

Council of chambers of commerce of Saudi Arabia

The council of chambers of commerce and industry of Saudi Arabia , its headquarter in Riyadh , was established in accordance with Royal decree no. 6/m dated 30/4/ 1400 Hegira (march , 1980) to represent the chambers of commerce and industry of Saudi Arabia at the local and outside level and to develop the role of private sector in national economy .

The council undertook its actual activities by setting up its executive body , which is the General secretariat of the council of chambers beginning from 1401 Hegira (1981) and since then , it is making rapid strides towards achieving its objectives assigned to it .

It represents the Saudi business sector and chambers of commerce in the Kingdom of Saudi Arabia and take care of their interests at the local and international level .

The council is working to achieve its objectives, for the sake of serving the Saudi economy , through two axes , the first is the internal level through conveying the concerns of the private sector on the national level to the government agencies where the council has 32 national sectorial committees take the responsibility of discussion the issues and regulations of these sectors and the second is the international level where the council represents the private sector in the forums , meetings and conferences and participate in formulation of international economic policies and seeks to enhance the trade relations of the Kingdom with the world , in the forefront of these concerns is the enhancement of conditions of Saudi exports .

The council has 31 joint Saudi – foreign business councils .

Vision:

To have a notable role in the development of the national economy through the cooperation and coordination with the Chambers of Commerce and Industry, the business sector and all relevant entities in accordance with the general directions of the Kingdom of Saudi Arabia.

Mission:

The Council cooperates closely with the Saudi Chambers of Commerce and Industry and assists in the protection, preservation and development of the business sector in the Saudi Arabia. It acts as a leading partner in the nation's development process, and helps preserve its human and financial resources as per the Islamic values.

Strategic Objectives:

1. Support the national development programs.
2. Participate with the executive government authorities in preparing regulations and policies related to the business sector.
3. Enhance the business sector participation in the economic and social development.
4. Follow-up and monitor all internal and external economic changes.
5. Develop and promote exports specifically, in addition to external trade in general.
6. Participate in improving the investment climate.
7. Develop the small and medium size enterprise sector.
8. Participate in the Saudization of labor force in the business sector.
9. Develop the external economic relations and enhance commercial partnership with friendly countries.
10. Enhance the relations between the Council and the Chambers in addition to the relation between the Chambers themselves.
11. Represent the Saudi business sector in the international arena.
12. Activating the exercise of social responsibility of Saudi Chambers and all business sectors in the Kingdom.
13. Contribute to the development of existing industries in Saudi Arabia and to facilitate the setting up of industries which support it
14. Work to improve the image of entrepreneurs in society and the media constantly.

Our services include :

- Bar coding .

- Export development .
- Contracts .
- Economic information .
- Tenders .
- Initial and final seminars and conferences

Investment incentives in Saudi Arabia

Investment climate in Saudi Arabia

Saudi Arabia is considered as the heart of the Middle East/North Africa (MENA) region's 400 million-strong population. One of the world's 25 largest economies (23th), and No.1 in the MENA region, Saudi Arabia ranks 11th out of 183 countries for the overall 'Ease of Doing Business', according to the International Finance Corporation/World Bank's 'Doing Business' report in 2010. The Kingdom is one of the fastest-growing countries worldwide, with per capita income forecast to rise from \$20,700 in 2007 to \$33,500 by 2020. In addition, Saudi Arabia is also the top foreign investment destination in the Arab world and among the top 20 globally. As you can see, Saudi Arabia is an exciting and rewarding place to invest and do business.

- Saudi Arabia has the largest free economic market in the middle east . it has % 25 of the Arab total gross national product .

The Saudi economy is supported by one of the world's most stable currencies (the Saudi Riyal) and by low inflation. The government of Saudi Arabia also offers the 7th most rewarding tax system in the world and is also the 7th 'freest labor market' according to the World Economic Forum. You will find that, at

all levels, the Saudi government is dedicated to supporting the growth of your business in the Kingdom

Regulatory incentives

The government is also committed to reducing bureaucracy at all levels and transforming government departments in an effort to support foreign investment. H.M. King Abdullah chairs the Saudi Supreme Economic Council, which is in charge of overseeing formulation of economic policy and encouraging foreign investment. In 2000, the Saudi government announced a new Foreign Investment Law, introducing major regulatory incentives including (but not limited to):

- The establishment of the Saudi Arabian General Investment Authority (SAGIA), to assist foreign investors in the application and approval process for operating in the Kingdom.
- Accelerated investment application, business registration and set-up process, with a guaranteed decision for foreign investment applications within thirty (30) days of submission to SAGIA.
- Equal benefits, incentives and guarantees for foreign investors and domestic companies.
- 100% foreign ownership of companies and property.
- 100% property ownership for foreign investors.
- No minimum capital requirement
- No restrictions on repatriation of capital
- The ability for foreign investors to sponsor foreign employees.

Financial incentives

- No personal income taxes and only a 20% corporate tax.
- Ability to carry forward losses on balance sheets indefinitely.
- Foreign investors have access to generous regional and international financial programs, including:
 - o Arab Fund for Economic and Social Development (AFESD): Participates in financing economic and social development projects in Arab countries.
 - o Arab Monetary Fund: Promotes the development of Arab financial markets and trade among member states; advises member states on

investment of resources.

- o Arab Trade Financing Program: Provides medium and long-term loans to individuals and organizations for private and commercial trade.
- o Inter-Arab Investment Guarantee Corporation: Provides insurance coverage for inter-Arab investments and export credits against commercial and non-commercial risks.
- o Islamic Development Bank: Participates in equity capital and grants loans for productive projects and enterprises. It accepts deposits to mobilize financial resources through Shari'a compatible avenues.
- Other financial incentives to realize the full potential of your investments in the Kingdom include (but are not limited to):
 - o The Human Resources Development Fund to support activities related to qualifying, training and recruitment of Saudi labor.
 - o Preferential allocations of natural gas.
 - o Competitive industrial utility rates for water, power and land.
 - o Large research and development endowments at King Abdullah University for Science and Technology (KAUST) and King Abdul Aziz City of Science and Technology (KACST).

Tax incentives

The government of Saudi Arabia has granted tax concessions to six less-developed regions in the Kingdom, with the intention of attracting more investment. These tax privileges are granted for a period of ten years from the start of any project. The tax cuts will be offered in the following regions:

1. Ha'il
2. Jazan
3. Najran
4. Al-Baha
5. Al-Jouf
6. Northern Territory

The benefits are as follows:

- 50% deduction from the expenses of annual training for Saudis
- 50% deduction from the annual salaries paid to Saudis

- More deductions are granted if investment capital for any project exceeds SR 1,000,000 and if more than five employees of Saudi nationality have jobs of a technical or administrative nature with contracts of at least one year.

Sources: -

- 1 - The Saudi Ministry of Commerce.
- 2 - Wikipedia.
- 3 – web site of Chambers of Commerce of Saudi Arabia