



وزارة الاستثمار
Ministry of Investment

استثمر في السعودية
INVEST
SAUDI



GLOBAL SUPPLY CHAIN RESILIENCE INITIATIVE (GSCRI)



NATIONAL
INVESTMENT
STRATEGY
الاستراتيجية الوطنية للاستثمار



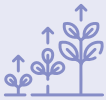
GLOBAL
SUPPLY CHAIN
RESILIENCE
INITIATIVE



HRH Crown Prince Mohammed bin Salman bin Abdulaziz Launches the “Global Supply Chain Resilience Initiative” to Position Saudi Arabia as a Key Link in Global Supply Chains



The initiative will contribute to facing and overcoming the challenges faced by global supply chains, which have affected the efficiency and growth of the global economy



The initiative will support growth of key sectors and aim to attract SAR 40bn of investment in its first two years



SAR 10bn incentives budget has been earmarked to support several initiatives, including financial and non-financial support for global investors interested in incorporating Saudi Arabia into their supply chains

Riyadh, October 23, 2022 - His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, Crown Prince, Prime Minister and Chairman of the Council for Economic and Development Affairs, announced today the launch of the Global Supply Chain Resilience Initiative (GSCRI). The GSCRI aims to make Saudi Arabia a location of choice for leading global industrial companies looking to drive competitive advantage and improve business resilience.

As His Royal Highness mentions that the Global Supply Chain Resilience Initiative will provide a great opportunity to achieve common successes. Working along with other development initiatives that have been launched in recent years, it will help to enable investors, from all sectors, to benefit from the Kingdom's resources and capabilities and support and develop these value chains. It will also build successful investments, which will give greater flexibility to economies, businesses and consumers

around the world. It will ensure the provision and sustainability of supply chain access to all parts of the world effectively and with highly competitive advantages. Finally, the GSCRI will bring the Kingdom closer to achieving its Vision 2030 aspirations to be a top 15 global economy by 2030 and leave a prosperous legacy for future generations.

The GSCRI aims to make the Kingdom an optimal investment environment for all investors in supply chains, through several steps. These steps include, identifying and developing investment opportunities and presenting them to investors, establishing a number of special economic zones in the near future, through which an attractive environment can be created for investors, in addition to attracting the regional headquarters of international companies to the Kingdom. The Kingdom is also working to implement regulatory and procedural reforms in various aspects, which,



in turn, will contribute to further improving the investment environment and increasing its attractiveness and competitiveness. As well as make the investment plays an essential role to achieve economic growth and diversity in light of Saudi Vision 2030 objectives.

The pandemic, trade disputes and the geopolitical landscape have broken or weakened global supply chains, driving up commodity prices and disrupting production and distribution. This initiative aims to strengthen the position of the Kingdom of Saudi Arabia in the global economy, and to mitigate the impact of global disruptions.

The Global Supply Chain Resilience Initiative will leverage the Kingdom's resources, infrastructure and location to bring greater resilience to economies and companies across Europe, the Americas and Asia, while further enhancing Saudi Arabia's position in the global economy.

The GSCRI is one of the initiatives of Saudi Arabia's National Investment Strategy, launched in October 2021 to accelerate efforts to make the Kingdom a global investment powerhouse. The initiative aims to enable global investors to make optimal use of the Kingdom's natural resources and untapped potential and form strong relationships with regional and global markets.

The strategy of continuous enhancement of the investment environment will be coupled with attractive opportunities and a unique incentives budget, including SAR 10bn in financial and non-financial incentives. This aims to attract SAR 40bn of quality, industrial and service investments in global supply chains to the Kingdom within the launching phase.

Saudi Arabia offers a strong value proposition to investors across several key dimensions. It provides a resilient economy which is the largest

in the Middle East and the fastest growing in the G20, a strategic location at the heart of three continents and a source of key raw materials for manufacturing. Saudi Arabia also offers access to oil, gas, electricity, renewable energy and human resources at competitive costs.

The Kingdom offers a robust logistics infrastructure across industrial cities, airports and ports, with ambitious expansion plans underway as part of the National Transport and Logistics Strategy. The country's digital infrastructure has witnessed significant progress, with widespread high-speed internet coverage and 5G now available to nearly 80% of the population. Saudi's workforce is young, educated and ambitious, with Saudis under the age of 30 accounting for about 60% of the population.

