



Saudi Arabian General Investment Authority
SAGIA

Madina 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 Madina 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 identify 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.

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Introduction

1. Economic Developments in KSA

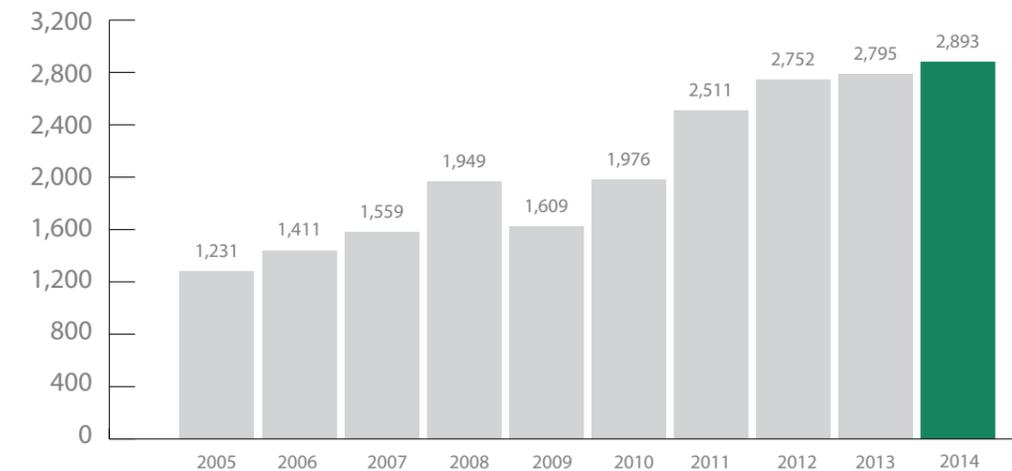
The economy of the Kingdom achieved a steady growth in the last four years recording growth rates of 7.4%, 8.6%, 5.8% and 3.8% for the years 2010, 2011, 2012 and 2013 respectively. The growth decline of 2012 and 2013, as compared with the high level growth of past years, is attributed to the decline 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 Region

Part I : Status and prospects of development in the Region

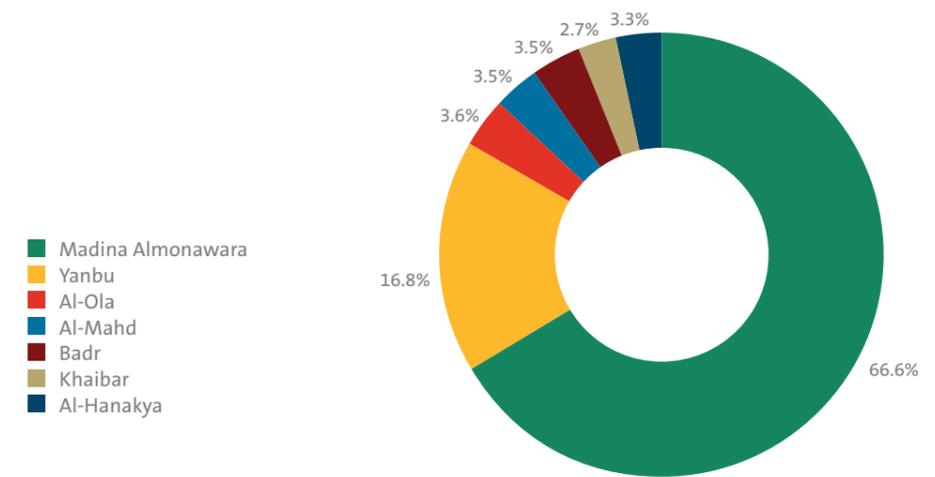
1.1 Inputs and Bases of Economic Development in the Region

Location

Madina region is located in the north-western part of Saudi Arabia on the Red Sea coast. The region is surrounded by other five administrative regions of the Kingdom: Tabuk in the north, Makka in the South, Ha'il, Qassim and Riyadh in the east. Madina enjoys a major historical, religious and economic importance, for its unique location and the presence of the Holy Prophet Mosque. The area of the region is about 154 thousand square kilometers, or about 6.8% of the total area of the Kingdom, and it is divided administratively into the Region Principality and six governorates, namely: Yanbu', Al-Ola, Al-Mahd, Badr, Khaibar and Al-Hanakya



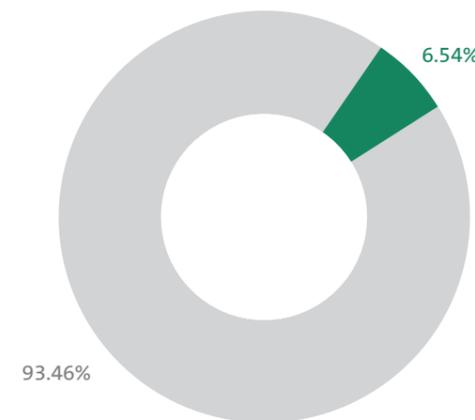
Percentage Distribution of the region population by its administrative divisions



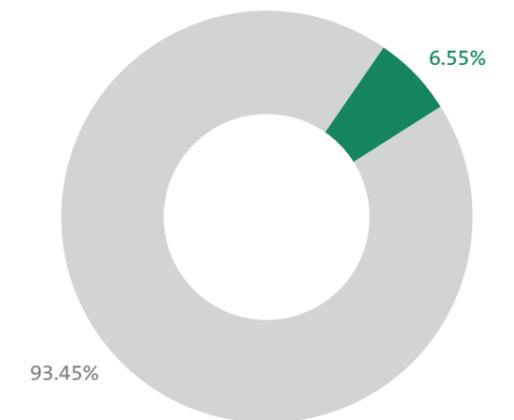
Population

According to estimations of the Central Department of Statistics and Information, the total population in Madina region amounted to about 2.01 million, representing about 6.54% of the total population of the Kingdom, which amounted to about 30.8 million people in 2014. The number of Saudi population in Madina is estimated at 1.39 million people against to 616 thousand non-Saudis. Madina governorate has the vast portion of population of the region, hitting 66.6% of the total population of the region, followed by governorate of Yanbu with 16.8%, Al Ula with 3.6%, Badr with 3.5%, Al-Mahd with 3.5%, Al-Hanakya with 3.3%, and finally Khaibar with 2.7%.

Region's population (% of the total population in Saudi Arabia in 2014)



Region's population (% of the total populatoin in Saudi Arabia in 2010)



Rest of KSA Madina

Infrastructure:

A) Road network

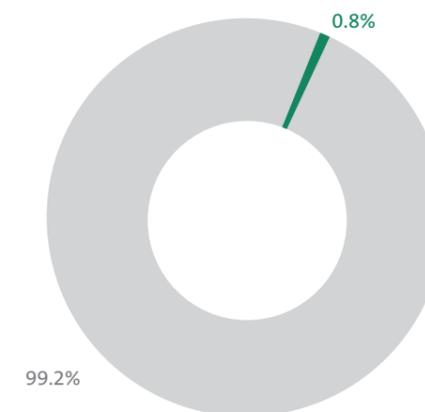
Madina region has a good network of roads and bridges connecting its major cities and industrial and commercial facilities, and linking the region to the neighboring areas. The total length of the paved roads in the cities and villages of Median Region, belonging to municipalities, has amounted to around 6,227 linear km accounting for 6.8% 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 91,000 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 995 km representing around 6.3% 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 17,999 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, of which are:

- The Third Ring Road in Madina Almonawara (Phase Two);
- The Third Ring Road in Madina Almonawara (Phase Four);
- Tabouk/ Madina Almonawara Highway (Phase One);
- Completion of Hail / Madina Almonawara Two-way Road with 4 crossings

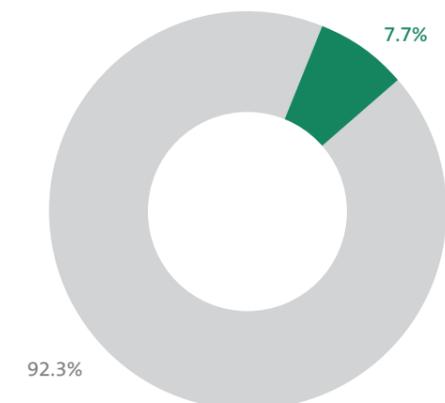
B) Air transport and airports

Madina region has two airports: an international airport, which is Madina Airport; and a regional airport, Prince Abdulmuhsin Bin Abdulaziz Airport, in the city of Yanbu. The number of passengers using the airports of Madina region amounted to about 2.46 and 2.94 million passengers in 2011 and 2012 respectively, recording an increase of about 20% and representing about 7.3% and 7.7% 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 3.56 and 4.52 thousand tons in 2011 and 2012 respectively; with an increase rate of 27%, representing about 0.77% and 0.84% of total air cargo in Saudi Arabia, which recorded about 465,000 ton and 536,000 ton respectively in the said two years. The air traffic in Madina is one of the fundamental and important pillars on which the present and future economic development projects in the Region can rely on.

