

# KSA Industrial Story

## Year in Review 2025



**FEBRUARY 2026**



His Royal Highness Crown Prince and the  
Prime Minister of Saudi Arabia  
**Mohammad Bin Salman Bin Abdul Aziz Al**

“

Saudi Arabia has all the capabilities to reach a competitive and sustainable industrial economy, from ambitious young talents, a prominent geographic location, rich natural resources, and leading national industrial companies.

”

“The Kingdom’s industrial clusters reflect more than geographic concentration; they represent a coordinated strategy to align supply chains, technology, and investment flows. Each hub now serves as a catalyst for sustainable industrial growth and regional competitiveness.”



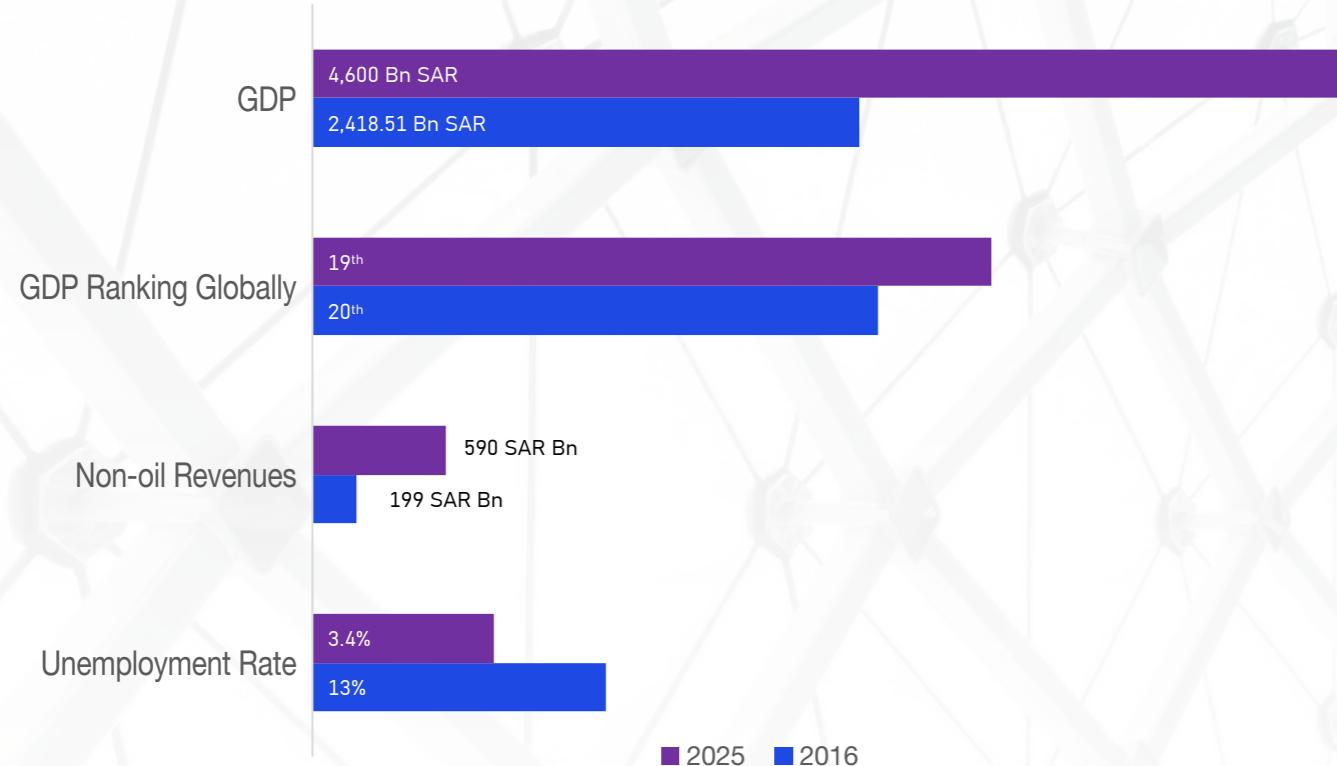
**Nick Whitford**  
Senior Vice President

# Industrial Growth and Transformation Under Vision 2030

## Year in Review-2025

### Macroeconomic Transformation Powering Industrial Scale-Up Under Vision 2030

#### Saudi Arabia: A Growth Snapshot



Since the launch of Vision 2030 in 2016, Saudi Arabia's macroeconomic profile has strengthened markedly, providing a solid foundation for industrialisation. The step-change in nominal GDP reflects a larger economic base to support domestic demand, capital formation, and industrial investment. The improvement in global GDP ranking reinforces Saudi Arabia's growing economic weight, which matters for export positioning, supply-chain integration, and the ability to attract international manufacturers and technology partners.

At the same time, the rise in non-oil revenues signals a structural shift in the fiscal model, reducing reliance on oil cycles and improving the government's ability to plan and fund multi-year industrial programs. The decline in unemployment further highlights stronger labor absorption and a broader base of non-oil activity that supports industrial expansion.

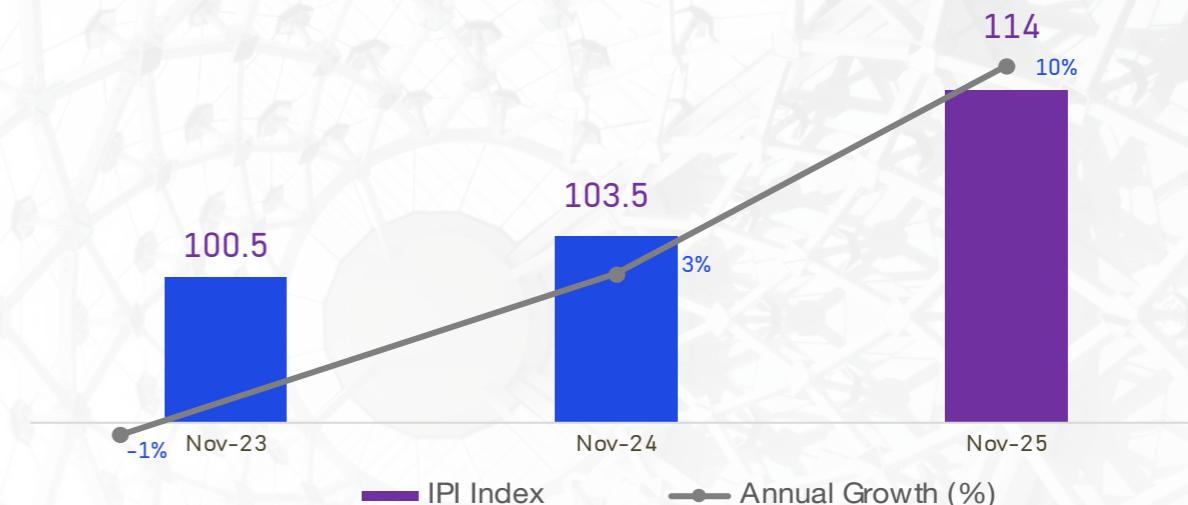
This macro progression has translated into more than headline growth; it has created the conditions needed for industrial scale-up. Higher and more resilient non-oil revenues improve the government's capacity to invest in enabling infrastructure such as industrial cities, utilities, roads, ports, and logistics corridors, which are prerequisites for industrial development. Improved employment outcomes support a deeper industrial workforce pipeline, while greater economic stability reduces risk for private investors committing to long-gestation manufacturing assets.

By 2025, the combined impact is clear: Vision 2030's macro reforms have underwritten sustained industrial growth, helped convert policy ambition into operating capacity, and reinforced industrialisation as a core pillar of Saudi Arabia's diversified growth model.

Industrial activity moved decisively back into growth in 2025, marking a clear shift from the cyclical slowdown seen in earlier years. After a period of correction driven by oil market normalization and global adjustments, the industrial sector regained momentum, supported by diversification efforts and improving demand conditions.

The Industrial Production Index strengthened sharply. The rebound was driven by mining and quarrying growth of 12.6%, supported by average crude production of 10.1 million barrels per day. Manufacturing expanded by 8.1%, led by refined petroleum products (+14.5%) and chemicals (+10.9%), supporting a stronger outlook into 2026.

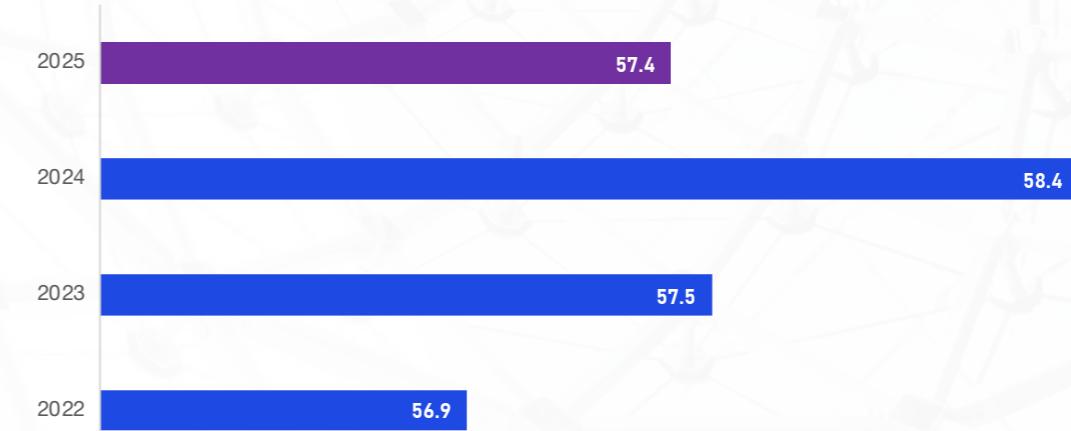
#### Industrial Production Index (IPI): Year-on-Year Growth



The Purchasing Managers' Index is a forward-looking indicator of industrial activity, capturing changes in output, new orders, and business confidence across manufacturing and related sectors.

