

رؤية
VISION
2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA



National Industrial
Development and
Logistics Program

National Industrial Development and Logistics Program Delivery Plan 2021 - 2025




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Introduction



Vision 2030 focuses on the enactment and enhancement of regulations and legislations in addition to social and economic reforms, which will result in significant achievements on all fronts leading towards a more prosperous and thriving economy.

As one of the Vision 2030 Realization Programs, the National Industrial Development and Logistics Program (NIDLP) has launched its updated Delivery Plan (2021-2025), which was approved by the Council of Economic and Development Affairs (CEDA), progressing to new horizons of success in achieving sustainable growth through empowered citizens, an engaged private sector, and effective execution of initiatives.



About NIDLP

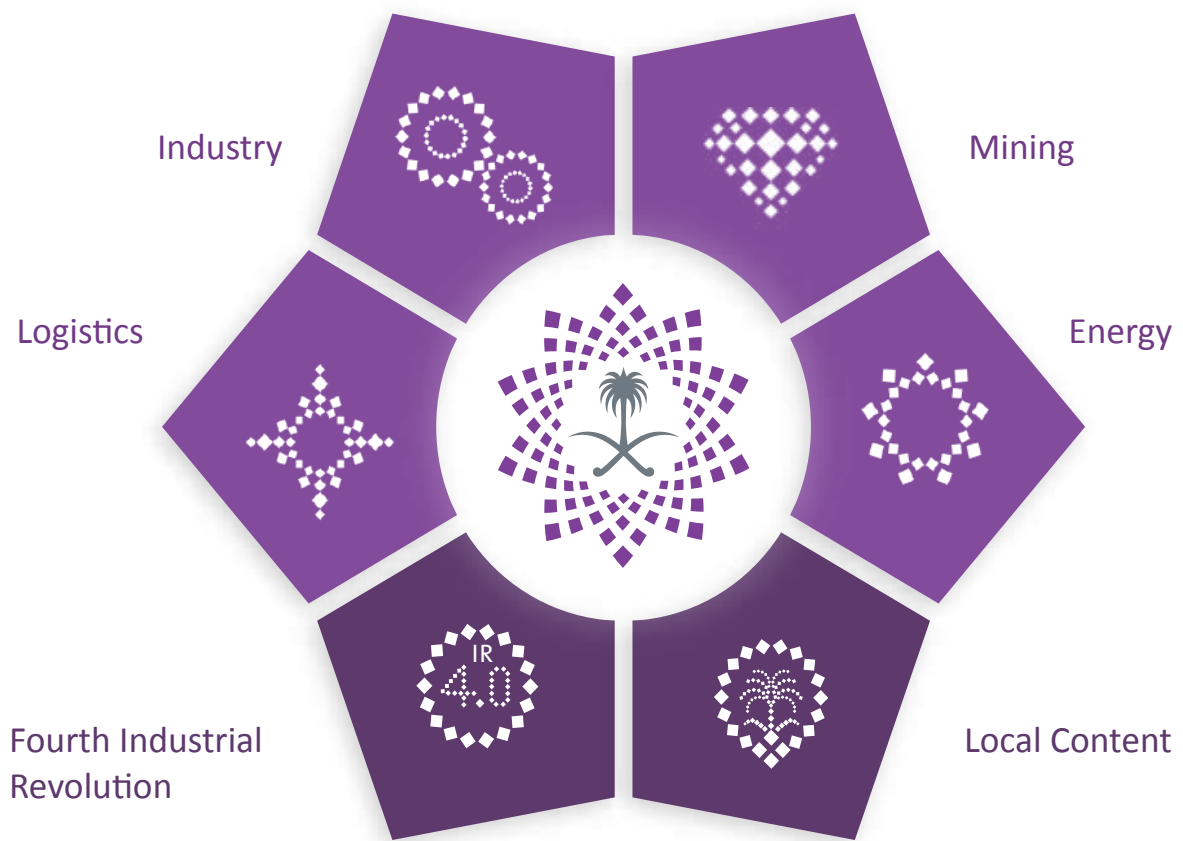




NIDLDP's Scope

The program aims to transform the Kingdom into a leading industrial powerhouse and a global logistics hub, by maximizing the value of its mining and energy sectors while unlocking the full potential of local content and the Fourth Industrial Revolution. NIDLDP largely contributes to drive the Kingdom's economic diversification towards sustainable growth by fostering a globally attractive investment environment.

NIDLDP focuses on enhancing enablers that would contribute to strengthening the private sector participation and impact in all NIDLDP sectors. Key enablers include financial enablement, infrastructure development, and reforming laws and regulations.



Focus Areas ■ Sectors ■



NIDL Executing Entities





Third Level Objectives Assigned to NIDL and its Strategic Mapping

3

Vision Pillars

1 of 6

Level 1 Strategic Objectives

4 of 27

Level 2 Strategic Objectives



Vibrant Society

- Strengthen Islamic Values and National Identity
- Offer Fulfilling and Health Life



Thriving Economy

- Increase Employment
- Grow and Diversify the Economy



Ambitious Nation

- Enhance Government Effectiveness
- Enable Social Responsibility

3.1 | Grow contribution of the Private Sector to the economy

3.2 | Maximize value captured from the energy sector

3.3 | Unlock potential of non-oil sectors

3.5 | Position Saudi Arabia as a global logistic hub

Direct contribution Indirect contribution

12 of 96

Level 3 Strategic Objectives

- 3.1.7 Create special zones & rehabilitate economic cities
- 3.2.1 Increase localization of Oil & Gas sector
- 3.2.2 Raise gas production and distribution capacity
- 3.2.3 Develop oil and gas-adjacent industries
- 3.2.4 Grow the contribution of renewables to the national energy mix
- 3.2.5 Enhance the competitiveness of the energy sector
- 3.3.1 Grow and capture maximum value from the mining sector
- 3.3.3 Localize promising manufacturing industries
- 3.3.4 Localize military industries
- 3.3.7 Increase the percentage of local content in non-oil sectors
- 3.5.1 Create and improve the performance of logistics hubs
- 3.5.2 Improve local, regional and international connectivity of trade & transport networks

Third Level Indirect Objectives

2.4.1 Reduce all types of pollution	3.1.6 Attract foreign direct investment (FDI)	4.1.5 Provide qualitative knowledge for the brightest minds in priority areas
2.4.3 Protect & rehabilitate natural landscapes	3.6.1 Push forward the GCC integration agenda	4.1.6 Ensure alignment of education outputs with labor market needs
3.1.1 Enhance ease of doing business	3.6.2 Develop economic ties with the region beyond GCC	4.1.7 Expand vocational training to provide for labor market needs
3.1.3 Privatize selected government services	3.6.3 Support national champions in consolidating their leadership globally	4.3.1 Nurture and support the innovation and entrepreneurship culture
3.1.4 Develop an advanced financial market	3.7.1 Support national champions consolidate their leadership globally	6.2.1 Enhance businesses' focus on their social responsibility
3.1.5 Enable financial institutions to support private sector growth	3.7.2 Develop promising local companies into regional and global leaders	6.2.2 Enhance businesses focus on the sustainability of the national economy
3.3.2 * Develop a digital economy	4.1.4 Improve ranking of educational institutions	

* NIDL focuses on enabling Fourth Industrial Revolution

NIDL P’s Sectors and Focus Areas

NIDL P covers four main sectors: energy, mining, industry and logistics. It also consists of two focus areas that enable the four main sectors, namely local content and Fourth Industrial Revolution.

Integration of the Program’s four main sectors is enabled by local content and Fourth Industrial Revolution to serve as the engine driving the Kingdom’s non-oil economy growth towards becoming a leading industrial powerhouse and a global logistical platform.

The integration between the Program’s sectors will unlock unlimited opportunities and will support Vision’s objectives realization.



Energy



Mining



Industry



Logistics



Local Content



Fourth Industrial Revolution

Focus Areas

Sectors

NIDLP's Achievements

NIDLP through its execution entities has successfully contributed to the development of the required infrastructure for the Program's sectors manifesting as one of the key factors in enhancing the Kingdoms competitiveness and attraction as an investment destination. Furthermore, by working towards the optimal utilization of resources, the Program has continued to leverage competitive advantages as a key driver of economic transformation and investment attraction. Consequently, major regulatory reforms have been made to align with Vision 2030 objectives and adapt to a fast-changing economic landscape. To that end, NIDLP has pursued an integrative approach with relevant entities in developing the logistics sector to facilitate access to local and international markets and attract investments in NIDLP sectors.

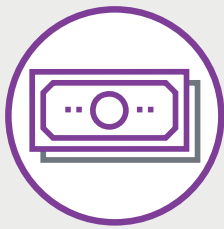


Financial enablement and investment attraction

Volume of investments size from NIDLDP's inception until the end of 2020

“Encouraging private sector investments by developing infrastructure and improving regulations and legislations to utilize natural resources and accessing local and global markets”

Projects delivered within NIDLDP's sectors up to 2020:



SAR
+300
Billion
Investment



+50,000
Jobs



SAR +10
Billion

Jobs 21,000



SAR 13.4
Billion

Jobs 37,000



SAR 183
Billion

Jobs 16,000



SAR 105
Billion

Fund bylaws amended and
Fund capital increased

SAR 29.5
Billion

335 approved loans



SAR 30
Billion

Bank capital

SAR 5.5
Billion

65 approved loans



SAR 308 Billion

Jobs 20,000

(Within the Energy Sector)



SAR 16
Billion

Jobs +4,000



Infrastructure Development

“Developing sustainable world-class infrastructure that is attractive for investment”



Constructed logistical hub to handle shipments with special requirements

Such as COVID-19 vaccine



Fourth Industrial Revolution Transformation

Agreements signed for

22 Factories

Fourth Industrial Revolution transformation plans implemented in

+5 Factories



Investments in developing
the industrial infrastructure

SAR **9**
Billion

12
Utility Scale
Renewable Energy
Projects



114
Factories
completed under the
ready-factories initiative

Number of existing and under
construction industrial factories

9800
with a growth rate of **9.6%**

Optimal Utilization of Resources

“Maximizing utilization of the Kingdom’s strengths and leveraging its resources in unlocking economic diversification and growth”

Increased Power Generation Efficiency

From 36% in 2016 to

39.2%

in 2019



Al-Fadhili Gas Production Plant
commenced operations with
total processing capacity of

2.5 Billion

standard cubic feet/ day of raw
gas with a completion rate of

100%



**Increased Gas
Processing Capacity By**

16%

**(From 15.95 BSCFD in 2015
to 18.3 BSCFD in 2020)**

**Launched the
Largest Geological
Survey**



**Approximately
190,000**

**high-efficiency air
conditioners subsidized
towards increased electricity
demand efficiency**

Improvement of Regulations and Legislations

“Thriving and competitive legislative and regulatory environment”

**Enacting a
New Mining
Investment Law**



23,000

**Government bids subject to
local content mechanisms**



Regulatory Framework for Small Solar Energy System Launched

New Regulation for Shipping Agents Activities were Introduced, which Contributed to more Efficient Maritime Transport Services



Custom Clearance Reduced from 288 hours to 9 Hours

Access to Local and International Markets



**Inauguration of
Jadidat Arara Border
Crossing**



The Kingdom was Ranked

5th

**in the index of the fastest
countries the handling container
ships**



Signing BOT Agreement with the Private Sector in Jeddah Islamic Port to Develop and Operate Container Terminal with an Investment of Approximately **SAR 9 Billion**

5
new Shipping Lines
Launched
to Asia, Africa and Europe



8
Agreements
signed with private sector to operate cargo facilities in operational functions of cargo buildings in a number of airports in the Kingdom

NIDLP's Aspirations

NIDLP seeks to contribute to creating a thriving, diverse and sustainable economy by unlocking growth opportunities, and generating quality jobs. Such measures will enable Saudi products to access global markets, and for the Kingdom to become a leading player in the energy, mining, logistics and industry sectors. Accordingly, NIDLP endeavors to realize its ambitious objectives that will leave a tremendous and lasting positive impact for generations to come. These aspirations are as follows:

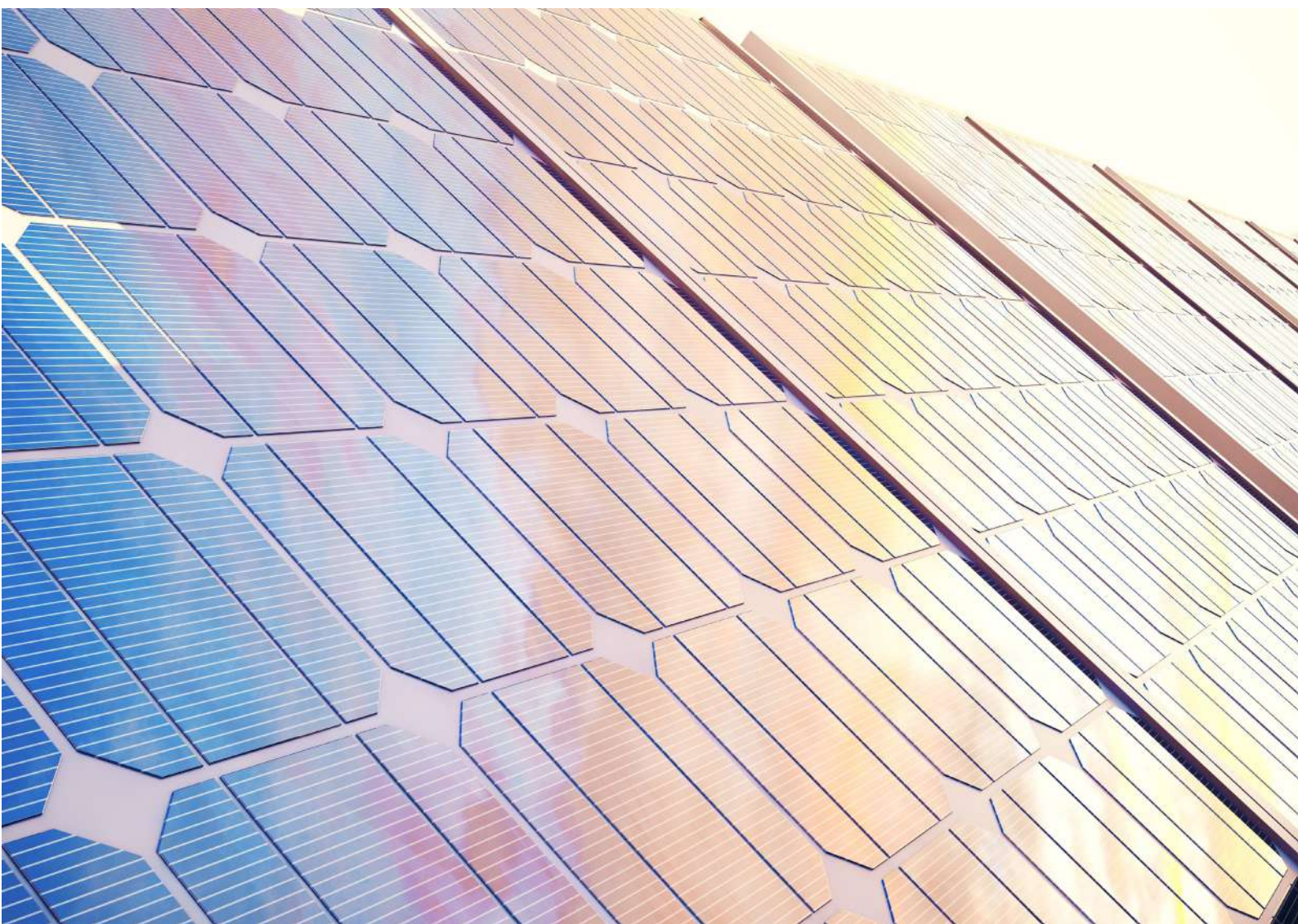
- | **Develop and diversify the Kingdom's economy**
- | **Attract investments in NIDLP's sectors**
- | **Increase local content**
- | **Transform the Kingdom into a leading industrial powerhouse and a global logistics hub**
- | **Generate job opportunities, with an emphasis on high-value jobs**
- | **Sustain optimal utilization of resources**
- | **Improve the Kingdom's trade balance**



Energy Sector

The Energy Sector aims to leverage the Kingdom's relative and competitive advantages to sustain its global leadership in the sector. Building on the Kingdom's position as one of the world's largest oil and gas producers, and its abundant renewable resources, such as solar and wind energy especially across coastal regions, the Kingdom will unfold new opportunities with higher economic value. Additionally, the energy sector has a vast growth opportunity in electricity generation driven by the expected increase in domestic demand and the sector's potential to export electricity across the region at competitive prices.

The efforts shall continue towards increasing gas production and distribution capacity to achieve the optimal energy mix and to displace liquid fuel consumption. Moreover, it aims to increase the contribution of renewable energy sources in the energy mix through large scale projects in solar and wind energy. The Program through the efforts of the Ministry of Energy also aims to enhance the competitiveness of the energy sector by increasing the efficiency of electricity generation and the optimal utilization of hydrocarbon resources. This contributes to maximizing the value generated from the energy sector and diversifying the Kingdom's economy.





Mining Sector

Blessed with a wealth of underground reserves of minerals and raw materials, the sector remains a pivotal driver for other NIDL sectors and is considered to be the third pillar of the Saudi economy. The sector contributes to meeting the local markets' demand and fulfilling the needs of the energy and industry sectors. For example, providing silica for the renewable energy industries, mainly polysilicon, and such raw materials as iron, copper, and aluminum for the military, machinery, and equipment industries.

NIDL is pushing through to unlock the full potential of the mining sector and increase its contribution to the national economy by concentrating on all phases of the value chain as follows:

1st Phase (Mining activities): includes surveys and exploration to determine mineral quantities, conducting feasibility studies, improving mines, and processing raw materials.

2nd Phase (Intermediate industries): includes refining and smelting processes to manufacture raw materials such as aluminum and solid iron blocks.

3rd Phase (Transformational industries): includes transforming semi-finished products, such as iron sheets and aluminum, and final products, such as pipes and iron bars.

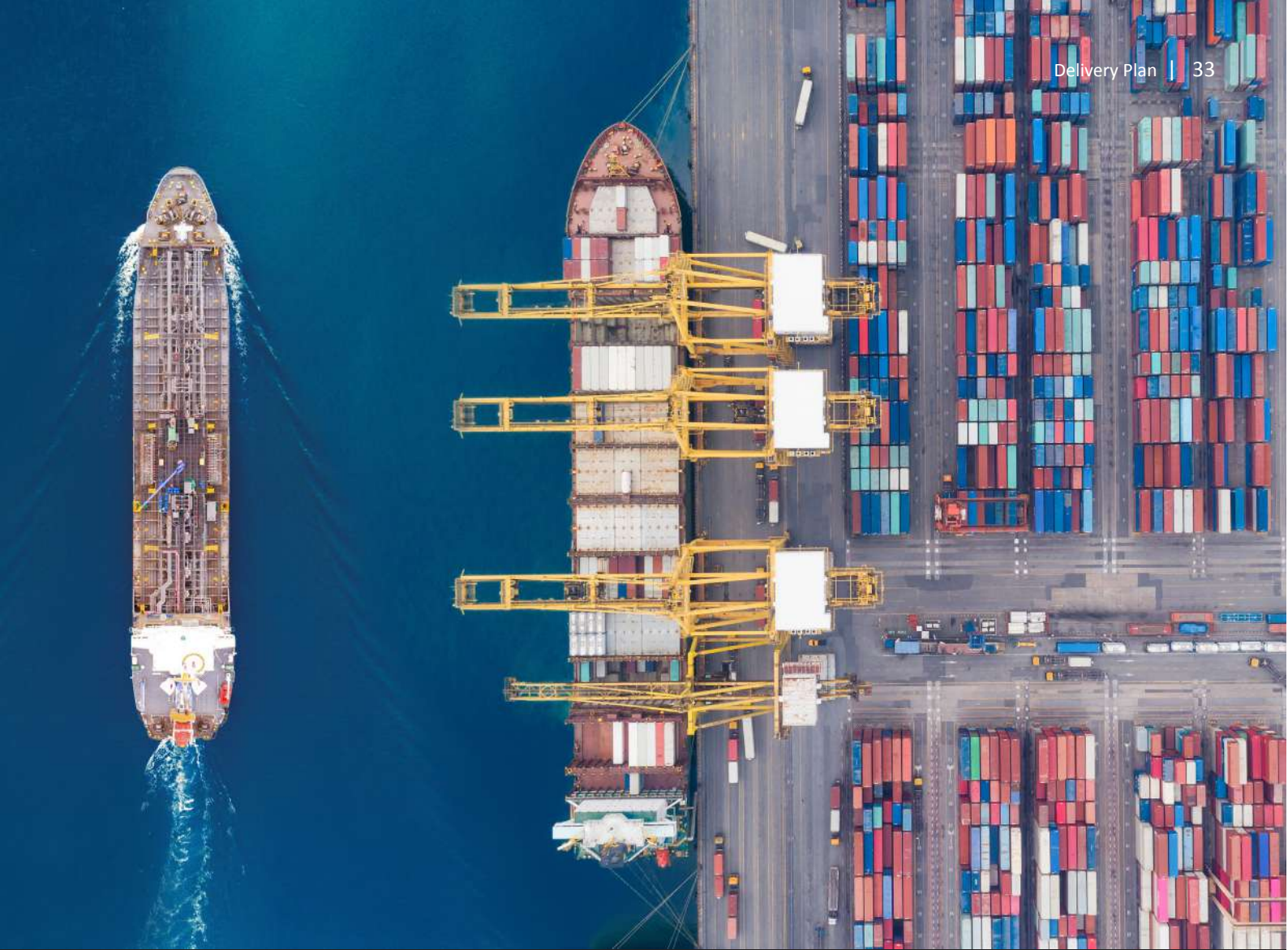


Industry Sector

The Industry Sector is distinguished by several competitive advantages such as a world-class industrial infrastructure supporting the growth of industrial cities such as Jubail, Yanbu, Ras al-Khair, and the industrial cities of the Saudi Authority for Industrial Cities and Technology Zones (MODON). These advantages are achieved by the availability of energy and raw material at a globally competitive price, skilled and ambitious human capabilities, and the Kingdom's leading position in basic and intermediate chemical industries.

NIDL P aims comprehensively to improve and stimulate the industrial sector through an integrated strategy and to drive initiatives that contribute to increasing manufacturing efficiency, reducing costs, enhancing competitiveness, limiting dumping and unfair competition, increasing products' efficiency and quality. Such measures will cover the growing demand in the domestic market, promote the national security, provide minimum medical and food security, support exports to compete in regional and global markets, while envisioning and utilizing the sector's future trends. The sector focuses on several promising industries, including military, automotive, automotive, food, and equipment, industries and equipment, in line with the objectives of the National Industrial Strategy, the Military Industrial Sector Strategy and the Public Investment Fund Strategy.





Logistics Sector

Saudi Arabia has unique competitive logistical advantages. Strategically located at the crossroads of three continents - Asia, Africa and Europe - the Kingdom of Saudi Arabia is one of the world's most vital commercial and trading hubs. Economically, the Kingdom remains the largest market in the GCC and is one of the most significant consumption markets in MENA. Its geographical location allows the Kingdom to assume an integral role to connect global commercial and shipping lines and a key logistic center that serves MENA markets. The logistics sector plays a crucial role in the integration and empowerment of NIDLP Sectors, as it contributes to increasing the investment attractiveness and supply chain integration.

NIDLP aims to transform the Kingdom into a global logistics hub by enhancing logistics' efficiency, quality and speed, improving infrastructure quality and increasing its capacity, decreasing freight costs by connecting to the various local networks, developing competitive, regional networks, improving clearance procedures and cross-border movement of goods to support industrial growth and export and re-export of goods, increasing the efficiency of domestic distribution, allowing goods to be delivered at a competitive cost, strengthening the sector's governance and regulations, and encouraging private sector contribution.

