

Food & Agribusiness at MISA



Contents

Overview about MISA

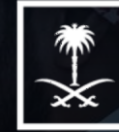
Agriculture & FP Markets, Trends and Ecosystem

MISA's Agriculture & FP Strategy

Agriculture & FP Opportunities Landscape

WHAT MISA CAN DO FOR YOU

Whether you're starting or expanding a business in Saudi Arabia, our dedicated team is here to support you on all stages of your journey.



وزارة الاستثمار
Ministry of Investment

Our services include:

Before set-up

- ▶ Tailored market and economic intelligence
- ▶ Matchmaking and linkage
- ▶ Organizing site visits
- ▶ Assisting in location searches
- ▶ Supporting business case development and feasibility studies
- ▶ Providing tailored incentives

During set-up

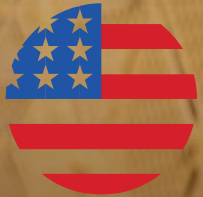
- ▶ Obtaining licenses or permits
- ▶ Introductions to financing institutions
- ▶ Organizing publicity and launch events
- ▶ Connecting with recruiting agencies

After set-up

- ▶ Helping you overcome any obstacles

MISA'S OVERSEAS PRESENCE

We live in a digital world, but at MISA, we still believe in the value of face-to-face interactions. That's why we have established a presence around the world.



United States



France



United Kingdom



Germany



Russia



China



South Korea



Japan



Singapore

A WIDE RANGE OF INCENTIVES TO INVESTORS

1

Export credit financing, guarantee, and insurance

2

Energy & utilities enablement

3

Financial incentives for R&D

4

Loan programs

5

Customs duty exemption

6

Tax credit and exemption (partial)

7

Employment funding

8

Property solutions

9

Government procurement law

10

Ecosystem stimulus (for SMEs, suppliers)

Incentives details in appendix

SOME OF OUR INVESTOR-CENTRIC INCENTIVES



CUSTOM DUTY EXEMPTION

Customs duty exemptions for primary raw materials, manufacturing equipment, and spare parts (not available in Saudi Arabia)



CUSTOM DUTY DRAWBACK

Refund to importers/exporters of raw material imports that are processed in Saudi Arabia and re-exported as more finished products



TAXATION AND PREMIUM RESIDENCY

Corporate tax exemptions and specific privileges for Premium Residency holders



NATIONALIZATION INCENTIVES

Up to 30% (for male) and 40% (for female) of the monthly salaries of Saudi employees to be covered by HRDF



LOANS

Up to 75% of project financing through soft loan by SIDF



OWNERSHIP

100% foreign direct ownership allowed



REPATRIATION OF CAPITAL

No restrictions on repatriation of capital



LAND INCENTIVES

Land for lease starting from \$0.26/sqm

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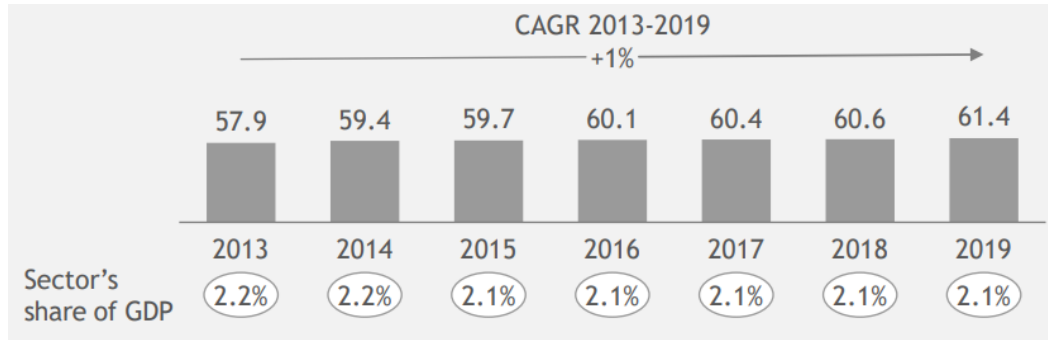
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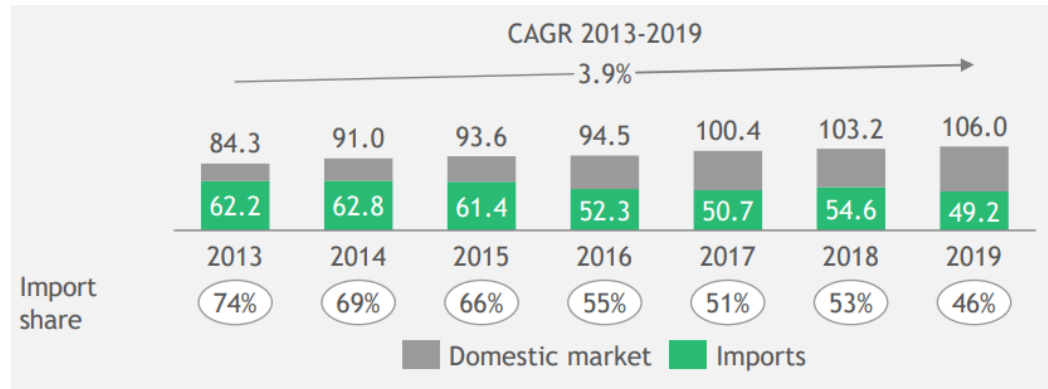
Agriculture & FP Opportunities Landscape

