

## Our World

# SAUDI ARABIA

## A kingdom of tradition and progress

*The fusion of age-old values with modern ideas gives the desert kingdom stability – and a competitive edge*

After a while in Saudi Arabia, most visitors realize what a unique country it is: a kingdom fusing tradition with progress. In just 80 years it has progressed from being a loose confederation of Bedouin tribes, to an oil-rich, post-industrial nation.

Saudi Arabia is a conservative, predominantly Sunni Muslim state, and development must emanate from and reflect the kingdom's traditions and Muslim faith. Shariah law is strictly enforced and religion is widely practiced. Islam is intertwined with everyday affairs, from politics and business dealings to family and personal relationships.

Culture and traditions from the distant past still abound, and most Saudis happily practice them day-to-day. This respect for the old ways has helped the country avoid the turmoil which has recently spread through much of the Arab world. Yet at the same time, the country has embarked on a path of unprecedented growth, social development, and modernization that has been particularly encouraged and accelerated under the leadership of King Abdullah bin Abdulaziz Al Saud. He has laid out an ambitious reform agenda that includes the privatization of key industries, economic diversification away from the kingdom's heavy reliance on oil revenues, educational and legal changes, and landmark social reforms, particularly regarding the role of Arab women.

Yet it is this clash of the modern with the traditional that makes the desert kingdom all the more fascinating. It has also led to the local belief that "future modernization must take place within the framework of 'social cohesion' to avoid shattering the essence of Saudi culture."

Traditional values and cultural mores are adapted into legal prohibitions, even for non-Muslims, of alcoholic products and pork products. Saudi Arabian dress strictly follows the principles of hijab, the Islamic principle of modesty, and historical rituals and folk culture permeate the country's dance and music.

Contrary to popular belief, Saudi Arabia is geographically diverse, with forests, grasslands, mountain ranges and deserts. The climate varies from region to region. Temperatures can reach over 110°F in the desert in the summer, while in the winter temperatures in the north and cen-

tral parts of the country will often drop below freezing.

On a global level, the King has been a central figure in the country's modernization process, encouraging the efforts of the Saudi Arabian General Investment Authority (SAGIA) to stimulate domestic and foreign investment, streamlining privatization moves and acceding to the World Trade Organization. At the same time the kingdom is gradually opening up sectors for investors, including telecommunications, airlines and insurance, and is continuing to support the main engines of economic growth by encouraging local and foreign private sectors to contribute to development of Saudi Arabia's new economic cities.

Nevertheless,

there are challenges ahead. A recent report by the Swiss-based World Economic Forum (WEF) says that the kingdom needs to ensure that its education system is adequate to support the developing private sector as a means of assisting economic diversification, and reducing reliance on state-run industries and oil revenues. More skills are also needed to reduce unemployment and to lessen the current dependency on foreign labor, which still comprises about a third of the population.



"LET OUR DIALOGUE BE A TRIUMPH OF BELIEF OVER DISBELIEF, OF VIRTUE OVER VICE, OF JUSTICE OVER INIQUITY, OF PEACE OVER CONFLICTS AND WARS, AND OF HUMAN BROTHERHOOD OVER RACISM."

KING ABDULLAH BIN ABDULAZIZ AL SAUD,  
CUSTODIAN OF THE TWO HOLY MOSQUES



Madinah is home to the three oldest mosques in Islam



# King Abdullah and his vision

King Abdullah ranks among the most powerful people in the world and is a strong advocate for greater opportunities in the kingdom and more constructive global cooperation

In November, *Forbes* magazine once again ranked Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz among the most powerful personalities in the world. In this year's analysis, the King features in sixth place, behind Barack Obama, Vladimir Putin, Hu Jintao, Angela Merkel and Bill Gates. In reviewing candidates for its list of the World's 70 Most Powerful People, *Forbes* takes four factors into account: how many people the individuals have power over; the financial resources controlled by each candidate; whether the nominee is influential in more than one arena or sphere; and finally consideration as to how actively the candidates wield their power.

With regard to King Abdullah, *Forbes* commented on his ongoing pursuance of moderate reform in conservative Saudi Arabia and his stance on various issues. For example, it lauded the King's recent decision to allow women to run for office and vote in municipal elections, and that he has "consistently nudged the nation's educational system out from under clerical control." The magazine also noted that the King opposed the Arab Spring uprisings that swept across the region earlier this year and that he has spent more than \$130 billion to fund social projects in the kingdom.

Born in Riyadh in 1924, the King spent years living in the desert with Bedouin tribes who instilled in him their values of honor, simplicity, generosity and bravery. He became the de facto ruler of the kingdom in 1996 when his half-brother, King Fahd, suffered a debilitating stroke, and positioned himself as a reformer with the desire to assist in the development of Saudi Arabia's people. Making good on his promises of change, in the years following he pushed for reforms that included the nation's first popular elections, which were held to choose local councils,



and transferred control of the education of girls from religious authorities to the Ministry of Education.

Since ascending to the throne in 2005, King Abdullah has continued to make good on his promises of development, making it a central focus of his reign and launching a range of major economic, social, education, health and infrastructure projects that have brought about remarkable changes throughout the kingdom. Among his most notable achievements include the creation of four economic cities: King Abdullah Economic City, Prince Abdulaziz bin Mousaed Economic City, Knowledge Economic City and Jazan Economic City. He has also approved a historic re-

also opened in 2009 with a \$10-billion endowment to spark greater innovation in the kingdom and is the country's first mixed-gender campus. In May this year the Princess Nourabint Abdulrahman University for Girls opened its doors to mark a milestone in Arab women's education and is one of the largest centers of higher education for women in the world.

A strong advocate of constructive global cooperation, King Abdullah's participation in international diplomacy reflects the kingdom's position as a defender of Arab and Islamic issues and for the achievement of world peace, stability and security. He has sought out closer relations with the United States, viewed by many in the

“MAN COULD BE THE CAUSE OF THE DESTRUCTION OF THIS PLANET AND EVERYTHING IN IT. HE IS ALSO CAPABLE OF TURNING IT INTO AN OASIS OF PEACE AND TRANQUILITY IN WHICH ADHERENTS OF RELIGIONS, CREEDS AND PHILOSOPHIES COULD CO-EXIST, AND IN WHICH PEOPLE COULD COOPERATE WITH EACH OTHER IN A RESPECTFUL MANNER, AND ADDRESS PROBLEMS THROUGH DIALOGUE RATHER THAN VIOLENCE” KING ABDULLAH BIN ABDULAZIZ

organization of Saudi Arabia's judicial system and enacted laws to formalize royal succession, as well as announcing projects to expand the Two Holy Mosques and major welfare initiatives. A major cabinet reshuffle in 2009 replaced some senior conservative figures and brought in the country's first female deputy minister.