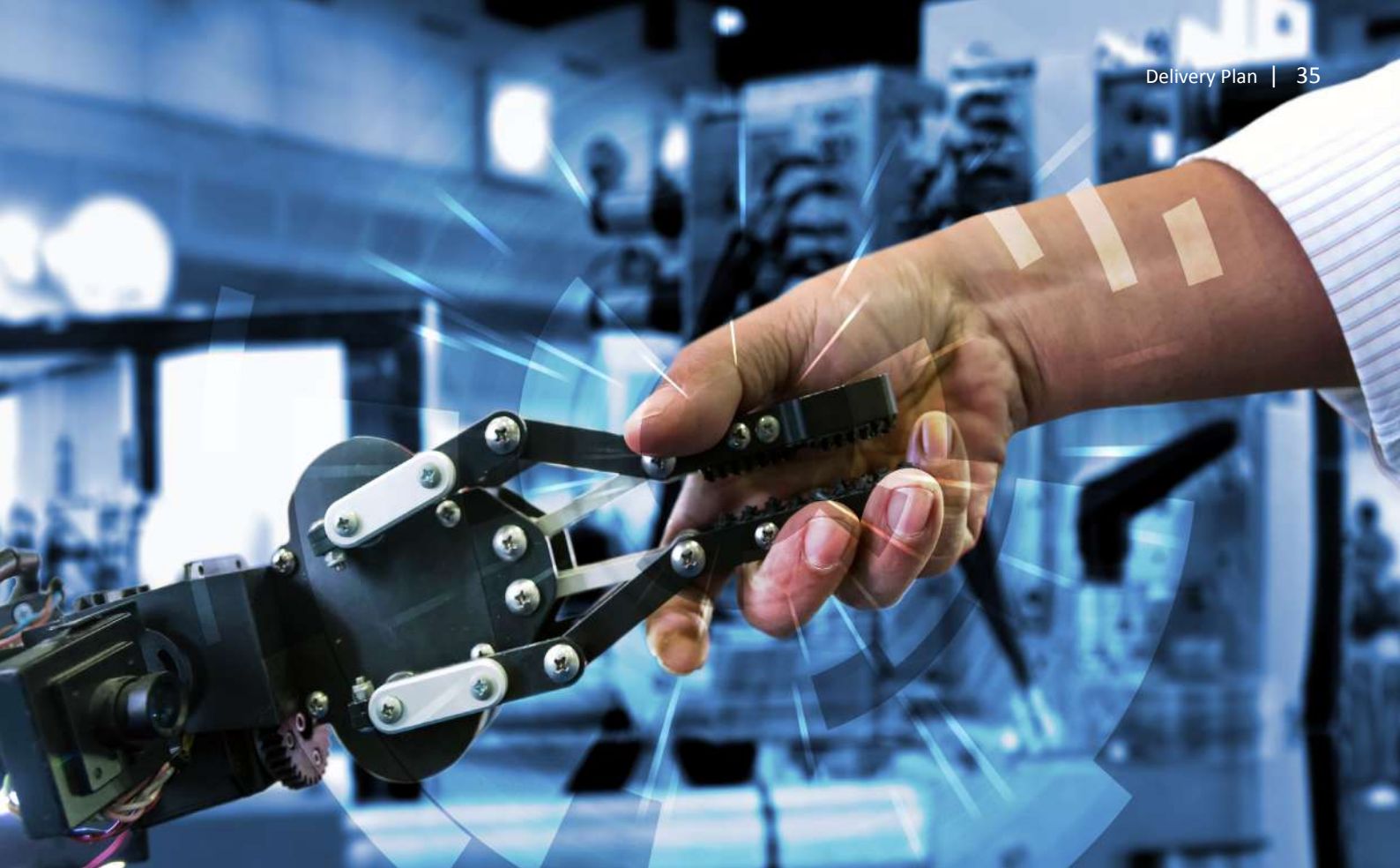


Local Content

One of the key objectives of Vision 2030 is enhancing local content in the oil and non-oil sectors. This will contribute to maximizing the national economy, generating job opportunities, developing local capacities, and enhancing the integration between the public and private sectors. In addition, NIDLP seeks to enrich the share of local content in its sectors, and to sustain investment attraction while enhancing and maintaining competitiveness.

Saudi Arabia is blessed with several natural resources that enable an attractive environment for number of investments and contribute in increasing local content in the overall economy. Moreover, the kingdom has several top-tier private companies that have already started to develop their own initiatives that will increase their local content in various sectors and train the Saudi workforce and empower women in the labor market of various and different fields.





Fourth Industrial Revolution

The Fourth Industrial Revolution represents a fundamental shift in the way we conduct business and develop policies. By integrating with advanced technologies like AI, IoT, 3D printing, robots, and smart; mines, factories, and grids. This will increase production and competitiveness, enhance sustainability, and grow value chains.

Saudi Arabia possesses significant potential and resources to compete in this sector. The most important of which is the demographic composition of the Kingdom, which includes a large percentage of young people with a great interest in advanced technology, along with financial resources that allows the Kingdom to acquire and localize advanced technologies. Moreover, having access to big data and achieving integration between factories is relatively easy for the Kingdom as a result of the high coordination between industrial clusters.

NIDL focuses on developing a robust Fourth Industrial Revolution ecosystem to support the adaptation and innovation of advanced technologies to unfold promising opportunities in NIDL sectors through the following:

- Preparing the legislative environment by developing legal frameworks necessary for expanding Fourth Industrial Revolution applications in line with developing NIDL's sectors.
- Improving the infrastructure of communication and digitalization technology as a key driver of the growth and spread of Fourth Industrial Revolution applications in different fields.
- Building Fourth Industrial Revolution human capabilities with high skills to occupy newly generated jobs.
- Supporting entrepreneurs and domestic tech companies, attracting foreign companies that are specialized in Fourth Industrial Revolution applications, and localizing centers of excellence for research and development.

NIDLP's Strategy





Opportunities for Growth and Diversification of the Kingdom's Economy

NIDL objectives are built on the Kingdom's strengths and unique potential. The Kingdom has tremendous investment capabilities and provides local and international investors with unmatched opportunities through the development of many promising sectors that will serve as new pillars for the Saudi economy in addition to privatizing some state-owned assets and launching several mega projects.

The Kingdom is strategically located at the crossroads of three continents - connecting Asia, Africa and Europe. Having access to the most important water ways gives the Kingdom a significant competitive advantage as a global logistical gateway for global market to access consumers.

NIDL endeavors to capitalize on the Kingdom's abundant resources and capabilities. Being the largest economy in the Middle East, with a gross domestic product exceeding SAR 6.2 trillion in 2020, in addition to the domestic purchasing power of companies and individuals, the free movement of capital, and the stability of its currency have contributed to strengthening the Kingdom's economy.

In addition to the availability of natural resources and its advanced infrastructure, the Kingdom has a young national workforce, as 67% of Saudis are aged under 34 years old.

Given the historical trend of development and the growth of NIDL sectors, the Program's strategy was developed to achieve the Vision 2030 objectives by relying on key factors, such as increasing the private sector's contribution to the growth of NIDL Sectors, enhancing regulation to respond to global trends, and developing and promoting new sustainable competitive advantages.

Reaching this stage will require building on the current strengths of the Kingdom and gradually developing and enhancing new competitive advantages as a transitional phase. This was the context in which the strategic pillars of NIDL were developed.

Integration between NIDL sectors was historically relatively limited. As a consequence, maximum economic value for the Kingdom was not achieved. Therefore, the Program's strategy is based on the integration between its sectors and the optimal utilization of its outputs.

The Attractiveness of Saudi Arabia



Robust Economy

- More than 33 million consumers.
- GDP growth of 2% annually 2013-2020 (CAGR)
- Strong FDI inflows
- Free movement of capital
- Currency stability
- Member of G20, Greater Arab Free Trade Zone.
- Achieved best improvement in women participation, conducting business, and law as issued by the World Bank
- Supportive political environment.



Quality of Life

- Ranked 26th in the world in terms of quality of healthcare system, by the World Health Organization.
- Increasing women's participation rates
- Promoting tourism and focusing on entertainment.



Human Capabilities

- More than 80 independent universities and colleges in the Kingdom.
- Technologically advanced society (97% of those over 15 years use cell phone and 89% use internet).
- Young workforce (67% of Saudis are aged under 34 years old).



Unique Strategic Location

- Saudi Arabia is located at the heart of the Arab and Islamic worlds.
- It has borders with two of the most important global shipping lanes (Red Sea and Arabian Gulf)



Promoting a Business-Friendly Environment

- Saudi Arabia made the best improvement as per the World Bank's Performance Index:
 - Improved ranking by 30 places in one year in the Doing Business Report 2020.
 - Improved by 100 places in the company incorporation index
- Low tax levels.



Substantial Pivotal Opportunities

- Focused localization efforts across various sectors.
- Mega projects (Neom City, Red Sea, and others).

An Integrating Strategy

Vision 2030 set ambitious targets to diversify the Kingdom's economy. The growth of non-oil GDP is expected to double in 2030 which entails faster growth in NIDLP sectors to achieve Vision 2030 objectives. To that end, a number of general guiding principles were set as follows:

Focusing on a diversified portfolio of sectors based on sustainable competitive advantages.

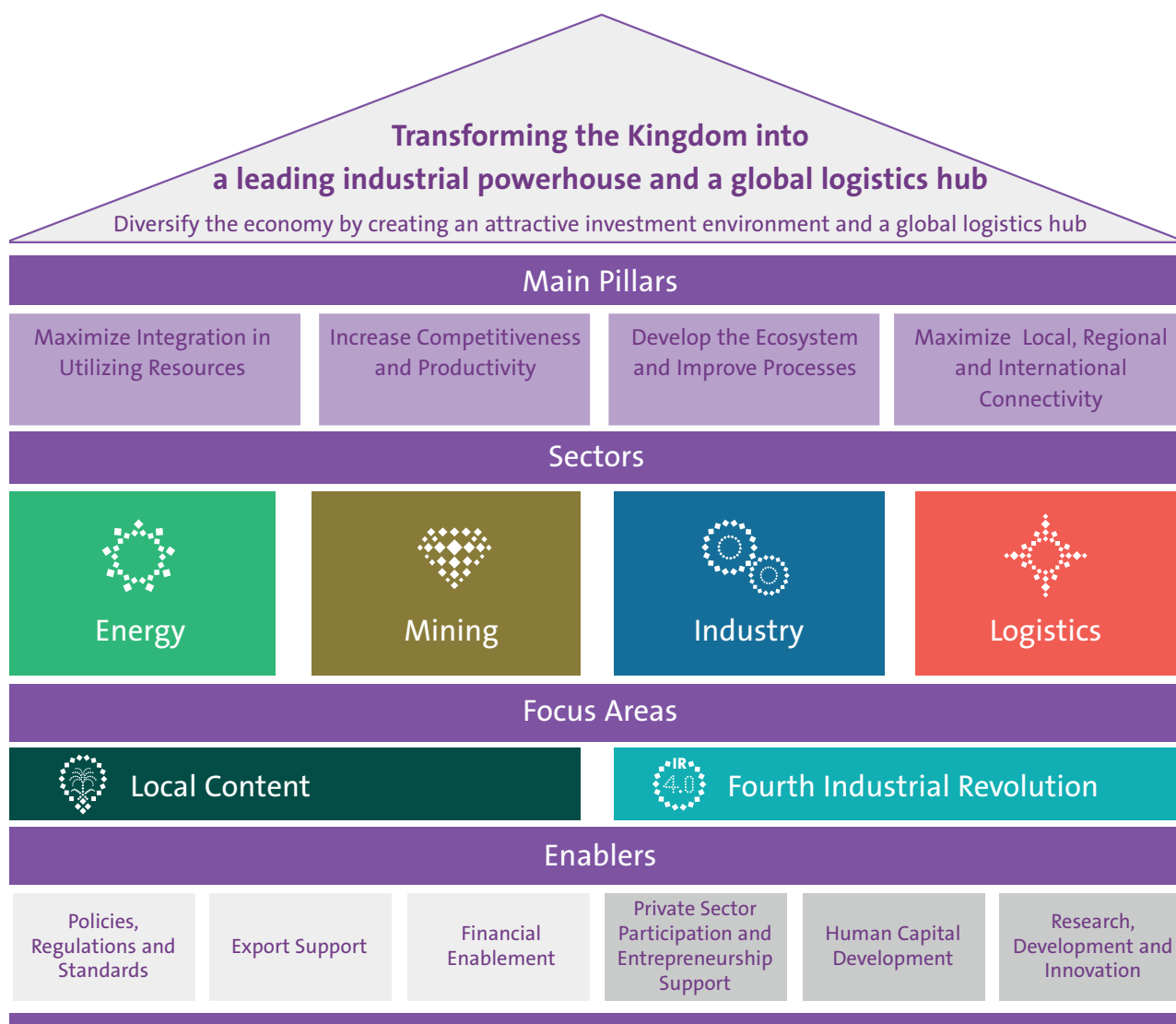
Empowering the private sector to create economic growth via enabling an attractive investment environment.

Focusing on regulations and legislations to stimulate faster growth.

Building on the Kingdom's current competitive advantages.

In addition, global trends pose opportunities and challenges on the way to achieve the targeted economic growth, including:

- Increasing the importance of research, innovation and productivity that represent great opportunities to enhance competitiveness.
- The future of global trade and changes in trade flows and supply chains may provide the Kingdom with opportunities to keep pace therewith in terms of international trade, which will reflect on the industrial productivity of the Kingdom.
- The fluctuations in oil prices in the last decade supports the Kingdom of Saudi Arabia efforts towards achieving a sustainable diversified economy and maximize the value of hydrocarbon resources.



Within the scope of NIDL

Fully
 Partially

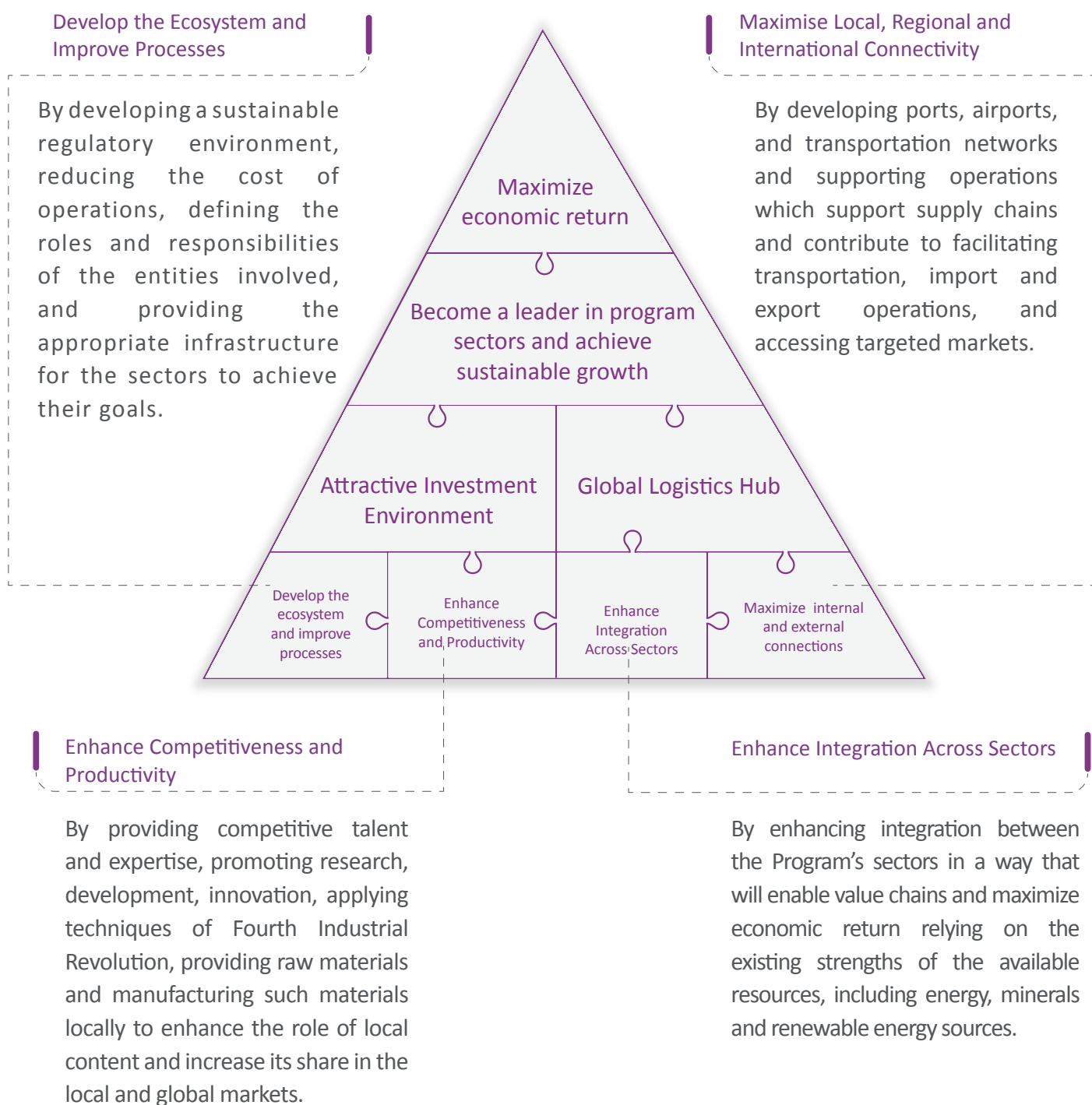
Achieving sustainable growth of NIDL’s sectors:

A more sustainable approach is required to realize the Kingdom’s Vision 2030. It is based on developing enablers that will contribute to improve and maintain the Kingdom’s competitiveness position, by:

1. Empowering the private sector to lead growth and establishing competitive SMEs.
2. Developing flexible regulations that will keep pace with the changing global landscape.
3. Focusing on competitiveness and productivity leveraging research, development and innovation.
4. Optimizing utilization of the local purchasing power to localize strategic industries.

NIDLDP's Strategic Pillars

Based on the above, the strategic pillars of NIDLDP were built to ensure the achievement of the Program's objectives:





Robust Economy and Sustainable Growth

During the COVID-19 pandemic, the regional and global economy faced an unprecedented crisis that caused a historical economic recession that effected the growth outlook of the global economy. This substantial economic impact resulted from simultaneous economic shocks in the same period as the energy markets witnessed a significant decline in demand due to partial and full lockdown in most of the countries, which led to oversupply and a sharp drop in demand that required historical decisions to maintain global markets performance. This crisis has also disrupted global supply chains due to the shutdown of many factories, enforcing precautionary policies, reluctance to export basic commodities such as medical products, limited traffic between countries, and high demand for medical and food products. NIDL has examined the impact of this crisis on current plans, milestones and any possible future crises. Also, foundations were laid to tackle any future crises and mitigate their economic impacts in a way that would serve NIDL Sectors, accelerate recovery and ensure sustainability.



Economic Crises Tackling Guidelines

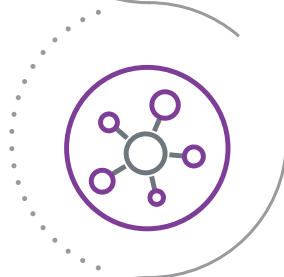
Accelerating adoption of the Fourth Industrial Revolution
Enabling the digital transformation of NIDLDP's sectors.



Improving supply chains and logistics

Improving connections between the cities of the Kingdom and ensuring continuity of production affected by disruption of supply chains

Raising Medical and Pharmaceutical Supply Security
Achieving a significant increase in the local content of the manufacturing cluster and producing more sophisticated products



Reinforcing Food Supply Security
Establishing a regional food hub to ensure that all food requirements are met



Reinforcing military capabilities
Increasing the localization of military industries



Enhancing Energy Supply Reliability and Achieving Sustainability

Regional connection of electricity grids and transition to the smart grid



01



Accelerating the Adoption of the Fourth Industrial Revolution:

The strength and resilience of advanced economies in facing crises lies in the strength and resilience of their digital economies. The COVID-19 crisis has caused a major shift in the priorities and strategy of the Fourth Industrial Revolution, specifically with regard to dependence on manpower and the impact of supply chains. NIDL's Delivery Plan is focused on increasing the adoption of the Fourth Industrial Revolution and its applications that reduce dependence on workforce, such as: remote monitoring and control, unmanned autonomous vehicles, vision systems for quality control, preventive maintenance, and augmented reality in order to achieve business continuity in all circumstances. NIDL aims to develop the ecosystem, future competencies and incentives, support innovation in cutting-edge technologies, and build an infrastructure that supports intelligent transformation in all sectors. This will support the analytical capabilities and applications of AI to optimize operations during future crises.

02



Improving Supply Chains and Logistics:

The basis of a robust successful supply chain is its ability to operate efficiently and continuously when crises unfold. The Pandemic has brought to light the fragility of the supply chain infrastructure in most countries, which requires proper planning and storage of quantities that can mitigate any supply delays or repackaging. Such challenges demonstrate the importance of the logistics and supply chains on which NIDL operates. NIDL's Delivery Plan strives to improve the link between the Kingdom's cities and industrial and mining regions, which will contribute to acting proactively when similar crises occur. The Delivery Plan also contributes to ensure the continuity of production affected by the disruption of supply chains through the applications of Fourth Industrial Revolution, through: activating and consolidating 3D printing technology for sensitive and important spare parts for national security, creating a database and digital designs for the high priority sectors in the Kingdom, such as the food, pharmaceutical and military sectors. As well as developing plans to address these challenges such as increasing dependence on local suppliers and producers, which increases GDP and uncover greater opportunities.

03



Enhancing Medical and Pharmaceutical Supply Security:

The pharmaceutical and medical supplies sector is of great importance in raising the level of medical security for the Kingdom. To that end, NIDL aims to enhance the level of self-sufficiency by attracting investments and ensuring their sustainability through leveraging government procurement and local content policies. Also, the absence of policy governing local purchasing process in the past has led to vague local procurement processes and relying on imported products, which has hindered the sector's development before the pandemic.

With regard to supply chains, products require many sources to supply components from different regions of the world. Pharmaceutical products require active materials to make medical formulations and produce medicines, and then provide packaging and the ability to deliver products quickly.

On the other hand, medical supplies and devices require access to different markets and products of varying complexity, from the textile industry to the manufacturing of respirators.

Reinforcing Food Supply Security:

The food and aquaculture sectors are of great importance in enhancing the level of food security of the Kingdom, demonstrating the need to raise the level of local sufficiency, by attracting investments and ensuring their sustainability. To that purpose, we are leveraging government food procurement to strengthen and improve local and regional supply chains while ensuring the availability of sufficient food quantities to meet future conditions. NIDL P is also working to provide integrated and specialized clusters for the food industry that strengthens its supply chains while developing national hatcheries to support aquaculture production and ensuring its sustainability.

04



Reinforcing Military Capabilities:

NIDL P seeks to increase localization of military industries by promoting cooperation between all military and security entities and the development of sustainable domestic military industries sectors by building their supply chains, directing research and development operations of targeted technologies and developing the appropriate infrastructure.

05



Enhancing Energy Supply Reliability and Improving Sustainability

NIDL P, through the Ministry of Energy and the energy executing entities, seeks to increase the reliability and sustainability of energy supply by regionally connecting electricity grids and switching to smart grids through creating advanced control systems and installing smart meters to automate the distribution network feeders, which increases reliability, keeps pace with growing demand efficiently. NIDL P aims to move towards sustainability by increasing energy production from renewable sources and introducing it in the Kingdom's energy mix. While continuing the use of natural gas to reach the optimal energy mix that will reduce emissions and increase efficiency. The Delivery Plan also contributes to increasing the proportion of local content in the sector, supporting the development of local resources from purchases of goods and services, achieving technical and practical sustainability, ensuring the efficiency of supply chains, and the ability to respond quickly to requirements in times of crisis and emergency.

