

SME MONITOR

MONSHA'AT QUARTERLY REPORT Q3 2023

Inside this report:

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Abdulaziz bin Abdullah Al-Hamid

Chairman of the Board of Directors,
Qassim Chamber of Commerce



The Kingdom is on a quest to strengthen its economic positioning, guided by a series of sweeping reforms, and new systems and processes, which aim to diversify national GDP and reduce the Kingdom's dependence on oil as an economic resource.

The Kingdom's national transformation programs have come a long way with implementing their initiatives and achieving their targets, and Saudi Arabia has been praised by various global organizations like the International Monetary Fund (IMF) for its continuing efforts to achieve the goals of Vision 2030 and build a vibrant and diversified economy. Earlier this year, the IMF ranked the Kingdom as the fastest growing G20 economy for 2022. GDP increased by 8.7% y-o-y, with the non-oil sector expanding by approximately 4.8%, and the unemployment rate falling to its lowest historical level.

In this context, Al-Qassim stands out as an important region for stimulating production, investment, and entrepreneurship in the Kingdom. In cooperation with the Ministry of Investment, the Ministry of Commerce is catalyzing an abundance of attractive new opportunities for investors and entrepreneurs across the Al-Qassim region and highlighting successful models for business development.

As the economy of Al-Qassim depends primarily on mining and agriculture, two sectors in which the Kingdom is focusing its growth and diversification efforts, the region is slated to witness even greater economic development in the coming years. Impact initiatives like the National Industrial Development and Logistics Program (NIDLP) are expanding Al-Qassim's mining industry and productive capacity. While the region's temperate climate, groundwater reserves, and

rich soil complement its continued agricultural growth as the Kingdom's "food basket," Al-Qassim is home to the Buraidah Date Carnival, one of the largest and most visited agricultural markets in the Kingdom, and the Kleijah and Cultural Foods Festival. These events allow the region to enhance local production, increase the efficiency of local farms and businesses, and support the growth of a new crop of entrepreneurs.

By enhancing financial and economic sustainability in the region's business sector, Qassim Chamber is creating unique opportunities for current and new investors, providing them with key data about the regional market and helping them overcome challenges and obstacles during their investment journey.

Through these efforts, the Chamber pays significant attention to SMEs by driving their growth and development and enabling them to access support through awareness-raising, educational programs and events that help them develop the administrative, marketing, and financial skills they need to support the competitiveness of their enterprises. The Chamber launched the Intilaqna program in 2021, in partnership with the Social Development Bank, to finance new small and emerging enterprises. The program provides financing to startups and SMEs across various sectors in the region and enables innovative entrepreneurs and projects to transform small investment opportunities into real value-added enterprises that support the Kingdom's diversified economic development.

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KEY SME INDICATORS

Strong public and private support for Saudi Arabia's booming entrepreneurial ecosystem continued to bolster growth across the SME space in Q3 2023.



SME GROWTH SNAPSHOT

Bolstered by strong public support, robust investment across the venture capital space, and continued private sector investment across the entire ecosystem, the number of SMEs in Saudi Arabia grew to nearly 1.27 million in Q3 2023. With 43.3% of SMEs now located in the Kingdom's booming capital, Riyadh continued to lead the surge in entrepreneurial activity. Driven by an impressive quarterly increase of 3.5% in Q3 2023, the country's SMEs played a huge role in helping grow the Kingdom's non-oil economy by 3.6% in Q3 2023 y-o-y.¹ Thanks to its entrepreneurial efforts, the Kingdom's ambitious diversification initiatives are already paying off.



1.27 mn
SMEs in the Kingdom



3.5%
increase on Q2 2023



1.1 mn
micro-sized
companies



151,170
small-sized
companies



18,176
medium-sized
companies²



549,346
SMEs in Riyadh region



232,039
SMEs in Makkah region



136,689
SMEs in Eastern Province

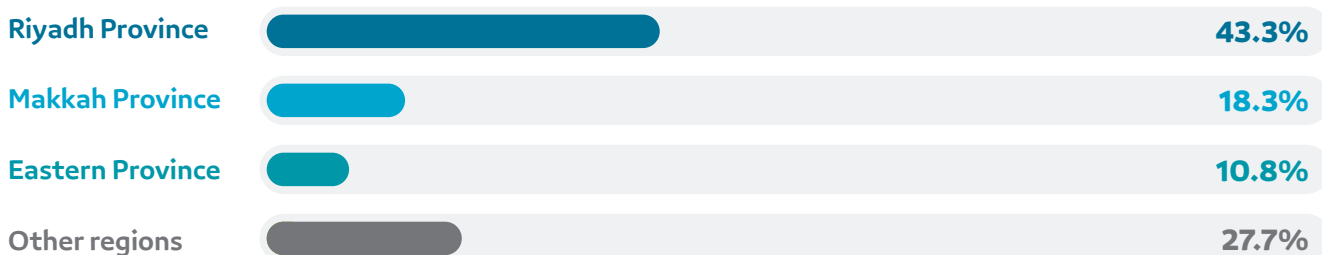


351,190
SMEs in other regions³



SME REGIONAL DISTRIBUTION, Q3 2023

Source: General Organization for Social Insurance (GOSI)





MANUFACTURING: A BOOMING SECTOR FOR INDUSTRIAL SMES

As a crucial touchpoint for the Kingdom's plans to become a regional hub for production and a global economic powerhouse with a diversified non-oil economy, manufacturing is a sector of great promise for entrepreneurs and SMEs.



SAUDI ARABIA POSITIONING ITSELF AS THE REGION'S MANUFACTURING BASE

Central to the Kingdom's ambitions for developing its manufacturing sector, the National Industrial Development and Logistics Program (NIDLP) is a key enabler of the Vision 2030 agenda to expand the country's energy, mining, logistics, and industry sectors. To boost local manufacturing, NIDLP launched the Made in Saudi program in 2021 to support local manufacturers and SMEs.⁴

Toward these ends, the Kingdom has struck agreements with industrial leaders from around the world to expand the local manufacture of electric vehicles (EV), petrochemicals, defense equipment, mining assets, carbon-negative concrete and renewable energy, signaling opportunities for SMEs to capitalize on a slew of developing markets.

Manufacturing indicators



4.6%

y-o-y increase in
manufacturing activity in
August 2023⁵



136

new industrial licenses
issued by Ministry of
Industry and Mineral
Resources in August 2023⁶



11,110

factories operating
in Saudi Arabia by the
end of August 2023⁷



3.8%

y-o-y increase in
industrial facilities
in August 2023⁸

As Saudi Arabia's manufacturing sector continues to develop and evolve, the Kingdom is driving the growth of SMEs in the sector through the strategic objectives of the National Industrial Strategy (NIS), the adoption of Fourth Industrial Revolution technologies (4IR), increased access to finance for industrial SMEs, new infrastructure, and strong supply chains.





MINISTRY OF INDUSTRY AND MINERAL RESOURCES DRIVING EXPANSION OF INDUSTRIAL SMEs



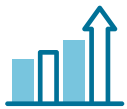
Ministry of Industry
& Mineral Resources

Founded in 2019, the Ministry of Industry and Mineral Resources is central to achieving the Kingdom's Vision 2030 diversification targets by increasing industrial, mining, and manufacturing output, creating a global logistics hub, boosting investment and innovation, improving the regulatory environment, and empowering industrial SMEs.

National Industrial Strategy to boost manufacturing⁹

Launched by the Ministry of Industry and Mineral Resources in 2022, the National Industrial Strategy (NIS) aims to drive investment in 12 sub-sectors of industry and advanced manufacturing, double industrial exports, and triple industrial output by 2030. To achieve those goals, a Supreme Council of Industry, under the guidance of H.R.H. Crown Prince Mohammed bin Salman, has been created to develop an integrated and flexible governance model that supports the Kingdom's drive toward industrial localization.

NIS growth targets



170%

growth in
manufacturing output
from \$88.3 bn in 2020
to \$238.7 bn in 2030¹⁰



133%

increase in
manufacturing sector
jobs from 900,000 in
2020 to 2.1 mn in 2030¹¹



230%

increase in
manufacturing goods
exports from \$45 bn
in 2020 to \$148.5 bn in
2030¹²



36,000+

industrial and
manufacturing
facilities nationwide
by 2035¹³



Powering the growth of SMEs through the NIS¹⁴

Under the NIS, the Kingdom is growing its industrial business base and localizing production in the sector by promoting an entrepreneurial culture and providing financing programs and initiatives to meet the operational needs of industrial startups and SMEs, with the ultimate goal of raising their level of participation within the sector.

