



Saudi Arabian General Investment Authority  
SAGIA

# Eastern Region

## Economic Report

1434/1435 - 2014





## Forward

Within the scope of the strategy of the Saudi Arabian General Investment Authority (SAGIA) towards stimulating and encouraging investment in the thirteen regions of the KSA and particularly focusing on promoting investment in the less developing regions, the Saudi Arabian General Investment Authority is pleased to provide the 2014 specialized economic reports to those who are interested in and those who are responsible for such regions in an attempt to put a real account on each region in the hands of decision makers to help promote investments in such regions.

The release of the Economic Report on the Eastern Region for the year 2014 comes as an extension of the two reports issued in 2007 and 2010. It is worth mention that this Report seeks to offer basic data on the capabilities and potentials of the Region along with shedding light on the most important economic developments witnessed by the Region and monitoring the most vital new investment opportunities and ideas that go well with the region potentials. This Report includes a chapter that compares between the indicators monitored in the two previous reports and those monitored in the current 2014 Report for the purpose of identifying the extent of development witnessed by the Region during the period between the three reports.

Therefore, SAGIA hopes that this Report will support development in the Region and be a source for accurate information for decision makers and those interested in the development and promotion of investments in the Region.

## Table of Contents

	Page No.
Introduction	8
1. Economic Developments in KSA	8
2. General Investment Authority Strategy	11
<b>Part I : Status and Prospects of Development in the Eastern Region</b>	<b>12</b>
1.1 Inputs and Bases of Economic Development in the Region	14
1.2 Economic Activities in the Region	21
1.3 Prospects of Economic Development	27
1.4 Major projects in Eastern Region	27
<b>Part II : Economic Indicators for Madina Region</b>	<b>31</b>
2.1 Gross Domestic Product	32
2.2 Migration Rate and Population Attraction	34
2.3 Employment and Unemployment Rates	35
2.4 GDP per Capita	37
2.5 Contribution to Exports of the Kingdom	37
2.6 Education Services Indicators	39
2.7 Health Services Indicators in the Eastern Region	42
<b>Part III: Comparison of the Region's Economic Indicators for 2005, 2009 and 2012</b>	<b>45</b>
3.1 Population and Gross Domestic Product	47
3.2 Export Indicators	47
3.3 Infrastructure Indicators	48
3.4 Economic Sectors Indicators	48
3.5 Education and Health Services Indicators	49
<b>Part IV: Investment Opportunities in Eastern Region</b>	<b>51</b>
4.1 Investment opportunities in large projects	53
4.2 Investment opportunities in medium sized projects	56
Sources of Data & Information	59



## Introduction

### 1. Economic Developments in KSA

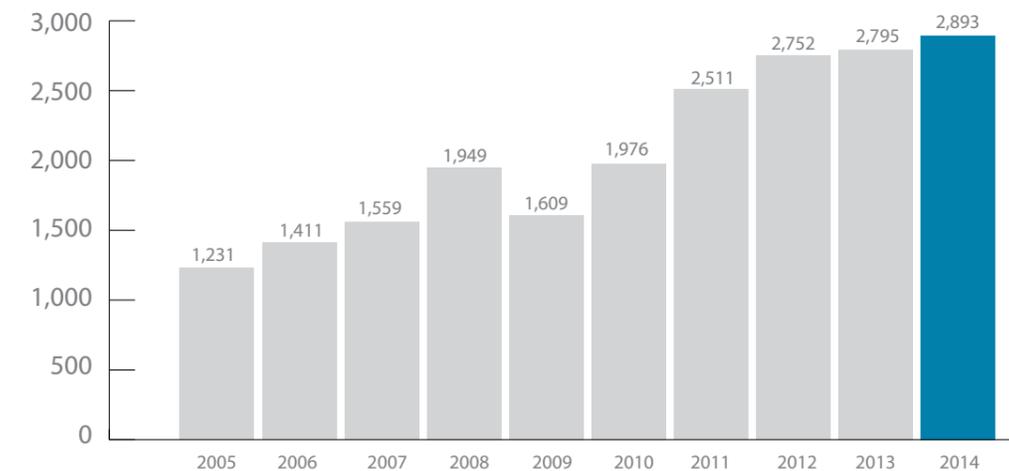
The economy of the Kingdom achieved a steady growth in the last four years recording growth rates of 7.4%, 8.6%, 5.8% and 3.8% respectively. The growth decline of 2012 and 2013, as compared with the high level growth of past years, is attributed to the decline of oil production as compared to 2011 .

The Saudi economy is expected to witness a strong recovery in 2014 thanks to continued huge governmental expenditure supported by the rise in the levels of corporate bank lending, in addition to vigorous local demand. The total governmental expenditure is expected to reach to 30% of GDP as compared with an average of around 30.4% in the past ten years. The private non-oil GDP is expected to grow by around 9.4%, compared to a growth average rate of 4.9% in the last ten (10) years.

	2009	2010	2011	2012	2013*	2014**
GDP at current prices (billion SR)	1,609	1,976	2,511	2,752	2,795	2,893
Annual change rate	17.4%	22.8%	27.1%	9.6%	1.5%	3.5%
GDP at fixed prices (billion SR)	993	1,067	1,159	1,225	1,272	1,318
Annual change rate	1.8%	7.4%	8.6%	5.8%	3.8%	3.6%

\* Preliminary figures \*\* Estimated figures Source: SAMA Annual Report, 2013

Development of the total GDP value at current prices (in billion riyals)



According to the 2014 Budget forecasts, the State's public revenues are expected to reach 855 billion Saudi Riyals, while expenditure is estimated also at 855 billion Saudi Riyals, which is the same level of expected revenues.

The most prominent features of expenditure in the Budget of 2014 is that it is focused on the development projects of the sectors of education, health, security, social and municipal services, water and wastewater, electronic services and scientific research support. The Budget included also carrying out new programs and projects and performing additional phases of some projects that were approved under previous budgets. The following is an overview of the provisions included in the Budget of 2014, by main sectors:

- Education and human resources development sector: SR 210 billion
- Health and social development sector: SR 108 billion
- Municipal services sector: SR 39 billion
- Infrastructure and Transport: SR 66.6 billion
- Water, agriculture, industry and other economic resources sector: SR 61 billion
- Specialized development funds and other government finance programs: SR 89 billion



## 2. General Investment Authority Strategy

### Vision

Enabling quality investments for achieving sustainable development.

### Mission

Develop and attract investments through enhancement of investment environment, incentives, improvement of services with capable hands and effective partnerships.

## Objectives of SAGIA

### Develop and Attract Investments

- Coordinate with other government agencies to unify efforts of investment attraction and promotion
- List and promote investment opportunities
- Identify, introduce and provide incentives required for attracting investments, focusing on promising sectors

### Enhance Investments Environment

- Continued enhancement of business climate and investment environment and regulations in the Kingdom
- Facilitation of local and foreign investment procedures, through coordination with relevant government agencies
- Evaluation of foreign investment contribution to the Kingdom and value added achieved
- Building SAGIA's capabilities, for the purpose of facilitating and supporting research and analysis efforts and development of strategies and policies

### Investor Services

- Upgrading services provided by Business Centers through provision of quality electronic services
- Enabling high value-added investments through quantitative and qualitative mechanisms, standards and conditions
- Creating mechanisms and procedures for tracking the implementation of licences, with the objective of activating and supporting proposed project.



## Part I

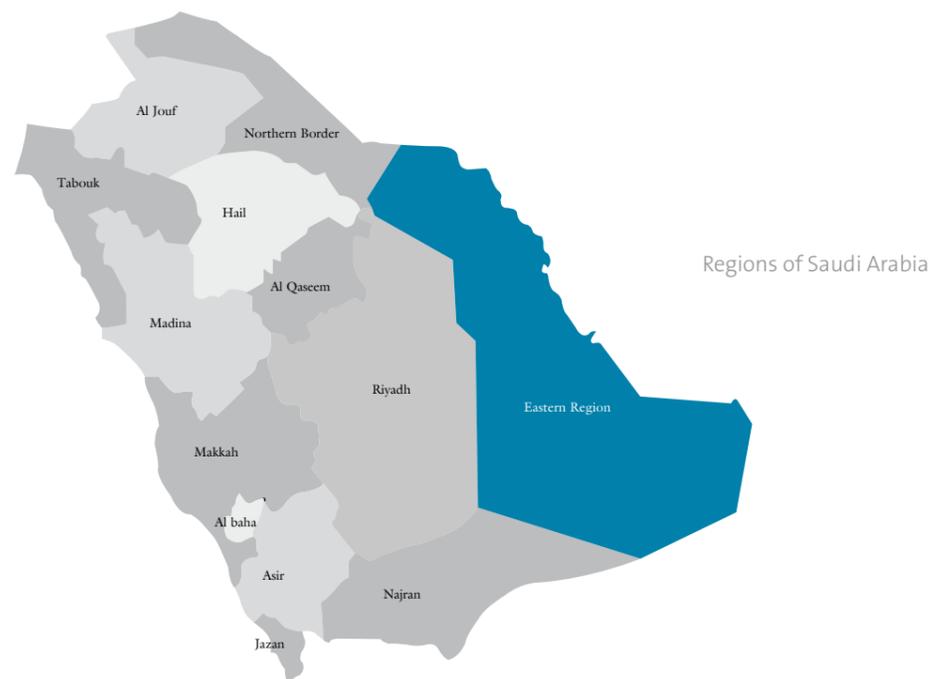
# Status and Prospects of Development in the Eastern Region

# Part I : Status and Prospects of Development in the Region

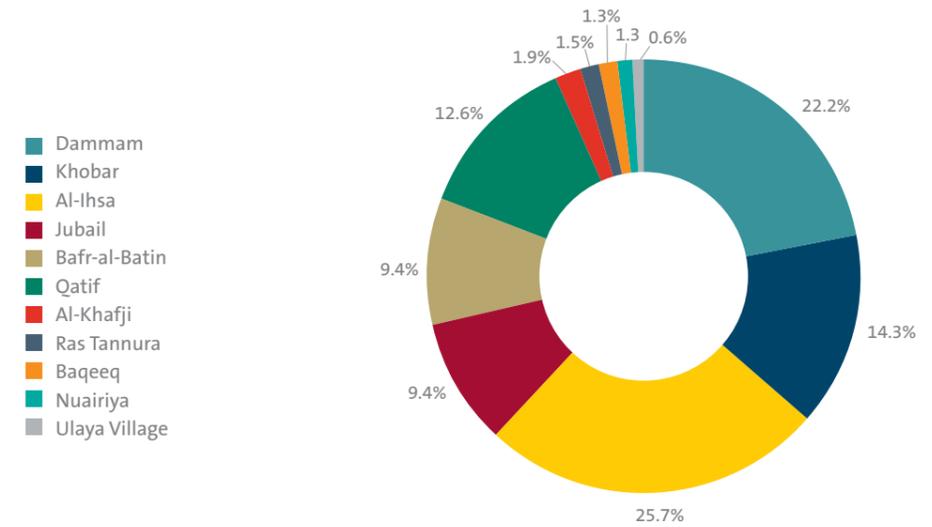
## 1.1 Inputs and Bases of Economic Development in the Region

### Location

The Eastern Region is located in the eastern part of Saudi Arabia on the coast of the Arabian Gulf. The region is the Kingdom's gateway to all other Gulf States; Iraq and Kuwait in the north, Bahrain and Qatar in the east and the United Arab Emirates and Oman in the south-east. It is bordered from the West by four other administrative regions of the Kingdom: The Northern Borders, Al Qassim, Riyadh and Najran. The Eastern Region is the largest region in terms of area, which amounts to about 779 thousand square kilometers, equaling 36% of the total area of the Kingdom. The region is divided administratively into the Principality of the Eastern Region and eleven governorates: Dammam, Al-Khobar, Al-Ihsaa, Jubail, Hafr al-Batin, Qatif, Al Khafji, Ras Tannura, Baqeeq, Al-Nuairiya and Al-Olaya village.



