

IN THIS EDITION ...

The Saudi Tadawul index crossed 12,000 points in January – yet another indicator that investors and businesses see incredible potential in the country's non-oil economy.

The kingdom's corporate sector, of course, is in the midst of rapid growth, as a number of Saudi Vision 2030 opportunities beckon. The National Investment Strategy, Shareek Program Privatization Program, and the National Industrial Development and Logistics Program, among others which have been unveiled in recent years are designed to accelerate economic growth and deepen the country's capabilities across a number of sectors.

These projects are expected to raise investment levels and boost economic activity in the country. For example, the National Transport and Logistics Strategy (NTLS), launched in June 2021, aims to generate USD 12 billion of annual non-oil revenue in the sector ahead of 2030. All told, total spending in the kingdom will reach SAR 27 trillion by 2030, including investments of the [Public Investment Fund](#).

Indeed, foreign direct investment inflows witnessed a surge in the second quarter of 2021 (the latest available data), reaching the highest figure since late 2010, according to the [Ministry of Investment](#) (MISA). The total amount of FDI inflows during the period reached USD 13.8 billion, compared to an inflow of USD 1.8 billion in the previous quarter.

Licenses issued for new foreign investment projects reached 575 in the second quarter, setting a new high for the third consecutive quarter, [MISA](#) noted.

The listing of new companies in the Tadawul over the past year also highlighted the attractiveness of the kingdom's capital markets. The market saw nine listings on the main exchange and three in the Nomu-parallel market.

The government is also looking beyond conventional sectors to boost investment and open up new avenues of growth.

This includes NAFES, an online licensing platform launched by the [Ministry of Sport](#) to encourage global investors to participate in one of the world's fastest growing sports markets.

"Allowing global investors to take full foreign ownership of clubs, academies and centres across 27 of its most popular sports, NAFES is expected to boost competition among athletes," according to [MISA](#).

This year promises to bring more economic activity in diverse sectors, which is actually the roadmap for Vision 2030.



ECONOMIC TRENDS

The kingdom is witnessing economic growth buoyed by several macro factors, including higher female labour force participation.

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SAUDI OUTLOOK

2022 looks very promising for the kingdom as indicators signal strong fiscal rebound and rising consumer confidence.

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OIL AND GAS

Natural gas deposits at Jafurah Basin promise to be an industry game-changer, capable of meeting the petrochemical sectors' growing demand.

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MINING

Authorities are prioritising the industry's development as demand for "green" metals surge worldwide.

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GLOBAL ECONOMY

Omicron and high inflation cast a shadow over the world's economic outlook, but regional countries are flexing their economic muscles.

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MANUFACTURING

Foreign investment inflows into the sector have been relatively buoyant, as authorities step up efforts to enhance private sector partnerships.

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SAUDI'S PACE OF ECONOMIC RECOVERY PICKS UP



The outlook for Saudi Arabia's economy looks strong amid favourable fiscal tailwinds, strong commodity prices, and a flurry of Vision 2030-related activity that are under way.

This was evident in the latest reading for the economy. Gross domestic product in the third quarter of 2021 rose by 7% in real terms compared to the same quarter of 2020.

Compared to the second quarter of 2021, real GDP growth had climbed 5.7% in the third quarter, according to the latest estimate by the [General Authority for Statistics](#) (GaStat).

Economic growth was mainly driven by oil activities, which increased by 9.3% year on year (12.7% quarter on quarter). Non-oil activities grew by 6.3% (yoy) and 2.6% (qoq), government activities by 2.7% (yoy) and 1.1% (qoq).

"Domestic demand developed very strongly in Q3/2021 with private final consumption growing by 9.7% (yoy; 2.8% qoq) and gross fixed capital formation growing by 13.5% (yoy; 3.6% qoq)," according to GaStat.

"External demand was also an important growth factor in Q3/2021 with exports growing by 14.2% (yoy; 7.3% qoq). Imports grew by 8.3% (yoy), but declined by 2.8% compared to the previous quarter. Government final consumption expenditure decreased by 1.1% on an annual basis, but expanded by 0.8% compared to the previous quarter."

