

Saudi Arabia: An Open Door for Foreign Investors

Various public sector bodies are facilitating investments into diverse economic sectors that offer enticing opportunities

By Sally Crail

In 2023, Saudi Arabia's non-oil industries contributed 50 percent of the country's gross domestic product for the first time, thanks to a rapid advance in domestic and foreign private sector investments, which reached \$254 billion last year.

The government is ambitious to increase that figure to around \$530 billion by the end of this decade and various state bodies have initiated funding programs to encourage investors into diverse sectors to achieve that goal. For example, the National Development Fund, which acts as the kingdom's development finance institution, has a portfolio of tools under its umbrella, each of which targets different areas. A key element of this portfolio is the Saudi Tourism Development Fund, which was established in 2020 with \$4 billion in capital.

"TDF aims to strengthen the hospitality and tourism sectors in alignment with the objectives of the Saudi Vision 2030 development plan," explains TDF's CEO Qusai Al-Fakhri. "The fund offers a variety of programs for the tourism industry and potential investors, aiming to foster entrepreneurship, support small and medium-sized enterprises and

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Majeed Fahad Alabduljabbar
CEO, Saudi Real Estate Refinance Company

encourage innovation. To date, TDF has assisted over 1,300 small and medium-sized enterprises." The fund provides financial products such as loans, private equity, venture capital and specialized guarantees to both SMEs and large businesses in order to help them develop thriving projects in the kingdom, Al-Fakhri states: "In addition, TDF offers non-financial assistance, including bootcamps, business accelerators, co-working spaces, consulting services and capacity-building services. All in all, TDF enables and empowers tourism-related businesses to provide unique products and services that can ensure a sustainable tourism industry in Saudi Arabia."

Another vital enabler of economic diversification is the kingdom's sovereign fund—the Public Investment Fund—and its subsidiaries, which



Majeed Fahad Alabduljabbar
CEO, Saudi Real Estate Refinance Company



King Abdullah Financial District in Riyadh



Qusai Al-Fakhri
CEO, Saudi Tourism Development Fund

include the Saudi Real Estate Refinance Company. Established as part of the housing and financial sector development programs of Vision 2030, the SRC has created a strong secondary mortgage market in the country. "SRC links capital market liquidity to the primary market originators, which allows the cycle of mortgage finance and refinance to take place. Since its inception in 2017, it has facilitated over \$13 billion in refinancing, including short-term facilities, thereby improving financing terms for consumers," says CEO Majeed Fahad Alabduljabbar. "Beyond providing liquidity and refinancing solutions to banks and real estate

finance companies, SRC offers risk management solutions that transfer risk from the banking sector to capital markets."

The Saudi home-financing sector has expanded exponentially in the past six years to reach more than \$185 billion, and the country is on track to meet its goal of 70 percent home ownership by 2030, with over half a million new residential units forecast to be constructed by that date. "Saudi Arabia's real estate sector, especially with the advent of gigaprojects, is expected to grow significantly," Alabduljabbar confirms. "Our housing market stands out due to its stability and an exceptionally low rate of non-performing loans that is less than 0.5 percent. This positions Saudi Arabia uniquely in the Middle East and North Africa region, which is relatively untapped in terms of comparable market potential and growth opportunities, and that is drawing considerable investor attention."

According to the CEO, regulatory reforms have enhanced the attractiveness of the kingdom's capital markets to those investors. "Traditionally, we have depended on domestic financing, but we're now exploring international financing avenues to present the success story of the Saudi housing ecosystem to a global audience," he discloses. SRC is focused on attracting and facilitating the entry of more worldwide investors into the market, as well as expanding its product range to include, for example, securitization. "International investors are expressing keen interest and are excited about potential investments in our market, reflecting the global competitiveness of Saudi Arabia for substantial foreign investments amid international uncertainties," Alabduljabbar reveals. His message to those considering the country as an investment destination is simple: "Come visit Saudi Arabia and see the change."

Driving Sustainable Growth and Industry Leadership

Tony Cripps, CEO and managing director at SAB, reveals the leading Saudi bank's pivotal focus

By Tony Cripps, CEO and managing director, SAB

Saudi Awwal Bank (SAB) is deeply committed to driving sustainable growth and industry leadership in the region. Our strategic objectives revolve around sustainable growth, expanding the lending market, and positioning SAB as a future-ready organization from both digital and environmental, social and governance (ESG) perspectives.