Ratio of air cargo traffic in Madina to the total traffic in the Kingdom in 2012



Ratio of air cargo traffic in Madina to the total traffic in the Kingdom in 2010



■ Rest of KSA ■ Madina

C) Maritime transport and ports

In Madina, there are two ports on the Red Sea: King Fahd Port in Yanbu Industrial City and Yanbu Commercial Port. The ports of the region contribute a large proportion of the total movement of shipping in the Kingdom. The quantities of goods handled at the ports of the region (loaded and unloaded) were 43 million tons in 2013, representing 22% of the total goods handled at the Kingdom's ports, which amounted in the same year to 195 million tons. The number of passengers (arrivals and departures), reached in 2013 about 50 thousand passengers, representing about 3.7% of the total number of passengers by maritime transport in the Kingdom, which reached 1.35 million passenger in 2013.

D) Water

Madina region depends in the provision of potable water on desalinated water from Yanbu, and on groundwater wells. Water produced from desalination plant in Yanbu reached about 123 million cubic meters on 2012, representing about 8% of the total desalinated water produced in the Kingdom, which amounted in 2012 about 1,519 million cubic meters. Currently, implementation is underway for more than 27 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 761 million.

For irrigation purposes, the Region relies mainly on groundwater and dams, where there are 26 dams in 2012 with a storage capacity of about 102 million cubic meters for storage and control of surface water and raising the level of groundwater in the agricultural areas.

E) Electricity

Electric energy is provided in Madina region by 7 generation plants in: the city of Madina, Abar Ali, Yahbu', Khyber, Al-Hanakyah, Al-Ola and Mahd Al-Dahab. In addition, there is a number of 230 KV and 115 KV transformer stations spread throughout the region. The rate of electricity coverage in Madina is one of the highest rates in the Kingdom, as is almost 100% since 2009. Power generation capacity in the region was 1394 MW in 2013.

F) Telecommunications

Madina region is covered by a network of fixed, mobile and digital (DSL) lines telecommunications services. Computers penetration rate in the Region is relatively low. The number of landlines in the Region amounted to about 283 thousand lines representing around 5.9% 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 1.04 million, representing about 6.6% 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 137,000 lines representing about 5.4% 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 26 central offices, 11 express mail offices, 26 mail points and 19 subscriber box rooms at the end of 2012; while the post office boxes amounted to 34 thousand. There are also TV and radio broadcasting stations and an office for the Saudi News Agency and others.

1.2 Economic Activities

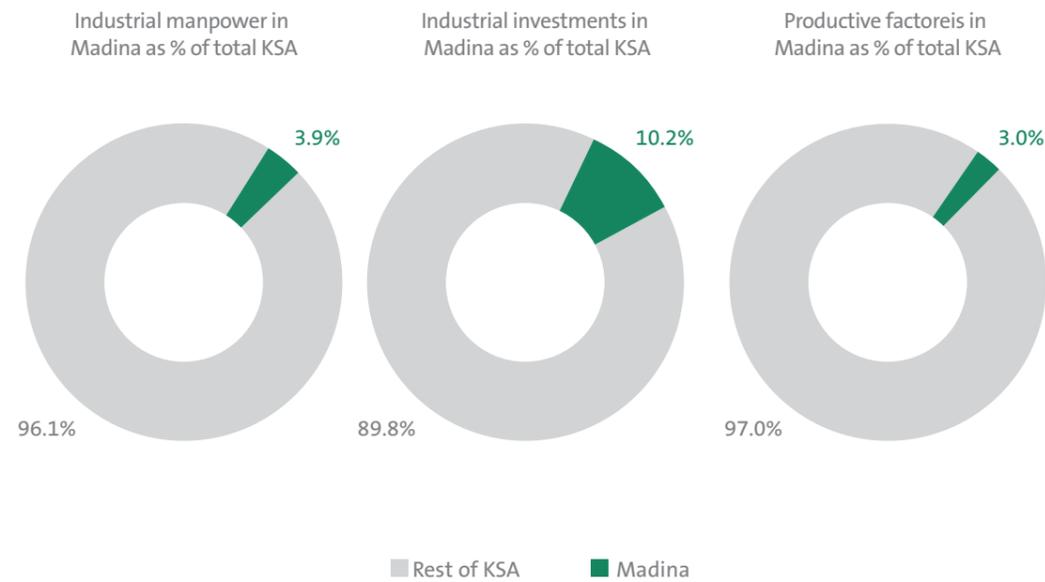
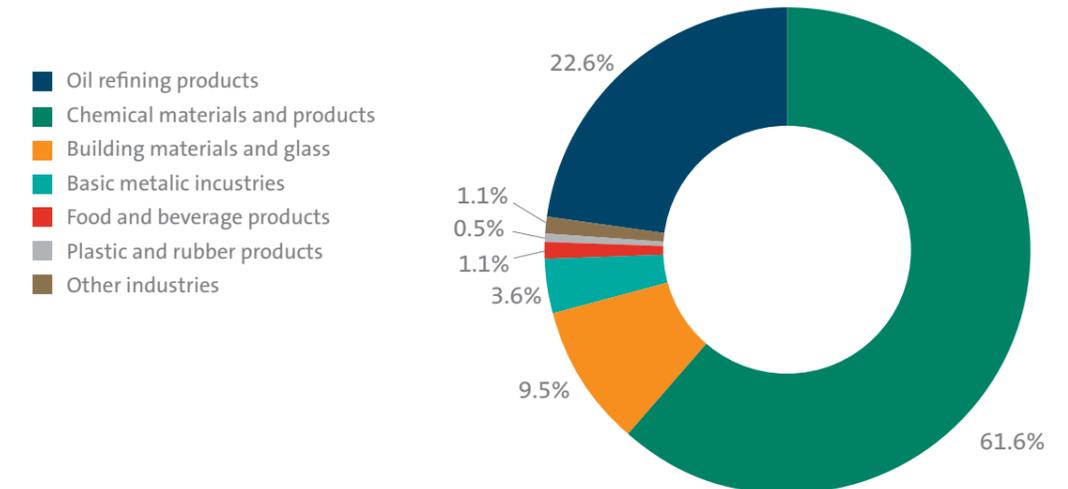
A) Industry

The industry is the largest and most important economic sector in Madina region, where there are two industrial cities: the first is the Industrial City of Yanbu, the second largest industrial city in the Kingdom; and the second is the Industrial City in Madina, which is built on an area of about 10 million square meters. There is also in the city of Yanbu, Yanbu' Refinery, the production of which represents about 25.5% of total petroleum refinery products in the Kingdom in 2012.

The total number of productive factories in the region amounts to 188, representing about 3.0% of the total number of productive factories in the Kingdom, which totaled 6364 at the end of 2013. The total industrial investments in the region amounted to 88.9 billion riyals, representing about 10.2% of the total finance of productive plants in the Kingdom, amounting to about 873.2 billion riyals. The number of factory workers in Madina recorded about 32,500 workers representing around 3.9% 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 Madina region. The chemical and petrochemical production sector comes on top of the list in terms of size of investments recording 61.6%, followed by petrol products refinery industry sector 22.6%, glass and building materials industry sector 9.5%, basic metal industries sector 3.6% and foodstuff and beverage industries 1.1% of the total industrial investments in the Region.

% distribution of industrial investments in the Region



The most important products of the industrial sector in Madina include:

- Petroleum refining Products industry: (naphtha, gasoline, diesel, aviation fuel, kerosene, fuel oil).
- Petrochemical industry: (ethylene, propylene, ethylene glycol, triftilate acid etc.).
- Plastics industry and products: (ethylene polymers and propylene etc.).
- Chemical industry: (acids, paints, pesticides, disinfectants, cleaners).
- Food industry: (dairy products, dates, bottled drinking water, juices, soft drinks, etc.).
- Printing products: (commercial publications, books, school books and records).
- Paper industry and products: (sanitary napkins, boxes, packing bags, etc.).
- Building materials: (cement, rock wool, concrete blocks, floor and sidewalk tiles, oak and red brick, insulators, fiber glass products, etc.).
- Other miscellaneous industries and products.

B) Trade

Trade is one of the key sectors in the region because of the various vital economic and productive activities spread throughout the region, in addition to the large volume of the consumer market there due to the large numbers of visitors to the Holy Prophet Mosque. Therefore, trade sector in the Madina is permanently eligible to influence the economic growth as it provides all the needs and requirements of the productive sectors and consumer commodities and products. The total number of establishments and businesses in the region amounted in 2012 to about 64 thousand, operating in various aspects of commercial activities accounts for about 5.4% of the total number in the kingdom, which reached 1.19 million establishments. The average annual increase in the number of new establishments in the region during the period from (2004-2012) amounts to 8323 new establishments annually.

