

# SAUDI ARABIA

## The kingdom's bold new world

As the Middle Eastern giant resets its foundations, vast new investment opportunities abound in everything from industry to culture

Saudi Arabia may be able to trace its roots back to the earliest civilizations of the Arabian peninsula, but for centuries the vast country remained somewhat of a sleeping giant on the global stage. That all began to change in 2016, when the kingdom launched a transformational blueprint for its future in the form of the Saudi Vision 2030 development plan.

At the very heart of the strategy was a determination to ensure the country is no longer solely reliant on the oil and gas sector. Vision 2030 laid out a clear pathway to actively diversify the economy, opening up opportunities in sectors such as tourism, agriculture and technology. In the years that have passed since the initiative was unveiled, Saudi Arabia has emerged as a thriving hub for business and commerce and is rapidly cementing its position as a central player in the worldwide economy.

"Our vision is to become a global investment powerhouse. Our nation holds strong investment capabilities, which we will harness to stimulate our economy and diversify our revenues," revealed Crown Prince Mohammed bin Salman when discussing his vision for Saudi Arabia's future back in 2016.

"We are determined to reinforce and diversify the capabilities of our economy, turning our key strengths into enabling tools for a fully diversified future. Our geographic position between key global waterways, makes the Kingdom of Saudi Arabia an epicenter of trade and the gateway to the world." These bold statements have turned into reality over the past several years as Saudi Arabia has made significant investments in its infrastructure and business environment, with a specific focus on attracting foreign investment and supporting the growth of domestic businesses.

The kingdom has established several special economic zones, including the King Abdullah Economic City, which are designed to provide investors with access to support services within world-class facilities. The country has also evolved into a major node for innovation and technology, thanks to huge investment in universities and research institutions.

Programs have been launched that are dedicated to growing tourism, promoting culture and harnessing the power of clean energy. These areas are now all providing ample investment opportunities. Furthermore, Saudi Arabia established a National Incentives Committee in 2022 that offers enticing tax relief, discounts on



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CROWN PRINCE MOHAMMED BIN SALMAN

**"Our vision is to become a global investment powerhouse. Our nation holds strong investment capabilities, which we will harness to stimulate our economy."**

government fees and subsidies on investments across various sectors.

By attracting significant investment, Saudi Arabia has gone a long way toward meeting its goals of creating a vibrant society and a thriving economy. It is also helping the kingdom to realize some of the most awe-inspiring development schemes in the world, which is particu-

larly true of the numerous gigaprojects that are being created across the country.

While these are largely funded by Saudi Arabia's Public Investment Fund, it was confirmed in 2019 that the country would seek to attract \$429 billion in private investment over a 10-year period to fund a vast infrastructure program that includes roads, railways, power plants and airports. These developments are also aiding the country's drive to become a tourism hotspot. Saudi Arabia has already attracted about \$13 billion in private sector investments into its tourism industry, as it aims to welcome 150 million visitors annually by 2030 — with a central focus being high-spending travelers from the US, China and Europe — and to add around 200,000 hotel rooms to its offering in the next two years alone.

The government wants to draw in as much as \$80 billion in private investment into tour-

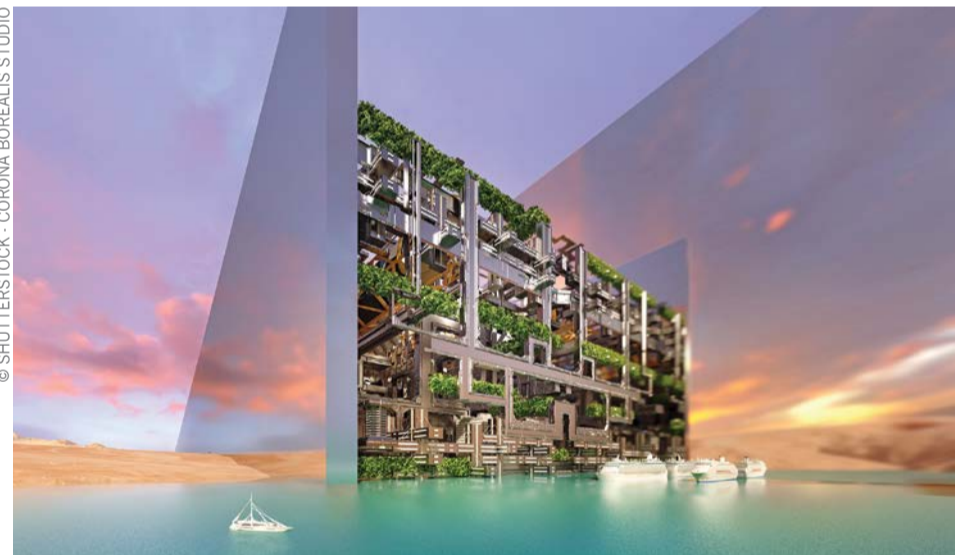
ism by 2030 and is planning to spend some \$800 billion of its own on the industry over the next decade.

Recognizing the need to make investing in Saudi Arabia as attractive as possible, the Ministry of Tourism has launched the Tourism Investment Enablers Program, which is designed to lower investment barriers, reduce government fees by 22% and offers various other incentives.

With the cost of doing business significantly lowered and the regulatory landscape now much more easily navigated, Saudi Arabia has created a fertile ground for investors to prosper. Progress in this direction is set to carry on for many years to come, with more streamlined investment processes and incentives coming on line that will help to continue the country's transformation into one of the most investor-friendly environments worldwide.



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## Creating tomorrow's sustainable cities today

Inspirational projects such as New Murabba and Neom will revolutionize the country's landscape and quality of life for their residents

One of the key objectives of the Saudi Vision 2030 plan is revolutionizing the landscape of cities and their surrounding areas. This is being achieved through numerous pioneering projects that are of such scale and ambition that it is difficult to comprehend just how different Saudi Arabia will look in the next six years.

Designed to stimulate the economy, with benefits that are expected to expand significant-

ly beyond the real estate and infrastructure sectors, the list of gigaprojects continues to grow and demonstrates the aspirational nature of Saudi Arabia's leaders.

Perhaps the most ambitious of all is Neom, a \$500-billion project in the northwest of the kingdom that will be powered entirely by clean energy. First unveiled by Crown Prince Mohammed bin Salman in 2017, it seeks to challenge the traditional concept of cities and lifestyle.

Neom currently encompasses 11 sub-projects, which include The Line, a 70-kilometer-long city that will eventually be home to around 9 million people as well as, for instance, a luxury eco-tourism destination named Zardud that will cover 4 square kilometers and will be filled with native plants and animals.

Innovation will also be at the center of Neom, with shared autonomous and electric shuttles providing on-demand travel for residents, along with urban air mobility and a high-speed underground transit system. That means there will be no cars and no traditional roads.

