

KSA BUDGET

A newsletter issued by the Ministry of Finance of Saudi Arabia
2nd Edition

20 December 2020

VISION 2030:

A BLUEPRINT FOR FUTURE GROWTH

Key Achievements and Targets by Sector in 2020

Industry and Mineral Resources

- Generated more than 35,000 job opportunities in the industrial sector in 2020, with a 36% Saudization rate.
- Attracted more than SAR 200 billion worth of investments from the private sector.
- Increased the number of industrial establishments by 9.6%.
- 9,518 operating factories at the end of October 2020.
- Volume of investment in the industrial sector grew by 9.7%, with factories' capital hitting SAR 1.85 trillion as of October 2020.
- Issued 709 new industrial licenses with a capital of more than SAR 18 billion (Jan-Oct 2020)
- Saudi Arabia aims to raise the contribution of industry and mining to the GDP to SAR 400 billion in 2025, up to 15% in 2030 and surpassing SAR 600 billion.
- Saudi Arabia plans to generate 1.3 million jobs by 2030 in the industrial and mining sector.
- Saudi Arabia targets to increase the contribution of exports by the end of 2030 to SAR 424 billion.



INTRODUCTION

In an unprecedented year in modern history, the impact of Covid-19 presented multiple difficult challenges to the global economy since early 2020.

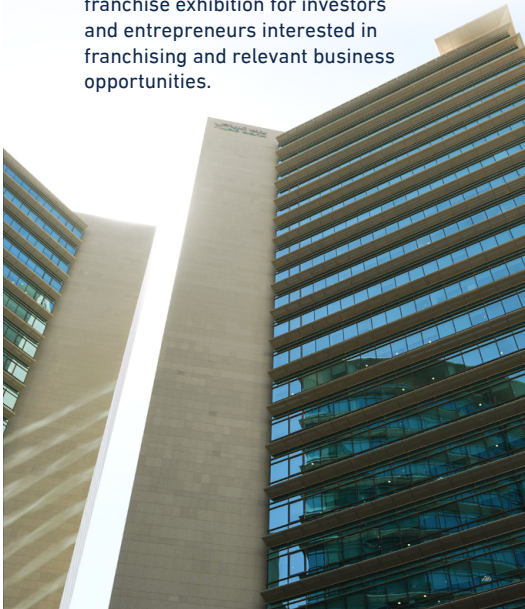
The Kingdom's economy is part of the global economy and is therefore not immune to its economic shifts and changes. The Annual Budget 2021 stands as a testament to the world that people's health is the Kingdom's top priority. Citizens and residents of Saudi Arabia have shown an unwavering commitment in adhering to precautionary health measures. Such commitment was pivotal in the Kingdom's success in surmounting and mitigating the repercussions of the pandemic.

Whilst health remains the foremost priority of the Kingdom, Budget 2021 also aims to ease the private sector's financial burdens from this exceptional year. The Kingdom has empowered the private sector to manage its activities, offered stimulus packages, and expedited due payments. These measures were vital in the resumption of economic activity, ensuring a better quality of life for citizens and residents.

Kingdom's 2021 budget aims to maintain financial sustainability and stability, cultivate an agile and proactive mindset in confronting crises, develop an advanced digital infrastructure and enhance spending efficiency to support the most affected sectors.