C) Mining and Quarrying

The mining and quarrying sector in Madina is one of the important activities which can contribute to the exploitation of the natural resources in the Region, and cover the needs of the construction and industrial sectors of raw materials. There is a number of specialized corporations which are operating for the exploitation of the sites of raw materials such as limestone, gypsum for manufacturing cement and gypsum products, sand for cement production, ceramic raw materials (such as clay and kaolin), silica sand for the production of glass and other natural mineral resources raw materials such as copper, zinc and lead.

Recently, one of the biggest and most important bauxite sites in the Kingdom has been exploited by the Saudi Arabian Mining Co. (Maaden) and that is Al-Boaitha (Zubeira) site adjacent to Al-Boaitha village in Qassim, which is abundant with bauxite and Kaolin fields.

Also in Madina there is one of the major precious metals of the Kingdom, which is owned by the Saudi Arabian Mining Company (Maaden) and that is Mahad Al-Dahab mine, where the ore is extracted from the mine then treated for ultimate production of gold. The annual production of this mine is estimated at over 1500 kg of gold and 3300 kg of silver, 900 tons of copper and 600 tons of zinc. The main natural resources and their sites in the Region include:

No.	Ores	Major mine and quarry sites	Minor mine and quarry sites
1	Gold, silver and allied metals	Mahd Al-Dahab, Balqa, Said Mountain	
2	Copper, zinc, lead and allied metals	Said Mountain	
3	Limestone	Ras Baridi – Yanbu	
4	Gypsum	Ras Baridi - Yanbu	Al-Gasab
5	Clay	Ras Baridi – Yanbu	
6	Boslan	Abu Maharam Mountain	Hilat Alshaikh Mountain
7	Silica sand		Alqasab - Banbu

Source: Technical, Financial and Statistical Mining Report 1433H (2012), Ministry of Petroleum and Mineral Resources – Deputy Ministry for Mineral Resources

D) Real estate development and housing:

Real estate development and construction is one of the important economic sectors in the region, which is currently witnessing many projects in infrastructure, roads, hotels, parks and commercial markets. In addition, there are huge housing projects throughout the region. All these projects have made real estate development and construction a vital sector in region. This sector is expected to witness in the coming period vast development, with the commence of the implementation of the huge project for development and construction of the Holy Prophet Mosque, which is the Custodian of the Two Holy Mosques Project for Expansion of the Holy Prophet Mosque.

E) Agriculture:

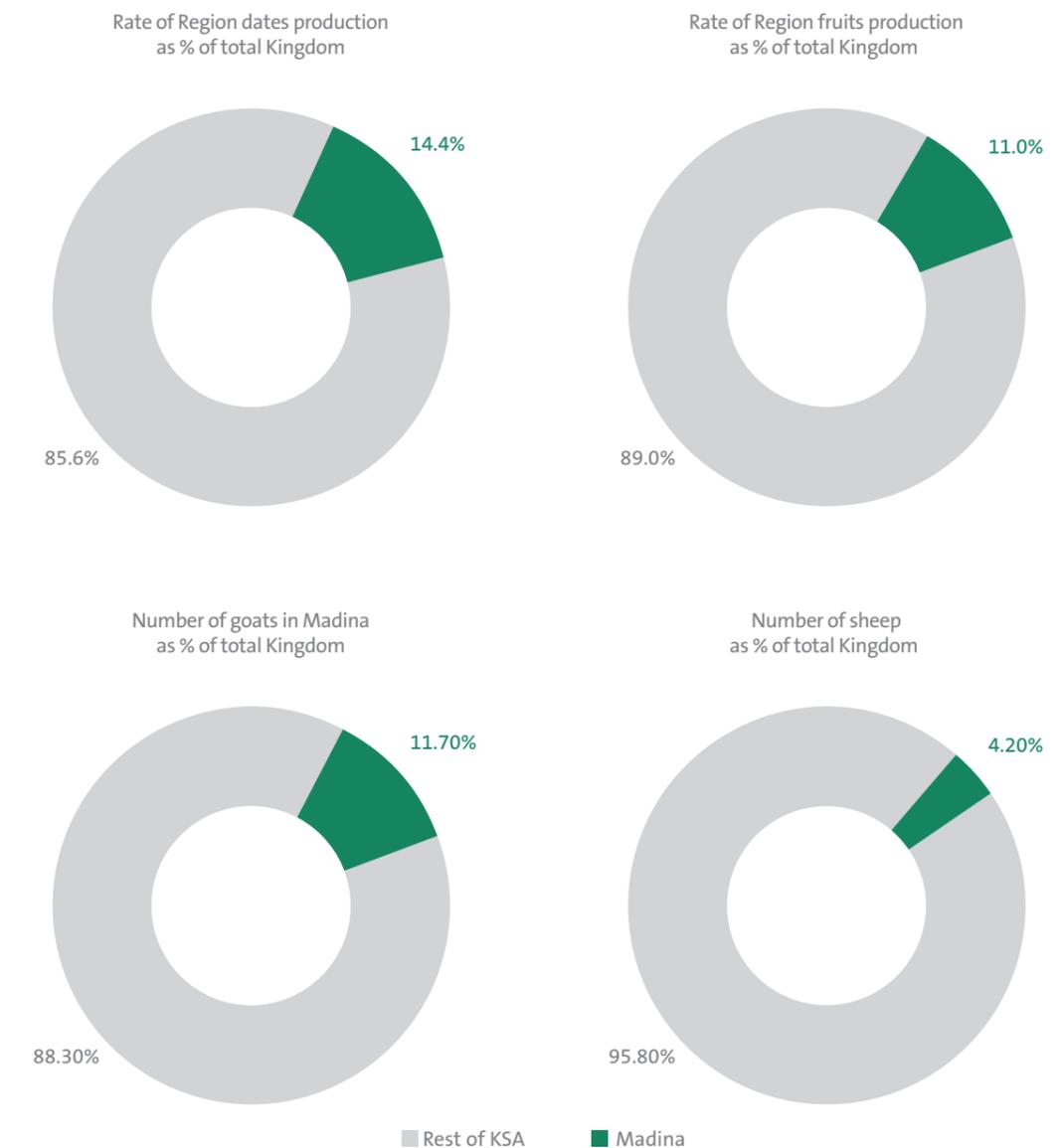
Agricultural sector is still one of the important economic sectors in the region, where the total crop area amounted in 2011 to about 27.5 thousand hectares, representing about 3.5% of the total crop area in the Kingdom, which amounted to 788 thousand hectares in the same year. The following table shows the region's contribution to the agricultural and animal production.

Development of Agricultural Activity and livestock*

	2007	2008	2009	2010	2011	Average annual growth rate	Madina's share of total KSA production (2008)
Crop production:							
- Green fodders (1000 tons)	60	44	53	51	56	-2.1%	1.5%
- Vegetables (1000 tons)	29	30	46	26	30	0.9%	1.1%
- Dates (1000 tons)	124	124	126	140	145	4.3%	14.45
- Fruits (1000 tons)	167	164	165	170	177	1.55	11%
Livestock:							
- Camels (1000 heads)	7	8	10	12	11	16.75	5%
- Sheep (1000 heads)	235	251	259	273	278	4.6%	4.2%
- Goats (1000 heads)	216	192	148	122	125	-10.55	11.7%
- Cattle (1000 heads)	0.9	0.5	0.45	0.32	0.37	-14.7%	0.08%
- Poultry (1000,000 chickens)	11.1	10.5	13.3	11.3	13.3	4.7%	2.5%

* Source: Statistical Annual Agricultural Yearbook 1430H (2009).

It is noted from the table above that there is a rise in the production of all agricultural products of the region during the period amounting to an annual average of 0.9% for vegetables 4.3% for dates and 1.5% for fruits. There was also a rise in livestock numbers by 16.7% for camels, 4.6% for sheep, 4.7% for poultry, while there was a decline in the numbers of goats and cows in the region with an annual average percentage of 10.5% and 14.7% respectively. There was a considerable honey production in the region, which amounted in 2011 about 119 tons.



1.3 Prospects of Economic Development:

Madina is considered one of the Saudi regions that enjoy great potentials, qualifying it to attract more investments in its vital sectors. Therefore, economic efficiency of existing activities should be developed and improved by providing more facilities and services. In addition, the productive base should be improved and more investments should be injected directed to the untapped sectors and new activities in the region. The most important areas that need more development in the region include:

Productive Sectors: Development in Madina Region needs to develop the productive base, increase activities of unused sectors in the Region, foremost among which are the sectors of industry, mining, transport, housing and real estate development, through the foremost among which are mining, transport and tourism through the development of infrastructure and facilities that serve them.

Infrastructure: successful development in Madina requires the completion of the components of infrastructure and public services in the region and to pay more attention to the small population communities. These services include roads, electricity, water, communications and sewage.

