





بسم الله الرحمث الرحيم





The Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud (May Allah protect him)



His Royal Highness

#### Prince Mohammed bin Salman bin Abdulaziz Al Saud

Crown Prince, Deputy Prime Minister, Minister of Defense



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### **Vision**

To make Saudi Arabia a developed and industrialized country by providing financial and advisory solutions

### **Mission**

To support and diversify the Saudi economy by promoting industrial sectors, competitive enterprises and strategic initiatives

### **Values**

- Proactivity in Development
- Partnership in Growth
- Responsibility in Investment
- Expertise in Advice
- Success in Industrialization

## SIDF Board of Directors





Chairman

H.E. Eng. Khalid bin Abdulaziz Al Falih

Minister of Energy, Industry and Mineral Resources



E. Mr. Yasser Othman. Al-Rumayyan Managing Director of Public Investment Fund

**Board Member** 



H.E. Eng. Abdulaziz Abdullah Al-Abdulkareem Deputy Minister of Energy,

**Board Member** 

Deputy Minister of Energy Industry and Mineral Resources for Industry



**Board Member** 

**Dr. Aabed bin Abdullah Al Saadoun**Deputy Minister for Corpo-

rate Affairs, Ministry of Energy, Industry and Mineral Resources



**Board Member** 

Mr. Abdullah Bin Saleh Al Arifi

Assistant Deputy Minister of Budget and Organisational Affairs, Ministry of Finance



#### Chairman's Letter

The structural transformation targeted by "Saudi Arabia's Vision for 2030" is wide and deep as it covers all components of the modern state structure. It is now beginning to bear fruits with the highest GDP and budget spending in the history of the Kingdom.

The Saudi economy has grown remarkably in performance efficiency levels. This can be seen in the surplus in the nation's balance of trade. Furthermore, the performance indicators of the local industrial sector in 2018 achieved all the expected targets, especially in the manufacturing sector, non-oil industrial exports, Saudization, and average value added per worker. This is thanks to the ongoing structural reforms that advance development towards achieving the objectives of Vision 2030's.

We are proud of the Fund's extraordinary results in 2018. At the beginning of last year, the Fund launched 26 initiatives representing the core of its strategic transformation program. By the end of the year, more than 60 supporting initiatives were implemented. One of the major targets achieved was adopting client centricity, to establish a partnership with clients to maximize the desired development impact in all targeted sectors.

The objectives of "Vision 2030" shape the Fund's targets, so the latter's strategy is formulated to make it the main driver of the Saudi industrial sector. Likewise, its initiatives are aligned with its new role as the key financial enabler for the National Industrial Development and Logistics Program (NIDLP) to fulfill the financial requirements of all sectors particularly energy, mining, logistics and industry.

Immediately after announcing the Fund as the financial enabler of NIDLP, its capital was increased to SR 105 billion to enhance its ability to expand and develop its services to cover all NIDLP sectors. This shows the Fund's significant role in maximizing local content and achieving the objectives of Vision 2030.

The Fund's strategy initiatives facilitate lending and disbursement procedures, attract foreign investment, encourage public offerings, launch privatization programs, maximize local content, develop SMEs' support products, invest in modern construction techniques, form local and international strategic partnerships and develop human resources. Moreover, the Fund established a Transformation Managment Office to manage the transformation plan's governance, support and coordinate initiative teams and strengthen the relationships with the private sector and SIDF clients.

Finally, I extend my sincere gratitude and appreciation to the Custodian of the Two Holy Mosques and his Crown Prince for such a decisive move to transform our country into an advanced industrial nation where stability, prosperity and sustainable growth are noticeable through their continued support of the Fund and its programs. I also extend my deep thanks and appreciation to all SIDF's Board members and employees for their considerable efforts in achieving what they have so far.

#### H.E. Eng. Khalid Abdulaziz Al-Falih

Minister of Energy, Industry and Mineral Resources

Chairman of the SIDF Board



## Director General's Letter

The launch of the National Industrial Development and Logistics Program (NIDLP) is an important developmental step as it highlights the pivotal role of industry in "Vision 2030" which necessitated the realignment of the Fund's strategy to match financial requirements. As a result, the Fund's capital was increased from SR 65 billion to SR 105 billion.

The Fund's strategy is now based on providing integrated comprehensive products and services that ensure a great client experience. Meanwhile, the Fund works to achieve sustainable development, maintain financial sustainability and stimulate high quality investments by creating a high governance-based strategic partnership ecosystem to exchange knowledge and expertise.

Since announcing the Fund as the key financial enabler of the program, a set of programs and projects have been launched to promote the local content and to respond competently to the requirements during this stage. These programs include the Energy Efficiency Program which increases energy efficiency and reduces energy cost, the Digital Transformation Program which encourages the use of modern technologies to improve the productivity of existing projects, the Afaq Program which supports small and medium enterprises and enhances their role in the local economy, and the Tawteen Program which supports localization of supply chains.

The Fund continued its lending activity at a high rate in 2018 which was an exceptional year in terms of disbursed and repaid amounts within one year. The Fund approved 134 loans amounting to SR 9,440 million to finance 110 new industrial projects and 24 existing ones with total investments of SR 38.4 billion.

The number of new industrial projects increased significantly in 2018, of which 44% (of total number of loans) and 72% (of total value of loans) have been set up in promising areas and cities. This is a huge leap in the number and value of loans compared to 14% representing the maximum percentage reached in the preceding years.

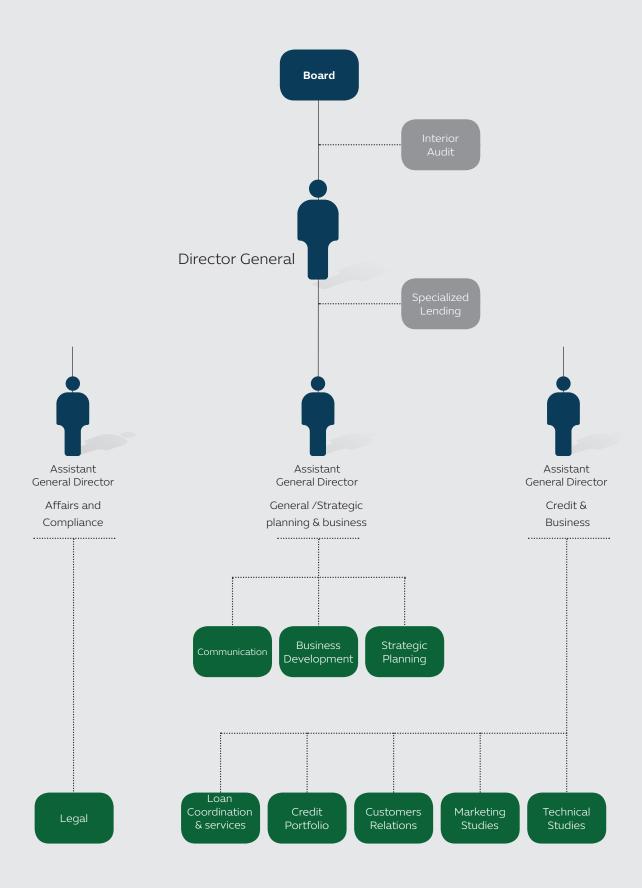
Since its establishment in 1974, the Fund has played a prominent role in the development of the Saudi industrial sector. Until the end of 2018, it had provided 4,350 loans worth SR 157.3 billion. This contributed to the establishment of 3218 new projects and expansion of 1132 existing ones in different parts of the Kingdom.

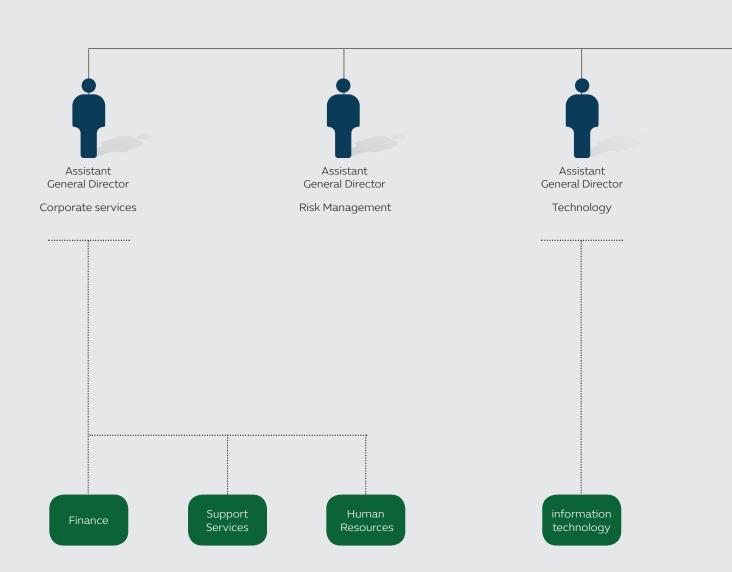
During 2018, one of the Fund's significant achievements is the completion of its structure as a result of its assigned new role and expansion of its responsibilities. These changes required strengthening the Fund's internal structure and developing human resources by recruiting highly qualified professionals and providing them with specialized training, as well as, reviewing the Fund's administrative and financial policies and procedures and corporate communication systems. On a client service level, the key objective of the Fund's strategy is to make the client our top priority.

Dr. Ibrahim Saad Al-Mojel

SIDF Director General

## **SIDF Organizational Structure**











#### **Enhancing Private Sector Contribution**

The Kingdom has set targets for economic development within the framework of "Saudi Arabia's Vision 2030" including GDP growth, increased private sector's non-oil participation and reduced unemployment. Such objectives can be achieved substantially by promoting local content. Local content can be defined as the total expenditure on local production constituents, such as the workforce. This comprises training, goods and services (including intermediate goods) and supporting local suppliers, productive assets and locally-developed technology. To that end, the Saudi Local Content and Government Procurement Commission was established to coordinate efforts aiming to promote local content.

#### **Economic Justifications for Enhancing Local Content:**

- Many developed and developing countries have included local content promotion within their industrial policies since 1940. Their main objectives were to achieve industrial development, upgrade the technological levels, create value added and jobs. After the global financial crisis in 2008, many countries have adopted local content policies to improve local employment and industrial performance. Some studies suggest that the local content policy is followed by more than 90% of resource-rich countries.
- The local content policy uses several tools to achieve its objectives through government legislation and regulations: the use of a specific level of local production as a requirement, preferential treatment to local suppliers and the inclusion of local content requirements in government procurement, subsidies or exemptions. Such requirements and tools vary from country to country depending on several considerations including the national economic situation, the main objectives of the local content policy, and the level of local sectors associated with such objectives.

