

BUSINESS & FINANCE

© 2024 Dow Jones & Company. All Rights Reserved.

THE WALL STREET JOURNAL.

Wednesday, September 25, 2024 | **B1**

S&P 5732.93 ▲ 0.25% **S&P FIN** ▼ 0.92% **S&P IT** ▲ 0.79% **DJ TRANS** ▲ 1.67% **WSJ\$IDX** ▼ 0.51% **2-YR. TREAS.** yield 3.549% **NIKKEI** (Midday) 38068.22 ▲ 0.34% **See more at [WSJ.com/Markets](https://www.wsj.com/markets)**

Landlord Settles Unfair Tactics Case

Invitation Homes to pay \$48 million over security deposits, hidden fees charges

By **WILL PARKER**

Invitation Homes has agreed to pay \$48 million in a settlement with the Federal Trade Commission, which alleged that one of the country's largest owners of single-family homes engaged in deceptive business practices.

The FTC said Tuesday that Invitation Homes unfairly withheld renters' security deposits, charged them hidden fees and rented out houses in poor condition.

Invitation Homes, which owns some 85,000 rental houses nationwide, has agreed to pay the settlement to the FTC to refund consumers. The agreement must be approved by a federal judge before it can go into effect, the FTC said.

"Invitation Homes believes that its disclosures and practices are industry leading," the

company said in a written statement about the settlement, which it said "contains no admission of wrongdoing."

This is the FTC's first action against a major single-family rental landlord, the commission said. But under Chair Lina Khan, the FTC has stepped up scrutiny of several major industries, including technology, retail, pharmaceuticals and rental housing.

As housing costs have accelerated in recent years, federal and local regulators are evaluating the effects corporate

business practices have on housing markets and renters, including how companies set prices and fees. In August, the Justice Department was joined by eight state attorneys general in suing RealPage, a software company used by some of the country's largest apartment landlords, over an alleged conspiracy to coordinate rent increases nationwide.

The single-family rental industry has faced criticism since it arose after the 2008 financial crisis, when large real-estate investors began buying

up foreclosed homes and turning them into rentals in cities such as Atlanta and Phoenix. Opponents say these large firms often use all-cash offers to outcompete smaller buyers.

More recently, concern over the prevalence of rental landlords in single-family housing markets has prompted legislative proposals, mostly from Democrats, to limit these companies' ability to buy homes.

Institutional owners have countered that their business enables families to rent homes

Please turn to page B6

China Threatens To Blacklist Calvin Klein Owner

By **CHUN HAN WONG** AND **AUSTIN RAMZY**

Beijing said it is investigating **PVH**, the owner of Calvin Klein and Tommy Hilfiger, setting up a potential block on the American apparel firm's sales in China just as the U.S. introduces measures to limit Chinese access to its own market.

China's Commerce Ministry said Tuesday that the probe would determine whether PVH is placed on an "unreliable entities list" over allegations that it boycotts cotton products from the Xinjiang region. Being black-listed would prohibit the company from selling to and buying from China.

The investigation escalates Beijing's use of its "unreliable entities" tool, previously used against American defense contractors with already limited access to the world's second-largest economy. The move follows steps by the Biden administration to combat what it sees as threats from China in U.S. markets—whether through trade practices or technology.

The U.S. Commerce Department on Monday proposed a ban on the use of Chinese and Russian components in connected vehicles on U.S. roads, while the Biden administration said earlier this month that it would take executive action to limit the use of a trade provision that lets China-founded e-commerce companies such as Temu and Shein more easily ship to the U.S.

Xinjiang is a cotton-producing area where China's ruling Communist Party has carried out a forced-assimilation campaign against Uyghurs and other predominantly Muslim minority groups. Beijing has denied committing any human-rights abuses in Xinjiang, and used a range of diplomatic and economic tools to counter Western-led criticism of its policies in the region.

The U.S. banned imports of cotton products from Xinjiang in 2021 over reports of forced labor. It has also blocked imports from dozens of Chinese textile

Please turn to page B2



A geothermal-energy project under development in Utah.

AI Demand Spurs Big Tech Scramble For Clean Energy

By **JENNIFER HILLER** AND **AMRITH RAMKUMAR**

Tech giants swore just a few years ago that they would slash their carbon emissions. Then they got swept up in artificial-intelligence mania.

The scramble to build AI data centers that require massive amounts of energy is upending the industry's climate pledges and spurring it to work with power producers to speed development of new clean-energy sources.

In Nevada, Google is teaming up with a utility to buy power generated from heat beneath the earth's surface. In the Carolinas, Google, **Amazon.com** and **Microsoft** are joining with **Duke Energy** on

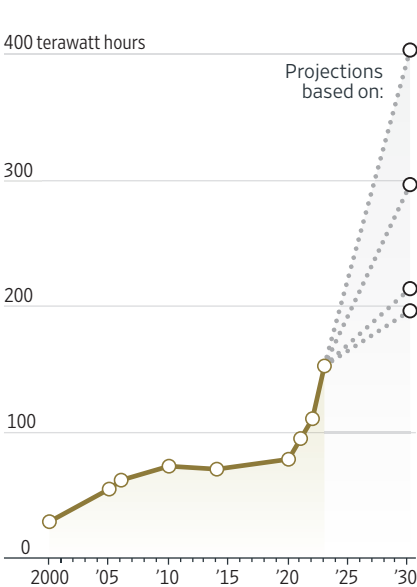
similar arrangements that could boost technologies such as smaller nuclear reactors.

Another early-stage technology that could get tech industry backing are batteries that store clean power for days, instead of hours.

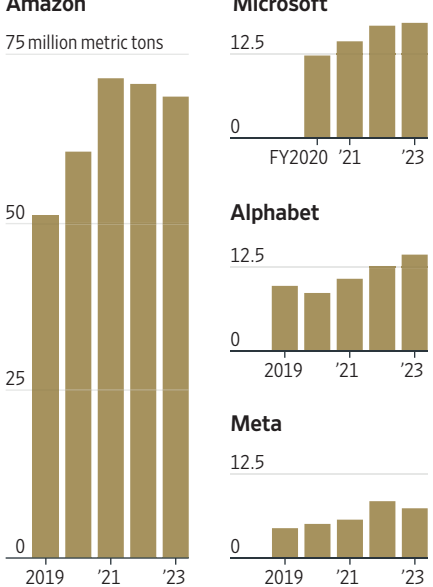
"In the past, utilities and states maybe had to go it alone," said Lon Huber, Duke Energy's senior vice president of pricing and customer solutions. "Now this is sort of like the big, 'Aha!' We've got a new pillar of support."

The agreements reflect the tech industry's desperation for green energy, which is bringing together two starkly different sectors. Tech companies rely on software and the virtual world for rapid growth.

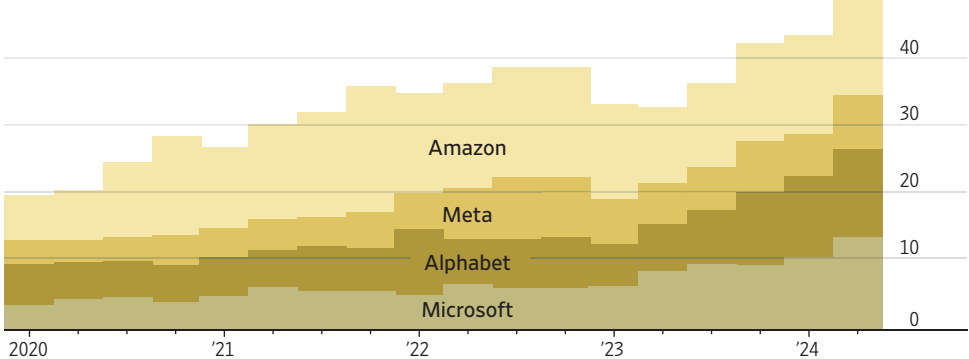
Electricity consumption by U.S. data centers, with projections



Carbon emissions for select tech companies*



Capital spending for big tech companies, quarterly†



*Microsoft data are for fiscal years ended June, all other data are for calendar years. Figures include direct emissions, emissions from energy use and supply-chain emissions. †Data reflect purchases of property and equipment; data are for calendar quarters. Sources: Electric Power Research Institute (consumption); the companies (carbon emissions, capital spending)

Slow-growing utilities aim to keep rates low and the lights on while dealing with the physical limitations of an outdated power grid.

Tech companies are already the biggest purchasers of wind and solar power, but it isn't enough to meet the round-the-

clock needs of data centers. A search on a generative AI platform like ChatGPT uses at least 10 times the energy as a standard one on Google. Emissions from the global build-out of data centers between now and 2030 could equal about 40% of the entire U.S. econ-

omy's annual emissions, Morgan Stanley estimates.

The demand is already extending the lives of fossil-fuel power plants and setting back U.S. climate progress and optimism. **Meta Platforms** recently said its emissions last

Please turn to page B2

Unusual Perks Lure Tenants to N.J. Tower

By **PETER GRANT**

Manhattan's office-vacancy rate climbed to more than 15% this year, a record high. About 80 miles away in Philadelphia, occupancy also is at historically low levels. But a 24-story office tower located between the two cities has more than doubled its occupancy over the past five years.

Developer American Equity Partners bought the New Jersey building, 1 Tower Center, for \$38 million in 2019. At the time, it was 40 years old and felt dated. It had no gym, tenant lounge or car-charging stations. The low price enabled the firm to spend more than \$20 million overhauling and attracting tenants to the 435,000-square-foot property.

Now, equipped with a new

lobby, movie theater, golf simulator, fitness center and a tenant lounge featuring arcade games and ping-pong tables, the suburban building is nearly fully leased at competitive rents, mopping up tenants from other buildings.

"Our tenants told us what they needed in order to fill up their offices," said David Elkouby, a co-founder of American Equity, which owns about 4 million square feet of New Jersey office space.

The new owner also liked the location at the 14-acre hotel and conference-center complex, off the New Jersey Turnpike's Exit 9 in East Brunswick. The site is a relatively short commute for millions of workers in central New Jersey and is passed by

Please turn to page B6

INSIDE



HOW HWEY YOUNG/SHUTTERSTOCK

TECHNOLOGY
TikTok will shut down its music streaming service after just two years. **B2**

BUSINESS NEWS
Sportswear maker Puma turns to generative AI for branding efforts. **B3**

Meta's Smart Ray-Ban Glasses Produce a Silicon Valley Hit

By **MEGHAN BOBROWSKY**

Mark Zuckerberg has touted virtual-reality headsets as the next big thing. It turns out people may want something simpler: sunglasses with a camera.

Meta's Ray-Ban smart glasses are gaining traction among consumers, who say they like using them to take photos for their friends and family as well as to create content for social media. The excitement comes as interest in the metaverse, an online world accessed via virtual-reality headsets, remains muted.

Meta Platforms is expected to preview its latest pair of tech-enabled glasses at its annual developer and hardware conference Wednesday. A Meta spokeswoman declined



TRAVIS BALL/SPA USA/REUTERS

Meta is expected to preview its latest tech-enabled glasses at its annual developer conference Wednesday.

to comment.