Education Services: Madina region needs to increase public, technical and intermediate education services to meet the expected increase in the number of students.

Health Services: it is necessary to continue the improvement of the current health services in the region and provide and increase medical services in specialties not available there.

Housing: In addition to providing job opportunities, the provision of adequate housing is one of the most important factors of population stability in the region. In addition, providing suitable housing and residential units at sites of production is one of the basic requirements for employment in the projects. All services, especially social and entertainment services should be provided. The estimated annual demand for housing in the region amounts to about 9000 new residential units annually.

Small and medium enterprises (SMEs): These enterprises are of great importance for successful development process. They should be supported and encouraged on a continuous basis by providing soft loans and technical and marketing support, as well as the services and facilities by the administrative departments and governmental organs in the Region.

In order to achieve development in the Region, it is necessary to provide and make available all data and information by the administrative and governmental departments in the Region to the local and foreign investors.

Sectors with Comparative Advantage

Madina region has great potentials, making it eligible to attract more domestic and foreign investments in various economic activities, especially the sectors of comparative advantages, the most important of which are:

- 1) **Petrochemical industry:** the region has an infrastructure for the second largest industrial city in the Kingdom, which enables it to attract new investments in this sector of comparative advantage in the Kingdom, due to availability of low cost energy and raw materials required for manufacturing basic, intermediate and finished products in this sector.
- 2) **Mining sector:** Madina region has enormous potentials, raw materials and natural minerals which have not been exploited yet, and which are characterized by their commercial size and economic feasibility for industrial exploitation. Mining materials in the region are found in many sites, including:
 - Gold and silver ores in Mahd Al-Dahab (Gold Cradle) area. Where the gold reserves are estimated at 1.1 million tons, 27 gm / ton gold and 73 gm / ton silver; and at Al-Nagra site, where reserves amount to about 1 million tons, ranging between 20-30 gm / ton gold.
 - Copper, lead and tin, which are located at Sayed Mountain, Alchezm and Umm Al-Damar. The copper reserves amount to 29 million tons in Sayed Mountain with 2.5% copper concentration.
 - Magnetite ores, which are found in both Dhargat on the Madina - Ha'il road, where the ore contains a high magnesium percentage ranging from 80% to 98% and the estimated reserves amount to about 4.5 million tons; and Mount Marble located at 190 km southeast of Madina, where magnesium oxide in the ore ranges between 40% to 50% and the estimated reserves amount to about 12 million tons.
 - Tungsten, magnesium and chromium ores in the Ah-Haso
 - Glass sand in Al-Hamaij area to the north of Madina toward Timaa.
 - Ornamental stone and marble in Al-Hanakyah.

All these raw materials qualify this sector to have a great advantage for attracting investments to the region.

- 3) **Transport:** Transport is one of the most important sectors of comparative advantage in the Madina Region, given its important local and regional location, high economic and growth rates, increase in numbers of visitors to the Holy Prophet Mosque, and the continuous real estate development in the region in general and in the Holy Prophet Mosque in particular. This sector is characterized by diversity, where there are all types of transport activities (land, air

and sea); therefore it is eligible to attract large investments in projects such as heavy transport, public transport, logistics services at the large road network and seaports and other activities in the region. The railway line to be built to link the city of Madina, the city of Mekka and Jeddah will be a major axis for transport in the region and it will qualify this sector to attract large investments in the various relevant activities

4) Construction and real estate development: it is one of the sectors expected to continue with strong growth rates in the region, especially with the start of the implementation of the economic knowledge city, which is expected to attract investment of 25 billion riyals, all of which is in the sectors of construction and infrastructure of roads, bridges, power stations, communications networks and water and sewage systems and others.

5) Tourism: Madina is characterized by the presence of many important tourist attractions, the most important of which is the Holy Mosque of Prophet (peace be upon him), which is visited by millions of Muslims every year. Therefore, this sector is promoted by continuous and increasing growth motivators. In addition, the sector is expected to witness significant growth rates in its different facilities and diversity in its activities, especially in hotels, restaurants and other related services.

6) Higher education sector: education indicators in Madina show that it is one of the sectors which are expected to attract new investments, particularly in the areas of general education, higher education and technical colleges, especially with the implementation of the anticipated mining projects in the region and the establishment of the economic knowledge city which will create further jobs and job opportunities in all disciplines.

Investment Incentives

In addition to the significant support, backing and facilities provided by the governmental and administrative authorities in the 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 for in the National Industries Protection and Encouragement Law, including the exemption of imports of goods and industrial equipment from customs duties, preferential treatment for national products to secure governmental purchases and allocation of land in the industrial cities at nominal cost.
- Ownership of the properties directly related to any project, including project staff accommodation and housing
- The benefits available under the bilateral and multilateral agreements with regard to

taxation and investment

- Prohibitions against confiscation of any investment without judicial judgment
- Unhindered transfer of capital and profits abroad
- Freedom to transfer shares among shareholders
- The licensed project's right to sponsor the foreign investor and his non-Saudis staff
- Provision of public utilities and services at discounted prices
- Provision of loans from Saudi Industrial Development Fund
- Carrying losses forward for the following years for tax purposes

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.
- Possible investment in construction and lease of buildings for ready-built factories (Jahiz)



1.4 Major projects in Madina

Knowledge Economic City

KEC was founded to be a cultural landmark in the service of the population and visitors of Madina, and a national and world edifice for economic development based on knowledge-based industries (KBI). The total volume of investments in KEC is 25 billion riyals, and is expected to provide 20 thousand new jobs. The total area of the city amounts to 48 million square meters, including 9 million square meters built area. The city is one of the fruits of the joint cooperation between Saudi Arabian General Investment Authority, Principality of Madina and the Board of Investment.

The main objectives of KEC can be summed up as follows:

- Establishing an economic development foundation based on knowledge-based industries.
- Supporting tourism and shopping in Median through the “Museum of Biography”, the Market, and the integrated tourist facilities areas.
- Establishing a commercial area with modern infrastructure to serve Median and its visitors, and to ease the pressure on the central region.
- Developing a distinctive residential area for those wishing to work, invest or stay next to the Mosque of the Prophet peace be upon him

The Knowledge Economic City comprises a science complex, technical and knowledge colleges, complex of Islamic civilization studies, center for medical studies, biological sciences, civil and integrated health services, residential areas for about 200 thousand people, educational services, commercial centers designed according to heritage style, and a mosque accommodating about 10 thousands worshippers. The City is designed to reflect the traditional style of Islamic architecture of the city of Madina, and to give the project a unique character reflecting the spirit of Median and the fragrance of its heritage. In designing the city, it was taken into account to provide the services and needs of the visitors and residents in vast single area, including all services, connected with modern means of transportation, and served by infrastructure supported by a sophisticated communications network.

KEC developers include a group of national companies, led by Savola Group, with the participation of Project Management & Development Company, Taiba Holding Company, and Quad International Real Estate Development Company. The aim of this consortium is to establish an investment entity to develop the land belonging to King Abdullah Foundation for His Parents for Charitable Housing in the eastern part of Madina.

The project will be linked to a ring road round the central business district. Above the road, there will be an electric vehicle track connecting KEC to the Grand Mosque of Madina within few minutes. This track will be connected to the planned train station, thus linking the project to the Prince Mohammed bin Abdul Aziz International Airport as well as to Makkah, Yahbu', King Abdullah Economic City and Jeddah.



The Project of the Custodian of the Two Holy Mosques for Extension of the Prophet's Mosque

The Project of the Custodian of the Two Holy Mosques, King Abdullah bin Abdulaziz for the extension of the Prophet's Mosque, is considered the biggest extension ever in the history of the Prophet's Mosque. The project includes addition of a new building adjacent to the present building, surrounding it and connects with from the north, east and west with an area of 82 thousand square meters. The new building accommodates 167 prayers. Thus, the total area of the Prophet's Holy Mosque will be 98.5 thousand square meters. The roof of the extension, which area is estimated to be 67 thousand square meters, will be covered by marble and it will accommodate 90 thousand additional prayers. After the extension the Mosque will accommodate more than 257 thousand prayers and its total area will reach 165 thousand square meters. The extension works will include also construction of a basement having the same area at the ground floor of the extension to accommodate the air conditioning, cooling and other services.

The project includes also construction of yards around the Mosque with an area of 23 thousand square meters. The floor of the yards will be covered by marble and granite in different Islamic engineering shapes. 135 thousand square meters of the yards will be allocated for prayer to accommodate 250 prayers. The total capacity of the Mosque and the surrounding yards is planned to accommodate more than 650 thousand prayers and the number will reach one million prayers in the peak seasons.

