

# GSBM

GERMAN-SAUDI BUSINESS MAGAZINE

DECEMBER 2023

# 45 *Anniversary*

GERMAN-SAUDI ARABIAN LIAISON  
OFFICE FOR ECONOMIC AFFAIRS

**building  
bridges**

BETWEEN LEADING ECONOMIES  
SINCE 1978

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Delegation der Deutschen Wirtschaft  
für Saudi-Arabien, Bahrain und Jemen  
German-Saudi Arabian Liaison Office  
for Economic Affairs (GESALO)  
مكتب الإنعصال الألماني السعودي للشؤون الاقتصادية

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# Dr. Dalia Samra-Rohte

Delegate of German Industry & Commerce for Saudi Arabia, Bahrain, and Yemen

## PREFACE —

# Entry Point for German Companies in the Market

**As this year marks the 45th anniversary of the German-Saudi Liaison Office for Economic Affairs (GESALO), we proudly pay tribute to the successful cooperation with our Saudi and German partners on the following pages. On 22 August, 1978, the first office for German-Saudi economic relations was inaugurated and established by Royal Decree.**

Throughout the 1980s, the economic boom in Germany went hand in hand with rather moderate oil policies by Saudi Arabia. Therefore, the ever-growing bilateral economic cooperation and the acknowledgment of high-quality German products boosted the trade relations between the two countries. In 2022, German exports to Saudi Arabia exceeded 6.7 billion euro p.a. and covered mainly sectors such as Chemicals, Machinery, Automotive and Food.

Today, the diversification of the economy in light of Vision 2030 offers increasing opportunities for German companies. The transformation process initiated fruitful exchanges between high-ranking representatives from both countries: The visit of Chancellor, H.E. Olaf Scholz and Foreign Minister, H.E. Annalena Baerbock in the last two years were answered with delegation visits from the Minister of Energy, H.R.H. Prince Abdulaziz bin Salman Al Saud and the Minister of Investment, H.E. Khalid Al-Falih. GESALO plays a crucial role in facilitating these high-ranking exchanges, as well as meetings between the Ministry of Energy, Aramco, the Public Investment Fund (PIF) and other key stakeholders with German off-takers.

As the official representation of the German Industry, the well-being and prosperity of German companies is our highest priority. For this reason, GESALO organized return flights during the pandemic in 2020 and negotiated the logistics of critical material and know-how during lockdown.

Based on the excellent work of my predecessors, my team and I continue to dedicate our efforts to the needs of the Saudi-German business community: We remain the first entry point for many German companies in the market, support Saudi delegations to Germany and create platforms for exchange between Saudi and German stakeholders. From Jeddah to Riyadh all the way to the Eastern Province and Bahrain, the GESALO team is ready to support you.

We are indebted to our partners both in our host country Saudi Arabia as well as our growing network back home in Germany. We have witnessed profound and fast change in our host country Saudi Arabia, and we are proud to say that the cooperation with our Saudi partners grew only closer over the years.

Please be invited to visit us in our office at Takhassusi Street in Riyadh.



**Dr. Dalia Samra-Rohte**

Delegate of German Industry & Commerce

A professional portrait of H.E. Dr. Robert Habeck, a middle-aged man with short, wavy brown hair and a light beard. He is wearing a dark suit jacket, a white shirt, and a dark tie. He is looking directly at the camera with a slight smile. The background is a dark, textured blue.

# H.E. Dr. Robert Habeck

Federal Minister for Economic Affairs and Climate Action

# MESSAGE OF GREETING —

## Working Together to Diversify and Modernise Saudi Arabia's Economy

Dear reader,

**45 years of economic cooperation give cause to look back and to look ahead. Let me start by offering my sincere congratulations to the German-Saudi Arabian Liaison Office for Economic Affairs (GESALO) for its four and a half decades!**

The Kingdom of Saudi Arabia and the Federal Republic of Germany are in the midst of a transitional phase. German and Saudi companies are working together to diversify and modernise Saudi Arabia's economy.

Also, our two countries are linked by an energy partnership. In 2019, the German-Saudi Energy Dialogue was set up between Saudi Arabia's Energy Ministry and the then Federal Ministry for Economic Affairs and Climate Action. This format fosters an exchange between the stakeholders from industry and the public sector of the two countries in order to arrive at sustainable energy solutions together. Here, Saudi Arabia's sun and wind are of central importance for the development of a market for green hydrogen.

Desiring to work even more closely together in this field, the two ministries signed a Memorandum of Understanding on a Hydrogen Alliance in March 2021. I am most grateful to GESALO for supporting both the Energy Dialogue and the Hydrogen Alliance with its many years of expertise.

I thank GESALO and its team of current and former staff for their hard work! And I would like to encourage you and us: whilst the terrible attack by Hamas on Israel has repercussions for the entire region, it is more important than ever now to maintain the dialogue with all the stakeholders. Even if there may sometimes be differing views: in these difficult times in particular, we must continue along the path of discussion and dialogue.

Yours,



**Dr. Robert Habeck**

Federal Minister for Economic Affairs  
and Climate Action



A portrait of Dr. Volker Treier, a middle-aged man with dark hair, wearing a dark blue textured blazer over a white shirt. He is standing with his arms crossed against a light-colored, textured wall.

# Dr. Volker Treier

Chief Executive of Foreign Trade and Member of the Executive Board,  
German Chamber of Commerce and Industry (DIHK)



## PREFACE

# A Network of 150 Offices in 93 Countries

**On behalf of the German Chamber of Commerce and Industry (DIHK) and personally, I congratulate the German-Saudi Liaison Office for Economic Affairs (GESALO) on its 45th anniversary! 45 years of outstanding work to enhance and strengthen the bilateral business relations between Germany and Saudi-Arabia!**

Back in 1978, the office was among the first economic representations of foreign countries to be founded in the region. Today, GESALO has established itself as an important pillar for bilateral economic cooperation and as a connector between government and private sector in both countries. This includes a fruitful connection to local partners – like the Saudi-German Business Council as well as the Federation of Saudi Chambers and the Saudi Ministry of Investment under which umbrella GESALO is operating. We would also like to thank the Saudi Ministry of Finance for founding GESALO in 1978 hand in hand with the German Ministry of Economic Affairs and Climate Action (BMWK).

Last but not least, the German-Saudi Liaison Office for Economic Affairs is an active and esteemed member of the worldwide network of German Chambers of Commerce abroad (AHK) with its 150 offices in 93 countries.

With the transformation of the local economy and the increasing business opportunities in the Kingdom, GESALO is well positioned to act as a door opener for German entrepreneurs and supports future cooperation among companies. The Kingdom's Vision 2030 aims at enabling fruitful business relations across various economic sectors and offers new chances for joint projects. German companies can count on the professional work, expertise, and dedication of Dr. Dalia Samra-Rohte and her team to grab the chances emerging from these trends, as well as from new initiatives in upcoming sectors like Automotive or Circular Economy. The introduction of a Female Executive Roundtable is also an important milestone in the Office's development.

DIHK wishes Delegate Dr. Dalia Samra-Rohte and the whole team of GESALO, all the best for the upcoming 45 years, and looks forward to continuing the valued cooperation with our Saudi Arabian partners.

**Dr. Volker Treier**

Chief Executive of Foreign Trade and Member of the Executive Board, German Chamber of Commerce and Industry (DIHK)

A portrait of Sheikh Khaled Juffali, a middle-aged man with a mustache, wearing a white thobe and a red and white checkered ghutra with a black agal. He is smiling and has his arms crossed. The background is a wooden bookshelf filled with books.

# Sheikh Khaled Juffali

Chairman of the Saudi-German Business Council

## PREFACE

# Strong Partner Connecting German and Saudi Private Sector

**I am honored & pleased to congratulate the German-Saudi Arabian Liaison Office for Economic Affairs (GESALO) for its 45th anniversary. GESALO is forming the interface of the two business communities and actively supporting the bilateral trade.**

Germany and Saudi Arabia can look back at a long-standing business relationship and the German business community is a well esteemed and established partner in Saudi Arabia. Since many years Saudis are relying on German products and this is beyond the favored German automotive industry.