06

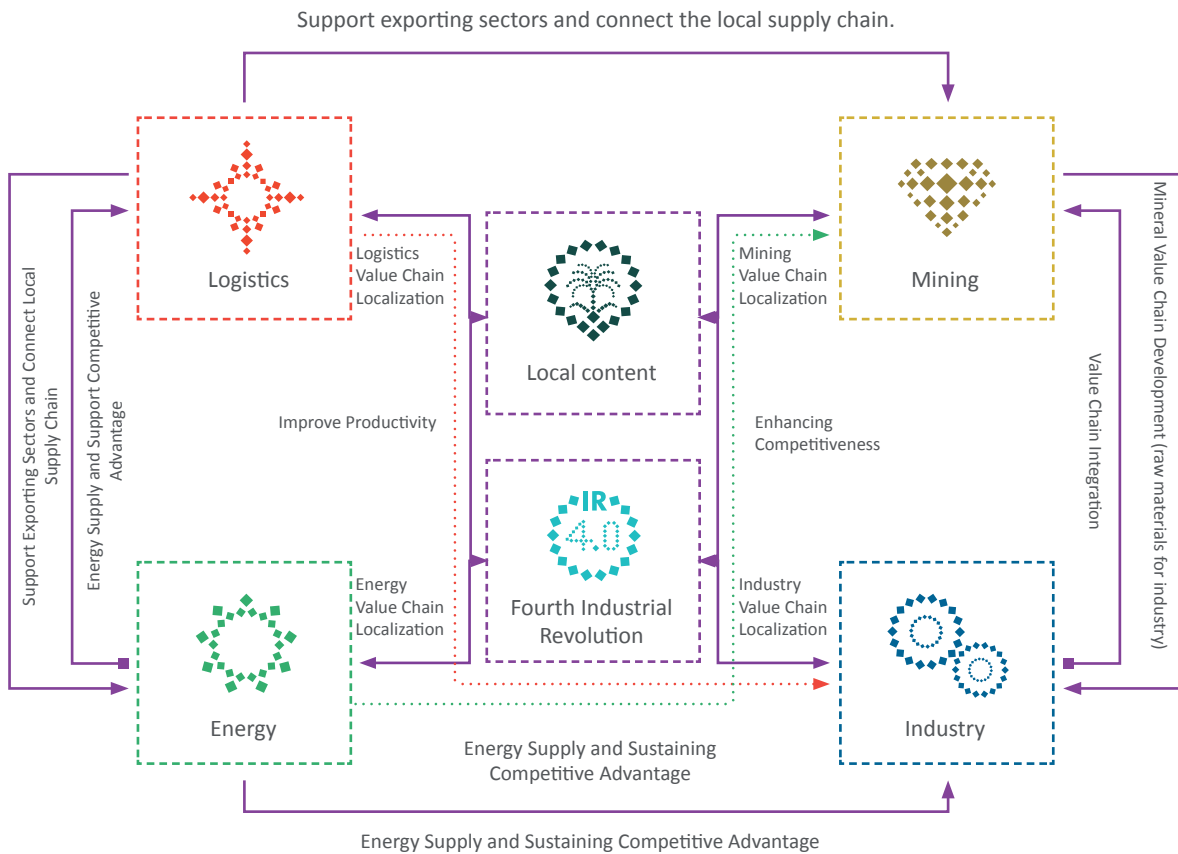


Shaping our future through integration across sectors

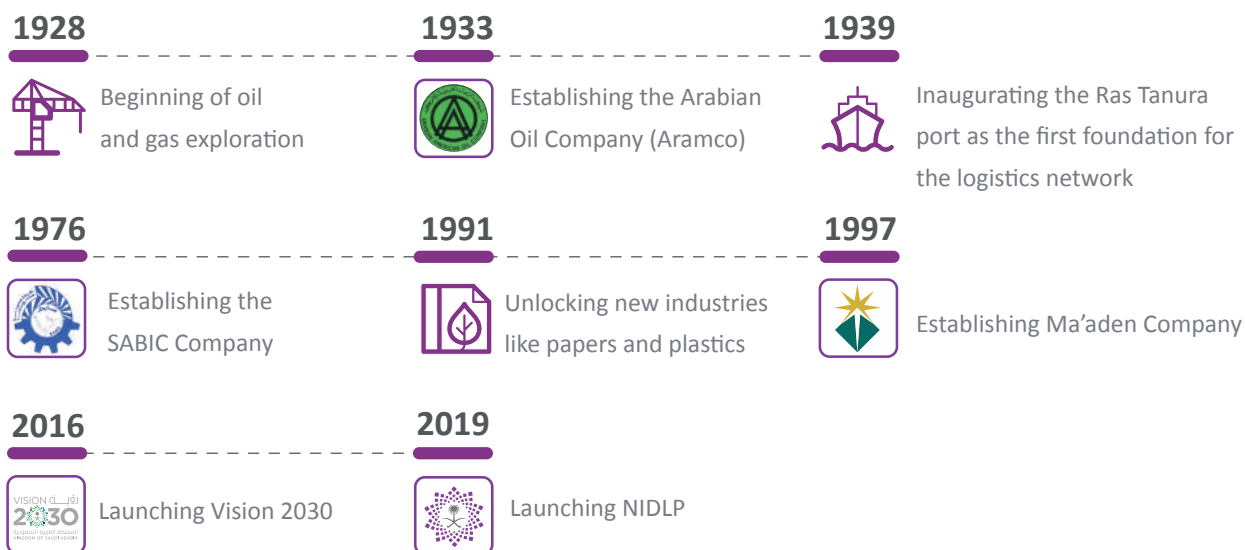
Introduction

Although the Saudi economy had a prosperous run of growth depending on oil revenues for many years, a diverse economy remains crucial to a future of economic growth and sustainability. Accordingly, Vision 2030 is setting the scene for a thriving economy with diverse sources of income. NIDLP is one of Vision 2030's key Programs with a mandate to transform the Kingdom into a leading industrial powerhouse and global logistics hub that utilizes its national resources to shape a future with a diverse and robust economy.

Diverse economic revenue by fostering an attractive investment environment and international logistics hub



Integration historical events



Integration across different sectors was key to the growth and success of the Saudi economy. Early signs of that interdependence were clear in the exploration of oil and gas fields in the Kingdom and the establishment of the Aramco Company. A defining moment in the region's history that connected the oil and gas industry with nationwide logistics network including ports and export terminals that contributed to positioning Saudi Arabia as the leading exporter of oil.

In 1976, Saudi Arabia Basic Industries Corporation (SABIC) was established to unlock the growth potential of the petrochemical industry that supplies the industrial sector with various raw materials for different value chains utilizing the abundance of natural gas. As a result, many industries grew in Saudi Arabia, especially in paper, plastic and iron, by the beginning of the 20th century.

In 2016, Saudi Arabia launched Vision 2030 Programs including NIDLP, which was launched in early 2019. NIDLP focuses on four key sectors: energy, mining, industry and logistics.

In addition, to enhance the importance of integration among these sectors, NIDLP focuses on two pillars: Local Content and the Fourth Industrial Revolution. These pillars will create an economy with qualitative competitive advantages that will help maximize added value, local and international investments, and increase the contribution of those sectors to Saudi Arabia's GDP.

This integration remains a pivotal driver in Saudi Arabia's 2030 journey. As it contributes to the growth of each sector at a faster unprecedented rate.

Integration Goals



Accelerate achieving the sectors' objectives



Maximize economic added value



Diversify the economy



Enhance sustainability through integration in legislations and regulations



Increase non-oil revenue from NIDL's sectors

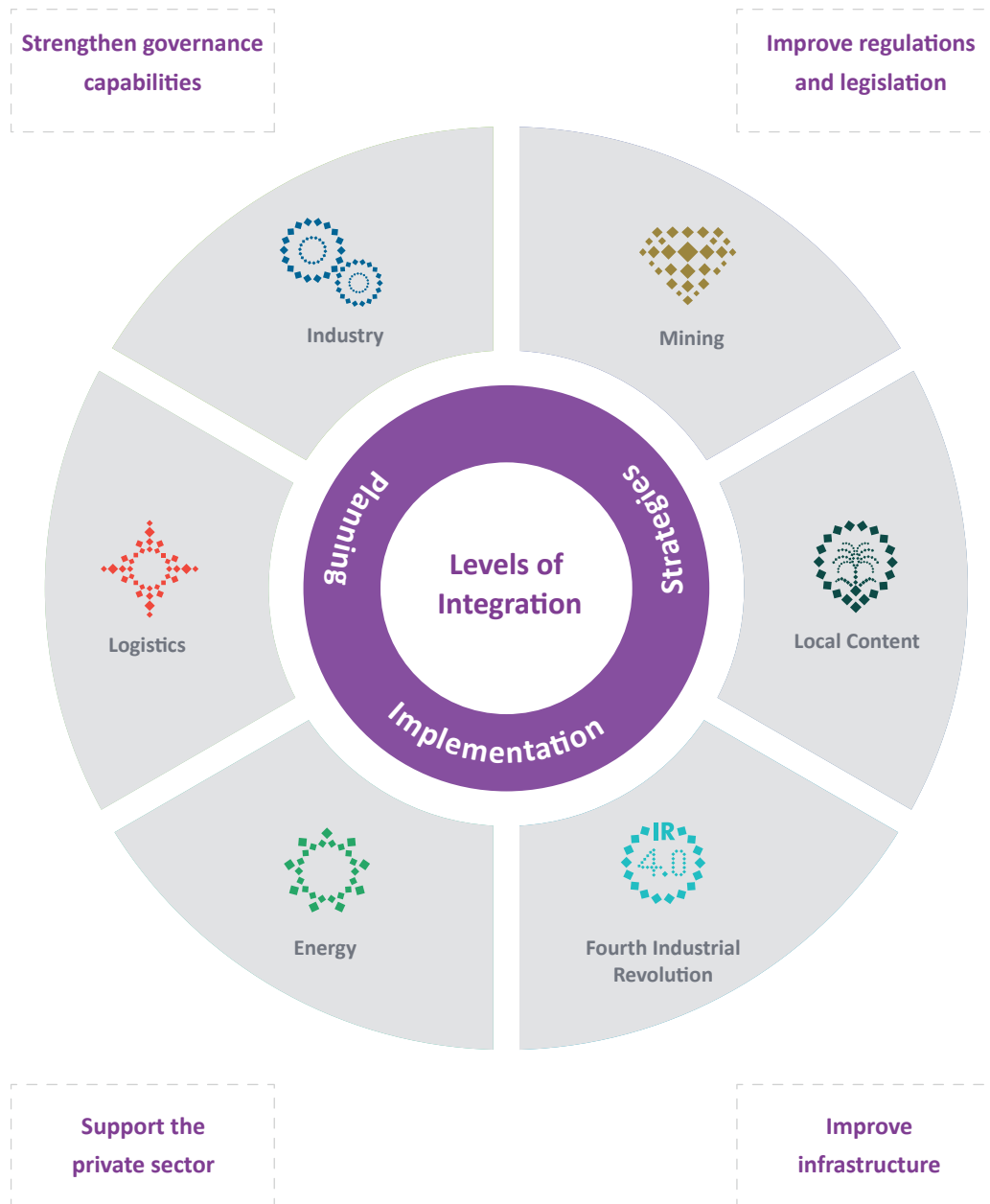


Optimization of resources



Enhance competitiveness and foster an attractive investment environment

Levels of Integrations



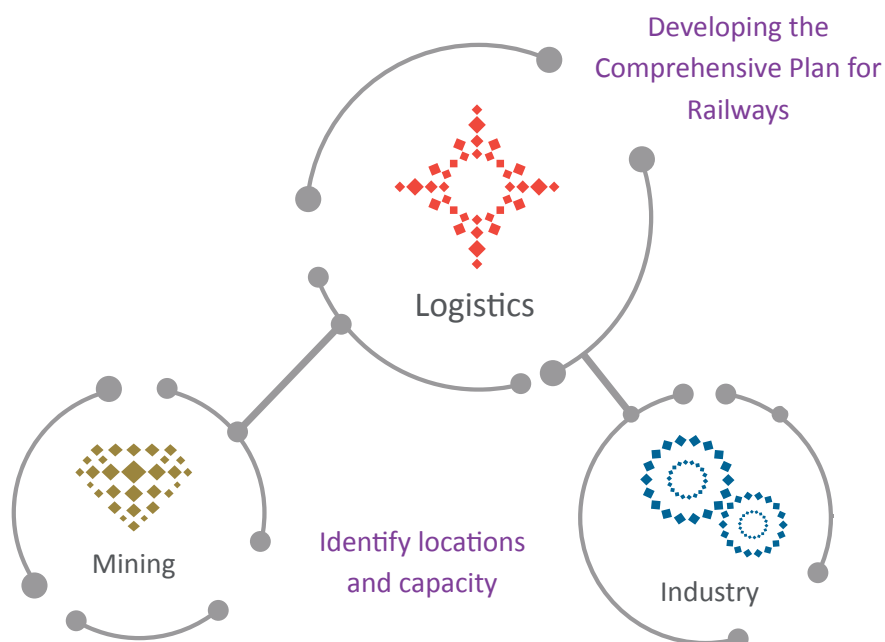
NIDLDP focuses on fostering integration with government sectors through sectoral committees. In addition, it seeks to align with the private sector through the contribution of the Local Content Coordination Council, which includes relevant national companies that adopt best practices to strengthen areas of cooperation with the private sector. Such measures will increase effectiveness and efficiency of NIDLDP’s initiatives.

In addition, NIDLDP will work with stakeholders to identify major challenges that face the private sector and work closely to address them

Integration Across Sectorial National Strategies

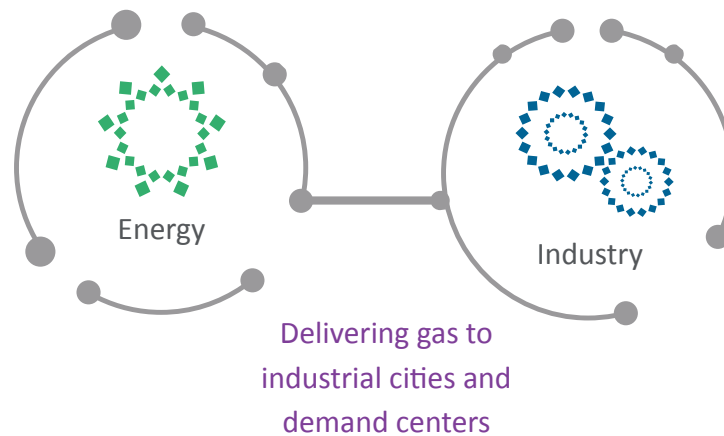
In addition to the significant contributions of joint government committees across different sectors, NIDLP aims to align different sectorial national strategies in order to avoid duplication of efforts and enhance processes, which will foster a thriving attractive investment environment.

Examples of these endeavors is alignment of the National Transport & Logistics Strategy with the strategies of other NIDLP sectors to enable a value-creating economic model for the private sector. Such measures will support meeting the logistic sector demand by identifying optimal pathways, linking mining platforms and industrial and economic cities, sea ports, various cities and viable lands and connecting to neighboring countries. This process enables the transformation of the logistic requirements of other sectors to strengthen the Kingdom's logistical and geographical status.



Integration in Planning

NIDLP aligns plans between its sectors' initiatives to accelerate achieving their objectives and to maximize added value. Over the past 20 years there has been a lack of gas pipelines in many industrial cities which resulted in using liquids as fuel. Ultimately, resources were not optimized, which led to a decline in investments. To overcome this challenge, comes the need for integration in delivering gas to industrial cities and demand centers.

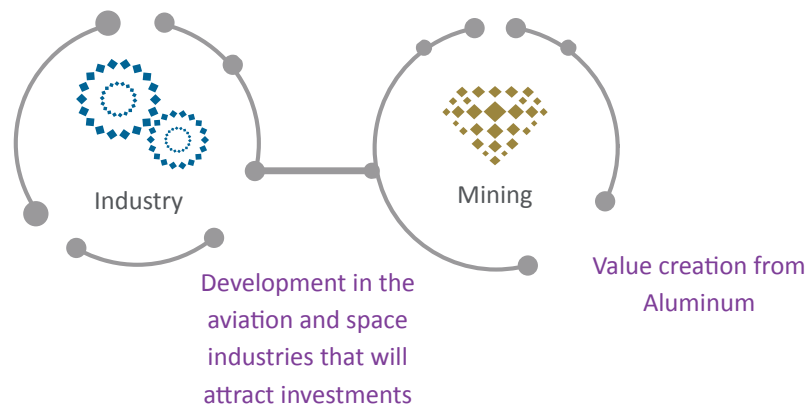


NIDLP prioritizes gas delivery by connecting demand centers in industrial cities such as (Dammam 3rd industrial city, Jeddah 2nd industrial city, Jeddah 3rd industrial city, Sudair, and Al-Kharj) with the main gas network. In addition, the integration between execution authorities such as the Ministry of Energy and the Saudi Authority for Industrial Cities and Technology Zones (Modon) will contribute to accelerating the achievement of objectives and maximize added value in the sector.

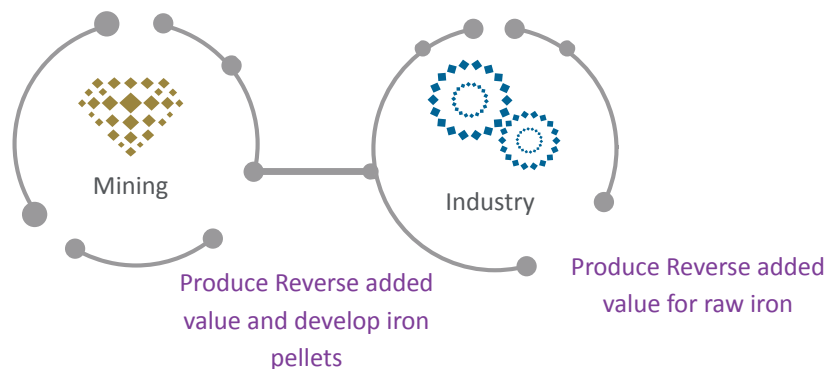
Integration in Implementation

NIDL ensures the alignment of implementation mechanisms among sectors' initiatives to optimize the use of resources and achieve the objectives of stakeholder entities. For example, NIDL will ensure the integration between the mining and industrial sectors, which is based on two methodologies: Development Integration and Reverse Integration.

Developmental Integration: The aluminum industry in the Kingdom produces high-purity aluminum die-cast metals that are needed by industry to turn it into useful parts for the automotive, aircraft, and military industries.



Reverse Integration: The iron industry presents a growth opportunity in the development of the iron raw-mine in the Wadi Sawawin mine to meet the great demand for iron pellets.



Interdependencies within VRPs Initiatives

NIDLDP has identified interdependencies within VRPs initiatives through comprehensive mapping and alignment efforts to avoid duplication.

1- National Transformation Program:

- One of NTP mandates under Vision 2030 is to develop the digital economy, which NIDLDP is partaking in achieving, by increasing the reliance on Fourth Industrial Revolution to increase productivity.
- The other Vision 2030 objective related to National Transformation is ensuring food security and sustainable development, in which NIDLDP is developing national industry and logistics by establishing advanced food industrial clusters, securing energy supplies and increasing their reliability and efficiency.

2- Financial Sector Development Program:

NIDLDP intersects with the Financial Sector Development Program in the financial development aspects for institutions and especially SMEs in industry and logistics.

3- Privatization Program:

NIDLDP studies and evaluates privatization opportunities in relevant sectors while adhering to the National Center for Privatization rules and regulations. NCP supports NIDLDP through its expertise to provide recommendations on laws and regulations, finance comprehensive studies, and obtain approvals to examine possible opportunities and areas of development.

4- Human Capital Development Program:

NIDLP cooperates with NIDLP in empowering the workforce in relevant fields by aligning with education and the labor market to expand training from the Human Capital Development Program in needed areas, which will increase local participation in industrial sectors.

5- Public Investment Fund Program:

NIDLP cooperates with PIF by directing investment toward emerging industries and the oil and gas industry and supports the localization of technologies and expertise to enrich national industry. There are many areas of collaboration, such as renewable energy, automotive and logistics, Fourth Industrial Revolution, R&D and Innovation.

6- Healthcare Transformation Program:

NIDLP cooperates with the health sector to ensure health security by creating industrial clusters for pharmaceutical and medical supplies.

رؤية VISION
2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA



Main Key Performance Indicators (KPIs)

Strategic Objective	KPIs
3.1.7 Create special zones & rehabilitate economic cities	<ul style="list-style-type: none"> • The size of non-government investment in economic industrial cities and special economic zones. • Number of special economic zones. • Percentage of occupied developed areas of the industrial cities.
3.2.1 Increase localization of Oil & Gas sector	<ul style="list-style-type: none"> • Percentage of local content in the oil and gas sector
3.2.2 Raise gas production and distribution capacity	<ul style="list-style-type: none"> • Total production capacity of dry gas. • Capacity of raw-gas processing.
3.2.3 Develop oil and gas-adjacent industries	<ul style="list-style-type: none"> • Gross capital in the oil and gas industry. • Total value of exports in the chemical industry.
3.2.4 Grow the contribution of renewable energy to the national energy mix	<ul style="list-style-type: none"> • Total grid connected capacity of renewable energy sources. • Percentage of local content in renewable energy projects.
3.2.5 Enhance the competitiveness of the energy sector	<ul style="list-style-type: none"> • Efficiency of electricity generation.
3.3.1 Grow and capture maximum value from the mining sector	<ul style="list-style-type: none"> • Total annual spending on exploration per km. • Total number of operating licenses for mining.
3.3.3 Localize promising manufacturing industries	<ul style="list-style-type: none"> • Gross capital dedicated to promising industries. • Total cumulative value of exports from promising industries.

Strategic Objective	KPIs
3.3.4 Localize military industries	<ul style="list-style-type: none"> • Total cumulative value of military sales by local companies. • Percentage of localization in the military industry.
3.3.7 Increase the percentage of local content in non-oil sectors	<ul style="list-style-type: none"> • Value of local content in the non-oil sectors .
3.5.1 Create and improve the performance of logistics hubs	<ul style="list-style-type: none"> • Percentage of transshipment captured by KSA in the relevant routes. • Percentage of connecting passengers captured at KSA airports from connecting passengers in the region.
3.5.2 Improve local, regional and international connectivity of trade & transport networks	<ul style="list-style-type: none"> • International connectivity index of airports (Rank). • Road connectivity index.

<p>More than 300 initiative</p>	<p>contribute to achieving these strategic objectives.</p>
--	--

NIDLDP's Commitments for 2025



Establishing 8 economic zones around the Kingdom to support the Program's Sectors



Increasing local content in the oil and gas sector to 70%



Completing more than 50% of the geological survey for the Arab Shield



Achieving local medicine production of 30% of market value



Activating 5 national capability centers for Fourth Industrial Revolution technologies



Reach 20 logistics hubs that are connected with proper connections to enable re-export



Reaching electricity generation efficiency of 40.8%



Reducing mining licenses issuance time to less than 60 days



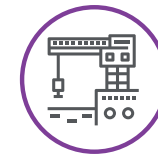
Achieving production capacity of the aquaculture sector to 300,000 tons annually



Increasing local content in the non-oil sectors to SAR 1.24 billion



Scoring (3.38) Logistic Performance Index (LPI)



Increasing the percentage of utilized ports by increasing capacity to 70%

Enhancing Private Sector Participation and NIDLP's Enablers





تتكامل الصناعة المستقبلية
Integrating industries for the future of Saudi Arabia



Overview of Enablers to Enhance Private Sector Participation

The Kingdom is committed to the path of improving the investment environment and enhancing private sector contribution to the economy. The Kingdom will further pursue public-private partnership and enable the private sector to acquire and deliver services that are currently provided by the public sector. Therefore, NIDLP developed a partnership plan to support current and future investment opportunities, unlock privatization opportunities in NIDLP sectors, accelerate privatization, and overcome all obstacles preventing private sector from playing a vital role in development. NIDLP will enable and continue to improve and reform regulations, while ensuring sustainable communication with the private sector. The partnership plan consists of 3 pillars:

1. Foster an Attractive Investment Environment within NIDLP Sectors

NIDLP seeks to further improve the investment environment amidst regional and global competition to attract investments. Saudi Arabia, recently, carried out a number of business and woman workforce related legal reforms that ranked the country 1st place in global climate business improvers according to the World Bank Doing Business 2020 report, and has achieved notable progress in the “Women, Business and Law Report”. NIDLP integrates entities efforts with the Ministry of Investment strategy to support and attract investments through:

- **Promoting Private Sector Participation**

As the private sector has a major role in achieving Vision 2030 objectives, NIDLP aims to provide a better environment for partnerships through more effective and sustainable communication channels and platforms. This will improve strategy and delivery plan outcomes and overcome challenges collectively. The private sector will contribute to the investment environment and sectors’ growth through committees and partnership councils with the government.

- **Promoting the Competitive Advantages of NIDLP Sectors**

NIDLP highlights its sectors competitive advantages to investors to encourage investments. It focuses on the Kingdoms general attractiveness, such as national resources, its globally strategic location, a strong and stable economy, educated human capital, and game changing opportunities in large-scale projects such as Neom, Qiddiya, Red Sea, etc. Furthermore, it highlights specific cluster enablement and market value proposition.

- **Enhancing Trust and Transparency and improving Investor Journey**

NIDLDP has consolidated a comprehensive investors journey to reflect a clear picture of all the steps needed to access the sector as part of its effort in promoting a culture of transparency. The journey includes an entity's requirements, government fees, timeline for each step and measuring an entity's capability. Also, NIDLDP uncovered potential improvement opportunities like services automation and providing a one stop shop.

The journey will cover all sectors taking into consideration differences between each sector to attract investors to an advanced, easy to navigate and successful journey.

- **Protecting the Local Market From Unfair Competition and Supporting Global Market Access**

NIDLDP seeks to protect local markets from unfair competition by reviewing and improving foreign trade regulations, and increase local product competitiveness by attracting and localizing new industries and promoting exports.

NIDLDP is also working on several initiatives that aims to protect the local market from unfair competition:

- Increasing the efficiencies of applying standards and quality specifications.
- Developing policies and regulations to support local content for government procurement.

In addition, NIDLDP is working to develop a strategy that will support global and regional market access by providing a robust infrastructure and required logistics to export local products and compete in the global market.

- **Identifying Perceived Constraints and Challenges**

By continuously assessing the private sector performance, identifying challenges, and unlocking new communications channels through robust strategic partnerships, NIDLDP is unfolding a new realm of endless possibilities for the investment environment to thrive. By joining forces with relevant stakeholders, these challenges will be analyzed, addressed, and overcome sustainably and effectively. In Q1 2020, NIDLDP had an insight into the challenges facing the private sector through strategic partnership committees and workshops, bringing more than 80 private sector representatives to share their ideas and voice their opinions. These efforts have resulted in a very comprehensive practical analysis of perceived challenges, and appropriate measures were addressed to relevant authorities.

