



Saudi non-oil activities break new ground, reaching a 50% share of the real GDP in 2023

Saudi Exim Bank: A plan to raise SAR 20 billion for financing and insuring industrial exporters by the end of 2024

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Development Ecosystem Breaking News



2023 marked a historic milestone for Saudi Arabia, with non-oil activities reaching a 50% share of the country's real GDP in 2023 the highest level on record. This resulted from many factors, the most important of which was the growth in the Kingdom's non-oil exports in both commodities and services. Non-government investments saw a notable increase of 57% over the past two years, reaching a record high of SAR 959 billion in 2023.

This edition of the "Khuta" newsletter sheds light on the impact of development financing on the growth of non-oil exports in the Kingdom, which is a vital tool for economic diversification, a decrease in oil reliance, and provision of employment opportunities.

This issue also highlights the activities of the Saudi Export-Import Bank, which was established in 2020 to provide export financing, guarantees, and export credit insurance services. The bank aims to deliver optimal solutions to enhance the Kingdom's non-oil exports and foster collaboration with development funds and banks responsible for financing diverse development sectors, under the direct supervision and guidance of the National Development Fund.



Impact of Development Finance on the Growth of Non-Oil Exports in the Kingdom

A Comprehensive Ecosystem for Achieving an Ambitious Vision

The Saudi Vision 2030 prioritizes encouraging and facilitating non-oil exports through the development financing ecosystem, which operates under the direct supervision and guidance of the National Development Fund. This includes the Saudi Export-Import Bank's activities, which provide financing, guarantees, and export credit insurance services to Saudi companies. It also encompasses the financing and development role that the Saudi Industrial Development Fund has played and continues to play, which has contributed to an increase in the volume of industrial exports from just SAR 1 billion in 1974 to more than SAR 200 billion in 2023. Furthermore, the Small and Medium-Sized Enterprise Bank supports such enterprises by enhancing their export capabilities, alongside the support provided to Saudi exports of various commodities and products by many other development funds and banks.

Powered by the Development Ecosystem, Saudi Exports Span 150 Countries

As part of the Kingdom's endeavors to enhance non-oil exports, Saudi products have reached over 150 markets around the globe. Development banks and funds played a pivotal role in this achievement. One such example is the Saudi Export-Import Bank, which provided credit facilities exceeding SAR 32 billion in 2023. During the first quarter of 2024, the bank also provided credit facilities worth SAR 8.07 billion, insured exports worth SAR 4.5 billion, and disbursed financing requests amounting to SAR 3.57 billion.



02 The Main Topic



A Journey from Oil to Diversity

The year 2023 marked a historic milestone for the Saudi economy, with non-oil activities contributing 50% to real GDP for the first time, thus making a significant leap forward in the Kingdom's journey to economic diversification.

The total value of the non-oil economy reached SAR 1.7 trillion at constant prices, fueled by consistent growth in investment, consumer spending, and exports. This historic contribution of non-oil activities was due to unprecedented non-governmental investments over the last two years, leaping 57%. Accordingly, the value of non-governmental investments reached their highest ever level at SAR 959 billion in 2023.

These exports have experienced historic growth over the past two years, with a compound growth rate of 319%. Many factors contribute to such an achievement, the most significant among which is the Saudi Vision 2030, which prioritizes the development of the tourism sector and the transformation of the Kingdom into a global entertainment destination. The Kingdom is well positioned to make such gains thanks to its cultural diversity, significant historical and heritage sites, stunning nature, year-round entertainment events, and the establishment of development funds to support investors in various regions and sectors, including tourism, events, and culture.





SAUDI EXIM
بنك التصدير والاستيراد السعودي

A plan to raise SAR 20 billion for financing and insuring industrial exporters by the end of 2024

Saudi Exim Bank Awards in 2023

Best Export Credit Agency for 2023 within the Islamic Development Bank Group.

NDLIP Award National Achievements for 2023.

NDLIP Award with Second Most Attractive Investment Entity for 2022.

Addressing “KHUTA”

Alkhalb: We aim to increase the value of financing and insurance for industrial exporters, reaching SAR 20 billion by the end of 2024.