Aligned with the goals of the Kingdom of Saudi Arabia's Vision 2030, SAB is dedicated to playing a significant role in the nation's economic transformation. Our young and talented leadership has been instrumental in driving our success and propelling us to become one of the leading banks in the kingdom. With a deep understanding of the local market and a fresh perspective, our young Saudi leaders bring energy, innovation and a forward-thinking approach to our operations. As a scale player in corporate banking and treasury, SAB takes pride in catering to the needs of businesses of all sizes. Our commitment to excellence

has garnered recognition, including being named the Best Trade Finance Provider in Saudi Arabia by Global Finance. The Digital Banker honored us as the Best Small and Medium-Sized Enterprise Bank in Saudi Arabia, underscoring our commitment to supporting the growth and success of small and medium enterprises. Euromoney's recognition of us as the Market Leader in KSA solidifies its position as the preferred bank in the kingdom.

At SAB, ESG considerations are at the heart of our operations. Our 2023 report showcases our robust approach to sustainability reporting and how we integrate sustainability across our goals, targets, processes and operations. We are proud to have been recognized as the Best Bank for Sustainable Finance in Saudi Arabia by Global Finance and as the Best Domestic Private Bank in Saudi Arabia by Euromoney Private Banking Awards, affirming our commitment to responsible banking practices and sustainable development.

After nearly a century in the kingdom, we continually strive for excellence and evolve to meet the changing needs of our stakeholders. Our refreshed business strategy for 2026, aligned with our ESG objectives, reinforces our commitment to sustainability, innovation and customer-centricity. At SAB, we firmly believe that being ESG-conscious is not just a responsibility but a key strategic pillar that drives our success. Our unwavering focus on driving sustainable growth and industry leadership is fueled by our determination to realize the goals of Vision 2030, powered by our strong partnership with HSBC. We are confident that our refreshed business strategy will further strengthen our industry leadership and create a lasting positive impact on our stakeholders and society as a whole.



Tony Cripps
CEO and Managing Director, SAB



Saudi Awwal Bank To Aspire. To Achieve.

SAB has always played a key part in driving economic growth and societal progress in the Kingdom of Saudi Arabia. Today, we have an equally pivotal role to play in making a real and lasting difference to our environment, communities and people. Find out more about our approach to ESG on our website sab.com or scan the QR code.





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Investments That Are Transforming Life in Saudi Arabia

Abdullah Al Othaim Investment Company is creating distinctive destinations and experiences that encompass multiple sectors

By Sally Crail

Abdullah Al Othaim Investment Company is an exemplary example of how some of Saudi Arabia's most prominent enterprises are facilitating the country's rapid economic and societal transformation.

Over the last 20 years, the group has built a comprehensive and integrated portfolio of pioneering investment projects worth around 15 million Saudi riyal (nearly \$4 million) that includes shopping malls; mixed-use developments; entertainment, fashion retail, restaurant and other hospitality brands; sports centers; and artificial intelligence initiatives. "Al Othaim Investment Company has a distinguished financial solvency covering the sectors in which it operates. For instance, we currently have 12 mega shopping centers that attract approximately 50 million annual visitors. We're ranked as the country's second-largest mall operator, with a majority stake of 70 percent in our projects and a strong net-profit margin of 30 percent in heavy assets," reveals Al Othaim Investment Company Group CEO Meshaal Bin Omairh. "By creating distinctive experiences, our strategy aligns with Saudi Vision 2030 in developing quality-of-life methodologies. Our strategy also contributes to the diversification of local economies through our wide presence in most regions and cities of the country."

"Al Othaim Investment Company is an ideal partner for investors seeking to expand their business in Saudi Arabia."

Meshaal Bin Omairh
Group CEO, Abdullah Al Othaim Investment Company

The group has become a leader in its sectors of activity thanks to its expertise in delivering projects that embrace best global practices and inject vibrancy into communities. In addition, states Omairh: "Our success and growth results from a firm commitment to the principles of innovation and sustainability. We apply those principles in all our operations, through international standards regarding financial sustainability and meeting the desires of all stakeholders; in encouraging entrepreneurship by providing a distinctive work environment for employees; and in environmental sustainability by using clean energy and increasing green spaces in development projects."

In order to advance its flourishing investment models, attract more global investors to the country and further contribute to achieving Vision 2030, Al Othaim Investment Company is engaged in a major expansion program across its portfolio of activities. For instance, it has multi-use development projects valued at over \$3.2 billion under construction, says Omairh: "We're working on 17 new projects with an innovative vision that combines shop-



The iconic Konoz Riyadh project in the heart of the capital

ping, entertainment and improving quality of life. We are creating exceptional, comprehensive experiences and, with these projects, our annual visitor numbers are expected to reach 200 million."

