

IN THIS EDITION ...

In a major achievement for the kingdom's diversification strategy, the non-oil sector surged 3.3% in the first quarter of the year, compared to 1.6% during the same period in 2020.

While Saudi Arabia's overall GDP contracted 3.3% on the back of declines in the oil GDP, the positive momentum witnessed in the non-oil sector bodes well for the future.

Government services also posted gains of 0.3% during the period, according to the [General Authority for Statistics \(GASTAT\)](#).

GASTAT's labour report also suggests the kingdom has been spared economically from the COVID-19 pandemic. Data shows total unemployment rate fell to 7.4% in the fourth quarter of 2020, compared to 8.5% during the third quarter.

Labour force participation rate of the total population (Saudis and non-Saudis 15 years old and above) increased to 61% during the fourth quarter of 2020 compared to 59.5% in the third quarter of the same year.

Unemployment rate among male Saudis slipped to 7.1%, levels last seen in the first quarter of 2020, while Saudi female unemployment rate stood at 24.4%, its lowest level since at least 2016.

What is even more heartening is that the inflow of Saudi women into the labour force did not lead to more unemployment, but generated more economic activity.

Crucially, the increase in employment was not driven by the government hiring Saudi women, but the private sector, as the spate of new reforms empowering women led to an increase in women entering the workforce.

The bounce back in non-oil GDP, a vigorous [vaccine](#) rollout in the kingdom, and the strong labour market suggests the Saudi economy is expecting robust economic activity for the rest of the year.

With global oil demand expected to return nearly to pre-pandemic levels before the end of 2021, expect the Saudi economy to fire on all cylinders.



ECONOMIC TRENDS

The Vision 2030 economic blueprint has put the country in good stead, allowing it to stave off more serious consequences of COVID-19.

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OIL AND GAS

Strengthening global energy demand and stable oil markets are giving the earnings of Saudi energy companies a boost.

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VISION 2030

Five years since its launch, the groundbreaking initiative has already given the country a clear path to attaining its economic goals.

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HEALTHCARE

Technologies ranging from mobile apps and AI to tele-health have modernised healthcare practices in the country.

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TOURISM

The riyal-denominated green loan is the first of its kind in the country and highlights the developer and banks' commitment to ESG investing.

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MANUFACTURING

The manufacturing sector has seen a year-on-year growth, with more licenses being issued and new factories commencing production.

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SAUDI ECONOMY SPRINGS BACK FROM PANDEMIC BLUES



The [International Monetary Fund](#) (IMF) said Saudi Arabia's Vision 2030 played a key role in helping the country fight the pandemic.

The massive programme has been instrumental in retooling the economy and has reenergised a number of sectors including healthcare, manufacturing, retail, logistics and financial services, and a range of new sectors such as renewable energy, digital services and small to medium enterprises.

"Efforts to establish a robust structure of interagency co-ordination and governance, the growing digitalisation of government and financial services, reforms to increase labour market mobility, and strong fiscal and financial policy buffers all equipped the economy to manage the crisis," the [IMF](#) said in its economic outlook on the kingdom.

The Saudi Vision 2030 drive was under way well before COVID-19 disrupted global economy in March of 2020, which helped blunt the pandemic's impact on Saudi economy.

The IMF also points to policy reforms and strengthening of legal infrastructure for businesses as positive moves.

"The PPP/asset sales programme has considerable scope to increase the efficiency of capital allocation and service provision for the government," the IMF noted. "The growing role of digitalisation and the move to e-government, e-commerce, and digital banking have the potential to boost productivity given the young and tech-savvy population."

Saudi Arabia's GDP is expected to grow 2.1% in 2021 and 4.8% in 2022, as the economy gathers steam and more Vision 2030 programmes are rolled out.

Non-oil growth is projected at 3.9% in 2021 and 3.6% in 2022 compared to a contraction of 2.3% in 2020. Real oil GDP growth is projected at -0.5% in 2021 due to the kingdom's adherence to OPEC quotas, the IMF forecasts.

Responding to the IMF's report, Mohammed Al-Jadaan, minister of finance, said that the kingdom's success has been achieved despite the impact of COVID-19 pandemic, fluctuations in oil prices, sharp economic swings, declining global demand, receding growth and other challenges that the Saudi government has risen to.

