


Saudi-US roundtable


28th of February 2024


Anaheim, United States





AGENDA


-  **Opening Remarks by His Excellency the President of GACA**


-  **The Saudi Aviation Strategy**
by Rashid ALRASHOUD

-  **Air Transport & International Cooperation**
by Ali RAJAB

-  **Aviation Safety & Environmental Sustainability**
by Captain Sulaiman ALMUHAIMEDI

-  **Technology & Digital Transformation**
by Saud ALHARBI

-  **General Aviation**
by Imtiyaz MANZARY

-  **Concluding remarks**

Opening remarks



His Excellency the President of GACA Abdulaziz Al-Duailej

Key themes:

- ✓ Saudi-US relations
- ✓ Vision 2030
- ✓ Tourism: a key driver of Vision 2030
- ✓ Saudi Aviation Strategy: a key enabler of Vision 2030
- ✓ The future of aviation

The Saudi Aviation Strategy



GM of Strategic Planning and Special Projects

Rashid ALRASHOUD

Key themes:

- ✓ Presentation of the Saudi Aviation Strategy
- ✓ Achievements and progress
- ✓ Overview of GACA's role as a regulator
- ✓ Opportunities for US-KSA partnership

رؤية VISION

2030

المملكة العربية السعودية

KINGDOM OF SAUDI ARABIA

Vision 2030 draws on the Nation's Intrinsic Strengths

01

Saudi Arabia is the land of the Two Holy Mosques which positions the Kingdom at the heart of the Arab and Islamic worlds

02

Saudi Arabia is using its investment power to create a more diverse and sustainable economy

03

The Kingdom is using its strategic location to build its role as an integral driver of international trade and to connect three continents: Africa, Asia and Europe

Summary - The Saudi Aviation Strategy

Aviation Strategy in a nutshell

LEADING IN THE MIDDLE EAST

ASPIRATION



SECTOR VISION: EMPOWER VISION 2030 AND BECOME THE LEADING AVIATION SECTOR IN THE MIDDLE EAST

Enable National Tourism Strategy (300M PAX) & service national air cargo needs (2.5M tons)

Upgrade KSA to become a global transit hub (30M PAX) & global air cargo hub (2.0M tons transit)

STRATEGY



NETWORK & HUBS

Extend KSA connectivity to **250+ destinations** across 29 airports with **RUH** & **JED** serving as 2 global PAX long-haul connecting hubs & global air cargo hubs leveraging belly capacity.



CARRIERS

Increase local **LLC market share**, local carrier competitiveness, and launch a **new carrier**



AIRPORTS

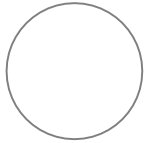
Upgrade infrastructure & operations, including **airport PAX capacity & experience in line with Tourism Strategy**, and the **state-of-the-art Cargo facilities**



SERVICES

Enable fair competition and globally competitive pricing and regulatory frameworks for international & domestic operators

5 KSA priorities for the aviation sector



- Accommodate demand from National Tourism Strategy



- Be a global connecting hub for international transit PAX



- Drive economic growth in KSA (both GDP & creation of jobs)



- Grow a sustainable Aviation sector with attractive returns



- Deliver world-class experience to passengers



WHAT DOES THE STRATEGY MEAN FOR AIRLINES?

Saudi Arabia is one of the Middle East's largest passenger markets with almost 100 million passengers carried in 2019 prior to the COVID-19 pandemic. Saudi Arabia achieved the two busiest international routes in 2022.

Saudi Arabia has established a new passenger carrier in Riyadh Air that will be headquartered in

Riyadh. The Saudi Aviation Strategy is enabling the development of NEOM through its airport and through a new airline specifically designed for future living.

New carriers launched as part of the strategy will provide an unmatched passenger experience, catering for growth to 330 million passengers per annum.

WHAT DOES THE STRATEGY MEAN FOR AIRPORTS?

The Strategy will transform the Kingdom's airport network, through corporatization and investment that creates greater capacity and performance for passengers.

Connectivity with Saudi Arabia will extend to more than 250 destinations across 29 airports.

Saudi Arabia will build a network of airports with differing roles and capacities, led by two global connecting hub airports in Riyadh and Jeddah.

The transfer of airports from GACA to private operators is being supported by new performance reporting systems that provide public monthly updates on airport performance, including timeliness and reliability of services.

Transformation will see Saudi Arabia become the fifth largest global PAX connecting hub and number one regional cargo hub.



WHAT DOES THE STRATEGY MEAN FOR CARGO & LOGISTICS?

The Saudi Aviation Strategy will enable the Kingdom to grow its transit air cargo share of the regional market to 25%, capitalizing on the Kingdom's strategic location connecting three continents and its position as a major cargo market.

Currently, Saudi Arabia only captures 33% of its

total demand for air cargo goods and only 7% of the total Middle East air cargo transit market. But the strategy will capture more of this market as airfreight grows by 5.5 times from 0.8M tons today to 4.5M tons by 2030.

Freight capacity is being supported by an increase in warehouse capacity to 6M tons, and the launch of free zones with globally competitive incentives is bringing leading international logistics providers and multinational corporations to the Kingdom.

Special economic zones are being created which will enable cargo and logistics operators to benefit from a package of unique fiscal, regulatory and locational benefits.

WHAT DOES THE STRATEGY MEAN FOR REGULATION?

The Saudi Aviation Strategy redefines GACA's role as a pure regulator, allowing it to focus on enhancing the Kingdom's aviation competitiveness.





Through GACA regulatory measures, the operating environment for airports is transforming airlines and their support services by reducing their cost base through a pricing reform program. This new competitive operating environment will attract more Foreign Direct Investment (FDI).

Privatization will enable the growth and entry of local private sector players, which will boost the Kingdom's air transport efficiency ranking to be among the top 5 globally by 2030. The contribution of the aviation sector to the Saudi economy will more than treble from \$21.3 billion to \$74.6 billion by 2030.



Aviation's Sector Latest achievements

Progress: Aviation sector has achieved significant progress to enable KSA goals

Pillars of NAS	Key achievements across the aviation sector
 Network	 <ul style="list-style-type: none">• Jumped 14 spots in IATA Connectivity Index in 2023• Established 15 new international routes in 2023 through the Air Connectivity Program• Achieved highest connectivity levels for KSA in 2023 with 143 connections
 Airlines	 <ul style="list-style-type: none">• Saudia jumped 34 spots in SKYTRAX airline ranking 2023 (#57 to #23), Flynas jumped 47 spots (#98 to #51)• Launched Riyadh Air in Q1'22, to be based in RUH hub• Expanded fleet: Flynas to order 100 A/Cs; Saudia increased its fleet size by 73 A/Cs• Launched Saudia transformation (e.g., x2 transit PAX through Jed Hub, digitization)• Reached final stages to license new Dammam-based air carrier
 Airports	 <ul style="list-style-type: none">• Jumped +50-70 spots in SKYTRAX airport ranking 2023 vs 2018 (from >100 to #57 RUH, #41 JED, #44 DMM, #52 MED)• Obtained approval of KSIA concept masterplan & short-term expansion plan• Received approval of Jeddah (KAIA) masterplan and Abha airport design• Launched ILBZ in Riyadh and expected expansion to Jeddah and Dammam
 Services	 <ul style="list-style-type: none">• Launched MRO Village in Jeddah for Saudia Technic• Secured ground handling cargo operations for SATS at all 3 key cargo airports• Acquired Standard Chartered's aviation leasing business of 122 A/Cs by Avilease• Achieved liberalization within aviation services (e.g., introduction of Swissport in ground handling)
 Enablers	 <ul style="list-style-type: none">• Launched new customer protection regulations within KSA• Revised economic regulations in air transport services, airports, ground handling, and air cargo• Revised airport charges across RUH, JED, and DMM airports• Supported sector by removing airport and navigational security fees• Launched seamless passenger experience program

Air Transport & International Cooperation



EVP of Air Transport & International Cooperation

Ali RAJAB

Key themes:

- ✓ Bilateral agreements between KSA and the US
- ✓ KSA-US Traffic Analysis
- ✓ KSA-US most popular routes

Bilateral relations between KSA and the United States

- **LEGAL FRAMEWORK:**

- ASA signed 28 May 2013, MOU 18 April 2011
- Initial understanding for open skies agreement between two countries

