



هيئة المدن والمناطق الاقتصادية الخاصة
Economic Cities and Special Zones Authority

THE KINGDOM OF SAUDI ARABIA

Investing in Saudi Arabia's
Special Economic Zones



Strategically located SEZs that **unlock new routes to global markets**

- Five new zones have been launched, which provide opportunities across a range of high-potential sectors, and a platform for businesses to accelerate their regional and global growth





King Abdullah Economic City (KAEC) SEZ

A strategic location for global value chains

- Unrivalled access to key global markets, tapping into the Red Sea and 13% of global trade
- An ideal platform from which to access Europe, Africa and Asia
- Anchored by world's most efficient container port (2021) - King Abdullah Port
- Capability to service bulk & general cargo (30 mn tons per annum), and a Roll on/Roll Off terminal (1.5 mn vehicles per annum)
- 450km electric railway providing convenient and reliable travel to the rest of the Kingdom.
- Located less than 90 minutes from Jeddah's King Abdulaziz International Airport
- Close to the vibrant city of Jeddah (4 million people), with ready access to a highly skilled workforce and quality of life.

Key location information

Province: Makkah

Size of the zone: 60km²

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

Focus Sectors

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

Incentives

- **5% Corporate Income Tax** for 20 years
- **0% Withholding Tax**
- **0% Custom Duties**
- **0% Value Added Tax (VAT)** for all SEZ goods exchanged within the zone and between zones
- **0% Saudization restrictions** for the first 5 years, **15% for years 6-10**
- **Expat levy ensuring fees exemption** for employees and their families in the zone

KAEC SEZ will drive development of emerging EV and MedTech sectors by leveraging its strategic location and cutting-edge facilities



1. Business Friendly environment

An environment enabled by world-class talent and infrastructure

- 71% of Saudi Arabia's population has tertiary education
- World class facilities to cater to multiple sectors
- Business friendly environment with home to an ecosystem of entrepreneurs and investors and streamlined licensing procedures



2. GCC's first automotive cluster

An ecosystem of companies within the automotive value chains

- Planned SAR 30 bn of investment into the automotive sector
- More than 150,000 electric vehicles to be produced within KAEC SEZ
- Plans to build supporting cluster to cover end-to-end supply chains in automotive



3. A new MedTech player

A growing MedTech Sector within the Kingdom

- High healthcare spending – 14% of government funding goes into the sector
- Opportunity for import substitution (94% imports) as well as to tap into a growing global market (\$760bn by 2027)
- State-of-the-art facilities that could support research & development activities in the sector



4. Global access

Strategic location at the crossroads of international trade routes

- 13% of global trade passes the Red Sea where KAEC SEZ is located
- 90% of Red Sea regional transits are dominated by Saudi ports – including KAEC SEZ's King Abdullah Port
- Additional, multi-modal connectivity through air, rail and land links, to the Kingdom and beyond

KAEC SEZ provides world-class infrastructure and will be home to **high growth sectors**

High quality provision of infrastructure and utilities



Plans in place to provide abundant electrical supply including over 29GWh of clean power annually.



Potable and process water supply, with distribution at a 1.5 bar minimum.



The Gas Zone will supply investors with natural gas at a significant cost advantage.



Wide portfolio of telecoms services with a state-of-the-art fiber network.



Reliable sewage networks, including a membrane bio-reactor plant.

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

Sectors of opportunity

KAEC will be home to the region's first end-to-end EV and Automotive cluster.

US\$ 869bn

Potential global EV market size by 2027



KAEC's MedTech cluster will drive innovations that power the future of healthcare.

KAEC provides an opportunity to drive import substitution and gain access to a growing local and global market for export

US\$ 769bn

Potential global MedTech market size by 2027



Ras Al-Khair SEZ will host the most comprehensive, state-of-the-art shipyard and fully integrated offshore cluster, to supply end-to-end maritime manufacturing services.