"The continued implementation of Vision 2030 programmes, plans and goals has enabled the kingdom to introduce many economic and structural reforms that demonstrate the efforts in developing the financial sector in the kingdom and achieving fiscal sustainability that enhances the Saudi economy's strength despite all the challenges," the [minister](#) stated.

BUDGET PERFORMANCE

The Saudi economy continues to strengthen in the first quarter. [Ministry of Finance's](#) data shows total government revenues rose 7% in the first three months of 2021 compared to the same period last year. This was achieved despite a 9% drop in oil revenues and a 10% decline in taxes

on income, profits and [capital gains](#).

However, the kingdom's timely move to raise value added tax boosted revenues from taxes on goods and services by 75% and other taxes by 46%.

Parallel to that, expenditures declined 6% during the quarter, which led to the deficit reaching SAR 7.44 billion. Infrastructure and transportation saw a 16% drop, general items also fell 16%, while military spending declined 18%.

The kingdom has spent 21% of the total budget of SAR 990 billion for the year during the first quarter.

In addition, the government tapped SAR 23.4 billion in financing from external borrowing and SAR 6.1 billion from domestic borrowing, taking its financing for the quarter to SAR 29.6 billion, the [ministry](#) data shows.

BUSINESS SENTIMENT

The private sector is also bouncing back with more robust economic activity and brisk trade being reported by purchasing managers.

The [IHS Markit's](#) latest PMI index shows economic growth accelerated in the country's non-oil sector in April.

Business activity rose at the sharpest rate for three months, as new sales increased markedly. Moreover, firms expanded staff numbers for the first time in five months and to the greatest extent since November 2019.

"The Saudi Arabia PMI rebounded in April to indicate a strengthening of growth across the non-oil economy. New orders picked up at the quickest rate for three months as business conditions continued to recover from COVID-19," said David Owen, economist at [IHS Markit](#). "The rise helped lead to a renewed uplift in employment, with the pace of increase the fastest since November 2019."

Crucially, the respondents reported that private sector employment in the kingdom has risen for the first time in five months, while the rate of job creation was the sharpest since late-2019.

RECOVERING ENERGY DEMAND SUGGESTS BRIGHTER OUTLOOK TO OIL SECTOR

Net income of the [Saudi Arabian Oil Company](#) (Aramco) soared 30% in the first quarter of the year after the kingdom's debt strategy over the past year ensured oil markets remain stable.

Aramco's net income soared to USD 21.3 billion, compared to USD 16.7 billion during the same period last year, on the back of higher oil prices and a widely improved global economic environment.

Cash flow from operating activities and free cash flow stood at USD 26.5 billion and USD 18.3 billion, respectively, in the first quarter, while first quarter capital expenditure stood at USD 8.2 billion.

"Given the positive signs for energy demand in 2021, there are more reasons to be optimistic that better days are coming," according to Aramco president and CEO [Amin Nasser](#). "And while some headwinds still remain, we are well-positioned to meet the world's growing energy needs as economies start to recover."

RISING OIL DEMAND

Aramco results come amid vastly improving global economic conditions, despite parts of the world still affected by COVID-19.

This year, global oil demand is expected to increase by 6 million barrels per day (bpd), to average 96.5 million bpd, according to the latest report from the [Organization of the Petroleum Exporting Countries](#) (OPEC).

"Slower than anticipated demand in OECD Americas during 1Q21, together with the resurgence of COVID-19 cases in India and Brazil, caused the 1H21 oil demand data to be revised downwards," OPEC said in its latest monthly report. "However, positive transportation fuel data from the US, and acceleration in vaccination programmes in many regions provides further optimism in 2H21. The assumed return to some degree of normality and improved mobility is also expected to positively affect regions such as the Middle East and Other Asia in 2H21."

Oil prices declined slightly by 1.2% in April, but remains near its highest level since January 2020 at USD 63.24 per barrel.

DECLINING INVENTORIES

The surge in prices this year has much to do with falling inventories.

After nearly a year of robust supply restraint from OPEC+ and bloated world oil inventories that built up during last year's COVID-19, demand patterns are returning to more normal levels. During March, OECD



industry oil stocks drew by 25 million barrels to 2 951 million barrels, reducing the overhang versus the five-year average to only 1.7 million barrels (and 36.9 million barrels above 2015-19), according to the [International Energy Agency](#) (IEA). Stocks continued to fall in April.

