Saudi Arabian General Investment Authority
SAGIA

Makkah Region

Economic Report

1434/1435 - 2014

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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 Holy Makkah 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

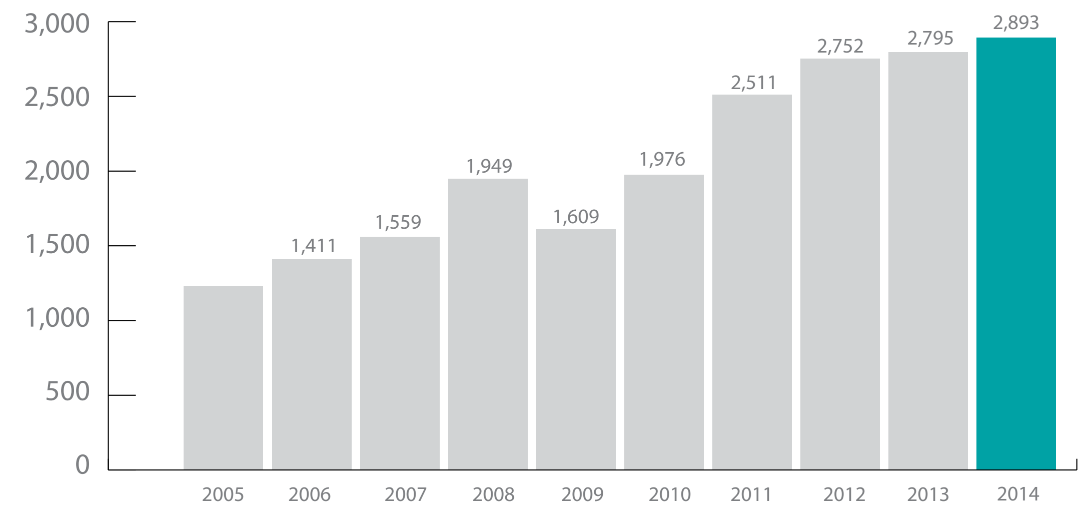
1. Economic Developments in KSA

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 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%

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.
- Indentify, 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 Makkah Region

Part I: Status and prospects of development in Makkah Region

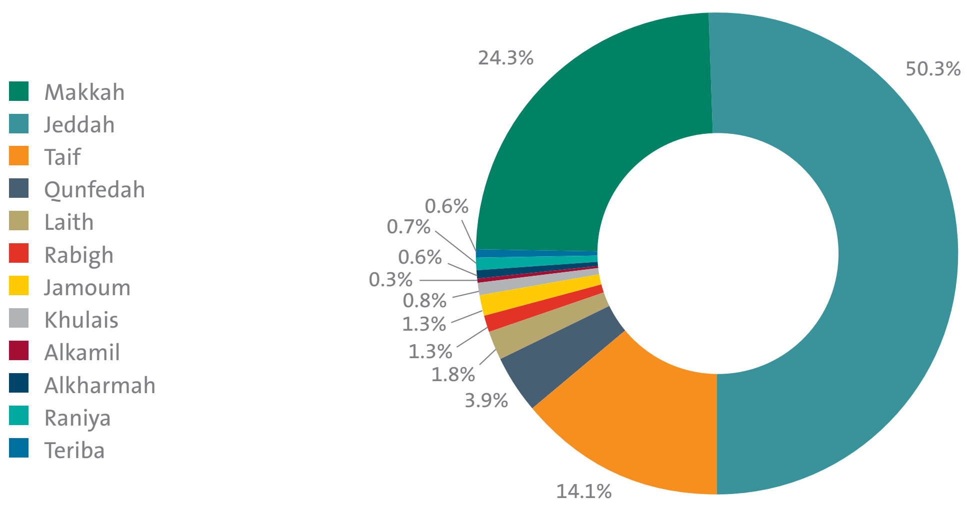
1.1 Inputs and Bases of Economic Development in the Region

Location

Makkah region is located in the center of the western part of Saudi Arabia on the Red Sea coast. It enjoys particular importance, since it is the holy capital of the Kingdom of Saudi Arabia, where the Holy Mosque and Kaaba are located in the city of Mecca. The region also includes the city of Jeddah, the main and the largest port in the Kingdom. The region is bordered by four other administrative regions of the Kingdom: Riyadh in the east, Medina in the north, and Asir and Baha in the south. The area of the region is about 141 thousand square kilometers, or about 6.3% of the total area of the Kingdom. The region is divided administratively into the Principality of the Region in the city of Makkah and eleven governorates: Jeddah, Taif, Al-Gonfedah, Allaith, Rabigh, Al-Jamoum, Khulais, Al-Kamil, Khermah, Reniya, and Teriba.

Regions of Saudi Arabia

Percentage distribution of the Region population by its administrative divisions



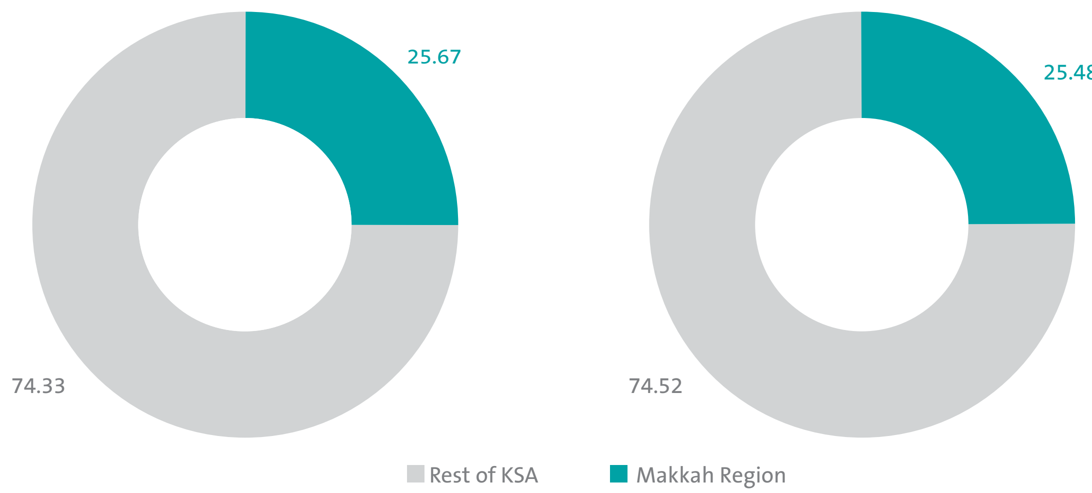
Population

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 7.9 million people, representing about 25.67% 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 4.55 million against 3.34 thousand non-Saudis.

Jeddah governorate has about 50.3% of the total population of the region, followed by Makkah by 24.2%, Taif by 14.1%, Qunfedah by 3.9%, Laith by 1.8%, Rabigh by 1.3%, and finally Jamoum by 1.3%.

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

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



Infrastructure in Makkah Region

A) Road network

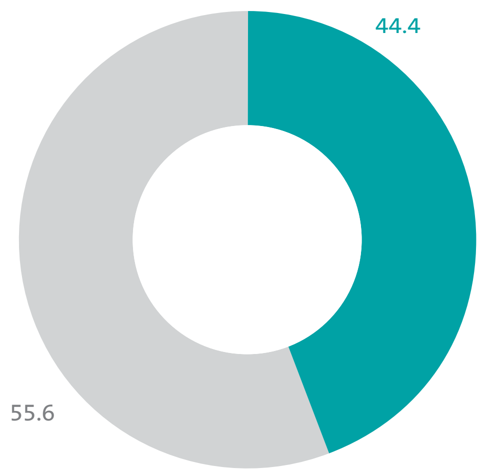
Makkah has a modern and sophisticated network of highways, bridges, tunnels and bridge roads linking the major cities and facilities of different industrial and commercial areas, and linking the region to the neighboring areas. The total length of paved roads controlled by the municipalities in the Region is around 12,757 linear km accounting for 14% 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 1,613 km representing around 10.2% 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 17,545 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 following:

- Conversion of the coastal Jeddah / Jazan Road to express way (phase one);
- Conversion of the coastal Jeddah / Jazan Road to express way (phase two (Shua'iba/ Laith);
- Conversion of the coastal Jeddah / Jazan Road to express way (phase three).
- Jeddah Ring Road , part two (Briman / Express Makkah Road)
- Jeddah Ring Road and connecting the main axis (phase three).
- Makkah Second Ring Road (Al-Tantubawi Road).