Since many years Saudis are importing, beyond favored automotive, a large variety of German products from different industries. In the past, the German focus was very much on exporting.

With the Vision 2030 and the aim to diversify the Saudi industry, we, very much, welcome the initiatives by German companies to set up manufacturing facilities or building up parts of the supply chain in the Kingdom. We also see strong cooperation in various sectors like energy, tourism, infrastructure and logistics.

We would like to thank the German Chamber of Industry and Commerce (DIHK) through its subsidiary GESALO for their ongoing support. The Delegate, Dr. Dalia Samra-Rohte and her team are strong partners connecting German and Saudi private sector. We are looking forward to continuing the excellent cooperation for many years to come.

**Sheikh Khaled Juffali**

Chairman of the Saudi-German Business Council



# A Look at GESALO's History



Celebrating 45 Years of  
Business Relations Between  
Germany and the Kingdom  
of Saudi Arabia.



## 1978

The German-Saudi Arabian Liaison Office for Economic Affairs was founded in 1978, a time when the Kingdom of Saudi Arabia was opening up new sources of income. Dr. Gerhard Fischer is the first delegate until 1982.



Dieter Mankowski became successor of Marc Landau in 1986.

1989



1994 GESALO established a dedicated Law Department headed by Omar Hamza until today.  
Dr. Rainer Herret was Delegate of the GESALO (1991-1998).



1995

Mohammed Faleel & family welcomed the legendary boxer Muhammed Ali in Riyadh.



2000 Manfred Rothgaenger headed the office until 2005.



2004

GESALO organized the first fashion show with German brands like Hugo Boss.



2006

Gerd Doepner, Delegate of the GESALO (2005-2010), established a wide range of services like DEinternational.



2007

Chancellor Angela Merkel and King Abdullah discussed collaboration projects.



GESALO Meeting with Prince Al-Waleed bin Talal bin Abdulaziz al Saud.



**2012**  
Signing Ceremony of the MoU.



**2014**  
Former Federal Minister H.E. Peter Ramsauer opens up a branch office in the Eastern Province.



**2017**  
H.R.H King Salman with Chancellor Angela Merkel and DIHK President Dr. Eric Schweitzer, who signed six MoUs during the visit.

**2020**

Opening Ceremony with our GESALO Delegate Dr. Dalia Samra-Rohte (since 2019) and Dr. Martin Wansleben; CEO of The German Chamber of Commerce and Industry (DIHK).



**2009**  
30th Anniversary Celebration of GESALO with Federal Minister for Economic Affairs & Technology H.E. Karl-Theodor zu Guttenberg.



**2011**  
Visit of Mayor of Berlin, H.E. Klaus Wowereit, at Riyadh Chamber.



Visit by H.E. Philipp Rösler, former Federal Minister of Health.



Office Inauguration with Sheikh Khalid Juffali in 2011.

**2015**  
Former Minister of Foreign Affairs, H.E. Frank-Walter Steinmeier, who is current President of the Republic of Germany discussing vocational training in Saudi Arabia.



**2018**

German Breakfast at the Asharqia Chamber, Dammam, and opening of the new office premises with former Delegate Oliver Oehms.







**2021**

Signing Ceremony of the MoU on Hydrogen Alliance as part of the Saudi-German Energy Dialogue.

**2021**

Tree Planting initiative with GESALO Delegate Dr. Dalia Samra-Rohte and German Ambassador, H.E. Dieter Lamlé on behalf of the Federal Ministry of Environment.



**2022**

Business Delegation from Bavaria

German Petrochemical & Hydrogen Delegation

Female Executive Leadership Workshop.



**2022**

German Chancellor H.E. Olaf Scholz visited Saudi Arabia accompanied by a business delegation.



**2023**

H2-Off-Taker Visit of Saudi Delegation with GESALO Delegate Dr. Dalia Samra-Rohte; Visit Jennifer Lee Morgan, State Secretary at the Federal Foreign Office.



**2023**

German delegations with a focus on innovative smart city solutions; and Delegation on Power Generation from Solar & Wind Energy with a Symposium in Riyadh.



Saudi Delegation to Germany - growing interest in Saudi-German cooperation.



The 2nd Saudi-German Energy Day took place in May 2023 in Berlin.

Visit of H.E. Khalid Al-Falih, Minister of Investment.

Visit of H.R.H. Prince Abdulaziz bin Salman Al Saud.





## **RAWDAT AL KHAFS, NORTHEAST RIYADH**

King Khali Royal Reserve, Saudi Arabia



# The 70's - A Significant Decade



## Rising Prosperity - Increasing Consume

The 70s - a significant decade in Germany. It stands for bright colors, modern technologies and new freedom. Bright orange and apple green made their way into German living rooms, plastic furniture replaced wood, televisions radiated with color, and eye-catching patterns adorned wallpaper and fabrics. Rising prosperity led to an increased willingness to consume - investments were made in daily life. This was accompanied by changes in behavior. More car trips, longer times in front of the TV sets, instead of home cooking, ready-made meals were consumed and trips to more distant destinations were planned. The Opel Manta came just in time for the new sense of freedom.

Mercedes Benz invented the airbag. The idea was born as early as the 1960s and came into use from 1971 onwards, saving numerous lives ever since. The MP3 format shaped a new attitude to life. The idea had its origins back in the late 1970s. It then became concrete in 1987 - when the University of Erlangen-Nuremberg and the Fraunhofer Institute abandoned sounds that could not be perceived by the ear. The first "Earthday" in the 1970s raised awareness for resources - the beginning of something we continue to work on today. GESALO has been addressing the issues of energy, resources and circular economy in the region for many years, and continues its mission.

— VISION 2023

# The Energy Sector – A Key Economic Driver for The Kingdom

**Saudi Arabia is one of the largest producers and exporters of oil and natural gas in the world, which makes the energy sector a central economic driver. Since its discovery in the 1930s, the importance of the oil and gas industry are central for the modern state of Saudi Arabia as well as the main source for its energy consumption.**

Saudi Arabia's non-hydro renewables power generation capacity stood at about 843 MW at end-2022—a fraction of the total energy production.

However, as part of plans to preserve scarce gas reserves, free up oil for export and meet decarbonisation targets, the government is aiming to have solar and wind account for 50% of electricity production by 2030.

A new 2030 target of 58.7 GW was set in January 2019, envisaging 40 GW of photovoltaic (PV), 16 GW of wind and 2.7 GW of concentrated solar power. During this year's MENA Climate Week the target was nearly tripled to 130 GW of renewable energy.

In addition, green hydrogen starts playing a role in the energy mix, with the world's largest green hydrogen production plant under construction in NEOM. Also, nuclear power generation has been in the discussion.

Germany and Saudi Arabia signed an Energy Dialogue in December 2019 and intensified the cooperation with a MoU of a Hydrogen Alliance in 2021. With the signed of the MoU of a Clean Hydrogen Alliance between Germany and Ministry of Energy 2019 the German Saudi-German Energy Dialogue was founded.

Supported by GESALO and Guidehouse the Dialogue promotes collaboration between the stakeholders in the industry and the public sector of both countries.

Furthermore, GESALO facilitates delegation visits for German companies to Saudi Arabia and Bahrain within the frame of the Export Initiative of the German Ministry of Economy Affairs and Climate Action. Within the last year, the delegations covered topics such as solar and wind energy incl. CSP, water and wastewater, Waste-to-Energy, and hydrogen. A successful, long-standing cooperation with key stakeholders in the region allows precise support of German companies in the sector.

