



وزارة الاستثمار  
Ministry of Investment

استثمر في السعودية  
INVEST SAUDI



# ECONOMIC AND INVESTMENT MONITOR, SAUDI ARABIA

Q3 2022



"My primary goal is to be an exemplary and leading nation in all aspects, and I will work with you in achieving this endeavor"

-Custodian of the Two Holy Mosques,  
King Salman Bin Abdulaziz Al-Saud



"Our nation holds strong investment capabilities, which we will harness to stimulate our economy and diversify our revenues"

-His Royal Highness the Crown Prince  
Mohammed bin Salman bin Abdulaziz Al-Saud



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## Abbreviation List

<b>Bn</b>	Billion
<b>Capex</b>	Capital Expenditures
<b>CPI</b>	Consumer Price Index
<b>FDI</b>	Foreign Direct Investment
<b>GASTAT</b>	General Authority for Statistics
<b>GDP</b>	Gross Domestic Product
<b>GFCF</b>	Gross Fixed Capital Formation
<b>ICT</b>	Information Communications Technology
<b>IEA</b>	International Energy Agency
<b>IMF</b>	International Monetary Fund
<b>IPI</b>	Industrial Production Index
<b>LLC</b>	Limited Liability Companies
<b>MISA</b>	Ministry of Investment of Saudi Arabia
<b>Mn</b>	Million
<b>MoF</b>	Ministry of Finance
<b>NIS</b>	National Investment Strategy
<b>NOMU</b>	Parallel Market Index
<b>OECD</b>	The Organization for Economic Cooperation and Development
<b>OPEC</b>	The Organization of Petroleum Exporting Countries
<b>OPEC+</b>	A group of OPEC and non-OPEC oil-producing states
<b>PMI</b>	Purchasing Managers' Index
<b>PoS</b>	Points of Sale
<b>PRC</b>	Premium Residency Center
<b>REPI</b>	Real Estate Price Index
<b>RHQ</b>	Regional Headquarters Program
<b>SADAD</b>	National Electronic Bill Presentment and Payment
<b>SAIBOR</b>	Saudi Arabian Interbank Offered Rate
<b>SAMA</b>	Saudi Central Bank
<b>SAR</b>	Saudi Riyals
<b>SIPA</b>	Saudi Investment Promotion Authority
<b>SMLLC</b>	Single-member Limited Liability Company
<b>Tadawul</b>	The Saudi Stock Exchange
<b>TASI</b>	Tadawul All Share Index
<b>WEO</b>	World Economic Outlook
<b>WPI</b>	Wholesale Price Index

## Executive Summary (1/2)

- In the World Economic Outlook report (WEO), October 2022, the International Monetary Fund (IMF) forecasted global growth to reach 6.0% in 2021. The IMF also estimated global investments as percent of global GDP to rise to 28.0% in 2022 and 27.8% in 2023 from 27.1% in 2021 of global GDP.
- The PMI readings for Saudi Arabia increased to 1.2% in Q3 2022 compared to the same quarter in the previous year. While the PMI readings for China, South Korea, the United States, Japan and the European Union declined during the same period.
- The IMF projected Saudi Arabia to record the highest GDP growth among the G20 countries, and 14<sup>th</sup> globally in 2022, with a growth rate of 7.6% in 2022 and 3.7% in 2023, whereas the inflation rate would decrease in advanced economies to 7.2% in 2022 and 4.4% in 2023.
- According to the flash estimates by the General Authority for Statistics (GASTAT), the real GDP increased by 8.6% in Q3 2022 compared to the same quarter last year, driven by the significant increase in oil activities by 14.5%, the non-oil activities increased by 5.6%.
- Points of Sale (PoS) and SADAD payments grew by 19.2% and 9.8% in Q3 2022, respectively, compared to the same quarter last year. The cash withdrawals, on the other hand, fell by 1.6% in the same period, due to the shift in consumer behavior from cash transactions to electronic payments methods.
- Saudi unemployment rate decreased to 9.7% in Q2 2022, compared to 11.3% in the previous quarter, the lowest level in ten years.
- Money supply grew by 9.0% in Q3 2022 compared to the same quarter last year, driven by the increase of Time and Savings Deposits by 18.1%, and other Quasi-Money Deposits by 19.9%.
- Inflation rate rose to 2.9% in Q3 2022, due to the increase in food and beverages prices by 4.1%, followed by transport prices by 3.8%
- Tadawul All Share Index (TASI) fell by 0.8% in the end of Q3 2022, compared to the same quarter last year. The parallel market (NOMU), likewise, decreased by 15.9% for the same period.
- The current account recorded a surplus of SAR 170.1 billion, or 16.2% of nominal GDP, against a surplus of SAR 26.5 billion for the same quarter last year.
- In Q2 2022, merchandise exports increased by 85.1% compared to the same quarter last year, due to the rise in oil exports achieving SAR 343.7 billion. Imports, also, grew by 21.7% compared to the same quarter last year.

## Executive Summary (2/2)

- In Q3 2022, government revenues increased by 24.0%, compared to the same period last year, driven by the increase of oil revenues. Similarly, the government expenditures, increased by 21.6% in the same period. Surplus amounted SAR 14.1 billion, while public debt reached SAR 971.8 billion.
- The nominal GFCF recorded SAR 248 billion in Q2 2022, on an annual basis, an increase of 36.2%, driven by the increase in fixed capital formation of the government sector by 75.6% and the growth in fixed capital formation for the private sector by 31.4%.
- The FDI inflows into Saudi Arabia recorded SAR 7.9 billion in Q2 2022, an increase of 6.6% compared to the previous quarter.
- Up to Q3 2022, the investment data indicate a total number of 203 closed deals, a rise of 133.3%, compared to 87 deals in the same period last year.
- Up to Q3 2022, the number of investment licenses increased by 527.4%, or 15,000 licenses, compared to the same period last year.
- The efforts to improve the investment environment, attract foreign investments and enhance local investments have contributed to achieving the objectives of the NIS in 2021, by reaching 112.4% of the total investment target, and 172.3% of the FDI inflows target in 2021.
- The Kingdom has achieved advanced positions in several global indicators in 2022, as it ranked 1<sup>st</sup> in the Consumer Confidence Index, 5<sup>th</sup> in the Edelman Confidence Index and 24<sup>th</sup> in the Global Competitiveness ranking.
- In Q2 2022, MISA has organized and participated, in cooperation with other government entities, in more than 15 events in different areas to promote investment and attract investors. E-services provided to investors recorded an increase by 50.2%, or 42,000 services for the same period.
- The Eastern Province has been highlighted in the Investment Overview of the Key Promising Regions, Sectors and Projects in Saudi Arabia, as it enjoys many competitive advantages to attract local and foreign investors such as, large reserve of oil and gas, excellent infrastructure for transportation and logistics, a strategic geographical location, and the natural and cultural heritage, such as Al-Ahsa Oasis, which is listed on the UNESCO World Heritage List.



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# 01

## GLOBAL ECONOMY

## First: Global Economy

### I: Economic Growth

In the World Economic Outlook report (WEO), October 2022, the International Monetary Fund (IMF) forecasted global growth to slow from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023. For advanced economies, growth is projected to slow from 5.2% in 2021 to 2.4% in 2022 and 1.1% in 2023. Moreover, emerging market and developing economies grew by 6.6% in 2021 and are projected to grow by 3.7% and 3.7% in 2022 and 2023.

In the October Update, the latest forecasts project global growth to remain unchanged in 2022, while the forecasts for 2023 revised down by 0.2 percentage points lower than the July forecast reflecting the current global conditions and developments.

The main reasons for downward revision of the IMF global growth forecast are high inflation rates particularly on food and energy prices, due to the Russian-Ukrainian war, in addition to the Federal Reserve's tight monetary policy.

The growth forecast of advanced economies in the October update for 2022 is revised down by 0.1 percentage point for 2022 and 0.3 percentage point for 2023 compared with the July WEO Update.

However, emerging market and developing economies growth forecast modestly upgraded to 0.1 percentage point from the July Update in 2022. While the forecasts for 2023 revised down by 0.2 percentage point.

Growth Rate (Real GDP, annual percent change)	Full Year 2020	2021 Q1	2021 Q2	2021 Q3	2021 Q4	Full Year 2021	2022 Q1	2022 Q2	2022 Q3	2022*	2023*
<b>Global Economy</b>	-3.1	-	-	-	4.4	6.0	-	-	-	3.2	2.7
<b>Advanced Economies</b>	-4.5	-	-	-	4.7	5.2	-	-	-	2.4	1.1
<b>Emerging market and Developing Economies</b>	-2.0	-	-	-	4.0	6.6	-	-	-	3.7	3.7
<b>Saudi Arabia</b>	-4.1	-2.6	1.9	7.0	6.7	3.2	9.9	12.2	8.6	7.6	3.7
<b>United States</b>	-3.4	0.5	12.2	4.9	5.5	5.7	1.6	-0.6	2.6	1.6	1.0
<b>China</b>	2.2	18.3	7.9	4.9	3.5	8.1	4.8	0.4	3.9	3.2	4.4
<b>Japan</b>	-4.6	-1.7	7.3	1.2	0.5	1.7	0.6	1.6	-	1.7	1.6
<b>India</b>	-6.6	-7.3	8.4	5.4	3.9	8.7	13.5	-	-	6.8	6.1
<b>Euro area</b>	-6.3	-0.1	2.1	2.3	4.7	5.3	0.5	-	-	3.1	0.6

Source: IMF (WEO October 2022 – July 2022), GASTAT, official statistical offices of countries

\*Estimates



## 2. Inflation

The inflation rate is expected to reach 7.2% in advanced economies, 9.9% in emerging market and developing economies and 2.7% in Saudi Arabia in 2022.

Indicator (%)	Full Year 2021	Full Year 2022*	2023*	2024*
<b>Inflation rate</b>				
Advanced Economies	3.1	7.2	4.4	2.4
Emerging Market and Developing Economies	5.9	9.9	8.1	5.3
<b>Investment (as % of GDP)</b>	27.1	28.0	27.8	28.0

Source: IMF (WEO October 2022 - July 2022).

\*Estimates

## 3. Global Foreign Direct Investment (FDI)

The IMF estimated global investments as percent of GDP to reach 28.0% and 27.8% of global GDP in 2022 and 2023, respectively.

Global FDI inflows fell by 35.1% in Q2 2022 compared to Q1 2022.

On an annual basis, global FDI inflows fell by 19.5% compared to Q2 2021.

The growth rates of FDI inflows decreased in OECD countries, the Euro area, the United States, China and India by 9.0%, 59.9%, 4.4%, 42.0% and 5.5%, respectively. While the growth rates of investment inflows to Japan increased by 100.1% in Q2 2022.

Countries and Areas	FDI Inflows Growth Rate		
	2020 Q2	2021 Q2	2022 Q2
Global FDI	-19.6%	70.0%	-19.5%
OECD countries	-21.7%	49.9%	-9.0%
Euro area	145.1%	-36.1%	-59.9%
Saudi Arabia	-26.4%	1537.9%	-84.9%*
US	-75.7%	370.5%	-4.4%
China	11.5%	68.0%	-42.0%
Japan	45.9%	-66.4%	100.1%
India	-87.8%	718.9%	-5.5%

Source: OECD, SAMA

\*the decrease is attributed to Aramco Deal in Q2 2021 amounted at SAR 46.5 BN ,by excluding the Aramco's deal, the FDI inflows into Saudi Arabia recorded an increase of 46.5% in Q2 2022, on an annual basis.

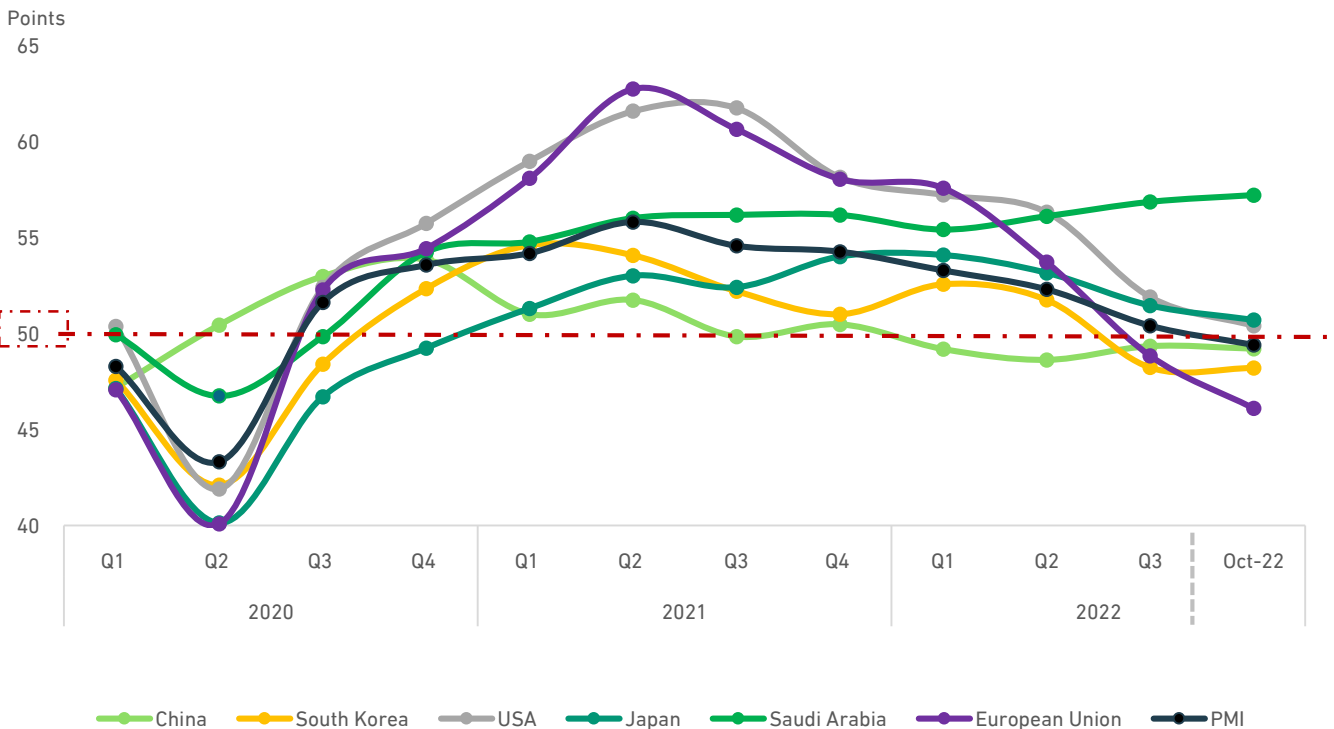
#### 4. Industrial Production

The Purchasing Managers' Index for Q3 2022 averaged 50.4 points from 54.6 points in the same quarter last year, and declined by 7.6%. In October 2022, the PMI dropped to 8.9% on an annual basis, to reach 49.8 points against 54.2 points in the same month last year.