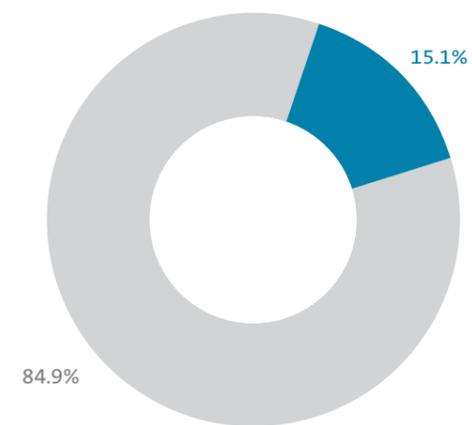
Percentage Distribution of the region population by its administrative divisions



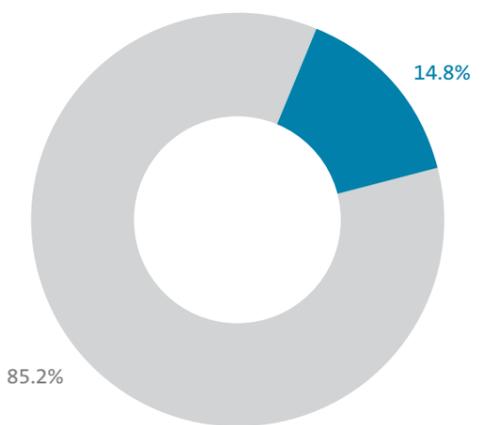
### Population

According to the estimated figures of the Central Department of Statistics and Information, the total population of the Region is expected to amount to about 4.65 million people, representing about 15.1% of the total population of the Kingdom, which is expected to amount to about 30.8 million people in 2014. The number of Saudi population in the Region is estimated at 3.2 million against 1.45 million non-Saudis. It is worthy to mention that Al-Ihsaa Governorate has the biggest percentage of the region's population recording 25.7% of the total population of the region, followed by Dammam Governorate recording 22.2%, Al-Khobar Governorate recording 14.3%, Qatif Governorate recording 12.6%, Hafr al-Batin recording 9.4%, Jubail Governorate recording 9.4%.

Region's population as % of the total population of Saudi Arabia 2014



Region's population as % of the total population of Saudi Arabia 2010



Rest of KSA Eastern Region

## Infrastructure in the Eastern Region

### A) Road network

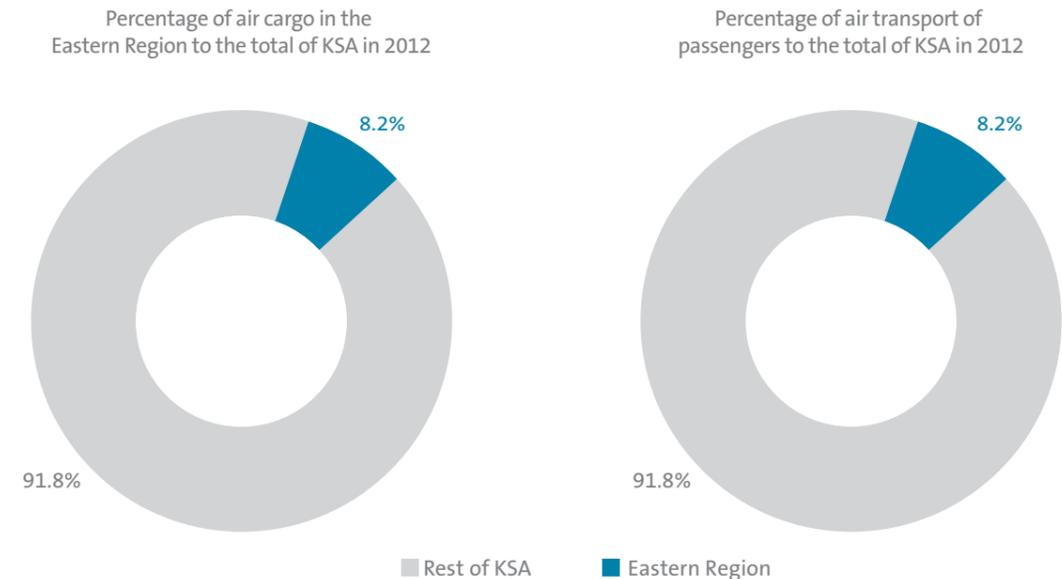
The Eastern Region has a modern and developed network of motorways, highways and bridges that connect the major cities to the different oil and industrial facilities in the region, as well as the region to the neighboring ones. The total length of paved roads controlled by the municipalities in the Region is around 8938 linear km accounting for 9.8% of the total roads of the Ministry of Municipal and Rural Affairs in the Kingdom; the total lengths of which by the end of 2012 were over 91 thousand km. The lengths of express ways, two-way and one-way roads in the Region under the supervision of the Ministry of Transport amounted to about 1,287 km representing around 8.1% of the total roads of the Ministry of Transport, the total of which recorded about 16,000 km by the end of 2012. The total lengths of agricultural and earth roads in the Region amounted to about 3,737 kilometers by the end of 2012. The Region is currently witnessing new projects and expansions in its internal road network as well as the roads linking the Region with other areas, as the implementation of several new projects are currently underway, including:

- Completion of Zhahran / Al-Ugair / Salwa (construction of 4 crossings in the section, which is under construction)
- The road leading to the gateway at the borders with Sultanate of Oman (last section)
- Improvement of Dammam /Al-Khubar coastal road and construction of a crossing with Al-Fashala / Old Airport road (two-way)
- The road linking Riyadh / Dammam highway with Abu-Hiderba / Dammam and Dammam / Jubail road
- Connecting King Fahad Road with Zhahran / Baqeeq road (phase one) (two-way)

### B) Air Transport and Airports

In the Eastern Region, there are four airports: a modern international airport, King Fahd International Airport in Dammam; and three regional airports in Al-Ihsaa, Hafr al-Batin and Al-Qaysouma. The number of passengers using the airports of the Eastern region is amounted to 2.74 million and 3.15 passengers in 2011 and 2012 respectively, recording an increase of about 15% and representing about 8.17% of the total air traffic of passengers in the Kingdom, which recorded in the said two years 33.6 million and 38.5 million passengers respectively. The quantities of goods transported through these airports amounted to about 36.9 and 43.9 thousand tons in 2011 and 2012 respectively; with an increase of 19% and representing about 7.93% and 8.19% of total air cargo in Saudi Arabia, which recorded about 465,000 ton and 536,000 ton respectively

in the said two years. King Fahad International Airport is considered one of the most modern airports in the Middle East and one of the fundamental and important pillars on which the Region depends for the development of transport and air cargo. There are also nine other airports in the region affiliated to Aramco Company, which is operating in the field of oil and gas in the region. These airports are located in Al-Jubail, Al-Khafji, Baqeeq, Haradh, Ras Tannura, Shaiba, Ras Al-Mishaab, Tanaget and Abu Ali Island.

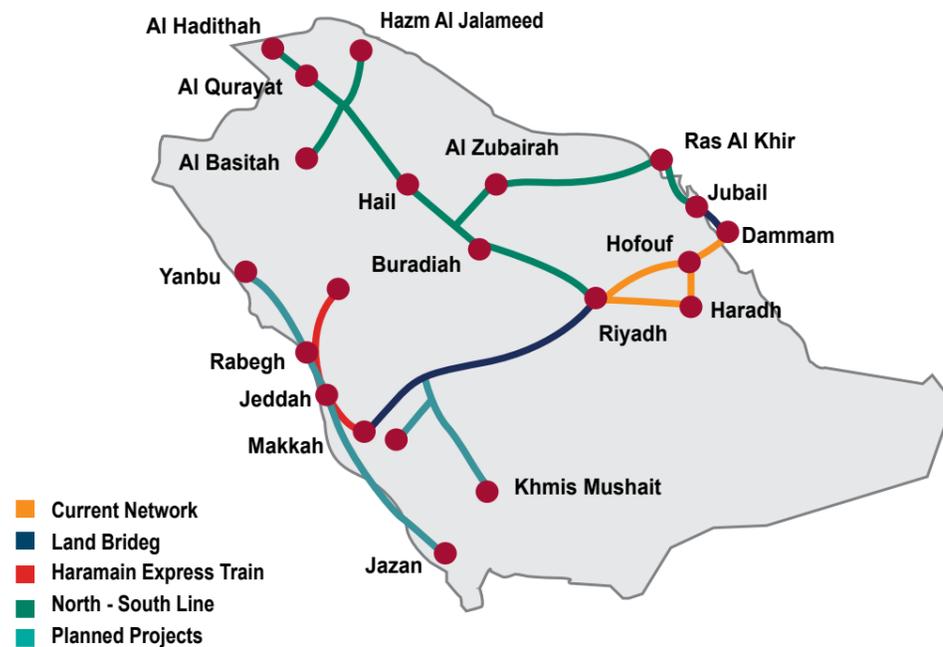


### C) Sea transport and ports

The Eastern Region has six ports on the Arabian Gulf, including King Abdul Aziz Port in Dammam; which is the second largest port in the Kingdom of Saudi Arabia; King Fahd Industrial Port in Jubail; Jubail Commercial Port and Al-Khobar Port; Ras Tannura, which is the main port for oil export from which about 97% of the crude oil and petroleum products are exported by the Kingdom. In addition to Ras Al-Khair, which is the newest industrial port in the Kingdom, This port is located about 80 kilometers from Jubail city and the cost of its construction reached 2.4 billion riyals. The actual operation of Ras Al-Khair port was started on 2011. The port served all the companies, which will be established in Ras Al-Khair Industrial City including Maaden Company, which uses the port now for the transportation of its products of ammonia and phosphate and receives the coal, ammonia granules and the equipment of the plants, which are under construction now. The Eastern Region ports contribute to a considerable percentage of the total maritime transportation in the Kingdom. The total shipments handling (loading and unloading) in the Eastern Region ports in 2013 about 86 million tons, representing 44% of the cargo handling in the ports of the Kingdom, which reached in the same year 195 million tons.

## D) Railways Transport

The Eastern Region is linked to the Riyadh Region via the 449 km railway, linking the city of Riyadh to Dammam and passing by Zhahran, Baqeeq and Al-Hufuf. There is also another 556 km railway allocated for cargo transportation, starting from King Abdul Aziz Port in Dammam up to Riyadh, passing by Baqeeq, Al-Hufuf, Hardh and Al Kharj. The first phase of a new railway line, which is the North – South Railway has been completed. The length of this line is 2,400 km, connecting phosphate areas in the north and bauxite areas in Qassim to the manufacturing and export areas in Ras Al-Khair in the Eastern Region. The commissioning operation of the line has been started on 2011 from the phosphate ore areas to Hazm Al-Jalameed at the north to the industrial city of Ras-Al-Khair. The operation of the line for transporting bauxite ore from Al-Baathiya Mine in Qassim Area to the manufacturing facilities in Ras-Al-Khair will start on 2014.



## E) Water

The Eastern Region gets its drinking water from two sources; the underground water and the desalinated water. There are six desalination plants on the coast of the Arabian Gulf, the biggest and most important three of which are in the cities of Jubail, Khobar and al-Khafji, and they all are operated by the Public Desalination Corporation (PDC). The total design capacity of these stations is 1,464 million cubic meters and their total production of desalinated water reached about 504 million cubic meters in 2012 (part of this amount is consumed in the region, while the rest is exported to the Riyadh region), or about 33% of the total desalinated water in the Kingdom, which reached on 2012 about 1,519 cubic meters. The Eastern Region's total consumption of water (both underground and desalinated water) reached about 578 million cubic meters in 2012, of which 343 million cubic meters are desalinated water and the rest is underground water.

