



Saudi Arabia

Saudi Arabia, officially the Kingdom of Saudi Arabia, is the largest and 13th largest country by area in the Middle East and globally, respectively. Its economy is increasingly diversifying away from oil dependence and implementing reforms via Saudi Vision 2030.

Culturally, Saudi Arabia is also known as the birthplace of Islam. Its society adheres strongly to Islamic principles which have profound influence on its business practices.

(SOURCE: STATISTA, INTERNATIONAL MONETARY FUND)

A MEMBER OF
 WORLD TRADE ORGANISATION (WTO)
 UNITED NATIONS (UN)
 GULF COOPERATION COUNCIL (GCC)
 ORGANISATION OF THE PETROLEUM
 EXPORTING COUNTRIES (OPEC)
 ORGANISATION OF ISLAMIC
 COOPERATION (OIC)

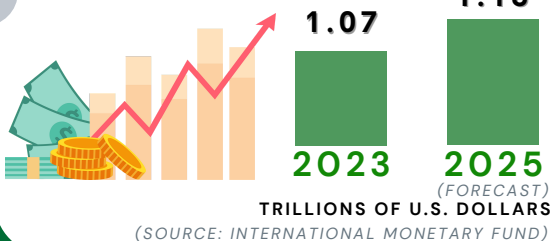
Free Trade Agreements (FTA) in Saudi Arabia

As Saudi Arabia is member of the Gulf Cooperation Council (GCC), businesses can tap on the FTAs that GCC has entered with various countries and economic blocs.

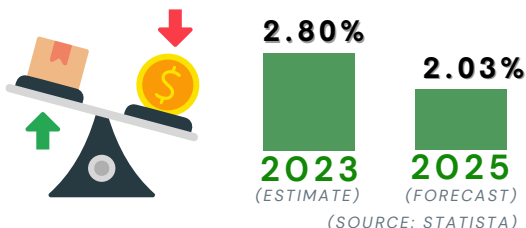
GCC-Singapore FTA (GSFTA)

It eliminates 99% of tariffs for Singapore's exports to GCC markets. The GSFTA market includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. Click [here](#) to find out more.

1 GDP

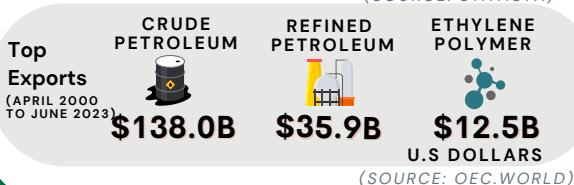
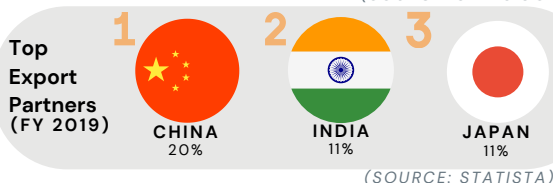


2 INFLATION RATE



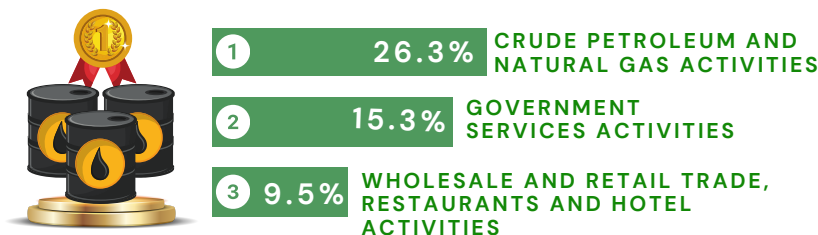
3 STOCK AND NET FLOW, 2022 FOREIGN DIRECT INVESTMENT

APPROX. US\$203.2B
762
 BILLIONS OF SAUDI RIYAL
 (SOURCE: STATS.GOV.SA)



