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<td>JEC Major Events</td>
<td>25</td>
</tr>
</tbody>
</table>
1.0 JEC ECONOMIC REPORT

1.1 Introduction

- The Economic Review is a means to understand economic performance of a City and this knowledge along with the other non-economic data is useful to the City Administrators in the Management of various Economic aspects of the upcoming Jazan Economic City (JEC).

- JEC Economic Review is introduced by the Strategic Planning and Investment Dev. Division, Economic Planning Department which will be periodically issued on a quarterly basis every year.

- This Report covers a number of important economic indicators such as - RC & Private Sector Investments, Industry Growth, City Land Budget, Employment, Population and Other useful economic information.

1.2 Objectives

The main Objective of the Economic Review is to gain better and more up-to-date understanding of the city economic performance. The Specific Objectives of the review are as follows:

- To keep track of City Economic Trends periodically.

- To Understand the Changes in the Economic Structure of the City over time.

- To Generate Economic Awareness.

1.3 Approach & Methodology

- JEC Economic Review is Utilizing the data available from the City, RC –Riyadh, Investors, Saudi Aramco and other Statistical sources as well as other related Local & International sources.

- The Economic indicators have been used in this report to assess different sectors in the city during a particular time frame which in turn assist in the realization of Royal Commission’s Vision, Mission and NTP 2030 Objectives.
2.0 RC VISION, MISSION AND VALUES

2.1 RC Vision
The best choice for investors in petrochemical and energy-intensive industries and the leading contributor to the Kingdom’s Growth.

2.2 RC Mission
Plan, promote, develop & manage Petrochemicals and Energy intensive industrial cities through successful customer focus and partnerships with investors, employees, communities and other stakeholders.

2.3 RC Values
* Customer Focus
* Transparency
* Accountability
* High Performance
* Team Work
* Commitment
* Loyalty
* Fairness
* Social Responsibility

2.4 RC Strategic Objectives
* Growth: Expand industrial base through growth in number of cities and industrial output.
* Tenant Portfolio: Optimize tenant portfolio by attracting investments of added value.
* Cities of Excellence: Gain recognition as one of the top industrial cities globally.
* Distinctive Staff: The best in attracting distinctive human resources in the Kingdom
* Financial: Gradually develop financial sustainability and increased efficiency.
3.1 Introduction

The Jazan Economic City (JEC) is an important national economic initiative in the Jizan Province of Saudi Arabia. The City is an important step in the continuing economic development and maturation of the Kingdom’s economy. Initial work has been done under the management of Saudi Aramco, including a pioneer port, refinery, mineral processing facility, roads and other supporting infrastructure.

On the 9th of Shawwal 1436H (2015), a Royal Decree was issued to assign the Royal Commission for Jubail and Yanbu to manage and operate Jazan Economic City to become the fourth industrial and economic city managed and operated by the Royal Commission to join Jubail, Yanbu and Ras Al Khair Industrial Cities.

3.2 City Profile

- **Location**: On the Red Sea in the South Western region of the Kingdom, is situated in Jazan Province.
- **Focus**: Heavy Industries, Secondary Industries and Human capital and Lifestyle.
- **Area**: 103 Km²
- **Industries (in operation, Under Construction & Site Allocation)**: Solb Steel, Stefcru, Cristal, Al-Reef Sugar Refinery, Medical Jazan tharwat, Pan Asia PET Resin, Etzzan Al-Araba for Industries
- **Port Facilities (Nearest)**: Jizan Port
- **Airport (Nearest)**: 51 Km, Jazan Regional Airport (King Abdullah bin Abdulaziz Airport)
- **Waterfront Area**: 11.5 Km
- **Employment**: 72,000 new Jobs by 2030

- **Railway**: Planned railway to connect JEC with Jeddah
- **Population**: 138,000 new people by 2030

**SOURCE:** RCY IDD, ICD, RCJY – WEBSITE, JEC – SAUDI ARAMCO PROJECT TEAM PRESENTATIONS.
4.0 INVESTMENT AND INDUSTRY PROFILE

JAZAN ECONOMIC CITY – A PLACE FOR INNOVATIVE IDEAS

A DESIGN OVERVIEW OF JAZAN ECONOMIC CITY – MASTER PLAN 2015
4.1 Current Industrial Investment Status

