



Agriculture & Food Processing Sector

Fact base on KSA's agri-food sector

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Value proposition of agri-food sector in Saudi Arabia

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Factors driving investment to KSA agri-food sector

- 1 Priority sector for Saudi Arabia's Vision 2030**
- 2 Large local demand for food & beverages** (~\$75 B value estimate of retail and food service) expected to grow at **7-8% p.a. until 2030**
- 3 Government's commitment to boost self-sufficiency** in the sector, creating opportunities to localize production
- 4 Multiple global F&B players** have already established presence in KSA
- 5 Availability of various agri-food inputs locally**, further complemented by **robust enabling infrastructure** in dedicated industrial cities
- 6 Guardian of 2 holy mosques of Islam** attracting international pilgrims and substantiating the value of "made in Saudi" on exported Halal products

Agri-food is a priority sector for Saudi Arabia's Vision 2030

Vision 2030's 3 pillars











Ambitious nation

Thriving economy

Vibrant society



Level 3 objectives impacting agri-food

-  Ensure food security & development
-  Develop economic ties with region beyond GCC, & with global partners
-  Attract foreign direct investment
-  Ensure sustainable use of water resources
-  Achieve environmental sustainability¹
-  Increase localization of non-oil sectors
-  Localize promising manufacturing industries
-  Create and improve performance of logistics hubs
-  Unlock state owned assets for the private sector
-  Support national champions consolidate their leadership globally²
-  Develop promising local companies into regional and global ²

Relevant VRPs³

-  **Health sector Transformation Program**
Focus on Food regulations & health standards
-  **Quality of Life Program**
Focus on improvements in citizen healthy lifestyle
-  **National Industrial Development and Logistics Program**
Reinforce food supply security
-  **National Transformation program**
Focus on food security and food storage
-  **Public Investment Fund Program**
Invest in food and localization of knowledge
-  **Privatization Program**
Open up state-owned assets to private sector
-  **Human Capability development program**
Tailor training program to labor market needs

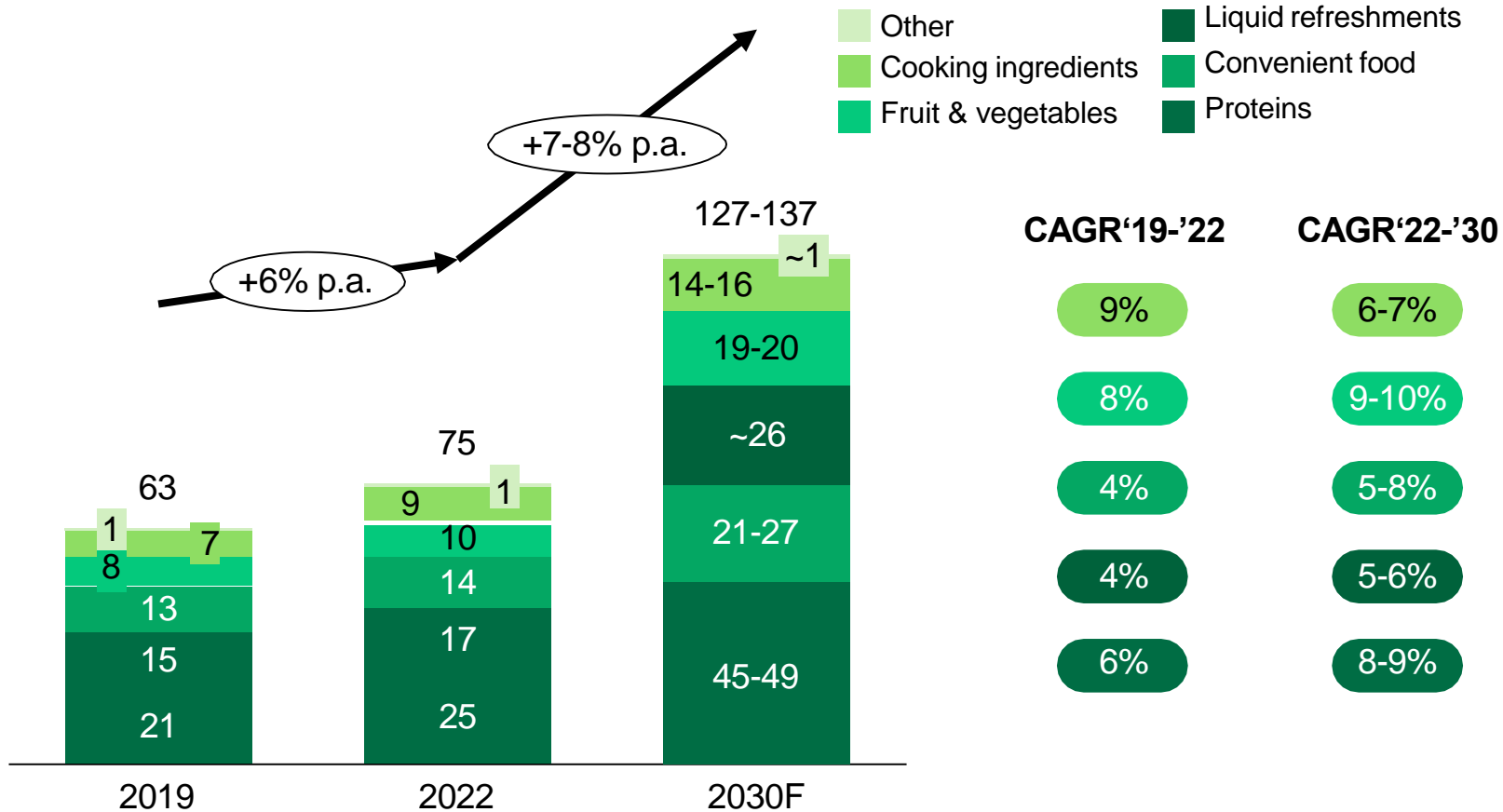
1. L2 objective, L3 objectives associated are to Reduce all types of pollution, Safeguard environment from natural threats, and Protect and rehabilitate natural landscapes, and promote non-oil exports