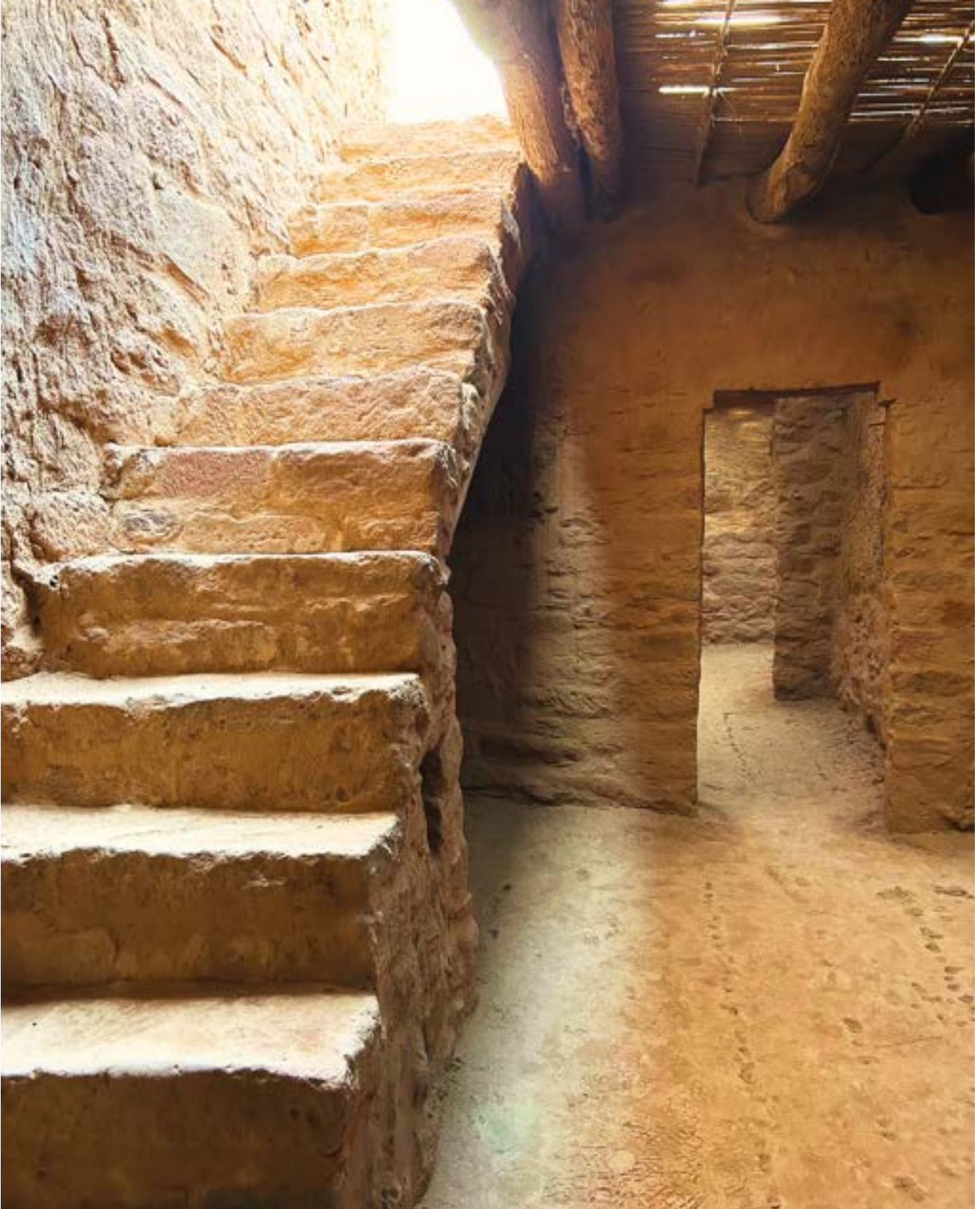
Saudi Arabia has taken several initiatives in recent years to diversify the energy sector and to promote renewable energy sources. In 2017 the Kingdom launched the National Renewable Energy Program, administered by the then newly created REPDO, initially targeting 9.5 GW of renewable energy by 2023.



## CONTACT

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**OLD TOWN AL ULA, AWARDED “BEST TOURISM VILLAGE” BY UNITED UNWTO.**

A magnificent labyrinth of tightly packed streets, hundreds of mudbrick houses and a mighty fort.



## PARTNER'S VIEW

### A LONGLASTING PARTNERSHIP

"I am extremely grateful for the long-lasting partnership with GESALO. Also, in difficult times we can rely on this professional team. To give an example, during Covid GESALO supported us heavily by organizing repatriation flights for our specialized engineers. This ensured the continuation of our construction sites in Saudi Arabia."

Volker Hellberg  
CEO  
thyssenkrupp Industrial  
Solutions





— VISION 2023

# Entertainment & Tourist Destination – A New Saudi Arabia

Photo: Photo by Kinson Leung on Unsplash1)



GEA is supporting the development of exciting entertainment options in Saudi Arabia.

**A central element of the Kingdom's Vision 2030 is the increase of quality of life. The Kingdom introduced a Quality-of-Life Program in 2018. This Program aims to enable "culture, entertainment, sports, and tourism to flourish in Saudi Arabia, delivering enriched and better lives for all."**<sup>1</sup>

The launch of this program ended a period, when public displays of music, as well as cultural events and art performances, were prohibited in Saudi Arabia, limiting entertainment to restaurant visits and private gatherings.

Likewise, tourism rarely existed, as visitors could only travel to the Kingdom for Muslim pilgrimage to the holy sites in Mekka and Medina or for business purposes.

Since 2018, the Saudi entertainment and tourist industry has rapidly evolved. Government entities such as the General Entertainment Authority (GEA) foster the development of new event halls and event spaces. To nurture tourism infrastructure, the Saudi Public Investment Fund (PIF) has launched a variety of mega projects, including tourist destinations such as Red Sea Global or entertainment parks such as Qiddiya.

In addition, the PIF company SEVEN (Saudi Entertainment Ventures) is developing themed venues for family entertainment.<sup>2</sup> Places such as Al-Ula combine historic heritage with concerts, museums, and outdoor activities.

The ongoing introduction of new cultural, life-entertainment, and tourist destinations not only enjoys accelerating participation of the local population throughout the Kingdom. It opens diverse opportunities to foreign investors.

GESALO, your local partner for business development in Saudi Arabia, promotes the engagement of German businesses in the entertainment and tourism sector. Through closely collaborating with the Ministry of Culture, Megaprojects including the Red Sea Global, Qiddiya, and NEOM, GESALO offers insights on current market demands in these sectors to German companies and connections to all relevant stakeholders to allow German businesses to thrive.

## CONTACT

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**HISTORICAL DIRIYAH, UNESCO WORLD HERITAGE, AT-TURAIF SALWA PALACE.**

On the banks of Wadi Hanifa, Northwest of Riyadh.

Photo: Kerstin Steinberg (1)



## PARTNER'S VIEW

"GESALO has been a great, reliable partner for many years. Having eyes and ears in a local market as well as swift and service-minded support, paired with seminars and insightful events is of inestimable value."

Sven Heininger  
Director International  
Sana Hospital Group

PARTNER  
FOR MANY  
YEARS





## — VISION 2023

# The Healthcare Sector - Big Transformation Ahead



Bavarian Medtech Delegation to KSA &amp; Bahrain | February 2023

**The Saudi-Arabian healthcare sector is currently undergoing a transformation and is expected to grow by 10% within the next years. Saudi Arabia is the largest spender on healthcare in Middle East and North Africa. In 2019, the health expenditure per capita was around USD 1,316 or 5.7% of GDP.<sup>1</sup>**

Given the enormous costs and budgetary pressure, the trend in the GCC in general and Saudi Arabia in particular is shifting from a fee for services to a value-based healthcare model that focuses on enhancing treatment outcomes while lowering costs.

This is why the Ministry of Health has launched one of the world's largest healthcare sector transformation programs to optimize clinical outcomes, cost, and responsiveness of the overall system. The decentralization of the healthcare system is laid out in several clusters in the different regions under the coordination of the Ministry of Health.