"After five consecutive months of solid gains, crude oil futures prices fell in a volatile month of April, undermined by uncertain oil demand outlooks due to rising COVID-19 cases in several parts of the world, particularly India, Latin America and Japan, that weighed heavily on market sentiment," OPEC noted in its report.

Still, the group said robust economic data from the US and China, and improving vaccination rollouts in the US, UK, and some European countries, limited price losses.

China, especially, has been driving global demand growth. Consumption in the world's second largest economy is estimated to have risen 2.1 million bpd in March 2021, after rising 2.5 million bpd in February.

The bulk of year-on-year increases in March are attributed to solid gains in gasoline, diesel and jet fuel requirements, and an ease in restriction measures after the Lunar New Year holidays.

"Furthermore, passenger car sales, according to China's Association of Automobile Manufacturers, have posted sales figures at around 1.8 million units in March, compared to 1.0 million units of sales in March 2020 and almost on par with March 2019 passenger cars sales of around 1.9 million units," OPEC noted.

However, markets will be watching the oil demand in India, which has been ravaged by COVID-19 infection cases. Most analysts have cut demand forecast for the country in the second quarter, but many factors will ultimately determine the impact on demand.

"These include government containment measures which are projected to be localised and targeting specific regions, the speed of vaccination rollouts and their positive impact on reducing hospitalisation and death rates, and lastly how quickly the population will adapt to COVID-19 measures," OPEC noted.

VISION 2030 LAYS FOUNDATION FOR SAUDI'S FUTURE

A new review launched by Saudi Crown Prince Mohammed bin Salman bin Abdulaziz, deputy prime minister and chairman of the Council of Economic and Development Affairs, highlighted the key achievements of the [Saudi Vision 2030](#) initiative.

The five-year review of the ambitious programme, which was launched in 2016, examined the progress made so far and outlook for the future.

The biggest economic and investment milestone over the past five years was more than doubling Public Investment Fund's asset base to SAR 1.5 trillion in 2020, compared to SAR 570 billion in 2015.

Foreign direct investment inflows into the country rose to SAR 17.63 billion, up by 331% compared to SAR 5.32 billion five years ago, according to the Council of Economic and Development Affairs (CEDA).

The kingdom also unveiled a number of projects to boost international investments, jobs and growth, such as the NEOM, Qiddiya and the Red Sea projects.

"The council also discussed the acceleration in the growth of the non-oil GDP ratio to reach 59% in 2020, compared to 55% in 2016," according to the [Vision 2030](#) website.

Boosting home ownership is another vital Vision 2030 achievement as it gives many Saudis a strong asset base to build on. The percentage of home ownership jumped to 60%, compared to 47% five years ago. In addition, obtaining housing funding is now immediate, compared to 15 years before the launch of Vision 2030.

GOING DIGITAL

Diversification remains a key goal of Saudi authorities, with non-oil revenues rising to SAR 369 billion in 2020, compared to SAR 166 billion in 2015 – a 222% surge during the period.

This was driven by a number of new economy sectors, such as the digital economy. Saudi Arabia achieved first place globally in 5G Internet speed, covering more than 60% of the country's major cities and 45% of other cities by deploying more than 12,000 towers that support 5G technology.

"The kingdom also ranked sixth among the G20 states in the Global Cybersecurity Index of the International Telecommunication Union (ITU), and in the expansion of optical fibre network coverage, as 3.5 million homes in urban areas were covered by optical fibre networks in 2020, after it was only 1.2 million in 2017," according to the council.



"Furthermore, the kingdom attracted the largest technology investments in the Middle East and North Africa, with deals that exceeded [SAR 6 billion](#) in cloud computing sector."

Another key driver was renewable energy, which has quickly emerged as one of the most promising sectors in the country. Over the past five years, 3,600 megawatts worth of projects have been sanctioned, with the capacity to provide electricity to around 600,000 homes.

Solar and wind projects are already under way, while several clean energy projects to produce hydrogen and ammonia are being planned as the government aims to raise the contribution of alternative sources to the country's energy mix.

"Renewable energy projects will contribute to diversifying the energy mix used in electricity production, so that electricity production from renewable energy and gas will be 50% each by 2030, and this will result in the displacement of approximately one million oil equivalent barrels of liquid fuel," according to the council.

THE NEXT PHASE

While the kingdom has gained ground, it still has a long way to go to achieve all the stated goals of Vision 2030.