In Q3 2022, the PMI of China, South Korea, the United States, the European Union and Japan also declined compared to the same quarter last year. Saudi Arabia, on the other hand, the PMI has increased by 1.2% in the same period.

In October 2022, the PMI readings for Saudi Arabia declined to 0.9%. Similarly, the PMI readings in July 2022 for European Union, the United States declined significantly by 20.5%, 13.7%, respectively. The PMI also continued to decline in China, South Korea and Japan by 2.8%, 4.0% and 4.7%, respectively compared to the same month of the previous year.

Purchasing Managers Index (PMI)



Source: IHS Markit

- - - >50 = improvements since previous month

## II: Oil Market

Since January 2022, several challenges are currently facing oil markets amid global fears of growing geopolitical and economic uncertainty

Despite the growth of 21.0% in September 2022 compared to the same period last year, Brent crude oil prices dropped to its lowest at \$90.6 per barrel since February 2022, due to concerns over sluggish natural gas and oil demand and growing global economic slowdown. Therefore, Global central banks raised interest rates in a fight against inflation.

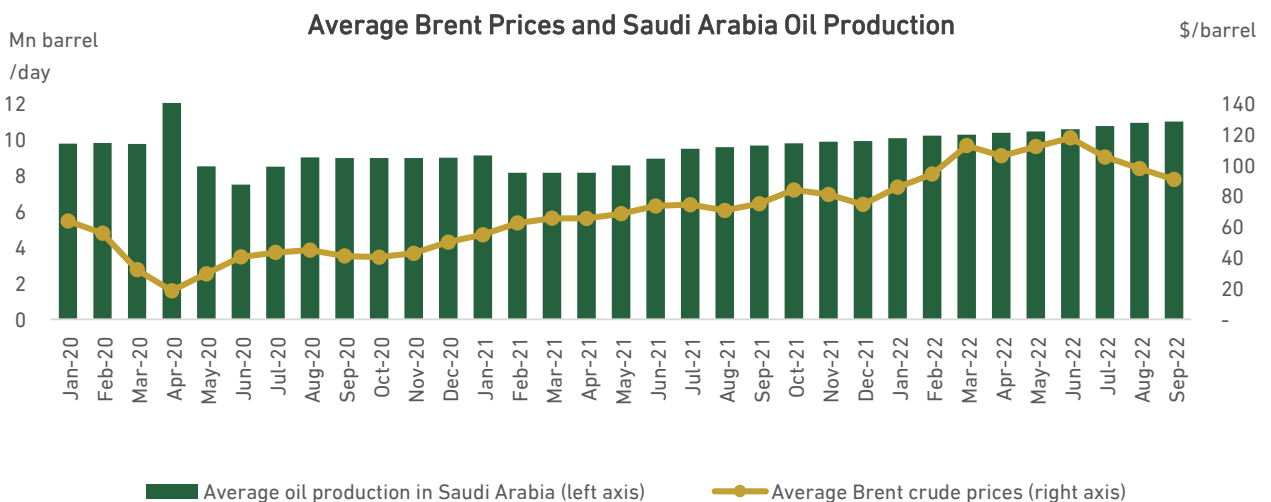
The Organization of Petroleum Exporting Countries (OPEC) report shows an increase by 13.9% in the average oil production for Saudi Arabia in September 2022, to record an average total production of 11.0 million barrels per day, as OPEC+ agreed to boost output by 400,000 barrels per day starting in August 2021 to reduce oil output to reach 5.8 million barrels per day.

The Brent crude average prices climbed to 34.2% in Q3 2022 compared to the same period of the previous year, this rise is due to high demand on oil amid fears of western sanctions on Russia and its impact on Russian oil production due to the Russian-Ukrainian war.

In Q3 2022, Saudi Arabia average oil production increased by 13.8% compared to the same period last year, to record an average total production of 10.9 million barrels per day.

The WEO October 2022, shows that refined-product prices reached multiyear highs, due to the Russian-Ukrainian war, as European and American companies reduced the demand for Russian oil. Also, oil prices may be reviewed due to global sanctions on Russia.

For futures markets, IMF sees that oil prices will rise by 41.4% in 2022, to average \$98.2 per barrel, but will fall in the coming years, to \$76.3 per barrel in 2025.



Source: OPEC, World Bank (WEO October 2022)



# 02

## SAUDI ECONOMY

## Second: Saudi Economy

### I: Saudi Economy: local and International Organizations

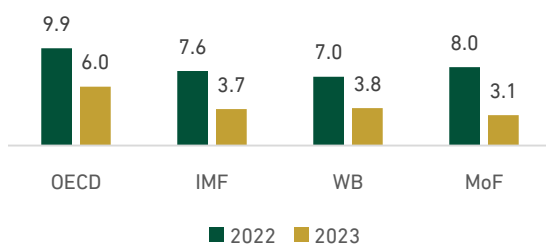
In order to achieve Saudi Vision 2030 strategic goals, focusing on economic sustainability, the Kingdom has undertaken a wave of structural transformation, which contributed to improving our economic, investment and financial indicators. Thanks to the economic reforms, the performance of Saudi economy is expected to thrive even more.

Based on reports issued by local entities and international organizations, the Saudi economy is growing at a steady pace and towards more achievements globally.

International Monetary Fund (IMF) projections indicated that the Saudi economy will grow by 7.6% and 3.7% in 2022 and 2023, respectively. The world Bank, similarly, projected a growth of 7.0% and 3.8% for 2022 and 2023, respectively. As for OECD, the real GDP is expected to grow by 9.9% and 6.0% for 2022 and 2023, respectively. However, the projections for 2023 in all the reports issued by international organizations are lower than 2022, in response to the global economic slowdown, yet impacting Saudi economy.

The pre-budget statement issued by Ministry of Finance (MoF) projected the GDP to grow by 8.0% and 3.1% for 2022 and 2023, respectively, close to the projections of international organizations. It is worth noting by achieving such projections, the Saudi economy not only will be among the top global economies, but the highest growth among G20.

Saudi Economy Growth Projections (%)



Fiscal	SAR BN	
	2022 Estimates	2023 Projections
Total Revenues	1,222	1,123
Total Expenditures	1,132	1,114
Budget Balance	90	9
As percent to GDP	2.3%	0.2%

Source: MoF

In this regard, IMF staff lauded the Kingdom's economic and financial condition in their final statement made at the end of their visit about Article IV consultation with the Kingdom in 2022. Confirming their positive outlook for the Kingdom's economy in the short and medium term, with further rebound in economic growth rates and inflation control, as well as enhanced strength in the Kingdom's external economic position. Moreover, the IMF indicated that the continued Implementation of the ambitious structural reform agenda under Vision 2030 is essential to diversify Saudi Arabia's economy and boost growth. Important steps have been taken to attract foreign investment, and improve the investment ecosystem and its related legislations in Saudi Arabia.

Saudi economy growth forecasts in 2022, according to IMF's Article IV consultation:



Non-oil GDP growth will increase by **4.2%**



The **current account surplus** will increase to **17.2%** of GDP



**Inflation** will remain contained at **2.8%** on the medium term

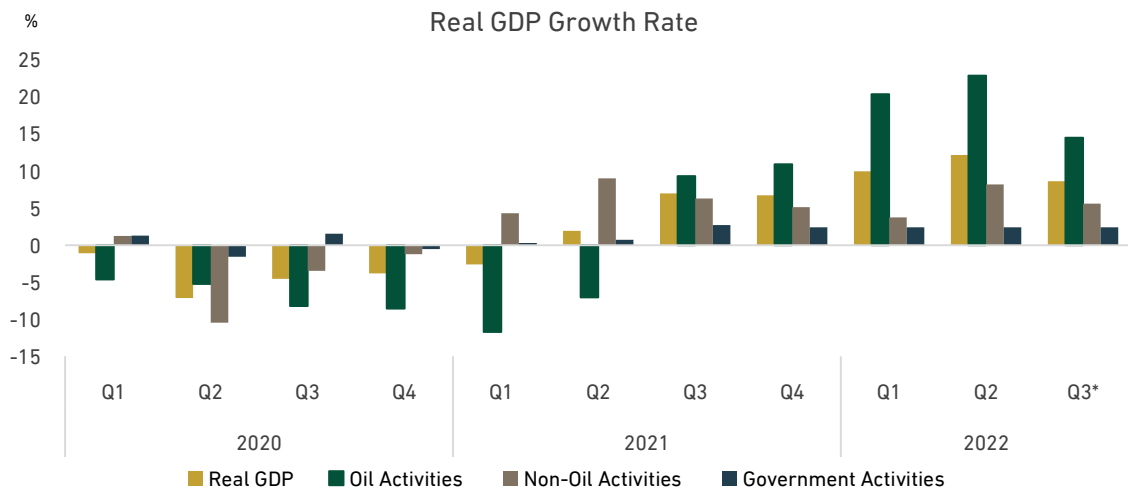
Looking at the financial sector, Fitch Ratings has revised the outlook on Saudi Arabia's Long-Term Foreign-Currency Issuer Default Rating, from Stable to Positive and affirmed the rating at "A". The agency also said that Saudi Arabia will record budget surpluses in 2022 and 2023, equal to 6.7% and 3.5% of GDP, respectively, reflecting the effectiveness of economic reforms towards achieving financial sustainability.

## Second: Saudi Economy

### II: Saudi Economy Performance

#### 1. Real Sector

According to the flash estimates of General Authority for Statistics (GASTAT) for Q3 2022, real GDP increased by 8.6% compared to the same period of last year. This is due to a remarkable rise in oil activities by 14.5%, as a result of the gradual increase in oil production related to the OPEC+ agreement in line with the growing global demand for oil. Meanwhile, non-oil activities\*\* and government activities grew by 5.6% and 2.4%, respectively, compared to the same period last year. It should be noted that, until the third quarter of 2022, the GDP average growth rate recorded 10.2%, the highest since 2011.



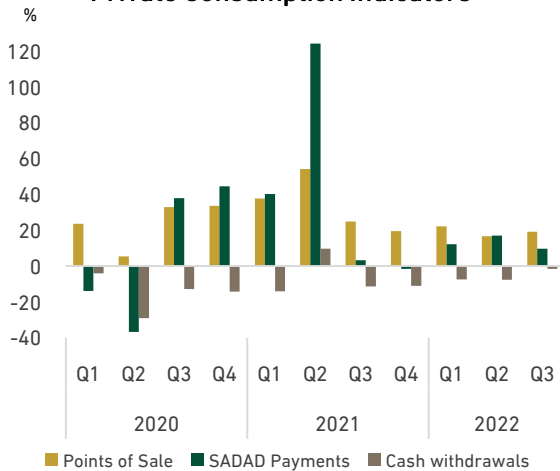
Source: GASTAT  
\* Flash estimates

\*\*The terms "oil activities, non-oil activities and government activities" are used based on the new classification of the GASTAT, issued on 14 December 2021 (instead of institutional sectors)

According to the Saudi Central Bank (SAMA) data for September 2022, the leading consumption indicators recorded remarkable growth rates in Q3 2022, as the Points of Sale (PoS) and SADAD payments grew by 19.2% and 9.8%, respectively, compared to the same quarter last year. The cash withdrawals, on the other hand, decreased by 1.6% in the same period, due to the shift in consumer behavior from cash transactions to electronic payments methods, as the number of (PoS) transactions increased by 37.4%.

In September 2022, (PoS) transactions and SADAD payments grew by 18.6% and 3.4%, respectively, compared to the same month last year. Whilst Cash withdrawals, decreased by 0.7% during the same period.

#### Private Consumption Indicators



Source: SAMA

Private investment indicators showed recovery in Q3 2022, as the average PMI registered an increase of 1.2% to reach 56.8 points, compared to 56.2 points in Q3 2021. In October 2022, the PMI grew to 57.2 points from 56.6 points in September 2022, indicating that the non-oil private sector improved. This is due to strong demand and high flows of new business.

According to GASTAT, the Industrial Production Index (IPI) rose by 16.7% in Q3 2022 compared to the same quarter last year, due to the increase in mining and quarrying activity production by 14.6% (74.5% of the index weight), this rise in mining and quarrying is attributed to the increase of oil production.

Similarly, manufacturing increased by 25.3% and electricity supply by 7.3% during the same period which affected the growth of the IPI.

Cement sales increased by 10.2% in Q3 2022, compared to the same quarter last year, reaching 12 million tons, attributed to higher construction activities, as a result of the decrease in the building materials prices in Q3 2022, as the cement sales increased by 10.1% in September 2022.

In Q3 2022, the real estate price index (REPI) increased by 1.5% compared to the same quarter last year, affected by the increase in land plots prices by 2.6%.

#### 1.1 Labor Market

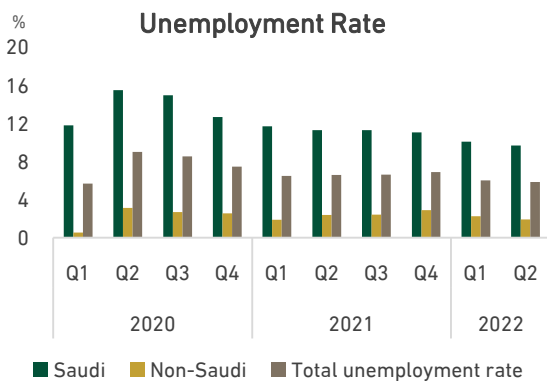
Based on GASTAT Labor Force Survey, the total unemployment rate drops to 5.8% in Q2 2022 compared to 6.0% in Q1 2022.

Among Saudis, Unemployment rate decreased to 9.7% compared to 10.1% in Q1 2022. Among Saudi males and females, unemployment rate decreased to 4.7% and 19.3%, respectively, in the same period.

Likewise, unemployment rate among non-Saudis nationals decreased to 1.9% in Q2 2022 compared to 2.2% in Q1 2022. Among non-Saudi males and females, unemployment rate decreased to 1.3% and 6.2%, respectively, in the same period.

The labor force participation rate for Saudis and non-Saudis nationals increased to 60.8% in Q2 2022, compared to 60.4% in Q1 2022. Among Saudi females nationals, the labor force participation increased in Q2 2022, reaching 35.6% compared to 33.6% in Q1 2022.

Similarly, the Saudi males participation rate increased to 67.5% in Q2 2022, compared to 66.0% in Q1 2022.