2. Not mentioned in MEWA strategy

3. Vision Realization Programs relevant to agri-food sector

Large local demand for food & beverages already exists and is expected to grow at 7-8% p.a. until 2030

KSA market size, Value of food & beverages retail and foodservice, USD B



Key growth drivers

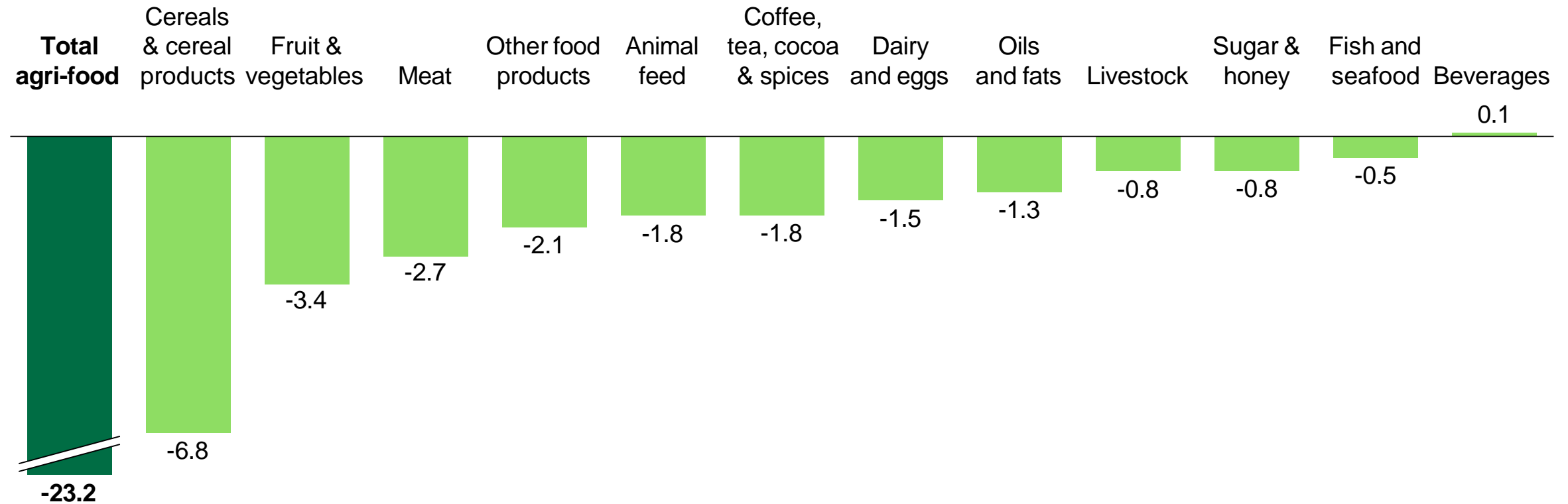
Accelerated population growth (~4% p.a. expected) driven by attraction of expats and **growing number of tourists & pilgrims**

