



# Investment in KSA's industrial ecosystem

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KSA's  
industrial  
sector at-  
a-glance



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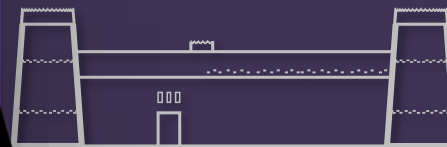


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**“We have all the capabilities we need to enable a competitive and sustainable industrial economy, from young ambitious talent, a distinguished geographic location, rich natural resources, and the presence of leading national industrial companies.”**

— HRH Crown Prince Mohammed bin Salman





# A century of industrial development



## Oil era



## Industrial expansion



## Market maturity



## Innovation and acceleration

**1938**

Oil discovery



**1971-1980**

The establishment of the first leading industrial zones that laid the foundations for development (e.g., Jubail industrial city)



**1981-1990**

Growth in other industrial sectors (e.g., food and construction)



**2016**

Vision 2030



**2023+**

Unlocking new opportunities (e.g., automotive cluster)



**1945**

The establishment of Aramco spearheading Saudi industrial century



**1976**

Expansion of oil-related production of downstream products



**2001-2010**

Acceleration in private sector participation (e.g., industrial IPOs)



**2022**

National Industrial Strategy (NIS)



# National Industrial Strategy (NIS) Strategic Objectives



Build industrial  
national  
resilience



Become an  
integrated regional  
manufacturing hub



Expand global  
leadership in  
selected industrial  
segments



# The National Industrial Strategy Targets

## 2035



**x 4.3**

**Manufacturing GDP**

*From 88 to 377 billion USD*

**x 5.3**

**Value of Manufacturing  
Sector Exports**

*From USD 45 to 240 Bn*

**x 3.7**

**Number of jobs in the  
sector**

*From 900k to 3,3 Mn jobs*

**#23**

**The Kingdom aspires to reach  
#23 in the economic  
complexity index**

*+16 positions*

**#15**

**The Kingdom aspires to reach  
#15 in Competitive Industrial  
Performance**

*+22 positions*

**x 1.6**

**The Kingdom aspires to  
reach % of localization**

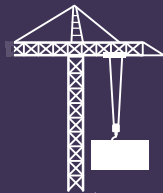
*From 41% to 64%*

# Saudi Arabia is a strategic platform for trade, value chain synergies and integration with the rest of the world

**+128Mn** passengers  
served in 2024



**320Mn tons**  
Maritime cargo volume in 2024



**+12.4%** in non-oil  
exports between 2023 and 2024

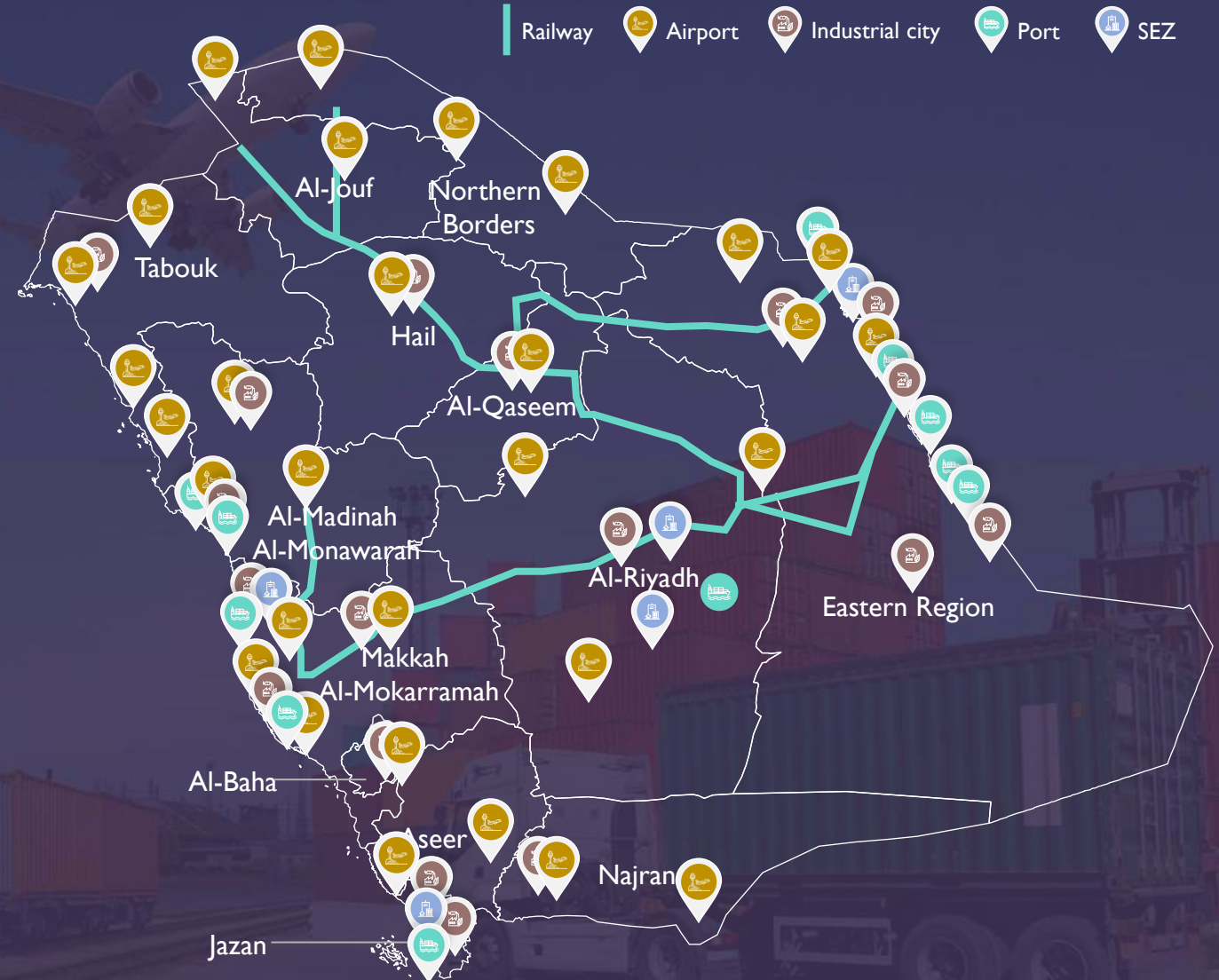
**4 hours**  
>50 countries

**6 hours** >40%  
of the world's GDP

**7 hours** >80% of the  
world's population

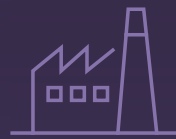


# Saudi Arabia is distinguished by an advanced industrial infrastructure, which is considered one of its key strengths



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# Attractive factors for industrial sector investors in Saudi Arabia



## Supportive regulatory environment

Activated new **Mining Investment Law** in 2021