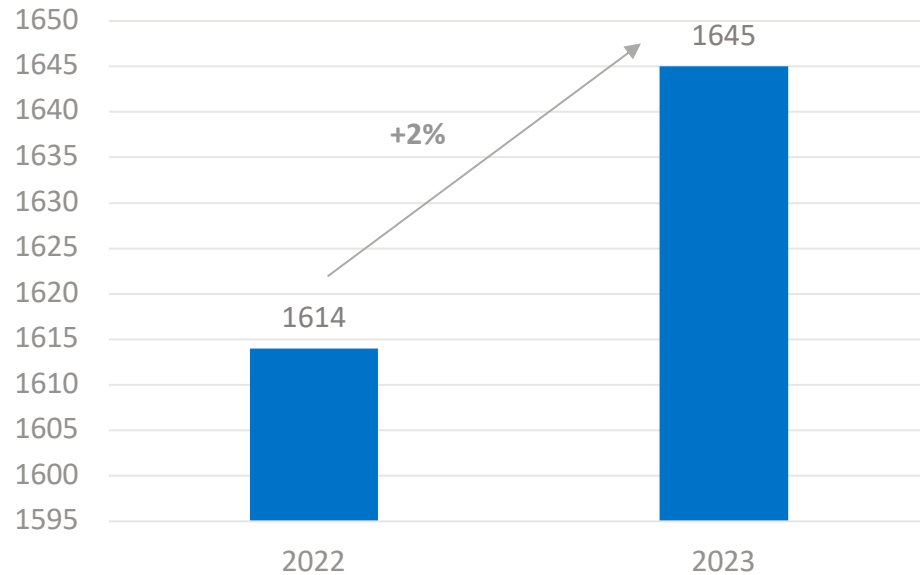
- **OPERATION OF AIR SERVICES:**

- Multi-Designation

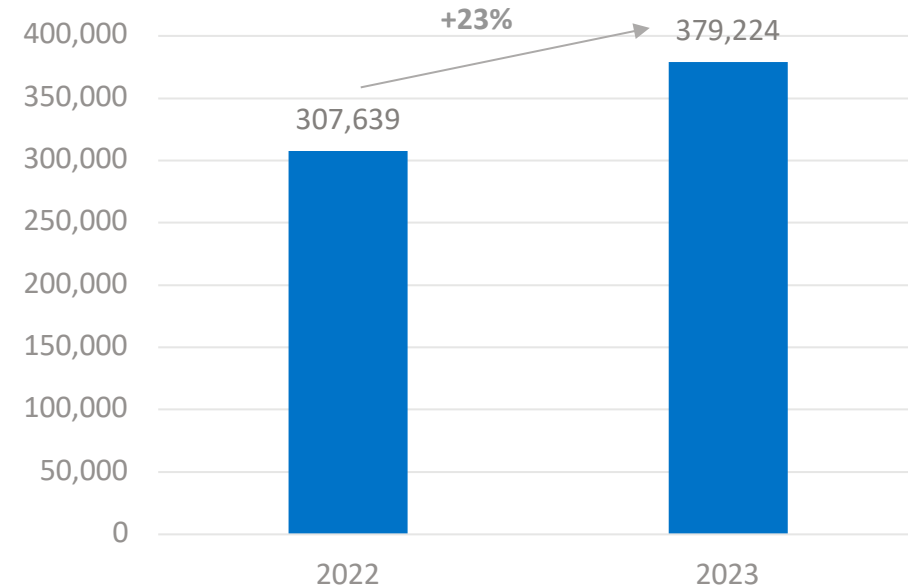
Volume of passengers and flights between KSA and the US

PASSENGERS

VOLUME OF PASSENGER FLIGHTS



VOLUME OF PASSENGERS



- Flights shown on the table are only operated by Saudi Arabian Airlines.
- Saudi Arabian Airlines operates to Los Angeles, Washington Dulles Airport, and New York JFK Airport.

The most popular route between the two countries is Jeddah to Washington Dulles

MOST POPULAR ROUTES

ROUTES	PLANNED SEATS 2024	PLANNED FREQUENCIES 2024
Jeddah – Washington Dulles	122 562	422
Jeddah – New York JFK	114 920	390
Riyadh – New York JFK	97 042	334
Riyadh – Washington Dulles	87 000	300

Aviation Safety & Environmental Sustainability



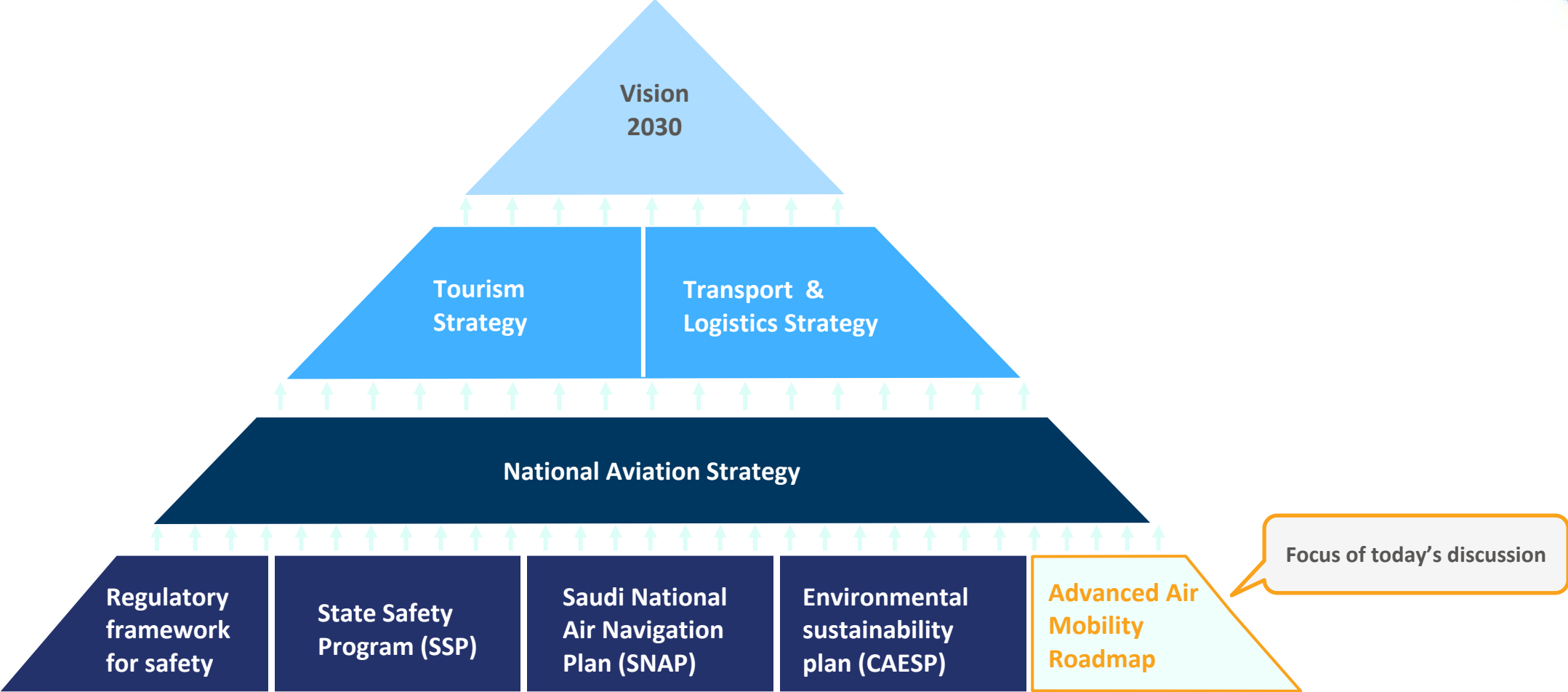
EVP of Aviation Safety & Environmental Sustainability

Captain Sulaiman ALMUHAIMEDI

Key themes:

- ✓ Advanced Air Mobility (AAM) Roadmap in the Saudi Aviation Strategy
- ✓ AAM use cases in the Kingdom
- ✓ Key recent events of AAM in the Kingdom
- ✓ Development and growth of AAM in the Kingdom
- ✓ Key asks to American counterparts and participants

Saudi Aviation Strategy cascades five national-level initiatives including the Advanced Air Mobility Roadmap