In order to accelerate their plans, the council's 2021-2025 agenda aims

to maintain the momentum necessary to reach those targets.

"This includes making development updates on the vision realisation programmes to ensure its consistency with the targets, increase the efficiency of spending and respond to economic developments, through three basic areas," the council noted.

The first area is to restructure some programmes and create new ones to align with the changing scope of the global and domestic economy. In light of the pandemic, the council aims to develop a health sector transformation programme.

A second imperative is to provide more flexibility to the implementation of certain programmes, setting priorities for implementing the initiatives, and changing legislative policies.

The third policy aims to promote national character, nurture leading national companies and create strategic partnerships with key entities.

"The next phase of the kingdom's Vision 2030 is set to be marked by the continued development of promising and new sectors," according to the council.

SAUDI'S TELEMEDICINE EXPANDS IN FACE OF COVID-19



The Saudi Health Council has adopted a number of decisions recently to strengthen and streamline the kingdom's healthcare sector.

The kingdom's promising Seha e-healthcare application will now be accredited as a unified platform that will enable the health sector and other relevant bodies to share medical reports.

The National Health Information Center has been tasked with co-ordinating the health sectors and streamline the process.

The Ministry of Health has also been carrying out free-of-charge vaccinations against the coronavirus for all citizens and residents through the Sehhaty app. The service is available throughout the country.

Last year, the council launched an interactive [coronavirus dashboard](#) that monitors the number of infections in the kingdom. It also includes an artificial intelligence virtual assistant, BashairBot, which is available round the clock to answer questions, in Arabic and English, about COVID-19.

COVID-19 RESPONSE

The government has earmarked SAR 47 billion for the Ministry of Health in its fight against the pandemic, which has allowed it to bring down cases.

The Saudi authorities also secured free treatment to COVID-19 patients in addition to conducting large-scale random population testing for rapid detection of cases and launching a COVID-19 test results online application.

Latest available [data](#) from Our World In Data shows that the kingdom has managed to reduce positive COVID-19 cases from nearly 5,000 at its peak last June to around 1,000 by April.

"As per efforts to improve the healthcare system and increase hospital capacity, mobile field hospitals have been put in place with 100-bed capacity each in addition to preparing other 25 hospitals to receive confirmed COVID-19 cases and providing 80,000 hospital beds, 8,000 ICU beds and 2,200 isolation beds to the kingdom's healthcare sector, besides enhancing border control measures for coronavirus," according to the [Saudi Press Agency](#).

"The ministry has also established fixed and mobile testing units in which an appointment can be booked through Sehhaty App with the aim of reaching out to areas which are crowded with citizens and residents regardless of their legal status."

HARNESSING AI

While the government is keen to address the short-term challenges, it is also paying close attention to ensuring the long-term efficiency of the sector, especially in the area of tele-health.

In February, the [Saudi Data and Artificial Intelligence Authority](#) (SDAIA) and the Netherlands based Philips NV signed a memorandum of understanding to boost the deployment of artificial intelligence technologies in the kingdom's healthcare sector.

The two parties will create an AI ecosystem that incorporates education, science and technology, which taps Philips AI with in-depth knowledge of clinical and operational context to develop integrated solutions that improve the performance and productivity of healthcare systems.

"The collaboration, which includes a scientific exchange programme and investment in local training, aims to empower Saudi Arabia's data

scientists and healthcare professionals with the latest health technologies, enabling them to pass on the benefits of AI in healthcare to the kingdom's citizens, making Saudi Arabia one of the world's most technologically advanced countries," a joint press release noted.

Philips will help create an AI Knowledge Hub that will nurture the local talent pool and expertise to develop local AI applications. The technology company will also make its key opinion leaders available to facilitate knowledge exchange, collaborative research, and support for certification of new AI applications.

[SDAIA](#) also signed a memorandum of joint co-operation with IQVIA Holdings Inc. in May. The agreement with the US-based company involves developing joint ideas and research in the field of data and artificial intelligence, building a centre for innovation and knowledge, and developing training programmes to promote use of data and artificial intelligence in the kingdom's health system.

The SDAIA is also hoping that nurturing the AI health ecosystem will enable new business opportunities around AI in healthcare, which will drive a robust start-up culture.

The Saudi tele-health market is expected to reach USD 415.4 million by 2025 from USD 113.3 million in 2019, registering a growth of 24.2% annually, according to [Frost & Sullivan](#) research firm.