The KSA agriculture sector has grown slightly over the last decade and the overall import share has declined

Agricultural sector GDP, SAR billion



Domestic Agricultural market, SAR billion



Top Import

	Maize	Wheat	Rice milled	Raw Sugar	Meat & Chicken
Quantity ('000 tons)	3,010	2,555	2,500	1,102	622
Value ('000 US\$)	640,889	625,942	2,546,158	349,632	1,208,450

Top Export

	Dates	Tomatoes	Grapes	Cucumber & gherkins	Honey
Quantity ('000 tons)	161.9	9.7	5.3	3.5	2.7
Value ('000 US\$)	201,393	3,846	4,310	1,018	14,277

A wide array of agricultural commodities produced across KSA with clear regional specialization

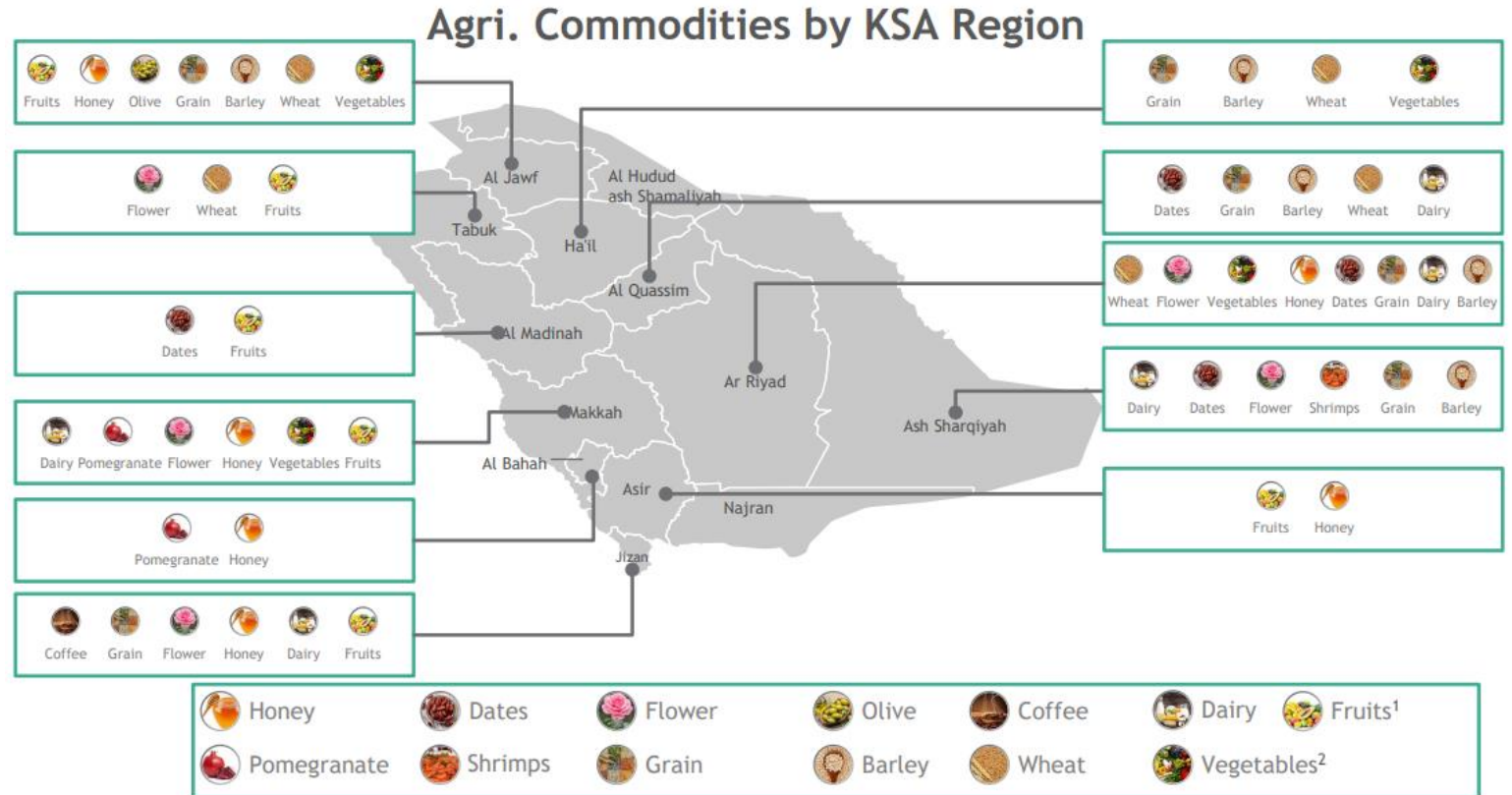
~ 210K Jobs

~ 15% Saudization

~ SAR 50-60B Domestic market size

~ 40-50% Level of imports

~ SAR 60B GDP contribution



Markets, Trends and Ecosystem

Demand

Drivers affecting the demand for different food products (e.g. consumers preference for healthy food, change in spending, Halal Food, organic food etc)

Technology

Rapid development of agriculture technologies e.g industry 4.0, growing technology (Hydroponics) & farming structure (vertical farming)