NIS objectives for SMEs



In recognition of the role of SMEs as one of the main drivers of the industrial sector, the NIS gives SMEs special priority in procuring government tenders through tailored contracts and preferential procurement processes, including early tender announcements and expedited financial payback and reimbursement.

Other incentives have also been designed to boost SME participation in public tenders.



Future-forward SME initiatives

The Ministry of Industry and Mineral Resources has two programs in place to benefit SMEs in the Kingdom's manufacturing sector, supporting industrial startups and driving their adoption of innovative new technologies to leverage the benefits of the Fourth Industrial Revolution.

Industrial Incubators and Accelerators Program²⁶

In 2023, the Ministry of Industry and Mineral Resources launched the Industrial Incubators and Accelerators Program, a comprehensive initiative to nurture industrial-focused SMEs from idea generation to startup phase and kickstart their growth through upskilling programs, advisory services, licensing assistance, feasibility studies, and funding assistance to help them scale.



Mentorship with industry experts



Engineering, health, safety, security & environmental advisory services



Customized training & upskilling modules



Legal aid, licensing & feasibility studies



Industrial product development



Access to prototyping laboratories & specialized machines



Networking opportunities with universities, industry leaders, investors & technical experts



Marketing support & business matching



Grants & funding according to location of business²⁷

Future Factories Program²⁸

The Future Factories Program is a major initiative to build or upgrade 4,000 factories in Saudi Arabia with the latest technologies in order to boost manufacturing in five important sectors.



Defense & security



Renewable energy



Medical equipment



Aerospace & aviation



Automotive²⁹

All existing licensed factories in the Kingdom are eligible for consideration in the program, whose goal is to improve the following conditions in participating entities.



Vertical & horizontal integration



Facility & shopfloor automation, connectivity & intelligence



Workforce learning & development



Integrated product cycle



Inter- & intra-company collaboration



Strategy & governance



Leadership competency



Talent readiness³⁰



☆ SUCCESS STORY:

Redwan Kayal

Founder & Managing Director,
Contemporary Foods



Established in late 2018 in Jeddah, Contemporary Foods is a pioneering food manufacturer dedicated to becoming the leading provider of healthy and delicious food products. They use fresh and high-quality ingredients, and continuously work on expanding their product line to meet evolving customer needs.

How has the landscape for manufacturing SMEs evolved in Saudi Arabia since you launched in 2018, and what were some of the main challenges faced in the early years of the company?

Manufacturing is an essential component to help in diversifying the economy, and there is great support from the government for startups and SMEs in the sector. Today, all it takes is a solid idea to kickstart your manufacturing business. This is evident in the rapid growth of the sector and the growing interest from people to manufacture products locally. It's clear that the sector's infrastructure is developing, and we are starting to see the fruits of that.

At the beginning of our journey, Contemporary Foods received immense support from the Ministry of Industry and Mineral Resources in covering labor fees and from the Human Resources Development Fund in employing Saudi nationals.

In addition to that, Monsha'at has provided us with invaluable support through the Monsha'at Academy by allowing us to access the right training from top universities. Through that training we were able to gather insights from those who had been there before us, and we even flew to Japan to learn about lean production methodologies to manufacture our products efficiently and reduce waste.

In terms of challenges, as much as you do your own research in the lead up to starting your business, there are simply many obstacles that you will not anticipate. A significant challenge at the beginning was managing cash flows and allocating an appropriate budget for marketing activities. The Kingdom has also been evolving and developing at a very fast pace, and navigating regulatory changes in recent years has also been a challenge for us, ensuring that the quality of our products continue to meet the required standards. However, this is where having a great team is



crucial to the success of the business, as they help alleviate novel challenges as they arise.

How has Contemporary Foods optimized its manufacturing processes to maintain a competitive edge and meet the evolving demands of the market?

Initially, due to budget constraints, we couldn't invest in advanced automated machinery. Therefore, we focused on optimizing our processes and efficiently managing our workforce. For example, nut butters are a key ingredient in the energy bars that we make, and when we realized that we had unutilized capacity on our grinding machines we decided to produce our own nut butters from scratch. This not only complemented our existing products but also introduced a new product for our customers. It also maximized machine utilization, illustrating how we enhanced our manufacturing efficiency.

What advice would you give to aspiring business owners looking to enter the food industry and make a positive impact on the community?

Start small and be sure to test your market thoroughly. While customer feedback is valuable, remember that it's not always definitive. Prioritize innovation and seek untapped market opportunities. Initially, focus on cash flow over sales figures and establish an online store. This will help boost cashflows from revenues and profit margins complemented with the right marketing efforts, while allowing you to obtain real-time feedback on your products by connecting you directly to customers.

I would also say that when you are doing something that you do not see anyone else doing, this might create doubt on whether you are going to be successful. However, my advice is to be patient and trust the process.

ESTABLISHING A SUCCESSFUL SME IN MANUFACTURING

As the Kingdom expands its localization efforts into manufacturing, business owners looking to establish successful SMEs in the sector should prioritize choosing the right location, ensuring the resilience of their supply chains, and expanding into foreign markets as they grow.

Regional manufacturing hubs

Location is crucial when establishing an SME in manufacturing, as ensuring close proximity to materials and reliable infrastructure and transport networks significantly improves the success, cost-effectiveness, and efficiency of operations. Riyadh, Eastern Province, and Makkah remain the most popular destinations to start a manufacturing enterprise, but Al-Qassim and Madinah are emerging as new hubs for entrepreneurs in the sector.



Regional distribution of new industrial licenses in May 2023³¹



Regional distribution of factories that started production in May 2023³²



Developing resilient supply chains

Resilient supply chains are vital for manufacturing SMEs looking to secure critical inputs, reduce costs, maintain steady production, and meet customer expectations. To bolster the resilience of local supply chains, 59 logistics zones are being developed in the Kingdom to support the flow of goods between factories,³³ as well as industrial-focused special economic zones (SEZs) in Jazan, Ras Al-Khair and King Abdullah Economic City (KAEC).³⁴

Apart from highly integrated supply chains, these SEZs also offer other attractive incentives for entrepreneurs and business owners, including:



**Corporate income
tax reductions**



**A variety of
withholding tax
exemptions**



**VAT exemptions
based on sector and
industry**



**Deferred customs
duties**

Aramco's Namaat Program



The Namaat Program complements Aramco's flagship In-Kingdom Total Value Add (iktva) initiative, established in 2015 to increase supply chain resilience through localized production, human capital development, and the exchange of knowledge.³⁵

Launched in 2021, Namaat supports the formation of industrial investment partnerships which help expand the integration and productive capacity of the Kingdom's manufacturing sector, create jobs for Saudis, and contribute to the growth of the national economy. Since its launch, Namaat has scaled up quickly, with its investment portfolio expanding significantly within the program's first year.³⁶

Key focus areas



**Enhancing the
industrial value
chain**



Sustainability



**Digital
transformation**



Manufacturing



**Social
innovation**



EXPANDING PRODUCTION AND EXPORTING TO GLOBAL MARKETS

To increase the productive output of local SMEs in manufacturing and expand their reach into global markets, SIDF and the Saudi Export-Import Bank have developed supportive programs and initiatives to help entrepreneurs and business owners scale their business and export their offerings to the rest of the world.

SMEs Scale-up Initiative



SMEs Scale-Up was launched by SIDF to support promising SMEs across the NIDLP sectors by providing them with the financial resources to increase production, expand their business and deliver on investor expectations. This initiative is available for both new and existing investors.



Longer tenure
(minimum of 8 years)



Possibility to
reduce net worth
requirement to 50%
of the loan amount



Longer grace period
(up to 24 months)



Upfront
disbursement of
30% of the loan
amount

Support from the Saudi Export-Import Bank



During the first half of 2023, Saudi EXIM provided \$746.7 million worth of financing for non-oil exports,³⁷ with SMEs making up more than 51% of the bank's clientele.³⁸ Saudi EXIM now has agreements in place with both Monsha'at and the Kafalah Program to enable SMEs to access additional financing that supports the export of their goods to foreign markets.

Saudi EXIM's SME Growth Program aims to support:³⁹



Financing for
industrial SMEs



Diversified credit
products



Training and
consultancy services



SME capability
building

Khalil Al-Nammari

VP, Strategy, Communication, & Business Development, SIDF



How does SIDF align with Vision 2030 and support the growth of the manufacturing sector?

