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Foreword



It is with great pleasure that we present this overview of the competitive investment landscape within Saudi Arabia, including details of our first Special Economic Zones and the opportunities that they create.

Designed in consultation with global investors and with their needs at heart, our Special Economic Zones are designed to accelerate the development of key sectors within Saudi Arabia.

The tailored environment they create, combined with a supportive ecosystem, will allow investors from across the world to establish a foothold and expand rapidly.

The development of these zones comes against the backdrop of a much broader transformation of our economy.

Saudi Arabia's Vision 2030 seeks to unlock the potential of the private sector to drive growth and innovation. We have already implemented sweeping reforms to open our economy and enhance competitiveness – and these Special Economic Zones will help take these efforts to the next level.

This is why, for ambitious global companies looking to innovate and grow, there are few opportunities at the scale of Saudi Arabia.

Not only do we offer a thriving domestic market – the fastest growing economy in the G20 last year – but through our world class infrastructure and favorable geographic location we provide investors with the opportunity to connect to key global value chains.

In a challenging and uncertain global economy, we offer unmatched opportunities and a government that is fully committed to doing whatever it takes to help you access these.

We will ensure that your experience of setting up in Saudi Arabia is seamless – and we will support you every step of the way as you expand and grow your business over the longer term.

We welcome you to the Kingdom, and we look forward to being your partner as you set out for the exciting next phase of your story.

**His Excellency
Khalid A. Al Falih
Minister of Investment
and Chairman of the Board
of Directors of ECZA**

Foreword



I am delighted to present this overview of the first wave of Special Economic Zones within Saudi Arabia.

Diversifying the Kingdom's economy lies at the heart of Vision 2030, and we are placing great emphasis on implementing a national SEZ agenda and developing a network of competitive zones, to strengthen the investment environment across a wide range of industry sectors.

These SEZs have been designed to complement existing strengths in the Kingdom's economy and create new investment

opportunities in a rapidly evolving global economy. The benefits available to investors within each of the zones will enable industries to build regional competitiveness and global scale from the Kingdom.

Our new SEZs span strategic locations throughout the Kingdom, offering compelling propositions across key, forward-looking industries. With robust infrastructure and connectivity, supportive regulation, attractive incentives, competitive costs, and abundant local talent, we have created an environment that maximizes opportunity while minimizing risk for businesses.

We are dedicated to supporting investors at every step of the investment process, from a streamlined application and approval process to an integrated one-stop-shop service, acting as the only resource an investor will need to access all SEZ services and support. Establishing a business in the Kingdom has never been easier.

As the Kingdom's economy grows and investors' needs evolve, we plan to expand our network of SEZs in the future.

We look forward to engaging with you and sincerely hope that you decide to locate and grow your business in the future from one of our locations.

A warm welcome awaits you.

Nabil Khojah
Secretary General
Economic Cities and
Special Zones Authority
(ECZA)

A city skyline at dusk with a large blue '02' overlay. The sky is a mix of blue and orange, with scattered clouds. Several skyscrapers are visible, some with lights on. The '02' is a large, stylized, blue number with a slight glow.

INTRODUCING THE **SAUDI ARABIAN ECONOMY**

02

An investment powerhouse at the heart of the Middle East

Saudi Arabia is striving to become a global investment powerhouse. This ambition is centred around the development of a vibrant society, a thriving economy, and an ambitious nation.

Enabled by Vision 2030, the Kingdom's socio-economic transformation is unleashing growth opportunities across several promising sectors and regions.

A network of Special Economic Zones in exceptional and competitive locations in Saudi Arabia provides investors with a wealth of untapped opportunities for business growth and success.

As the various strategies and reforms of **Vision 2030** are implemented, the Kingdom can already boast impressive results. Saudi Arabia is well on its way to becoming a global investment powerhouse. Join us!

	2015	2022
	(before Vision 2030)	
Non- oil revenues	USD 44bn	USD 110bn
Value of FDI in Saudi Arabia (annual flow)	USD 8.1bn	USD 19.3 bn *2021
Number of factories	7,206 factories	10,518 factories
Time to establish companies and issue commercial registers	15 days by visiting 8 government entities	30 minutes in one step online
Participation of women in the labour force	19.4% *2017	37%
Published scientific research papers from Saudi institutions	19,145 papers	46,932 papers

Macroeconomic Strengths



Growth



8.7%

GDP growth
in 2022

5.4%

non-oil GDP
growth in 2022



Investment



\$19.3bn

FDI inflows
in 2021

25%

Gross Fixed Capital
Formation (GFCF)
share of GDP



Stability



2nd

lowest in debt to
GDP ratio among
G20 countries

\$28bn

budget surplus
in 2022

\$460 bn

Total reserve
assets in 2022

Source: IMF/World Bank Database, 'Foreign Direct Investment, Net Inflows'; Saudi Gazette, 'FDI inflows jump %10.7 in Q3 of 2022', Feb 2023; Trading Economics, 'Country List Government Debt to GDP, G20'; Arabian Business, 'Saudi Arabia records 27\$bn budget surplus, forecasts 328\$bn revenue next year', Dec 2022; World Bank & IMF datasets on total reserve assets