Lifestyle changes and a growing participation of women in the workforce are driving demand for convenient and processed food, often higher priced than cooking ingredients

Gradual shift of demand to food categories perceived as healthy driven by increasing health consciousness of Saudi consumers

Today, KSA is highly dependent on food imports

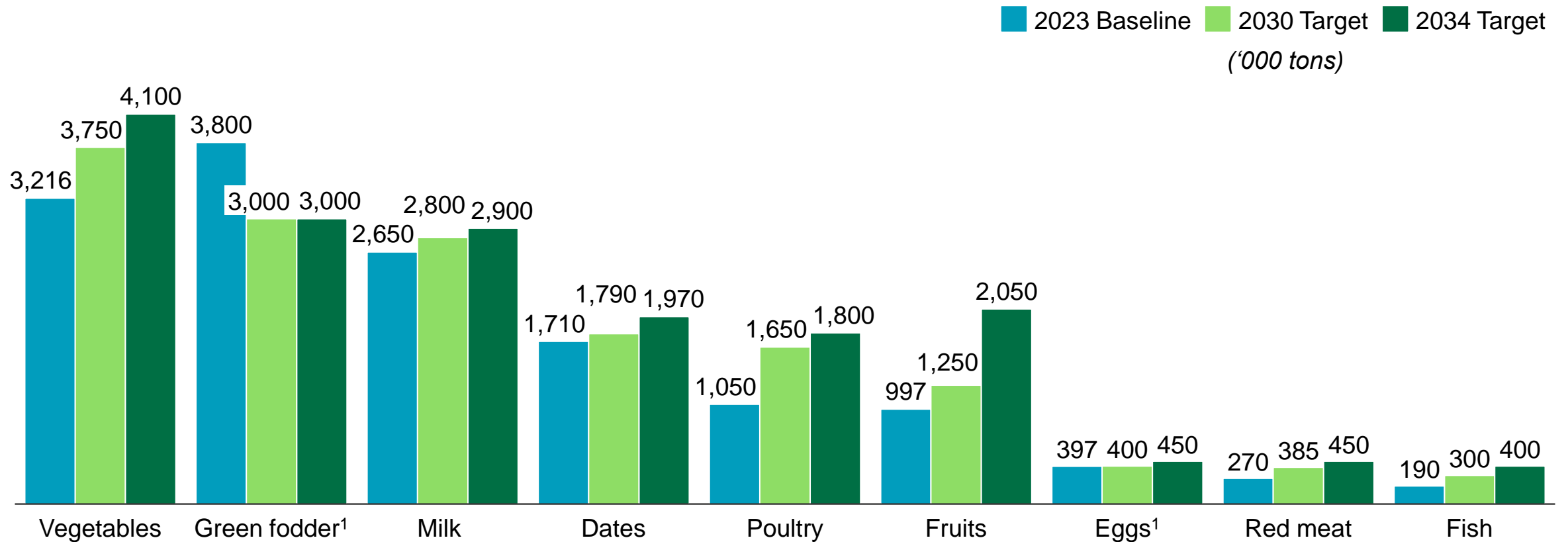
KSA trade balance in agri-food categories in 2022¹, USD B



1. Defined as value of export less value of import; simplified category names following Standard International Trade Classification (Rev4) as reported by GASTAT

The government has set an ambition to boost food security and local production, creating opportunities for investment in agriculture...