2. Support investment opportunities

NIDLDP aims to enable private sector investment of SAR 1.4 trillion by 2030. This includes coordinating efforts and plans with more than 40 entities in 4 main sectors: energy, mining, industry, and logistics. NIDLDP aims to achieve this ambitious target by utilizing its strategic role as integrator with all stakeholders as follow:



Increase efficiency of consolidating and developing investment opportunities

Alignment and collaboration sit at the heart of NIDLDP's process of scanning investment opportunities. By employing advanced tools and platforms, NIDLDP gathers investment data, increases efficiency, tracks progress and identifies support areas to expand collaboration among executing entities. These efforts are complemented with a set of tools that ensure ease of doing business such as developing a follow-up system (an internal e-platform), designing a tabulation system for investment opportunities, filing and following up procedures for other entities' representatives, and ensuring quality and sustainability.



Aligning NIDLDP's executing entities and promoting constructive collaboration within the private sector

NIDLDP serves as a hub of connectivity and collaboration between relevant entities. Such efforts encompass developing investment plans, identifying sectors' priorities, and supporting the process of implementation and follow-up. All these processes are derived and designed to achieve each sector's strategic objectives while unlocking new investment opportunities.

NIDLDP seeks to promote a culture of productive synergy amongst the private sector. A mindset that uncovers new solutions to overcome the market's challenges and fosters competitiveness by incorporating a set of advanced management practices with the added value derived from lowering production costs and enhancing sustainability and quality.



Enhancing integration between NIDLP's Sectors to unlock value chain opportunities

NIDLP acknowledges the importance of integration and joining forces with other entities to foster value-chain opportunities, which has significant impact on product competitiveness due to reduced production costs. Value-chain analysis is key to new opportunity generation, especially for those that were not prioritized or neglected due to low profitability before accounting for integration value add on projects' cost and profits. The future growth potential of the mining sector is significant and will unfold new growth for the industrial, energy, and logistics sectors.



Enhancing the role of national companies and PIF in enabling the Program's Sectors

Global economic best-practices and private sector success stories remain a rich source for NIDLP's initiatives and project planning. Building on a mindset of inclusiveness, NIDLP has designed a set of tools and mechanisms to engage PIF and Saudi corporates in priority sectors, mainly through:

- Maximizing investments in industries that enables manufacturing.
- Accelerating the implementation of sectors' infrastructure.
- Developing and raising the competitiveness of quality investments.
- Partaking in capabilities-building and human capital development.

This collaboration will promote effective execution to the local content policies and investment in strategic projects that carves a trail of success for manufacturing.

3. Support and Accelerate Execution of Privatization Opportunities

- The importance of Privatization and the role of NIDL

Privatization is one of the major solutions to improve the government budget by offloading capital and operational expenses, unlocking new revenue resources, improving service quality and efficiency. It also cultivates private sector growth by increasing their participation and enhancing competitiveness. Privatization will enforce governments supervisory role; shifting the government's role from operational to enablement and supervision.

The success of privatization plans relies heavily on several factors including an adequate business model, effective regulatory framework, effective governance and efficient assets.

Saudi Arabia has implemented successful privatization projects, such as the Saudi Ports Authority projects to develop and operates container terminals in several ports, and energy supply privatization represented by REPDO projects that include Sakaka Solar Energy and Dumat Al-Jandal Wind Power. The Kingdom owns several efficient assets, such as airports, ports, roads and industrial infrastructure which NIDL will collaborate with the National Center for Privatization and related entities to develop number of privatization opportunities.



NIDL P will work to overcome private sector challenges and enhance collaboration to achieve NIDL P sectors objectives through sustainable solutions and initiatives embedded in sectors initiatives portfolio as follow:

Energy	Mining	Industry
Study the feasibility of gas delivery to industrial cities	Accelerated Exploration Program	Attracting and motivating investment in economic cities and special economic zones
	Saudi Company for Mining Services	Industrial Clusters Enablement Fund
		Improving the regulatory and legislative Environment for the industrial sector
		Designing industrial incentives and industrial cluster incentives
		Developing export capabilities for Saudi establishments
Logistics	Local Content	Indusrty 4.0
Implement expansion projects to keep pace with growth in trade, economy, and asset conservation	Increasing local content in the Saudi Economy	Digital Enablers platform
Update the master plan for railways	Enabling Industrial SMEs	
Develop logistics hub master plan		
Development of the import and export processes		

NIDL P Enablers

1. Financial Enablement

- **Main Challenges:**

NIDL P sectors are facing several challenges related to the financial system such as:

- Limited activation methods for the participation of development capital from the private and government sectors.
- Low attraction of industrial investment opportunities
- The Saudi Industrial Development Fund has launched new financing programs and considered the Program's Sectors as strategic pathways, the Fund is still in the process of working with the Private Sector Engagement Department, which is responsible for bridging the gaps in funding legislation.
- Complex requirements and procedures for obtaining loans from commercial banks.
- Failing to utilize the interdependency between incentive government financing system and the facilities provided by commercial banks.

- **Progress:**

NIDL P has joined efforts with relevant entities to transform the financial funding environment. A testimony of this collaboration is solidifying the Saudi Industrial Development Fund as the main enabler for industrial transformation in the Kingdom. SIDF endeavors to overcome obstacles associated with funding in: acquisitions, the mining sector, logistics, support services, human capital, renewable energy, while supporting vital businesses at all stages.

On the other hand, NIDL P cooperated with the Saudi Exports Development Authority to improve funding through the Saudi EXIM Bank, which funds entities with SAR 30 billion in capital. This aims to improve Saudi exports for both Saudis and non-Saudis who work in the trade and industry sectors.

- **Aspirations:**

To ensure accessible funding solutions for each Sector of NIDL P. Financial Enablement focuses on:

- Defining funding gaps within NIDL P's sectors.
- Providing recommendations for the new products and developing policies and regulations.

2. Exports Support

- **Main Challenges:**

The Kingdom's exports fluctuate with the price of oil, and non-oil exports represent currently one third of the Kingdom's total exports, growing 7% annually. Exporting from the Kingdom is facing several challenges that the Saudi Exports Development Authority identified, such as:

- Weak export capabilities and limited diversity of industrial services that support export growth.
- An export environment that burdens the growth of exporting national products and services.
- Lack of competitive value in global market access.
- Limited global marketing tools for Saudi products.
- Limited global enablers such as export funding.

- **Progress:**

- Several initiatives were undertaken to empower exporting of Saudi products through a complete value chain including:
- Establishing and launching the Saudi EXIM Bank: The Council of Ministers approved launching the Bank to bridge the gaps in exports for the trade and industry sectors. It is currently in its first phase by attracting talent and enhancing partnerships with local and international financial and insurance institutions.
- Simplifying export and import processes in collaboration with entities: The Saudi Exports Development Authority is working to improve communication channels with the private sector to identify requirements, cultivate a thriving export culture, and support exporters by providing logistics and human capital.
- "Made in Saudi" platform: To support national products through an effective economy and to unify production services like shipping and online payment in addition to marketing services for their products.

- Saudi Exports Incentive Program launched by the Saudi Exports Development Authority in November 2019 to encourage Saudi companies to enter the exporting market through the following 9 incentive initiatives in alignment with the World Trade Organization:
 - E-Commerce Listing
 - Individual Participation in Trade Fairs
 - Product Certifications
 - Marketing and Advertising
 - Product Registration
 - Potential Buyer Visit Support
 - Advisory – Supply Chains and Export Strategy
 - Legal Support
 - Specialized Training

- **Aspirations:**

The national export strategy provides a comprehensive plan to achieve Vision 2030 objectives. It focuses on setting priorities for products like goods, re-exports and services, identifying the main markets, and defining the main strategic pillars for the successful implementation of the strategy.

3. SMEs Support

- **Main Challenges:**

Increasing SME contribution to the Kingdom's economy is one of the key objectives of Vision 2030 which aims to enhance SMEs contributions to the GDP from 20% to 35% where industry and logistics are essential to achieve this objective. Main challenges encountering SMEs are related to regulations, supply and demand, limited start-up funding, weak capabilities in industry, and data scarcity.

- **Progress:**

NIDL is working with the Small & Medium Enterprises General Authority "Monshaat" to uncover solutions for the challenges through several initiatives that aim to increase contributions by SMEs in the GDP by empowering entrepreneurs and SME founders. The industrial supply chain strategy strives to support SMEs in relevant fields that will improve economic growth in the future.

- **Aspirations:**

SMEs are pivotal to NIDL's endeavor to foster and empower a thriving business climate. Its strategy focuses on building a strong and robust local industry and logistics. To that purpose, SMEs assume a vital role in energizing and unlocking the full potential of logistics and industrial sectors.

4. Human Capital Development

Technology unleashes human capital potential to steer economic growth, in which, Human Capital Development is essential to assure qualified capabilities are well equipped to partake in Vision 2030 ambitious journey across all sectors.

- **Main Challenges:**

The challenges of Human Capital Development in all sectors are:

- Limited availability of educational disciplines, training programs, technical and vocational training programs which directly serve the Program's sectors.
- Lack of data for graduates, job seekers, and vacancies.
- Gap in reflecting market needs within the education system outcomes.
- Heavy focus on theoretical aspects in the education system.
- Weak and limited contribution by the private sector in training national capabilities for the labor market.



- **Progress:**

A. Current State Analysis

- Several national strategies related to human capital were reviewed and aligned with the labor market requirements and the Program's objectives.
- Conducted a labor market study that have resulted in an analysis of the current state of education to overcome some of the challenges at an early age.
- Analysis of current training programs and developing a working plan to overcome the challenges that are related to tech and industry.
- Identify types of available professions in the Program's Sectors and the percentage of Saudization.

B. Benchmarks

Review global reports and benchmarks to develop lessons-learned and global best-practices.

C. Visits

Site visits to identify the challenges facing the Sectors to set suitable solutions.

D. Focus groups and workshops

- Conduct meetings with experts to share their best practices and recommendation for future improvements.
- Focus group workshops to overcome challenges facing human capital development for each of the Program Sectors.

- **Aspirations:**

The Human Capital Development Program aims to unlock the full potential of local competencies to meet international standards in NIDL P's technical fields and strategic sectors.

NIDL P's sectors are vital for job creation and enabling capabilities to bloom and excel in the labor market. As global markets shift and pivot, NIDL P supports the Saudi workforce in realizing their full potential through a unified information center. In addition to joining efforts with relevant stakeholders to bridge the know-how gaps and devise training programs to develop Saudi capabilities apt to lead and transform industrial sectors. To that end, a comprehensive human capital plan was developed for each priority industrial cluster to grow future-ready human capabilities proactively. Such measures will blend a set of vocational training courses and co-op programs to supply a rapidly growing atomic and renewable energy sector.

NIDL P and the Human Capital Development Program are working closely to improve strategic plans to develop national competencies that will increase the value of the industrial market and meet the standards of the global market.

5. Research & Development and Innovation

Establishing a committee responsible for R&D and Innovation in collaboration with the Council of Economic and Development Affairs is significant contribution to the Kingdoms economy, development and society that will contribute to achieving Vision 2030 objectives.

NIDLP has implemented several initiatives for R&D and Innovation that includes a comprehensive methodology to serve its main sectors (Industry, Mining, Energy, and Logistics) in addition to its two focus areas: Local Content and the Fourth Industrial Revolution.

- **Main Challenges:**

Reducing products life cycle and introducing competitive prices poses a challenge for the national industrial sector, whereas, globally this challenge has been overcome by disruptive technologies. Therefore, investment in R&D and Innovation is a defining element to successfully increase production and solidify competitive advantages. The Kingdom is looking forward to improving competitive value in the market by supporting technical innovation and developing the national R&D and Innovation system.

On the other hand, weakness in regulations related to R&D is one of the major challenges, as it reduces potential investments. Other challenges are limited financial support and instability in implementing R&D initiatives.



- **Progress:**

R&D and Innovation efforts and activities that aim to develop national industry and logistics include:



Private
Sector



Academic
institutions



Industrial
entities



Governmental
institutions

Planning Phase Outcomes:

- Defined policies and regulations.
- Focused programs and initiatives
- Ambitious and achievable KPIs.
- Suitable budgets.
- Effective partners contribution.

Implementation Phase Outcomes:

- Growth in exporting advanced technology.
- Growth in R&D and Innovation outcomes.
- Improve the Kingdom's global standing in the Global Innovation Index.

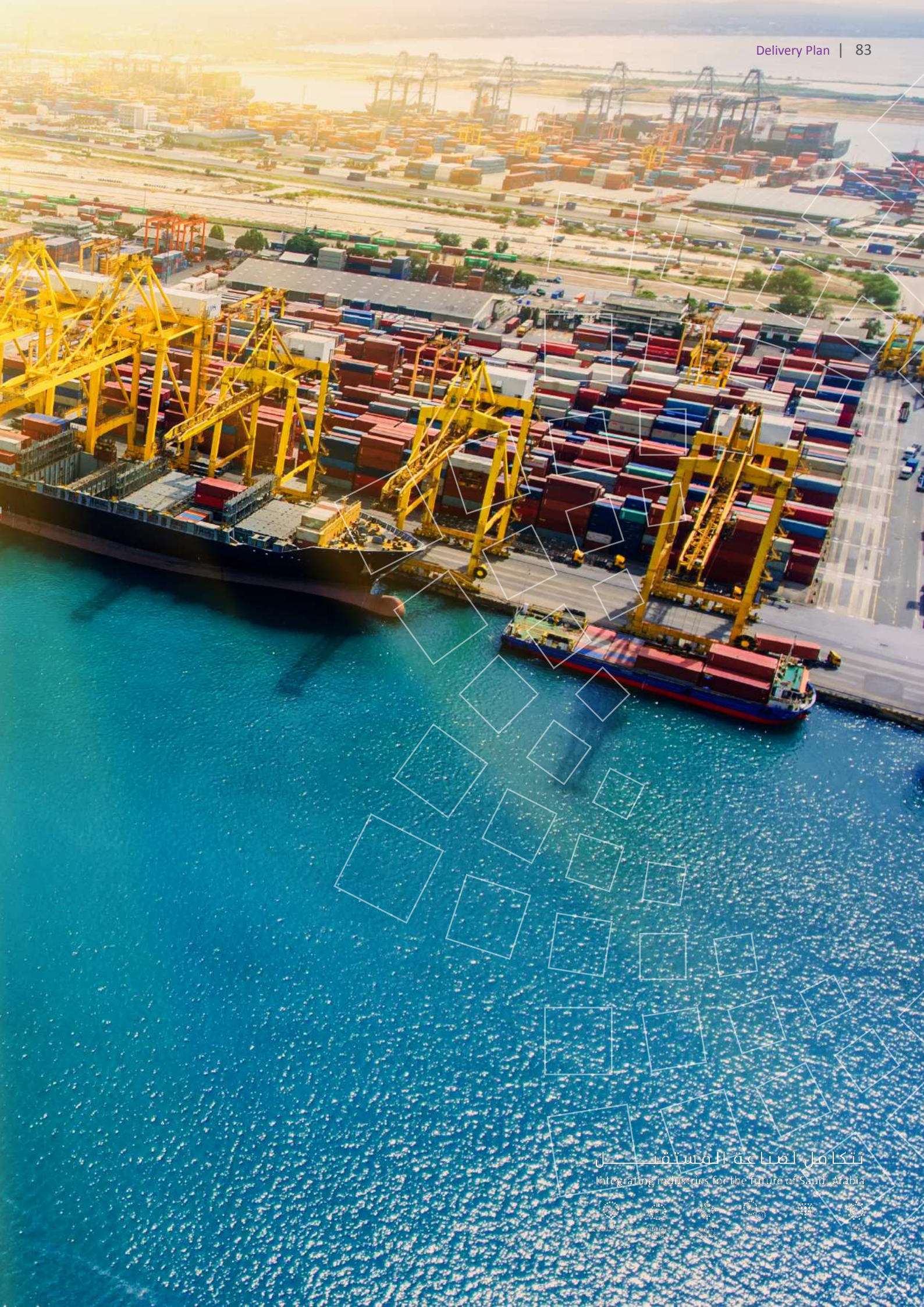
- Aspirations:

R&D and Innovation are a key enabler for NIDL, as it supports achieving the Vision 2030 objectives by producing innovative products that will increase growth in the economy. The collaboration aims to:

- Improve the Kingdom's ranking in the Global Competitiveness Index
- Increase contribution by SMEs to GDP
- Increase non-oil revenues
- Increase the private sector's contribution
- Improve the Kingdom's ranking in Logistics KPIs
- Increase the share of non-oil exports in the GDP
- Increase foreign direct investments in the GDP
- Strengthen the Kingdom's status among global economies
- Increase reliance on local capabilities in the Industrial, Energy, Mining and Logistics Sectors
- Increase the participation of women in the labor market

An aerial photograph of a large port facility. The foreground is dominated by the deep blue water of the harbor. In the middle ground, several large cargo ships are docked at the pier. The ships are heavily laden with colorful shipping containers in shades of red, green, and blue. Numerous yellow gantry cranes are positioned along the pier, extending over the ships and the stacks of containers. The background shows a vast expanse of the port area with more containers and industrial structures under a bright, hazy sky. The overall scene conveys a sense of active industrial and logistics operations.

NIDLDP's Sectors and Focus Areas



تتكامل الصناعة والمستقبل
Integrating industries for the future of Saudi Arabia





Energy Sector



Energy in Numbers


Sikaka Project

300 MW


1.1 Billion SAR
Investment

First renewable Generation Project connected to Grid


More than **3600MW** Green Energy




Sudair
1500
MW




Qurayyat
200
MW




Shuaibah
600
MW




Jeddah
300
MW



Rabigh
300
MW



Rafha
20
MW



Madinah
50
MW

in addition to Sakaka and Doumat Al jandal projects

Reduction of **more than 7 Million Tons** Greenhouse gases

Providing electricity to **more than 600 thousands** Residential Units

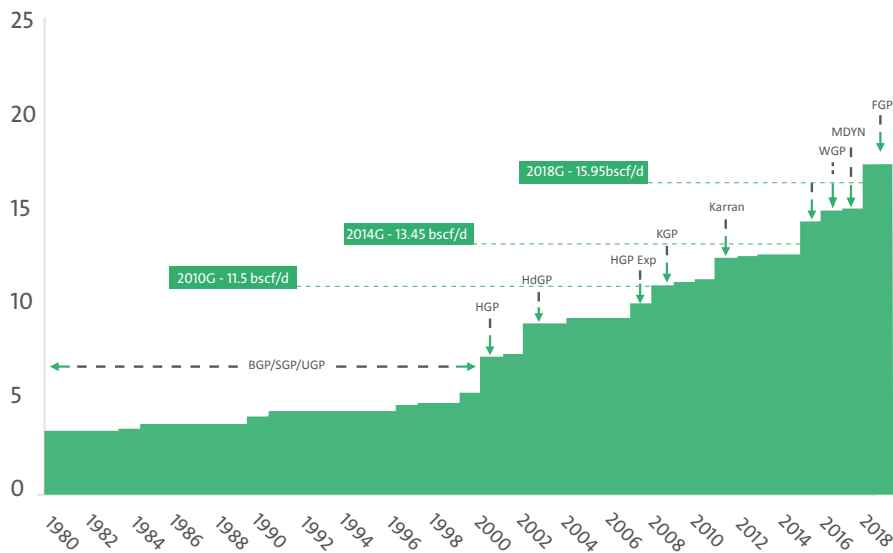
1.04
Cent Per Kwh

Lowest cost of Electricity Globally in Shouaibah

Historical Growth in Gas Processing Capacity from 1980 to 2018

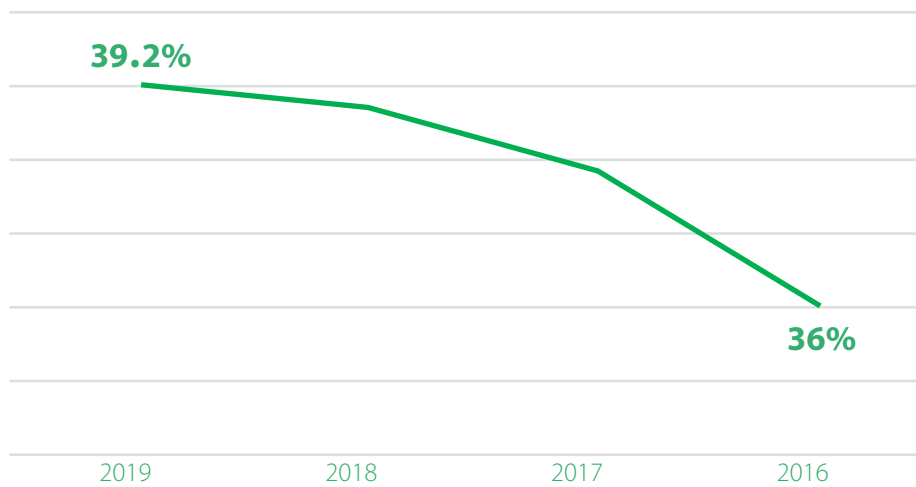
Gas Processing

Billion Cubic Feet per day Capacity



Growth of Gas Plant Capacity

(%) Efficiency of Electricity Generation



Main Challenges

The energy sector is facing several challenges that could be encompassed in the following:

- Limited coverage of the main gas network to demand areas due to unclear quantities of gas required in the demand areas:

With regard to increasing the production and distribution capacity of gas, there are several challenges to achieving the sector's goals, the most prominent of which are: the presence of several demand centers located far from the main gas network, which reduce the results of delivering gas and increases the costs of gas delivery, in addition to the lack of clarity of the quantities of the required gas in demand areas and the variation in gas consumption between the winter and summer seasons.

- Limited number of renewable energy component manufacturers:

Limited number of local manufacturers specialized in the manufacturing of renewable energy components, in addition to the existence of a high competition between local manufactured products and imported products. In addition to the need to train and develop national competencies to qualify them to occupy the created job opportunities based on the objectives of the localization of renewable energy.

- The use of liquid fuels in the sectors of electricity production, water desalination and industry which require higher costs to provide especially with the expected future demand growth.

By raising the competitiveness of the energy sector, several challenges can be overcome. There are opportunities to improve the efficiency of generation, consumption, transmission and Distribution.

Achievements

In recent years, the energy sector has had exceptional success toward achieving Vision 2030 objectives. Such efforts encompassed initiatives and programs that were vital to realizing significant breakthroughs, including:

Gas Sector

- Saudi Arabia was ranked 7th globally in gas demand in 2018. The capacity to process raw gas serving the main gas network reached 18 billion SCFD in 2020.
- In 2019, Saudi Aramco was producing 9 billion cubic feet of natural gas, 1.0 billion cubic feet of ethane, 1 million barrels of liquid natural gas, and 0.2 million barrels of unmixed condensates on a daily basis.
- Saudi Aramco secured regulatory approval to develop the Al-Jafurah gas field. Considered to be the largest unconventional gas field in Saudi Arabia, measuring 170km in length and 100km in width and is expected to position the Kingdom as a top-tier gas producing country ranking 3rd globally in gas production by 2030.

Renewable Energy

- The Council of Ministers established a Supreme Committee for Energy Mix Affairs to produce electricity and empower the renewable energy sector.
- Launched the National Renewable Energy Program (NREP).
- Launched Regulatory Framework for Small-Scale Solar System.
- Signed power purchase agreement for Sakaka Solar PV Power Station with 300 megawatts.
- Signed the power purchase agreement (PPA) for the 400MW onshore wind farm in Dumat

Al-Jandal. The project achieved a competitive Levelized Cost of Energy (LCOE), offering the lowest price globally of 7.99 Halala per kilowatt every hour, which equals 2.13 cents per kilowatt every hour.

- Secured the lowest cost of purchasing electricity from solar energy globally, as the LCOE from the Shuaiba project registered 1.04 US cents per watt-hour.
- Signed power purchase agreements for seven projects to produce electricity from solar energy, bringing the total capacity of renewable energy projects in the Kingdom - including the Sakaka and Dumat al-Jandal projects - to 3670 megawatts. These projects will power more than 600,000 housing units and reduce more than 7 million tons of greenhouse emissions.
- Tendered projects for round 3 of NREP, which consists of 4 projects in solar photovoltaic energy with a capacity of 1.200 megawatts.
- Signed the first contract to localize renewable energy technologies (solar systems and hybrid diesel generators and testing electricity in low temperature) and commence planned projects.

Electricity Sector, Generation Efficiency, and Rationalization of Consumption

- Commencement of restructuring the electricity sector through a dedicated ministerial committee.
- Exceeding efficiency in energy targets by increasing electricity production to 39.2% in 2019.
- As stipulated in the Saudi Energy Efficiency Center regulations, its mandates include improving the efficiency of fuel use in generating electricity and water desalination which encompass: Electricity transmission and distribution.
- Planned and developed multiple enablers and initiatives in order to create market for energy efficiency services companies.
- The Saudi Energy Efficiency Center has integrated its efforts with the relevant authorities in a number of initiatives related to the business sector in the Kingdom. Such efforts aim at attracting investment and facilitating procedures for investors, contributing to the licensing of 58 local and international companies in the Saudi market.