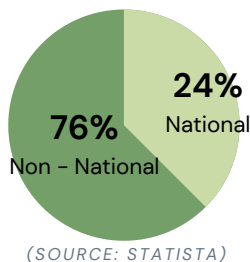
TOP CONTRIBUTORS TO GDP

(SOURCE: GENERAL AUTHORITY FOR STATISTICS, SAUDI ARABIA)



LABOUR FORCE

Distribution of Workforce 2020



6.17 Non-national workers in the private sector
 MILLION, 2021 (SOURCE: STATISTA)

Top Asian countries with labour migration flow to Saudi Arabia



Workforce Participation Rate 2022
61.1%

(SOURCE: WORLDBANK)

Median Age 2020
29.2

YEARS OLD (SOURCE: STATISTA)

Minimum Wage Monthly for Private Sector
 APPROX. SGD\$1,433

4,000 SAUDI RIYAL (SOURCE: MY.GOV.SA)

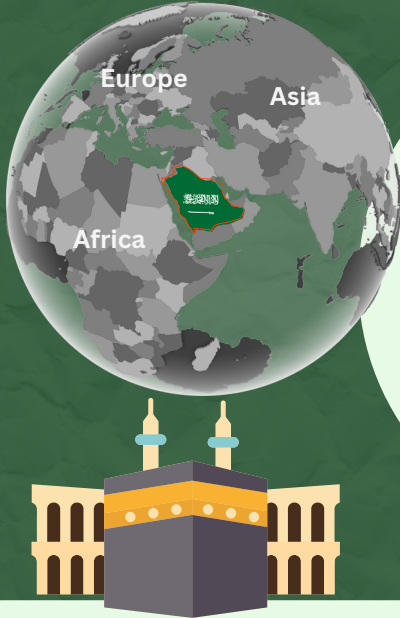
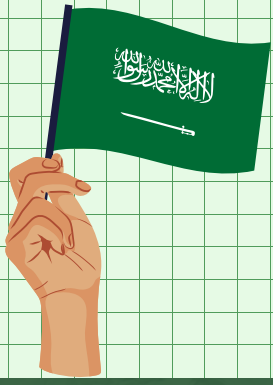
GLOBAL INNOVATION INDEX (GII) RANKING 2023 (SOURCE: WIPO)

- 48th among the 132 economies featured.
- 41st among 50 high-income group economies
- 5th among the 18 economies in Northern Africa and Western Asia.

Year	GII	Innovation Input	Innovation Output
2023	48th	37th	67th
2022	51st	37th	65th
2021	66th	59th	72nd

WHY INVEST IN SAUDI ARABIA?

(SOURCE: INVESTSAUDI.SA, VISION2030.GOV.SA, SAUDIARABIA.DOINGBUSINESSGUIDE.CO, IMF.ORG, STATS.GOV.SA, EN.MAJALLA.COM, ECONOMICTIMES.INDIATIMES.COM, ECZA.GOV.SA)



STRATEGIC LOCATION

- Situated at the crossroads of Europe, Asia, and Africa with 4 hours of access to 40 fast growing economies.
- Bordering the Red Sea in the west (13% of global trade passes through), Arabian Gulf, United Arab Emirates and Qatar in the east; Iraq and Jordan in the north; Yemen and Oman in the south.
- 10 seaports and 28 airports.
- Well-established railway (5,590km) and road connectivity (71,500km) across kingdom.

SAUDI VISION 2030

- Through Vision 2030, Saudi Arabia aims to diversify its economy beyond oil and is opening up opportunities in new industries.
- Upcoming plans for US\$3.2 trillion worth of investment by 2030.
- 517 pro-business planned reforms (77% implemented).
- World-class giga-projects such as the futuristic city project **NEOM**, the **Red Sea Project** (luxury tourism destination along the Red Sea coastline), and the **Diriyah Gate** (heritage and tourism), are examples of ambitious endeavours to drive economic growth.