SIDF underwent a major transformation in 2018, increasing our capital to SAR 105 billion and upgrading our mandate to incorporate three pivotal sectors: mining, energy, and logistics. In 2022 we made significant strides to support these sectors, including the approval of 111 loans across the energy industry, logistics, and mining sectors. With an approval amount of SAR 14.2 billion, up 28% from 2021, SIDF is catalyzing the manufacturing ecosystem, creating new opportunities through committed support.

In the past 6 years alone, we have lent roughly SAR 55 billion to our clients, equivalent to what we disbursed during our first 36 years of operations. Our offerings cover financial needs across the life cycle of projects, supporting the industry through working capital, acquisitions, and supply chain financing. Moreover, in 2022, we introduced new products including our Local Industry Stimulus Initiative which offers non-recourse loans for SMEs and industry 4.0 implementation assistance.

How is localization unlocking new opportunities for SMEs in the manufacturing industry?

Since the launch of Vision 2030, there has been a noticeable shift in Saudi Arabia's manufacturing sector, and SIDF's portfolio has evolved to support this. The automotive industry, maritime sectors, renewable energy, and advanced machinery have all experienced growth. Each of these expanding sectors requires an ecosystem to support them, creating opportunities for SMEs to facilitate this expansion and contribute to establishing a robust and resilient ecosystem.

Additionally, a key aspect of Vision 2030 is the emphasis on localization. There's a clear national strategy in place, complete with set localization targets mandating entities to have their

own programs, which works in turn to generate even more opportunities. The overarching theme is not just one of transformation, but also creating extensive opportunities and financial support for SMEs in manufacturing.

How does SIDF leverage its resources and expertise to help SMEs overcome common challenges?

Over the past 49 years, SIDF has garnered substantial experience supporting the industry. Consequently, in 2019 we introduced advisory services specifically tailored for SMEs. Backed by over 160 dedicated research experts offering support throughout the entire loan provision process, our goal is to offer our expertise to SMEs across the entire ecosystem, not just to SIDF clients. Today, we offer three advisory services: go-to-market, cost optimization, and plant performance optimization in which we assess, define the issue, and recommend actionable solutions complete with forecasted outcomes. Our forecasts have shown a 40% reduction in operational costs when the cost optimization strategy is implemented, while our plant performance optimization study has shown a 60% increase in freed-up capacity.

In conjunction with our advisory services, we've established the SIDF Academy which, up until the end of 2022, has launched 111 programs and received 8,188 trainees. Detailed on the SIDF website, this free initiative complements our financial offerings by focusing on non-financial services, such as training and human capital development. Developed in partnership with prestigious institutions like UC Berkeley, Stanford, and the London School of Business, the academy offers a diverse range of topics, from sustainability, leadership, and management to more specialized areas such as lean and advanced manufacturing, all designed to support our upcoming leaders in the Kingdom's manufacturing sector.



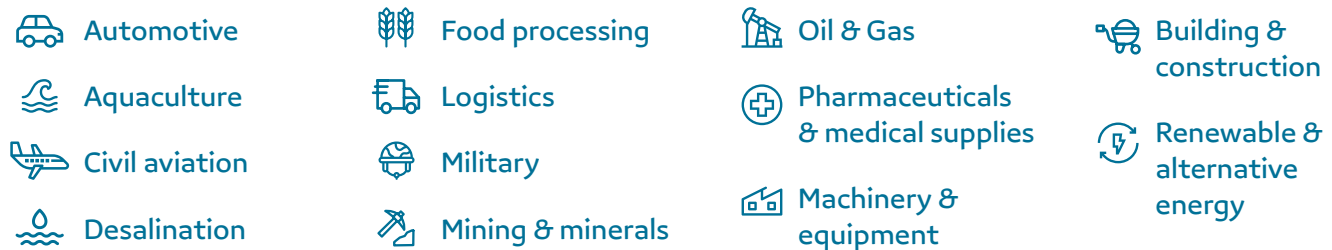
LOCALIZING INDUSTRIAL OUTPUT: SABIC SUPPORTING SMES WITH NUSANED⁴⁰



A key initiative of SABIC, one of the world's leading chemical manufacturing companies, Nusaned was launched in 2018 to boost investment in Saudi SMEs and spur localization efforts across the industrial and manufacturing spaces. To help local entrepreneurs and SMEs thrive in industrial manufacturing, the initiative provides a suite of services designed to drive growth in the sector.

- > Strong local procurement spending
- > Product conversion to develop downstream industries
- > Commercialization of SABIC-supported patents, technologies, and apps
- > Raw materials
- > Technical support
- > Financing advice & support
- > Local workforce development & training
- > Strong cooperation with local authorities to facilitate project development⁴¹

As a holistic effort, Nusaned is committed to supporting local industrial growth in 13 strategic markets.



To help achieve Vision 2030's localization targets and boost Saudi exports, Nusaned has four partner support programs to boost investment in industrial procurement contracts for locally-owned SMEs.

Entema

A global platform for investors from around the world to invest in Saudi-owned industrial-focused SMEs.⁴²

Daem

SABIC support packages including product offerings, tech support, and shared services that enable opportunities for investors in the industrial SME space.⁴³

Muahal

A series of customized training programs to develop workforce capabilities and create thousands of new jobs for workers in targeted industrial sectors.⁴⁴

Access to finance

Through programs like Nusaned Investment and other SABIC partners, Nusaned provides a series of attractive financing opportunities for qualifying SMEs.⁴⁵



CASE STUDY: SIEMENS ENERGY DAMMAM HUB: EMPOWERING LOCAL MANUFACTURERS⁴⁶

SIEMENS
energy

Founded in 2016, the Siemens Energy Dammam Hub (SEDH) is key to the Kingdom's efforts to localize its energy sector and empower industrial-facing SMEs. By combining an advanced manufacturing center with a fully integrated service value chain that can do advanced repairs, it allows Saudi Arabia to produce and repair advanced industrial machinery onsite.

Key facts about the SEDH



Largest
facility of its kind
in the Middle East⁴⁷



75,000 sqm
facility⁴⁸



300+
employees⁴⁹



\$100+ mn
invested by
Siemens in facility⁵⁰



26
compressor
trains produced



10
heavy-duty gas
turbines ready
for production⁵¹



20
centrifugal compressor systems for
Hawiyah Unayzeh Gas Reservoir
Storage (HUGRS) Project⁵²

SEDH has already become the largest gas turbine and compressor manufacturing facility in the region. It is also upskilling the next generation of Saudi engineers to produce advanced products sourced largely by Saudi SMEs.⁵³

- > Heavy-duty gas turbines
- > Compression packages
- > Compressor trains
- > Lube oil units
- > Water solution packages
- > High-speed balancing
- > Additive manufacturing capabilities
- > Rotor manufacturing & assembly⁵⁴

SEDH is central to the government's goal of reaching net-zero emissions by 2060. Over two phases, the company plans to produce a series of renewable energy sources through cutting-edge technologies and localized value chains.



Green hydrogen for
passenger cars and
buses



Kerosene synthesis plant to
convert green hydrogen into
sustainable aviation fuel



Produce decarbonized
fuels for the maritime
sector



Increasingly
localized
value chains⁵⁵

Mohammed Al-Othman

Founder,
ASG Plastics



ASG Plastics is a leading manufacturer of single-use plastic products. With over 16 years in the business, their extensive range of products includes juice containers, cutlery, gallons, and date boxes.

What are some of the challenges you faced as you set up the factory, and how do you adapt to changing market dynamics?

As a new business, we encountered several challenges before production, mainly consisting of limited land area, uncertainty on which products to manufacture, and the lack of access to cutting-edge technology and a skilled workforce.

As for post-production, the main challenge was the uncertainty that comes with competing with well-established companies in the market. However, we overcame these challenges by focusing on quality and remaining agile, especially after the COVID-19 pandemic.

Government support has been continuous and has grown significantly since the launch of Vision 2030 in 2016, with the provision of suitable land, helping establish streamlined procedures, and providing access to a skilled and qualified workforce.

The backing of entities such as MODON (the Authority for Industrial Cities and Technology Zones) and SABIC has created the right environment for the growth and expansion of our business. Additionally, government-organized international exhibitions aimed at boosting exports have been instrumental in introducing our products to new global markets.

The sector is constantly evolving, and we have been adapting to the changes and keeping pace with the market. As the number of cafes, restaurants and catering services increased, so did the demand. Anticipating this surge, we were positioned perfectly to meet the new market needs, and expanded our product range from three products to 600 products.