The second version of Meta's smart glasses—which are made in collaboration with Italian eyewear giant **Essilor-Luxottica** and are equipped

with a camera, microphones and artificial intelligence—went on sale in October 2023. Zuckerberg, Meta's CEO, said demand has been higher than

Please turn to page B4

Interlake
MECALUX

MAXIMIZE
WAREHOUSE
PRODUCTIVITY
WITH AUTOMATION

interlakemecalux.com | (877) 632-2589



INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A	EssilorLuxottica.....B1	Puma.....B3
Advanced Micro Devices.....B13	F	Q
Alibaba.....B12	Freeport-McMoRan.....B12	Qualcomm.....B13
Amazon.com.....B1,B6	I	R
American Airlines.....B13	Intel.....B13	Roche.....B3
Apollo Global Management.....B13	Invitation Homes.....B1	S
B	K	Shein.....B1
Apple.....B2	KKR.....B6	SkyWest Airlines.....B13
Berkshire Hathaway.....B2	M	Smartsheet.....B4
Blackstone.....B4	Merck.....B3	Snap.....B4
C	Mesa Airlines.....B13	Spotify.....B2
Commerzbank.....B6	Meta Platforms.....B1	T
Constellation Energy.....B2	Microsoft.....A9,B1	Temu.....B1
D	N	Tesla.....A1
Deckers.....B3	Nike.....B3	U
Delta Air Lines.....B13	Novo Nordisk.....B3	Under Armour.....B3
Duke Energy.....B1	Nucor.....B2	UniCredit.....B6
E	Nvidia.....B13	Universal Music.....B2
Eli Lilly.....B3	O - P	V
	Occidental Petroleum.....B2	Visa.....A1
	Oracle.....B2	Vista Equity Partners.....B4

INDEX TO PEOPLE

A	G	O
Arya, Vivek.....B13	Gelsinger, Pat.....B13	Obermann, Ole.....B2
B	Graham, Teresa.....B3	Orlapp, Bettina.....B6
Bankman-Fried, Sam.....A1	H	P
Benjwal, Meenakshi.....B6	Huber, Lon.....B1	Palmas, Franziska.....A6
Benz, Christine.....A9	J	R
Bolvin, Gina.....A2	Jabir, Ermengarde.....B6	Rasgon, Stacy.....B13
Brzeski, Carsten.....A6	K	Rouco, Federico González.....A1
Buffett, Warren.....B2	Kernan, John.....B3	S
C	Knof, Manfred.....B6	Shmulik, Mark.....B4
Corio, Amanda.....B2	Kotzbauer, Michael.....B6	Stavros, Pete.....B6
D	Kropp, Brian.....A9	W
Danely, Chris.....B13	Kurian, Thomas.....B3	Wagner, Gernot.....B2
Drummond, Jamie.....B6	M	Weidmann, Jens.....B6
E - F	Mangum, Fletcher.....A3	Witcher, Brendan.....B3
Elkouby, David.....B1	Milleri, Francesco.....B4	Z
Ellison, Larry.....B2	N	Zuckerberg, Mark.....B1
Freundt, Arne.....B3	Neeleman, David.....B13	



PVH has called China an 'important growth engine.'

Hilfiger Owner Faces China Ban

Continued from page B1

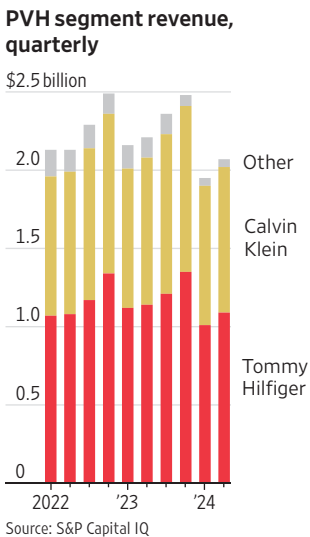
companies over alleged ties to coercive labor practices. PVH said in 2020 that it would cease all relationships with any factories or mills that use Xinjiang cotton or produce garments of fabric in the region. A PVH spokeswoman said the company complies with all laws and regulations in all countries and regions where it operates. She said PVH was in communication with China's Commerce Ministry but declined to comment further.

China's investigation is the latest challenge facing PVH Chief Executive Stefan Larsson. Earlier this year he warned of slowing sales for the apparel giant—sending its shares tumbling 23% in one day.

At the time, Larsson told analysts that China was one of the bright spots. He said it was an “important growth engine” and sales there grew by more than 20% in local currency in the last fiscal year.

PVH doesn't break out country specific sales. For all of Asia Pacific, the company's sales totaled \$1.64 billion in fiscal 2023, or about 18% of its \$9.22 billion in total revenue.

TD Cowen analyst John Ker-



nan estimates that Tommy Hilfiger and Calvin Klein have combined annual sales of between \$575 million to \$700 million in China.

Like other apparel companies, PVH has been shifting production out of China to Vietnam, Cambodia and Bangladesh. Kernan estimates that PVH produces less than 10% of its products in China.

In 2021, H&M was erased from China's Internet over the Swedish clothing brand's decision to stop sourcing from Xinjiang. It was reinstated on popular e-commerce sites 16 months later. China's Commerce Ministry said Tuesday the probe of PVH was prompted by complaints alleging that the company was “boycotting Xinjiang cotton and other products without any factual basis.”

Watch a Video: Mexico Races to Build Route to Compete With the Panama Canal

The Panama Canal isn't as reliable as it once was and Mexico is racing to build a new corridor connecting the Pacific and Atlantic Oceans that would help fill the gap. Scan this code for a video on the project.

BUSINESS & FINANCE



The short-video giant rolled out the subscription-based music-streaming platform in July of last year.

TikTok to Shut Down Short-Lived Music-Streaming Service Nov. 28

By GARETH VIPERS AND SHERRY QIN

TikTok is closing its music service, just two years after parent company **ByteDance** set its sights on taking on streaming giants **Spotify** and **Apple Music**.

TikTok Music will close Nov. 28, the company said Tuesday on its website.

“TikTok Music account information and personal data will be automatically deleted following the closure of TikTok Music,” it said.

Users were advised to transfer playlists to other services no later than Oct. 28.

“We will be closing TikTok Music at the end of November in order to focus on our goal of furthering TikTok’s role in driving even greater music listening and value on music streaming services, for the benefit of artists, songwriters and the industry,” said Ole Obermann, the company’s global head of music business development.

ByteDance first began talks with music labels about expanding its music-streaming offering to compete with industry leaders in 2022, with ambitions to break into the industry by channeling the popularity of viral TikTok songs.

The short-video giant rolled out the subscription-based music-streaming platform in July of last year in Indonesia and Brazil, and then expanded to Australia, Mexico and Singapore weeks after.

TikTok videos have been credited with catapulting new artists and creating hit songs, which has led to clashes with record labels.

In February, **Universal Music Group** pulled its artists’ music from TikTok in a disagreement about whether musicians were paid fairly for their work appearing on the app.

The bust-up, which resulted in videos across TikTok appearing without audio, highlighted the growing importance of social-media companies for the music industry.

Billions of TikTok videos use songs from Universal’s catalog, which includes some of the world’s biggest recording artists—Taylor Swift, Bad Bunny, Olivia Rodrigo, Drake, SZA and Billie Eilish.

The companies reached a deal in May to return Universal’s music to the platform while increasing artist royalties and broadening artificial-intelligence protections.

Big Tech Seeks Clean Energy

Continued from page B1

year were about 70% above 2019 levels. Microsoft’s jumped 40% in the three-year period through June 2023. Google’s surged nearly 50% in the four years through December.

The increases come a few years after the companies pledged to slash emissions and show how hard it will be for businesses to make progress on their climate goals.

One potential solution is taking shape in Nevada. Under a proposed new rate structure, a utility owned by Warren Buffett’s **Berkshire Hathaway** would buy electricity from geothermal startup Fervo Energy, which drills wells to generate power using heat from under the earth’s surface.

Google then would pay a set rate that would cover the difference between the cost of the power and the lower-cost source the utility would have used otherwise. The company would get green energy to help power nearby data centers, as well as more certainty about electricity costs. “We’re hoping to replicate it throughout the U.S.,” said Amanda Peterson Corio, global head of data center energy at Google.

A similar rate structure is being proposed in the Carolinas. Tech companies and steelmaker **Nucor** would pay higher rates that would help lower Duke Energy’s long-term costs and accelerate the development of technologies such as small nuclear reactors, as well as efforts on long-duration power storage. Getting regulatory approval to pay for such projects only with ratepayer money is difficult.

Meta recently announced a partnership with a startup to develop geothermal power projects, which are largely in the West and Hawaii, in the eastern half of the U.S.

New power sources are starting to be included in utility planning but aren’t expected to start producing power on a large scale for many years.

Tech companies are increasingly looking to nuclear to meet their huge clean-power needs. Microsoft has agreed to buy power for 20 years after **Constellation En-**



Microsoft has agreed to buy nuclear power after Pennsylvania's Three Mile Island is restarted.

ergy spends about \$1.6 billion to restart Pennsylvania’s Three Mile Island, the site of the country’s worst nuclear power accident. Earlier this year, Amazon paid \$650 million for a nuclear-powered data center.

Oracle is designing a data center that would be powered by three small modular reactors, Executive Chairman Larry Ellison said on a recent earnings call.

The companies also are striking deals for new carbon-removal efforts, which could help them neutralize unavoidable emissions. Google recently agreed to pay for 100,000 metric tons of carbon removal to be delivered by the early 2030s by Holocene, a startup that uses chemistry to reduce the cost of trapping carbon in the open air. That is roughly equivalent to the annual emissions of about 22,000 gas-powered cars.

Microsoft has struck recent deals with companies such as oil giant **Occidental Petroleum** and a startup founded by former SpaceX engineers called Arbor. It is by far the biggest buyer of carbon removal credits.

Over time, tech companies say AI could help them limit emissions by, for example, helping utilities more efficiently deploy renewable power. But it isn’t clear such benefits would come close to making up for the soaring emissions.

“It’s a massive increase that may not be justified by the productivity gains from AI,” said Gernot Wagner, a climate economist at Columbia Business School.

Quitting smoking was hard. Screening for lung cancer is easy.

If you smoked, you may still be at risk, but early detection could save your life. Get **SavedByTheScan.org**

American Lung Association ad COUNCIL

PAID ADVERTISEMENT



**Unlocking Billions:
Saudi Arabia's Capital
Markets
Transformation**
Page 3



**The World's Largest
Construction Site:
Saudi Arabia Is
Building Its Future**
Page 4



**Industrial Revolution
4.0: Saudi Arabia's
Leap Toward a New
Economy**
Page 6

BTI Reports
Read full report on:
btireports.com



Saudi Arabia has entered a new dawn of industrialization spurred by the government's Vision 2030 program, a social and industrial blueprint meant to halt the country's reliance on oil revenue, position the country as a hub for international investment and heighten opportunities for its citizens. According to the International Monetary Fund, the nation's economic growth is expected to rise to 4.5% in 2025 up from a projected 1.7% rise in 2024 due to the nation's continued focus on improving good governance, investment efficiency and digitization. While the giant national initiative has set the groundwork, the most vital shift has been a rallying of the private sector and the creation of national champions that are set to take the nation well beyond 2030.