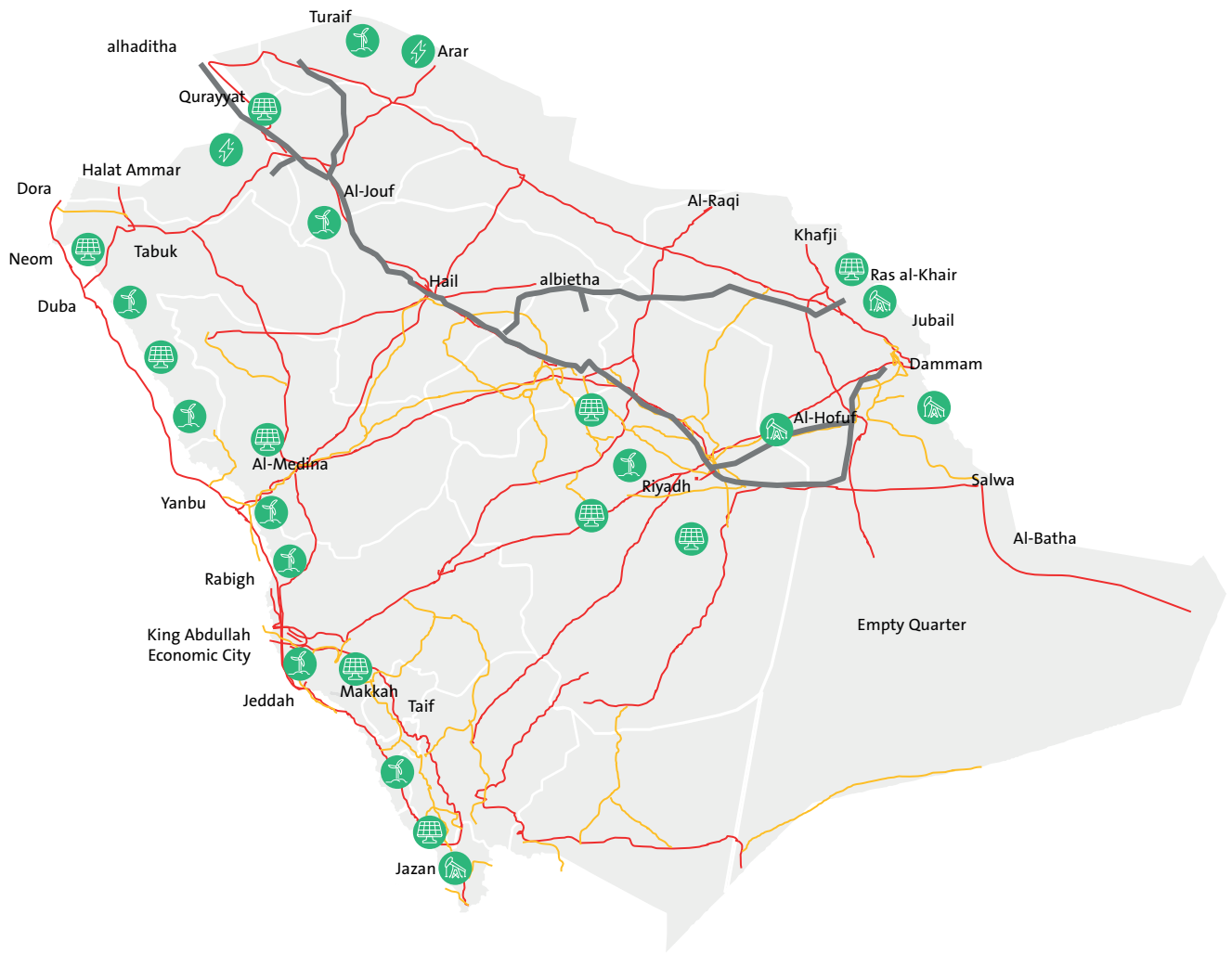
Aspirations








Energy is one of the key pillars of the Saudi economy. NIDLP's energy aspirations include:

- Increasing the added value of producing electricity, raw gas, ethane, and liquid natural gas.
- Increasing the contribution of renewable energy to GDP.
- Optimizing hydrocarbon resources to support the national economy through local products and exports, in addition to increasing proficiency in producing electricity and diversity of national energy.

Ambition

- Increase contribution of gas in electricity generation along with renewable energy.
- Increase the value add of raw gas and natural gas liquids.
- Ensure high quality and value add to the economy by increasing revenue from diversified resources in electricity, desalination of water, the petrochemical industry, and manufacturing and mining.
- Maximize economic, social, and environmental impacts of renewable energy projects and associated industries.
- Become a leader in the renewable energy sector.
- Establish a strong incentivized environment for renewable and atomic energy projects.
- Create a competitive electricity generation market in the Kingdom.
- Provide high-quality electricity to consumers competitively to achieve the sustainability of the sector and enhance the reliability and efficiency of generation, transmission, distribution and consumption of electrical energy.
- Promote competitiveness in petroleum products through empowering shipping, exporting, and importing.



-  Gas and petroleum processing plants projects
-  Electrical interconnection projects
-  Solar energy projects
-  Wind energy projects
-  Double ways
-  Highways
-  Railway (existed)

Main Initiatives

Initiative	Scope	Outcomes
Study the feasibility of gas delivery to industrial cities	Assess gas delivery and demand in industrial cities and promote investments to substitute the use of liquid fuel with natural gas which will be more cost effective.	<ul style="list-style-type: none"> - Comprehensive study for the energy requirements of industrial cities to meet demand. -Reducing use of liquid fuel. -Burning clean fuel and improving air quality. - - Contribute to improving infrastructure by reducing traffic in liquid hydrocarbon trucks on the road network in the Kingdom.
Restructure electricity sector	Restructure the electricity sector to promote projects and programs among national companies.	<ul style="list-style-type: none"> - Enhance competitive market in generating electricity. - Develop relations and contracts between operating entities in the electricity sector. - Design budget calculation models and mechanisms. - Identify mechanisms and methods of government support required for the electricity sector.
The National Renewable Energy Program	The initiative aims to cover the needs of all parts of the Kingdom, distributed geographically according to the appropriate regions and technology, according to specific objectives for the contribution of renewable energy sources to the optimal energy mix for the production of electricity, such as this one. The projects will contribute in reducing liquid fuel consumption and reducing carbon emissions. It will also contribute to attracting investments and providing construction and operational jobs in all regions of the Kingdom.	<ul style="list-style-type: none"> -Reduce cost of electricity production through renewable energy sources. - Become a leader in the renewable energy sector. - Promote national projects in renewable energy. - Enhance competitive companies in renewable energy. - Establish clear objectives in renewable energy to attract investment.



Mining Sector



Mining in Numbers

26 Billion

Total Exports

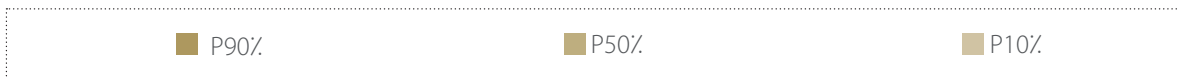
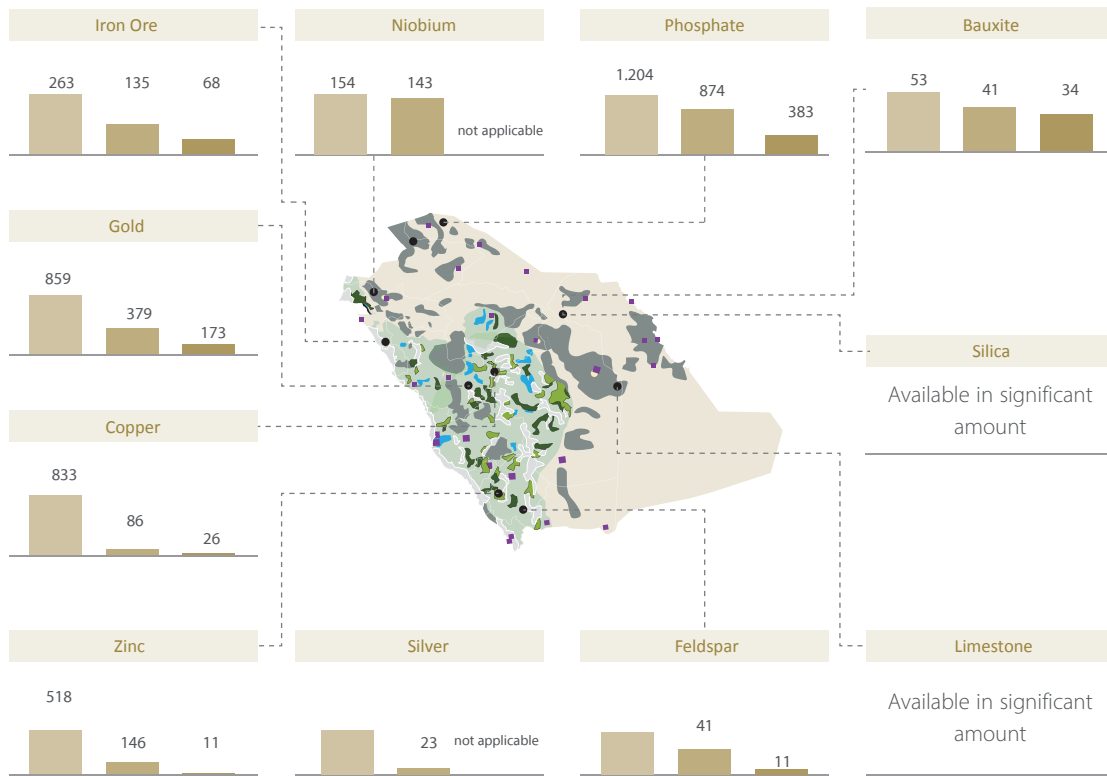
64 Billion

Contribution of
GDP

~250 Thousands

Jobs

Estimated value of Minerals Resources in the Kingdom(Billion SAR)



Main Challenges

1. Under-exploration

Exploration is the Mining Sector's underlying barrier that hinders its surge towards realizing its full potential. Exploration is the first step in mining value chains to identify sediments to be developed into mining projects. In spite of successful efforts to increase expenditure on exploration since 2000, the sector continues to be operated by only one company and the total expenditure is remains lower than that in the mining field.

Between 2006 and 2010, expenditure on exploration increased by around 50% every year. However, this growth decreased between 2010 and 2015, when the annual rate of expenditure registered 1%. Moreover, total expenditure was less than USD 50 million in 2015.

2. Licensing inefficiency

The current speed of exploration licensing in Saudi Arabia is considerably below top-tier countries active in the mining industry. While the licensing process in Saudi Arabia takes one to four years [with an average of two-and-a-half years], other top-tier player in the industry issue exploration licenses within 30 to 90 days. For example, Western Australia issues 96% of its licensing within 65 days of the date of application. The delay in issuing licenses in Saudi Arabia leads to discouraging investment, especially for foreign investors. Furthermore, licensing decisions lack consistency between the law, regulations, and decision outcomes. The reasons behind such delays in Saudi Arabia are: the low efficiency of the followed procedures, lack of a platform that allows online applications, and lack of a database of lands and their owners.

3. Few local developers

Many value chains require a great deal of capital (such as the Ma'aden project regarding the aluminum value chain, whose capital exceeds USD 10 billion). Many local investors hesitate to take the risk and invest such amounts on projects that generate 10 – 15% IRR. Relying on companies owned partially by the government in almost all mega-investments reflects the absence of private sector motivation to undertake such investments. In the future, more than 60% of total capital will be deployed to projects with value exceeding \$1 billion. This requires investors wishing to invest in projects of large scale with low revenue.

4. Limited social benefits of mineral resources

The social impact of the mining value chain is subpar. The number of Saudi workers in mining is very low as they turn away from the harsh working conditions, low wages, and inadequate workplace safety measures. According to a recent study, the local content of the mining value chain stands at 12%. This has also showed that environment protection measures were not abided by and lagged behind international best practices due to lax sanctions and lack of sufficient guidance.

5. Low revenues

For many top-tier countries in the industry, the mining sector is not considered a primary source of income compared to the gas and oil sectors. For example, the financial return and fees of the mining sector provide Australia with \$9 billion and Canada with \$3 billion. However, the sector's returns in Saudi Arabia are lower than such countries for many reasons. Including poor financial compliance of mines and quarries in Saudi Arabia with double-checking actual utilized amounts, limited number of human personnel, limited funds to monitor the sector, control difficulties, and weak penalties for violations of extraction of mineral ores.

6. Project feasibility constraints and strong global competition

This challenge is not specific to Saudi Arabia; namely, strong competition from exporters particularly in Asia. Saudi Arabia is a major net importer of mineral products from Asia, partially a reflection of the challenges experienced for these products.

Furthermore, the Arabian Shield area is relatively remote and its infrastructure is not fully developed. This requires improving extension of water pipelines or other means to transport water for mineral treatment, constructing roads to link mines to main roads, and self-power generation. The challenge of availing water is vital for mining and requires great investment by mines' developers.

Achievements

The current efforts are listed below as a starting point to develop future initiatives for the program:

A comprehensive strategy for the mining sector and metal industry has been approved by the Council of Ministers, and implementation of a number of comprehensive strategy initiatives and targets, including:

1. Approval of the Mining Investment Law by Council of Ministers.
2. Approving the establishment of the Saudi Company for Mining Services.
3. Working on improving regulatory procedures to invest in the sector by developing updated mining investment regulations, which have been reviewed by a number of competent authorities and investors to provide their feedback.
4. Working on improving the beneficial experience and transparency in the sector by launching an online platform to issue all mining licenses.
5. Making decisions regarding contractual actions of the largest geological survey in the world to collect the geological data necessary for investors.
6. The initial launch of the SGS-National Geological Database as the starting point for all national geological databases for investors in the mining sector.
7. Improving monitoring in the mining sector to ensure sustainability and compliance all health and safety measures in proactive collaboration with the private sector before the establishment of mining sector development companies.

Aspirations

By realizing the full potential of the mining sector in Saudi Arabia, a great level of social and economic impact will be achieved. For example, by 2035, the mining value chain can contribute more than SAR 281 billion to GDP, create more than 256,000 new job opportunities, and reduce net imports to no less than SAR 37 billion. Moreover, realizing the full potential can increase the annual government revenue rate with SAR 10.9 billion by 2035. Thus, there is a great growth opportunity for the benefit of both investors and the Saudi community. The available growth opportunities in the Saudi value chain of mining is great and diversified, noting that more than 80% of the sector's contribution to GDP is generated from 8 value chains, namely steel, fertilizers, base metals, concrete, aluminum, ceramics, sodium compounds, and precious metals. Furthermore, Saudi Arabia has a great opportunity for economic growth in many strategic minerals, including titanium, magnesium, niobium, tantalum, and silicon. Other opportunities are available to expand in inorganic compounds such as phosphorous, silica, magnesium oxide, fluorine, calcium, potassium, and ammonia. Saudi Arabia can develop further opportunities with different metal products, including building stones, uranium, and other industrial minerals such as bentonite and zircon.

To completely realize its aspirations by 2035, Saudi Arabia needs to transform the sector. NIDLP aims to develop the integrated value chain to realize the maximum amount of social and economic impacts from mineral resources for Saudi Arabia. This requires accelerated development in mineral exploration and extraction. In line with this, Saudi Arabia is working on filling the primary gaps in intermediate and transformative industries in the value chain.

The main roles of NIDLP in leading this transformation are divided into two parts: empowering development led by the private sector and utilizing this to be a catalyst of main industries under development in the main value chain to contribute to overcoming obstacles to growth.

The first required primary transformation is related to the governance of the sector and institutional empowerment by organizing the sector efficiently and effectively. In this respect, Saudi Arabia will amend its mining investment system and develop regulations for the purpose of:

1. Improving the sector's attractiveness.
2. Improving the country's revenues.
3. Supporting local communities and achieving sustainability in the sector.

Additionally, NIDLP will also develop the process to be smoother, including the licensing mechanism to achieve the highest international standards regarding the time needed to issue the exploration license within 30-90 days. This will make the process more transparent and trustworthy for investors. Moreover, a clear working mechanism will be developed among the executive parties during the phase of redesigning organizational structures. Moreover, NIDLP will undertake a digital transformation process whereby all necessary data and information will be available online through the National Geological Database.

Moreover, NIDL P will focus on raising sustainability in the sector by issuing initiatives, requirements, and specific guidance for the mineral exploration and extraction process while adhering to health and safety measures and rehabilitation to encourage the creation of a safer and more environmentally friendly sector. This should also motivate investment through the value chain. However, encouraging investment will focus not only on value chain projects, but also on enhancing local content in goods and services.

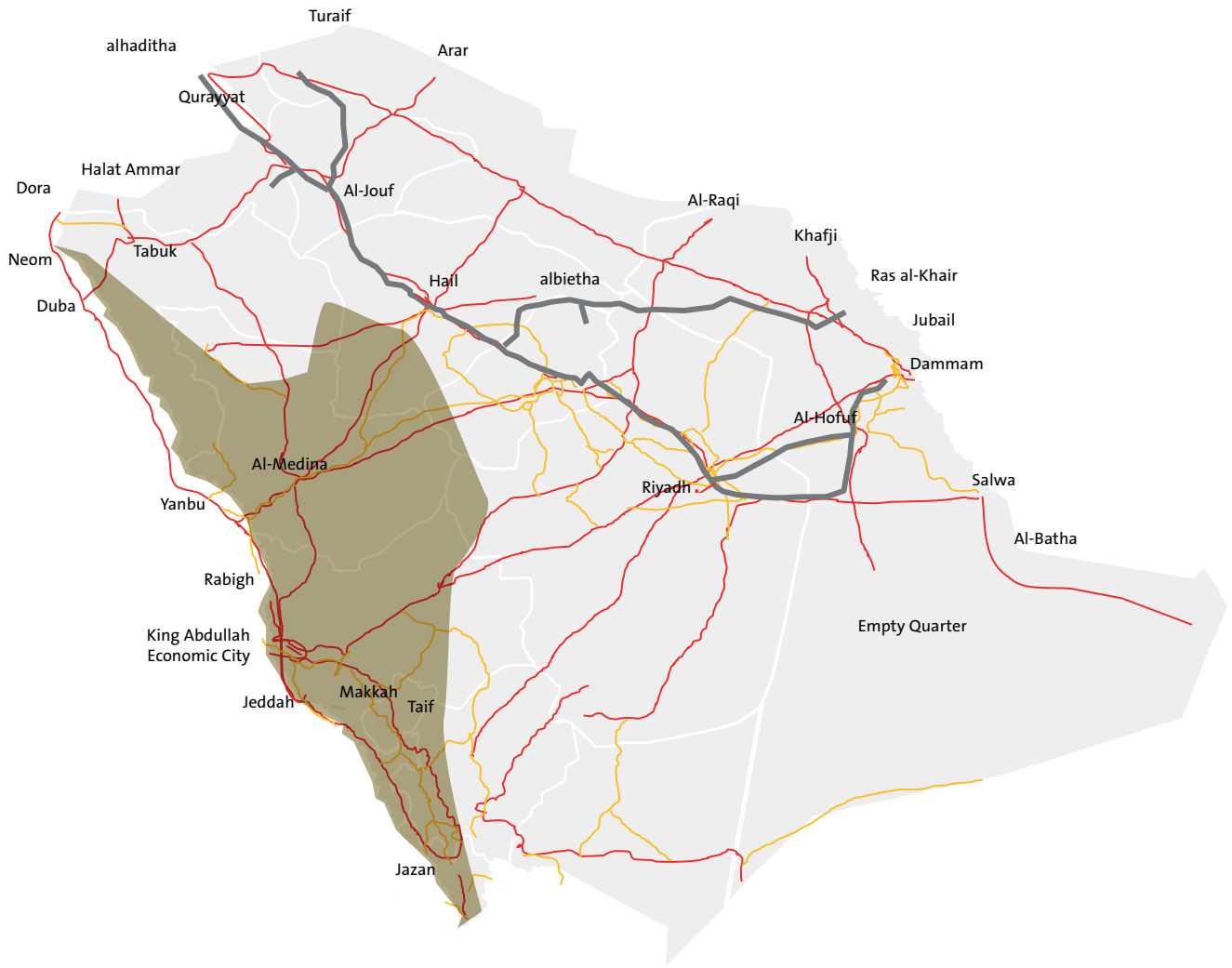
NIDL P will also play a significant role in empowering the infrastructure, developing competencies, and providing funding. Moreover, NIDL P will support strategic investment programs in the mining infrastructure, which includes providing treated water and expansion of pipelines, paving roads, and expanding electricity networks. The programs will also include possible opportunities for the value chain project in their main plans for the industrial areas. Special attention will be paid to training and international scholarships in specific areas needed by the mining sector. Meanwhile, capability building will include disciplines such as mining and geology in local universities.

Ambition

The ambition of the mining and mining industries sector is to become the third pillar of Saudi Industry after oil, gas, and the chemical industry to achieve Vision 2030 by highlighting the sector's impact on GDP, increasing local content, improving trade balance, realizing sector sustainability, improving the regulation and investment empowerments in the sector, creating job opportunities, and improving national capabilities.

The sector's ambitions include:

- Providing the necessary geological data by the completion of more than 50% of the Geological Survey General Program of the Arabian Shield region. Increasing expenditure on exploration to compete with international expenditure rates through the private sector's investment and the support of the exploration fund proposed to be established within the sector's initiatives.
- Finalizing the mining investment system and regulations to meet the objectives, aspirations, and the sustainability of the mining sector.
- Improving the investors journey and increasing the satisfaction level by improving services, providing the necessary data in digital formula and high level of reliability, making them easily accessible, and reducing the exploration licensing period to 60 days.
- Maximizing the added value of metallic ores by improving the value chains of mineral industries in partnership with the private sector to offer investment opportunities with more than SAR 100 billion.



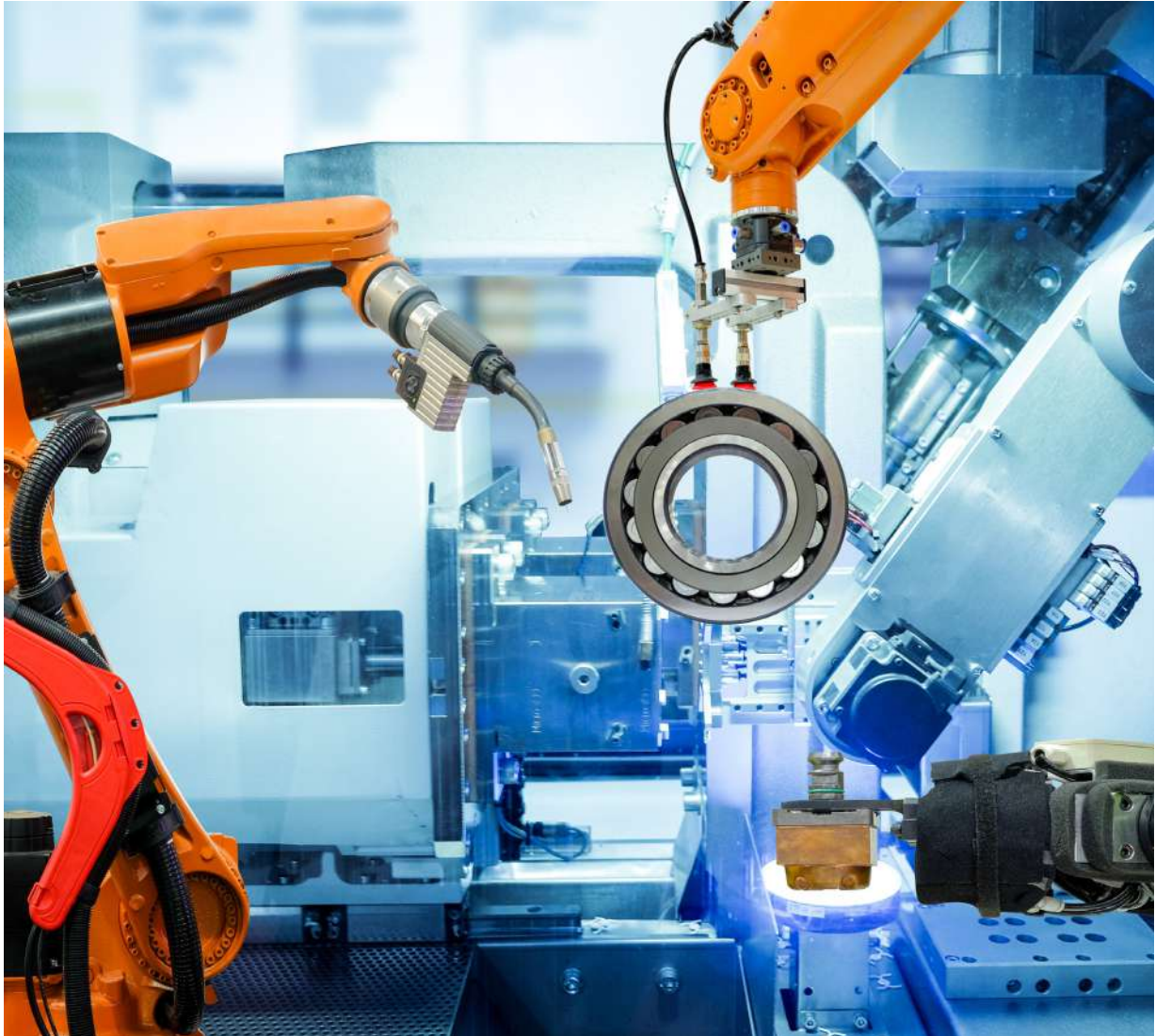
-  Arabian Shield
-  Dual Carriageway
-  Highways
-  Railways (existing)

Main Initiatives

Initiative	Scope	Outcomes
Accelerated Exploration Program	NIDL P was launched to improve promising mineral deposits through the implementation of highly reliable exploration programs, which contributes to increasing investment opportunities and attracting more investors.	Contribute to increase expenditure on metal exploration, accelerate exploration work, increase promising investment opportunities for local and international investors, contribute to the establishment of the exploration sector, activate the role of small and medium enterprises, and improve national competencies in exploration and mining work.
Saudi Company for Mining Services	Supporting the development of mining investments, including supporting mining departments and improving monitoring and control procedures in mining licensing locations by utilizing developed sophisticated controls and new technologies to support revenue and fines collection services.	Raising the level of companies' compliance with environment, health, and safety standards to serve those who work in the sector as well as the neighboring communities and improving the efficient control of exploited resources to increase revenues.
Geological Survey General Program	Providing different sizes of information and geological maps and conducting multi-method aerial and geochemical surveys for the whole Arab Shield area to support acceleration of investment in metal exploration by providing them with highly accurate primary regional geological information, establishing an advanced center to analyze, interpret and model all geological information with the use of recent AI technologies that contribute to exploring new mineralization and serving urban and architectural development and all areas in geology. The initiative also contributes to transfer knowledge, qualify competencies, and establish a strategic unit that supervises the work of this and other initiatives in the Saudi Geological Survey.	Providing highly accurate geological information that will lead to attracting increased investments in the mining sector to be one of the main economic pillars for Saudi Arabia, enhancing confidence in exploration work and outcomes by providing new data, identifying evidence of the existence of promising reservoirs and mineral deposits in the Arab Shield, and increasing and developing national competences in geological surveying.