RECOVERY ON TRACK

The growth was broad-based, highlighting the breadth of economic recovery underway.

Petroleum refining was the best performer during the third quarter of 2021 compared to the same period a year before, rising 19.2%.

Finance, insurance and business services was up 13.4%, wholesale and retail trade, restaurants and hotels expanded 10.8%, while crude petroleum and natural gas rounded up the five best performing sectors with an 8.5% rebound during the period.

The non-oil sector contributed 48.4% to economic growth in terms of gross value added at current prices, while oil activities accounted for 32.9%, and government activities' share was 18.7%.

On the level of economic activities and their contribution to GDP, crude petroleum and natural gas activities represented 26.6% of the share, followed by government services activities at 17.4%, and wholesale and retail trade, restaurants and hotels activities contributing 9.3%, GSTAT data shows.

LABOUR MARKET IMPROVEMENT

In tandem with economic growth, the labour market has also shown remarkable improvement. The unemployment rate of the kingdom's working age population reached 6.6% in the third quarter of 2021, 1.9 percentage points lower than the same period last year, according to [GaStat](#).

Encouragingly, Saudi women's labour force participation rate rose to 34.1% in the third quarter, up 1.7 percentage points compared to the same period in 2020, and the unemployment rate edged down 0.4 percentage points to 21.9%.

Among Saudi men, the participation rate was 65%, down 0.7 pp, and the unemployment rate edged down 0.2 pp to 5.9% in Q3/2021 versus the previous quarter.

Indeed, the third quarter of 2021 saw marked differences in principal labour market indicators among males and females (15 years and over).

"Female participation rate was 35.9%, up 2.1 pp from Q2/2021. Concurrent with more females entering the labour force, the female employment-to-population ratio increased to 29.7%, up 1.7 pp from the Q2/2021, while the female unemployment rate remained unchanged at 17.1% in Q3/2021," GaStat noted.

However, the male participation rate was 78.3% in the third quarter, down slightly by 0.9 pp from the previous quarter, while the unemployment rate was 3.3%, down slightly by 0.2 pp from the previous quarter.

ECONOMIC SENTIMENT

Despite rapid improvements in the global economy, thanks to higher vaccination rates, the latest Omicron variant has dampened sentiment across the world.

In Saudi Arabia, non-oil firms were wary of the new wave, sending the latest purchasing manager index lower, according to [IHS Markit](#).

"The signalled rise in new business was sharp, but nevertheless much softer than those seen in recent months. Several panellists suggested that concerns about the spread of the new Omicron variant had impacted customer spending and led some firms to withhold orders," the IHS report stated.

But the muted sentiment could prove shortlived, as Omicron is reportedly less severe compared to previous iterations of the virus. There are also suggestions that the virus could be downgraded from a pandemic to an endemic on higher vaccinations and greater immunity. The world reached a milestone with more than [50%](#) of the population fully vaccinated.

Meanwhile, Saudi Arabia now has 67.1% of its citizens fully vaccinated, according to [OurWorld In Data](#), and the kingdom has administered just under 53 million doses to date.

BIG GAINS AWAIT AS SAUDI TAPS GIANT GAS FIELD



Saudi Arabia is hoping to tap 200 trillion standard cubic feet of natural gas in the Jafurah Basin, located east of Ghawar in Saudi Arabia's eastern province, 300 kilometres south of Dammam.

If authorities are able to exploit the reserve, it will transform Saudi Arabia into one of the world's largest natural gas producers. Currently, the kingdom is the eighth largest producer in the world behind the United States, Russia, Iran, China, Qatar, Canada, and Australia, according to [Statista](#).

The Jafurah shale play could be a game-changer for the country. Covering an area of 17,000 square kilometres, production at the facility is expected to ramp up from 200 million standard cubic feet per day (scfd) in 2025 to a sustainable gas rate of two billion scfd of sales gas by 2030, with 418 million scfd of ethane and around 630,000 barrels per day (bpd) of gas liquids and condensates, which are essential feedstock for the growing petrochemicals industry, according to [Saudi Aramco](#).