## Global trade agreements

**5 international trade agreements** supporting exports and investments



## Abundance of resources

**2.5 trillion USD** of untapped mineral resources



## Human capital empowerment

**Over 100,000 engineering students** are enrolled annually in Saudi universities



## Digitization & innovation

Saudi Arabia **ranks 3rd globally** in digital services maturity



## Integrated infrastructure

Comprehensive industrial infrastructure, **consisting of more than 40 industrial cities**



# Saudi Arabia: A Competitive Environment For Industrial Investors

**100%**

foreign ownership allowed



**5% for 20 years**

Corporate income tax in SEZs, with full exemption on profit repatriation



**60%**

Increase in SIDF capital, reaching USD 28B



**0.032** c/kWh

Reduced industrial electricity tariffs



**75%**

Funding from the Saudi Fund for Development to support digitization initiatives



**0%** Customs

On imported machinery and equipment to support targeted sectors



# Key programs, enablers, and initiatives

A snapshot of the key programs (non-exhaustive, only highlighting the most prominent):

1

## Standard Incentives Packages (SIP)

Providing support of up to 35% of the initial investment value, with a maximum of 50 Mn SAR

2

## Future Factories Program

Support for improving operational and production efficiency in 4,000 factories

3

## (Rawabit) Program

Marketing locally manufactured products through linkage with major projects

4

## Mechanisms for petrochemical raw material availability and competitiveness

Enhancing competitiveness in raw material pricing

5

## Fair competition and competitive environment

Empowering investors to file complaints regarding unfair competition

6

## Industrial Competitiveness Program (ICP)

Enhancing energy efficiency in the industrial sector

7

## Value Parks Initiative for the industrial clusters

Establishing value-added industrial zones that offer exclusive services

# Standard Incentives Packages

## Program Overview

Enable **up to 35% of the eligible initial investment for a maximum of 50 Mn SAR** to **innovative projects**, focusing on fostering investment in key sectors and products that are currently not produced locally in the Kingdom, **encouraging diversification and self-sufficiency**

## Key Services

Provide total of **10 Bn SAR** to foster development in the industrial sector

Offer **up to 50 Mn SAR per project** to enable high priority eligible investments

## Target sectors (examples)

Food Processing



Building Materials



Minerals



Machinery and Equipment



Chemicals



Medical Devices



Automotive



Pharmaceutical industries



Marine industry



Renewables



Aerospace





# Eligible SIP Product List

## NON-EXHAUSTIVE EXAMPLES



### Food processing



Herbal or Fruit-based Dietary Supplements



Gluten Free Baked Goods



Fresh, Processed and Specialty Cheese



Canned meats



Essential Oils



### Pharmaceuticals



Biologics / Biosimilars



Cell and Gene Therapies



Chemical/ Small Molecule Products



Active Pharmaceutical Ingredients (APIs)



Key Starting Materials (KSMs)