## The main objectives of the local content promotion policy in the Kingdom can be summarized as follows:

- Increasing the contribution of local companies in the value-added chain by enhancing the interrelationships of supply chains.
- Reducing unemployment rates among citizens through Saudization, the creation of local jobs and skill improvement of the national workforce through training.
- Transferring and developing modern technology especially in capital-intensive industries by adopting state-of-the-art technologies available to support local projects and increase their competitiveness.
- Enhancing the competitiveness of local companies by increasing their spending on R&D.
- Optimally exploiting local resources in economic development.
- Increasing the benefits to the local economy from the returns of economic activities.
- The interrelationships between local economic units is the primary motive for promoting the local content contribution to economic development. Increasing the activity of local constituents through such interrelationships will raise their productive and technical levels. It is worth noting that the demand for local products is not only generated by the government sector but mainly by the private sector. The role of the government is to encourage the private sector to create partnerships with industry leaders and support them with incentives to facilitate such partnerships and achieve the objectives of the local content. These incentives include organizational, material and logistic assistance. Individuals also play a vital role in increasing demand for local products, and this requires raising the awareness about the local product quality.





#### **Key Economic Impacts of Local Content Promotion Policy**

Several potential economic impacts resulted from the local content policy. The most important of which are the following::

#### **Raising GDP:**

This can be achieved through interrelationships as dependence on local suppliers increases their contribution to supply chains and value added. This, in turn, enhances the momentum and dynamism of the economic activity and GDP.

## Reducing Unemployment Rates among Saudis:

The local content policy aims to localize jobs by encouraging reliance on the national workforce. This should be done through a comprehensive vision of Saudization that takes into consideration the market needs, supply and demand gaps and spending on national workforce training which is also a part of the local content.

#### **Boosting Balance of Payments:**

Strengthening the balance of payments is a profound economic effect of the local content policy as imports of intermediary goods will decrease. However, the quality of intermediate goods to be replaced must be considered to ensure that the competitiveness of the final industrial products will not be negatively affected before internally producing.

The key economic impacts of the local content promotion include: raising GDP, reducing unemployment rates among Saudis, boosting balance of payments, improving production costs, enhancing competitiveness and technology and attracting foreign investment.

#### **Impact on Production Costs:**

It is important to study the impact on the production cost for companies that follow the local content policy as it results in the reduction of production costs if the main cost component is raw materials in which the Kingdom has a comparative advantage. Although this policy may lead to higher production costs in the short term, the impact in the long term will be positive as local input suppliers will work at developing their labor and raw materials, which is the aim of the local content. To overcome the short-term negative impact, government subsidies and incentives will be required to encourage private sector enterprises to support these policy initiatives..

#### Enhancing Competitiveness and Technology:

Entering the supply chain sector requires improvement of companies' competitiveness. To this end, local companies should seek to use modern and more efficient production technologies and increase spending on R&D and training of the national workforce (another objective of the local content).

#### **Attracting Foreign Investments:**

Attracting foreign investments to the local economy is based on technology used, local employment, production efficiency, economic activity, local demand and government subsidies.

#### Challenges and Risks:

Implementation of the local content promotion policy is accompanied by many challenges that may constitute a risk affecting its success if not addressed properly and effectively. The most significant challenges are the following:

#### **Private Sector Preparation:**

The private sector is the critical pivot facilitator of the local content policy. It is necessary to provide an appropriate transitional environment to ensure the successful contribution of the sector. However, this is not only limited to financial and preferential incentives, but also to the appropriate financial and organizational investment environment. It also requires the public and private sectors to agree on one clear vision for future long-term investments, including the National Industrial Development and Logistics Program.

#### **Human Capital Development:**

Human capital is the main component of development. One of the main objectives of the local content policy is to provide job opportunities and raise the efficiency of the national workforce. However, it is crucial to ensure that they are available and skilled enough to satisfy the market demands. Hence, training and development costs are part of the local content.

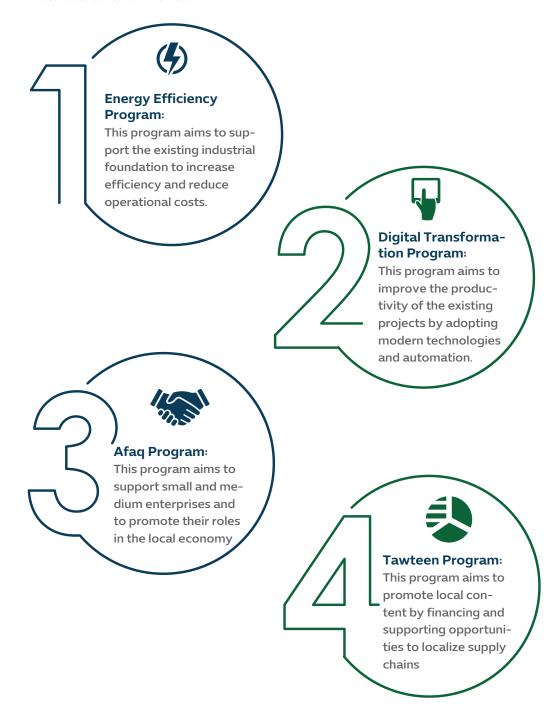
#### **Production Efficiency:**

The use of advanced production technology by local companies helps overcome short-term adverse effects on cost structures. In this respect, the government could help by providing incentives to enhance production methods and technology infrastructure.



#### **SIDF Role in Promoting Local Content:**

Upon launching the National Industrial Development and Logistics Program (NIDLP), SIDF has been announced as the key financial enabler of the program, and SIDF's capital has been increased into SR 105 billion. Accordingly, SIDF's capabilities would be promoted by expanding and developing its services to include all sectors of NIDLP: industry, mining, logistics and energy. In this context, SIDF launched several major integrated programs to promote local content which are::





The integration and diversity of SIDF's programs are a strong indication of its important role as a financial enabler for NIDLP which aims at achieving the objectives of the local content policy.

SIDF has launched Tawteen Program after signing agreements with major companies in the Kingdom in order to help them substitute imported products and spare parts with locally manufactured ones to promote the localization of major supply chains. The program will stimulate investment activities and support the local content policy through financing solutions, technical advisory and preferential financing terms. The main companies with which the Fund has signed agreements are: Aramco's (IKTVA), SABIC's (NUSANED), MA'ADEN's (Local Content Development Initiative) and Saudi Electricity Company's (Local Content Development Initiative).

SIDF has launched Tawteen Program after signing agreements with major companies in the Kingdom in order to help them substitute imported products and spare parts with locally manufactured ones to promote the localization of major supply chains.







**Gross Domestic Product in 2018** 

2,625 billion riyals

%2.2

GDP Growth Rate in 2018

%2.4

Inflation Rates at the End of 2018

%56.23

Contribution of the Non-Oil Sector to the

Gross Domestic Product in 2018

## Saudi Arabia's Economic Outlook 2018

Following the announcement of the Kingdom's Vision 2030, the local economy has been undergoing a fundamental transformation in all fields and moving forward towards a viable and sustainable structural transformation in line with the Vision.

According to preliminary data issued by the General Authority for Statistics (GaStat), the Kingdom's GDP increased by 2.2% in 2018 compared to 2017, reaching SR 2,625 billion at constant prices. This was driven by the development of the non-oil sector and improvement in oil prices in 2018 as the average nominal price of the OPEC basket rose by 33%, compared to the same period in the preceding year.

The non-oil sector grew by 2.05% at constant prices, contributing to 56.23% of GDP. This is due to the improvement of some sectors such as non-oil manufacturing activity as well as finance, insurance and business activity which grew by 3.97% and 2.96% respectively. Non-oil mining activity is expected to grow by 2.7%.

#### **Inflation Rates**

According to GaStat, the consumer price index went up by 2.4% at the end of 2018. Furthermore, the non-oil GDP deflator, an indicator of change in price levels of all consumption, investment and governmental sectors, rose by 4%.

The relative increase in inflation levels is due to several factors: energy price reform, Value Added Tax (VAT), Citizen's Account, cost-of-living allowance, and other financial and economic reforms.

## Saudi Arabian Monetary Authority (SAMA)

The preliminary estimates of the Saudi Arabian Monetary Authority (SAMA) indicate that the current account of the balance of payments is expected to register a surplus of SR 271 billion. This is attributed to the huge improvement of the trade balance which achieved a surplus of SR 639 billion with a growth rate of 73%. Commodity exports were estimated at SR 1,104 billion in 2018 as a result of the increase in oil and non-oil commodity exports by 36% to SR 868 billion and by 22% to SR 235 billion, respectively, compared to 2017. Moreover, commodity imports increased by 0.5% to around SR 465 billion.

#### Financial and Monetary Developments

Monetary and financial policies continue to achieve a suitable level of liquidity in order to satisfy the requirements of the national economy. The 2018 State Budget figures reflect impressive results, where revenues and expenditures increased by 29% to SR 895 billion and by 10.8% to SR 1,030 billion, respectively, compared to 2017. The State Budget financial control contributed to reducing the deficit of the preceding year by 43%. Furthermore, the public debt to GDP ratio remained at an acceptable level, reaching 19.1% compared to 17.2% in 2017, which was among the lowest ratios in the world. Money supply (M3) also grew by 2.8% to SR 1,841 billion at the end of 2018 compared to the end of the preceding year.

#### **Banking Sector**

Capital and reserves of commercial banks declined by 4.4% to SR 303.8 billion at the end of 2018. On the other hand, their total claims on public and private sectors increased by 5.4% to SR 1,786 billion. Also, their annual deposits grew by 2.6% compared to the preceding year.

Credit provided by commercial banks to support different economic activities increased by 2.8% to approximately SR 1,425 billion in 2018. Commercial loans also increased for most subsectors such as mining and quarrying (30%), agriculture and fishery (20%), construction (9%) and industry and production (6%).

On the other hand, commercial loans declined for other subsectors such as trade, transport and telecommunication(10% each).

#### Saudi Industrial Development Fund

Likewise, the performance of the Saudi Industrial Development Fund in 2018 was outstanding as 134 loans were extended to set up 110 new projects and expand 24 ones with total loans amounting to SR 9,440 million.

These projects will promote the development of the local economy as they are expected to add SR 11 billion to the GDP on an annual basis and create more than 11,000 jobs with a nationalization level not less than 22%. They are also estimated to satisfy the annual local demand by at least SR 8.8 billion and have an annual export volume exceeding SR 17 billion.