In November, [Aramco](#) awarded 16 subsurface and engineering, procurement and construction (EPC) contracts worth USD 10 billion, with capital expenditure at Jafurah expected to reach USD 68 billion over the first 10 years of development.

ALTERNATIVE TO OIL

"It is a significant milestone both for the commercialisation of

unconventional resources in Saudi Arabia and the expansion of Aramco's integrated gas portfolio, which will provide additional feedstock to support growth of the [company's](#) high-value chemicals business, complement its focus on low-carbon hydrogen production, and help reduce emissions in the domestic power sector by providing a cleaner-burning alternative to liquid fuel," Aramco said.

The country's unconventional gas programme is expected to replace around half a million barrels of crude oil per day, which would otherwise have been used for domestic consumption. The Jafurah gas development alone is expected to replace more than 300,000 barrels of crude oil per day at peak production.

"The development of Jafurah is a game-changer for our Unconventional Resources programme. It will be one of the most modern, cost-efficient shale development schemes in the industry and observe the highest environmental and safety standards," said Nasir K. Al-Naimi, Aramco's upstream senior vice president.

Jafurah will help the company realise its ambition of maximising the country's abundant natural reserves, and accelerating the exploration of new fields and re-evaluation of existing ones.

It will also help Aramco "evaluate potential joint investment opportunities in both natural gas and natural gas liquids as we pursue our goal of developing an integrated global gas portfolio to meet

long-term energy and petrochemicals demand."

COMMODITY PRICES

The outlook for energy prices look promising in 2022, despite fears of Omicron dampening demand in the short term. OPEC left its outlook for global oil demand this year unchanged to 100.6 million bpd, compared to 96.63 million bpd in 2021. Demand has recovered from the 90.98 million bpd levels seen in 2020.

"This is in addition to a steady economic outlook in both the advanced and emerging economies, despite current inflation and supply chain bottlenecks, ongoing trade issues and their impact on industrial and transportation fuel requirements," [OPEC](#) said in its December report.

On a longer-term basis, the global industry is also warning that a lack of investments in the oil and gas sector over the next few decades could lead to market dislocations. Upstream [capex](#) fell by more than 50% between 2014 and 2021, from USD 700 billion to USD 300 billion.

"Consequently, supplies have started to lag. This is also hurting spare oil production capacity, which is declining sharply. Yet this is happening against the backdrop of healthy demand growth," [Amin H. Nasser](#), Saudi Aramco president and CEO, said during a speech to the World Petroleum Council Congress in 2021. "Second, the rest of the world will not transition at the same speed as the developed world."

Cumulative oil-related investment requirements amount to USD 11.8 trillion in the 2021-2045 period. Of this, 80%, or USD 9.2 trillion is in the upstream, with another USD 1.5 trillion and USD 1.1 trillion needed in the downstream and midstream, respectively.

"And creating an investment-friendly climate through oil market stability has been one of the objectives of the 'Declaration of Cooperation' between OPEC and 10 non-OPEC producing countries," [Mohammad Sanusi Barkindo](#), OPEC secretary general, told an investor conference in Dakar, Senegal, in December.

MENA BUCKS GLOBAL SLOWDOWN WITH HIGH OIL PRICES

The World Bank's latest growth forecasts show that the Middle East and North Africa (MENA) region will buck the global economic downturn brought on by the Omicron variant, high inflation rate, and rising debt.

Global growth is expected to decelerate markedly from 5.5% in 2021 to 4.1% in 2022 and 3.2% in 2023 as pent-up demand dissipates and as fiscal and monetary support is unwound across the world, the World Bank noted in its latest report in January.

"The rapid spread of the Omicron variant indicates that the pandemic will likely continue to disrupt economic activity in the near term," the [World Bank](#) stated. "In addition, a notable deceleration in major economies – including the United States and China – will weigh on external demand in emerging and developing economies."