Maintaining quality standards is crucial in the manufacturing sector. What quality control procedures and processes does the factory implement to ensure sustainability, safety and excellence?

From day one, our focus has been on quality. Our primary objective was to create excellent high-quality products that comply with international standards. To demonstrate this commitment, we acquired various certifications from the International Organization for Standardization (ISO).

We have also always strived to ensure that our products meet the stringent standards set by the Saudi Standards, Metrology and Quality Organization, and have the approval of the U.S. Food and Drug Administration. Additionally, we're committed to using only the finest materials, 90% of which are sourced from SABIC, a company renowned for its exceptional quality.

What advice do you have for aspiring entrepreneurs looking to enter the plastics industry?

Today, all government agencies are committed to offering support for aspiring entrepreneurs, and the plastic production sector in the Kingdom enjoys a competitive edge primarily due to the ease of access to materials. Amid this enabling environment, entrepreneurs must embark on their industrial ventures armed with a clear vision and a healthy dose of patience, all while adhering to quality standards. Ultimately, they should conduct thorough research on foreign markets to glean actionable insights and ensure their innovative ideas are channeled towards products that deliver added value to both the market and society at large.



PROVINCE FOCUS: AL-QASSIM

Al-Qassim is steadily growing into a dynamic economic player in the Kingdom, as local entrepreneurs and businesses harness its rich commercial history, fertile land, and abundant reserves of natural resources to grow the region's agriculture, mining, and transportation sectors.



THE GROWTH OF THE PRIVATE SECTOR IN AL-QASSIM

Located at the confluence of the regions of Riyadh, Madinah, Hail, and Eastern Province, Al-Qassim's strategic central position, coupled with its extensive road and rail infrastructure, makes it a key transport and logistics hub in the Kingdom with a century of history in the trade of minerals, livestock, and agriculture.

Al-Qassim at a glance



94.1%

employment rate
as of Q2 2022⁵⁶



393

active factories
as of Q2 2022⁵⁷



2

industrial
cities⁵⁸



4

chambers of
commerce⁵⁹

Economic features of the province



Date
farms



Middle East's
sole bauxite
mine



Strong
manufacturing
potential



Key transport
hub

An agricultural leader

Often referred to as the Kingdom's 'food basket', Al-Qassim is renowned for its strategic dominance in cultivating grapes, lemons, oranges, and dates, while also boasting a thriving camel market. The region's proactive initiatives to expand large-scale organic farming are also propelling Saudi Arabia's transition towards sustainable agricultural practices.

Key agricultural statistics



1.22mn

tons of agricultural
products produced
annually⁶⁰



370,000

tons of dates
produced annually⁶¹



2nd Highest

share of palm trees
in the Kingdom⁶²

Emerging mining hub

Celebrated for its abundant coal and mineral deposits, Al-Qassim is home to the only bauxite mine in the Middle East, a key raw material in aluminum production. With its well-developed supply lines to the Ras Al Khair Refinery, Al-Qassim's mining sector is only expected to grow in the coming years, thanks to the Kingdom's unwavering commitment to fostering new opportunities within the industry.

Mining sector in numbers



105

active mining
licenses in the
province⁶³



183.4 mn

metric tons
in bauxite
reserves⁶⁴



4 mn

tons of bauxite
produced
annually⁶⁵



\$2.4 bn

value of the
Kingdom's aluminum
market by 2026⁶⁶

Diversifying through infrastructure and education

Beyond its abundant natural resources, Al-Qassim's commitment to infrastructure development and education is solidifying its status as a burgeoning center for business and innovation, bolstered by a youthful, highly skilled, and industrious population.

Population and infrastructure statistics



1.52mn

people⁶⁷



60%

of population
under 35⁶⁸



29

hotels⁶⁹



1

international
airport⁷⁰



24

public and
private
hospitals⁷¹



5

colleges &
universities⁷²

A booming business landscape

Across a diverse range of sectors, including construction, mining, agriculture, and manufacturing, Al-Qassim is a region on the rise with vast opportunities for SMEs and investors looking to harness the dynamism of an emerging market.

Developments shaping Al-Qassim's commercial ecosystem



85

new factories under
construction⁷³



27

agricultural, water, and environmental
development projects launched in 2022⁷⁴



\$703 mn

in loans secured for
projects since the
launch of SIDF⁷⁵



253

Agricultural Development Fund loans
allocated to Al-Qassim in 2021⁷⁶

A BREAKDOWN OF SMEs IN AL-QASSIM

A historic commercial hub of the Kingdom, it is no surprise that small and medium businesses are thriving across a number of important sectors in Al-Qassim, where nearly 60,000 businesses are driving growth and innovation.



58,181
total SMEs⁷⁷



98.6%
of SMEs in the province
are small or micro-sized⁷⁸



6th
highest number of SMEs
by region in Saudi Arabia⁷⁹



50,655
micro-sized businesses
(87.1%)⁸⁰



6,700
small-sized businesses
(11.5%)⁸¹



826
medium-sized businesses
(1.4%)⁸²



Al-Qassim region has many economic attractions, particularly within the agricultural sector, with a strong focus on date cultivation, providing great opportunities for merchants and laborers both in and outside the region.

Despite some difficulties in the date industry due to weather fluctuations, while also being a relatively recent entry into the industry, thanks to government support Al-Qassim has become the leading producer and exporter of dates in the world. We have a promising future in the date industry with many transformational and derivative projects. Therefore, I advise entrepreneurs in the region to be serious, precise, and careful before launching a project since there are many promising opportunities in this field and others.



ABDULAZIZ ALTUWAIJRI,

Founder, Hdeim Dates



QASSIM CHAMBER OF COMMERCE KICKSTARTING ENTREPRENEURSHIP



Chamber services⁸³

The Qassim Chamber of Commerce stimulates Al-Qassim's business environment by driving entrepreneurial innovation, supporting SMEs, bolstering the skills of the local private sector, encouraging investment, and localizing the region's workforce. It does so by providing a range of services, programs, and publications that empower entrepreneurs in Al-Qassim to drive the growth of new industries in the region.



Host regional forums for startups to connect with investors



Provide entrepreneurial guidance and training



Grow the local economy



Foster empowerment among women and youth within Al-Qassim's commercial ecosystem

Intilaqna Program

The chamber recently extended its partnership with the Social Development Bank (SDB), following the two-year success of the Intilaqna Program for financing SMEs in the Al-Qassim region. The program gives SMEs access to the bank's financing products and supports their continued development through training, guidance, and follow-up advisory services.

During the program's first run, between 2021 and 2023, beneficiaries accessed:



\$933,333

total financing provided to local entrepreneurs and SMEs⁸⁴



11

contracts signed by beneficiaries⁸⁵



\$133,333

in maximum financing available to individual entrepreneurs⁸⁶

In line with its mission to foster the development of entrepreneurs and SMEs in the region, the chamber provides dedicated workshops and training courses to help growing companies innovate their operations, access funding, and adopt international best business practices.

Workshops and training programs in 2023

- > An Introduction to Performance Indicators⁸⁷
- > The Basics & Tools of E-commerce⁸⁹
- > How to Enter the Field of Self-employment⁹¹
- > Requirements for Importing & Clearing Goods⁸⁸
- > The Science of Marketing Your Business⁹⁰
- > Qassim Chamber Summer Program for Entrepreneurs⁹²

Mohammad Al-Mejally

Mayor, Al-Qassim Province



What is the significance of Al-Qassim in the economic landscape of Saudi Arabia, particularly in terms of agricultural activities, and how does it contribute to the overall growth of the Kingdom's economy?

Al-Qassim also holds a prominent position in the Kingdom's agricultural landscape. Renowned globally for its date production, boasting an annual production of more than 370,000 tons of dates generated by more than 12,000 date farms. Beyond these, the region also cultivates grapes, lemons, and oranges, yielding over 1.2 million tons of diverse agricultural products each year. Al-Qassim is also a great livestock hub, particularly in sheep, goats, and camels, not to mention home to the world's largest camel hospital, a huge facility capable of caring for up to 4,000 camels at a time.

Ours is also a region rich in natural resources and is the home to the Middle East's sole bauxite mine. This mine alone is responsible for producing nearly five million tons of bauxite annually, which supports the production of approximately two million tons of aluminum.

How does the government of Al-Qassim support and encourage the growth and innovation of SMEs?

Al-Qassim Municipality is committed to devising comprehensive plans and effective execution strategies to foster the growth of the local ecosystem. We also enable collaboration between governmental and private entities to bolster regional SMEs. This involves events and exhibitions to inspire them to embark on their entrepreneurial journey, as well as training programs to help them build resilient businesses once they are in the market.