In addition to these advantages, the Kingdom has launched many ambitious plans and programs that have already begun to be implemented, with the aim of achieving sustainability, protecting the environment and confronting climate change. These plans include major initiatives such as the "Green Saudi Arabia" and the "Green Middle-East" initiatives, and the program to diversify the energy mix used in generating electricity, so that the proportion of renewable energy in electric power production will be 50% by 2030. They also include the development of Blue and Green hydrogen production; to make Saudi Arabia the largest producer and exporter of this product, as well as pioneering steps in the development and application of carbon capture technologies, which supports the National Initiative for Global Supply Chains in one of its main axes to attract green investment opportunities such as: manufacturing green metals using green hydrogen, manufacturing hydrogen production devices by electrolysis, advanced industries in recycling and others, in furtherance of Saudi Arabia's initiatives for the circular carbon economy.



New Networks: The Global Supply Chain Resilience Initiative (GSCRI)

Interconnected global, regional, and domestic supply chains play a critical role in economic development. Therefore, a stable, resilient network of supply is a key element to achieving many of the goals of Saudi Vision 2030.

The Saudi government is well aware of the supply chain's important role and the opportunities it presents. In line with the ambitions of Saudi Vision 2030 and the National Investment Strategy (NIS), Saudi Arabia is launching the Global Supply Chain Resilience Initiative (GSCRI) to help realize the Kingdom's position as an industrial powerhouse and global logistics hub.

GSCRI is a core National Investment Strategy (NIS) initiative and works to strengthen the Kingdom's position as a key contributor to global supply chain resilience. In addition, it will further enhance the Kingdom's position within regional and global export economies. This will be accomplished by drawing foreign direct investment (FDI) inflows to export-oriented products and services in different sectors of the Kingdom.

GSCRI was launched to support the objective and KPI's of other programs and strategies and keep close coordination with them, including: National Industrial Strategy and NIDLP.



\$10.7 bn

of FDI to be attracted through GSCRI within the first two years



\$2.7 bn

of incentives to be disbursed through GSCRI

GSCRI is built on four main investment themes



Sustainability and
Climate Change



Future Industry
Enablement



Global Supply
Diversification



Advanced
Manufacturing

GSCRI strategically prioritizes key sectors wherein Saudi Arabia has a competitive advantage

- 1 Aerospace
- 2 Automotives
- 3 Building materials
- 4 Petrochemicals
- 5 Food processing
- 6 Machining and equipment
- 7 Maritime
- 8 Medical devices
- 9 Military industries
- 10 Mining and metals
- 11 Pharmaceutical manufacturing
- 12 Renewables



Several incentives - on a case-by-case basis - are being made available to investors looking to boost supply chain attractiveness in Saudi Arabia through GSCRI



Financial Incentives

CAPEX grants



Sponsored services/inputs

Supported utilities
(e.g. electricity, water)



Capital deployment

Loan access



Fiscal/tax incentives

Tax support (e.g. wavers, delays)



Regulatory incentives

Corporate regulations

Employee-related OPEX (e.g. salaries, training)

Supported raw material feedstock

Equity access

Governmental support (e.g. customs duties)

Labor regulations

Non-employee OPEX

Other inputs
(e.g. rent, other services)

Credit guarantees

Special Economic Zones

Sector-specific regulations

Saudi Arabia is a member of World Trade Organization (WTO) approved regional trade agreements (RTAs), which boosts its attractiveness within the global supply chain. In 2019, the General Authority of Foreign Trade (GAFT) was formed to lead in developing policies and strategies for foreign trade, enabling the Kingdom's exports to access foreign markets.





The Strength Of Saudi Supply Networks

Saudi Arabia's central geographical location and strong infrastructure makes it an attractive investment destination for those looking to capitalize on the regionalization trend within supply chains.



Strategic location, connecting three continents and within a few hours from most major economic hubs



Strong economy with the fastest GDP growth among major economies in 2022



Ambitious sustainability agenda with opportunities in emerging green industries and new supply networks



Robust industrial and logistics infrastructure with over 40 industrial cities and new Special Economic Zones



Competitive production costs and an abundance of raw materials available with rapid growth in upstream, midstream, and downstream extractive industries



Saudi Arabia is home to one of the best transport networks and the world's highest concentrations of road connectivity, enabling a dynamic trade route and efficient supply chains. Coupled with the ambitious reform agenda making the Kingdom one of the easiest places to do business, Saudi Arabia's strong infrastructure is set to establish the country as a rising global trade hub.