Another important goal within the strategy is the privatization of the sector: Until 2030, 295 out of the 329 government hospitals are planned to be privatized. Therefore, the government is aiming for investments from abroad.<sup>2</sup>

German medical technologies exports to Saudi Arabia are the highest in the region with about EUR 228 million in 2021.<sup>3</sup>

GESALO has organized a successful delegation trip for Med-Tech companies from Bavaria at the beginning of the year and has published a GCC Medical Technology Guide in cooperation with Schlüter Graf, Spectaris and AHK UAE.

## CONTACT

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— VISION 2023

# Reduce, Reuse, Recycle – Saudi Arabia's Path to a Circular Economy

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Circular Economy Roundtables  
Saudi Arabia, September 2023, Jeddah



**One of the main pillars of the Saudi Vision 2030 is sustainability with the core target of developing a circular economy and achieving net zero by 2060.**

Today most of Saudi Arabia's waste is going to landfills and the limited ground-water resources are almost depleted due to high per capita freshwater demand at 265l/ day and agricultural water demand (84%). To preserve resources and accelerate recycling, the Kingdom has set ambitious targets.<sup>1</sup>

By 2035, Saudi Arabia aims to recycle 81 percent of municipal waste, recover 60 percent for construction waste, and treat 85 percent of its hazardous industrial waste. The circular economy is expected to contribute \$32 billion to the gross domestic product by 2035, reduce carbon emissions by 72 million tons and create 77,000 jobs. The regulatory body, the National Center for Waste Management is planning for 1,300 disposal and recycling companies by 2035.<sup>2</sup>

Along with advancing waste recycling, the Kingdom aims at reducing water consumption while accelerating fresh-water production through desalination. Since seawater desalination is energy- and cost-intensive, the Kingdom is focusing on the expansion of renewable energies to operate the systems.

The country is further investing in water recycling technologies to use wastewater for agriculture and greening. The Ministry of Environment, Water and Agriculture (MEWA) estimates the need for investment in water infrastructure at USD 5 billion over the next 20 years.<sup>3</sup>

GESALO continues to support the engagement of German companies in the Waste and Water sector. The great investments into infrastructure development in both clusters prompt unique opportunities to the German industry, in particular in sludge and waste treatment technologies, pumps, valves and pipes, waste recycling vehicles and much more.

Delegation on Wastewater  
Management 2022  
to the Eastern Province



To introduce the latest market developments, GESALO holds regular events and delegations with the main stakeholders of these sectors. In Fall 2023, GESALO conducted a series of expert roundtables and a conference on the current challenges of the Saudi waste management industry. Reach out to GESALO's market entry team to not miss your chance to place your technology at the center of Saudi's circular economy.

## CONTACT

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— VISION 2023

# Automotive Sector - On The Road to Net Zero



Photo: Photo by Julian Hochgesang on Unsplash(1)



**Saudi Arabia is setting up an automotive cluster, developing the first Saudi E-car. The automotive sector is of great importance to Saudi Arabia, in diversifying its economy.**

With Vision 2030, the sector shall be electrified with a target rise of up to 30% in shares of electric vehicles by 2030. The newly established automotive company CEER has set up as a joint venture between Taiwan's Foxconn Technology Group and PIF to develop and produce electric vehicles.

Foxconn will supply the vehicle's software and electronic architecture, combined with component technology from BMW. It is projected to directly contribute US\$8 billion to Saudi Arabia's GDP by 2034.<sup>1</sup>



Electrical Vehicle loading station, CEER

In February 2022, Lucid Motors signed agreements with the Ministry of Investment, Saudi Industrial Development Bank, KAEC, and Gulf International Bank to implement the manufacturing facility.

In 2023, Hyundai and PIF have signed a joint venture agreement to establish an EV manufacturing plant.<sup>2</sup> There are more agreements with other car manufactures and their suppliers to follow.

GESALO offers targeted support to German companies embarking into the automotive industry of KSA. Through a specialized service package including market consultation, networking to sector experts and partners, localization support, and much more, GESALO prepares German automotive suppliers in realizing their market potential. Reach out to the market entry team of GESALO for more information.



GESALO Roundtable "Automotive", November 2023

CEER also acts as the region's first "made in Saudi" cars, thereby opening a global opportunity for the Kingdom and offering a large contribution to the nation's Saudi Green Initiative to achieve net zero by 2060.

### CONTACT

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Making our world more productive



# Connecting the world of hydrogen

From source to service

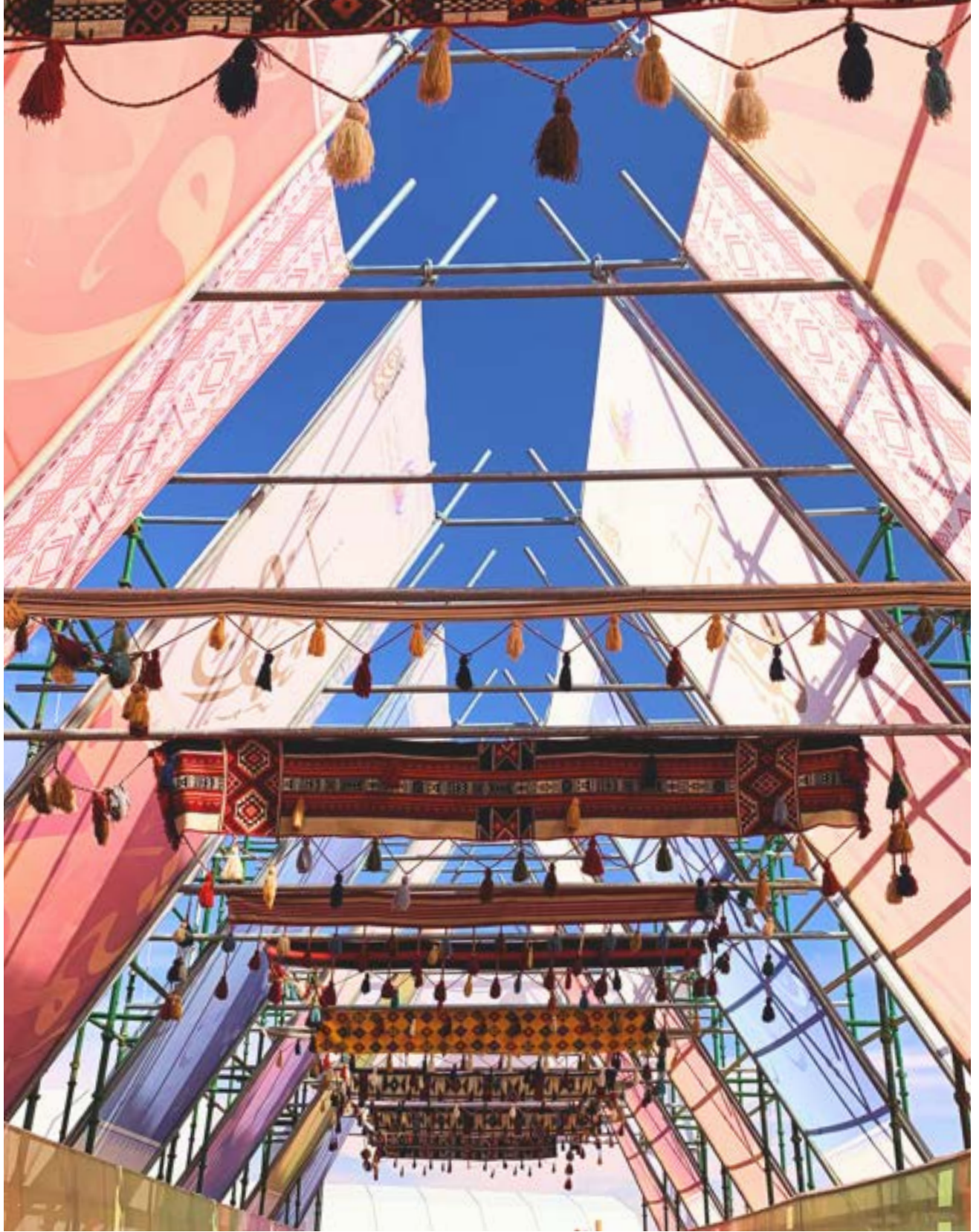


The hydrogen future is here now. And Linde can deliver it. The company covers every link in the hydrogen value chain from source to service – whether it be used as a zero-emissions source of fuel for trains, buses and cars; a feedstock gas for industries such as steel and refining.