AAM offers many use cases; 18 use cases are shortlisted for KSA

AAM use cases

Non-exhaustive

Passenger	
	Urban air mobility (Air taxi)
	Regional air mobility
	Airport transfers
	Emergency medical services
	Pilgrimage transfers
	Leisure and tourism

Cargo	
	Last mile parcel delivery
	Heavy lift cargo
	Food and grocery delivery
	Intralogistics
	Medical goods delivery

Utilities	
	Agriculture
	Inspection and maintenance (infrastructure)
	UAS light shows (holographic)
	UAS advertisements
	Terrain mapping
	Disaster mitigation
	Search and rescue



AAM sector in Saudi Arabia is seeing positive tailwinds with several emerging partnerships

Key recent events of AAM sector in Saudi Arabia

							
							
<p>Since 2020 JIMCO participated in a ~3bn SAR funding round for JOBY, a front-runner in e-VTOL development</p>	<p>In 2021 NEOM and Volocopter formed a JV to develop the first operating AAM ecosystem in the world</p>	<p>In March 2022 THC and Airbus signed a MoU to introduce Urban Air Mobility¹ services in KSA</p>	<p>In October 2022 Saudia signed a MoU to acquire 100 units of eVTOLs from Lilium</p>	<p>In January 2023 Aramco invested in Terra, expanding KSA's network of AAM partnerships²</p>	<p>In November 2023, Flynas and EVE signed an MoU to offer AAM services in Riyadh and Jeddah by 2026</p>	<p>In February 2024, Front End, in partnership with Ehang, showcased their plan to offer AAM services in KSA</p>	<p>In February 2024, AutoFlight confirmed its cooperation with Mobily to bring its eVTOL to Saudi Arabia</p>

1. Urban Air Mobility is one of the pillars of Advanced Air Mobility | 2. Terra will establish a new subsidiary for its operations in Saudi Arabia to conduct drone survey, inspection and unmanned traffic management (UTM) across various projects in Saudi Arabia Source: Press releases

Saudi Arabia aims to become a global leader in Advanced Air Mobility sector

AMBITION 	BECOME A GLOBAL AAM LEADER 
1 Start of commercial operations ⁷	In line with leading international markets (2025/2026)
2 Use cases coverage	Low to Medium complexity use cases
3 Initial geographical coverage	NEOM, Red Sea, Al-Ula, Riyadh, Makkah, and Jeddah
4 Level of AAM talent development capabilities	Capabilities hub (2028, training local and foreign candidates)
5 Local assembly/manufacturing	Manufacturing (2030 under Foreign POA and 2032 under Saudi POA)
6 Funding	Mobilize CapEx investment and OpEx support
7 Type certification	Type certificate issuance (2030)

AAM sector is poised for substantial growth in coming years








	2030	2040
ANNUAL PAX TRIPS 	3.0–3.5 Mn	24–28 Mn
ANNUAL REVENUE 	USD 1.5–2.0 Bn	USD 5–7 Bn
eVTOLS 	390–410	1,700–1,900
VERTIPADS 	90–100	400–440
JOBS ¹ 	5,000–6,000	11,000–13,000
CUMULATIVE GDP CONTRIBUTION 	USD 2.5–3.0 Bn	USD 25–35 Bn

1. Pilots, ground infrastructure, UATM/UTM personnel, and manufacturing facility staff
Source: AAM Roadmap project team

Saudi Arabia has kicked-off the AAM roadmap comprising of 23 nation-wide initiatives

1	2	3	4	5	6	7
Organization 	Technology 	Infrastructure 	Human Capability 	Public Acceptance 	Investment 	Regulations 
1.1 Program coordination	2.1 Aircraft certification	3.1 Advanced comm's	4.1 Human capital in AAM	5.1 Public awareness re AAM	6.1 AAM CapEx financing	7.1 Civil aviation
1.1.1 Create a dedicated AAM function inside GACA	2.1.1 Make GACA self sufficient in issuance of required aircraft certifications	3.1.1 Define spectrum requirements and allocate frequencies for AAM	4.1.1 Make KSA a hub for AAM capabilities development in the region	5.1.1 Develop & implement campaigns to increase public awareness of AAM	6.1.1 Invest in AAM sector development	7.1.1 Develop and update ConOps for AAM in KSA at national and regional level
1.1.2 Establish AAM coordination group(s) with key sector stakeholders	2.2 R&D	3.2 Airspace	4.1.2 Secure a pipeline of AAM industry professionals in KSA	5.1.2 Carry out flight test campaigns & initial commercial operations in selected areas	6.2 AAM OpEx financing	7.1.2 Develop comprehensive regulatory framework for AAM sector
1.1.3 Ensure AAM operators' readiness and alignment of their plans with AAM strategy	2.2.1 Estimate R&D needs for the AAM sector & develop the action plan	3.2.1 Develop the low-level airspace concept			6.2.1 Develop a mechanism for favorable OpEx financing to promote AAM sector growth	7.1.3 Define cybersecurity requirements for AAM
	2.3 Aircraft manufacturing	3.2.2 Develop a network of ATM/CNS and UTM infrastructure			6.2.2 Develop a concept and a mechanism on insurance services for the sector	7.2 Non-aviation
	2.3.1 Develop an OEM attraction plan for manufacturing localization	3.3 Ground infrastructure				7.2.1 Adapt and develop data management policies for AAM
		3.3.1 Develop a network of ground infrastructure				7.2.2 Develop other non-aviation regulations to enable AAM
		3.3.2 Ensure development of AAM MRO infrastructure and services				

FAA and GACA already signed an MoU to collaborate on different areas; GACA sees closer collaboration opportunities with FAA across all levels of AAM development

Organization 	Technology 	Infrastructure 	Human Capability 	Public Acceptance 	Investment 	Regulations 
<p>1.1 Program coordination</p> <p>1.1.1 Create a dedicated AAM function inside GACA</p> <p>1.1.2 Establish AAM coordination group(s) with key sector stakeholders</p> <p>1.1.3 Ensure AAM operators' readiness and alignment of their plans with AAM strategy</p>	<p>2.1 Aircraft certification</p> <p>2.1.1 Make GACA self sufficient in issuance of required aircraft certifications</p> <p>2.2 R&D</p> <p>2.2.1 Estimate R&D needs for the AAM sector & develop the action plan</p>	<p>3.1 Advanced comm's</p> <p>3.1.1 Define spectrum requirements and allocate frequencies for AAM</p> <p>3.2 Airspace</p> <p>3.2.1 Develop the low-level airspace concept</p> <p>3.2.2 Develop a network of ground infrastructure</p> <p>3.3.2 Develop a network of MRO infrastructure</p>	<p>4.1 Human capital in AAM</p> <p>4.1.1 Make KSA a hub for AAM capabilities development in the region</p> <p>4.1.2 Secure a pipeline of AAM industry professionals in KSA</p>	<p>5.1 Public awareness re AAM</p> <p>5.1.1 Develop & implement campaigns to increase public awareness of AAM</p> <p>5.1.2 Carry out flight test campaigns & initial commercial operations in selected areas</p>	<p>6.1 AAM CapEx financing</p> <p>6.1.1 Invest in AAM sector development</p> <p>6.2 AAM OpEx financing</p> <p>6.2.1 Develop a mechanism for favorable OpEx financing to promote AAM sector growth</p> <p>6.2.2 Develop a concept and a mechanism on insurance</p>	<p>7.1 Civil aviation</p> <p>7.1.1 Develop and update ConOps for AAM in KSA at national and regional level</p> <p>7.1.2 Develop comprehensive regulatory framework for AAM sector</p> <p>7.1.3 Define cybersecurity requirements for AAM</p>
<p>Cross-country coordination groups for AAM (e.g., secondments)</p>	<p>Opportunity for American OEMs to setup manufacturing in KSA</p>	<p>Collaboration on development of digital infrastructure</p>	<p>Co-development of training institutes for Saudi & American staff</p>	<p>Opportunity for American operators to demonstrate operations</p>	<p>Connect potential investors on AAM opportunities</p>	<p>Joint regulations development between FAA and GACA (e.g., airworthiness, ATM/UTM)</p>

 Potential collaboration opportunities between CAAC and GACA

GACA will be the focal point and roadmap coordinator, with wide involvement from several Saudi entities

SAUDI AAM ECOYSTEM



GACA will coordinate and lead AAM implementation

Enablers

Technology



Infrastructure



Human capability



Public acceptance



Investment



Knowledge exchange and sectoral coordination



Investments, flight demonstrations, trainings, etc.