12 million m²
\$10 billion of off-take agreements over
10 years



4 new offshore rigs
43 vessels

- Located at the center of the Arabian Gulf, with access to talent and an efficient multimodal transport system.
- Rail links to the Kingdom's mines give unrivalled access to key input materials.
- King Salman Port gives access to the busiest oil and gas operations in the region.
- Supporting the Kingdom's ambitions to localize end-to-end supply chains in maritime sector.
- Located near Ras Al-Khair Port with the capacity to handle bulk cargo and can accommodate any size of ship due to its depth.

Key location information

Province: Eastern Province

Size of the zone: 20km²

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

Focus Sectors

- Shipbuilding and MRO
- Rig platforms and MRO

Incentives

- **5% Corporate Income Tax** for 20 years
- **0% Withholding Tax**
- **0% Custom Duties**
- **0% Value Added Tax (VAT)** for all SEZ goods exchanged within the zone and between zones
- **0% Saudization restrictions** for the first 5 years, **15% for years 6-10**
- **Expatriate levy ensuring fees exemption** for employees and their families in the zone

Ras Al-Khair Special Economic Zone

A global powerhouse in the maritime industries

Ras Al-Khair SEZ enables the Kingdom's ability to **harness growing opportunities in the maritime industries**



1. Well-developed infrastructure

Readily available assets to support economic activities

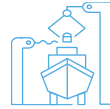
- Ras Al-Khair SEZ has state-of-the-art technologies such as AI, biometrics, and Internet of Things (IoT), supported by the Kingdom's newest industrial port
- An efficient multi-modal transport connecting the zone to global markets



3. A docking point for Ship-Repairs

An opportunity to tap into a growing ship repair market

- Accommodating the more than 50,000 tankers passing through the Arabian gulf
- Annual capacity for the maintenance, repairs and overhaul services of over 300 vessels



2. An advanced shipbuilding sector

A 12 million m² shipyard for manufacturing operations

- The International Maritime Industries (IMI) joint-venture is the largest full-service shipyard in the MENA region
- Ongoing discussions to bring in Tier 2 and 3 manufacturers for steel and crane manufacturing to localize supply chains
- Almost half the zone is already occupied



4. Value chain integration

Proximity to vital mineral resources and customers

- Access to Saudi Arabia's large and mature mining industry with direct connection through the North-South Rail line
- Access to the busiest oil & gas traffic operations in the Eastern Province

Ras Al-Khair Special Economic Zone boasts an **advanced maritime infrastructure and technology**



Access state-of-the-art technologies including AI, biometrics and IoT



High-quality products and efficient schedules



Availability of green products, materials and renewable energy sources



Access internationally competitive prices



Innovative lifecycle management offerings

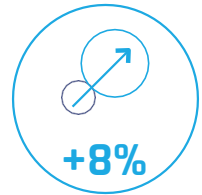
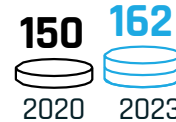
Sectors of opportunity

Ambitions to localize end-to-end maritime value chains.

70% of ships produced in Ras Al-Khair Special Economic Zone will supply regional markets. There are ongoing discussions to localize Tier 2 and 3 manufacturing through the zone.

US\$ 162bn

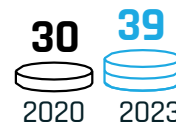
Potential global maritime industry market opportunity by 2023



With the International Maritime Industries joint venture in place, the zone will produce 3 ships, 15 service vessels and 4 rigs per year. This dynamic, global-oriented cluster and lead the innovations in new fuels and shipbuilding.

US\$ 39bn

Potential global ship repairs market size by 2025





Jazan Special Economic Zone

An industrial city and a growth export hub, perfectly located on the Red Sea

Located inside Jazan City for Primary and Downstream Industries (JCPDI) and on the Red Sea, the Jazan Special Economic Zone provides access to the regions largest export port, and proximity to key markets



24.6km²
Land area



15% Global trade
(via Red Sea Corridor)



Among the biggest Port in The Region



Titanium & Iron industries

- Jazan SEZ's Red Sea location provides access to Africa and global trade.
- Jazan SEZ has proximity region's biggest port for trade in multiple sectors.
- Low existing industrial intensity and abundance of suitable land for development.
- Jazan province has a unique mix of natural resources.