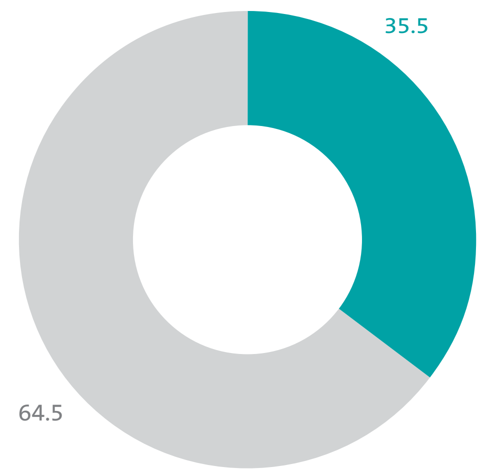
B) Air transport and airports

The region has two airports: one is a main international airport in the Kingdom, namely King Abdulaziz Airport in Jeddah, and a regional airport in the city of Taif. The number of passengers using the two airports in 2011 and 2012 amounted to about 12.4 and 13.7 million passengers respectively, with an increase of 11%. The air traffic movement in the region represents about 36.8% and 35.5% of 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 198 and 238 thousand tons in 2011 and 2012 respectively; with an increase rate of 20% and representing about 42.6% and 44.4% 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 the Region is one of the fundamental and important pillars on which the present and future economic development projects in the Region can rely on. King Abdulaziz Airport in Jeddah is witnessing huge development project to cope with the new technological developments and to improve the level of services according to the highest international standards. The development project also aiming to intensify and support the Region's infrastructure to be able to receive the huge international airplains such as "A380" and to improve the capabilities of the airport by increasing its capacity to 30 million passengers in the first phase and 80 million passengers in the other phases. The project includes advanced automatic systems for passengers transport inside the airport and others for goods handling. The project includes construction of a hotel inside the airport for the transit passengers and a new control power, which height exceeds 136 meters, making it one of the highest control towers in the World.

Percentge of air cargo traffic in Makkah of the total traffic in the Kingdom in 2012



Percentage of the maritime transport in Makkah of the total in the Kingdom in 2012



Rest of KSA ■ Makkah Region

C) Maritime transport

In Holy Makkah Region there is Jeddah Islamic Port, in Jeddah, which is the largest port in the Kingdom and one of the largest ports in the region. There is also another new port, which is King Abdullah Economic City Port, which will start operation in 2014. This port is expected to be among the best 10 ports worldwide, when completed. The port includes 4 big wharfs, with lengths between 700 to 1.470 meters, allocated for goods, vessels, containers and cars services. Jeddah Islamic Port contributes by considerable percentage of the total shipping movement in the Kingdom, where the quantities of products, goods and materials handled at the port (loaded and unloaded), amounted to about 60 million tons in 2013, representing 31% of the cargo handling in the ports of the Kingdom, which reached in the same year 195 million tons. The number of passengers (arrivals and departures) traveling via the port amounted to about 327 thousands in 2013, accounting for about 24% of the total number of travelers using the Saudi ports, which reached 1.35 million in 2013.

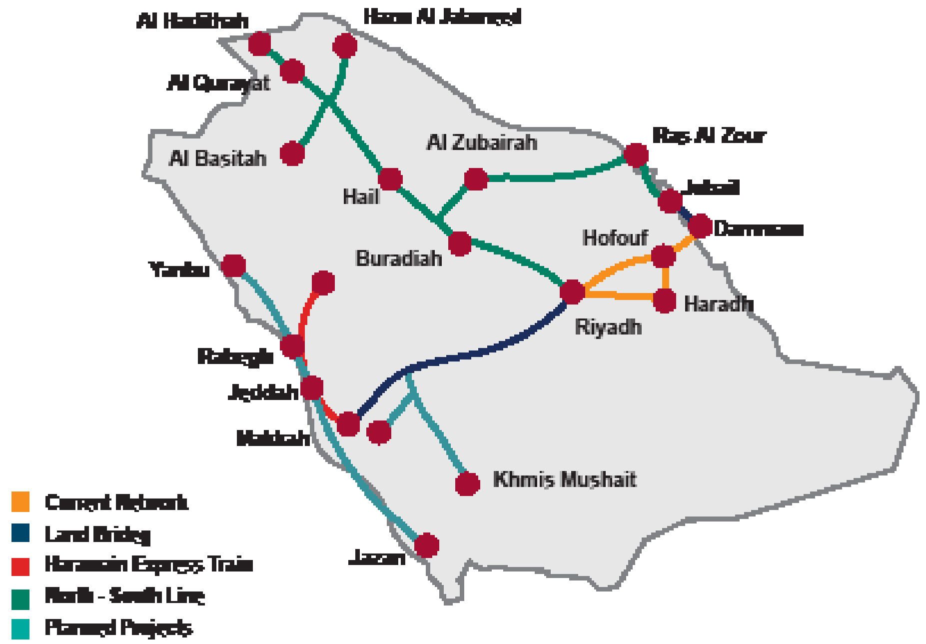
D) Rail transport

Almashae'r Almugaddasa Train, in the Makkah, which has been completed and operated, recently for the service of pilgrims, connects the Makkah with Mina, Arafat and Muzdalifa. The cost of the project reached about 6.7 billion riyals. The first station of the line located inside the Holy Makkahth and then the line passes through three stations at Arafat and three stations in Muzdalifa and a station on the first part of Mina and the second station at the middle of Mina and the last on the fourth floor at Aljamarat Bridge. The train is characterized by its high speed and height from the ground. The introduction of the high speed train leads to fundamental change in the holy sites and contributes in facilitating the movement of the pilgrims between the holy sites.

The region is witnessing a major development in one of the important transport means, namely rail transport, where the construction of Alharameen High Speed Rail Project is currently being implemented. The project length is 480 km and is designed to transport passengers. The train speed is about 320 km per hour. Completion and commissioning of the project is expected to be on the end of 2014. The first phase of the project includes construction of four stations for passengers, one in Makkah, two stations in Jeddah city, in King Abdulaziz International Airport and the other in the down town and the fourth station in Madina.

Transportation of passengers represents the main activity of the Project. The railway line will serve mainly the pilgrims coming for Hajj or Umrah performers. Annual transport capacity of the project is expected to reach about three million passengers. A double track line of 78 kilometers connecting Holy Makkah and Jeddah, will reduce the traveling time between the two cities to less than half an hour. The distance between Ho Makkah and Madina, which is 410 kilometers will take about two and a half hour. The project will play vital role in transporting pilgrims of Hajj and those coming for Umrah between the holy sites and will reduce dramatically the traffic congestions. There will be a station in the heart of Jeddah and another at the Jeddah International Airport, one station in Madina and two stations in Makkah. The coming phases will include construction of a station in King Abdullah Economic City.

Another railway project is planned to be constructed connecting the Region with Riyadh, which is the Land Bridge Project. This line will contribute to the increase of the infrastructure in the Region and serve transport of passengers and cargo between the Region and the other regions in the middle and east parts of the Kingdom.



E) Water

The region obtains its drinking water from two main sources: desalinated sea water, which is brought through pipelines, particularly from desalination plants on the Red Sea. There are 6 desalination plants affiliated to the Saline Water Conversion Corporation (SWCC) in the Region in Jeddah and Alshie'ba, with design capacity of 948 million cubic meters. The production of these plants in 2012 amounted to about 293 cubic meters, representing about 19% of the total desalinated water produced in the Kingdom, which reached in 2012 about 1,519 million cubic meters. The desalination plants of the private sector are located in Alshe'iba and their production in 2012 amounted to about 333 million cubic meters. The consumption of water (groundwater and desalinated) in 2012 was about 642, of which 99% from desalinated water and the rest from the groundwater.

The second source of drinking water is the groundwater, which is provided from government-run wells through water projects, which consist of several wells scattered throughout the region, including the Fatima Valley and Hanin Valley and others, where water is extracted and pumped through pipelines to the main cities in the region, then to purification plants, then to the overhead reservoirs, and then to the networks that cover the cities in the entire region. Drinking water provided to villages, small towns and centers in the region through mini-water projects, each consisting of a well, an overhead reservoir and a filling hose, in the areas where water is not suitable for drinking. In areas that do not have underground water, potable water is provided by tankers under the supervision of the Ministry of Water and Electricity.

For irrigation, the region depends on groundwater and dams, which can increase the levels of water stocks in agricultural areas. These dams are used for replenishment, control or irrigation. The number of dams in the region in 2012 amounted to 40 with a capacity of about 774 million cubic meters.

F) Electricity

Electricity is provided in the region through the desalination plants in Jeddah and She'iba as well as through 6 gas / diesel powered generation stations including Jeddah, Makkah, Rabigh, Taif, Al-Gonfeda plants. In addition, there is a number of 230 KV and 115 KV transformer stations spread throughout the region. Furthermore, the region is linked to Medina by 380 KV transmission lines and to and Asir by 132 KV transmission lines. The electricity coverage in the region amounted to about 100%. The capacity of electricity generation in the region amounted in 2013 to about 13.3 thousand megawatts.