Growth in developed economies will ease to 3.8% in 2022, from 5% last year, while emerging markets will see GDP rise a more moderate 4.6% this year, compared to 6.3% in 2021. The United States' GDP is expected to expand a subdued 3.7% in 2022 compared to 5.6% in 2021, while the Eurozone will also see a more muted 4.2% growth this year from the 5.2% expansion seen in 2021.

"The world economy is simultaneously facing COVID-19, inflation, and policy uncertainty, with government spending and monetary policies in uncharted territory. Rising inequality and security challenges are particularly harmful for developing countries," said [World Bank](#) Group president David Malpass. "Putting more countries on a favourable

growth path requires concerted international action and a comprehensive set of national policy responses."

INFLATION WOES

Global inflation would also be a drag on economic growth. The rate globally reached 4.6% on a 12-month basis, up from 1.2% in May of 2020.

The rebound in global demand and activity since mid-2020, together with supply disruptions and rising food and energy prices, have pushed headline inflation to decade highs across many countries, the World Bank stated.

"Core consumer price inflation – excluding food and energy – has also increased globally; in some economies, this has in part reflected rising housing price inflation," the bank noted. "The increase in inflation has led various central banks to partially unwind their accommodative monetary policies."

The US Federal Reserve and a number of other major central banks are expected to raise interest rates, which could help cool prices but also make debt more expensive for vulnerable economies.

"An inadequately forewarned acceleration in the tapering of long-term asset purchases by major central banks could unsettle financial markets

and abruptly raise longer-term interest rates," the World Bank warned. "This tightening of financial conditions could make debt financing more difficult for many borrowers, including EMDE (emerging and developing economies') governments facing reduced fiscal space."

Growth in the all-important markets of East Asia are also expected to ease to 5.1% in 2022, compared to their blistering 7.1% surge in 2021. China, the world's second-largest economy will see its 8% expansion last year ease to 5.1% in 2022.

"In China, following a sharp withdrawal of fiscal policy support in 2021, the baseline projections assumes moderate fiscal easing in 2022 followed by insignificant policy tightening in 2023," the World Bank noted.

India, another market important for most Middle East nations will see a GDP growth of 8.7% in 2022, building on the 8.3% increase last year, on the back of improving investment outlook, particularly in manufacturing.

MENA GOES AGAINST THE TIDE

However, most Middle East markets will buck the trend on the back of diversification policies and higher commodity prices.

The Middle East and North Africa will see growth outperform the global economy, rising 4.4% in 2022.

In fact, the regional growth forecast for 2022 has been revised up by 0.8 percentage point, to 4.4%, reflecting stronger near-term prospects for both oil exporters and importers.

"Oil exporters are expected to reap the benefits of rising oil production and higher global oil prices – both improving revenue collection – and positive COVID-19 developments, including high vaccination rates in Gulf Cooperation Council (GCC) economies. Some economies will also benefit from record-high natural gas prices," the World Bank noted.

Still, a number of countries in the Middle East, such as Bahrain, Egypt, Lebanon, Morocco, Oman, and Tunisia carry high levels of government debt, which could stall growth in those countries.



FUNDAMENTALS PAINT A BRIGHTER PICTURE FOR SAUDI ECONOMY



Saudi Arabia, the region's largest economy and one of the G20 nations, will double its economic growth to 4.9% in 2022, compared to 2.4% in 2021, according to the [World Bank](#).

"Saudi Arabia, the growth forecast for 2022 has been revised up by 1.6 percentage points to 4.9%," the World Bank stated. "The oil sector is expected to rebound strongly, boosting exports, and non-oil activity should benefit from high vaccination rates and accelerating investment."

While Omicron continues to remain a challenge globally, the kingdom's 2022 budget is expansionary and will find the right balance between growth and aid to the more vulnerable segments of the economy.