The new covered extension areas will include entrances to the ablution places and visitors' rest places connected to the car parking areas in two underground floors. The yards will be used by pedestrians only and will be lighted by special lighting units fixed on 120 marble columns. 12 huge sheds, having the same height as the ceiling, each shedding an area of 306 square meters, will be constructed in the open areas, located between the old Mosque and the Saudi extension. These sheds can be opened and closed automatically to protect the prayers from sun glare and rain and to enjoy the natural atmosphere, when the climatic conditions permit.

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 Madina Region

Part II: Economic Indicators for Madina Region

2.1 Gross Domestic Product

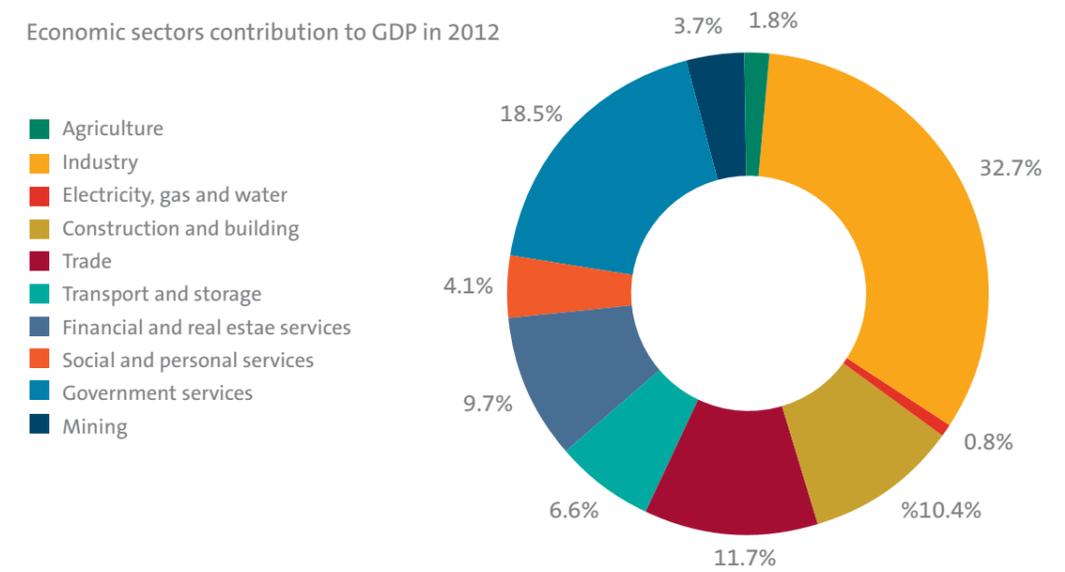
The Gross domestic product (GDP) of Madina Region amounted in 2012 to about 101 billion riyals, representing 3.7% of the GDP of the Kingdom, and 7.1% of the GDP of the Kingdom without crude oil and gas. The average annual growth rate of the GDP of the region amounted to about 23.7% during the period (2009 – 2012). Industrial sector ranks first in terms of contribution to the GDP of the region of 35.7%, followed by trade sector with 11.7%, construction and building sector 10.4%, financial and real estate services sector of 9.7%, transport and communications sector of 6.6%, social and personal services sector of 4.1%, and mining sector of 3.7%

Madina Region's Contribution to Kingdom's GDP in 2009 and 2012

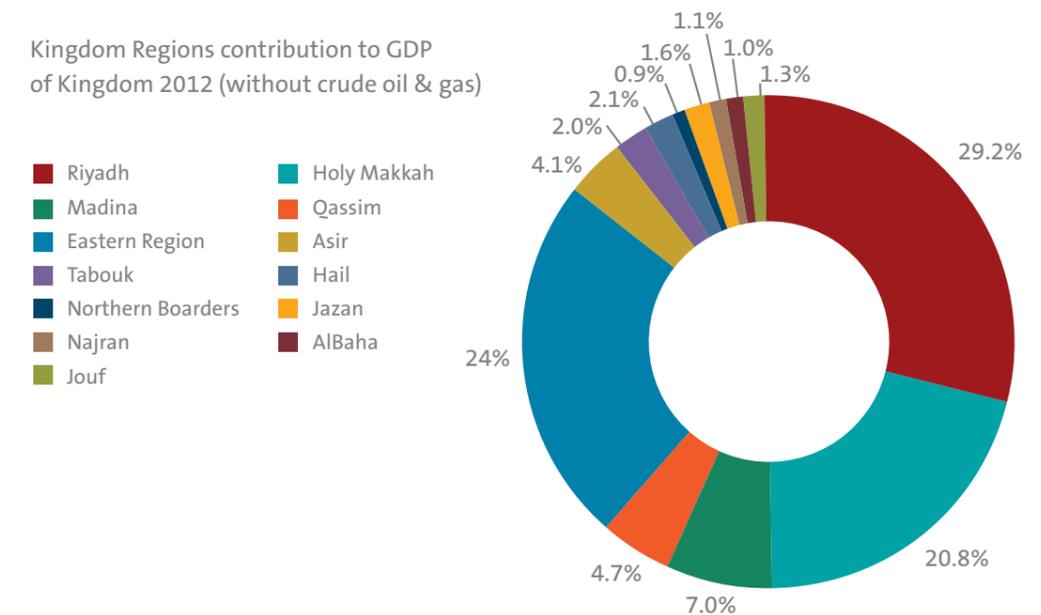
	2009	2012	Average annual growth rate
Kingdom GDP at current prices (billion SR)*	1,596	2,731	19.8%
Kingdom GDP without oil and gas (billion SR)*	995	1,429	11.9 %
Region GDP (billion SR) **	59	101	23.7 %
Region GDP to total Kingdom	3.7%	3.7 %	
Region GDP to total Kingdom without crude oil and gas	5.9 %	7.1 %	
Average per capita GDP of the region (000' SR)	34	53	18.6%

* Does not include import duties ** Estimated
Source: Central Department of Statistics and Information, Ministry of Economy and Planning)

Economic sectors contribution to GDP in 2012



Kingdom Regions contribution to GDP of Kingdom 2012 (without crude oil & gas)



2.2 Migration rates

According to the estimated figures of the Central Department of Statistics & Information (CDSI), the total population of Madina Region in 2014 amounted to about 2.01 million people representing about 6.54% 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 Madina was about 1.52 million, and 1.81 million according to the Census of 2010.

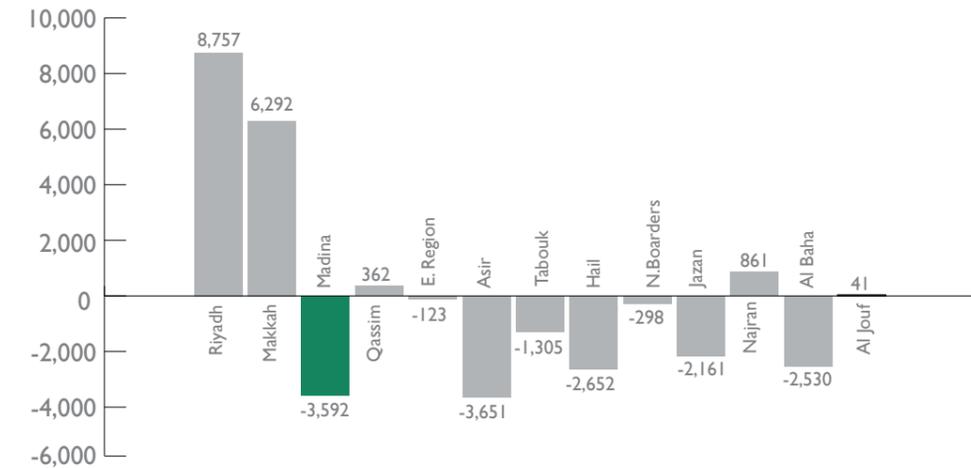
The average annual growth rate of the overall population in Madina during 2004-2014 recorded about 2.90%, while the average annual growth rate of the Saudi population in the Region recorded 2.02%. This rate is lower than the average overall growth rate of Saudi population Kingdom-wide during the same period. Accordingly, Madina is one of the population non-attracting regions of the Kingdom.