Distributed in prime locations across Saudi Arabia, the projects feature state-of-the-art construction standards, as well as contemporary and sustainable designs that harmonize with their local environments. Within their number are fully integrated smart-city developments that are sure to become iconic destinations of the future. A key illustration is the \$1.9-billion-plus Konoz Riyadh project, which is sited in one of the capital's most esteemed areas and has been designed by Benoy, the renowned global architecture studio. "Spanning 50,000 square meters of office space, a 20,000-square-meter entertainment city, premium residential spaces and 15,000 square meters of green areas, Konoz Riyadh is expected to contribute significantly to Riyadh's thriving tourism and entertainment industry. The project will also be unique due to the healthy lifestyle, luxury and innovative shopping experience it will create," he asserts.

Among the group's many other inspirational initiatives is Al Othaim Park, a development worth more than \$267 million in Dammam, the capital of Saudi Arabia's Eastern Province. "This enjoys a huge area of 224,000 square meters on the city's largest street. It has been designed and is being implemented to contribute to redrawing the features of a strategic city that overlooks an Arabian Gulf waterfront," says Omairh. "The project will improve quality of life through shopping and entertainment, in addition to hosting a high-level hotel, innovative residential towers and large green spaces." Another example is in Al Khobar, an increasingly popular travel destination along the coast from Dammam. Known as Al Othaim Circle, this \$107-million scheme covers 52,000 square meters and will contain entertainment, retail, hospitality and sports facilities, plus a cutting-edge wellness resort.

In tandem with these developments, the group is extending its already extensive presence in the branded entertainment, fashion retailing and food sectors, which are overseen by various subsidiaries. "As a pioneer in the Saudi



Meshaal Bin Omairh
Group CEO
Abdullah Al Othaim Investment Company



Al Othaim Park in Dammam is located on the Arabian Gulf

entertainment industry, Al Othaim Entertainment Company currently has 20 innovative brands in 78 locations, while Nawar Cinema Company operates two high-level cinema halls, 130 screens in 30 locations and it owns the franchise rights to the prestigious Empire Cinema brand," he says. Al Othaim Fashion, on the other hand, has a portfolio of 31 top-end retail brands that can be found in 341 destinations to date and Al Othaim Foods has established nine restaurant and cafe brands with 51 branches. "We expect the group's investment in these fields to increase by acquiring upmarket brands, especially for our multi-use development projects," comments Omairh.

In collaboration with partners like the Saudi Tourism Fund, the group's newest subsidiary is focused on tourism and hospitality, he adds: "We are constructing 14 large world-class hotels that will contain more than 2,000 keys by 2026 and will provide many hospitality options through international restaurants." Through its ambitious expansion program, the group aims to



Al Othaim Circle will improve quality of life in Al Khobar

create over 50,000 direct and indirect job opportunities within the next few years. At present, it employs more than 3,500 people directly, 70 percent of them are Saudi nationals and 36 percent are women, confirming its commitment to investing in development opportunities for Saudis of both genders.

To support its expansion, Al Othaim Investment Company is currently preparing an initial public offering for a percentage of shares in the group, an event that is hotly anticipated by investors on the Saudi Stock Exchange. This will be open to international entities, as are numerous other opportunities throughout the group's portfolio. "Al Othaim Investment Company is an ideal partner for investors seeking to expand their business in Saudi Arabia. It has created successful investment models that are spread over various fields, which it has achieved with complete transparency for all stakeholders," states Omairh. "We welcome any partnership or agreement with parties that wish to invest within the country and to participate in developing its economy."





AWPT's capabilities cover every stage of an asset's lifecycle

An Integrated Model for Water Management

Alkhorayef Water and Power Technologies has deep expertise and synergistic capabilities across the full water and wastewater value chain

By Sally Crail

Due to the impacts of global warming, the costs associated with ensuring reliable access to sufficient clean water and sanitation services have escalated for many countries, including Saudi Arabia.

According to Rami Moussilli, CEO of Alkhorayef Water and Power Technologies (AWPT), the preminent operator in Saudi Arabia's water and wastewater sector, for populations and economies to thrive in a world where water scarcity is an increasing reality, water management needs to be transformed, which cannot occur without massive investment. In his opinion, attracting that investment requires companies in the sector to adopt new, value-driven business models.