In 2025, a December PMI of 57.4 confirmed sustained expansion in non-oil activity, aligning with the rebound in industrial production and reinforcing the strength of the industrial recovery.

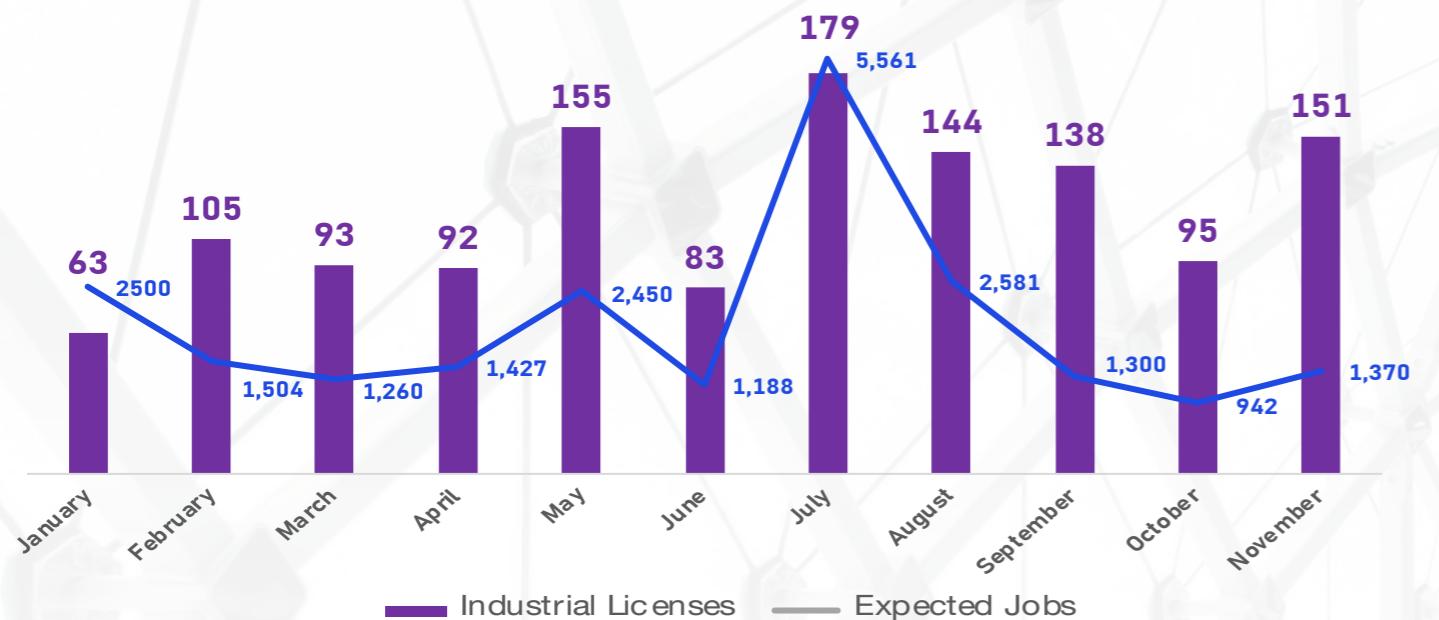
#### Purchasing Manager Index (YoY-December)



# Industrial Growth and Transformation Under Vision 2030

Year in Review-2025

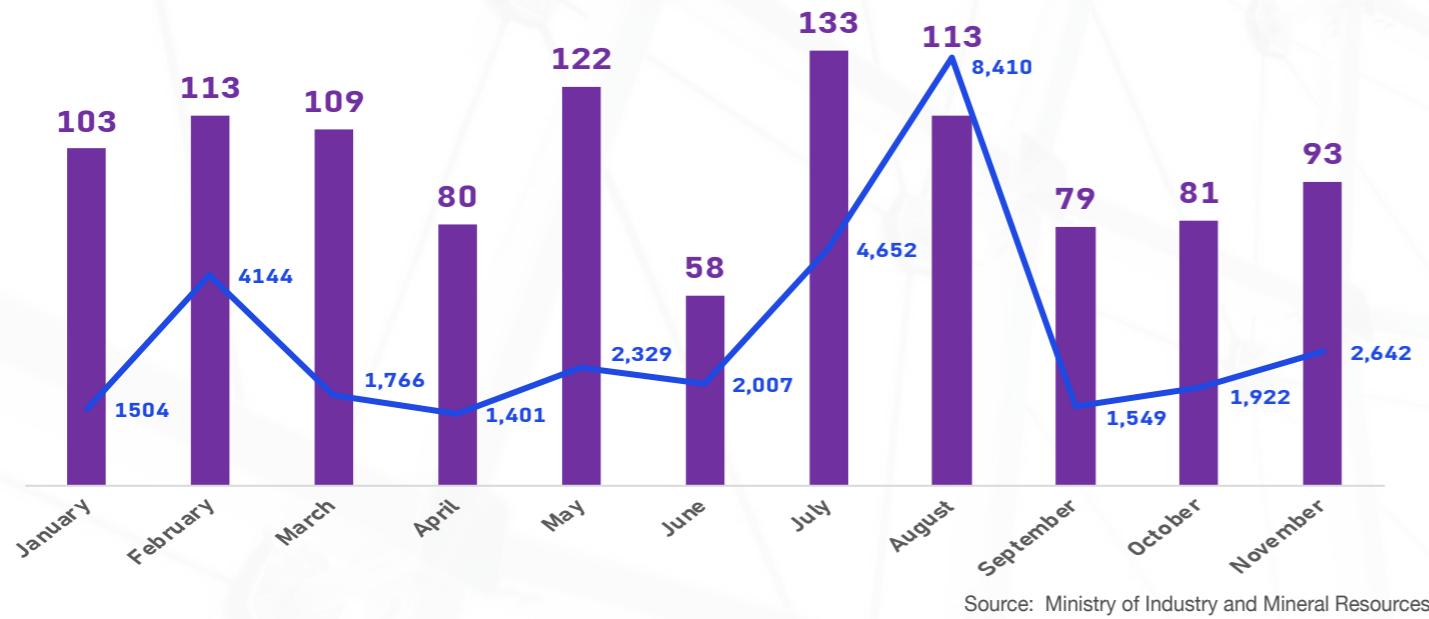
## Industrial Licenses Issued by MIM and their Impact on Jobs (2025)



Industrial activity in 2025 was supported by a strong and consistent pipeline across both industrial licensing and factory start-ups. Consistent issuance of industrial licenses throughout the year reflects sustained investor confidence, policy clarity, and continued appetite for manufacturing expansion across the Kingdom.

The steady conversion of licenses into operating factories highlights effective policy execution. Together, these trends indicate that industrial growth in 2025 was driven not only by new investment commitments, but also by tangible delivery on the ground, reinforcing momentum under Vision 2030.

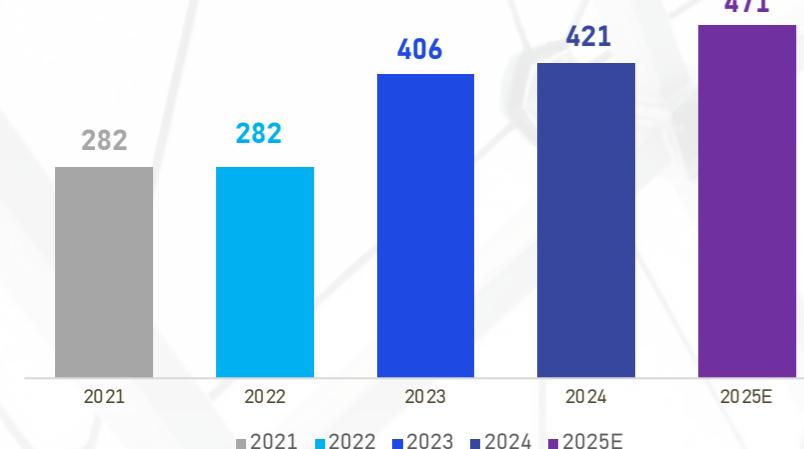
## Factories Starting Production and their Impact on Jobs (2025)