FEDERAL AVIATION ADMINISTRATION

+

Other government and private sector entities

Non-Aviation

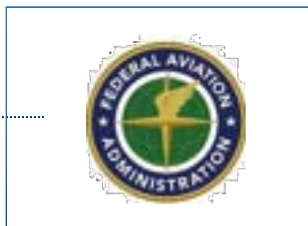


وزارة الطاقة
MINISTRY OF ENERGY



Long list of stakeholders for all regulations

Regulations development



Regulations

Civil Aviation



Key asks

1

Confirm **mutual collaboration between GACA and FAA** on AAM enablement

2

Engage in supporting **Type Certificate** validation/issuance for American OEMs while facilitating **knowledge sharing with GACA**

Technology & Digital Transformation



GM of Technology & Digital Transformation

Saud ALHARBI

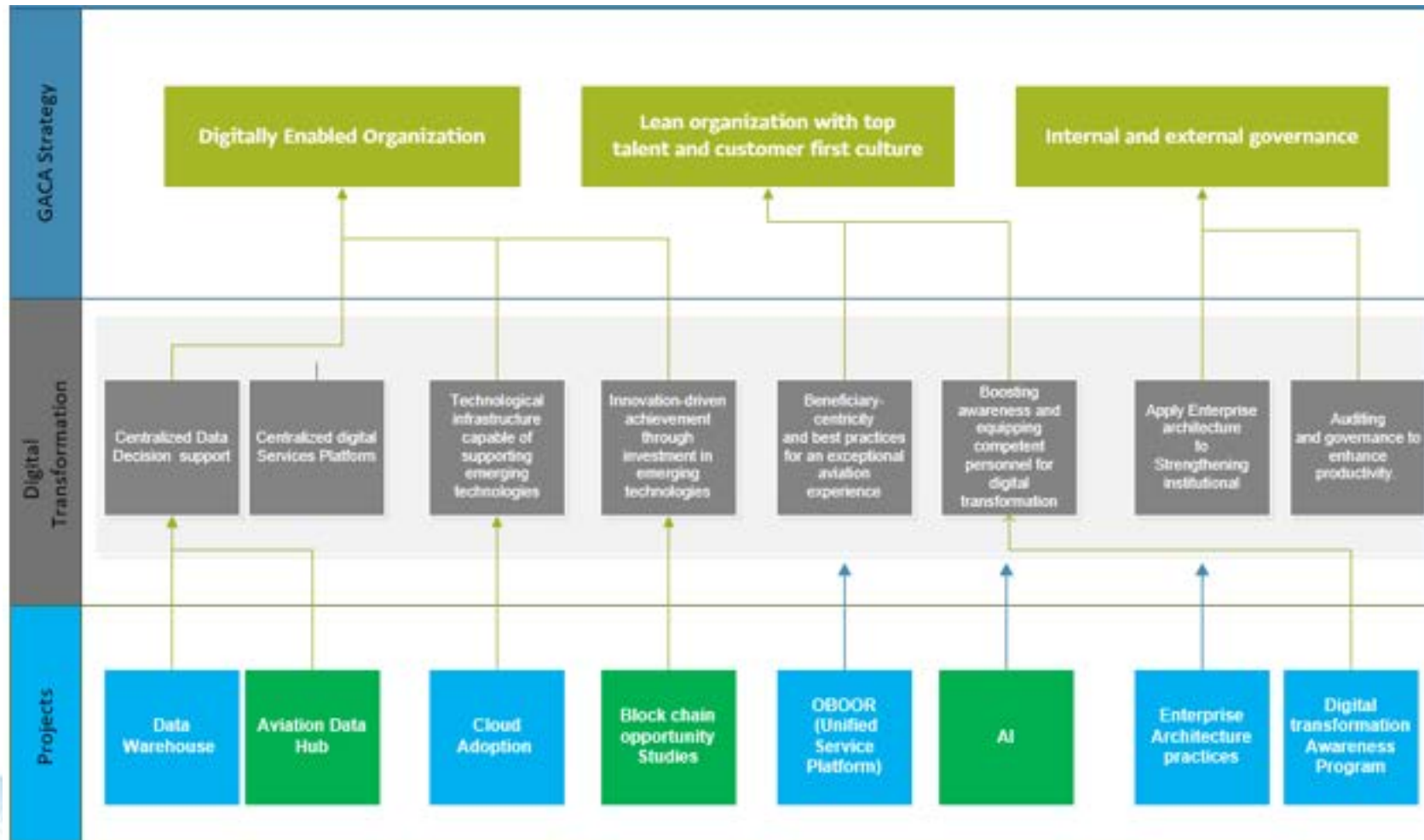
Key themes:

- ✓ Strategic objectives and goals of Digital transformation
- ✓ Alignment of the strategic objectives with the projects of Digital transformation

Alignment of the strategic objectives with the goal of digital transformation

The main goal is "direct"	Sub-goal	Digital transformation goals
Digitally enabled organization	G1 Attain best-in-class digitalization in GACA core and support processes	<ul style="list-style-type: none"> Enhance data centralization to support business intelligence and decision-making processes Provide high-quality digital services using a unified platform with multiple service delivery channels Develop a technical infrastructure that supports emerging technologies, digital services, integration, and partnerships
	G2 Ensure high standards of process quality via continuous measurement	<ul style="list-style-type: none"> Improve efficiency and productivity by establishing robust follow-up and governance mechanisms Strengthen organizational performance by implementing best practices in institutional architecture
The main goal is "indirect"	Sub-goal	Digital transformation goals
Lean organization with top talent and customer first culture	E1 Become a lean organization with top talent	<ul style="list-style-type: none"> Reinforce innovation's impact on achieving organizational goals through investment in emerging technologies Raise awareness and develop a workforce skilled and numerous enough to advance the digital transformation
	E2 Develop a new GACA culture based on customer-centricity	<ul style="list-style-type: none"> Prioritize customer focus and best practices to deliver exceptional experiences in the aviation sector Deliver high-quality digital services across a unified platform integrated with various delivery channels
Internal and external governance	F1 Achieve effective GACA governance	<ul style="list-style-type: none"> Increase efficiency and productivity by developing effective monitoring and management systems Enhance organizational strength through the adoption of structured institutional architecture practices

Strategic objectives alignment with digital transformation goals & projects



General Aviation



GM of General Aviation

Imtiyaz MANZARY

Key themes:

- ✓ General Aviation Sector Strategy
- ✓ Infrastructure development

General aviation sector strategy

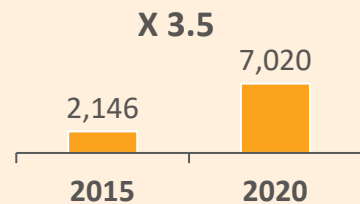
KSA has strong potential to become a flourishing GA hub driven by its unique strengths and opportunities

Large wealthy population (UHNWI¹)



KSA's **UHNWI** population has grown x3.5 between 2015-2020, the **fastest growth in the world**

KSA UHNWI population

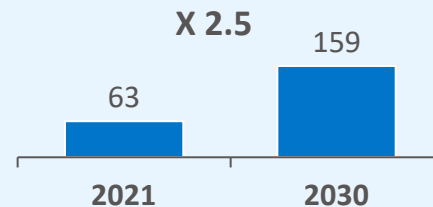


High tourism growth prospects



KSA has **ambitious tourism targets towards 2030**, mainly driven by **giga developments** and growing **religious tourism (30m annual pilgrims by 2030)**

Mn visitors



Extensive area for airport network development



KSA is one of the countries with **largest areas**, with potential to extend current **network of airports (29)**