### Machinery and equipment



Industrial Hoists



Consumer Appliances



Oscilloscopes and Spectrum analyzers



Pumps



Transducers, LEDs and PV Cells for Semiconductors



### Building material



Cranes



Elevators and Conveyors for Underground Use



Glass wool



Aluminum Domes for Water Tanks



High Specialty Concrete Formwork



### Medical devices



Laboratory and Hematology Reagents



Infusion Systems and Consumables



Specialty Chairs and Parts



Radiographic Systems



Medical Imaging Devices



### Automotive



Light Commercial Vehicles



EV Charges (AC/DC)



Buses / trucks manufacturing



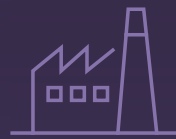
Stamping Parts for Automotive



Power Electronics Units

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# NIS priority sectors



**Machinery &  
Equipment**



**Food  
Processing**



**Aerospace**



**Chemicals**



**Medical  
devices**



**Renewables**



**Maritime  
industry**



**Metals**



**Pharmaceuticals**



**Automotive**



**Building  
materials**



**Others**  
(e.g., electronics, textiles)



# Machinery and Equipment's Investment Opportunities

## Target sectors



Machinery  
and Equipment



**Food Processing**



Chemicals



Automotive



Building Materials



Medical Devices



Pharmaceuticals



Metals



Aerospace



Maritime



Renewables



Others (e.g.,  
electronics, textiles)

## Example segments



HVAC, cable and  
wire connectors,  
and appliances



Valves,  
transformers and  
circuit breakers



Agricultural  
machinery and  
textile machinery

# Key examples of subsectors in the Machinery & Equipment

## Example of subsectors, SAR, Mn



HVAC, cable and wire connectors, and appliances

29,145

Valves, transformers and circuit breakers

9,135

Agricultural machinery and textile machinery

763

## Examples of investment opportunities



Investment Opportunity

Investment Size (USD)

(IRR)

Transformers



13-40 Mn

17%

Wire harness



33 Mn

18-22%

## Key Enablers



Customs exemptions for machinery, equipment and raw materials used in manufacturing

Export tax refunds

Qualified for Standard Incentive Program

# Automotive Investment Opportunities

## Target sectors



Machinery  
and Equipment



Food Processing



Chemicals



Automotive



Building Materials



Medical Devices



Maritime



Metals



Aerospace



Pharmaceuticals



Renewables



Others (e.g.,  
electronics, textiles)

## Example segments



Manufacturing  
BEV



Seating



Plastic Modules



Exterior Plastic  
Fitting



Wipers



Instrument  
Cluster



HVAC



Lithium-Ion  
Batteries



Manufacturing  
FCEV  
(Hydrogen)



# Key examples of subsectors in Automotive

## Example of subsectors, SAR, Mn



Vehicle glass Sector

86

Manufacturing vehicle  
plastic parts

237

Manufacturing  
automotive dashboards

44

## Examples of investment opportunities



Investment Opportunity

Investment Size  
(USD)

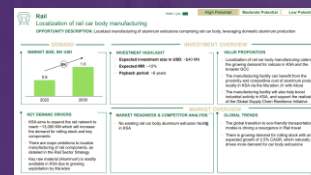
(IRR)

### Manufacture of batteries



85-170 Mn 11-16%

### Manufacture of railroad car chassis



40 Mn 12%

## Key Enablers



Availability of multiple automotive  
plants and investments to produce  
+300k vehicle per year

Availability of raw materials at  
competitive prices

Availability of specialized clusters,  
such as King Salman Automotive  
Cluster in King Abdullah Economic  
City (KAEC)

Qualified for Standard Incentive  
Program

# Metals Investment Opportunities

## Target sectors



Machinery  
and Equipment



Food Processing



Chemicals



Automotive



Building Materials



Medical Devices



Pharmaceuticals



Metals



Aerospace



Maritime



Renewables



Others (e.g.,  
electronics, textiles)

## Example segments



Steel-Round  
Billets



Steel-Plates



Steel - Tinplate



Aluminum-PFA



Aluminum-Foil



Aluminum-  
Castings



Copper- Primary  
Cathodes



Copper-Tube



Copper-Wire  
and Cable

# Key examples of subsectors in the Metals sector

## Example of subsectors



Hot and cold rolled iron coils

Sheet metals

Round blocks

## Examples of investment opportunities



Investment Opportunity

Investment Size  
(USD)

(IRR)

### Resistant steel pipes and tubes



310-315 Mn

13%

### Manufacture of steel structures



45-50 Mn

19%

## Key Enablers



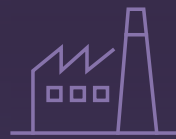
**75%** SIDF funding

Qualified for Standard Incentive Program

Covering 30-60% of Saudi employees' salaries

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# Further Information on investing in Saudi Arabia and the NIS can be accessed

Details on investment  
support programs

Access to industrial  
investment opportunities  
within the Kingdom

Detailed view on the  
National Industrial Strategy



# Thank *You!*