A connected economy sitting at the heart of global trade

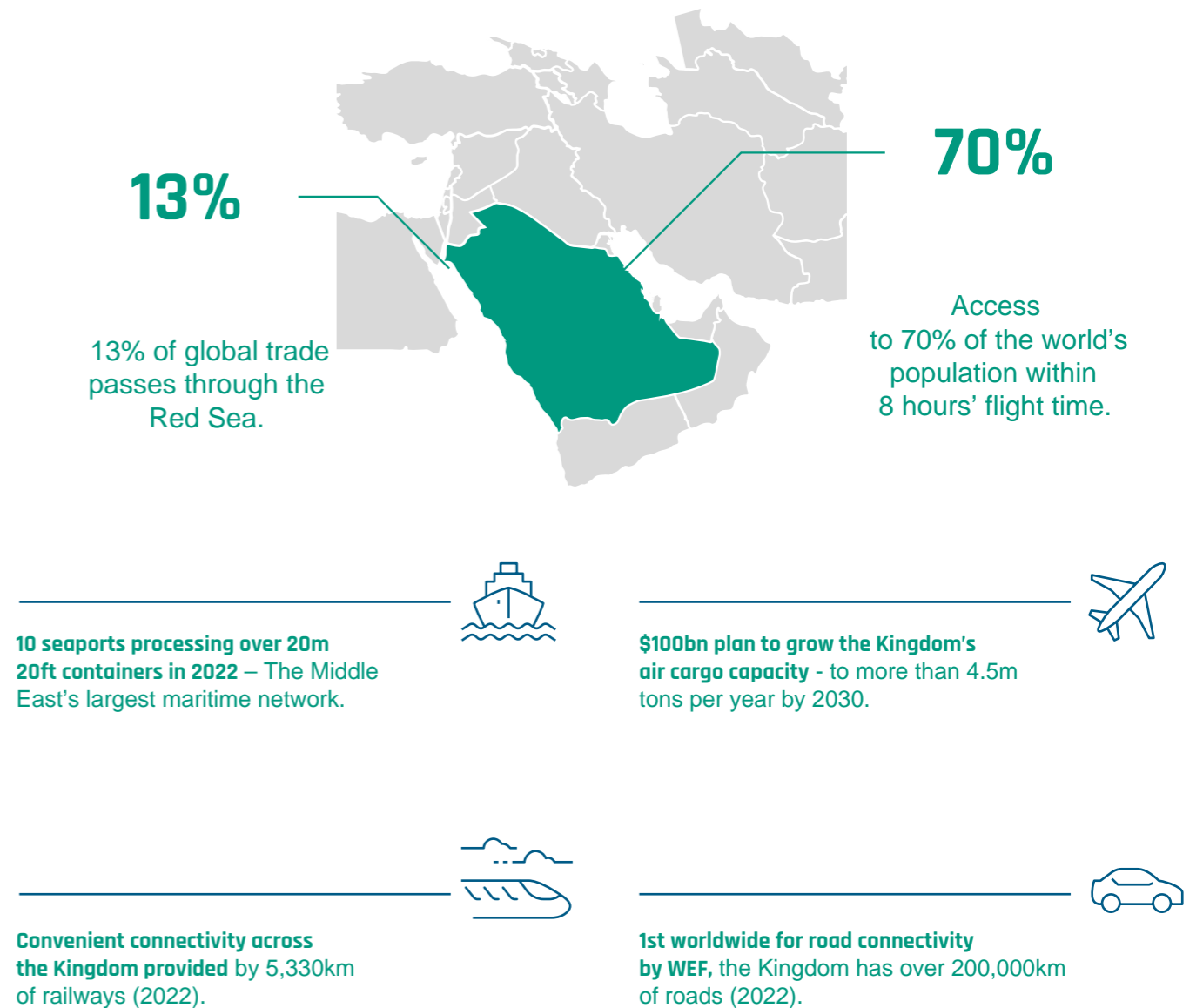
Backed by its formidable foundations in industry, education and infrastructure, the Kingdom has the ideal business environment for your company to grow and thrive.



Strategic Global Location

Take advantage of the Kingdom's strategic global location and excellent connectivity

Transport and logistics infrastructure is highly developed and the growing network of SEZ sites present numerous opportunities for supply chain integration, R&D, manufacturing and distribution activities.