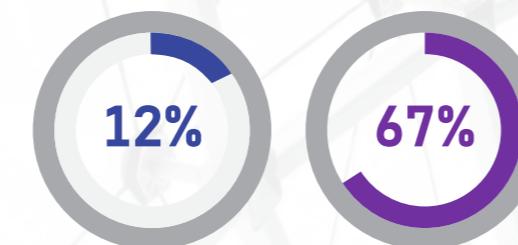
# Industrial Growth and Transformation Under Vision 2030

## Focus on Key Industrial Cities Leading Factory Growth

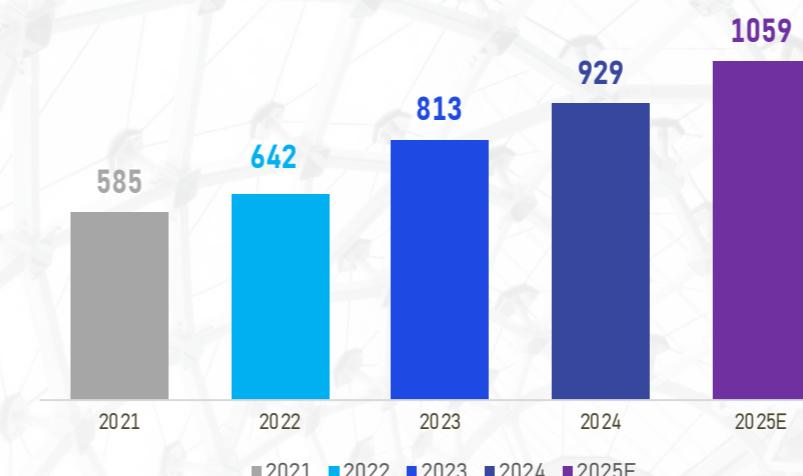
### Sudair Industrial City (2009):



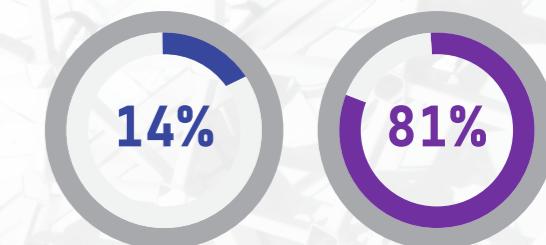
Annual Growth Rate  
Growth During The Period



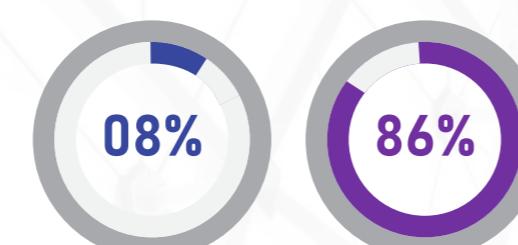
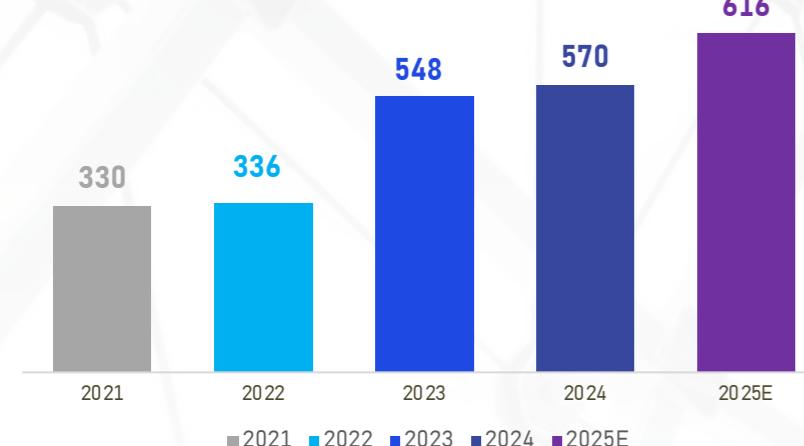
### Jeddah 3rd Industrial City (2012):



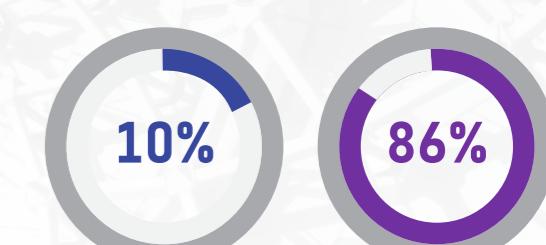
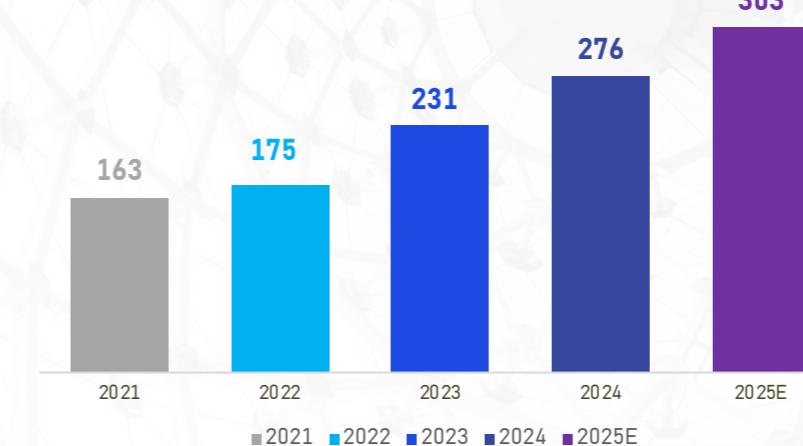
Annual Growth Rate  
Growth During The Period



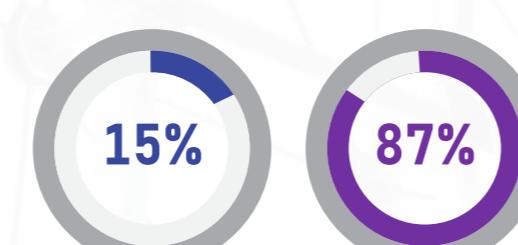
### Al Kharj Industrial City (2009):



### Dammam 3rd Industrial City (2012):



### Jeddah 2nd Industrial City (2009):



Industrial growth across these cities reflects a combination of early-mover advantage, infrastructure readiness, and sustained investor demand rather than isolated, one-off expansion. Cities with established industrial ecosystems have continued to attract new factories, benefiting from existing utilities, logistics connectivity, and clustering effects that lower entry barriers for manufacturers.

Rather than concentrating growth in a single corridor, the expansion pattern points to an increasingly interconnected industrial landscape, where multiple cities are scaling in parallel, strengthening national capacity, reducing regional dependency, and embedding industrial resilience more deeply across the Kingdom under Vision 2030.

# Industry Trends



# Industrial Growth and Transformation Under Vision 2030

## Year in Review-2025

### Value-Added Manufacturing Driving Industrial Momentum

Descriptions	Industrial Production Index			Change	
	Nov-23	Nov-24	Nov-25	Annual change (23-24)	Annual Change (24-25)
Manufacture of chemicals and chemical products	111.3	115.6	128.2	3.9%	10.9%
Manufacture of food products	111.7	117.1	120.7	4.8%	3.1%
Manufacture of non-metallic products	127.2	136.3	143.4	7.2%	5.2%
Manufacture of basic metals	117	121.8	115.8	4.1%	-5.0%
Manufacture of beverages	139.5	136.7	138.1	-2.0%	1.1%
Manufacture of paper and paper products	131.4	142.3	152.6	8.3%	7.2%
Manufacture of electrical devices	130.4	142.7	141.1	9.4%	-1.1%
Manufacture of furniture	90.6	92.9	92.6	2.5%	-0.3%
Other Economic Activities	138	142.1	144.6	3.0%	1.8%