In education, the King Abdullah Project for General Education Development launched in 2009 with \$2.4 billion backing from the government and was designed to enhance general education levels from kindergarten to high school through intensive teacher training and better facilities. The King Abdullah University of Science and Technology (KAUST)

royal family as essential for national and regional security, and has taken a leading role in promoting dialogue among the world's leading faiths, including a historic meeting with Pope Benedict XVI in 2007.

In his opening address at the 2008 World Conference on Dialogue in Madrid, Spain, King Abdullah said: "Man could be the cause of the destruction of this planet and everything in it. He is also capable of turning it into an oasis of peace and tranquility in which adherents of religions, creeds and philosophies could co-exist, and in which people could cooperate with each other in a respectful manner, and address problems through dialogue rather than violence."

## A pillar of stability in the Middle East

The kingdom remains stable despite the Arab Spring, and death of its heir apparent

On December 17, 2010, Mohamed Bouazizi set himself alight in the Tunisian town of Sidi Bouzif in protest at the treatment he had received from police after officers confiscated fruit and vegetables the out-of-work graduate had been selling from a street stall. His act of self-immolation in front of a municipal office that ignored his complaint sparked protests from young Tunisians, and sympathetic pro-democracy uprisings spread rapidly across the Middle East, known as the Arab Spring. The wave of unrest has led to Hosni Mubarak resigning his presidency of Egypt, the death of Colonel Muammar Gaddafi and his regime in Libya, King Abdullah II firing his govern-

ment to expedite political reform in Jordan, and international pressure on Bashar al-Assad mounting to step down as president to quell increasingly violent clashes in Syria.

In comparison with its neighbors, Saudi Arabia has not seen mass uprisings, instead witnessing periodic demonstrations and scattered acts of civil disruption that have been smaller scale, ranging from 100 to 4,000 people, and have targeted civil liberties rather than ousting the monarchy. According to *Aljazeera English*, King Abdullah "has tried to head off unrest in the kingdom with a series of economic reforms valued at 135 billion Saudi rials (\$36 bil-

lion)... [which] include housing subsidies; unemployment benefits; and a program to give permanent contracts to temporary government workers." In a live TV broadcast, the King also pledged to create 60,000 jobs in the security forces and 500,000 low-income apartments.

In October, next in line to the Saudi throne Crown Prince Sultan bin Abdel Aziz Al Saud died, and the smooth transition of the title to Prince Nayef bin Abdul-Aziz further secured the kingdom's standing as a beacon of peace and stability in the region. Prince Nayef has already run the kingdom in recent years during extended absences of both King Abdullah and Crown Prince Sultan.

## Data, information and knowledge...

TCC gives business leaders the facts they need to make decisions

Telecommunications is possibly the "hottest" noun in the human vocabulary. Smartphones, iPads, laptops, PDAs who can live without them and what's next? These gadgets have become household names around the world and furthermore an absolute necessity for any businessman living in the 21<sup>st</sup> century. But, like anything, toys break too, and boom... their goes the central nervous system of enterprises.

However, according to the CEO of Technology Control Company Ltd. Faisal Al-Mousa, the key lies in mastering the technology instead of allowing it to control the business. For this reason, he explains, TCC was established to provide state-of-the-art solutions based on leading industry methodologies and frameworks through pragmatic and realistic approaches that address clients needs and fears. In fact, Mr. Al-Mousa argues that this approach increases the company's efficiency and generates more value for their clients.

Possibly one of the two biggest milestones thus far for this young and promising company lays in its execution of data mining, through which, explains the CEO, "the company aims to transfer data into information and information into knowledge." "And in return," he adds, "help decision makers run their business."

However, in an ever demanding world, TCC even offers more by taking secrecy

to the next level through developing a groundbreaking system for encrypting communications at the highest standards of 265 bits.



“THE COMPANY AIMS TO TRANSFER DATA INTO INFORMATION, AND INFORMATION INTO KNOWLEDGE... AND HELP DECISION MAKERS RUN THEIR BUSINESS.”

FAISAL AL-MOUSA,  
CEO of Technology Control Company Ltd.

With this duo of ICT bodyguards protecting its clients, it seems that not even the highest level of hacking can get through to other side of the gadget screen. Therefore, it's no doubt that major ICT giants, like IBM and Oracle, have chosen to partner with the Saudi company. Its reliability and efficiency make

TCC the company of choice to help foreign investors pilot the virtually untapped region, and the up and coming market of Saudi Arabia that represents 40% of the Middle East's buying power.

That's not all though, "the mentality Saudi Arabia has adopted over the years is one of transforming the state into a knowledge based economy as well as a logistics hub," confirms Mr. Al-Mousa. He says, "74% of Saudi Arabia's population is less than 29 years of age. There has been a large growth in the laptop industry in the country, and with the usage of iPads and PDAs, I think we can achieve this target in less than 20 years." Mr. Al-Mousa is not alone as he adds that the government has embarked on this initiative and is even building more facilities to ensure that Saudi Arabia is geared towards the age of technology.

With this in mind, it's clear that TCC is thinking big and therefore, has adopted its mission along the lines of the countries aspirations: "to be the leading Information Technology Company in the Middle East by the year 2015, affecting our clients and their business positively by providing the highest levels of service and continuous improvements."

Therefore, in the words of the Winston Churchill: "Destiny is not a matter of chance, it is a matter of choice; it is not a thing to be waited for, it is a thing to be achieved."





# Second city takes a lead

The ancient city of Jeddah is now a successful mix of the old and the new

King Abdullah has recognized that tradition can coexist with modernity. This more relaxed attitude is reflected in, for example, the fact that the kingdom's government has created scholarships that actively encourage Saudi men and women to study in Western universities, primarily in the United States, England and Australia.

Back at home, modern attitudes are also manifested in Jeddah, Saudi Arabia's commercial capital. Largely known as the gateway to the holy cities of Makkah and Madinah, Jeddah is now coming into the limelight as the most dynamic, reform-minded and comparatively liberal city in the kingdom.

History and modernity define Jeddah. From a traditional town of one square kilometer and a population of 10,000 in 1948, today Jeddah is a modern and thriving metropolis with 3.4 million inhabitants. The old city walls were demolished in the late 1940s as oil wealth fueled rapid growth, though a substantial portion of the historic old city has been preserved.

Jeddah's population today is made up of a mix of nationalities – about half the population is estimated to be foreign – and the local religious culture is less restrictive than in other parts of the country. Expat workers and locals enjoy a variety of shopping centres, with restaurants offering continental cuisine, seafood, and Asian cooking.