Source: GASTAT

## 2. Monetary Sector

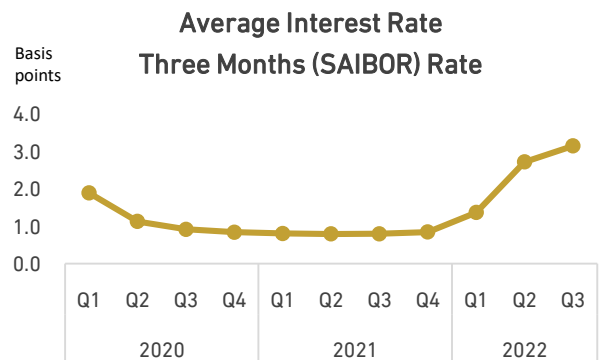
### 2.1 Money Supply and reserve assets

According to SAMA data, money supply grew by 9.0% in Q3 2022 compared to the same quarter last year, driven by the increase of Time and Savings deposits by 18.1%, and other Quasi-money deposits by 19.9%. Meanwhile, Reserve Assets recorded a slight increase of 0.6%, due to the increase in Foreign Exchange and deposits abroad by 8.4%. In addition to the rise in oil prices.

### 2.2 Interest Rates

The average interbank interest rate SAIBOR in Q3 2022 closed at 3.1 basis points, up by 2.3 basis points compared to Q3 2021. Moreover, REPO rate rose by 3.75 basis points, and the Reverse REPO rate by 3.25 basis points during the same period, due to the raise in interest rate to 3.25 basis points by the U.S. Federal Reserve during the same period.

However, the lending rate in the Kingdom is still increasing, as the government credit increased by 10.5% in Q3 2022 compared to the same period last year. Credit to the private sector also increased by 14.0%. Likewise, commercial real estate loans increased by 27.0% in Q2 2022 on an annual basis, according to the latest published data.



Source: SAMA

### 2.3 Inflation

According to GASTAT data, the inflation rate (Consumer Price Index (CPI)) rose to 2.9% in Q3 2022 compared to the same quarter last year. This was attributed to a rise in food & beverages prices by 4.1%, influenced by the increase of food prices by 4.4%. This, in turn was affected by the increasing prices of dairy products and eggs by 13.4%. Followed by transport prices by 3.8%. In October 2022, the CPI grew by 3.0% compared to the same month in the previous year. This growth is mainly attributed to the increase of food and beverages prices by 4.4% and Housing, water, electricity and gas prices by 3.3%.



Wholesale price index (WPI) grew by 5.7% in Q3 2022, compared to the same period last year. The increase originated mainly from other transportable goods prices by 4.9% (33.7% of index weight), followed by Metal products by 3.3% (39.7% of index weight). As for October 2022, the WPI increased by 4.6% compared the same month last year, due to higher prices of other transportable goods and metal products by 4.5% and 1.7%, respectively.

### 3. Capital Market

Tadawul All Share Index (TASI) decreased by 0.8% compared to the same period last year, where the index closed at 11,405 points by the end of Q3 2022. The total volume traded shares had fallen by 21.6%, to SAR 1,400 billion compared to the same quarter last year.

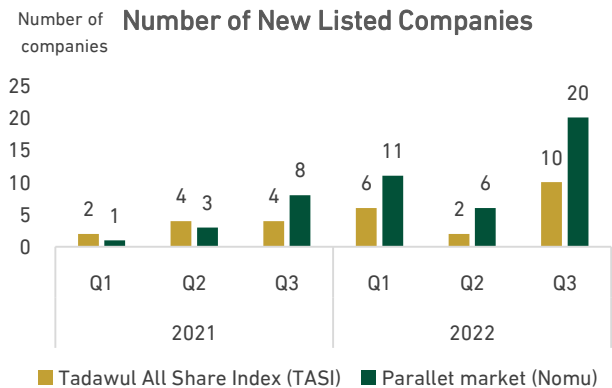
Moreover, TASI closed at 11,667 points in the end of October 2022, recording a decrease of 0.3% compared to the same period last year. The total volume of the traded shares increased to 2.0%, to SAR 10,730 billion in the end of October compared to the same period last year.

The Parallel Market Index (NOMU) decreased by 15.9% compared to the same period last year, where the index closed at 19,870 points in the end of Q3 2022, The total volume of traded shares amounted to SAR 11.1 billion, an increase of 47.0% compared to the same quarter last year.

In the end of October 2022, the Parallel Market Index (NOMU) closed at 19,504 points, a decrease of 22.7% compared to the same month last year. The total volume of traded shares amounted to SAR 568 million, recording a decrease of 16.0% compared to the same month last year.

The total number of companies have given approval in Q3 2022 increased to 30 companies from 12 companies in Q3 2021. As for TASI, 10 companies were listed in Q2 2022 against 4 companies in the same period of the previous year.

The parallel market (NOMU), however, 20 companies were listed in Q3 2022 from 8 companies in Q3 2021. Saudi Exchange (Tadawul) data shows an increase in the Saudi investor's ownership in the stock market by 7.3% in the end of Q3 2022 compared to the same quarter last year.



Source: Tadawul

Similarly, the foreign investors ownership increased by 18.2% for the same period, while the GCC investors ownership declined to 0.4% in Q3 2022, on an annual basis.



Source: Tadawul

### 4. External Sector (Balance of Payments)

According to SAMA balance of payments in Q2 2022, in response to the improvement of oil and non-oil exports, the current account recorded a surplus of SAR 170.1 billion, or 16.2% of nominal GDP, against a surplus of SAR 26.5 billion for the same quarter last year.

The GASTAT's international trade data for Q2 2022 shows the continued growth of non-oil exports, a rise of 25.1% compared

to the same period of the previous year, reaching SAR 71.8 billion in Q2 2022 from SAR 57.4 billion in the same period of the previous year, recording a surplus in trade balance of SAR 258.9 billion in Q2 2022, from SAR 91.8 billion in the same period the last year.

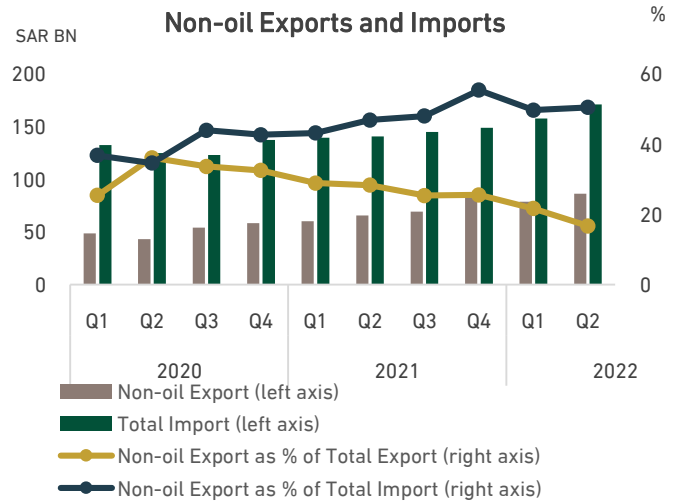
Merchandise exports rose by 85.1% to record SAR 429.8 billion in Q2 2022 from SAR 232.2 billion for the same quarter last year. This increase originated mainly from oil exports, due to the Kingdom's compliance with the OPEC+ agreement to increase output gradually, In addition to the price hike triggered by the Russian-Ukrainian crisis, which had a significant impact on prices in general. As a result, oil export recorded SAR 343.7 billion, an increase of SAR 177.2 billion in Q2 2022, compared to the same period last year.

Imports, similarly, grew by 21.7% in Q2 2022 to SAR 171.0 billion from SAR 140.4 billion in the same period last year. The share of non-oil export to total imports was 50.4% during the same period.

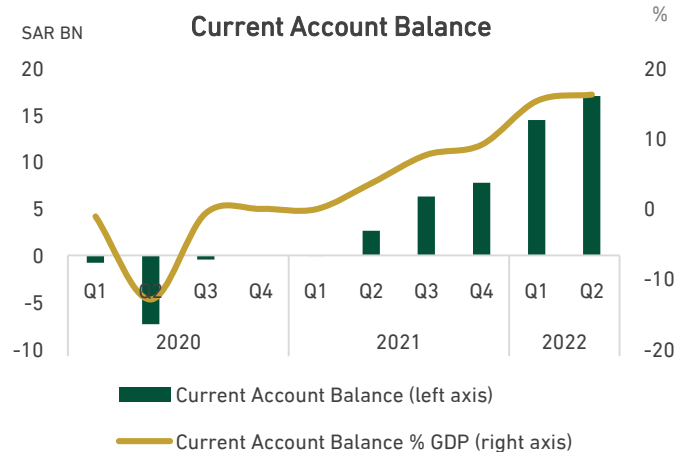
In August 2022, the trade balance recorded a surplus of SAR 72.7 billion compared to SAR 38.9 billion in the same period last year. This rise is attributed to the significant increase in exports due to the improved oil demand and its increased prices, and the growth of oil and non-oil exports.

The merchandise exports also grew by 49.1% to reach SAR 133.7 billion in August 2022, compared to SAR 89.7 billion for the same period last year, due to the increase in oil exports by 60.2%, reaching SAR 106.9 billion achieving an increase of SAR 40.2 billion over the previous year. Moreover, non-oil exports grew by 10.2%, reaching SAR 22.4 billion compared to SAR 20.3 billion in the same period previous year.

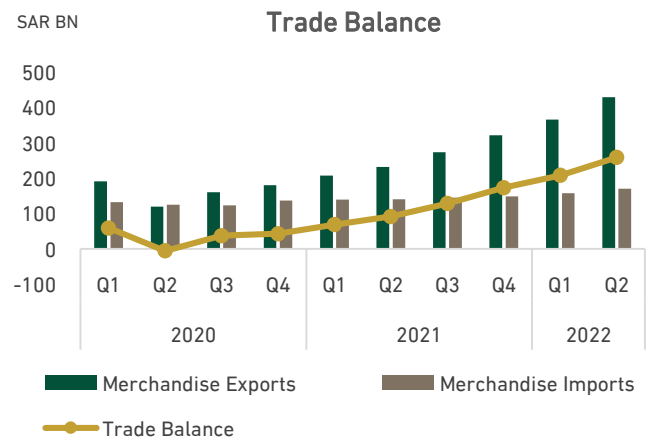
Imports, similarly, grew by 20%, reaching SAR 61.0 billion in August 2022, compared to SAR 50.8 billion in the same period of the previous year. Whilst, the share of non-oil export to total imports was 43.9% during the same period.



Source: GASTAT



Source: SAMA



Source: GASTAT

## 5. Fiscal Performance

### 5.1 Revenues

According to the Quarterly Budget Performance report issued by Ministry of Finance (MoF), the total government revenues grew by 24.0% recording SAR 301.9 billion in Q3 2022 compared to the same quarter last year. This growth was attributed to a rise in oil revenues by 54.8%, to SAR 229.0 billion. Non-oil revenues, however, decreased by 23.6% to SAR 72.8 billion during the same period, attributed to the decrease in tax revenues from goods and services by 32.1% and tax revenues from international trade and transactions by 16.9%, and other tax revenues by 23.2%.

Government revenues increased by 36.5% since the beginning of the year until the end Q3 2022, compared to the same period of the previous year. This is due to the increase in oil revenues by 67.2%, while non-oil revenues decreased by 4.2%. It should be noted that the increase in total revenues until Q3 2022 contributed to achieving 77.8% of the expected revenues for the whole year.

### 5.2 Expenditures

In Q3 2022, government expenditures increased by 21.6% on an annual basis, to SAR 287.7 billion, driven by higher spending on subsidies by 75.4%, other expenses and non-financial assets (capex) by 55.2% and 48.9%, respectively.

From the beginning of the year until Q3, government expenditures grew by 14.1% on an annual basis, amounting to SAR 800.7 billion due to higher spending on non-financial assets (capex) by 42.6%, subsidies and the use of goods and services by 37.1% and 31.8%, respectively.

### 5.3 Surplus/deficit and Debt

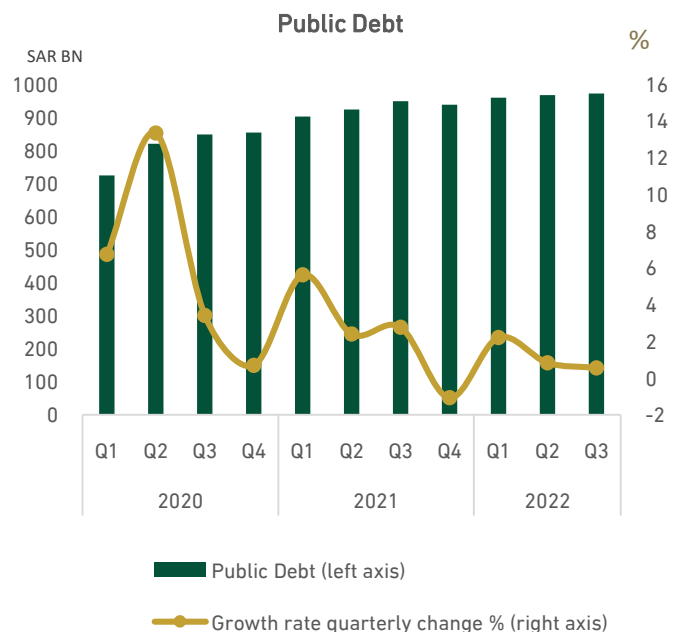
In Q3 2022, the budget recorded a surplus of SAR 14.1 billion, from a surplus of SAR 6.7 billion in Q3 2021. Public debt amounted to SAR 971.8 billion in Q3 2022, as the domestic debt and external debt reached 62.8% and 37.2% of total public debt.

The achieved surplus in Q3 2022 amounted to SAR 149.5 billion surpassing the estimated surplus for 2022 which was estimated at SAR 90.1 billion.



