



Saudi Arabian General Investment Authority
SAGIA

Riyadh 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 Riyadh 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

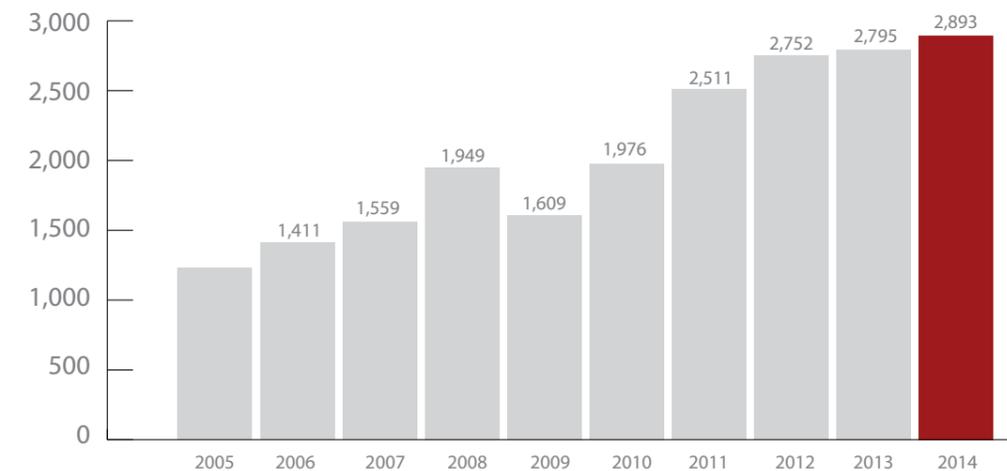
The economy of the Kingdom achieved a steady growth in the last four years recording growth rates of 7.4%, 8.6%, 5.8% and 3.8% for the years 2010, 2011 and 2013 respectively. The growth decline of 2012 and 2013, as compared with the high level growth of past years, is attributed to the decline of oil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

* 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 & 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 Riyadh Region

Part I: Status and prospects of development in Riyadh Region

1.1 Inputs and Bases of Economic Development in the Region

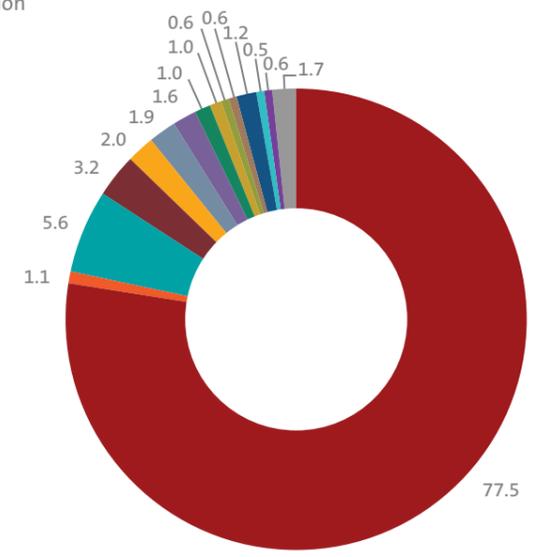
Location

Riyadh region is located in the central part of Saudi Arabia, bordering seven administrative other regions of the Kingdom, namely: the Eastern Region in the east, Al Qassim Region in the north, Asir, Mecca and Medina in the west and Najran in the south. The Riyadh region is the second largest region in the Kingdom in terms of area which amounts to about 348 thousand square kilometers, or about 16% of the total area of the Kingdom. The region is divided administratively into the Region Principality in the city of Riyadh, and nineteen governorates: Diriyah, Al-Kharj, Dawadmi, Al Majma'ah, Al-Quai'ya, Wadi Al Dawasir, Al Aflaj, Al Zulfi, Shagra, Hotat Bani Tamim, Afif, As Sulayyil, Al Mezahmiya, Derma, Heremla, Thadiq and Al Ghatt.



Relative distribution of Riyadh population to its administrative divisions

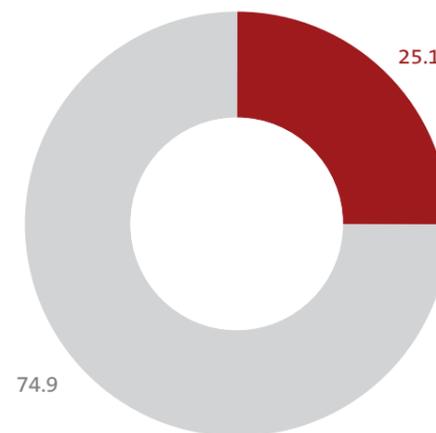
- Riyadh
- Diriyah
- Al-Kharj
- Dawadmi
- Majma'ah
- Quai'ya
- Wadi Al Dawasir
- Aflaj
- Al Zulfi
- Shagra
- Hotat Bani Tamim
- Afif
- As Sulayyil
- Mezahmiya
- Other Governorate



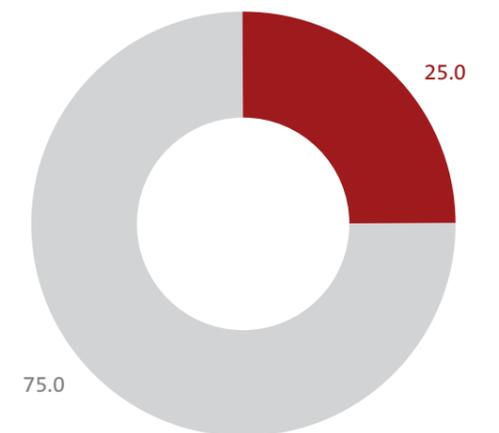
Population

According to the estimates of the Central Department of Statistics and Information, the total population in Riyadh region is about 7.72 million people. This number represents approximately 25.08% of the total population of the Kingdom, which amounted to about 30.8 million people in 2014. The number of Saudis in Riyadh region was estimated at 4.75 million people, while non-Saudis were estimated 2.96 million. The Riyadh Governorate represent the vast proportion of the population of the region with about 77.7% of the total population of the region, followed by Al-Kharj with 5.5%, Dwadmi with 3.2%, Majma'a with 2%, Quai'ya with 1.8%, and Wadi Al Dawasir 1.6%.

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



Region's population as % of the total population of the Kingdom in 2010



■ Rest of KSA ■ Riyadh Region

Infrastructure in Riyadh Region

A) Road network

Riyadh region enjoys a modern and developed network of highways and bridges, linking the major cities and their industrial, commercial and agricultural facilities and activities and connecting Riyadh to the neighboring regions. The total length of paved roads controlled by the municipalities in the Region is around 15,164 linear km accounting for 16.6% 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 3,613 km representing around 22.8% 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 14,802 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:

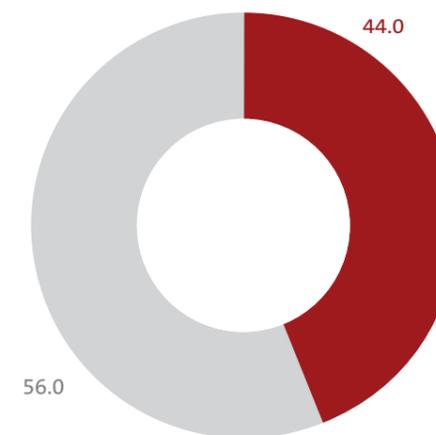
- Construction of Afif / Dhulam two-way road (Phase One in Riyadh)
- Construction of Bisha / Ranya / Al-Kharma two-way road connected to Riyadh / Taif highway (Phase One) in Riyadh
- Completion of Riyadh / Al-Rain / Bisha road in Riyadh
- Completion of the eastern part of the ring road from Khurais road until connection of Al-Harj road with the extension of the Southern Ring Road with the service road

B) Air transport and airports

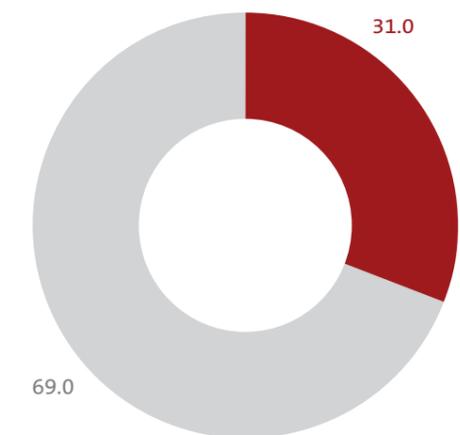
In Riyadh region, there are three airports, including an international airport, i.e. King Khaled International Airport in Riyadh, and two regional airports, King Salman Airport in Dawadmi and Wadi Al Dawasir Airport.

The number of passengers using the airports of Riyadh region aboard internal flights amounted to about 10.2 and 11.9 million passengers in 2011 and 2012 respectively, with an increase of 17% and representing 30% and 31% of the total air traffic 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 213 and 237 thousand tons in 2011 and 2012 respectively; with an increase of 11% and representing about 46% and 44% of total air cargo in Saudi Arabia, which recorded about 465,000 ton and 536,000 ton respectively in the said two years. King Khaled International Airport is considered one of the most advanced airports in the Middle East and one of the fundamental and important pillars on which the region depends for the growth of transport movement and air freight.