#8 country by area with **2.15 M km²**

Strong financial commitment



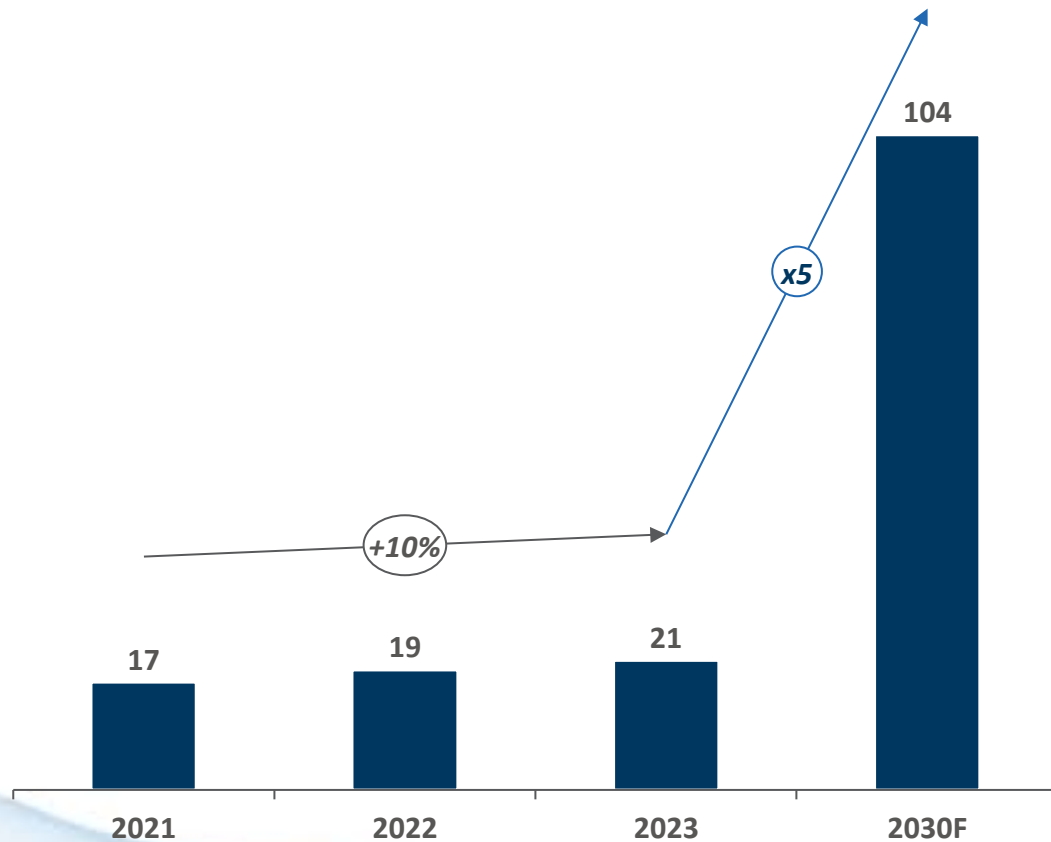
Strong financial commitment to achieve KSA's Vision 2030 and Tourism and Aviation strategy

SAR 375 bn expected investment in the aviation sector by 2030

1. Ultra-high-net-worth individuals (UHNWIs) are defined as people with investable assets of at least \$30 million
Source:: Knight Frank, GACA, Ministry of Tourism, SWFI,

KSA presents a large growth potential driven mainly by tourism, business and religious trips, growing 5 times by 2030

DEMAND - Business jets traffic in KSA, potential and drivers (thousands of flights)



Source: KSA GA Strategy, SANS 2022-2023,

Key Drivers

'23 - '30	1		Large wealthy population (UHNWI)
	2		Riyadh expansion targets by 2030
	3		Growing religious tourism
	4		Growing tourism driven by Giga projects

A comprehensive development plan across 5 pillars has been designed to enable KSA to achieve the GA sector aspiration

General Aviation Development Plan



ASPIRATION

Become a global hub for General Aviation



BEST IN CLASS GA AIRFIELD NETWORK AND CONNECTIVITY

- Enhance **GA airfield connectivity** by adding 6 dedicated business jet airports and 9 GA terminals in commercial airports
- Expand and develop **hangarage and MRO footprint**



SUSTAINABLE A/C OPERATION SUPPLY

- Enhance **A/C operators' competitiveness** and launch a **national champion**



COMPETITIVE FBO SERVICES

- Enhance **FBO competitiveness and service level**, shift FBO from duopoly to **liberalized market**



LOCALIZED MRO MARKET SUPPLY

- **Attract 1-2 MRO OEM** and support **independent MRO development**



DEVELOPED GA SERVICES

- Enhance **insurance and financing offering**



ENABLERS

- Secure required **funding**
- Introduce **world-class GA regulatory framework**
- Develop an **effective GA sector stakeholder governance**
- Enhance customer experience by **digitizing end-to-end processes**
- Attract and **develop of the required talent**
- Become a **frontrunner in innovation (AAM) and sustainability**

GA sector development plan – key figures

Key targets for 2030



Infrastructure development

The future GA network includes 6 GA airports and 9 GA terminals in commercial airports, of which 2 already exist (Riyadh and Jeddah)

Future GA network requirements in 2030

6 GA Airports

would be required by 2030

9 GA Terminals

would be required in commercial airports by 2030 (beyond the 6 dedicated GA airports)

Concluding Remarks

What's next of GACA's agenda

- Saudi Arabia is continuing to provide aviation leadership for the world and plans to host several events to encourage collaboration in aviation.

FUTURE AVIATION FORUM 2024

- The General Authority of Civil Aviation will host the third edition of the **Future Aviation Forum**, under the theme "Enhancing Global Connectivity".
- The Future Aviation Forum will serve as a platform for global aviation leaders and visionaries to converge, exchange ideas, and address critical challenges and opportunities in the aviation sector.
- The inaugural FAF saw transport ministers, heads of civil aviation authorities, and top executives at global aviation companies sign more than 50 deals amounting to \$2.7bn in value.

The 3rd Future Aviation Forum will be landing in Riyadh

20th – 22nd May 2024

We're taking off on an exciting journey that's redefining Saudi Arabia's place in global aviation, offering vast opportunities for travelers, businesses, and the world.

With a substantial **\$100 billion** investment, the Saudi Aviation Strategy is tripling annual passenger traffic to **330 million**, expanding air connectivity to **250+ destinations**, and raising air cargo volume to **4.5M tons**.

Join us in shaping the future of aviation.



TO FIND OUT MORE



Thank You.

matarat
Holding

The background features a teal-tinted cityscape with several skyscrapers. A white geometric frame, consisting of two L-shaped lines, is superimposed over the scene. An airplane is flying through the opening of the frame. The overall aesthetic is modern and professional.

MATARAT Holding
Investment Opportunities

MATARAT Holding owns 4 operating companies that operate 27 airports across the Kingdom of Saudi Arabia

MATARAT Group

matarat
Holding

jedco Jeddah
Airports

مطارات الرياض
riyadh airports

DACO
مطار الدمام
Dammam Airports Company

Cluster²
لوجستيات مطارات التنتي
Cluster 2 Company

Jeddah Airports
Company

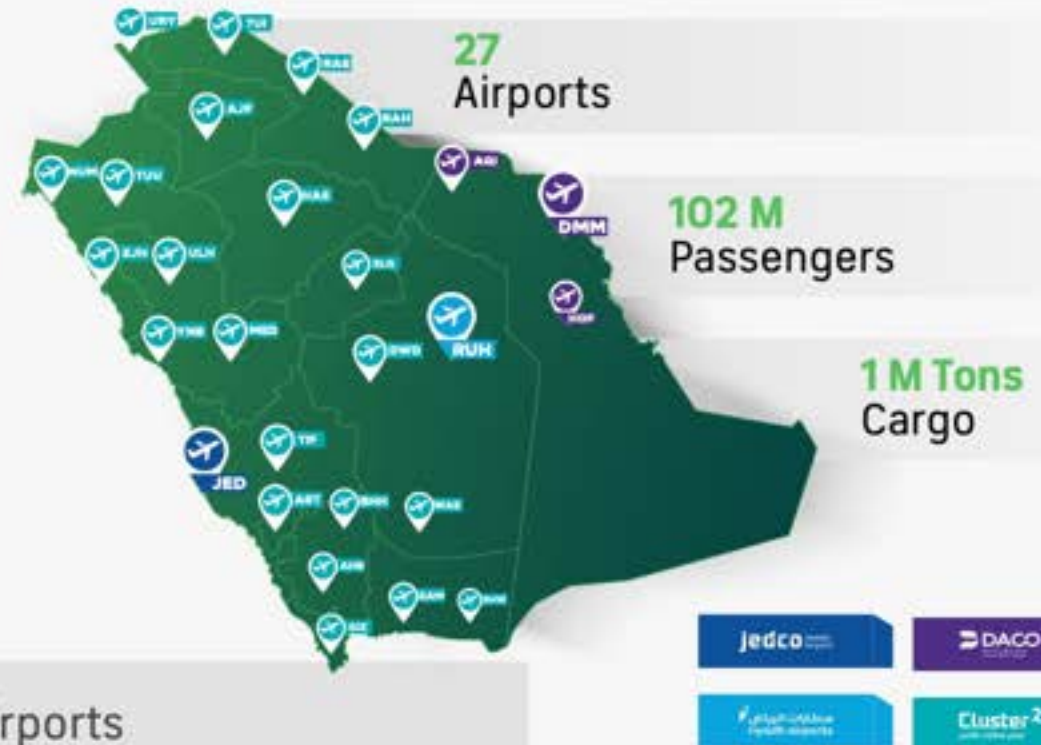
Riyadh Airports
Company

Dammam Airports
Company

Cluster 2
Company

MATARAT Subsidiaries - Management and operations of airports

MATARAT Airports and Key Figures



MATARAT is playing a crucial role in the development of Airport Masterplans across the Kingdom, leading the effort for the majority of airports