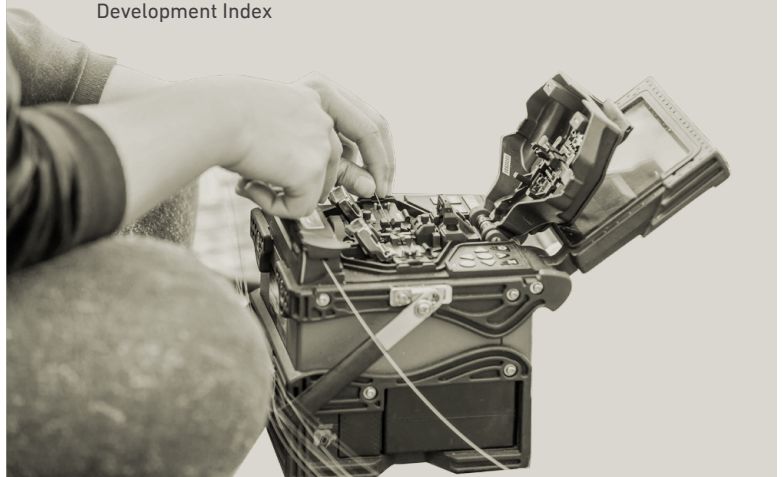
SMEs

- SMEs loans increased from less than 5.7% of total lending in 2018 Q1 to 7.8% in 2020 Q2.
- Spent more than SAR 1.42 billion in the government fee compensation program since the beginning of the initiative.
- Planned establishment of an SMEs Bank to increase SMEs funding by offering an array of funding solutions.
- Planned launch of an international franchise exhibition for investors and entrepreneurs interested in franchising and relevant business opportunities.



Communications and Information Technology

- Introduced 12 innovation labs specialized in emerging technologies to cultivate digital innovation.
- Boosted Saudi Arabia's Internet speed to 77.5 Mbps, and ranked first in 5G data download speed worldwide.
- Saudi Arabia ranked 8th among the G20 in the digital infrastructure for communications and information technology in the E-Government Development Index
- Saudi Arabia tops the G20 in digital competitiveness, winning GSMA's Government Leadership Award.



Commerce

- Saudi Arabia ranked 24th worldwide among the 63 competitive countries and 8th within the G20 countries according to World Competitiveness Yearbook (IMD 2020).
- Saudi Arabia ranked as the country making the most advancement in the field of women in the workplace among 190 countries ("Women, Business and Law 2020" report issued by the World Bank Group) with 12 reform plans taking effect in 2020.



Highlights of “Budget 2021 Trends and Spending Priorities for People’s Health”

Panel Discussion **Budget 2021 Forum**



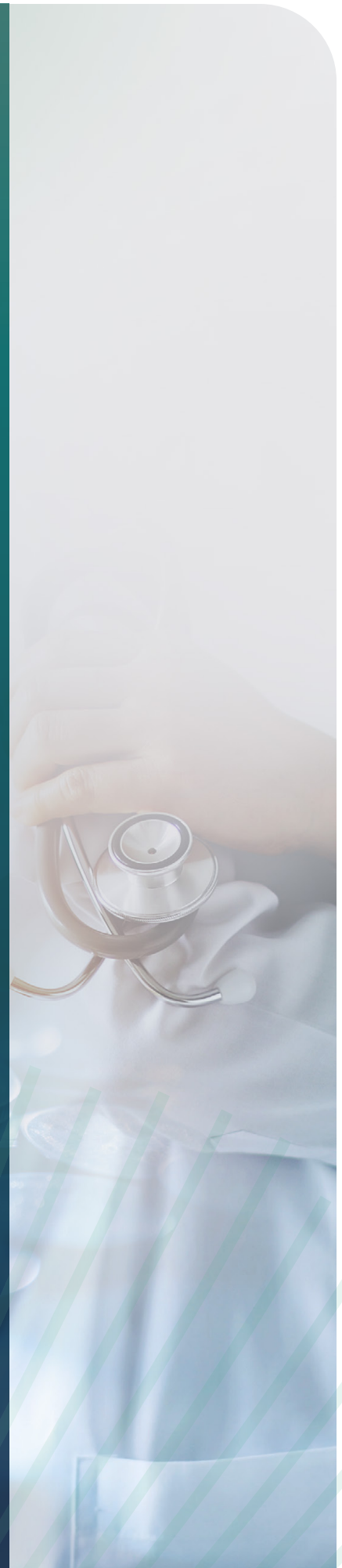
H.E. Mr. Mohammed Al-Jadaan
Minister of Finance and Acting
Minister of Economy
and Planning

- Saudi government launched stimulus packages, around 150 initiatives; to mitigate the impact on the private sector, SMEs, and to secure jobs whilst preserving development gains.
- The investments made in the past three years in technology and digital infrastructure have an effective role in the government’s ability to swiftly and smoothly transform from physical to virtual work.
- In 2020, despite the pandemic, we were able to complete a number of privatization projects in the health, education, sanitation, water and desalination sectors, through the contribution of the private sector with investments exceeding SAR 15 billion. We expect this number to double in 2021.