"If we are to solve the challenges of tomorrow, we must face up to them today, no matter how difficult they may seem," explains Nadhmi Al Nasr, Neom's CEO.

"We are addressing some of the most pressing challenges facing humanity by bringing together a community of the brightest minds committed to reimagining what a sustainable future will look like in 20 to 30 years, and building it today."

Similarly, Saudi Arabia is reimagining what the downtown area of a major city can look like with its New Murabba development. Located at the intersection of King Salman and King Kha-

lid roads in the kingdom's capital, Riyadh, it will house 104,000 homes, more than 9,000 hotel rooms and vast retail space.

It is also being built around the concept of sustainability and will feature green areas as well as walking and cycling paths. The project will include a museum, a technology and design university, a multipurpose theater and more than 80 cultural and entertainment venues.

At the heart of the project will be a huge cube structure called Mukaab. Inspired by the country's traditional Najdi architectural style, it will offer a range of retail, cultural and tourist attractions, including an immersive experience that utilizes cutting-edge technologies and the latest holographics.

"New Murabba isn't just about transforming a region in Riyadh, we're redefining the entire concept of a modern downtown," Michael Dyke, CEO of New Murabba, believes.

"Our vision is to create a place where vibrant communities live, work and thrive, where everything is within easy reach. New Murabba has become so much more than a typical urban development by focusing on quality of life and a better future whilst acting as a gateway to another world."

### STRATEGIC SECTORS DRIVING NEW INVESTMENT



**Clean tech:** Increased production of hydrogen and electric vehicles



**Healthcare:** There's a growing demand for quality healthcare services



**Hospitality:** An additional 500,000 hotel rooms are needed by 2030



**Energy:** Oil production still factors heavily in the nation's economic plan



**Real Estate:** Foreign investment reached \$19 billion in 2023



**Construction:** Numerous ambitious urban developments are underway



**Tourism:** Saudi Arabia aims to attract 150 million visitors a year by 2030



**Transportation:** Plans are in place to expand King Salman International Airport



**Mining:** Saudi Arabia possesses mineral resources worth \$1.3 trillion



**Logistics:** The kingdom is at the crossroads of three continents



# Saudi capital markets are powering economic expansion

International investment is flooding into Saudi Exchange, which has quickly become one of the 10-largest stock exchanges in the world by market capitalization and IPOs

Initially formed in the 1950s, Saudi Arabia's Capital Market Authority (CMA) is tasked with regulating, supervising and developing the country's capital markets. Its objectives are to constantly strive to improve the investment environment; to boost confidence and reinforce transparency and disclosure standards in all listed companies; and to ensure investors and dealers are protected.

"2023 was a year of achievements we take pride in," according to CMA's chairman, Mohammed bin Abdullah El-Kuwaiz. Among other measures, the CMA introduced enhanced rules for foreign investment in securities in order to stimulate investment, increase market attractiveness and promote the country's international competitiveness.

Last year also saw foreign investment in the Saudi capital markets reach unprecedented levels, with net foreign investments expanding to \$52.8 billion, an increase of 7.7% compared to 2022. Additionally, the country welcomed 43 new listings to its capital markets, 79% higher than its target for 2023, with El-Kuwaiz noting: "The total value of initial public offerings, private placements and right issues amounted to \$5.28 billion."

MOHAMMED AL-RUMAIH  
CEO, SAUDI EXCHANGE

**"The significance of the US market cannot be overstated for any global capital market and this holds true for us as an exchange."**

As a result of CMA's efforts, the kingdom has positioned itself at the top of several global financial market indicators, ranking first among G20 countries in the Board of Directors Index and second in the Ease of Access to Financial Markets Index, for example.

At the center of the country's capital market ecosystem is Saudi Arabia's rapidly expanding stock exchange — Saudi Exchange — which is fully aligned with international standards to guarantee transparency and strong investor protection measures.

Saudi Exchange was first opened up to qualified foreign investors (QFIs) in 2015 and the criteria for QFI status have been progressively relaxed to encourage more foreign participation ever since then. Similarly, the exchange's inclusion in leading international indices, such as the MSCI Emerging Markets Index and the FTSE Russell Emerging Markets Index, has increased its visibility and attractiveness to global investors.

This has helped the stock exchange to quickly become the largest in the Middle East and North Africa and one of the 10 biggest globally by market capitalization. Earlier this year, it celebrated its 400th listing across all securities and there are plans in place to further enhance the kingdom's capital market infrastructure by diversifying Saudi Exchange's portfolio of products and services.

"In recent years, we have witnessed a surge in initial public offerings (IPOs), propelling us to be ranked among the top-10 exchanges in the world both in terms of the number and size of IPOs. In 2023, we welcomed more than 35 listings and this year there is no sign of the number slowing down," reveals Mohammed Al-Rumaih, CEO at Saudi Exchange.

"We play a pivotal role as a vital hub connecting markets from the east to the west, connecting global investors with opportunities within the MENA region and more specifically in Saudi Arabia. As an exchange, we're focused on developing a world-class capital market experience for issuers and investors, and a key component of this is ensuring our infrastructure, services and products are as technologically advanced and sophisticated as possible."

With ambitions to further extend its presence on the international financial stage, Saudi Exchange hopes to build on the country's commitment to strengthening ties with the US. Not only will this help in terms of its worldwide recognition but it will ensure that more strategic alliances are fostered.

"The significance of the US market cannot be overstated for any global capital market and this holds true for us as an exchange," states Al-Rumaih. "Since the launch of our QFI program, the US has been our primary destination for attracting investors, particularly institution-



Saudi Exchange is located in Riyadh's iconic King Abdullah Financial District



Mohammed bin Abdullah El-Kuwaiz  
Chairman, Capital Market Authority



Mohammed Al-Rumaih  
CEO, Saudi Exchange

al investors who have become key players in our market.

"Our proactive engagement includes regular investor-targeting road shows in collaboration with major American investment banks such as JP Morgan, Morgan Stanley and Merrill Lynch, all of which rank among the most active brokers in the Saudi market. As part of our continuous collaboration, we look forward to introducing new products that can help us gather insights from American institutional investors."

With the CMA working hard to raise the attractiveness and efficiency of the kingdom's capital market and further develop the financial sector, it is an exciting time for Al-Rumaih who foresees a bright future for the Saudi Exchange. "We are ambitiously striving to enhance our

market presence in the Saudi economy. Our strategic aims include positioning ourselves as the focal point for capital formation, extending beyond Saudi Arabia to encompass the MENA region," he concludes.

"Additionally, as the world transitions to net zero, we have invested and become a partner in the Voluntary Carbon Market, established in partnership with the Public Investment Fund. Furthermore, our strategy involves enhancing the growth of our equity market by introducing a broader range of derivative products.