Jeddah is also the country's main port on the Red Sea, and a prime destination for tourists. Major organizations have established their headquarters in Jeddah, including the National Commercial Bank, the Organization of Islamic Cooperation and Saudi Arabian Airlines.

The city's modern King Abdul Aziz International Airport provides excellent international connections with other major cities around the world, making the tourism sector one of the strongest in the city.

Other industries contribute to making Jeddah one of the Middle East's chief industrial and business centers, ranging from the development and distribution of consumer goods, to finance and health care. Environmental awareness is also a main concern.



Both foreign workers and the local population enjoy a modern lifestyle in Jeddah

## RIYADH COMPETITIVENESS CENTER

# The kingdom's competitive urban center

Riyadh is seeing its gross domestic product and foreign investment rise – along with interest from the international community – thanks to the federal and local governments' efforts to facilitate business and raise competitiveness

Within the Arabian Peninsula, Saudi Arabia is the largest country, and Riyadh the largest city. Riyadh, or Arriyadh, as it is locally known, is experiencing a boom in many ways, from real estate and education to industry, business and finance.

Arriyadh means 'meadows' or 'gardens' in Arabic – a tribute to the city's location in one of the few green areas lying in the Arabian desert. Today, it is one of the world's fastest growing cities, with the developed area expected to double from its current 470 square miles to 965 square miles by 2029. The population, meanwhile, grew at a steady rate of 4% between 2004 and 2010. A high quality of life, combined with the increasing number of businesses opening and expanding in the city (Riyadh's economy generated 460,000 new jobs between 2007 and 2009 alone), should maintain this rate for years to come.

Businesses that already call Riyadh home include the head offices of Saudi commercial banks, as well as foreign branch banks, including Emirates Bank and Deutsche Bank Group. In addition, Riyadh has been cho-



Riyadh's economy generated over 450,000 new jobs between 2007 and 2009 alone

sen as the headquarters of the Joint Central Gulf Bank, the institution that will supervise the execution of the monetary policy of the Gulf Union.

Yet another project in the financial pipeline that will boost Riyadh's status further is the King Abdullah Financial District (KAFD), which is set to be one of the biggest world financial centers. The \$96 billion KAFD will serve as Saudi Arabia's gateway to an intellectual economy,

facilitating the exchange of technology and knowledge through projects such as Riyadh Techno Valley, Saudi Organization for Industrial Estates and Technology Zones (SOIETZ), and Riyadh Assembly for Communications and IT.

Administrative hubs of large companies – such as Saudi Basic Industries Corp. (SABIC), National Co. for Glass Industries, Yamama Saudi Cement Co., and Saudi Real Estate Co.

– are also located in Riyadh, as are two major industrial cities, which are supervised by SOI-ETZ and collectively host 788 factories. Furthermore, the royal city boasts more than 30 research centers and six major universities.

Riyadh, being the capital of the kingdom and home to a broad scope of diverse institutions, is the financial, business, industrial, cultural, and political center of Saudi Arabia, capable

RIYADH IS NOT ONLY SAUDI ARABIA'S POLITICAL CAPITAL, IT IS ALSO A MAJOR CENTER OF INDUSTRY, FINANCE, BUSINESS AND CULTURE

RIYADH IS THE FUTURE HOME OF THE KING ABDULLAH FINANCIAL DISTRICT AND THE JOINT CENTRAL GULF BANK

city's unique advantages and ensure continued economic development in order to fulfill Riyadh's competitive potential. The company's four primary goals are to develop sectors and monitor the city's many clusters, promote and facilitate investment, encourage entrepreneurship and innovation, and evaluate Riyadh's competitiveness.

The RCC has determined that an enhanced utilization of IT will be the best vehicle to achieve the results and performance it seeks. "We're in the process of implementing a countrywide system – a type of database – which will contain various sorts of information: financial, economic, supply and demand, forecasts, etc.," explains Prince Mohammed bin Salman, secretary general of the RCC. "Having constant access to up-to-date, accurate, and credible information will enable executives and managers to make well-informed decisions and ultimately maximize profits and company performance. I am convinced that having optimally performing companies will directly enhance Riyadh's overall level of competitiveness."





# Your partner in Saudi

The Saudi Arabian General Investment Authority is tasked with attracting and guiding foreign investors

In face of the global financial slowdown, the Kingdom of Saudi Arabia's (KSA) robust economy has managed to put the country among the top 10 most competitive nations, and has seized the world's attention with its potential for future strategic investment. In 2000, the Saudi government created the Saudi Arabian General Investment Authority (SAGIA), responsible for fostering investment opportunities in key sectors of the economy, including

energy, transportation and knowledge-based industries. The kingdom is undergoing aggressive transformation to attract foreign direct investment (FDI) and was named by the World Bank, in 2007 and 2008, the most business-friendly country in the Middle East, and included in the top 20 worldwide. KSA offers natural competitive advantages with unmatched oil supplies that allow for low energy costs and a privileged geographic loca-

tion that borders with three continents. Adding benefits, SAGIA has created pro-business regulations and strong investments are being made on infrastructure to convert the country into a logistical hub between East and West. Saudi Arabia ranks fourth in the world for "fiscal freedom" and is considered the seventh most rewarding tax system in the world. It is also the largest free market in the MENA region and first for ease of registering property. So it is no wonder that investors are increasingly attracted to this market.

In view of long-term planning, KSA is investing over \$60 billion in the development of four integrated Economic Cities that will represent the ultimate innovation in public-private partnerships. They have been strategically distributed to drive innovation throughout the kingdom. Each metropolis will host up to five million residents, create over a million jobs and most importantly contribute \$150 billion to Saudi's GDP.

Each of these integrated cities will offer an unprecedented standard of living with cutting-edge architecture,



AMR AL-DABBAGH, Governor of SAGIA

world-class services and ubiquitous connectivity with negative environmental impact and maximum energy efficiency.

The Economic Cities will achieve economic diversification (away from oil), create jobs, enhance competitiveness in Saudi Arabia and raise GDP per capita. Investors will find a business-friendly environment, defined by SAGIA, offering competitive regulatory, fiscal and financial incentives.

SAGIA is also stimulating the

development of knowledge-based industries, in the creation of a knowledge economy, focusing on information and communication technologies, education, health services and life sciences.

To further its growth and development plans, Saudi Arabia will be hosting the sixth annual Global Competitiveness Forum (GCF) in Riyadh from 21-24 January, 2012. In this edition, global business leaders, political leaders and intellectuals will focus on the theme of entrepreneurship

and discuss the impacts of organizational and national competitiveness on local, regional and global economic and social development.