H.E. Dr. Tawfig Al-Rabiah
Minister of Health

- We were able to increase the number of beds in ICU units by 60% within three months, and this is an outcome of the great support that the health sector received.
- Vaccination priority will be given to those over the age of 65, those with chronic diseases and health practitioners.
- We started registration for the coronavirus vaccination through the “Sehaty” application. The number of registrants in the first hour has reached more than 100,000.



Highlights of “Securing Supply Chains during Crises”

Panel Discussion **Budget 2021 Forum**



H.E. Dr. Majid Al-Qasabi
Minister of Commerce

- We held three meetings with the G20 Trade Ministers and reached an agreement on smooth flow of market opening and movement of food and pharmaceutical goods
- There were only three supermarkets that were providing home delivery service in the Kingdom, and during the pandemic the number increased to 14 large delivery companies.
- During the pandemic, more than 36,447 online stores were established; with an increase of 171% compared to last year



H.E. Eng. Saleh Al-Jasser
Minister of Transport

- The ports, through which approximately 90% of the supplies arrived, performed distinguishably during the pandemic. As from the onset of this year to the end of November, we observed an increase in the number of containers that arrived or exported from the Kingdom by about 5%.
- During the pandemic, about 65,000 tons of medical and food supplies were transported by planes.
- The government has implemented a number of escalating measures, with swift and brave decisions for human safety. One of which was the introduction of professional measures to organize the process of return for citizens, and departure for residents



H.E. Eng. Abdulrahman Al-Fadley
Minister of Environment,
Water and Agriculture

- The provided support from the Agriculture Development Fund rose from SAR 500 million in 2015 to SAR 3.7 billion in 2020
- The Saudi Grains Organization supported the strategic grain inventory with more than SAR 1 billion
- We succeeded in organizing the agriculture of livestock feeds. As a result, we were able to save annually more than 10 billion m3 of non-renewable underground water.