Ras Al-Khair Station, a new water desalination plant, is being constructed in the Eastern Region, which is expected to increase the region's production of desalinated water by 100% upon its completion.

In addition to water desalination, there are other projects in the Eastern Region to provide drinking water from wells, the most important of which are: Al-Hufuf and Al-Mebraz water projects with a production capacity over 100 thousand cubic meters; and Hafr al-Batin and Qaysuma water projects with a production capacity over 20 thousand cubic meters. Implementation is underway for more than 67 projects of water and wastewater in the Region including construction of drinking water tanks, water supply systems, wastewater systems, treatment and purification plants with a total cost of SR 1.3 billion riyals.

## F) Electricity

Electricity is provided in the Eastern Region by 11 gas-powered generation plants in Khobar, Dammam, Jubail, Qaysuma, Safanya, Othomanya, Shadqam and Joaimah; two diesel-powered plants in Salwa and Roq'a; and two vapor-powered plants in Ghazlan and Al-Qariya. The region has also a range of the 230KV and 115kv transformer stations, deployed in all parts of the Region, including Kharasanya, Nuairya and Hardh, Hafr al-Batin, Lasaqa, Olaya village, Assarrar, Ain Dar, Berin, Ashamloul, Arrafi'a and others. All these plants are connected to 230kv and 115kv electric transmission lines and they are also linked to the Riyadh region via 380kv, 230kv and 110kv transmission lines. Additionally, the desalination plants supply the Eastern Region with another portion of the electric energy. The production of electricity from the stations in the Region amounted to about 17 thousand mw/h. The electricity generation capacity amounted to about 17 thousand megawatts/hour in 2013. The Eastern Region is one of the Kingdom's highest regions with regard to the electricity coverage rate as it amounted to about 100% in 2010.

## G) Telecommunications

Communication networks cover the Eastern Region through landlines, mobile phone lines and digital subscriber lines (DSL). The Eastern Region is the highest in the Kingdom with regard to the use of computer sets. The number of landlines in the Region amounted to about 847,000 lines representing around 17.6% of the total landlines in the Kingdom in 2012 which recorded about 4.8 million lines. The number of Internet users in the Region amounted to about 2.52 million, representing about 15.9% of the total number of Internet users in the Kingdom, which amounted to about 15.81 million in 2012. The broad band subscriptions in the Region recorded about 462,000 lines representing about 18.2% of the total number of broadband lines in the Kingdom which amounted to 2.54 million lines

As for the postal services in the Region, there were 75 central offices, 33 express mail offices, 3 mail agents, 16 postal agents, 66 mail points, 63 subscriber box rooms at the end of 2012; while the post office boxes amounted to 113 thousand. There are also TV and radio broadcasting stations and an office for the Saudi News Agency and others.

## 1.2 Economic Activities in the Region

### A) Oil and Gas Sector

The oil and gas sector is the largest and most important economic activity in the Eastern Region, where all productive oil and gas fields of the Kingdom are found, including Dammam Field, the first field discovered in the Kingdom; Ghawar Field, the largest oil field in the world; Savanya; Al-Wafra; Al-Shaibah in the Empty Quarter, which is one of the latest discovered fields and contains huge oil and gas reserves; and other fields. The oil reserves in the Eastern Region went up to about 265.9 billion barrels in 2012, equaling 25% of the world's reserves of crude oil. As well, the gas reserves amount to about 290.8 trillion cubic feet in 2012, placing the Kingdom fourth in rank regarding the world gas reserves. The Saudi ARAMCO runs this sector as a whole, from prospecting, exploring and extracting as well as collecting, processing, refining, and finally distributing, shipping and exporting. The Kingdom's total production of crude oil amounted to about 3.6 billion barrels in 2012, with an average production of about 9.8 million barrels per day. In the Eastern Region there are four oil refineries: Ras Tannura, Ras Al Khafji, Getty and Sasref, the newest oil refinery in the Kingdom, which is a joint venture between Saudi Aramco and the French company, Total, with a production capacity of 400 thousand barrels per day. Sasref refinery started production on 2013. In addition, there are five major centers for collecting and processing the natural gas in Ras Tannura, Al-Bari, Shadqam, Othmanya and Al-Jo'ima.

It is worthy to mention that since the discovery of oil, the massive investments in this important economic sector in the Eastern Region has been the cornerstone for the overall growth and the driving force for all other sectors, the first of which is the manufacturing industries sector.

For the crude oil sector, Aramco has finished several projects to expand production facilities for increasing the Kingdom's crude oil production capacity, which increased from 10.5 million barrels/day to 12.5 million barrels/day through a program started on 2005 to raise the production capacity of the oil fields in Khursaniyah, Shaybah, Khurais and Manifa. The investments and costs of these projects reached 75 billion riyals.

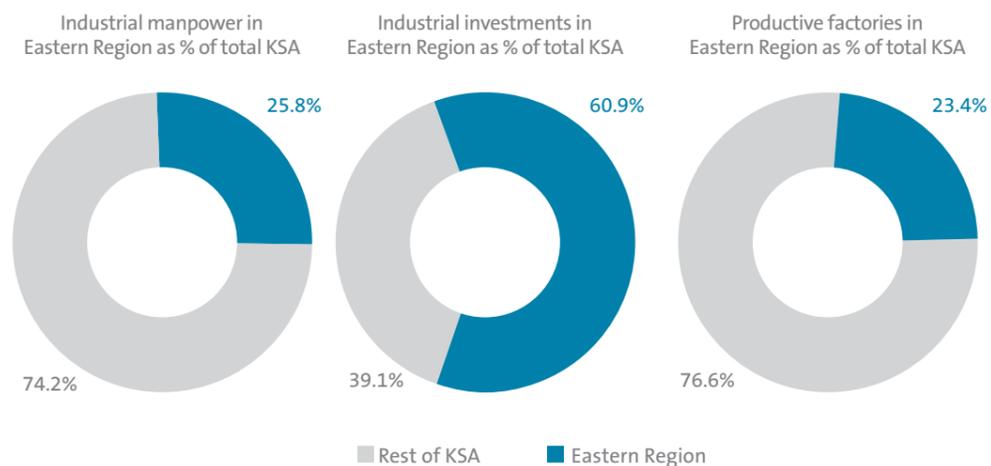
On the other hand, the gas sector is witnessing a significant development in the Eastern Region, where several joint ventures between Saudi Aramco and several international companies were launched in 2006 for the purpose of developing the gas facilities and drilling activities in south of Ghawar and Shaybah in the Empty Quarter, to use gas in local industries and power generation with the aim of saving larger quantities of crude oil for export purposes. The investments in these projects are expected to amount to 42 billion riyals.

## B) Industry

The manufacturing industries sector in the Eastern Region comes second in importance after the oil and gas sector. The Eastern Region contains the largest number of industrial cities in the Kingdom, where there are the largest industrial city in the Middle East, Jubail, which is witnessing now large extensions of the current plants and construction of other new ones. Three of these plants are in Dammam, which have been developed and one in al-Ihsa and another in Hafr-al-Batin, which are under development. The giant petrochemical industries complexes located in Jubail Industrial City are among the most important industries in the Kingdom due to the large production capacities of such industries, most of which are exported to foreign countries. It is worthy to mention that the developing infrastructure of Jubail Industrial City has had a significant impact on the success of the city and its attraction of huge local and foreign investments.

A new large industrial city is now under construction in the Region, which is Ras Al-Khair industrial city on the coast of the Arabian Gulf, specialized for the mining industries of bauxite (aluminum) and phosphate ores, which will be transported from their mining locations in the central and north western parts of the Kingdom.

The Region includes 1,492 productive factories representing about 23.4% of the total number of the Kingdom amounting to 6,364 by the end of 2013. The total industrial investments in the Region amounted to some SR 531.6 billion representing about 60.9% of the total investment in productive plants in the Kingdom, which amounted to about SR 873.2 billion. The number of factory workers in the Eastern Region recorded about 214,000 workers representing around 25.8% of the total industrial manpower in the Kingdom which amounted to 828,000 workers by the end of 2013.

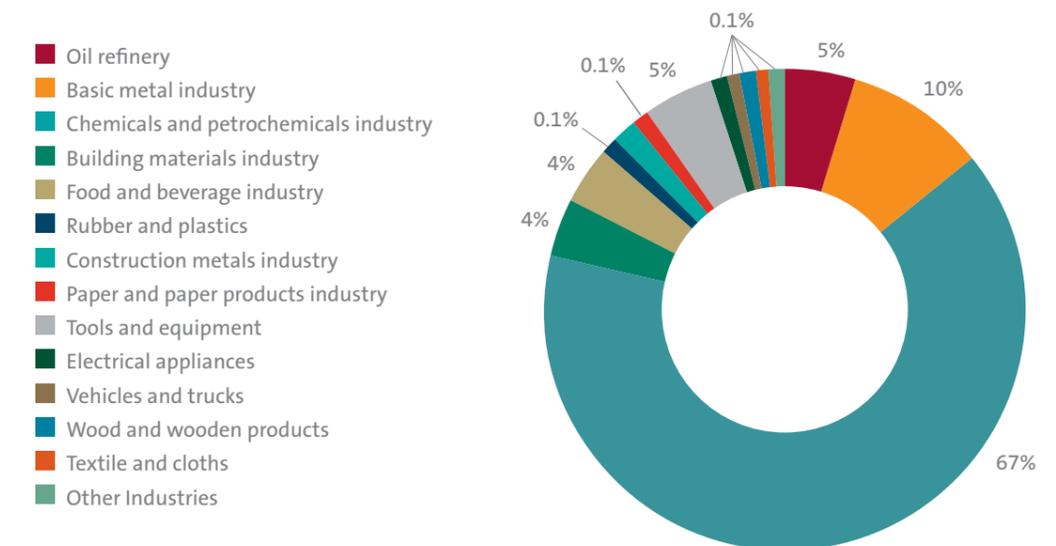


There are many and various industrial products in the Eastern Region. Chemical materials and petrochemicals industries come on top of the list in terms of size of investments recording 67%, followed by basic metal industries with 10%, oil refinery industry 5%. Tools and equipment production 5%, building materials and glass 4%, foodstuff and beverage industries 4%.

## The most important products of the industrial sector in the Eastern Region include:

- Oil refinery products industry: (naphtha, gasoline, diesel, aviation fuel, kerosene, fuel oil and asphalt)
- Petrochemical industry: (ethylene, propylene, Styrene, methanol, ethylene, glycol and cyclohexene)
- Plastics and plastic products industry: (ethylene polymers, propylene and styrene, vinyl, etc.)
- Fertilizers industry: (urea and ammonium nitrate, nitrogen and phosphate fertilizers, and others)
- Mineral industries: (reinforcement steel, steel plates and coils, steel sections, angles and pipes, bridges and metal construction parts, aluminum rods and sections, etc.)
- Electric appliances and equipment industry: (air-conditioners, coolers, refrigerators, transformers, batteries, etc.)
- Food industries: (dairy products, frozen vegetables, bottled drinking water, juices, carbonated water, etc.)
- Wood industries: (wooden furniture, wooden kitchen, etc.)
- Paper and paper products industry: (sanitary napkins, packing boxes and bags, children and women diapers, etc.)
- Construction materials industries: (cement, concrete pipes, flat glass, cement blocks, floor and sidewalk tiles, insulators, glass fiber products, etc.)