PRO-BUSINESS ENVIRONMENT

- Young workforce with more than 63% of the population under the age of 30 and average age of 29 (2022).
- High government spending on education.
- Integrated industrial, logistical and digital infrastructure.
- Resilient banking sector and large asset base.
- Competitive production costs and availability of basic raw materials such as oil, gas and petrochemicals.
- Special economic zones (SEZ): Cloud Computing, Riyadh Integrated Special Logistics Zone, Jazan, Ras Al-Khair and King Abdullah Economic City.





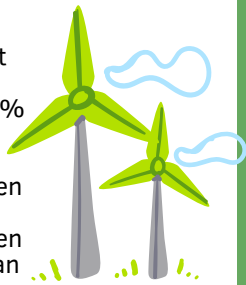
SAUDI ARABIA

KEY SECTORS TO INVEST



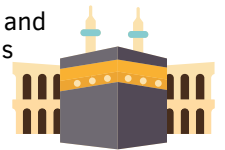
RENEWABLE ENERGY

- Saudi Arabia is increasingly investing in renewable energy sources and projects like solar, wind and tidal.
- With Vision 2030, it aims to hit net zero emissions by 2060, cut 278 million tons of CO₂, and derive 50% of its energy mix from renewable sources by 2030.
- 81 initiatives under the Saudi Green Initiative (SGI).
- Saudi Arabia is also exploring green and blue hydrogen production in an environmentally friendly manner.



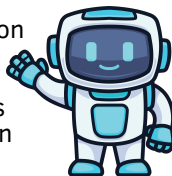
HERITAGE AND TOURISM

- 7 UNESCO World Heritage sites in Saudi Arabia.
- Leveraging on its cultural heritage and natural beauty, the government has been investing heavily in tourism infrastructure to transform Saudi Arabia into world-class tourist destination.
- Key giga-projects includes NEOM (futuristic city project), the Red Sea Project (massive tourism project with aim of 8,000 hotel rooms by 2030) and Qiddiya (emerging global hub for sports, culture and entertainment).



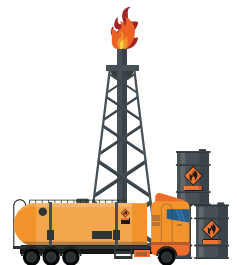
TECHNOLOGY AND ARTIFICIAL INTELLIGENCE

- Its IT market is forecast to grow to US\$5.4 billion by 2027.
- As a core component of Vision 2030, the vision envisages investment in areas such as digital content and media, telecommunication systems, digitisation of the country, and new high-tech and smart industries.
- The government has established plans for US\$1.2 billion worth of initiatives in emerging areas such as cloud computing, big data, Internet of Things (IoT), and renewable energy technology.



PETROLEUM

- Saudi Arabia is the world's top producer and largest exporter of petroleum and oil.
- It possesses 17% of the world's proven petroleum reserves (second-largest in the world behind Venezuela), with its oil reserve closer to the surface or land which enables a cost-effective and accessible extraction process.



MANUFACTURING AND INDUSTRY 4.0

- Manufacturing is one of the major sectors (17%) that grew beyond pre-Covid levels in Q2 2023.
- The Saudi government is promoting advanced manufacturing and Industry 4.0 technologies.
- Key initiatives such as the National Industrial Development and Logistics Programme (NIDLP) and the "Made in Saudi" Programme aim to tap on innovation and technology to boost the manufacturing sector's competitiveness and productivity.



FINANCIAL SERVICES AND FINTECH

- The Finance and Business service sector is also one of the major sectors (16%) that grew beyond pre-Covid levels in Q2 2023.
- The Financial Sector Development Programme, one of the Vision Realisation Programmes (VRP) for Vision 2030, and the FintechSaudi Programme seek to shape a world-leading financial sector and promote Saudi Arabia as a key Fintech hub in the world.