**HRH Prince
Abdulaziz bin Salman Al Saud**
Minister of Energy

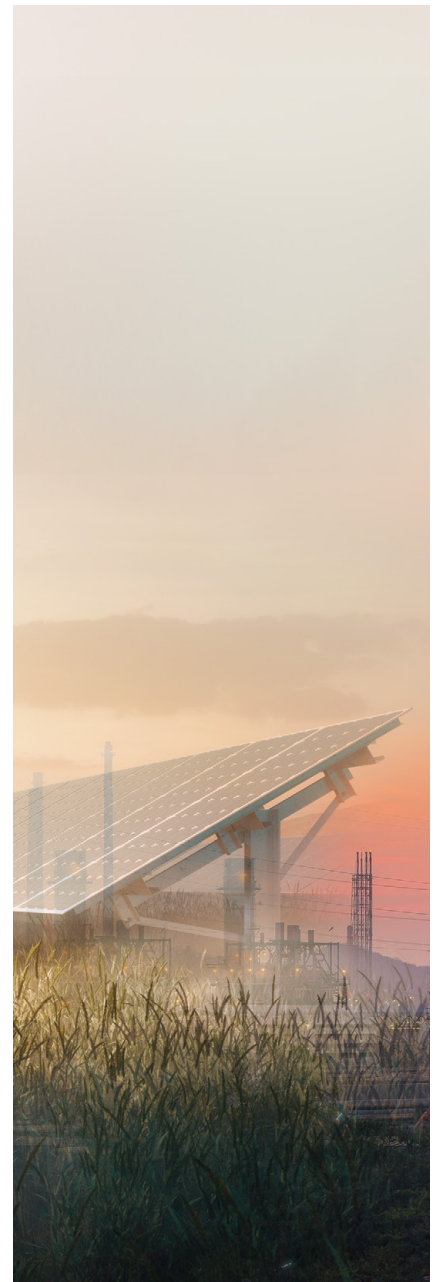


- If we compared “Covid-19 pandemic” in 2020 to other economic crises, such as the “Asian Tigers Crisis” in 1998, or “Great Recession” in 2008, we will realize that the magnitude of its negative impact is massive and unprecedented.
- Oil revenues typified the impact of this significant global contraction. Government total revenues in the Kingdom from Petroleum exports in the first half of 2020 reached SAR 224 billion, compared to SAR 391 billion in the same period in 2019.
- Under the directions of the Custodian of the Two Holy Mosques King Salman, the Kingdom was able to address the impact of the crisis effectively. That was epitomized in the Kingdom’s leading role to reach an unprecedented historic agreement within “OPEC +” to reduce production in April 2020. In addition to the G20 countries cooperative efforts to bring the total reduction to 19 million barrels per day.



• His Royal Highness the Crown Prince played a key role in this historic agreement. A true testimony to the Kingdom’s leading role in maintaining the petroleum markets’ stability and sustainability.

- The Kingdom’s efforts were pivotal in enhancing the market stability and improving the balance between supply and demand, which will support investments in the petroleum sector and lead to global energy supplies’ safety and stability.



Highlights of

“Future Sectors”

Panel Discussion **Budget 2021 Forum**



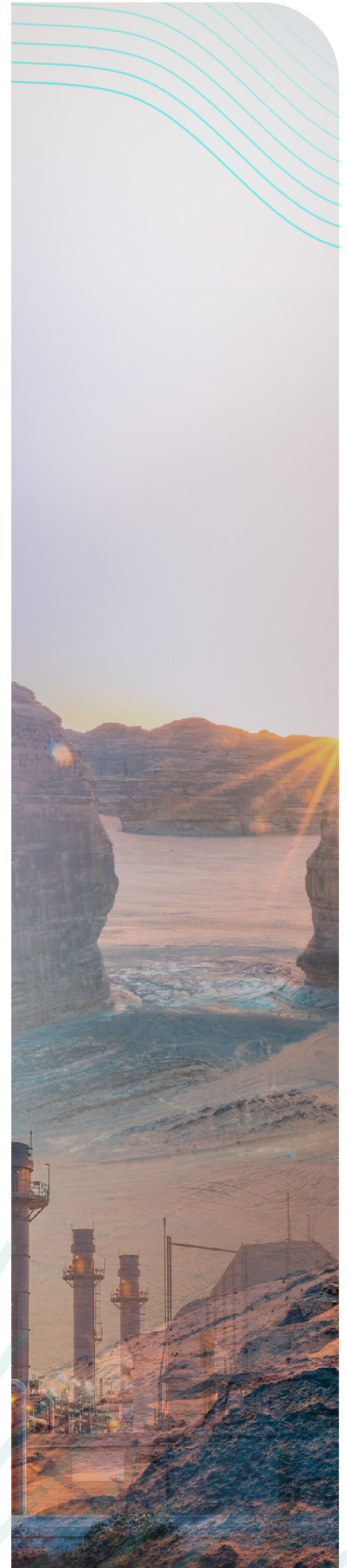
**H.E. Mr.
Bandar Al-Khorayef**
Minister of Industry
and Mineral Resources

- We have a clear plan in hand to localize a number of products consumed in the Kingdom, which will support the private sector and its demands.
- We have launched a Geological Survey Program, at a cost of SAR 2 billion, to explore the quality of minerals and mineral-rich areas that will help attract investors. This survey will cover the entire Arab Shield area.
- National factories have proven its ability to bridge the gap created by the pandemic, and its prompt response to market demands. Therefore, we have considered in our sector strategy support and empowerment of local content.