Saudi Arabia's larger private players have firmly latched on to its diversification strategy, with large strides made to advance tourism and entertainment, unlock Saudi Arabia's extractives sector, construct advanced infrastructure and broaden its financial services industry. Saudi Arabia's Minister of Investment Khalid A. Al-Falih recently announced that the contribution of non-state enterprises to the gross domestic product is expected to rise to 65% by the end of the decade, representing a 300% increase from when the



Vision 2030 program was launched in 2016. Inclusion of the private sector has also triggered a move to increase transparency in the market, with Saudi Arabia's Minister of Economy and Planning Faisal F. Alibrahim signing an agreement with the Organisation for Economic Co-operation and Development for cooperation in creating public policy related to corporate governance and other development factors at the annual World Economic Forum meeting in January 2024.

Alongside the growth of Saudi Arabia's national champions, the Kingdom is also experiencing an entrepreneurial revolution, highlighted by it placing third in the world in the Global Entrepreneurship Monitor ranking for 2023-2024. According to the report, Saudi Arabia is seeing a large percentage of new startups in advanced technological fields such as artificial intelligence and fintech and environmental sustainability led in part by the nation's giant incubators such as KAUST Innovation Fund and Riyadh Techstars. In the last decade, up-and-coming Saudi Arabian companies have attracted \$3.3 billion in capital venture funding. The country now leads the Middle East and North Africa region in terms of venture capital, accounting for 54% of all startup investments in the first half of 2024 compared to only 38% in the first half of 2023.

Saudi Equities: Pioneering Growth in a Transforming Market

Listing on the Saudi Stock Exchange (Tadawul) has become a strategic move for companies seeking to enhance their market presence and financial performance. Saudi Arabia's listed entities are seeing increased earnings due to increased investor confidence, improved access to capital and heightened visibility in the market. Major Saudi Arabian companies now listed on Tadawul include local energy giant Saudi Aramco, the world's largest Islamic financial institution Al Rajhi Bank, chemicals manufacturing frontrunner Saudi Basic Industries Corporation and the country's leading mining player Ma'aden. Listing of the country's major players is part of Saudi Arabia's privatization campaign under its current national blueprint. "The country has undergone a significant transformation under the Vision 2030 program, which is made up of various programs to support its achievement. The key to any successful transformation is clarity on what needs to be achieved," said Othman AlKassabi, CEO, Company for Cooperative Insurance (Tawuniya). As of the end of Q1 2024, Tadawul had 234 listed companies, with 85 on the parallel market. Strong growth is evidenced through the rise of the country's new national champions. Dr. Sulaiman Al Habib Medical Group (HMG) was listed on the Saudi Stock Exchange in 2020 and has since seen

a four-fold increase in share price. The company is now the largest medical provider in Saudi Arabia and the Middle East region and third largest in the world. Faisal Al Nassar, President and CEO of HMG, points out the impact of privatization on growth of the local market: "In the past, the public sector's spending on capex resulted in a slow implementation when developing sectors. We are now seeing a huge move towards the government lowering its capex and looking to the private sector to bridge the gap and speed up development." Additionally, Tawuniya was an early joiner to the Tadawul, having been listed since 2005 and is now the largest insurance entity in the Middle East and

"The key to any successful transformation is clarity on what needs to be achieved."

**Othman AlKassabi
CEO, Tawuniya**



North Africa region. The company's leader points to privatization and listing on the Saudi Stock Exchange as not only beneficial, but as a developer for sectors such as insurance: "Government privatization efforts have also expanded the addressable market as private entities require mandatory insurance."

Skyscraping Ambitions With Riyadh's Renewed Urban Center

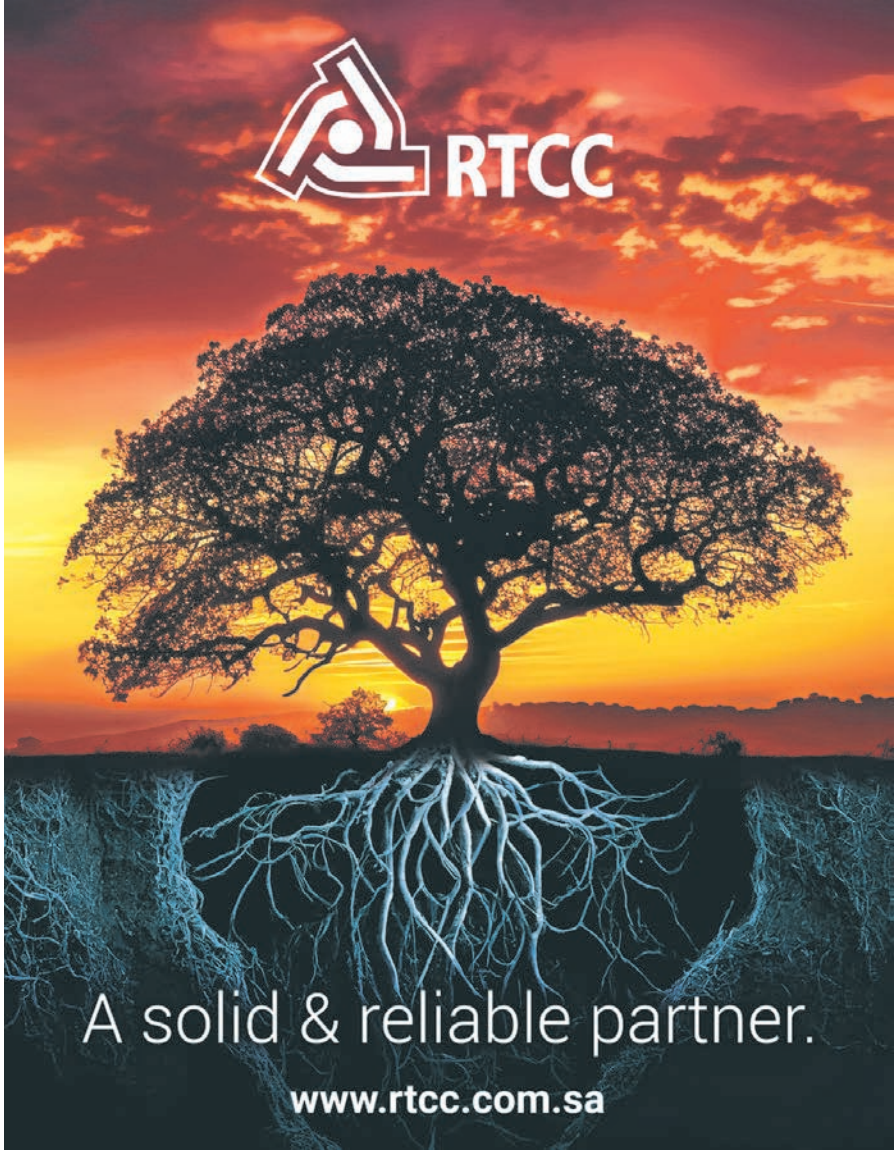
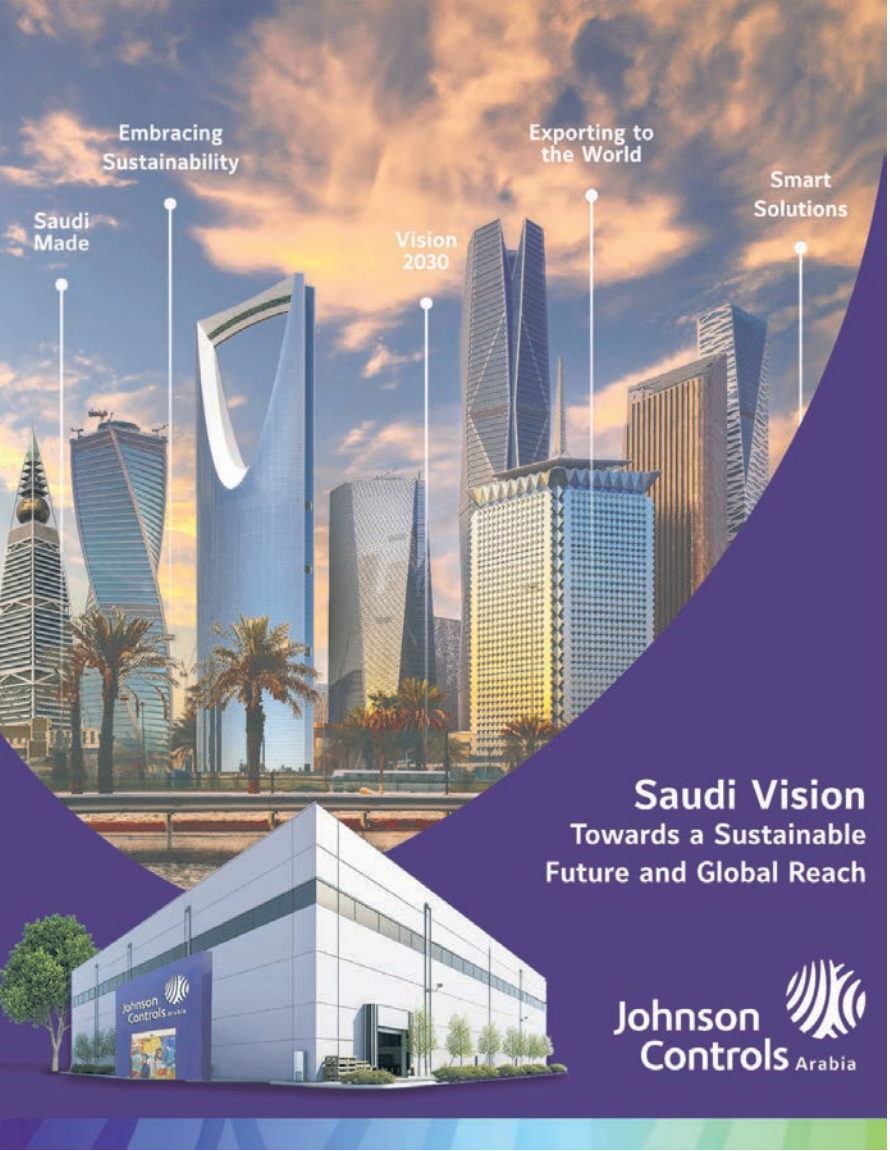
Gautam Sashittal, CEO, King Abdullah Financial District Development and Management Company, talks about the revitalization of Riyadh's downtown core into a multi-asset business and lifestyle hub as a crucial and emblematic piece in Saudi Arabia's current cultural and economic revolution

Eyes around the world are turning to Saudi Arabia as the bulk of its giant Vision 2030 initiative developments make headway. Chief among these projects is the redevelopment of the King Abdullah Financial District (KAFD), Riyadh's premier financial district designed by 25 world-renowned architects. The 395-acre plot consists of 95 modern edifices including its 65 colossal towers. The zone is now one of the most sought-after business addresses in the region, with easy access to more than 40 markets within four hours, over 40% of the world's gross domestic product in six hours and more than half of the world's population in seven hours. Under new ownership by the Public Investment Fund (PIF) in 2018, the district has undergone a successful metamorphosis into an omni-functional smart and sustainable city and a symbol of the new Saudi Arabia. The new concept targets the five following segments as key constructs of modern urban life: work, personal space, shopping, entertainment and hospitality. "KAFD provides more than just a business advantage and a place to establish business operations; KAFD offers something more profound – a place to call home," said Gautam Sashittal, CEO of KAFD. The revitalized city center is seen as a key step

towards the government's targets of raising Saudi Arabia's rankings to 10 in the world's social capital index, growing Riyadh's population from 7.5 million in 2022 to between 15 million and 20 million by 2030 and ranking the urban center as one of the world's top ten cities.