Production baseline and ambitions set by Ministry of Environment, Water and Agriculture (MEWA)

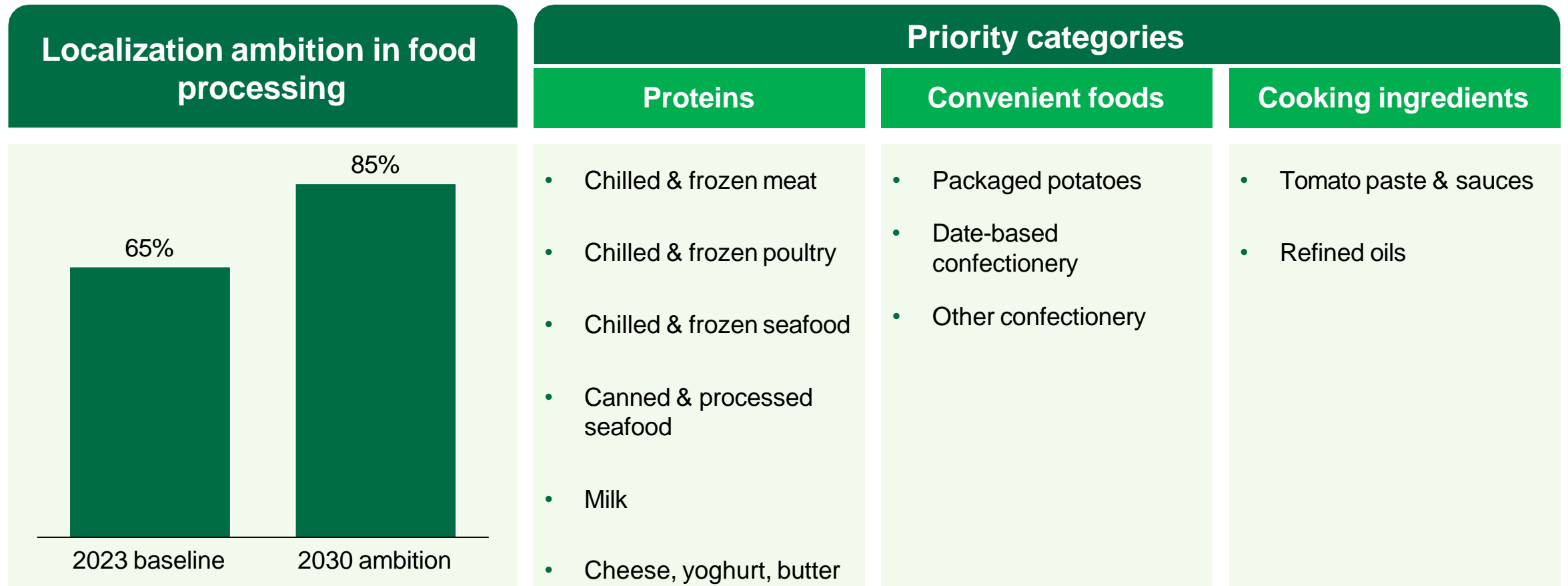


1. Green fodder is expected to be replaced with winter fodder by 2030

Source: GASTAT, MEWA updated National Agriculture Strategy 2034

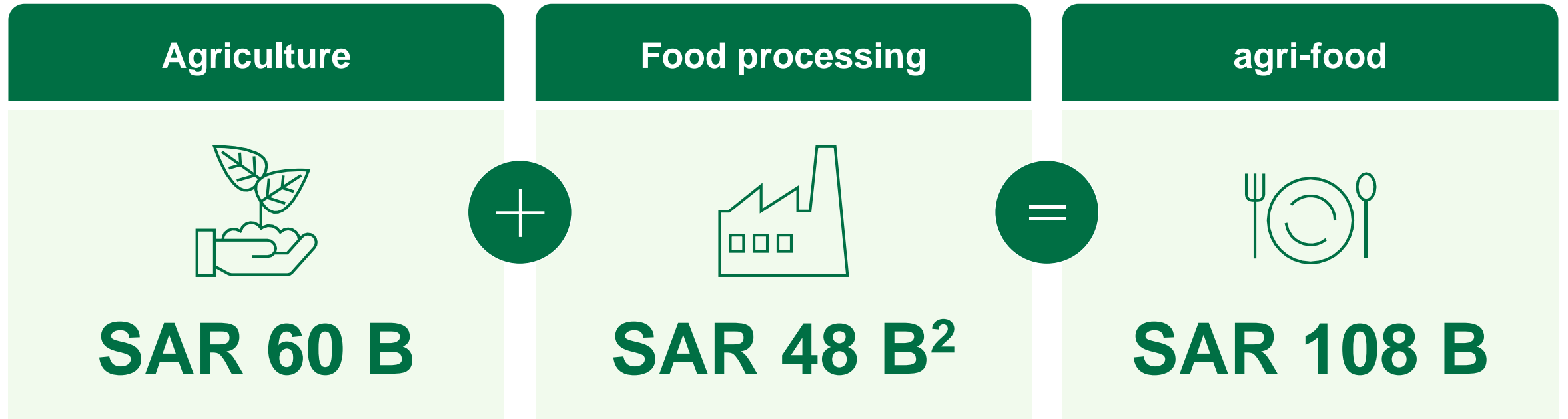
... and in food processing

Localization ambition set by Ministry of Industry and Mineral Resources (MIM) for 2030