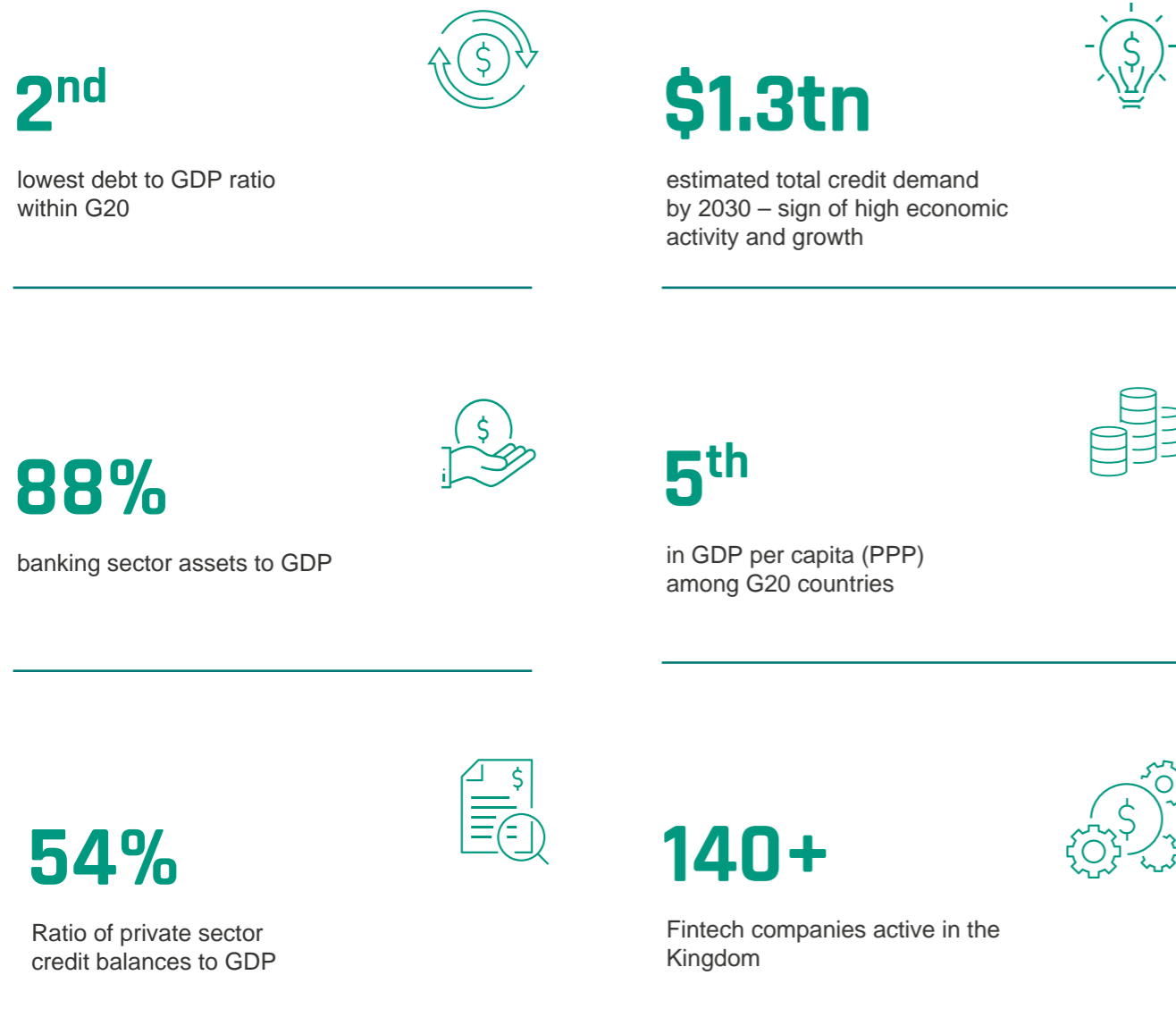


Source: Arab News, 'Saudi Arabia aiming for 100\$bn aviation investment; launch new airline: Minister Saleh Al-Jasser', May 2022; WEF, 'Global Competitiveness Report, 2020'; DLCA, Saudi Arabia Road Network'

Leading Financial Sector

Tap into the Kingdom's leading financial sector and benefit from a resilient banking system

Saudi Arabia benefits from a mature and historically stable financial services sector, and a strong capital markets infrastructure. Looking forward, the sector will act as a platform for future economic growth within the Kingdom, providing access to a wide range of finance and growth capital necessary to support investor requirements. The sector is rapidly evolving, driven by a rapid rise in FinTech activities, providing cutting edge services that will further enhance the investor experience.



Source: CEIC, 'Saudi Arabia Private Debt: % of Nominal GDP'; Invest Saudi, 'Macroeconomic Overview'; 'Leading Financial Sector'; Fintech Saudi, Annual Report 2022-2021

Competitive Cost of Doing Business

Benefit from competitive cost of doing business across energy, property and utilities

Whilst Saudi Arabia is an affluent and growing global economy, its abundance of natural resources means that businesses here can benefit from highly competitive utility costs (including water, electricity and gas).