Air cargo ratio in Riyadh to the overall cargo movement in the Kingdom on 2012



Air traffic ratio for passengers in Riyadh to the overall air traffic in the Kingdom on 2012

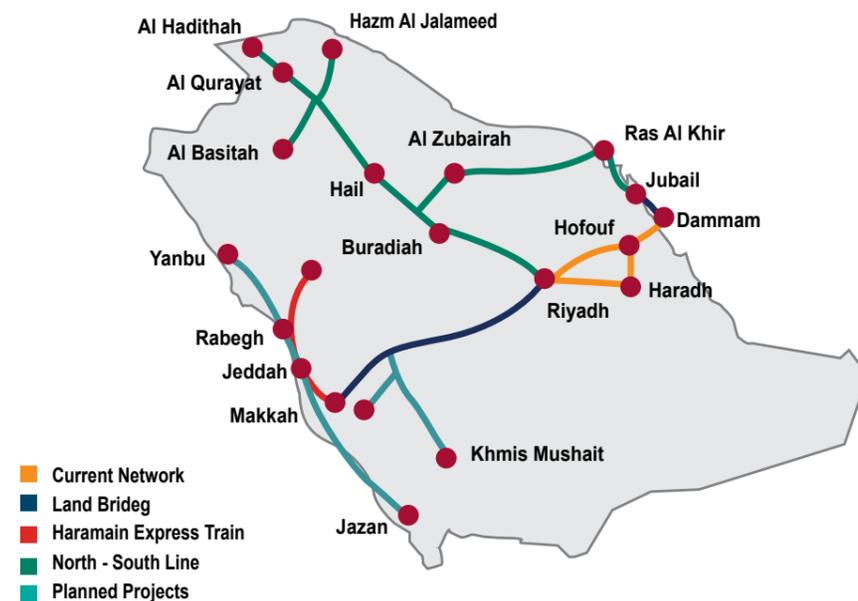


Rest of KSA Riyadh Region

C) Rail transport

Riyadh region is linked to the Eastern region by a railway line used for transporting passengers, which connects the city of Riyadh to Dhahran, Baqiq, Hufuf and Dammam. The length of this railroad is 449 kilometers. There is also another 556 km railroad dedicated to cargo transportation, starting from King Abdulaziz Port in Damama and terminating in Riyadh, passing through Abqiq, Hufuf, Hardh and Kharj. The number of passengers (departures and arrivals) using the Riyadh Railway Station in 1432 H amounted to about 819 thousand passengers, representing about 34% of the total number of passengers amounting to about 2.4 million passengers in 1432 H. The quantities of cargo transported via Riyadh station Riyadh amounted to 2.86 million tons, representing about 73% of the total quantity of rail cargo in the Kingdom, which amounted to about 3.91 million tons in 1432 H. New lines of railway are being implemented in the Kingdom, the most important of which the north - south and the other main line of the new network, which is the Land Bridge, (East / West line), connecting Riyadh region with Holy Makka. Recently started the construction and operation of the new railway line, which consists of two main lines: the first starting from Riyadh city extending to the north-west side towards Al Haditha city adjacent to the Jordanian borders and passing through Qassim, Hail and Al-Jouf Regions. The second line extends approximately from the center of the Riyadh-Haditha line to Al-Zubairah area in the north, passing through Al-Zubairah bauxite deposit fields up to the treatment and export facilities of Ras Alkhair Industrial City on the Arabian Gulf coast in the east. Several other secondary railroads will be constructed as a part of the project, including the railroad branching from Riyadh-Haditha main railroad which will serve Al Jalameed phosphate mines in the north-west side of the Kingdom, in addition to a second branch for serving Al-Basitah agricultural area in Al Jouf Region. Another secondary railroad will also be constructed to extend from the main

railroad of Al Zubairah – Ras Alkhair to serve the bauxite coal mines of Al Zubairah, in addition to another secondary railway for serving Jubail Industrial City on the Arabian Gulf. The total length of the north-south line is estimated at about 2,400 km, in addition to side shunting tracks, yards, maintenance points, stations and administrative buildings. The total cost of the line and its branches is estimated at more than SR 12 billion. Six stations on the north-south train project have been allocated for passenger transport services. These include King Khalid International Airport station in Riyadh in addition to the stations of Al Majmaah, Qassim, Hail, Al Jouf and Al Hadithah.



D) Water

Riyadh region depends in obtaining drinking water on two main sources: desalinated sea water, which is brought through pipelines, particularly from desalination plants in Jubail on the Arabian Gulf, representing about 44% of the total amount of water supply of the region. The second source of drinking water supply is the groundwater, which is brought about from government-run water wells in the Riyadh Water Project, one of the largest water projects in the Kingdom. This project consists of water wells scattered in several sites in the region, including Salbukh, Buwaib, Wasee' and Al Hani and others. Currently, within the budget of 2013/2014, implementation is underway for more than 40 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 SR1.7 billion.

As for irrigation, the region relies on groundwater. Storage dams mounted to 72 in 2012 with different storage capacities, to store and control surface water and raise the level of groundwater in the agricultural areas. There are several fertile agricultural sites particularly in the governorates of Al-Kharj, Quwai'ya, Sadir, Hotet Beni Tamim and others.

F) Electricity

Electric power in the Riyadh region is provided by 10 gas-powered plants in Riyadh, Aflaj, Al Joba and Layla. The total power generated in the region amounted to about 11 thousand MW in 2013 and the Peak Load stood in the same year near that. There are a large number of 380KV, 230 KV and 132 KV transformer stations scattered throughout the region, including stations in Al-Kharj, Al Bayadh, Hotet Bani Tamim, Al Mezahmya, Al Qui'ya, Heremla, Shagraa, Hotet Sadir, Al Majma'ah, Al Zulfi, Afif, Heath, and others. All these stations are linked to 230KV or 132KV power transmission lines. They also link the region to the Eastern and Qassim regions by 280KV or 230KV power transmission lines. Electricity coverage rate in Riyadh region is one of the highest in the Kingdom, hitting 100% since 2010.

G) Telecommunications

Riyadh region is covered by a network of fixed, mobile and digital (DSL) lines telecommunications services. Computers penetration rate in the Region is one of the highest in the Kingdom's regions. The number of landlines in the Region amounted to about 1.44 million lines representing around 30% 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 4.06 million, representing about 25.7% 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 830 thousand lines representing about 32.7% 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 106 central offices, 45 express mail offices, 7 official post offices, 30 mail agents, 166 mail points and 88 subscriber box rooms at the end of 2012; while the post office boxes amounted to 206 thousand. There are also TV and radio broadcasting stations and offices for the Saudi News Agency and others.

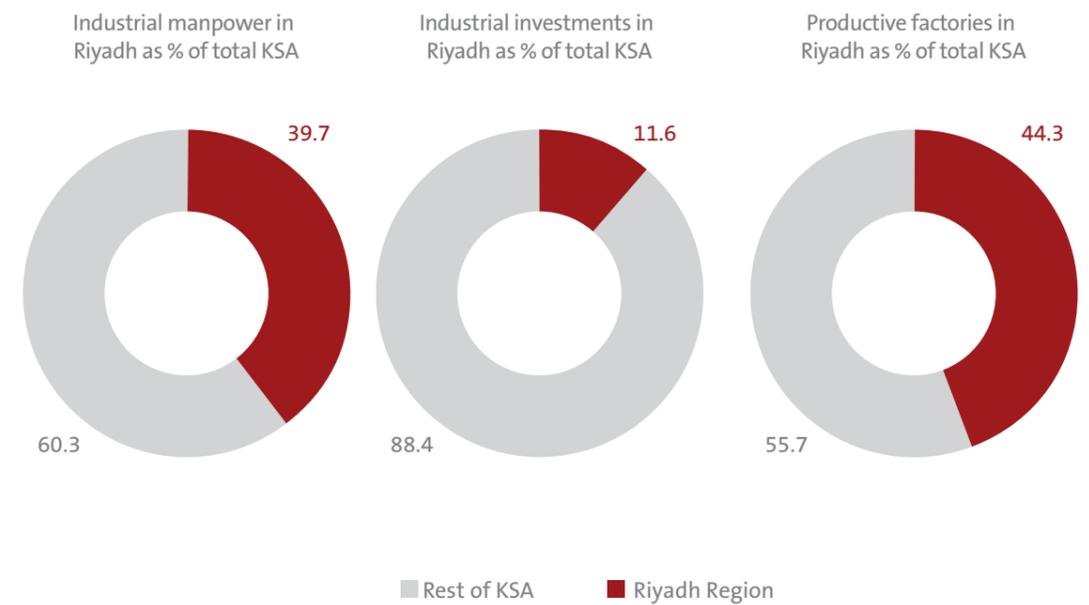
1.2 Economic activities

A) Industry

Manufacturing industries sector is one of the important productive sectors in the Riyadh region. The Riyadh has 7 industrial cities, affiliated to the Saudi Industrial Property Authority (MODON). There are two industrial areas in Riyadh provided with various services and facilities. The first is on an area of 451 thousand square meters, including over 60 productive factories. The second, which is one of the major industrial cities in the Kingdom, is located outside the city of Riyadh on an area of about 19 million square meters, including 1,000 productive plants. In addition to these two industrial areas, there are also 5 other industrial areas, some of which have been developed and provided with facilities and services and have already productive factories and others are under development. These industrial cities are:

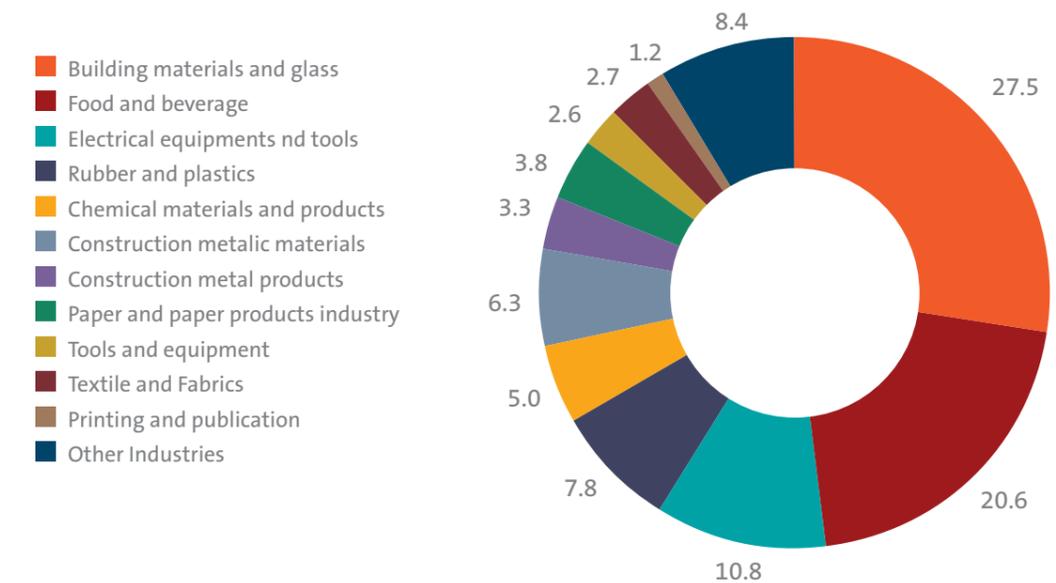
- Riyadh Third Industrial City, with an area of 1.5 million square meters.
- Sedair City for Industries and Business with an area of 260 million square meters, of which 8 million square meters have been developed.
- Al-Kharj Industrial Area, with an area of 100 million square meters, of which 2.5 million have been developed.
- Al-Zulfi Industrial Area with an area of 19 million square meters, which is under development.

The total number of producing factories in Riyadh region is 2,817, representing about 44.3% of the total number of producing factories in the Kingdom, totaling 6,364 by the end of 2013. The total amount of industrial investments in the Riyadh region amounted to some 101.1 billion riyals, accounting for 11.6% of the total investments in factories in the Kingdom, amounting to about 873.2 billion riyals. The number of factory workers in Riyadh recorded about 329 workers representing around 39.7% 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 Riyadh region. Building materials and glass ranked first in terms of investments by 27.5%, then food industry and beverages by 20.6%, then machinery and electrical equipment industry by 10.8%, then rubber and plastics products by 7.8%, and finally chemical substances and products by 5.0%.

Distribution of industrial investments in the Region (%)



C) Agriculture:

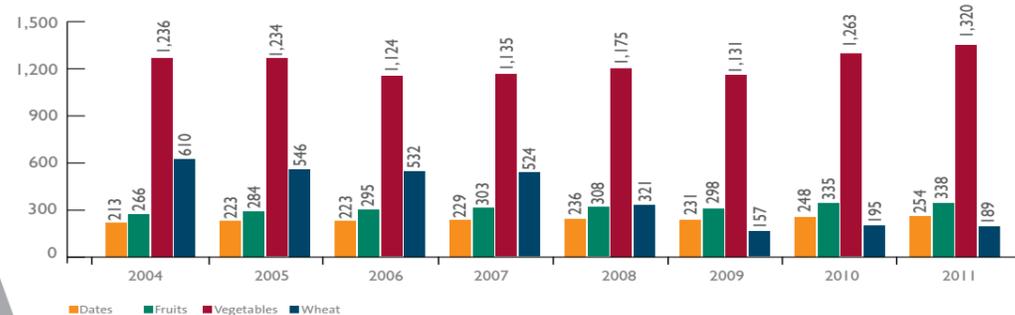
Agriculture is one of the important economic sectors in Riyadh Region. The total crop area amounted to about 247 thousand hectares, representing about 31% of the total crop area in the Kingdom, which amounted to 788 thousand hectares in 2011. The following table shows the region's contribution to agricultural production and livestock:

Development of Agricultural Activity and Livestock in the Riyadh Region*

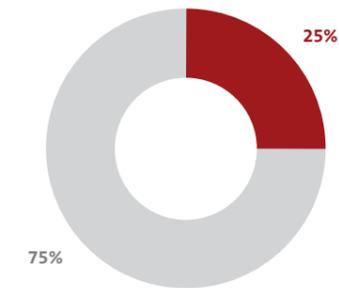
	2007	2008	2009	2010	2011	Average annual growth rate	Riyadh percentage of total KSA Production (2011)
Crop production:							
Wheat production (1,000 tons)	524	321	157	195	189	-16%	16 %
Barely production (1,000 tons)	7.8	5	40	3.7	3.9	-13%	25 %
Green fodder (1,000 tons)	1,245	1,425	1,432	1,938	1,947	14%	53 %
Vegetables (1,000 tons)	1,135	1,175	1,131	1,263	1,320	4%	50 %
Dates (1,000 tons)	229	236	231	248	254	2.7%	25 %
Fruits (1,000 tons)	303	308	298	335	336	2.7%	21 %
Livestock:							
Camels (1,000 heads)	121	104	100	90	93	-5.8%	42 %
Sheep (1,000 heads)	1,952	1,626	1,022	768	798	-15%	12 %
Goats (1,000 heads)	353	293	194	144	143	-15%	13 %
Cattle (1,000 heads)	219	224	234	230	299	9%	61 %
Poultry (1,000,000 chickens)	78	76	104	82	85	2.4 %	16 %

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

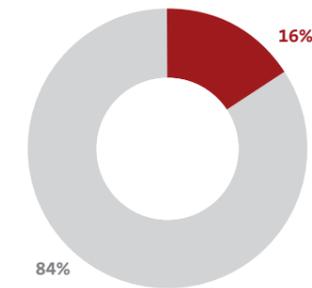
It is noted from the table that there was a significant decrease in the production of wheat and barley during the period, amounting to an annual average of 16% and 13%, respectively. The annual production of green fodders and vegetables increased by 14% and 4%, respectively. The production of dates and fruits increased by a rate of 2.7% annually for each. The numbers of sheep and goats decreased by a high rate of 15%, while the number of cattle and camels increased by 9% and 2.4%, respectively.



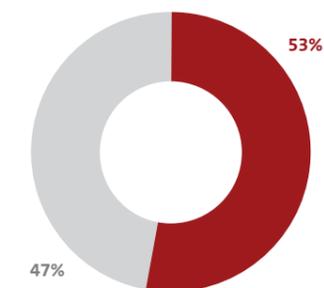
Rate of Region barely production as % of total Kingdom



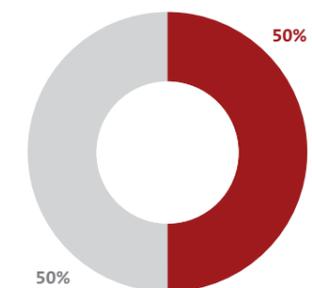
Rate of Region wheat production as % to total Kingdom



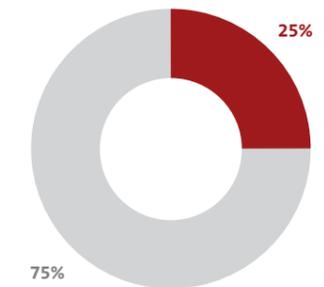
Rate of Region green fodder production as % to total Kingdom



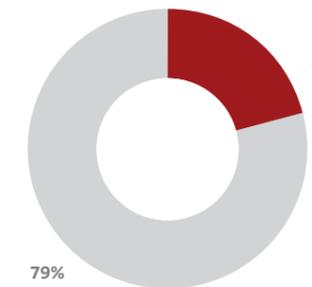
Rate of Region vegetables production as % to total Kingdom



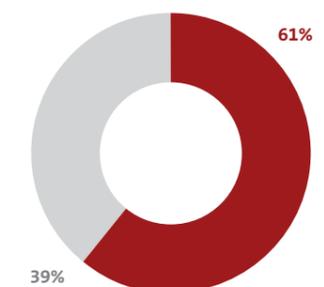
Rate of Region dates production as % to total Kingdom



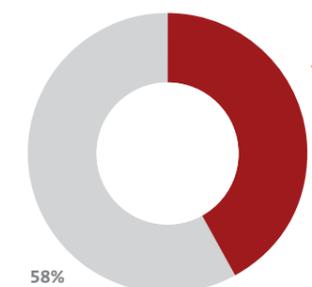
Rate of Region fruits production as % to total Kingdom



Number of Region cattle as % to total Kingdom



Number of Region camels as % to total Kingdom



Rest of KSA Riyadh Region

C) Trade

The trade sector in Riyadh region is one of the important economic activities, because of the high volume represented by the companies and establishments operating in the sector. The total number of enterprises and businesses in Riyadh region amounted in 2012 to 355 thousands, operating in various economic areas, representing about 30% of the total trade establishments in the kingdom, which is amounting to 1.19 million. These establishments are distributed as follows:

Trade Sector: including wholesale, retail, distribution and agency establishments.