Development of Madina 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 %		
Madina Population	Saudis	1,144,189	1,280,466	1,397,145	2.2%	1,433,068	35,923
	Non-Saudis	367,887	525,230	615,604	5.28 %		
	Total	1,512,076	1,805,696	2,012,749	2.90 %		

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

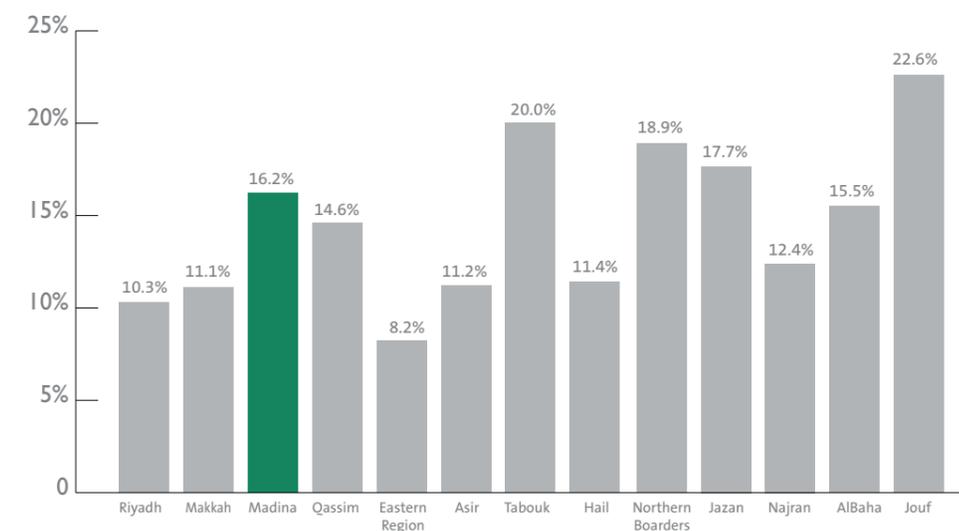
Annual rate of Saudi nationals migration (from / to) the regions of the Kingdom (as per population estimates for 2004 -2014)



2.3 Employment and Unemployment rates

According to the estimates of the Central Department of Statistics & Information (CDSI), the unemployment rate in Madina amounted to about 16.2% of the total Saudi labor force in the Region, which amounted to 312,208 (males and females). This is considered a high rate compared to the average rate of unemployment in the Kingdom, which was estimated at 12.1% in 2012.

Unemployment rates in the regions of the Kingdom in 2012



Source: Department of Statistics and Information, Ministry of Economy and Planning.



2.4 GDP per capita

Due to the increase in the contribution of different sectors to the Region GDP and the increase in the Region's GDP annual growth rate, which reached 23.7% during the period (2009-2012), which is considered a high rate of growth, compared with other regions, GDP per capita of Madina Region has increased from about 34 thousand riyals on 2009 to about 53 thousand riyals on 2012.

GDP per capita Development (2009 and 2012)

	2009	2012	Annual growth rate
Region GDP (SR billion)	59	101	23.7%
Total Region population	1,744,543	1,900,844	2.90%
(Average GDP per capita (000' SR	34	53	18.6%

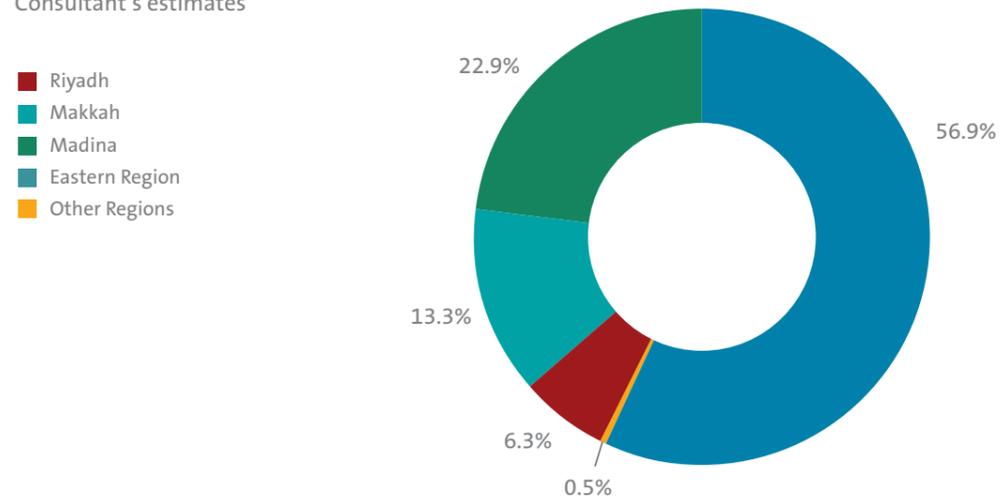
* Estimated

2.5 Contribution to exports of the Kingdom

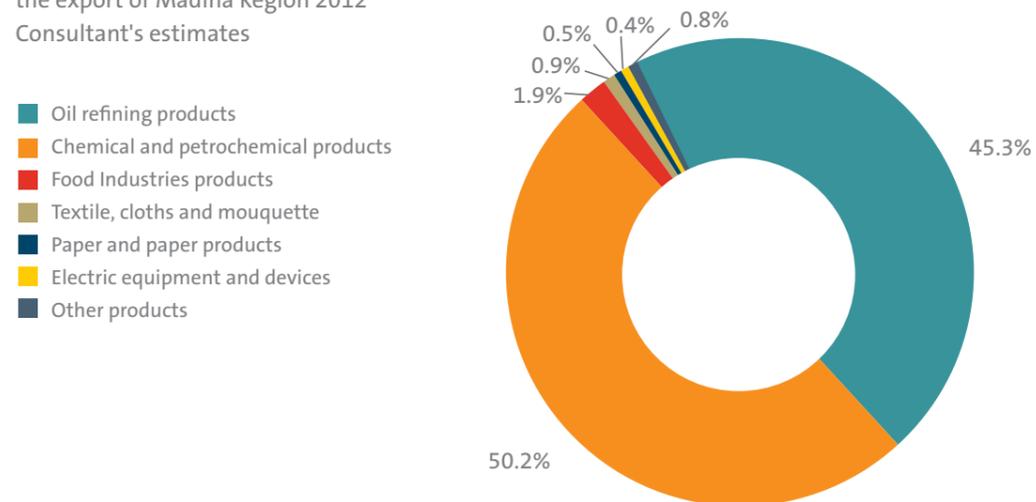
Madina comes second, after the Eastern Region, in terms of contribution to the Saudi exports. The value of Madina exports amounted to about 65.2 billion riyals, representing approximately 4.5% of the total value of Saudi exports, which amounted to about 1,457 billion riyals in 2012, while the percentage of exports of Madina stood at about 22.9% of the total exports of the Kingdom without crude oil, which amounted to 284 billion riyals in 2012.



Contribution of Kingdom Regions in the exports of the Kingdom 2012 (without crude oil)
Consultant's estimates



Contribution of different products to the export of Madina Region 2012
Consultant's estimates



Madina exports include refinery products (Naphta, liquefied petroleum gas, gasoline, diesel, kerosene, aviation fuel and fuel oil). The region's exports of chemical and petrochemical products comprise a wide range of important products, including ethylene, propylene, polymers and plastics, ethylene glycol, caustic soda, acids, resins, paints, plastic products, etc.; in addition to the region's exports of other miscellaneous industrial products.

2.6 Education Services Indicators

Public Education: The total number of schools in various education stages in Madina amounted in 2013 to 2662, including 2443 schools affiliated to the Ministry of Education and 219 private and other schools, representing about 8.2% of the total number of schools in the Region. The total number of male and female students in all public stages amounted to 428.2 thousands, including 392.8 thousands in the schools of the Ministry of Education and 35.4 thousands in private schools, representing 8.2% of the total number of students, males and females.

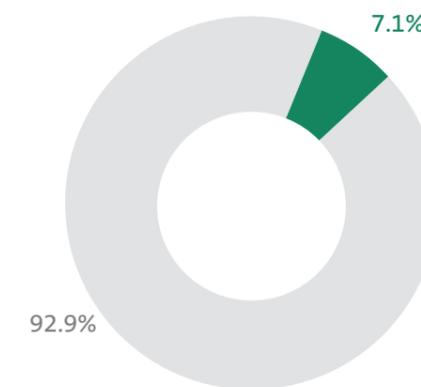
Development of Public (Governmental) Education Services in Madina*

	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	1940	2271	2468	2443	3.2 %	7.0 %
Total number of classrooms for all stages	13912	14700	18029	18367	4.0 %	7.2 %
Total number of male and female students (,000)	320.9	327.9	385.8	392.8	2.8 %	7.3 %
Total number of teachers (,000)	25.7	29.3	34.3	37.2	5.6 %	7.1 %

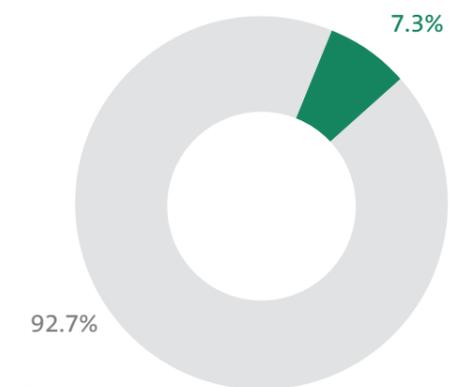
* Source: Statistical Abstract of Public Education in the Kingdom (1432/1433H, 1433/1434H) / Department of Statistical Information, Ministry of Education.