This is complemented by large areas of developable land and existing high-grade office and industrial locations, again at very competitive rates when compared to other GCC and developed economies.



Source: Invest Saudi, 'Attractive Property Solutions'.

Skilled Workforce

Harness a young and skilled workforce, backed by government commitment to education and excellence

As the Kingdom progresses with its large-scale reforms and economic diversification, it is supported by a rich heritage of investing in its people. Expenditure on education accounts for 17% of government spending and the resulting workforce is highly skilled and proficient across a range of sectors.

A large percentage of Saudis also study overseas before returning to the Kingdom. This means that our workforce has excellent language skills and experience of international practices.

9th

Globally for Digital Skills (2020)
according to World Economic
Forum



↑ 8 places
to 24th

In world competitiveness ranking (2022)



1st

among GCC in Government
expenditure on Education sec-
tor as % of GDP in 2020



\$50.3bn

Education sector budget
allocated in 2023



10%

Growth in Saudi
workforce (2021-22)



70,598

Overseas scholarships for
Saudi students (2019)



Expanding Quality of Life

Experience unparalleled quality of life, advanced healthcare, and a commitment to sustainability

As integral parts of Vision 2030, quality of life and improved healthcare for all are being driven by dedicated strategies. Each of these strategies are seeing widespread reforms and results throughout the Kingdom, improving further the daily lives of residents and visitors in the country.

Additionally, the Kingdom is embarking on sweeping efforts to reduce carbon emissions.

#1

Fastest growing tourism destination in
the G20 (121% in 2022)



25th

Ranking in the UN's World
Happiness Report 2022



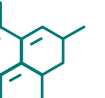
10bn

Trees to be planted across Saudi
Arabia by 2030



35%

Reduction in carbon emissions by
2030. Net zero by 2060



8th

In the world for police service
reliability (2022)



15th

Globally for low
organized crime (2022)



Source: UNWTO, 'World Tourism Barometer'; Invest Saudi, 'Expanding Quality of Life'; Independent, 'Saudi Arabia doubles its carbon emissions reduction target for 2030', Oct 2021; World Happiness Report 2022

Ambitious Reforms

Ambitious reforms, driven by a suite of strategic initiatives, are creating game changing opportunities

Spearheaded by the government's large-scale and highly ambitious Vision 2030 program, Saudi Arabia is in the process of widespread economic and social reform.

There have been over 600 reforms undertaken in recent years to improve the business environment and create opportunity for foreign investors, while putting the Kingdom at the center of the global value chains of the future.

Saudi Arabia has developed a range of strategic initiatives and programs designed to drive the success of Vision 2030. Each strategy focuses on specific areas of business, industry and environment to increase the Kingdom's competitiveness and position on the global stage.

The SEZs will help to achieve these key strategic initiatives by attracting quality FDI and diversifying the economy while supporting strategic sectors.

Ambitious. Vibrant. Thriving.

Driving holistic economic growth across the Kingdom.

Game Changing Opportunities



Global Supply Chain Resilience Initiative

Putting Saudi Arabia at the center of the global value chains of the future



Saudi Green Initiative

Uniting the country to address the climate challenge

National Industrial Clusters Development Program

Stimulating the establishment and development of five industries in the Kingdom:
Manufacture of cars and their parts
Metals and steel industry
Solar energy industry
Plastic and packaging materials industry
Home appliances industry



Digital Economy Policy

Setting out guiding principles for government agencies to promote the digital economy through their respective specialties and mandates, with the goal of achieving sustainable economic growth and creating and maintaining competitive advantages for the Kingdom



Labor Market Initiative

Focusing on bringing about radical reforms in the labor market, including packages of initiatives, to increase the rate of economic participation, raising skills and productivity and improving market efficiency

Game Changing Opportunities

Placing the Kingdom at the center of the global value chains of the future

The **Global Supply Chain Resilience Initiative (GSCRI)** aims to make Saudi Arabia the location of choice for leading global industrial companies looking to drive competitive advantage and improve business resilience.

The initiative will help to overcome the current challenges faced by global supply chains and will support the growth of key sectors and value chains.

Four investment themes underpin GSCRI



Sustainability and Climate Change



Future Industry Enablement



Global Supply Diversification



Advanced Manufacturing



Investors boosting supply chain attractiveness in the Kingdom can avail themselves of several incentives.

SEZs will position Saudi Arabia at the heart of global value chains through the development of wide clusters, linked to global supply chains through leading logistics hubs.



Enabling investors from all sectors to benefit from the Kingdom's resources and capabilities.





**INVESTING
IN SAUDI ARABIA**

03

Benefit from a developed and thriving ecosystem ready to support your investment

Saudi Arabia's SEZ ecosystem is dedicated to facilitating investment and promoting economic diversification. Through collaboration between various government entities, they aim to set a new investment standard, create seamless investment processes, and accelerate growth in multiple sectors.