The neighborhood contains the capital's iconic Financial Plaza surrounded by six towers, including SEDCO Holding's offices, with its three-dimensional decorative façade inspired by Islamic architecture, and the Public Investment Fund Tower, the tallest skyscraper in Riyadh. It also contains Saudi Arabia's avant-garde after-work venues, including London's Mediterranean-meets-California A.O.K. Kitchen and Italian gourmet eatery Il Baretto. "Our ultimate goal is to make KAFD a twenty-four-seven district, one that never sleeps," said Sashittal. "Residents will have access to everything they need." Included is a full social calendar in line with Saudi Arabia's pledge to commit \$64 billion to catalyze the nation as a global entertainment hub, including sporting competitions, food festivals, Riyadh's weekly Thursday-night social MDLBeast and fashion shows. To meet growing demand for business events, the KAFD Conference Center spans 33,500 square yards and features a giant multi-use event hall. The district is also set up to support and incubate small and medium-sized enterprises through its dedicated state-of-the-art infrastructure and connectivity to the country's largest entrepreneurial support entities.

Continues on page -4.



The Wall Street Journal news organization was not involved in the creation of this content.

Paid for by: BTI Reports, RTCC, KAFD, Eirad Holding, JCA, Amiantit, Alrawaf Contracting, Ajan& Bros Holding, Al Salehat Holding, Zoujaj Glass, SPIMACO, Tawuniya, SGR, SAB Invest, BSF Capital and HMG

PAID ADVERTISEMENT

SAUDI ARABIA

PAGE - 2

Leaders in Their Field

Saudi Arabia's latest economic vision is now being led by female leaders who are breaking down barriers and putting their own version of what their nation can become into reality

One of the largest forces behind Saudi Arabia's current success is an early focus on driving diversity and inclusivity under the Vision 2030 initiative, not only in looking towards new ideas and sectors but in leveling the playing field for gender equality and participation in the market.



"I am honored to have left a legacy of inspiration, which has been inwardly inspiring."

Amal Dhokan
General Partner, 500 Global MENA

The country is now surpassing other markets around the world in inclusion of women in the workplace. In 2021, Saudi Arabia achieved the third-highest global percentage of women entering entrepreneurial roles and had well outstripped the average participation of European women in tech jobs of 17% with a rate of 28%. "One of Vision 2030's targets is to have 30% of the workforce being women, and I believe we are at 47% today," said Amal Dhokan, one of Saudi Arabia's most well-known business figures and current partner for 500 Global. "The sense of pride in what we have achieved is contagious." Countless female trailblazers are now making a name for themselves in all walks of business, from investment, art, sports and entrepreneurialism.

One such leader is Amal Dhoken, who began her

career as a children's teacher and found her calling as one of the earliest drivers of entrepreneurialism during her time at King Abdullah University of Science and Technology where she was a key developer of the school's initial startup platforms. She sees her initial decade-long work in education as being a key building block for her later successes in promoting new businesses: "Entrepreneurs are no different than students in that they are curious and want to break rules. They identify, observe and want to be involved in the creative process. They want to make a mess and understand how to rebuild things together." In 2021, Dhokan was announced as partner of 500 Global, a venture capitalist entity that manages around \$2.4 billion in assets and is focused on driving tech-related startups. At the time, she was the first female to fulfill a general partner role within Saudi Arabia. "I have had people call me the grandma of entrepreneurship in Saudi Arabia as one of the first women that ever spoke publicly about it in the early days," said Dhoken. "I am honored to have left a legacy of inspiration, which has been inwardly inspiring."

Another recognized leader is the famous Mashael Al Obaidan, one of the nation's top female pro rally drivers and the first woman to obtain a rally license in Saudi Arabia. Al Obaidan made news by her initial participation in the Dakar Rally in 2022, coming in seventeenth place in the four-wheel side-by-side category. "I felt proud to represent my country in the toughest rally in the world, knowing that the percentage of women participating does not exceed 5%," she said. "Around 50% of competitors drop in the first week." Sports is a major focus in the government's Vision 2030 initiative, under which the Dakar Rally was brought to the nation in 2020 and the popular Saudi Arabian Grand Prix was created in 2021. "The sport sector is one of the strongest booming sectors in Saudi Arabia; it is engraved in Vision 2030," said Al Obaidan. "Saudi's major investments in motorsports shows how keen we are on developing it globally." The athlete also

participates in sports beyond rally driving such as scuba diving, free diving and most recently being a pilot at Saudi Arabia's first-ever E1 boat race in February 2024.

As Saudi Arabia expands its focus beyond business towards updating its cultural lens, other prominent female front-runners are leading the

opportunities for professions within the sector is enormous, including logistics, insurance, installations, productions and scenography. Growth of the art sector will help to diversify the economy while enhancing the development of a more creative economy."

All three women are using their leadership roles to



"I aim to show the global audience who the Saudi women are today, the sectors we are leading in, our global achievements and what lies beyond."

Mashael Al Obaidan
International Pro Rally Driver

charge in reframing Saudi Arabia as a center for the arts. Raneem Farsi established the art consultancy Raneem Farsi Art Advisory – now AR Art Advisory – in 2011 after returning from her master's degree at Sotheby's Institute of Art. The artist won high acclaim as co-curator of the first Desert X project at the scenic city of Al'Ula in 2020, a giant open-air art festival featuring 14 artists mixing landscape and art. She also curated the public program for the first edition of the high-profile Diriyah Contemporary Art Biennale in 2021.

"Engaging with the public and allowing accessibility to everyone is a priority."

Raneem Farsi
Art Curator & Founder, AR Art



The artist and businesswoman is an avid promoter of other artists, including holding a seat on the board of the Saudi Art Council in Jeddah. Farsi underlines the potential for the local art world in building Saudi Arabia's economy: "From a purely economic angle, the number of

sees her work in the art world helping others express themselves as pushing boundaries. "Art is a soft power in the sense that it is the biggest driver of unity," she said. "Engaging with the public and allowing accessibility to everyone is a priority."

ajlan & bros
Holding

OUR BUSINESS FOCUS

Water

Power

Environment

Defense

Retail

Real Estate

Finance & Fintech

Logistics

Industrial Manufacturing

Technology

Mining

FMCG

Healthcare

Tourism

Gaming

Entertainment

A LEADING & DIVERSIFIED GROUP OF COMPANIES

in more than **25 countries** with headquarters in **KSA since 1979**

www.ajlanbros-holding.com @AjlanBrosGroup

PAID ADVERTISEMENT

SAUDI ARABIA

PAGE - 3

Unlocking Billions: Saudi Arabia's Capital Markets Transformation

Saudi Arabia's capital market is undergoing rapid transformation, fueled by ambitious reforms and an increasing demand for foreign investment. In 2021, the country unveiled its National Investment Strategy, aiming to inject \$3.3 trillion into its economy by 2030, which includes using the Saudi Stock Exchange (Tadawul) as a key contributor. Muhammad Elkuwaiz, chairman of the Capital Market Authority (CMA), points to the evolution of the Saudi capital market as a lynchpin in transforming the country's financial services sector: "Historically, the sector has been profoundly underutilized and underappreciated mainly because it was not viewed as an economic sector but rather as a public utility." The government now plans to leverage the stock exchange as a central component of its Financial Sector Development Program, which aims to reach over \$935 billion in banking assets and achieve an over 80% increase in the market value of Tadawul as a percentage of the nation's GDP — excluding the impact of Saudi Aramco — by 2030. Investment bank Goldman Sachs anticipates that approximately \$1 trillion of anticipated investments could be allocated between 2024 and 2030 to develop sectors such as clean technology, metals and mining, and transport and logistics. "The positive sentiment around the Saudi economy, government reforms and the diversification of the economy under Vision 2030 along with a focus on sustainable public spending and infrastructure development collectively contribute to a favorable investment environment," said Salam AlKhunaizi, CEO of BSF Capital. "It is possible that these trends will continue for Saudi Arabia in the medium and long term."

Tadawul was established in 2007 as the exclusive entity authorized to function as the securities exchange in Saudi Arabia. This development was part of a broader initiative to modernize the nation's financial sector, which also included the launch of the CMA in 2003 to regulate and oversee the market. The stock exchange has grown significantly since joining

"Historically, the sector has been profoundly underutilized and underappreciated mainly because it was not viewed as an economic sector but rather as a public utility."

H.E. Dr. Muhammad Elkuwaiz
Chairman, CMA



international indices such as the Financial Times Stock Exchange Index and MSCI Emerging Markets Index in 2019, advancing from the 11th to the sixth largest among the 24 nations in the MSCI Emerging Markets Investable Market Index.



Salam AlKhunaizi, CEO of BSF Capital, points to technological advances made by the CMA: "The introduction of advanced trading systems and platforms has improved the efficiency and accessibility of the Saudi market and made it easier for investors to trade and manage their portfolios." The CMA is currently working on enhancing the role of the stock market and equity



"The introduction of advanced trading systems and platforms has improved the efficiency and accessibility of the Saudi market."

Salam AlKhunaizi
CEO, BSF Capital

rights, developing the sukuk and debt instrument market, enabling growth of the asset management industry, enhancing capital market

services and enhancing governance and transparency of listed companies. "Recent developments such as the launch of a parallel and derivatives market have further strengthened the capital market," said Abdullah Alshwer, CEO of local investment bank Riyadh Capital, which managed \$24.8 billion in assets in 2023. "These reforms align with Vision 2030's goal to make Saudi Arabia one of the top five capital markets globally."

In the last several years, the Saudi Arabian market has been marked with a significant increase in initial public offerings (IPOs), including the IPO of local energy giant Saudi Aramco in 2019, the world's largest of all time. In 2023, the market saw an increase in IPOs and direct listings, with 43 companies joining the market. In Q2 2024, three out of the top five initial public offerings in the Gulf Cooperation Council region were done on Tadawul, including \$764 million raised by local healthcare services provider Dr. Soliman Abdel Kader Fakeeh Hospital Company and \$224 million raised by insurance and financial services technology entity Rasan Information Technology Company. Ali Almansour, managing director and CEO of the local banking investment powerhouse SAB Invest, sees the privatization of companies and an increase in listings as key in attracting investment: "The opening of the market to more investor segments and the increase in IPOs have

brought new liquidity and extended the universe of investable securities."

Saudi Arabia's Vision 2030 initiative aims to boost annual foreign direct investment inflows to \$100 billion and elevate foreign direct investment to 5.7% of GDP by 2030. A portion of this target is anticipated to be achieved through enhanced international participation in the nation's stock exchange, which has increased more than fourfold since 2018. In Q3 2023, foreign ownership in the local capital market reached \$112 billion, up from \$19.2 billion at the end of 2016. In August 2024, the Kingdom introduced its New Investment Law designed to level the playing field for both Saudi and non-Saudi investors. This new law replaces the existing Foreign Investment Law and includes key changes such as eliminating the requirement for foreign investment licenses in favor of an investment registration system managed by the Ministry of Investment. The legislation also enhances investor rights by providing safeguards against expropriation, protecting intellectual property and facilitating dispute resolution for all investors, regardless of nationality. These changes are set to be implemented in February 2025. "Comparative advantages of investing in Saudi equities include an improved regulatory environment that aims to reach global standards, friendly tax rates, availability of capital, a

large number of expected IPOs and privatization of public sectors," said Mazin F. Baghdadi, CEO and managing director of leading asset manager and financial services provider Alinma Investment. SAB Invest's CEO points to key reasons for the attractiveness of Saudi Arabia for foreign investors: "These include growth in spending under the Vision 2030 initiatives, the development of new sectors, new IPO activities, regulatory changes and market openings by the regulator." According to Goldman Sachs, foreign involvement is expected to rise to 3.4% by of the Saudi Arabian gross domestic product by 2025 and 5.7% by 2030.