"We aim to expand our existing index franchise within the comprehensive market data product portfolio. These initiatives form part of our seven growth pillars and provide a glimpse into our near-term focus."

# A land of investment opportunities

anb capital is at the forefront of the Saudi capital markets

One of the leading investment banks in Saudi Arabia, anb capital is active across the entire spectrum of capital market activity, from brokerage in local and international markets, to investment management, investment banking and alternative investments. In the following interview, anb capital's CEO, Khalid S. Al-Ghamdi, provides an insight into the evolving Saudi investment environment.

**How is Saudi Arabia's unprecedented economic transformation shaping the role of investment banks in the country?**

The Saudi growth story has only just begun. Estimates indicate that projects underway in the country require in excess of \$1 trillion of funding up to 2030. With the banking sector's loan-to-deposit ratio already at 100%, there will be a funding gap that will have to be bridged by the capital markets. For example, we foresee AT-1 issuances by banks to increase their lending capacity and activity in equity issuances, securitizations and bond issuances. Of course,

KHALID S. AL-GHAMDI  
CEO, ANB CAPITAL

**"This year we launched our Digital and IT Equity Fund, which is Saudi Arabia's first thematic fund focused on that sector."**

there are challenges ahead. Hybrid capital and private credit markets are still to develop in Saudi Arabia. In this context, taking markets forward also means convincing investors and institutions to invest in or lend to projects that contribute to the diversification of the economy. Investment banks will play a critical role in this by leading the evolution of capital markets, not only to fund projects, but also for investors to realize value.

**The Saudi stock market is now the 11th-largest globally. How much interest does it offer to international investors?**

A seismic shift has taken place in the Saudi capital markets since 2019 with the inclusion of our stock exchange in MSCI and FTSE indices. In 2018, the volume traded on the Saudi Exchange by qualified foreign investors (QFIs) was \$14 billion or 3% of total. In 2023, this figure reached \$132 billion or about 19% of total. The regulatory environment has also been encouraging, with access to the exchange for for-



Khalid S. Al-Ghamdi  
CEO, anb capital

eign investors becoming easier. Saudi Arabia is one of the world's most exciting and dynamic markets, and potentially the only true land of opportunity right now. We see global interest in our country, with businesspeople, investors and tourists from all over the world pouring in.

**Founded in 2008, what are some of the ways in which anb capital is advancing Saudi Arabia's investment sphere?**

We've experienced a revitalization in recent years, more than tripling our bottom line and investing heavily in our people and infrastructure. We have also brought in new products. For example, this year we launched our Digital and IT Equity Fund, which is Saudi Arabia's first thematic fund focused on that sector. This fund fully dovetails with the objectives of Vision 2030, where we have seen IT-driven transformations across all public sectors that have fundamentally changed how the country operates.

We have also greatly expanded our asset management product offering, with four new funds and investment strategies launched in 2023. We have launched our first private equity funds as well, while our successes in real estate are unparalleled. Furthermore, we've gained traction in investment banking, with some of the country's largest corporates and institutions as our clients.

**anb capital**  
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Saudi Arabia has positioned itself as a regional hub for financial services

# Highly conducive environment for investors

Investment potential is abundant in one of the world's most dynamic financial sectors

A key pillar of the Saudi Vision 2030 framework is the Financial Sector Development Program (FSDP), which was launched in 2018 with a goal of building a thriving and innovative financial ecosystem.

Since then, the industry has experienced "a remarkable transformation," says Mohammed Al-Rumaih, CEO of the kingdom's stock exchange. "This initiative places emphasis on bolstering both equity and debt markets, aiming to fortify financial institutions in the kingdom, enhance competitiveness and propel the growth and advancement of the overall financial sector in Saudi Arabia. It's been a very rewarding journey."

Alongside many other reforms that have been undertaken to make the country more business friendly, the extensive modernization and expansion of the Saudi financial sector is helping to draw in a constantly increasing number of international investors — in the fourth quarter of 2023, for instance, net inflows of foreign direct investment reached \$3.49 billion, 16% up from the previous quarter.

Saudi Exchange has been a central player in this success. "We've taken significant steps to support the FSDP by improving our market infrastructure, thereby unlocking opportunities for all market stakeholders, including global investors and issuers," the CEO asserts. "We've emerged as one of the largest capital markets

for attracting foreign investment, ranking as the second-largest emerging market in net inflows. We have been consistently recording growing net inflows of investors and amounts invested every year, and we anticipate this will carry on.

"This is attributed to our ongoing evolution, advancements in our tools and the continuous improvement of our infrastructure.

"Saudi Arabia's transformation is gaining momentum and credibility. Investors are witnessing the changes taking place and are increasingly attracted to take part in the country's surge toward becoming a significant player on the world stage."

One recent highlight on the exchange for domestic and international investors came in June this year, with its first initial public offering for a fintech company: Rasan. The Saudi startup that has created an extremely popular online insurance aggregator raised more than \$224 million in a listing that was 129 times oversubscribed, giving it a market capitalization of almost \$1 billion.

Rasan is one of around 200 fintech startups with potential in Saudi Arabia and the country is working hard to foster the growth of this ecosystem that more than doubled in size between 2022 and 2023. That expansion not only aligns with the kingdom's strategy to position itself as a regional financial hub by 2030, but it presents exciting opportunities for international investors in fintech.

# Experts in boutique investment banking

GIB Capital is a preferred supplier of innovative and customized solutions for many investors

Saudi Arabia contains local experts in various fields that stand ready to introduce investors to the country and facilitate their access to the market. One prominent example is GIB Capital. Set up as a subsidiary of the Gulf International Bank Group in 2008, it has extensive experience of providing government-related entities, institutions, family businesses and investors with a comprehensive range of financial and investment banking solutions across Saudi Arabia and other Gulf nations.

Since the 1990s, GIB Group has been a leading player in the region's equity capital markets — in terms of taking companies public or private, mergers and acquisitions and project financing — as well as in debt capital market and debt advisory services. Its subsidiary continues to be at the forefront of those sectors. "In addition, we started offering asset management services in 2017 and have developed an alternative investment business, focusing on private equity, real estate funds and development funds. We have also developed a brokerage business providing services to retail and institutional clients. Within this, our research services cover companies that are not widely covered by other analysts, shedding light on little-known opportunities," explains GIB Capital's CEO, Osamah Mohammed Shaker. "Our capabilities in all our areas of expertise are constantly expanding. In asset management, for example, we've recently beefed up our capability in fixed-income investment solutions."

OSAMAH MOHAMMED SHAKER  
CEO, GIB CAPITAL

**"We choose our clients and the services we offer them carefully, investing time to understand exactly what a client's specific needs are."**

GIB Capital is renowned for its customized services. "We're a boutique investment bank that is focused on particular areas where we have exceptional expertise and track record. We choose our clients and the services we offer them carefully, investing time to understand exactly what a client's specific needs are. That has made us a preferred financial partner, as evidenced by our high number of repeat clients," Shaker states. The company is also an innovator, he adds: "We have been the first Saudi service or advice provider for many solutions and projects. We strive to go into challenging territories and think about them from all angles before devising viable solutions."