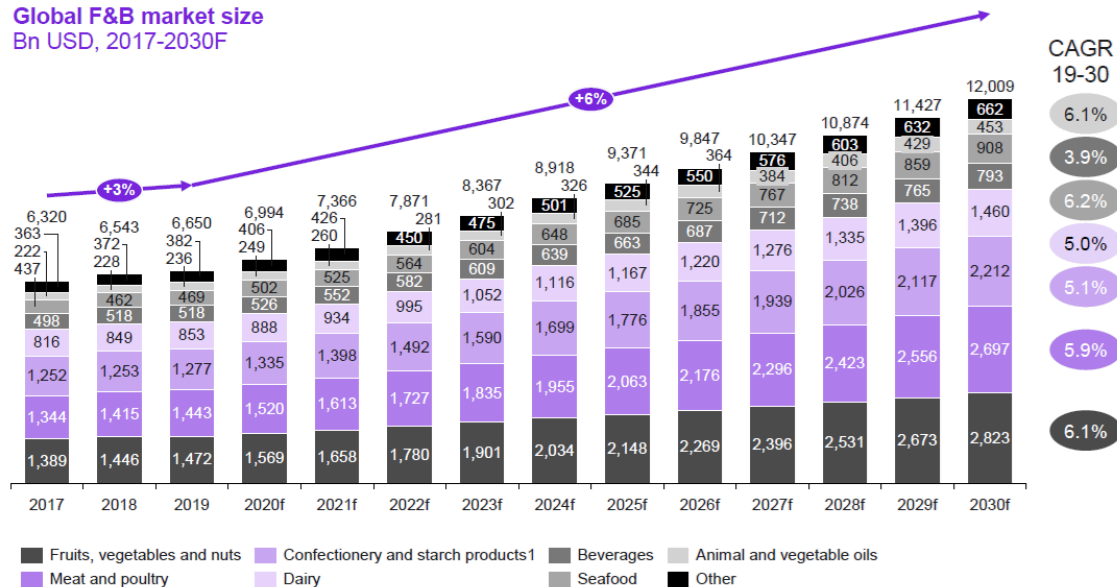
Supply

Growing focus on self-sufficiency and food security

Integration across the value chain

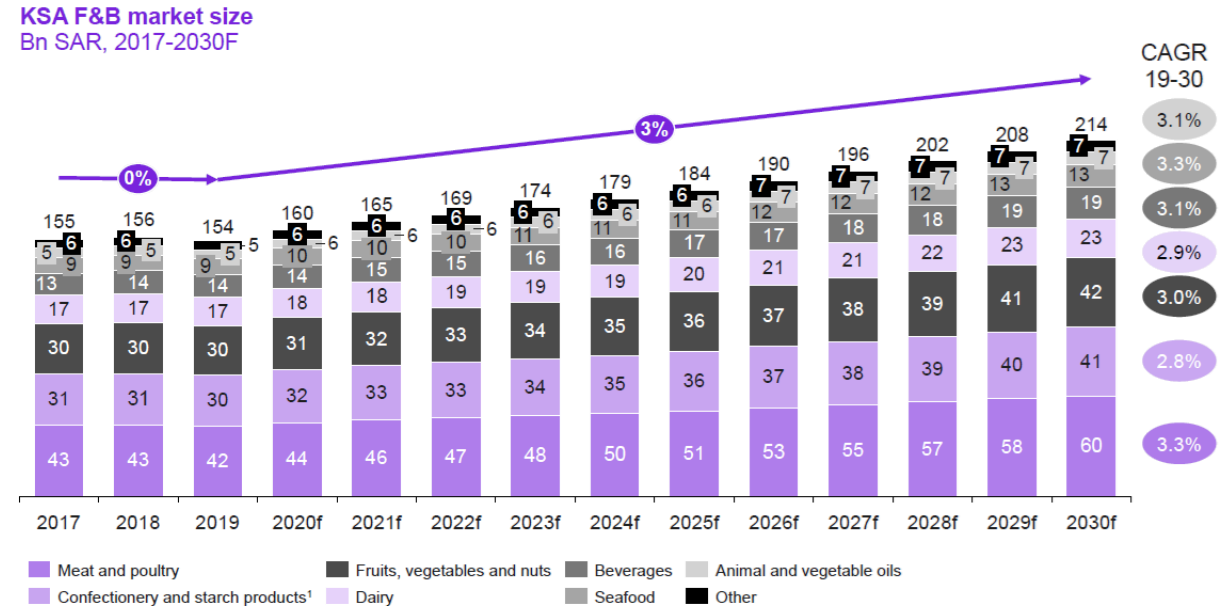
- Proliferation of AgriTech parks
- The integration to advanced logistic infrastructure and cold chains

Global F&B market size
Bn USD, 2017-2030F



- The global F&B market was valued at 6.27 trillion USD in 2019 and is expected to grow at a CAGR of 6% until 2030
- Fruits, vegetables and nuts is the largest market segment, growing at a CAGR of 6.1% until 2030
- The core drivers are population growth, the increase in personal disposable income and calorie intake in the developing world