The GCF, now in its sixth year, is another SAGIA initiative intended to provide value-added business services and solutions to potential investors interested in operating in Saudi Arabia. The international event, the only of its kind, will also include specialized workshops focused on different forms of entrepreneurship.



King Abdullah Economic City

# More bang for your buck

With a solid base as the leading provider of civil explosives in the country, Saudi Chemical Company also has increasing interests in pharmaceuticals

Saudi Chemical Company (SCC) is at the forefront of Saudi Arabia's civil explosives production, with three factories in Riyadh, the Eastern and Western Regions, offices in Al-Khobar, Jeddah and Abha, and distribution depots in the Southern Region in Abha and Makkah Al Mukaramah area. SCC has achieved continuous record growth rates of 13% since 2006. SCC and its subsidiary companies closed 2010 with consolidated net sales reaching SAR1,687 billion (\$450 billion), representing a 3% increase on the previous year. During the first quarter of 2011, the company's gross profits, of SAR 112 million, increased 14% compared to the same period last year. Earnings per share reached SAR 1.36, increasing from the previous year's SAR 1.18. SCC traces its beginnings back to 1972, when it was set up as a joint venture company between Nitro Nobel AB Sweden and private Saudi investors. It was the country's first explosives manufacturer, and immediately served as the domestic provider of civil explosives used for rock blasting

in road cuts, foundations, trench blasting for oil and water pipe lines, tunnelling for roads, and for mining. Having a domestic provider of civil explosives is of huge benefit to the state, as it avoids the potential dangers and delays involved when transporting explosives from another country. The local market accounts for 98% of the company's sales – though SCC also serves foreign markets with the essential and supporting materials for all operations involving civil explosives. The company also offers a wide range of technical services ranging from safe transportation, storage, technical planning and on-site services. SCC's line of production today includes the world's most commonly used and safest explosives and non-electrical detonators: kemulex, prillex and sanel. Kemulex is an emulsion explosive, it has a high detonation speed and can be packaged in custom sized cartridges to suit a client's needs. It is suitable for worksites with wet holes and underwater explosions.

Prillex is a dry blasting agent made up of ammonium nitrates and fuel oil (AN-FO) used mainly with fissured sedimentary rocks and underground applications. Sanel is a non-electric shock tube detonator with especially accurate controls that reduce the blasting vibration. It is suitable for bench and trench blasting. In 2004, SCC once again proved itself market leader by running a new production line for enviroseis, the safest seismic explosive. SCC also controls two wholly owned subsidiary companies serving different markets: Saudi International Trading Company Ltd (SITCO Pharma) and Suez International Nitrate Company (SINCO). SITCO Pharma, formed in 1990, is one of the kingdom's major pharmaceutical distribution companies, and acts as agent for several leading multinational pharmaceutical companies. Through a unique partnership approach, SITCO Parma holds distribution agreements with major multinational pharmaceutical companies



SCC has achieved continuous record growth rates of 13% since 2006

and their subsidiaries – Glaxo SmithKline and Boehringer Ingelheim among others – and provides a large share of international drugs to the kingdom. SITCO Pharma has four primary distribution centers located in the major metropolitan areas of the country (Riyadh, Jeddah, Dammam and Khams Mushayt) with the capacity to service 90% of

the kingdom's pharmacies in under 24 hours. In its Annual Report 2010, SCC reflects that SITCO maintained its sales levels and gained a record share of the market in the sale of vaccines and cooled drugs, becoming the first supplier of this type of drug in the local market. SINCO, based in Egypt, now produces low density ammonium nitrate (LDAN), a

substance primarily used in civil explosive manufacturing. The company is strategically located in Suez, close to all major local ports which facilitate transportation and exportation. SCC develops programs of performance to maintain its global standards and contributes to social and health awareness campaigns through its Social Responsibility Program.





# Massive spending on infrastructure

With an eye to the future, Saudi Arabia is currently spending \$600 billion on its roads, railways and airports

Saudi Arabia enjoys one-fifth of the planet's oil reserves, and ranks as the largest exporter of petroleum in the world. The country is expected to continue booming, fueled by two massive fiscal spending packages worth a combined \$129 billion. And infrastructural improvement projects already underway have a total value of \$600 billion.

One of the key elements of the transformation of the Saudi economy is development and improvement of infrastructure at all levels, and ensuring that new infrastructure is added to accommodate the rapid changes taking place in the country – changes which include significant population growth.

Under the leadership of King Abdullah Bin Abdulaziz Al Saud, the kingdom has made huge investments available for industrial infrastructure development, laying the foundations for the kingdom's economic strategy over the next 50 years, actively seeking to upgrade and improve its rail, port, airport and other transportation infrastructure.

According to figures released by the National Commercial Bank (NBC), the Gulf kingdom's largest banking entity, during the first half of 2011 the kingdom awarded contracts worth a total of over SAR 84 billion (\$22.4 billion), a 156% increase over the same period of the previous year.

This is a result of the increased spending on infrastructure enveloped in the



country's latest five-year development plan. Not since the country's first two plans, which covered the 1970s, had such emphasis been placed on infrastructure.

The move comes as a result of the government's desire to fulfil demands for improved services in infrastructure, power and real estate sectors, arising from needs of inter-

connectivity and urbanization. Such projects include the North-South Railway, the Mashaaer Mugaddassah Metro Project, the Haramain High-Speed Railway also known as the "Western Railway," and the four Economic Cities.

The construction of universities (KAUST, which opened in 2009, is a fine ex-

ample) represent expenditures on both hard and soft infrastructures.

Over 31% of the contracts awarded during the second quarter of this year – a staggering \$34,5 billion, 43% more than the same period of 2010 – were directed towards infrastructure-related sectors.

NCB said the surge boosted its Construction Contracts Index (CCI) to an overwhelming 205.3 points at the end of the first half of this year, from 90.36 points at the end of the first half of 2010.

These figures clearly reflect the wellbeing experienced by the construction industry during 2011

throughout the country. Riyadh, the kingdom's capital, was allocated 26% of the contracts, the highest share awarded to one region, while the Eastern Province received 25%, mainly for industrial, water and urban development contracts.

To emphasize the importance the government is placing on infrastructure, Jeddah just hosted, on December 11-14, the Saudi Infrastructure Forum and Exhibition 2011, a premiere international event showcasing major investment opportunities and infrastructure projects. The event highlighted the kingdom's encouragement of private and foreign investment in the form of joint ventures with Saudi public and private companies.

The rate at which contracts were distributed in 2011 presents a 'need it fast' and 'need it now' trend. In the process, increased opportunities developed for both large and SME players.

Expected to continue growing over the coming years, due mainly to an increasing population and strong demographics – over 60% of the Saudi Arabian population is under 25 – demand for both social and economic infrastructure is ensured.

