







My first objective is for our country to be a pioneering and successful global model of excellence on all fronts, and I'll work with you to achieve that.



King Salman bin Abdulaziz Al Saud



Four KSA based entertainment entities attending the 2018 IAAPA Attractions Expo

# Saudi Arabian General Investment Authority

Provide the potential investors with any information and support needed to invest in Saudi Arabia





# General Entertainment Authority

Regulate and license all the activities within Entertainment sector, lead strategy development and implementation.

# Saudi Entertainment Ventures (SEVEN)

Investing, developing and operating diverse entertainment ecosystems





#### Qiddya Investment Company

Attracting, assisting, and licensing foreign investments in KSA



الهيئة العامة للاستثمار General Investment Authority



is the Kingdom's investment promotion agency, tasked with attracting diversified investments into the country and serving as an advocate for investors. As a result, "Invest Saudi" brand has been created by the Authority to promote Saudi Arabia as a world-class destination for investments.







# INVEST > SAUDI \*

"Invest Saudi" supports investors' businesses by introducing them to key stakeholders, and offers advice and services to companies from the initial planning stage of their investment to comprehensive aftercare once they have established themselves in the Kingdom. Saudi Arabia is embarking upon an exciting journey under Vision 2030, with a compelling portfolio of investment opportunities. To find out more: www.investsaudi.sa









Supported by a large financial system and new reforms and initiatives

# SAUDI ARABIA'S DIVERSIFICATION AND REFORM JOURNEY



GAME-CHANGING OPPORTUNITIES



Strong and serious commitment about reforming the country and bringing the Kingdom into a new era

Presence of investment opportunities for transformational projects

# 2 INTEGRATED INFRASTRUCTURE



ATTRACTIVE PROPERTY SOLUTIONS



Integrated infrastructure enabling well-interconnected transport networks and effective IT digital solutions

Stimulating the creation of advanced technology clusters and diversified industries

# YOUNG AND SKILLED WORKFORCE



7 EXPANDING QUALITY OF LIFE

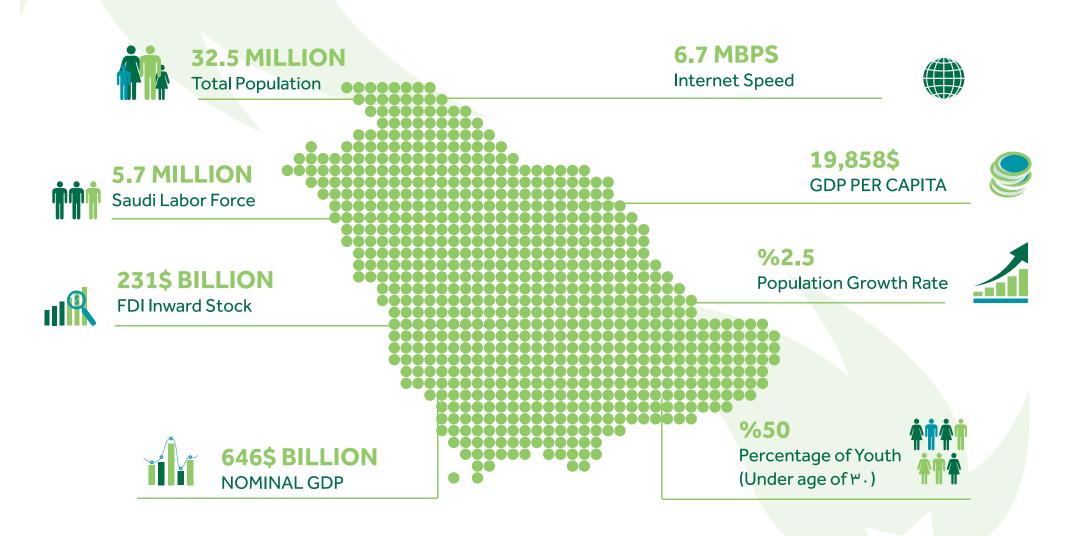


Young and skilled workforce supported by educational programs granted by the government