The Economic Cities and Special Zones Authority (ECZA) is at the forefront of this agenda aimed at attracting international and domestic investors, and has implemented various measures to make sure that the SEZ network is attractive and competitive for them.



Core regulations benchmarked against international best practices to enable a world-class business environment



Cross-government agreements established to activate incentives and regulations, strengthening the SEZ business environment.



SEZs designed to attract entire industries and value chains, ensuring a dynamic and innovative environment for future investors.



An integrated Government services platform (One Stop Shop) implemented to streamline, facilitate, and simplify processes for investors.



To ensure the ongoing competitiveness and drive operational excellence within the zones, highly detailed and comprehensive blueprints will be seamlessly integrated

A continually improving investor experience and business environment

In partnership with the wider government, Economic Cities and Special Zones Authorities (ECZA) is activating key regulations that build on existing Saudi law to create a truly best-in-class experience throughout your investment journey in our SEZs



Best-practice companies regulation provides clarity on establishment, company status, share capital, debt, management, accounts and liquidation.



Greater protection and transparency on tax due to Saudi Arabia's 30 double taxation agreements.



A simplified **licensing** process, obtaining the necessary company licensing through the SEZ one stop shop (OSS), reducing your touchpoints with different entities.



Locating within an SEZ allows companies to avail of unrestricted **capital repatriation**.



Labor regulations and conditions that support business growth, including standardized contracts and the ability to transfer staff across different companies within a zone.



A single, overarching Intellectual Property Rights regulation, building on the Kingdom's ranks of 35/129 for **Intellectual Property Rights** and 3/132 for Ease of Protecting Minority Investors.



Import/Export regulations that simplify the distribution of many products, supporting a seamless flow of goods in and out of SEZs.



Security and stability through **Real Estate and Property** regulations that safeguard increases to rent and ensure fair treatment by landlords.



Robust safeguards for arbitration, including validity of the agreement, qualification and appointment of arbitrators, settlement and enforcement of the awards, and grounds for challenging awards, aligned with local or international arbitration centers.

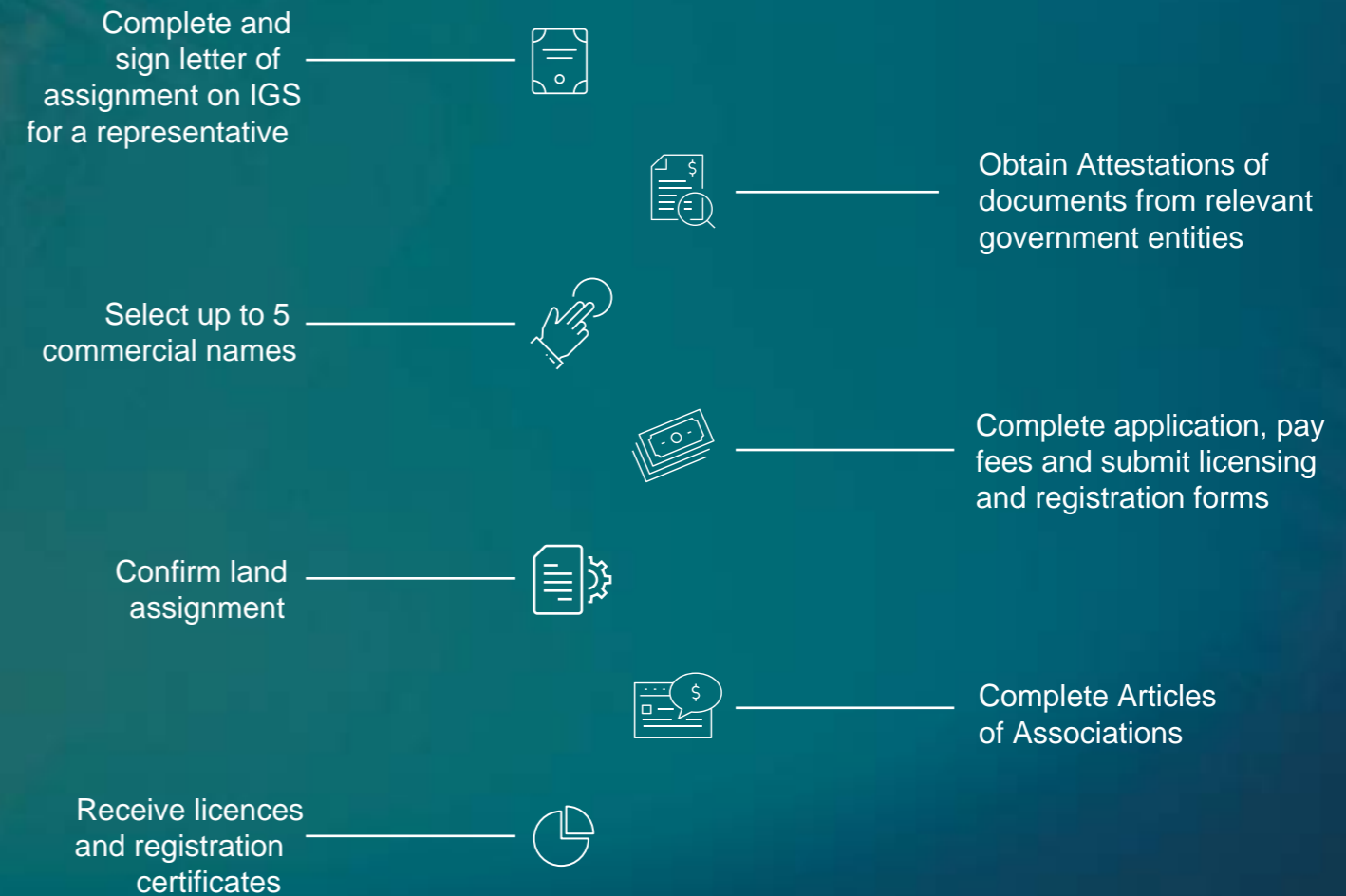
Access attractive economic incentives across the SEZ network