#### **Capital Market Performance**

The Tadawul All Share Index (TASI) rose by 8.3% at the end of 2018 registering 7,826 points, compared to 7,226 points at the end of 2017. The value of traded stocks increased by 4.1% to SR 871 billion in 2018, compared to SR 836 billion in 2017. Moreover, the Tadawul witnessed an increase in terms of investment channels as well as credit and growth opportunities for companies. During 2018, 11 new companies were listed in the market and 9 companies involved in real estate investment traded funds and consumer services, were partially put up for public offering, increasing the number of listed companies to 190 by the end of the year. The market value of the newly listed companies reached SR 9.88 billion. New initiatives were launched to strengthen the role of the Saudi stock in the local economy, such as listing and trading government debt instruments and relaxing ownership limits for foreign investors. It is noteworthy that MSCI and S&P DJI, two leading providers of global equity indexes, upgraded the Saudi Stock Exchange to "Emerging Market" from its previous "Standalone Market" status in their annual classification reviews. This is an indication of the Tadawul's significant development in line with global standards.

The Achievements made in 2018 confirm the Kingdom's determination to have a diversified and sustainable economy in line with Vision 2030

MSCI, a leading provider of global equity indexes, announced the inclusion of the Saudi Stock Exchange to its Emerging Market index



## Structural and Organizational Reforms

In its continuing efforts to achieve the objectives of Vision 2030, the Kingdom implemented many structural and organizational reforms in 2018:

- The establishment of the Ministry of Culture
- The establishment of the Royal Commission for Makkah City and Holy Sites
- The establishment of the Saudi Space Commission and the General Exhibition and Conferences Authority
- The transformation and restructuring of the General Customs Authority.
- The approval of real-estate mortgage law
- Moreover, a number of initiatives were launched to improve the business environment and increase investment opportunities:
- The launch of the National Industrial Development and Logistics Program (NI-DLP) and conclusion of privatization contracts.
- Many key development projects were inaugurated, such as:
- The Haramain High-speed Railway
- The Qiddiya Project
- The Red Sea Project
- The Neom Project
- The Kingdom laid the foundation for seven strategic projects in the fields of renewable and atomic energy, water desalination, genetic medicine, and aircraft industry

The Kingdom implemented many structural and organizational reforms in 2018 such as the establishment of the Ministry of Culture, the Royal Commission for Makkah City and Holy Sites, the Saudi Space Commission, and the General Exhibition and Conferences Authority.



In 2018, the International Monetary Fund (IMF), in its Article IV Consultation, praised the strong performance of the Saudi economy and emphasized that it is one of the best growing economies among the G20 countries.

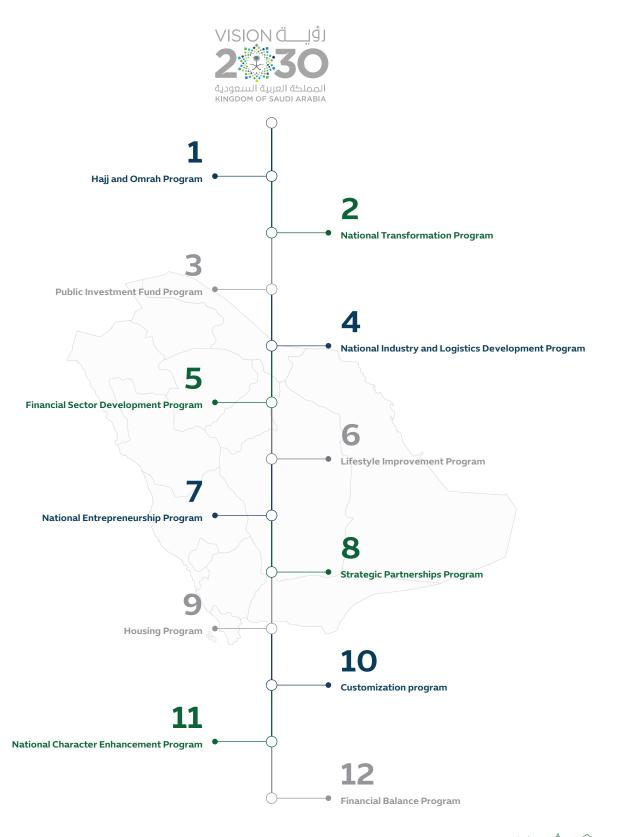
Standard & Poor's rated the Kingdom at a good credit rating of (A-/A-2) with a stable outlook. Similarly, Fitch rated the Kingdom at (A+) with a stable outlook.

#### **International Reports**

Many reputable international economic institutions and agencies have commended the strength and progress of the Saudi economy. In 2018, the International Monetary Fund (IMF), in its Article IV Consultation, praised the strong performance of the Saudi economy and emphasized that it is one of the strongest growing economies among the G20 countries. The IMF also praised the Vision-based reforms, stressing that the continuity of such reforms will help the Kingdom achieve its financial goals and develop the non-oil sector. The introduction of value added tax (VAT) and the high employment rates of women were also praised by the IMF. Standard & Poor's rated the Kingdom in October 2018 with a good credit rating of (A-/A-2) and a stable outlook. Similarly, Fitch rated the Kingdom for the same period at (A+) with a stable outlook due to the strong economy, largescale economic reforms, high reserves, and low public debt.

The Kingdom is expected to pursue economic and structural reforms in order to strengthen its local economy in all sectors. This confirms the Kingdom's determination to have a diversified and sustainable economy in line with Vision 2030

## Programs to achieve the Kingdom Vision 2030

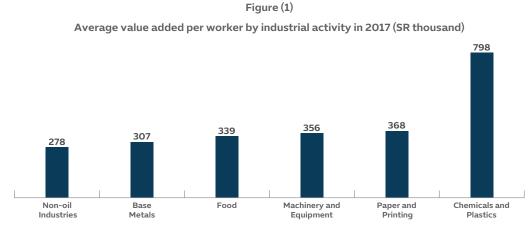




## Performance Indicators of the Local Industrial Sector:

In light of the ongoing structural reforms, the non-oil manufacturing sector in the Kingdom continued its positive performance in line with Vision 2030, as it grew by 4% in 2018 according to GaStat (at constant prices for 2010). The sector had resumed its growth since 2017, increasing by almost 1%. The following is a more detailed look at some performance indicators of the non-oil manufacturing sector for 2017, as 2018 data is incomplete.

In terms of industrial productivity indicators, the average value added per worker increased by nearly 3% in the non-oil manufacturing sector in 2017. Figure (1) shows that chemicals and plastics activity ranked first in terms of average value added per worker (SR 798,000), followed by paper and printing (SR 368,000), machinery and equipment (SR 356,000), food products (SR 339,000) and base metals (SR 307,000). The average value added per worker in non-oil industries was approximately (SR 278,000).



المصدر: الهيئة العامة للإحصاء

.Non-oil industrial exports (excluding re-exports) increased by 8% to around SR 159.5 billion in 2017. Figure (2) shows the industrial exports ratio to total sales where chemicals and plastics activity ranked first 59%, followed by base metals 35%, machinery and equipment 25%, and food products 14%. The average export ratio to total sales in the non-oil manufacturing sector was estimated at 30%.

Figure (2)

Ratio of industrial exports to total sales by industrial activity in 2017

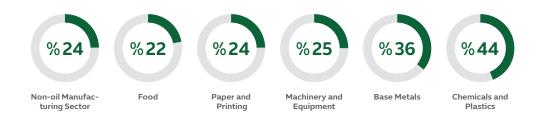


المصدر: الهيئة العامة للإحصاء

The sector became more attractive for the national workforce, as Saudi labor in the non-oil manufacturing sector grew by nearly 4%. Figure (3) shows the ratio of Saudi labor to the total labor force in the non-oil manufacturing sector in 2017. Chemicals and plastics sector ranked first 44%, followed by Base Metals 36%, Machinery and Equipment 25%, Paper and Printing 24%, Non-Metals and Food Products 22% each. The ratio of Saudi labor to the total labor force in the non-oil manufacturing sector remained at 24%. Labor policies adopted in line with Vision 2030 are expected to boost the involvement of the national workforce in the industrial sector in terms of numbers and jobs.

Figure (3)

Ratio of Saudi labor to total labor force by industrial activity in 2017



المصدر: الهيئة العامة للإحصاء









Number of Initiatives Supporting the Transformation Program



The Transformation Program aims to make SIDF the main financial driver of industrial transformation within the Kingdom.

2018 was a year full of extraordinary results. SIDF embarked on a transformation journey in line with Vision 2030. Such transformation led to great success in all areas, as the Fund became the main financial enabler for the National Industrial Development and Logistics Program along with two other Vision Programs.

The Fund's strategic transformation program started with 26 initiatives which were approved by the Board of Directors in February 2018. By the end of the year, SIDF launched more than 60 supporting initiatives, placing a top priority on the customer in order to establish a partnership that achieves the desired impact in all targeted sectors.

The Fund aims to be the main financial driver for the industrial transformation in the Kingdom by aligning its strategy with the aspirations and objectives of the National Industrial Development and Logistics Program. Accordingly, it will expand its support to include all sectors targeted by the program such as energy, mining and logistics, while continuing to support the industrial sector.

The strategy included three key pillars:

These pillars focus on building a high governance-based corporate foundation that enables the Fund to achieve its objectives and create an attractive working environment for its employees.

01

Providing complete and efficient financial products and advisory services for all sectors as well as comprehensive and rapid project appraisal processes.

02



Focusing on development while maintaining financial sustainability. This pillar includes providing a clear project appraisal mechanism based on risk ratios to determine product costs, establish effective risk management, and stimulate high quality investment in development projects.

03



Proactively shaping the project financing ecosystem by seeking strategic partnerships to exchange knowledge and expertise and to achieve a greater return on industrial sector investments.