(SOURCE: MIM.GOV.SA, INVESTSAUDI.SA, VISION2030.GOV.SA, LINKEDIN.COM, NCC.GOV.SA, GRANTTHORNTON.SA, STATE.GOV, FORBES.COM, ARABNEWS.COM, WEFORUM.ORG, CARBONCREDITS.COM, GREENINITIATIVES.GOV.SA, UNESCO.ORG, NEOM.COM, TECHNAVIO.COM, TRADE.GOV, WORLDPOPULATIONREVIEW.COM, PWC.COM, SIDF.GOV.SA)



Competitive and emerging sectors of different regions in Saudi Arabia

• Competitive Sectors • Emerging Sectors

AI-JOUF



With favourable climate, Al-Jouf is the kingdom's agricultural hub, with olive oil being a prominent product, and it also hosts multi-million projects for renewable energy to support the kingdom's net zero emission aim by 2060.

- Olive Cultivation
- Fruits, Vegetables and Grains
- Renewable Energy
- Culture and Heritage Tourism
- Eco-Tourism

NORTHERN BORDERS



The region has rich natural resources and holds 7% of the world's reserve for phosphates. It is an emerging metals and chemicals hub with strength in its extensive rails and transportation networks and that helps to bring its metal and chemical products to overseas markets.

- Mining
- Chemicals
- Transport and Logistics

SHARQIA



Sharqia has one of the largest oil-fields in the world and acts as a key energy hub. It accounts for more than half of the crude oil production in the kingdom. It also has world-class transportation infrastructure for global trade.

- Energy - Oil & Gas
- Petrochemicals
- Port Infrastructure
- Automotive
- Rail Infrastructure

TABUK



Tabuk is a rising tourism destination by the Red Sea. It also houses NEOM, a key initiative under the Saudi Vision 2030 and other groundbreaking initiatives, facilitating its digital transformation to be a key ICT destination.

- Sun, Sand and Mountain Tourism
- Fishing and Aquaculture
- Renewable Energy
- Information and Communication Technology (ICT)

QASSIM



Qassim is one of the agricultural leaders in the kingdom. It is also a global date producer. It is home to the only bauxite mine in the Middle East, with bauxite reserves of 183.4 million metric tons.

- Bauxite
- Dates Production
- Livestock Production

HAIL



Hail is home to two UNESCO world heritage sites and plays a key role in increasing food security and growing the tourism sector. It is also an important trade hub and key producer of agricultural products.

- Fruits and Vegetables
- Grains and Barley
- Poultry and Livestock Production
- Cultural and Heritage Tourism
- Adventure Tourism

MAKKAH



Known as the birthplace of Prophet Muhammad, the region is regarded as the holiest Islamic destination in the world and hosts millions of pilgrims per year.

- Port Infrastructure
- Air Infrastructure
- Hajj and Umrah visits
- Gold
- Fishing and Aquaculture
- Automotive
- Sun, Sand and Mountains Tourism

AI-MADINAH



Al-Madinah is a renowned tourist destination and home to historical mosques and tourism mega-projects. It is also endowed with rich natural resources and has a world-class petrochemical sector.

- Cultural and Heritage Tourism
- Hajj and Umrah visits
- Copper and Other Base Metals
- Gold and Silver
- Petrochemical
- Other High Potential Minerals
- Aluminium

RIYADH



Riyadh is the economic powerhouse of Saudi Arabia and contributes to almost 50% of its non-oil GDP. It is the capital city and a key business hub.

- Information and Communication Technology (ICT)
- Insurance and Insurtech
- Fintech
- Machinery and Other Equipment
- Air Infrastructure
- Rail Infrastructure
- Tourism (Cultural & Heritage, Business)
- Healthcare and Life Sciences
- Education
- Renewable Energy

NAJHRAN



Mining is the key sector for Najran as it has an abundance of unexploited reserves of copper, zinc, granite, and other precious metals.

- Mining
- Citrus Fruits and Vegetables
- Culture and Heritage Tourism

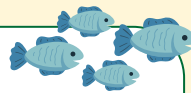
AI-BAHA



Al-Baha is home to heritage sites and beautiful natural landscapes such as mountain ranges, valleys, waterfalls, and forests, making it an ideal tourist getaway.