As a result, the country aims to attract **SAR 108 B investment** in the agri-food sector by 2030

Top-down GFCF¹ targets, cumulative 2021-2030



1. Gross Fixed Capital Formation

2. SAR 78.5 B by 2035

Source: MIM's National Industrial Strategy; MISA's EAIS Deputyship study on 2030 target GFCF sector split, MEWA updated National Agriculture Strategy 2034

Multiple international F&B players have already established manufacturing operations in KSA



PEPSICO

DANONE

Mondelēz International



FrieslandCampina



The Coca-Cola Company



MARS



pladis

Kraft Heinz

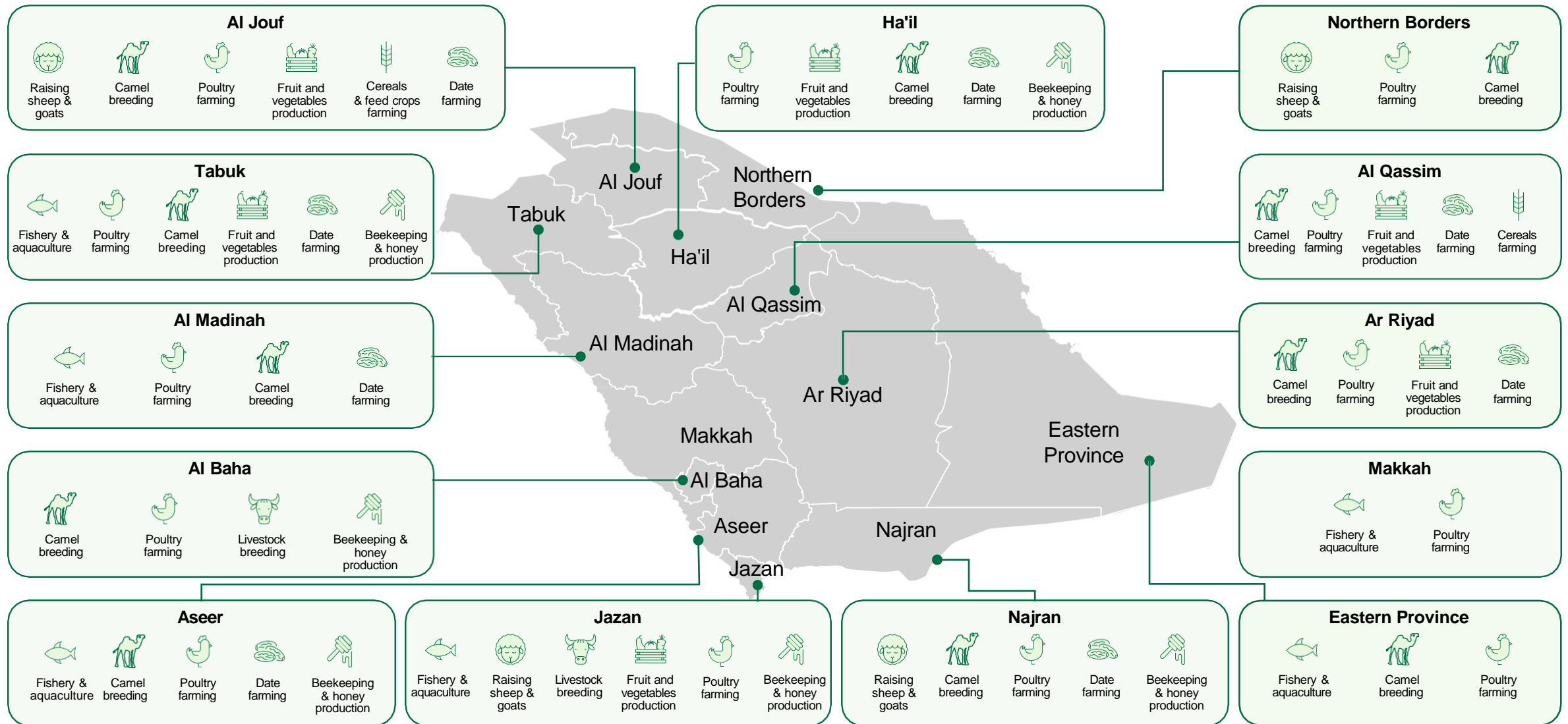


BUNGE



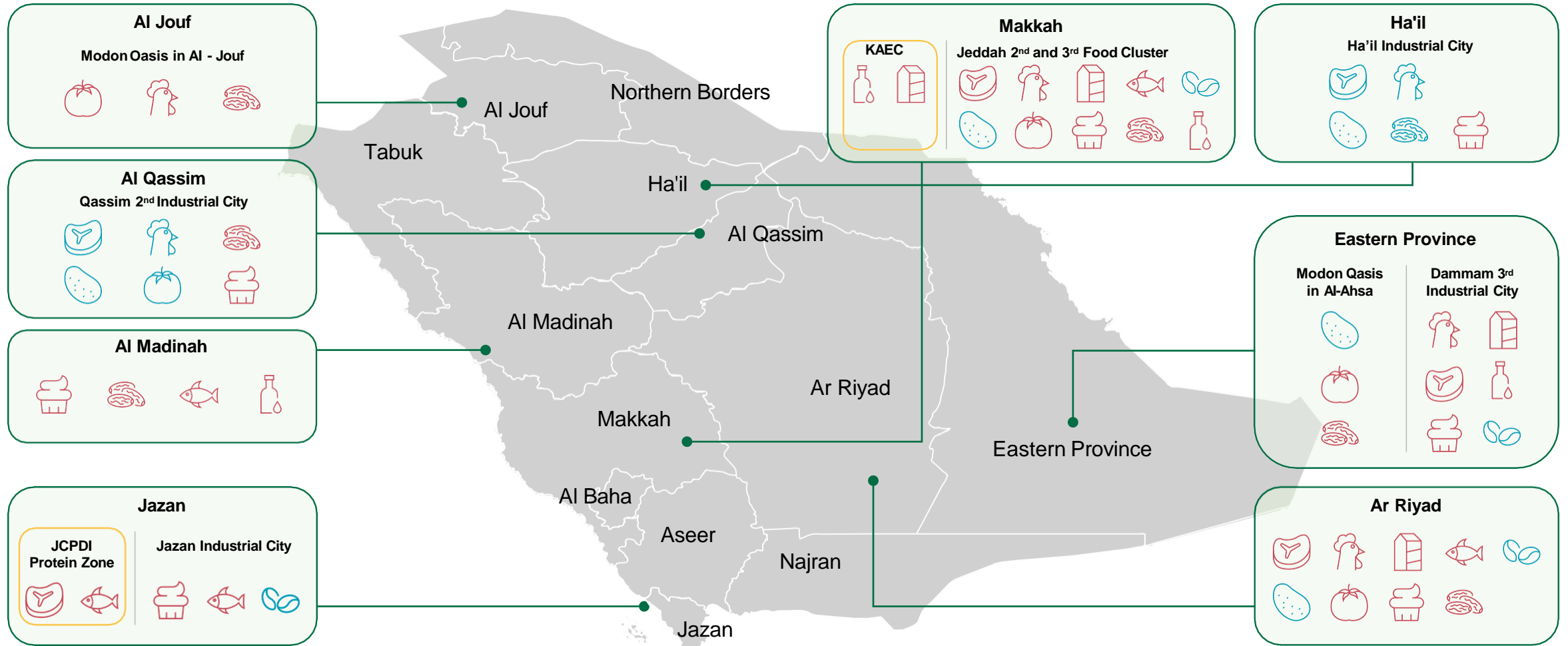
Cargill

However, KSA's diverse climate is suitable for several agricultural activities...



