



وزارة الطاقة والصناعة والثروة المعدنية
المملكة العربية السعودية

National Industrial Strategy

**Saudi Industrial Strategy in light of
Petroleum Industry Reforms**

Jan 25th, 2018



@SaudiMEIM



www.meim.gov.sa

Over the last 20 years, different forms of factor have changed Global manufacturing



Trade Liberalization



Liberalization of the global trade envt., driven by:

Ascension of China and Russia to WTO

Signing of Treaty of Maastricht (EU), and NAFTA

Logistics Costs



Declining costs of transport & logistics have made global value chains the new normal

Cost reduction driven by more efficient ports and larger ships

China – "Factory of the World"



China sees a manufacturing boom, taking advantage of its low-cost & significant labor base to become the factory of the world

Innovation-led Manufacturing



Traditional manufacturing powerhouses (e.g. Japan, Germany, U.S.) have relied on tech innovation, to remain competitive

Rise of Contract Manufacturing



The reversal of vertical integration, with the proliferation of contract manufacturing

Manufacturers at end of value chain are increasingly responsible for only assembly

Source: NIS



For Manufacturing: Vision 2030 guides our thinking and sets high targets



Vision 2030 objectives

Move from the 19th into the **top 15 largest economy** in the world

Lower the rate of **unemployment** from **11.6% to 7%**

Raise the share of **non-oil exports** in **non-oil GDP** from **16% to 50%**

Increase **private sector's contribution** from **40% to 65%** of GDP

Increase **FDI** from **3.8% to 5.7%** of GDP



Implications on **top-down** targets for NIS 2030

Increase over the period '15-'30...

...**GDP by 10%** per year

...**Jobs by 9%** per year

...**Export by 12-18%** per year

By...

...**fostering the development of corporate ventures**

...**bringing international investments**

12 Programs to make it works has been launched



NIDLP will be a focal program in achieving vision 2030 Manufacturing Targets



Aspiration

NIDLP aspires to;

- transform the Kingdom into a **pioneering industrial powerhouse** and a **global logistics hub**, in promising growth sectors (with a focus on **Industry 4.0**)
- thus, creating major **employment opportunities** for Saudis
- improving the Kingdom's **trade balances** and..
- maximizing **local content**



Focus Areas

NIDLP focuses on four key sectors...:



Industry



Mining



Energy



Logistics,

... as well as the design and provision of the required enablers including;