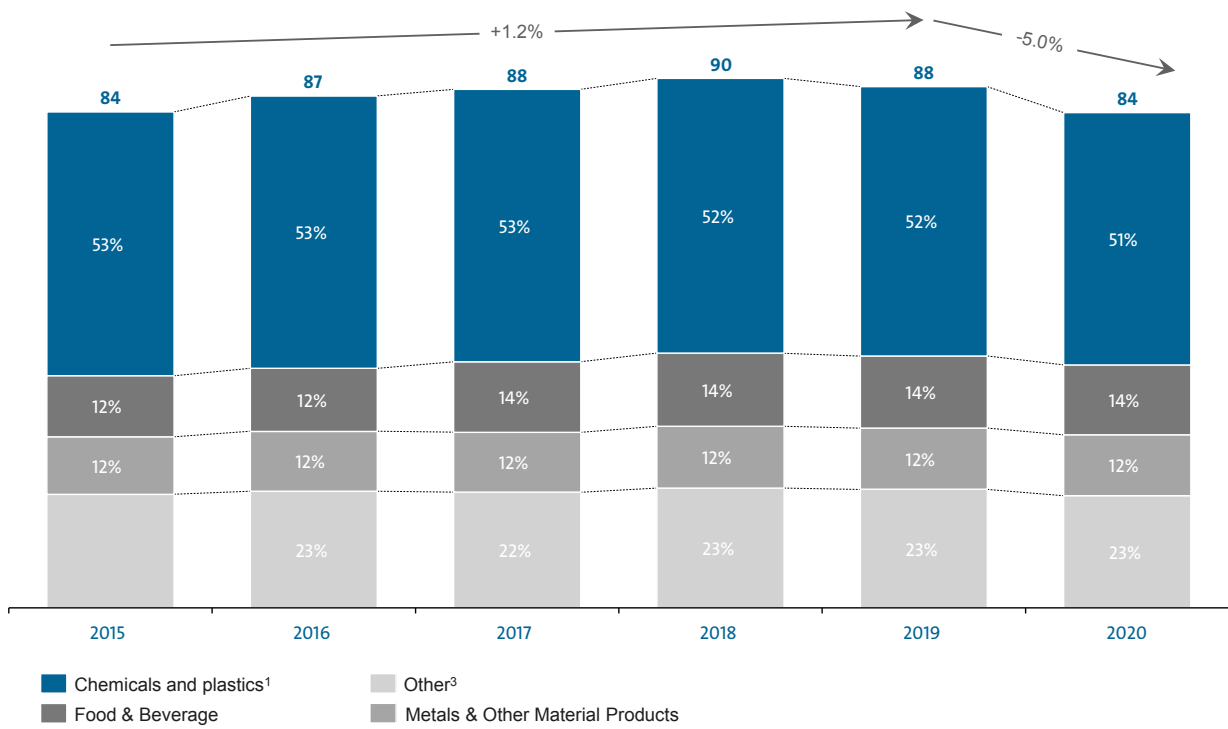
Industry Sector



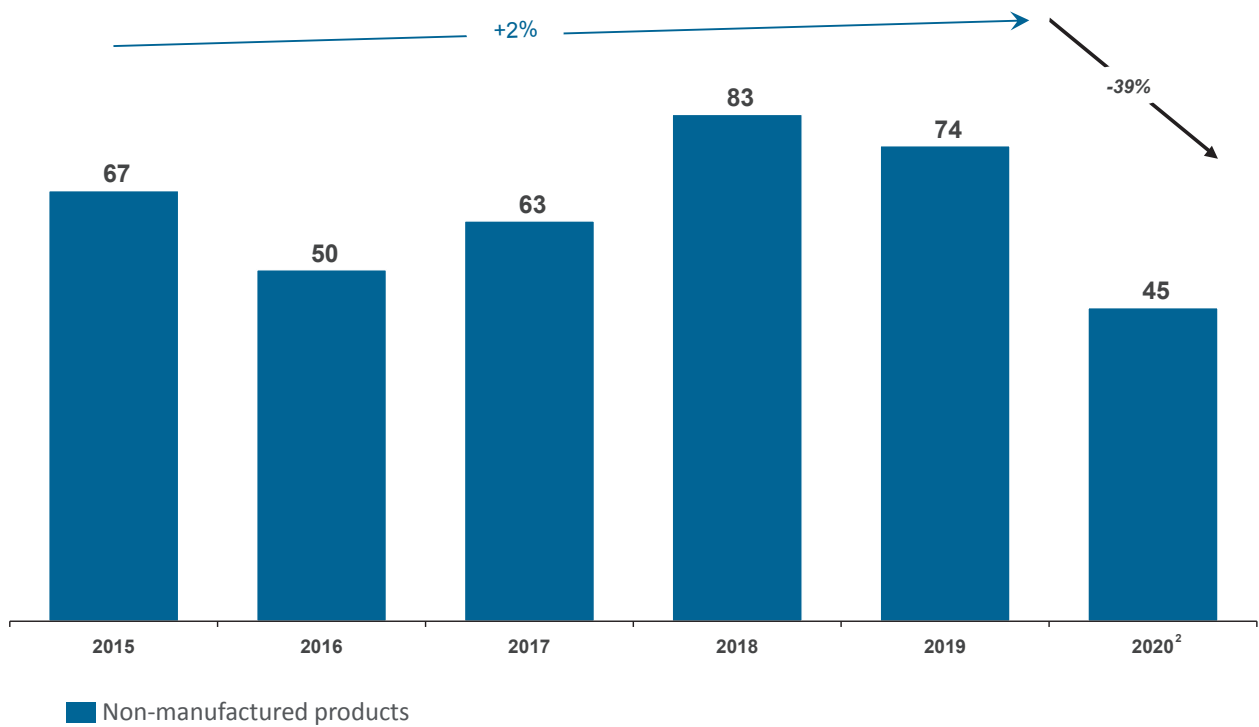
Industry in Numbers

Product	Rank
(MEG)	Ranked First Globally
(MTBE)	Ranked First Globally
(Ethylene)	Ranked Second Globally
(Polycarbonate)	Ranked Second Globally
(Methanol)	Ranked Third Globally
(Polypropylene)	Ranked Third Globally

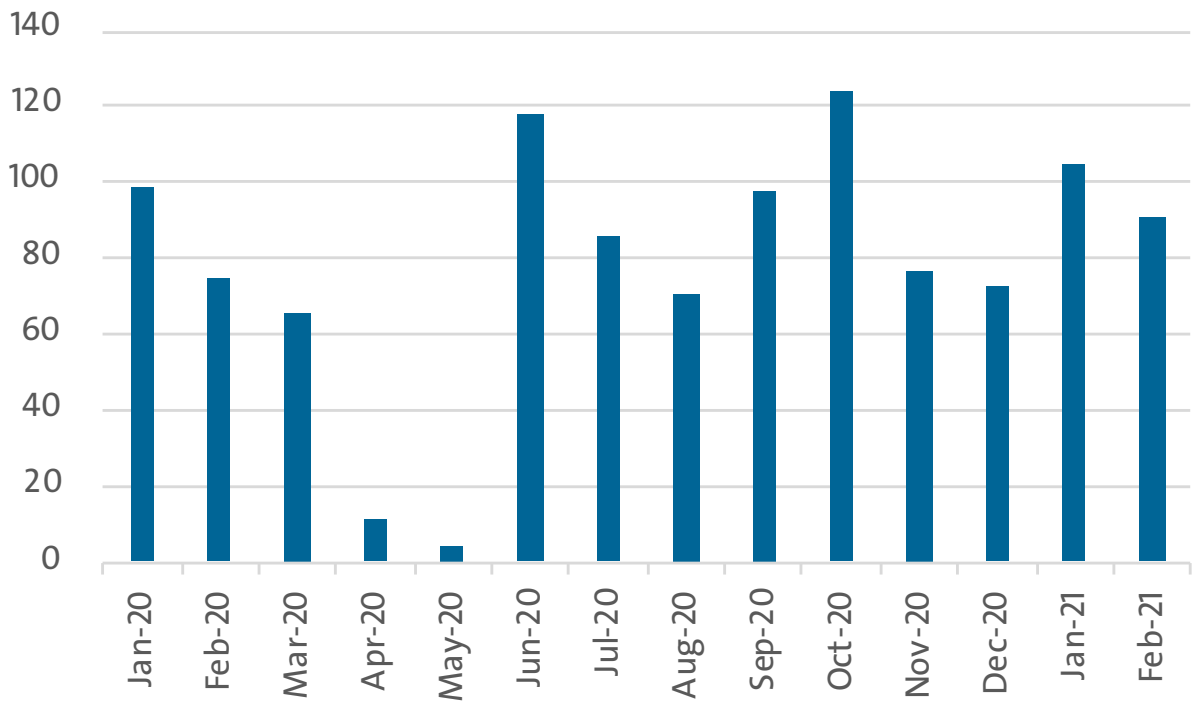
total manufacturing GDP by high-level sectors



Non Oil Exports Billion of Dollars



Number of Industrial Leniencies Issued 2020-2021



1.133 Trillion SAR

Total Investment

100 Thousands Tons

Annual fishery production via Aquaculture

10,029 Plants

Number of Industrial Facility

105 Billion SAR

SIDIF Available Fund

30 Billion SAR

Exim bank Available Capital

129 Factories

Number of Ready Made Factory

Main Challenges

1. Basic industries are currently representing a large and concentrated share of the Saudi industrial market. Growth and exports rely mostly on industries that benefit from circumstantial advantages related to the availability of energy and raw material, which are finite resources

Saudi Arabia has laid strong foundations in basic industries that are directly derived from circumstantial advantages especially petrochemicals, metals, and minerals. This led the industrial sector in 2016 to contribute 9% to GDP (excluding oil refining activities). This percentage is much lower than the average percentage of G20 countries and the Organization for Economic Cooperation and Development.

The industrial sector in Saudi Arabia is concentrated intensely in such basic industries, as they represent 56% of GDP and more than 71% of exports. Such industries depend highly on circumstantial advantages related to energy. In spite of Saudi efforts to accelerate the development of new industries, such basic industries have represented 82% of total industrial growth since 2011.

2. After a period of rapid growth between 2008 and 2011, growth has slowed down and many KPIs have started to trend downward.

During the past five years, the industry sector in Saudi Arabia has faced great challenges as shown in a number of KPI metrics:

- GDP of Transformative Industries suffered from stagnation with a growth rate of 0.1% in 2016.
- The total value of transformative industries exports declined.
- Industrial sector's demand on energy increased (GDP per unit of energy use).

3. Level of industrial progress and available opportunities in Saudi Arabia

At the international level, competitive goods of Saudi Arabia are not relatively complex, and alternatives are available, which exposes such goods to market fluctuation and competition. In order to achieve the quantum leap required to fulfill the economic targets of the industrial sector, Saudi Arabia has to find an industry with high value add.

4. Competitiveness of transformative industries

The transformative industries of Saudi Arabia currently have low competitive advantages. Although there are some advantages in energy costs, labor, raw materials, and the size of the local market, the value of such competitive advantages for transformative industries is declining due to changes in technology, costs of transportation and supplies, trade flows, and the general competitive convergence between countries at the international level. Thus, Saudi Arabia must make further efforts to improve these main factors to enhance competitiveness of transformative industries by, for example, focusing on innovation, enhancing integration in logistics, attracting and retaining talent, reforming government regulations, and developing logistics.

Achievements

- A Royal Decree was issued to establish the Ministry of Industry and Mineral Resources whose scope of work includes developing the industrial sector to fulfill the Kingdom's Vision 2030.
- A Royal Decree was issued to transform the National Industrial Clusters Development Program into the National Industrial Development Center.
- Amended the constitution of the Saudi Industrial Development Fund (SIDF) and increased its funding ceiling to SAR 105 billion to serve as the financial enabler of the program's main sectors.
- Established the Saudi EXIM Bank.
- Amended the constitution of the Economic Cities Authority for 1431 to become the Economic Cities and Special Zones Authority.
- Supported the localization of marine industries in the city of Ras Al-Khair through initiatives to improve infrastructure.
- Established the National Industrial Information Center to provide comprehensive industrial information.
- Began exporting aquaculture products to additional countries, including the Federal Republic of Russia, Singapore, and the People's Republic of China, as well as launching the first fully integrated shrimp farm in the Tabuk region.
- Developed aviation industry strategy, including civil and military aviation, with the collaborating with relevant stakeholders. This included identifying challenges regarding the localization of the sector and finding solutions to address them through a number of qualitative initiatives. The first stage of the strategy focuses on localizing the production of required material of the aviation sector, such as the production of aluminum and titanium in collaboration with existing national companies.
- Developed a strategy for the military industry sector to include assessing challenges and finding ways to overcome them and identifying the targeted industrial fields and military technology based on the expected future expenditures, strategic value, and readiness for implementation. The strategy will contribute to guiding investors and existing companies and increase transparency in the sector.
- Launched the initiative of "Made in Saudi" that unifies the identity of Saudi products and services to promote them locally and internationally.

Aspirations

- Developing the industrial sector as one of the pillars of the Saudi economy and enhancing the sector to contribute to improving macroeconomic indicators by expanding industries related to the oil and gas sector and developing and localizing promising and competitive industries, including automotive, food, pharmaceutical industries, amongst others, localizing military industries, and establishing a high-quality infrastructure.
- Protecting national industry from dumping and unfair competition, increasing the efficiency and competency of domestic products to compete at the regional and international levels, and thus improving promising industry sectors and enhancing exports.
- Maximizing the added value to the economy by increasing the contribution of local manufacturers to governmental purchases and capital and operational expenditures in the industry sector, developing human capital, training labor, and attracting investments to local industries in Saudi Arabia.
- Achieving positive economic impact from the localization of some industries and promotion of efforts in overcoming economic crises. Thus, the recent COVID-19 pandemic has given us a lesson in the importance of industries related to food and pharmaceutical security.
- Developing qualitative enablers to include establishing special industrial and economic zones, increasing the quality of economic and industrial cities, and improving laws and regulations to increase competitiveness and attract more regional and international investments.

I Ambition



Machinery and Equipment:

Machinery and equipment manufacturing to be among the pioneering industries in Saudi Arabia through the establishment of national companies at the international level in the areas of emerging key technologies, localization of value chains, and increasing export rates.



Automotive:

Attracting international manufacturers to produce cars locally and support local suppliers in automotive manufacturing development.



Pharmaceutical:

Improving the performance of localizing pharmaceutical manufacturing in Saudi Arabia whose value exceeds SAR 30 billion by localizing 40% of the local market value and focusing on supporting localization of the most advanced products in order to make Saudi Arabia a leading and innovative manufacturer that exports products to the MENA region and OIC countries with markets exceeding SAR 400 billion.



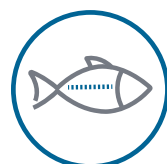
Medical Equipment and Supplies:

Developing medical equipment and supply manufacturing, supporting pharmaceutical supply security, and increasing the localization rate in the sector by 15%, including consumable medical supplies as well as simple, medium- and high-complexity devices.



Food Processing:

Saudi Arabia will be a regional center for the food industry by developing special clusters for food manufacturers that connect manufacturers with supply chains (such as the agricultural sector, and supporting logistics services). This will increase competitiveness of local industries to meet 85% of local demand for processed food industries, contribute to improving Saudi food supply security, utilizing natural resources while guaranteeing environmental sustainability for high quality production, increase the sector's contribution to GDP, replace and localize processed food imports, whose value was around more than SAR 50 billion in 2018, with locally manufactured processed food products where possible.



Aquaculture:

Increasing the contribution of aquaculture to the GDP with more than 7 times the baseline of 2016, as well as replacing 65% of imported products that do not meet the standards by increasing productivity to 600,000 tons, increasing the localization rate to 50% for specific jobs, and increasing private sector investments to increase aquaculture production capacity.



Aviation:

Maximizing and enhancing existing capabilities in the fields of regular maintenance of civil and military planes and engine maintenance. In its first stage, the aviation industry strategy focuses on building the capabilities to produce raw materials, including aluminum and titanium sheets to be used in plane manufacturing.



Marine Industries:

Establishing a regionally competitive and sustainable marine industry by maximizing the integrated value chain to benefit from the outputs of other industries, including mining and machinery and equipment, as well as fulfilling increasing demand in local and regional markets.



Renewable Energy Manufacturing:

Renewable energy equipment manufacturing should be among the leading industries in Saudi Arabia by localizing value chains and increasing export rates to create jobs and contribute to GDP.



Basic and Intermediate Chemicals:

Saudi Arabia is committed to maintaining its leading international rank in the basic chemicals industry. It also encourages development in the intermediate chemical industry and localization of new products in the value chain to support exports and guarantee availability of such products as inputs to specialized and transformative chemical industries.



Specialty Chemicals:

Developing and localizing different groups of specialty products to increase added value and decrease imports. Such products will support different applications in other sectors, including the pharmaceutical and food sectors.



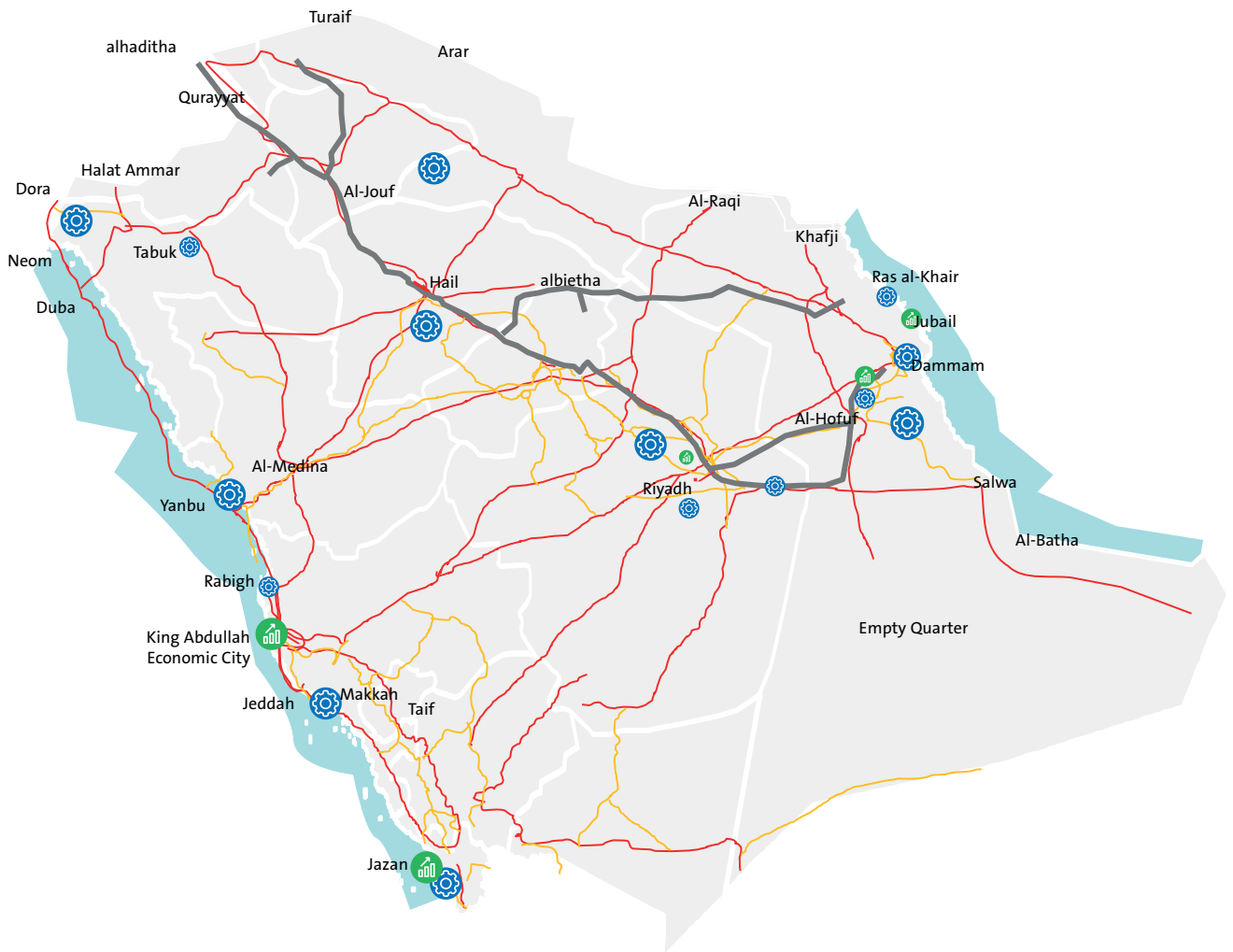
Plastic and Rubber:







Increase current production capacity, develop high-performance products and advanced applications to cover local and regional markets and support other strategic industries, including automotive, military industries, aviation, and others.



Military:

Localizing 50% of military and security spending on equipment, military systems, and maintenance and repair services.



-  Economic Cities
-  Industrial Cities
-  Marine Industries
-  Dual Carriageway
-  Highways
-  Railways (exiting)

Main Initiatives

Initiative	Scope	Outcomes
Industrial Clusters Enablement Fund	Establishing a fund that aims to encourage the growth of industrial clusters by introducing enabling investments through a combination of sharing ownership and non-repayable grants. Enabling investments should focus on a number of categories such as value chain components, technical and logistic support, innovation, and infrastructure of clusters in Saudi Arabia.	Increasing investments in promising industries.
Establishing specialized food industry clusters in existing industrial cities	Transforming areas in some existing industrial cities into clusters for food industries and launching supply chain services for food industries and customized facilities and infrastructures (one-stop shop).	Contributing to increased competitiveness of the sector by improving capabilities, providing infrastructures specializing in the food industry, increasing the production of final food products, and increasing the number of local and international leading food companies.
Infrastructure for specialty chemicals	Developing a group of shared services and service facilities. This includes water and electricity networks, pipe, steam and gas connections, seawater cooling channels, security systems, training, programs, permits, firefighting systems and equipment to prepare the industrial environment of Jubail Industrial City to attract and enable the specialty chemicals industry.	Increasing investments of private sector and investment opportunities in the specialty chemicals area, increasing the production of base and intermediate specialty and transformative material, maximizing the added value of petrochemical industries, enabling promising industries such as automotive and military manufacturing and increasing local content.
Establishing and operating the National Industrial Information Center	Establishing and operating a national center for industrial information built on a strategy to support the transparency of the industrial ecosystem, and enhancing financial sustainability of the sector. Thus, the center should have a legal and regulating capacity to facilitate the collection of industrial information from stakeholders, analyze their quality, and classify them according to international standards to establish a database for industrial establishments and products to develop indices of information and reports to measure industrial and economic indicators and a national guide of products. This will result in a trusted center of industrial information in Saudi Arabia that contributes to improving the market's transparency and enhancing the trust of investors and decision makers.	Complete and unified industrial database, encoding factories and products, industrial statistics, graphs, and innovative digital services.