<table>
<thead>
<tr>
<th>#</th>
<th>Logo</th>
<th>Industry</th>
<th>Capital Investment (USD Million)</th>
<th>Industry Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td><img src="image" alt="STEFCO Logo" /></td>
<td>STEFCO</td>
<td>40</td>
<td>In Operation</td>
</tr>
<tr>
<td>2.</td>
<td><img src="image" alt="SOLB STEEL Logo" /></td>
<td>SOLB STEEL</td>
<td>155</td>
<td>In Operation</td>
</tr>
<tr>
<td>2.</td>
<td><img src="image" alt="JAZAN REFINERY Logo" /></td>
<td>JAZAN REFINERY</td>
<td>23,000</td>
<td>Under Construction</td>
</tr>
<tr>
<td>4.</td>
<td><img src="image" alt="CRISTAL Logo" /></td>
<td>CRISTAL</td>
<td>500</td>
<td>Under Construction</td>
</tr>
<tr>
<td>5.</td>
<td><img src="image" alt="AL-REEF SUGAR REFINERY Logo" /></td>
<td>AL-REEF SUGAR REFINERY</td>
<td>334</td>
<td>Under Construction</td>
</tr>
<tr>
<td>6.</td>
<td><img src="image" alt="MEDICAL JAZAN THARWAT Logo" /></td>
<td>MEDICAL JAZAN THARWAT</td>
<td>168</td>
<td>Conditional site allocation</td>
</tr>
<tr>
<td>7.</td>
<td><img src="image" alt="PAN ASIA PET RESIN Logo" /></td>
<td>PAN ASIA PET RESIN</td>
<td>2500</td>
<td>Conditional site allocation</td>
</tr>
<tr>
<td>8.</td>
<td><img src="image" alt="ETZZAN AL-ARABIA FOR INDUSTRIES Logo" /></td>
<td>ETZZAN AL-ARABIA FOR INDUSTRIES</td>
<td>24</td>
<td>New Application</td>
</tr>
</tbody>
</table>

**Total** 26,721 (USD Million)

Note: $ 20.053 Billion (75 Billion SR) is already spent on the current Aramco Jazan Development Program.

Definitions based upon IDD Practice: In Operation = Started Production, Under Construction = Approved; Plant Construction is in process, CSI = In Design, New Application = Proposal submitted for permission.
4.1.1 PROFILE OF STEEFCO

**CAPITAL**
- Total Capital Investment: USD 40 Millions

**MANPOWER**
- Saudi: 22
- Non-Saudi: 56

**Location Area**
- 83,000 sqm

**Products**
- Manufactured and painted Steel Bars

**Major Highlights:**
- Construction is in progress

**Market**
- 100% Local

**Project situation**
- Operation: Non-Saudi

**DESIGN OVER VIEW OF EXISTING STEEFCO INDUSTRY**

SOURCE: BY RCY – ICD
4.1.2 PROFILE OF SOLB STEEL

**CAPITAL**

Total Capital Investment
USD 154 Millions

**MANPOWER**

<table>
<thead>
<tr>
<th>Saudi</th>
<th>Non-Saudi</th>
</tr>
</thead>
<tbody>
<tr>
<td>414</td>
<td>571</td>
</tr>
</tbody>
</table>

**Location Area**
984,000 sqm

**Products**

Steel Bars

480 – 1,000 KTPY

**Project situation**

Operation

**Operation**

100 % Local

**Major Highlights**

Construction is in progress

'SOLAB STEEL in the list of 100 most popular brands in KSA'

SOURCE: BY RCY – ICD

Strategic Planning and Investment Development Division, Economic Planning Department
4.1.3 PROFILE OF JAZAN REFINERY

**CAPITAL**

- **Total Capital Investment (Aramco Complex)**
  - USD 23 Billions

- **Location Area**
  - 18 km²

**MANPOWER**

- **1,800**

**Products**

- **Oil Refinery:**
  - Gasoline = 80 Million Bpd
  - Diesel = 250 Million Bpd
  - Benzene & Paraxylene = 1 Million Tonnes/annum petrochemical products

“Saudi Arabia Largest Oil Refinery Plant.”

**Process Capacity:**

- 400,000 Bpd

**Completed**

- over 150 Million Man-hours of Construction

**Major Highlights:**

- Construction is in progress

**Market**

- Local & Global

SOURCE: JEC PROGRAM UPDATE JANUARY 2017 & RCY IDD
4.1.4 PROFILE OF CRISTAL

CAPITAL

- Total Capital Investment: USD 500 Millions

Location Area

1,000,000 sqm

Products

- Titanium Dioxide
- Pig Iron

- 500 KTPY
- 220 KTPY

MANPOWER

Saudi: 260
Non-Saudi: 140

Market

- 60% Local
- 40% Global

Start Up Operation

2017 / Q4

OVER VIEW OF JEC CRISTAL INDUSTRY – CONSTRUCTION IN PROGRESS

Major Highlights: Construction is in progress

SOURCE: RCY – ICD
4.1.5 PROFILE OF AL REEF SUGAR REFINERY CO.