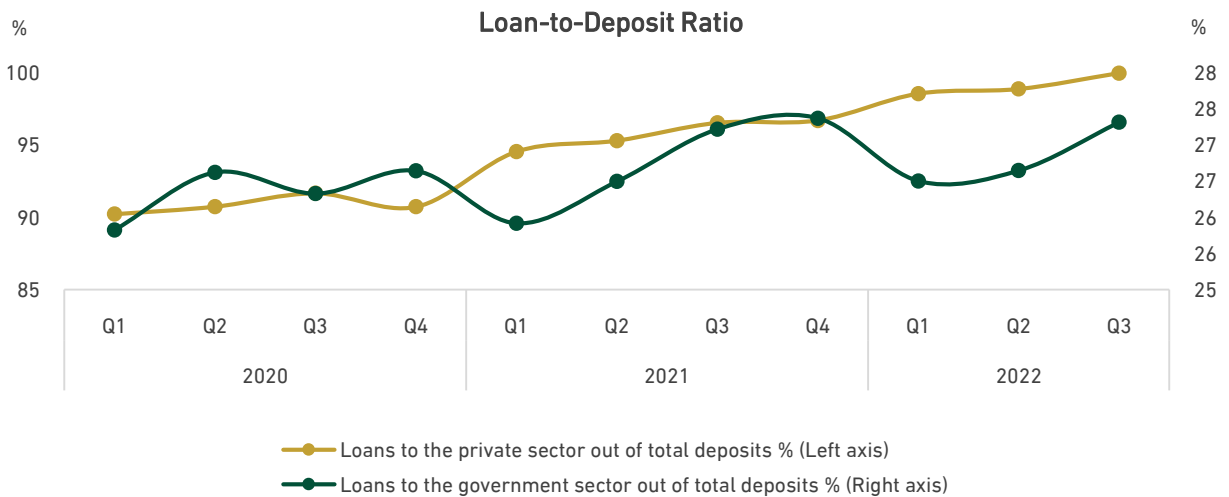
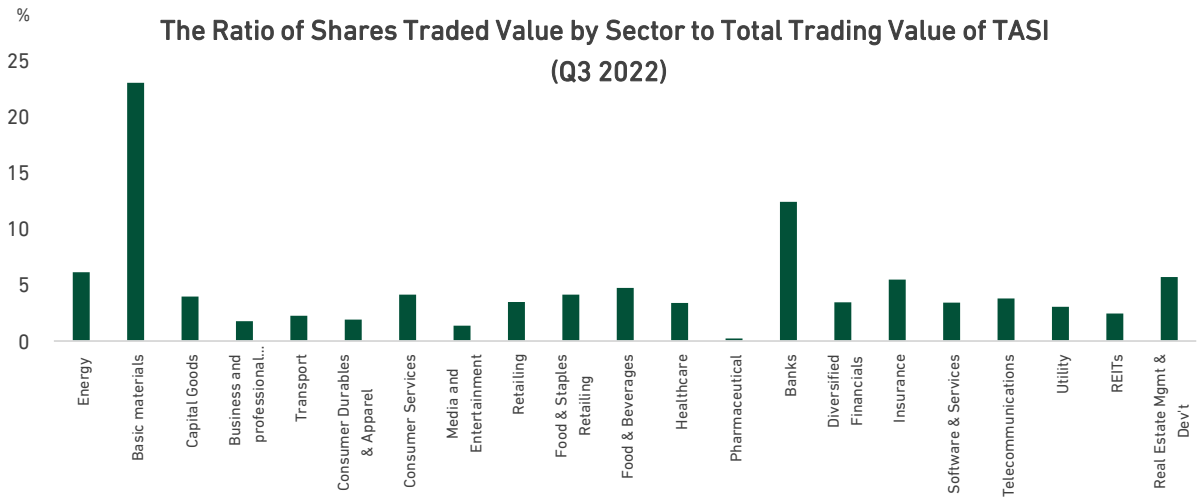
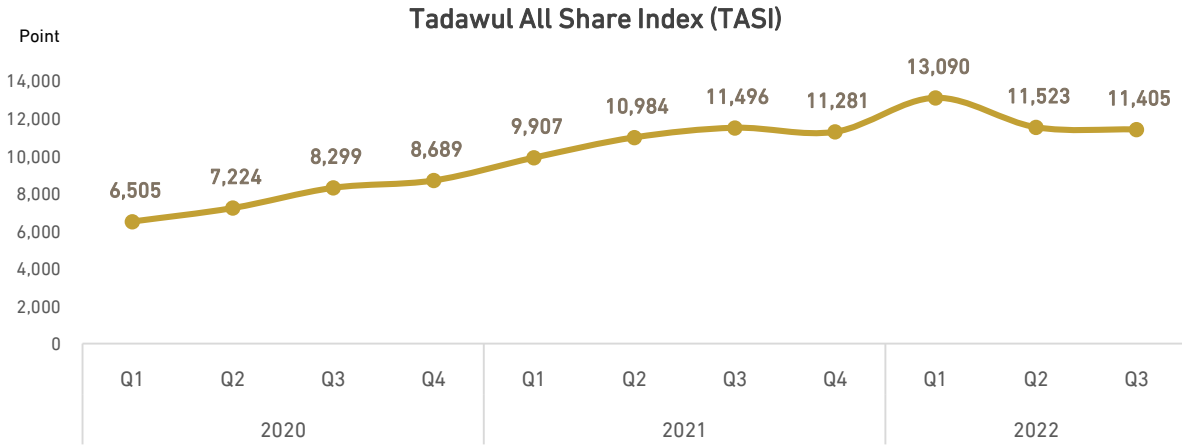
Source: MoF, GASTAT

\*Data of budget deficit as a percentage of GDP is not included, due to the unavailability of GDP data for Q3 at the time of the report



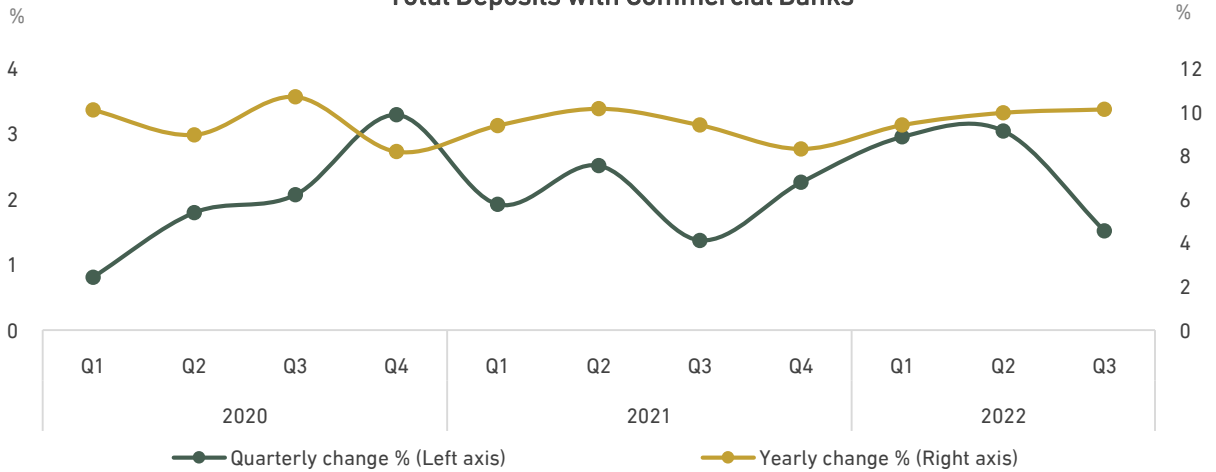
Source: MoF

## 6. Selected Economic Indicators

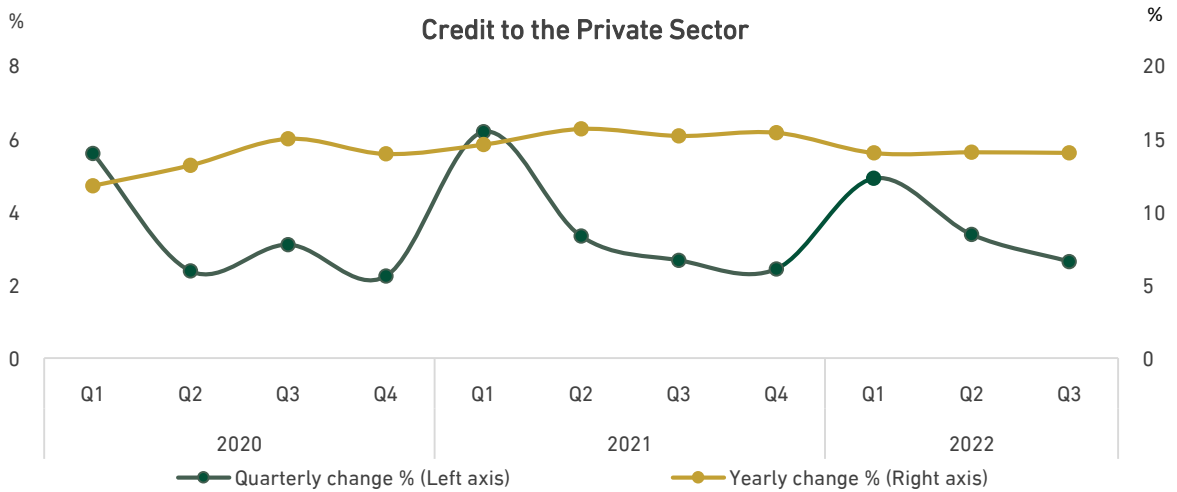


Source: Tadawul, SAMA

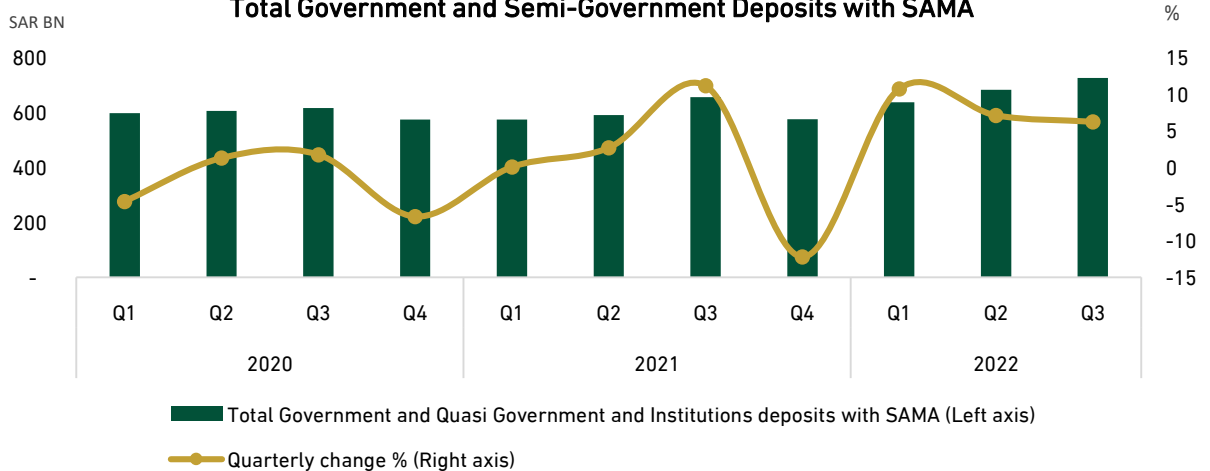
### Total Deposits with Commercial Banks



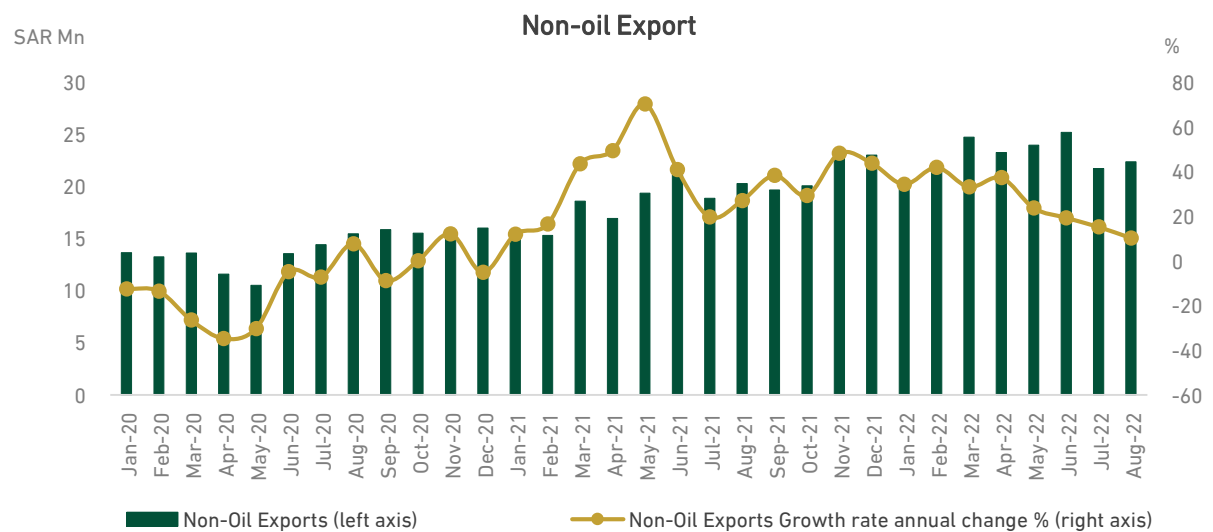
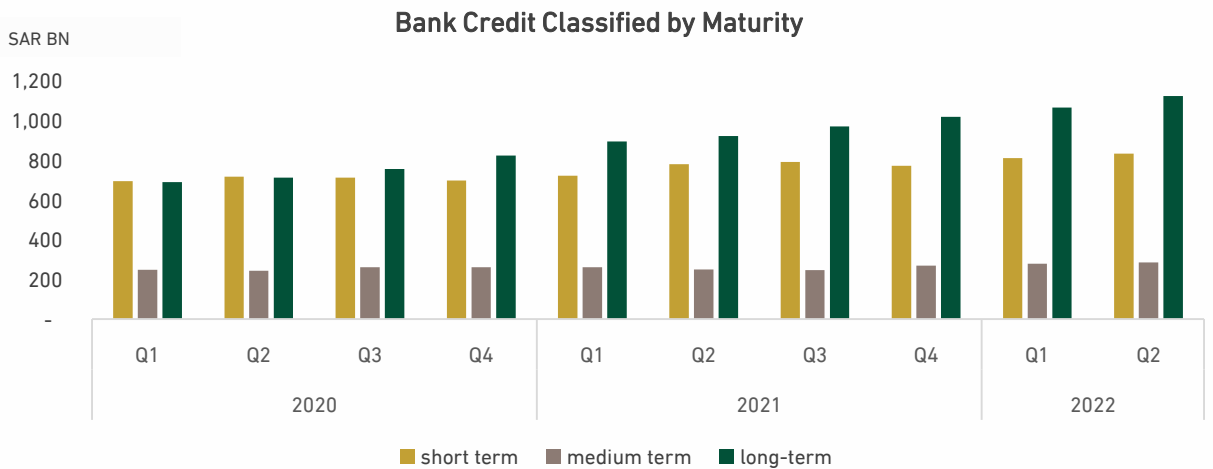
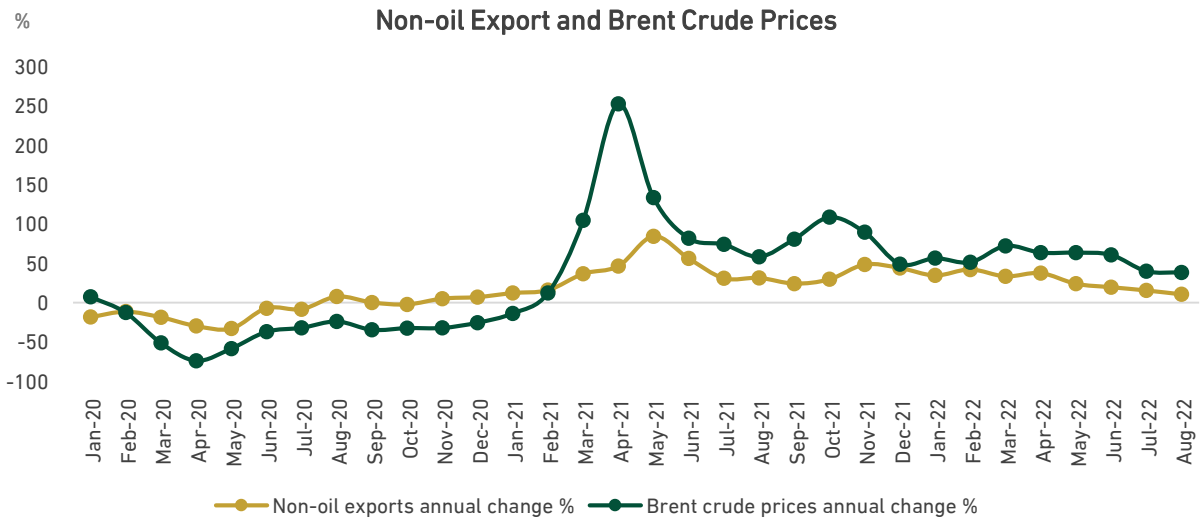
### Credit to the Private Sector