Tele-health has become increasingly popular as social distancing created an unanticipated demand for digital consultations and made it an important technology to evaluate, manage and track patients without in-person examinations, the research house said.

"Further, the rising demand for consumer-centric services and tools in the healthcare system and increasing participation of the private sector through various public-private partnership (PPP) models are leading the countries' tele-health sectors toward maturity at a rapid pace," said [Surbhi Gupta](#), healthcare industry analyst at Frost & Sullivan. "Large healthcare organisations are partnering with retail, healthcare IT, ICT, medtech and insurance companies."

RED SEA PROJECT TAKES THE GREEN FINANCE ROUTE

The kingdom's retail and tourism sector is expected to get a big boost with the development of the multi-faceted Red Sea Project.

In April, The Red Sea Development Company (TRSDC), which is tasked with developing the sustainable project, closed a SAR 14.12 billion term loan facility with four Saudi banks.

The [Saudi British Bank](#) (SABB) acted as one of the mandated lead arrangers, while its affiliate HSBC served as a green loan co-ordinator on the transaction.

The landmark deal marks the first ever riyal-denominated green finance credit facility in the kingdom, and underscores SABB's commitment to environmental, social and governance (ESG) issues in the country.

"We're delighted to help TRSDC set such an important example for placing environmental considerations at the heart of a major development," said [Ms Lubna Olayan](#), chair, SABB. "As the kingdom's most international bank, we have a unique opportunity to bring new banking capabilities such as green loans to Saudi Arabia. Finding new ways to help environmentally friendly, sustainable projects is an important part of how our newly combined bank can play a bigger role in the kingdom's sustainable development."

The [Red Sea Project](#) is being rapidly developed on the kingdom's west coast and is on track to welcome its first guests by the end of 2022, when the international airport and the first hotels open. TRSDC said the first phase of the project will comprise 16 hotels by 2023.

Once fully built by 2030, The Red Sea Project will feature [50 resorts](#), offering up to 8,000 hotel rooms and more than 1,000 residential properties across 22 islands and six inland sites. The destination will also include marinas, retail facilities, golf courses, entertainment and leisure facilities.

GREEN FRAMEWORK

The Red Sea project secured its green financing accreditation thanks to TRSDC's approach to social and environmental sustainability.

"The framework enables TRSDC to issue green loans and other green financial instruments and allows TRSDC to identify, select, manage and report on eligible projects and assets in line with principles," the [developer](#) said.

The accreditation is governed by a Green Financing Framework aligned



with the Green Bond Principles and Green Loan Principles, established by the International Capital Markets Association and the Loan Market Association's (LMA), respectively.

"This first-ever SAR-denominated [LMA Green Loan Principles](#) compliant green loan in Saudi Arabia will pave the way for other borrowers to raise financing in a 'green' format, and help develop the local sustainable lending practices," said Rajiv Shukla, CEO of HSBC Saudi Arabia, noting that the project dovetails with the Saudi Vision 2030, and HSBC's commitment to supporting clients transition to a low-carbon, sustainable economy.

SUSTAINABLE DEVELOPMENT

The Red Sea project, which is aiming to be a "regenerative tourism project," has already awarded Saudi company [Al Bawani](#) and Swiss firm Blumer Lehmann contracts for structural work at its luxury hotels and resorts.

The two companies will play pivotal roles in the construction of hotels across the project, with Al Bawani responsible for civil and structural works across 40 hotel villas on the Southern Dunes site, and Blumer Lehmann responsible for timber construction planning and fabrication as well as supply works for a hotel situated on Ummahat Al Shaykh Island.

Both companies have pledged to minimise wastage, and preserve the

natural environment as they work on the projects.

In April, [TRSDC](#) also awarded the contract to design and build infrastructure at its Coastal Village to Saudi firm Contracting & Construction Enterprises Ltd., which would adhere to sustainable principles, and a fleet of electric buggies and service vehicles.

The Coastal Village will not be accessible by regular vehicles and instead rely on a network of roads and paths built for sustainable travel. To conserve energy, energy-efficient LED street lighting and illuminated signages will comply with the Red Sea Dark Sky guidelines.