Initiative	Scope	Outcomes
Developing hatcheries to support the aquaculture industry	Developing national hatcheries for saltwater fish, inland water fish, and shrimp to guarantee the availability of reserve aquaculture inputs of fish and shrimp larvae, ensuring health and environmental standards and developing aquatic strains through research applications.	Reducing production cost, increasing the percentage of ensuring biosafety for aquaculture projects and increasing contribution to local content.
Developing local supply chains	Establishing a database and platform to analyze interrelated products according to the supply chain as well as aligning products codification and products descriptions, and procedures of qualifying suppliers' factories for companies.	Increasing the local content rate of governmental purchases, harmonizing qualification procedures for companies, and aligning specifications and standards for companies.
Developing export capabilities for Saudi establishments	Raising awareness of Saudi establishments of the best practices of export, export policies and procedures in Saudi Arabia and priority markets and helping establishments to enhance and increase the competitiveness of their products internationally through training programs, and consulting support. Contributing to overcoming export obstacles, updating related strategies, and improving local capabilities of information technology to provide exports with the best services.	Enhancing export value of promising industries
Improving the regulatory and legislative environment for the industrial sector	Improving the regulatory and legislative environment in the Ministry of Industry and Mineral Resources and its ecosystem in a number of areas including: providing a clear path for industrial investors in strategic sectors and all related regulations, ensuring a legislative environment that motivates investments in the industry sector and protects fair competitiveness, ensuring regulations and legislation. This initiative will contribute to fulfilling the stated objectives, increasing competitiveness indicators and addressing the challenges of the private industry sector, unify all service providers for the industrial investors and improve financial incentives and exemptions mechanism and procedures for industrial investments.	Increasing the number of investors in the industrial sector, protecting local industry from unfair competitiveness from imported products, developing local content, reducing regulatory risks of the industry sector and improving legislative and financial competence of industrial establishments.

Initiative	Scope	Outcomes
Attracting and motivating investment in economic cities and special economic zones	Developing and launching motivational programs to: support authorities supervising economic cities and special economic zones, improving efforts to attract local and foreign investment, and improving policies related to small and medium enterprises.	<ul style="list-style-type: none"> • Enhancing the attraction and sustainability of direct local and foreign investments in all strategic sectors in the economic cities and special economic zones through programs and sectoral incentives that will be provided, while taking onto account attracting and enabling entrepreneurs, small and medium enterprises in collaboration with relative authorities. • Attracting and improving qualitative investments in the economic cities and special economic zones. • Contributing to enhance the attractiveness of investments in the Kingdom at the regional and international levels by supporting the marketing efforts of the relevant authorities and reaching as many people as possible from different parts of the community and targeted strategic sectors in economic cities and special economic zones.
Supporting research and development to improve the productivity of aquaculture	Enhancing the productivity of aquaculture in collaboration with well-known local and international research institutions to introduce new species that can have great economic impact, improve the fodder system, and establish an institution to study the health and well-being of aquaculture.	Introducing new economically feasible species of fish, improving feed formulations and techniques that contribute to reducing production costs, and establishing a specialized research center.
Localizing machinery, equipment and electrical devices (2nd and 3rd waves)	<p>Conducting assessments of the products (2nd and 3rd waves) and identifying challenges and investment opportunities.</p> <p>The strategy will be based on supporting local manufacturers and attracting foreign investors.</p>	Supporting local manufacturers and attracting and enabling foreign investors to contribute to the continuity and sustainability of production, as well as diversity and development of the Kingdom's economy.

Initiative	Scope	Outcomes
Designing industrial incentives and industrial cluster incentives	<p>Identifying the enhancements that need to be introduced to the current incentives provided to the industrial sector, and, developing new incentives for the sector overall and at the industrial cluster level. This would attract main investment to support national strategic objectives.</p> <p>This initiative is represented by developing an updated “incentives” portfolio for the industry sector to increase attraction to investment, being transparent to investors, achieving harmonization with the outcome of the national industrial strategy, and providing clear scales for continuing evaluation and monitoring of achieved revenues.</p>	Increasing attraction to invest and provide investors with clarity and transparency.
Building institutional capacities for authorities based on industrial specifications and standards	<p>Developing the technical capacities of industrial specifications of the most important authorities in Saudi Arabia (The Saudi Standards, Metrology and Quality Organization (SASO), Saudi Food and Drug Authority, Saudi Customs, and the National Industrial Development Center) by organizing a training program specializing in quality standards in terms of policies and regulations and by partnering with international leading authorities through specialists to help with developing policies and methodologies to build and provide capabilities.</p>	Developing the technical abilities of related industrial standards and improving human technical potential, which leads to nationalizing promising industries in non-oil sectors.
Trade policy for manufacturing	<p>Identifying trade policy requirements to support the national industrial strategy in all industrial clusters to reach the targeted markets, establishing non-tariff measures to protect national products from unjustified growth in foreign imports.</p>	Decline in foreign imports and increase in Saudi exports of national products.

Initiative	Scope	Outcomes
Developing business models in the economic cities and special economic zones	Developing business models and mechanism of establishing strategic partnerships in cities and special economic zones and their affiliated current and future ports to create a competitive investment environment that encourages further investment from the private sector and strategic partnerships. The initiative will also contribute in light of the efforts to be done with regards to developing business models and mechanism of establishing strategic partnerships inside the economic cities and special economic zones to enhancing the authority's participation in community campaigns, and initiating national campaigns and initiatives in the field to deepen the impact of social responsibility and improve quality of life in the economic cities, special economic zones, and neighboring villages and areas.	<ul style="list-style-type: none"> • Enhancing strategic partnerships between public and private sectors • Enhancing rates of trade exchange and logistical competitiveness • Encouraging further number of local and international investments • Improving quality of life in economic cities and special economic zones and neighboring villages and areas.
Establishing the legislative, regulatory, and informational infrastructure for plasma separation centers	Restructuring the legislative structure of plasma projects, which includes regulations, legislation, and requirements for collecting, separating, transforming, storing or manufacturing plasma derivatives and reviewing requirements and mechanism of plasma collection centers in order to enhance the quality and quantity of plasma supplies as well as reviewing requirements and mechanisms of inspection and requirements of proper manufacturing of plasma derivative centers and industries to localize plasma separation to meet all needs in Saudi Arabia and contribute to localization of manufacturing of plasma derivative raw material in the MENA region. This initiative also includes developing technical requirements and demand for blood banks to donate extra plasma, as there is no mechanism for donating extra plasma to blood banks and preparing and launching an informative awareness plan for plasma donors.	Self-sufficiency in plasma products

Initiative	Scope	Outcomes
Industry sustainability	<p>Studying and developing a plan to implement products and integrated solutions to enhance continuity of stalled existing factories and protect them from bankruptcy that may result from any amendments or update of legislations and regulations. This initiative contributes to maintaining sustainability of competitiveness of industrial sector. It will also improve mechanisms and standards needed to identify stalled factories and support priorities and develop a detailed study of currently funded products and proposed products, whether financial, training, or administrative. Throughout this initiative, a governance mechanism will be developed to link the ministry and relevant authorities that facilitate proposed solution implementation efforts and the products suggested to stalled factories. To implement solutions, a timetable will be developed to ensure a support process in accordance with previously identified priorities. The initiative aims to provide industrial services to investors, support factory sustainability, and attract industrial investment by developing available support solutions.</p>	<ul style="list-style-type: none"> • Protecting stalled industrial companies from bankruptcy. • Protecting Saudi jobs in the stalled factories. • Maintaining the Saudi position in attracting and growing investments. • Raising the competitiveness indicators of the industrial sector. • Increasing the competitiveness indicators of the industrial sector. • Increasing local content.
Regulations of economic cities and special economic zones	<p>Preparing and issuing legislations, regulations, and policies in line with the scope of work of economic cities and special economic zones and their legislative role in cities and economic areas, which includes organizing practices in targeted sectors in economic cities and special economic zones in a way that enhances quality of life in such cities and improves the level of services provided to residents, investors, and visitors.</p>	<p>Contributing to enhancing the environment and organizational tools in the targeted sector in economic cities and special economic zones as well as enhance trust of investors, residents, and visitors by providing higher standard levels to improve life quality and ease of work practices. This would attract more investors in the private sector.</p>





Logistics Sector



Logistics in Numbers





Air

27 airports

 8 International  5 Regional  14 Domestic

91%

Proportion of population within 120 min drive of an airport

 100%  95%
 95%  90%

Sea

10 ports

 9 public  1 Private

Rail

3 lines

Haramain high speed North – South Dammam – Riyadh

Road

147,098 km

8,501 km express roads 35,863 km dual carriageways
 1,833 km urban express roads 9,199 km single carriageways

100 (1)

Road connectivity Score (rank)

 100 (1)  88 (32)
 90.1(23)  87.1 (34)

Public Transport

211 inter-city lines

85 lines DMM – RUH - JED

Main Challenges

1. Infrastructure:

- High congestion and limited capacity for some of the logistics infrastructure making it difficult to increase cargo and passenger volumes to meet Vision 2030 objectives.
- Low capacity of existing logistical assets that can link the Kingdom effectively with the most important international hubs.
- Gaps in logistical zones and multi-modal interconnection platforms.

2. Legislative/procedural:

- Gaps in integrated planning, multi-modal planning, which leads to a weakness in the link between basic logistics assets, and impairing the performance of the transport network in terms of increasing the time and increased cost of shipping goods.
- The multiplicity of digital platforms related to the transport and logistics sector, without integration, and the absence of a single platform that facilitates tracking of goods from source to consumer
- Low operational efficiency of logistical assets, which is evident in the length of the international shipping time.
- The weak legislative framework for the sector, and the absence of some basic legislations that raise the sector's efficiency (for example: the absence of regulations for sea freight brokers), leading to a higher cost of international shipping to the Kingdom.
- A weak mechanism for developing competencies and human capital in the transport and logistics sector.

3. Structural:

- The governance of the transport sector is complex and fragmented on numbers of relevant entities within and outside the system, making it difficult for comprehensive planning and difficult to make quick decisions.
- Weakness in the identification of a unified destination for the sector in a systematic and orderly manner, making it difficult to develop harmonized sectoral strategies, or at the appropriate level, resulting from a suboptimal level of coordination between different modes of transport.

Achievements

The sector has gained momentum on a number of key areas, including strengthening the governance model through:

- Involving the private sector in the management and operation of some port operations (BOT agreements in Jeddah Islamic Port and King Abdulaziz Port) with total investments of SAR16 billion.
- Launching the logistics platforms initiative.
- Launch 5 direct lines for shipping and exporting national products and attracting an additional market share from 'transshipment' operations with different parts of the world, such as: the Horn of Africa and South-East Asia, which helped increase the share of regional transshipment.
- Reducing the customs clearance from 288 hours to 9 hours.
- Establishing the Logistics Services Committee, as the governing body for any measure affecting the efficiency of the logistics sector.
- In 2016, aviation governance reform began by allocating operations to Saudi airports. This helped to privatize the Riyadh and Dammam airports, ground handling, and logistics services.
- The Saudi Arabia Railway Company and the Saudi Railway Organization have been merged into one entity concerned with running the railway sector.
- The Kingdom has invested more than SAR 400 billion in the transportation and logistics sectors in the past ten years, especially in infrastructure projects, such as the development of roads, ports, railways and airports, resulting in the creation of a strong network with excellent coverage throughout the country.
- This infrastructure allowed the transportation of a growing number of passengers (103.3 million passengers through airports) and cargo (9.0 million shipping containers in 2019). The sector has also taken important steps to raise operational performance and improve the performance of the logistics sector, such as:
 - Reducing the percentage of manual inspections and digitizing operations (such as: Fasah). And improving operational regulations (Trucks management systems, automatic approvals, and easy documentation), and the facilitation of operations within the port.

These efforts contributed to the Kingdom advancing 72 positions in the trade across boarder index in 2019.

- Several regulatory reforms have been executed to reduce containers handling time and increase its volume, especially transshipment in 2020
- Inaugurating new terminals at King Abdulaziz International Airport in Jeddah, Arar Airport, and others.
- Stipulating a new governance model for the transport and logistics sector in the National Transport and Logistics Strategy, and finalizing new sector strategies in line with the National Transport and Logistics Strategy.

- The Kingdom was ranked 5th in the index of the fastest countries handling container ships, which improves container handling productivity.

- The inauguration of Judidat Arar border crossing in Arar to raise the level of trade between the Kingdom of Saudi Arabia and the Republic of Iraq.

- Inauguration of the King Abdullah Port in the King Abdullah Economic City as the first Saudi port to be developed, operated and owned by the private sector in coordination with partners and relevant authorities from both the government and private sectors.

- The Kingdom ranked 20th globally and 1st in the Arab world for the second year in a row in terms of capacity to transport goods through the Saudi fleet, according to a report UNCTED's 2020 report.

Aspirations

Saudi Arabia is strategically located at the crossroads of the East and West along one of main trade routes in the Red Sea. The Kingdom is also ideally located near the MENA and West Africa regions, with an infrastructure that enables it to serve these markets. Having the biggest market in the GCC region and one of the largest consumer markets in MENA, Saudi Arabia is well-positioned to achieve its ambitious logistics sector development.

This framework is based on the domestic size of the Kingdom's economy (the largest market in the GCC region and one of the most important consumer markets in the Middle East and North Africa region, this program is based on several focus areas:

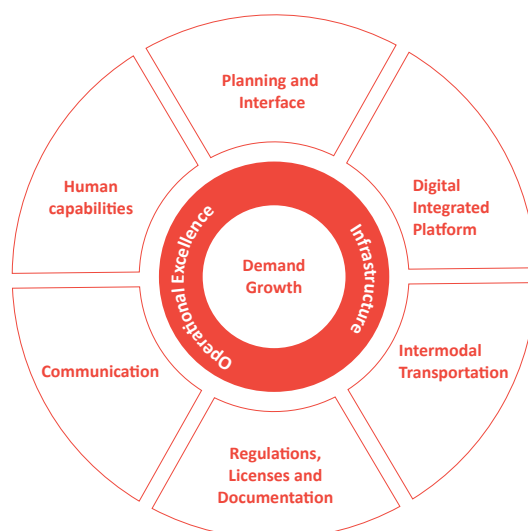
- Enhance the efficiency, quality and speed of logistics services.
- Improve logistics infrastructure quality and raise its capacity.
- Reduce freight costs by developing interconnections between different local intermodal networks, and developing competitive regional networks.
- Increase the accuracy of the shipping timing and receiving goods.
- Enhance the tracking and tracing of shipments and goods to supply chains and automate operations.
- Facilitate clearance procedures and cross-border movement of goods, which support plans for industrial growth, export and re-export movement, and raising the efficiency of the local distribution movement in order to allow the delivery of goods at a competitive cost, which would benefit from the distinguished geographical location of the Kingdom of Saudi Arabia.
- Strengthen logistics sector governance and regulations, and encourage private sector participation.

Hence, the logistic sector has identified and developed basic patterns and ambitions to achieve 2030 vision which are as follows:

- Building a global maritime logistics center in the west of the Kingdom on the Red Sea capable of handling future mega sized ships.
- Building and developing a number of logistical platforms for air freight, such as: King Khalid Airport in Riyadh, and King Abdul Aziz Airport in Jeddah
- Enhancing the capacity for local connectivity, by spreading a railway network and Hyperloop network, while improving road quality.
- Launching and improving a high-quality multi-mode network in logistical areas to enable e-commerce and other future trade patterns.
- The logistic Services sector also plays an important role within the scope of integration and empowerment of the NIDL sectors, where the logistic services sector contributes, for example, in raising the attractiveness of investment in the mining sector, by providing solutions for the transportation of mineral raw materials and processed minerals to smelters and factories in industrial cities at competitive and attractive prices, through building road networks that contribute to the entire construction of supply chains.

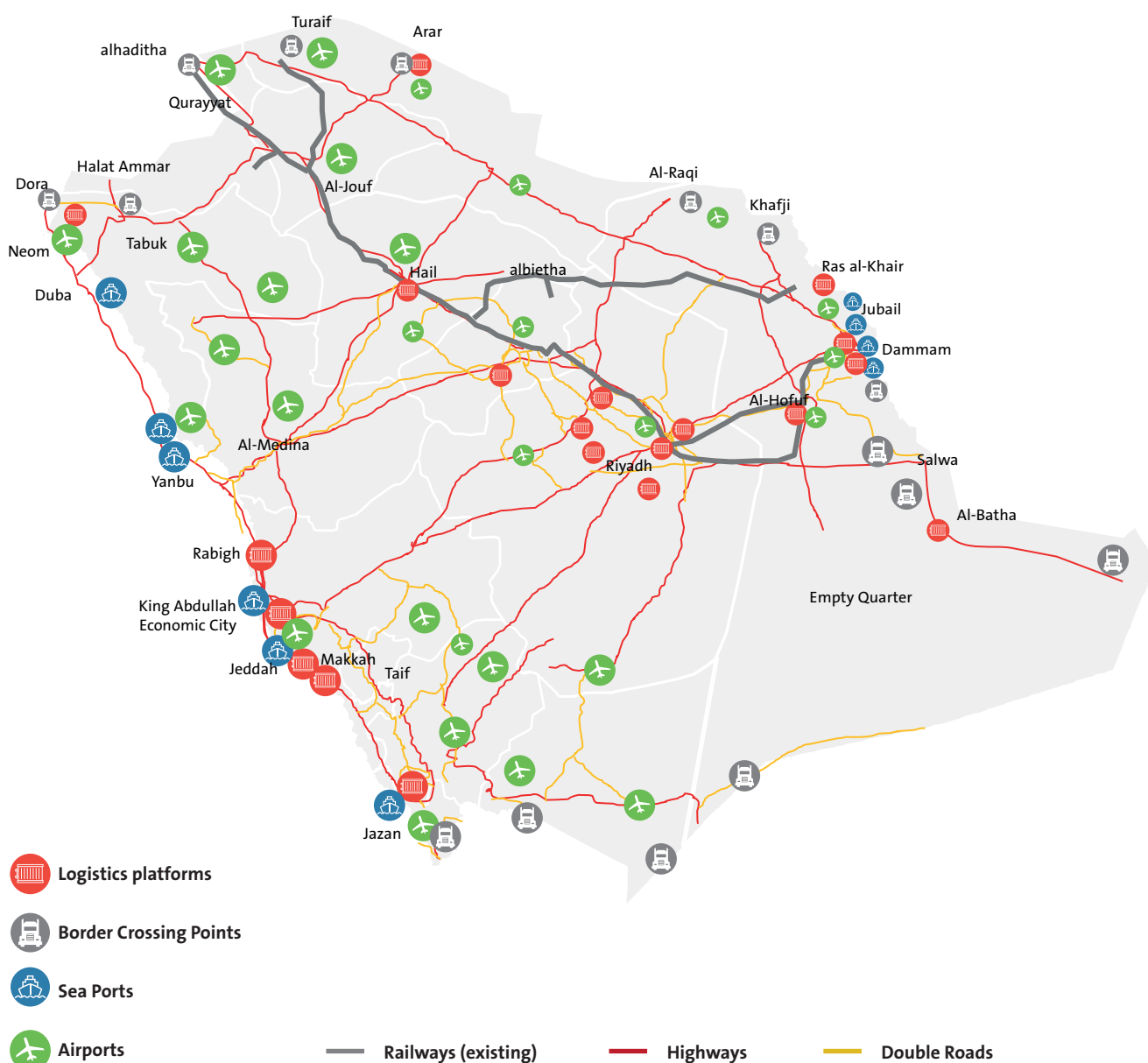
6 Key factors to position Saudi Arabia as a global logistics hub:

- 1. Planning and Interfaces.** There are currently gaps in integration and interconnection between the different modes of transport, in addition to the lack of intermodal platforms to improve conditions of different interfaces with opportunities to improve transport mode planning.
- 2. Digital Integrated Platform:** All digital platforms can be combined creating a unified and comprehensive logistics digital platform; a one end-to-end logistics platform across modes and value chains, providing best-in-class factory-to-door visibility, with the possibility of improving some of the current available systems.
- 3. Intermodal Transportation.** Operational performance within many of the existing logistics assets could be improved (e.g. dwell time across ports & airports, export/re-export/import times through key outlets). The Kingdom could benefit from more intermodal corridors to strengthen its position as a focal point between three continents (building on recent ratification of TIR).
- 4. Regulations, Licenses and Documentation:** Introduction of regulations, such as: regulations for trailers and shipping agents and the reduction of paper documents and the switching to electronic systems, in addition to the existence of a single legislator and regulator for service licenses as a reference point for investors.
- 5. Communication:** There is a significant opportunity to improve the Kingdom's ability to communicate continuously with international institutions responsible for classifications and ratings in relation to logistics services, (such as: The World Economic Forum, the World Bank), and a great opportunity for improving investor awareness about investment opportunities in the logistics sector
- 6. Human Capabilities:** There is a lack of educational institutions, and courses specialized in logistical services in the Kingdom's educational system.



Ambition

- Increase the volume of goods transported through the Kingdom’s ports to nearly 40 million Twenty Equivalent Units (TEU), and increase the number of passengers through the Kingdom’s airports to approximately 330 million passengers by 2030, which will contribute to the Kingdom’s position as a global logistical center and will rank it first in the region in terms of the number of goods handled and the quality of services provided.
- The Kingdom will rank 10th in the Logistics Performance Index by 2030.
- Increase the connectivity between the Kingdom and the world and reduce the cost of transporting goods and passengers to accommodate the increase in the volume of goods handled in addition to the number of passengers.



Main Initiatives

Initiative	Scope	Outcomes
Attracting ships to Saudi ports by providing additional services	Establishing a floating platform near the industrial port of Yanbu to carry out the transfer of oil products from giant ships to smaller ships, and preparing a study to establish a center for supplying ships with fuel near the passage of ships, which encourages the increase in shipping traffic, increasing revenues, and marketing the Kingdom as a global center for bunkering.	Attract more shipping lines and transshipment business, and increasing non-oil revenues by providing transportation service for oil derivatives for local and international companies, increasing re-export goods, enhancing the role of Saudi ports in global maritime trade routes, and increasing the market share of the Kingdom's ports from regional transshipment.
Implement expansion projects to keep pace with growth in trade, economy, and asset conservation	Improving the quality of the infrastructure, deepening navigation channels, increasing capacity, constructing and renewing port roads, bridges and gates, providing buildings for the authorities to provide services in ports (port management, customs, and border guards), providing stations to generate the necessary electricity in ports and establishing and improving back areas (services support), establishing and developing advanced facilities services in Saudi ports for port works (electricity, air conditioning, sanitation and lighting, and firefighting systems), to facilitate and accelerate port operations, attract shipping lines, increase the flow of trucks, reduce congestion, and improve and accelerate the flow of goods movement.	Increasing the shipping connectivity index with global shipping lines, raising the port utilization rate, increasing the competitiveness of Saudi ports, improving regional and international connectivity by equipping the infrastructure to keep pace with growth and increasing the reception capacity of ships of large sizes to stimulate transshipment movement, and increasing support services (roads, facilities), and electricity), for yards and sidewalks.
Reorganization of the Saudi Railway Organization and the Saudi Arabia Railway Company into one entity and determining the optimal operational model for this entity	To make a qualitative leap in the company, and to increase the institutional and effective distinction in it by studying the integrative capacity of the system and merging the Saudi Railway Organization with the Saudi Arabia Railways Company.	Improving the performance of government agencies through the reorganization of The Saudi Arabia Railways Company and the Saudi Railway Organization into one entity concerned with this industry

Initiative	Scope	Outcomes
Development of the import and export processes	Improving import and export procedures and reducing clearance times for import and export, to ensure achievement of time competitiveness, and that the Kingdom is a global logistics hub.	Reducing the time and cost of importing and exporting goods.
Attract shipping lines to Saudi ports to develop transshipment and re-export operations	<p>Developing a marketing strategy for Saudi ports to attract shipping lines, by developing programs dedicated to attracting more shipping lines, operating and activating new lines and routes, increasing the spread and linking with regional and international ports, transshipment, and implementing media and advertising campaigns and public relations for shipping lines and investors to improve the mental image of the business.</p> <p>Presented in international ports, which include: activating attendance, establishing and providing sponsorship in global forums in the logistics sector, and the maritime transport sector in particular, organizing periodic visits to major shipping lines and foreign investors, and participating in relevant international periodicals to provide periodic content on local developments for Saudi ports (such as : Lloyds list drewry)</p>	Improving the image of Saudi ports, and attracting shipping lines to increase transshipment business.
Unified logistics platform	Determining the reference for transport and storage activities included in the National Classification of Economic Activities, resolving the differences of references between government agencies, updating regulations and requirements for coordination with the relevant authorities, improving licensing procedures, improving and developing monitoring and compliance mechanisms, and providing licensing services in a unified center, in cooperation with the Saudi Center for Economic Business, through a unified logistical license, the establishment and activation of a unified digital logistical platform for licenses, an integrated guide for the customer's journey for all licenses (digital) in several languages, and the provision of licensing services in a unified center in cooperation with the Saudi Center for Economic Business.	Improving the procedures for obtaining licenses and enhancing the investor experience in the logistics sector, which contributes to enhancing the sector's efficiency and fostering an attractive business environment in line with Vision 2030 objectives (improving local, regional, and international connectivity of trade and transport networks).