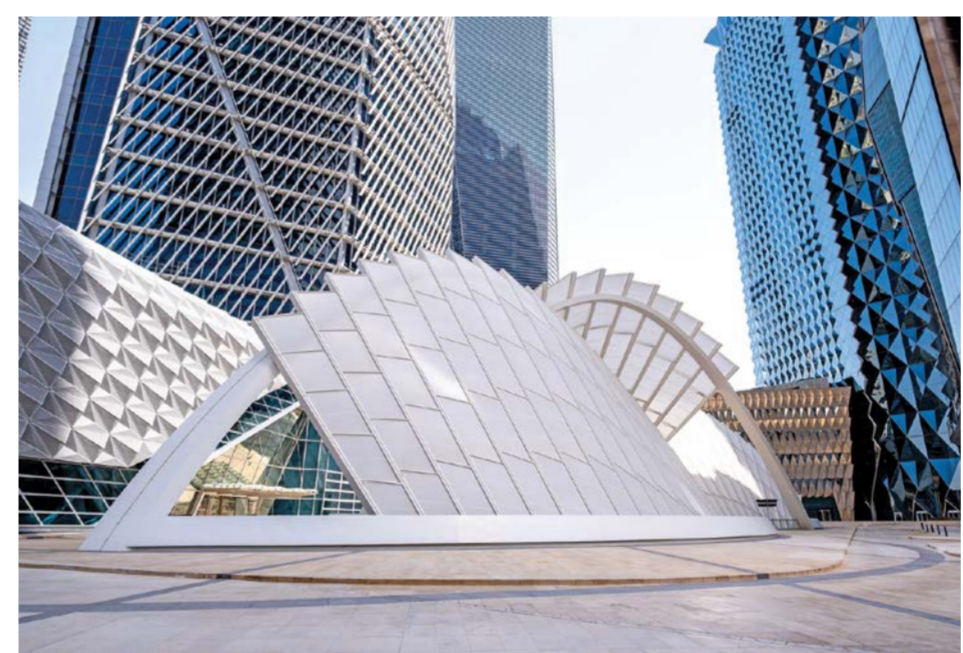


Osamah Mohammed Shaker  
CEO, GIB Capital

Despite being a boutique operator, GIB Capital employs one of the biggest investment banking teams in Saudi Arabia. "We probably have the largest pool of intellectual minds under one roof, all of them are in Riyadh," he asserts. "There is a large pool of smart young people to choose from in Saudi Arabia, as the education system has improved significantly and the government has embarked on a major postgraduate sponsorship program." The GIB Group is also nurturing local talent through, for instance, its Jammaz Al-Suhami development program for promising graduates.

According to the CEO, the country's young, talented population offers substantial opportunities to investors, as do other resources across the vast nation. As an illustration, he highlights the diverse geographies and climates that make it a potential tourist destination all year long. "Saudi Arabia is now tapping into its many natural, historical and religious attractions for tourists for the very first time. We're analyzing the rest of the world's best practices and are starting from there to develop major tourism infrastructure projects that are the best of the best," he states. "GIB Capital aims to bridge the gap between international investors and local demand to finance these projects by creating vehicles that enable investors to take part in this substantial growth area."

In order to encourage tourism, the government has reformed Saudi Arabia's visa systems, Shaker notes: "It's quite probably one of the easiest countries to get a visit visa for now. That's key, because one of the first things any potential investor should do is come to Saudi Arabia and see for themselves the huge investments and projects that are taking place as part of Saudi Vision 2030."



The award-winning King Abdullah Financial District has redefined the capital

# Hub for fintech innovation

Saudi Arabia has established itself as a regional leader in digital financial services

The top priorities of the Saudi Financial Sector Development Program that was initiated in 2018 are innovation and investment in talent and technology. By focusing on those priorities, the kingdom has modernized and digitalized the entire sector, and turned itself into a dynamic frontrunner in digital financial services and the leading fintech hub within the Middle East and North Africa.

Probably the most important contributor to this achievement is Fintech Saudi, which was established in 2018 by the Capital Market Authority and the Saudi Central Bank. This organization and its parents have launched numerous initiatives that are nurturing fintech innovation and entrepreneurs in the sector, including a startup accelerator, an innovation hub and a regulatory sandbox to test new technologies.

As a result of programs like this, the number of fintech startups in the country has grown twenty times since 2018, with 216 operating in the kingdom at the end of 2023 that were employing over 6,500 people.

Those startups also have sufficient financing and support available to ensure their growth. The country ranks second among G20 nations in the Venture Capital Index, with nearly \$2 billion having been invested into Saudi fintech startups to date, while three entirely digital new banks have been awarded licenses.

Startups, traditional financial institutions and authorities have formed a highly collaborative fintech ecosystem that has allowed online banking, mobile apps and digital wallets to

become integral features of the Saudi banking experience for all clients. Banks throughout Saudi Arabia are, for instance, introducing cutting-edge technologies to improve the customer experience, ranging from chatbots powered by artificial intelligence to customized financial recommendations based on big-data analytics.

All other financial service providers have also embraced the digital revolution, not least the national stock exchange, which invests heavily to guarantee that its services, products and systems are the most technologically advanced on the market.

"We have a long-standing relationship with Nasdaq, which has been our strategic and technology partner since the inception of the Saudi Exchange. It has provided us with the technology required for our trading systems, as well as enabled us to launch our Post-Trade Infrastructure Program in 2022, which was the biggest bundle of post-trade enhancements in the history of the Saudi capital market," states Saudi Exchange's CEO Mohammed Al-Rumaih.

This program enabled the exchange to launch new financial instruments and facilitate access to them for both local and foreign investors. "For instance, we introduced single stock futures in response to increased demand from international investors seeking diversified offerings and hedging tools in the Saudi capital market," Al-Rumaih explains.

"We continue to value our relationship with Nasdaq and look forward to further enhancing the Saudi capital market through cooperation and collaboration with it and other US partners."

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The kingdom has made vast investments in cutting-edge digital infrastructure

## Leading the way in tech advancements

Described as the Middle East's Silicon Valley, Saudi Arabia's rich technology ecosystem includes tech giants and local innovators

As technology continues to advance at an unprecedented pace and drive significant change across numerous global industries, it has become essential for businesses to embrace innovation and stay ahead of the curve. That has certainly happened in Saudi Arabia, where the government, companies and society have a clear understanding of the importance of leveraging the digital transformation.

The country has made significant investment in groundbreaking new technologies and digital infrastructure that have propelled it to the forefront of innovation and turned it into an emerging cutting-edge technology hub.