Source: GASTAT, Insights Research

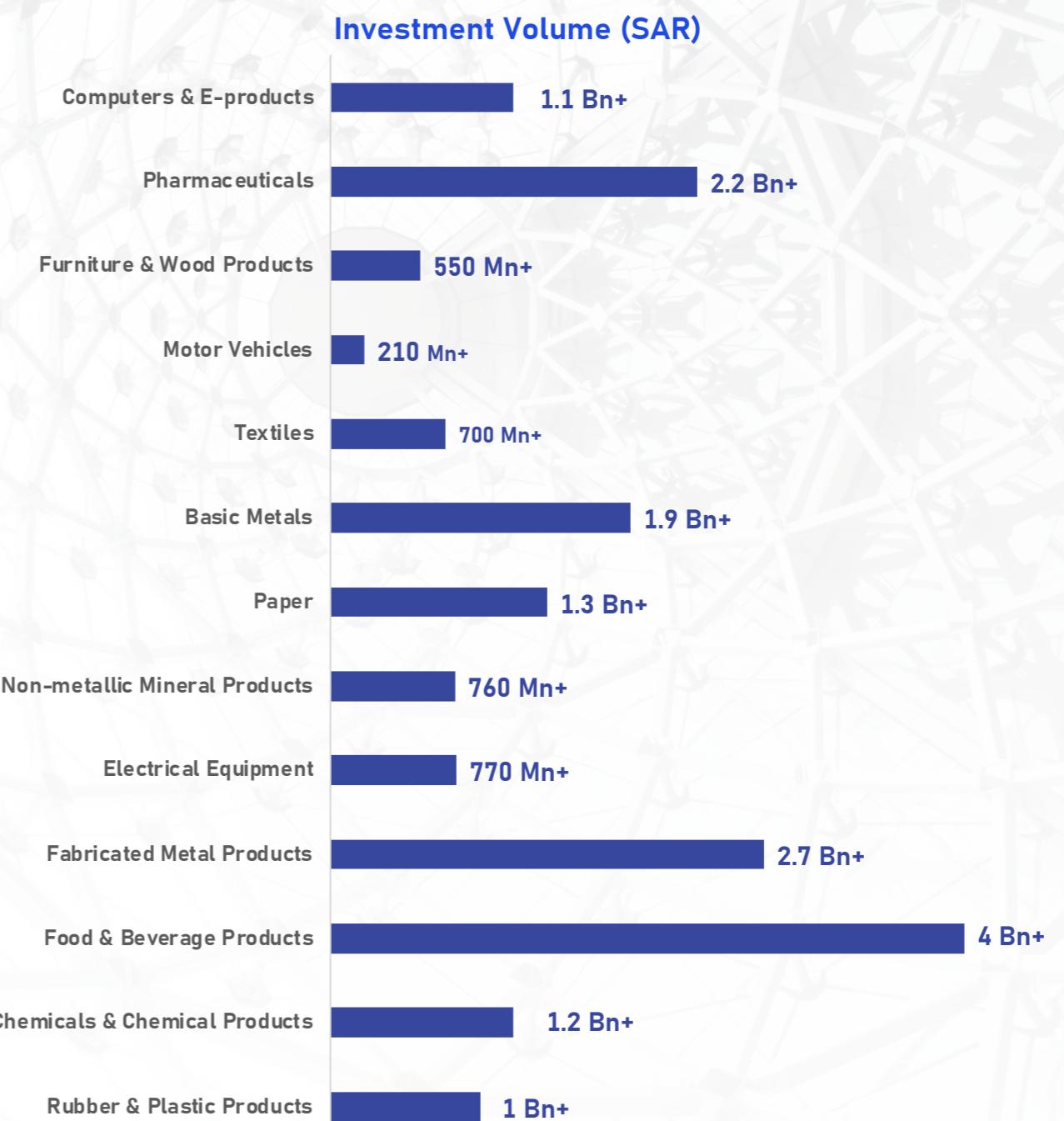
The sectoral performance reflected in the industrial production index highlights a broad-based strengthening of manufacturing activity in 2025, with momentum concentrated in value-added and downstream segments. Chemicals, food processing, paper products, and selected consumer-oriented industries continued to expand, indicating resilient domestic demand and improving supply chain integration. This pattern underscores a gradual shift toward more diversified and consumption-linked manufacturing rather than reliance on a narrow set of industrial outputs.

At the same time, performance across heavier and more cyclical industries was mixed, suggesting ongoing normalization following earlier capacity expansions and external demand adjustments. The overall trend points to a maturing industrial base, where growth is increasingly driven by efficiency, product mix optimization, and downstream integration, reinforcing the structural progress of industrialisation under Vision 2030 rather than short-term volume growth alone.

### Value-Added Manufacturing Driving Industrial Momentum

The investment mix indicates a strong focus on value-added, consumption-driven, and downstream manufacturing, reflecting confidence in domestic demand and localization

potential. This pattern reinforces a shift toward diversified industrial growth anchored in resilient supply chains rather than heavy upstream capacity alone.



Source: MODON, Insights Research

# Progress in Numbers (MODON-controlled Industrial Cities)

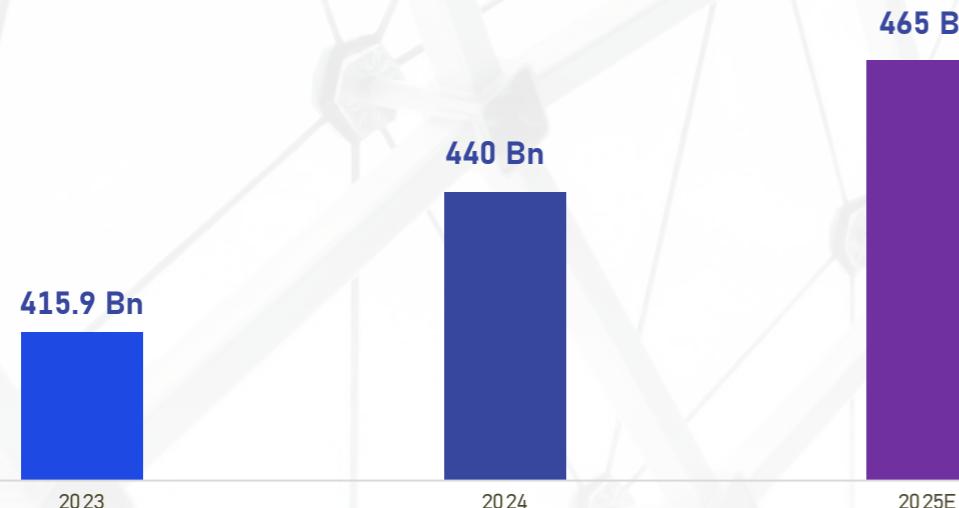


# Industrial Growth and Transformation Under Vision 2030

## Year in Review-2025

### Rising Private Capital Confidence in Industrial Cities

Cumulative Non-Governmental Investment Volume (SAR)



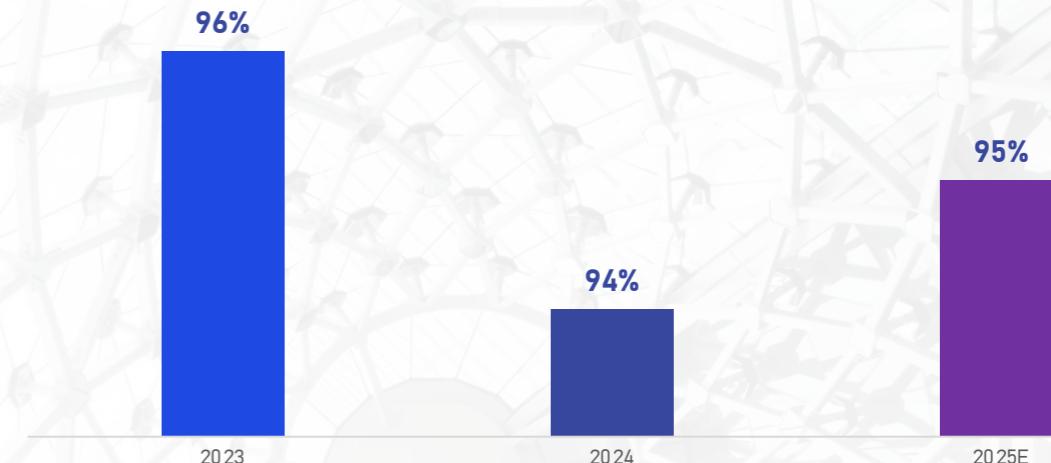
Source: MODON, Insights Research

The continued rise in cumulative non-governmental investment highlights growing private-sector confidence in Saudi Arabia's industrial cities and the long-term attractiveness of the industrial ecosystem. This sustained capital inflow reflects improved policy clarity, infrastructure readiness, and the expanding range of viable industrial and logistics opportunities across the Kingdom.

In parallel, the upward trend in investor satisfaction indicates tangible improvements in service delivery, regulatory processes, and overall operating conditions within industrial cities. Together, rising investment volumes and stronger satisfaction levels point to a more mature, execution-oriented industrial platform that is increasingly capable of attracting and retaining long-term private capital under Vision 2030.

### Execution Discipline and Digital Readiness Across Industrial Cities

% of Ongoing Projects within MODON-controlled Cities Compliant with MODON's Implementation Plan

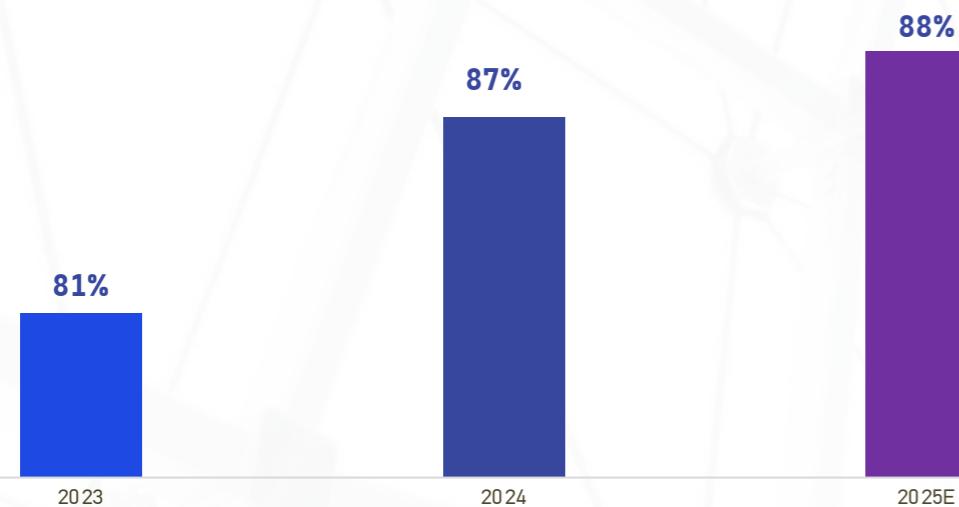


Source: MODON, Insights Research

High compliance with approved implementation plans across MODON-controlled industrial cities highlights strong execution discipline, effective oversight, and consistent project delivery. This reinforces operational reliability, reduces execution risk, and supports timely translation of industrial investments into functioning capacity.