Ensuring safety and security, advanced health assistance, and even more enjoyable lifestyles



# SAUDI ARABIA AT A GLANCE







# **VISION 2030**

# SAUDI ARABIA'S VISION 2030 HAS BEEN ACHIEVING REMARKABLE INITIAL SUCCESS







#### **SAUDI ARABIA'S VISION 2030**

- Introduced in April 2016 by Crown Prince Mohammed Bin Salman Al Saud, with the aim of diversifying and expanding the economy competitiveness
- Vision 2030 builds on Saudi Arabia's pillars of competitive advantage to deliver on three key themes
  - A vibrant society
  - A thriving economy
  - An ambitious nation
- Its narrative sets forth the ambitions of the Kingdom over the next years and highlights a selection of commitments, goals, and aspirations which are being pursued

#### 12 VISION REALIZATION PROGRAMS

- ▶ 12 Vision Realization Programs developed to deliver impact against strategic objectives, each with specific mandates, owners, targets
  - Enriching the Hajj and Umrah experience
  - Lifestyle Improvement Program
  - Privatization Program
  - National Transformation Program
  - National Companies Promotion Program
  - Saudi Character Enrichment Program
  - Public Investment Fund Program
  - Strategic Partnerships Program
  - Fiscal Balance Program
  - National Industrial Development and Logistics Program
  - Housing Program
  - Financial Sector Development Program

#### REMARKABLE INITIAL SUCCESS

- Already achieved remarkable initial success along multiple themes, attesting the seriousness of the country's transformation into a global and modern nation
  - Increased women's participation in the workforce, through initiatives and reforms
  - Reduction of budget deficit, from 15% to 8% of GDP between 2015 and 2017
    - (a reduction of > SAR 160 bn in two years)
  - Enhanced access to entertainment, with 2.3 million visitors between October 2016 and April 2017 from 100+ events in 21 cities

# SUPPORT

#### **SUPPORT IS OFFERED TO ENCOURAGE INVESTMENT**

As part of Vision 2030, Saudi Arabia intends to increase the participation of the private sector in order to ensure sustainable growth. Potential investors are offered a variety of incentives, most notably: enhanced market access, capital availability, robust infrastructure and investor-friendly tax rate and business environment.







#### FINANCIAL SUPPORT

- Export credit financing, guarantee, insurance provided by the Saudi export program
- Energy and utilities subsidies for power, water, natural gas, ethane, diesel, and land
- Financial incentives for R&D projects with potential to boost country's economic growth and self-reliance
- Loan programs for public and private industrial investments

#### **FISCAL SUPPORT**

- Custom duty drawback and exemption on selected materials, equipment and machinery
- Tax credit and tax exemptions on Saudi national worker's payroll and training costs

#### **EMPLOYMENT SUPPORT**

- Programs offered by Human Resources
- Development Fund (HRDF) and aimed at encouraging training and employment of Saudi nationals
- On-the-job training program for Saudi graduates (Tamheer)
- Program to support the growth of Saudization of enterprises
- Professional Certification Support Program
- Doroob program



## SAUDI ARABIA'S REFORM JOURNEY

# SAUDI ARABIA EMBARKED ON A SUCCESSFUL REFORM JOURNEY TO ENHANCE ITS BUSINESS ENVIRONMENT





- Enhancing the business environment for the private sector is among the top priorities laid down by Vision 2030. The Tayseer's committee was established to pursue four main objectives:
  - Increase efficiency of government services
  - Position Saudi Arabia among the top 20 countries globally for doing business
  - Implement regulations aimed at stimulating the private sector growth
  - Increase private sector engagement with direct involvement in decision-making
- Broad and ambitious reforms, e.g. new regulation for the trading across borders, judicial development policy and procedures aimed at enhancing transparency, have been already completed
- More than one hundred additional reforms are in the pipeline for approval and implementation