His Excellency Eng. Saad bin Abdul Aziz Alkhalb, CEO of the Saudi Export-Import Bank, stressed the bank's strategic role in empowering non-oil Saudi exports and boosting their competitiveness in international markets. He referred to the package of financial products offered by the bank, which includes financing products, guarantees, export credit insurance, and other services that remove barriers for local exporters and global importers. His Excellency shed light on the bank's efforts to raise the percentage of non-oil Saudi exports, diversify the national economy, and increase the contributions of non-oil sectors to the GDP. The “Khuta” newsletter conducted an exclusive interview with him, covering all of this and more.



1. Saudi Non-oil activities contributed half of the Kingdom's GDP in 2023, the highest level in history. What's the role of non-oil Saudi exports here?

The bank plays a strategic role in empowering non-oil Saudi exports and enhancing their competitiveness in foreign markets. It does so by encouraging local companies to increase their export activities, providing credit solutions to bridge financing gaps, reducing the risks associated with export operations, and building bridges of communication and trade ties with various markets. This helps foster a diversified and comprehensive economy in line with Saudi Vision 2030, strengthening trade between the Kingdom and its international partners and increasing the contribution of non-oil Saudi exports to non-oil GDP.





2. What types of credit facilities and products does the Saudi Export-Import Bank offer to promote non-oil Saudi exports?

The bank offers a suite of financial products, including financing products, guarantees, export credit insurance, and other services that remove barriers for local and global importers and enhance the competitiveness of non-oil Saudi exports in international markets. Since the bank's establishment, we have provided more than SAR 45 billion in credit facilities.

"The bank's financial products increase the non-oil Saudi exports' competitiveness and broaden their market reach on a global scale."

3. Can the Kingdom apply the concept of "export-led growth" to make increased exports the primary driver of economic growth?

By the grace of Allah, the Kingdom enjoys a strong economy with diversified sources of income, and alternative industries to oil that play a significant role in its growth and prosperity. This enables the formation of export-led growth, reduces export risks, and supports the policies pursued by our wise government, which has the growth of Saudi exports and their competitiveness in global markets with the utmost importance. Because of supportive regulations and policies, Saudi exports have become one of the main drivers of economic growth. Here, the strategic role of the Saudi Export-Import Bank is evident, as the entity concerned with promoting the development of non-oil Saudi exports and increasing their competitiveness in global markets in various sectors. The bank's system is based on providing credit and financing solutions for exports, guarantees, and export credit insurance with competitive advantages, in line with the goals and foundations of Saudi Vision 2030, which aims to increase the ratio of non-oil exports to non-oil GDP.

4. Which industries benefit from the bank's credit services? For instance, does the bank or the Saudi Industrial Development Fund finance a factory that is engaged in exporting?

The Saudi Export-Import Bank plays a crucial role in empowering the Saudi industrial sector by providing services to local exporters, global importers, and domestic and international financial institutions. The bank collaborates with the Saudi Industrial Development Fund and other relevant government and private sector entities to offer financing, credit, and guarantee solutions that speed up and facilitate export operations while enhancing the capabilities of Saudi industrial products to gain a competitive edge in global markets. The bank's services extend to local exporters, including SMEs, thus recognizing their crucial role in driving sustainable development by strengthening and diversifying the national economy, offering employment opportunities, fostering innovation, and boosting overall GDP.

5. What obstacles do non-oil exports face, and how can businesses overcome them?

The Saudi Export-Import Bank aligns its activities with the goals of Saudi Vision 2030 in order to use its full potential to enhance the proportion of non-oil Saudi exports, diversifying the national economy and augmenting the contributions of non-oil sectors to the GDP. The bank works to empower the export activities of Saudi products and services and eliminate the obstacles facing these activities by providing products and services that stimulate export growth, bridge financing gaps, and guarantee payment for exporters.

"The bank contributes to increasing the ratio of non-oil Saudi exports, diversifying the national economy, strengthening export activities for Saudi products and services, and eliminating obstacles."

6. What are the bank's key achievements in its efforts to mitigate export risks and empower local exporters to expand their activities globally?

Insurance products, specifically designed to mitigate the risk of nonpayment, are among the most important products that the bank offers to local exporters and financial institutions. The bank has entered partnerships with leading labor insurance houses and insurance intermediaries, including Coface, the Arab Investment and Export Credit Guarantee Corporation, Allianz, and Howden Group, among others.