... providing local inputs for food processing activities encouraged in SEZs and industrial cities across the country

■ SEZ
 ■ Primary Processing
 ■ Secondary Processing
 Red meat
 Poultry
 Dairy
 Seafood
 Potatoes
 Tomato Paste
 Dates
 Confectionery
 Refined oils
 Coffee

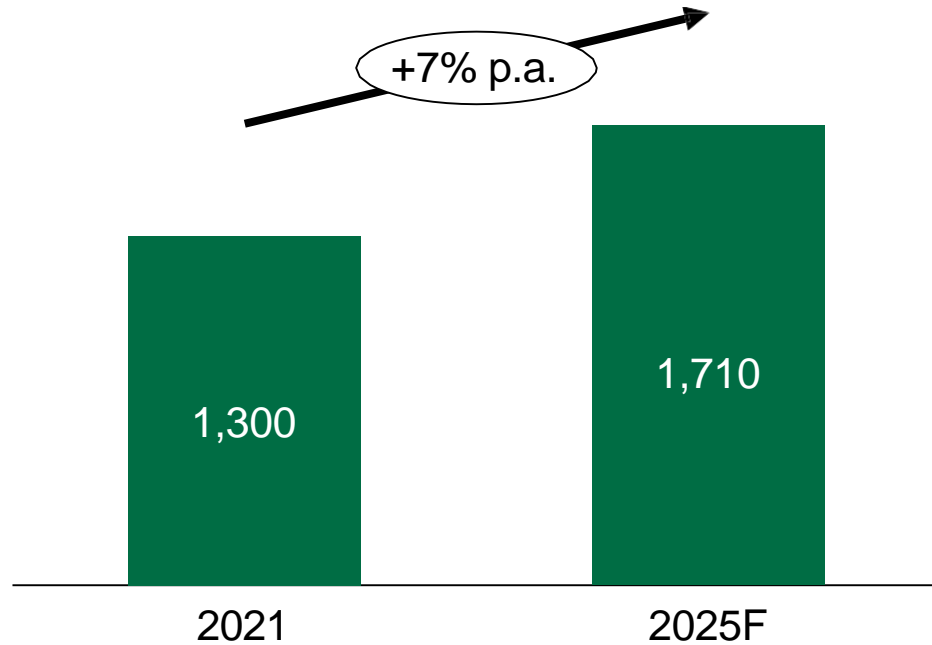


Source: MODON Jeddah cluster strategy

Saudi Arabia is also guardian of 2 holy mosques of Islam, attracting pilgrims and strengthening the value of “Saudi Made” on exported Halal products

Growing global Halal food & beverages market...

Global market size, USD B



... creates an opportunity for agri-food companies with operations in Saudi Arabia

Export opportunities as demand for Halal products is growing globally

Strong goodwill among Muslim consumers driven by Saudi Arabia's importance in Islam

Halal certification in place and established Halal manufacturing practices with opportunity to create the strongest Halal certification label given lack of global leader

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There are 50+ investment opportunities in agri-food sector

Consolidated view, opportunities are further broken down by species

Mega category	Sub-category	Inputs	Farming	Primary processing	Secondary processing	
Proteins	Poultry	Poultry feed manufacturing	Integrated poultry play (production to secondary processing)			
			Poultry farming & primary processing	Poultry secondary processing	Egg ingredients production	
	Red meat & alternatives	Livestock feed manufacturing	Livestock breeding and fattening	Red meat processing		
	Fish and seafood	Integrated seafood play (farming to secondary processing)				
		Aquaculture feed manufacturing	Aquaculture farming	Seafood primary processing (e.g., packaging)	Seafood secondary processing	
			Aquaculture genetics & farming			
	Dairy products and alternatives					Dairy secondary processing & by-products
		Integrated camel milk play (farming to secondary processing)			Baby food production	
	Liquid refreshments	Beverages				
		Hot drinks	Coffee roasting and processing			Ready-to-drink coffee production
Convenient food	Baked goods	Bakery ingredients			Sweet biscuit production	
	Snacks & ready meals	Ready-to-eat meals production				
		Ice cream production				
		Savory snacks				
				Date-based snacks production		
Fruit & vegetables	Fruits	Dates farming and primary processing				
		CEA for strawberries	Fruits & vegetable primary processing			
		Dried fruits production				
	Vegetable	Fruits and Vegetables Seeds Development	Integrated potato play (farming to processing)			
			CEA farming (e.g., leafy greens, tomatoes)	Potato processing		
			Tomato farming and primary processing	Tomato secondary processing		
		Fruit & vegetables primary processing				
Cooking ingredients	Edible oils	Olive oil processing				
					Cooking oil refining	
	Staple foods (Rice, pasta & noodles)	Cereal production				
	Sauces, dips and condiments	Sauces, dressings and condiments production				
Food ingredients						
Others	Sweet spreads	Sweet spreads production				