It has also contributed to Saudi Arabia attracting more than \$9 billion in technology-based foreign direct investments in recent years, with global leaders such as Microsoft and Oracle committed to working in the country.

These tech giants also benefit from the kingdom's young, tech-savvy population that not only has a strong appetite for digital products and services, but which offers potential employers world-class tech-related skills qualifications.

The influx of international companies, many of which have set up regional headquarters in Riyadh, have helped to advance and enrich the country's technology ecosystem, positioning

Saudi Arabia as the Silicon Valley of the Middle East. Within that ecosystem are a large number of hometown tech startups and established enterprises that are enjoying local and international success.

One such company is Taqnia ETS, a provider of innovative solutions in engineering and technology. A subsidiary of the Saudi Technology Development and Investment Company that is owned by the Saudi Public Investment Fund, Taqnia ETS is a regional powerhouse in its specialized field.

"We were established nine years ago and have managed to become a leader in geospatial services throughout the Middle East and North Africa," explains Hassan Aljohani, vice president for business development at Taqnia ETS. "We focus on engineering technology services, but more specifically, we offer everything within the geospatial industry."

"We are active in data acquisition and collection, as well as in geo-analytics, visualization, management and operation. We even provide services for the commercialization of different geospatial data, working across the value chain. That is one of our key differentiators compared to our competition within the market."

Providing services to a wide variety of industries that include agriculture, defense, health,



Saudi Arabia has emerged as a leader in innovative technology

education and the environment, Taqnia ETS has grown significantly since it was established and much of its success is down to its renowned ability to cultivate talent.

"We rely heavily on local capabilities, because a major part of our DNA is building up Saudi talent. But we are fortunate that the skill set is available in the country. There is a wealth of knowledge in Saudi Arabia, which is why our operations are led and launched by local talent," states Aljohani. "We have also hired experts from abroad who can pass on their knowledge and expertise to our hometown talent. This has helped us to build our in-house capabilities and resources, which in turn has allowed us to evolve and grow without the need to outsource or look offshore."

### Solutions with transformative potential

Whether it's revolutionizing industries in supply chain management and urban planning or helping build infrastructure, there is a growing demand for the transformative potential of geospatial services. Therefore, it is vital that Taqnia ETS is constantly innovating and expanding its services across a variety of sectors.

HASSAN ALJOHANI  
VICE PRESIDENT BUSINESS DEVELOPMENT  
TAQNIYA ETS

**"We heavily rely on local capabilities, because a major part of our DNA is building up Saudi talent. But we are fortunate that the skill set is available in the country."**

To achieve this, the company has to be aware of technological trends that affect the geospatial industry. It must also track shifting priorities within the market, especially as it seeks to offer its services to more international clients.

"To keep innovating across a diverse clientele, we always try to ensure that what we learn from one segment can be applied to another," says Aljohani. "We look to repurpose

knowledge and capability, which has happened numerous times across a diverse range of industries. Business innovation and operational innovation are what clients want. Government entities, for example, are paying millions of dollars and they expect a good return on value for the public service. If we can achieve that at a lower cost, better efficiency and high quality, then what better? Isn't that the whole objective of innovation? That's what we do."

When it comes to innovation, one area that is beginning to be explored within the company is how artificial intelligence can be utilized in geo-analytics. Taqnia ETS is currently developing new tools and models that use AI, with the hope that the technology can increase efficiency and decrease costs.

However, the company is also taking a cautious approach to a technology that is developing at a rapid rate. "We are incorporating it into our services, but we are continuously testing the proof of concept," describes Aljohani. "We already have certain AI tools that we applied in geo-analytics, which have decreased time, accelerated development and produced high-quality results. However, we are being very systematic and not rushing to push something unless we're fully confident in the results."

This careful and considered approach to AI is important, especially as Taqnia ETS aims to become a global frontrunner in the geospatial industry. While Saudi ETS is already seen as a prominent nation when it comes to developing AI, Aljohani is well aware that the US is the industry leader in this field of technology.

"Research partnerships with the US are important for us in identifying and commercializing the output of research and development for the benefit of the public. We've carried out multiple collaborations within the geospatial sector," he reveals. "I expect the results of partnerships with the US in the AI domain will be tangible, and deliver public good and value in government. We will continue to work with US companies as that transfer of knowledge and expertise is invaluable. I'm certain that everyone in the US and Saudi Arabia will benefit in one way or another from this collaboration."

# The tourism destination unlike any other

Rich with natural, cultural and historical wonders, Saudi Arabia has the fastest-growing tourism sector among G20 nations and could become a top-5 global destination

Tourism in Saudi Arabia has traditionally revolved around religious pilgrimages to Mecca and Medina. However, propelled by ambitious goals of Saudi Vision 2030 to diversify the economy, huge investments into opening up the kingdom's infinite array of historical, cultural and natural assets for visitors are revolutionizing the sector and turning Saudi Arabia into a first-class global tourist destination. The country aims to have tourism contribute 10% of its gross domestic product by 2030 and it is already well on its way to meeting that target.

According to the latest data from the Saudi Central Bank, tourist spending reached a record high of \$39.95 billion in 2023, a growth rate of 42.8%, as compared to 2022. The bank has also reported that the Gulf state attracted a record 100 million visitors last year — 156% more than its pre-COVID 2019 level — leading to international acclaim from the World Travel and Tourism Council (WTTTC) and the World Tourism Organization.

These impressive statistics are seen as just the start for Saudi Arabia, as there are several gigaprojects now beginning to open or in the pipeline that are bound to draw in many more millions of visitors. Illustrations include the Red Sea Project and the \$500-billion Neom development, which both aim to capitalize on the kingdom's extraordinary natural beauty by offering luxury resorts, adventure tourism and eco-friendly initiatives.

"The transformation that this country is undergoing, I have never seen anything like it in my entire life," exclaims Gloria Guevara Manzo, former chief special advisor to the Minister of Tourism and a vastly experienced figure in the global sector who previously held the position of president at the WTTTC.

"What is happening here is out of this world. It is very exciting to see how much importance is being given to the tourism sector, with more than \$1 trillion set to be invested. That is an unprecedented number and will play an important role in travel and tourism moving from a 3% contribution to GDP, to 10%."

"The Vision 2030 goals were to create one million jobs and to have 100 million domestic and international travelers in the country by 2030. The reality is that it achieved that number last year, way before 2030."

Due to this remarkable success, Minister of Tourism Ahmed Al-Khateeb has revealed that the country has revised its 2030 target up to 150 million visitors. He has also announced a new target for the breakdown of tourists, with the nation bidding to welcome 75 million international visitors and a further 75 million domestic travelers.

