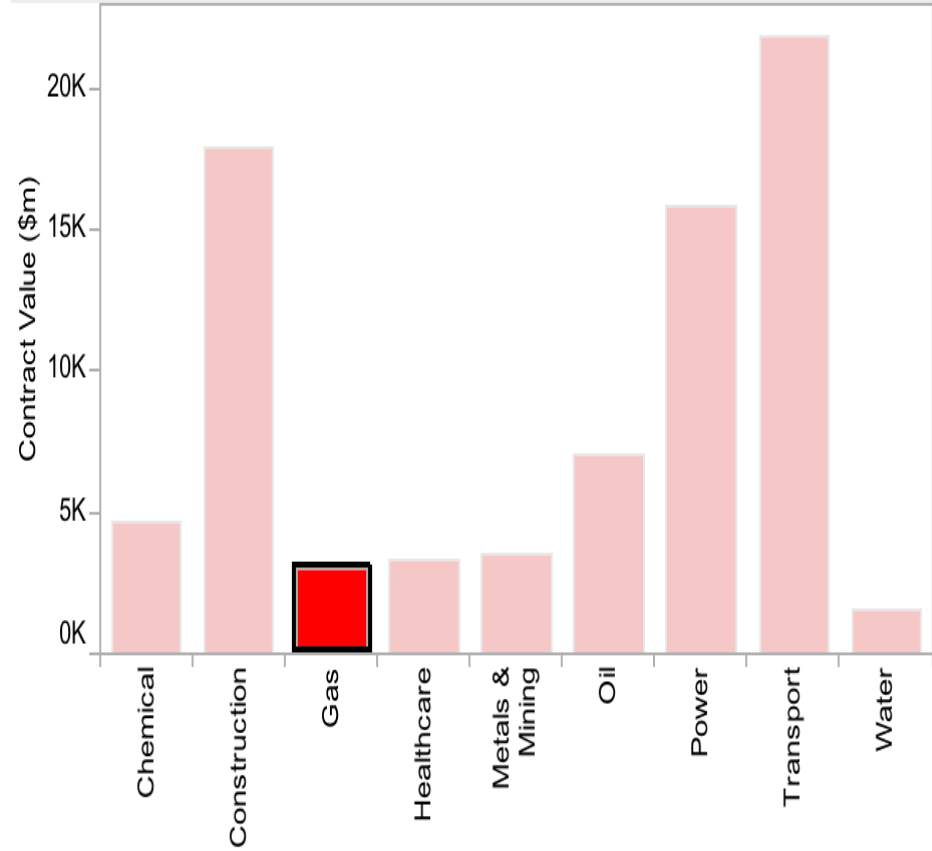


Rank Q1	Project	Project Owner	Sector	Country	Contract Value (\$m)
38	Yanbu Export Refinery: Gasoline Block	Yanbu Aramco Sinopec Refining Company	Oil	Saudi Arabia	2,500
89	Yanbu Export Refinery: Hydrocracker	Yanbu Aramco Sinopec Refining Company	Oil	Saudi Arabia	1,500
	Yanbu Export Refinery: Offsite & Utilities	Yanbu Aramco Sinopec Refining Company	Oil	Saudi Arabia	1,500
	Yanbu Refinery Upgrade: Process Package	Saudi Aramco Mobil Refinery Company	Oil	Saudi Arabia	1,500

Value by country (\$m)



Contract value by sector (\$m)