To further enhance its ESG credential, [TRSDC](#) also awarded a contract to MachinesTalks, a national Internet of Things (IoT) service provider, for the provision of smart, wearable technology and wireless tagging solutions for its construction workforce and fleet of vehicles at its site.

"Our partnership with MachinesTalk will play an important role in ensuring the welfare of our workers, given their proven track record providing smart construction technology and alignment with our business goals," said John Pagano, CEO of TRSDC.

FOREIGN INVESTMENT UNDERPINS SAUDI'S INDUSTRIAL STATUS

Saudi Arabia issued 102 industrial licenses in March, with a capital base of SAR 15.23 billion, according to the [Ministry of Industry and Mineral Resources](#).

The capital outlay during the month was 55% higher compared to the same period last year.

The ministry's National Center for Industrial Information report also noted that nearly 39 factories began production in March, a 26% increase compared to the previous month, while the volume of investments in new factories that started production witnessed a growth of 681%, month on month.

Factories operating in other non-metallic minerals products accounted for the largest percentage of activities of the new licenses issued during March, with 21 factories, followed by food products and factories making metal products with 14 factories. Chemical and chemical products accounted for 11 factories, factories making paper and products saw seven factories.

Overall, there are now 9,589 industrial entities in the kingdom with a combined investment of SAR 1,123 trillion.

Indeed, the kingdom's industrial sector is emerging as a destination for foreign investors.

Recently, Pakistan and Saudi Arabia held high-level talks, which included co-operation on manufacturing and mining sectors.

"The number of Pakistani investment licenses in the kingdom in 2020 increased dramatically," the [Saudi Press Agency \(SPA\)](#) quoted Khalid Al-Falih, minister of investment, as saying. It also reported that the Ministry of Investment granted 52 investment licenses to Pakistani companies, while the number of licenses granted in 2019 amounted to around 24 licenses, "which is a clear indication of the increasing demand for Pakistani investors to take advantage of the promising investment opportunities and the competitive advantages of the Saudi economy".

Similarly, Saudi and Malaysian officials [recently explored](#) opportunities to boost foreign trade and investment into the kingdom.

"The latest developments pertaining to joint projects and agreements in various fields, including investment opportunities in the field of export-import areas, and ways to enhance economic relations between the two countries were discussed," by the two parties, [SPA stated](#).

BOOSTING EMPLOYMENT

To boost employment in the country's industrial sector, the Ministries of Human Resources and Social Development, [Industry and Mineral Resources](#) launched a wage subsidy programme, in co-operation with the Human Resources Development Fund "Hadaf", the General Organization for Technical and Vocational Training, and the Council of Saudi Chambers.

The entities said they will look to attract Saudis to jobs in Saudi factories, by nurturing a conducive work environment and creating rules and regulations that will appeal to the workforce.

The programme will provide young men and women looking for work with the necessary skills through training programmes provided by Hadaf and technical and vocational training.



"The two ministries clarified that the programme will work through many paths to attract these jobs, and stimulate factories to raise the rates of localisation of jobs because of what this sector represents in terms of generating jobs, whether direct or indirect, indicating that 50% of the wages will be supported in the event of hiring, training and qualifying Saudis at the helm," according to the [ministry](#).

PHARMA MANUFACTURING

The development of pharmaceuticals in the kingdom has gained added importance in light of the pandemic.

In February, Bandar bin Ibrahim Al-Khorayef, the minister of industry and mineral resources, said they are looking to develop a pharmaceutical industry so as to achieve drug security in the kingdom.

Saudi's pharma market is currently valued at SAR 30 billion, which the ministry aims to broaden in partnership with the National Center for Industrial Development and other government agencies.

"The health challenges that the whole world went through as a result of the corona pandemic created a great challenge that the world had not witnessed before, starting with the health and medical challenge. And its impact on supply chains and on the way of life and the practice of daily life," according to the ministry, noting that it is prioritising areas within pharma that it plans to localise in partnership with the private sector.

[Al-Khorayef](#) noted that the development of infrastructure in industrial cities and financing through The Industrial Development Fund and the launch of the Export Bank, in addition to many legislations will make the industrial sector a promising and attractive sector for investments.

Saudi Arabia's pharma sector accounts for 30% of the Middle East market, while the number of pharmaceutical factories registered in the kingdom stand at around 40, covering 36% of the Saudi market's need for medicines.

The volume of growth in this sector is estimated at 5% annually, with exports exceeding SAR 1.5 billion.

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