

The Saudi Arabian Government provides multiple incentives to foreign investors, particularly, in the manufacturing industry.

Being a member of the Multilateral Investment Guarantee Agency (MIGA), the Kingdom ensures the same treatment, protection and incentives accorded to national capital. Hence, foreign investment projects enjoy the same benefits, incentives and guarantees extended to locally owned projects. These, in addition to the ones mentioned above, include:

- Pre-investment assistance from the Saudi Arabian General Investment Authority (SAGIA).
- The incentives stipulated under the 'Protection and Promotion of National Industries Act' which includes authorized duty free import of goods and equipment used in industry, duty free export, and some preferential treatment as national products in government procurement.

Exemption from customs duties of machinery and equipment for industrial use. Commodities entering the Kingdom as input for industrial production and some basic foods are exempted from custom duties. Duties on other products range from 5 percent to 20 percent.

- Full ownership of investment projects by foreign investors. Investors can own real estate directly connected to a project including employee residences and accommodation.
- Guaranteed private property ownership subject to applicable laws. No investment can be confiscated or expropriated in whole or in part without a court order and the payment of fair compensation.
- The benefits of all bilateral and multilateral agreements signed by the government related to taxation and investment.
- No personal income tax.
- 20 percent ceiling of corporate income tax from the first year of profit.
- Full repatriation of capital, profit and dividends by foreign investors.
- Freedom of movement of shares between partners.
- Sponsorship by the licensed project of the foreign investor and his non-Saudi staff.

- Availability of land in Industrial Cities at nominal charges.
- The availability of utilities at existing reduced prices.
- Exemption of export goods from storage fees for 10 days.
- The availability of loans from the Saudi Industrial Development Fund (SIDF).

The Fund gives soft, medium and long-term loans to industrial establishments for up to 50 percent of the total cost of the project. The payback period is up to 15 years. There is also a two-year grace period from the start of production.

- Indefinite carrying forward of financial loss.