G) Telecommunications

Makkah region is covered by a network of fixed, mobile and digital (DSL) lines telecommunications services. The number of landlines in the Region amounted to about 1.33 million lines representing around 27.5% 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 4.25 million, representing about 26.9% 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 688 lines representing about 27.1% of the total number of broadband lines in the Kingdom which amounted to 2.54 million lines

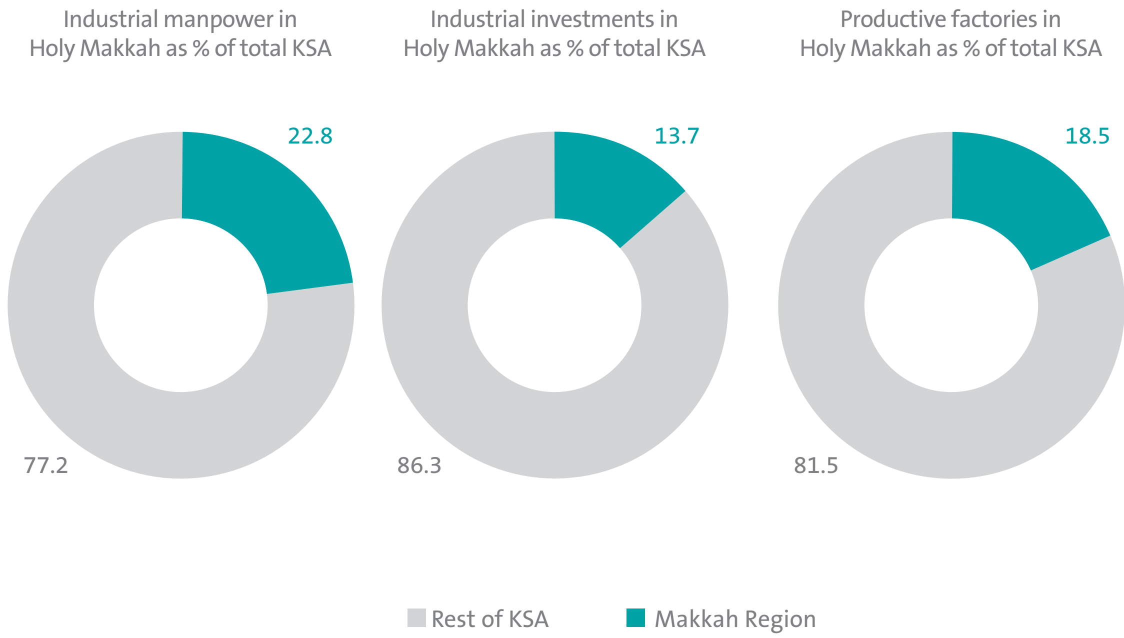
As for the postal services in the Region, there were 81 central offices, 41 express mail offices, 3 official post offices, 9 mail agents, 46 mail points and 80 subscriber box rooms at the end of 2012; while the post office boxes amounted to 125 thousand. There are also TV and radio broadcasting stations and an office for the Saudi News Agency.

1.2 Economic activities in the Region

A) Industry

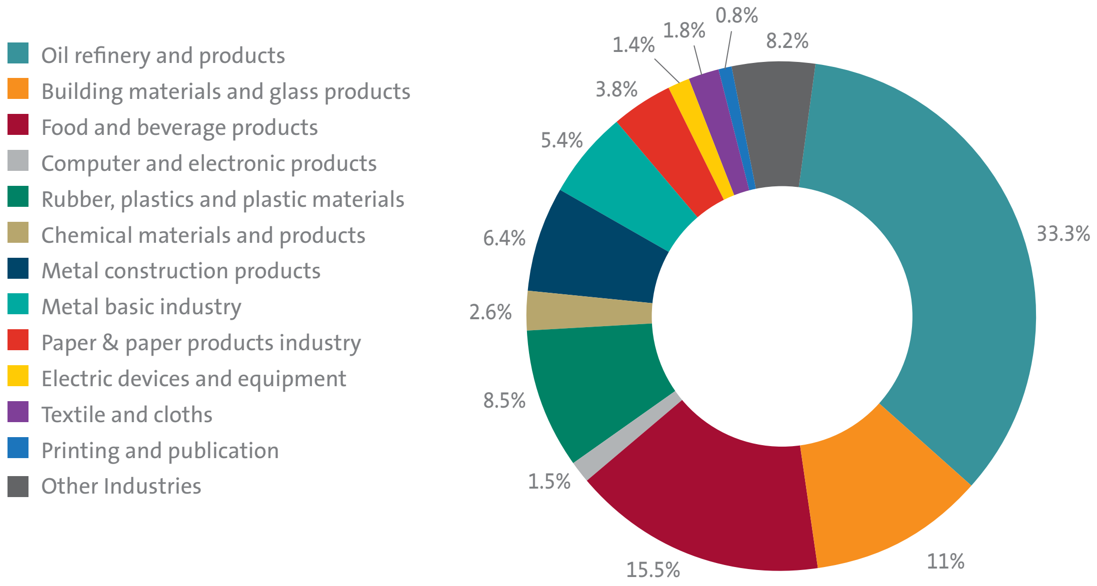
The transformational industries sector in the region ranks first in terms of importance, given the large number of existing plants in the region, their great potential productivity and diversity of products in different industry sectors, in addition to the export activities of many industrial products.

Makkah includes two industrial cities, one in Jeddah and the other is Makkah . The total area of the first is about 13 million square meters and that of the second is about 730 thousand square meters. In addition, there are other 3 industrial areas in Jeddah with total area of 33 million square meters; some of them are already developed and the others under construction. The total number of productive factories in the region is 1177 factories, representing about 18.5% of the total number of productive factories in the Kingdom, totaling 6364 at the end of 2013. The total industrial investments in the region amounted to around 119.4 billion riyals representing about 13.7% of the total investments in productive plants in the Kingdom, which amounted to about 873.2 billion riyals. The number of factory workers in Holy Makkah recorded about 189,000 workers representing around 22.8% 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 region, with oil refinery products ranking first in terms of investments by 33.2%, then food and beverage by 15.5%, building materials and glass wear by 11%, rubber, plastics and plastic products by 8.5%, basic metal industries by 5.4% and then the chemical substances and products by 2.6%.

Distribution of industrial investments in the Region (%)



B) Real estate development and construction sector

Real estate development and construction is one of the most important and vital economic sectors in the region, where there is currently a leap in the quality of buildings and construction projects around the Holy Mosque, the most important and largest of which are Jabal Omar Project, which is located on an area of 230 thousand square meters and it includes land earmarked for construction of hotels, areas for seasonal and permanent residence, spaces for exhibitions and commercial centers, open parks, corridors, car parks, tunnels and several services.

Now, the Holy Makkah is witnessing the biggest expansion for the Holy Mosque, comprised of various developments in the architectural, technical and security aspects. King Abdullah Project for Expansion and Development of the Holy Mosque and the surrounding areas, which is considered one of the most huge construction projects in the Holy Makkah region, is planned to be executed in two years.

Similarly, Jeddah witnesses a leap in coastal resorts and major buildings inside the city and on the beach, which include skyscrapers.

All these projects make it a pioneering sector in the region. A large number of major Saudi, mixed and foreign construction companies, work in Makkah on these projects and contribute to the completion of infrastructure facilities such as roads, bridges, tunnels, factories and other construction services. The total number of classified contractors in the region amounted to 522 contractors, representing about 17% of the total number of classified contractors in the Kingdom in 2013. Construction sector in the region accounts for about 17.1% of the total size of this sector in the Kingdom, where the total building permits issued in Makkah region in 2012 stood at about 17.3 thousands licenses (The total number of new building permits issued in 2012 in the Kingdom amounts to 100.7 licenses).

C) Trade

Trade is one of the vital and active sectors in the region, employing a large number of residents due to the size of the region's markets, large number of population, large numbers of visitors, both to perform Hajj or Umrah throughout the year, in addition to the numbers of visitors the citizens and residents of the Kingdom in Summer and during holidays. The total number of new establishments amounted in 2012 to about 274 thousands, operating in the various aspects of economic activities, and accounting for 23.1% of the total trading establishments in the Kingdom, amounting to 1.19 million. The average annual growth in the number of new establishments in the region is estimated at 14.9 thousand.

D) Agriculture

Agriculture is one of the important economic sectors in the region. The total crop area was estimated in 2011 at 32 thousand hectares, representing about 4.1% of the total crop area in the Kingdom, which amounted to 788 thousand hectares in 2011. The production of dates accounted for 4.8% of the total production of the Kingdom, fruits about 5.8%, and vegetables, about 7.6%; while the production of millet stood at 40% of the total production of the Kingdom.

There is a number of livestock projects in the region, where the number of goats accounted for 18.4% of the total numbers in the Kingdom and poultry 21.8% of the total production in the Kingdom.