The Saudi transport and logistics industry is already a major international player



\$18 bn
market size



55%
share of the
GCC market



Aviation

- 28 airports
- 45 countries flying to and from the Kingdom

- 90+ mn passengers per year



Maritime

- 13 mn twenty-foot equivalent (TEU) annual container handling capacity
- 10 ports
- 12-13% of world trade moves through the Red Sea

- 3 Saudi ports ranked in top 20 on Container Port Performance Index 2021
- King Abdullah Port ranked 2nd fastest growing in the world in 2022



Rail

- 5,590+ km of rail

- 7+ mn tons of minerals being transported to industrial hubs



Road

- 232,000+ km road network

- 23rd largest road network globally

On the governance level, since the launch of Saudi Vision 2030, Saudi Arabia has seen the enablement of a more fluid and dynamic supply chain through regulatory reforms, with major pulls such as:

1

Under 24-hour customs clearing times

2

Automated customs processes and full-fledged e-services

3

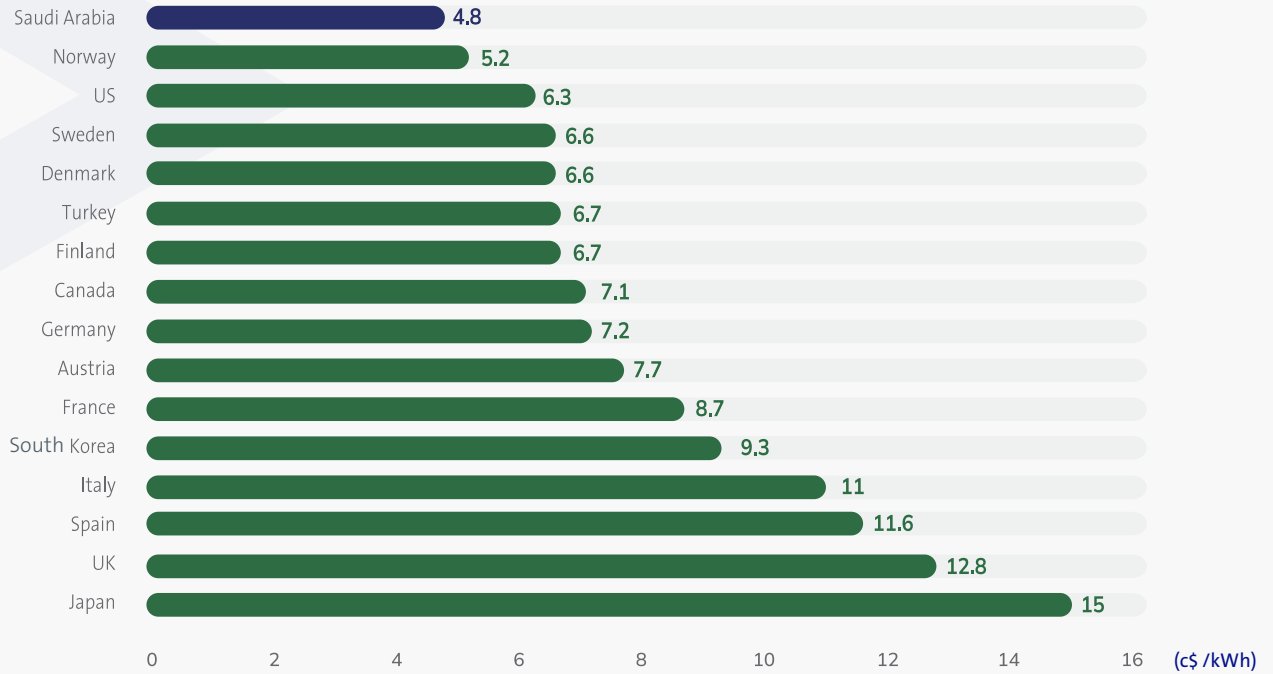
Privatization of transport and concession contracts to private operators



The Kingdom routinely offers market-beating electricity input costs compared to many advanced economies.