7. How do the bank's non-financial services help local businesses enter global markets and export their products and services?

The bank's non-financial services cover a wide range of programs and solutions tailored to boost enterprises' capabilities and empower the business community to export and import Saudi goods and services to global markets. These services include studies and consultations, training programs,





knowledge transfer, and the exchange of best practices and expertise in managing the development of international business and introducing export procedures and requirements. The bank also provides a team that offers appropriate consultations tailored to specific business activities, target markets, and export readiness. In line with our ongoing efforts to forge partnerships and memoranda of understanding with local and international financial institutions, the bank is committed to the exchange of information, data, and statistics, which provides it with a broad knowledge base of the policies and regulations governing import and export movements in the countries in trade with the Kingdom. This enables it to offer consulting services that allow national companies to identify the needs of the markets in those countries and ensure a smooth and straightforward route to market for Saudi products and services with no obstacles or risks. Such efforts enhance export activities effectively and provide opportunities for the expansion and widespread dissemination of non-oil Saudi exports within the global trade landscape.

"We seek to forge partnerships and memoranda of understanding with local and international financial institutions to facilitate the exchange of information, data, and statistics and establish a broad knowledge base regarding the regulations governing import and export activities in the countries engaged in trade with the Kingdom."

8. How far has the bank progressed in its efforts to increase the value of industrial financing and insurance to SAR 20 billion by the end of 2024?

With Allah's support, we successfully provided credit solutions exceeding SAR 10 billion within the first four months of 2024. By the end of the year, we aim to raise this amount to SAR 20 billion, specifically for financing and insuring industrial exporters. We continue our efforts to enhance the development of non-oil national exports, diversify them, and increase their competitiveness by providing export financing, guarantees, and export credit insurance services with competitive advantages.

These initiatives are aimed at enhancing confidence in non-oil Saudi exports, facilitating entry into new markets, mitigating non-payment risks, and complementing ongoing efforts to provide credit facilities that strengthen the trust of international importers.

9. How does the bank contribute to opening up new horizons for local and foreign investment opportunities?

The Saudi Export-Import Bank is actively working to offer new investment opportunities for local exporters and empower them to enter new markets in various countries. We achieve this through partnerships and cooperation agreements with export houses, global export credit agencies, and local and international financial institutions. Since its inception, the bank has negotiated over 50 agreements, and we continue to build bridges of cooperation at the global level, striving to attract global buyers and engage in international and regional alliances. We aim to strengthen trade between the Kingdom and its trading partners in various global regions, including the African markets, which have become a destination for Saudi exports beyond oil. To empower exporters and entrepreneurs to seize all available opportunities, the bank provides credit and financing solutions that can enhance the purchase of raw materials associated with export operations and contribute to financing the working capital needs required for export operations. Furthermore, the bank offers guarantees and export insurance bonds to mitigate non-payment risks for importers of local goods, which has boosted confidence in Saudi products and services and increased their penetration into international markets.

"Since its inception, the bank has forged over 50 agreements and strives to establish international and regional alliances to strengthen trade between Saudi Arabia and its trading partners around the world."

Alfanar Company: A Significant Leap in Exports, Reaching SAR 790 Million in 2023

Alfanar Company rose from the vibrant heart of Riyadh, with an ambitious dream at its heart to reach the pinnacle of excellence in the electrical and construction industries.

Alfanar embarked on its journey with a steadfast ambition to broaden its reach and draw in a more extensive clientele, guided by its values of quality, innovation, and talent. In 2022, the Saudi Export-Import Bank approved a lifeline of short-term credit facilities worth SAR 250 million, marking a critical turning point in the company's journey. This support proved instrumental in enabling Alfanar to meet the working capital needs of its burgeoning export operations.



With this pivotal support, Alfanar's new horizons unfolded, empowering it to expand its operations, venture into new markets, continue its innovation journey, and contribute to sustainable development.

Alfanar's diverse operations encompass a broad spectrum of activities, including the manufacturing and trading of electrical construction products, engineering and construction solutions for conventional and renewable energy generation projects, power transmission and distribution projects, operations and maintenance services, as well as inspection, testing, calibration, and engineering consultancy.

