

## Economy of Saudi Arabia

Population : 27,136,977 ( 2010 census )

Area : 2, 149, 690 KM

A glance at the economy of the country :

The economy of Saudi Arabia depends , mainly , on oil . It has the largest reserves of oil in the world at 25,6 % of the world reserves and occupies the first rank as the largest producer and exporter of oil in the world .

Saudi Arabia plays a leading role in the Organization of Petroleum Exporting Countries ; the oil revenues represent 90 % of the total returns of the economy and sectors of oil and gas form about 25 % of the kingdom revenues and 45 % of the gross domestic product .

The economy of Saudi Arabia in the twentieth century became a modern economy led by the petroleum sector and petrochemical industry .Its agriculture , trade and banking sector are booming strongly and steadily .

The Saudi economy has witnessed a key turning point during the past three decades in the various aspects of life , economic , social and constructional that contributed , mainly , to the establishment of the kingdom within the framework of plans of development ;

Areas of investments :

The law of foreign investment in Saudi Arabia was issued on 15 / 1 / 1421 Hegira which is considered to be the most prominent events regarding the economic affairs in the kingdom , as well as the establishment of the General Authority of Investment .

The significant points of the system of foreign capital and other regulations related to encouragement of the foreign investments are :

- Reduction of taxes imposed on foreign investors and adoption of principle of carrying over the loss to the next years without specifying a certain period .
- The foreign investors has the opportunity to get loans from the industrial development fund .

- The ownership of the investment activity is allowed including necessary property to engage in the activity ; as well as there is no expropriation of the project except for public purposes provided that there will be a fair compensation .
- The period for obtaining a license for investment is restricted to be one month only .
- The information on investment in Saudi Arabia is available and transparent .
- The investor has the right to sponsor himself and his employees on his private firm and he will receive national treatment .
- The law includes regulations for resolution of disputes and ensure the right of intellectual property .

Prosperity of foreign investment is because of reforms made by the government and interaction of the private sector ; according to the report of facilities of practicing business issued by the international bank , Saudi Arabia occupied the thirteenth rank in 2009 during the last fifth years where it occupied the 67 rank in 2005 among 181 country .

Foreign investment amounted to 552 billion dollars at the end of 2009 and the total increase of foreign and joint investments amounted 1,126 billion dollars rising from 279 billion dollars in 2005 .

There are investment opportunities worth 300 billion dollars in energy , 100 billion dollars in transportation and 100 billion dollars in knowledge – based industries .

Investment opportunities in Saudi Arabia :

- Economic cities .
- Energy.
- Information technology and communication .
- Transportation and logistic services .
- Health

- Biology and life science .
- Education .
- Tourism

Exports and imports of Saudi Arabia: -

The most important goods exported: - oil , products of plastics, petrochemicals and re-exported goods, foodstuffs, minerals, paper and their products.

Imported goods – machineries , equipment, electrical equipment, foodstuffs, transportation equipment, textiles, wood and wood products.