"The opening of the market to more investor segments and the increase in IPOs have brought new liquidity and extended the universe of investable securities."

Ali Almansour
CEO, SAB Invest

The Power and Potential of Data Centers in Saudi Arabia: A Success Story in Progress

Saudi Arabia is rapidly emerging as a regional leader in data center investments, driven by the rising demand for digital services and technologies like artificial intelligence, cloud computing, and IoT. In alignment with Vision 2030, the Saudi Data Center Fund 1 was established in 2021 to support the country's digital transformation. This pioneering fund, managed by BSF Capital in collaboration with Al Moammar Information Systems Co. (MIS), aims to capitalize on the early-mover advantage in the Kingdom's nascent data center market.

A strategic initiative.

Saudi Data Center Fund 1 represents a landmark effort in greenfield development in building and operating multiple hyperscale standard data centers across Saudi Arabia. The fund, with an initial target size of SAR 1.5 billion (\$399 million),

client demand, particularly in Dammam. This ability to scale demonstrates the fund's responsiveness to market needs. A major milestone for the fund is securing long-term leases with international clients for its Dammam sites. The fund is also actively negotiating a strategic partnership with a major entity that will potentially add further scale and expertise to the overall ambitions of the fund. Such a potential partnership highlights the strong market potential and strategic importance of the fund's initiatives.

Future outlook.

Looking ahead, the Saudi Data Center Fund 1 is well-positioned to continue driving Saudi Arabia's digital infrastructure development. The fund's expansion strategy aims to increase capacity to 120 MW in response to growing demand.



is focused on creating cutting-edge facilities that can support the Kingdom's growing demand for data storage and processing. These centers, located in Riyadh and the Eastern Province, are designed to be scalable and robust, meeting the needs of both private and public sector clients.

Achievements and progress.

Since its launch, the fund has made significant progress. By mid-2024, four data center sites—three in Dammam and one in Riyadh — are nearing completion with a fifth side being commissioned. The fund has expanded its initial capacity from the originally planned 24 MW to 32 MW to meet rising

Additionally, the fund is exploring opportunities to cater to emerging technologies like artificial intelligence, which are expected to further boost demand for data center services. With Saudi Arabia's data center market projected to continue growing at a blistering pace, the Saudi Data Center Fund 1 stands at the forefront of the Kingdom's digital revolution, offering unparalleled opportunities for investors and stakeholders alike. As Saudi Arabia continues to solidify its position as a leader in the digital economy, the Saudi Data Center Fund 1 will remain a key player, driving technological advancement and economic growth.

Navigating Growth: SAB Invest's Strategic Moves

Ali Almansour, managing director and CEO, SAB Invest, details the reasons for the investment management company's sharp rise in profits in 2023 and its plans to continue expanding alongside growing demand for investment in Saudi Arabia

As investment markets around the world untighten their purse strings due to lowered inflation and new opportunities, Saudi Arabia is outpacing regional markets in spending and attracting foreign direct investment. In the fourth quarter of 2023, total foreign direct investment into the country stood at around \$19.3 billion, with inflows in the last quarter rising by 16.6% compared to the previous quarter. Additionally, Saudi Arabia's sovereign wealth fund Public Investment Fund swung to profit in the same year, in part due to high returns of around \$25 billion from investment activities. With the market abuzz with activity, the nation's top investment management entities such as SAB Invest are undergoing major transformations to provide their clients with successful links to opportunities. Ali Almansour, managing director and CEO of SAB Invest, remarks on the nation's fast rise as an international investment hub: "From 2019 to 2023, the total assets under management in Saudi Arabia grew by 75%, reaching a value of around \$230 billion, mostly linked to the Vision 2030 reforms. The diversification of sectors beyond petrochemicals and banking to include logistics, healthcare, insurance, pharmaceuticals and real estate has allowed us to build more diversified strategies." The investment leader pointed to major reforms such as the introduction of a qualified foreign investors program in 2015 and inclusion into international indices in 2019 as key drivers for the current upbeat market.

Established in 2008, SAB Invest has grown significantly in the last few years following becoming the investment arm of Saudi Awwal Bank and the bank's fully owned subsidiary in 2022. The company's new five-year growth strategy launched in January 2023 has not only completely transformed the company's ethos but set it on a path of unprecedented growth. A crucial part of the 2027 blueprint is the creation of a real estate & alternatives segment, which is expected to launch products throughout 2024. "The energy since the launch of this strategy is evident. People now have a vision, new targets and new ambitions," said Almansour. "The increase in initial public offering activities — whether from government-owned or family-owned businesses — has created opportunities that local and foreign investors want to participate in." Last year SAB Invest posted a 180% rise in net income to the tune of \$25.7 million. The company added \$3 billion to its assets under management in 2023, representing a growth of 73%. Additionally, the

investment house saw its institutional and ultra-high net worth client base expand by 35% in the same year. "Given that our business has existed for decades, this kind of growth is extremely encouraging and a great base for our new strategy." In February 2024, the company was recognized as Asset Manager of the Year for 2023 at the Saudi Capital Market's annual award ceremony.

The CEO attributes the company's recent success to its heavy focus on building up and training its workforce to meet the oncoming demands of the market. In 2023, SAB Invest performed more than 345 training courses for its staff and launched its new Graduate Development Program. "We already had very good people working at the company, but we needed to attract more professionals to cover certain gaps. We are fortunate that the that highly



regarded professionals in the industry whom we approached had agreed to join and lead our various businesses," said Almansour. "In investment management, we are essentially selling the talent of our professionals." Moving forward, the company intends to build on its strong performance in 2023 to launch new investment offering and further invests in its digital infrastructure. "We currently only serve around 4% of the Saudi Awwal Bank's client base, and there is significant room to expand within the franchise," said Almansour. "We have a long history in the market, having launched the first Saudi equity mutual fund in the early 1990s, which we still manage today. Our legacy and heritage in investing are strong, and we continue to innovate with new strategies and exposures to different asset classes."

PAID ADVERTISEMENT

SAUDI ARABIA

PAGE - 4

"We have created an ideal ecosystem that connects, inspires and empowers leaders, changemakers and visionaries," the CEO said. KAFD is now home to more than 33 industry giants such as American pharmaceuticals player Pfizer, consulting firms Roland Berger, Alvarez & Marsal and Deloitte and multinational insurance entity Bupa alongside Saudi Arabia's Saudi Aramco and lead financial players such as PIF, the Saudi Central Bank and Capital Markets Authority.

Since it took over, PIF has been instrumental in transforming the financial district into its new forward vision and passing its latest milestones. The national sovereign wealth fund is currently

"We are transforming this district into a cognitive city; we're creating an environment where buildings, people, work and mobility come together seamlessly through data analytics."

Gautam Sashittal
CEO, KAFD

worth around \$650 billion and is one of the largest funders of the Vision 2030 program. "PIF's vast network and influence in the region have opened doors to some incredible partnerships and collaborations," said Sashittal. In May 2023, KAFD signed a partnership with one of the world's largest hotel groups, IHG Hotels & Resorts, to bring its Kimpton brand luxury hotel to the city that is currently set to open in June 2024. In September 2023, KAFD also signed up with international telecommunications technology provider Orange Business to build, design and run a smart city platform alongside Hong-Kong based artificial intelligence leader SenseTime. "We are transforming this district into a cognitive city; we're creating an environment where buildings, people, work and mobility come together seamlessly through data analytics," said Sashittal.

At the core of the KAFD development is a focus on creating one of the world's most sustainable neighborhoods. Key amongst its sustainable features is its reinvented mobility. A total of 40 climate-controlled sky bridges have been constructed to connect all towers, encourage pedestrian connectivity and decrease outside traffic. Additionally, the company plans on building a 2.24-mile monorail that will be driverless and run solely on electricity. Outside of innovating transportation, KAFD has installed a system to recycle water in the district for irrigation and surplus supply for the city, with new buildings 20-30% more water efficient than traditional structures. Another innovation is the

district's waste system, which has cut its reliance on vehicles and instead uses 16 public bins and 160 waste inlets that attach to the city's waste centers through a 13-mile network of underground vacuum pipes. On top of solar panels lining its towers, KAFD is currently looking into the use of solar heat reflective coating on building surfaces and concrete to further reduce heat.

For its green efforts, KAFD has received the Leadership in Energy and Environmental Design or LEED stage two platinum certification from the non-profit U.S. Green Building Council, making it the largest mixed-use financial center in the world



to receive the highest possible accreditation for sustainable construction. Additionally, more than 40 buildings in the district have achieved silver and gold LEED certifications. "We are guided by the United Nation's Sustainable Development Goals and environmental, social and corporate governance principles to minimize our environmental footprint, whether through our energy-efficient heating, ventilation and air conditioning systems, water-saving initiatives, eco-conscious design elements or greenification. We are creating healthier and more efficient spaces for our tenants and residents," said Sashittal. Notably, the company is making strides to make the city a green paradise in what the CEO calls its "green spine", with around 400 palm trees, 3,480 canopy trees, over 130,000 shrubs and more than 220,000 ground-cover plants rooted in 2022 in addition to the city's more than 4,780 square yards of lawn.

While much has been done, the project to create a vibrant multi-asset destination is far from finished, with targets to house between 80,000 and 100,000 residents and workers by the end of 2025. As of November 2023, the district had nine projects in design or under construction with only 40% of KAFD's land bank already developed. "KAFD was conceived to take the economy of Riyadh to new heights. Today, it is well-positioned to become a first-choice destination that will drive economic growth and create employment," said Sashittal. "There is much more to come as we shape KAFD to become a vivid, authentic glimpse of what the future looks like for Saudi Arabia under Vision 2030."

The World's Largest Construction Site

Saudi Arabia's accelerated push toward industrialization has transformed the nation into a global epicenter of construction activity, positioning it as the world's largest construction site and a key player in global infrastructure development. Spearheaded by its flagship giga-projects such as the NEOM smart city, Red Sea tourism projects and the capital's King Abdullah Financial District, the construction sector is now Saudi Arabia's second-largest contributor to the national economy in the non-oil segment, with an output value of \$141.5 billion. According to UK-based real estate and consultancy company JLL, the nation now leads the world in construction projects with \$1.5 trillion worth of unawarded construction projects as of Q1 2024. The industry is considered the driving force behind the Kingdom's physical transformation under its Vision 2030 program, with local private sector champions rallying to foster job creation, embrace new innovations and promote sustainability. "The construction sector is undergoing a significant and positive transformation that is expected to continue for the next seven to 10 years," said Rashid Saad Al-Rashid, chairman of Al-Rashid Trading and Contracting Company (RTCC), one of Saudi Arabia's construction frontrunners. "Vision 2030

collaborations — spanning from natural gas projects to water and electrical substations — are not just about executing large-scale projects, they are avenues for technological and knowledge transfer," said the company's chairman. Other private sector leaders such as Khalid Ibrahim AlRawaf, CEO of AlRawaf Contracting Company, also point to cooperation on projects as the impetus for technological advancements: "Regarding emerging technologies, our information technology management team collaborates with companies on projects, thereby benefiting us as contractors in our various project capacities."