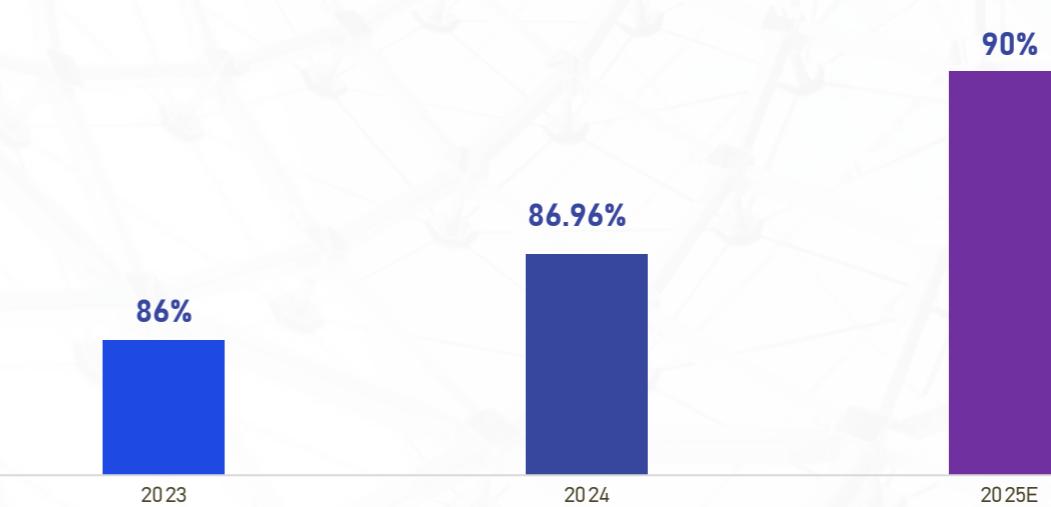
In parallel, rising compliance with digital transformation standards reflects improving governance, data integration, and process efficiency across industrial platforms. Together, execution discipline and digital readiness signal a more mature, scalable industrial ecosystem capable of supporting sustained industrial growth under Vision 2030.

MODON's Investor's Satisfaction Rate



Source: MODON, Insights Research

Compliance Ratio with MODON's Digital Transformation Standards



Source: MODON, Insights Research



**H.E. Bandar bin Ibrahim AlKhorayef**  
Minister of Industry and Mineral Resources, Kingdom of Saudi Arabia.

“Saudi Arabia’s industrial transformation is no longer a projection; it is a visible ecosystem of interconnected clusters. Riyadh, Jeddah, and Dammam have become the anchors of a national manufacturing grid that combines logistics scale, skilled labor, and policy depth under Vision 2030.”