Our progress would not have been possible without the steadfast support and visionary leadership of the government, whose dedication is evident in the

establishment of Monsha'at, which has played a pivotal role in regulating and nurturing these enterprises.

At the Al-Qassim Municipality, we are also always on the lookout to support and help develop SMEs by offering investment opportunities that serve businesses across diverse sectors, enhancing the private sector's productivity and increasing its contribution to the local economy. We are dedicated to creating favorable investment opportunities for SMEs by providing growth-supportive services and promoting an entrepreneurial culture.

What are some specific initiatives or programs that the Al-Qassim Municipality has participated in to facilitate the establishment and growth of SMEs?

Our 'Windows of Hope' initiative is one notable program. Launched by H.R.H. Dr. Faisal bin Mishaal bin Saud, Governor of Al-Qassim Region, in collaboration with the Governor of Monsha'at and relevant sectors, it worked to help SMEs overcome adverse market dynamics during the pandemic. In addition to that, we held the 'Biban Al-Qassim' event to raise the level of awareness among aspiring entrepreneurs and established SMEs in the region, and provide the necessary support to ensure their sustainability and growth.

Al-Qassim Municipality also conducts numerous workshops, lectures, and educational and guidance sessions to enhance business owners' managerial, marketing, and financial skillsets through courses and training programs that teach investors and entrepreneurs how to identify important opportunities and actually launch their own business. The impact of these programs can be seen in the growing interest being shown in the greater investment opportunities in the region. The proof of this tremendous progress lies in the 112,000 commercial licenses that have now been issued for SMEs in Al-Qassim.

QASSIM'S BOOMING DATE INDUSTRY

The regional strength of a national industry

Saudi Arabia is the largest date producer in the world, accounting for 15% of global annual production,⁹³ making the product a key national commodity and high-value export. With SMEs a driving force behind its thriving industry, Al-Qassim produces almost a fifth of national date output each year.⁹⁴ With plans to plant three million new date-producing palm trees, the region's output will only continue to expand further.⁹⁵

Date industry statistics



370,000

tons of dates produced
in Al-Qassim per year⁹⁶



11.2mn

date palms in
the region⁹⁷



20%

of the Kingdom's
annual date output⁹⁸



13,402

date farms across the
region⁹⁹



13

different date
varieties¹⁰⁰



7

date festivals hosted
each year¹⁰¹

More than a fruit: Sweets, desserts, and derivatives

As a key commodity in Saudi Arabia whose production is driven by SMEs, dates go far beyond being a humble fruit. Woven into the Kingdom's culinary traditions, dates are a central ingredient in a variety of products, from date-filled Ma'amoul cookies to date powder, nourishing energy bars, and date-infused beverages.

Date-derived products produced in Saudi Arabia¹⁰²

- > Date paste
- > Date jam
- > Date syrup
- > Date honey
- > Date palm sugar
- > Date juice
- > Medicinal alcohol
- > Date powder
- > Medical solutions
- > Vinegar
- > Citric acid
- > Date cream

With the prices of manufactured dates rising globally, and only a small number of local companies specialized in their production, there are significant opportunities for SMEs to increase the output of date derivatives.

Date-derivative industry statistics



90

date derivative
factories in
Saudi Arabia¹⁰³



57.3%

of total date
factories produce
derivatives¹⁰⁴



7

initiatives run by the
Agricultural Development
Fund to increase date
production¹⁰⁵



EVENT FOCUS: BURAIDAH DATE CARNIVAL

At the beginning of the date harvesting season in August, which runs for 75 days, Al-Qassim hosts the world's largest seasonal date market in the city of Buraidah. The market attracts visitors and date traders from around the globe, enabling the export of Qassim dates worldwide. It also supports local date startups, activates the manufacture of date products, and provides local farmers and traders with the opportunity to connect with entrepreneurs and packaging factories, and boost their sales by marketing their products through delivery platforms.

Buraidah date carnival in numbers



Largest

seasonal market for dates
in the world¹⁰⁶



45 date

varieties¹⁰⁷



35-day

carnival¹⁰⁸



15,000sqm

export yard¹⁰⁹



50%

of dates sold each day are
exported¹¹⁰



\$5.3mn+

in daily market sales¹¹¹



\$746.7mn

worth of sales generated in
2022¹¹²



74

countries imported dates from
the carnival in 2022¹¹³



4,000+

seasonal job opportunities
created by the festival in 2023¹¹⁴

Dr. Khaled Al-Nuqidan

CEO, Buraidah Date Carnival



Al-Qassim is a region renowned for its date production. How does the date industry contribute to the economic development of the region, and what role do SMEs play in this sector?

Dates are integral to our national culture and abiding symbols of Arab hospitality, so the Kingdom has long made the cultivation of dates and palms a key economic priority by supporting farmers, approving systems and programs to enhance efficiency, and establishing entities to regulate this vital sector.

The launch of Vision 2030 has cemented the date industry's status as a key economic sector in the Kingdom, ushering in a new era of investments that have enhanced cooperation between national companies, government entities, date producers and exporters. These new streams of investment are also improving the Kingdom's agricultural value chains, the quality and volume of date production, supply chain efficiency, product marketing strategies, data access for producers, and human and institutional capabilities.

Overall, these developments have opened a wide array of opportunities for SMEs, who have a significant role to play in growing the industry through the development of new date products and product lines.

The Buraidah Date Carnival is a major event in the province. Could you share insights into how the festival supports local date farmers and SMEs?

Al-Qassim is home to 11.2 million palm trees, producing more than 370,000 tons of dates annually, and the Buraidah Date Carnival helps our producers market their goods on a global scale. Last year, sales of dates exceeded USD 533.3 million and we had close to 400,000 visitors.

There were also a number of activities accompanying the festival, organized under the leadership of H.R.H. Prince Dr. Faisal Bin Mishal Bin Saud, the Emir of Al-Qassim and Chairman of the Supreme Committee of the Buraidah Date Carnival, which contributed to the creation of investment opportunities for SMEs across the agricultural, entertainment, tourism, and industrial sectors.

How does the Buraidah Date Carnival contribute to job localization and the creation of employment opportunities for Saudis, particularly within the SME sector?

Between the large quantities of dates traded daily and the high number of visitors, the festival has created many attractive investment opportunities for SMEs, and more than 4,000 seasonal job opportunities for young Saudi men and women in a number of fields. These include sales and marketing, supporting family businesses with sorting, wrapping, and packaging their products, as well as the export, purchase and transportation of products from farms. By fostering valuable connections between farmers, sellers, marketers and consumers, the carnival has created numerous opportunities for SMEs in the logistics sector.

The Buraidah Date Carnival has been on a consistent trajectory of growth since its launch in 2000. By bringing together local and international visitors, merchants, and officials, the festival offers SMEs the chance to expand globally, adopt high-quality date cultivation practices that meet international standards, and align their products with specific country requirements. It also facilitates market research, packaging solutions, and effective marketing strategies to ensure consumer trust and successful sales.



MONSHA'AT: DATE SECTOR INITIATIVES

Dates Support Initiatives for SMEs

Last year, Monsha'at partnered with Jahez, a leading food delivery app in the Kingdom, to support and enable SMEs in the date sector during the Buraidah Date Carnival. Through this initiative, SMEs and business owners can leverage the speed and efficacy of a delivery platform to increase demand of their goods and reach their target markets more broadly and efficiently.



Key benefits of the initiative:¹¹⁵

- > 13% discount for SMEs on Jahez's commission rate
- > Dedicated store on the Jahez app
- > Warehouses and storage provided by Jahez
- > Reduced operational effort and costs
- > Free marketing of products
- > Higher customer reach



Cold Storage & Transportation Initiative

Monsha'at also supported SMEs during this year's Onaizah Date Festival by providing them with additional trucks and parking spaces for the storage and transportation of their date stocks. Through the initiative, Monsha'at linked local sellers and traders with refrigerated transport companies to ensure their stock made it to the rest of the Kingdom safely.



Participating companies:

الإمداد الآمن
SAFE SUPPLY





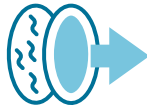
MONSHA'AT DATES BUSINESS ACCELERATOR¹¹⁶

Monsha'at's Dates Business Accelerator was implemented to support startups and entrepreneurs in the date sector. The one-time program presented a unique opportunity for investors and partners to increase quality production with services targeting the industry's entire value chain, from planting, harvesting, packing, and storage to preparation, processing, marketing, and sales.