Completion Date:
14 Mar 2024

MATARAT Group 1

- Al Jouf (AJF)
- Tabuk (TUU)
- Yanbu (YNB)
- Al Baha (ABT)
- Al Gurayat (URY)

Completion Date:
1 Jul 2024

MATARAT Group 2

- Sharurah (SHW)
- Jizan (GIZ)
- Bisha (BIS)
- Najran (EAM)

Completion Date:
15 Oct 2024

MATARAT Group 3

- Turaif (TUI)
- Rafha (RAH)
- Arar (RAE)
- Al Dawadmi (DWD)
- Wadi Al Dawasir (WAE)



MATARAT Privatization

- Taif (TIF)
- Abha (AHB)
- Al Qassim (ELQ)
- Hail (HAS)

Masterplans led by DACO

- Dammam (DMM)
- Al Qaisumah AQI
- Hofuf (HOF)

Masterplans led by RCU

- AL Ula (ULH)

Masterplans led by PIF

- Al Wajh (EJH)
- Riyadh (RUH)
- Jeddah (JED)

Masterplan led by TIBAH

- Madinah (MED)

All airports in the Kingdom will have an updated Masterplan by 2025

MATARAT to launch Abha, Taif, Hail and Qassim as its first set of transactions for Private Sector Participation



Taif Airport



Abha Airport



Qassim Airport



Hail Airport

Local Content Investment Opportunities

AIRPORT SPECIFIC CATEGORIES



**X-Ray Scanner -
Baggage**



**Customer Self
Check in**



**Baggage Handling
System**



**Self Service
Baggage**



**Passenger Boarding
Bridges**



**Aeronautical
Ground Lighting**



**Docking Guidance
System**



**Access Control
Gates**



**Flight Information
Display Systems**



**Metal
detectors**



**ATB
Printers**

General



Elevators



Chiller



Escalators



Air Handling Unit



Travelators



Fans



Generator



**Fire Fighting
System**



Transformers



**Fire
Detector**



UPS



**Video
Surveillance**

**THANK
YOU**



PIF
صندوق
الاستثمارات العامة

Aviation & Security

Sector Overview

February 2024

CONFIDENTIAL

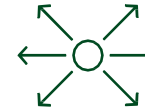
Aviation sector vision

Contribute to the development of a globally competitive KSA aviation and security eco-system

Guiding principles



Sustainable returns



Ecosystem enablement



Localization (Local Content)

Goals

Generate sustainable returns and scale

Diversify investments and seek monetization opportunities

Support the aviation ecosystem to deliver National Targets

Generate synergies across the sector

Reduce revenue leak
 Create jobs, develop local expertise and IP

Enablers

Infrastructure which meets future demand

Develop local talent

Access to funding

Beneficial regulatory environment

Access to international partnerships and IP



1 General Aviation

- ❑ Create a **national champion** in the general aviation sector that contributes to improving air mobility/connectivity across KSA
- ❑ **Develop critical infrastructure** to support the general aviation sector and national programs (i.e. air medical, search & rescue)
- ❑ Be in the **forefront of emerging technologies** for advanced urban mobility

2 Commercial Aviation

- ❑ **Enhance connectivity** of the Kingdom and thus contribute to achievement of the Kingdom's Tourism vision
- ❑ **Coordinate network, fleet and product** across KSA commercial airlines (e.g. to capture synergies)
- ❑ Contribute to firmly establishing the Kingdom as **logistics powerhouse in the region**

3 Aviation Services

- ❑ **Support the KSA aviation ecosystem** through investment in financing and service solutions
- ❑ **Reduce value leakage and unlock value chain benefits** through serving domestic demand directly and localizing capabilities
- ❑ **Create service/ financing platforms** that can successfully compete in international markets

4 Security Services

- ❑ **Create an innovative platform** that integrates technology and security solutions capable of providing world class services
- ❑ **Contribute to secure critical infrastructure** in the Kingdom (e.g. Airports, Railways, Refineries)
- ❑ **Spearheading the transformation of the security services sector** in the kingdom



PIF Aviation and Security Sector Portfolio (1/2):

The Aviation & Security sector has a diverse portfolio in different parts of the value chain

General Aviation



The Helicopter Company (THC)

- THC was established in late 2018 as the first commercial helicopter operator in the Kingdom
- The company services include (1) Air Charter, (2) Air Medical, (3) Tourism, and (4) Aerial Works
- THC has a total fleet of 46 helicopters and 800+ employees as of December 2023



Alpha Star

- Alpha Star was established in 2009 to cater for the demand for chartering services in the Kingdom
- The company services include (1) Air Charter, (2) Air Medical, (3) Aircraft Management, and (4) Aerial Works
- Alpha Star has a total fleet of 30 fixed-wing aircrafts as of December 2023



GDC Middle East

- GDC ME was established in 2015 specialized in aeronautical engineering services
- The company services include (1) Aerospace Engineering Services, (2) Technical Support Services, and (3) MRO provided to the military sector
- GDC ME has 800+ employees as of December 2023



Project Royale

Integrated Fixed-Based Operator (FBO) that aims to build and operate general aviation airports and terminals across the Kingdom
 Offering an end-to-end suite of services including fueling, ground handling, lounges, hangarage and others
 Royale plans to launch 3 GA airports and 5 GA terminals in in key locations across the Kingdom, which is in line with the national business aviation strategy approved by HCTL¹

Commercial Aviation



Riyadh Air

- Riyadh Air was established in December 2021 as a full-service, international and domestic carrier based in Riyadh
- As the second flagship carrier, the company aims to serve the acceleration in traffic growth and reinforce KSA's positioning in the sector
- The company is currently scaling up its operationalization efforts and is set to launch in July 2025

PIF Aviation and Security Sector Portfolio (2/2):

The Aviation & Security sector has a diverse portfolio in different parts of the value chain

Aviation Services



AviLease

- AviLease was established by PIF in March 2022 to serve as a national champion in the aviation leasing market
- AviLease focuses on operating leases of narrow-body and wide-body aircraft to commercial airlines (with the potential to expand into leasing of other asset classes in aviation)
- AviLease has a total fleet of 167 aircraft (owned and managed) leased to 46 airlines as of December 2023



Saudia Technic

- Saudia Technic provides services across aviation maintenance, repair and overhaul segments (MRO), including line, base, components and engines
- In Dec 2023, PIF announced an investment in Saudia Technic to transform the company into a national MRO champion by investing in infrastructure, improving efficiency and capturing market growth in KSA

Security



SAFE

- SAFE was established in late 2019 to become an innovative platform offering world class integrated security services and unique offering by leveraging advanced technologies
- The company plays a pivotal role in empowering technologies and human capabilities in the security services sector by providing advanced training programs
- Established a diverse strategic client base. SAFE FTEs is +10,000 as of Dec 2023
- The company has expanded regionally with presence in both Bahrain and UAE



PIF
صندوق
الاستثمارات العامة

Thank you

استثمر في السعودية

INVEST
SAUDI



وزارة الاستثمار
Ministry of Investment

SAUDI ARABIA

IS WELCOMING INVESTMENTS





AMBITIOUS 2030 TARGETS BASED ON 3 PILLARS

A VIBRANT SOCIETY

65%

private sector contribution to GDP up from 40%

35%

SME contribution to GDP up from 20%

70%

Home ownership target by 2030 from a baseline of 47%

A THRIVING ECONOMY

\$267BN

non-oil government revenue up from \$43bn

30%

To increase women's participation in the workforce from 22%

75%

localization rate of oil and gas sectors up from 40%

AN AMBITIOUS NATION

20

ranking in the Government Effectiveness Index from 83

\$2TRN

Public Investment Fund's assets under management up from \$160bn

1 Million

Volunteers annually from a baseline of 11,000

COORDINATED NATIONAL EFFORTS FOR AEROSPACE DEVELOPMENT



- Aims to **increase the quality and magnitude of investment in KSA** by actively addressing investor challenges
- Focused on **developing and implementing investment plans across 22 sectors** such as Aerospace, Defense, Space, machinery & equipment, healthcare, tourism etc. to transform KSA's economy



- Aims to **build an agile & competitive sustainable private sector-led industrial economy**
- **Prioritizes 12 sectors** such as Aerospace, Maritime,, Mining and Metals, Automotive, Machinery and Equipment, etc.