KSA F&B market size
Bn SAR, 2017-2030F

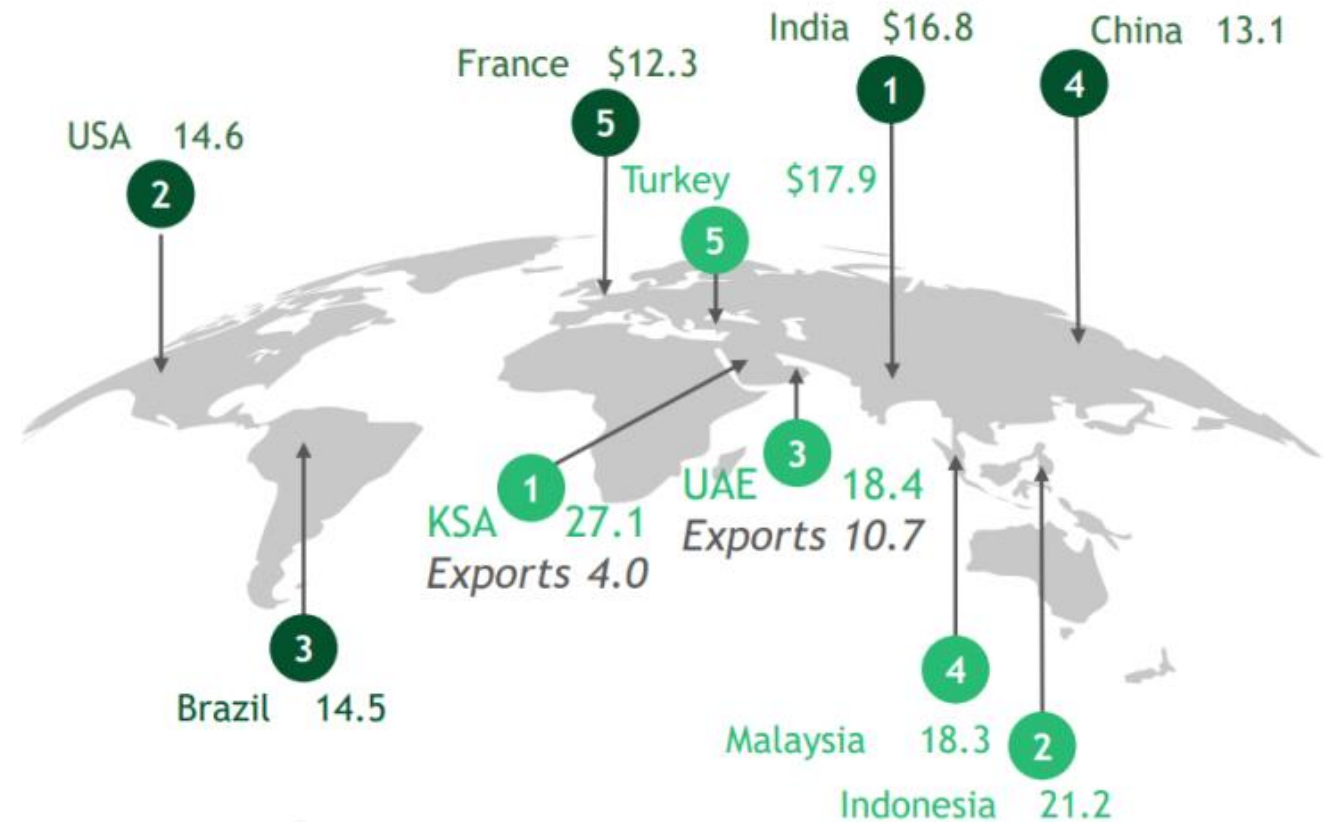


- The F&B market is growing at an average CAGR of 3%, mainly driven by growth in consumer spending on F&B and population growth rate
- Meat and poultry is the largest market segment, growing at a CAGR of 3.3% until 2030
- Stagnation from 2017 to 2019 was driven by a decline in consumer spending due to the introduction of VAT, increase of dependent fees for expats

KSA is the top importer of Halal products with low exports compared to its neighbors

- KSA could have a competitive edge in the Halal market
- UAE exports well over double KSA's Halal volume, despite being a smaller importer, indicating considerable potential

Top importers and exporters of Halal products 2019, \$B



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MISA's Agribusiness Strategy

Vision

Become a global leader in competitive food segments and place Saudi Arabia on the global map for key food segments such as Halal meat and poultry, fisheries & aquaculture, dates, and dairy as well as climate proof agriculture.

Strategic Pillars

- Build National Resilience
- Become an integrating regional hub
- Expand global leadership in select segments (Red meat & poultry, fish, fruits & vegetables, dates and wheat)

Enablers

- Support of global M&A, JV and international partnerships.
- Talent Development and Attractions
- Applied R&D and innovation