## Success, with flying colors

Wallan Aviation is synonymous with superior quality and customer care in Saudi Arabia and the whole of the Middle East

In 1975, when the government of Saudi Arabia embarked on a vision of enriching the national economy with comprehensive development, Saad Wallan, eager to capitalize on the opportunities, left his position as sales representative at Saudi Airlines and ventured into the private sector.

He succeeded in establishing a company specializing in water and fuel transport, and in car import and sales, for which he acquired the exclusive dealership rights for Hyundai in 1985. Around that time, he decided to further pursue his passion of flying. Capt. Wallan achieved his goal and proudly received his pilot's license from the U.S. in 1985.

"That, together with my previous ex-

perience in Saudi Airlines, encouraged me to enter the new field of aviation investment; so I established Wallan Aviation [in 1995] and became the exclusive agent of Cessna in the Middle East in 1999," recalls Capt. Wallan.

Today, Wallan Aviation is a market leader of the private aviation field and the sole dealer of Bell helicopters in Saudi Arabia.



Capt. Saad Wallan, enthusiastic pilot and savvy businessman, established Wallan Aviation in 1995

The company is a one-stop shop for aviation requirements; it operates, maintains and sells aircraft, as well as offering consulting services to ensure customers find the appropriate aircraft to accommodate their needs. For clients who prefer to fly charter, Wallan's Business Wings division, with home bases in Riyadh and Dubai, is a full 24-hour flight operation center that grants im-

mediate access to private air charter services year-round.

The group also runs the Wallan Flying School in Riyadh, providing professional courses following an integrated flight-training program designed by Cessna.

Wallan Aviation has been recognized for its outstanding achievements by many institutions, including the Award of Contribution by Hyundai Motor Co. in recognition of outstanding performance and contributions over 40 years, and the Cessna Aircraft Company's Most Competitive Award. The U.S. Department of Commerce honored Capt. Wallan with the Certificate of Appreciation for Achievement in Trade for creating international trade opportunities between the United States and Saudi Arabia.





# Constant investment in the nation’s wellbeing

With a steadily increasing population, the kingdom has invested heavily in its health care sector, both quantitatively and qualitatively

The Kingdom of Saudi Arabia currently boasts the largest market for healthcare products and services in the Arabian Gulf. It is considered the epicenter of advanced medicine in the region. Boosts in annual government budgets, increased foreign investment and expertise are just a few of the key ingredients paving the way for the kingdom’s health care. However, despite opening up to the private sector and establishing partnerships with international firms, the Saudi government continues to be the kingdom’s main financier of health-related ex-

penditures. With a budget of \$18.32 billion allocated to health-related matters for 2011, this figure represents a 12.3% increase over the \$16.32 billion for 2010, and accounts for 11.8% of the country’s spending, a quantity expected to increase to \$20 billion by 2016. With this budget, the Ministry of Health aims “to provide the highest possible quality of healthcare services to people throughout the kingdom through a wide range of services and facilities and well-trained staff,” as affirmed in the government’s Vision for 2020 statement.

Its overall plan “is to provide quality comprehensive healthcare services to all individuals, families and communities throughout the kingdom.” One initiative recently announced by Saudi Health Minister Dr. Abdullah bin Abdul Aziz Al Rabeeah is the construction of 33 new hospitals across the kingdom. However, there is pressure on the government to deliver more. In a rapidly growing and ageing population like that of Saudi, where the average national is overweight and modern lifestyles often engender poor health, boosts in healthcare budgets alone

will not meet the demands of the population without affecting the country’s economic progress. The kingdom’s growing population is the main cause for the heightening demand for health care. The Saudi community is expected to increase by 20% and reach 30 million by 2016. The elderly alone, currently one million, are expected to amount to 2.5 million in the next 15 years. All age groups will experience increased rates of growth, in part due to increased life expectancy resulting from improvements of the health care system.



## KAUST spearheads high-tech R&D

King Abdullah University of Science and Technology targets a knowledgeable society

One of the first steps to becoming a knowledge-based society is the establishment of a world-class public university that not only provides students with an education, but also generates knowledge. Launched in 2009, the King Abdullah University of Science and Technology (KAUST) is one such institution. Home to the country’s first mixed-gender campus, KAUST is spread across 14 square miles of the Red Sea coast at Thuwal, around 50 miles north of the commercial center of Jeddah. It features state-of-the-art labs, encompasses a marine sanctuary, and has one of the fastest supercomputers on the planet. In June 2010, the innovative and sustainable architecture of the KAUST campus received a platinum rating on the Leadership in Energy and Environmental Design (LEED) scale, produced by the U.S. Green Building Council. By 2020, KAUST aims to be renowned for “cutting-edge, basic and goal-oriented research in science and technology, comparable to that of the world’s top 10 science and technology universities.” The research-orientated graduate school is backed by a perpetual endowment, or waaf, of \$10 billion – one of the largest in the world – and is a key part of the government’s plans to encourage open research and development in Saudi Arabia. In his message to the university, Custodian of the Two Holy Mosques King Abdullah Bin Abdulaziz Al Saud states:

“As a new ‘House of Wisdom,’ the university shall be a beacon for peace, hope, and reconciliation and shall serve the people of the kingdom and benefit all the peoples of the world in keeping with the teachings of the Holy Quran, which explains that God created mankind in order for us to come to know each other. “It is my desire that this new university become one of the world’s great institutions of research; that it educate and train future generations of scientists, engineers and technologists; and that it foster, on the basis of merit and excellence, collaboration and cooperation with other great research universities and the private sector.”

Activity at KAUST focuses on impact rather than quantity and recent projects centered on energy, food, water and the environment at the institution are already producing results. Researchers have developed “molecular scissors” that could improve the quality, yield and disease resistance of crop varieties, with profound implications for agricultural science worldwide. Hybrid elastics research at KAUST has entailed the design of a new elastic material and was carried out in conjunction with the Hong Kong University of Science and Technology (HKUST) and Soochow University in China.

The collaboration has produced a new type of metamaterial that blurs the line between a liquid and a solid. Also, scientists at the university are looking to utilize the country’s year-round solar radiation to provide potable water. While visiting the university’s Water Desalination and Reuse Center (WDRC), Professor Kim Choon Ng of the National University of Singapore (NUS) and his team are working to introduce solar-powered water desalination technology to Saudi Arabia that, according to Prof. Ng, in principle can be run from anywhere and would be hugely beneficial for the kingdom.