# **Business Process Redesign Initiative**

Reducing project appraisal period by

%22

# Facilitation of Disbursement Initiative

Disbursing part of the loan in advance, representing

%30

### **Initial Public Offering Initiative**

Increasing financing ratio to

%75

# Some of the Most Important Initiatives Launched During 2018:

- Business Process Redesign Initiative: The Fund redesigned and automated a large number of procedures to accelerate loan approval and disbursement. The Relationship Management Department was created to communicate with clients throughout their relationships with the Fund. Moreover, customized procedures were developed based on the nature of the project, the project appraisal process was redesigned, and the Risk Management Department was created. In 2018, the Fund successfully reduced the time needed for project appraisal by 22%.
- Facilitation of Disbursement Initiative: The Fund facilitated disbursement procedures by approving the disbursement of 30% of the loan amount in advance extended to big enterprises whose projects were 75% completed as well as promising SMEs.
- Incentivizing Foreign Investment Initiative: Companies were exempted from corporate guarantees as project guarantee was deemed sufficient.
- Initial Public Offering Initiative: SIDF worked with the Financial Sector Development Program to create customized incentives for listed companies. The financing ratio was increased to 75% and the repayment period was extended up to 20 years. Moreover, lending limits for listed companies were raised to SR 1,8 billion.
- Customized Program Initiative: The Fund designed and launched various financing programs, including the Energy Efficiency Program and the Digital Transformation Program. These programs provided all industrial sectors with incentives such as a minimum repayment period of 7 years, a grace period of up to 24 months, a maximum loan processing period of 6-8 weeks, and advisory services in collaboration with consultancy firms.
- Local Content Initiative: The Fund signed a number of agreements with SABIC's NU-SANED, Aramco's IKTVA, Saudi Electricity Company's BENA, and the Saudi Arabian

Mining Company. Tawteen Programs included additional features such as a longer repayment period and a grace period of up to 24 months.

- Afaq Initiative for Small and Medium Enterprises: the Afaq Program was launched to support small and medium enterprises.
   Moreover, an agreement was signed with "Badir Incubator" of KACST to support and motivate entrepreneurs to start their industrial projects.
- Building Technology Stimulus Program in collaboration with the Ministry of Housing and the Local Content & Private Sector Development Unit (Namaa): The program aims to stimulate the private sector to invest in modern construction techniques, thereby reducing the cost and time needed for construction of residential units. The Fund currently serves as the operational arm of the housing program.
- Local and International Strategic Partnerships Initiative: Several partnerships and initiatives were launched to enable the industrial project financing ecosystem and integrate with relevant agencies. One of the most important initiatives was the "Land and Loan" product which was launched in partnership with the Saudi Authority for Industrial Cities and Technology Zones (MODON). The Fund also introduced an "Opening Letters of Credit" product in cooperation with commercial banks including: Riyad Bank, SABB, Banque Saudi Fransi and Bank AlJazira.
- SIDF launched "How to Start Your Industrial Project" program and held more than 14 workshops for more than 1500 attendees in collaboration with different Chambers of Commerce in the Kingdom.

### Several initiatives were launched to develop employees and increase the efficiency of the Fund:

- A two-month training program was launched in cooperation with Stanford University. The program also allows employees of other government authorities to join along with SIDF employees
- Postgraduate Scholarships Program
- SIDF Young Leaders Council

#### Initiatives Underway:

- Pricing and Segmentation Initiative
- Developing New Financial Products Initiative
- Building Capabilities Initiative
- The Fund created a Transformation Management Office to support, coordinate, follow up and communicate with initiative teams. A Strategy Steering Committee was also established to follow up with the progress of initiatives and provide necessary support and guidance through weekly meetings. Moreover, monthly meetings were held with SIDF employees to present the latest strategic developments, transformation plans and initiatives, and to open the floor for questions and suggestions.

The Innovation Program was developed and launched in order to involve employees in the transformation program by encouraging them to generate creative ideas. The campaign included ideas contributing to reducing costs, increasing revenues, enhancing procedures, adding value, developing SIDF's products, and improving the working environment. In 2018, SIDF employees produced more than 100 developmental ideas in two campaigns. A number of these ideas were adopted, such as founding a Toastmasters Club for development of public speaking skills as well as exploring the possibilities of creating a savings program for the employees.

SIDF held a number of workshops in various regions of the Kingdom in order to strengthen its relationship with clients and the private sector and listen to their views and opinions before launching its initiatives. The Fund's strategy was presented in several chambers of commerce and industry in the following cities: Riyadh, Jeddah, Dammam, Abha and Hail, in coordination with the National Industrial Committee.

Aiming to enhance customer experience, we have launched an E-loan system with a smartphone application. The system was electronically linked with many government agencies, including the Ministry of Interior (Abshar), the Saudi Post, the General Investment Authority, and the Ministry of Commerce and Investment.



# The Fund's 2018 Loan Approvals

9.4

billion riyals

134

Industrial loans

110

New projects

24

Expansions of existing industrial projects

**Total investments** 

38.4 billion riyals

# SIDF Lending Activity

# Lending Activity during The Fiscal Year 1439/1440H (2018):

SIDF has continued its outstanding performance in developing the local industrial sector. The number of loans approved by the Fund during 2018 amounted to 134 worth SR 9,440 million. The loans helped to set up 110 new industrial projects and expand 24 existing ones with total investments of SR 38,485 million. The amount disbursed during the year stood at SR 9,389 million, an increase of 26% compared to the total amount disbursed in the preceding year. On the other hand, the loans repaid by borrowers during the year totaled SR 5,059 million, an increase of 18% compared to the preceding year. This made 2018 exceptional in terms of the amount disbursed and repaid within one year.

SIDF approvals during 1439/1440H (2018) indicate that the new industrial projects' share of SIDF total approved loans was greater than the expansion projects' share. During the year, 110 loans were extended to finance new projects with a total value of SR 8,063 million, accounting for 82% and 85% of the total number and value of SIDF approved loans respectively.

SIDF lending activity during the fiscal year 1439/1440H (2018) featured the increase of loans provided to projects located in the promising regions and cities in terms of number (44%) and value (72%) of the total of SIDF approved loans. This is in comparison to 14% and 15% of the total number and value of loans, respectively, which had been approved for such projects before the new lending policy had come into effect as financing has increased from 50% to 75% of the project cost and the repayment period has been extended from 15 to 20 years.



Another SIDF achievement during 1439/1440H (2018) is the high percentage of loans approved to small industrial projects (loans up to SR 15 million) as they constituted 65% of the total number of loans approved by the Fund during the year.

Overall, the Fund approved 4350 loans since its inception in 1394H until FY-end of 1439/1440H (2018), with a value of SR 157,379 million. The loans helped to set up 3218 new projects and expand 1132 existing ones throughout the Kingdom. Furthermore, the loans disbursed under these approved commitments totaled SR 111,629 million, of which SR 68,688 million were repaid. This highlights the success of SIDF-financed projects and the professional expertise and advisory services provided to them in the technical, administrative, financial, and marketing fields.

The total number of loans approved by the Fund since its establishment in 1974 until the end of the fiscal year 2018

Total amounts disbursed and repaid since the establishment of the Fund in 1974 until the end of the fiscal year 2018

Total disbursements

4,350

Industrial

111.6

billion riyals

total value

157.3

billion riyals

68.6

Total repayments

billion riyals



### First: Distribution of Loans by Sector:

A review of the main industrial sectors in terms of the value of approved loans:

### **Chemical Industries:**

#### **Cumulative Loan Amount:**

This sector has been leading all other sectors with a loan amount of SR 66,040 million representing 42% of the total value of loans approved by the Fund since its inception until the end of the fiscal year 1439/1440H (2018).

### Approved Loans During 1439/1440H (2018):

During 1439/1440H (2018), SIDF approved 47 loans for this sector valued at SR 6,452 million to set up 38 new projects and expand nine existing ones, representing 35% and 68% of the total number and value of loans approved during the year respectively. This placed the sector first in terms of number and value of approved loans.

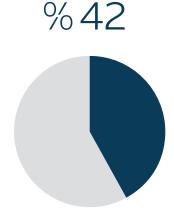
Among the loans committed to this sector were three loans valued at SR 4,500 million to set up three paraxylene projects in Rabigh, one loan of SR 400 million for a monoalkyl benzene sulfate project in Jubail, two loans of SR 390 million for two pharmaceutical projects in Buraidah and Sudair, one loan of SR 203 million for a pharmaceutical production factory in Jeddah, and one loan of SR 128 million for an ethoxylate production factory in Jubail.

The Fund's approved loans to expansion projects included one loan of SR 66 million for a hydrogen plant in Yanbu and a loan of SR 44 million for a plastic packaging product factory in Riyadh.

Total amount of loans approved for chemical industries until the end of 2018

66

billion riyals



### **Engineering Industries:**

#### **Cumulative Loan Amount:**

This sector comes second with a total loan amount of SR 31,218 million representing 19.8% of the total value of loans approved by the Fund since its inception until the end of the fiscal year 1439/1440H (2018).

### Approved Loans During 1439/1440H (2018):

During 1439/1440H (2018), SIDF approved 33 loans for this sector valued at SR 448 million to set up 29 new projects and expand 4 existing ones, representing 24.6% and 4.7% of the total number and value of loans approved during the year respectively. This placed the sector third and fourth in terms of number and value of approved loans respectively.

The loans committed to this sector included one loan of SR 31 million to set up a fire-resistant cable project in Jubail, a loan of SR 23 million for a metal plate project in Riyadh, a loan of SR 22 million for an industrial refrigerator and freezer project in Jeddah, two loans of SR 17 million for two electric elevator projects in Dhurma and Sudair, and a loan of SR 17 million for a solar heater project in Riyadh.

SIDF expansion loans extended include a loan of SR 141 million for a factory in Jubail that manufactures internal weld coated pipes and a loan of SR 17 million for a circuit breaker factory in Riyadh.

Loans approved for engineering industries until the end of 2018

31.2

billion riyals %19.8





### **Consumer Industries:**

#### **Cumulative Loan Amount:**

This sector comes third with a total amount of SR 25,780 million representing 16.4% of the total value of loans approved by the Fund since its inception until the end of the fiscal year 1439/1440H (2018).

### Approved Loans During 1439/1440H (2018):

During 1439/1440H (2018), SIDF approved 39 loans for this sector valued at SR 1,723 million to set up 32 new projects and expand 7 existing ones, representing 29% and 18.3% of the total number and value of loans approved during the year respectively. This placed the sector second in terms of number and value of approved loans.

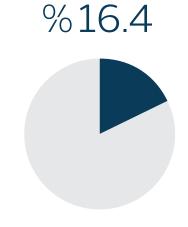
The loans committed to this sector included a loan of SR 450 million to set up a sugar refinery factory in Yanbu, a loan of SR 103 million for a dairy product project in Jeddah, a loan of SR 72 million for a paper project in Dammam, and a loan of SR 35 million for a juice factory in Jeddah.

SIDF loans extended to expansion projects in this sector included a loan of SR 627 million for a milk pasteurization, sterilization and filling factory in Al-Kharj and a loan of SR 188 million for a frozen shrimp factory in Al-Laith.