"The Saudi tourism sector is growing faster than even we anticipated," states Guevara. "In 2022, the country had the fastest growing economy in the G20 as it grew by 8.7% and a big portion of that is now the non-oil sector."

GLORIA GUEVARA MANZO  
FORMER CHIEF SPECIAL ADVISOR  
TO THE MINISTER OF TOURISM

**"The Vision 2030 goals were to create one million jobs and to have 100 million domestic and international travelers in the country by 2030. The reality is that it achieved that number last year."**

Tourism is playing an important role in this, which is why the sector is going to build an additional 600,000 rooms between now and 2030. It also needs improved connectivity, which is why a new airline has been announced, as well as more flights to Riyadh."

### Global benchmark for sustainability

The immense country is home to world-famous archaeological sites that showcase historic civilizations, such as AIUla and Diriyah, as well as expansive red-sand deserts, mountains and the pristine waters of the Red Sea.

And while the built landscape of Saudi Arabia will change radically over the coming decade with groundbreaking developments that allow visitors to immerse themselves in these treasures, the kingdom has realized the importance of protecting its natural beauty and rich cultural heritage that spans thousands of years for future generations.

"Every single gigaproject being developed in the country has been planned to be sustainable. That is the priority that Crown Prince Mohammed bin Salman has established for the country," Guevara asserts.

"That's why you will hear from the Red Sea Project about how it is not only protecting existing coral reefs but how it is regenerating new coral reefs. The Red Sea Project has been sustainable from day one, as are all of the other gigaprojects."

"For example, the country is looking at how to reduce emissions in terms of transport and within facilities, as well as reducing food waste and plastic usage. Saudi Arabia wants to do things right and show the world what can be achieved with regards to sustainability."

The country has also entered into a new partnership with the WTTTC, which is giving it a keen understanding of the impact of the sector on the environment. Funded by Saudi Arabia, the WTTTC recently conducting research in 185 nations that measured tourism's greenhouse-gas emissions, carbon footprints



The 15-kilometer-long Wadi al Disah canyon is a glorious green oasis that offers numerous opportunities for adventure



Fahd Hamidaddin  
CEO, Saudi Tourism Authority



Gloria Guevara Manzo  
Former Chief Special Advisor  
to the Minister of Tourism

and sustainability levels.

The resulting report made some crucial findings that will allow the country to better plan for a greener future. "It gives us an idea of the emissions of our sector, which are 8.1% of the total. That's the contribution, unfortunately, for worldwide travel and tourism in terms of carbon-dioxide emissions," says Guevara.

"This report is important, as Saudi Arabia is not only committed to sustainability in the country but also globally."

As part of its efforts toward sustainability,



The 5-star St. Regis Red Sea Resort is located on its own private island



The Maraya multipurpose venue in AIUla is the world's largest mirrored building



Visitors to Saudi Arabia can enjoy numerous traditional cultural experiences

and we want to showcase our unique wildlife such as the oryx, which is a type of antelope, and the ibex, which is a wild goat. And it is not just on land, we also want to protect our marine life, including the turtles that nest along the Red Sea coastline.

"Our Red Sea coast has wonderful biodiversity and it is no surprise that National Geographic voted it as one of the best places in the world to go diving."

### A magnet for US visitors

Saudi Arabia has long coveted American tourists for their extended stays and higher spending in comparison to travelers from other regions. The US population is forecast to be contributing \$198 billion to global tourism revenues by 2025 and the Saudi Tourism Authority is striving to enhance connectivity between the two countries and to promote the kingdom's many unique advantages to US travelers.

"We believe the American market is critical for us. We are paying special attention to building the right awareness and perception, as well as connectivity. Perception is important, as many people don't know Saudi Arabia for what it really is. They are unaware of our numerous natural, historical and cultural wonders, which is why we are working hard to improve awareness," says Hamidaddin.

"We have seven UNESCO World Heritage sites, the Red Sea is home to hundreds of untouched islands, our capital Riyadh hosts more events per week than any other destination in the world and we are building new projects like Neom that simply cannot be missed.

FAHD HAMIDADDIN  
CEO  
SAUDI TOURISM AUTHORITY  
**"Perception is important, as many people don't know Saudi Arabia for what it really is. They are unaware of our numerous natural, historical and cultural wonders."**

"That is why all the regional airline players now connect the US to Saudi Arabia and why we expect American Airlines to start connecting as demand continues to grow."

The future of tourism to the kingdom looks extremely promising, with Saudi Arabia poised to become one of the leading worldwide destinations for luxury travel experiences, adventure tourism, eco-tourism and cultural exploration.

"If it continues in the direction it is going, I believe that this country is going to be a top-five destination in the world, because it has absolutely everything, the assets, the history and the culture," states Guevara.

"Take AIUla for instance, it has a similar cultural heritage to Petra in Jordan, but the difference in AIUla is that it has 121 tombs. Or you can go to the Red Sea, where you will find a beautiful ocean that is protected, while in Diriyah you can see how life was thousands of years ago."

"Add on to these the hugely exciting gigaprojects that are being delivered in such a professional way and the sky is the limit. It has been extremely exciting to be part of this transformation, as the kingdom is dedicated to executing these changes and people across the country are engaged. Furthermore, hospitality has long been part of the country's DNA, so the population is very excited to showcase its history and culture."

GLORIA GUEVARA MANZO  
FORMER CHIEF SPECIAL ADVISOR  
TO THE MINISTER OF TOURISM

**"Every single gigaproject being developed in the country has been planned to be sustainable. That is the priority that Crown Prince Mohammed bin Salman has established."**

Hamidaddin agrees about the sector's prospects. "We will continue being the fastest-growing tourist destination in the G20, as we have been for the past two years," he declares.

"In the 1920s, people used to come to Saudi for oil. In the 2020s, they're going to come for tourism. We will unpack for them a beautiful, rewarding and unique destination, rich with stories, mystery, culture, and preserved and authentic experiences."

"This is not a normal destination — not many lands are at the center of the crossroads of three continents, not many have been the birthplace of civilizations, languages and religions. Saudi Arabia is that land and its door is wide open to visitors."

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## A pioneering insurance company rightly proud

Tawuniya is growing its health vertical by offering a diverse, digitally accessible portfolio to every facet of Saudi Arabia

Saudi Arabia's rapidly expanding insurance sector achieved gross written premiums (GWPs) totaling \$13.05 billion over the first nine months of 2023, a 22% year-on-year increase. Health insurance was the key driver of this growth, contributing 61% of premiums. Demonstrating the sector's dynamism, Cigna Worldwide Insurance became the first foreign health insurer to receive a license in Saudi Arabia last year, reflecting the government's efforts to attract international players and raise benchmarks.