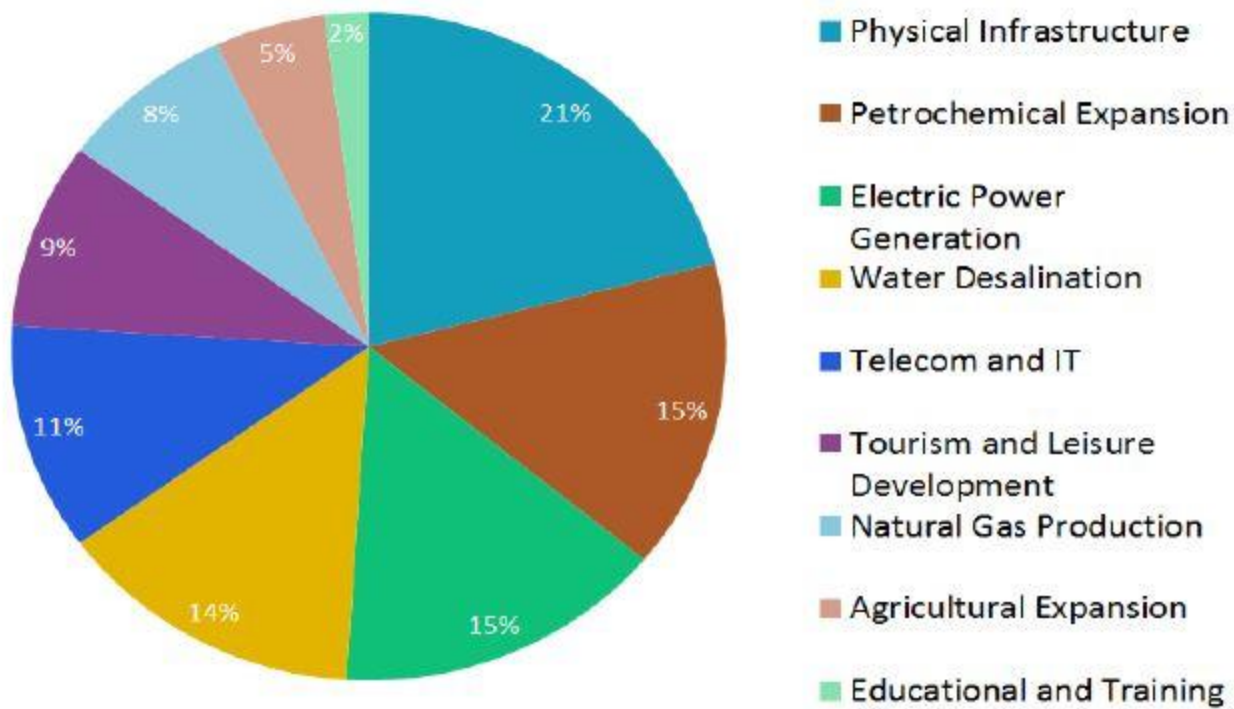


Rank Q1	Project	Project Owner	Sector	Country	Contract Value (\$m)
89	Arabiyah-Hasbah Development Programme: Gas Processing Plant	Saudi Aramco	Gas	Saudi Arabia	1,500
	Arabiyah-Hasbah Development Programme: Sulphur Recovery Unit	Saudi Aramco	Gas	Saudi Arabia	1,500



***Overall Saudi
Economic Outlook***

Physical infrastructure market



- **Infrastructure\$200 billion.**
- **Petrochemical Expansions\$92 billion.**
- **Electric Power Generation\$90.7 billion.**
- **Water Desalination\$88 billion.**
- **Telecom and IT\$70.7 billion.**
- **Tourism and Leisure Development ..\$53.5 billion.**
- **Agricultural Expansion\$28.3 billion.**

- **Educational and Training\$10.7 billion.**
- **Housing\$14.67 billion.**
- **Riyadh metro lines\$22 billion.**
- **North-South railway\$ 10 billion.**
- **Land bridge project\$ 7 billion.**
- **Haramain High Speed railway project ...\$11.2 billion.**
- **Jeddah metro\$ 9.3 billion.**