"Investors seek confidence and stability. However, the global water industry's fragmented landscape, with large players often specializing in particular areas, like concessions or engineering, procurement and construction [EPC], can make it challenging to assess risk and growth potential," he says. "We strongly believe that businesses in our sector should have deep expertise in the full value chain of water and wastewater, from extraction to water treatment, transmission, distribution, full sewage treatment and surface water infrastructure and management. By fostering a new generation of water solutions companies that prioritize comprehensive expertise, adaptability and long-term value creation, we can unlock the investment needed to tackle the water challenge."

Under the leadership of Moussilli, a visionary executive with over 24 years' experience in executing high-profile megaprojects in the U.S. and Saudi Arabia, AWPT has become a spearhead for the new generation of companies. The business was established 30 years ago as a subsidiary of the Alkhorayef Group, which has a long heritage of manufacturing and service excellence in diverse industries. Appointed as AWPT's CEO in 2014, Moussilli has been instrumental in turning



AWPT operates infrastructure serving over 26.5 million people

the company, which has been listed on the Saudi Tadawul stock exchange since 2021, into one of the country's most successful businesses and its leading water and wastewater EPC and operations and maintenance (O&M) company. AWPT is ranked 14th among global private water operators, serving more than 26.5 million people in hundreds of towns and cities around the country.

AWPT has achieved its success by pioneering a business model that tackled the need to raise investor confidence head on. "We expanded our expertise across the value chain of water and wastewater treatment, implementing four synergistic delivery methods," explains Moussilli.

Those delivery streams are O&M services that optimize existing facilities for long-term performance; EPC services delivering turnkey infrastructure solutions; facilitating large-scale public-private-partnership development projects through strategic collaboration; and providing holistic concession services with a focus on efficiency.



Rami Moussilli
CEO, Alkhorayef Water and Power Technologies

"AWPT is the only Saudi company with a lead development reference that encompasses integrated EPC and O&M capabilities."

Rami Moussilli
CEO, Alkhorayef Water and Power Technologies

"This value-driven strategy allows us to increase revenue generation in a way that maximizes the synergies between our delivery methods, resulting in record-setting profitability and sustainable growth, building a diversified revenue mix that provides stability and adaptability amidst market volatility," he says. "With in-house integrated capabilities applied at every stage of an asset's lifecycle—design, construction, operation and rehabilitation—we gain further efficiencies and a competitive edge, reinforcing investor confidence. This is how AWPT is successfully navigating Saudi Arabia's water-security challenge, ensuring the broad-spectrum capability and financial resilience our sector demands."

The model's strength is evident in the company's financial performance. In 2023, AWPT's revenues expanded by 108 percent in comparison with 2022, its net income before tax increased by 33 percent, it achieved a 33 percent return on equity and 11 percent return on assets. In addition, the value of the company's

backlog was 148 percent higher at the end of 2023 than a year earlier, driven by continuous growth in new contracts.

"Recently, for example, AWPT has secured four multibillion-dollar development projects. Notable among our awards are ones concerning the Saudi National Water Company's long-term operation and maintenance program. AWPT, with its in-house expertise, is solely qualified to invest, rehabilitate, upgrade, maintain and operate complexes of sewage treatment plants for 15 years while complying with the latest environmental regulations," asserts Moussilli. "We will continue to expand our implementation of ecological solutions and conservation practices with the objective of improving the environment and being a major contributor to the decarbonization of our sector."

The company has also won many contracts in partnership with global front-runners in the sector. In 2023, for instance, a consortium led by AWPT won a multi-billion-dollar build-operate-transfer contract for a 150-kilometer (nearly 100-mile) independent water transmission pipeline. "This landmark project supplies a vital 500,000 cubic meters of water daily to the holy cities of Makkah and Madinah. In this collaboration, AWPT played a unique role, acting as a partner on all three levels: development, EPC and O&M. This underscores that AWPT is the only Saudi company with a lead development reference that encompasses integrated EPC and O&M capabilities," he says. "These examples highlight the competitive edge gained through our model. Investors can see a company with a proven track record that can navigate market complexities and deliver exceptional value. Our diversified revenue streams, strong balance sheets and robust profitability paint a picture of a company poised for sustainable growth."