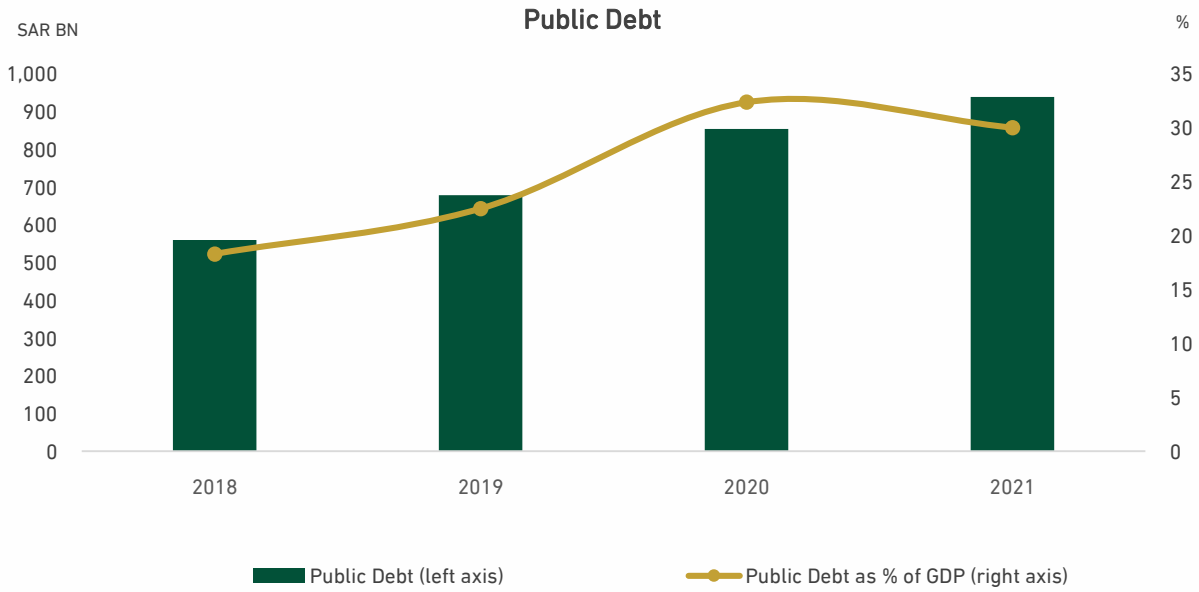
### Total Government and Semi-Government Deposits with SAMA



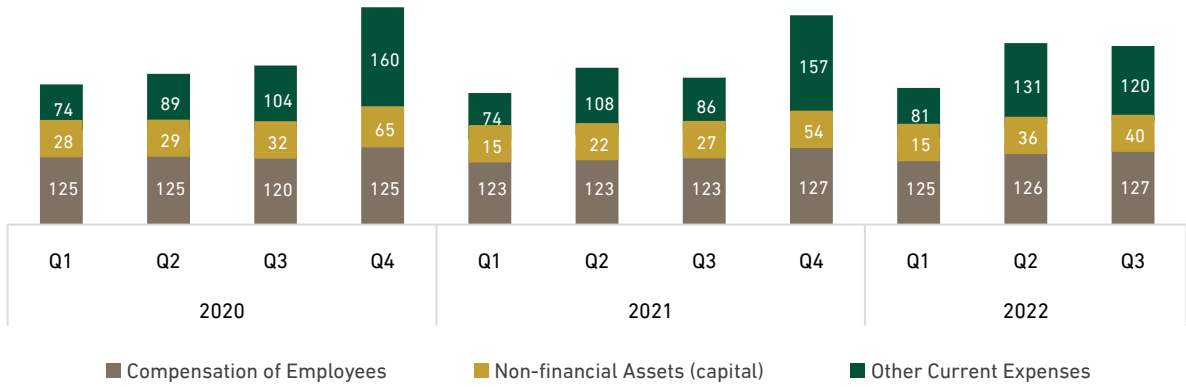
Source: SAMA



Source: GASTAT, SAMA, OPEC



### Government Expenditures (SAR BN)



Source: MoF



# 03

## ENABLING INVESTMENT AND ENHANCING THE ATTRACTIVENESS OF ITS ENVIRONMENT IN THE KINGDOM

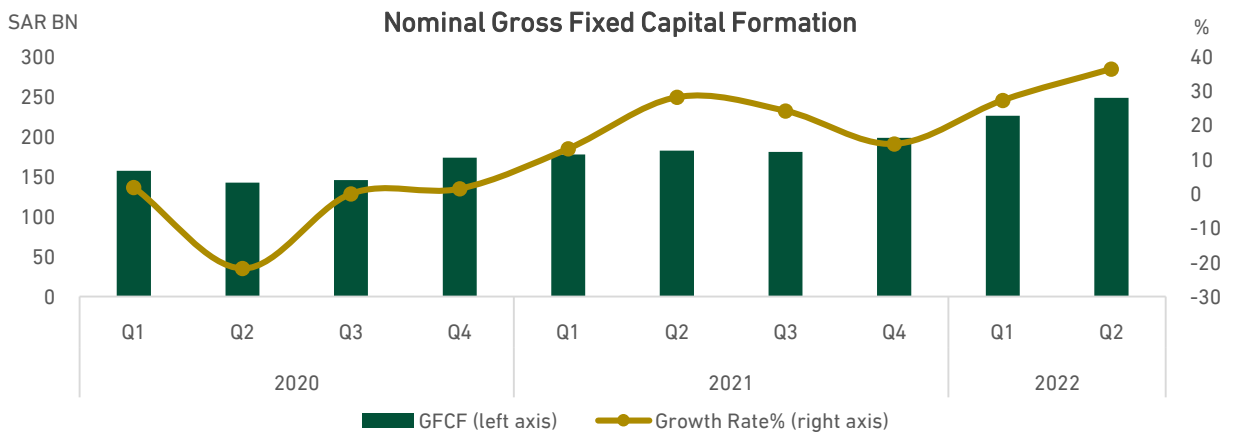


## Third: Enabling Investment and Enhancing the Attractiveness of Its Environment in The Kingdom

### I: Investment in Saudi Arabia

#### 1. Gross Fixed Capital Formation (GFCF)

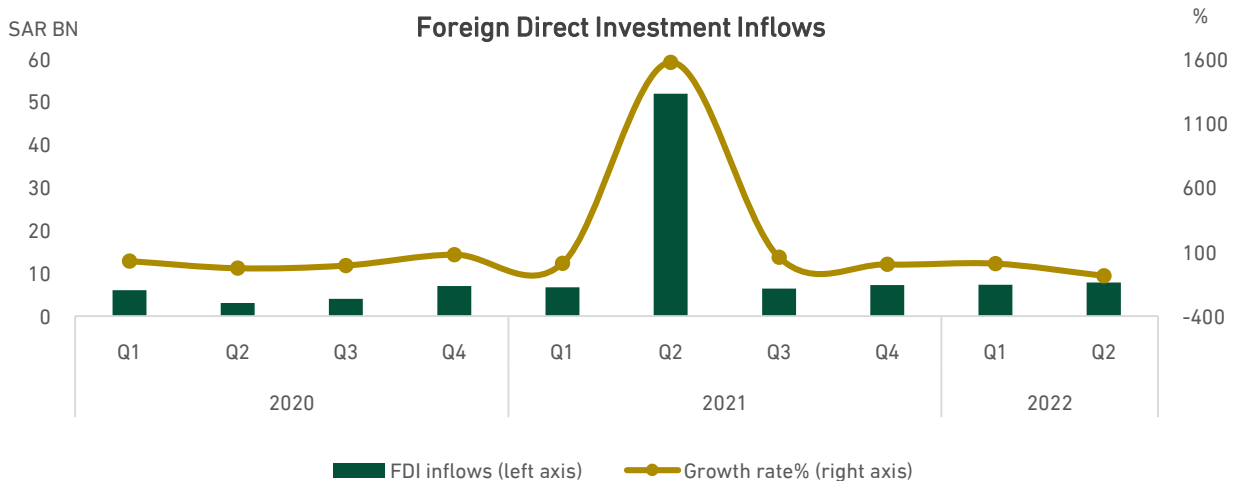
The nominal GFCF recorded SAR 248 billion in Q2 2022, on an annual basis, an increase of 36.2%, driven by the increase in fixed capital formation of the government sector by 75.6% (14.0% of the GFCF) and the growth in fixed capital formation for the private sector by 31.4% (86.0% of the GFCF). This was due to the efforts made to promote the role of the private sector in Saudi's economic development. The gross fixed capital formation (as % of nominal GDP) decreased to 23.6% in Q2 2022, compared to 24.7% in the same quarter last year.



Source: GASTAT

#### 2. Foreign Direct Investment (FDI)

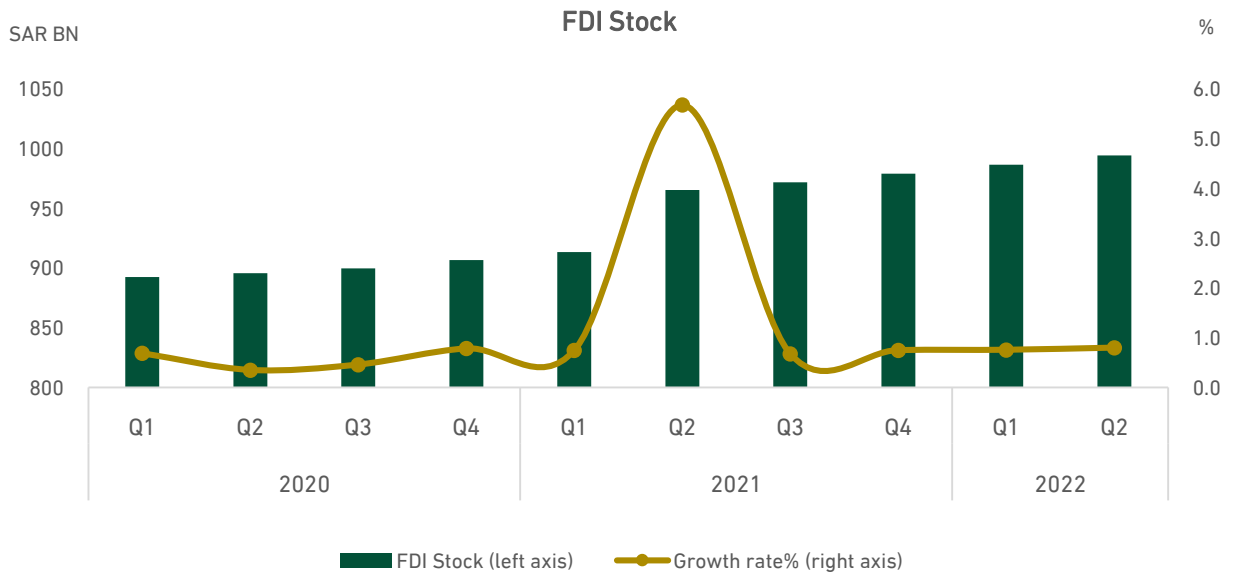
The FDI inflows into Saudi Arabia decreased by 84.9%, or SAR 7.9 billion in Q2 2022, compared to SAR 51.9 billion in the same quarter last year, which was attributed to the Aramco's deal of SAR 46.5 billion in Q2 2021. By excluding the Aramco's deal, the FDI inflows into Saudi Arabia recorded an increase of 46.5% in Q2 2022, on an annual basis. While inflows increased by 6.6% compared to the previous quarter.



Source: SAMA

### 3. FDI Stock

Saudi Arabia's FDI stock recorded a growth of 0.8% in Q2 2022, on a quarterly basis, reaching SAR 994 billion, a consequence of the recent policies pursued by the Kingdom towards attracting and supporting investments from different countries through various facilities and incentives, which raised the confidence of foreign investor in the Kingdom's investment environment.



Source: SAMA

### 4 Closed Deals in Q3 2022

The investment data released by MISA indicate a closing of 53 deals, an increase of 178.9% in Q3 2022, compared to 19 deals in the same quarter last year. Up to Q3 2022, the investment data indicate a total number of 203 closed deals, a rise of 133.3%, compared to 87 deals in the same period last year.