Percentage distribution of industrial investments in the Eastern Region



### C) Agriculture

Agriculture is one of the important economic sectors in the Eastern Region. In 2011, the total crops cultivated area amounted to about 56 thousand hectares, representing about 7.1% of the total crops cultivated area in the Kingdom, which amounted to 788 thousand hectares in the same year. The following table shows the Region's contribution to agriculture and livestock of the Kingdom:

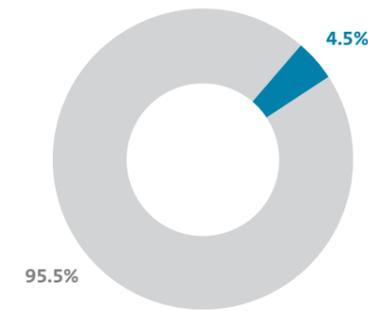
Development of Agricultural Activity and Livestock in Eastern Region\*

	2007	2008	2009	2010	2011	Average annual growth rate	Rate of Region's production as % of the total Kingdom in 2011
<b>Production of agricultural crops:</b>							
Wheat (thousand tons)	190	184	125	155	149	- 5.4 %	12.5 %
Barley (thousand tons)	1.1	1.1	1.4	0.7	0.6	- 11.4 %	3.9 %
Green fodder (thousand tons)	68	78	79	86	84	5.9 %	2.3 %
Vegetables (thousand tons)	196	226	224	126	120	9.7 %	4.5 %
Dates (thousand tons)	141	143	149	147	148	1.2 %	14.7 %
Fruits (thousand tons)	197	210	223	205	199	0.3 %	12.4 %
<b>Livestock:</b>							
Number of camels (thousand heads)	23	24	21	17	15	- 13 %	6.8 %
Number sheep (thousand heads)	1,109	854	722	784	719	-8.8 %	11 %
Number of goats (thousand heads)	50	41	35	29	32	- 9 %	3 %
Number of cattle (thousand heads)	106	122	122	95	97	-2.1 %	20 %
Chicken and poultry (millions)	29	31	32	27	61	28 %	11.6 %

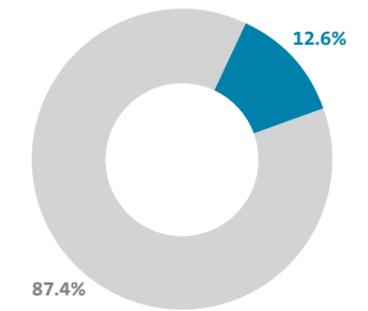
\* Source: Annual Agricultural Statistical Yearbook 1433H (2012)

It is noted from the table above, that there is a decrease in the Region's production of wheat, barley and fruits, which amounted during the period to an average of about 5.4, 11.4% and 9.7%, respectively, while there is an annual increase of the production of green fodders, dates and fruits, to an average of about 5.9%, 1.2% and 0.3% respectively. Also, the numbers of camels, sheep, goats and cattle decreased by about 13%, 8.8%, 9% and 2.1% respectively, while the numbers of poultry increased by 28% in the same period.

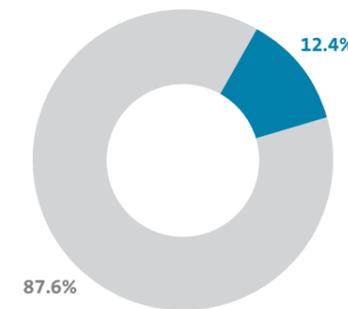
Rate of Region vegetables production as % to total Kingdom



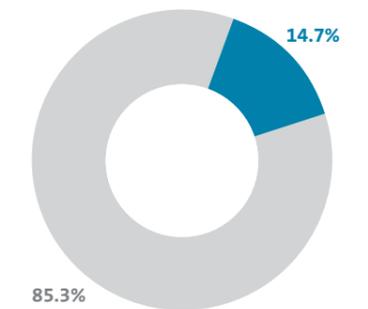
Rate of Region wheat production as % to total Kingdom



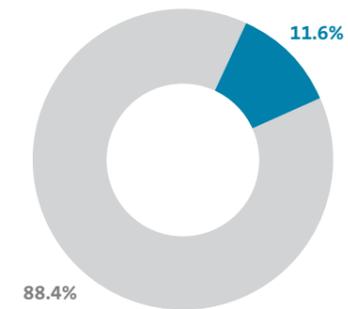
Rate of Region Fruits production as % to total Kingdom



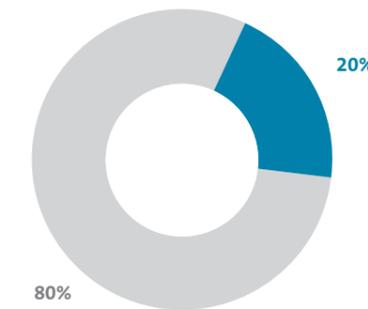
Rate of Region dates production as % to total Kingdom



Rate of Region poultry production as % to total Kingdom



Rate of Region cattle as % to total Kingdom



■ Rest of KSA ■ Eastern Region

### D) Trade

Trade is one of the major sectors in the Eastern Region, considering the various vital economic and productive activities in the region, including the sectors of oil, gas, petrochemical industries and other manufacturing industries, in addition to the large consumer market there. Therefore, the trade sector in the Eastern Region is always eligible to be one of the sectors influencing the economic growth movement, as it provides all the needs and requirements of the producer and consumer sectors of goods and products. In 2012, the total number of trade establishments and enterprises operating in the Eastern Region amounted to about 208 thousands establishments working in different economic activities, representing about 17.6% of the total number of trade establishments in the Kingdom, which amounts to 1.19 million establishments. It is worthy to mention that the annual average increase in the number of trade establishments in the Eastern Region is estimated at about 14 thousand new establishments every year.

### 1.3 Prospects of Economic Development

The Eastern Region is one of the successful economic development areas in the Kingdom, but the sustainable development requires further optimum exploitation of the potentials available and accessible in the region. It also demands injection of more investments in the vital sectors in the region as well as development and improvement of the economic efficiency of the existing activities by means of providing more basic facilities and necessary services as well as developing the productive base and channeling more investments into the unexploited sectors and the new activities in the region. The most important needs and requirements for increasing development in the Eastern region include the following:

**Productive Sectors:** The Eastern Region development requires a continuous expansion of the productive base, particularly in the field of the industries of oil, gas and their products; increase of the productive capacity of the existing manufacturing industries; introduction of new products, especially in the industries of petrochemicals, chemicals, metals, electric appliances and equipment, etc; and increase of the activities of the other productive sectors, the most important of which are agriculture, tourism, transport, storage, construction and housing through the development of infrastructure and facilities that serve these sectors.

**Infrastructure:** In order to maintain its successful sustainable development, the Eastern Region needs to continue the development and expansion of the infrastructure of the public services in the region, and to pay more attention to the population communities in the production areas. This will include roads, electricity, water, communications and sanitary sewage.

**Education Services:** The Eastern Region needs to increase the public education services, to diversify the technical and intermediate education services and to improve them to the highest international standards, and to expand higher education services in various scientific and literary disciplines to meet the expected increase in the number of students as a result of the high rates of population attraction to the region.

**Health Services:** The Eastern Region needs to keep on providing the current health services and increasing the provision of high-quality medical services in specialties not available in the region.

**Housing:** The Region needs to provide dwellings and housing compounds and units, particularly in the production sites. This is one of the most important requirements for the provision and stability of Saudi labor force required for the projects. In addition, all social and recreational services shall be provided, especially in Jubail and Ras Al-Khair and other places.

**Small and medium enterprises:** These enterprises are of great importance for the success of the development process. They need to be supported and encouraged on a continuous basis through the provision of soft loans and technical and marketing support, as well as the provision of the services and facilities from the side of the administrative bodies and government organizations in the Region.

### Investment Incentives

In addition to the significant support, backing and facilities provided by SAGIA and the governmental and administrative authorities in the Eastern Region to all domestic and foreign investments, the foreign investment projects enjoy the same advantages, incentives and guarantees available to domestic projects under the Foreign Capital Investment Law, including:

- The incentives provided under the Law for the Protection and Encouragement of National Industry, which stipulates that the imported goods and machinery shall be exempted from customs duties and that such imported goods and equipment may receive the same preferential treatment received by the national products to secure the government purchases; and that land may be allocated in the industrial cities at a nominal cost;
- The ability to own the property required for any investment project, including the project staff accommodation and housing
- The benefits available under the bilateral and multilateral agreements on taxation and investment
- Prohibitions against the confiscation of an investment project without judicial judgment;
- The freedom to transfer capital and profits abroad
- The freedom to negotiate shares among shareholders
- The ability of the licensed project to sponsor the foreign investor and its non-Saudis staff;
- The right to obtain public utilities and services at discounted prices
- The right to apply for loans from the Saudi Industrial Development Fund
- The ability to carry losses forward for the following years as for taxes

### Investment Advantages and Incentives in KSA's Industrial Cities

- The industrial cities have complete and integrated infrastructure, in addition to the continuous development and provisions of more services (e.g. water, advanced communications networks, industrial safety and security, governmental services, commercial and trade centers, residential compounds)
- Rents in the industrial cities start from one Saudi Riyal per square meter of industrial land
- Availability of several and various areas and locations throughout the Kingdom's Regions
- Industrial services and lands are offered at discounted prices
- Delivery of land in the available cities within a short time of the date of application through the website of the Saudi Industrial Property Authority (MODON)
- Availability of investment opportunities in industrial, residential, logistic, commercial, service and IT projects
- Proximity to local markets and easy access to international markets
- Financial facilities and loans up to 75% of project cost
- Customs duty exemptions for equipment and machinery
- Customs duty exemptions for raw materials
- Governmental commitment to provide basic services and utilities, such as roads and electricity
- Possible investment in construction and lease of buildings for ready-built factories (Jahiz)
- Availability of investment opportunities in BOT development and operation projects

## Sectors with Comparative Advantage in Eastern Region

The Eastern Region has great potentials, which make it eligible to attract more domestic and foreign investments in various economic activities, especially the sectors of comparative advantage, the most important of which are:

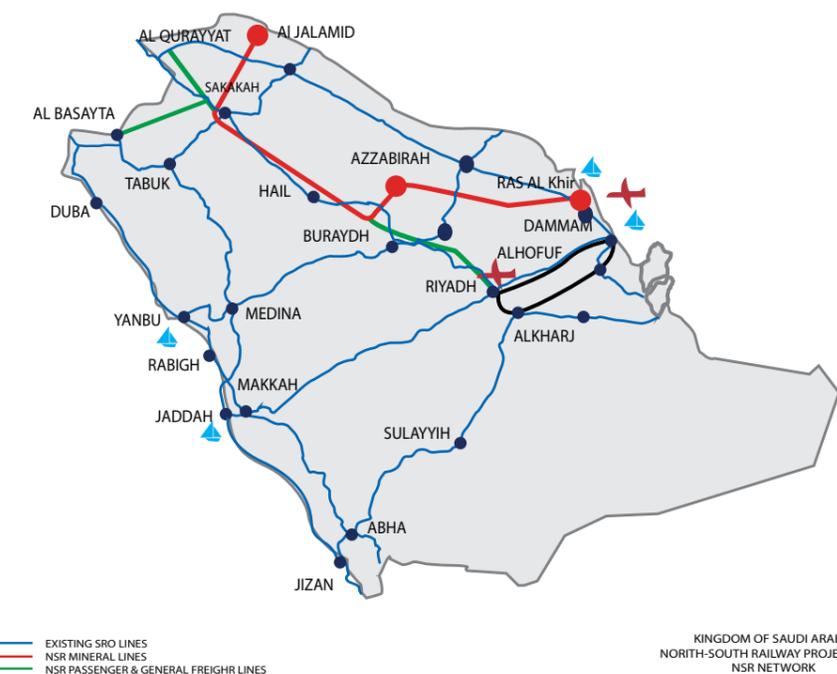
- Oil and gas sector
- Petrochemical industries sector
- Mining industries sector
- Tourism sector
- Real estate development and housing sector
- Transport and communications sector
- Agriculture sector
- Higher education sector