And the best bit: Hydrogen can be generated at scale with a zero carbon footprint by using renewable energy such as wind power to separate water. Regardless of your target application, we have the technologies and expertise to support your project.

Think Hydrogen. Think Linde.  
[linde-engineering.com/hydrogen](https://linde-engineering.com/hydrogen)





## KING ABDULAZIZ CAMEL FESTIVAL

Ar-Rumahiyah, Northeast Riyadh

# PARTNER'S VIEW

## JOINTLY SHAPING THE FUTURE

“We are very grateful for the strong support of the GESALO. For the last 45 years, we are growing together side by side with you as reliable partner. We are looking forward to jointly shape the future.”

Tilman Mieseler  
CEO  
of the V-LINE GROUP





## PARTNER

# Mutal Growth, Joint Success



“With every step we take, we strive for strong partnerships”, -  
Executive Board of the V-LINE GROUP





V-LINE SAUDI ARABIA LTD. in Jubail, the first office of V-LINE in the Kingdom



V-LINE MIDDLE EAST Foundation 2017

**„With every step we take, we strive for strong partnerships. We believe in growing together.” This principle of the V-LINE GROUP, deeply intertwined to the DNA of the company, also perfectly describes the partnership between the V-LINE GROUP and GESALO.**

Both arrived in Saudi Arabia in 1978, when the Kingdom invested into its national infrastructure and started the transformation into a diversified economy. These developments offered the chance for Detlef Daues, founder and nowadays active chairman of the V-LINE GROUP, to find his business opportunity: original spare parts with fast delivery. V-LINE was born.

Over the last 45 years, V-LINE evolved into the world-leading solutions provider for MRO procurement, always strongly connected to the Kingdom. Headquartered near Hanover in Germany, V-LINE opened its first office in Jubail in 2008 – a great step to be on-site. In 2017, V-LINE MIDDLE EAST was founded with a full trading license, adding more services and opportunities for the clients.

Since then, V-LINE adds and creates local value for its business partners, fully committed to the Vision 2030. “We are proud to look back on such a long success story – both with the Kingdom and with GESALO.

Looking into the future, we see many interesting opportunities and developments approaching, like NEOM, Vision 2030 and more, and are looking forward to embracing and shaping them: with our innovations like our e-procurement tool V-FLEXX, new solutions and especially side by side with strong partners!”, concludes Tilman Mieseler, CEO of the V-LINE GROUP.



In the headquarters of V-LINE MIDDLE EAST in 2021 | l.to r.: Dr. Dalia Samra-Rohte, Delegate of GESALO, Mr. Dieter Lamle, German Ambassador to the Kingdom of Saudi Arabia (2021-23), Hasnain Jamil, CEO of V-LINE MIDDLE EAST





## **QAL'AT AL-BAHRAIN**

Ancient Harbour and Capital of Dilmun

## CHEMISTRY FOR A SUSTAINABLE FUTURE

At BASF, we combine economic success with environmental protection and social responsibility. More than 111,000 employees in the BASF Group contribute to the success of our customers in nearly all sectors and almost every country in the world. BASF has been active in the Middle East for more than a century, supplying and customizing our solutions for almost every industry.

"The partnership between BASF and GESALO has been a mutually rewarding one for many years. GESALO's strategic focus on supporting business growth across the region, and with the team having close contact with all the key role-players and stakeholders in the KSA market, has led to many fruitful discussions and outcomes for us."

Dr. Udo Huenger  
Vice President  
BASF

## PARTNER'S VIEW







In the Middle East for more than a century

# BASF and the Kingdom of Saudi Arabia

**BASF has been present in the Kingdom of Saudi Arabia since 1984 and is committed to serving its Saudi customers as well as playing an active part in achieving Saudi Vision 2030.**

The company established its first legal entity in the country in 2016 and since that time has demonstrated its commitment to growing its business in the Kingdom. As of today, Saudi Arabia is the standout sales leader for the company within the Arabian Peninsula, accounting for nearly 50% of the total sales in the region. BASF supplies raw materials to most industries in the country, including oil & gas, mining, petrochemicals, plastics, water, consumer goods, agriculture and the feed and food industry.

The company is working hand in hand with its customers which include global Saudi powerhouses and national industry champions.

BASF also collaborates closely with the various government ministries to ensure a successful global model of excellence on all fronts. BASF engages in a valuable collaboration with a highly regarded local Saudi Arabian partner company to contribute to the Kingdom's localization program through toll manufacturing of a wide array of plastic additives.

## Partnering for Success

BASF has a sustainability goal of achieving net zero CO2 emissions by 2050. At the same time, partnering for success and supporting our stakeholders and customers to be successful is a key business philosophy for BASF.

The KSA government is driving the Kingdom's post-oil diversification program known as Vision 2030 that seeks to reduce the Kingdom's reliance on hydrocarbons by establishing a number of flagship projects. With the common goal of ensuring a future planet for the next generations, BASF is partnering in a number of these sustainability related initiatives with various stakeholders in the KSA.

## Mega Projects

BASF is engaging with the major role players in a number of the Kingdom's mega project developments and is collaborating with key stakeholders across all aspects of green energy storage systems

### Green Energy

Focus areas for the KSA government also include positioning the Kingdom as the global leading supplier of green energy with a focus on Green H<sub>2</sub>/NH<sub>3</sub>, the decarbonization of the oil and gas industry, and the diversification of the petrochemical industry by investing in downstream expansion.

BASF is in discussions with various local players and partners in the Kingdom to evaluate the role of green and low emission energy and energy vectors from the gulf to support us in decarbonizing our value chain.

### E-Furnace Project

In 2022, BASF, SABIC and Linde started the construction of the world's first demonstration plant for large-scale electrically heated steam cracker furnaces. By using electricity from renewable sources instead of natural gas, the new technology has the potential to reduce CO<sub>2</sub> emissions of one of the most energy-intensive production processes in the chemical industry by at least 90% compared to technologies commonly used today. The demonstration plant will be fully integrated into one of the existing steam crackers at BASF's Verbund site in Ludwigshafen, Germany. It will test two different heating concepts, processing around 4 tons of hydrocarbon per hour and consuming 6 megawatts of renewable energy. This project demonstrates how global companies can successfully collaborate by combining their expertise in technology development, engineering, procurement and construction execution and operation.

## Automotive Cluster

BASF is actively engaged in discussions with several key stakeholders in the development of the automotive cluster in the Kingdom and is specifically exploring and developing offerings tailored to the needs of electric vehicle production. Electric vehicles play a vital role in the Kingdom's path toward achieving its 2060 net-zero emissions target by substantially decreasing emissions stemming from the transportation sector.

### Crude-to-Petrochemicals Project

In November 2022, SABIC announced its plan to start a joint investment with Saudi Aramco to establish a crude oil to petrochemicals unit. With a capacity of 400k barrels of crude per day, Saudi Arabia's first-of-its-kind project is to be established in Ras Al-Khair. The project is expected to start operations in 2025 and will produce around 9 million tons of chemicals and base oils annually.

## Supporting the Next Generation of Scientists

In collaboration with SABIC, in 2022 BASF successfully completed a mini-MBA program called 'MBASF' for 20 students from the Kingdom, nominated from two of the top universities (KFUPM & KAUST) with a mix of 10 females and 10 male students. The MBASF program took place over one year with students (virtually) speaking to leaders of BASF from different business units and countries. It is planned to continue this collaboration into the future. BASF is committed to the future of the Kingdom of Saudi Arabia and to supporting the growth of the Kingdom and its people by ensuring that our customers are successful and by offering sustainable solutions that protect the future of our planet.