Policies and regulations



Financial enablement



Infrastructure



Industrial lands



Special economic zones, digitization

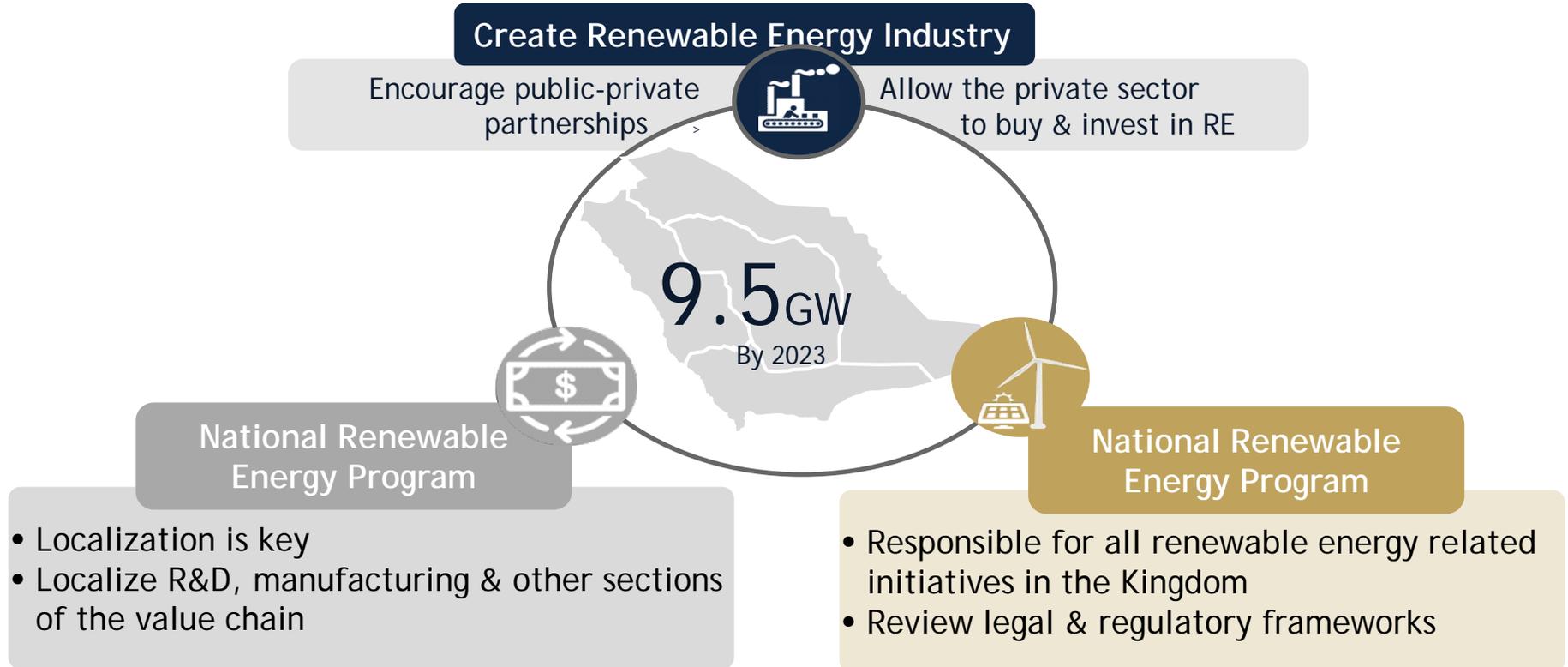


Research and innovation



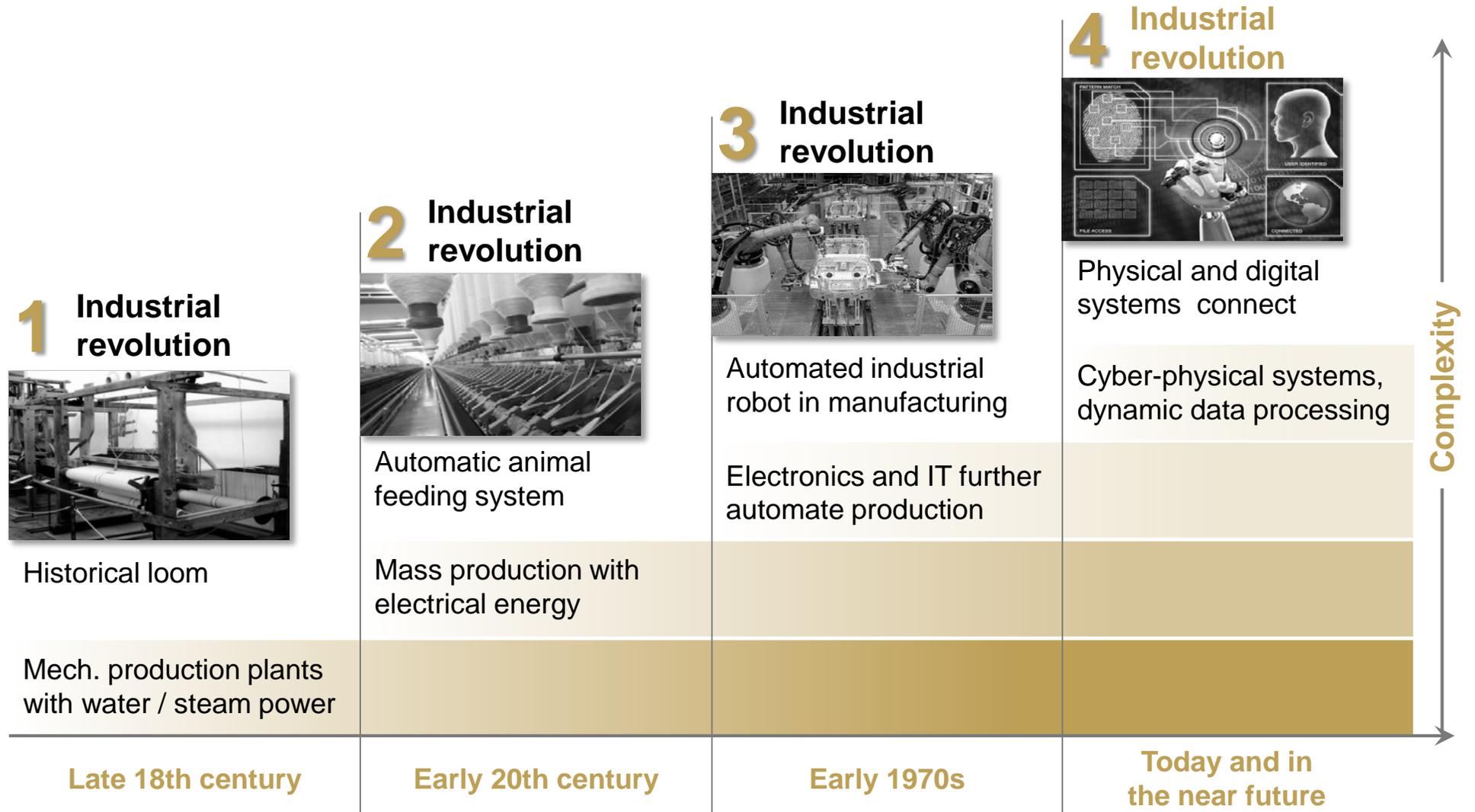
Other enablers (including capability building)

National Renewable Energy Program: Vision 2030





This is Industry 4.0



Source: BCG Manufacturing



@SaudiMEIM



www.meim.gov.sa

Nine technology drivers impact upon future production



1	Advanced Robots		<ul style="list-style-type: none"> Autonomous, cooperating industrial robots Numerous integrated sensors and standardized interfaces
2	Additive Manufacturing		<ul style="list-style-type: none"> 3D printing, particularly for spare parts and prototypes Decentralized 3D facilities to reduce transport distances and inventory
3	Augmented Reality		<ul style="list-style-type: none"> Augmented reality for maintenance, logistics, and all kinds of SOP Display of supporting information, e.g., through glasses
4	Simulation		<ul style="list-style-type: none"> Simulation of value networks Optimization based on real-time data from intelligent systems
5	Horizontal/ Vertical Integration		<ul style="list-style-type: none"> Cross-company data integration based on data transfer standards Precondition for a fully automated value chain (from supplier to customer, from management to shop floor)
6	Industrial Internet		<ul style="list-style-type: none"> Network of machines and products Multidirectional communication between networked objects
7	Cloud		<ul style="list-style-type: none"> Management of huge data volumes in open systems Real-time communication for production systems
8	Cyber-security		<ul style="list-style-type: none"> Operation in networks and open systems High level of networking between intelligent machines, products, and systems
9	Big Data and Analytics		<ul style="list-style-type: none"> Full evaluation of available data (e.g., from ERP, SCM, MES, CRM, and machine data) Real-time decision-making support and optimization

SOP – Standard operating procedure; ERP – Enterprise resource planning; SCM – Supply chain management; MES – Manufacturing execution system; CRM – Customer relationship management
Source: BCG Manufacturing



Thank you



@SaudiMEIM



www.meim.gov.sa