Against this competitive background, the Company for Cooperative Insurance (Tawuniya) — a leading domestic player across all types of insurance — has expanded its health and life vertical. "We've improved efficiencies, turnaround times and access to services through digitalization and automation, while enhancing policyholders' coverage with value-added services and new products that address market gaps," explains Mohammad Alsaeed, CEO of Health at Tawuniya. To identify those gaps, the company carries out regular market surveys and focus groups to identify client needs and untapped market segments.

MOHAMMAD ALSAEED  
CEO, HEALTH, TAWUNIYA  
**"Tawuniya's health gross written premiums reached over \$3.3 billion in 2023. Over 31,000 new health insurance policies were purchased."**

As a result of its approach, in 2022 Tawuniya was named Best Health Insurance Company at the Saudi Council of Health Insurance (CHI) Excellence Awards. In addition, says Alsaeed: "Tawuniya's health and life GWPs reached over \$3.3 billion in 2023. Over 31,000 new health insurance policies were purchased, with 17,483 of them being corporate. Of the total medical claims received in 2023, 97% were made electronically."

Tawuniya is on course for an equally strong 2024, Alsaeed asserts: "We will continue to assess and upgrade our existing health product offerings, as well as crafting more innovative solutions. Technological innovation will power our growth too, with the upcoming launch of a comprehensive digital platform for corporate health insurance needs, among other things. And we will carry on pursuing partnerships with global and regional insurance companies."



Mohammad Alsaeed  
CEO, Health, Tawuniya

goals for users and offers rewards for improving wellbeing. "Vitality members reaching its higher tiers have recorded an 18% decrease in claims over the past three years, compared to policyholders that were not members," says Alsaeed. "In 2023, the app saw a 600% year-on-year increase in memberships."

The company's diverse portfolio of individual, family and corporate health and life insurance policies address all levels of society and extend to, for instance, insurance for visa visits, tourists and pilgrims. In 2023, it launched two new products: in-patient insurance for parents, designed for adult children to purchase for hospitalized parents; and domestic worker health insurance, a previously underrepresented demographic.

Tawuniya has also expanded its distinctive options for companies of all sizes. One of its specialisms is small and medium-sized enterprises, which it offers a comprehensive, 360-degree health insurance package. "Last year, we launched our SME e-Service Platform, providing access to automated services online and reducing turnaround times from five days to a few minutes. This resulted in Tawuniya recording its highest ever year-on-year growth in its SME business," he reveals.

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As part of the Neom project, Four Seasons is launching a resort on Sindalah island



Saudi Arabia is regenerating many of the coral reefs on its Red Sea coast

# Unparalleled vision into the future

Some of the largest and most inspiring development projects in the world are currently underway in Saudi Arabia

Saudi Arabia is determined to generate employment opportunities, to diversify its economy away from a reliance on oil and to become a world-leading tourist destination. Key to achieving these objectives are a series of pioneering gigaprojects that are garnering attention around the world.

Varying in size and ambition, these projects are expected to cost in the region of \$1 trillion in total and they will help to ensure that Saudi Arabia emerges as a global economic force. Construction is underway across the country, with the majority set to be completed by 2030. Here, we shine a spotlight on just a few of these projects.

### Qiddiya City: A hub for entertainment

A new destination built around entertainment, sports and culture, Qiddiya is one of the largest projects taking place in Saudi Arabia. It is located in the heart of the stunning Tuwaiq mountains, just a 40-minute drive from downtown Riyadh, and will feature theme parks, sports arenas, a Jack Niklaus-branded golf course, academies for sports and a host of entertainment venues.

Backed by the Public Investment Fund, Saudi Arabia's sovereign wealth fund that manages more than \$620 billion in assets, the development will cover an area of roughly 376 square kilometers. In addition to the entertainment

offerings, there will be residential communities that can house more than 600,000 people and host millions of visitors per year.

Hoping to capitalize on family vacations, Qiddiya City will boast a Six Flags theme park with 28 rides, including the world's longest, tallest and fastest rollercoaster. Aquarabia will also appeal to those with families, as the water-based theme park will have 81 private cabanas and the region's first surf school.

The new city is also primed to become a global sporting destination, as in addition to the 18-hole golf course, there are plans to construct a new motorsport circuit that could host a Formula One grand prix. Saudi Arabia is already home to one F1 race, which takes place in Jeddah, but the hope is that two F1 races will be held in the Gulf country in the future.

Qiddiya City will also contain the world's first mixed-use gaming and esports district that will attract gamers from across the globe. Aiming to establish the kingdom as the worldwide epicenter of the rapidly growing gaming and esports industry, the new venue will boast the largest indoor LED screen to have ever been installed in an esports arena and will feature 5,300 seats.

### Misk: The innovative city for innovation

Situated a 20-minute drive from Riyadh, Mohammed bin Salman Non-Profit (Misk) City is

supported by the Crown Prince's personal foundation and aims to be an incubator for youth and volunteer groups as well as local and international non-profit institutions.

Covering 3.4 square kilometers, the city will house schools, colleges, a conference center, science museum, a theatre and an arts academy. Additionally, it anticipates hosting 450 new businesses, 19,500 permanent residents and an additional 14,800 professionals across a diverse range of industries.

"This will be the first non-profit city of its kind which will contribute to achieving the goals of Mohammed bin Salman Foundation in supporting innovation, entrepreneurship and qualifying future leaders by defining non-profit work in its internal operational concept and in terms of opportunities and youth training programs it will provide.

In addition, the project will provide services that contribute to creating an attractive environment for all beneficiaries of the city's offerings," explained Mohammed bin Salman when launching the project.

### CROWN PRINCE MOHAMMED BIN SALMAN

**"This will be the first non-profit city of its kind which will contribute to achieving the goals of Mohammed bin Salman Foundation in supporting innovation, entrepreneurship and qualifying future leaders."**

Set to cost \$5.4 billion, the vision of Misk City is the development of human capital. With that, it hopes to become a hub for education and entrepreneurship, with the specialized training facilities and institutions being complemented by programs from the Misk Foundation that focus on entrepreneurship, upskilling and fostering talent across various industries.

### Jeddah Central: Unique waterfront site

A \$20-billion project to develop more than 5.7

million square meters in the heart of Jeddah, the ultimate goal of this initiative is to transform the city into an unparalleled waterfront destination for residents and visitors that capitalizes on its fabulous location on the Red Sea coast and its proximity to religious pilgrimage destinations Mecca and Madinah.

Due to be completed across three phases, with the first that accounts for 45% of the project scheduled for the end of 2027, Jeddah Central includes the construction of a 9.5-kilometer waterfront with a marina ready to receive yachts from inside and outside the kingdom, an opera house, museum, sports stadium and an oceanarium complete with coral farms.

Split into six distinct districts, it is being designed as a smart destination and in line with global sustainability programs to support the environment and the economy. This extends to a memorandum of understanding with Waterise and Ajlan & Bros Holding Group to develop and implement innovative deep-sea desalination technology that will supply the city with clean water.