Key location information

Province: Jazan

Size of the zone: 24,6 km²

Ideal Red Sea location in close proximity to key mines and industrial assets

Focus Sectors

- Food Processing
- Metal conversion
- Logistics

Incentives

- **5% Corporate Income Tax** for 20 years
- **0% Withholding Tax**
- **0% Custom Duties**
- **0% Value Added Tax (VAT)** for all SEZ goods exchanged within the zone and between zones
- **0% Saudization restrictions** for the first 5 years, **15% for years 6-10**
- **Expat levy ensuring fees exemption** for employees and their families in the zone

Jazan SEZ will **build on the Kingdom's strength** in the **metals & mining industry** and growing demands in the **food industry**



1. A regional gateway

A strategic location and mature transport infrastructure

- Jazan province houses the region's largest export port, as well as international airport
- Perfectly located to take advantage of regional transits in the Red Sea and access regional markets
- World leading transport & logistics players have already established operations in Jazan SEZ



3. A foundation for metals conversion

Abundance of natural resources and proximity to potential

- Saudi Arabia is home to one of the largest mining industries globally
- Jazan SEZ has access to three major mining sites in Saudi Arabia with over US\$ 1.3 trillion untapped reserves nationally
- Ideally placed to support construction and infrastructure development projects in the Middle East and Africa



2. A large and growing food industry

Located in the Kingdom's 'fruit basket'

- MENA's consumption of processed food is expected to grow 9% per year up to 2025
- Jazan's fish production accounts for 35% of the output of all Red Sea fisheries
- Proximity to a 700 km²-agricultural land to provide an ideal base for food processing



4. A platform for Chinese investment

A vital location for Chinese Belt & Road Initiative

- Jazan is located on the Maritime Silk Road
- Jazan SEZ is committed to facilitate partnerships and collaborations between KSA and China with focus on food processing, metals conversion, and transportation & logistics

Jazan SEZ offers competitive resources including **high skilled talent and cost-effective land and utilities**



Cheap and readily available energy, including output of 2.4GW from the Aramco power plant



The region offers a large and highly skilled workforce, with a local university that has 50,000 students



Competitive industrial lease compared nationally and to the region



A range of cheap and efficient water supply options, across irrigation, potable water and sanitary wastewater

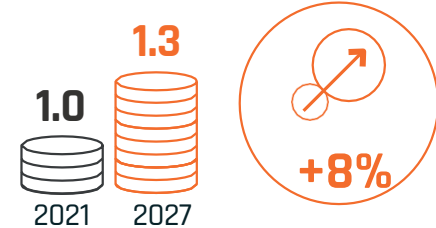
Sectors of opportunity

Embedding Saudi Arabia's metals conversion industry into global value chains

The region has a competitive metals conversion industry that serves global construction, processed metals, and minerals markets.

US\$ 1.3tn

Potential global minerals market in 2026



Proximity to **materials for construction to power infrastructure development** including: limestone, gypsum, sand and marl, as well as natural gas.

Located close to **Aramco's Jazan Refinery Complex** – a new **smart self-powering refinery**



Cloud Computing SEZ

Where emerging and disruptive technologies flourish

- Saudi Arabia's own 'Silicon Valley' - home to emerging and disruptive technologies.
- Encouraging and supporting the growth of digital technologies.
- \$13bn target investments by 2030 in Data and AI sectors.
- Presence of a highly skilled workforce and users that are proven early adopters of new technology.
- A unique zones without a defined physical location.
- With ambitions to attract leading cloud computing companies to accelerate digital economy.