The following table shows the region's contribution to the agricultural production and livestock in the Kingdom:

Agricultural and Livestock Development in the Region*

	2007	2008	2009	2010	2011	Average annual growth rate	Makkah's share of total KSA production (2011)
Agricultural Crop Production:							
Millet (in thousand tons)	2.5	2.5	3.1	2.3	2.1	- 4 %	40 %
Green fodder (in thousand tons)	71	68	82	48	50	-7.4 %	1.4 %
Vegetables (in thousand tons)	210	182	202	189	202	-1 %	7.6 %
Dates (in thousand tons)	60	62	58	45	48	- 4.9 %	4.8 %
Fruits (in thousand tons)	109	112	117	98	94	- 3.5 %	5.8 %
Livestock Production:							
Camels (in thousands)	19	18	20	20	20	1.3 %	9.1%
Sheep	421	361	397	389	1,130	42 %	17.2 %
Goats (in thousands)	260	225	218	200	197	- 6.5 %	18.4 %
Cattles (in thousands)	7.3	7.3	7.1	7.0	28.6	73 %	5.9 %
Chicken and poultry (in millions)	165	98	111	85	115	- 7.6%	21.8 %

Source: Statistical Annual Agricultural Yearbook 1423H (2012).

It is noted from the table above that there was a decline in the crops production in the Region during the period of an annual average of 4% for millet production, green fodders production by 7.4%, vegetables by 1%, dates by 4.9% and fruits by 3.5%. The numbers of camels, sheep and cattle in the Region had increased to 1.3%, 42% and 73% respectively; while the numbers of goats and poultry decreased by 6.1% and 7.6%.

D) Tourism

Tourism is one of the important economic sectors and one of the basic sources of income in the region, in view of the large numbers of pilgrims and Umrah performers who come to the region, in addition to visitors who come to the region to spend holidays in Jeddah and its resorts, business, conferences or various events such as shopping and others. There are numerous activities in the region including tourist villages, hotels and restaurants, markets and commercial centers, clubs, parks, cafeterias and others. All of these activities employ a large number of residents of the region. Therefore, this sector significantly affects the growth and development of the region. The number of hotels (all levels) in the Holy Makkah Region reached 693 hotels in 2012, representing about 63% of the total number of hotels in the Kingdom, which amounted to 1,098 hotels. The number of furnished apartment complexes in the Region amounted to 522 complexes, representing about 27% of the total number in the Kingdom, which reached 1,971 complexes in the year of 2012.

E) Financial, banking and insurance services

The financial, banking and insurance services is one of the most important economic sectors and most influential on economic growth in the region, given the services it provides to the private sector and the investment opportunities and channels of funding it offers for projects through the large number of banks and their affiliates amounting to 345 branches and insurance companies and their branches in Makkah .

F) Mining and Quarrying

The activity of mining and quarrying sector in Holy Makkah region is one of the vital economic activities, which contribute to the exploitation of natural resources and mineral wealth in the region and meet the needs of the industry and construction and building sectors of materials and basic ores required for these two major sectors. A large number of specialized companies and corporations operate in the region to exploit the sites of minerals ores, such as limestone and gypsum used in cement, gypsum, sand and aggregate industries; used in cement products industry; raw materials (clay and kaolin) used in ceramic industries; and silica sand used in glass industries in addition to other natural materials.

The table below shows the most important minerals in Holy Makkah Region and their locations:

No.	Ores	Major mine and quarry sites	Minor mine and quarry sites
1	Limestone	Rabiqh, Alabona Mountain, Harrat Hadhan, Taif	
4	Gypsum	Rabiqh	Altuhamiya – North Esst Jamjoum
2	Shale	Rabiqh	
3	Clay	Harrat Khulais	Aljamoum
5	Iron	Hashaf Alga'oud Mountain – Wadi Almuta'a - Aljamoum	
6	Salt	Khor Alsouda - Laith	
7	Berlyte	Shama Mountain	
8	Marble	Al-Saa'diya – Laith – Alshamiya area - Aljamoum	
9	Iron ore	Hashaf Alga'oud Mountain – Wadi Almuta'a - Aljamoum	Althaa'laba Mountain - Alshemaisi
10	Peridot ore	Om Breqa - Taif	

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

1.3 Prospects of Economic Development

Makkah is one of the standard models of economic development in the Kingdom. However, sustainable development requires continuity in the optimal use of the potential and ingredients available in the region, injection of more investments in the vital and important sectors in the region and the development and improvement of economic efficiency of existing activities, by providing more infrastructure facilities and basic services, in addition to the development of the productive base and pumping more investments in the untapped sectors and new activities in the region. The most important areas, which need more development in the region include:

Productive sectors: development needs to boost the activities of unused sectors in the region, the most important of which are: industry, mining, transport and tourism, through the development of infrastructure and facilities that serve these sectors.

Infrastructure: development in the region over the coming period need to complete the elements of infrastructure, increase public services, and pay more attention to small population groupings. This includes roads, electricity, water, communications and sewage in some of the cities of the region such as Taif, Rabiqh and Qunfeda.

Education services: Makkah region needs to develop and improve the services of general education, increase technical and intermediate education services, and increase the availability of higher education services in various scientific and literary disciplines.

Health services: the region of Makkah is in need to increase the existing health services and to provide medical services in specialties not available in the region.

Housing: In addition to providing job opportunities, the provision of adequate housing is one of the main pillars of development in the region. The provision of housing and residential units at the sites of production is one of the necessary 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 new 50 thousand units.

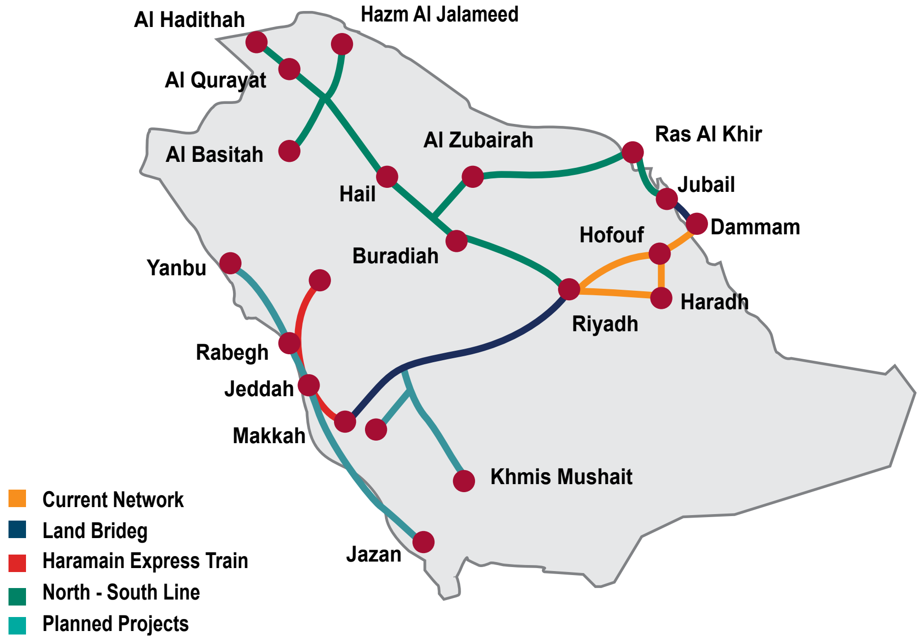
Small and medium enterprises (SMEs): These enterprises are of great importance for the success of the development process. They need to be supported and encouraged on a continuous basis, through the provision of soft loans and technical and marketing support, as well as the services and facilities of the administrative departments and government organs in the region.

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

Makkah 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:

Transport sector: The development in this sector is expected to see substantial growth in the region to keep pace and to comply with the requirements of the implementation of giant projects, which will be carried out in the region, the most important of which are: King Abdullah Economic City, railway network expansions by the establishment of Alharameen High Speed Rail Project and the Railway Line which will link the Holy Makkah with Madina Almonawara, the Land Bridge Project (East – West Line), which connect Jeddah and Holy Makkah with Riyadh and the Easter Region; the development projects in Jabal Omar. All of these projects and other activities require land, sea and air means of transport at the highest levels in the region, which qualifies the sector to have a big advantage for domestic or foreign investments.



It worth mentioning that the air transport movement in the Holy Makkah Region, represents 36% of the total air transport movement in the Kingdom and its annual average growth estimated to be 11%. Air cargo in the Region represents about 44% of the total air cargo in the Kingdom, with an annual growth rate of about 20%.

Construction and contracting sector: It is one of the largest employment sectors and it is connected with the size of projects. It is expected to boom in the region during the coming period to encourage the creation and formation of further major local contracting companies, and to attract world–class construction companies especially for the giant projects in the region.

Mining sector: This is a promising investment sector in the region, given the enormous potential, raw materials and natural mineral resources in the region, which are characterized by their commercial volume and industrial feasibility. They include important minerals and industrial raw materials such as gold and other accompanying metals in the area of Naqra; copper and zinc ores in Al-Moriassa, Al-Sho'ib, Sayed Mountain and Mount Samaran; and iron ore in Wadi Fatima, in addition to ornamental stones such as granite and marble in the area of Al-Gonfeda and Jabal Ibrahim and many other sites near the cities Mecca, Taif, Rabegh and Raniah.

Education sector: Education indicators in the region show that education is one of the sectors which are expected to attract huge investments, particularly in the areas of higher education, technical colleges and training institutes, to provide the disciplines and trained technical cadres, the demand for which will increase with the implementation of new projects in the region.