- Cultural and Heritage Tourism
- Adventure Tourism
- Fruits/Vegetables and Grains
- Honey Production
- Almond Harvest
- Coffee

JAZAN



Jazan's strategic location with its coastline along the Red Sea positions it well for the aquaculture and fishing industries. It is also one of the key agriculture region and petrochemical hub in the kingdom. Its natural assets and geography also help in its tourism sector.

- Evergreen, Tropical Fruits/Vegetables
- Fishing and Aquaculture
- Petrochemicals
- Sun and Adventure Tourism

ASEER



Aseer is considered the greenest area in Saudi Arabia, covering 80% of the kingdom's forested area, and has an abundance of natural landscapes and rich heritage.

- Cultural and Heritage Tourism
- Adventure Tourism
- Honey Production



Investor Journey in Saudi Arabia



**DID YOU
KNOW ?**

The Ministry of Investment (MISA) [E - Services Portal](#) is a one-stop site for companies interested in investing in Saudi Arabia!

Steps & Requirements

01

Issuance of Investment Licence

- Certification of Company's commercial registration and previous year financial statement by Saudi Embassy.
- Provider: Ministry of Investment

02

Documentation of Memorandum of Association

- For branches of foreign companies, submit a decision to open the branch in the Kingdom to complete the issuance of the Commercial Register.
- Provider: Ministry of Commerce and Industry, Ministry of Justice

03

Issuance of Commercial Registration

- Commercial registration of the parent company
- Decision of the Board of directors of opening a branch (branches of foreign companies only)
- Memorandum of Association (for new companies)
- Appointment of general director
- Proof of the owners and general director's ID
- Provider: Ministry of Commerce and Industry

04

Open Files

- Obtaining a file of the General Authority of Zakat and Tax
- Obtaining a file of Saudi Ministry of Labor and Social Development
- Obtaining a file of The General Organization for Social Insurance
- Providers: General Authority of Zakat & Tax, General Organisation for Social Insurance, Human Resource & Social Development

05

Issuance of General Directors Visa

- A letter of appointing the general director
- Proof of the general director's ID
- Provider: Human Resources and Social Development

GOOD TO KNOW ABOUT SAUDI ARABIA BUSINESS CULTURE

(SOURCE: WORLDBUSINESSCULTURE.COM, EXPATICA.COM, [GENERAL AUTHORITY FOR STATISTICS](http://GENERALAUTHORITYFORSTATISTICS), IMF.ORG)



Islamic Values and Gender Roles

- Islam plays a significant role in daily life, and business practices often align with Islamic principles.
- The workweek typically runs from Sundays to Thursdays to adhere to the Islamic weekend.
- Meetings and events are scheduled around prayer times.
- Traditional gender roles are still prevalent, though strong growth in female labour participation was observed since 2019.



Business Attire & Meetings

- Dressing conservatively is important, especially for business meetings. Men typically wear a thobe (a traditional robe), while women adhere to modest Islamic dress codes.
- It is important to be punctual, though business meetings are generally relaxed.
- Reciprocating in terms of representation during business meetings is crucial.



Hierarchy and Respect

- Business structures are often hierarchical, and respect for authority is crucial.
- The senior management are the key decision-makers.
- Age is often associated with wisdom, and older individuals generally afford high levels of respect.
- It is customary to stand when someone older enters the room.



Importance of Personal Connections & Family Ties

- Personal relationships, gaining trust and family connections are seen as important.
- Business transactions may be preceded by time spent getting to know one another, with extensive socialising.
- It is useful to understand the dynamics and interplay between families (tribes).



Communication Styles

- Common use of English for business.
- Saudis may prefer indirect communication styles, with a focus on diplomacy and avoiding confrontation.
- Use of non-verbal communication, such as gestures and facial expressions are not uncommon.
- Maintaining eye contact is generally seen as a sign of respect.