The campus, lecture halls, labs and academic areas have been designed to foster creativity and innovation

KAUST IS A KEY PART OF THE OIL-RICH KINGDOM’S EFFORTS TO DIVERSIFY ITS ECONOMIC BASE AND TRANSFORM ITSELF INTO A GLOBAL HOTSPOT FOR SCIENTIFIC AND TECHNOLOGICAL RESEARCH AND DEVELOPMENT

ITS BUILDINGS HAVE BEEN DESIGNED TO UTILIZE NATURAL LIGHT AND VENTILATION, WITH ROOFS CAPABLE OF SUPPORTING 12,000 SQUARE METERS OF SOLAR PANELS TO PRODUCE 3,300MW OF CLEAN ENERGY EVERY YEAR

## ‘Made in Saudi Arabia’ – a brand for the future

“He who enjoys good health is rich,” says the ancient proverb, and the Kingdom of Saudi Arabia has consistently worked to improve and develop its healthcare sector, to ensure the future health and wealth of the nation.

For the past four years, the state has taken its duty as ‘caretakers of society’ one step further by establishing the Saudi Food and Drug Authority. Its vision is to lead the country in effective and safe drug regulations through the implementation of quality ‘Made in Saudi Arabia’ consumable goods, along with safe and effective medical and pharmaceutical policies.

The job faces serious challenges in a world ruled by fast food and harmful diet pills. However, thanks to visionaries such as Dr. Mohammed Al-Kanhal, Chief Executive Officer of Saudi Food and Drug Authority, the kingdom has just become an even safer home for over 26 million people. He says that one day ‘Made in Saudi Arabia’ will be a trusted household name, just like that of the United States or Europe. Of course, this does not happen overnight but rather one step at a time



DR. MOHAMMED AL-KANHAL, Chief Executive Officer of the Saudi Food and Drug Authority

through tough regulations, he affirms. Nonetheless, according to Dr. Al-Kanhal the kingdom’s first step towards reaching its goal is through educating its human capital on safe practices. To date, Saudi Arabia has sent over 370 college graduates abroad to study food and medical devices in the hope of regulating factories and restaurants, while establishing itself as a giant in the pharmaceutical industry. There is no doubt, that he, who has the will, will definitely find the way.

## The pillar of a prosperous nation – insurance

The Council of Cooperative Health Insurance (CCHI) is to working to educate the private sector about the benefits of health insurance

The after-effects of the recession, which has negatively affected most of the world, have had less of an impact on Saudi Arabia’s insurance industry, which has been thriving over the past few years. Health insurance is leading as one of the fastest growing segments in the country’s insurance sector, becoming a key growth driver for the overall market with segments like engineering insurance, motor insurance, and aviation insurance following closely behind. There has been much interest in investing in Saudi Arabia’s private medical care since the Cooperative Health Insurance Act in 1999. This act has provided medical insurance to all private sector workers within Saudi Arabia, successfully insuring over 8.6 million Saudi and expatriate employees and their families to date. There are many benefits of insurance for both workers and the insurance industry. Due to the surge in the number of insured workers, insurance companies have advanced their products and services to serve the target market. The Act has also led



The thriving insurance sector has helped boost the country’s technological expertise

to developments in IT utilization, training centers, and health universities, bettering the country’s technological expertise. The role of the Council of Cooperative Health Insurance (CCHI) is to work towards educating the private sector about the many benefits health insurance has for their workers. The CCHI certifies 26 insurance firms, five third-party administration companies, and

over 2400 healthcare providers. There is a big future of growth for private medical care in Saudi Arabia, with supporting factors such as low penetration, strong governmental support, and rising awareness of insurance. Because of these factors, those who opt for insurance plans in Saudi Arabia are likely to increase, giving the industry a definitive edge for development in the upcoming years.







“WE AIM TO PROVIDE THE HIGHEST POSSIBLE QUALITY OF HEALTHCARE SERVICES TO PEOPLE THROUGHOUT THE KINGDOM THROUGH A WIDE RANGE OF SERVICES AND FACILITIES AND WELL-TRAINED STAFF”

GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA, VISION 2020 STATEMENT

Illnesses referred to as “lifestyle diseases” are another cause of worry among Saudi Arabians.

The socio-economic transformation of the country has introduced new habits into society that can lead to obesity, hypertension and diabetes. Statistics reveal that cardiovascular diseases account for 22% of deaths in Saudi Arabia each year.

There is an increasing need to modify trends of stress, cigarette smoking and lack of physical exercise; otherwise the number of deaths caused by such factors will certainly increase.

While the Saudi Ministry of Health is tackling the situation by concentrating part of its activities on preventive and curative primary care, there are many issues that need to be addressed, and the government has expressed its interest and need to attract foreign partners.

One of the first measures taken by the Saudi government to further private care participation was the intro-

duction in 2005 of mandatory health insurance for non-Saudis residing or working in the country. It applies to all private-sector employees, though in time it is expected to extend to all employed Saudi nationals.

The health sector is key to the government’s privatization programs. The Ministry of Health’s idea is to restructure and move away from being the main provider, to being the regulator of private services.

And so, at a time when the market is ripe for investment, many healthcare companies have already picked up on the chance to participate in Saudi Arabia’s initiatives to improve the country’s health care services, which are seen by many as promising business opportunities.

GE’s healthcare division, GE Healthcare, has set up in the kingdom, and invested in three strategic service support centers. The company is working alongside government initiatives with the contribution of tools that al-

low earlier and faster diagnosis. It is also equipping hospitals with the required knowledge and technology, such as imaging and information technologies to patient monitoring systems.

One of GE Healthcare’s continuous localization initiatives is setting up a strong Saudi workforce and creating more employment opportunities, alongside a transfer of knowledge and expertise through training and education. In 2010, they had trained over 150 skilled professionals.

The company’s contributions have not gone unnoticed, as it currently generates over \$1 million in revenues.

Saudi healthcare service demand is expected to continue rising in the next few years. Privatization, the modernization of hospitals and technology, and training the local workforce are expected to increase local productivity to meet the nation’s demand, without hampering its economic drive.

## Saudi’s premier insurer

Local knowledge gives Medgulf an edge in competitive insurance sector

Figures released by the Saudi Arabian Monetary Agency (SAMA) show that the insurance sector grew by 12.4% in 2010. The Mediterranean and Gulf Insurance and Reinsurance Company, known as Medgulf Insurance, is the industry’s established leader, and has contributed to this success. “We have fought and won and we will continue to do so,” says Lutfi El-Zein, the company’s chairman.

Medgulf is the premier insurance services provider in Saudi Arabia and the Middle East, providing the retail and institutional markets with all risk coverage requirements through its operations in Lebanon, KSA, Bahrain, UK, UAE, Turkey and Jordan. The Group began its activities in 1980 in Lebanon and expanded through acquisitions and mergers.

Medgulf is currently the largest privately owned insurance and reinsurance company in the Arab world, and third in terms of the size of premium income, behind Tawuniya and Misr Insurance.