# RECOGNITION OF BUSINESS ENVIRONMENT ADVANCEMENT

- Saudi Arabia is making tremendous efforts in advancing its business environment
- Ranked 2<sup>nd</sup> as best reformer among the high income countries in the G20 by the World Bank, thanks to its serious commitment to improve the regulation on crucial areas such as those related to the protection of minority investors, the property registration, and the insolvency resolution
- Among the best 20 countries globally in overall reforming effort
- 30<sup>th</sup> most competitive economy according to the World Economic Forum's Global Competitiveness ranking

### FOREIGN INVESTMENT REGULATION

# THREE KEY ELEMENTS OF THE FOREIGN INVESTMENT REGULATION





- Being licensed to operate in Saudi Arabia as a foreign investor is necessary to obtain any permit to start operations
- ➤ The Saudi Arabian General Investment Authority (SAGIA) is the Kingdom's investment promotion agency, responsible to setup and govern the foreign investment regulation, facilitate the entrance of investors into the country and license investors
- Different types of investment licenses are available, each with its own requirements, such as minimum acceptable capital and a cap on foreign capital
- Prospective investors can apply for a license online on SAGIA's portal



## FISCAL REGIME ELEMENTS RELEVANT FOR FOREIGN INVESTMENT

- Four main fiscal regime elements are particularly relevant for foreign investment
  - Corporate income tax, applicable on foreign ownership of Saudi Arabia-based company; with statutory corporate rate set at 20%, it is the lowest among the G20
  - Zakat, applicable on local ownership of Saudi Arabiabased company; set at 2.5% of the Zakat base
  - Value-Added-Tax
- Social Security contribution; only for Saudi personnel



## INTERNATIONAL TRADE AGREEMENTS

- Saudi Arabia is member of WTO with commitment to further liberalize trade regime and accelerate integration in the global economy
- On a regional dimension, Saudi Arabia is member of the Gulf Cooperation Council and of the Greater Arab Free Trade Area<sup>1</sup>
- ▶ Bilaterally, Saudi Arabia signed treaties for the avoidance of double taxation of income and capital (DTAs) with 29 countries²as well as agreements aimed at promoting and protecting the investments of the enterprises of one contracting party in the territory of the other with 23 countries³
- 1. Algeria, Bahrain, Egypt, Iraq, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates and Yemen
- 2. Algeria, Azerbaijan, Austria, Bangladesh, Belarus, China, Egypt, Ethiopia, Greece, Hungary, India, Italy, Japan, Kazakhstan, Luxembourg, Macedonia, Malaysia, Netherlands, Pakistan, Portugal, Russia, South Africa, South Korea, Spain, Sweden, Turkey, Uzbekistan, Venezuela, Vietnam
- 3. Azerbaijan, Austria, Belarus, Belgium, China, Czech Republic, Egypt, France, Germany, India, Indonesia, Italy, Luxembourg, Malaysia, Philippines, Singapore, South Korea, Spain, Sweden, Switzerland, Taiwan, Turkey, and Ukraine



الهيئــة العامــة للترفيــه General Entertainment Authority

"We consider culture and entertainment indispensable to our quality of life...We intend to enhance the role of government funds, while also attracting local and international investors, creating partnerships with international entertainment corporations"

H.R.H. Prince Mohammed Bin Salman

Accordingly, KSA government setup the General Entertainment Authority "GEA" to diversify and enrich the entertainment offerings and experiences in Saudi Arabia



# KSA has been intensifying efforts

## to improve access of entertainment



#### **Background**

Entertainment offerings in

seeking experiences more

aligned with global standards

Saudi Arabia have traditionally

lacked appeal among residents

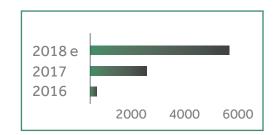
Historically, locals tended to spend entertainment dollars in neighbouring countries like Bahrain and UAE



#### **Efforts undertaken**

Under the goal of promoting and diversifying entertainment opportunities in KSA, a royaldecree was issued in Oct 2016to order the creation of the General Entertainment Authority

I. Year-round activities More than 2,200 event days in the year of 2017 and targeting 5,500 event days in 2018 with over 15 million attendees (100% increase YOY)