Agricultural sector: including agricultural, livestock and agricultural services establishments.

Industrial sector: including factories and municipal licenses for workshops etc.

Contracting sector: including general and specialized contracting, maintenance and operation companies.

Services sector: including public services, education, training, and transport,

Other sectors: including personal and other services.

The annual average increase in the numbers of new enterprises in Riyadh during (2004-2012) is about 22 thousand enterprises.

D) Building and Construction Sector

The building and construction sector in the Riyadh region is one of the major economic activities in view of the vital role it plays in the economic growth, the developed modern infrastructure it achieves, and the demand for housing it fulfils in the region; in addition to the great development caused by this sector in the general landscape of the city of Riyadh, where buildings with distinct shapes and specifications, such as skyscrapers, giant commercial centers and malls and residential buildings with their innovative designs, started to emerge in the city of Riyadh.

In Riyadh, there is a large number of major Saudi, joint and foreign contracting companies operate in the implementation of these projects and contribute to the completion of infrastructure facilities, such as roads, bridges and tunnels, factories and other construction projects in the region. The total number of classified contractors in Riyadh region amounted in 2012, to 1,386, representing about 44% of the total number of classified contractors in the Kingdom. The construction and building sector in Riyadh accounts for about 23.9% of the total volume of this sector in the Kingdom as a whole where the total building permits issued in the region in 2012 amounted to 100.7 thousand licenses.

E) Mining and Quarrying

The activity of mining and quarrying sector in Riyadh 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 and aggregate industries; sand 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.

In Riyadh region, there is one of the most important mines of precious metals in the Kingdom, exploited by Maaden Company, namely Alamar Mine, in Quwaiy'ia governorate, where the ore extracted from the mine, then processed to extract the gold. The production of the mine is estimated at more than 1,600 kilogram of gold, 75 tons of silver, 45 thousand tons of zinc and copper. The table below shows the most important minerals in Riyadh and their locations:

No.	Ores	Major mine & quarry sites	Minor mine and quarry sites
1	Gold, silver and allied metals	Alamar, Alduwaihi	
2	Copper, zinc, lead and allied metals	Alhunaegiya	
3	Limestone	East of Riyadh, Khashm Mea'tadh, Khasm Radhi, Al-Kharj, Al-Muzahmiah	Artaweya, Omalghurban
4	Gypsum	East of Riyadh, Almaragha	Aldagham
5	Shale	East of Riyadh	
6	Silica sand	Dharma area, Aldawadmi, Khurais, Aldagham mountains, Albutain	Aldagham, Mrat, Omalghurban
7	Clay	Dharma area, Aldawadmi, Khurais	Mrat, Almuzahmiah, Al-Kharj
8	Feldspar	Dharma area, Aldawadmi, Kurais	Arwi
9	Kaolin	Khasm Radhi, Al-Kharj	Al-Kharj
10	Marble	Abraq Alsawan	Alshehi mountain
11	Dolomite	Heraijan, Al-Kharj	Al-Kharj
12	Limestone, sandy and clay stone,	North West Beer Alshams	

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

F) Financial and banking services and Insurance

Financial and banking services is one of the largest economic sectors and the most influential on the movement of economic growth in Riyadh region, given the services it provides to the private sector and the investment opportunities and channels of finance it offers for projects and enterprises, through the large number of banks and branches, amounting to 506 in 2012 as well as the insurance companies and their branches, operating in Riyadh.

G) Tourism

Riyadh region in general and the city of Riyadh in particular contains a large number of potentials and projects of tourist attraction, which contribute to the provision of means of entertainment for Saudi nationals, residents and visitors. Tourism, shopping and recreational activities are important economic activities in the city of Riyadh since the city encompasses historic places and sites, Musmak Palace, Dir'iyah area, the old town of Ghat, which is located 260 km north of Riyadh, and the village of Sedos which is located 70 km north of Riyadh region. The region also has many modern gardens and parks, malls, fairs, and great commercial centers. The region includes many and varied tourist, recreational and service projects, such as hotels, restaurants, sports clubs and guest houses. In addition, several exhibits and festivals are held there continuously, such as Al Janadriyah and others, as well as tourist, cultural and therapeutic conferences. The number of hotels (all classes) in Riyadh reached 67 in 2012, representing about 6.1% of the total number of hotels in the Kingdom, which amounts to 1,098 hotels. The number of complexes of furnished apartments in the Region was 519, representing about 26.3% of the total number in the Kingdom, which amounted to 1,971 complexes in 2012.

1.3 Prospects of Economic Development,

Riyadh region is one of the most advanced and qualified to accommodate the movement of major economic developments in Kingdom, for economic potentials, modern infrastructure, and integrated and large markets it has. However, the sustainable development in the region requires continuous optimal use of available potentials and ingredients, channeling more investments in the vital and important sectors in the region; and improving and raising the economic efficiency of the existing activities by providing more basic facilities and necessary services, in addition to the development of productive base and injection of investments in the untapped sectors and new activities in the region.

Riyadh region in general and Riyadh city in particular witnesses many major development and service projects. The High Commission for the Development of Riyadh plans and prepares many strategic projects, serving the residents of the city of Riyadh in the near term and long term, bearing in mind the future and its challenges and all variables that may occur. The most important projects currently undertaken by the Commission include:

A. King Abdulaziz Public Transport Project (Trains – Buses) in Riyadh

This is one of the biggest development projects to be executed in Riyadh during the coming five years for development of the public transport system. The project composes of modern underground metro network, supported with another network of bus transport.

Electric Train Project: The electric train network is planned to be the backbone of public transport system in Riyadh. The network will include six main railway lines with a total length of 176 kilometers and 85 stations, covering most of the dense populated areas, government entities, commercial, educational and health activities. The network will be connected with King Khalid International Airport, King Abdullah Financial Center, main universities, downtown and the Public Transport Center. The six routes of the electric train are as follows:

- **Line 1 (Blue Line):** Alulaya – Albatha, Alhayer with a length of 38 km
- **Line 2 (Red Line):** King Abdullah Road, length of 25.3 km
- **Line 3 (Orange Line):** Madina Almonawara Road – Saad bin Abdulmuhsin Alawal Road, length 40.7 km
- **Line 4 (Yellow Line):** King Khalid International Airport, length 29.6 km
- **Line 5 (Green Line):** King Abdulaziz Road, length 12.9 km
- **Line 6 (Violet Line):** Abdulrahman bin Aof – Shaikh Hassan bin Husain bin Ali Street, length 30 km

Bus Transport Network: The bus transport network will be the main feeding source of passengers to the Riyadh Metro Network and represents also a main transport means for passengers to and from the different quarters of Riyadh. The bus routes are selected according to certain standards and basis, the most important of which: integration with the metro network, compatibility with the development plan and future expansion of Riyadh city, connecting employment centers and commercial centers with residential quarters, reducing the volume of vehicles movement on the streets and roads, reducing environmental pollution and power usage and reducing the time spent on the road network.

The bus network has been designed to provide service on several levels:

- **First level:** High level axis network
- **Second level:** Supporting round network
- **Third level:** Secondary network
- **Fourth level:** Local network inside residential quarters



B) King Abdullah Financial District

King Abdullah Financial District is located in Aqeeq suburb in the city of Riyadh. It is built on an area (1,6) million square meters, and was designed according to the latest international standards to be a center for facilitating the practice of finance and investment activities in the Kingdom. It is expected to generate a lot of career opportunities in the areas of finance and construction during the next three years, the project construction period.

King Abdullah Financial District will include: headquarters of the Capital Market Authority and headquarters of the Saudi Stock Exchange (Tadawul); a finance academy in the heart of the District, head offices many banks, companies and other financial institutions and associated service companies, such as accounting and audit, law, appraisal, and consulting firms; and financial institutions as well as many other services and facilities, such as hotels, residential district, conference and exhibition rooms, places of recreation and sports activities; in addition to modern transport facilities.

C) Information Technology and Communication Complex (ITCC)

The Information Technology and Communication Complex (ITCC), which the Public Pension Agency is developing in Riyadh city, is one of the most advanced technological and industrial projects and adds significant value to the development programs, plans and projects in the Kingdom. ITCC composes construction of a number of advanced infrastructures and modern complexes of technological industries with strategic dimensions aiming to develop the technology and communication sector in the Kingdom. The complex is dedicated for technological works and manufacturing, assembly and production of high technological prototypes. The complex includes also support services facilities and research and development activities, in addition to commercial services such as hotels, restaurants and banks. The construction area in the project is expected to reach one million square meters. The Complex is wholly financed by the Public Pension Authority. The Complex includes main offices, research centers and production facilities of the major local and international communication and information technology companies. In addition, the project will avail investment opportunities for the private sector, local and international companies in the Complex and to enjoy the numerous benefits and facilities provided the local, regional and international investors. The volume of investments in the Project is expected to reach 4 to 6 billion riyals. Because of the apparent economic feasibility and the importance of the Complex for supporting the business activities, many international companies have already engaged in the project. The Complex, thanks to its high level international characteristics, will secure good environment for the specialized technological companies, to serve them in an integrated manner. The first construction phase of the project is expected to be completed on the end of 2014.