Loans approved for consumer industries until the end of 2018

25.8

billion riyals



### **Cement Industry:**

#### **Cumulative Loan Amount:**

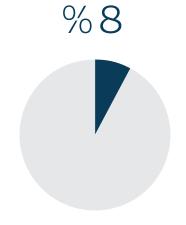
This sector comes fifth with a total amount of SR 12,643 million representing 8% of the total value of loans approved by the Fund since its inception until the end of the fiscal year 1439/1440H (2018). During 1439/1440H (2018), SIDF approved one loan of SR 140 million for the expansion of a cement plant in Rabigh.



Loans approved for cement until the end of 2018.

12.6

billion riyals



### **Other Building Materials Industries:**

#### **Cumulative Loan Amount:**

This sector comes fourth with a total amount of SR 14,127 million representing 9% of the total value of loans approved by the Fund since its inception until the end of the fiscal year 1439/1440H (2018).

### Approved Loans During 1439/1440H (2018):

During 1439/1440H (2018), SIDF approved seven loans for this sector valued at SR 162 million to set up five new projects and expand two existing ones, representing 5% and 1.7% of the total number and value of loans approved during the year respectively. This placed the sector fourth (joint) and fifth in terms of number and value of approved loans.

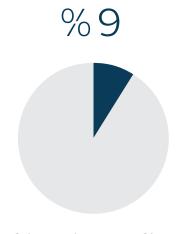
The loans committed to this sector included a loan of SR 60 million for a sand lime brick project in Riyadh, a loan of SR 43 million for a dry silica sand project in Riyadh, and a loan of SR 27 million for a concrete column project in Shaqraa.

SIDF loans extended to expansion projects in this sector included a loan of SR 17 million for a sanitary ware and fittings project in Riyadh and a loan of SR 8 million for a gypsum powder project in Yanbu.

Loans approved for other building materials until the end of 2018

14.1

billion riyals



### Other Industries:

#### **Cumulative Loan Amount:**

This sector comes sixth with a total amount of SR 7,571 million representing 4.8% of the total value of loans approved by the Fund since its inception until the end of the fiscal year 1439/1440H (2018).

# Approved Loans During 1439/1440H (2018):

During 1439/1440H (2018), SIDF approved seven loans for this sector valued at SR 515 million to set up six new projects and expand an existing one, representing 5.2% and 5.4% of the total number and value of loans approved during the year respectively. This placed the sector fourth (joint) and fourth in terms of number and value of approved loans.

The loans committed to this sector included a loan of SR 400 million to set up a project for warehousing services in Rabigh, a loan of SR 46 million for a ready-made factory project, and an expansion loan of SR 12 million for an industrial waste treatment project in Jubail.

# Loans approved for other industries until the end of 2018

billion riyals

7.6





Of the total amount of loans

### **Projects Which Commenced Production During 2018:**

SIDF financed 58 new industrial projects which started commercial production during 1439/1440H (2018) totaled as shown below:

Table (1)

Number of Projects that Commenced Production in 2018

Sector	Number of Projects	Estimated Labor
Consumer Industries	22	1208
Chemical Industries	26	2255
Engineering Industries	7	398
Other Building Materials Industries	3	226
Total	58	4087



### Second: Distribution of Loans by Region:

A review of the geographical distribution of the total number and value of approved loans by region Kingdom-wide reveals a pattern of distribution as follows:

### **Riyadh Province:**

#### **Cumulative Loan Amount:**

SIDF's cumulative number of loans committed to set up industrial projects in Riyadh Province stood at 1,583 loans provided to finance 1,148 projects. This accounted for nearly 36.4% of the total loans approved by SIDF since its inception until the end of 1439/1440H (2018). This places Riyadh Province first and third in terms of number and value of approved loans respectively. SIDF loans to projects located in Riyadh Province totaled SR 28,863 million, representing about 18.3% of the total amount.

## Approved Loans During 1439/1440H (2018):

During 1439/1440H (2018), SIDF approved 40 loans worth SR 1,231 million to set up 32 new projects and expand eight existing ones in Riyadh Province, representing approximately 30% and 13% of the total number and value of approved loans respectively. This placed Riyadh Province first and third in terms of number and value of approved loans respectively during the reporting year.

### **Makkah Province:**

#### **Cumulative Loan Amount:**

SIDF's cumulative number of loans committed to set up industrial projects in Makkah Province stood at 1,066 loans totaling SR 30,725 million to finance 762 projects. This places Makkah Province third and second in terms of number and value of loans approved by the Fund since its inception until the end of 1439/1440H (2018). They account for 24.5% and 19.5% respectively.

### Approved Loans During 1439/1440H (2018):

During 1439/1440H (2018), SIDF approved 37 loans worth SR 5,934 million to set up 31 new projects and expand 6 existing ones in Makkah Province, representing 28% and 63% of the total number and value of approved loans respectively. This placed Makkah Province second and first in terms of number and value of approved loans respectively during the reporting year

#### **Cumulative Loan Amount**

1,583 Loans

1,148 New Projects

28.8 Billion Riyals

#### **Cumulative Loan Amount**

1,066 Loans

762 New Projects

30.7 Billion Riyals

### Riyadh

### Makkah

### **Eastern Province:**

#### **Cumulative Loan Amount:**

SIDF's cumulative number of loans committed to set up industrial projects in the Eastern Province stood at 1,137 loans totaling SR 61,795 million to finance 815 projects. This places the Eastern Province first and second in terms of value and number of loans approved by the Fund since its inception until the end of 1439/1440H (2018). They account for 26.1% and 39.2% respectively. The high value of the total loan amount in comparison to their number is attributed to the huge investments in Jubail.

# Approved Loans During 1439/1440H (2018):

During 1439/1440H (2018), SIDF approved 31 loans worth SR 1,251 million to set up 25 new projects and expand 6 existing ones in the Eastern Province, representing 13% and 23% of the total value and number of approved loans respectively. This placed the Eastern Province second and third in terms of value and number of approved loans respectively during the reporting year.

### **Madinah Province:**

#### **Cumulative Loan Amount:**

SIDF's cumulative number of loans committed to industrial projects in Madinah Province stood at 207 loans totaling SR 20,636 million to finance 166 projects. This places Madinah Province fourth in terms of number and value of loans approved by the Fund since its inception until the end of 1439/1440H (2018). They account for 5% and 13.1% respectively. The high value of total loan amount in comparison to their number is attributed to the huge investments in Yanbu.

# Approved Loans During 1439/1440H (2018):

During 1439/1440H (2018), SIDF approved nine loans worth SR 577 million to set up six new projects and expand three existing ones in Madinah Province, representing 7% and 6% of the total number and value of approved loans respectively. This placed Madinah Province fourth in terms of number and value of approved loans during the reporting year.

#### **Cumulative Loan Amount**

1,137 Loans

815 New Projects

61.7 Billion Riyals

#### **Cumulative Loan Amount**

207 Loans

166 New Projects

20.6 Billion Riyals

### **Eastern Province**

### **Madinah Province**



### **Asir Province:**

#### **Cumulative Loan Amount:**

SIDF's cumulative number of loans committed to industrial projects in Asir Province stood at 64 loans totaling SR 1,296 million to finance 63 projects. This places Asir Province sixth and ninth in terms of number and value of loans approved by the Fund since its inception until the end of 1439/1440H (2018) as they account for 1.5% and 1% respectively.

### Approved Loans During 1439/1440H (2018):

During 1439/1440H (2018), SIDF approved 4 loans worth SR 31 million to set up 4 new projects in Asir Province, placing it sixth and seventh in terms of number (3%) and value of approved loans respectively during the reporting year. The province benefited from the new policy for less developed regions as financing increased from 50% to 75% and the repayment period was extended from 15 to 20 years.

### **Hail Province:**

#### **Cumulative Loan Amount:**

SIDF's cumulative number of loans committed to industrial projects in Hail Province stood at 43 loans totaling SR 2,321 million to finance 42 projects. This places Hail Province eighth and seventh in terms of number and value of loans approved by the Fund since its inception until the end of 1439/1440H (2018). They account for 1% and 1.5% respectively.

# Approved Loans During 1439/1440H (2018):

During 1439/1440H (2018), SIDF approved three loans worth SR 15 million to set up three new projects in Hail Province, placing it seventh and ninth in terms of number and value of approved loans respectively during the reporting year. The province also benefited from the new policy for less developed regions

64	Loans	43	Loans
63	New Projects	42	New Projects
1.2	Billion Riyals	2.3	Billion Riyals

### Asir Hail

### **Qassim Province:**

#### **Cumulative Loan Amount:**

SIDF's cumulative number of loans committed to set up industrial projects in Qassim Province stood at 97 loans totaling SR 1,960 million to finance 83 projects. This places Qassim Province fifth and eighth in terms of number and value of loans approved by the Fund since its inception until the end of 1439/1440H (2018). They account for 2% and 1.2% respectively.

# Approved Loans During 1439/1440H (2018):

During 1439/1440H (2018), SIDF approved five loans worth SR 313 million to set up four new projects and expand an existing one in Qassim Province, placing it fifth in terms of number and value of approved loans during the reporting year.

### Other Provinces of The Kingdom:

#### **Cumulative Loan Amount:**

SIDF's cumulative number of loans committed to set up industrial projects in the other provinces stood at 153 loans totaling SR 9,783 million to finance 139 projects, accounting for 3.5% and 6.2% respectively of the total number and value of loans approved by the Fund since its inception until the end of 1439/1440H (2018).

# Approved Loans During 1439/1440H (2018):

During the year 1439/1440H (2018), SIDF approved five loans totaling SR 88 million to set up five new projects located in other provinces of the Kingdom; two projects in Tabuk Province, two in Al Baha Province, and one in Najran Province. Such loans accounted for 4% and 1% respectively of the total number and value of loans approved by the Fund during the reporting year.

#### **Cumulative Loan Amount**

97	Loans	153	Loans
83	New Projects	139	New Projects
1.9	Billion Riyals	9.7	Billion Riyals

### **Qassim**

### **Other Provinces**

**Cumulative Loan Amount** 

Table (2)

Geographical Distribution of Loans by the End of 1439-1440H (2018)

Province	Number of Approved Loans	Value of Approved Loans (SR million)
Riyadh	1583	28,863
Makkah	1066	30,725
Eastern Province	1137	61,795
Madinah	207	20,636
Asir	64	1,296
Hail	43	2,321
Qassim	97	1,960
Other Provinces	153	9,783
Total	4350	157,379



### **Third: Financing of Joint Ventures:**

Since its inception, SIDF has worked tirelessly in promoting the implementation of industrial joint venture projects, given that foreign direct investment (FDI) is a cornerstone for modern technology transfer to the Kingdom, new job creation for Saudi citizens and global market access for local products. The Fund has been keen on attracting foreign, particularly leading, investors. It treats wholly or partly foreign-owned projects on an equal footing with projects wholly or partly owned by Saudi investors.