— PARTNER

# MSC Expansion in Saudi Arabia!

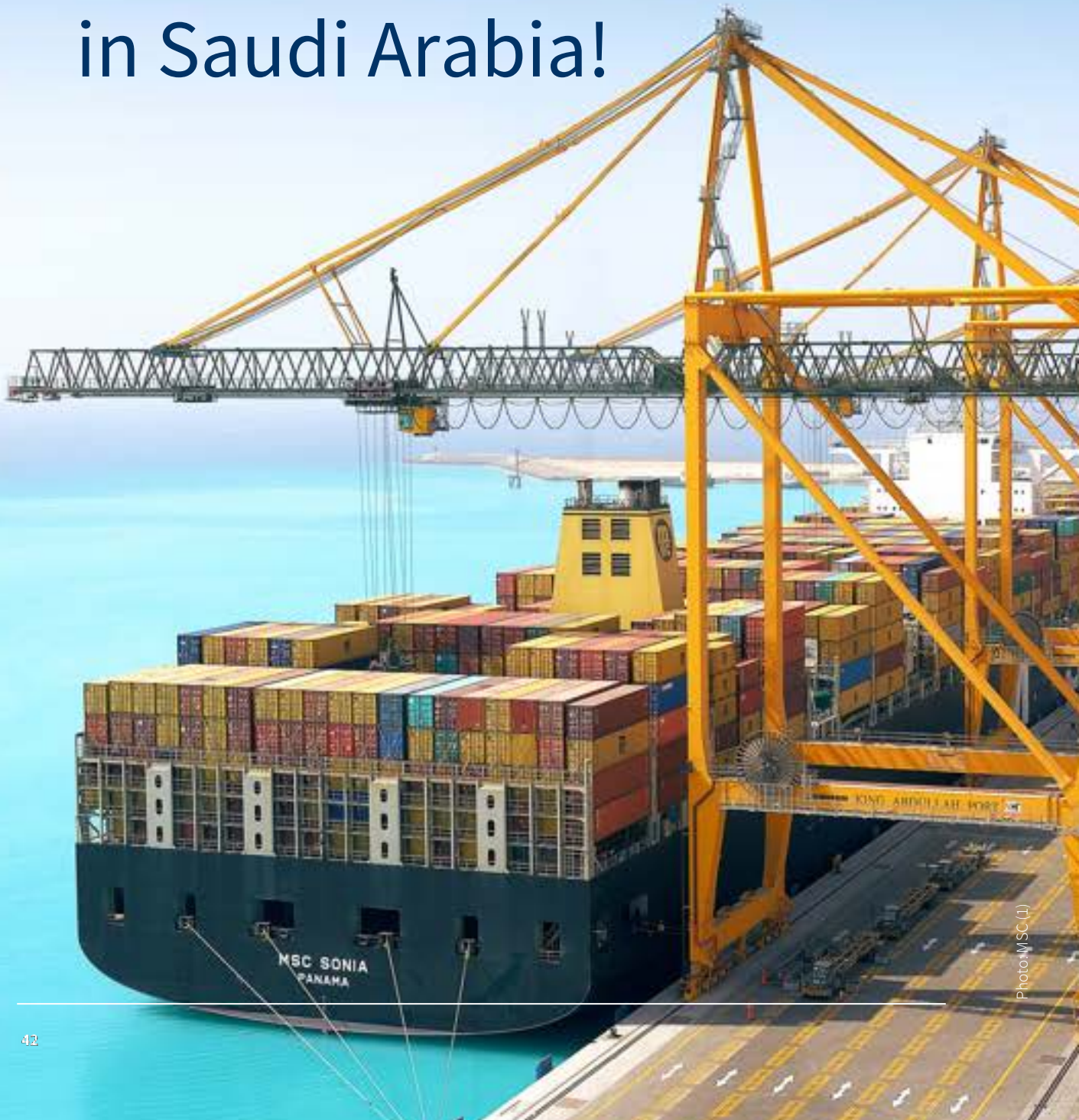


Photo: MSC (1)



## MSC EXPANSION IN SAUDI ARABIA!



**Since 1996, MSC Saudi has contributed to the local economic growth and to the development of the Kingdom trade. In our fast-changing industry, the agency has significantly grown its footprint and expanded to have three offices in Dammam, Riyadh, and Jeddah.**

MSC is a leading carrier in Saudi Arabia, playing a key role in the transportation of all kinds of goods connecting Saudi to the rest of the world. It operates in all main ports in the kingdom including King Abdulaziz Port, Jubail Port, Riyadh Dry Port, King Abdullah Port, Jeddah Port, and NEOM Port.

MSC has a unique approach to sustainability, which is firmly embedded across our business and reflected in all that we do. We recognise the pivotal role we play in connecting the world, and our strong core values and long-term view drive our commitment to playing our part in creating a sustainable future.

Shipping and logistics are the backbone of global trade, and by creating connections MSC helps secure economies around the world.

Our commitment towards 2030 Saudi Vision is to enable trade, connecting local businesses to global markets and supporting economy to transform the Kingdom to be as the global main hub.

MSC's people are the greatest asset, the source of MSC strength and central to the company success. MSC Saudi is committed to equipping the local experts at sea and ashore with the tools, knowledge, and confidence to capitalise on opportunities emerging throughout the energy transition and the industry's ongoing evolution, including digitalisation and automation.

In Saudi Arabia, we open the doors to the worldwide market thanks to our direct, stable, and reliable solutions and services serving all kind of industries.



## PARTNER'S VIEW

AN  
IRREPLACEABLE  
PARTNER



“GESALO has become an irreplaceable partner for us in building strong relationships. We are proud to be part of this empowering network and appreciate the opportunities it opens up.”

Hakan Lanfredi  
Member of the Executive Board,  
Dussmann Group



# Facility Management for “Vision 2030”

Dussmann's first steps on Saudi desert soil date back to 1976 - the idea of exporting facility management from Germany to Saudi Arabia is thus even older than GESALO! After this successful interlude, Dussmann ventured a new beginning in 2020 and founded a joint venture with Ajlan & Brothers.



The joint venture with one of the most renowned families in the Kingdom is part of the successful further development of Dussmann in the Middle East. Dussmann-Ajlan & Brothers LLC delivers the entire suite of facilities management services to provide clients with a single-point service solution to maintain and sustain their assets.



Recently awarded Integrated Facility Management and Consultancy Service contract awards with most reputable clients are one more milestone for our successful operations. GESALO has become an irreplaceable partner for Dussmann in building strong relationships. We are proud to be part of this empowering network and appreciate the opportunities it opens up.

Hakan Lanfredi  
Member of the Executive Board, Dussmann Group







**KINGDOM TOWER.**

Riyadh, Kingdom of Saudi Arabia.

Photo: Kerstin Steinberg (1)



Siemens Energy committed:

# Energizing Saudi Arabia and Enhancing Local Manufacturing

**Siemens Energy has its roots in Saudi Arabia for around a century, supplying products, solutions and services across significant parts of the energy value chain in the Kingdom, energizing society and bringing stable and efficient power to the people.**

As a testament to its commitment to the Kingdom, Siemens Energy has set up the Siemens Damman Energy Hub (SEDH) to enhance its services, and contribute to the localization of the energy value chain. It is the one of the largest facilities of its kind in the region and it is where the first “made in KSA” gas turbine was assembled in 2016.

Throughout the years Siemens Energy expanded the SEDH to include locally assembled compressor trains and is continuously increasing local content and services across the energy value chain to support the plant activities.

The factory is now considered to be the largest gas turbine and compressor manufacturing facility in the region, including a full-fledged service set up to cover the entire product lifecycle. This expansion of the factory has added value to customers in Saudi Arabia because it enhanced local manufacturing and created more jobs with a focus on Saudization.