Investors will be eligible for a selection of competitive commercial incentives dependent on zone and sector



Investors are supported in a clearly defined application and approval process

International best practices have been incorporated into the company application and approval process to provide a quick and simple journey



Set up your business through a seamless, integrated One Stop Shop

The One Stop Shop (OSS) will be a single window that provides you with comprehensive government, and non-government services, to make it easy and fast for you to benefit from the Special Economic Zones.

The only resource an investor needs to access Special Economic Zone services and support



Property Development

Urban Planning Services

- City plan
- Local plan
- Large development plan
- Site plan

Municipality Services

- Land & project registration
- Mobilization & enabling works
- Construction permit
- Handover permit
- Fit-out/operations permit
- Pre-qualification

Community Management Services

- Community services
- Owners' association services



Business

Real Estate Services

- Property registration
- Sales
- Leasing
- Mortgage & covenants

Investor inquiry Create account

- Investor inquiry
- Create account

Company Licensing & Registration

- Licensing & registration
- Company renewal
- Company amendment
- Company deregistration
- Authentication & admin
- Business permit

Specialized Services

- Specialized services
- Port services

Employment Services

- Employment & visas
- Employment mediation

Tax & Customs Services

- Tax services
- Customs services

Legal & Compliance Services

- Arbitration, mediation and protection services
- Business compliance



Residential

Residential Services

- Access approval



SAUDI ARABIA'S
GROWING NETWORK
OF SPECIAL
ECONOMIC ZONES

04

Unlock a new route to global markets at one of Saudi Arabia's Special Economic Zones

To accelerate economic diversification and create a new route for investors to do business in the Kingdom, Saudi Arabia has launched its first five Special Economic Zones with special commercial regulations.

In launching these zones, which support a wide range of industry sectors and business activities, the Kingdom offers a platform for investors to accelerate their regional and international growth through a globally connected market.

The first five Special Economic Zones are:

King Abdullah Economic City Special Economic Zone

Ras Al-Khair Special Economic Zone

Jazan Special Economic Zone

Cloud Computing Special Economic Zone

Special Integrated Logistics Zone (SILZ)



Harness game-changing opportunities and tap into vibrant and growing clusters across future forward industries

Seize the opportunities within the first wave of Special Economic Zones and join leading global players to accelerate, innovate and grow the established and emerging clusters and industries across the Kingdom.



Accelerate your business and turbo-charge the region's first end-to-end EV and automotive cluster



Seize the opportunity to localize end-to-end maritime value chains



Take advantage of the region's food security agenda by increasing production in the Kingdom



Join a community and grow the cloud computing sector across Saudi Arabia



Establish yourself in Saudi Arabia's own Silicon Valley – home to emerging and disruptive digital technologies



Power the future of healthcare through MedTech innovations and devices



Be at the forefront of innovation for regional ship repairs and maintenance



Embed the Kingdom's mining and metals industry into global value chains



Ideally position yourself in a growing regional hub for logistics



Support national, regional and global ambitions for the shift to Net Zero



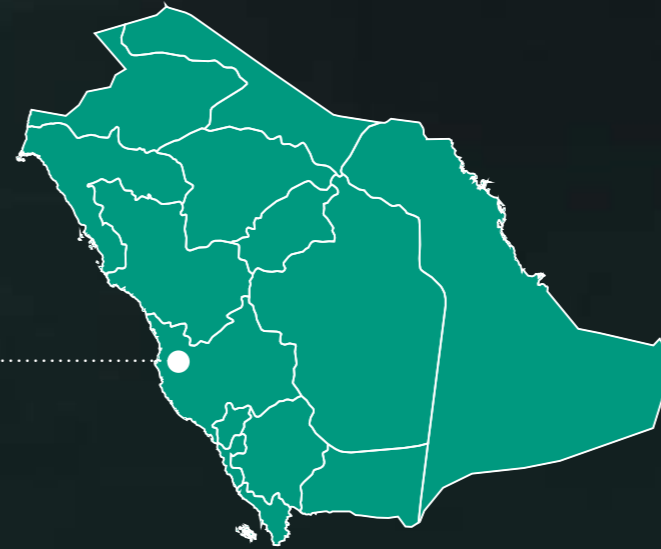
Locate within Saudi Arabia's primary gateway to Africa