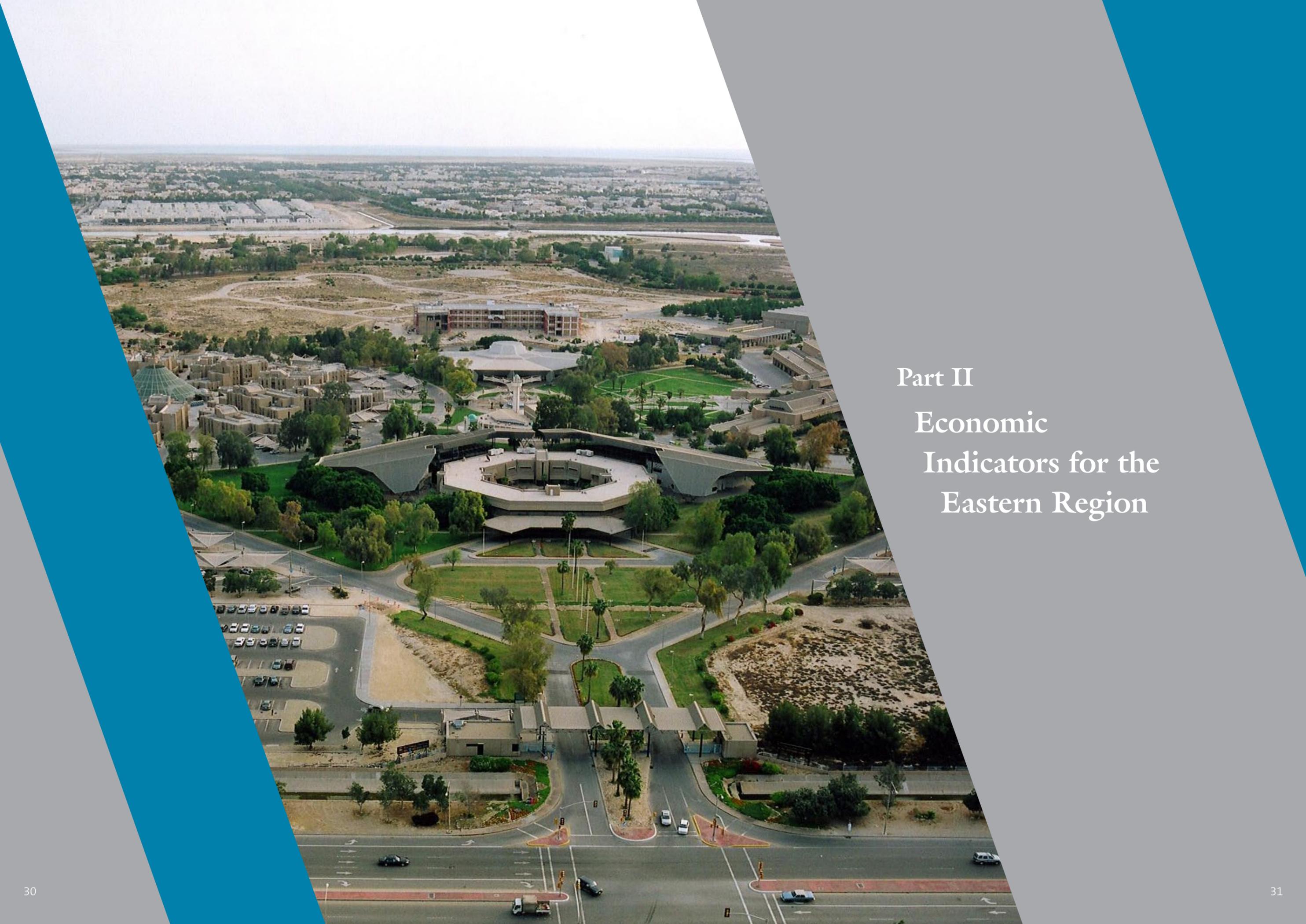
## 1.4 Major projects in Eastern Region

The Eastern Region is currently experiencing a new boom and unprecedented growth rates in various economic sectors, especially oil and gas sector, mining industries and petrochemical industries, where a large number of projects of massive investments are being carried out. Following are some giant projects currently implemented in the Eastern Region:

- The crude oil production capacity expansion project: it aims to raise production capacity in the Kingdom to 12.5 million barrels/day. The project will cost 75 billion riyals
- Projects on development of gas production and increase of its production and use in the Kingdom, at a cost of 41 billion riyals
- Ras Tannura refinery and petrochemicals complex project at an estimated cost of 30 billion riyals
- Aramco-Total refinery project in Jubail, for the export of refinery products, at an estimated cost of 22.5 billion riyals
- Kayan Petrochemicals Company in Jubail, at an estimated cost of 30 billion riyals
- Expansion of Sharq Petrochemicals Company in Jubail, at a cost of 14 billion riyals
- Expansion of Ras Al-Khair Mining City, which will be allocated for industries associated with ores and minerals, including raw bauxite, for the production of aluminum, raw phosphate for the production of fertilizers and other industries, which products are aimed for export
- Jubail Industrial City (2), which is under construction as an extension and development of Jubail Industrial City, for a total cost of about 75 billion riyals, aiming to develop the infrastructure, industrial facilities and services in the city, where some expansions are underway in most SABIC existing factories and other new plants
- The Railway projects to transport raw phosphate and bauxite to the city of Ras Al-Khair

The works of the Project have been started and about 200 hotels surrounding the Mosque from all directions will be demolished. The demolition of these hotels has been actually started. The extension works of the first phase have been started at the eastern part of the central area, firstly with the digging work in the empty lands.





## Part II

# Economic Indicators for the Eastern Region

## Part II: Economic Indicators for the Eastern Region

### 2.1 Gross Domestic Product

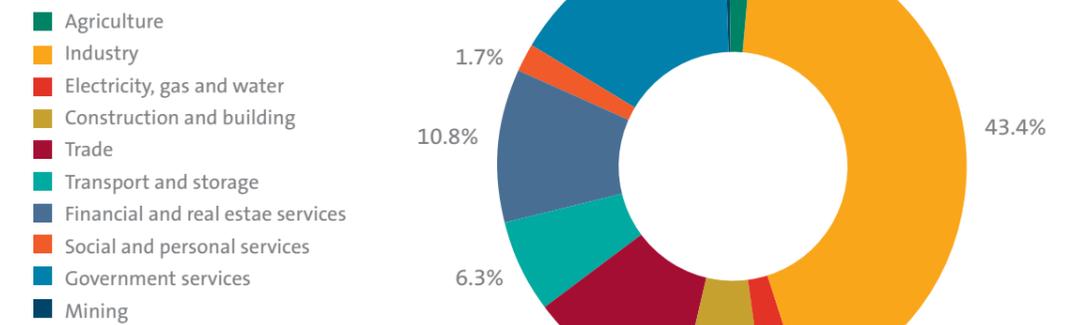
The total GDP of the Eastern Region amounted to 1646 billion riyals in 2012, accounting for 60% of the total GDP of the Kingdom. As for the GDP of the region without the crude oil and natural gas, it reached 344 billion riyals, representing 24% of the total GDP of the Kingdom without the crude oil and natural gas. The annual average GDP growth rate of the region (without the crude oil and gas) amounted to 24.8% during the period from 2009 to 2012. The industrial sector ranks first in terms of contribution to the Eastern Region GDP (without crude oil) with 43.4%, followed by the trade sector with 11.1 and real estate and financial services with 10.8%, and finally the construction and communication sector with 5.7%.

Eastern Region's contribution to Kingdom's GDP in 2009 and 2012

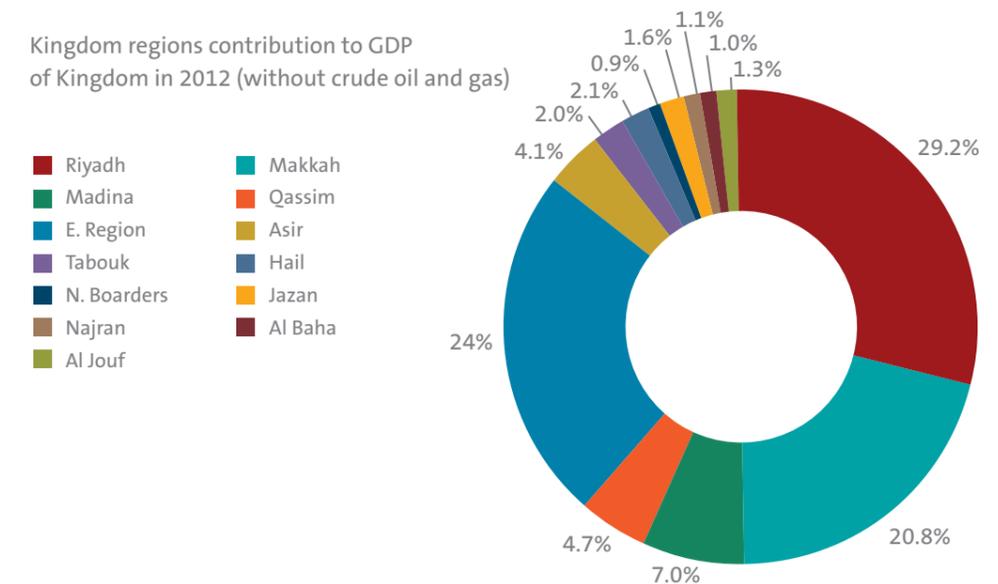
	2009	2012	Average annual growth rate
Kingdom GDP at current prices (billion SR)*	1,596	2,731	19.8%
Region GDP (billion SR) **	893	1,646	22.6 %
Region GDP to total Kingdom	56%	60 %	
Kingdom GDP without oil and gas (billion SR)*	995	1,429	11.9 %
Region GDP to total Kingdom without crude oil and gas (billion SAR)	177	344	24.8%
Average of the Region to the Kingdom without crude oil and gas	18 %	24%	

\* Does not include import duties \*\* Study's estimates  
Central Department of Statistics and Information, Ministry of Economy and Planning

Region economic sectors contribution to GDP without crude oil



Kingdom regions contribution to GDP of Kingdom in 2012 (without crude oil and gas)



## 2.2 Migration Rate and Population Attraction

According to the estimated figures of the Central Department of Statistics and Information (CDSI), the total population of the Eastern Region in 2014 amounted to about 4.65 million people representing about 15.11% of the Kingdom's total population which is expected to record around 30.8 million in 2014. According to the population Census of 2004, the population of the Eastern Region was about 3.36 million, and 4.11 million according to the Census of 2010.