Throughout the years, Siemens Energy has been focusing on increasing competent Saudi technicians in its factories and has several programs to make that happen.

Siemens Energy will continue investing in its SEDH facility to create the largest Siemens Energy hub in the region to serve its customers in Power Generation and Oil & Gas business in the Saudi market, and beyond.

Mahmoud Sulaimani

Managing Director of Siemens Energy Saudi Arabia

**SIEMENS**  
energy



## PARTNER'S VIEW

FOUNDED  
12 YEARS  
AGO



“We are very satisfied with what we have achieved in the last 12 years in Saudi-Arabia. Thanks to GESALO we met interesting companies and have the possibility to contribute our know-how to innovative projects”.

Marouane Mansour  
General Manager  
Coperion Middle East



Coperion offers innovative processing solutions for various industries.

## Reliable Project Partner

**After its foundation 12 years ago, Coperion Middle East has developed into a strong and reliable partner for the realization of projects in the field of extrusion, feeding and conveying as well as after-sales services.**

As a single source provider Coperion offers state-of-the-art technology and advanced system solutions for various applications and industries as well as best-in-class services. Many years of experience, comprehensive engineering know-how and a broad portfolio of products allow the company to build the best suitable system according to the needs and requirements of the customer.

One big milestone in the history of Coperion Middle East was the relocation and opening of its new facility in February 2018. Due to this relocation the company is able to offer best-in-class services – from the stock of spare parts to maintenance of process-critical parts of extruders, feeders and rotary or diverter valves.

The company also offers complete debottlenecking and retrofitting projects as a single source provider.

The German-Saudi Arabian Liaison Office for Economic Affairs (GESALO) gave Coperion Middle East the opportunity to present the company and solutions to a broad Saudi-Arabian audience.



Thanks to this connection, Coperion had the possibility to contribute the know-how to innovative projects and initiatives of interesting companies and the government in the field of plastics compounding, recycling and food extrusion.

Marouane Mansour, General Manager  
Coperion Middle East





We ensure quality & safety

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24 BUSINESS FIELDS

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- Elevators & Lifting Equipment
- Electrical Engineering & Building Technology
- Industrial Inspection & Materials Testing
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- Energy & Environment
- Cybersecurity & Functional Safety

#### ACADEMY & LIFE CARE

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- Training & HR Development
- Labour Market Services
- Digital Transformation

#### SYSTEMS

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- Customized Services
- Government Inspections & International Trade

#### MOBILITY

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- Driver's License
- Car Services & Appraisal
- Engineering & Type Approval
- Rail

#### PRODUCTS

- Softlines
- Hardlines
- Electrical
- Solar & Commercial
- Medical

## Safeguarding your way to innovation and success

TÜV Rheinland stands for safety and quality in virtually all areas of business and life. The company has been operating for more than 150 years and ranks among the world's leading testing service providers. It has more than 20,000 employees in over 50 countries and generates annual revenues of around 2.3 billion euros. TÜV Rheinland's highly qualified experts test technical systems and products around the world, support innovations in technology and business, train people in numerous professions and certify management systems according to international standards. In doing so, the independent experts generate trust in products as well as processes across global value-adding chains and the flow of commodities. Since 2006, TÜV Rheinland has been a member of the United Nations Global Compact to promote sustainability and combat corruption.

German at heart - global in mind



**TÜV Rheinland**

**MENA - Regional Headquarter**

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# Henkel in the Kingdom of Saudi Arabia

Driven by innovation and sustainability, Henkel holds leading positions in the global market within its industrial and consumer businesses. Established in 1998, Henkel GCC has since grown rapidly with over 1,600 employees representing over 50 nationalities. In the GCC it operates three factories in Saudi Arabia (Riyadh and Dammam), one plant for Adhesives in the UAE and several innovation & competence centers to cater to the demands & supply for the region.

Henkel has strengthened its presence in the Kingdom of Saudi Arabia by investing in state-of-the-art production facilities, strong local talents, and contributed to various local projects such as: Green Riyadh Project and Dammam Independent Sewage Treatment Plant Project.

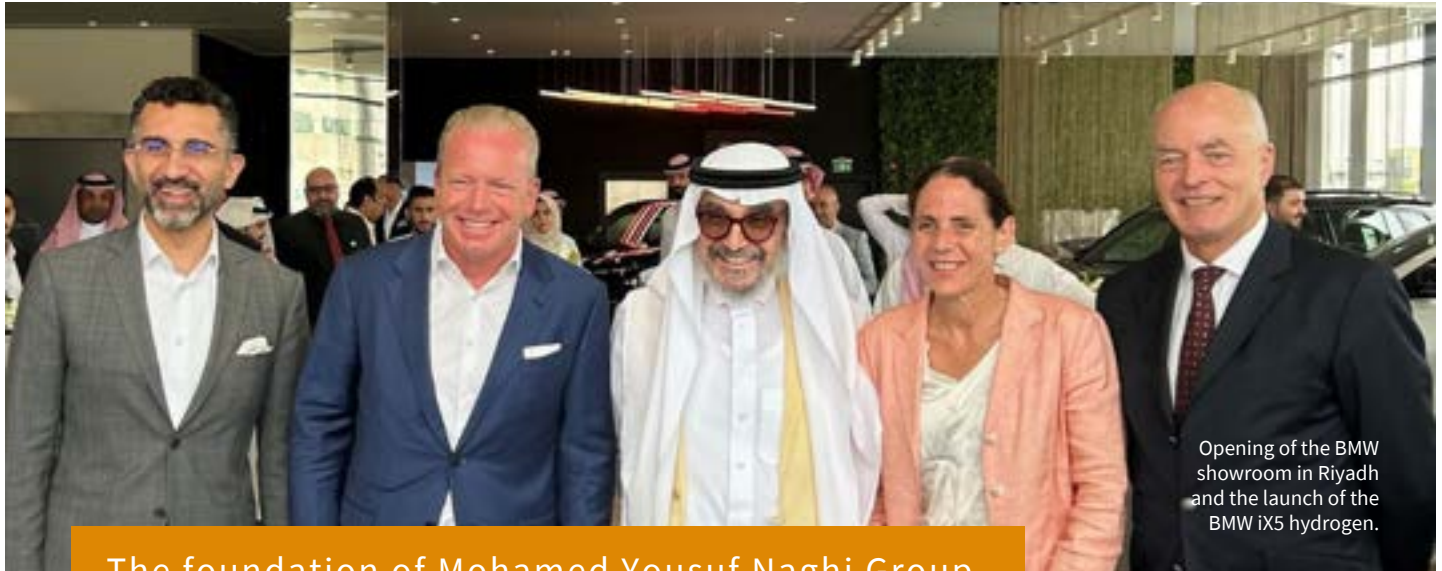
With top brands including DAC, Persil Abaya, FA, Pattex, Loctite and Technomelt, Henkel is delivering tailored innovative solutions to consumers & customers.

In line with the Saudi vision 2030, Henkel is committed to continue driving innovations & sustainability for the good of future generations. With the strong dynamic & growth of the local market, the country offers several new opportunities particularly in the Personal Care, Construction, Energy and Automotive industry.

---

Leopold Mirow, KSA Country Manager  
Henkel Adhesive Technologies





Opening of the BMW showroom in Riyadh and the launch of the BMW iX5 hydrogen.

The foundation of Mohamed Yousuf Naghi Group

# It All Started in the Jeddah Region

**The Mohamed Yousuf Naghi Group has its origins back in 1911, when – the late Grand Father Mohammed Abdulwahab Naghi – laid the foundations of the company. It all started from a humble beginning as a distribution business in the Jeddah region.**

The business expanded and flourished and the Naghi name became synonymous as being one of major players in the Kingdom's developing economy with a significant business size, long-

standing experience, financial strength and local expertise.