Program objectives



Support startups in the date industry



Develop the Kingdom's competitive advantage in the export of dates



Promote international best practices in the sector



Raise output by developing high potential companies

Key facts



15-week
duration

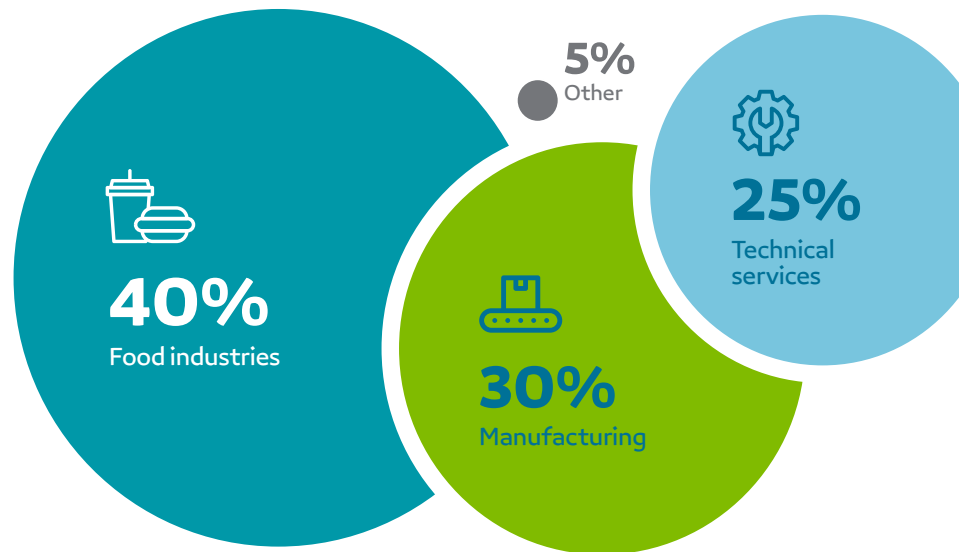


5-day
kickoff training camp



3 locations
in Al-Qassim, Al-Madinah, and Al-Ahsa

Distribution of startups in the program by sector



Dates Business Accelerator in numbers¹¹⁷



175+
job recruitments
by startups



115+
deals and
partnerships
for startups



30+
workshops
and programs
delivered



35+
experts,
speakers, and
guests hosted



1,000+
consulting
hours

Nasser Alammar

General Manager,
Alammar Agricultural Services



مؤسسة العامر للخدمات الزراعية
Alammar Agricultural Services Est

Al-Ammar Agricultural Services was established in the Al-Qassim region in 2000 to develop the region's date industry by supporting entrepreneurship and serving date farmers, producers, and marketers, in addition to providing job training and placement programs that prepare the next generation of date industry professionals.

What drove you to establish Alammar Agricultural Services, what are some of the key challenges you've encountered in your business journey, and how have you overcome them?

Al-Qassim is considered one of the most promising regions in the Kingdom, as it is known for its rich history in agriculture, trade, and its abundant natural resources. Through the expansion of its cultivated land and the amount of natural resources it has to offer, Al-Qassim is the ideal place to start businesses, achieve profitability, and consequently, to sustain and expand the business.

Every business faces its own set of challenges, and our business is no exception. In our industry, breaking into the market and competing with established players having more experience or capital is always a big challenge. We also had to be agile in adapting new technologies to remain competitive, which was difficult at first. However, we overcame these obstacles by delivering the highest quality products and services and capitalizing on our wealth of expertise.

What factors make Al-Qassim an attractive destination for entrepreneurs, especially those interested in the agriculture and food processing sectors?

Al-Qassim is called the Kingdom's "food basket" for its fertile soil, abundant resources, and its long history of successful farming. The region's extensive agricultural expertise, passed down through generations, combined with its continuous modernization, offers promising investment prospects in agriculture and the food industry.

I have been working in this field for 27 years, and I can



confidently say that Al-Qassim is an attractive destination for agri-food businesses, especially in the cultivation of dates, since the region is home to the finest types of dates in the world and is witnessing rapid growth and development. This goes in tandem with the mechanisms of supply and demand to maximize the region's potential and achieve the most optimal outcome.

How do you envision the future of the date industry in Al-Qassim, and what advice would you offer aspiring entrepreneurs in the food industry?

Alammar Agricultural Services is among the 300 institutions across the Kingdom dedicated to advancing the palm industry. Since our inception, the number of palm trees in Al-Qassim has surged from one million to more than 11 million, resulting in a substantial increase in production and promising opportunities for innovation and growth. With the rising population, we're also anticipating expanding our consumer base and catering to emerging markets. Our mission is to nurture young talents, equipping them with the skills to carry on the agricultural businesses in the region.

I encourage potential investors and aspiring entrepreneurs to explore the extensive and diverse agricultural investment opportunities in Al-Qassim. This region offers opportunities to acquire irrigated farms and build upon its agricultural heritage. With favorable conditions for cultivating dates, wheat, and vegetables, Al-Qassim provides a fertile ground for various projects. I'm also happy to extend my advice and share my experience and knowledge in the field to investors and entrepreneurs wanting to start their business in Al-Qassim.



MONSHA'AT & ECOSYSTEM UPDATES

A breakdown of the key data, latest deals and updates within the SME ecosystem



MONSHA'AT HOSTS SERIES OF WEEK-LONG SME EVENTS

Commercial Franchise Week

In partnership with leading banks, financial institutions, government agencies, and businesspeople, Monsha'at hosted a week-long event to showcase the key initiatives and programs it has underway to support entrepreneurs in franchising opportunities and to boost trademark allocation to SMEs.



650,000+

in-person and virtual beneficiaries



150+

business support sessions



10+

exhibitors



250+

specialized guidance and consultation sessions



28

participating entities



30

meetings and workshops¹¹⁸

Growth Week

In partnership with the US-based Silicon Valley Innovation Center, Monsha'at's Tomoh Program offered SMEs and entrepreneurs a series of workshops and consultations for high-growth SMEs to develop leadership skills and adopt best international practices from some of the world's leading business experts.¹¹⁹



380,000+

in-person and virtual beneficiaries



150+

business support sessions



290+

specialized guidance and consultation sessions



19

participating entities



28

meetings and workshops

Funding Week

In addition to signing MoUs with a variety of key Saudi lenders and institutions, including Tasheel Finance, Wataniya Finance, Mudaraba, Amlak International, and the Association for Social Economics, Monsha'at hosted a special week-long event to raise awareness about financing opportunities for entrepreneurs and SMEs across a wide variety of sectors.¹²⁰



400,000
virtual participants¹²¹



60
exhibitors



350+
consultations¹²²



6
national lenders
agreed to lend to
SMEs

Health Week

In partnership with leading public health authorities such as the Saudi Food and Drug Authority, the Saudi Commission for Health Specialties, the Health Sector Transformation Program, and the Council of Health Insurance, Monsha'at hosted Health Week, an opportunity for SMEs in the healthcare sector to learn about the many opportunities in the country.¹²³



350,000+
in-person
and virtual
beneficiaries



190+
business
support
sessions



270+
specialized
guidance and
consultation
sessions



20
participating
entities



40
meetings and
workshops¹²⁴

Law Week

In cooperation with the Saudi Bar Association, Monsha'at hosted dialogue sessions between entrepreneurs and legal experts at support centers in Riyadh, Madinah, Jeddah, and Al-Khobar to shed light on key developments and opportunities for SMEs in the legal sector, and to highlight the services available to help them develop their enterprises and mitigate potential risks.



66,000+
in-person
and virtual
beneficiaries



180+
business
support
sessions



300+
specialized
guidance and
consultation
sessions



12
participating
entities



32
meetings and
workshops¹²⁵

MONSHA'AT KEY FIGURES

The third quarter saw impressive growth in the number of SMEs that benefited from Monsha'at's services across the Kingdom, with well over 100,000 SMEs availing themselves of Monsha'at's various upskilling, training, empowerment, funding, franchise, or expansion programs and platforms. For businesses and entrepreneurs interested in getting off the ground, the progress made in Q3 is indicative of a robust and maturing ecosystem.



