



NATIONAL U.S.-ARAB CHAMBER OF COMMERCE

غرفة التجارة الأمريكية العربية الوطنية

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U.S. – ARAB CHAMBER HOSTS SENIOR DELEGATION PROMOTING INVESTMENT IN SAUDI ARABIA

*NUSACC Roundtables in New York and Los Angeles,
Coinciding with Crown Prince's Visit, Highlight
Opportunities of Saudi Vision 2030*

*Governor of Saudi Investment Authority: The Kingdom
Cannot Implement Our Full Vision Without Partnerships*

This past week, in New York City and in Los Angeles, the National U.S.-Arab Chamber of Commerce (NUSACC) hosted exclusive Roundtable discussions featuring top officials of the Saudi Arabian General Investment Authority (SAGIA) and other senior government leaders. The Roundtables coincided with the visit to the United States by H.R.H. Mohammad Bin Salman Bin Abdulaziz Al Saud, Crown Prince of Saudi Arabia.

H.E. Ibrahim Al Omar, Governor of SAGIA, gave an overview of major economic and social developments that are taking place in the Kingdom and how such developments are laying the groundwork for a new chapter in the commercial relationship between Saudi Arabia and the United States. The Governor was joined by: Deputy Minister of Commerce and Investment in Foreign Trade, H.E. Abdulrahman Al-Harbi; Director General of the Saudi Industrial Development Fund (SIDF), H.E. Ibrahim Al Mojel; and Secretary General of SAGIA, Eng. Sultan Bahjat Al Mofti. Presiding on the American side was the Hon. Dwight Bush, former U.S. Ambassador to Morocco and a NUSACC Board member.



H.E. Ibrahim Al Omar (left), Governor of SAGIA, greets Hon. Dwight Bush (right), former U.S. Ambassador to Morocco and a NUSACC Board member, with Mr. David Hamod, NUSACC's President & CEO.

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Some of the highly innovative companies – market leaders identified by NUSACC – that attended the Roundtable in New York.

The Roundtables, limited to no more than 20 U.S. companies, consisted of highly innovative companies – market leaders identified by NUSACC – representing diverse sectors outlined in Saudi Vision 2030, the Kingdom’s blueprint for growth. A special emphasis was placed on such sectors as information and communications technologies (ICT), renewables, finance, and entertainment. Senior representatives of Netflix, Cinedigm, and Black & Veatch were joined by Mr. Lewis Shadle, Managing Director of NxtVn, which served as Sponsor of the Roundtable.

During his welcoming remarks, David Hamod, NUSACC’s President & CEO, emphasized the value that SAGIA is bringing to the development of the Saudi economy. He stated, “SAGIA is playing a key role in Saudi Arabia’s transition from a hydrocarbons-based economy to a knowledge-based economy. As evidenced today, U.S. companies are keen to be part of this historic transformation.”

SAGIA: Facilitating U.S.-Saudi Partnerships



A major theme of the Roundtables was the growing partnership between SAGIA and U.S. businesses. Governor Al Omar spoke to the importance of working with U.S. partners to attract sustainable, long-term investment to the Kingdom, consistent with the goals of Saudi Vision 2030. The Government of Saudi Arabia has historically taken the lead on infrastructure and quality-of-life projects, he noted, but the Kingdom is now moving away from this traditional model.

Saudi Arabia is looking to the private sector to drive the Kingdom's future economy, he said, and he encouraged Roundtable attendees to view SAGIA as a facilitator and partner. As an independent agency, he suggested, SAGIA serves as a bridge between U.S. corporate entities and the Saudi government, ensuring seamless communications between the private and public sectors.



Governor Al Omar (top of this photo) spoke to the importance of working with U.S. partners to attract sustainable, long-term investment to the Kingdom, consistent with the goals of Saudi Vision 2030.

Governor Al Omar highlighted some of the Kingdom's mega and giga projects, with investment opportunities starting in the range of \$7 billion. Saudi Arabia is making significant strides in expanding the economy, he suggested, with a healthcare market valued at \$35 billion and an ICT sector valued at \$38 billion. The Kingdom anticipates a growth rate of eight percent over the next decade, he noted, and SAGIA will be an important part of this. To date, SAGIA has helped to create over 25,000 new jobs in Saudi Arabia.

Those projects do not include the signature business initiative of Crown Prince Mohammad Bin Salman (MBS), called "[Neom](#)," a \$500 billion commercial hub that will straddle Saudi Arabia, Jordan, and Egypt. This business and industrial zone will be powered entirely by renewable energy, and it will focus on such sectors as energy, water, biotechnology, agribusiness & food processing, advanced manufacturing, and entertainment. The goal of this initiative is to help Saudi Arabia to shift from oil to high tech, putting the Kingdom at the forefront of innovation and technological advances.



Neom will be powered entirely by renewable energy.
(Photo: Dreamstime.com)

A brand new sector in Saudi Arabia is entertainment, which is being restored to the Kingdom after decades of prohibitions. According to Governor Al Omar, Saudi Arabia plans to host more than 5,000 events in designated cultural and entertainment zones this year. The Kingdom recently announced partnerships with several U.S. companies – including AMC and Variety – and these companies are already helping to reshape Saudi Arabia’s entertainment landscape.