A second facet of Saudi Arabia's construction boom is a concentration on sustainability and environmental conservation alongside the private sector's shift towards transparency and good governance, including the use of green building materials and a shift towards green energy, water conservation and advanced waste management. Megaprojects such as the King Abdullah Financial District are now seeing sustainability as not only a factor in the construction of new infrastructure but also as a key attractor for further investment and international participation in completed assets. "Businesses are seeking environmentally



"The construction sector is undergoing a significant and positive transformation that is expected to continue for the next seven to 10 years."

Rashid Saad Al-Rashid
Chairman, RTCC

is not just a destination, but an ambitious and ongoing journey." Paramount to building what is now considered the construction capital of the world has been a long-standing focus on building up technological capabilities. Local construction players are rapidly turning towards the following specific technologies: 3D printing, building information modeling software, the internet of things, artificial intelligence and robotics. By 2027, the local construction and smart city technology segment is expected to grow to a value of \$14.8 billion. Entities like RTCC are relying on their strong network of local and global partners, including national oil and gas giant Saudi Aramco, to digitize its operations and help build an ultramodern construction ecosystem. "These

responsible locations to make their operations more efficient and technologically advanced," said Gautam Sashittal, CEO of King Abdullah Financial District Development and Management Company, the 2.7-square-mile real estate project's coordinator. "Our commitment to sustainability and the environment is at the heart of KAFD." Following the capital's new financial district receiving the much-sought-after Leadership in Energy and Environmental Design (LEED) platinum environmental certification in January 2021, other local developers have quickly followed suit, with 1,161 certified LEED projects in the country as of Q3 2023. In June 2024, the Jameel Square project in Jeddah received Saudi Arabia's first LEED gold certification for a commercial building.

More Than a Contractor: AlRawaf Contracting, a Partner in All Endeavors

Khalid Ibrahim AlRawaf, CEO, AlRawaf Contracting, highlights the slew of new opportunities available in the Saudi Arabian market due to the government's diversification efforts and the company's role as a leader in corporate transformation

Saudi Arabia's Vision 2030 economic development plan has instigated a surge in new infrastructure projects, with local construction companies stepping up to the plate to take on this new level of activity. The sector, which is believed to be worth around \$70.3 billion in 2024, is expected to rise in market size by almost 30% to \$91.36 billion by 2029 as new projects are given the green light across the nation. Lead local private players such as AlRawaf Contracting are leaning on their established expertise and market size to develop new capacities and modernize the business ecosystem. The contractor has worked alongside more than 25 different collaborators on more than 160 mega projects, including the Green Riyadh urban forestation development and the 10,200-square-mile NEOM smart city. The construction giant's CEO, Khalid Ibrahim AlRawaf, sees the state's current blueprint as a unifying banner for all



alignment across the private sector. Our goal is to ascend to the level of prominent companies that Vision 2030 relies on."

AlRawaf Contracting was established in 1996 as an institution that converted into a public entity in 2000 with a focus on building roads. In the decades that followed, the Buraydah-based company grew rapidly, taking on larger and more complex construction works in Saudi Arabia such as military complexes, telecommunications assets and water facilities, with contracts worth more than \$1 billion. In 2021, the contractor divided its diversified activities through the establishment of Sakif Holding Company, which oversaw the operations of AlRawaf Contracting and the following three sister entities: Rafa Company that works in the hydrocarbons sector with a focus on gas station infrastructure; Telad Real Estate that works on housing alongside Saudi Arabia's Ministry of Housing; and Falcom Industries Company that provides concrete, asphalt and precast building materials by emerging in the mining industry for extracting raw materials necessary to manufacture. "We are now at a stage of trust with private companies, quasi-governmental entities and ministries," said AlRawaf. "We currently focus on solutions for roads, buildings, water and energy, with a workforce primarily specialized in electromechanical and civil engineering."

One of Vision 2030's top priorities is encouraging the employment of local workers under its Saudization program, with a target of having unemployment rates between 4% and 7% by 2030. In the last quarter of 2023, this number declined to an all-time low of 7.7% due to a large upswing in female employees joining the

workforce, the creation of new non-oil entities and a surge in nationalized programs targeting the private sector. National leaders such as AlRawaf Contracting have reshaped their human resources strategies to support these goals. "We view employee retention as a vital aspect of corporate sustainability. We are pleased to note that our employee turnover rate is exceptionally low considering the company's size," said AlRawaf. The contractor has achieved these targets through the creation of an internal management team comprising legal and financial teams. "Upholding ethical standards is paramount for us, including work ethics, legal

integrating new technologies into its operations, but also by staying ahead of the competition in terms of engagement. A specific information technology team has been created to actively sift through up-and-coming digital tools and collaborate with potential partners. "We introduce and attract responsible technology companies, assess their financial viability and future advantages, and then implement them," said AlRawaf. "What is notable here is our steadfast readiness to incorporate new technologies into our work without hesitation due to our innovative and consistently vigilant research team." The company has maintained long-established partnerships with construction technology entities such as Japan's Komatsu and South Korea's Hyundai. At the end of 2023, the company hired the latter equipment provider to boost its fleet of excavators by 100. The new assets will be used to build an underground water pipe connecting the city of Dammam in the Eastern Province to Riyadh.

Moving forward, the AlRawaf Contracting aims to continue taking advantage of fresh prospects in the local market. "Although we have considered moving into international markets, the Kingdom currently has ample opportunities for expansion. We will hold on until we decide the right time," said



compliance, environmental responsibility and occupational safety," he said. "We have a dedicated environmental management team that meticulously evaluates each project's environmental impact, and we are dedicated to maintaining and enhancing this aspect to the best of our capabilities."

AlRawaf Contracting is also embodying the country's relentless pursuit to digitize by not only

AlRawaf. "However, potential alliances with American contracting companies are being considered in the future." The CEO emphasized the company's unique partnership style as paramount in attracting new and greater contracts: "It is important for us to emphasize that we are more than a contractor; we are a partner in all endeavors. The success of each project reflects the success of our clients, which is our main objective."



"It is important for us to emphasize that we are more than a contractor; we are a partner in all endeavors."

Khalid Ibrahim AlRawaf
CEO, AlRawaf Contracting Co.

entities in Saudi Arabia: "The Vision 2030 strategy encompasses not only state-owned enterprises but has also spearheaded an overarching

PAID ADVERTISEMENT

SAUDI ARABIA

PAGE - 5

Saudi Arabia Leans on Legacy to Lead Its Future

Anas Saleh Serafi, CEO, AlSalehat Holding, details the company's history as one of the nation's pioneers in diversification and its new role as a leader in Saudi Arabia's modern economic metamorphosis



Saudi Arabia's diversification strategy under its giant Vision 2030 initiative is bearing fruit. The nation hit a watershed year in 2023 on its journey to lose its dependence on fossil fuel revenues, with its non-oil sector reaching 50% of its gross domestic product for the first time with an estimated value of around \$453 billion and growth rate of 4.6%. With its eye on the future, Saudi Arabia is now reaching back to its original pioneers to support its fastest growing sectors such as



"Our purpose extends far beyond business; it is about building a legacy that future generations will inherit and cherish."

Anas Saleh Serafi
CEO, AlSalehat Holding

entertainment, hospitality and tourism. Family-run companies such as AlSalehat Holding are now seen as the Kingdom's greatest trailblazers in its modern transformation given their long and historical commitment to diversification. "The

businesses in Saudi Arabia. The company grew rapidly, from its forays into the major real estate developments through Makkah Construction and Development Company established in 1989 to being one of the founders of Sharia-compliant financial institution Albilad Bank launched in 2004. The family now sits on the board of the prominent local financial services entity Taibah Investments. Among AlSeहत Holding's real estate developments are some of Jeddah's largest malls and recreation centers, including the 3.7-acre Serafi Megamall, the 25-acre shopping hall Zahret AlSalehiah and more recently the giant 124-acre Jeddah Park megacomplex. The holding entity has also developed the Nejud Complex in Jeddah consisting of 43 one-story villas and private amenities. To bolster its development projects, AlSeहत Holding has partnered with family-owned architectural design firm Abnia to conceptualize its state-of-the-art projects. "Abnia provides cutting-edge design and engineering solutions that elevate our projects above conventional offerings," said Serafi. "This integration is crucial as we expand into high-growth areas such as healthcare and hospitality sectors where differentiation through design and technology is key."

Saudi Arabia is currently putting a heavy focus on reorganizing the nation's healthcare services, with plans to invest \$65 billion to launch 21 health clusters across the country by 2030. To this end, AlSalehat Holding recently developed the Makkah Park Clinics center that boasts 20 departments and more than 25 medical consultants. "The decision to expand into healthcare was motivated by the growing demand for quality medical services within Saudi Arabia and our commitment to contributing to the wellbeing of our community." Leaping on its past success, the company is

physical medicine and rehab as its core activity," said Serafi. "We developed a partnership with Johns Hopkins Hospital to create a specialized hospital, and we will partner with Sultan bin Abdulaziz Humanitarian City in Riyadh to operate this much-needed facility."



AlSalehat Holding is also placing a keen focus on the country's nascent hospitality sector as Saudi Arabia gears up to introduce foreign visitors to its offerings under its ambitious tourism strategy. In 2023, the nation welcomed more than 100 million tourists, a 56% rise compared to pre-pandemic levels in 2019 and hitting the country's 2030 milestone target seven years earlier. "Our strategic

delivered in 2024.

The Serafi family is also heavily involved in emphasizing the importance of the region's rich cultural heritage through its charitable arm Saleh Serafi Endowment Fund. The organization currently runs five first-of-their-kind museums in Saudi Arabia, with some being first of their kind in the world. Included in these is the flagship House of Islamic Arts at AlSalehat Holding's Jeddah Park center, which contains more than a thousand exhibitions consisting of architecture, calligraphy, painting, glass, ceramics and textiles, all which reflect the diversity of Islamic society. "Our involvement in arts and culture is driven by a strategy to promote and preserve our cultural heritage while encouraging contemporary artistic expression," said Serafi. In this area, the organization is leaning on its family ties to create a lasting footprint. "Our upcoming museum will showcase Saudi cultural clothing and jewelry, which is a passion of our mother."

Looking forward, the company is now focused on growing its international ties both by broadening its partnerships with major foreign developers and investing outwards. The CEO recently sat down with a plethora of large investment houses and wealth management entities for possible opportunities abroad. "Our partner selection process is not a mere formality but is rigorously aligned with our strategic vision and operational ethics," said Serafi. "We give priority to partners who have a proven track record of success and include a high level of innovation and sustainability in their operations." The CEO also highlights the company's deep commitment to not only advance economically but enrich the lives of all its projects' participants: "Over the



movement from our core sectors into emerging markets like healthcare, culture, leisure, tourism and technology is a testament to our adaptability and forward-thinking approach," said Anas Saleh Serafi, CEO of AlSalehat Holding. "Vision 2030 is not just a dream but a real plan that is being realized at a much faster speed than anticipated."