11,242

SMEs benefited from Monsha'at's SMEs Support Centers in Q3 2023¹²⁶

To learn more, please [click here](#)



67,458

trainees benefited from Monsha'at Academy and Monsha'at Academy's programs on other platforms in Q3 2023¹²⁷

To learn more, please [click here](#)



3,397

SMEs qualified for Monsha'at's Jadeer service in Q3 2023¹²⁸

To learn more, please [click here](#)



35,768

beneficiaries of Monsha'at's Nawafth app by the end of Q3 2023¹²⁹

To learn more, please [click here](#)



1,170+

beneficiaries benefited from Thakaa Centers in Q3 2023¹³⁰

To learn more, please [click here](#)



281

franchise brands listed on the Franchise Center's platform¹³¹

To learn more, please [click here](#)



1,357

SMEs joined the Tomoh program since inception in 2021 to the end of Q3 2023¹³²

To learn more, please [click here](#)



14

SMEs have been listed in the parallel market "Nomu" through the Tomoh program¹³³



QUARTERLY VC FUNDING

Quarterly venture capital funding in Saudi Arabia continued to be among the highest in all of MENA in Q3, with 22 deals worth \$87 million struck from July to September alone. Altogether, robust investor interest in the Kingdom helped spur more than half a billion dollars of investment in Saudi Arabia's VC ecosystem in the first nine months of the year.



\$87mn

in funding in Q3 2023¹³⁴



22

deals in Q3 2023¹³⁵



\$536mn

in investments
attracted in the first 9
months of 2023¹³⁶

VC INSIGHT:

Philip Bahoshy

Founder & CEO, MAGNiTT

MAGNiTT

MAGNiTT is the leading venture capital data platform in the MEAPT, enabling investors, corporations, Big Tech companies, and government entities to make informed and data-driven decisions based on verified information.



In Q3 2023, Saudi Arabia's venture capital landscape rebounded with \$87 million invested, nearly three times the funding compared to Q2. Deal activity also improved across the quarter, increasing from 19 to 22 deals. While Saudi Arabia's funding and deals have weakened Y-o-Y, the market fared better than the overall MENA region, whose decline stood at over 40% y-o-y.

In the first 9 months of 2023, the Kingdom topped the funding leaderboard in the region, attracting investment of \$536 million, largely partially driven by the Halan and Floward mega deals in Q1. The largest deal closed in Q3 was for retail inventory platform management firm Rewaa, at \$27 million. There have also been significant government-led developments to improve the ease of doing business and notable fund announcements from key players like the PIF-powered Jada Fund of Funds, KAUST, and SVC.

PRIVATE SECTOR SME FINANCING

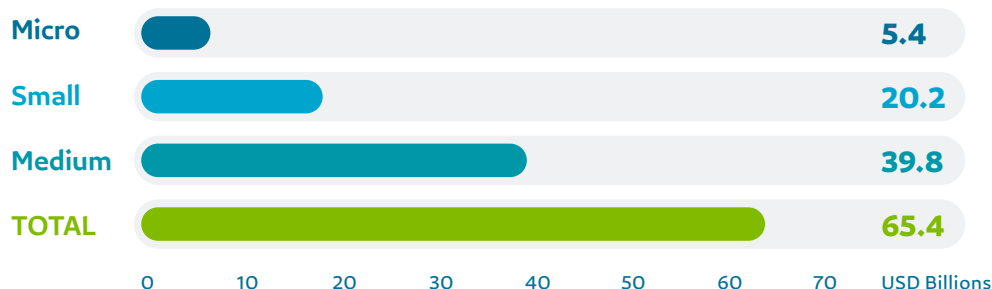
As per latest available data, total credit facilities allocated to SMEs by the private sector increased by 18.8% y-o-y in Q2 2023, from \$58.9 billion in Q2 2022 to \$70 billion in Q2 2023, signaling the financial sector's rising confidence in the country's SME ecosystem. Medium-sized enterprises (50-249 employees) remain the greatest beneficiaries, securing 59.3% of total lending to SMEs in Q2 2023.



19.3%

y-o-y increase in SME financing provided by banks, in Q2 2023 ¹³⁷

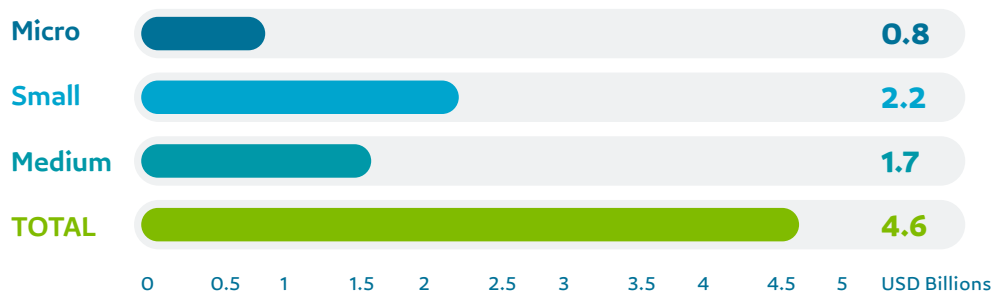
Credit facilities provided to SMEs by banks, Q2 2023 Y-O-Y



12.5%

y-o-y increase in SME financing provided by finance companies, in Q2 2023 ¹³⁸

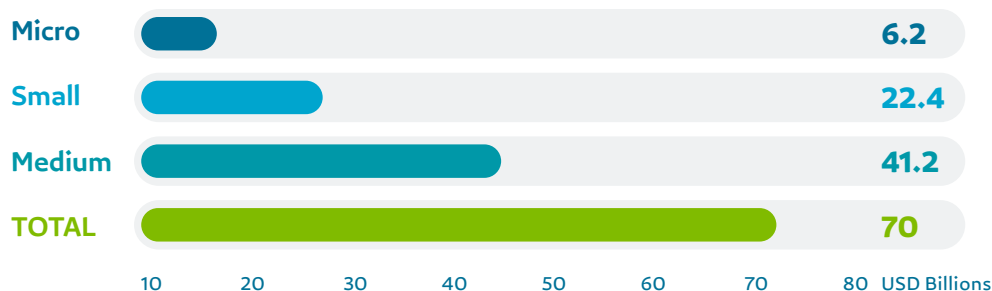
Credit facilities provided to SMEs by finance companies, Q2 2023 Y-O-Y



18.8%

y-o-y increase in total credit facilities provided to SMEs, in Q2 2023 ¹³⁹

Total credit facilities provided to SMEs, Q2 2023 Y-O-Y





MONSHA'AT Q3 NEWS

Monsha'at hosts e-gaming accelerator with inspireU, the Kingdom's first gaming incubator

In close partnership with inspireU, the Kingdom's first corporate incubator and accelerator to support entrepreneurship in ICT and digital innovation, Monsha'at launched its e-gaming accelerator training camp in July, giving SMEs in the gaming sector technical expertise, access to new solutions, and financial grants. 120 participants benefitted from the program.¹⁴⁰

inspireU
from S&C

Monsha'at holds Thakaa Workshops to educate SMEs on digitalization and entrepreneurship

Monsha'at organized an intensive day-long workshop to help SME owners and entrepreneurs improve their businesses' online presence and develop better digital transformation strategies. In addition to courses on how to use cloud computing services, AI, and IoT for operations and startup management, the workshop also gave SMEs key insights into infrastructure protection and cybersecurity.¹⁴¹

مركز ذكاء
Thakaa Center

Monsha'at participates in G20 Entrepreneurship Summit in India

In September, Monsha'at participated in the G20 Young Entrepreneurs' Alliance Summit in India, which aimed to highlight the achievements and opportunities available to young entrepreneurs in Saudi Arabia and the G20. Bringing together various government entities, private sector representatives, entrepreneurs, and investors, it was a key chance for leading representatives from Monsha'at to share the progress being made in the Saudi entrepreneurial ecosystem, including panel discussions from Afnan Ababtain, Monsha'at's Director of Women Entrepreneurship Management, and Maram Al-Jishi, the Director of E-Commerce Management.¹⁴²



Monsha'at organizes marketing and creative content creation training courses for entrepreneurs

In August, Monsha'at organized a series of specialized training workshops in marketing and media relations for entrepreneurs and SME owners in Riyadh, Jeddah, and Al Khobar. The courses aim to develop the skills of entrepreneurs and business owners in creative content creation and familiarize them with essential tools that help them to promote their startups through social media platforms, boost sales, and create a continuous communicative environment with potential customers.¹⁴³