Production Costs Comparison - Electricity

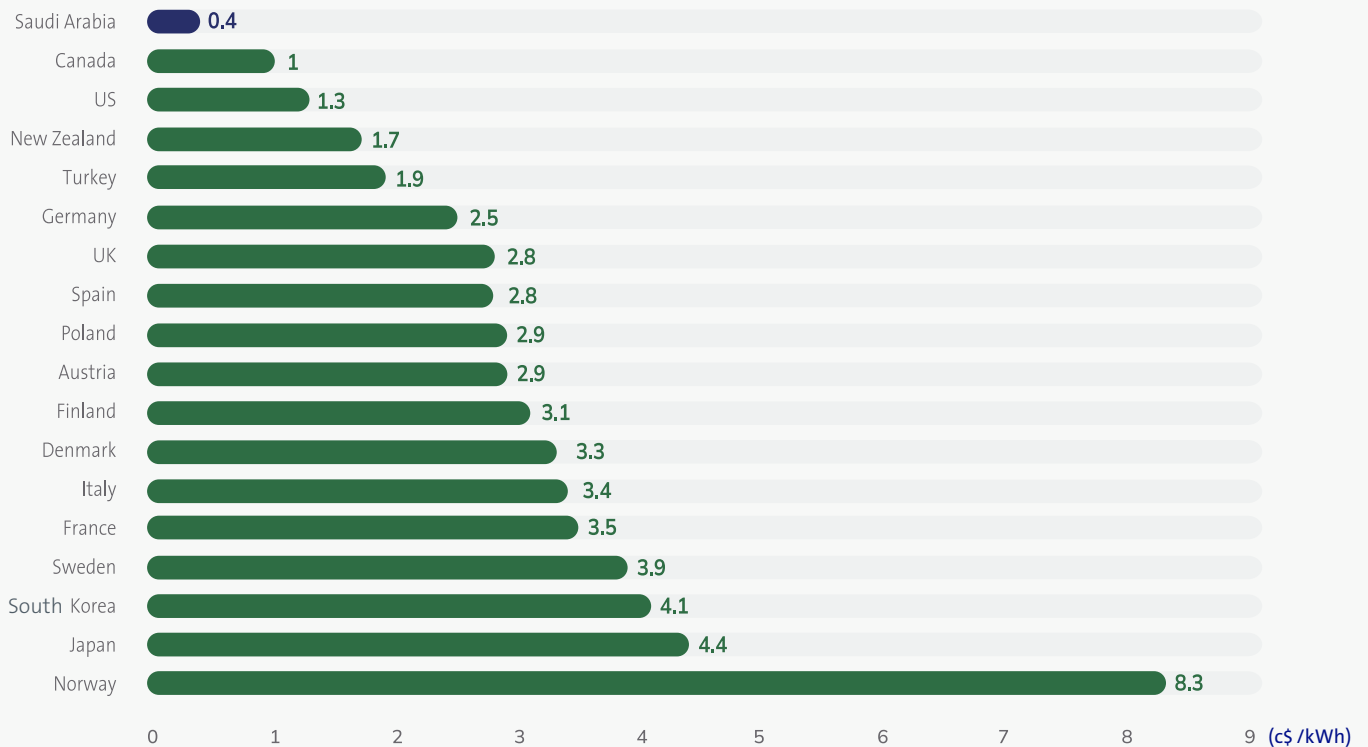
Source: GSCRI



Saudi Arabia is also one of the most cost-competitive countries in the world in terms of natural gas production.

Production Costs Comparison - Natural Gas

Source: GSCRI





Emerging Technology Enhances Supply Chain Infrastructure

Saudi Arabia is one of the most digitally competitive economies in the world, and its strong digital infrastructure enables cutting-edge supply chain management systems and processes.

98%

internet usage
penetration compared to
63% globally in 2021

53%

of homes connected
to fiber optic

92/100

score on ITU Regulatory
Tracker Index

4th

globally for
5G network
deployment

2nd

among G20 countries
for spectrum allocation

30%

of the Kingdom
has 5G coverage

91.81Mbps

average mobile
download speed

Saudi Ports Authority has rolled out its new Mawani Smart Ports Initiative. It looks to utilize the strong 5G infrastructure in the Kingdom to deploy automation technologies at its various ports. Through a partnership with leading ICT private sector players Ericsson, STC, and Huawei, as well as major transport investor DP World, the Mawani Smart Ports Initiative will see port operations progressively automated, as well as accelerate the use of cloud computing, cyber-tech, and processing platforms by port stakeholders.