The opportunities for that growth are substantial. The Saudi Vision 2030 development plan has made water security a top priority, and a National Water Strategy 2030 has been launched with a clear roadmap for achieving that. This

includes privatization programs in areas like water treatment and distribution, wastewater treatment and the reuse of treated sewage effluent. "AWPT's deep expertise in integrated services along the entire water and wastewater value chain through all relevant delivery models—including EPC, O&M, PPPs and valued-added services such as city management contracts—gives the company tremendous growth potential in a sector driven by the national water strategy and Vision 2030 mandates. AWPT possesses unmatched capacity to further drive the exponential growth we have enjoyed in recent years, enabled by the substantial investment and spending in the sector," he states.

"AWPT is successfully navigating Saudi Arabia's water-security challenge, ensuring the broad-spectrum capability and financial resilience our sector demands."

Rami Moussilli
CEO, Alkhorayef Water and Power Technologies

Further avenues for growth that AWPT has identified include emerging value pools in the sector, expanding into international markets where its strong operating capabilities can be a differentiator and diversifying into new environmental services that are synergistically centered around water. Above all, its main objective for the future is retaining its leading position, agility and resilience in the Saudi water and wastewater sector. Moussilli says: "We will continue to strive to implement sustainable practices that guarantee access to water and wastewater services for our customers, to manage them efficiently and effectively, and to maintain their quality and reliability."

Business Activity

AWPT offer integrated services along the entire water and wastewater value chain, through all relevant delivery model.

Privatization Projects / EPC / O&M

Water / Wastewater / Integrated water solutions

Geographical footprint in KSA

AWPT asserts it-self as an industry leader with a wide presence throughout the kingdom of Saudi Arabia with a future initiative to expand his activities.

Key facts and figures

- Established 1985
- Employees 7,500
- Population served Over 26.5 million
- Networks managed 42,650,000 m
- HQ Riyadh, Saudi Arabia
- Ownership Publicly listed
- Water & waste-water treated 3,950,000 m³/day
- Ongoing Projects 2.35B USD

Total

- Projects 91
- Workshops 22

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Propelling Vision 2030 to New Heights

In just five years, The Helicopter Company has built up an innovative, state-of-the-art Saudi air-mobility ecosystem from scratch

By Sally Crail

“The Helicopter Company had a vertical takeoff when it started operations in 2019 and has not stopped climbing since,” asserts Capt. Arnaud Martinez, CEO of Saudi Arabia’s first commercial helicopter operator, which was set up by the national Public Investment Fund.

“We now have 49 aircraft and 15 operating bases that cover up to 70 percent of the country. We open a new base almost every two months and onboard an aircraft nearly every three to six weeks,” he reveals. THC’s initial mission was to support Saudi Arabia’s developing giga projects and it has close partnerships with, for example, NEOM, Red Sea Global’s Red Sea and Amaala projects, and the Royal Commission for AlUla. As the giga projects have grown, THC has expanded its range of services to meet their demands and those of other clients. Today, it has substantial capabilities catering to construction, VIP transportation, aerial surveying, hospitality, tourism and emergency