- Aims to turn Saudi into a leader in global aviation industry, **enhance utilization of strategic location that would strengthen the private sector participation**



- Aims to **strengthen the Kingdom's position as a key contributor to the global supply chain**
- Focuses on 12 sectors including. Aerospace, Automotive, Machining & Equipment, Maritime, Mining & Metals

MASSIVE OPPORTUNITIES ACROSS VARIOUS SECTORS

\$1.3TRN

mining potential with healthy and untapped reserves

\$453BN

industry, energy, mining, and logistics sectors investments unlocked by NIDLP by 2030

\$224BN

healthcare spending over the next 5 years from public and private sectors

\$64BN

arts, tourism, and entertainment investments over the next 10 years

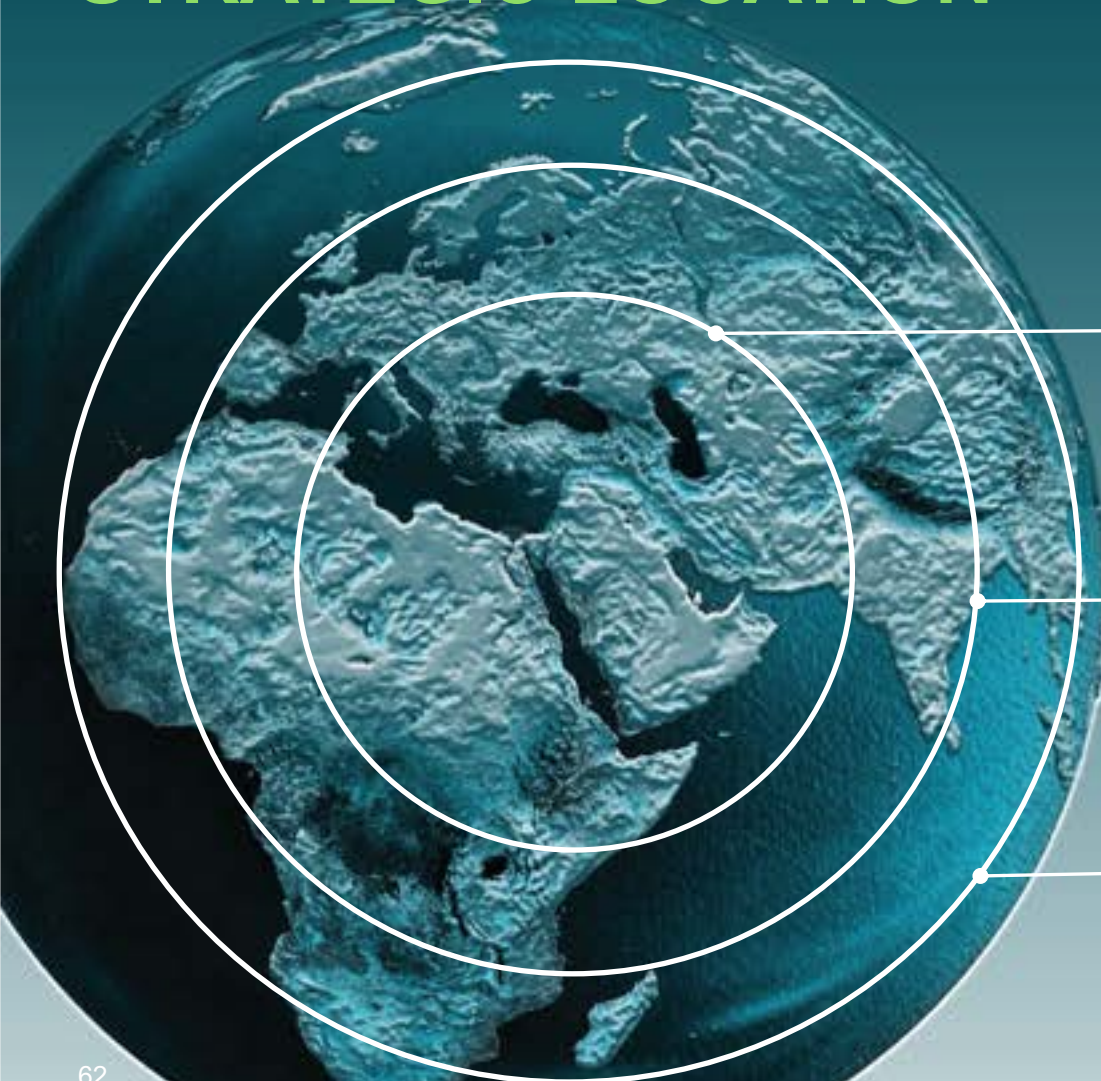
\$226BN

petrochemical investment opportunities by 2030 including basic, conversion and speciality



WHY BUSINESSES ARE CHOOSING SAUDI ARABIA

STRATEGIC LOCATION



4 HOURS

MORE THAN 50 FAST GROWING MARKETS ARE WITHIN 4 HOURS

6 HOURS

OVER 40% OF THE WORLD'S GDP IS WITHIN 6 HOURS

7 HOURS

OVER 80% OF THE WORLD'S POPULATION IS WITHIN 7 HOURS

EASY ACCESS TO **3** CONTINENTS WITHIN A FEW HOURS

14 INTERNATIONAL AIRPORTS ACROSS THE COUNTRY

13% OF GLOBAL TRADE COMES THROUGH THE RED SEA

AMONG THE WORLD'S TOP BUSINESS REFORMERS

3 → 3

DAYS HOURS

**INVESTMENT LICENSE
APPROVAL PERIOD**

5+

YEARS

**INCREASE IN INVESTOR
LICENSE PERIOD**

2 → 24

WEEKS HOURS

**CUSTOMS CLEARANCE
PERIOD**

EXPORTS 9 → 2

IMPORTS 12 → 2

**REQUIRED CUSTOMS
DOCUMENTS**

24 HOURS

**TIME TO ISSUE
BUSINESS VISAS, AND
NO LOCAL INVITATION
REQUIRED**

100%

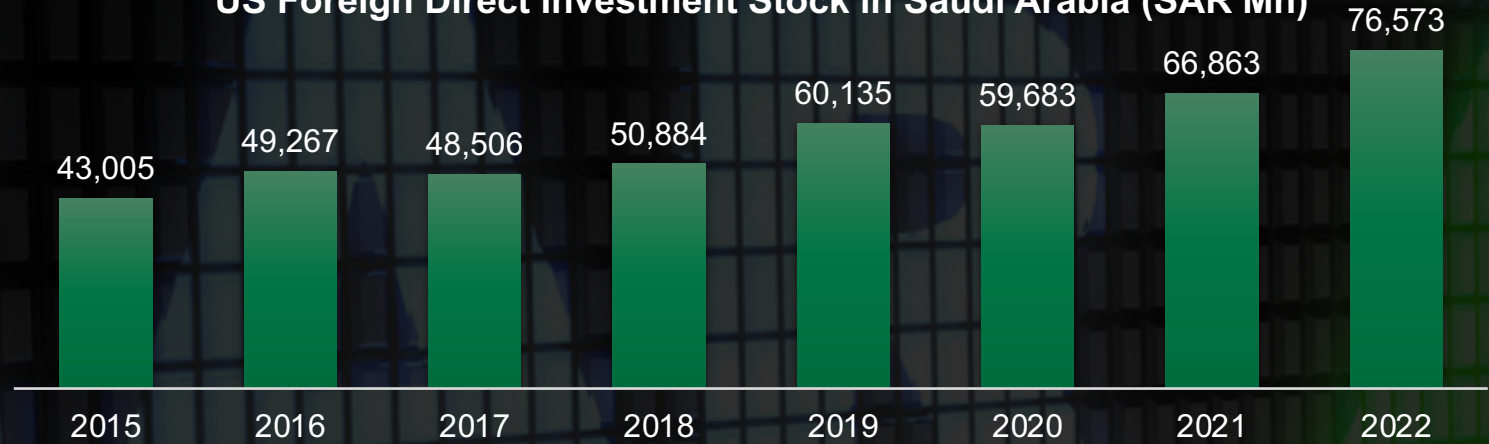
**FOREIGN OWNERSHIP
OF INVESTMENTS
ALLOWED**