D) King Abdullah International Gardens Project

The project composes three of the biggest covered grass gardens in the world. The project will be along Riyadh / Holy Makkah Road with an area of 2.5 million square meters. The cost of the project is estimated to be about 600 million riyals. The parks will be of the highest and unique international design, with special scientific, cultural and environmental characteristics. The project includes construction of water, ice, desert and fish parks, waterfalls, children gardens, birds, butterfly garden, crawlers garden and flowers garden. It will include also service integrated facilities such as markets, theaters, rest places, coffee shops, playgrounds and others. The project's gardens will be classified into:

- Botanic garden and botanic museum
- Scientific gardens, seeds bank and gene banks
- International garden, water garden and Wadi walkway
- View towers, ceremonies yards, sitting places and recreational areas

This project is expected to contribute greatly to the boom of tourism in the Region and to be among the most attracting tourism places in Riyadh and in the Kingdom in general. The project, being of this size, will represent a huge qualitative leap in the concept of tourism and recreation in the Kingdom and will attract many visitors from the Kingdom and the neighboring countries. The construction phase has been commenced after completion of the first phase, which included preparation, processing and fencing of the site.

Other important projects launched recently in Riyadh:

University of Princess Noura Bint Abdulrahman for Women: One of the largest and most modern universities in the Kingdom. The university buildings and facilities are located in the east of Riyadh city on the road leading to King Khalid International Airport. It marks the beginning of series of universities for women, which will be set in several parts of the Kingdom, pursuant to the directives of the Custodian of the Two Holy Mosques. The project of the university has been completed and work is under way to build more buildings for more faculties, which the Ministry of Higher Education plans to add to the existing ones at the university.

Upgrade of King Abdullah Road Project: King Abdullah Road is one of the most important internal roads in the Kingdom of Saudi Arabia, and it will constitute, upon its completion, a quantum leap in the construction of roads. It is a part of a plan to develop road network, transport system and traffic management in the city of Riyadh. The High Commission for the Development of Riyadh seeks to convert King Abdullah Road into a distinctive urban road and major traffic nerve in the city as per the overall strategic plan developed by the Commission. The Road is expected to bring about a considerable change in traffic movement in the eastern and western directions in Riyadh, and to relieve the great pressure and traffic congestion in the city's internal roads and streets, after its completion and turning into a distinct urban, economic and humanitarian environment.

Abu Bakr Siddiq and Al Uruba Roads Extension across Riyadh Air Base

High Commission for the Development of Riyadh has completed the implementation of the project of Abu Bakr Road Extension to the south, through Riyadh Air Base, until its junction with Saladin Road, as well as Al Uruba Road, which extends from the intersection with King Abdulaziz Road to the intersection of Abdul Rahman Al Ghafiqi Road and the Eastern Ring Road. The project will allow free traffic movement through Riyadh Air Base from east to west and from north to south without hindering vehicle movement or stopping air traffic inside the base.



Expansion of King Fahd National Library: The expansion of King Fahd National Library is one of the major projects in the city of Riyadh, as this national library is of a great value for the Kingdom as a whole, for its leading role in documenting the national heritage and domestic cultural production. It is also one of the most important urban landmarks in the city of Riyadh and a symbol of the urban development of the central nerve of the city. Since its inception, the King Fahd National Library had achieved a great message in the service of researchers and scholars. Its name has become widely circulated among national and external major libraries. It includes, in addition to the data base of the Kingdom of Saudi Arabia, the National Archive for Historic Photos, the International Registration and Numbering Department, where the International Standard Book Number (ISBN) is applied for books and periodicals, and formal deposit system. Due to the daily increasing amounts of information and archives, and the new roles the Library should play, the Council of Trustees of King Fahd National Library decided to expand the existing building of library to act as the national library and public library in addition to its research and studies capabilities. All the expansion and development works have been completed and it is expected to be inaugurated during the current 2014 year.

Sectors with comparative advantage

Riyadh 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:

Communications and Information Technology: This sector receives a great attention from the Government through strategies and plans for its ongoing development and the start of the implementation of electronic government, smart cities and the great development of telecommunications networks. In addition, the infrastructure of this sector undergoes continuous development and improvement, which qualifies the sector to be more attractive for new domestic and foreign investments in Riyadh region.

Transport and Logistic Services: Transport is one of the most important sectors of comparative advantage in the region and the city of Riyadh, the capital of Saudi Arabian, as the region enjoys a distinct and central location, where it is linked to other five administrative regions, which makes it qualified to be always a link among all regions of the Kingdom.

Mining sector: Riyadh region enjoys a great wealth of natural raw materials and mineral resources, which are still untapped and that are characterized by its commercial feasible size and industrial economic feasibility. This wealth includes important minerals and industrial raw materials such as gold, which is found in the area of Amar to the east of Dawadmi; zinc ores in the southwestern area of the city of Riyadh; clay in Derma; Magnetite kaolin in Khashm Radhi, east of the town of Al-Kharj; gypsum in Al-Maragha; raw material used in ceramics industry in Khurais and at the Dammam road; limestone and raw materials used in cement industry in several locations around the city of Riyadh; and silica sand at the Daghm Mountains and Berm Mountain to the east of Riyadh, Shale in Mrat, in addition to quarries materials spread in the region.



Tourism sector: Riyadh region is characterized by the presence of many and varied elements of tourist attraction, as it is the capital of the Kingdom, where all ministries, government agencies, headquarters of major companies, corporations, banks in the Kingdom are based. There is also in the region and in the city of Riyadh specifically, markets, major commercial complexes, malls, cars exhibitions, sports clubs, major hotels and restaurants and modern parks and gardens. It is always a venue for the major festivals, conferences, symposia, exhibitions and fairs, all of which are major causes for tourist attraction in the region. The region is currently experiencing increased growth of domestic and foreign recreational tourism. Tourism statistics for 2012 indicate that the Riyadh Region accounts for 26% of the total number of tourists coming from outside the Kingdom, which number reached about 14.2 million on 2012 and accounts for 2 million internal tourism trips with a percentage of about 11% of the total tourism trips in the Kingdom, which amounted to 19 million trips in 2012.

Higher Education: Education indicators in the Riyadh region show that education is one of the sectors that are expected to attract huge investments, particularly in the areas of higher education and technical and specialized colleges, which are not available in the region, especially with the significant increase in demand for higher education services due to the large increase in population growth in the city of Riyadh, the large numbers of immigrant populations, and the relative availability of job opportunities.

Agriculture: This sector has achieved significant growth and development over the past few years, especially as regards vegetables, fruits and green fodders. In addition, the sector enjoys the potentials that ensure the continuity of growth and increasing the diversity of the production of agricultural crops, something which can attract large investments in the areas of food processing, equipment manufacture, farm machinery and other industries and activities related to agricultural activity.

1.4 Overall Strategic Plan of the City of Riyadh

As it is the most important, among all regions of the Kingdom, a higher commission was set up for Riyadh in particular, in order to plan and develop the city of Riyadh, the capital of the Kingdom, in all economic, social, cultural, physical and environmental aspects, and to establish the policies and procedures promoting both the city and the region economically, and improving the level of services and facilities related to citizens, as well as providing good living opportunities. The Supreme Commission for the Development of the City of Riyadh was established in 1394H / 1975, and the rules and regulations of its work were set, emphasized the developmental and planning role of the Commission.

The most important efforts made by the Commission in connection with the development of the city of Riyadh is the strategic plan of the city of Riyadh, which represents an integrated organizational environment, addressing the physical, environmental, economic and social developments with sound planning to meet future requirements, benefit from the new inputs and avoid the disadvantages of the unplanned growth of big cities.

Investment Incentives:

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



Part II
Economic
Indicators for
Riyadh Region

Part II: Economic Indicators for Riyadh Region

2.1 Gross Domestic Product

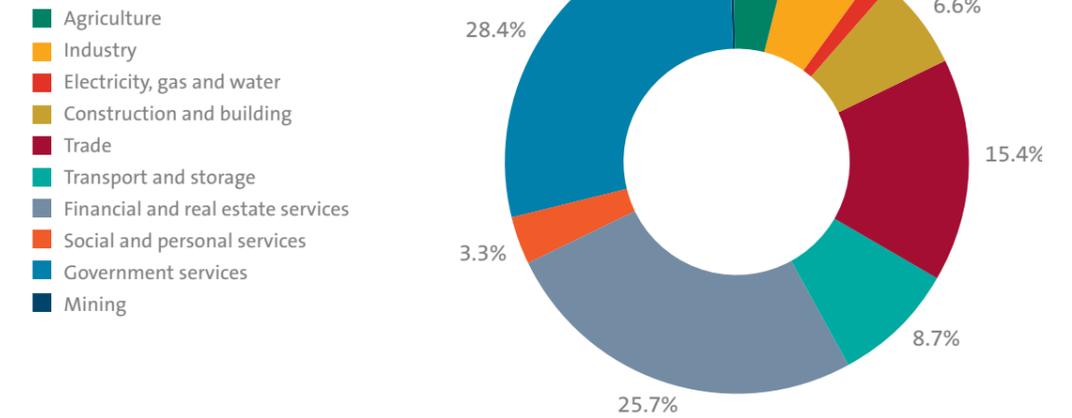
The Gross domestic product (GDP) of Riyadh Region amounted in 2012 to about SR 417 billion, representing 15.3% of the GDP of the Kingdom and 29.2% of the GDP of the Kingdom without crude oil and gas. The average annual growth rate of the GDP of the Region amounted to about 12% during the period 2009-2012. Real Estate and financial services sector ranks first in terms of contribution to the output of Riyadh region by 25.7%, followed by trade sector by 15.4%, transport, storage and communications sector by 7.8%, Construction and building sector by 6.6%, industrial sector by 6.2% and agricultural sector by 4.2%.