Investment Incentives

In addition to the significant support, backing and facilities provided by the governmental and administrative authorities in the Holy Makkah 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 and
- 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.

1.4 King Abdullah Economic City (KAEC)

For the great importance upheld by Makkah region, one of the most important regions in the Kingdom, pursuant to the strategy of Saudi Arabian General Investment Authority and after examining all options and analyzing all findings, the Authority reached an initiative to launch the “King Abdullah Economic City “ with a total funding of 100 billion riyals. Emaar Properties, is the main developer of this giant project.

The city has a distinguished location south the city of Rabiqh along the Red Sea Coast. The area of the City is more than 100 million square meters and a length of 35 kilometers along the coast. The City includes six main areas, which are: the Sea Port, Industrial Zone, Central Business District, Educational Zone, Resort District, and Residential Communities. KAEC is expected to be an important international destination in the Kingdom and a main center for a diversified range of heavy and light industries and their development and logistical supplies and services for the different sector. KAEC is expected to attract huge local, regional and international investments. Construction of the City is going in a good manner. The Sea Port has been completed and the actual operation has started on 2013. Many other infrastructure facilities have been completed such as main roads, entrances, communication, telephone and internet systems. The City has been supplied with electricity. Also the construction of interior roads network has been completed in addition to the desalination plant, two central cooling plants and some of the residential quarters (Albelisan region). Other facilities are under construction such as Almarina Towers, Coast Towers, commercial malls and an hotel. Also the construction of the industrial area is also under way and some factories have been already completed. A technological center and an integrated medicine production complex are under construction.

Part II
Economic Indicators for Makkah Region

Part II: Economic Indicators for Makkah Region

2.1 Gross Domestic Product

The Gross domestic product (GDP) of Makkah Region amounted in 2012 to about 288 billion riyals, representing 10.9% of the GDP of the Kingdom, and 20.8% of the GDP of the Kingdom without crude oil and gas. The average annual growth rate in the GDP of the region amounted to about 30% during the period from (2009-2012). Real estate and financial services sector ranked first in terms of contribution the region's GDP by 18%, followed by industry by 16.9%, trade by 16.7%, transport and communications by 9.5%, building and construction by 6.7%, transport and communications by 9.5%, building and construction by 6.7%, and personal and community services sector by 3.3%.

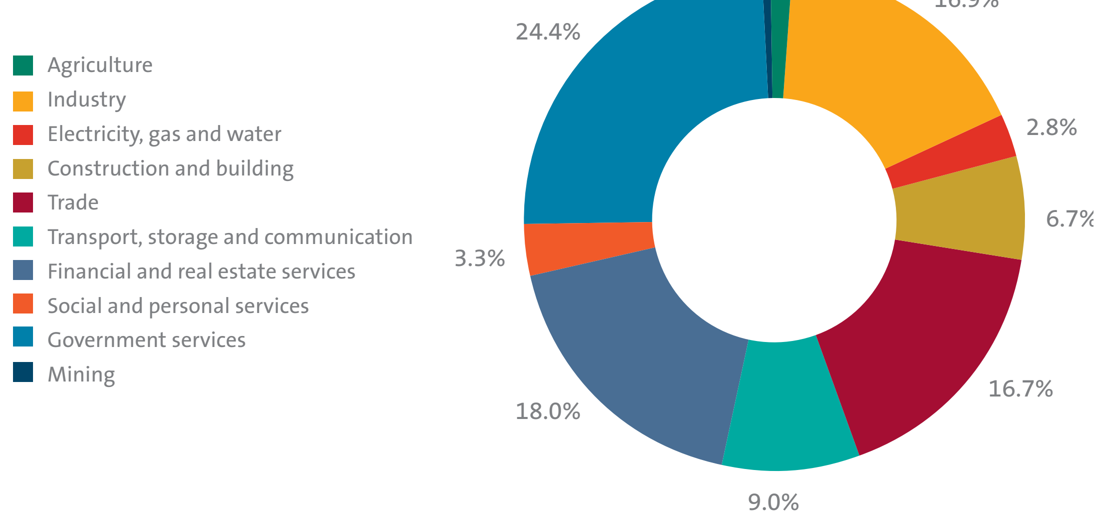
Makkah Region's Contribution to Kingdom's GDP in 2009 and 2012

	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) **	151	288	30 %
Region GDP to total Kingdom	9.5%	10.9 %	
Region GDP to total Kingdom without crude oil and gas	15.2 %	20.8 %	
Average per capita GDP of the region (000' SR)	22	39	25 %

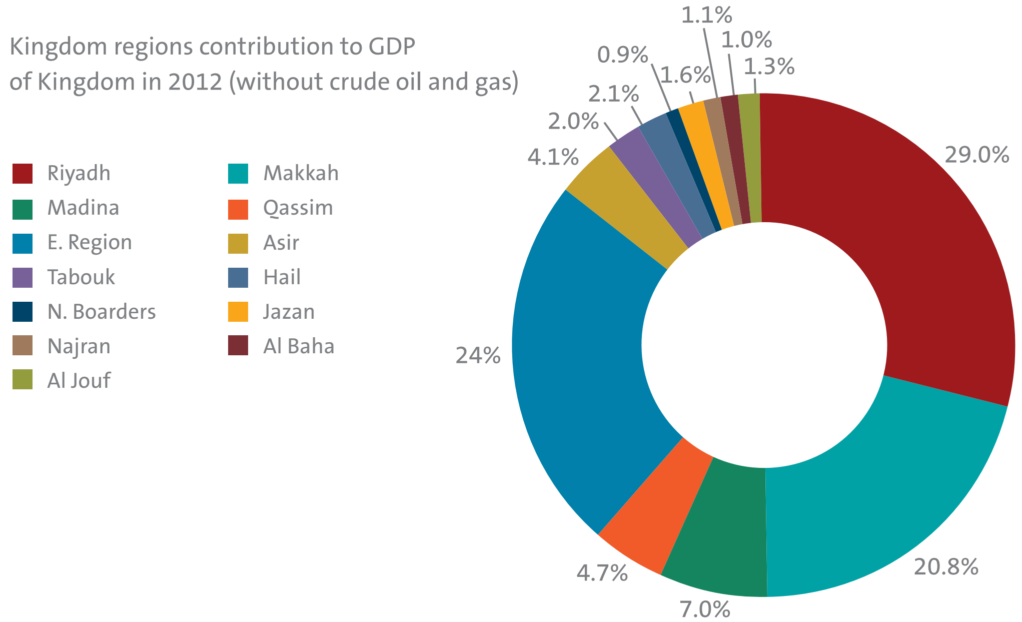
* Does not include import duties ** Study's estimates

Statistical Yearbook (Ministry of Economy and Planning) + Consultant's Estimates

Economic Sector contribution to GDP in Makkah Region 2012



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 Holy Makkah Region in 2014 amounted to about 7.9 million people representing about 25.67% 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 Holy Makkah was about 5.80 million, and 7.03 million according to the Census of 2010.

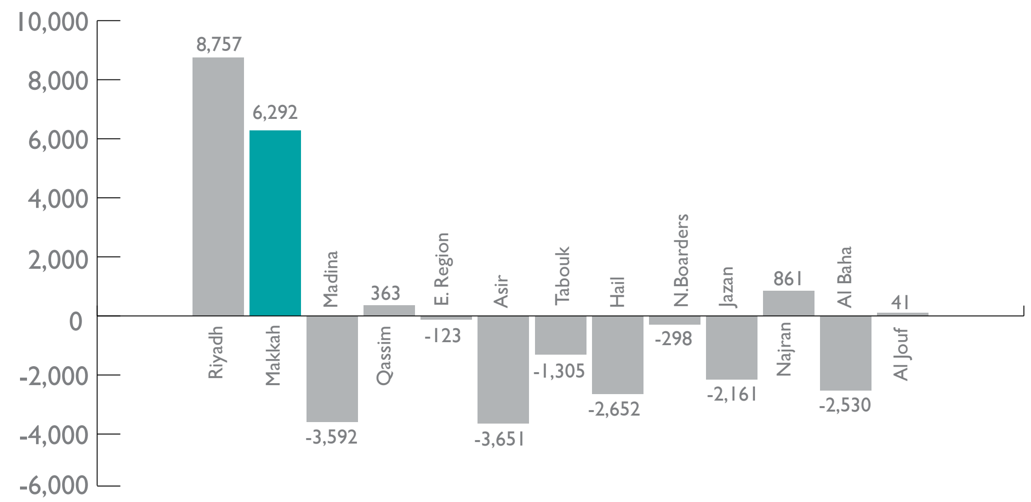
The average annual growth rate of the overall population in Holy Makkah during 2004-2014 recorded about 3.14%, while the average annual growth rate of the Saudi population in the Region recorded 2.42%. This rate is higher than the overall growth rate of Saudi population Kingdom-wide during the same period. Accordingly, Holy Makkah is one of the population-attracting regions of the Kingdom due to the availability of work opportunities in the Region.