#### **Impact and achievements**

Entertainment sector created 20,000 jobs in its first seven months

Generated 2.05 SAR for every 1 SAR spend on entertainment activities Top international IP have chosen KSA as a strategic location to deliver top tier events











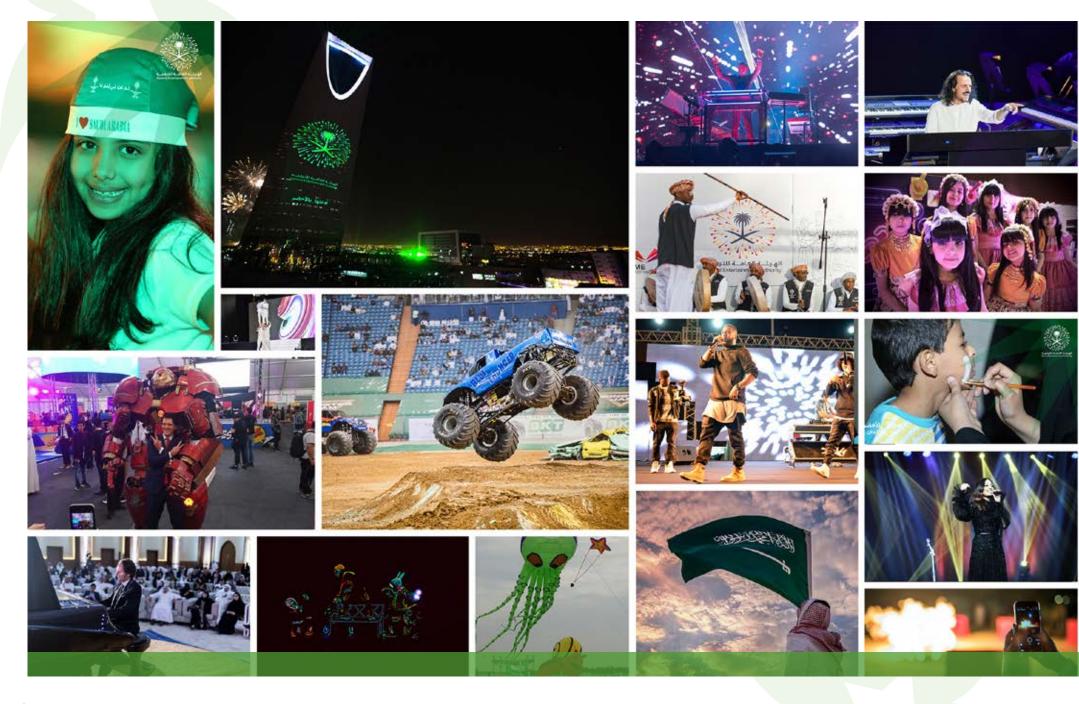
























# **KSA** has already attracted a number of

# PROMINENT TICKETED EVENTS

during the last couple of years

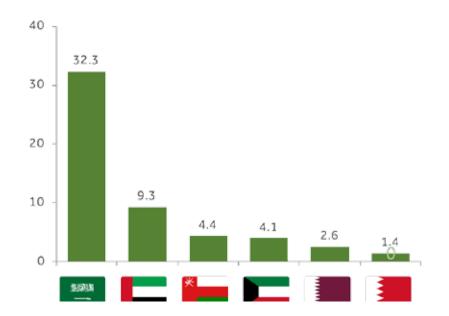
# KSA has the largest customer base in the region



with the majority being youths craving for international and novel entertainment events

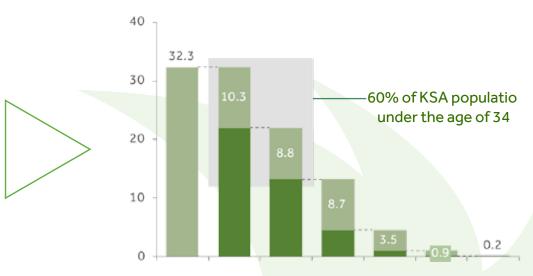
Saudi has largest population amongst GCC countries ...

Total population 2016 (M)



majority of which are under the age of 34 ...