Over time, Alfanar's activities have expanded with the support of the Saudi Export-Import Bank, reaching exports worth SAR 744 million in 2022, equivalent to 11% of its total revenue, an increase of SAR 170 million or 30% over the previous year. The company's export value jumped to around SAR 790 million in 2023, demonstrating its ability to compete globally.

Today, Alfanar's products span the Gulf region, Iraq, Sudan, Yemen, Jordan, and the United Kingdom, solidifying its position as a trusted brand and a shining example for Saudi companies aspiring to expand their global footprint.





Sudair Industrial City: Towards a Flourishing Industrial Future

Sudair Industrial City stands as a gleaming modern jewel in the Kingdom's heart, embodying a vision of a thriving industrial and economic future. The city's primary plan is centered on dividing the site into two primary zones: residential and industrial. This approach aims to provide a pleasant environment that caters to residents' needs while also supporting industry growth.

The city covers an area of 258 square kilometers, enjoys a strategic location, and is 150 kilometers from Riyadh. More than 30 cities and villages surround the city, which is home to over 100,000 people. Construction work in the city began in 2009, and today it continues its journey towards the establishment of 293 factories, some of which have been completed, while others are under construction.

Riyadh International Airport, which facilitates the movement of goods and people, further enhances the city's strategic position. The city will establish a dry port to provide logistics solutions for industrial and commercial companies. This represents a significant addition to the Kingdom's logistics infrastructure, boosting export momentum.

The south-northbound railway line, which traverses the city of Sudair, connects the central region of the Kingdom, south of Riyadh, to the northern borders and provides an express means of transportation for goods and people, further solidifying the city's position as a regional logistics hub.

The city's development plans prioritize attracting light and medium industries. The plan identifies suitable locations for various targeted industries, thus aligning with all current initiatives in the Kingdom. This alignment is under Saudi Vision 2030 and the National Industrial Strategy, enhancing the city's appeal for local and foreign investments.

The Kingdom Enriches UNESCO's List with Its Cultural Diversity

The Kingdom of Saudi Arabia has a rich cultural heritage, reflecting its deep-rooted history and enduring civilization, and it is committed to preserving and transmitting this heritage to future generations.

The Kingdom has successfully included several sites on UNESCO's World Heritage List, including the Hima Cultural Area, in the southwest of Saudi Arabia, which forms part of one of the Arabian Peninsula's most ancient caravan routes and features a collection of rock art depicting the daily lives and cultures of peoples who inhabited it for millennia. This culture has existed over 7,000 years. Among the region's notable landmarks is the Hima Well, dating back at least 3,000 years, which continues to yield fresh water to this day.

And then there is the Turaif District in Diriyah, which embodies the hallmarks of the Najdi architectural style that is exclusive to the central Arabian Peninsula. Established in the 15th century, the Turaif District encompasses the remains of multiple palaces and a city built on the banks of the Diriyah Oasis.

Among the heritage sites is also the Al-Ahsa Oasis, which is



in the eastern part of the Arabian Peninsula and includes gardens, freshwater springs, irrigation canals, wells, and the Yellow Lake, besides historical buildings. Al-Ahsa Oasis is the world's largest palm oasis, with over 2.5 million palm trees.

Ha'il's rock art is also a significant heritage site in Saudi Arabia. This desert area is home to two main sites: Jabal Umm Sinman (Jubah) and the Manjur and Rata Mountains (Shuwaymis). Rocky slopes compose the Manjur and Rata Mountains, which overlook a sandy valley.



Majed Al-Hugail Appointed CEO of CDF

The board of directors of the Cultural Development Fund appointed Majed bin Abdulmohsen Al-Hugail as CDF's new chief executive officer. Al-Hugail's expertise will guide the fund to ensure its growth, promote the development and sustainability of the cultural sector, and enhance its economic and social impact. Al-Hugail enjoys extensive leadership experience in the financial, cultural, and public sectors. His distinguished career includes several key roles.