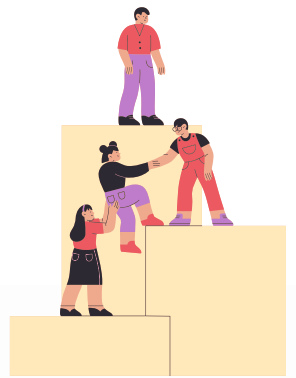
Working Hours

- The working hours are a maximum of 8 hours per day and 48 hours per week.
- During the holy month of Ramadan, Muslim employees only work a maximum of 6 hours per day and 36 hours per week.

FREQUENTLY ASKED QUESTIONS



What types of support are available in the setting up of a business?



Some support schemes from government include:

Loan Programmes:

- Loan programme for public/private investment projects.
- Loan programme for economic development and reform in Arab countries.
- Financing facilities for trade transactions of goods of Arab origin.
- Political and commercial risk insurance for investments and export credit guarantees.
- Equity and debt financing for enterprises and productive projects in member countries.

Others (non-exhaustive):

- Energy and Utilities Subsidies.
- Employment Support Programme.
- Export Credit Financing, Guarantee, and Insurance.
- Land Solutions.
- Financial Incentives for Research & Development (R&D).
- Tax Credit and Exemption.
- Indirect lending initiatives for SMEs.

Click [here](#) to find out more

(SOURCE: INVESTSAUDI.SA)



Corporate tax and key tax incentives



- Standard corporate tax rate is 20%. Though, tax can vary for some industries (e.g oil and hydrocarbon production).
- Zakat (an Islamic tax and charitable contribution) at 2.5%.
- Value-added tax (VAT) at 15% and excise tax for selected goods (e.g. tobacco).
- Withholding tax from 5%–20%.

Incentives

- 30-year tax relief for multinational companies with regional headquarters (RHQ) activities in Saudi Arabia. Effective from 1 Jan 2024 and under the Regional Headquarters Program, the Ministry of Investment of Saudi Arabia (MISA) announced a 30-year tax incentive package of 0% corporate tax and withholding of tax rate for 30 years on approved regional headquarters activities.
- 10 years tax concessions for less-developed regions, including Hail, Jazan, Najran, Al-Baha., Al-Jouf and Northern territory.
- Custom duties exemptions for selected machinery and raw materials.
- 50% tax credit on payroll of Saudi national workers and training costs for 10 years.

Click [here](#) to find out more

(SOURCE: ZATCA.GOV.SA, SPA.GOV.SA, GLOBALTAXNEWS.EY.COM, TAXSUMMARIES.PWC.COM, INVESTSAUDI.SA, GRANTTHORNTON.SA, KPMG.COM, BMSAUDITING.COM, SETUPINSAUDI.COM, CLEAR.TAX.COM, ORBITAX.COM)



What are the key projects, programmes and initiatives of Saudi Vision 2030?

Vision Realisation Programmes (VRP):

- Financial Sector Development
- Fiscal Sustainability
- Health Sector Transformation
- Housing
- Human Capability Development
- National Industrial Development and Logistics
- National Transformation
- Pilgrim Experience
- Privatisation
- Public Investment Fund
- Quality of Life

Giga and mega-projects:

- NEOM
- AMAALA
- Red Sea Global
- Qiddiya
- Diriyah Gate Project
- The Saudi Green Initiative
- Dar Al Hijra
- Rou'a Al Haram
- Rua Al-Madinah



Click [here](#) to find out more

(SOURCE: INVESTSAUDI.SA, VISION2030.GOV.SA, MY.GOV.SA)



FOR MORE INFORMATION

SUPPORT SCHEMES & PROGRAMMES

- [Singapore Global Enterprises Initiative](#)
- [Market Readiness Assistance Grant](#)
- [Enterprise Development Grant](#)
- [Enterprise Financing Scheme](#)

Initiatives such as **GlobalConnect@SBF**, **Scale-up SG** and **iTalent Solutions Map** enable companies in their journey towards internationalisation.

Visit [SBF Singapore Business Institute \(SBI\)](#) for the list of available training for your respective areas of interest.

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