Initiative	Scope	Outcomes
Increasing the capacity of freight trains on the North-South Railway	Increasing the capacity of the railway line, through the establishment of a train stop station in the city of Sudair, and the development of the signaling and communication system for Waad Al Shamal Railway, Jubail Railway, the new and old Ras al-Khair Railway, the Ras Al-Khair Additional Facilities Railway, the Jubail Railway to Dammam and the Jubail Industrial Railway (the affected parts). Also, securing locomotives and trailers for Sadara Company in Jubail, in order to increase the capacity of freight trains.	Raise the carrying capacity of the freight train.
Update the master plan for railways	Reviewing and updating the comprehensive railway plan (2016-2030), whereby the passenger and cargo rail network in the Kingdom of Saudi Arabia will be developed until 2050, and reviewing the priority of implementing the routes based on several economic, social and environmental criteria, taking into consideration the economic and industrial zones in the Kingdom, various cities, major attractions and neighboring countries	Improving the local, regional and international connectivity of the trade and transportation networks for passengers and goods, and strengthening the railway connection of the Kingdom's industrial and economic zones, various cities, major attractions and neighboring countries.
Shipping agents regulations	Creating a bylaw to regulate the activity of shipping brokers contributing to Providing efficient services in maritime transport, consistent with the requirements of making the Kingdom a global logistical center.	Attracting investment in logistics, through the introduction of licensing and the creation of the regulations, due to its importance in making the Kingdom a global logistics center.
Maritime transport business regulations	Updating the regulations of maritime transport, specifying the nature of the licensed activities, and determining the necessary requirements for each activity, while limiting the activities to 5 logistical related services	Organizing all maritime transport activities and facilitating maritime procedures and services, thus increasing the number of ships licensed to conduct maritime transport business.

Initiative	Scope	Outcomes
Develop regulation for freight forwarding	Enhancing the competitiveness of the Kingdom's ports and contributing to increasing supply, increasing logistical operations, and speeding up commercial movement procedures for ports, by facilitating transit and inspection procedures and permitting the use of the private sector to carry out tasks related to the security of seaports under the regulatory umbrella of the General Authority for Ports, after amending the security system's limits and its implementing regulations.	Facilitating commercial movement in the port, enhancing the Kingdom's logistical position, increasing the attractiveness of ports to attract investors and shorten the investor journey, in addition to enhancing the competitiveness of Saudi ports compared with their global counterparts.
Develop logistics hub master plan	Improving the infrastructure necessary for investment in the network of logistical platforms, which would help enhance the effective flow of inbound, outbound and pass-through goods through the Kingdom. This initiative is focused on both infrastructure and services, with the need to work closely with the private sector to modernize and develop the capabilities of the Kingdom's logistical platforms via detailed feasibility study for implementing priority logistical platforms.	Activating the logistical platforms' objectives to a master plan and a roadmap to implement them in coordination with all relevant authorities to ensure the achievement of the target.
Reshaping the international and domestic network in the Kingdom to support wider economic development	Assessing, updating and activating bilateral agreements with local airlines and developing detailed plans for the international network of interconnected lines and linking them to the most important local and international centers to enhance the density of local transport and the capacity of transport operators, and the flow of goods and individuals, by studying, updating and activating bilateral agreements with local airlines along with detailed plans for the connection network International airlines, linking them to the most important local and international centers.	Increasing passenger numbers, increasing cargo volume, and increasing the attractiveness of the aviation sector to investors.

Initiative	Scope	Outcomes
Maritime sector strategy	<p>Preparing a national strategy for the maritime sector that aims to achieve alignment between government agencies and the relevant private sector entities in terms of existing and future strategies and projects, identifying investment opportunities in the maritime field, which will contribute to raising awareness of the importance of the maritime economy, developing the workforce, maritime education and training, and improving the sector's infrastructure including bunkering, ship building and maintenance, various marine investment opportunities, and the identification of local regulations and procedures that need to be modified or developed to raise the sector's attractiveness for investments. This will contribute to the development of a carefully articulated future vision for the sector, which will enhance international competitiveness and raise the Kingdom's position as a global logistics hub.</p> <p>This Strategy contains:</p> <ol style="list-style-type: none"> 1- Ports 2- Shipping and maritime transport 3- Shipyards for building and repairing ships 4- Marine services 5- Aquaculture 6- Maritime tourism 	<p>Set a future vision for the sector, and create an attractive environment for ship operators to carry out these operations in Saudi ports or in Saudi territorial waters, thus increasing the intensity of cargo handling operations in Saudi ports.</p>

Initiative	Scope	Outcomes
Improving the user experience in the import and export ecosystem	Supporting and activating the unified electronic import and export ecosystem, by reducing the chain of procedures, and speeding up the clearance process to enhance the ease of import and export movement and making the Kingdom a global logistical center. This is pursued by: completing the technical link between the Fasah platform and the government agencies related to the unified electronic import and export system through The Saudi Company for Electronic Information Exchange (Tabadul) and reducing the number of items restricted for import by more than 22%, and more than 15% for items restricted for export.	Organizing clearance procedures, enhancing automation, facilitating commercial movement at the port, and speeding up and facilitating import and export movement at ports.
A preliminary study of the application of Hyperloop technology in the Kingdom	A preliminary study to identify, analyze and select the best scenarios for implementing the Hyperloop technology in the Kingdom, from a technical and financial point of view.	The introduction of a new and fast transportation technology that ensures the rapid flow of goods and people in the Kingdom.



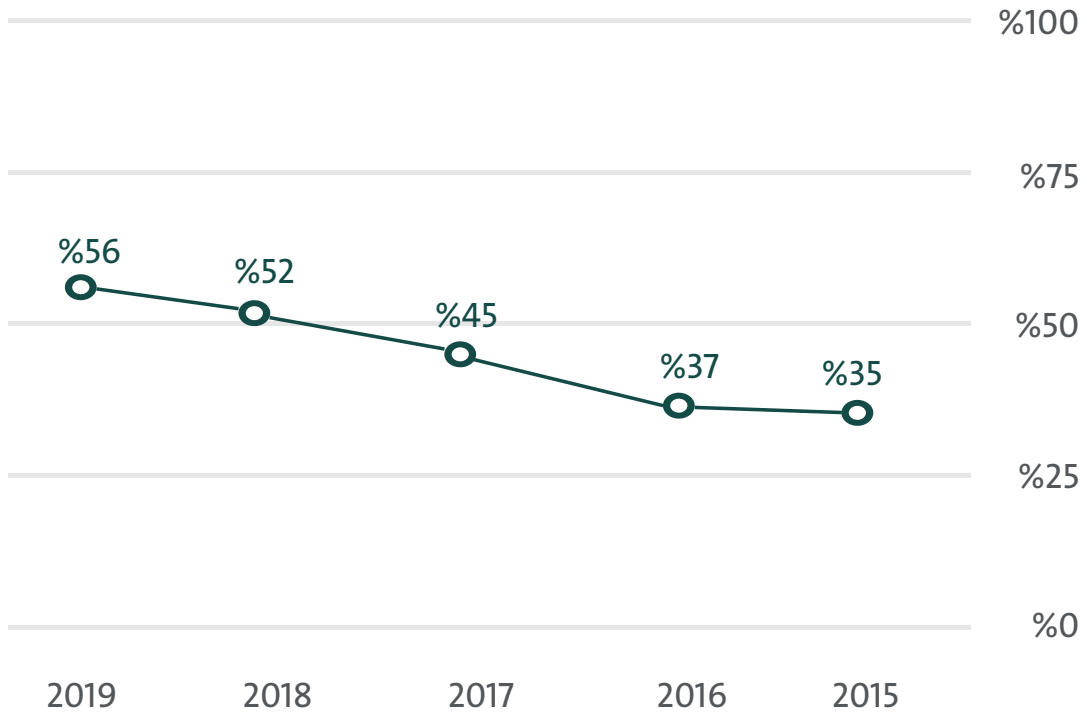
Local Content



Main Challenges

1. Negative impact on supply chains because of crisis and economic changes
2. Lack of supply and demand databases.
3. Lack of sufficient awareness of legislation, programs, and development plans for increasing local content in governmental procurement.
4. Lack of awareness about the positive economic impact of local products and services.
5. Absence of awareness programs promoting the positive impact of supporting local content on individuals level.

Local Content in Numbers



Local Market shares in the Oil and Gas Sector (IKTVA)

22 Billion SAR

Value of High Value Competitive Bid

18 Billion SAR

Value Created 2018

3600 factories

Producing supporting products for local Content

129

Number of Plug and Play Factories in Industrial Cities

Achievements

The Local Content & Government Procurement Authority was established to lead the transformation journey in local content which will support the national economy. The Local Content & Government Procurement Authority focuses on promoting local content through efficient policies and regulations that attract investment in related sectors. Some of the major achievements include:

- Defining Local Content on the national level to contribute to the national economy through assessment tools that measure the value add.
- Council of Ministers have approved Local Content and SMEs Preference Regulation.
- Launching local content partnerships initiative and unified local content conference initiative which connect top relevant local companies and government entities.
- Launching the first draft of local content policy in the machinery and equipment sector to enhance local products in this industry.
- Finalizing local content policy for the pharmaceutical sector which aims to increase the localization percentage of this sector.

Aspirations

Enhancing the economic position of the Kingdom by relying on local content in the workforce, goods, services, assets, and technology. These objectives will contribute in creating a thriving and diversified economy.

Ambition

- Develop local capabilities that contribute to achieve local content targets within NIDLP's sectors.
- Increase the value add to the economy through local contribution of products and services, and the development of human capital which will help in attracting investors and localize industries.

Main Initiatives

Initiative	Scope	Outcomes
Enabling industrial SMEs	Develop a unified platform to enable and qualify SME's to be approved vendors for the top private and public companies.	<ul style="list-style-type: none"> Enabling local procurement for top companies aiming to localize SMEs to increase the local content percentage in the oil and gas sector and non-oil sectors. Enabling the public sector to achieve its localization targets. Increasing the percentage of local content for top public and private companies.
Increasing local content in the Saudi Economy	Increase the contribution of local content in the national economy through government and private sector procurement and optimize the opportunities in strategic sectors (construction, industry, energy, healthcare and medicine, communication and IT, transportation and logistics, etc.). This target is achievable through developing an assessment methodology and a unified platform that connects all stakeholders to facilitate the manufacturing journey.	<ul style="list-style-type: none"> Increasing local content to SAR 1,240 billion by 2025. Setting local content objectives for the government procurement Identifying local content criteria to contribute to the national economy. Developing local content for strategic sectors.
Local content opportunities in communication and IT services procurements	Identify the opportunities for local content government procurement within the communication and IT services sector building on the joint efforts of the Ministry of Communications and Information Technology, the e-Government Program (Yesser), Expenditure Efficiency & Projects Authority, and relevant government agencies	Analyzing spending on products and services in communication and IT to create local content opportunities.
Local Content Award	Incentivizing both the private and public sectors to improve their contribution towards local content via recognition through the Local Content Award	Increasing the local content percentage in all non-oil sectors.



Fourth Industrial Revolution

The Fourth Industrial Revolution is transformation actions in policies and procedures toward smart: factories, mines and electricity networks, while utilizing advanced technologies to increase productivity and efficiency.

~ 1760s



First Industrial Revolution

Steam power was used for transportation engines.

~ 1870s



Second Industrial Revolution

Introduced electricity in production and telephones.

~ 1970s



Third Industrial Revolution

Introduced computing and automation in multiple sectors.

~ 2010s



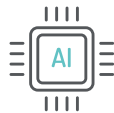
Fourth Industrial Revolution

Advanced technology in several sectors

Virtual Reality



Artificial Intelligence



Data



Cloud Computing



Simulation



IoT



Automation and Robots



Additive Manufacturing



Fourth Industrial Revolution focuses on digital transformation to enhance the production and collection of data for analysis which will increase the added value to economy. Fourth Industrial Revolution is based on:

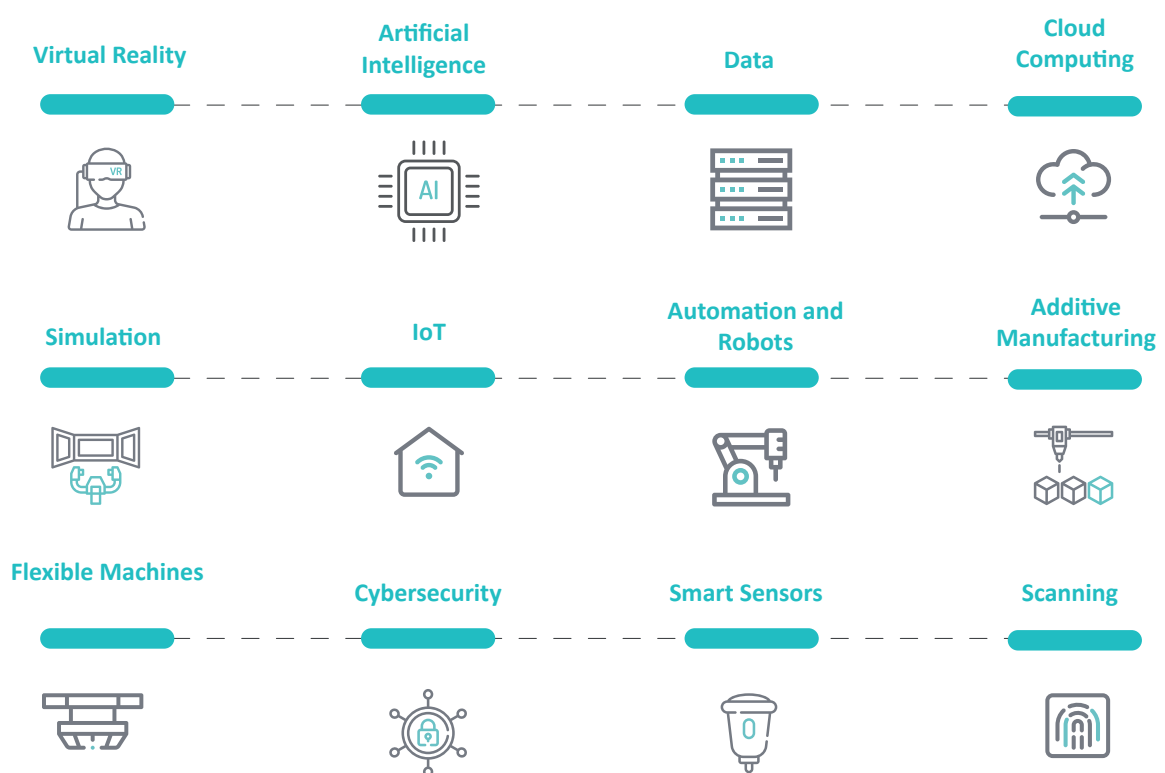
Digital transformation and integration of vertical and horizontal value chains.

Fourth Industrial Revolution will digitally transform and integrate operations in factories through two methods:

Vertical: starting at developing products and services, which includes: converting existing products into digital, expanding existing products, developing new digital products that focus on integrated solutions and access to manufacturing process.

Horizontal: focuses on improving services after production, which starts with providers moving to consumers and supply chain. It includes all kind of technologies such as tracking system, planning and implementation with advanced digital systems.

Fourth Industrial Revolution includes several technologies:



Fourth Industrial Revolution depends on scientific revolutions and the latest technologies that add value to the country's economy.

It also connects directly to:

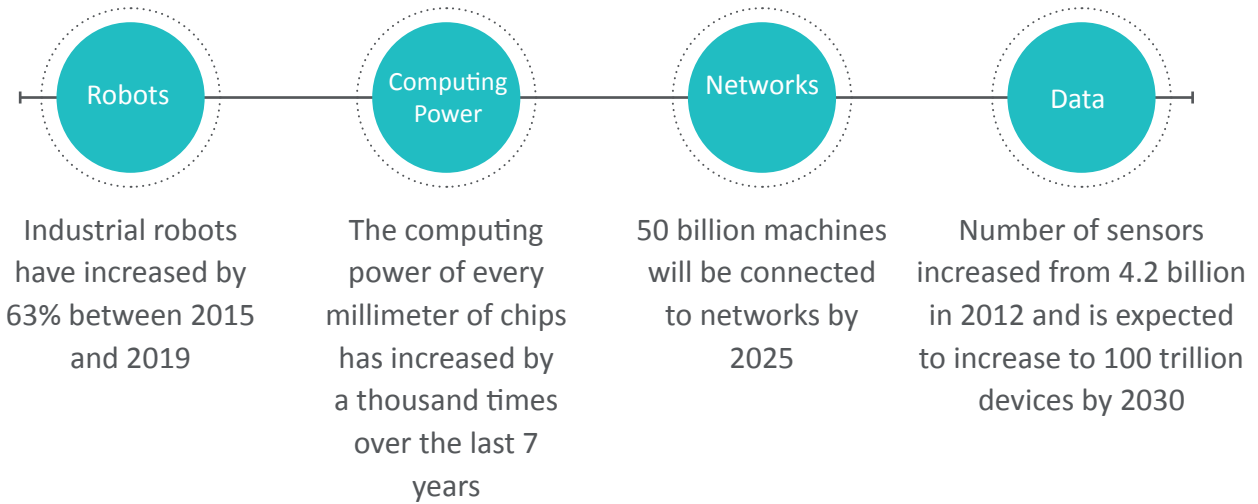
- Data (Number of sensors increased from 4.2 billion in 2012 to 50 billion in 2017, then it increased to 1 trillion in 2020. It expected to increase with 100 trillion devices by 2030).
- Network (more than 50 billion machines will be connected to networks by 2025).
- Computing power (processor chips have doubled per square millimeter a thousand times over the past 7 years).
- Robots (the growth in producing robots reached 63% between 2015 – 2019).

This revolution will support emerging technologies such as data, network, computing, AI, digital switching and human–machine interaction.

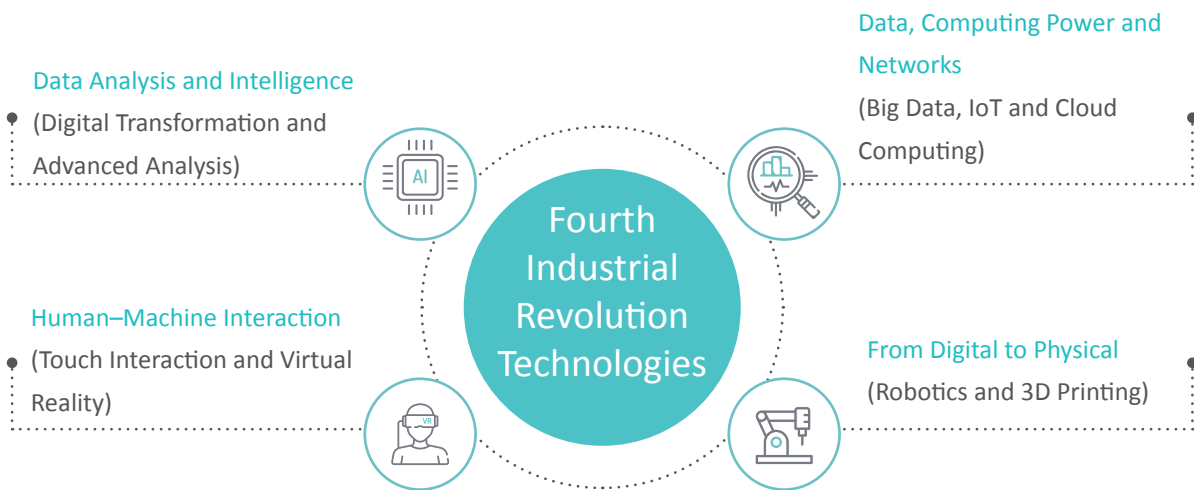
These technologies will contribute to increasing the added value to the economy by expanding high quality production which will create a competitive environment for investments.



Fourth Industrial Revolution Innovations



Scientific Revolution



Added value



Fourth Industrial Revelation in Numbers

Indicator	2021
Percentage of technical infrastructure readiness in the selected cities	50%
Number of entities benefiting from the IR4.0 incentives	10

IR 4.0 Innovations

Computing Power

Increase in computing power for every millimeters of chips

1000
Times

Robots

The growth in the number of industrial robots

%63

Main challenges

- Fourth Industrial Revolution systems are facing challenges with service companies and providers from outside the Kingdom, cost of advanced solutions and low maintenance services.
- Lack of awareness in sectors on Fourth Industrial Revolution Technologies.
- Scarcity and high wages of expertise in Fourth Industrial Revolution domains. As the digital transformation and the Fourth Industrial Revolution reach new heights in the sectors of industry, energy, mining, and logistics, the urgency to adopt cutting-edge technologies in these sectors is required more than ever. Such shift will bring some difficulties in workers adapting to this major change. Thus, leading to layoffs or hiring technology experts from outside the Kingdom.

Achievements

- King Abdulaziz City for Science and Technology established the Innovation Center for Fourth Industrial Revolution which includes several advanced technologies such as digital control manufacturing equipment, digital reverse engineering equipment, VR equipment, advanced equipment for casting metals and 3D printing. In addition, advanced computer programs to enhance products' journey like engineering drawing and analysis, digital fabrication, and file management to connect these technologies, which increase quality and proficiency. Also, the Center conducts training programs on these advanced technologies to develop future capabilities.
- Launching the National Digital Transformation Strategy by the Digital Transformation Unit. The strategy focuses on transforming main sectors in the Kingdom by 2025 through adopting Fourth Industrial Revolution technologies. The strategy will play a major role to ensure an efficient transformation.
- Launching the National Productivity Program supported by NIDLP and the Saudi Industrial Cities Authority that aims to increase productivity of 22 factories.
- Signing an agreement with the Saudi Industrial Development Fund, Saudi Industrial Cities Authority and King Abdulaziz City for Science and Technology to launch "Tanafusiya" program that will empower the industry sector through funding 100 factories to adopt Fourth Industrial Revolution technologies.
- Finalizing phase 1 of developing the digital infrastructure in the industrial cities and deploying optical fiber network in +1500 model factories.
- Empowering digital enablers with required resources in industry.

Aspirations

Fourth Industrial Revolution strategy will focus on empowering industry, mining, energy and logistics sectors to achieving the following:

- Increase the competitive value of NIDL sectors.
- Expanding existing value chains and developing new ones.
- Reduce the impact of major reforms in energy, natural gas and the labor system.
- Develop ecosystem for Fourth Industrial Revolution technologies.
- Developing new high-skilled jobs that are attractive to the national workforce.
- Support localizing new and advanced industries.

The main objective of NIDL is accelerating the adoption of Fourth Industrial Revolution technologies by identifying challenges and developing an implementation plan to overcome and achieve a smart model factory. The plan is as follows:

Selection Methodology 18-24 months

Identify the sector and institution

Identify use-cases

Build KPIs

Implementation

Developing leaders

Governance (the national center for industrial development)



Awareness
Incentives

training and development in capability centers
implement use-cases with strong value

Outcomes



20%
increase in productivity of
100 factories



Identity
Fourth Industrial Revolution



50
use-cases



2,000
Trainees



Building successful modules
To encourage adopting Fourth Industrial Revolution in the energy, mining, industry and logistics sectors.



Identify industry maturity in advanced technologies and build KPIs

Ambition

To elevate Saudi Arabia as a top-tier and leading country in adopting cutting-edge technologies and creating promising opportunities in industry, energy, mining and logistics to increase efficiency in production and obtain sustainability.



| Main Initiatives

Initiative	Scope	Outcomes
Developing use-cases of emerging technologies	Identify and develop fourth industrial revolution technology use-cases to apply in the industry and logistic sectors .	Supporting 50 local factories with Fourth Industrial Revolution technology use-cases which will contribute to increase the local economy.
Fourth Industrial Revolution Capability Centers	Accelerate adopting fourth industrial revolution technologies through providing required resources and services within the centers that include labs for technology exploration, training programs, consultation services, and R&D and Innovation tracks.	Increase the productivity and efficiency of local companies and factories by benefiting from these centers' services.
Digital Enablers Platform	Support manufacturers with digital services through a unified platform provided on a local cloud. This platform will support the manufacturers digital transformation journey and advanced technology adoption.	Empower local manufacturers with digital enablers to increase productivity and cost efficiency.



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National Industrial
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