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

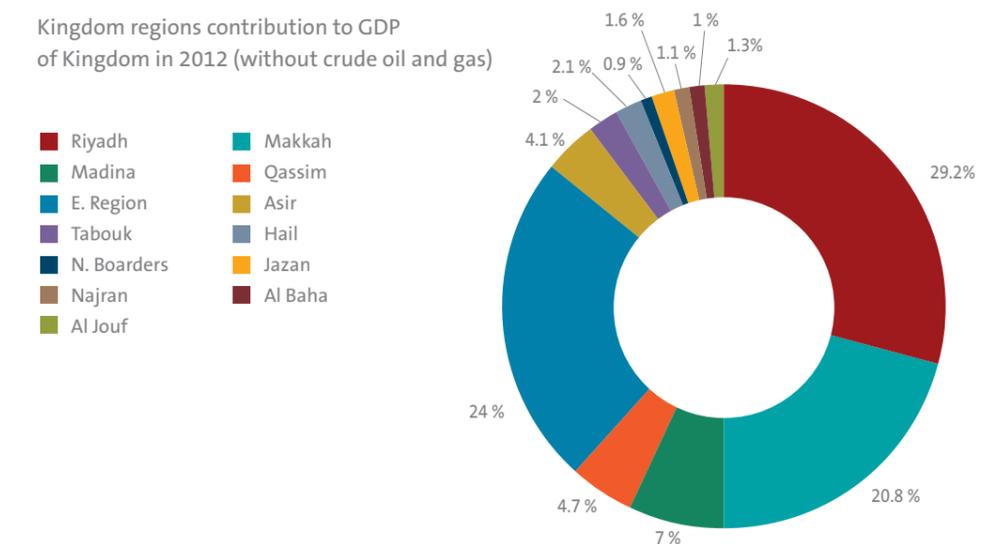
	2009	2012	Average annual growth rate
Kingdom GDP at current prices (billion SR)*	1,596	2,731	19.8%
Kingdom GDP without oil and gas (billion SR)*	995	1,429	11.9 %
Region GDP (billion SR) **	305	417	12.2 %
Region GDP to total Kingdom	19.1%	15.3 %	
Region GDP to total Kingdom without crude oil and gas	30.7 %	29.2 %	
Average per capita GDP of the region (000' SR)	47	58	7.8 %

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

Economic Sector contribution to GDP in Al Riyadh 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 & Information (CDSI), the total population of Riyadh Region in 2014 amounted to about 7.72 million people representing about 25.08% 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 Riyadh was about 5.46 million, and 6.89 million according to the Census of 2010.

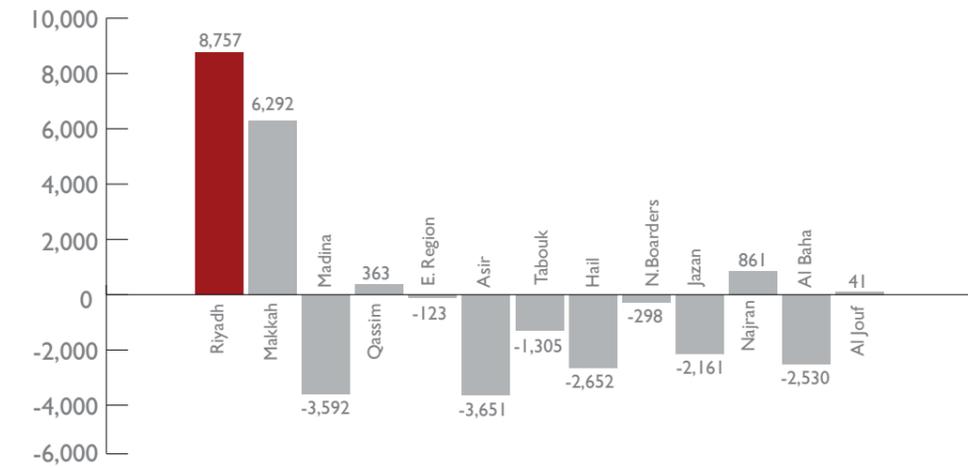
The average annual growth rate of population in Riyadh during the period (2004 - 2014) amounted to some 4.2% annually, rendering it one of the most attractive regions for population in the Kingdom. The reason of population attraction, and specially Saudis, is due to that fact that it is capital of the Kingdom where the headquarters of ministries and several institutions, government and non-governmental organizations are based, and to the relative availability of jobs, especially in the sectors of industry, trade and services and other economic activities.

Development of Riyadh 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	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 %		
Population of the Kingdom		22,673,538	27,563,432	30,770,375	3.10 %		
Riyadh Population	Saudis	3,726,523	4,357,850	4,754,947	2.47 %	4,667,376	87,571
	Non-Saudis	1,728,840	2,527,605	2,962,520	5.53 %		
	Total	5,455,363	6,885,455	7,717,467	3.53 %		

* 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)

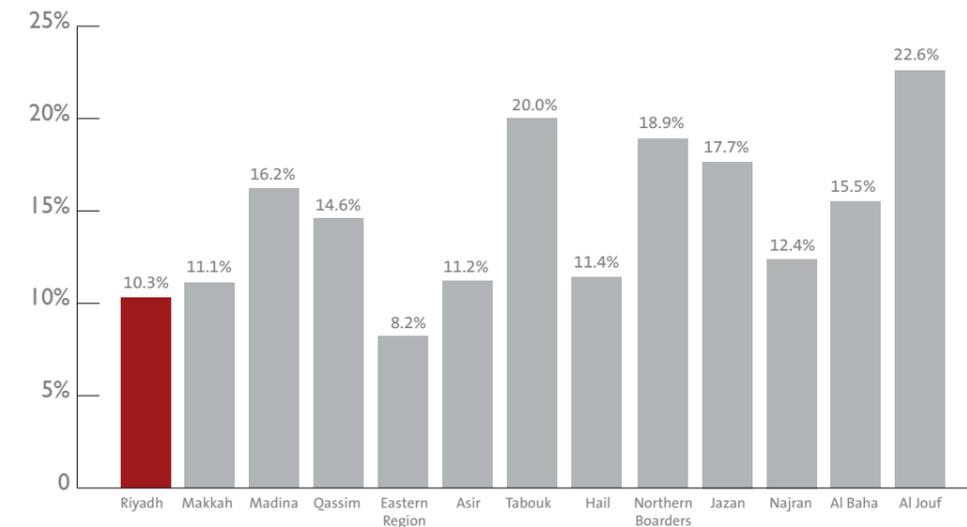


2.3 Employment and Unemployment Rates

Because of the relative availability of career opportunities in Riyadh compared to other regions in the Kingdom, the rate of unemployment hit 10.3% of the total Saudi work force in the region, which amounted to 1,173,624 male and female in 2012 according to the estimation of the Central Department of Statistics and Information. This is considered of the lowest unemployment rates in the Kingdom, which was estimated at 12.1% in 2012. It is also considered low compared with the unemployment rates in other population attracting regions.

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 12.2%, which is considered one of the highest growth rates compared with other regions, the per capital GDP in Riyadh Region increased from about 47 thousand riyals on 2009 to about 58 thousand riyals in 2012.

GDP per capita Development (2009 and 2012)

	2009	2012	Annual growth rate
Region GDP (SR billion)	305	417	12.2%
Total Region population	6,488,574	7,200,200	3.53%
(Average GDP per capita) 000' SR	47	58	7.8%

* Study estimates

2.5 Region's Contribution to Exports of the Kingdom

Riyadh ranks fourth in contribution to Saudi Arabian exports, after the Eastern region, Makka and Medina. The total value of exports of Riyadh region amounted to some 18 billion riyals, representing about 1.2% of the total value of exports of the Kingdom, which amounted to about 1,457 billion riyals in 2012, while the exports of Riyadh amounted to some 6.8% of the total exports of Saudi Arabia, without crude oil, which stood at 284 billion riyals in 2012.

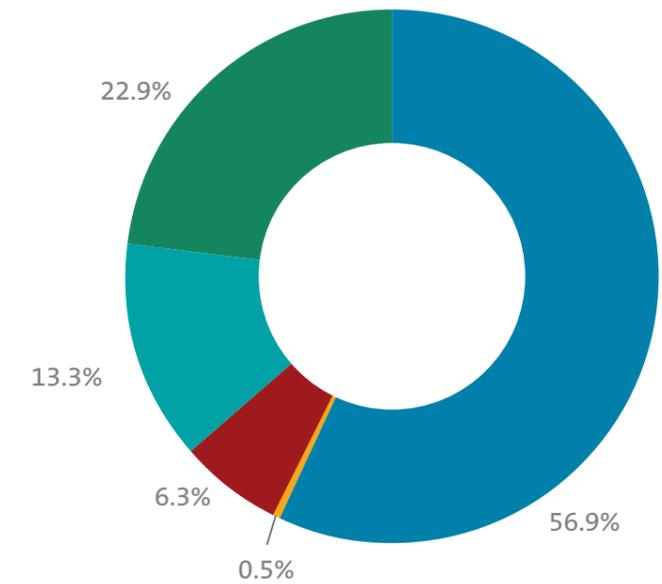
The exports of the Region from food and beverage exports include many important products of which are the following:

- Milk and dairy products: biscuits, sweets, chocolates, fresh and manufactured date, juices, soft drinks, ketchup, soft drinks, sauces, etc.
- Petrochemical and chemical export products include: paints, medicines, disinfectants, pesticides, soap and washing powder, shampoos, plastic products, etc.
- Metal industries export products include: gold and jewelry products, steel and aluminum cross-sections, metal components and elements of metal structures, electricity poles and pylons, steel pipes, etc.