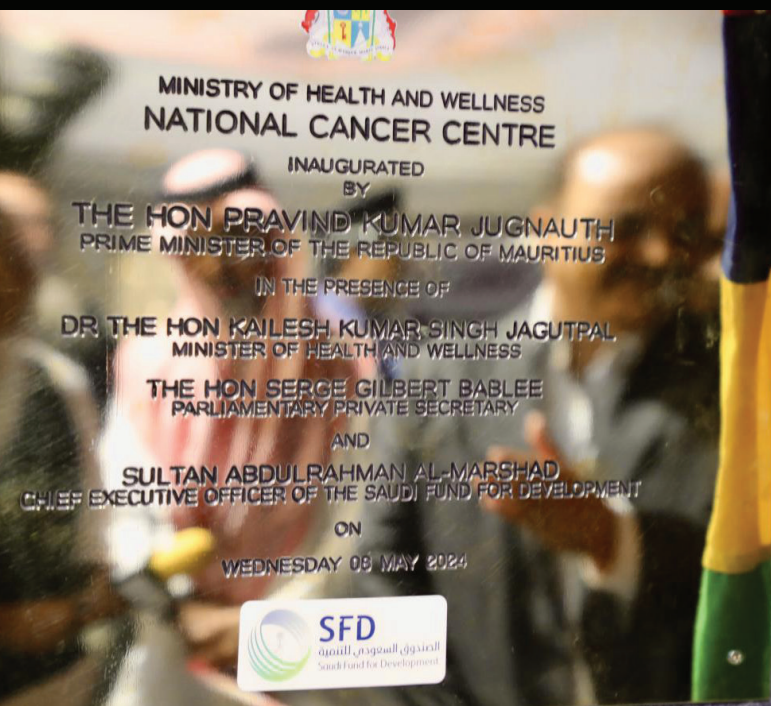
NDF Conducts a European Tour

A high-level delegation from the National Development Fund embarked on an exceptional European tour during the period from April 29 to May 10, 2024, led by Dr. Stephen Paul Groff, Governor of the NDF, as well as some of the NDF's senior officials. The tour, which covered France, the United Kingdom, and Switzerland, aimed to build bridges of communication with key stakeholders and current partners, strengthen the Fund's global position as a key player in development financing, and raise awareness of its role in achieving sustainable development goals. The tour included a series of specialized workshops that covered important topics. In cooperation with the German Development Bank, the fund held additional workshops that stressed the importance of sharing experience and implementing best practices to promote the growth of the development financing sector.



SFD inaugurates the Cancer Hospital Project in Mauritius

The Saudi Development Fund launched the Cancer Hospital project in Mauritius with a soft development loan of US\$25 million. The hospital will have a capacity of 220 beds and a total area of approximately 21,000 square meters. The project aims to enhance the efficiency of the healthcare system in Mauritius and provide the highest standards of healthcare in the prevention of chronic diseases and supportive care for cancer patients.



SFD Signs Two Development Loan Agreements

The Saudi Development Fund and the United Kingdom's Foreign, Commonwealth, and Development Office (FCDO) signed a joint development cooperation agreement to contribute to the achievement of the Sustainable Development Goals. The agreement was signed on the sidelines of the second strategic dialogue on international development and humanitarian aid between the Kingdom of Saudi Arabia and the United Kingdom.



SIDF Signs Agreement with Board of Grievances

The Saudi Industrial Development Fund signed a cooperation agreement with the Board of Grievances for digital integration with the "Tanfeeth" Administrative Execution Platform. The Administrative Judiciary Council's decision No. 12/1444/16, which mandates direct submission and digital integration with the administrative execution platform to expedite the execution process, forms the basis of this agreement.



SIDF Celebrates Supporting Over 4,000 Projects Over 50 Years

The Saudi Industrial Development Fund celebrated its 50th anniversary with a special event. An accompanying exhibition showcased the Fund's progress over the past five decades, highlighting its contributions to the national economy and its commitment to the development of the national human capital. Since its inception up until now, SIDF has approved loans exceeding SAR 180 billion for over 4,000 projects across the Kingdom, with an estimated investment value of SAR 700 billion.



SDB Signs Agreement with Vision Pioneers

The Social Development Bank signed a cooperation agreement with Vision Pioneers in order to implement joint programs and initiatives to support entrepreneurship. The agreement aims to empower, enhance, and develop the entrepreneurial environment, as well as encourage entrepreneurial awareness by providing support and assistance to the target group of entrepreneurs, owners of emerging and small businesses, and providers of pioneering visions.