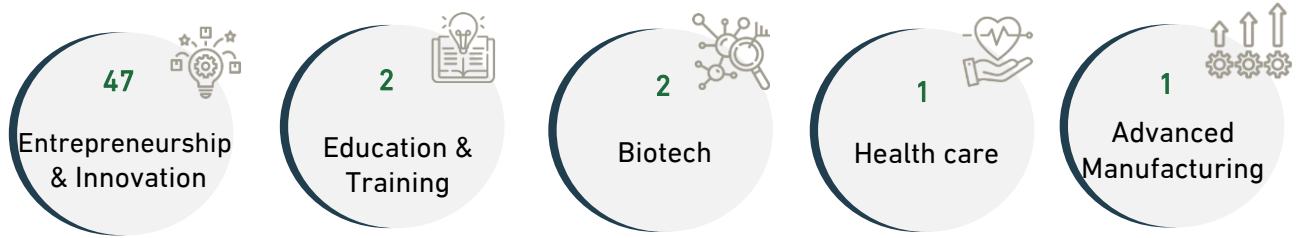
Considering investor types, there was an increase in both the number and turnout of new investors to invest in Saudi Arabia.

Looking at sectors, the distribution of deals showed that entrepreneurship and innovation sector attracted the most attention from investors, with 47 out of 53 deals closed in Q3 2022. The rest of the sectors had the same relative number of deals.

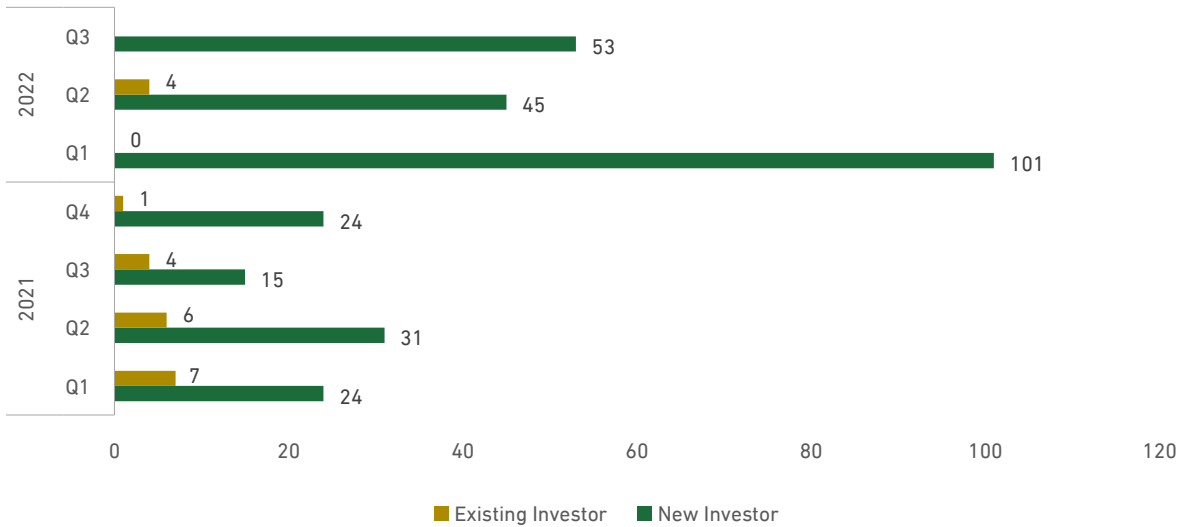
With regards to the distribution of deals by country, the United Arab of Emirates had the highest number of closed deals in Q3 2022, with 10 deals, followed by the Cayman Islands with 4 deals, then the British Virgin Islands and the United States with 3 deals each.

Source: MISA

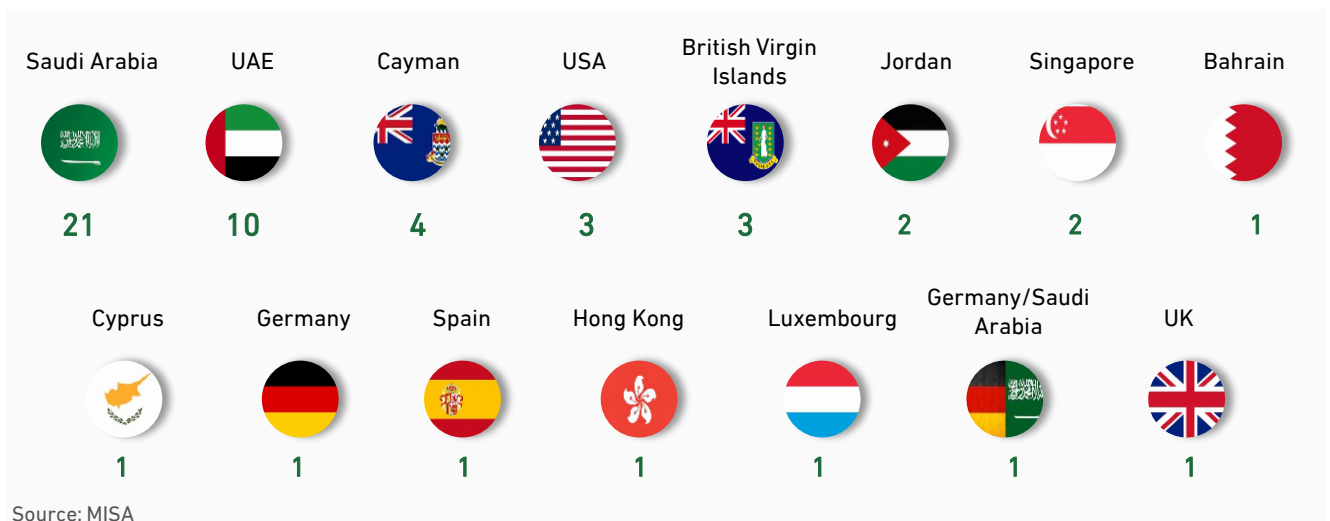
### Distribution of Deals by Sector in Q3 2022



### Number of Investors in Deals by Type of Investor in Q3 2022



### Distribution of Deals by Country in Q3 2022 (Number of deals)

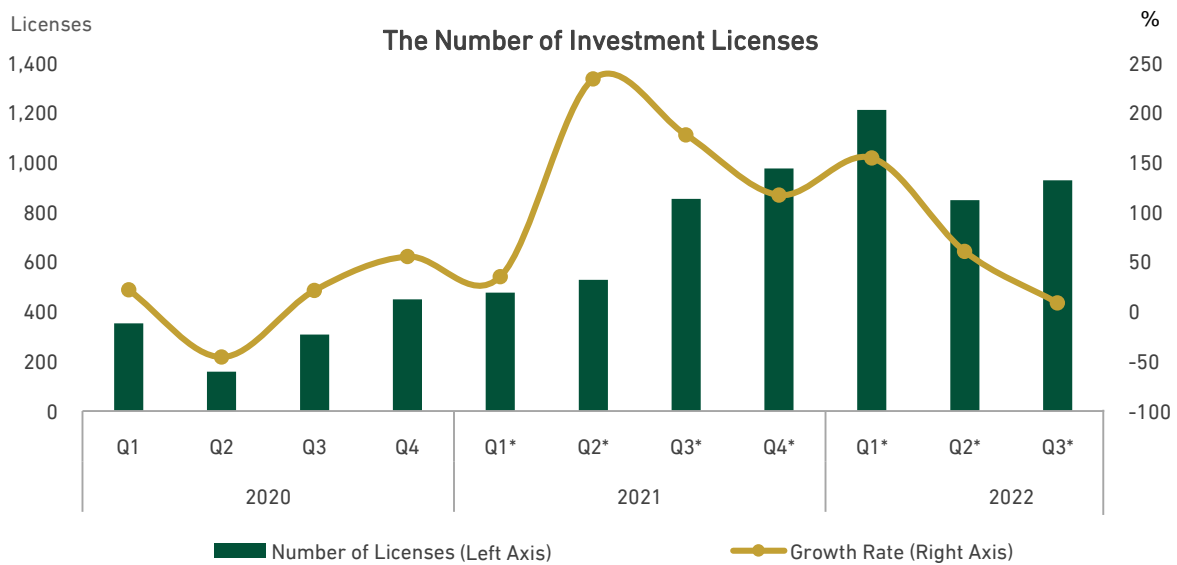


Source: MISA

## 5. Investment Licenses in Q3 2022

According to MISA data, the number of new investment licenses recorded a growth by 8.8%, or 928 licenses in Q3 2022, compared to 853 licenses in the same quarter last year (excluding the licenses issued as part of the anti-concealment law enforcement). The total number of new investment licenses, including the licenses issued as part of the anti-concealment law enforcement, reached 1,163 licenses compared to 1,336 licenses in the same quarter last year.

Up until the third quarter of 2022, the number of investment licenses increased by 527.4%, or 15,000 licenses, compared to the same period last year.



Source: MISA

\* Figures does not include investment licenses issued as part of the anti-concealment law enforcement

A high number of licenses were issued for construction, wholesale & retail, manufacturing, professional, scientific & technical services, ICT, and accommodation & food services. The investment licenses issued for these activities constitute 81.7% of the total investment licenses issued in Q3 2022. The licenses for construction recorded an increase of 19.4%, or 234 licenses compared to the same period last year (20.1% of the total licenses in Q3 2022).

## 5. Investment Licenses in Q3 2022

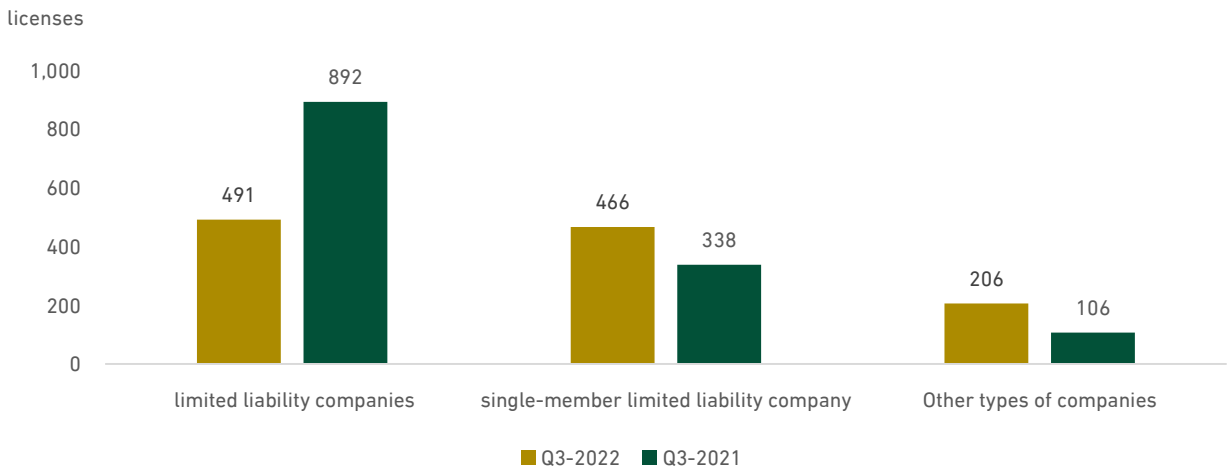
The following activities recorded the highest growth rates of new investment licenses issued in Q3 2022, compared to the same quarter last year: the real estate by 500%, mining & quarrying, and agriculture, forestry & fishing by 250%, education by 140%, and water supply by 100%.

Activity	2021 Q3	2022 Q3
Construction	196	234
Wholesale & retail trade	578	233
Manufacturing	209	186
Professional, scientific & technical activities	71	113
Information and communication	56	95
Accommodation & food service	118	89
Administrative and support services	21	36
Transportation and storage	25	34
Real estate activities	5	30
Water supply, sewerage activities and waste management	10	20
Health and social activities	11	18
Agriculture, forestry and fishing	4	14
Financial and insurance activities	8	13
Arts, entertainment and recreation	9	13
Education	5	12
Other services	7	11
Mining and quarrying	2	7
Electricity, gas, steam and air conditioning	1	5
<b>Total</b>	<b>1,336</b>	<b>1,163</b>

Source: MISA

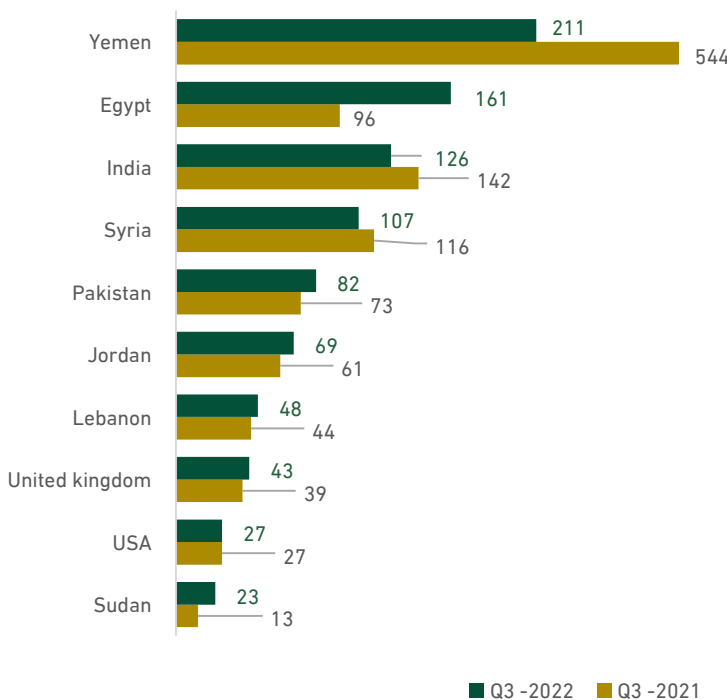
Considering the legal status of the companies granted investment licenses, the licenses issued for limited liability companies (LLC) amounted to 491 licenses of the total new licenses in Q3 2022. The single-member limited liability company (SMLLC) recorded 466 licenses of the total new licenses. The rest of licenses were distributed between other types of companies, 206 of the total new licenses for the same quarter.

Number of Licenses by Legal Status of Company



With regards to the distribution of licenses by country (a share was calculated for each country participating in the ownership of the capital), Yemen had the highest number of investment licenses issued by MISA in Q3 2022, with 211 licenses, followed by Egypt with 161 licenses, India with 126 licenses, Syria with 107 licenses and Pakistan with 82 licenses.