H.E. Ibrahim Al Mojel, Director General of the Saudi Industrial Development Fund (SIDF), highlighted the continuing importance of some traditional sectors, notably oil & gas, logistics, mining, and manufacturing (including automation). These traditional sectors are also ramping up, he suggested, with an expectation that they will constitute 40 percent of the Kingdom’s Gross Domestic Product (GDP).

Ease of Doing Business in the Kingdom

Deputy Minister Al-Harbi highlighted the Kingdom’s geographical location, positioning Saudi Arabia to serve as a hub for over 400 regional and international markets through more than two-dozen free trade agreements. The private sector “needs to be in the driver’s seat” for the Kingdom’s coming expansion, he noted, which is why it is so important that Saudi Arabia initiate reforms that will pave the way for more foreign direct investment.



The Governor H.E. Ibrahim Al Omar (right), was joined by: H.E. Abdulrahman Al-Harbi, Deputy Minister of Commerce and Investment in Foreign Trade; H.E. Ibrahim Al Mojel, Director General of the Saudi Industrial Development Fund (SIDF); and Eng. Sultan Bahjat Al Mofti, Secretary General of SAGIA.

(2018), suggests that Saudi Arabia carried out the largest number of reforms in the entire Middle East and North Africa (MENA) region. Through these reforms, Saudi Arabia made starting a business easier by introducing a one-stop center at the Ministry of Commerce that merged registration procedures and simplified publication requirements.

Governor Al Omar described the steps that SAGIA is taking to improve the Kingdom’s business environment. SAGIA has identified over 300 reforms to facilitate business, he said, forty percent of which have already been completed. These efforts prompted the creation of Tayseer, a SAGIA sub-agency that focuses on improving the Kingdom’s business environment and facilitating investment.

According to Governor Al Omar, Tayseer is making ambitious plans for the Kingdom to reach “20 by 20,” striving to become the world’s 20th easiest place to do business by the year 2020.

The World Bank Group’s most recent Doing Business report, Reforming to Create Jobs

As part of Saudi Arabia's efforts to improve its business climate, SAGIA is making plans to correct latencies in the Kingdom's ICT sector by welcoming Cloud services and strengthening data consolidation. Governor Al Omar pointed out that regulations governing Cloud adoption have already been formed and that SAGIA is currently working with top Cloud providers to improve the ICT environment. Saudi Arabia is already a key ICT provider in the region, he noted, and the Kingdom is ranked 54th globally on the ICT Development Index, published by the United Nations International Telecommunication Union. On this point, NxtVn's Lewis Shadle noted that Saudi Arabia could serve as an international communications hub between the Far East and Europe.

Entrepreneurship & SMEs

Empowering entrepreneurs and supporting small and medium-sized enterprises (SMEs) are at the core of Vision 2030 because they are central to the overall growth of the Saudi economy. Governor Al Omar highlighted the formation of Saudi Arabia's new SME Authority, which is on target to increase SME contributions to the Kingdom's GDP from 20 percent to 30 percent. SAGIA has also been working to create legislation that will protect SMEs from predators, pave the way for a new commercial arbitration center, and create better options for SMEs that are considering bankruptcy.

Newly-formed Saudi businesses and entrepreneurs have also benefited from improved commercial registration processes. Deputy Minister Al-Harbi reported that there were 1.3 million commercial registrations in 2017 alone; 60,000 of these registrations represent companies and sectors that play major roles in supporting the Kingdom's economy.

Bolstering support for SMEs has had a positive impact on the ability of young Saudi entrepreneurs – men and women – to participate meaningfully in the economy, especially in the ICT sector. Governor Al Omar pointed out that 65 percent of Saudi university ICT graduates are women.



H.E. Ibrahim Al Omar (left) , Governor of SAGIA, with Mr. Peter Benudiz, a partner at the law firm of Sidley Austin. Benudiz represented NUSACC at the Los Angeles Roundtable.

The Olayan Group, one of Saudi Arabia's largest and most successful companies, was represented at the Roundtable by Mr. Hani Beyhum, Managing Director of Olayan America and a longstanding member of NUSACC. In his remarks, he emphasized the Kingdom's "young and tech-savvy population, as well as the country's increasingly sophisticated public sector professionals."

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Some of the top U.S. companies attended the Los Angeles Roundtable.

Closing Remarks

The Roundtable discussions in New York City and Los Angeles highlighted this pivotal moment in the shared history of Saudi Arabia and the United States. The modern era relationship between the two countries goes back to the early 1930s, and the relationship appears to be poised to enter a new era.

Concluded Governor Al Omar, “Today, we are talking about the next phase of our relationship, which we have enjoyed for over 80 years. The Kingdom cannot implement our vision without partnership, so it is crucial that we work closely with our American partners to implement this vision.”

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The National U.S.-Arab Chamber of Commerce, widely regarded as the voice of American business in the Arab world, is in touch with business communities across the United States and serves as the U.S. point of contact for the national chambers of commerce in the 22 Arab nations. On a daily basis, NUSACC works closely with leaders throughout the Arab world, as well as high-level decision makers in the U.S. business community, public policy research centers, multilateral institutions, nongovernmental organizations, media, and the U.S. Government.

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