The company has also had to deal with negative perceptions of the insurance business, which many felt worked contrary to Sharia law. However, attitudes gradually relaxed, as regulation of the insurance industry was introduced in the 1990s. “Before regulation, many companies in Saudi just disappeared, and the rights of



LUTFI EL-ZEIN, Chairman of Medgulf

the policy holders went as well,” explains Mr. El-Zein.

However, the future now looks bright. Driven by strong macroeconomic performances – numerous construction projects in development and a global rise in oil prices – the insurance market in Saudi Arabia is currently at one of its peaks.

A combination of international know-how and an understanding of the country’s culture and economy is provided by Medgulf’s workforce,

with staff trained first-hand by the company. “People who have lived and worked in the country are in a much better position to gauge the needs of their fellow citizens,” explains Medgulf’s chairman.

Saudi Arabia’s insurance sector is playing an increasingly important role in the national economy, and will continue to enjoy a greater capital position as local businesses become more aware of the importance of adequate insurance coverage.

## Al Bawani boosts healthcare

New projects build up the region’s medical, commercial and educational infrastructure

AlBawani Co.Ltd.provides contracting services for governments, corporations and private individuals across the region. “Al Bawani is a Class 1 construction company and ISO-9001:2008-certified, which means the size of the contract we can take is unlimited,” says general executive manager Fakhre A. Al-

Shawaf. “We are focused on the quality and durability of our projects.” The company is targeting the healthcare and commercial sectors, and also looking at water and power projects. “We just finished one of the biggest ICUs at King Faisal Specialist Hospital and Research Center and we are building a central ICU for

King Saud University.” It has also completed security projects for the U.S. and other embassies. Recently, it was awarded two projects worth over \$384 million from an existing client, a testament to the quality work completed. With these projects, the current backlog for the company stands at over \$1 billion.

# Nurturing the nation’s most precious resource



Saudi Arabia knows it has to invest in its youth in order to compete in tomorrow’s business world

Saudi Arabia is focusing its socioeconomic development on its youth, and the kingdom is working to provide its inhabitants with the best possible educational services.

As it embarks on a countrywide path to further socioeconomic development, Saudi Arabia, like the rest of its Gulf neighbors, is undergoing a continuous population boom – and to address this surge the government is boosting the education budget. In 2011, a total of \$40 billion (\$AR 150 billion) was allocated to this sector, representing a 9% increase from the 2010 \$36.69 billion (\$AR 137.6 billion) budget.

Saudi’s Ministry of Higher Education (MOHE) considers that investing in education is investing in the future. Good education and skills are crucial to improving one’s economic and social prospects and the nation needs to improve employability of the local population.

Saudi investments in education have tripled since the year 2000, in 2010 more than a quarter of government funds were designated to this sector. These annual increases reflect the government’s desire to invest in human capital. Part of this year’s budget fed the King Abdullah Project for Development of Public Education which included building 610 new schools in addition to the 3,200 already under way. In 2010, 610 were completed.

The number of public universities in the country has risen from eight to 24 and some rank among the world’s top. The objective is to double university students by 2014, from 860,000 to 1.7 million.

Despite market saturation of social science majors, the most sought after degrees continue to be social and re-

ligious studies, history and literature.

In recent years, the government has promoted more technical and engineering oriented programs to fill gaps in the workforce. New universities being set up are following the lead of the recently inaugurated King Abdullah University of Science and Technology (KAUST) and emphasizing these subjects and others in scientific domains.

2011 funds aided the construction of new universities and the expansion of already existing ones to increase student enrollment. They also enhanced the scholarships catalogue including the King Abdullah Scholarships Program (KASP), which operates in

NEXT YEAR’S BUDGET TOTALS \$144 BILLION – AND 26% OF THAT WILL BE ALLOCATED FOR PUBLIC, HIGHER EDUCATION AND WORKFORCE TRAINING

more than 21 countries and, since its creation, has benefited over 60,000 Saudi nationals. These programs encourage students to study abroad and gain expertise and know-how to apply subsequently to the local economy.

The MENA region possesses one of the most lucrative education sectors in the world. Today an average of 18.6% of MENA government expenditures are allocated to this sector compared to the world average of 14.2%.

The Ministry of Education’s Ten-Year Plan covering 2004-2014 contains women-focused goals which include organizing girls’ technical education and developing syllabi based on Islamic values.

Aiming to fulfill this objective, earlier this year the world’s largest women’s uni-

versity, Princess Nora bint Abdulrahman University opened on the outskirts of Riyadh and is expected to host 40,000 students. It is a symbol of women’s participation in the building of Saudi Arabia’s future and reflects King Abdullah’s aim to open all avenues for women.

Saudi Arabia’s commitment to extending education opportunity to all Saudi society will continue in 2012.

Next year’s budget totals \$144 billion – and 26% of that will be allocated for public, higher education and workforce training. \$2.5 billion will go to completing construction of the “university cities” in different parts of the country, \$3.2 billion will continue financing KASP and other projects.

To further promote the development of international agreements, the Ministry of Higher Education has organized the third International Exhibition and Conference on Higher Education (IECHE) which will cement academic ties between students and foreign institutions.

The MOHE continues to train its future workforce through the establishment of academic agreements with renowned companies. In 2011, important partnerships were signed and the forecast is that this tendency will continue.

An agreement between GE and King Fahd University of Petroleum and Minerals (KFUPM) will award 30 scholarships to students with a commitment of hiring them following graduation. It is the first initiative of its kind carried out by the company.

Intel has committed to training 100,000 educators across the country on in technological programs.

Higher education in Saudi Arabia continues to grow. The amount allocated to education and training is expected to grow in years to come as the annual budget dwarfs other sectors, proving the kingdom’s commitment to Saudi youth.





# Creating the lifestyles of the future

Saudi Arabia's four Economic Cities represent a new model for strategic public-private partnerships and a diversification from an oil-based economy

Saudi Arabia is presenting the world with a new concept of modern living. Each of the four new Economic Cities being developed in the kingdom was designed to be an exclusive 21<sup>st</sup> century metropolis in which to live, work and play.

With a total cost of more than \$60 billion for all four cities, one of the government's objectives for this project is to diversify the kingdom's current oil-based economy. The Economic Cities will be integrated townscapes with modern infrastructure, and will include everything necessary for modern life.

Building these cities involves attracting more private and foreign investment, and the kingdom has reformed some conditions to encourage this – though it is already the largest recipient of foreign direct investment in the Arab world.