Development of Makkah 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 %		
Makkah Population	Saudis	3,586,565	4,174,599	4,554,999	2.42%	4,492,082	62,917
	Non-Saudis	2,211,406	2,852,206	3,342,976	4.22%		
	Total	5,797,971	7,026,805	7,897,975	3.14%		

* 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)

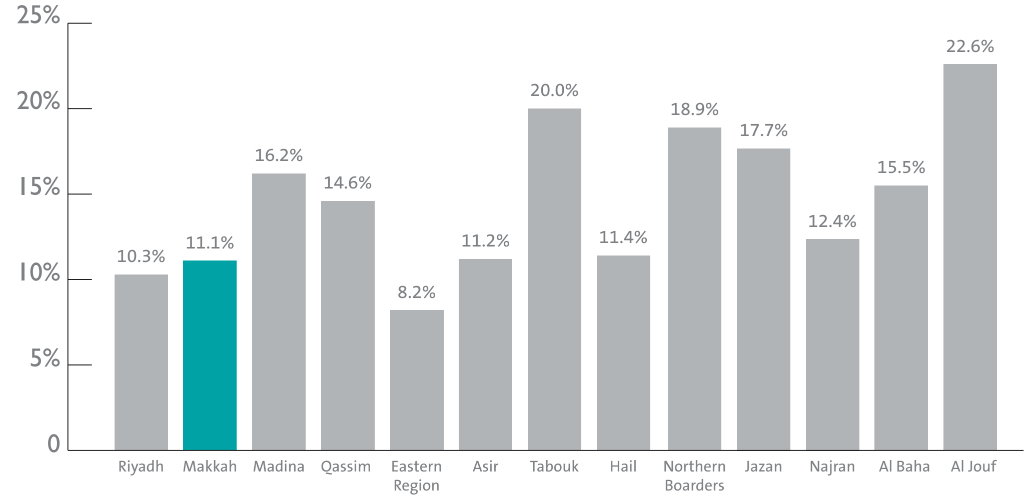


2.3 Employment and Unemployment Rates

Due to the availability of employment opportunity in the Holy Makkah Region compared with other regions of the Kingdom, the unemployment rate, according to the estimates of the Central Department of Statistics and Information (CDSI), amounted to about 11.1% of the total Saudi labor force in the Region, which amounted to 268,743 (males and females). This is considered a low rate compared to the average rate of unemployment in the Kingdom, which was estimated at 12.1% in 2012.

Source: Department of Statistics and Information – Manpower Research Study, 1433H (2012), Ministry of Economy and Planning.

Unemployment rates in the regions of the Kingdom in 2012



2.4 GDP per Capita

Due to the increase in the Region's GDP annual growth rate, during the period (2009-2012) to approximately 30%, , which is considered of the highest rates compared with other regions, the average GDP per capita in Holy Makkah increased from around SR 22 thousand in 2009 to about SR 39 in 2012.

GDP per capita Development (2009 and 2012)

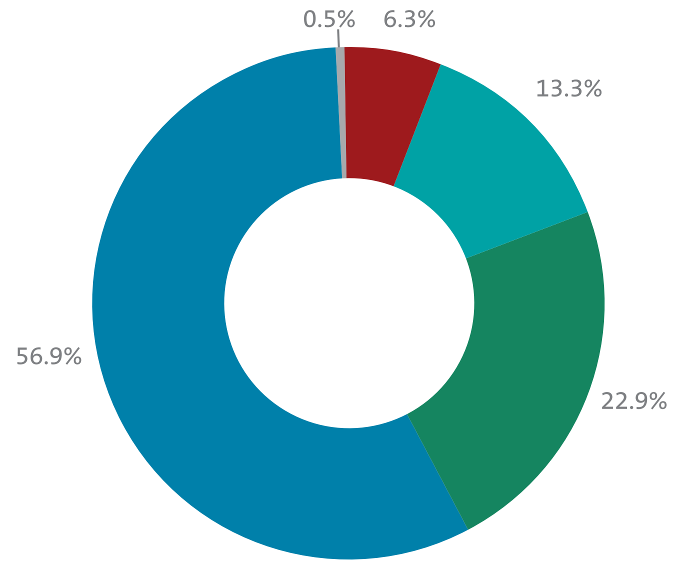
	2009	2012	Annual growth rate
Region GDP (SR billion)	151	288	30%
Total Region population	6,766,995	7,424,510	3.14%
(Average GDP per capita (000' SR	22	39	25%

* Study estimates

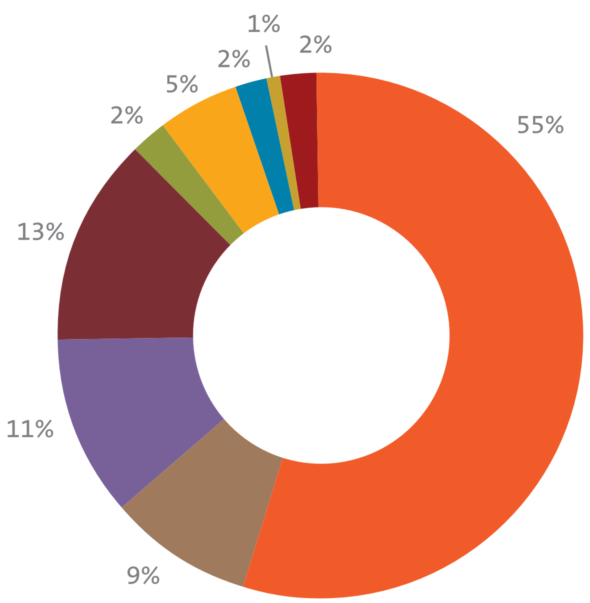
2.5 Contribution to Exports of the Kingdom

Makkah comes third after Eastern region and Madina Almonawara in terms of contribution to Saudi exports. The value of exports of the region amounted to around 48 billion riyals, representing approximately 3.3% of the total value of Saudi exports, which amounted to about 697 billion riyals in 2012 (excluding re-exports), while the percentage of exports of the region was about 13.3% of the total exports of the Kingdom without crude oil, which amounted to 284 billion riyals in 2012.

Regions contribution to the Kingdom export in 2012 (without crude oil)



Different products contribution to the Region's export in 2012



The region's exports include the following: Refinery products (gasoline, diesel, kerosene, aviation fuel, fuel oil, lubricating oils, and sulfur); chemical and petrochemical products: (a wide range of important products including resins, paints, medicines, disinfectants, pesticides, soap and shampoos, washing powder, plastic products, etc.); metal industries products (gold bullion, jewelry products of gold, steel, elements and components of metal structures, metal packs and cans, steel pipes and others); electrical exports (electric cables, air conditioners, freezers and refrigerators); in addition to the region's exports of flat glass and glass packs, and other industrial products.

2.6 Education Services Indicators

Public Education

The total number of schools in various education stages in Holy Makkah amounted in 2013 to 7,700, including 6,623 schools affiliated to the Ministry of Education and 1,077 private and other schools, representing about 14% of the total number of schools in the Region. The total number of male and female students in all public stages amounted to 1.35 million, including 1.19 million in the schools of the Ministry of Education and 159 thousands in private schools, representing 11.8% of the total number of students, males and females.

Development of Public (Governmental) Education Services in the Makkah*

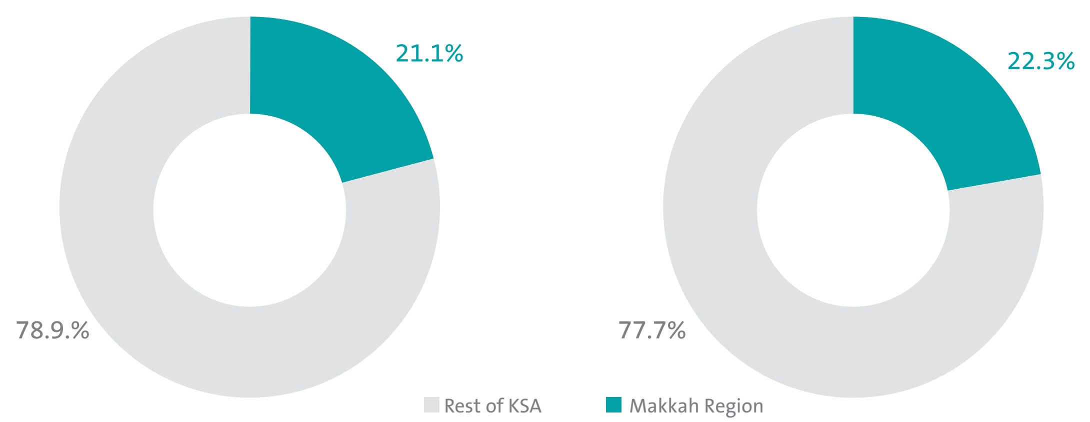
	2005	2008	2012	2013	Average annual growth rate (2005-2013)	Region's portion of Saudi totals in 2013
Total number of schools (all stages)	4,906	5,331	6,585	6,623	4.4 %	19.0 %
Total number of classes (all stages)	41,691	44,989	55,239	54,814	3.9 %	21.4 %
Total number of students (in thousands)	985	1028	1192	1194	2.7 %	22.3 %
Total number of teachers (in thousands)	81.7	89.6	107.6	110.7	4.4%	21.1 %

* 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 Makkah region indicate that the services of public education need to increase, because the rates of the total numbers of classrooms and teachers (males and females) in the region amounted in 2013 at 19%, 21.4%, 21.1%, respectively of the total numbers in the Kingdom as a whole; while the rate of the total number of the male and female students in the region was around 22.3% of the total number in the Kingdom in the same year.