Key Success Factors

- The Largest and growing F&B market in GCC along with futuristic growth with evolving tourism and entertainment sectors.
- Easy access to regional and international markets.
- Government commitment to grow the sector through enhancing the food sector ecosystem

Key Figures

85%

Self-sufficiency
in poultry by
(2030)

\$8.3 Bn

Imports of fruit
and vegetables
(2019)

60%

Self-sufficiency in
local red meat
production
(2030)

100%

Imports of
Canned Tuna
(2019)

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Food & Agribusiness in KSA

To enable local food & agribusiness by leveraging domestic demand driven by population growth to ensure food security.

Sub-sector focus

Meat & Poultry	Dairy	Seafood/ Aquaculture	Fruits & Vegetables	Dates	Bakery	Confectionery	Animal /Vegetable oil	Beverages
Chicken Farms	Plant Based	Fresh	Fresh Cuts	Processed	Fresh	Chocolate	Animal Oil	Fresh Juice
Red meat farms	Baby Food	Frozen	Frozen	Dates based confectionary	Frozen	Biscuit	Vegetable Oil	Water
Chicken Processing factories	Cheese	Added Value	Dried		Pastry	Sugar	Packaged	Sparkling
Red meat Processing factories	Butter	Farming Cages	High-tech green house		Flour	Snacks	Refining oil	Carbonated Soft Drinks
Slaughter houses	Yogurt	Feed factories			Ingredient	Coffee		
Packaging factories		Hatchery				Ice Cream		
						Honey		

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