His Royal Highness Mohammed bin Salman bin Abdulaziz Al Saud, [Crown Prince](#), deputy prime minister, and chairman of the Council of Economic and Development Affairs, said that the financial and economic indicators confirm that the country is progressing positively, as the 2022 budget comes amid a global climate characterised by challenges in light of the repercussions of the (COVID-19) pandemic, and great local ambitions, "but in a financially disciplined framework that focuses on the efficiency and effectiveness of directing government spending and utilising available resources to achieve the best return from them, while maintaining financial stability as a fundamental pillar of sustainable growth".

RECOVERY ISTOP OF AGENDA

Economic stability and expansion are also expected to be supported by

conducive government policies, including Vision 2030 as the central agenda for economic diversification, according to a report by management consultant [KPMG](#).

"The 2022 budget indicates economic recovery as the key pillar underpinning the improving fiscal outlook. The economic expansion should also help to support the budget position and debt levels as a proportion of GDP"

Indeed, government finances are also benefitting from significant tailwinds, including higher oil prices, which will ensure that the country is in surplus in 2022.

Total revenues for 2022 will reach SAR 1,045 billion, an increase of 12.4% compared to the projected revenues in 2021. Total expenditures are estimated at around SAR 955 billion, with SAR 90 billion in surplus (2.5% of GDP).

"These surpluses will be directed to boost government reserves, support national development funds and the Public Investment Fund (PIF), consider the possibility of accelerating the implementation of some strategic programs and projects with economic and social dimensions, or to partially repay the public debt based on market conditions," minister of finance [Mohammed bin Abdullah Al-Jadaan](#) said.

The government is forecasting real GDP growth of 7.4% this year, driven by the increase in oil GDP as per the OPEC+ Agreement, in addition to the expected improvement in non-oil GDP with the continued recovery

of the economy and the implementation of initiatives that support growth and diversification.

"Accelerating and broad-based domestic economic growth, combined with robust international oil demand, will boost the public finances," [KPMG](#) noted. "This will be through increasing revenues, reduced need for stimulus spending and as an expanding economy supports a range of indicators measured as a proportion of GDP"

The year 2022 would also see further rollout of projects related to the National Industrial Development and Logistics Program (NIDLP), National Investment Strategy and Shareek Program, among others, as the kingdom aims to attract private and foreign investors. In addition, the Quality of Life Program, and the Housing Program are also expected to increase home ownership among citizens, the [government](#) stated.

UPBEAT CONSUMERS

Consumer sentiment also appears to have improved considerably, which bodes well for the 2022 outlook.

The number and value of point-of-sales transactions hit a new high in November, [Saudi Central Bank \(SAMA\)](#) data shows, in a sign that consumers are ready to open their wallets and spend on consumer goods and services.

E-commerce transactions and their value also reached a new high in November, signalling brisk economic activity in the non-oil sector economy. Spending on clothing and footwear and transportation led the increase.

Meanwhile, small businesses are benefitting from the availability of higher funding. Credit facilities provided to micro, small and medium enterprises surpassed SAR 200 million by the third quarter of 2021, and now account for 8.3% of all credit facilities by banks operating in Saudi Arabia, according to SAMA.

With high commodity prices, strong consumer sentiment and a spate of opportunities available to private sector and foreign investors hungry for growth, 2022 could turn out to be a blockbuster year for the kingdom.

NEW ENERGY ERA PROPELS SAUDI MINING TO FRESH HEIGHTS

Saudi Arabia has made great strides in creating a business-friendly environment to ensure its mining sector can compete in the arena.

The kingdom wants the sector to attract as much as USD 170 billion in investment by the end of decade, as demand soars for many metals crucial to energy transition.

“That’s a lot of money,” the Saudi mining minister, [Bandar Alkhorayef](#), said in an interview with the media, on the sidelines of the Future Minerals Summit held in Riyadh in January. Minerals are “becoming more and more essential for the advancement of manufacturing, energy” and industries including the automotive sector.

The mining sector now contributes USD 70 billion to the kingdom’s economy and the government has plans to triple it by 2030, according to Khalid bin Abdulaziz Al-Falih, the country’s minister of investment.