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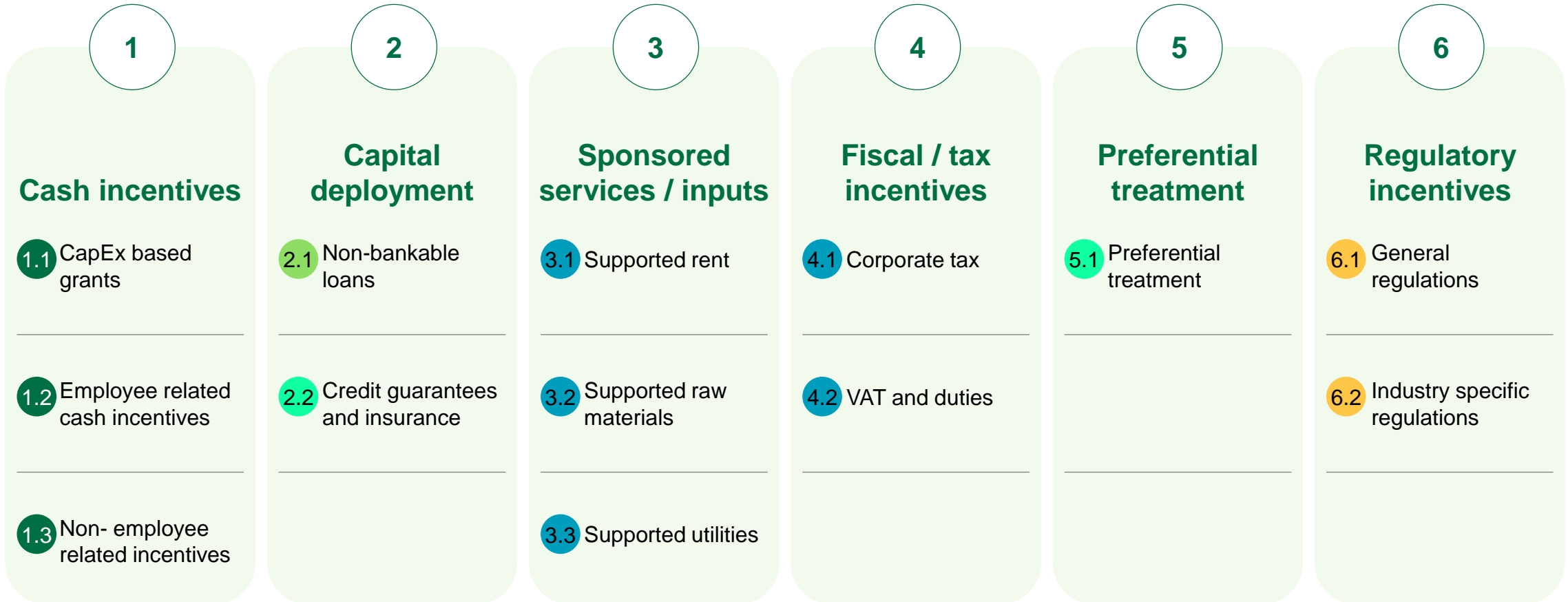
Available incentives and enablers for investors

Multiple incentives for agri-food investors are available across 6 pillars



Each incentive pillar includes **several categories of support mechanisms** available to agri-food investors

Incentive type | Cash payment | Financing | Cash contingency | Revenue / cost subsidy | Non-monetary



In addition to incentives, agri-food investors can benefit from **different types of enablers**

Knowledge and research

Initiatives to advance knowledge through enablement of current establishment of new research centers



Talent development

Investing in the agricultural workforce through knowledge and skill enhancement education and training programs



Connectivity and infrastructure

Investments for developing industrial infrastructure and enhancing connectivity to support businesses



Technology and innovation

Enablement and promotion of modern techniques and technologies to advance the agri-food industry



Institutional support

Support institutions for advisory services, business accelerators, legal support, and streamlined licensing processes



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