In addition, the region's exports include: electrical appliances, such as air-conditioners, electricity transformers; water heaters, carpets, moquette, paper products, packaging materials and other industrial products.

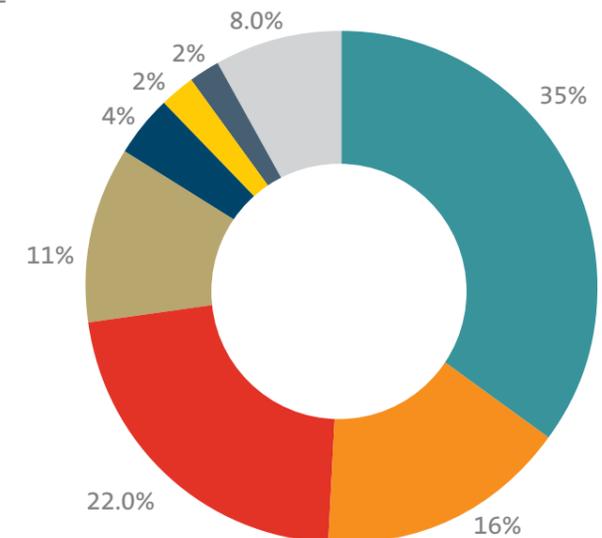
Contribution of the regions of the Kingdom in the export in 2012 (without crude oil)

- Riyadh
- Makkah
- Madina Almonawara
- Eastern Region
- Other Regions



Contribution of different products in the Region exports in 2012

- Chemical and petrochemical products
- Metal industry products
- Food Industries products
- Electric devices and equipment
- Paper and paper products
- Textile, mouquette and cloths
- Glass products
- Other products



2.6 Education Services Indicators

Public Education

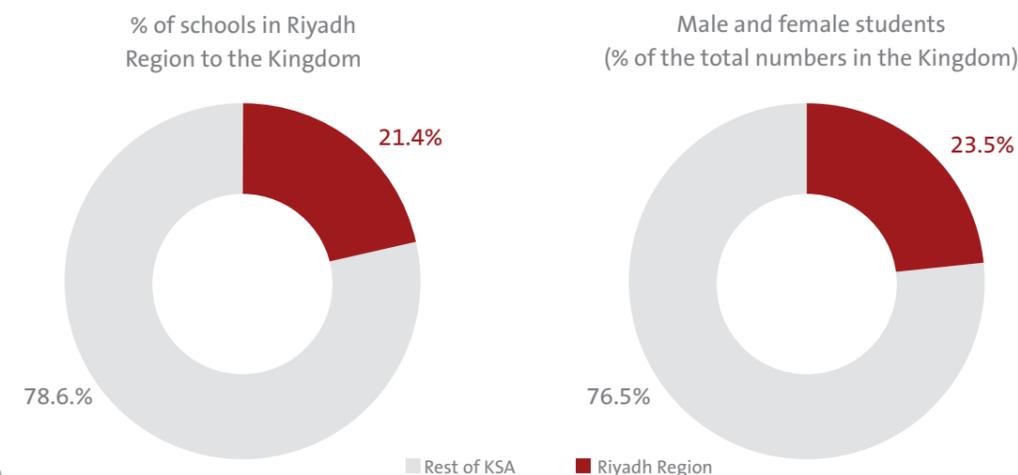
The total number of schools in various education stages in Riyadh amounted in 2013 to 9,021, including 7,445 schools affiliated to the Ministry of Education and 1,576 private and other schools, representing about 17.5% of the total number of schools in the Region. The total number of male and female students in all public stages amounted to 1.55 million, including 1.26 million in the schools of the Ministry of Education and 293 thousands in private schools, representing 18.9% of the total number of students, males and females.

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

	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	5,519	5,926	7,323	7,445	4.4 %	21.4 %
Total number of classrooms for all stages	41,338	43,188	60,153	59,538	5.6 %	23.4 %
Total number of male and female students (,000)	925	962	1,241	1,261	4.5 %	23.5 %
Total number of teachers (,000)	85	92	116	122	5.5 %	23.2 %

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

The indicators of governmental general education in the region show that the government-run educational services need to be increased as the rates of schools, classrooms and male and female teachers in Riyadh were estimated in 2013 at 21.4%, 23.4% and 23.2%, respectively, of the total numbers in the Kingdom; while the rate of male and female students in the region was around 23.5% of the total numbers in the Kingdom.



Higher Education

There are eight universities in Riyadh Region affiliated to the Ministry of Higher Education:

- 1. Imam Mohamed bin Saud Islamic University:** Its main center is in Riyadh city. There are 11 faculties in the university of which 5 are in Riyadh and 6 in the regions of Qassim, Ihsa, South and Madina Almonawara. The university includes also two higher institutes in Riyadh, one for judiciary and the other for Arabic language for non-Arabic speakers. It includes also and six institutes outside Riyadh for Islamic sciences and Arabic language and 60 Islamic institutes located in the different cities of the Kingdom.
- 2. King Saud University:** Its main center is in Riyadh and it includes 23 colleges of different scientific, arts and humanities disciplines.
- 3. King Saud bin Abdulaziz University for Health Sciences:** Its main campus is in Riyadh and it includes 13 faculties, some of them in Riyadh and others in other cities in the Kingdom. It includes wide range of scientific specialties such as medicine, dentistry, pharmacology, nursing, health sciences and professions and applied medical sciences.
- 4. University of Princess Noura Bint Abdulrahman for Women:** One of the most modern universities in the Kingdom. It is located in the east of Riyadh city. It has 15 faculties including a wide range of scientific and literary disciplines, which are: Faculty of Medicine, Dentistry, Pharmacy, Health and Rehabilitation Sciences, Nursing, Sciences, Computer Sciences and Information, Art and Design, College of Arts, Business and Administration, Education, Languages and Translation, Social Service and Community.
- 5. Prince Salman bin Abdulaziz University, Al-Kharj:** It includes a number of faculties for male and female students such as the Faculty of Medicine, Dentistry, and others.
- 6. Al-Mujamaa' University:** Located in Al-Mujamaa' city and includes different faculties for scientific, literary and humanities.
- 7. Shagra University:** Located in Shagra city and has many community faculties distributed in cities of the Region.
- 8. Saudi Electronic University:** It is located in Riyadh city and includes the Faculty of Administration and Finance, Computer Technology and Information and Health Faculty.

There are male and female education and teachers colleges in most of the cities of the Region in addition to the health colleges and institutes, which are affiliated to the Ministry of Health. There are also technological colleges under the control of the General Organization for Technical and Vocational Training (GOTVT).

There are 5 private universities in Riyadh, which are: Prince Sultan University, which includes a number of colleges for marketing, finance, accounting, computer and Information Technology,

Interior Design, Computer Sciences, English language, Translation, Law (female only). In addition to the Dar Al Aloom University, Al Faisal University, Al Yamama University and Arab Open University.

The number of male and female students enrolled in the universities in 2013 amounted to 330 male and female students. The number of graduates (male and female) was about 44 thousand. The number of the higher education staff in the Region in 2013 reached about 19 professors, lectures, demonstrators and teachers.

Technical education, vocational training and specialized institutes

In addition to the technological colleges, there are other private technical facilities and institutes in Riyadh Region. As in other regions of the Kingdom, the General Organization for Technical and Vocational Training (GOTVT) implements a program in Riyadh for joint training in specific professions, to better meet the actual needs of the labor market. The number of GOTVT technical colleges and vocational institutes in the Region reached in 2012 over 25 facilities and the number of number of students in the colleges and institutes of GOTVT in the academic year 2012 reached more than 20 thousand in Riyadh, representing about 22% of the total number of trainees in all the regions of the Kingdom.

Teacher-student ratio compared to total average of the Kingdom:

Riyadh: primary stage (1:11.0), intermediate stage (1:10.2) and secondary stage (1: 11.5).

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 numbers of male and female teachers in Riyadh Region in the intermediate and secondary stages need to be increased.

2.7 Indicators of health services in Riyadh region

There are 435 health-care centers, 46 government hospitals affiliated to the Ministry of Health, including 7,473 beds, in addition to King Khalid University Hospital in Riyadh (759 beds), King Abdul Aziz University Hospital in Riyadh (96 beds), King Faisal Specialized Hospital (758 beds) in addition to the Armed Forces, National Guard and Security Forces hospitals.

The health services provided by the private sector in Riyadh region include 32 private hospitals with 4,109 beds capacity, 749 medical centers and medical complexes, 47 clinics, 32 medical laboratories, 26 physiotherapy centers, 1,973 pharmacies, 701 optics shops and 240 pharmaceutical repositories.