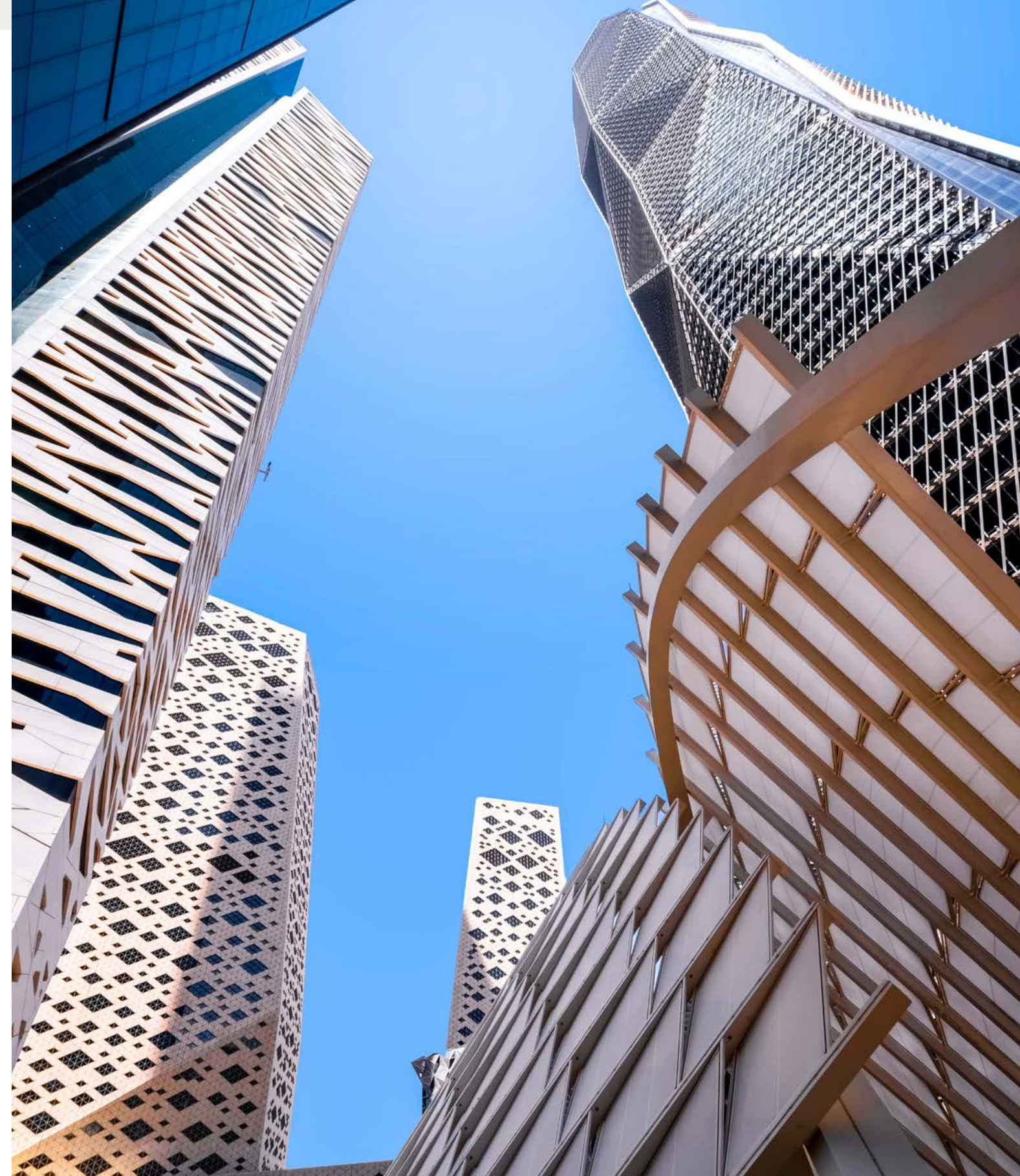
medical services. Martinez notes, “We also have a strong presence in the entertainment, sport and filming industries. For instance, we provide support for the Dakar Rally, Formula One and many other events, and we worked on the first Hollywood movie filmed in AlUla.”

One focus for THC is helping to advance the country’s tourism industry. It already offers amazing trips over the ancient site of AlUla and aims to rapidly expand its activities in this area. “We need to support tourists that want to move from city to city, discover beautiful sites from the air or fly between Jeddah and Mecca,” he says. “Another focus is how we provide advanced solutions, such as Uber-copter services, to congested cities like Riyadh.”

To position itself at the forefront of the future global helicopter industry, THC invests in the latest digital and sustainable technologies. “We can’t operate in the old-fashioned way. We need to plan to fly greener, with safe, brand-new technology. That’s the direction of the Saudi vision,” explains Martinez. As a result, THC will continue to expand its fleet with only state-of-the-art aircraft. This will allow it to offer even more services and cover more of the nation. “Saudi Arabia is huge; to give you an idea of scale, NEOM is the size of Belgium. Operating over such a big landscape is a challenge, but this is who we are as a helicopter company. We try to achieve the impossible,” he states. “We’re a unique company, because of our growth and the full scale of services we provide, and the sky is not the limit in Saudi Arabia. It’s a unique country that is executing a unique vision.”



Captain Arnaud Martinez
CEO, The Helicopter Company



WHERE TOMORROW TAKES FLIGHT

THC was established as part of Saudi Public Investment Fund (PIF)’s strategy to activate new sectors in Saudi Arabia that support the realization of Vision 2030 by creating an entire new ecosystem for general aviation services and introducing safe and efficient transport services across the kingdom. THC is the kingdom’s premier commercial helicopter operator and has been operating since mid-2019.

THC currently has 49 aircraft that serve diverse segments, including Helicopter Emergency Medical Services (HEMS), aerial work, private charters and tourism in the kingdom.

- > HEMS
- > AERIAL SERVICES
- > PRIVATE CHARTERS
- > TOURISM



helicopter.com.sa



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