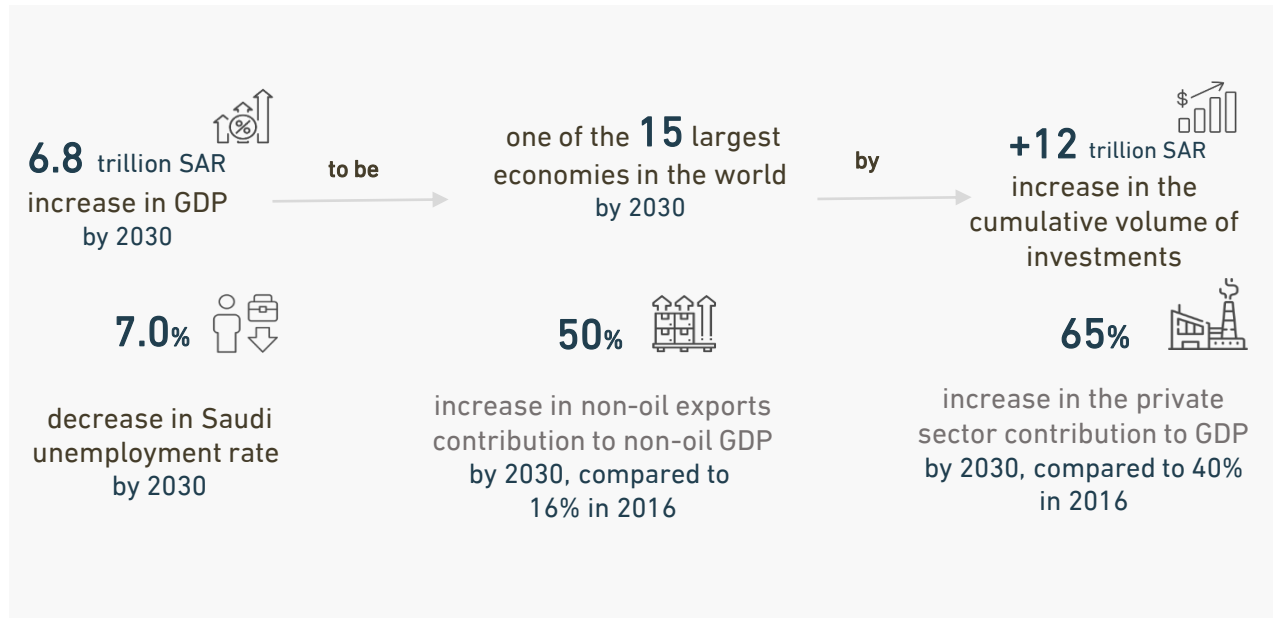
Licenses by Top 10 Countries



Source: MISA

## II: The Performance of Saudi Arabia in Investment Indicators

The National Investment Strategy (NIS) is one of the enablers to achieve the targets of Saudi Vision 2030, through:

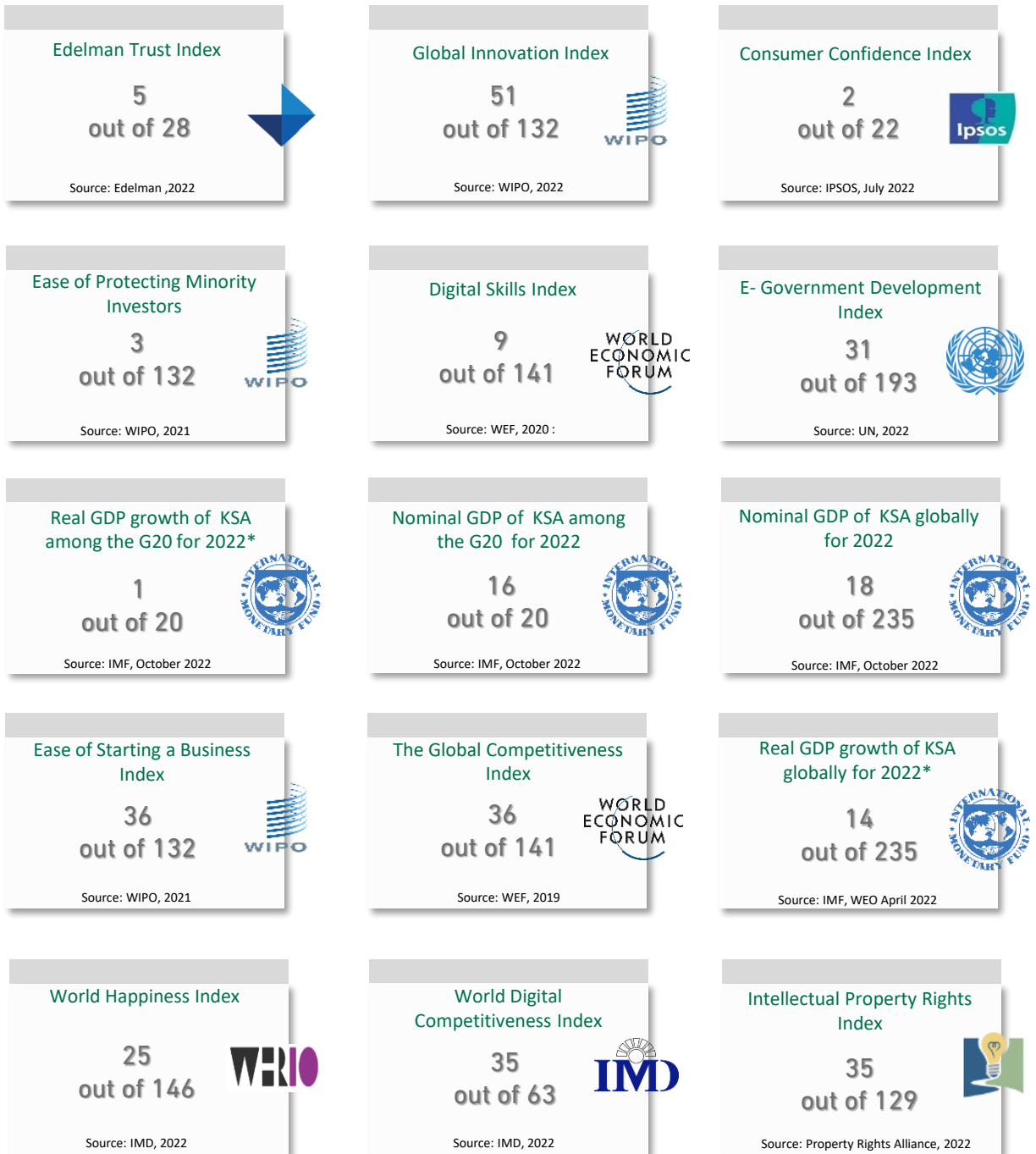


### National Investment Strategy (NIS) Investment Goals by 2030



### III: Saudi Arabia's Performance in Global Indicators

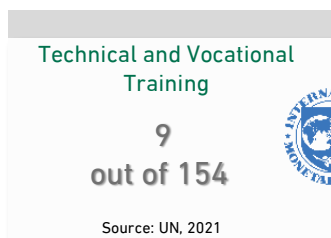
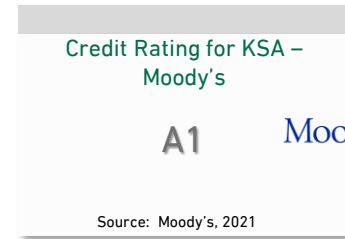
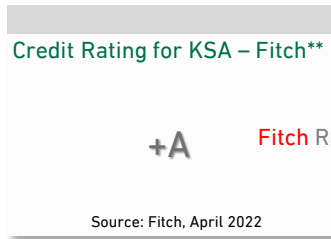
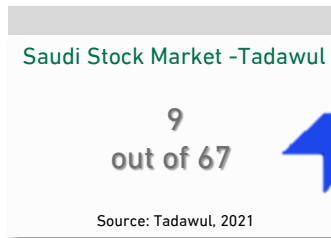
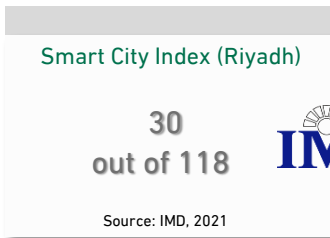
A review of Saudi Arabia ranking in several global indicators, which reflect the Kingdom's economic and investment performance, the most important of which are:



\*IMF estimates



### III: Saudi Arabia's Performance in Global Indicators



\*IMF estimates

## IV: Efforts to Support Investment Environment in Saudi Arabia

### Strategic and Operational Achievements

- Key operational achievements of MISA

E-services provided to investors witnessed an increase of 74.2% in Q3 2022, a total of 54,000 services compared to 31,000 in the same quarter last year.



- MISA Events in Q3 2022

MISA, in cooperation with other government entities, had a pivotal role in promoting investment and attracting investors through organizing and participating in numerous events, more than 19 events in Q3 2022 in various areas including: aerospace & defense, transport & logistics, renewable energy, infrastructure, tourism & hospitality, agriculture, healthcare, manufacturing, and iron & steel, in addition to investment forums between Saudi Arabia and several countries.

MISA, also, hosted specialized global events that witnessed an international presence. The Ministry also participated in global events aiming to attract foreign investment into Saudi Arabia, strengthen bilateral relations with major trading partners, and contribute in generating long-term resources for a number of dynamic sectors in a rapidly diversifying global economy.

Additionally, MISA hosted a number of important bilateral summits in Riyadh and Jeddah with trading partners from the Middle East, North Africa, North America, China and Central Asia, as well as attending major international events that involved signing of several important investment deals, in Washington, New York, London, Athens, Italy and Latin America. The Ministry also held events focusing on particular sectors to promoting investment in the iron & steel, hospitality, defense, and ICT in the Kingdom.

### The US President's visit to Saudi Arabia

**Area of focus: Bilateral relations, trade and investment between the Kingdom and the US**

Date: July 15, 2022

Place: Jeddah – Saudi Arabia

On the sidelines of the US President's official visit, MISA oversaw the signing of 13 investment agreements with American companies in several sectors, including: energy, aerospace & defense, healthcare, tourism, textiles, education, and manufacturing, to further cement trade ties between the two countries.

### Saudi-Kazakhstan Investment Meeting 2022

**Area of focus: Bilateral trade and investment relations**

Date: July 24, 2022

Place: Jeddah – Saudi Arabia

HRH Prince Mohammed bin Salman, Crown Prince and Prime Minister, received in Jeddah Kazakh President Kassym-Jomart Tokayev, and held a session of official talks attended by officials from both sides, during which they reviewed the existing Saudi investments in Kazakhstan in the sectors of education, health, culture and infrastructure, in addition to exploring bilateral trade interests in iron and steel production, food and agriculture, raw metals, and machinery. During the Kazakh President visit, 13 cooperation agreements were signed.

### Saudi-Greek Business Meeting

**Area of focus: Bilateral trade and investment relations**

Date: July 26, 2022

Place: Athens, Greece

During the Saudi-Greek Business Council in Athens, meetings were held between officials from Saudi Arabia and their counterparts in Greece to discuss areas of economic and investment cooperation between the two countries, focusing on the development of the telecommunications, transport, logistics and energy sectors. These meetings resulted in signing 21 investment agreements and MoUs, overseen by MISA with total value of \$3.7 billion, of which the agreement to build submarine cable that will contribute to strengthening the Kingdom's position as a regional digital hub center, and the signing of two MoUs between Bahri and Greek maritime logistics companies.

### Celebrating the graduation of first group of students from "Apple Developer Academy"

**Area of focus: ICT and education**

Date: August 8, 2022

Place: Riyadh – Saudi Arabia

HE Eng. Khaled Al-Falih, the Minister of Investment and HE Eng. Abdullah Al-Sawaha, the Minister of Communications and Information Technology, attended the graduation ceremony of 103 female students, the first batch of the Apple Women's Developer Academy in Riyadh, the first academic institution of its kind in the Middle East and North Africa region. It was opened in 2021, in partnership with the Saudi Federation for Cyber Security, aiming to localize ICT and innovation skills.

### **the Saudi-Uzbek Business Roundtable**

#### **Area of focus: Bilateral trade and investment relations**

Date: August 18, 2022

Place: Jeddah – Saudi Arabia

HRH Prince Mohammed bin Salman, Crown Prince and Prime Minister, received in Jeddah His Excellency Shavkat Mirziyoyev, President of the Republic of Uzbekistan and held a session of official talks to discuss areas of bilateral cooperation between the two countries, resulted in signing 14 agreement under the umbrella of the Saudi-Uzbek Business Council.

### **The 2<sup>nd</sup> Saudi International Iron & Steel Conference 2022**

#### **Area of focus: Heavy Industry**

Date: September 12-14, 2022

Place: Riyadh – Saudi Arabia

The Conference, which was organized by the National Committee for Steel Industry, discussed a wide range of topics in the field of iron and steel industry such as: the adoption of decarbonization and energy transition, post COVID-19 outlook and oil price rebound for GCC iron and steel industry, the evolution of flat steel consumption and investments in the Middle East, MENA's new role as steel exporter, and the promising opportunities the Saudi's booming mining sector.

### **The UN General Assembly (UNGA)**

#### **Area of focus: International trade and global investment**

Date: September 20-26, 2022

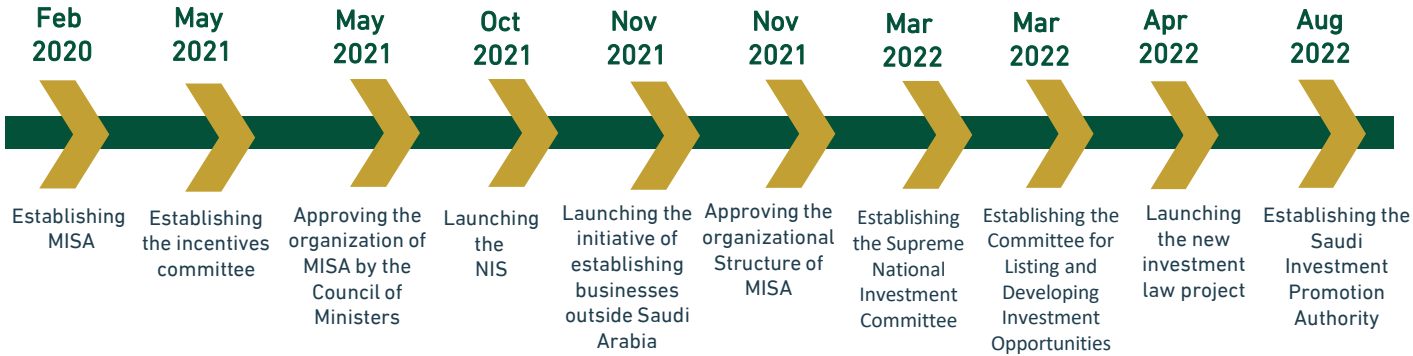
Place: New York – United States

On the sidelines of the United Nations General Assembly in New York, HE Eng. Khalid Al-Falih, the Minister of Investment and his accompanying delegation met with representatives of the World Economic Forum, representatives of the Atlantic Council, and a number of US business leaders, where they discussed the Kingdom's role in the global economy, and explored various areas of investment opportunities.

## V: Key Legislation Related to Investment

MISA concentrates its efforts on providing a safe and competitive investment environment, as well as developing investment laws and procedures with its partners from government entities, to complement the legislative and regulatory structure.