Total population split 2016 (M)

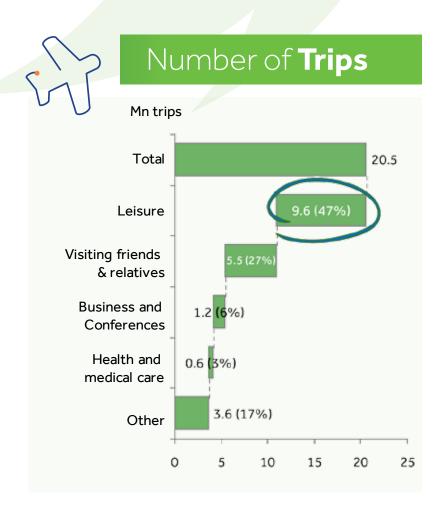


Due to previous limitations of entertainment offering in KSA,

# Saudi's have historically travelled

for entertainment and GEA is looking to localize this spend

~50% of international trips and ~1/3rd of total Saudi outbound expenditure spent on leisure

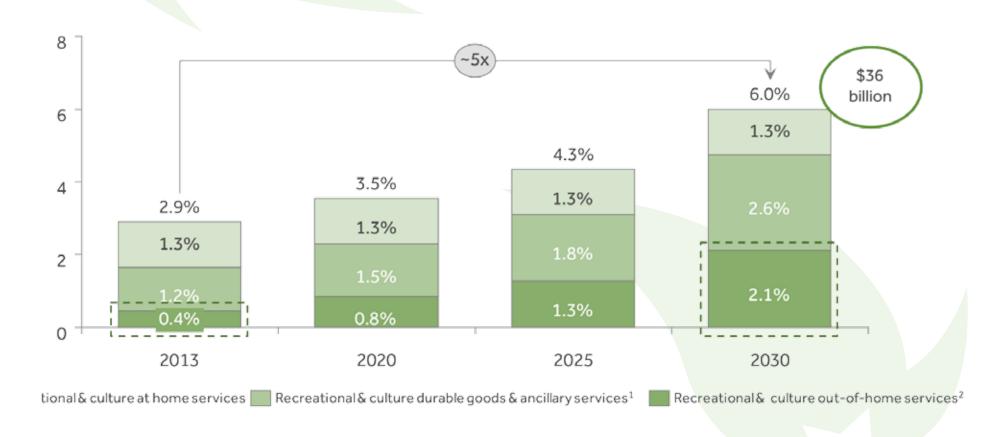


## In KSA, out-of-home entertainment

## spend expected to grow five times by 2030



Expected evolution of entertainment spend as % of total household spend



# GEA is looking to develop partnerships with international entertainment entities

across all entertainment sub-sectors



GEA will support the market entry and match make international players with local partners





"Saudi Entertainment Ventures is KSA's national champion in the entertainment industry, established by The Public Investment Fund."





"Improve the quality of life of Saudi citizens and residents and meet their recreational expectations and needs"



"Become the leading national investor, developer and operator of a diverse entertainment ecosystem in KSA"



"Identifycommercialentertainment businesses to invest in and operate, attract strategic partners, and build local talent and technological capabilities"



# SEVEN'S MANDATE



#### Develop local Entertainment industry in KSA

Promote investments in entertainment activities, stimulate private sector, and create opportunities for local SMEs



#### **Build and operate Entertainment assets**

Build, own and operate theme parks, family specialty attractions and cinemas kingdom-wide by bringing latest technology and global partnerships to the kingdom



#### Promote local talent and expertise

Localize technical expertise and promote local talent in the sector by enabling knowledge transfer through global partnerships