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 Makkah: primary stage (1: 11.8), intermediate stage (1:10.5) and secondary stage (1: 10.9).

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

The indicators show that the number of male and female teachers at all education stages should be increased.

Higher education: Makkah region's enjoys a good share of higher education facilities and institutions, including three universities affiliated to the Ministry of Higher Education teaching religious, scientific, literary, language, computer science, information, and other disciplines. These universities are: Umm Al Qura University in Makkah , King Abdul Aziz University in Jeddah, and Taif University in Taif. In addition, there are in the major cities of the region colleges for education, girls, teachers, community and colleges and institutes for health sciences for boys and girls affiliated to the Ministry of Health. There is also the private university of Effet in addition to other five private colleges.

The total number of students enrolled in public universities in the region in 2013 amounted to about 344 thousand, while the number of male and female graduates recorded about 34 thousand and the number of faculty members in 2013 about 16.4 thousand including professors, associate professors, assistant professors, lecturers, administrators and teachers.

Furthermore, there is one of the modernist international universities in the field of scientific research, i.e. King Abdullah University of Science and Technology. The university is located in Thule on the Red Sea, about 80 km from the city of Jeddah. It is specialized in research for post-graduate education and grants master's and doctoral degrees in scientific fields. The university, which teaches in English, has the following scientific disciplines: Applied Mathematics and Computational Science, Biological Sciences, Chemical and Biological Engineering, Chemical Sciences, Computer Science, Engineering and Earth Sciences, Electrical Engineering, Science and Environmental Engineering, Marine Science, Engineering and Materials Science, and Mechanical Engineering.

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 Makkah for joint training in specific professions, to better meet the actual needs of the labor market. There is a big number of GOTVT technical colleges and vocational institutes. In addition, there are many private training institutions for languages, computer, management, various technical disciplines and others.

2.7 Health Services Indicators

There are 355 health-care centers, 37 governmental hospitals affiliated to the Ministry of Health, including 6,933 beds; in addition to the King Abdul Aziz University Hospital in Jeddah (568 beds), King Faisal Specialist Hospital (329) beds and hospitals of Security Forces, National Guard and Armed Forces.

The health services provided by the private sector in Makkah include 44 private hospitals (3.917 beds), 573 medical centers and clinics, 35 laboratories, 22 physiotherapy centers, 1,779 pharmacies, 382 optics shops and more than 100 pharmaceutical repositories.

Health Services *

	2008	2009	2010	2011	2012	Ratio to total number in KSA in 2012
Ministry of Health Services:						
Health centers	288	291	321	322	355	15.7%
Visits to centers (,000)	9,712	9,558	9,605	9,993	9,861	18.4%
Laboratory tests in the centers (,000)	1,319	1,199	1,256	1,330	1,309	20.9%
Hospitals	33	35	35	37	37	14.3%
Hospital beds	6,800	6,950	6,852	6,510	6,932	19.4%
Hospital physicians	3,870	4,092	4,402	4,750	5,292	20.1%
Outpatient visits (,000)	2,203	1,939	1,950	2,099	2,179	18.7%
Inpatients (,000)	287	287	283	281	298	17.7%
Surgical operations (,000)	79	71	74	77	76	16.9%
Private sector services:						
Medical centers	470	492	526	546	573	26.4%
Clinics (all types)	148	125	114	114	117	59.1%
Private hospitals-	44	44	39	41	44	32.1%
Private hospitals beds	3,508	3,712	3,368	3,737	3,917	27.7%
Inpatients in private hospitals	479	441	642	365	381	43.3%
Laboratories	28	30	31	35	35	35.7%
Physiotherapy centers	10	9	12	15	22	27.5%
Optics shops	275	317	361	384	382	20.0%
Pharmacies	1,463	1,593	1,654	1,724	1,779	25.6%

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

Indicators of health services in the region compared to overall KSA average in 2008

Bed-to-people ratio in the region = (1: 689); overall average bed-to-people ratio for the Kingdom = (1 : 584).

Physician-to-people ratio in the Region= (1 : 670); overall average Physician-to-people ratio for the Kingdom = (1 : 603).

Comparing indicators of health services Makkah , it is noted that they are less than the overall average of the Kingdom as shown above, in terms of number of beds and number of physicians, which indicates that health services in the region need to be increased, especially in terms of numbers of beds and physicians.

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)	5.98	6.77	7.42
Region Population ratio to total of Kingdom	25.5 %	25.0 %	25.4%
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)	125	151	288
Region portion of GDP of the Kingdom	10.8 %	9.5 %	10.9%
Region portion of GDP of the Kingdom without oil and gas	20.9 %	15.2 %	20.8%
Per capita GDP in Holy Makkah (000' SR)	21	22	39

Source: Holy Makkah Economic Report for 2007 and 2010 (prepared by Gulf Bureau for Research and Economic Consulting for General Investment Authority

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)	22.2	32.2	47.8
Region share of total exports of the Kingdom	3.3 %	4.6 %	3.3%
Region share of total exports of the Kingdom without crude oil	14.5 %	19.6 %	13.3%
Relative distribution of the exports of the Region:			
Oil refinery products	65%	56%	55%
Chemical and petrochemical products	8%	6%	9%
Metal industries products	7%	13%	11%
Food industry products	6%	11%	13%
Electrical devices and equipment	4%	2%	2%
Paper and Paper products	5%	6%	5%

Source: Holy Makkah Economic Report for 2007 and 2010 , SAGIA

3.3 Infrastructure Indicators

	2005*	2009	2012
Total lengths of paved roads (km)	4,740	11,170	12,757
Length of agricultural and earth roads (km)	16,000	16,707	17,545
Number of storage reservoirs and rain and flood water control dams	32	36	40
Power generating capacity (MW)		11.2	13.3
Electricity coverage in the Region	98%	99%	100%
Number of fixed telephone lines (thousands)	1.0		1.33
Number of mobile telephone lines (thousands)	1.3		
Number of digital subscriber lines / DSL	10.2		
Number of central post offices	53	53	81
Number of branch post offices	51	46	46
Number of mail agents	20	20	9
Number of mailboxes (thousands)	88	107	125

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

3.4 Economic Sectors Indicators

	2005*	2009	2013
Industry:			
Total number of factories	1,024	1,171	1,177
Total funding in industry (in billion riyals)	49	61	119
Region's share of total industrial investments in the Kingdom	16 %	115 %	14%
Sector's contribution to GDP of the Region	18.1 %	12.7 %	16.9%
	2005	2009	2011
Agricultural sector:			
Millet (thousand tons)	3.7	3.1	2.1
Green fodder (thousand tons)	61	82	50
Vegetables (thousand tons)	207	202	20.2
Dates (thousand tons)	65	58	48
Fruits (thousand tons)	115	117	94
Sector's contribution to GDP of the Region	2.3 %	2.0%	1.4%

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

3.5 Education and Health Services Indicators

	2005*	2009	2012
Public Education:			
Teacher - student ratio in primary stage	1 / 12.65	1 / 12.09	1 11.80
Teacher - student ratio in intermediate stage	1 11.19	1 / 11.20	1 / 10.50
Teacher - student ratio in secondary stage	1 12.38	1 0.67	1 / 10.90
Higher Education:			
Number of universities of Ministry of Higher Education	3	3	3
Number of private universities	1	2	2
Total number enrolled in public universities (in thousands)	93	146	344
Health services:			
Bed – patient ratio	1 / 517	1 / 604	1 / 689
Physician – patient ratio	1 / 983	1 812	1 / 670

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

Part IV
Investment Opportunities in Makkah Region

Part IV: Investment Opportunities in Makkah Region

According to what has been reviewed above on Makkah 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 verify their economic feasibility, and then they can begin their implementation:

4.1 Investment Opportunities in Large-sized Enterprises

Opportunity No (1)	Factory for assembling (Japanese, European) cars and pick-ups, including many parts industry
Project justifications and potentials	So far, this type of industry is not there; great demand locally and regionally raw materials are available.
Target market	Domestic market, export markets regionally
Economic impact	Creating new job opportunities, increasing the added value, and increasing the value of the Saudi exports

Opportunity No (2)	Factory for the production of tires (external and internal)
Project justifications and potentialss	Steady increase in imported tires, availability of raw materials required for the industry (industrial rubber) locally.
Target market	Domestic market, export markets regionally and globally
Economic impact	Creating new job opportunities, achieving industrial integration, and increasing the per capita GDP of the region