The indicators of public education in the region show that the government-run education services, compared to the total education services in the Kingdom as a whole, need to be increased, where total numbers of schools, classes and male and female teaches in the Region to the total numbers in the Kingdom in 2012 estimated to be 7%, 7.2% and 7.1%; while the total number of male and female students in the Region accounted for 7.3%.

Rate of male and female teachers of the total numbers in the Kingdom



Male and female students (% of the total numbers in the Kingdom)



Teacher-student ratio compared to total average of the Kingdom in 2013

In Madina: primary stage (1:12.2), intermediate stage (1:10.1) and secondary stage (1: 11.4).

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 number of male and female teachers in the Region should be increased in all education stages.

Higher education

In Madina region, there are two universities: the Islamic University and the University of Tibah. The Islamic University includes five faculties for religious science, an engineering faculty, computer technology faculty and science faculty, in addition to other 5 faculties for Hadith sciences and Arabic language for non-Arabic speakers. Taibah University include 30 faculties and specialized institutes for scientific, art and religious disciplines; of which 17 faculties are in the main complex in Madina Almonawara and the others are distributed in the governorates and cities of the Region. The total number of students enrolled in the higher education in Madina amounted in 2013 to about 92 thousand students, while the number of male and female graduates reached about 10 thousand. The number of the staff in the higher education in 2013 amounted to about 3.1 thousand professors, assistant professors, lecturers, demonstrators and teachers.

Technical education, vocational training and specialized institutes

As in other regions of the Kingdom, the General Organization for Technical and Vocational Training (GOTVT) implements a program in Madina for joint training in specific professions, to better meet the actual needs of the labor market. There is a number of GOTVT technical colleges and vocational institutes in the Region in addition to many private training institutions for languages, computer, management and various technical disciplines.

2.7 Health Services Indicators in Madina Almonawara Region

In Madina Region there are 154 health-care centers, 20 government hospital affiliated to the Ministry of Health with a capacity of 2,647 beds. The health services provided by the private sector in Madina include 12 private hospitals with 1,035 beds capacity, 100 clinics, 11 medical centers, 5 laboratories, 349 pharmacies, 125 optics shops and more than 15 pharmaceutical repositories.

Health Services *

	2008	2009	2010	2011	2012	Ratio to total number in KSA in 2009
Ministry of Health Services:						
Health centers	135	134	143	143	154	6.8%
Visits to centers (,000)	4,259	4,459	4,978	5,373	5,613	10.5%
Laboratory tests in the centers (,000)	478	511	513	491	489	7.8%
Hospitals	17	20	20	20	20	7.7%
Hospital beds	2,158	2,308	2,357	2,580	2,647	7.4%
Hospital physicians	1,408	1,478	1,809	2,121	2,218	8.4%
Outpatient visits (,000)	1,125	1,120	809	775	822	7.0%
Inpatients (,000)	114	118	120	124	128	7.6%
Surgical operations (,000)	27	28	29	73	35	7.7%
Private sector services:						
Medical centers	87	84	80	74	100	4.6%
Clinics	16	17	17	17	11	5.6%
Private hospitals	11	11	12	12	12	8.8%
Private hospitals beds	990	990	728	799	1,035	7.3%
Inpatients in private hospitals (1000)	45	47	46	46	54	6.1%
Private laboratories	5	5	5	5	5	5.1%
Physiotherapy centers	-	1	1	2	2	2.5%
Optics shops	112	112	120	147	125	6.5%
Pharmacies	322	322	331	354	349	5.0%

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

Indicators of health services in the Region compared to overall KSA average in 2012

Bed-to-people ratio in the region = (1: 519); overall average bed-to-people ratio for the Kingdom = (1 : 584).

Physician-to-people ratio in the Region = (1 : 559); overall average Physician-to-people ratio for the Kingdom = (1 : 603).

Comparing indicators of health services in the region, it is noted that they are more than overall average of the Kingdom in terms of numbers of beds and physicians, as shown above, which means that health services in the region are good.

A nighttime photograph of an industrial facility, likely a refinery or chemical plant. The scene is dominated by several tall, dark towers and distillation columns, which are illuminated from within, casting a warm, orange glow. The sky is dark, and the overall atmosphere is industrial and active. The image is framed by a large, light blue triangular shape on the right side, which contains the text.

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)	1.56	1.74	1.90
Region Population ratio to total of Kingdom	6.7 %	6.8 %	6.5 %
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)	57.1	59	101
Region portion of GDP of the Kingdom	4.9 %	3.7 %	3.7 %
Region portion of GDP of the Kingdom without oil and gas	9.6 %	5.9 %	7.1 %
Per capita GDP in Madina (000' SR)	37	34	53

Source: Madina Economic Report for 2007 and 2010 , SAGIA

3.2 Export Indicators

	2005*	2009	2012
Total value of exports of the Kingdom (billion riyals)	666	697	1,457
Value of exports of the Kingdom without crude oil (billion riyals)	152	164	284
Value of exports of the Region (billion riyals)	27.5	28.9	65.2
Region share of total exports of the Kingdom	4.1 %	4.1 %	4.5 %
Region share of total exports of the Kingdom without crude oil	18.1 %	17.6 %	22.9 %

Relative distribution of the exports of the Region:

Oil refinery products	67%	53%	45%
Chemical and petrochemical products	29%	42%	50%
Food industry products	1%	3%	2%
Textile, mouquette and cloths products	1%	1%	1%
Other products	1.6%	1.9%	1.2%

Source: Madina Economic Report for 2007 and 2010 , SAGIA

3.3 Infrastructure Indicators

	2005*	2009	2012
Total lengths of paved roads (km)	3,250	5,420	6,227
Length of agricultural and earth roads (km)	16,000	17,110	17,999
Number of storage reservoirs and rain and flood water control dams	18	20	26
Power generating capacity (MW)	-	548	1,394
Electricity coverage in the Region	99%	100%	100%
Number of fixed telephone lines (thousand)	231	-	283
Number of mobile telephone lines (thousand)	255	-	-
Number of digital subscriber lines / DSL	3,399	-	-
Number of central post offices	27	22	26
Number of branch post offices	13	10	10
Number of mail agents	5	5	5
Number of mailboxes (thousand)	19	24	34

* Source: Economic Report of Madina for 2007 and 2010, SAGIA

3.4 Economic Sectors Indicators

	2005*	2009	2013
Industry:			
Total number of factories	149	166	188
Total funding in industry (in billion riyals)	51	62.6	88.9
Region's share of total industrial investments in the Kingdom	17 %	16 %	10%
Sector's contribution to GDP of the Region	53.9 %	35.2 %	32.7%

	2005	2009	2011
Agricultural sector:			
Green fodder (thousand tons)	43	53	56
Vegetables (thousand tons)	28	46	30
Dates (thousand tons)	101	126	145
Fruits (thousand tons)	137	165	177
Sector's contribution to GDP of the Region	2.4 %	2.6%	1.8%

* Source: Economic Report of Madina for 2007 and 2010, SAGIA

3.5 Education and Health Services Indicators

	2005*	2009	2012
Public Education:			
Teacher - student ratio in primary stage	1 / 13.7	1 / 10.29	1 / 12.20
Teacher - student ratio in intermediate stage	1 / 11.27	1 / 10.33	1 / 10.10
Teacher - student ratio in secondary stage	1 / 13.24	1 / 11	1 / 11.40
Higher Education:			
Number of universities of Ministry of Higher Education	2	2	2
Number of private universities	-	-	-
Total number enrolled in public universities (in thousands)	12	46	92
Health services:			
Bed – patient ratio	1 / 521	1 / 532	1 / 519
Physician – patient ratio	1 / 911	1 / 666	1 / 559

* Source: Economic Report of Madina for 2007 and 2010, SAGIA



Part IV
Investment
Opportunities

Part IV: Investment Opportunities

According to the above review of Madina Region, and based on the available information and future development plans of the Region, following are the most important investment opportunities and major projects, which investors can study in detail and make sure of their economic feasibility, and then they can begin their implementation:

4.1 Investment opportunities in large sized enterprises

Opportunity No (1)	projects for mining gold ores
Justifications and potentials	The region is rich in this precious stone, including sites in Al-Sokhairat, Nagra, Sayed Mountain, Balqa. The gold ores reserves in the region are estimated at about 3.5 million tons
Target market	Domestic market and international export markets
Economic impact	Creating new job opportunities, exploiting natural resources in the region and increasing the value of the Saudi exports

Opportunity No (2)	Projects for mining and extraction of copper, lead and tin ores
Justifications and potentials	This region is rich in minerals, including sites in Sayed Mountain and Umm Al-Damar. The total materials amount to about 20 million tons.
Target market	Domestic market and export markets
Economic impact	Creating new job opportunities, exploiting natural resources in the region and increasing the value of the Saudi exports