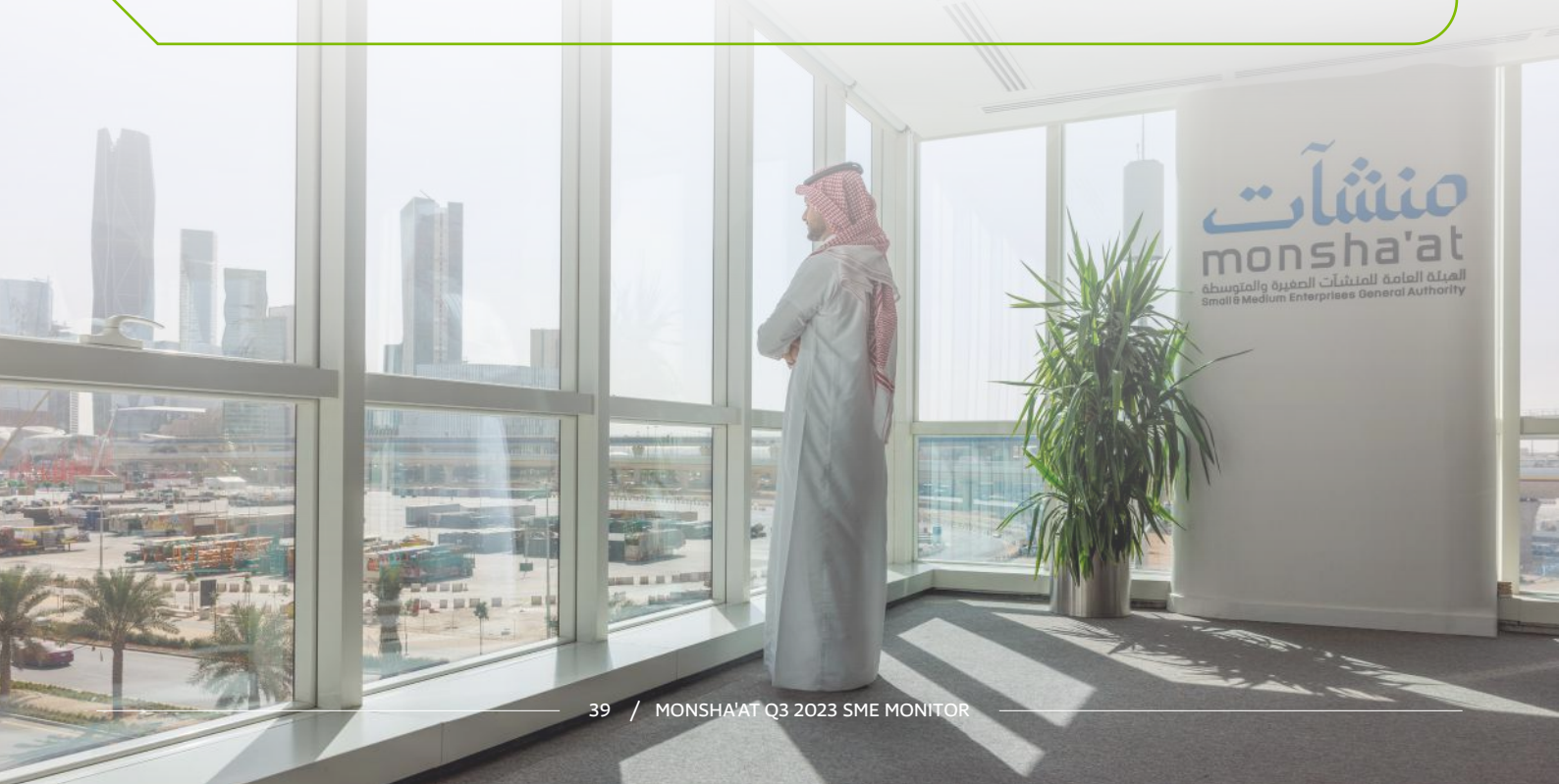
Monsha'at partners with MIT to develop Entrepreneurship Acceleration Program in the Eastern Province

Announced in September, the program is developing a strategy for innovative entrepreneurship in the Eastern Province by identifying strengths and weaknesses in the entrepreneurial ecosystem and developing initiatives to create an innovative entrepreneurship environment that fosters social and economic progress. Over a duration of two years, the program will consist of four stages in which participants take part in specialized workshops under the direct supervision of MIT experts to adopt best international practices.¹⁴⁴



Monsha'at and Nestlé sign MoU to upskill F&B entrepreneurs in Saudi Arabia

In partnership with Nestlé Professional, a Nestlé business that specializes in optimizing services, the MoU will focus on upskilling entrepreneurs nominated by Monsha'at through trainings, consultations, and mentorship to boost creativity among Saudi restaurants, cafés, chefs, and baristas. As part of the agreement, Nestlé Professional will transfer coffee and culinary expertise and knowledge to Saudi SMEs with guidance provided by certified chefs and baristas, including developing beverage menus and recipes.¹⁴⁵





ECOSYSTEM NEWS

Saudi Arabia joins G20 countries at Startup20 Summit in New Delhi ¹⁴⁶

H.R.H. Prince Fahd bin Mansour bin Nasser bin Abdulaziz, Founder of the Entrepreneurship Vision Association, headed the Kingdom's delegation at the Startup20 Summit in New Delhi, an event to showcase international opportunities for startups and to facilitate collaboration and development within the global SME ecosystem. During the event, Saudi Arabia supported India's proposal to establish a \$1 trillion startup fund for promising entrepreneurs and SMEs around the globe.



PIF establishes Saudi Tourism Investment Company (Asfar) to foster opportunities for tourism SMEs ¹⁴⁷

The Public Investment Fund (PIF) has established the Saudi Tourism Investment Company (Asfar) to develop the Kingdom's tourism sector and foster opportunities for entrepreneurs and SMEs. Asfar will invest in the local tourism value chain by supporting new tourism projects with hospitality, entertainment attractions, retail, and food & beverage offerings in cities across Saudi Arabia.



Kafalah partners with Saudi Export-Import Bank to drive growth of SME exports ¹⁴⁸

The Small and Medium Enterprises Financing Guarantee Program (Kafalah), one of the Kingdom's leading SME finance programs, has partnered with the Saudi Export-Import (EXIM) Bank to expand the exporting capabilities of Saudi SMEs. The agreement will broaden the EXIM Bank's reach to a wider range of SME exporters and allow them to access a specialized credit track and enhanced financial benefits, including increased coverage and reduced fees.



General Entertainment Authority partners with Kafalah to empower SMEs in the entertainment sector¹⁴⁹

The General Entertainment Authority (GEA) has partnered with the Small and Medium Enterprises Financing Guarantee Program (Kafalah) to empower SMEs in the Kingdom's entertainment sector. Since the launch of the agreement, SMEs in the sector have received \$8.35 million in financial guarantees.

كفالة
Kafalah

برنامج ضمان التمويل للشركات الصغيرة والمتوسطة
Small & Medium Enterprises Financing Guarantee Program

الهيئة العامة للترفيه
General Entertainment Authority

Saudi Venture Capital invests \$5 million in early stage FinTech startups¹⁵⁰

Saudi Venture Capital (SVC) has invested \$5 million into a fund managed by VentureSouq (VSQ) to support early-stage startups in the FinTech sector. As the Kingdom's FinTech industry continues to grow, this investment forms part of SVC's broader strategy to kickstart and sustain financing for startups and SMEs from the pre-seed to pre-IPO stages.

SVC

SME Bank signs agreement with India's Small Industries Development Bank¹⁵¹

The SME Bank signed an agreement with India's Small Industries Development Bank (SIDB) on the side lines of the India-Saudi Investment Forum in New Delhi. The agreement aims to drive collaboration between the SME Bank and the SIDB by enhancing knowledge sharing in the field of SME development and financing. The event featured workshops and meetings to explore opportunities for business collaboration.

SME Bank

بنك المنشآت الصغيرة والمتوسطة
Small & Medium Enterprises Bank





ABOUT MONSHA'AT

Established in 2016, the General Authority for Small and Medium Enterprises (Monsha'at) chief objective is to organize, support, develop, and sponsor the SME sector in accordance with best global practices.

Monsha'at deploys a wide range of initiatives that directly speak to the challenges that SMEs face in the market, with assistance being further broken down by company size and type. In addition to providing firms with critical administrative, technical, and financial support, Monsha'at also assists SMEs with marketing and human resources.

Vision



To transform the Small and Medium Enterprises sector into a vital pillar for economic development in Saudi Arabia and an enabler for achieving Vision 2030 and beyond.

Mission



Support SMEs growth and competitiveness through building a supportive ecosystem and an entrepreneurial society, by driving the cooperation with our strategic partners in the public and private sectors and the non-profit sector, locally and internationally.

Please visit www.monshaat.gov.sa for more information.



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