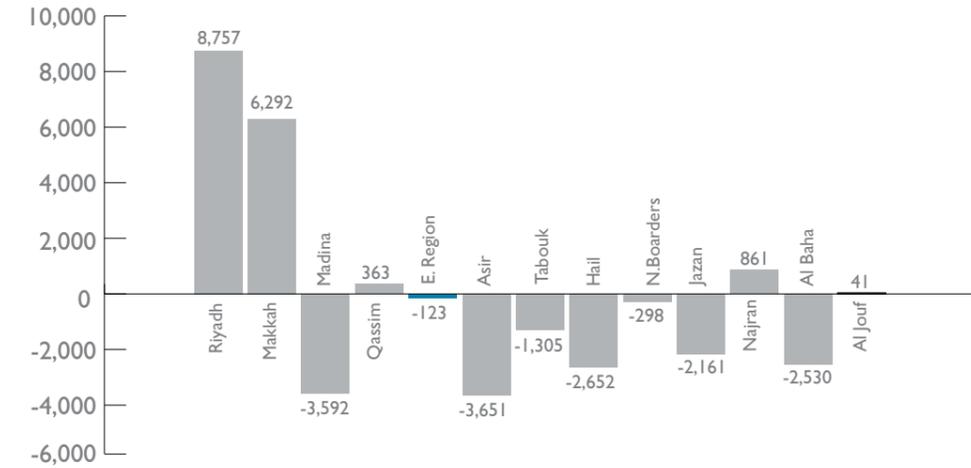
The average annual growth rate of the overall population in the Eastern Region during 2004-2014 recorded about 3.3%, while the average annual growth rate of the Saudi population in the Region recorded 2.27%. This rate is lower than the overall growth rate of Saudi population Kingdom-wide during the same period, which reached 2.28% as shown in the table, indicating little rate of Saudi migration to the Region, estimated to about 1236 persons during the period, i.e. 123 persons annually are leaving the region to other parts of the Kingdom.

Development of Eastern Region Population

		2004*	2010**	2014**	Average annual growth rate (2004-2014)	Estimated Saudi population in the Region in 2014 using overall growth rate of Saudis	Difference in Region's population in 2014
Total Population of the Kingdom	Saudis	16,529,302	18,973,615	20,702,536	2.28 %		
	Non-Saudis	6,144,236	8,589,817	10,067,839	5.06 %		
	Total	22,673,538	27,563,432	30,770,375	3.10 %		
Eastern Region Population	Saudis	2,555,466	2,932,229	3,199,421	2.27 %	3,200,657	1,236 %
	Non-Saudis	804,691	1,237,781	1,450,762	6.07 %		
	Total	3,360,157	4,170,010	4,650,183	3.30 %		

\* Results of the Census of 1425H / 2004) \*\* CDSI Estimates based on the results of the Census of 2010

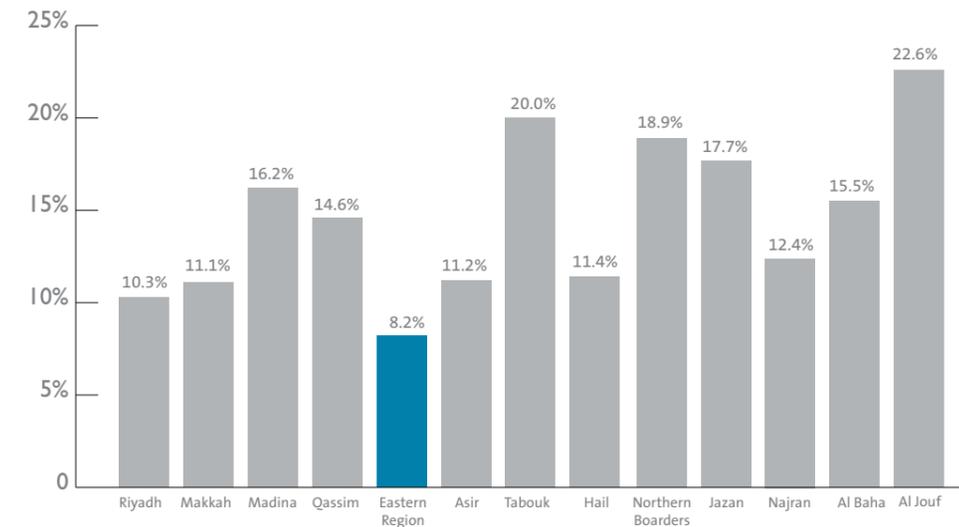
Annual rate of Saudi nationals migration (from / to) the regions of the Kingdom (as per population estimates for 2004 -2014)



## 2.3 Employment and Unemployment rates

Considering the relative availability of job opportunities in the Eastern Region compared to other regions in the Kingdom, the rate of unemployment according to the estimates of the Central Department of Statistics and Information (CDSI), the unemployment rate in the Eastern Region in 2012 amounted to about 8.2% of the total Saudi labor force in the Region, which amounted to 801,374 (males and females). This rate is considered the lowest compared to the average rate of unemployment in the Kingdom, which was estimated at about 12.1% in 2012.

Unemployment rates in the regions of the Kingdom in 2012





## 2.4 GDP per capita

Due to the great contribution of the economical sectors to the GDP of the Region and the high growth rate amounting to 24.8% during the period from 2009 to 2012, which is considered one of the highest rates as compared to other regions. The region's GDP per capita increased from 48 thousand riyals in 2009 to 78 thousand riyals in 2012.

GDP per capita Development (2009 and 2012)

	2009	2012	Annual growth rate
Region GDP (SR billion)	177	344	24.8%
Total Region population	3,714,885	4,414,278	6.3%
Average GDP per capita (000' SR)	31.6	51.8	21.2%

\* Consultant estimates

## 2.5 Contribution to exports of the Kingdom

The Eastern Region is regarded as one of the most influential contributors to the Saudi exports since its products are important to the Kingdom exports in general, of which crude oil, refined products and petrochemicals represent around 95%.

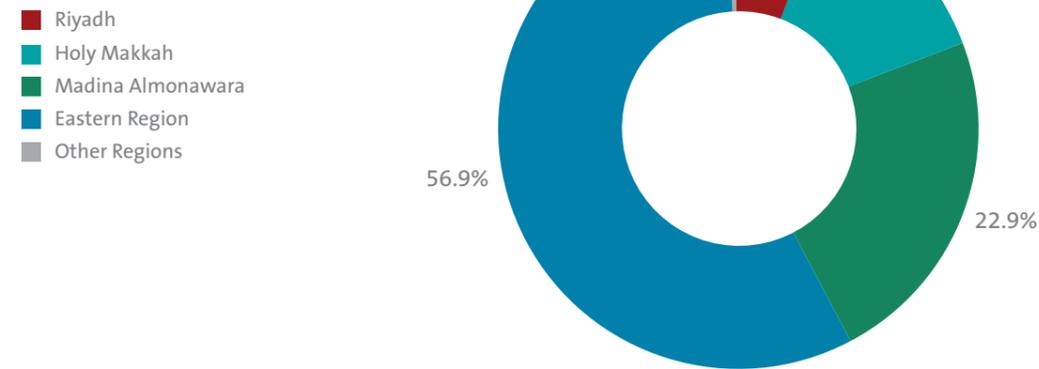
The total value of the Region's exports, including the crude oil, amounted to about 1324 billion riyals, accounting for 91% of the total value of the Saudi exports, which amounted to about 1,457 billion riyals in 2012 while the value of the region's exports without crude oil reached about 161.8 billion riyals, representing about 56.9% of the total of the Saudi exports, without crude oil, which amounted to 284.1 billion riyals.

Refined products include liquid petroleum, gasoline, diesel, kerosene, aviation fuel and fuel oil.

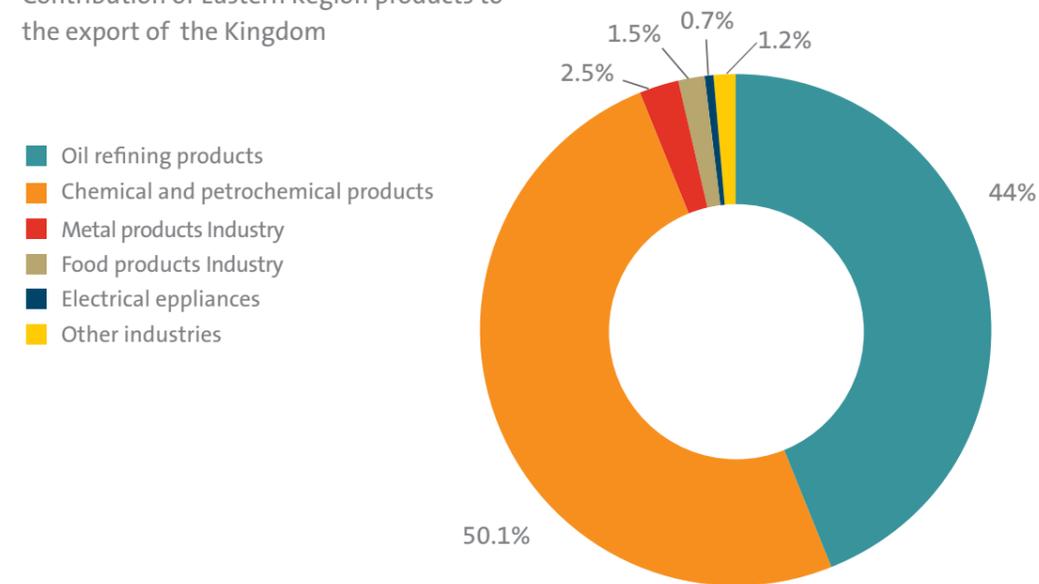
The region's chemical and petrochemical exports include a great deal of important products including: (ethylene, propylene, styrene, methanol, polymers and plastics, ethylene glycol, acids, resins, paints, medicine, disinfectants, pesticides, soap shampoos and washing powder, plastic products and other product).

As for the region's exports of metal industries, they include: reinforcement steel, steel sections, metal structure components and elements, electricity towers and poles, steel pipes, and others. The most vital exports of electric appliances are air-conditioners, coolers, refrigerators, electric transformers and car batteries. In addition, the region's exports include flat glass, cement and other industrial products.

Contribution of the regions of the Kingdom in the export in 2012 (without crude oil)



Contribution of Eastern Region products to the export of the Kingdom



## 2.6 Education services indicators

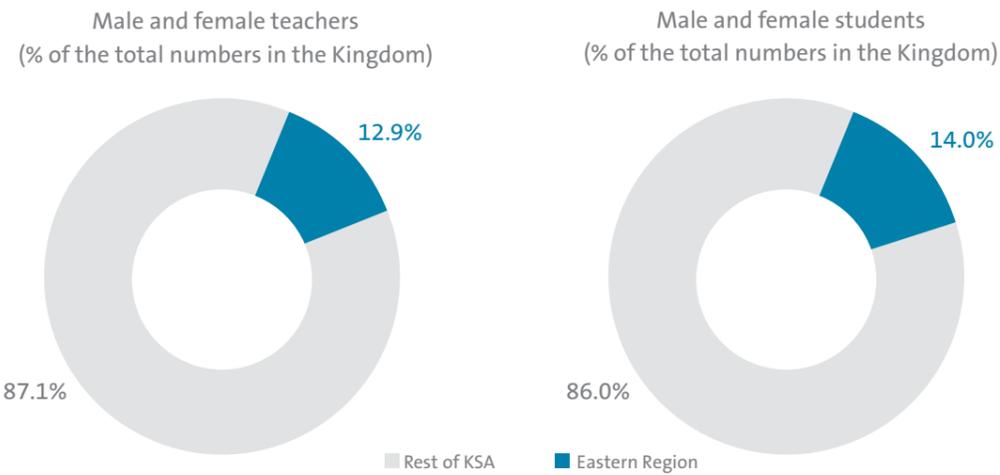
**Public education:** In 2013, the total number of schools of all stages of education in the Eastern Region amounted to 4316 of which 3648 governmental schools run by the Ministry of Education and 667 private schools and other schools, which represent 15.5% of the total number of schools in the Eastern Region. The total number of male and female students at the different stages of public education amounted to about 859.9 thousands, of whom 750.6 thousand at public schools run by the Ministry of Education and 109.3 thousand at private schools, representing 12,7% of the total number of male and female students.