EXAMPLE OF PROJECTS PLANNED OR UNDERWAY

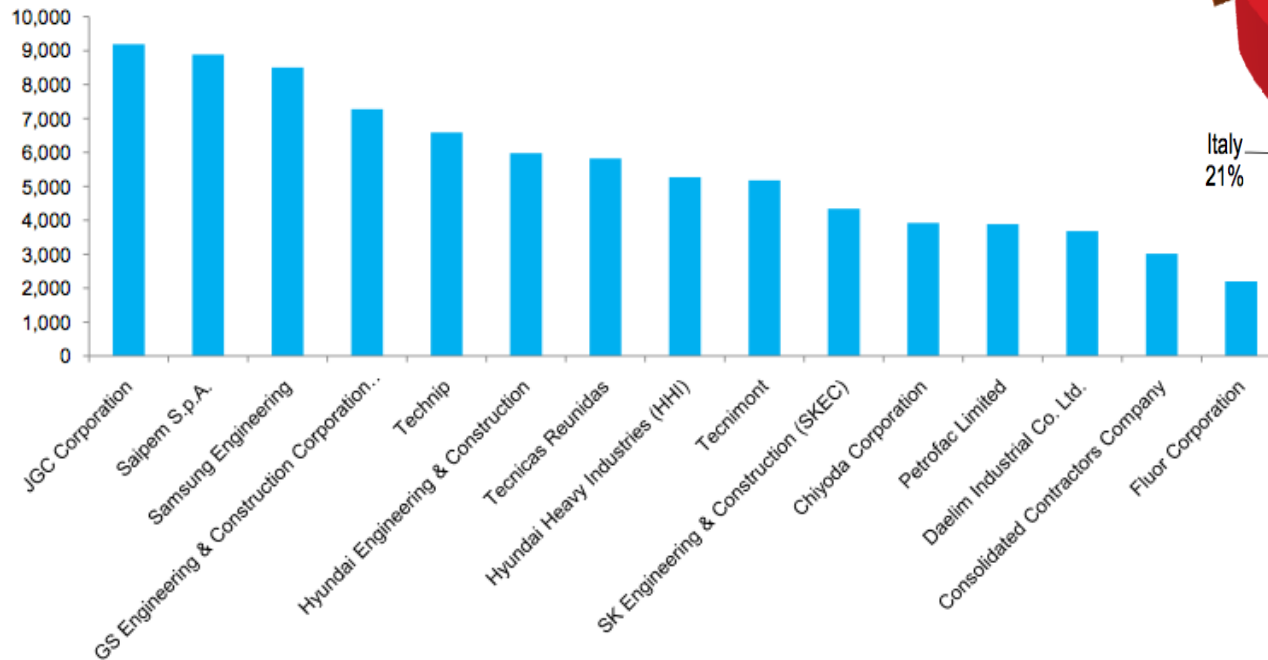
<i>Project</i>	<i>US\$</i>
Economic Cities	20 billion
Universities	10 billion
Ports	10 billion
Health Care	10 billion
Airports	8 billion



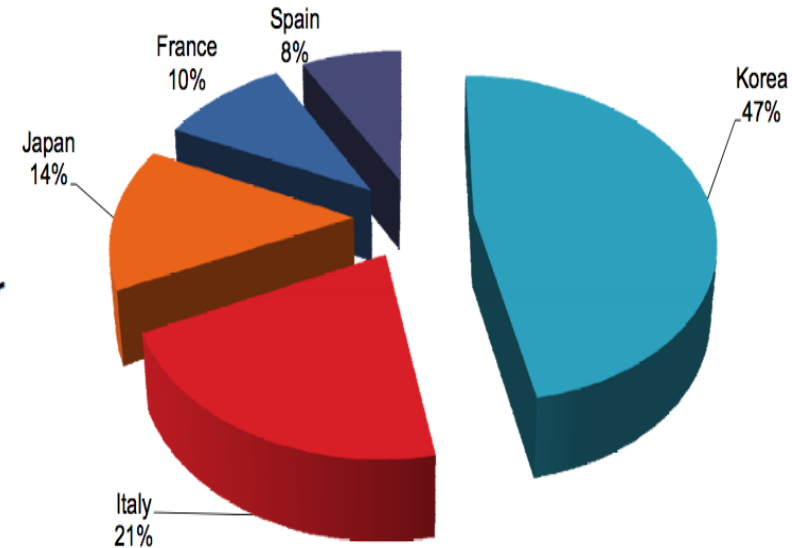
**contracting
community**

Foreign contracting community

The top GCC EPC contractors by value of work under execution

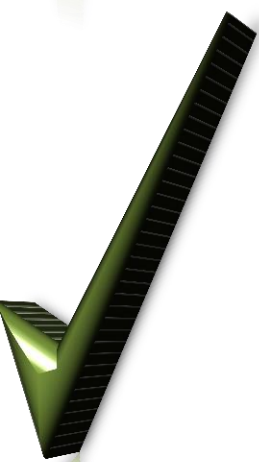


National grouping of the top 10 EPC contractors in the GCC by value of work under way





Conclusion

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- To Organize frequent B2B workshop.
 - Establish a business council.
 - Transfer of knowledge and advanced technology.
 - Establish of student scholarship programs between Saudi – Romania – Bulgaria – Moldova.
 - Develop training programs.
 - Cooperation in medium and small industries.
 - Health and hospitality support services.
 - Develop green energy projects.
 - Establish joint venture in agriculture investment.