Opportunity No (3)	Factory for the production of compressors of air conditioners
Project justifications and potentials	So far, this type of industry is not there, great demand locally and regionally
Target market	Domestic market, and export markets regionally
Economic impact	Creating new job opportunities, increasing the added value, and increasing the value of the Saudi exports

Opportunity No (4)	Factory for assembling television sets
Project justifications and potentials	So far, this type of industry is not there, great demand locally and regionally
Target market	Domestic market, and export markets regionally
Economic impact	Creating new job opportunities, increasing the added value, and increasing the value of the Saudi exports

Opportunity No (5)	Factory for assembling computer systems
Project justifications and potentials	So far, this type of industry is not there, great demand locally and regionally
Target market	Domestic market, and export markets regionally
Economic impact	Creating new job opportunities, increasing the added value, and increasing the value of the Saudi exports

Opportunity No (6)	Coastal tourist village projects
Project justifications and potentials	Significant growth of the demand for tourist projects and recreational areas, the growth of tourism activity in the region, which has the lion's share of internal and external tourism in the Kingdom
Target market	Tourism sector in the region and visitors for Umra, employment or business
Economic impact	Creating new job opportunities, contribute to the structure of the tourism sector and increasing the per capita GDP of the region

Opportunity No (7)	Mining projects to extract copper, lead and tin ores
Project justifications and potentials	The region is rich in minerals, including sites Sayed Mount, Samaran Mount, Al-Moraisi', Al-SAhoeib. The estimated reserves in Mount Sayed amounts to about 29 million tons
Target market	Domestic market, and export markets globally
Economic impact	Creating new job opportunities, to benefit from natural mineral wealth and Increasing the value of the Saudi exports

Opportunity No (8)	Extraction and manufacture of granite and marble stones
Project justifications and potentials	Availability of raw materials in the region
Target market	Construction and buildings sector locally, and export markets globally
Economic impact	Creating new job opportunities, to benefit from natural mineral wealth, and increasing the per capita GDP of the region

Opportunity No (9)	Factory for the production of the pre-cast concrete units (Rabegh)
Project justifications and potentials	Expected development and great demand for the product in the construction of buildings and King Abdullah Economic City
Target market	Construction and building market in the city of King Abdullah Economic City and the rest of the region
Economic impact	Creating new job opportunities, to provide a product essential to building and construction sector and increasing the per capita GDP of the region

Opportunity No (10)	A 5-star hotel with a capacity of 200 rooms at Rabegh
Project justifications and potentials	Expected demand for hotel services, especially with the implementation of the King Abdullah Economic City.
Target market	Visitors to Rabegh and King Abdullah Economic City whether for employment or business
Economic impact	Creating new job opportunities and increasing the per capita GDP of the region.

Opportunity No (11)	Establishment of a mortgage finance company
Project justifications and potentials	To finance the property owners in Makkah , and to develop real estate towers
Target market	Property owners in Makkah
Economic impact	Diversifying sources of national income, developing the infrastructure required for accommodation and religious tourism and creating new jobs

Opportunity No (12)	Establishment of a company to develop the infrastructure of buildings of Okaz market in Taif
Project justifications and potentials	Development of the buildings adjacent to the market and heritage market within the region
Target market	Okaz market and surrounding areas
Economic impact	Reviving an ancient market, providing new investment and job opportunities

Opportunity No (13)	Establishment and development of new resorts for summer visitors in Taif
Project justifications and potentials	To promote attractions for region visitors
Target market	Summer visitors from the Gulf region, Makkah people, and tourists from within and outside the Kingdom.
Economic impact	Diversifying sources of national income, create new investment opportunities, and increasing per capita income.

Opportunity No (14)	Conversion of camps area in the holy shrine of Mena into a full-service vertical area
Project justifications and potentials	To increase the capacity of accommodation for pilgrims and Umrah performers, whose growing number reaches 50 million every year and eliminate the phenomena of sleeping in streets during Hajj.
Target market	The steadily increasing number of pilgrims
Economic impact	Increasing and diversifying national income sources and removing the bottlenecks and congestion in the area of Mena

Opportunity No (15)	Establishment of a major industrial company, to create industrial complex for recycling Hajj and Umrah wastes. For example, grinding the bones of sacrificial animals (for the production of calcium food to feed poultry, poultry farming etc..)
Project justifications and potentials	To improve environment and take advantage of many wastes as raw materials or recycle them to produce new products (iron, skewer, bottles, paper, cardboard, organic fertilizer, powder calcium from the bones of sacrifices, and food for poultry, etc...)
Target market	The increasing numbers of pilgrims, scientists and experts of recycling, owners of funds, people of the region and farm owners
Economic impact	Diversifying and increasing sources of national income and creating and investment and job opportunities

Opportunity No (16)	Establishment of water resorts in King Abdullah Economic in Yanbu
Project justifications and potentials	To promote attractions for visitors of the region; prepare resorts to meet the aspirations of tourists, visitors and summer visitors.
Target market	Holiday makers from the region and Gulf and tourists from within and outside the Kingdom.
Economic impact	Diversifying sources of national income, creating new investment opportunities, and increasing the per capita income

Opportunity No (17)	Establishment of a school district (world-class kindergartens, elementary, intermediary and secondary schools and colleges) at King Abdullah Economic City.
Project justifications and potentials	To create an education city to meet the educational demands of children of the residents of King Abdullah of Economic City in Yanbu (2 million)
Target market	The city and surrounding areas
Economic impact	Producing various and rare competencies, diversifying sources of national income, creating new investment opportunities, and increasing the per capita income

Opportunity No (18)	Construction of a world-class residential and commercial residential area at King Abdullah Economic City
Project justifications and potentials	To meet the demands of the residents of King Abdullah Economic City in Yanbu (2 million) of apartments, villas, apartment buildings and shopping centers (malls). .
Target market	The city and surrounding areas, Gulf visitors and tourists from within and outside the Kingdom
Economic impact	Diversifying sources of national income, creating new investment opportunities, and increasing the per capita income

Opportunity No (19)	Construction of public parks, green areas and water area in King Abdullah Economic City
Project justifications and potentials	To meet the demands of the local population and to promote attractions for visitors and to meet the aspirations of tourists, visitors and holidaymakers
Target market	People of the region, Gulf holidaymakers and tourists from within and outside the Kingdom
Economic impact	Attracting visitors to the region, diversifying sources of national income, creating new investment opportunities, and increasing the per capita income

Opportunity No (20)	Establishment of light industries (canning sardines, manufacturing fishing nets, salt processing and frozen fish packaging)
Project justifications and potentials	To benefit from the available material, set up light industries associated with environment, and meet the demands of the local population and aspirations of tourists, visitors and holidaymakers
Target market	People of the region, Gulf holidaymakers, and tourists from within and outside the Kingdom
Economic impact	Diversifying sources of national income, creating new investment opportunities and increasing the per capita income

4.2 Investment opportunities in medium sized projects

Opportunity No (1)	A specialized industrial city (workshop for repair and maintenance of cars, trucks and heavy equipment) in the city Rabigh
Project justifications and potentials	Expected demand for such services in King Abdullah Economic City
Target market	Contractors and companies executing infrastructure and construction works in the King Abdullah Economic City.
Economic impact	Creating new job opportunities and increasing the per capita GDP of the region

Opportunity No (2)	Factory for masts and poles of street lighting in the city Rabigh
Project justifications and potentials	Great demand for the product is expected in the King Abdullah Economic City, and available raw materials
Target market	Infrastructure in King Abdullah Economic City and the rest of the region
Economic impact	Creating new job opportunities, provide a product essential to the finishing works, and increasing the per capita GDP of the region

Opportunity No. (3)	Factory for deluxe tiles and ceramics in the town of raw fine Rabigh
Project justifications and potentials	Expected heavy demand on the product in the construction of buildings and city King Abdullah Economic
Target market	Construction and building market in King Abdullah Economic City and the rest of the region
Economic impact	Creating new job opportunities, provide a product essential to the work finishes and increasing the per capita GDP of the region

Opportunity No (4)	Factory for wood products (sections, decorations, libraries, tables) in the city of Rabigh
Project justifications and potentials	Expected heavy demand on the product in the construction of buildings and city King Abdullah Economic
Target market	Construction and building market in King Abdullah Economic City and the rest of the region
Economic impact	Creating new job opportunities, provide a product essential to the work finishes and increasing the per capita GDP of the region

Opportunity No (5)	Food Industries Complex 1 (canning and preservation of fruits, vegetables, juices, pickles, etc.)
Project justifications and potentials	Abundance and diversity of agricultural production of vegetables and fruits in the region; the crop area is 39126 hectares.
Target market	Makkah and other areas in the Kingdom, export markets
Economic impact	Creating new job opportunities, and increasing the per capita GDP of the region and increase the exports of the Kingdom

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, 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.