**H.E. Mr.
Ahmed Al-Khateeb**
Minister of Tourism

- The tourism sector in the Kingdom aims to generate one million new jobs by 2030.
- New investments volume in the tourism sectors will reach SAR 220 billion by 2023, and the target is SAR 500 billion by 2030.
- In the National Tourism Strategy, 8 tourism destinations were approved, and we identified attractive investment opportunities.



Highlights of “Sustaining and Enabling Investments in Supporting the Local Economy”

Panel Discussion **Budget 2021 Forum**



H.E. Eng. Khalid Al-Falih
Minister of Investment

- Immediately after the onset of the pandemic, we established a 7/24 center to communicate with all investors, aiming to ensure the continuity of their businesses and resolve any obstacles they face in coordination with all government entities.
- During the first half of this year, FDI flows into the Kingdom increased by more than 8% despite the global decline that reached 50% in the same period.
- We will soon announce the National Investment Strategy, which will incorporate legislative and regulatory reforms and incentives, including Special Economic Zones (SEZs), to attract quality investments locally and Internationally across various sectors



H.E. Mr. Mohammad Al-Tuwaijri
Advisor at the Royal Court and Deputy
Chairman of the Board of Directors of
the National Development Fund

- We are working to raise the performance standard of the funds and development banks to enable them achieve their visions, serve the priorities of development and economic needs in light of Vision 2030 objectives and pillars.
- NDF is playing a vital role in confronting economic fluctuations. For example, the fund has gathered efforts to address the impact of Covid-19 pandemic by swiftly injecting SAR 22 billion which supported more than 291,000 individuals and 18,000 organizations.
- by 2025, NDF's transformation to a fully developmental financing entity will contribute more than SAR 87 billion in non-oil GDP, and more than SAR 121 billion in the macro economy, and will help in creating more than 119,000 jobs.



H.E. Mr. Yasir Al-Rumayyan
Governor of the Public
Investment Fund

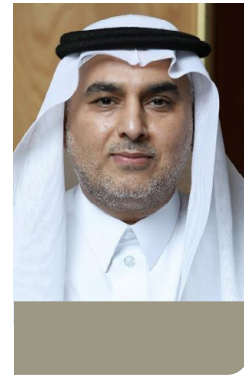
- The total assets managed by PIF were doubled from SAR 565 billion in 2015 to more than SAR 1.3 trillion at the end of Q3 in 2020.
- We have established more than 30 companies from 2015 till today in various sectors, such as tourism, entertainment, military industries and recycling.
- PIF is committed in 2021 and 2022 to invest about SAR 150 billion within the local economy, and this number will increase annually until 2030.

Highlights of “Investing in Technology and the Digital Infrastructure” Panel Discussion **Budget 2021 Forum**



H.E. Eng. Abdullah Al-Sawaha
Minister of Communications
and Information Technology

- We achieved an outstanding success in leading G20 summit. In this historical summit, we epitomized and mirrored the true potential and progress of Vision 2030 through the synergistic efforts of the public and private sector, and the non-profit sector.
- Investments volume in digital infrastructure have reached about SAR 55 billion, started with SAR 9 billion-government stimulus package.
- The government stimulus package has generated qualitative investments in the private sector. We achieved success for our nation by the effort of 300,000 leaders (men and women) in the public and private sector, and the non-profit sector.



H.E. Dr. Abdullah Alghamdi
President of the Saudi Data
and Artificial Intelligence
Authority (SDAIA)

- Data and artificial intelligence are two main drivers in realizing Saudi Vision. They contribute to the delivery of around 66 objectives, equivalent to 70% of Vision 2030 objectives.
- In less than two weeks, we were able to develop and launch the “Tawakkalna” application, that helped, when it was first launched, in managing lockdown measures and containing the pandemic. Through which we issued 15 million travel permits for individuals and 12 million permits for government employees to access their workplaces.
- SDAIA has achieved a vital success in Online Conferencing management, through “Burooq” platform for safe Online Conferences. The platform hosted the G20 summit virtually last November, linked more than 20 countries around the globe, confronted more than 2 million Cyberattacks.

A Nation's Health..

Watch here