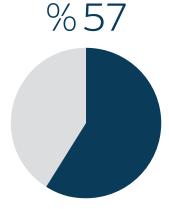
Since its inception till the end of the FY 1439/1440H (2018), The Fund financed 740 joint ventures accounting for 23% of total approved projects with loans totaling SR 60,281 million representing 38% of the total value of approved loans. The foreign partners' capital share in such projects represent 34%. It is worth mentioning that the foreign partners' capital share in 141 JV projects, for which SIDF provided loans amounting to SR 7,124 million, has been transferred to Saudi investors after successful operation and full repayment of their debts.

The chemical sector surpassed all industrial sectors in terms of value of loans approved for JVs since SIDF inception to the end of 1439/1440H (2018) with a share of 58% due to the huge capital invested in such projects, followed by the engineering sector 26% and the consumer sector 7%.

During the reporting year 1439/1440H (2018), the Fund approved 15 loans to set up 13 new joint ventures and expand two existing ones with a total value of SR 5,369 million, representing about 57% of the total Fund's approved loans during the year. Nine loans were provided to finance projects in the chemicals sector, three loans to the consumer sector and one loan to each of the cement, other building material and engineering sectors.

SIDF-financed joint ventures created 224 new jobs, representing 1% of the total number of jobs created by SIDF-financed projects during the year 1439/1440H (22,025 opportunities).

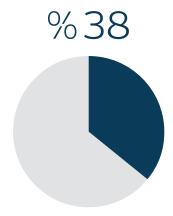
in 2018



Of the total value of the Fund's loans

billion riyals

Loans approved for joint ventures Cumulative loans approved for joint ventures until the end of 2018:



Of the total value of the Fund's loans

50.2

billion riyals







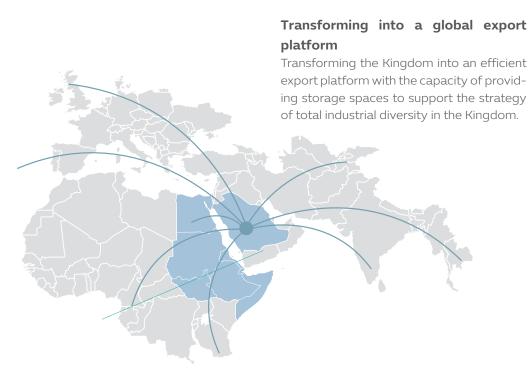


The integrated relationship between the industrial and logistics sectors necessitates adopting strategies to link the outputs of each sector

# 1. Vision 2030 & Logistics Sector

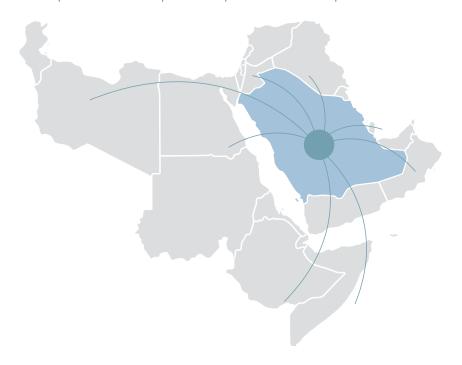
Through its ambitious Vision 2030, the Kingdom of Saudi Arabia seeks to be a global leader in various fields. It is worth mentioning that Vision 2030 was built on a solid foundation. Hence, the logistics sector has received a great deal of attention because of the Kingdom's geographical and economic potentials that makes it the main provider of logistics in the region and around the world. To achieve this ambition, the National Industrial Development and Logistics Program (NIDLP) has been launched as one of the major programs of Vision 2030. More than 30 government and private sector entities have been linked to NIDLP inside and outside the Kingdom, which in turn, resulted in launching more than 300 initiatives future initiatives targeting the four areas of NIDLP: energy, mining, logistics and industry. Moreover, one of the main objectives of NIDLP is transforming the Kingdom into a leading logistics hub.

# 2. Major elements to position the Kingdom as a leading logistics hub



### Transforming into a regional distribution platform (re-export)

Transforming the Kingdom into a regional distribution center in the Arabian Gulf and East Africa at lower prices and faster speeds compared to other competitors.



### Establishing an efficient internal distribution network

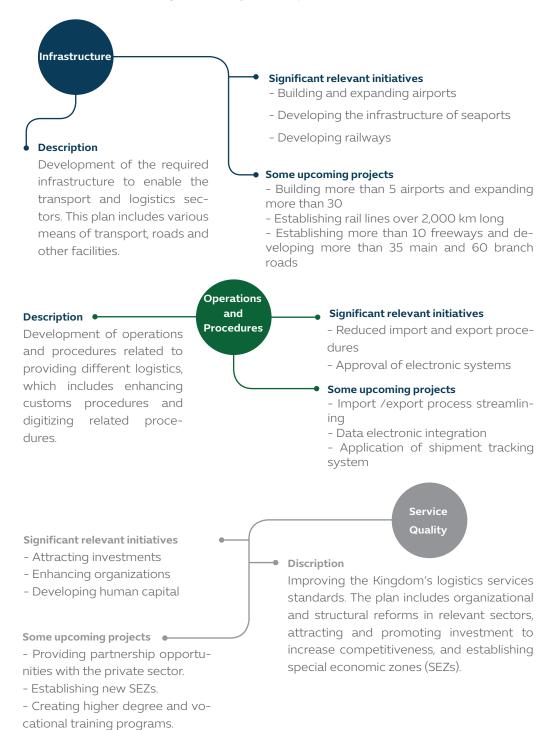
For the Kingdom to obtain an interlinked distribution network that enables imported products to be distributed at an optimal cost to the areas targeted by the development plans.



Source: National Industrial Development and Logistics Program (NIDLP).



To achieve such objectives, NIDLP has determined about 60 initiatives in the logistics sector alone. These initiatives target three major development areas as shown in the table below:

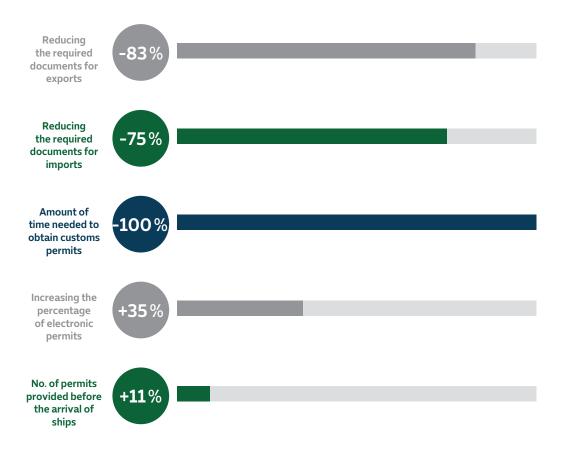


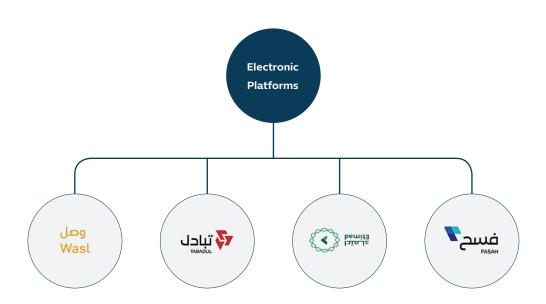
Efforts have already begun to achieve these ambitious goals, which are mainly focused on the development of operations and procedures related to the logistics sector. These included launching several electronic platforms (such as a FASAH, Wasl, Tabadul ... etc.), as well as facilitating regulatory procedures and requirements rselated to various customs procedures (e.g. import, export and electronic customs clearance).

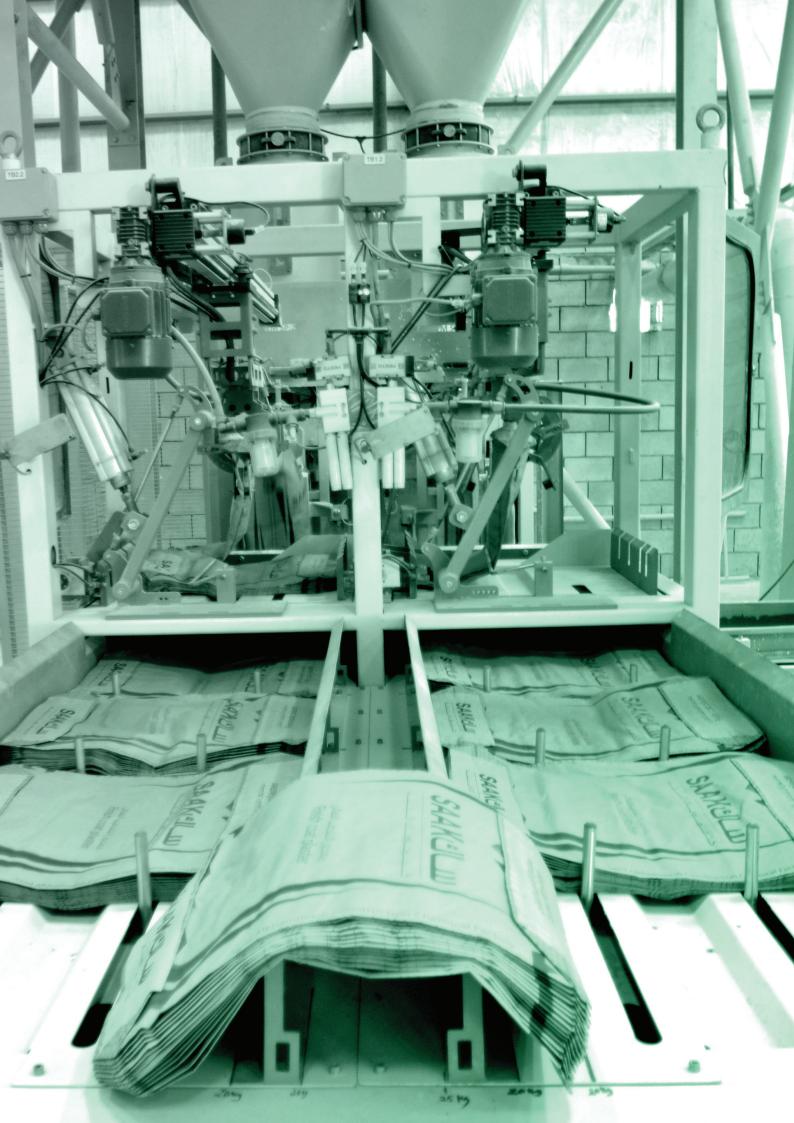
Source: National Industrial Development and Logistics Program (NIDLP)

### **Early Achievments**

Percentage change (until 3/2018) compared to last year (2/2017)







# 3. SIDF role in supporting the logistics sector

For over 45 years, SIDF has contributed to the development of the national industries by providing over 4,350 industrial loans with total approved amounts exceeding SR 157 billion. Such loans helped in establishing more than 3,200 projects in various industrial sectors and support services until 2018. Among the most essential sectors that have received significant attention from SIDF is logistics because of its importance in advancing the industrial development in the Kingdom. The total cost of logistics projects funded by SIDF amounted to more than SR 1.2 billion, of which SIDF's contribution exceeded SR 500 million up to 2018.

