

# COUNTRY SAUDI ARABIA



<b>COUNTRY:</b>	THE KINGDOM SAUDI ARABIA, "KSA"
<b>CAPITAL:</b>	RIYADH
<b>LAND AREA:</b>	2.15 MILLION SQ. KM
<b>POPULATION:</b>	29 MILLION (2012)
<b>FORM OF STATE:</b>	CONSTITUTIONAL MONARCHY THERE IS ALSO A SHURA COUNCIL (CONSULTATIVE ENTITY) WITH LIMITED POWER
<b>CURRENCY:</b>	SAUDI RIYAL
<b>GDP:</b>	US\$ 618 BILLION (2012)
<b>REAL GDP GROWTH:</b>	5.9% (2012)
<b>GDP PER CAPITA:</b>	NOMINAL - US\$ 21,400/-; PPP - US\$ 25,000/-
<b>ORIGIN OF GDP:</b>	1 - CRUDE OIL 2 - PETROCHEMICAL PRODUCTS 3 - RELIGIOUS TOURISM 4 - INDUSTRY
<b>FOREIGN RESERVES:</b>	US\$ 626 BILLION
<b>COUNTRY RATING:</b>	AA2 (MOODY'S) 2012

## POLITICAL & ECONOMIC OUTLOOK

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The political situation in the KSA is stable and is dominated by the ruling family i.e. the Saud Family. The main problem in the political landscape in the KSA is the succession issue. The KSA has not been affected or suffered any contagion from the “Arab Spring”. Besides internal ruling-families machinations the Al Saud will remain wary of potential popular discontent.

The KSA is the dominant force in the GCC, but will remain dependent on the USA for wider regional issues (Iran).

The Saudi economic growth will be relatively strong throughout the next four to five years, maintaining a high level of oil production. GDP growth has reached 5.9% year on year, but will remain at this level given the slow down in Europe and to a lesser extent the USA.

Inflation has reached 7.2% in 2012 however this is expected to slow down to 3.8% and then rising again in the years thereafter.

## OPPORTUNITIES FOR ITALIAN COMPANIES

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The KSA being, by far the largest economy in the area, there are plenty of opportunities for Italian companies such as:

- Equipment related to oil and gas exploration and maintenance;
- Petrochemical equipment;
- Construction material including marble, ceramic etc;
- Water purification plant;
- Solar energy panels and products;
- As well as usual traditional products: men fashion, food and agricultural products.

There are taxes on profits on foreign joint ventures of around 25% but this is subject to review. KSA Law is based on Sharia (Islamic Law), however contracts may specify “reference law” as is the case in most banking syndicated loans.

Usually British or American Law.

## PRINCIPAL BANKS WE WORK WITH/PARTNER BANK

- 1 - AL RAJHI BANK, RIYADH
- 2 - BANK AL BILAD, RIYADH
- 3 - BANK AL JAZIRA, RIYADH
- 4 - NCB, JEDDAH
- 5 - RIAYD BANK, RIYADH

## PUBLIC HOLIDAYS (2014)

27 July, 2014	Eid al-Fitr (one week)
22 September, 2014	National Day
03 October, 2013	Eid al-Adha (one week)

## USEFUL CONTACTS IN THE COUNTRY

### **UBAE BUSINESS CONSULTANT**

Jacques PSALTIS - Senior Consultant  
Based in Dubai: Tel (+971 50) 46 86 857  
Radisson Blu Hotel, Dubai Creek,  
Baniyas Road - Deira, Dubai - UAE  
Tel (+971 4) 222 71 71  
Fax (+971 4) 228 47 47

### **ITALIAN EMBASSY**

Embassy of Italy in Riyadh  
P.O.Box 94389  
Diplomatic Quarter  
11693 Riyadh - KSA  
Tel (+966 1) 488 1212  
Fax (+966 1) 488 1951  
Web [www.ambriad.esteri.it](http://www.ambriad.esteri.it)

### **LOCAL LEGAL FIRMS**

Details provided upon request