The volume of investments currently stands at 70 private opportunities in the mining and mineral sector, exceeding USD 25 billion while the value of mineral resources in the kingdom has been valued at USD 1.3 trillion, the [minister](#) added.

PRIORITY SECTOR

Development of the mining sector “is among top priorities and due to the fact that the sector is the third biggest pillar for industries to diversify economic resources of the Kingdom of Saudi Arabia, in addition to holding several bilateral meetings with the aim of providing investors the opportunity to get acquainted with the available investments and partnerships, as well as the services and incentives it offers to investors,” the minister said.

The kingdom is working on more than 38 initiatives and reforms to achieve its ambitions for the sector by 2030.

A cornerstone of that policy was the approval of a new mining law in 2020 aimed at accelerating foreign investment in the sector. The reforms also dovetail with the National Industrial Development & Logistics Program (NIDLP), which envisions to leverage the country’s transportation infrastructure to develop the manufacturing, metals, and other industries.

As part of that effort, the government will develop an online National Geological Database as a central repository of the kingdom’s geological, geochemical, geophysical, topographic, and geographic information.



“The intention of the database is to incentivise exploration by providing investors with easy to access information on potential deposits and reserves. The NIDLP anticipates that the development of the database will be one of the world’s largest pre-competitive geosciences programmes,” according to [Baker McKenzie](#), a management consultancy.

MINING FOR GOLD

Saudi Arabian Mining Company, or Ma’aden, one of the region’s largest mining companies, is also boosting its production. In June 2021, the

company awarded a USD 880 million mining services contract to [Jac Rijk Al-Rushaid](#), a leader in the kingdom’s local mining infrastructure industry.

The agreement is part of Ma’aden’s largest gold project to date.

Jac Rijk Al-Rushaid will undertake drilling, scaling, loading, hauling, re-handling, ore control, dewatering, crusher feed, and all gold mining-related activities at the Mansourah and Massarah sites.

Full production capacity at Mansourah and Massarah is expected by 2023, ramping up gold production targets to 250,000 ounces per year before 2025. The gold mines are integral for Ma’aden to reach its company-wide annual production target of 1 million ounces of gold before 2025.

Ma’aden also completed utilities commissioning at its USD 900 million ammonia plant in [Ras Al Khair Industrial City](#).

It is the first project within Ma’aden’s USD 6.4 billion expansion project, ‘Phosphate 3’, the company’s third large-scale phosphate complex. Upon its completion, Phosphate 3 will increase production capacity to 9 million tonnes, establishing Ma’aden as one of the largest phosphate fertiliser producers in the world.

Meanwhile, the Saudi Authority for Industrial Cities and Technology Zones (Modon) estimates that the number of mineral product at its industrial cities has surged over the past year.

“Modon, as per initiatives tasked with it under the National Industrial and Logistics Program (NIDLP), contributes to enhancing the role of the mining and mineral industries sector in the national economy, for it being the third pillar for developing the Saudi industry, in accordance with the Saudi Vision goals, especially since it has succeeded in increasing factories of mineral products to more than 1,290 by the end of 2020,” Modon CEO Eng. Khalid Al-Salem said.

The mining sector should gain traction as the kingdom accelerates its decarbonisation drive and will require more “green” metals, such as copper, aluminium and zinc, to build a more sustainable economy.

GLOBAL INVESTORS RUSH INTO SAUDI MANUFACTURING

International manufacturing companies are making a beeline for Saudi Arabia, drawn by its strong industrial base and spate of available opportunities.

The manufacturing sector secured around 60% of all new foreign investment licenses in the summer of 2021, according to latest available data from the Ministry of Investment of Saudi Arabia (MISA).

A total of 174 licenses were issued for the retail and e-commerce sector, with manufacturing (104), construction (87), ICT (52), and professional and scientific (50) sectors, accounting for more than 81% of new licenses awarded during the quarter.