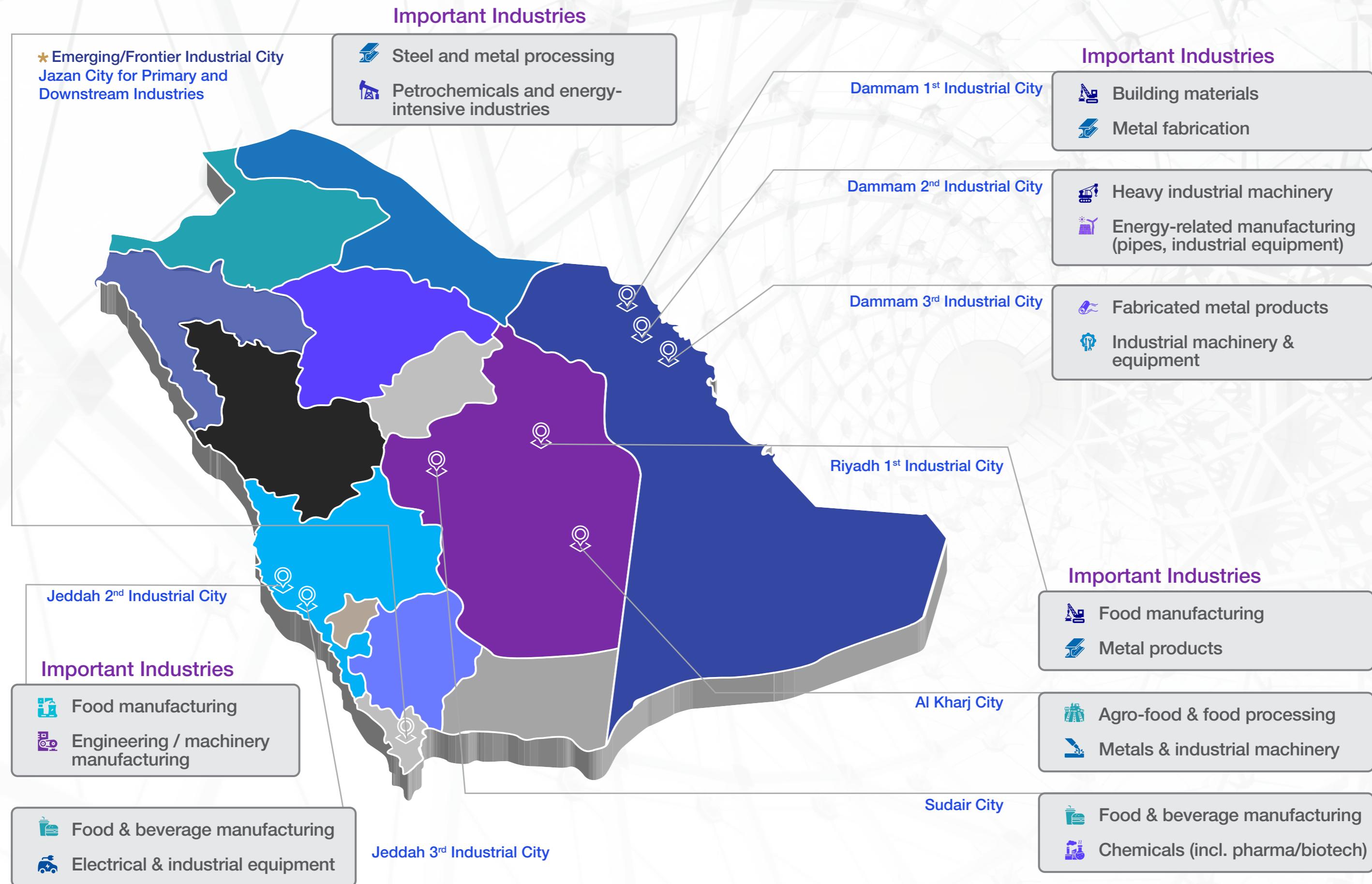


**Muhammad Owais Zubair**  
Senior Manager

# Key Industrial Cities in Focus

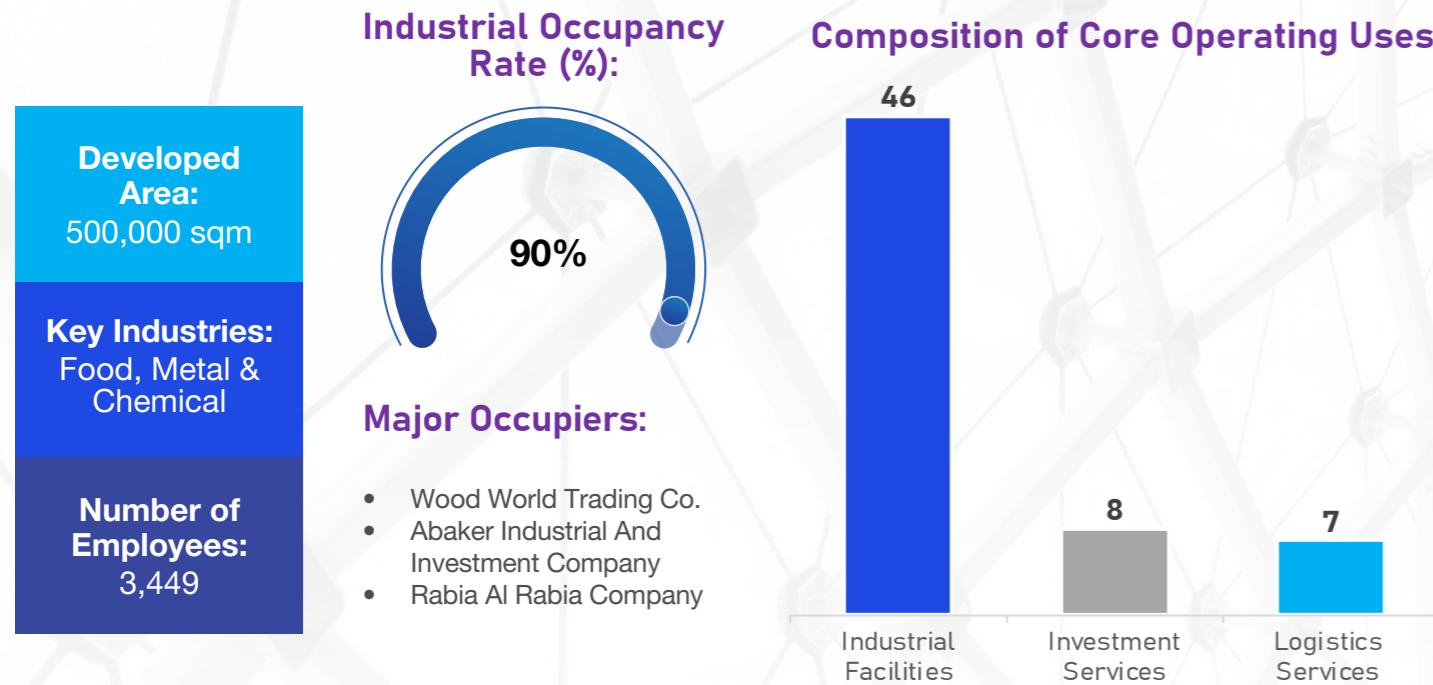


# Geographic Distribution of MODON-Controlled Key Industrial Cities Across KSA

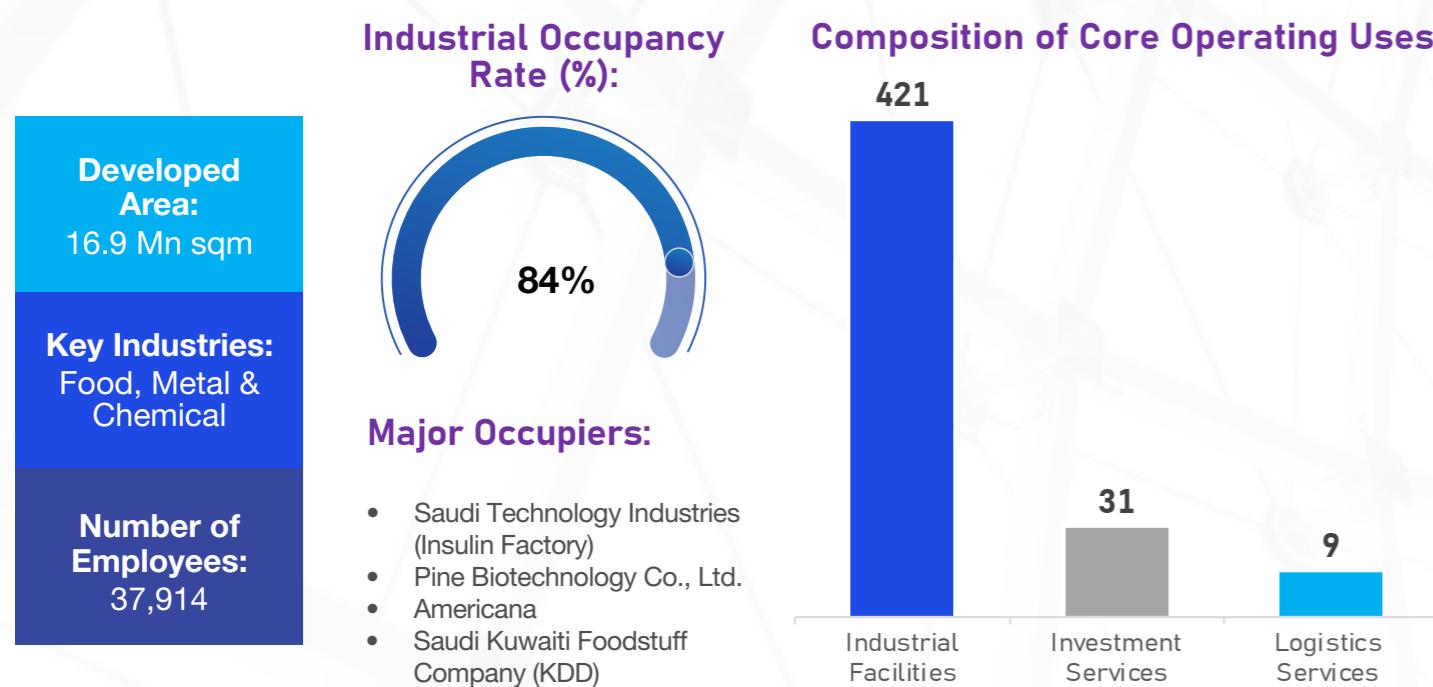


# Riyadh 1st and Sudair Cities: Leading Industrial Cities Driving Factory Growth

## Riyadh 1st Industrial City – Old Sinayah (1973)

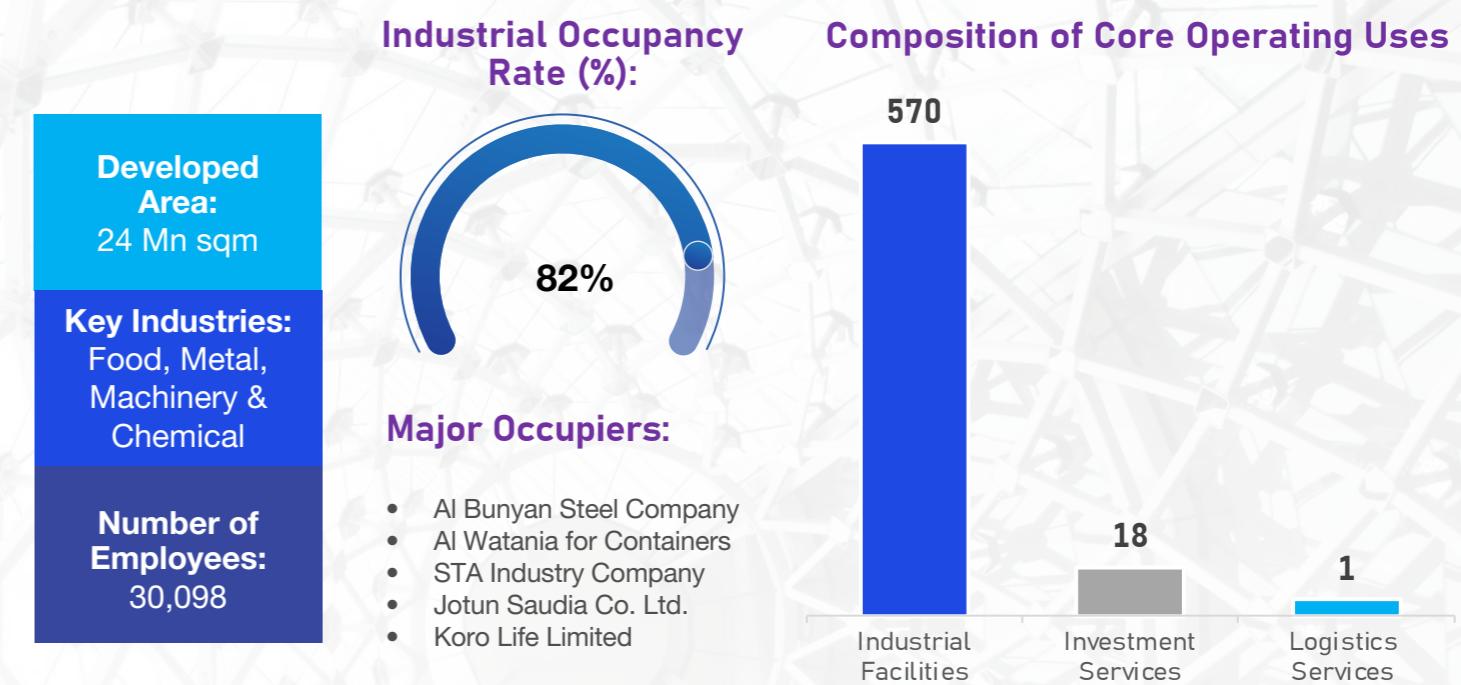