# **INVEST**

in various entertainment projects across KSA



# **DEVELOP**

entertainment projects in KSA at par with leading global benchmarks



# **OPERATE**

entertainment destinations and attractions

# **OUR PLANNED PORTFOLIO**



# **Entertainment Clusters**

20 urban entertainment clusters in 14 cities in KSA



#### **2 Theme Parks**

5 regional theme parks and entertainment destinations in the megacities of KSA



#### **Cinemas**

50 cinema complexes in top 25



# Family and Specialty Attractions

Various innovative and differentiated attractions

## **SAUDI ENTERTAINMENT VENTURES**

providing an ideal platform for partners to operate in KSA



**Family Entertainment** 



**Themed Restaurants** 



**Specialty Entertainment** 



**Themed Retail** 



Cinema



**Entertainment Sports** 



**VIP** lounge



Boulevard for live shows and events

# **SUCCESS STORIES**

# SAUDI ENTERTAINMENT VENTURES & AMC

The partnership brings together KSA's most important investment vehicle with the biggest and best cinema operator in the world. The partnership intends to be the largest cinema operator in the KSA

500 screens by 2030







# A place of inspiration, discovery and engagement

Qiddiya is an **integrated destination** forming the **epicenter** of entertainment, sports, culture and the arts in the Kingdom.

A catalyst for **national transformation**, Qiddiya will serve **untapped audiences** hungry for entertainment options and professional opportunities. It will **spur innovation** in the creative, hospitality and entertainment sectors.

Qiddiya will also provide inspiration through exceptional facilities, offerings and educational programs developed to the highest global standards using the latest technology.



# **VISION 2030**

#### **IMPERATIVES QIDDIYA WILL ACCOMPLISH**



Drive economic diversification, job creation, and a new start-up culture



Drive youth and female empowerment



Reduce revenue leakage in a huge local market



Lift public health outcomes



Double household spending on leisure and entertainment



Respond to demographic change

# QIDDIYA'S 130Ml<sup>2</sup> SITE SITS ON THE DOORSTEP OF RIYADH, PROVIDING EASY ACCESS FOR ALL



Site size 130mi<sup>2</sup>, developed area 13 mi<sup>2</sup>, 25 miles from downtown Riyadh





**Easy access** 



**Unique landscape** 



**Historic region** 



**Vast land allocation** 

### SAUDIS HAVE STRONG PURCHASING

#### **POWER WITH A MAJORITY**





Population Distribution by income

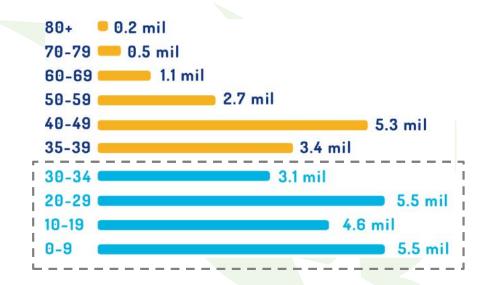
(Annual Income Brackets in USD, 2015)





of Saudi population are **Under 35yrs**, the largest consumer of entertainment services.

KSA Population Age Pyramid (Mn, Males and Females, 2016)



#### QIDDIYA SEEKS TO REPATRIATE A PORTION OF THE

#### \$26BN SAUDIS CURRENTLY SPEND ABROAD ANNUALLY

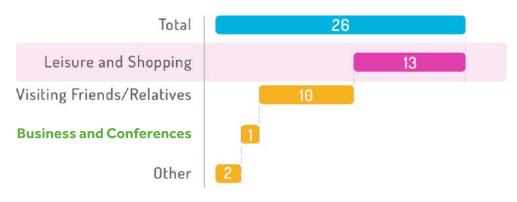
Saudis lead the G20 in international tourism spending as a percentage of GDP due to a lack entertainment options at home.

However, compared to other countries in the region, Saudi households spend the least on recreation and cultural activities in relation to other household spending.

Qiddiya's Goal:
Harness current outbound
international tourism to
double household spending on
entertainment domestically.