### ▪ The highlights of MISA's journey



#### • New investment law

The law aims to improve the investment environment in Saudi Arabia, enhance its competitiveness, keep pace with international best practices, promote equal treatment of local and foreign investors, increase investor confidence, establish a regulatory framework that balances investors' rights and obligations in accordance with international best practices, enhance protection for all investments, as required by the relevant regulations in the Kingdom and the international conventions that it is party to, providing investment incentives and ensuring their full transparency, promoting the use of alternative means of dispute resolution.

#### ▪ Bylaws of Saudi Aramco

The Saudi Arabian Oil Company shall become a Saudi joint stock company and shall continue to have a juristic and an independent financial responsibility where it shall be solely liable for its previous and current obligations, and shall continue to conduct its activities on a commercial basis and for the purpose of obtaining profit as is done by commercial companies. The law includes the institution's name, duration and headquarters, the founder's role, the board's powers and the mechanism for making its decisions.

- **Implementing regulations for the judicial costs system**

The aim of this system is to reduce malicious and fictitious lawsuits, promote alternative means of dispute resolution and enable preventive justice and notarial contracts, as well as contributing to raising the efficiency of the justice ecosystem.

- **Organizing the premium residency center (PRC)**

The aim of the center is to contribute to empowering the Kingdom's national economy by developing competitive products, services and businesses for premium residency, attracting.

- **Companies' law**

The aim of the law is to provide a regulatory environment that incubates and stimulates investment, enhances the value of companies, develops their activities and contributes to serving the national economy. It also facilitates procedures and regulatory requirements, especially in small and medium enterprises.

- **Mining investment law**

The law aim is to enhance the sector's transparency, increase investment, achieve sector sustainability. The law contains several articles, including an article on penalties for violators who work without licenses to exploit the deposits for the purpose of selling or to excavate for minerals.

- **Real estate registration law**

The law aims to increase the reliability of ownership, promote the information accuracy of the real estate, and preserve the rights of dealers in the sector, to achieve the goals of Saudi Vision 2030 programs in digital transformation, the real estate wealth development, and the attractiveness of investment in the real estate sector.

- **Approving the communications and information technology law**

The law seeks to achieve the concept of comprehensive development, which expresses the importance of community involvement in the digital revolution, and enabling individuals, governments and companies to benefit fully from using information and communication technology.

- **The amendments on the executive regulations of the health institutions law**

Aims to regulate the licensing provisions for health and private institutions, the provisions for the management of hospitals, dispensaries, private and group clinics, the management of medical laboratories, the management of auxiliary medical service centers, as well as the provisions of penalties and final provisions.

- **The executive regulation for regulating foreign law firms' licensing**

Aims to further develop the legal profession, raise the efficiency of its practitioners, and enhance the business and investment environment in the Kingdom. It includes a number of terms and conditions for regulating licensing and its procedures, and specifying the obligations of foreign law firms, in addition to defining the professional scope of practice.

- **New rules of custom land ports storage charges**

These rules represent the procedures of levying storage charges for goods received through land ports or goods in transit. Also, these rules intend to clarify the calculation method of such charges. They include the tariffs, the scope of the rules, goods storage charges, the calculation time and cases in which these charges are not applicable.

- **The amended executive regulation of real estate transaction tax**

The aim of the regulation is to clarify the real estate transaction tax, which is 5% of the total value of the property to be sold or transferred, the scope of exemption in whole or in part, the due date of payment, the collection of real estate transaction tax, the purposes of verifying the accuracy of tax calculation, tax refund cases, and violations and penalties.

- **Executive Regulation for Meteorology Law**

The law aims to clarify some of the matters referred to by Meteorology Law, define the scope of the National Center for Meteorology, meteorological services, and service providers in the territory of the Kingdom, permits and licenses, in addition to controlling violations and imposing penalties.

- **Tourism law 2022**

This new law replaced the tourism law that came into effect in 2014. It is the latest innovative law in the Kingdom in the tourism sector, with the aim of developing investment, attracting tourism investors and promoting creativity and innovation in this field, to elevate the performance of tourism-related investment and make the Kingdom one of the world's most attractive tourism destinations.

## VI: Saudi Initiatives to Support Investment

### ▪ Biban Forum

The launch of the Biban Forum, which is held in several cities around the Kingdom, is dedicated to creating a suitable environment for SMEs by providing the necessary information for establishing emerging businesses and ensuring its growth. This is highlighted by +417,000 visitors, +11,000 counseling sessions, +895 sponsors and service providers, and +1,800 workshops.

### ▪ Senaie Platform

Senaie platform is a unified platform for service providers and a gateway to empowering investors. The platform offers unique privileges throughout the investment process while ensuring continuous communication and periodic follow-up of projects. Senaie also allows potential investors to stay up-to-date with new investment opportunities that may peak their interest. The services offered include: requesting industrial license, employment support, customs exemption and chemical clearance.

### ▪ Commercial Franchise E-platform

The Kingdom launched the Commercial Franchise E-platform, which contributes to the support and development of the SMEs sector in the Kingdom and contributes to the prosperity and sustainability of the industry by creating new horizons for investors and entrepreneurs to develop and expand their businesses.

### ▪ Thakaa Library

The Kingdom launched the “Thakaa” Library, an e-library that provides workshops, manuals, and other resources for various types of entrepreneurs and owners of SMEs in the related sectors. This contributed to supporting and motivating those interested and those who have shown initiative in the field of entrepreneurship to raise the efficiency of enterprises.

### ▪ Saudi Investment Promotion Authority (SIPA)

The Kingdom established the Saudi Investment Promotion Authority enable an integrated approach to investment between government entities while enhancing all activities and services related to investment promotion, and represent the Kingdom as an attractive destination for investment in all sectors.

### ▪ MVPLab Initiative

The National Information Technology Development Program launched the MVPLab initiative to support and enable innovative technology entrepreneurs to develop their projects, accelerate growth and launch technology business models





# 04

## INVESTMENT OVERVIEW OF PROMISING REGIONS, SECTORS AND PROJECTS IN THE KINGDOM "THE EASTERN PROVINCE"

## Fourth: Investment overview of promising regions, sectors and projects in the kingdom

### The Eastern Province

#### I: Overview

The Eastern Province is Saudi Arabia's largest region in terms of landmass - the area spans 26.0% of the Kingdom. The Eastern Province has a strong local economy due to the region's oil, natural gas, and petrochemical industries, being the home to the Ghawar field, the largest oil field in the world in terms of conventional proved reserves, totaling 58.3 billion barrels of oil equivalent as of December 31, 2018.

With regard to logistics, the Eastern Province has four main ports with a capacity of approximately 250 million tons such as, King Abdulaziz Port in Dammam and Ras Al-Khair Port, in addition to 3 airports (one international and two local), and railways that connect the region to the Central Region. It, also, has a strategic location connecting all GCC countries by road.

In addition, the Eastern Province is the home of the largest oasis in the world, located in Al-Ahsa and is recognized as a UNESCO World Heritage Site and classified by the Guinness Book of Records as the largest self-contained oasis in the world. Al-Ahsa features natural springs, and many other natural resources that make it a leading tourist destination in the Kingdom, as well as the booming agricultural activity, in particular the cultivation of dates and rice, as it has more than 3 million palm trees.

Given the historical status of the region, the location gave it a strategic importance in previous civilizations, served as a thriving commercial hub and gateway to all GCC countries.



## II: The Eastern Province in Numbers

Most of **employment** in the Eastern Province is in services occupations, and basic engineering professions, **39%** and **22%** of the total employment, respectively, reaching **718,000**, and **393,000** workers at the end of Q2 2022.

**53.9%**

The Eastern Province is the second highest labor force participation rate in Q2 2022, with: **35.2%** female labor force participation rate at **71.2%** male labor force participation rate at

**192,000**

In 2019, **the existing commercial registers** in the region recorded **16%** of the total existing commercial registers in the Kingdom.

**7.6%**

**Unemployment rate** of the Saudi population in the Eastern Province, making it **the second lowest region** in the unemployment rate in Q2 2022.

**The establishment** in the Eastern region accounted for **13%** of the total establishment in the Kingdom, with more than **113,000 establishments** in Q2 2022.

The region has **4 desalination** plants in Jubail, Khobar, Ras al-Khair and Khafji, which produced **about 55%** of the desalinated water in the Kingdom in 2019.

The **real estate price index** recorded **81.6** in Q2 2022, a growth rate of **0.8%** on an annual basis.

**Eastern Province** constitutes about **15%** of the Kingdom's population, **with 5.1 million** people in 2019.

**The Eastern Province\* has:**

<b>7</b> Industrial cities	<b>3</b> Airports
<b>949</b> Producing Factories	<b>108</b> Hotels

**Eastern Province** has an area of **778,500 km<sup>2</sup>**, or **26%** of the total land area of Saudi Arabia.

The Eastern Province enjoys many competitive advantages that make it the focus of attention of local and foreign investors, including:



Large reserves of petroleum and gas



Excellent transport and logistics infrastructure



The strategic geographical location



The heritage and natural wealth, such as: Al-Ahsa Oasis, which is included in the UNESCO World Heritage List

## II: The Eastern Province in Numbers

The Eastern Province is the home of oil industry, which contributed to enhancing the Kingdom's construction and development journey since 1933. It is worth noting that most of the efforts in developing the region are due to the contributions of Aramco, the most prominent of which are:



- 1933 ● Discovering a vast wealth of crude oil, signing the concession agreement
- 1934 ● Recruiting the first group of Saudi manpower to build an export port for crude oil by sea, as well as providing more educational opportunities to Saudis in 1940
- 1941 ● Boosting agricultural activity through land surveying and drilling well to provide water sources to farmers
- 1946 ● Developing local supply chains through the provision of technical and financial assistance to Saudi entrepreneurs
- 1949-1950 ● Investing in on-the-job technical and administrative training, in addition to offering scholarships to qualify leaders
- 1960-1963 ● Establishing schools for girls in the Eastern Province, and building King Fahd University of Petroleum and Minerals.
- 1970 ● Supplying electricity to remote areas of the Kingdom through a unified power grid
- 1980 ● Saudi Aramco become 100% owned by the Government of the Kingdom of Saudi Arabia
- 1990-1991 ● Protecting the ecosystem by responding quickly to oil spills in seawater as a result of the Gulf War, in addition to halved the lead content of produced gasoline, and ceased production of leaded gasoline by the end of 2001
- 2012 ● Initiation of CO2 enhanced oil recovery demonstration project with capture capacity of 800,000 tons per annum
- 2014 ● The Kingdom became a founding member in the Oil and Gas Climate Initiative
- 2015 ● Launching the Kingdom Total Value Add (iktva) program
- 2017 ● Installing the first turbine to generate electricity from wind energy in the Kingdom.
- 2018 ● Opening of the King Abdulaziz Center for World Culture "Ithra"
- 2019 ● Inauguration of Saudi Arabia's first hydrogen fueling station, and listing of Saudi Aramco in the Saudi stock exchange market (Tadawul)
- 2020 ● The world's first shipment of blue ammonia to Japan
- 2021 ● Inauguration of the development work in the Jafurah unconventional gas field, and launching a program to support national development

Source: Aramco

### III: Investment in the Eastern Province

#### 1. Investment Licenses

According to MISA's data in Q3 2022, a high number of investment licenses were issued for manufacturing and construction, which recorded 21% each of the total licenses in Q3 2022, followed by wholesale & retail by 14% of the total licenses.

Investment Licenses in the Eastern Province by sectors in Q3 2022



MISA provides various investment opportunities in the Eastern Province, particularly in a number of strategic sectors, including:

Agriculture	Tourism	Mining	Logistics	machines & Industrial equipment	Petroleum products manufacturing	chemical products Manufacturing



Do you think to invest in Saudi  
For more information please visit [Invest Saudi](#)

Source: MISA, Invest Saudi

## 2. Key Projects in the Eastern Province

### THE RIG project

Is the first tourist destination of its kind in the world on offshore platforms. The project will be built on platforms that inspired by offshore oil platforms, spanning over a total area of more than 150,000 m<sup>2</sup>, it is expected to attract many tourists from around the world.



### King Salman Energy City (SPARK)

Provides world-class infrastructure to international investors in oil and gas, refining and petrochemical industries, and the energy and water production and treatment industries.

### New Railway Project

The new Project will connect Jubail industrial City with Jubail Commercial Port and King Fahad Industrial Port in Jubail, as well as King Abdulaziz Port in Dammam and other locations on SAR's network which will develop shipping and unloading services. It will facilitate and secure the transportation of 6 million tons of liquid and solid materials from King Fahad Industrial Port in Jubail, and more than 450,000 containers across railways annually through railways, in addition to reducing around 200,000 truck annually on the highway network of the Eastern Province, as it will also contribute to eliminating 70% of carbon emissions caused by trucks.



### Mangrove Forest Reserve:

The park is the first facility in the Kingdom dedicated to the preservation of mangrove forests, which provide critical buffer zones between land and sea as well as breeding and nursery grounds for various marine life, spanning over a total area of 63 square kilometers, Mangrove Eco-park protects one of the last naturally occurring mangrove forests in the Eastern Province and features the longest mangrove boardwalk in the Kingdom. The Mangrove Eco-Park is visited by over 100 species of birds annually, such as the whimbrel and curlew birds that migrate from as far as Siberia in Russia.

## 2. Key Projects in the Eastern Province

### The King Abdulaziz Center for World Culture (Ithra)

Ithra was built by Saudi Aramco, which is located in Dhahran, Eastern Province. It is considered a multi-dimensional cultural destination, as it offers interactive workshops, shows and events aimed at enriching the intellectual of the society of all ages, based on five pivots: arts, knowledge, creativity, culture, and society. The center incorporates several departments, including: a museum, cinemas, theatre, in addition to a modern library with a unique design, and an energy exhibition that shows the world of energy and the opportunities and challenges facing the community.



### A l-Ahsa Oasis:

Al-Ahsa is a typical example of a lush desert oasis, the first city included in the UNESCO list, and the Guinness Book of Records declared Al-Ahsa the largest self-contained oasis in the world, dating back to some 6,000 years, which has long been the gateway for travelers from the East to the Arabian Peninsula.

### Sultan bin Abdulaziz Science & Technology Center (Scitech)

Scitech is one of the Prince Sultan bin Abdulaziz Al Saud Foundation's projects, established in 2000, similar to the latest scientific centers in the world to serve the students, researchers and all segments of the society in the fields of science and technology.

The center has more than 350 scientific exhibits, in addition to, the scientific dome, the astronomical observatory, the educational unit, the conference hall, and the temporary exhibition hall.





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