



Foreword

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I would like to highlight the effective role of industrial development in achieving comprehensive economic development and building a balanced economy that is globally competitive through diversifying income resources and reducing reliance on oil.

To increase the industrial sector's contribution to the Gross Domestic Product (GDP) and optimally utilize the Kingdom's relative advantage, we had a vision to create a globally competitive industry.

This vision is based on innovation and creativity and functions as a tool to transform national resources into sustainable wealth through developing and maximizing returns on the national resources the Kingdom possesses and investing in developing productive manpower and added-value manufacturing industry.

This vision seeks to achieve a sustainable and globally competitive position and aims at utilizing national resources (manpower and natural resources), investing them over the long run and turning them into national wealth that benefits the entire society.

The vision aspires to realize continuity in comprehensive and sustainable national development and achieving welfare for the Kingdom's citizens through enhancing their conditions and creating job opportunities.

Industry stands out as the fundamental tool for long-term development. The national strategy entails investing all natural resources and all available opportunities to achieve industrial growth that positions the Kingdom on the global industrial map and transforms the national industry into an international technical base through the creation of distinguished industrial compounds across the Kingdom in line with the national aspiration and through building strong and effective national and international partnerships.

The national strategy for new industry seeks to highlight the industrial sector's role in realizing growth, development and diversifying economy to use the Kingdom's fortunes and relative advantages to realize larger returns and in turn investing them to localize national expertise.

Rendering the partnership between the government and the private sector is a heavy challenge in the industrial development process.

The partnership between the government and the private sector is built in light of objectives each community sets for itself and in accordance with resources the community uses to realize these objectives. This means the more the objectives are, the stronger the partnership between the government and the private sector is needed to realize them.

The national strategy for industry in the Kingdom will adopt deep and strategic partnerships in accordance with industrial sectors, a matter that is considered a basic challenge that the strategy seeks to address.

When the state cooperates with the private sector in the industrial sector industrial development is then realized through adopting several initiatives at the national and the regional levels.

An example to that is developing industrial zones in accordance with modern international practices such as the development platforms in the areas, the industrial technical zones, and local, regional compound and others.

A strategic objective has been set to increase the industrial sector's contribution in the overall GDP to 20 per cent by the year 1441 and to arrive at a distinguished position on the global industrial map.

The objective will be realized through several specific targets that deal with influential factors that affect industrial performance:

1. To increase the industrial added value by three-fold.

2. To increase technical industries from 30 to 60 per cent of overall industrial production.
3. To boost industrial exports from 18 to 35 per cent of overall exports.
4. To double the employment of local workers in the industrial sector from the current 15 per cent and increase their numbers by five-fold.

The recently-endorsed national strategy for industry consists of three main pillars and six chapters.

The first part highlights the importance of the strategy and the need for updated data.

The second part outlines the strategy's objectives, *raison d'être* and implementation policies, while the third part sheds light on the implementation of the strategy through eight aspects that each include major national programs.

When it comes to the six chapters; the first tackles the significance of growth and development of industry, while the second highlights the current situation of industry in the Kingdom in terms of performance compared with a thoroughly-selected group of countries.

The third chapter covers the future outlook of national industry to utilize opportunities at hand and find solutions for existing issues. The fourth chapter covers the strategy's vision, purposes, *raison d'être* and general objectives and means to fulfill them.

The fifth chapter includes eight action-plans that seek to realize the

desired objectives in accordance with a five-year plan that is in line with the Kingdom's development plans, while the last chapter details required means to secure financial resources and make available the required manpower for the implementation of the strategy.

As we believe small- and medium-sized enterprises are among the most important players at the macroeconomic level, we give utmost attention to the development of SMEs.

Due to their small size, these enterprises can swiftly respond and adapt to ever-changing requirements of the market unlike major institutions which are difficult to restructure in accordance with needs. Thus, when there is an abundance of SMEs, we know that they will be capable of quickly exporting and being up to date with the technical advancements in the world.

Therefore, when these institutions receive proper support, they function as the backbone of a future industry that supports the national economy.

Thus, support and attention is extended to these institutions to increase their productivity and competitiveness through training on production and marketing procedures, creating training programs for workers to increase their competence and productivity, providing them with required finances and facilitating exchange between SMEs and larger firms.

The strategy's third aspect, which relates to developing industrial business community and small and medium-sized industrial facilities, seeks to distribute tasks throughout its five programs:

- Supporting small and medium-sized enterprises

- Incubators program for small and medium-sized enterprises
- Business resource centers program
- Competitiveness centre and industrial modernization program
- Industrial financing mechanisms program

The strategy clearly seeks to activate the role of small and medium-sized enterprises within industrial compounds and through creating business incubators to enhance their establishment in different areas of the Kingdom and extending good incentives and sufficient support.

Practically, we instructed those in charge of developing plans to implement the strategy to maximize the benefit from experiences of other advanced states. Thus, cooperation was activated and developed between universities, specialized research institutes, vocational training and technical education colleges, in addition centers for technical, industrial and marketing information were created to develop the

small and medium-sized institutions and make access to them easier by these institutions. We also directed those in charge to provide the institutions with latest information and communication technologies in management, production and marketing.

There is no doubt that the weakness of industrial integration between the industrial sector in the Gulf Cooperation Council countries obstructs the growth of small and medium-sized institutions in the Gulf countries, where these facilities account for 80 per cent from the overall factories in the Gulf in terms of the capital invested and 65 per cent in terms of the labor they recruit.

This fact necessitates paying attention to two important factors in development in today's world; namely, industrial integration and small and medium-sized facilities.

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