Outbound Tourism Spend by Purpose (Bn USD, 2016)







# **5 CORNERSTONES**

Nature & Environment

Sports & Wellness

Parks & Attractions

Motion & Mobility

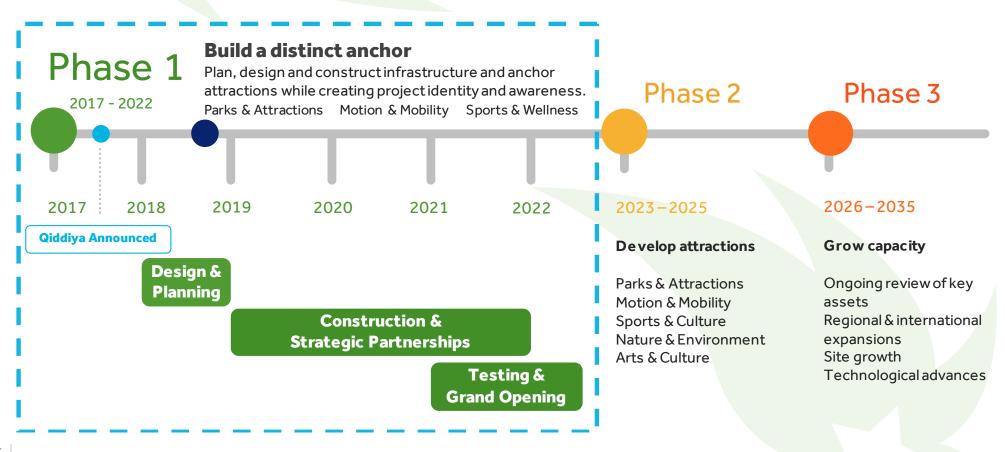
Arts & Culture

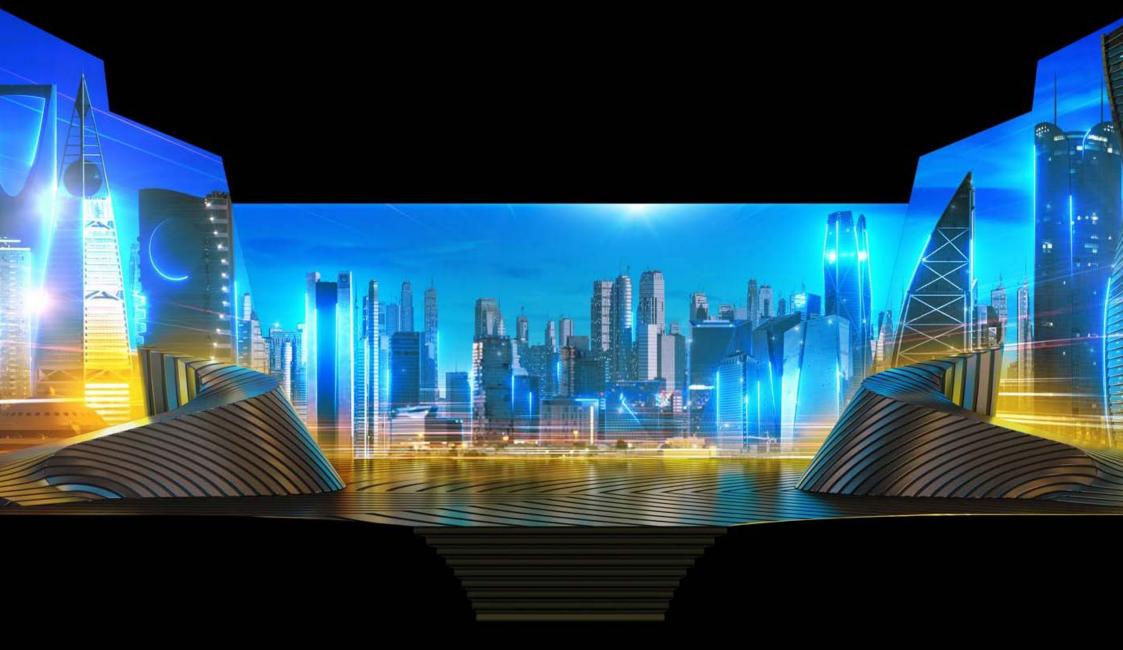
Real Estate & Community Services

#### QIDDIYA'S DEVELOPMENT EVOLVES IN

#### **3 DISTINCT PHASES, WITH PHASE 1 WELL UNDERWAY**

## **Qiddiya Development Phases**





THANK YOU