## Sudair City for Industry and Businesses (2009)



# Al Kharj City: Leading Industrial Cities Driving Factory Growth

## Al Kharj Industrial City (2009)



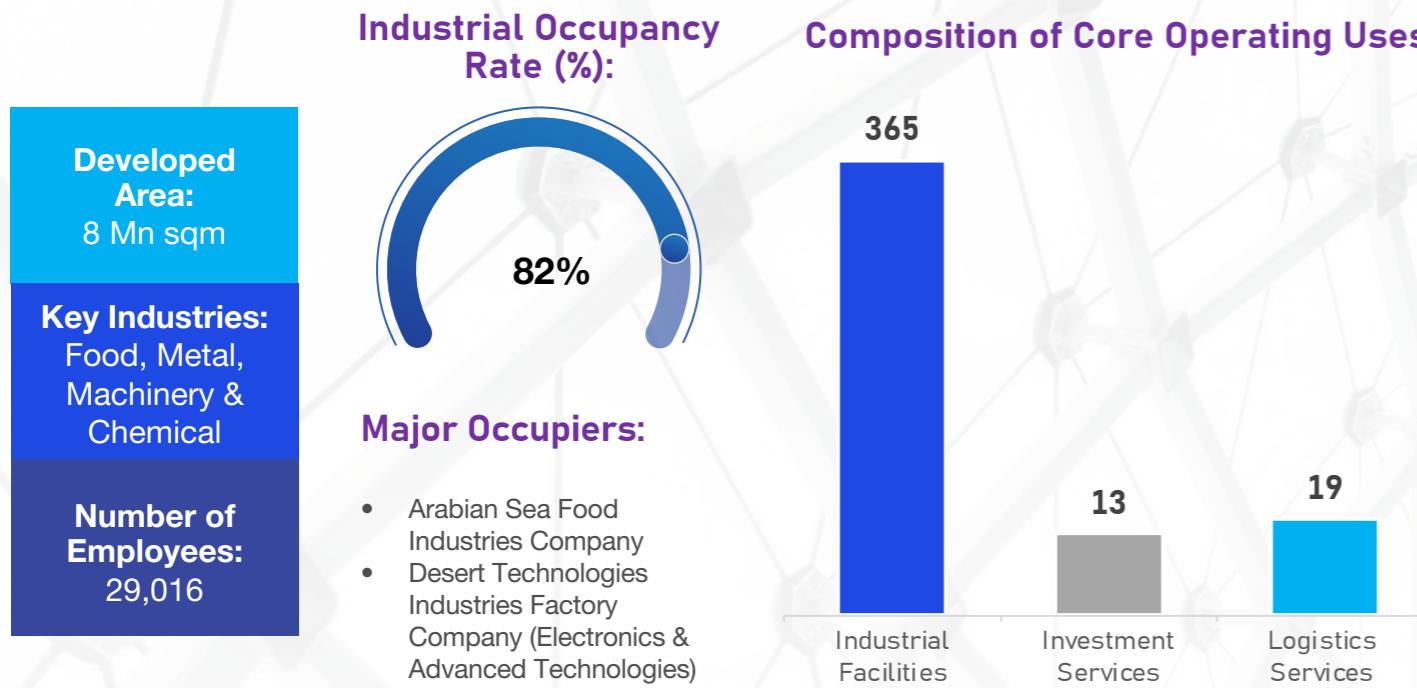
"MODON has become one of the pillars of the Saudi Vision 2030, as an enabler of industry that oversees 35 industrial cities around the Kingdom and through assigned initiatives by NIDLP."



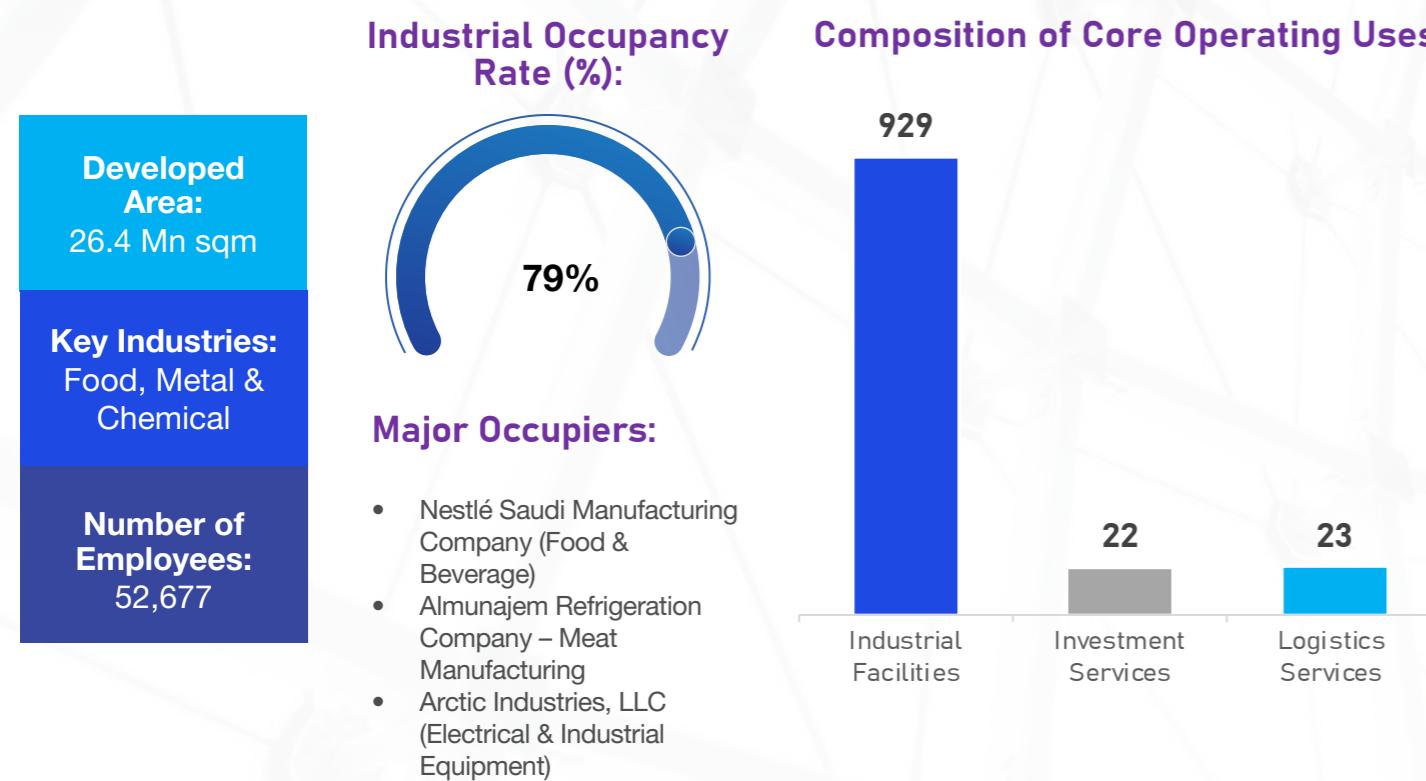
**H.E. Eng. Khalid bin Mohammed Al-Salem**  
President of the Royal Commission for Jubail and Yanbu (RCJY)