**CAPITAL**

Total Capital Investment
USD 333 Millions

Location Area
154,000 sqm

**MANPOWER**

Saudi
280

Non-Saudi
200

*mark* 25% Global
75% Local

**Products**

Sugar
1 MTPY

Molasses
250 KTPY

**Major Highlights:** Construction is in progress

Start Up Operation
2019 / Q2

**SOURCE:** RCY – ICD
4.1.6 PROFILE OF INDUSTRIES: CONDITIONAL SITE ALLOCATION

**Products**

- **Tablets**: 358 M Tab/yr
- **Capsules**: 310 M Cap/yr
- **Syrup**: 15.5 M Bot / yr

**Raw Material**

- **Medial Components**: 38 TPY

**Capital**

- **Total Capital Investment**: USD 168 Millions

**Manpower**

- **Saudi**: 660
- **Non-Saudi**: 330

**Location Area**: 41,000 sqm

**Start Up Operation**: 2025

SOURCE: RCY – ICD
4.1.7 PROFILE OF INDUSTRIES: CONDITIONAL SITE ALLOCATION

**CAPITAL**
- Total Capital Investment: **USD 24 Millions**

**MANPOWER**
- Saudi: **27**
- Non-Saudi: **50**

**Location Area**
- **20,000 sqm**

**Products**
- **Animal Nutrition**
- **240 KTPY**

**Start Up Operation**
- **2018 / Q4**

**Market**
- 100% Local

**SOURCE:** BY RCY – ICD
4.2 JAZAN PORT PROFILE

4.2.1 Jazan Port Profile:
- Area: 2.4 Million Sqmeter
- Capital: $18 Billion
- Jazan is located in the main route of the Maritime Silk Road (MSR).
- It is a perfect geographical connection with the African and Mediterranean sides of OBOR (One Belt One Road).
- JEC situated on the coastline of Red Sea over 103 km² area.
- JEC Master Plan provide heavy, medium, light industries and residential area.
- Ongoing and future investments in infrastructures at JEC support OBOR (One Belt One Road).
- Anchor investors i.e. Solb Steel & Cristal Globe need Port Services.
- JEC Port Substitute (proposed) SR 83 Billion of Import.
- Expected date of Operation: August 2018

4.2.2 Port Development Progress:
- Saudi Aramco has awarded China Harbour Engineering Company a SR342 million ($91 million) contract for the construction of a breakwater structure and three wharfs.
## 5.0 JAZAN INITIATIVES

### 5.1 2020 NTP Initiatives:

<table>
<thead>
<tr>
<th>#</th>
<th>Description of Initiatives</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Development of Infrastructure in the Community Area</td>
<td>2016 &amp; 2017 No. Projects</td>
</tr>
<tr>
<td>2.</td>
<td><strong>Construction of Housing</strong></td>
<td><strong>2016 &amp; 2017 Five Projects</strong></td>
</tr>
</tbody>
</table>

### 6.2 Construction of Housing:
List of 2016 & 2017 NTP Projects

<table>
<thead>
<tr>
<th>Project Title</th>
<th>NTP Year</th>
<th>Project Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. JEC Planning Studies</td>
<td>2016</td>
<td>PMD released IFB documents along with list of approved bidders to SMD on 24-Nov-16</td>
</tr>
<tr>
<td>3. A/E Services Contract – Design Services Ph-1</td>
<td>2017</td>
<td>A meeting of Evaluation Team held on 25-Apr-17 and recommendation made to visit the offices of some of A/E before final qualification. PMD provided nominee for site visit team on 10-5-17</td>
</tr>
<tr>
<td>5. A/E Services Contract-Surveying Services</td>
<td>2017</td>
<td>PMD released IFB documents along with list of approved bidders to SMD on 12-Jan-16. On SMD request PMD resubmitted IFB on 20-Mar-17. PMD sent Addendum No. 1 to SMD on 27-Apr-17 and requested to extend the bid opening from 9-May-17 to 25-Jun-17</td>
</tr>
</tbody>
</table>

SOURCE: TECHNICAL AFFAIRS DIVISION
6.0 INVESTMENT OPPORTUNITIES

6.3 RCY Team Proposal of Investment Opportunities:

- **Logistics Services**
  (Logistics services not as an industry but as a key support and enabler to tenants)

- **Industrial Waste Recycling & Management**

- **Packaging Industry**
  (Packaging to support JEC’s Industries)

JEC Planning Studies is in process, upon completion many more new investment opportunities will be developed.