To keep up with the radical transformation in the Kingdom's industrial and logistics sectors led by Vision 2030, SIDF's support for these sectors will enter a new phase by being the key financial enabler of NIDLP. It is expected to contribute to the Kingdom's GDP by 30% in 2030. To achieve such an objective, SIDF's scope of work will finance the four sectors of the NIDLP: energy, mining, logistics and industry, by providing financial and advisory products and programs such as the multi-purpose loan, working capital financing and acquisition financing along with other advisory services. Furthermore, SIDF will provide specialized financing programs including "Tanafusiya" (aiming to stimulate industrial establishments to have higher levels of production efficiency depending on new technologies such as digitization, 4G technologies and investment in energy efficiency) and "Tawteen" (aiming to increase the local content and localization opportunities of sectors and support supply chains).



Total number of loans until the end of 2018

4350

industrial loans

Total value of loans until the end of 2018

157

billion SR

Total number of established projects until the end of 2018

3218

projects



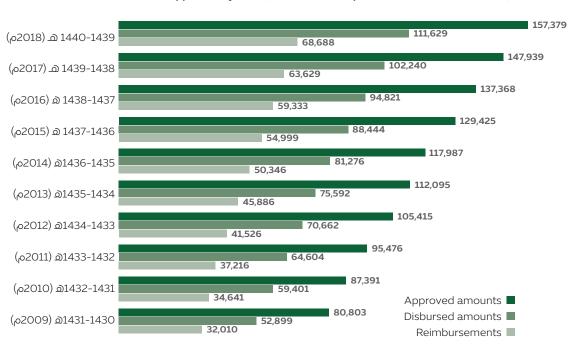




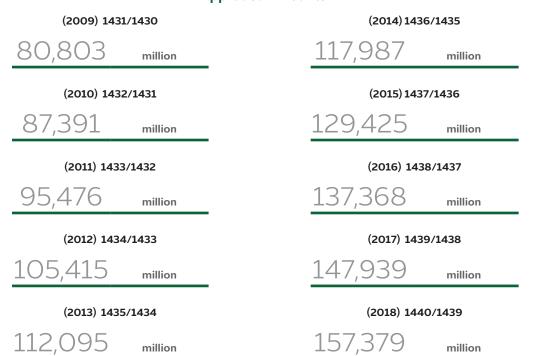
# SIDF Lending Statistics Up To the Fiscal Year 1439H/1440H (2018)

Figure (1)

Accumulated loan values approved by SIDF (disbursed and repaid amounts in millions of SR)



### **Approved Amounts**



#### **Disbursed Amounts**

1431/1430هـ (2009م)

52,899 million

1432/1431هـ (2010م)

59,401 million

1433/1432هـ (2011م)

64,604 million

1434/1433هـ (2012م)

70,662 million

1435/1434هـ (2013م)

75,592 million

1436/1435هـ (2014م)

81,276

million

1437/1436 (2015م)

88,444

million

1438/1437هـ (2016م)

94,821

million

1439/1438هـ (2017م)

102,240

million

1440/1439هـ (2018م)

111,629

million

Value of cumulative loans approved by the Fund and amounts disbursed and repaid (millions of riyals)

### **Repaid Amounts**

1431/1430هـ (2009م)

32,010 million

1432/1431هـ (2010م)

34,641 million

1433/1432هـ (2011م)

37,216 million

1434/1433هـ (2012م)

41,526 million

1435/1434هـ (2013م)

45,886 million

1436/1435هـ (2014م)

50,346

million

1437/1436 (2015م)

54,999

million

1438/1437هـ (2016م)

59,333

million

1439/1438هـ (2017م)

63,629

million

1440/1439هـ (2018م)

68,688

million

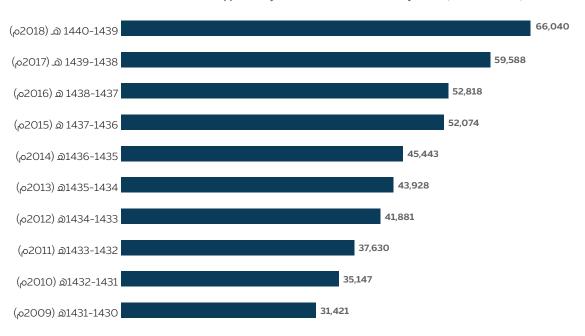
### **Chemical Industry**

 $Accumulated \ value \ for \ industrial \ loans \ approved \ by \ SIDF \ for \ the \ chemical \ industry \ sector \ (in \ millions \ of \ SR)$ 

1431/1430ھ (2009م)	1436/1435هـ (2014م)
31,421 million	45,443 million
1432/1431هـ (2010م)	1437/1436هـ (2015م)
35,147 million	52,074 million
(2011هـ (2011م)	1438/1437ھـ (2016م)
37,630 million	52,818 million
(2012م) 1434/1433	1439/1438هـ (2017م)
41,881 million	59,588 million
1435/1434هـ (2013م)	(2018هـ (2018م)
43,928 million	66,040 million

Figure (2)

Accumulated value for industrial loans approved by SIDF for the chemical industry sector (in millions of SR)



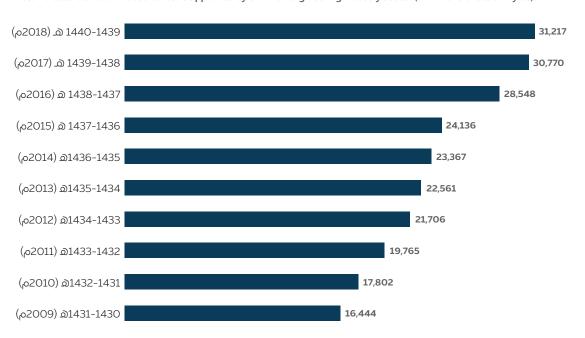
### **Engineering Industry**

 $Accumulated \ value \ for \ industrial \ loans \ approved \ by \ SIDF \ for \ the \ engineering \ industry \ sector \ (in \ millions \ of \ SR)$ 

1431/1430ھ (2009م)	1436/1435هـ (2014م)
16,444 million	23,367 million
1432/1431هـ (2010م)	1437/1436ھ (2015م)
17,802 million	24,136 million
(2011هـ (2011م)	(2016هـ (2016م)
19,765 million	28,548 million
1434/1433هـ (2012م)	1439/1438هـ (2017م)
21,706 million	30,770 million
1435/1434هـ (2013م)	1440/1439هـ (2018م)
22,561 million	31,217 million

Figure (3)

Accumulated value for industrial loans approved by SIDF for engineering industry sector (in millions of Saudi Riyals)



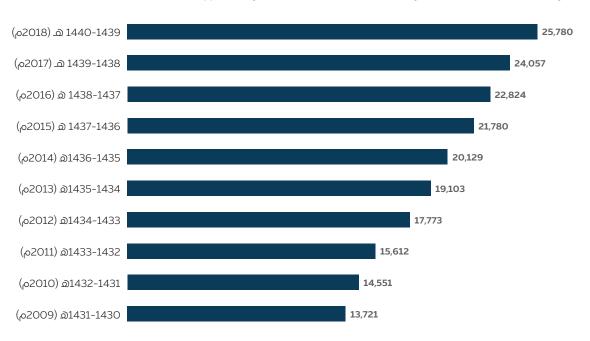
### **Consumable Industry**

Accumulated value for industrial loans approved by SIDF for the consumable industry sector (in millions of SR)

(2009م) 1431/1430	1436/1435هـ (2014م)
13,721 million	20,129 million
1432/1431هـ (2010م)	1437/1436ھ (2015م)
14,551 million	21,780 million
(2011هـ (2011م)	1438/1437ھـ (2016م)
15,612 million	22,824 million
(2012هـ (2012م)	1439/1438هـ (2017م)
17,773 million	24,057 million
1435/1434هـ (2013م)	1440/1439هـ (2018م)
19,103 million	25,780 million

Figure (4)

Accumulated value for industrial loans approved by SIDF for the consumable industry sector (in millions of Saudi Riyals



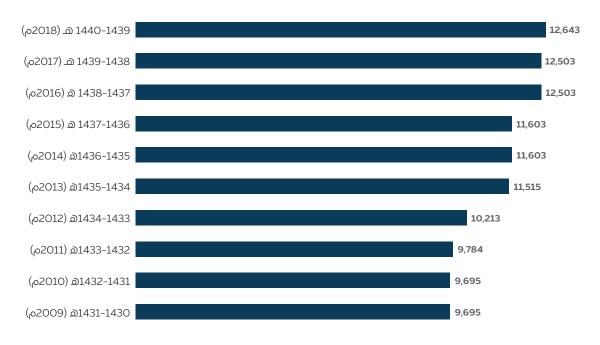
### **Cement Industry**

Accumulated value for industrial loans approved by SIDF for the cement industry sector (in millions of SR)

1431/1430هـ (2009م)	1436/1435هـ (2014م)
9,695 million	11,603 million
(2010م) 1432/1431	1437/1436هـ (2015م)
9,695 million	11,603 million
(2011هـ (2011م)	1438/1437ھـ (2016م)
9,784 million	12,503 million
(2012م) 1434/1433	1439/1438هـ (2017م)
10,213 million	12,503 million
(2013م) 1435/1434	1440/1439ھـ (2018م)
11,515 million	12,643 million

Figure (5)

Accumulated value for industrial loans approved by SIDF for the cement industry sector (in millions of Saudi Riyals)