Saudi Arabia is rated as one of the world's top 10 most competitive economies, and represents a sound investment opportunity. The kingdom is the world's fastest reforming business climate, and ranks first for ease of property registration – and is the largest free market in the MENA region. Each city was designed and established for a different purpose (though all share the common target of attracting more investment to the kingdom).

Saudi Arabia is carrying out bold business reforms and now ranks as the top economy in the Middle East. Inflows have increased and continue to do so with the developments of the Economic Cities.

As the four Cities become a reality, renowned companies from around the globe continue to invest. Among these are Sanofi-Aventis, TOTAL Lubricants Company, and Malaysian MMC which will be partnering with the Saudi Bin-ladin Group.

King Abdullah Economic City, the largest of the four – and the first to be constructed – will be the kingdom's first freehold city, an attractive opportunity for foreign property investors. It is the first time that foreign individuals or companies will be allowed to own property in Saudi Arabia.

Prince Fahd bin Abdullah bin Mohammed Al Saud, Assistant Minister of Defense and Aviation and Inspector General, and Chairman of the Economic Offset Committee, recently visited King Abdullah Economic City (KAEC) and asserted that it is a major contribution to development and diversification of the national economy.

Saudi Arabia's economic performance on the whole is growing. In recent years it has exceeded world growth, and even non-oil sectors have delivered profitably.



## King Abdullah Economic City

With a planned investment of \$27 billion funded entirely by private capital, the King Abdullah Economic City (KAEC) is considered SAGIA's jewel in the crown, envisioned to become the single greatest enabler of social and economic growth in the entire kingdom.

The city will cover a whopping 168 million square meters near the commercial hub of Jeddah, create a million jobs and be home to two million people.

The city will be divided into four main areas: industrial and residential zones, the seaport and a sea resort area that stretches along 1.5 miles of unspoiled beach – a concept

THE CITY WILL CREATE A MILLION JOBS AND BE HOME TO TWO MILLION PEOPLE

new to Saudi Arabia that will surely make it MENA's prime tourist destination.

120 hotels and 25,000 hotel rooms will welcome tourists, and 275,000 apartments and villas will house the resident population. World-class international schools will cater to the local and foreign community, and a university campus with a capacity to accommodate 18,000 students will facilitate further education.

The city is being built by government-controlled real estate giant Emaar Properties and other Saudi investors. Upon completion – expected in 2025 – it will be the same size as Washington DC.

KAEC will be developed in phases and in such a way that responds to market conditions, so as to ensure a genuine return on investments. Construction began in 2006 with some residential projects on the coastline, and an industrial zone further inland. With time, construction and development will work its way further inland until the envisioned jewel in the crown is fully completed.



## Prince Abdulaziz bin Mousaed Economic City

The Prince Abdulaziz bin Mousaed Economic City (PABMEC), also denominated Skyscraper City, will soon rise in the vast desert in the northern region of Hail. It is set to be MENA's most modern transportation and logistics hub, strategically located at the crossroads for navigational, trade and transportation routes between East and West.

Transportation infrastructures will include an international airport expected to serve three million passengers per year, a railway station for two million annual passengers, and a dry port and operations center capable of handling over 1.5 million tons of cargo.

IT IS SET TO BECOME THE MENA REGION'S MOST MODERN TRANSPORTATION AND LOGISTICS HUB

Furthermore, the railway system and road connections will expand to connect with Jordan, Iraq and Madinah. With an estimated investment of \$8 billion, the city is expected to generate 55,000 new employment opportunities.

PABMEC will also include specialized zones for agricultural, petrochemical and mining industries. Business, residential and recreational areas will of course be present as a population of 300,000 is expected to reside in the city.

Development of PABMEC has been assigned to Al Mal Investment. The company, an experienced developer with a proven track record, has created a new entity, Al Mal Economic City Holding Company (AMECHC), to develop PABMEC. AMECHC holds 64 shares in equity of the \$1.3 billion capital set for the city's development.

The developer has created nine specialized companies to control operations for different project components. Partners collaborating in the development include SABIA and the Kuwait-based private group, Kharafi.



## Knowledge Economic City

The Knowledge Economic City (KEC) will be a cultural landmark and the focal point of Saudi Arabia's knowledge-based industries. Situated to the east of Al-Madinah, it will revive the city's role as a center for Islamic knowledge and culture. The city will create opportunities for young Saudi entrepreneurs and attract talent from different parts of the world.

KEC will cover an area of 4.8 million square meters, and 20,000 jobs will be created.

Different centers will feed the city with knowledge. The Taiba Complex for Technology and Knowledge-Based Economy will be equipped with state-of-the-art infrastructure and will focus on Arabic.

THE LOCATION OF KEC WITHIN HOLY BOUNDARIES IS EXPECTED TO ATTRACT BOTH NATIONAL AND FOREIGN VISITORS

The city will comprise a complex for technology and knowledge-based economies, technological and administrative colleges specializing in IT, software development and business administration, an Islamic civilization studies center, a business center and a complex for medical studies, biological sciences and health services.

A world-class business center will occupy the heart of the city, and support operations in Medina.

The location of KEC within holy boundaries is expected to attract both national and foreign visitors throughout the year. Given KEC's proximity to the Holy Mosque in Al-Madinah, new infrastructure is planned to connect the city with Prince Mohammed Bin Abdul Aziz International Airport, KAEC, Makkah, Yanbu and Jeddah.

Different investment modes have been formulated to attract investment to KEC, which include strategic partnerships and joint ventures, direct land sale to developers and long-term land lease.



## Jazan Economic City

An industrial city situated just 37 miles northwest of Jazan City, a major port on the Red Sea, Jazan Economic City (JEC) is designed to become an export platform for international consumer markets.

Its unique location – close to the main trade routes between Europe, Asia and Africa – makes JEC a strategic stop for neighboring countries that do not have the infrastructure necessary to access export markets. This attractive aspect alone is enough to draw in worldwide investment to the project.

Key features of the city include an industrial zone, a commercial business and cultural centre, and residential areas that will house an estimated population of 300,000. Some \$27 billion will be invested and 100,000 new jobs created.

An industrial park will occupy over two-thirds of the city's 100 million square meters, and it will contain a modern oil refinery and integrated petrochemical complex, a copper refinery, fisheries, and an aluminum complex.

Transport infrastructure has been designed to include a new seaport and dry dock, an international airport and rail connections to Jeddah. Positive environmental practices will be employed in all buildings, particularly those with intense industrial facilities.

Now is clearly the moment to invest, and the Saudi riyal is one of the world's most stable currencies having experienced no significant change in its exchange value over the past three decades.

Furthermore, Cisco is working with JEC developers to create a smart-enabled environment for all the major international companies expected to establish themselves in the city.

\$27 BILLION WILL BE INVESTED AND 100,000 NEW JOBS CREATED