King Khalid International Airport (KKIA) in Riyadh, meanwhile, is seeing a major upgrade in its cargo handling capacity, with strong integration of advanced supply chain technologies being deployed at the expanded SATS Cargo Terminal. The cargo facility is being constructed over two phases, with an ultimate capacity to handle over 600,000 tons of cargo per annum. In addition, the facility will have many advanced features, including a purpose-built cold-chain facility for perishable goods and a dedicated lane for pharmaceutical products.





Capitalizing On Natural Assets

The Global Supply Chain Resilience Initiative (GSCRI) looks to attract foreign direct investment in export-oriented products and services in sectors where the Kingdom has a competitive advantage. Connecting expanding upstream industries – mining, oil, and gas – to midstream and downstream industries requires a fluid and efficient supply chain. GSCRI sees improving this supply network while creating a diversity of local suppliers as key aspects that will uphold the Kingdom as an industrial and logistics leader.

Mining and metals:

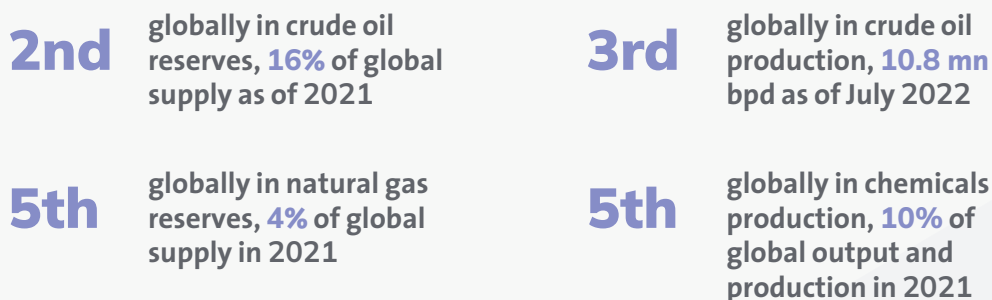
A sector finding great benefit from an efficient supply chain is Saudi Arabia's flourishing mining and metals industry. As exploration in the Arabian Nubian Shield continues, investment opportunities are arising across the mining value chain, with both midstream and downstream segments seeing strong interest from investors.



Saudi Arabia has an abundance of natural resources, including key minerals and metals such as aluminium, gold, phosphate, copper, and bauxite. The proximity of these crucial materials makes for a highly localized supply chain and definite availability of needed products.

Chemicals, oil, and gas:

Industrial investors will find that the rich supply of raw products makes the Kingdom an appealing option for midstream and downstream manufacturing.





Safeguarding The Future, ESG, and Supply Chain

With a drive for sustainability at the heart of Saudi Vision 2030 and the Saudi Green Initiative (SGI) introducing over 60 initiatives aimed at a full economic transition, Saudi Arabia is positioning itself as an attractive destination for environmental, social, and governance (ESG) investments. The SGI sees emissions reduction, in line with Paris Agreement targets, as a central component of the greening strategy.

GSCRI will enhance the global ESG mandate by capitalizing on the Kingdom's green energy plans as a force of attraction; being the cheapest source of green energy for environmentally-friendly manufacturing, such as green metals; which are predicted to quadruple by 2040.

Saudi Arabia's renewable energy program is built upon the following:



Key policy changes to ease the investment process



Infrastructure development to foster growth



Attractive investment opportunities within renewable energy



The Ministry of Energy leads the renewable energy transformation



58-60 GW

target for renewable energy by 2030



35+

energy parks planned across Saudi Arabia



Solar and wind

initiatives to empower independent power producers (IPPs)



60%+

localization target with investment opportunities for international partners

GSCRI is a crucial contributor to global decarbonizing goals, with local content development playing a key role in addressing Scope 1, 2, and 3 emissions. Sustainability strategies supported via GSCRI include:

1

Achieving the lowest renewable Levelized Cost of Energy (LCOE) prices

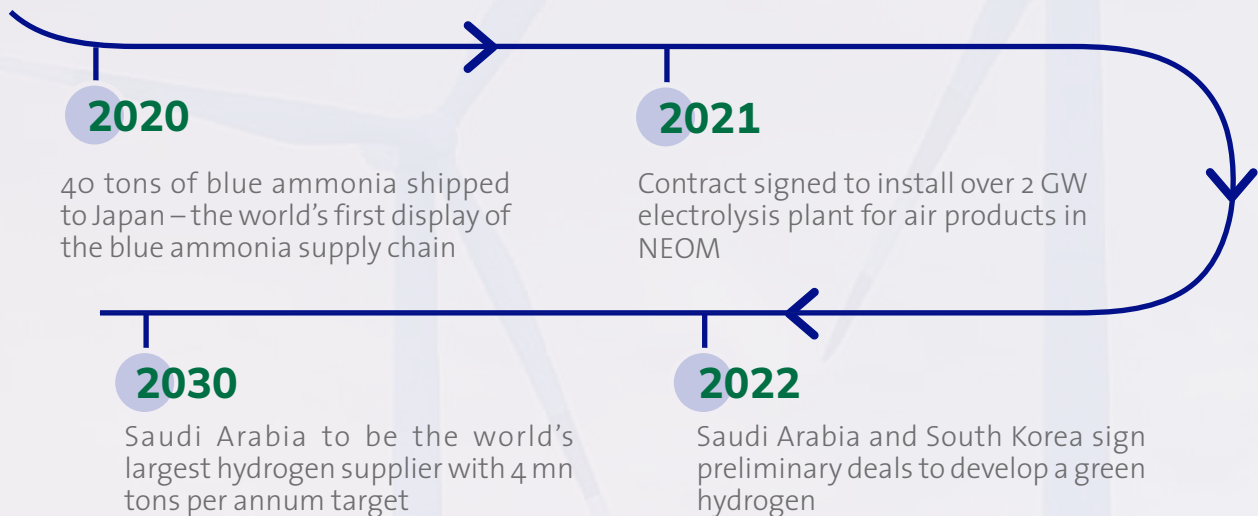
2

Kick-starting supply chains within the solar and wind markets

3

Turning Saudi Arabia into a Solar PV and Wind turbine manufacturing hub

The Kingdom's Hydrogen timeline:



The limitless renewable energy potential that exists within Saudi Arabia extends far beyond solar and wind, with the Kingdom having the potential to be a major hydrogen exporter.



Lowest renewable energy LCOE globally



Availability of large swaths of land



Strategic location at the centre of two continents



Pre-existing infrastructure capable of exporting hydrogen in ammonia form



Key partnerships with the private sector

For Correspondence and Inquiries:

Postal Address:

Ministry of Investment
Economic Affairs and Investment Studies Deputyship
P.O. Box 3966, Riyadh 12382
Kingdom of Saudi Arabia

Telephone: +966115065777

E-mail: eaiss@misa.gov.sa

For the latest reports released by MISA, please visit the [Invest Saudi website](#)

For the latest Economic and Investment statistics in the kingdom, please [visit the Invest Saudi dashboard](#)



وزارة الاستثمار
Ministry of Investment



NATIONAL
INVESTMENT
STRATEGY
الاستراتيجية الوطنية للاستثمار



GLOBAL
SUPPLY CHAIN
RESILIENCE
INITIATIVE

DISCLAIMER

The information contained in this report is provided as general and indicative information only. The Ministry does not make any representations or warranties of any kind, express or implied regarding the completeness, accuracy, reliability, suitability or availability of data, information or related materials contained in this report for any purpose whatsoever other than as general use.

The Ministry is not responsible in any way towards any party as a result of any decision or action taken or will be taken by that is party based on the content of these pages. The Ministry takes no responsibility, either in whole or in part, for any direct or indirect, incidental, consequential or punitive damage, whether, special or general.

The Ministry also is not responsible for any lost opportunity, loss or damage of any kind arising from these pages.

All texts, analyses and logos displayed on these pages are property of the Ministry of Investment. Therefore, none of the content of these pages may be copied, printed, or downloaded except for the purpose of personal use or for use within the company or establishment. No part of these pages or the content may be reused, stored on another site, or included in any public or private electronic information retrieval system without the prior written consent of the Ministry of Investment.



وزارة الاستثمار
Ministry of Investment