AlSalehat Holding was established by Saudi businessman Sheikh Saleh bin Hamza Sairafi in the 1930s as one of the first money exchange



dedicating an entire tower of its Jeddah Park complex to its new Jeddah Park Health project. "The initial idea was to have a group of clinics, but after careful consideration and consultation we decided to open a full-fledged hospital with

partnerships with global hospitality leaders such as Crowne Plaza and Hyatt Regency have allowed us to capitalize on the influx of both domestic and international tourists, which is expected to increase," said Serafi. "AlSalehat Holding's largest competitive advantage for attracting major hotel chains is the fact that we have a mix-use development that contains hotels, malls, museums and entertainment assets such as cinemas and bowling alleys." The company is not slowing down its contributions to the country's entertainment industry, with Saudi Arabia's largest paddle tennis arena in Jeddah expected to be

past six decades, our journey has been marked by significant achievements, pioneering initiatives and an unwavering dedication to excellence and integrity. Beyond the metrics of success, our true pride lies in our ability to contribute positively to the lives of the people we serve, whether through creating job opportunities, enhancing healthcare accessibility or enriching our cultural heritage. Our purpose extends far beyond business; it is about building a legacy that future generations will inherit and cherish."



PAID ADVERTISEMENT

SAUDI ARABIA

PAGE - 6

Industrial Revolution 4.0: The Leap Toward a New Economy

Amid a transformative push toward economic diversification, Saudi Arabia's industrial landscape is witnessing a seismic shift in 2024 driven by a bold commitment towards localization and the Kingdom's vision of reducing reliance on imports and boosting homegrown capabilities. The following economic milestones have been passed in 2023: the nation's goal of having the non-oil sector contribute 50% of its real gross domestic product was surpassed, seven years ahead of schedule; annual non-oil revenue in Saudi Arabia reached a value of \$655 million, representing a year-on-year growth of 3.8%; and investment in its industrial sector reached a cumulative \$111 billion. In 2024, the Kingdom is expected to benefit greatly from its efforts, with its galvanized national champions poised to vastly increase market size, export potential and internal capabilities. "Saudi Arabia is currently looking to increase our number of factories under the Vision 2030 initiative. Our leadership realizes that the balance of trade will diminish greatly as oil imports recede, and we have a window of opportunity to bridge the gap in the next ten years," said Mohanad Al-Shaikh, CEO of Johnson Controls Arabia, the country's leading manufacturer of heating, ventilation and air conditioning technology. "There are now around 11,000 factories in Saudi Arabia that have been launched since the Kingdom was established 93 years ago. Under the latest National Industrialization Strategy, we aim to increase this number to around 36,000 by 2035."

Since launch of the Vision 2030 initiative, the government has continuously launched satellite programs to support the private sector in increasing Saudi Arabia's industrial output. A key pillar in Kingdom's localization efforts is the National Industrial Development and Logistics (NIDLP) program, launched in early 2019 to advance the country's following main sectors: energy, mining, logistics, minerals and industry, such as manufacturing. The initiative aims to increase production to meet 85% of local demand and localize 70% of the supply chain by 2030. Another key program is the Made in Saudi initiative launched in March 2021 by NIDLP that helps local producers to promote products under the Saudi Made brand both in the country and in international markets. Additionally, the government launched the Future Factories Program Initiative in 2022 to bolster production

by fostering an ecosystem of 4,000 smart factories in the country. While these programs have laid the groundwork, the private sector is now utilizing these new incentives to advance Saudi Arabia's industrial capacities to the next level.

Suliman Saleh Alothaim, chairman of Saudi Gold Refinery Company points to specific investments in the country's nascent mining industry as crucial for rapid expansion: "Government

"Saudi Industrial Development Fund has partnered with various funds and world companies to take advantage of new opportunities in technology."

Mohanad Al-Shaikh
CEO, Johnson Controls Arabia



incentives cover 75% of mining costs and make it feasible for companies to invest. This support is crucial for attracting international investors and achieving the Vision 2030 initiative's goals." Saudi Gold Refinery Company intends to become Saudi Arabia's second largest mining company behind state-owned mining giant Ma'aden and increase Saudi Arabia's competitive pool. Feras Bin Ghassab Al-Harbi, CEO of local water infrastructure powerhouse Saudi Arabian Amiantit Company also affirms the government's strong support of private companies in the Kingdom: "Any challenges met by companies are met with proactive support from the government and regulatory bodies." In May 2024, the private infrastructure development company signed six contracts worth \$46 million for supply and installation of pipes for government-mandated

"Our state-of-the art production lines are constantly being upgraded [...] and can produce any design requested by our clients."

Walid Afyouni
CEO, Zoujaj Glass



infrastructure projects, with plans to use its international footprint and local research facility to become a critical player in modernizing the water sector in Saudi Arabia.

A key lynchpin in Saudi Arabia's industrial

development is heavy adoption of fourth industrial revolution (4IR) technologies and integrating advanced digital practices such as artificial intelligence, robotics and the internet of things across key sectors, including manufacturing and health sciences. "Saudi Industrial Development Fund – which is geared towards financing industry-based projects – has partnered with various funds and world companies to take advantage of new opportunities in technology," said Al-Shaikh. In December 2023, the Centre for the Fourth Industrial Revolution or C4IR Saudi Arabia was officially launched in Riyadh to springboard implementation of 4IR across the nation's manufacturing sector and increase local skillsets in cutting-edge innovations. In February 2024, Saudi Arabia launched Alat, a new state-backed national champion focused on technology manufacturing, including semiconductors, robotic systems, heavy machinery and devices for health sciences, that is expected to contribute \$9.3 billion to the country's non-oil gross domestic product by 2030, create employment for 39,000 workers and supply domestic and international markets. In May 2024, Alat announced plans to invest \$100 billion by 2030 to develop smart manufacturing after launching two new business units in electrification and artificial intelligence.

Established private sector players are now capitalizing on this local momentum to ramp up their digital capacities and outmatch the national agenda. "We aim to keep improving our technology to produce positive results and give comfort to our investors. We are on the right track," said Walid Afyouni, CEO of National Company for Glass Industries, a local company that has revolutionized glass manufacturing in Saudi Arabia. "Our state-of-the art production lines are constantly being upgraded and maintained at the highest levels of quality and can produce any design requested by our clients." Local producers in all sectors are embracing the 4IR transformation, including one of Saudi Arabia's largest pharmaceuticals manufacturers. "We are also adopting the Pharma 4.0 operating

model and integrating automation and artificial intelligence across the company," said Jerome Cabannes, CEO of Saudi Pharmaceutical Industries & Medical Appliances Corporation. "Our localization efforts align with the country's biotech strategy and the Vision 2030 initiative to create value for Saudi Arabia."

Saudi Arabia is also ramping up efforts to bolster local talent and enhance domestic content in its workforce, with Saudi Arabia's sovereign wealth fund Public Investment Fund targeting a 60% contribution to the Saudi economy through local content from its affiliates. NIDLP has set out to attain 30% local content rates in the pharmaceuticals industry and 20% in the defense

"Government incentives cover 75% of mining costs and make it feasible for companies to invest."

Suliman Saleh Alothaim
Chairman, SGR Company



and military industry by 2025 by stimulating the private sector. In July 2024, the government mandated companies to maintain a minimum 25% local content rates for engineering jobs, the latest in a slew of recent Saudization mandates including a set local content rate of 40% in consultancy positions.

Private sector entities are taking these initiatives one step further by actively engaging in upskilling programs for its current employees, future workers and their industries at large, such as Saudi Pharmaceutical Industries & Medical Appliances Corporation. "We established an academy to ensure our employees are continuously trained and retrained to achieve the status of employer of choice," said the company's CEO. "Our partnerships with universities help us transfer knowledge and increase the resilience of our ecosystem." Other industry leaders such as Saudi Arabian Amiantit Company are utilizing internationalization as a key input for workforce advancement. "Growing deep technical knowledge has also been fundamental to our development," said Al-Harbi. "Our training efforts are aided by our extensive international footprint [...] to disseminate technologies." According to the NIDLP, Saudi Arabian workers increased by 113,000 in 2023, including 51,000 female workers, due to the efforts of the country's national champions.

Revolutionizing Saudi Arabia's Biotech Landscape

Jérôme Cabannes, CEO, SPIMACO, outlines ambitious plans that will transform the industry and elevate the company's regional presence

In January 2024, Saudi Arabia launched its national biotech strategy that aims to position the nation as the regional leader in biotechnologies by 2030 and world leader by 2040, including vaccine research and development, manufacturing of biologics and biosimilars and advancing the country's genomics database. Under the new national blueprint, the government expects the sector to contribute more than \$34.6 billion by 2040, which is around 3% of the country's anticipated non-oil gross domestic product. The biotech strategy also envisions the creation of 11,000 new jobs by 2030 and 55,000 by 2040 in the biotech field. Giant pharmaceuticals players such as Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO) are using this platform to advance momentum and grow both within Saudi Arabia and beyond. The company's CEO Jérôme Cabannes highlighted Saudi Arabia's as one of the world's fastest changing economies and its significance as an ideal launching pad for the company: "Our country has a unique momentum that is not found elsewhere. The energy and drive to make things happen in Saudi Arabia – despite challenges – make it a fulfilling and positive place to work."

Established in 1986, SPIMACO has grown significantly to become the only vertically integrated pharmaceuticals manufacturer in Saudi Arabia and the largest in the GCC region. The company handles not only manufacturing, but also marketing, packaging, warehousing and research and development of new medicines. "Our current transformation began three years ago in anticipation of Saudi Arabia's new biotech policy," said Cabannes. "The company's most important milestone was the construction of our manufacturing complex in Qassim, which has attracted many key players looking to manufacture in the country." Another major breakthrough for the company was introducing the first biosimilar product in Saudi Arabia in September 2023 called Enoxaparin. Additionally, the manufacturer signed a term sheet with Chinese biotechnology company Jiangsu Recbio Technology Company in January 2024 for the licensing and technology transfer of an HPV-9 vaccine. SPIMACO recorded a revenue of \$440

million in the 2023 financial year, outpacing its set target with a 16% year-on-year increase.

SPIMACO is also focused on growing localization and innovating the Saudi Arabian market under the government's larger Vision 2030 initiative. "We are focused on Saudization, upgrading competencies and succession planning through coaching and mentoring programs to ensure continuity," said Cabannes. In July 2023, the company signed a partnership with Emirati educational consultant FranklinCovey Middle East to expand its range of training programs at its dedicated SPIMACO Academy. Additionally, the company is utilizing state-of-the-art technologies in all its activities, including adopting integrated automation and artificial intelligence. "Our operations at the plant are well equipped with fully automated parts coupled with data integration and are based on stringent quality systems," he said. The company recently underwent its largest digital transformation by partnering with Google Cloud in April 2023 to migrate its enterprise resource planning to the digital platform across its operations.

Moving forward, the pharmaceuticals player's large-scale strategy aims to expand at an annual compound growth rate of 13-15% until 2027 through diversification of production lines, optimizing operational costs and entering new markets. "We develop products for Saudi Arabia and surrounding countries, and our ambitious plans include

expanding in the Gulf Cooperation Council and in Middle East and Africa regions, including Morocco and Algeria," said Cabannes. According to the CEO, the manufacturer aims to meet the high demand in these regions for diabetes, cardiovascular disease and central nervous system disorder treatments. SPIMACO currently has more than 1,200 stock keeping units across 400 different products, with plans to register around 35 new products in 2024. The CEO admits that leading the company's growth alongside Saudi Arabia's diversification strategy has been fulfilling since he took on the position: "Leading people and aligning our efforts with the government's current direction is incredibly rewarding."