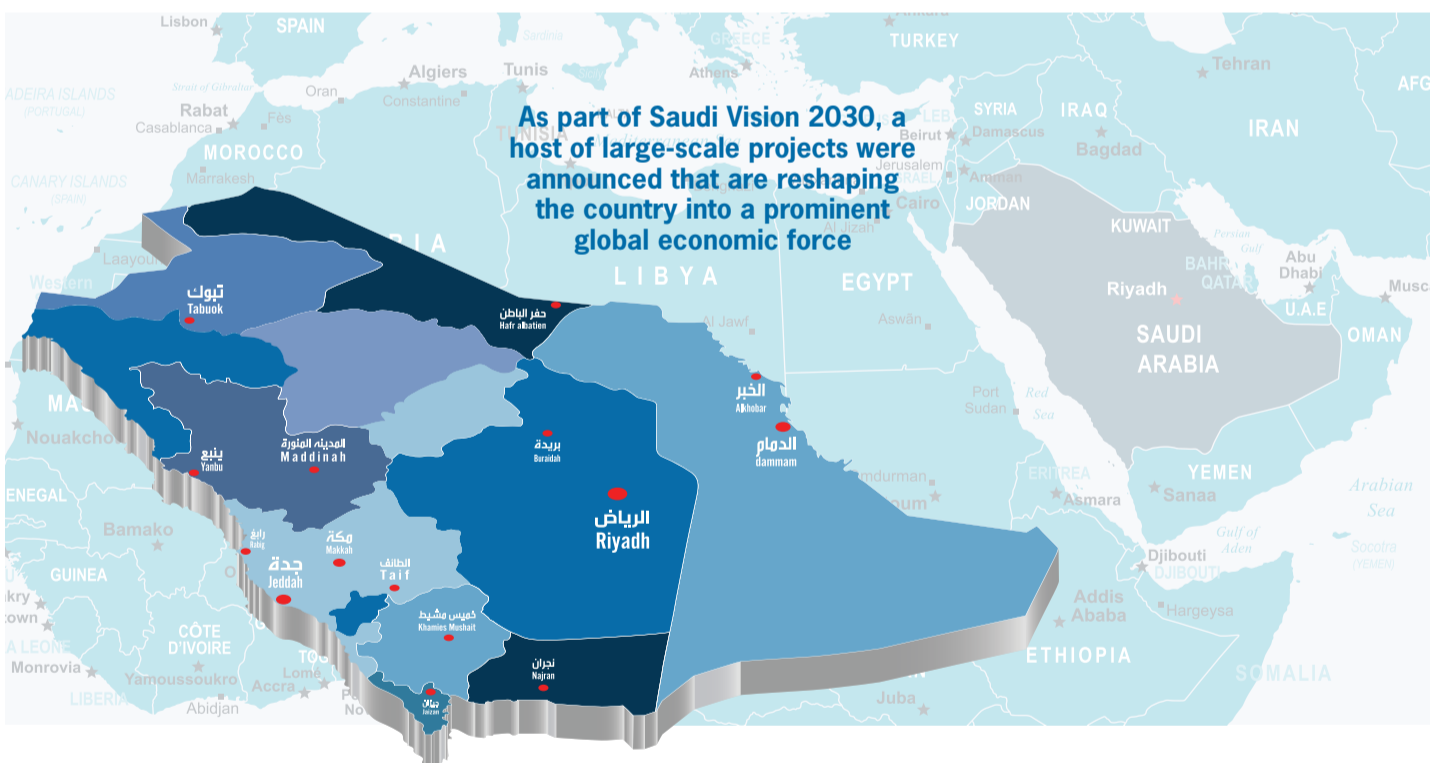
### AIUla: Vast project covering 2 millennia

The scale of this project is simply breathtaking, as Saudi Arabia plans to transform a vast area of land, estimated to be the same size as Belgium, into an outstanding archaeological, cultural and tourism complex. An ancient oasis city in Medina province, AIUla is already a popular tourist destination, served by Prince Abdul Majeed bin Abdulaziz International Airport, and home to dozens of preserved tombs and sandstone outcrops.

The Royal Commission for AIUla was established in 2017 to preserve and develop the 2,000-year-old archaeological and historical site, with the overarching intention being to turn it into one of the kingdom's cultural capitals.

The planned development contains more than 7,500 hotel rooms, 5,000 residential units, a staff village comprising more than 1,000 units, as well as infrastructure support. This includes the Sharaan Resort, designed by French architect Jean Nouvel, which was inspired by ancient techniques used by the Nabataean inhabitants of the region.

## THE GIGAPROJECTS CHANGING THE LANDSCAPE OF SAUDI ARABIA



**170km**

The Line is a linear city project that will stretch over 170km

**10**

New entertainment districts are being built by 7 organizations

**100%**

The floating port city of Oxagon will run on 100% clean energy

**84ha**

Sindalah is an 84-hectare island resort with three luxury hotels



AIUla: This ancient region will be home to museums, cultural centers and eco-resorts



Trojena: Part of the Neom project, it will offer world-class winter sports facilities



Jeddah Tower: Set to become the world's tallest building, topping the Burj Khalifa by 172m



Amaala: A major luxury tourism development project that will be home to 14 top hotel brands



Riyadh Metro: Slated to be the largest public transport network project in the world



King Salman Energy Park: A new industrial city that will become a global hub for the energy sector



King Salman Park: Located in Riyadh, it will be the world's largest urban park

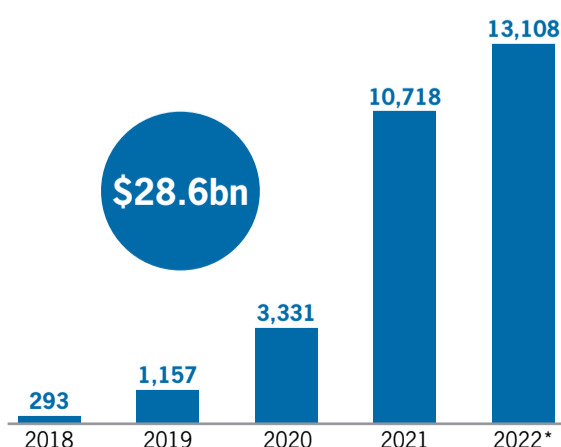


Diriyah: The historic site is already internationally renowned for culture and heritage

## PROGRESS MADE ON THE GIGAPROJECTS SO FAR

Neom has the highest value of work to date, while the Red Sea Project is the most advanced

TOTAL VALUE OF CONSTRUCTION CONTRACTS AWARDED, 2018-22 (\$m)



SOURCE: Saudi Gigaprojects 2022 report; MEED Projects

TOTAL VALUE OF CONSTRUCTION CONTRACTS AWARDED BY CLIENT (\$m)