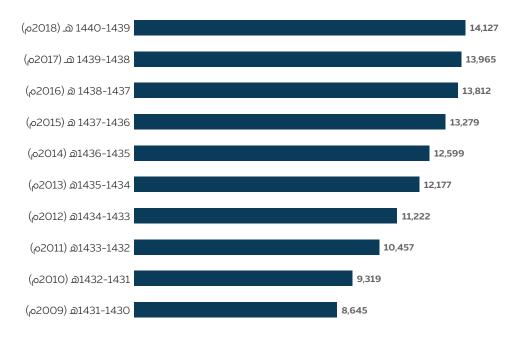
### Other Building Materials Industry

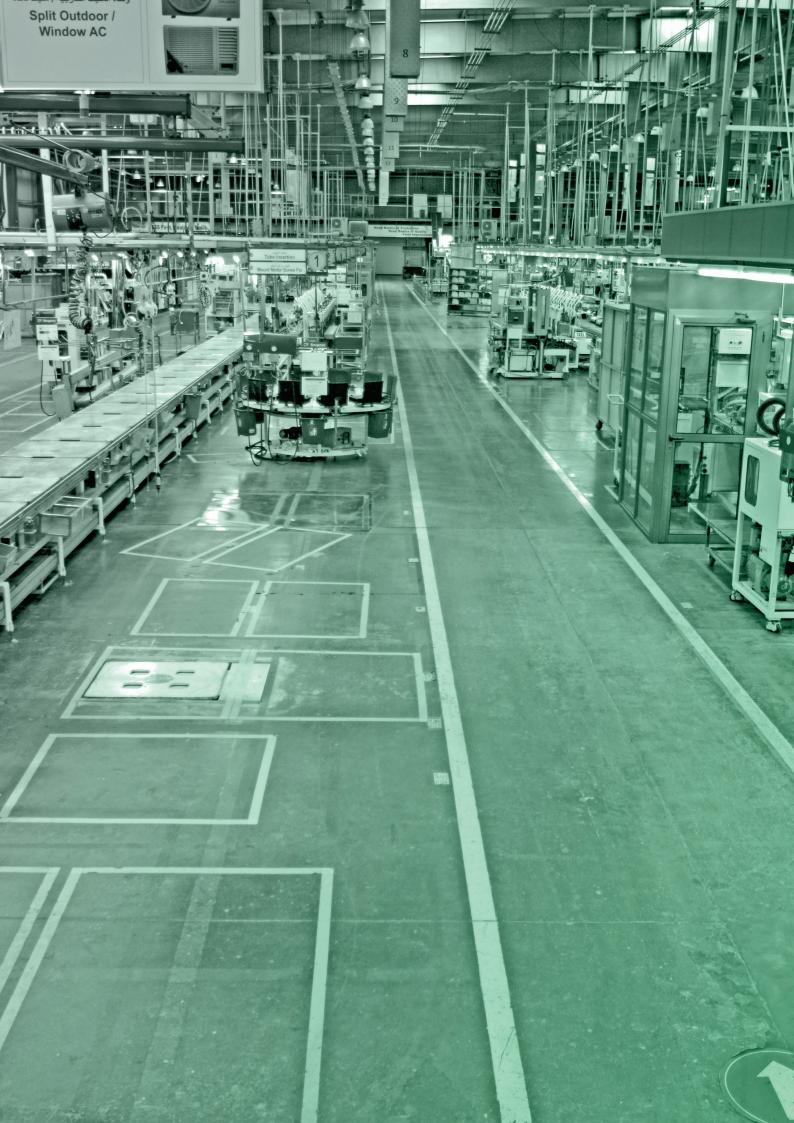
Accumulated value for industrial loans approved by SIDF for the other building materials industry sector (in millions of Saudi Riyals)

1431/1430هـ (2009م)	1436/1435هـ (2014م)
8,645 million	12,599 million
(2010م (2010م)	1437/1436هـ (2015م)
9,319 million	13,279 million
(2011هـ (2011م)	1438/1437هـ (2016م)
10,457 million	13,812 million
(2012م) 1434/1433	1439/1438هـ (2017م)
11,222 million	13,965 million
1435/1434هـ (2013م)	(2018هـ (2018م)
12,177 million	14,127 million

Figure (6)

Accumulated value for industrial loans approved by SIDF for the other building materials industry sector (in millions of Saudi Riyals)





# Statement of the number of new industrial projects funded and the value of SIDF approved loans based on subsectors

### **Consumer Industries**

No. of projects		Loan value		
32	During 2018	1,723	During 2018	
876	Cumulative Total	25,780	Cumulative Total	

Food			Wooden products			
		No. of projects	Loan value		No. of projects	Loan value
	During 2018	12	1,494	During 2018	1	11
	Cumulative Total	410	15,269	Cumulative Total	27	314

	Be	verages		Wooden Furniture		
0		No. of projects	Loan value		No. of projects	Loan value
	During 2018	0	0	During 2018	2	18
	Cumulative Total	93	2,666	 Cumulative Total	67	539

	Fabric				Pape	r Products	
2		No. of projects	Loan value	$\sim$		No. of projects	Loan value
0	During 2018	3	12		During 2018	13	184
	Cumulative Total	89	2,533		Cumulative Total	127	4,087

Leather Product a	and Alternativ	e Materials		printing			
	No. of projects	Loan value			No. of projects	Loan value	
During 2018	1	4		During 2018	Ο	Ο	
Cumulative Total	26	145		Cumulative Total	37	227	
	During 2018 Cumulative	No. of projects  During 2018 1  Cumulative	projects value  During 2018 1 4  Cumulative	No. of Loan projects value  During 2018 1 4  Cumulative	No. of Loan projects value  During 2018 1 4 During 2018  Cumulative Cumulative	No. of projects value  During 2018 1 4  Cumulative  No. of projects  During 2018 0  Cumulative	No. of Loan projects value  During 2018 1 4  Cumulative  No. of Loan projects value  During 2018 0 0  Cumulative

# Statement of the number of new industrial projects funded and the value of SIDF approved loans based on subsectors

### **Chemical Industry**

No. c	of projects	Loan value			
38	During 2018	6,452	During 2018		
839	Cumulative Total	66,040	Cumulative Total		

	Chemicals  No. of Loan projects value  During 2018 23 6196				<b>Rubber Products</b>			
Д						No. of projects	Loan value	
	During 2018	23	6,196		During 2018	1	3	
	Cumulative Total	400	53,849		Cumulative Total	25	850	

Gas and	Oil Produc	ts		Plastic Products		
	No. of projects	Loan value	Ā		No. of projects	Loan value
During 2018	3	63		During 2018	11	190
Cumulative Total	53	4,361		Cumulative Total	361	6,980

### **Building Material Industry**

No. o	of projects	Loan value			
5	During 2018	162	During 2018		
490	Cumulative Total	14,127	Cumulative Total		

Other building materials				Ceramic Products			
	No. of projects	Loan value			No. of projects	Loan value	
During 2018	0	142		During 2018	4	17	
Cumulative Total	389	8,320		Cumulative Total	22	1,982	

### Glass products

	No. of projects	Loan value
During 2018	1	3
Cumulative Total	79	3,825



### Statement of the number of new industrial projects funded and the value of SIDF approved loans based on subsectors

### **Building Material Industry**

No.	of projects	Loan value			
29	During 2018	448	During 2018		
881	Cumulative Total	31,218	Cumulative Total		

Metal Products					<b>Engineering Industry</b>			
		No. of projects	Loan value			No. of projects	Loan value	
Ba	During 2018	13	259	A	During 2018	5	85	
	Cumulative Total	538	20,772		Cumulative Total	157	3,706	

	Ma	achinery			Transportation Equipment		
		No. of projects	Loan value			No. of projects	Loan value
<i>""</i>	During 2018	10	96	6	During 2018	1	8
	Cumulative Total	114	1,609		Cumulative Total	72	5,131

#### **Cement Industry**

No. of pro	ojects	Loan	value
During 2018	0	During 2018	140
Cumulative Total	33	Cumulative Total	12,643

### **Other Industries**

No. of pr	ojects	Loan value		
During 2018	6	During 2018	515	
Cumulative Total	99	Cumulative Total	7,571	

### Total

No. of projects			Loa	ın value
	During 2018	110	During 2018	9,440**
	Cumulative Total	3218*	Cumulative Total	157,379***

<sup>\*</sup> Out of which, the approved loan commitments of 691 projects have been canceled.

\*\*This amount has been approved to contribute to financing 110 new projects and to expand 24 existing projects.

\*\*\*Out of which, the loan commitments amounting to SR 16,093 million have either been canceled or reduced.



# Statement of the number of new industrial projects funded and the value of SIDF approved loans based on Regions of the Kingdom

Riyadh			Makkah				
		No. of projects	Loan value	A SA		No. of projects	Loan value
	During 2018	32	1,231		During 2018	31	5,934
	Cumulative Total	1148	28,863		Cumulative Total	762	30,725

Madinah				Qassim		
	No. of projects	Loan value			No. of projects	Loan value
During 2018	6	577		During 2018	4	313
Cumulative Total	166	20,636		Cumulative Total	83	1,960

Eastern Province					Asir		
	No. of projects	Loan value			No. of projects	Loan value	
During 2018	25	1,251	ATP	During 2018	4	31	
Cumulative Total	815	61,795		Cumulative Total	63	1,296	

		Tabuk				Hail	
		No. of projects	Loan value			No. of projects	Loan value
AT .	During 2018	2	62	ATT.	During 2018	3	15
	Cumulative Total	16	682		Cumulative Total	42	2,321

Jazan			Najran				
FA.		No. of projects	Loan value	The state of the s		No. of projects	Loan value
AT	During 2018	0	0		During 2018	1	9
	Cumulative Total	41	4,160		Cumulative Total	28	1,265

	A	Al Baha			Aljawf		
(AC)		No. of projects	Loan value	TO ACT		No. of projects	Loan value
ATP.	During 2018	2	17	A.D.	During 2018	0	0
	Cumulative Total	16	77		Cumulative Total	25	349

### **Northern Borders**

(ACM)		No. of projects	Loan value
AT.	During 2018	Ο	0
	Cumulative Total	13	3,250

### Total

No. of	f projects	Loan value		
110	During 2018	9,440**	During 2018	
3218*	Cumulative Total	157,379***	Cumulative Total	

<sup>\*</sup> Out of which, the approved loan commitments of 691 projects have been canceled.

\*\*This amount has been approved to contribute to financing 110 new projects and to expand 24 existing projects

\*\*\*Out of which, the loan commitments amounting to SR 16,093 million have been either canceled or reduced.