"We are focused on Saudization, upgrading competencies and succession planning through coaching and mentoring programs to ensure continuity."

Jerome Cabannes
CEO, SPIMACO

Leading Innovation Ensuring Resilience Driving Growth

No.1 Private Market Leader in Saudi Arabia

Over 1,200 Employees

5 Manufacturing Facilities

Active Pharmaceutical Ingredient (API) Manufacturing Facility

High-Potent Manufacturing Facility

Over 2 Billion Units Manufacturing Capacity Per Annum

Presence in 16 Countries

State-of-the-art Research & Development for complex products development

www.spimaco.sa

PAID ADVERTISEMENT

SAUDI ARABIA

PAGE - 7

Championing Saudi Arabia's Mission for Blue Prosperity

Feras Bin Ghassab Al-Harbi, CEO, Saudi Arabian Amiantit Company, talks about the company's role as a national champion in growing Saudi Arabia's water sector under the Vision 2030 initiative and its current strategies in maintaining its lead market position both at home and around the world



Saudi Arabia is currently modernizing its water sector under its comprehensive National Water Strategy as part of its wide ambitions to achieve the United Nations' Sustainable Development Goals. The state initiative consists of 10 programs set to revolutionize the sector, including the establishment of the National Water Efficiency and Conservation Center and a move to privatize production and wastewater treatment. Saudi Arabia intends to achieve uniform access to safe drinking water and increase the percentage of citizens covered by sanitation services to more than 95% by 2030. In March 2023, Deputy Minister of Water Abdulaziz Al Shaibani announced the country would spend more than \$80 billion on revamping the sector in the coming years. To meet the speedy rise in activity, Saudi Arabia's principal private water industry players such as Saudi Arabian Amiantit Company are widening their range of activities in the local market. "Amiantit Group's stature as a national champion is evidenced through its active contributions towards achieving sustainability and developing human and industrial capacities within the Kingdom," said Feras Bin Ghassab Al-Harbi, CEO of Saudi Arabian Amiantit Company. "We aim to enhance the added value of our national economy."



Established in 1968, the company has grown to become a one-stop-shop for all operations in the international water sector, including design, manufacturing, marketing and sale of pipes, engineering and design of water facilities. The Dammam-headquartered entity now has 23 operating plants in the Middle East, Europe, Asia and Africa through its various local and international subsidiaries, including 12 facilities in Saudi Arabia. "Our product line has grown to encompass not only our flagship glass reinforced

plastic pipes but also a diverse portfolio including valves, glass reinforced epoxy pipes, ductile iron pipes and high-density polyethylene pipes," said Al-Harbi. "Strategic acquisitions have been an important strategy in broadening our product lines and expertise." Since becoming a joint-listed company on the Saudi Stock Exchange in 1996, good governance, transparency and sustainability have become core themes throughout every segment of the organization. "We are now positioned as a major exporter of these values," the CEO explained. "The company has a zero-tolerance policy for any deviations or non-

compliance with our quality standards to prevent the production of any products that do not meet the required specifications." Central to the company's ethos is its licensing system, which aims to distribute its patented technologies through collaborative partnerships. "This model not only stimulates innovation but also expands our market presence while ensuring the maintenance of high-quality standards around the globe," he said. The company saw a rise in revenues of 41% in 2023 compared to the

previous year, largely due to an upsurge in activity in the Gulf Cooperative Council region.

According to Al-Harbi, a foremost focus on research and development has been fundamental in driving the company's global growth. Saudi Arabian Amiantit Company runs two research centers, one in Dammam, Saudi Arabia, and the other in Sandiford, Norway, with equipment at both reaching a value of \$16.1 million. The latter facility was instrumental in setting the company's products as the industry standard. "We developed glass reinforced plastic technology at this

the King Fahad University for Petroleum and Minerals. In 2023, annual spending on research and development for the company reached \$13.9 million.

The company has recently undergone a wide number of reforms to up its attractiveness as a global partner, including creating a dynamic environment for its human capital. Al-Harbi points to the company's success in retaining its employees: "More than 20% of our employees have a tenure of over 10 years, and more than 30% of our employees have worked for the company for more than 20 years."According to him, the high retention rate is in part due to the company's international footprint, the aforementioned dynamic licensing program and its strong collaborative efforts with local universities. Around 5% of all current employees at the company were once trainees. The CEO also expressed interest in sparking new collaborative projects with partners from around the world: "The company's financial capability, marketing prowess, human resources and esteemed reputation cultivated over more than 50 years make Amiantit an attractive investment environment for all global investors," including Americans." Moving forward, the CEO recently intends to launch a new five-year plan to further diversify the company and sustain its position as a global powerhouse under the Vision 2030 initiative. "Maintaining a leading position in the market of a large and endowed corporation with widespread presence and advanced technologies represents one of the most formidable challenges for any CEO, particularly in the aftermath of restructuring," he said. "Strategic planning is the cornerstone of success."

"The company's financial capability, marketing prowess, human resources and esteemed reputation cultivated over more than 50 years make Amiantit an attractive investment environment for all global investors."

Feras Bin Ghassab Al-Harbi
CEO, Saudi Arabian Amiantit Company



PAID ADVERTISEMENT

SAUDI ARABIA

PAGE - 8

Pioneering Healthcare Excellence Alignment With Vision 2030

Faisal Al Nassar, President and CEO, Dr. Sulaiman Al Habib Medical Group (HMG), highlights the fast growth of Saudi Arabia's healthcare system under the nation's Vision 2030 program and the company's ambitious expansion plans as the leading private healthcare provider in the Kingdom



Continued reforms under the Vision 2030 program have effectively driven Saudi Arabia's economic diversification agenda and resulted in a reduced reliance on oil revenues. This transformation has increased governmental efficiency in a multitude of sectors, introduced new avenues for growth and investment, sparked international cooperation and improved the standard of living for Saudi citizens. The nation's ambitious healthcare agenda under the Vision 2030 initiative underscores these achievements and has become a key enabler of nationwide transformation. The agenda follows a quadruple aim of improving population health, reducing costs, improving patient experience and empowering the healthcare workforce. Saudi Arabia's Minister of Health Fahad Al-Jalajel

second quarter of 2024, the company continued to see a rise in profits of 13.9% compared to the same quarter in 2023. "Since the company was listed on the Saudi Exchange in March 2020, our share price increased by more than 400%," stated Al Nassar. "Our shareholders consistently express their trust and expectations in our growth."

The healthcare leader is also championing sustainability and environmental, social and governance activities. "As the largest private healthcare provider in the Kingdom and the Middle East, we recognize our responsibility to support Vision 2030's sustainability objectives," said Al Nassar. The CEO underlined the current targets published in its first standalone sustainability report launched in June 2024: "Our

to finding sustainable ways to do so," expressed Al Nassar. "This commitment extends to all facets of our workforce, including physicians, nursing staff and administrative roles." To invest in the Kingdom's future and grow its local workforce, HMG is establishing its own nursing college. In November 2023, HMG also announced a strategic partnership with London-based UCL Global Business School for Health to upskill its professionals. The institution has been ranked fifth in the world for public health research. To meet the premium needs of its healthcare customers, HMG is putting a large focus on innovating and adopting the latest technologies. The company has formed a spin-off solutions company, Cloud Solutions, that is now selling its patented innovations to other healthcare facilities,

clients are expecting more personalized experiences, higher speed of access and different kinds of treatments. We have always been at the forefront of innovation and will continue to invest in the latest technology in both clinical and administrative segments," asserted Al Nassar. In its drive to utilize the latest technologies, HMG has put a sharp focus on the usage of artificial intelligence (AI). "AI is developing at an astounding rate. For example, advancements in AI and radiology have been staggering. However, we must be careful to implement AI properly," admitted Al Nassar. The company has made many deals in the last few years to implement AI across the board, from diagnosis and treatment to administration and auditing. In July 2023, the company signed a deal with South Korea's Lunit



"The government's Vision 2030 approach, championed by His Royal Highness Crown Prince Mohammed bin Salman, reflects a commitment to health sector growth combined with a level of sophistication that is world class."

Faisal Al Nassar
President & CEO, HMG



recently forecasted that the sector's contribution to the gross domestic product would increase from around \$53 billion in 2023 to \$84.7 billion in 2030, with related investment opportunities climbing to a value of \$87.9 billion in the same period. To reach these numbers, the government is driving private sector involvement from its largest players such as HMG, with the set goal of increasing private sector participation in healthcare from 11% in 2023 to 50% in 2030.

Faisal Al Nassar, president and CEO of HMG, emphasizes the vast degree of change in the economic landscape and the medical industry: "The government has made Saudi Arabia more welcoming to international businesses by actively addressing legislation, regulation, infrastructure and societal structures. The government's Vision 2030 approach, championed by His Royal Highness Crown Prince Mohammed bin Salman, reflects a commitment to health sector growth combined with a level of sophistication that is world class."

Founded in 1993, HMG has grown exponentially from opening its first multi-specialty clinic in Riyadh in 1995 to more than 25 medical facilities in Saudi Arabia, Bahrain and the UAE. More recently, the company has taken an aggressive stance in expanding its portfolio, with three new medical centers inaugurated in 2023 and a pipeline of new facilities set to open in 2024 and beyond. "Of the six new hospital projects announced in 2023, two have already opened and four are expected to be launched by the end of this year and in the first quarter of 2025," said Al Nassar. In 2023, the company posted a net income growth of 24%. In the

strategic framework is based on three main pillars that guide our efforts: protecting and preserving the environment; empowering our people and engaging with the community; and maintaining sound business practices." To protect the environment, the company has implemented water management and hospital waste management policies and is currently undergoing studies to set goals to reduce its carbon footprint. One of its major social contributions is improving education and the training of new healthcare professionals by offering more than 30 diploma, residency and fellowship programs in collaboration with national and international universities. "Our team is growing significantly in parallel with our ambitions. Therefore, our central challenge is investing in human capital, and we are dedicated

including new products for electronic medical records and integration between software and medical devices. The subsidiary has grown to almost 800 employees and two research and development offices outside of Saudi Arabia. HMG also has its own medical technology company, FLOW, that follows the highest standards for maintenance of all equipment and devices. Their in-house engineers also extend their services to external providers. "Patients and

for AI-enabled cancer diagnostics and therapeutics. In the same year, HMG was the first healthcare provider in Saudi Arabia to utilize AI to detect breast cancer following a successful trial. The Saudi medical giant also signed a \$2.4-million deal with Australian health data analytics entity Beamtree in May 2024 in preparation for diagnosis-related group implementation involving its AI-based data automation platforms. "We are looking at all continents developing AI, from the East to the West. We have implemented AI in six disciplines and plan on rapidly expanding its usage," indicated Al Nassar.

Moving forward, the CEO is positioning the company to take advantage of new opportunities provided by Saudi Arabia's economic diversification. "Since its establishment, HMG is proud to have raised the standards of excellence in the healthcare industry in the region. We have a proven track record of reacting to economic and market changes," he said. "Our deep roots in Saudi society combined with our people-centric approach and unrelenting focus on technology and innovation make us a force to be reckoned with. HMG's growth is carefully orchestrated, and we will continue to expand rapidly; there is much more to come."