Note: ARAMCO Project Team Recommendations: Electronics, Pharmaceuticals, Proceed food and others sectors

6.1 JEC Investment Development Environment:

**Strategic Location:** Jazan Economic City is located in the main route of the Silk Road (MSR)

6.2 Special Investment Promotion Actions:

- In 2017 RC entered into MoU for Joint Venture Investment with Chinies Companies:
  - GIG, Chem China, Trina Solar, China C Cor.,
  - Pan-Asia Pet Resin Ltd.
6.4 JEC

Commercial and Residential Investment Opportunities:

- Residential compounds
- Gas Stations
- Restaurants
- Money Transfer Bank
- Truck Parking

Note: RCY Team Proposal of Investment Opportunities

SOURCE: RCY – IDD
• Coinciding with the Custodian of the Two Holy Mosques King Salman bin Abdul Aziz’s visit to China, and on the sidelines, "the Saudi Chinese Business Forum", the Kingdom has concluded several important agreements.

• Royal Commission for Jubail and Yanbu has signed three agreements with Chinese companies and specializes in first and second agreements signed by HE Chief Executive Officer of the Royal Commission in Yanbu Dr. Alaa bin Abdullah Nassif, with the Huawei Company to create an innovation center for smart city services, and the second to create a Huawei training center in Yanbu Industrial City and to accelerate the implementations of smart cities that come in line with The 2030 Saudi Vision.

• **The third agreement also signed by CEO of the Royal Commission in Yanbu Dr. Alaa bin Abdullah Nassif with Mr. Joan Ling Chiang, chairman of Pan Asia (PAN-ASIA PET RESIN CO., LTD) to allocate an industrial land to Jazan petrochemical plant at a cost of $ 2 billion.**

![Image of the signing ceremony](image-url)
9.1 Land Use Analysis:

- **103.00 M²**: Total Area
  - **35.00 M²**: Utilities & Services
  - **27.88 M²**: Existing Industries
  - **10.39 M²**: CSI
  - **4.28 M²**: Corridors
  - ~ **25.45 M²**: Remaining/Balance
9.0 JEC DEVELOPMENT STATUS

9.1 Contract Packages Awarded:

1. Reverse Osmosis and Sewage Treatment Plants (LSTK)
2. JEC Roads and street lighting (LSPB)
3. JEC Infrastructure utilities (LSPB)
4. Medium Industrial area Development (LSPB)
5. Heavy Industrial area Development (LSPB)
6. Emergency Response complex (LSPB)
7. City Commercial Port - Onshore (LSTK)
8. City Commercial Port - Offshore (LSTK)
9. Port Control Center (LSTK)
10. Vessel Traffic Management Information System
11. 2,000 Home lots development (LSPB)
12. JEC Industrial & Residential Substations (MoU with SEC)
13. JEC Overhead lines Relocation (MoU with SEC)
14. Jeddah-Jizan Expressway junctions (LSPB)
15. Flood Control Mitigation (LSPB)
JEC’s ambition Strategy is to substitute by 2030:

- ~USD 22 bn. of imports,
- Generate ~72k jobs, &
- Have a population of ~138k

1. High import substitution (GDP contribution)
2. Robust level of direct and indirect job creation
3. Population ramp-up
4. Dwelling Units ramp-up

- **USD 22 bn per year CAPEX of ~SAR 51bn** (for selected industries)
- **72k total jobs** by 2030
  - 56.9k from selected industries
  - 11.0k from service jobs
  - 4.4k from anchor tenants and infrastructure
- **138k population**
- **40,000 New Dwellings by 2030**

SOURCE: PREPARED BY ARAMCO PROJECT TEAM JULY 2014
### 11.1 Contribution to Kingdom:

<table>
<thead>
<tr>
<th>#</th>
<th>Description of Indicator</th>
<th>Description of Updated Strategy for 2030: Saudi Aramco with MinPet (July 2014)</th>
<th>Rationale</th>
</tr>
</thead>
</table>
| 1.   | Industry Selection               | Food processing  
Electromechanical  
Consumer durables and electronics  
Heavy industries  
Automotive  
Construction equipment  
Pharmaceuticals                                                                 | Adoption of a new selection criteria with MinPet  
Selection of industries with high attractiveness or feasibility in KSA regardless of energy intensity or scale requirements |
| 2.   | Import Substitution              | 22 Billion USD                                                                                   | Selection of industries such as automotive, electronics and heavy industries which require substantial scale to operate |
| 3.   | Job Creation                     | 72,000 Jobs                                                                                      | Selection of industries with high level of job creation such as automotive (14k jobs), electronics (4k jobs)  
Inclusion of heavy industries (14k jobs in total) |
| 4.   | Population ramp-up              | 138,000 day time Population                                                                       | The population ramp-up is directly associated with the increase in job creation and includes the respective dependents (i.e., families) |
| 5.   | Resident Population              | 121,000 resident Population                                                                      | Resident population grows in line with daytime population                 |
### Industry Requirements:

<table>
<thead>
<tr>
<th>#</th>
<th>Description of Indicator</th>
<th>Description of Updated Strategy for 2030: Saudi Aramco with MinPet (July 2014)</th>
<th>Rationale</th>
</tr>
</thead>
</table>
| 1. | Tenants CAPEX            | 31.7 Billion USD                                                               | • inclusion of heavy industries will require an additional SAR 7.76 bn. USD of tenant investment  
• Inclusion of electronics will add another USD 1.01 bn, automotive USD  2 bn, and pharm USD 1.06 bn  
• The other added industries account for the remaining increase |
| 2. | Land Requirements        | 44 Km²                                                                         | • The inclusion of heavy industries will require an additional 12.4 km² of land  
• Inclusion of automotive will add 3.9 km² of land  
• The other added industries account for the remaining increase |
| 3. | Power Requirements       | 2,318 MW                                                                       | • The inclusion of heavy industries will require an additional 1,135 MW  
• The inclusion of automotive will add another 80 MW  
• The other added industries account for the remaining increase |
| 4. | Water Requirements       | 268, 000 M³/day                                                                | • The inclusion of heavy industries will require additional 42.5K m³ of potable water and 123K m³ of processed water  
• The other added industries account for the remaining increase |
| 5. | Housing                  | 40,000 Units                                                                   | • The projected residential population increased from 53 to 121K people reflecting greater job opportunities |

SOURCE: PREPARED BY ARAMCO PROJECT TEAM JULY 2014
### 11.3 Financial Implications:

<table>
<thead>
<tr>
<th>#</th>
<th>Description of Indicator</th>
<th>Description of Updated Strategy for 2030: Saudi Aramco with MinPet (July 2014)</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>NPV</td>
<td>0.16 Billion USD</td>
<td><strong>•</strong> Expanded tenant base in the updated strategy results in higher net operating cash flows (revenues less OPEX) while CAPEX does not change</td>
</tr>
<tr>
<td>2.</td>
<td>IRR</td>
<td>4.8%</td>
<td><strong>•</strong> IRR is higher in the updated strategy due to more positive cash flows as a result of the additional revenues with no significant additional CAPEX (already includes large capacity)</td>
</tr>
<tr>
<td>3.</td>
<td>Revenues</td>
<td>4.56 and 2.69 Billion USD in DCF</td>
<td><strong>•</strong> Revenues are higher in the updated strategy primarily due to greater demand of water and land by the expanded tenant base</td>
</tr>
<tr>
<td>4.</td>
<td>CAPEX</td>
<td>2.7 Billion USD</td>
<td><strong>•</strong> Revenues are higher in the updated strategy primarily due to greater demand of water and land by the expanded tenant base</td>
</tr>
<tr>
<td>5.</td>
<td>OPEX</td>
<td>2.02 Billion USD</td>
<td><strong>•</strong> OPEX increases in the updated strategy primarily due to increased cost of city services to serve a larger city population</td>
</tr>
</tbody>
</table>

SOURCE: PREPARED BY ARAMCO PROJECT TEAM JULY 2014
12.0 MAJOR EVENT: PAN - ASIA DELEGATION VISIT
“Jazan Economic City will become a key contributor to Saudi Arabia’s economy as current infrastructure and projects development will provide a solid base for further investments in heavy and secondary industries, petrochemicals, mining and conversion industries.”

– JAZAN ECONOMIC FORUM 2015

SHOULD YOU HAVE ANY QUESTIONS ?????
OR
WISH TO DISCUSS ANY OF THE RELATED ISSUES OF 1ST
NEW ECONOMIC REVIEW/REPORT OF JAZAN ECONOMIC CITY

PLEASE CONTACT:

STRATEGIC PLANNING & INVESTMENT DEVELOPMENT DIVISION
ECONOMIC PLANNING DEPARTMENT
CONTACT PHONE NO: + 966 14 321-6636/6427