SDB Supports Entrepreneurs and Startups in Food Sector

The Social Development Bank signed a cooperation agreement with Savola World Corporation to establish a sustainable financing program under the SR 5 million Social Responsibility Program portfolio for entrepreneurs and startups in the food sector. The Fund will manage and direct the program in favor of entrepreneurs and startups owners in the sector and accelerate the pace of economic growth.

TDF Delegation Visits the Royal Commission for Yanbu

Eng. Abdulhadi Al-Juhani, CEO of the Royal Commission for Yanbu, received a delegation from the Tourism Development Fund. During the meeting, discussions centered on empowering tourism projects and strategic efforts in Yanbu Industrial City. This is part of the commission's efforts to achieve Yanbu Industrial City's strategic objectives and support the development's progress in line with Saudi Vision 2030.





صندوق التنمية العقارية
REAL ESTATE DEVELOPMENT FUND



REDF Deposits SAR 978 Million for Sakani Beneficiaries in May 2023

The Real Estate Development Fund deposited SAR978 million in the accounts of the beneficiaries of the "Sakani" program which is supported by the Ministry of Municipal and Rural Affairs and Housing and the Real Estate Fund, for May 2024. This initiative aligns with the ongoing efforts to support beneficiaries and achieve the goals of the Housing Program, a key program under Saudi Vision 2030. The support was allocated to subsidize the profits of contracts for various housing support programs.

Saudi Exim Signs Two Agreements with SNB

The Saudi Export-Import Bank and the Saudi National Bank have signed a documentary credit insurance agreement, as well as a major Murabaha agreement to finance the export of non-oil Saudi products. This agreement constitutes a part of the two parties' joint efforts to promote the growth of non-oil Saudi exports by providing credit products, insurance, and financing solutions to enhance their competitiveness in global markets, in line with Saudi Vision 2030.



Saudi Exim Signs Two Agreements to Boost Non-Oil Export Financing and Insurance

The Saudi Export-Import Bank signed an agreement with Macquarie Group, a global leader in asset and commodity management, to provide \$500 million in credit facilities over a three-year period, aimed at enhancing the Group's purchases of Saudi goods and services and connecting Saudi exporters with over 156 markets worldwide.

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CDF Participates in Cannes International Film Festival

The Saudi Cultural Development Fund participated in the 77th Cannes International Film Festival, held from May 14 to 25, 2024, in Cannes, France, alongside the Kingdom's film industry ecosystem. The CDF showcased the vast array of financing and investment opportunities available in the Saudi film sector as part of the Fund's role as a key financial enabler for the cultural sector and in developing the film industry.



صندوق تنمية
الموارد البشرية
HUMAN RESOURCES
DEVELOPMENT FUND



HRDF Launches “Cooperative Training” Program

The Human Resources Development Fund has announced the launch of the “Cooperative Training” program, aimed at equipping diploma and bachelor's degree students from among those who enjoy practical experience and professional skills. The goal is to prepare them for the labor market, improve their employability, and enhance the quality of cooperative training opportunities.

HRDF and Ma'aden Sign Memorandum of Cooperation

The Human Resources Development Fund (HRDF) signed a cooperation agreement with the Saudi Arabian Mining Company (Ma'aden) aimed at enhancing collaboration and partnership to develop human capital in the mining sector. The memorandum stipulates supporting the training and empowerment of suppliers under the Tharwah program for local content, in accordance with the regulations approved by the HRDF. It also includes the provision of appropriate support solutions, as well as the study of support and incentive plans to achieve sustainability in the mining and mineral resources sector.



شركة دواجن الدوحة
Addoha Poultry Company



ADF Signs MoU with Poultry Company

On the sidelines of the 3rd Middle East Poultry Expo in Riyadh, the Agricultural Development Fund signed a memorandum of understanding with Addoha Poultry Company with the aim of enhancing cooperation in training, contractual farming, investment opportunities for the rehabilitation of stalled projects, and the organization, development, and automation of the collection of dues on leased projects.

ADF Signs MoU with University of Baha

The Agricultural Development Fund signed a memorandum of understanding with the University of Baha aimed at expanding agricultural development in the region through the rural development program, agricultural investment and research, and the study and innovation of new products for the Fund that contribute to strengthening food security and supporting rural development fields.

صندوق التنمية الزراعية
Agricultural Development Fund
المملكة العربية السعودية





رؤية VISION
2030
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KINGDOM OF SAUDI ARABIA