GROWING INVESTMENT COOPERATION

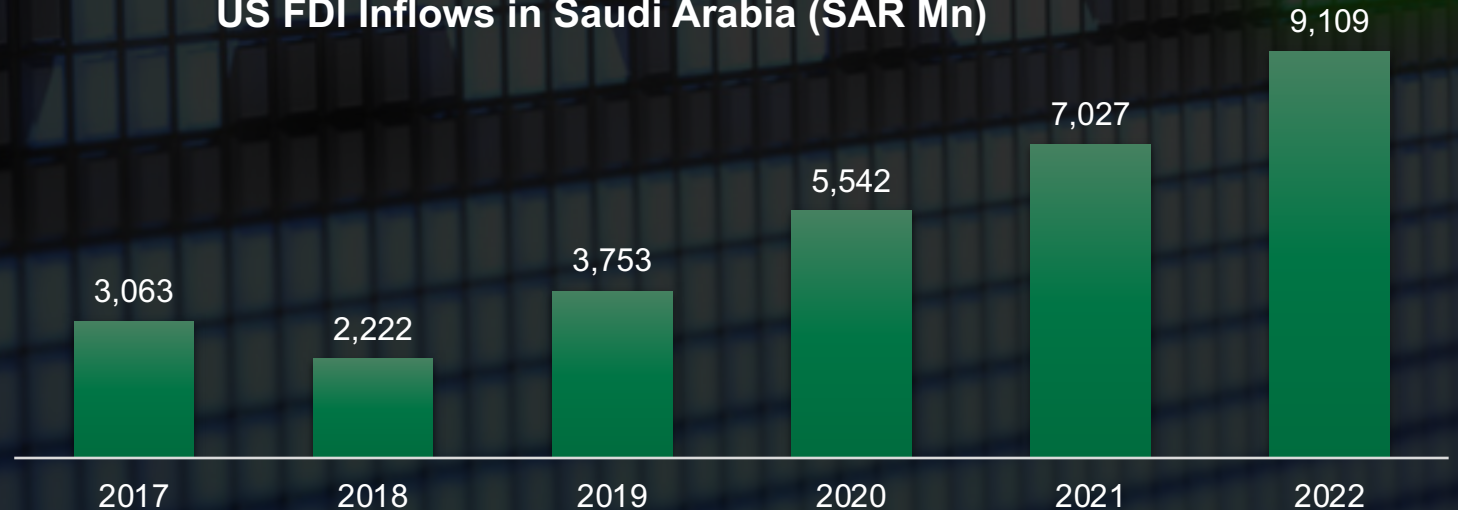
1st

largest G20 Country
FDI stock in Saudi

US Foreign Direct Investment Stock in Saudi Arabia (SAR Mn)



US FDI Inflows in Saudi Arabia (SAR Mn)



UNPARALLELED

GREENFIELD OPPORTUNITIES IN THE AEROSPACE SECTOR



GOVERNMENT DEVELOPING INVESTMENT OPPORTUNITIES ACROSS ALL AEROSPACE DOMAINS





HOW INVESTORS CAN ACCESS OPPORTUNITIES

IS INVESTING TO MAKE YOUR JOURNEY BENEFICIAL

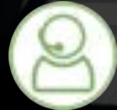
Economic intelligence

- ▶ Provide standard information packages
- ▶ Provide periodic reports and case studies
- ▶ Develop Ad-hoc info packages/reports
- ▶ Share contacts and databases



Matching & Linkage

- ▶ Connect to Industry/trade associations and commissions
- ▶ Large local companies for potential partnership
- ▶ Professional services
- ▶ Other FDI companies for reference
- ▶ SMEs for supply-chain, universities & research centers



Site Visits

- ▶ Plan trips and set up logistics and bookings
- ▶ Set up meetings with Government entities and other stakeholders



Improving Business Climate

- ▶ Develop policy recommendations based on feedback
- ▶ Submit investors' proposals for amendment of legislation
- ▶ Troubleshoot investor operational issues



Set-up Assistance

- ▶ Provide advice on corporate structure
- ▶ Liaise with government entities and provide advice on applying for visas, permits, licenses, and utilities
- ▶ Connect with executive onboarding assistance agencies
- ▶ Connect with recruiting employee's agencies
- ▶ Generate publicity, joint press release, and launch events
- ▶ Connect with financial partners for co-financing and support

Incentives Assistance

- ▶ Build business cases and feasibility studies
- ▶ Develop specific incentive packages

Location Search

- ▶ Provide high-touch guide on site/property search
- ▶ Connect with real estate agencies for deep assistance and evaluation

A WIDE RANGE OF INCENTIVES TO INVESTORS

1

Export credit financing, guarantee, and insurance

2

Energy & utilities enablement

3

Financial incentives

4

Loan programs

5

Customs duty exemption

11

Innovative Funding Options

6

Tax credit and exemption (partial)

7

Employment funding

8

Property solutions

9

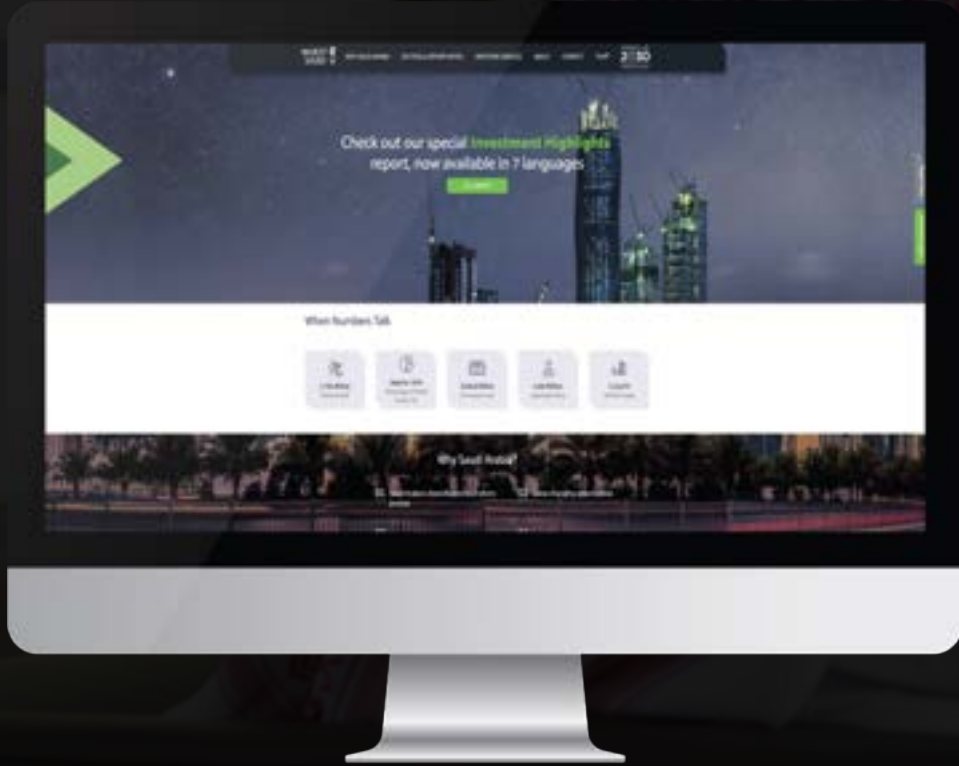
Government procurement law

10

Ecosystem stimulus (for SMEs, suppliers)

INVEST SAUDI ONLINE PORTAL

WE HAVE DEVELOPED AN ONLINE PORTAL TO ASSIST YOU ON YOUR JOURNEY



Enables investors to dive into an ocean of untapped potential



Investment opportunities



Facts & figures



Investor services



Connection with Stakeholders

استثمر في السعودية

INVEST
SAUDI



THANK YOU