Development of Public (Governmental) Education Services in the Eastern Region\*

	2005	2008	2012	2013	Average annual growth rate (2005-2013)	Ratio to total number in KSA in 2013
Total number of schools at all levels	2,745	2,827	3,593	3,648	4.1 %	10.5 %
Total number of classrooms for all stages	24.7	25.3	32.0	32.9	4.1 %	12.8 %
Total number of male and female students (,000)	636.3	629.5	728.6	750.6	2.3 %	14.0 %
Total number of teachers (,000)	52.1	53.8	64.6	67.8	3.8 %	12.9 %

\* Source: Statistical Abstract of Public Education in the Kingdom (1432/1433H, 1433/1434H) / Department of Statistical Information, Ministry of Education.

The indicators of public education in the Eastern Region show that the public education services in the Region are low when compared to the total education services in the Kingdom as a whole and needs to be increased. The ratio of the total number of schools, classrooms and teachers in the Eastern region to the total numbers in the Kingdom as a whole amounted to 10.5%, 12.8% and 12.9% respectively in 2013; while the ratio of the total number of the male and female students in the Region to the that of the Kingdom was around 14%



**Teacher- students ratio in Eastern Region compared to the total average in the Kingdom in 2013:**

**In the Eastern Region:** Primary stage (1/12.2), Intermediate stage (1/ 10.5) and Secondary stage (1/11.0)

**Overall average in the Kingdom:** primary stage (1 : 10.9), intermediate stage (1:9.7), and secondary stage (1 : 10.7).

These indicators show that the numbers of female and male teachers in the Region should be increased in all stages of the education.

**Higher education:**

In the Eastern region, there is a big number of higher education facilities, including three government universities, which are:

- 1.King Fahd University of Petroleum and Minerals, in Dhahran, which includes 10 colleges for science, engineering sciences, applied engineering, industrial administration, computer engineering, etc.;
- 2.King Faisal University in Al-Ihsaa, including 14 colleges for medicine, veterinary, medical sciences, nursing, architecture, administration, planning, computer science, information technology and others,
- 3.Dammam University in Dammam, which includes 17 faculties for medical specialties, engineering, arts, humanities, literary and administration sciences. There is also a branch of Imam Muhammad bin Saud Islamic University in Al-Ihsaa. In addition to the universities located in the Region, the Region also includes eight colleges for girls in Al-Hufuf, Dammam, Al-Ihsaa, Hafr al-Batin, Nuairiya, Jubail and al-Khafji. Furthermore, there are two health science colleges in Dammam and Al-Hufuf.

The total number of students enrolled in the universities in the Eastern region amounted to about 220 thousand male and female students in 2013. The number of graduates in the Region both male and female reached about 14 thousand in 2013, while the total number of the teaching staff reached 7 thousand professors, lecturers, demonstrators and instructors in the same year.

**Technical education, vocational training and specialized institutes**

In addition to the technical colleges spreading in the Eastern region, the Eastern region also has a big number of technical education facilities and non-governmental specialized institutes. Also, the General Organization for Technical and Vocational Training (GOTEVOT) is conducting the national organization program for joint training in the region, as done in the other regions of the Kingdom, with the aim of training people on particular careers for the sake of keeping up with the actual needs of the labor market. The number of technical colleges and vocational institutes run by the Organization amounted to more than 11 institutions in 2013. There are 150 non-governmental training institutions as well as a large number of institutes for teaching of languages, computer science, administration, technical specializations, and others.

## 2.7 Health Services Indicators in the Eastern Region

The Eastern Region has 248 health-care centers, 32 public hospitals run by the Ministry of Health with a capacity of 5111 beds. In addition to King Fahd University Hospital in al-Kobar (with a capacity of 427 beds), there are Jubail Royal Hospital in Jubail, Yanbu Hospital in Jubail, Aramco Hospital (with a capacity of 334 beds), and Security Forces, National Guards and Armed Forces Hospitals.

As for the health services provided by the private sector in the Eastern Region, there are 28 private hospital with a capacity of 3555 beds, 272 clinics, 7 medical centers, 7 medical laboratories, 6 physiotherapy centers, 853 pharmacies, 310 optics shops and more than 45 repositories.

Development of Health Services in Eastern Region \*

	2008	2009	2010	2011	2012	Ratio to total number in KSA in 2012
<b>Ministry of Health Services:</b>						
Health centers	222	228	225	228	248	11.0%
Visits to centers (thousand)	6,756	7,000	7,171	7,251	7,287	13.6%
Laboratory tests made in the centers (thousand)	1,408	1,500	1,379	1,215	1,230	19.7%
Hospitals	30	33	33	32	32	12.4%
Hospital beds	4,398	4,498	4,803	4,803	5,111	14.3%
Hospital doctors	2,415	2,450	3,454	3,764	3,857	14.7%
Outpatient visits (thousand)	1,438	1,470	1,533	1,744	1,918	16.4%
Inpatients (thousand)	219	220	212	222	241	14.3%
Surgical operations (thousand)	60	65	66	69	68	15.0%
<b>Private sector services:</b>						
Medical centers	182	221	237	252	272	12.5%
Private clinics	5	5	6	6	7	3.5%
Private hospitals	23	23	26	27	28	20.4%
Private hospitals beds	2,721	2,708	3,487	3,395	3,555	25.1%
Inpatients in private hospitals (thousand)	132	134	152	159	203	23.1%
Private laboratories	3	5	5	6	7	7.1%
Physiotherapy centers	5	5	4	6	6	7.5%
Optics shops	249	254	264	267	310	16.2%
Pharmacies	683	724	722	715	853	12.3%

\* Source: Statistical Yearbook (2009-2010-2011-2012), Ministry of Health.

Health services indicators in the Eastern Region compared to the overall average in the Kingdom:

**Bed-to-people ratio in the region** = (1 : 509); overall average bed-to-people ratio for the Kingdom = (1 : 584).

**Physician-to-people ratio in the Region** = (1 : 500); overall average Physician-to-people ratio for the Kingdom = (1 : 603).

Comparing the indicators of the health services in the Region to the total average in the Kingdom, they are good and less than the overall average in the Kingdom as for the number of beds and doctors, as shown by the abovementioned indicators.

An aerial photograph of a large, landscaped park. A long, multi-tiered fountain runs down the center of a paved walkway, flanked by rows of palm trees. The park is surrounded by green lawns, white fences, and a clear blue sky. In the background, the ocean is visible. The image is framed by a large, diagonal teal and grey graphic element.

## Part III

### Comparison of the Region's Economic Indicators for 2005, 2009 and 2012

## Part III: Comparison of the Region's Economic Indicators for 2005, 2009 and 2012

### 3.1 Population and Gross Domestic Product

	2005*	2009	2012
Kingdom's total population (million)	23.1	25.4	29.2
Total population of the Region (thousand)	3.5	3.7	4.4
Region Population ratio to total of Kingdom	15 %	14.6 %	15.0%
GDP* of the Kingdom at current prices (in billion riyals)	1,172	1,596	2,731
GDP* of the Kingdom without crude oil and natural gas (in billion riyals)	604	995	1,429
Region GDP* (in billion riyals)	121	177	344
Region portion of GDP of the Kingdom without oil and gas	20 %	18 %	24%

Source: Eastern Region Economic Report for 2007 and 2010 , General Investment Authority

### 3.2 Export Indicators

	2005*	2009	2012
Total value of exports of the Kingdom (billion riyals)	666	697	1457
Value of exports of the Kingdom without crude oil (billion riyals)	152	164	284
Value of exports of the Region (billion riyals)	610	624	1324
Value of exports of the Region without crude oil (billion riyals)	96	90	162
Region share of total exports of the Kingdom	92 %	90 %	91%
Region share of total exports of the Kingdom without crude oil	63 %	55 %	57%
<b>Percentage distribution of exports:</b>			
Oil refinery products	50%	51%	44%
Chemical and petrochemical products	42%	40%	50%
Mineral industry products	3.6%	4.0%	2.5%
Food industry products	1.2%	2.2%	1.5%
Electric appliances and equipment	1.2%	0.6%	0.7%
Other various products	1.2%	1.9%	1.2%

Source: Eastern Region Economic Report for 2007 and 2010 , General Investment Authority



### 3.3 Infrastructure Indicators

	2005*	2009	2012
Total lengths of paved roads (km)	5,081	7,623	8,838
Length of agricultural and earth roads (km)	3,210	3,523	3,737
Number of storage reservoirs and rain and flood water control dams	-	-	-
Power generating capacity (000s MW)		11.9	17
Electricity coverage in the Region	99%	99.9%	100%
Number of fixed telephone lines (million)	721		847
Number of mobile telephone lines (million)	755		
Number of digital subscriber lines / DSL (thousand)	11		
Number of central post offices	60	60	75
Number of branch post offices	28	28	33
Number of mail agents	16	16	16
Number of mailboxes (thousands)	85	85	113

\* Source: Economic Report of Eastern Region for 2007 and 2010 , General Investment Authority (SAGIA)

### 3.4 Economic Sectors Indicators

	2005*	2009	2013
<b>Industry:</b>			
Total number of factories	880	985	1492
Total funding in industry (in billion riyals)	141	192	532
Region's share of total industrial investments in the Kingdom	47.4%	48.65	61%
Sector's contribution to GDP of the Region	35.4%	40.6%	43.4%
	2005	2009	2011
<b>Agricultural sector:</b>			
Wheat (thousand tons)	202	125	149
Barley (thousand tons)	0.8	1.4	0.6
Green fodder (thousand tons)	69	79	84
Vegetables (thousand tons)	164	224	120
Dates (thousand tons)	135	149	148
Fruits (thousand tons)	172	223	199
Sector's contribution to GDP of the Region	3.2 %	3.1%	1.9%

\* Source: Economic Report of Eastern Region for 2007 and 2010, General Investment Authority (SAGIA)

### 3.5 Education and Health Services Indicators

	2005*	2009	2012
<b>Public Education:</b>			
Teacher - student ratio in primary stage	1 / 13.6	1 / 12.80	1 / 12.20
Teacher - student ratio in preparatory stage	1 / 11.44	1 / 10.08	1 / 10.50
Teacher - student ratio in secondary stage	1 / 12.31	1 / 11.84	1 / 11.00
<b>Higher Education:</b>			
Number of universities of Ministry of Higher Education	2	2	3
Number of private universities	-	-	1
Total number enrolled in public universities (in thousands)	25	75	220
<b>Health services:</b>			
Bed – patient ratio	1 / 360	1 / 511	1 / 509
Physician – patient ratio	1 / 430	1 / 619	1 / 500

\* Source: Economic Report of Eastern Region for 2007 and 2010 , General Investment Authority (SAGIA)



## Part IV

# Investment Opportunities in Eastern Region

## Part IV: Investment Opportunities in Eastern Region

According to what has been reviewed in the above sections on the Eastern Region, and to the available information and future plans for the development of the Region, following are the most important investment opportunities and new projects, which investors can study in detail and ensure their economic feasibility, and then begin their implementation:

### 4.1 Investment opportunities in large projects

<b>Opportunity No (1)</b>	A project to establish a specialized real estate and contracting company in the field of infrastructure and real estate investment.
Project justifications	For the region's need of more development, infrastructure and real estate investments.
Target market	Population of the cities and villages of the Eastern Region.
Economic impact	Enhancing investments and infrastructures, activating the economic movement and creating more job opportunities.

<b>Opportunity No (2)</b>	A project to establish a group of technical qualification and training centers (in Al-Ihsaa, Abqeeq, Khobar, Dammam and Jubail).
Project justifications	For the dire need for qualifying more young men and women in the region
Target market	Young inhabitants of the region.
Economic impact	Meeting the increased demand for employment – Supporting businessmen and companies and providing them with high experience.