## Jeddah 2<sup>nd</sup> & 3<sup>rd</sup> Cities: Established Industrial Cities Supporting Factory Growth

### Jeddah 2nd Industrial City (2009)

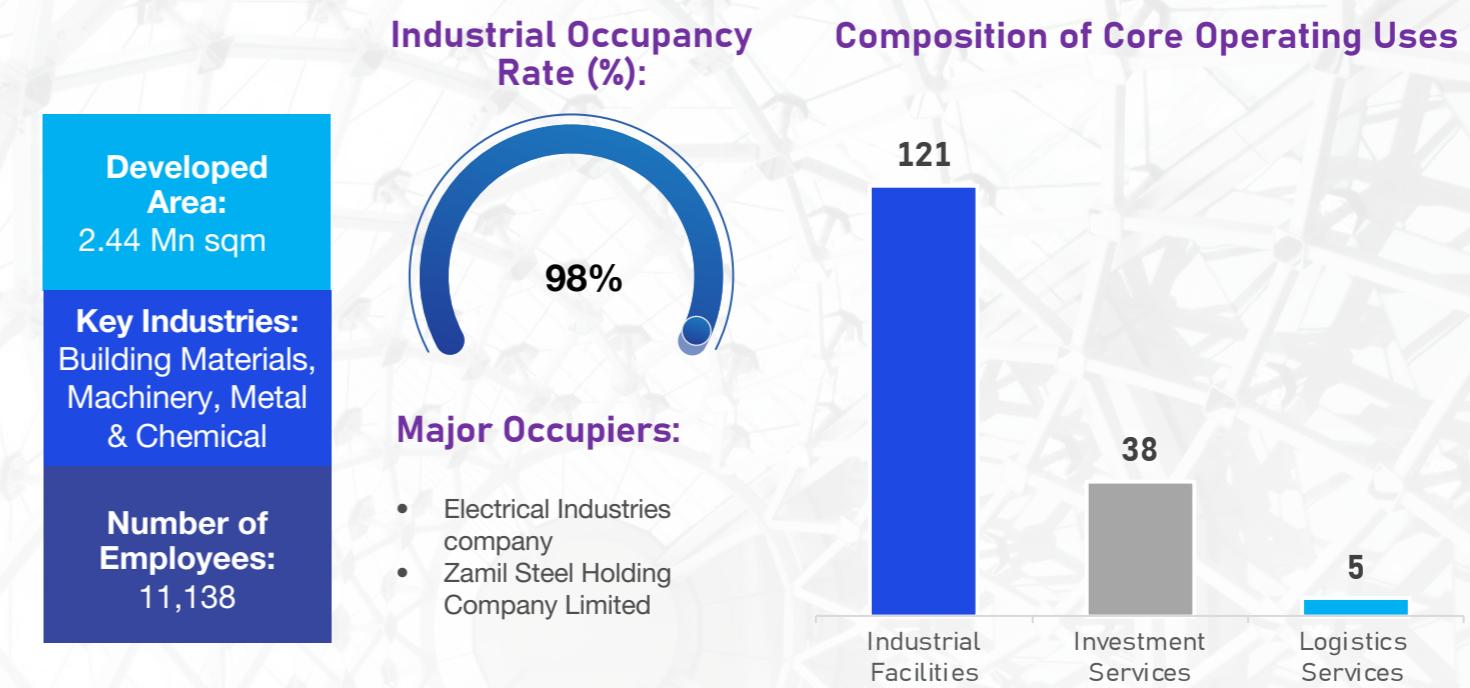


### Jeddah 3rd Industrial City (2012)

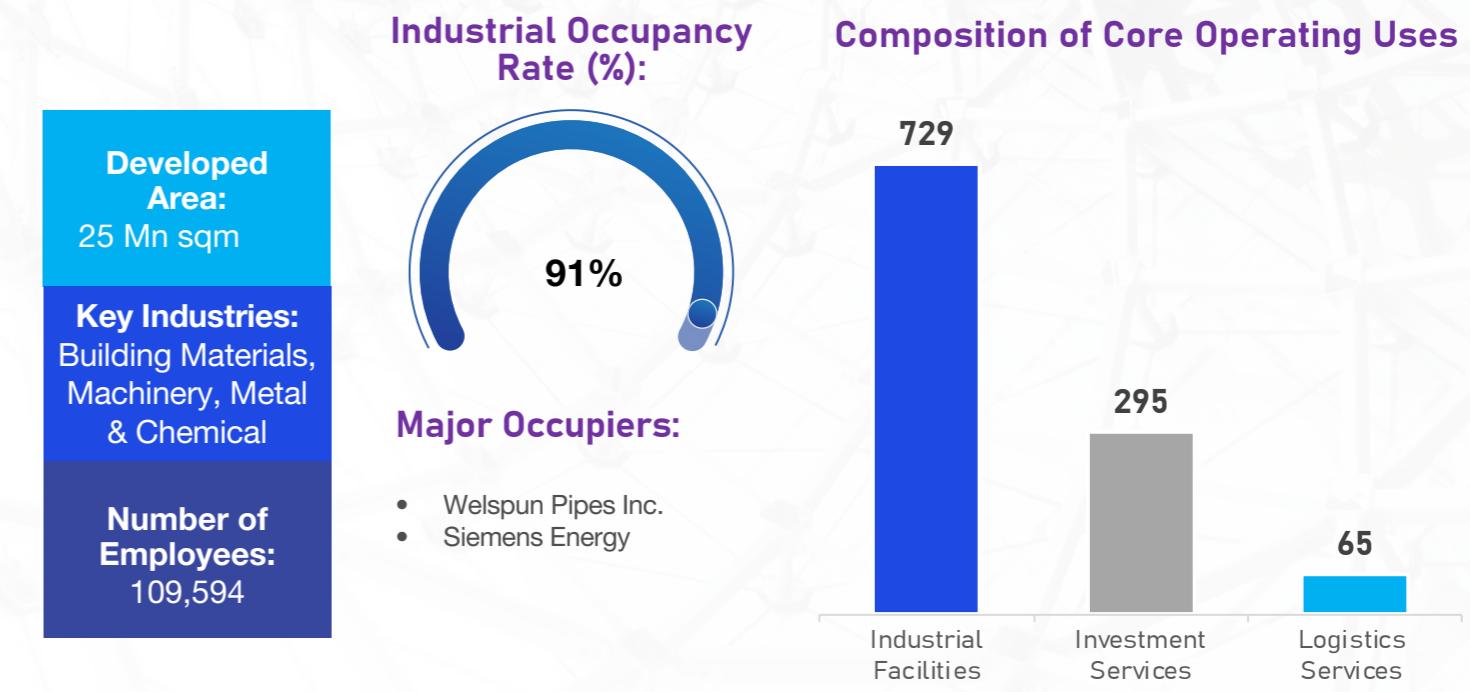


## Dammam 1<sup>st</sup> & 2<sup>nd</sup>: Established Industrial Cities Supporting Factory Growth

### Dammam 1st Industrial City (1973)



### Dammam 2nd Industrial City (1978)

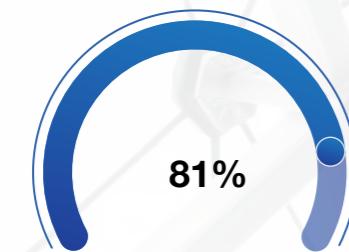


# Dammam 3rd: Established Industrial Cities Supporting Factory Growth

## Dammam 3rd Industrial City (2012)

<b>Developed Area:</b> 10 Mn sqm
<b>Key Industries:</b> Food, Metal, Machinery, Metal & Chemical
<b>Number of Employees:</b> 29,016

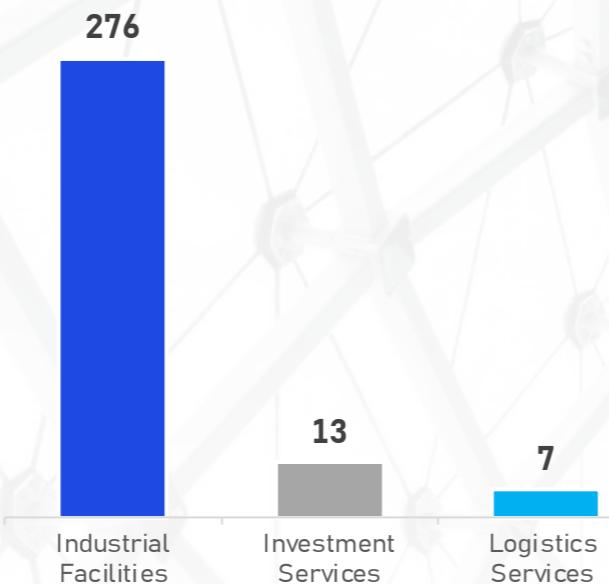
Industrial Occupancy Rate (%):



### Major Occupiers:

- Tiandingfeng Middle East Co., Ltd.
- Oraib United Industrial Company
- Tahweel Metal Industry Company

### Composition of Core Operating Uses



“MODON is committed to empowering the industrial sector and advancing sustainable development in line with Saudi Vision 2030, driven by innovation, partnership, and the support of our wise leadership.”



Eng. Majed bin Rafid Al-Argoubi  
CEO, Saudi Industrial Property Authority  
(MODON)

# Major Local & Foreign Investments in Key Industrial Cities

Corporation	Nationality	Land Area (sqm)	Industrial City	Core Activity
Pine Biotechnology Co., Ltd.	South Korea	51,822 m <sup>2</sup>	Sudair City for Industry & Businesses	Pharmaceutical Products & Preparations
Americana (Agricultural Growth Company)	Kuwait	101,693 m <sup>2</sup>	Sudair City for Industry & Businesses	Food & Beverage Manufacturing
Jotun Saudia Co. Ltd.	Norway	74,745 m <sup>2</sup>	Al-Kharj Industrial City	Chemicals & Chemical Products
Arabian Sea Food Industries Company	Brazil	13,142 m <sup>2</sup>	Jeddah 2 <sup>nd</sup> Industrial City	Food & Beverage Manufacturing
Nestlé Saudi Manufacturing Company	Switzerland	117,727 m <sup>2</sup>	Jeddah 3 <sup>rd</sup> Industrial City	Food & Beverage Manufacturing
Arctic Industries, LLC	China	97,111 m <sup>2</sup>	Jeddah 3 <sup>rd</sup> Industrial City	Electrical Equipment Manufacturing
Tahweel Metal Industry Company	Saudi Arabia	205,667 m <sup>2</sup>	Dammam 3 <sup>rd</sup> Industrial City	Fabricated Metal Products (except machinery and equipment) Manufacturing

## Investor Takeaways

Saudi Arabia's industrial cities are entering a structurally supported expansion phase, underpinned by policy direction, measurable capacity targets, and demonstrated absorption across leading cities.

- Industrial demand is concentrated in food and beverage, pharmaceuticals, chemicals, metals, and electrical equipment, sectors aligned with localization priorities and long-term consumption and export growth.
- The Kingdom is targeting 36,000 licensed factories by 2035, supported by enabling infrastructure such as the 3 million sqm Special Integrated Logistics Zone at Riyadh Airport and the 4 million sqm Sino-Saudi Logistics Zone in Jeddah.
- Under NIDLP, transport and logistics are expected to increase their contribution to GDP from 6% in 2021 to 10% by 2030, with SEZ and FDI reforms reinforcing long-term investment visibility.
- Beyond land acquisition, value creation opportunities include build-to-suit industrial assets, supplier clustering, and logistics-integrated developments aligned with occupier requirements.

# 2026

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