Development of Health Services in Riyadh Region *

	2008	2009	2010	2011	2012	Ratio to total number in KSA in 2012
Ministry of Health Services:						
Health centers	363	377	399	401	435	19.3%
Visits to centers (,000)	9,714	10,195	9,758	8,903	8,228	15.4%
Laboratory tests made in the centers (,000)	1,331	1,343	1,106	929	521	8.3%
Hospitals	42	44	44	45	46	17.8%
Hospital beds	6,074	6,981	7,171	7,322	7,473	20.9%
Hospital doctors	3,759	3,805	4,681	5m250	5,529	21.1%
Outpatient visits (,000)	2,064	2,008	2,095	2,019	2,056	17.6%
Inpatients (,000)	264	255	290	282	246	14.6%
Surgical operations (,000)	92	97	97	81	97	21.5%
Private sector services:						
Medical centers	758	758	758	686	749	34.5%
Clinics	72	48	46	46	47	23.7%
Private hospitals	26	27	30	31	32	23.4%
Private hospitals beds	2848	2,878	3,645	3,852	4,109	29.0%
Inpatients in private hospitals (,000)	245	210	180	180	180	20.5%
Private laboratories	19	20	21	20	32	32.7%
Physiotherapy centers	25	16	18	19	26	32.5%
Optics sops	633	566	614	627	701	36.6%
Pharmacies	1,924	1,924	1,762	1,804	1,973	28.4%

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

Indicators of health services in Riyadh compared to overall average of the Kingdom

Bed-to-people ratio for Riyadh Region = (1: 631); overall average bed-to-people ratio for the Kingdom = (1:584).

Physician-to-people ratio for Riyadh Region = (1:613); overall average Physician-to-people ratio for the Kingdom = (1:603).

Comparing the indicators of health services in Riyadh with the average of the Kingdom, it is noted that they are lower than overall average of the Kingdom as shown by the indicators above, which show that health services in the region need to be increased in terms of numbers of hospitals and 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 (million)	5.7	6.5	7.3
Region Population ratio to total of Kingdom	24.2 %	24.6 %	25.0%
GDP* of the Kingdom at current prices (in billion riyals)	1,172	1,596	2,731
GDP* of the Kingdom without crude oil and natural gas (in billion riyals)	604	995	1,429
Region GDP* (in billion riyals)	174	305	417
Region portion of GDP of the Kingdom	15 %	19.1 %	15.3%
Region portion of GDP of the Kingdom without oil and gas	29.2 %	30.7 %	29.2%
Per capita GDP in Riyadh (000' SR)	31	47	58

Source: Riyadh Economic Report for 2007 and 2010 (prepared by SAGIA).

3.2 Export Indicators

	2005*	2009	2012
Total value of exports of the Kingdom (billion riyals)	666	697	1457
Value of exports of the Kingdom without crude oil (billion riyals)	152	164	284
Value of exports of the Region (billion riyals)	6.2	11.3	18
Region share of total exports of the Kingdom	1 %	1.6 %	1.2%
Region share of total exports of the Kingdom without crude oil	4.1 %	6.9 %	6.3%
Relative distribution of the exports of the Region:			
Chemical and petrochemical products	24%	19%	35%
Metal industries products	12%	17%	16%
Food industry products	24%	29%	22%
Electrical devices and equipment	13%	7%	11%
Paper and Paper products	4%	4%	4%
Textile, mouquette and cloths products	5%	3%	2%
Glass products	4%	2%	2%
Other products	14%	19%	8%

Source: Riyadh Economic Report for 2007 and 2010 (prepared by SAGIA).

3.3 Infrastructure Indicators

	2005*	2009	2012
Total lengths of paved roads (km)	11,040	15,782	18,777
Length of agricultural and earth roads (km)	10,926	12,867	14,802
Number of storage reservoirs and rain and flood water control dams	46	67	72
Power generating capacity (MW)		8.8	11
Electricity coverage in the Region	98%	99%	100%
Number of fixed telephone lines (thousand)	1.1	1.2	1.4
Number of mobile telephone lines (thousand)	1.3		
Number of digital subscriber lines / DSL	21		
Number of central post offices	93	93	106
Number of branch post offices	16	16	16
Number of mail agents	36	36	30
Number of mailboxes (thousand)	130	134	206

* Source: Economic Report of Riyadh for 2007 and 2010 (Prepared by (SAGIA).

3.4 Economic Sectors Indicators

	2005*	2009	2013
Industry:			
Total number of factories	1449	1707	2817
Total funding in industry (in billion riyals)	46	62	101
Region's share of total industrial investments in the Kingdom	15.4 %	16 %	11.6%
Sector's contribution to GDP of the Region	53.9 %	35.2 %	32.7%
Agricultural sector:			
	2005	2009	2011
Wheat production (thousand tons)	546	157	189
Barely production (thousand tons)	10	4.0	3.9
Green fodder production (thousand tons)	1179	1432	1947
Vegetables (thousand tons)	1234	1131	1320
Dates production (thousand tons)	223	231	254
Fruits production (thousand tons)	284	298	336
Sector's contribution to GDP of the Region	6.3 %	5.4%	4.2%

* Source: Economic Report of Riyadh for 2007 and 2010 (Prepared by (SAGIA).

3.5 Education and Health Services Indicators

	2005*	2009	2012
Public Education:			
Teacher - student ratio in primary stage	1 / 11.22	1 / 10.70	1 / 11.00
Teacher - student ratio in intermediate stage	1 / 10.76	1 / 10.23	1 / 10.20
Teacher - student ratio in secondary stage	1 / 11.69	1 / 11.30	1 / 11.50
Higher Education:			
Number of universities of Ministry of Higher Education	3	6	8
Number of private universities	3	5	5
Total number enrolled in public universities (in thousands)	99	311	330
Health services:			
Bed – patient ratio	1 / 667	1 / 682	1 / 631
Physician – patient ratio	1 / 443	1 / 662	1 / 613

* Source: Economic Report of Riyadh for 2007 and 2010 (Prepared by SAGIA).



Part IV
Investment
Opportunities in
Riyadh Region

Part IV: Investment Opportunities in Riyadh Region

According to what has been reviewed above on Riyadh region, and pursuant to the available information and future development plans of the region, following are the most important investment opportunities and large projects, which investors can study in detail and make sure of their economic feasibility to begin their implementation:

4.1 Investment Opportunities in Large-sized Enterprises

Opportunity No (1)	Develop the northern suburb of Riyadh
Project justifications	This project will create many investment opportunities for activities of science and technology industries as well as for research sector. The volume of investments needed to develop the suburb is estimated at 270 billion riyals.
Target market	Real estate development companies, banks, international companies and citizens of Riyadh and other regions.
Economic impact	Creating new job opportunities; increasing per capita GDP in the region and increasing the Kingdom's exports.
Opportunity No (2)	Power generation projects
Project justifications	As planned for the large eastern and northern expansions of the city of Riyadh, it will be necessary to provide electrical energy due to the expected increase in consumption and demand. Therefore, this investment opportunity is to build gas-operated power plants with the support and backing of the Saudi Electricity Company.
Target market	Higher demand for energy and meeting the development and expansion requirements
Economic impact	People of the city of Riyadh and its industrial, commercial and residential infrastructure. Creating new job opportunities and increasing the national income.
Opportunity No (3)	Projects in overall pharmaceutical industry (human, veterinary, serums, lotions, ointments, eye and nose drops, and medical advanced equipment and supplies), microscopes, and advanced medical laboratories.
Justifications	high demand for these industries, transfer of these important industries and achieving self-sufficiency
Target market	hospitals, clinics and all health facilities as well as export
Economic impact	Self-sufficiency, creating new job opportunities, increasing per capita GDP of the region, diversifying the national economy, exporting, later, to support the balance of payments.
Opportunity No (4)	Projects for transferring computer, satellites technologies and communications and telescopes industries
Justifications	Bad need to catch up with advanced high-tech industries; transfer industries to the country export.
Target market	Population and companies operating in the city of Riyadh and export
Economic impact	Diversification of sources of national income, creating new job opportunities increasing per capita GDP of the region

4.2 Investment Opportunities in medium-sized enterprises

Opportunity No (1)	Factory for the production of flat glass for buildings and cars
Justifications	Domestic demand, increased imports of the Kingdom, and availability of raw materials (silica sand)
Target market	Domestic market and regional and international export markets
Economic impact	Creating new job opportunities, increasing the value of Saudi exports and increasing the per capita GDP of the region
Opportunity No (2)	Factory for the production of rubber belts used for cars, trucks and heavy equipment
Justifications	High domestic demand, no domestic production, large volume of imports, and raw materials are available locally
Target market	Merchants and markets of car spare parts
Economic impact	Creating new jobs, increasing the per capita GDP of the region and reducing imports of this product
Opportunity No (3)	Manufacture of electric motors (for air-conditioners, washing machines, fans, other electrical devices)
Justifications	Increased imports of the Kingdom and manufacturing potential and many raw materials are available
Target market	Domestic market, regional and international export markets
Economic impact	Creating new job opportunities, increasing the value of Saudi exports, and increasing per capita GDP of the region
Opportunity No (4)	Factory for the production of front and rear lighting units of cars
Justifications	High domestic demand, no domestic production, large volume of imports, raw materials are available locally .
Target market	Merchants and markets of cars and vehicles spare parts
Economic impact	Creating new jobs, increasing the per capita GDP of the region and reducing the imports of these products

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