Key location information

Location: Innovation Tower at King Abdulaziz City for Science and Technology (KACST)

Headquarters in Riyadh, with the ability for businesses to build and operate data centers across the Kingdom

Focus Sectors

- Cloud Computing Services

Incentives

- **Special tax treatment** in alignment with OECD principle that avoids double taxation and accommodates Cloud Service Providers' operating models
- Expat levy ensuring fees exemption for employees and their families in the zone
- Affordable network connectivity and electricity prices, averaging 0.05 USD/kWh for businesses

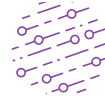
Cloud Computing SEZ leverages **Kingdom's strengths and existing ecosystem to unveil new technologies** that will **support its ambitions**



1. A digital powerhouse

Infrastructure in place for technological advancements

- Saudi ranks 4th globally for 5G deployment and with more than 3.5 million fiber optic internet connections across the country
- Saudi Arabia has an ambition to increase ICT sector's GDP contribution by US\$50 billion over the next five years
- Saudi Arabia accounts for over 50% of Middle East's IT market



2. A vibrant tech ecosystem

Global players and a capable workforce

- Tech giants such as Google, Oracle and Alibaba Cloud are already in the Kingdom
- Ambition to digitally upskill 100,000 Saudi youth by 2030
- 22 new ICT programs in Saudi Universities



3. Ambitious plans

Multiple initiatives to improve the Kingdom's digital economy

- The Cloud First Policy will accelerate the deployment of cloud infrastructure, creating a \$10bn industry by 2030
- An ambition to transition five cities every five years into smart cities, as well as multiple gigaprojects create a need to increase cloud computing and data center capacity
- Achieve 100% broadband penetration by 2035



4. Enabling regulations

Tailored and robust frameworks that facilitate investment

- 30 double taxation agreements that provide protection and transparency to operators in the Kingdom
- 92/100 score on ITU's regulatory tracker, underling the Kingdom's commitment to creating the foundations for the digital economy to flourish

Cloud Computing SEZ will create the Kingdom's own 'Silicon Valley' that will accelerate the country's digital economy



98% internet penetration and 4th globally for 5G deployment, underlining a digitally-versed population



State-of-the-art infrastructure to support tech subsectors, including 2nd in the G20 for radio spectrum allocation



22 New ICT programs offered in Saudi Universities to upskill workforce, and an ambition to digitally upskill 100,000 Saudi youth by 2030



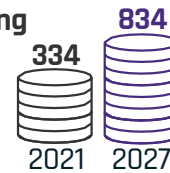
92/100 ITU regulatory tracker score, underlining a robust framework focused on enabled digital transformation and growth

Sectors of opportunity

10\$bn Saudi Arabia Cloud market size by 2030, driven by a 'Cloud First' policy,

US\$834bn

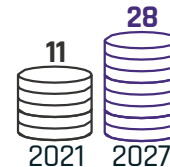
Potential global cloud computing market size by 2027



Cloud computing is a mature and growing market that will impact and enable multiple emerging sectors

US\$28tn

Potential global market opportunity from emerging tech sectors by 2027





SILZ

The Kingdom's leading industrial and logistics zone



- Located in Riyadh, the Kingdom's vibrant and thriving capital
- Located next to King Khalid International Airport, which has 5 terminals and a cargo village with a capacity of 600,000 tons per year
- Saudi Arabia's first integrated logistics zone in Riyadh
- Supporting efforts to make the Kingdom a globally competitive transportation and logistics hub for the movement of goods and services around the world.
- SILZ is a competitive and unique location for a range of light manufacturing, trade, distribution and value-add industries.

Key location information

Location: Adjacent to the King Khalid International Airport

Province: Riyadh

Centrally located in Riyadh with excellent air connectivity

Focus Sectors

- Consumer products
- Computer parts
- Pharmaceuticals
- Nutritional and medical supplies
- Aerospace spare parts
- Luxury goods, jewelry and precious metals

Incentives

- 0% Corporate Income Tax
- VAT Exemptions
- Withholding Tax
- Flexible Saudization Requirements
- No restrictions on capital repatriation
- 100% foreign ownership

SILZ is the world's **first integrated logistic zone** with high regional and global connectivity through its **proximity to logistical hubs**

- SILZ is the first zone of its kind that combines best practice in regulation, technology and infrastructure from around the world. This enables frictionless linkages between investors, suppliers, customs and government.
- SILZ enjoys global and regional connectivity due to its proximity to the airport and access to rail, metro, and ring road system.



Key Contacts

Contact the relevant Zone to register your interest today.

For additional information and to discuss specific investment opportunities, contact the relevant zone.

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THANK YOU



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