Access abundant and highly skilled workforce across the SEZ network

King Abdullah Economic City (KAEC) SEZ

A strategic location for
global value chains



Benefit from a zone with a unique geostrategic location on the Red Sea, 13% of global trade passes through the Red Sea, which means your company can easily connect with global supply chains here, utilizing existing, world-class infrastructure and the world's most efficient port (according to the World Bank in 2022).

Leverage robust and established utilities assets in the wider economic city including gas, power, water and sewage and accelerate your growth with unmatched economic incentives.

Connecting with the wider Kingdom is effortless thanks to **high speed railway**. A 450km electric railway provides fast, convenient, reliable and safe travel using state-of-the-art technologies.

Located less than 90 minutes from **King Abdulaziz International Airport (Jeddah Airport)** and from **Jeddah, a vibrant city of 4 million people**, KAEC SEZ gives you ready access to a highly skilled workforce and a wide range of cultural and leisure activities to maintain a high quality of life.

Key location information

Province: Makkah

Size of the zone: 60km²

Located at the heart of the Red Sea and close to Africa markets

Focus Sectors

- Automobile supply chain and assembly
- Consumer goods
- ICT (Electronic light manufacturing)
- Pharmaceuticals
- MedTech
- Logistics

Contact Information

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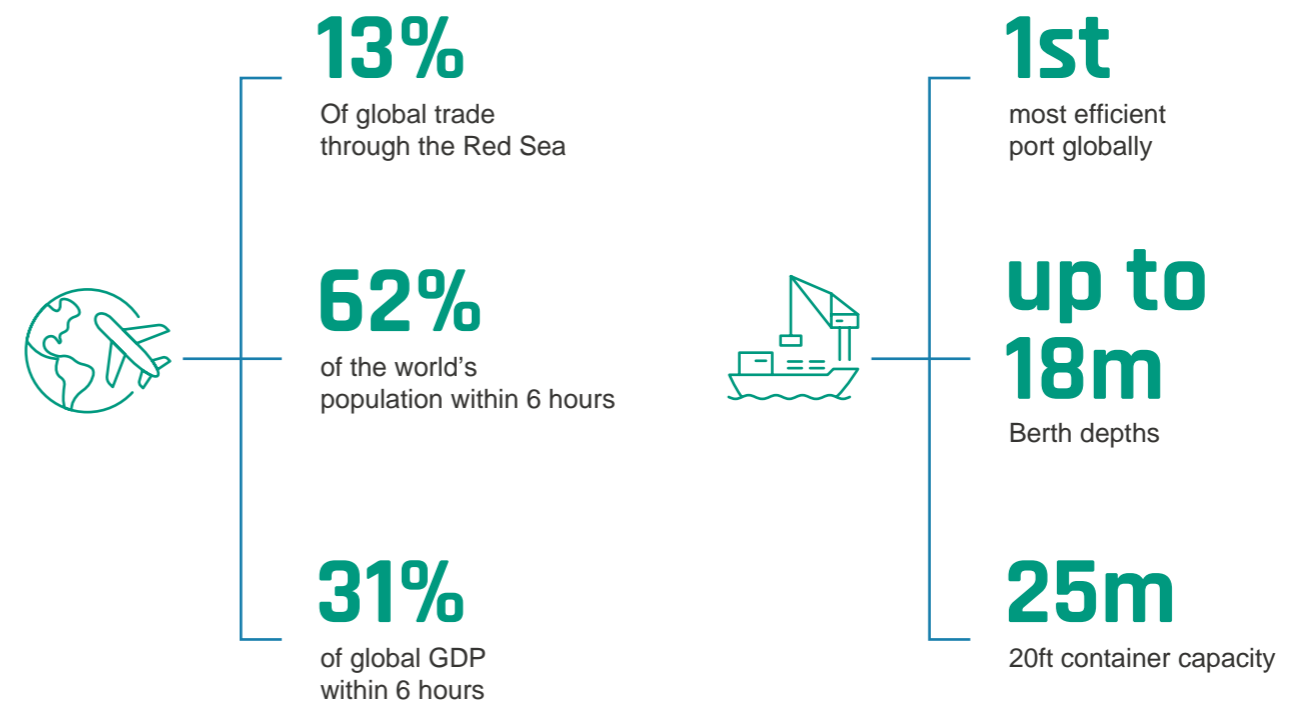
Access an unparalleled geostrategic location at the heart of global trade routes

Gain unrivalled access to key global markets through KAEC's position along the Red Sea and establish an ideal platform from which to access Europe, Africa and Asia.