Opportunity No (3)	Project for preparation and processing silica sand used in glassware industry
Justifications and potentials	Availability of raw materials in Alhamij area, to the north of Madina.
Target market	Flat glass factories and glass packaging products in the Kingdom, and export markets
Economic impact	Creating new job opportunities, exploiting natural resources in the region and increasing the value of the Saudi exports

Opportunity No (4)	Extraction and purification of magnetite ores
Justifications and potentials	Availability of raw materials in the Dharguet area and Marble Mountain; the product is of a great economic value especially in the export markets, with a total reserve of ore amounting to around 12 million tons.
Target market	industrial uses locally and export markets globally
Economic impact	Creating new job opportunities, exploiting natural resources in the region and increasing the value of the Saudi exports

Opportunity No (5)	Project for marble mining and manufacturing
Justifications and potentials	Availability of raw materials in Al-Hanakyah
Target market	Construction and buildings sector locally, and export markets globally
Economic impact	Creating new job opportunities, exploiting natural resources in the region and increasing the GDP per capita in the region

Opportunity No (6)	Company for housing and real estate development
Justifications and potentials	Considerable increase in demand for housing units in the region, especially with the start of the implementation of the Economic Knowledge City and the extension of the Holy Prophet's Mosque.
Target market	Youths, citizens and newcomers to the region and the surrounding areas
Economic impact	Creating new job opportunities and contributing to the provision of housing for the residents of the region

Opportunity No (7)	Tourist villages projects (in the mountainous areas and onshore tourist areas)
Justifications and potentials	Shortage in tourist projects and recreational areas in the regions, and the growth of tourism business.
Target market	Tourism sector in the region and visitors for Omra, employment or trade
Economic impact	Creating new job opportunities, contributing to building tourism sector and increasing the GDP per capita of the region

Opportunity No (8)	Cooling and storage warehouses
Justifications and potentials	Expected significant growth in transport and freight services for various goods and products in the region with the inception of the Knowledge City
Target market	trade sector in Madina
Economic impact	Creating new job opportunities, achieving industrial integration, and supporting and providing the services required for trade sector

Opportunity No (9)	Establishment of a world conference center, including celebration and wedding halls annexes
Justifications and potentials	Madina suffers a shortage of this type of major centers
Target market	Madina region, events that may be organized in the region and all people of the region
Economic impact	Creating new job opportunities, contributing to the building of tourism sector and increasing the GDP per capita of the region

Opportunity No (10)	Farm for medicinal plants and herbs and a plant for sterilization and packaging
Justifications and potentials	Appropriate environment and climatic conditions; growing demand by Omra performers and pilgrims for herbal medications
Target market	Madina, Makkah and all parts of the Kingdom, in addition to export markets
Economic impact	Creating new job opportunities and increasing the GDP per capita of the region

Opportunity No (11)	Rehabilitation center for those with special needs
Justifications and potentials	Madina suffers a shortage in this type of medical and social services
Target market	Citizens and residents in the cities of the region
Economic impact	Creating new job opportunities and providing specialized medical and health services.

Opportunity No (12)	Establishment of an industrial city for foods and dates industries
Justifications and potentials	Increased demand for land equipped with facilities and services for industrial use without environmental contamination; there are 2.5 million palm trees producing about 100 thousand tons with revenues exceeding 1.2 billion riyals per year
Target market	Investors and businessmen in the region and other parts of the Kingdom or outside the Kingdom
Economic impact	Creating new job opportunities and providing infrastructure for industrial growth

4.2 Investment opportunities in medium sized enterprises

Opportunity No (1)	Plant for soft drinks
Justifications and potentials	Growth of domestic demand and absence of this industry in the region, great potential for export regionally.
Target market	Trade sector and the local and regional marketing of the product
Economic impact	Creating new job opportunities, increasing the value of the region's exports and increasing the GDP per capita of the region.

Opportunity No (2)	Plant for food products (canned and processed vegetables and fruits)
Justifications and potentials	Abundant quantities of vegetables and fruits in the region; providing the product to the local market in the region and neighboring areas
Target market	Trade and markets in Madina and surrounding areas
Economic impact	Creating new job opportunities, increasing the value of the region's exports and increasing the GDP per capita of the region

Opportunity No. (3)	Factory for production of wood of palm fronds
Justifications and potentials	Large numbers of palm trees and heavy domestic demand for the product. There are about 3 million productive and non-productive palm trees in the region.
Target market	Marketing locally in the region and the Kingdom, export markets
Economic impact	Creating new job opportunities, increasing the value of the region's exports and increasing the GDP per capita of the region

Opportunity No (4)	Factory for concentrated fodders
Justifications and potentials	Domestic demand in the region for livestock and poultry projects.
Target market	Madina region.
Economic impact	Creating new job opportunities, and increasing the GDP per capita of the region

Opportunity No (5)	Food Industries Complex (canning and preservation of fruits, vegetables, juices, pickles, etc.)
Justifications and potentials	Abundance and diversity of agricultural production of vegetables and fruits in the region.
Target market	Madina and other areas in the Kingdom, export markets
Economic impact	Creating new job opportunities, and increasing the GDP per capita of the region and increasing the exports of the Kingdom

Opportunity No (6)	Factory for the production of marine boats and yachts
Justifications and potentials	Local demand for the product, availability of many materials needed for industry locally
Target market	Local market (individuals, tourism sector, sports clubs, marine fishing sector, border guards), and export
Economic impact	Creating new job opportunities, increasing the value of the Saudi exports and increasing the GDP per capita of the region

Opportunity No (7)	School complex (Yanbu', AL-Ola, Al-Mahd, Al-Hanakyah) accommodating 1500 students
Justifications and potentials	The need to increase the basic education services in the region and the increase in the numbers of male and female students.
Target market	Segments of population in all the cities of the region
Economic impact	Creating new job opportunities, to contribute to the provision of a basic services and to reduce migration

Opportunity No (8)	Company for low cost airlines
Justifications and potentials	Expected significant growth in transport of passengers and cargo for various goods at the Airport of Madina,
Target market	Companies, institutions and individuals in Madina and the remaining regions and airports of the Kingdom
Economic impact	Creating new job opportunities, and increasing the GDP per capita of the region

Opportunity No (9)	Physiotherapy center
Justifications and potentials	Increase in demand for specialized medical services.
Target market	Citizens and residents in the cities of the region
Economic impact	Creating new job opportunities and to provide specialized medical and health services

Opportunity No (10)	Establishment of a medical center for dialysis
Justifications and potentials	Increase in demand for specialized medical services in the region, where there is no such service provided by the private sector.
Target market	Population of the cities of the region
Economic impact	Creating new job opportunities and to provide specialized medical and health services

Opportunity No (11)	A specialized medical center for diabetics
Justifications and potentials	The region's need for this medical service.
Target market	Diabetics patients in the region and neighboring areas
Economic impact	Creating new job opportunities, to provide specialized medical and health services specialized and increasing the GDP per capita of the region

Opportunity No (12)	Laboratory for soil testing and geological works
Justifications and potentials	Expected increase in construction works, as well as in the new mining projects to be implemented in the region.
Target market	Companies, contractors and investors in Madina and surrounding regions
Economic impact	Creating new job opportunities and increasing the GDP per capita of the region

Sources of Data and Information

Description	Source
Economic Developments in KSA	SAMA Annual Report, 2013. Statement of Ministry of Finance on the public Budget of the Kingdom, 1435 – 1436H.
Population	Central Department of Statistics and Information (CDSI)
Infrastructure	
Roads	Statistical Yearbook 2012, CDSI, Ministry of Transport. Reports and statistics of Ministry of Municipal and 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 and Electricity.
Electricity	Annual Reports, Saudi Electricity Co., Ministry of Water and Electricity.
Communications	Statistical Yearbook 2012, CDSI, Communications and Information Technology Commission (CITC), Saudi Post.
Economic Activities	
Oil and Gas	Oil and Gas Statistics, SAMA Annual Report 2013, Ministry of Petroleum and Resources, Aramco Annual Report.
Industry	Report of Industry in KSA 2013, Ministry of Commerce and Industry.
Agriculture	Annual Agricultural Statistical Yearbook 2012, Ministry of Agriculture.
Trade	Ministry of Commerce and Industry.
Construction	Reports and statistics of Ministry of Municipal and Rural Affairs.
Mining	Technical, Financial Statistical Report on Mining Activities for 2012, Ministry of Petroleum and Mineral Resources.
Tourism	Saudi Commission for Tourism and Antiquities, Tourism Information and Research Center (MAS).
Economic Indicators	
Region's GDP	SAMA Annual Report 2013, Estimates of the Study
Immigration Rates and Population Attraction	Results of KSA's Population Census 2004-2010, CDSI.
Employment and Unemployment Rates	Manpower Research Study 2012, CDSI.
Per Capita GDP	SAMA Annual Report 2013, SAGIA estimation.
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.