<b>Opportunity No (3)</b>	A project to establish a tourist company for producing diving equipment and developing the swimming monuments sites in Al-Ihsaa.
Project justifications	For the need of such equipment to activate sea tourism and promote tourism in the Eastern Region in general.
Target market	Population of the region, tourists, visitors and Gulf summer visitors.
Economic impact	Activating one of the tourism sectors, having various national income sources, and creating new job opportunities.

<b>Opportunity No (4)</b>	A project to establish a company specialized in sea tourism activities.
Project justifications	For the sake of developing sea tourism and the availability of constituents of success of such activity.
Target market	Saudi population, tourists, visitors and Gulf summer visitors.
Economic impact	Having various national income sources – creating new job opportunities and investment opportunities.

<b>Opportunity No (5)</b>	A project to develop the petrochemicals industrial cities, from oil and gas in Al-Aqir strategic project in Al-Ihsaa.
Project justifications	For their dire need to be developed and their location which is near from sources of fuel and basic raw materials, for the availability of oil and gas in the region, and for the high and urgent international demand for such industries and products.
Target market	All Saudi markets and foreign markets.
Economic impact	Having various national income sources – creating new job and investment opportunities and supporting the balance of payments.

<b>Opportunity No (6)</b>	A project to establish a museum in Al-Ihsaa and rehabilitating the historical sites.
Project justifications	For the sake of preserving heritage, doing scientific researches for breaking the codes of the ancient civilizations monuments and promoting tourism due to the availability of all constituents of success of such activity.
Target market	Population of the Eastern Region, tourists and visitors.
Economic impact	Having various national income sources – creating new job and investment opportunities.

<b>Opportunity No (7)</b>	A project to produce polycarbonate resins (a chemical intermediate).
Project justifications	For the availability of basic raw materials locally, including: Piezophenol, caustic soda and hydrochloric acid, and the increased domestic demand as they may be used in many applications in engineering industries and other industries.
Target market	Domestic market and regional and world export markets.
Economic impact	Creating new job opportunities, achieving industrial integration and increasing the GDP per capita in the region.

<b>Opportunity No (8)</b>	A project to produce methyl methacrylate and methyl methacrylate (a highly transparent plastic).
Project justifications	For the availability of raw materials locally, including: methanol, butane and oxygen; and the increased domestic demand as they may be used in many applications as a substitute for glass in the sector of manufacturing (advertising and guidance signs, lighting units, etc.)
Target market	Domestic market and regional and world export markets.
Economic impact	Creating new job opportunities, achieving industrial integration, and increasing the GDP per capita in the region.

<b>Opportunity No (9)</b>	A project to manufacture (external and internal) car tires.
Project justifications	For the non-stop significant increase in the number of the imported tires, and the availability of raw materials required for this industry locally.
Target market	Domestic market and regional and world export markets.
Economic impact	Creating new job opportunities, achieving industrial integration, and increasing the GDP per capita in the region.

<b>Opportunity No (10)</b>	A project to produce un-welded steel pipes for the petroleum, gas and petrochemical sectors.
Project justifications	For the heavy domestic demand for the product, which can be used in the vital sectors Kingdom; the volume of demand accounts approximately for 30% of steel piping applications in these sectors. There is no factory for producing such products locally.
Target market	Oil, gas and petrochemical industries sectors in the Eastern Region, as well as all other regions of the Kingdom.
Economic impact	Creating new job opportunities, achieving industrial integration, and reducing the large import of such pipes.

<b>Opportunity No (11)</b>	A project for the production of butyl synthetic rubber.
Project justifications	For the heavy world demand for the product because of its several applications, including the manufacture of motor vehicle tires and other rubber products and the availability of raw materials, i.e. MTBE, and chlorine.
Target market	Regional and world export markets.
Economic impact	Creating new job opportunities, increasing the value of exports of the Kingdom and increasing the GDP per capita of the Region.

<b>Opportunity No (12)</b>	A project to establish a motor sports track.
Project justifications	For the heavy demand for the auto racing sports and the absence of a regulatory framework for this sport.
Target market	Young people and athletes in the Eastern region and all regions of the Kingdom.
Economic impact	Creating new job opportunities and having an additional tourist attraction in the Eastern Region.

## 4.2 Investment opportunities in medium sized projects

<b>Opportunity No (1)</b>	Real estate housing and development company.
Project justifications	For the large increase expected in the number of housing units due to the large and mega projects in the region.
Target market	Saudi nationals and new comers to the region and the neighboring regions.
Economic impact	Creating job opportunities and contributing to the provision of housing units for the people of the region.

<b>Opportunity No (2)</b>	A project for producing the concrete pads used in the railways construction.
Project justifications and constituents	For the expected increase in the demand for this product in the forthcoming period.
Target market	New railways contractors in the Kingdom.
Economic impact	Creating new job opportunities and contributing to the provision of one of the components of construction of the railways.

<b>Opportunity No. (3)</b>	A factory for building boats and yachts.
Project justifications and constituents	For the domestic demand for the product; the availability of many of the materials required to manufacture such products domestically; the Region looks over the coasts of the Arabian Gulf for more than 700km.
Target market	Domestically for (individuals, tourism sector, clubs, sea sports, fishing sector, coast guards) and exportation.
Economic impact	Creating new job opportunities, increasing the value of the Saudi exports, and increasing the GDP per capita in the region.

<b>Opportunity No (4)</b>	A tourist resort (villas, chalets, entertainment facilities, sports activities, and water sports).
Project justifications	For the demand for such kind of investment, the availability of the environment suitable for the success of the project in the region and its coasts extending on the Arabian Gulf.
Target market	Domestic and foreign tourism.
Economic impact	Creating new job opportunities, increasing the GDP per capita in the region and support the tourism sector in the region.

<b>Opportunity No (5)</b>	A 100-bed hospital (Jubail, Ras Al-Khair and Al-Ihsaa).
Project justifications	For the Region's need for more health services.
Target market	All segments of population in the region.
Economic impact	Creating new job opportunities and contributing to the provision of the basic services in the region.

<b>Opportunity No (6)</b>	A school complex project (primary, intermediate and secondary schools) for 1,500 students.
Project justifications	For the Region's need for the increase of the basic education services and the increase in the number of male and female students.
Target market	All segments of population in the region.
Economic impact	Creating new job opportunities and contributing to the provision of a basic service in the region.

<b>Opportunity No (7)</b>	A zoo project
Project justifications	For the suitable climate of the region, the introduction of a new tourist attraction in the region, the increase of the number of tourists, and lack of zoos in the Region.
Target market	People of the region and tourists.
Economic impact	Creating new job opportunities and supporting domestic tourism in the Kingdom.

<b>Opportunity No (8)</b>	Low cost airlines project.
Project justifications	For the significant growth expected in the transport of passengers and various goods and commodities in the Eastern Region.
Target market	Companies, institutions and individuals in the Eastern region and the other regions and airports of the Kingdom.
Economic impact	Creating new job opportunities and increasing the GDP per capita in the Region.

<b>Opportunity No (9)</b>	A factory for the production of sewing and embroidery threads.
Project justifications	For the increase of the Kingdom's import of the product and the availability of raw materials required for this industry; polyester fabrics.
Target market	Domestic market and regional and world export markets.
Economic impact	Creating new job opportunities, increasing the exports of the Kingdom and increasing the GDP per capita in the Region.

<b>Opportunity No (10)</b>	Manufacture of curtains of polyester fabrics.
Project justifications and constituents	For the Kingdom's increasing imports of the product and the availability of the required raw materials locally; the different synthetic threads.
Target market	Domestic market and regional and world export markets.
Economic impact	Creating new job opportunities, increasing the exports of the Kingdom and increasing the GDP per capita of the Region.

<b>Opportunity No (11)</b>	Manufacture of electric motors (for air-conditioners, washing machines, fans, and other electric appliances).
Project justifications	For the Kingdom's increased imports of these products and the availability of manufacturing requirements and many raw materials.
Target market	Domestic market and regional and world export markets.
Economic impact	Creating new job opportunities, increasing the exports of the Kingdom and increasing the GDP per capita of the Region.

<b>Opportunity No (12)</b>	A specialized medical center for the treatment of diabetics.
Project justifications	The Region's need for this medical service.
Target market	Diabetics in the Eastern region and neighboring regions.
Economic impact	Creating new job opportunities, providing one of the specialized medical services and increasing the GDP per capita of the Region.

<b>Opportunity No (13)</b>	A complex for crafts in Al-Ihsaa (craftsmen gathering areas).
Project justifications	There is a growing demand for manual products in the region. There is a need for the development of this important sector in the region.
Target market	The tourism sector in the region and visitors either for tourism, business or trade.
Economic impact	Creating new job opportunities, contributing to the infrastructure of the tourism sector and increasing the GDP per capita of the Region.

<b>Opportunity No (14)</b>	A project for establishing a factory for the production of sodium sulfate.
Project justifications	For the availability of raw materials locally (sulfur, sodium chloride, soda ash) and the multiple uses of the product especially in the detergent industry.
Target market	Domestic market and regional and world export markets.
Economic impact	Creating new job opportunities, achieving industrial integration and increasing the GDP per capita of the Region.

## Sources of Data & Information

Description	Source
Economic	SAMA Annual Report, 2013.
Developments in KSA	Statement of Ministry of Finance on the public Budget of the Kingdom, 1435 – 1436H.
Population	Central Department of Statistics & Information (CDSI)
<b>Infrastructure</b>	
Roads	Statistical Yearbook 2012, CDSI, Ministry of Transport. Reports and statistics of Ministry of Municipal & Rural Affairs.
Air Transport	Statistical Yearbook 2012, CDSI, Saudi Airlines.
Railway Transport	Saudi Railways Organization, Saudi Railway Co.
Sea Transport	Ports Reports and statistics 2013, Saudi Ports Authority.
Water	Annual Report, Saline Water Conversion Corporation (SWCC). Report of Water in KSA, Ministry of Water & Electricity.
Electricity	Annual Reports, Saudi Electricity Co., Ministry of Water & Electricity.
Communications	Statistical Yearbook 2012, CDSI, Communications and Information Technology Commission (CITC), Saudi Post.
<b>Economic Activities</b>	
Oil & Gas	Oil and Gas Statistics, SAMA Annual Report 2013, Ministry of Petroleum & Resources, Aramco Annual Report.
Industry	Report of Industry in KSA 2013, Ministry of Commerce & Industry.
Agriculture	Annual Agricultural Statistical Yearbook 2012, Ministry of Agriculture.
Trade	Ministry of Commerce & Industry.
Construction	Reports and statistics of Ministry of Municipal & Rural Affairs.
Mining	Technical, Financial Statistical Report on Mining Activities for 2012, Ministry of Petroleum & Mineral Resources.
Tourism	Saudi Commission for Tourism & Antiquities, Tourism Information & Research Center (MAS).
<b>Economic Indicators</b>	
Region's GDP	SAMA Annual Report 2013, Estimates of the Study.
Immigration Rates & Population	Results of KSA's Population Census 2004-2010, CDSI.
Attraction	
Employment & Unemployment Rates	Manpower Research Study 2012, CDSI.
Per Capita GDP	SAMA Annual Report 2013, Estimates of the Study.
Region's Contribution to Exports	KSA Exports Statistical Bulletin 2012, CDSI.
Educational Services Indicators	Statistical Abstract of Education in KSA, 2011, 2012 and 2013, Ministry of Education.
Health Services Indicators	Annual Statistical Yearbook 2012, CDSI, Ministry of Health.