“Growth in FDI inflows continues to go from strength to strength, with Summer 2021 seeing the highest increase since 2010 to reach USD 13.8 billion,” [MISA](#) said in its most recent assessment in November. “Although the Aramco pipeline deal accounts for USD 12.4 billion, the



remaining USD 1.4 billion of inflows in the Summer represents a 56% year-on-year increase in inflows. This follows a 20% increase in 2020, according to UNCTAD's World Investment Report 2021 and strong figures for the first half of 2021, which all indicate continued upwards momentum.”

INVESTORS TAKE NOTICE

International companies continue to set up base or expand their operations in the kingdom.

The [Saudi Arabian Military Industries](#) (SAMI), a subsidiary of the Public Investment Fund (PIF) and the National Champion of Military Industries Localization, signed a joint venture agreement in December with France's FIGEAC AERO Group, and the Saudi Arabian Industrial Investments Company (Dussur). The deal will create the SAMI FIGEAC AERO Manufacturing LLC, which aims to build a high-precision manufacturing facility in Saudi to produce aerostructure components.

“The joint venture aims to develop Saudi Arabia's aerostructure manufacturing capabilities, train Saudi engineers and technicians to work as part of the project, and boost the localisation of military and civil aerospace industries in line with Saudi Vision 2030. Initial products will focus on machining and processing of light alloy (aluminium) and hard metal (titanium) aerospace parts,” the companies said.

In December, India's [Larsen & Toubro](#) announced a collaboration with the Saudi Arabian Oil Company to develop manufacturing facilities in the kingdom. The companies also signed a memorandum of understanding outlining co-operation on L&T's efforts to establish the region's first heavy wall pressure vessels facility at Jubail Industrial City.

The Indian engineering company is set to start construction on the new facility soon, and targets to complete the project by the third quarter of 2022. Spread over an area of 120,000 square metres, the manufacturing facility aims to produce critical equipment for several industries, including the oil and gas, and power sectors.

“This manufacturing facility, once completed, will provide a large number of skilled job opportunities for Saudi youth, localise the ‘know how’ of heavy wall vessels in the kingdom, and deploy the latest manufacturing technologies to serve the kingdom and MENA region,” according to [Aramco's](#) senior vice president of technical services Ahmed Sa'adi. “We expect this facility to help Aramco and others in the kingdom to increase localisation and optimise capital cost.”

Meanwhile, the [Saudi Advanced Technologies Company](#) (Wahaj)

announced that it will manufacture and export a wide variety of spare parts to Honeywell Aerospace in the US, Europe, and Asia.

Wahaj is among a handful of companies in the country to receive the AS9100 accreditation. It is involved in the manufacturing of high precision components and other parts in the aviation industry.

As part of the agreement, Wahaj will provide Honeywell with original spare parts such as tyres, brakes, energy systems, as well as aero and thermal systems. It will also assist energy units for several main platforms, including Airbus 350, 330, 320 neo, Boeing 737MAX and 777, Dassault Falcon 8X/M1000 and McDonnell Douglas 11.

ROLLING OUT NIS

To further boost investments in manufacturing and other sectors, the kingdom rolled out its [National Investment Strategy](#), which aims to attract a fresh wave of capital into various sectors in the country, including the industrial sector.

The NIS is designed to accelerate economic growth, achieve the goals of the Saudi Vision 2030 programme, and raise the private sector's contribution to GDP to 65%. In addition, it aims to increase the contribution of FDI to GDP to 5.7%; raise the non-oil exports' GDP share 16% to 50%; reduce unemployment rate to 7%; and position the kingdom among the top 10 economies in the Global Competitiveness Index by 2030.

“The National Investment Strategy is all about empowering investors, offering investment opportunities, providing financing solutions and enhancing competitiveness,” said His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, [Crown Prince](#), deputy prime minister, and chairman of the Council for Economic and Development Affairs. “It also clarifies the partnership between the public and private sectors, as our mission is now to open the door to the private sector and allow it to grow and prosper.”

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