Situated along a key maritime route of the Belt and Road Initiative (BRI), and connected to the rest of the Kingdom, locate your business at an unparalleled gateway to local, regional and global markets.

KAEC SEZ is anchored by Saudi Arabia's newest, full-service commercial port - King Abdullah Port. Boasting the facilities to service bulk & general cargo (30 mn tons per annum), as well as a Roll on/Roll Off terminal (1.5 mn vehicles per annum), the port can efficiently fulfill all of your business needs.

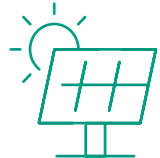




With a smart gate system and port community system, you can be sure of the latest intelligent and secure technology systems at your disposal.



Source: King Abdullah Economic City Special Economic Zone brochure, Oct 2022;
The Container Port Performance Index 2021, May 2022

Utilize world-class infrastructure and access high growth sectors

KAEC offers top-of-the-line utilities infrastructure to support current and future business requirements.

 <p>Plans in place to provide abundant electrical supply including over 29GWh of clean power annually.</p>	 <p>Potable and process water supply, with distribution at a 1.5 bar minimum.</p>	 <p>The Gas Zone will supply investors with natural gas at a significant cost advantage.</p>
 <p>Wide portfolio of telecoms services with a state-of-the-art fiber network.</p>	 <p>Reliable sewage networks, including a membrane bio-reactor plant.</p>	

Sources: Zawya, Saudi's King Abdullah Economic City announces hybrid solar power farm project', Aug 2022; Statista Mobility Market Outlook, September 2022; Statista Medical Devices Report 2021

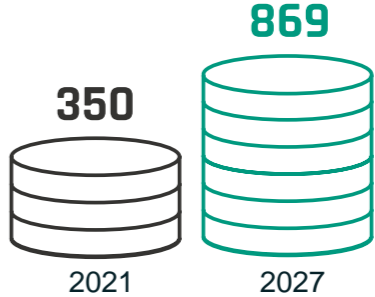
Sectors of opportunity

Accelerate your business and be part of the region's first end-to-end EV and Automotive cluster.

Immerse yourself in a growing ecosystem.

US\$ 869bn

Potential global EV market size by 2027

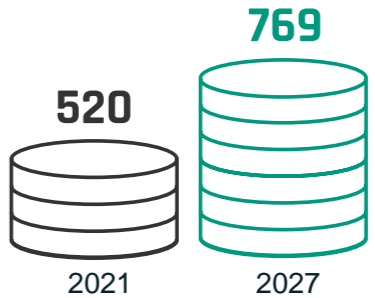


Be part of a new and vibrant MedTech cluster, where innovations will power the future of healthcare.

Seize the opportunity to drive import substitution and gain access to a growing local and global market for export, utilizing KAEC's world-class facilities.

US\$ 769bn

Potential global MedTech market size by 2027



Investing in KAEC SEZ provides **access to unparalleled economic incentives to drive the success of your business**

Alongside the supply of world-leading infrastructure and utilities, KAEC SEZ offers unique commercial incentives as foundations for success for investors and companies



5% Corporate Income Tax for up to 20 years



0% withholding tax permanently for repatriation of profits from SEZ into foreign countries



0% customs duties deferral for goods inside the SEZ



Flexible and supportive regulations around foreign talent during first 5 years



0% VAT for all intra-SEZ goods exchanged within the zone and between zones



Expat levy ensuring fees exemption for employees and their families in the zone



Ras Al-Khair Special Economic Zone

Establish your business
within a global powerhouse
in the maritime industries

Position yourself **at the center of the Arabian Gulf**, with an abundant supply of industrial talent and a quick and efficient multimodal transport system to connect your operation into global markets.

Be at the forefront of innovation. Benefit from the Kingdom's ambitions to localize end-to-end supply chains and create a docking point for regional ship repairs and maintenance.

Ras Al-Khair Special Economic Zone is building on established maritime industries in the area to grow this cluster and become a key regional player, driving towards Saudi Arabia's target of developing a US\$14B maritime industry.

Conveniently located near Ras Al-Khair Port, the Kingdom's newest industrial port, with the capacity to handle bulk cargo and serving more than 100 manufacturing projects. The port can accommodate any size of ship due to its depth.

Key location information

Province: Eastern Province

Size of the zone: 20km²

Located in Ras Al-Khair Industrial city, giving access to global markets

Focus Sectors

- Shipbuilding and MRO
- Rig platforms and MRO

Contact Information

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هيئة المدن والمناطق الاقتصادية الخاصة
Economic Cities and Special Zones Authority

THE KINGDOM OF SAUDI ARABIA

Investing in Saudi Arabia's
Special Economic Zones