The group has become the trusted partner of choice for renowned worldwide leading brands in various business sectors building a strong reputation and credibility throughout the Kingdom of Saudi Arabia.

With its headquarter in Jeddah, the group operates throughout the Kingdom of Saudi Arabia with a comprehensive network of offices, warehouses and showrooms - a solid and wide-spread footprint.

The Mohamed Yousuf Naghi Company has extensive and diversified business interests in the following four main sectors:

- Automotive Sales and Distribution
- Private and Public Transportation Services
- FMCG (Fast Moving Consumer Goods – principally consumables)
- Logistics / Distribution Services

Each operating sector is in itself of substantial size and covers numerous brands and services most of which have credible international reputations and images. Within the Automotive sector of the group, Mohamed Yousuf Naghi Motors Company are the exclusive Kingdom-wide sales and distribution agents for marques such as Rolls-Royce, BMW, Mini, JLR, Infiniti, Chery, Exeed, MG and Nissan (wholesale trade).

The group is also the distributors for Hyundai Heavy Commercials as well as being the exclusive agents for Hyundai and Ford passenger vehicles in the Western Province of the Kingdom. Whereas, Manahil International Transportation & Services Company represents Tata, Ankai and Alexander Dennis brands. In the Public and Private Transportation sector, The Mohamed Yousuf Naghi Company operates and manages one of the largest bus and coach companies in the Middle East with over 12,000 units. The operation also includes school transportation contracts, city transportation service and Hajj / Umrah services.

The FMCG sector under the auspices of Arabian Trading Supplies is one of the Kingdom's major trading companies handling many large volume international brands.



Sheikh Mohamed Yousuf Naghi

Today, the Mohamed Yousuf Naghi Group stands proud of its achievements delivering outstanding services and investing back into the Kingdom, playing a pivotal role in the economy as everything they do is driven by its values for sustainable growth to maximize gains in all areas to help us excel in its business, building sound and persistent relationship with its clients, principals and customers to achieve mutual interest.

Karsten Engel  
CEO Automotive  
Mohamed Yousuf Naghi Motors





## **NATURAL ARCH**

Southwest Riyadh, Saudi Arabia

Photo: Kerstin Steinberg (1)



## REGIONAL HEADQUARTER INAUGURATION



**TÜV Rheinland, the global leader in independent technical services, opened its new regional headquarters in Riyadh, Saudi Arabia. The inauguration took place in November 2023.**

Dr. Michael Fübi, CEO & Chairman of Executive Board at TÜV Rheinland Group, expressed his enthusiasm for this new milestone and said, "This new regional headquarters reflects our strong and long-standing commitment to our partners in the region. For decades, TÜV Rheinland has provided industrial expertise for the local workforce to strengthen and contribute to local businesses. We are proud to build on this progress as we advance these transformational projects together."

Dr. Michael Fübi continued, "TÜV Rheinland Arabia's mission and guiding principles are to achieve sustained development of safety and quality to meet the challenges arising from the interaction between man, technology, and the environment. We are active in all major industrial sectors, including energy, consumer goods, the automotive industry, environmental technology,

supply chain, and more. Our commitment to Saudi Arabia is unwavering, and we look forward to continued growth and success in the region."

TÜV Rheinland is fully aligned with the Kingdom's Vision 2030. We wholeheartedly embrace the goals outlined in this transformative roadmap and are proud to contribute to Saudi Arabia's remarkable economic growth. The Kingdom has not only emerged as one of the fastest-growing economies but has also made significant strides in improving its position on the 'Ease of Doing Business Index'.

With our regional team now based in Saudi Arabia, we are well-positioned to further strengthen our engagement in the country. We have witnessed firsthand the positive outcomes of the Kingdom's economic roadmaps, and we are excited to be part of its continued success.

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# Trade Fairs in Germany

Germany is one of the world's leading countries for international trade fairs and its organizers are professional, competent, and service oriented partners for your trade fair participations. They organize events of all sizes for all sectors with their experienced staff and have been doing so for years. 800 years of trade fairs in Germany speak for themselves.

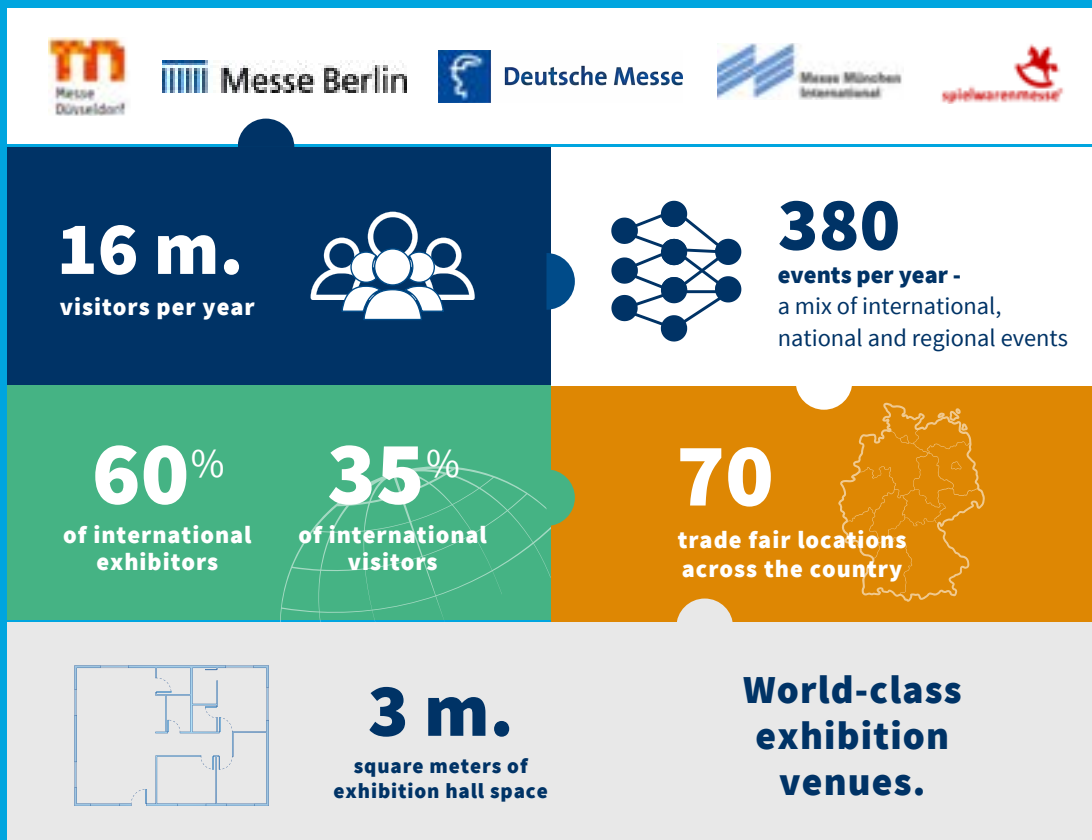
The German-Saudi Arabian Liaison Office (GESALO) is the official representative of some of the most renowned German trade fair companies: Messe Düsseldorf, Messe Munich, Deutsche Messe Hannover, Messe Berlin and Spielwarenmesse Nuremberg.

Whether exhibitors, trade visitors, or exhibition corporation: we can provide you with customized services to meet your business needs. We are dedicated to our customer's trade show success and offer an extensive range of services to support Saudi and Bahraini companies before, during and after the event. Benefit from our specialized trade show expertise and our valuable network of service providers. We organize your individual visits to the trade fairs abroad as well as delegation trips.

## CONTACT

Ms. Rasha Moslem, Trade Fair Officer

✉ [moslem@ahk-arabia.com](mailto:moslem@ahk-arabia.com)





# GESAlaw

## DEEP ECONOMIC INSIGHTS

“The longstanding, trustful and always reliable cooperation with AHK is an important factor for our work as consulting lawyers. The deep economic insights facilitate our clients’ entry to the rapidly evolving market, allowing them to participate in the opportunities of the rapidly growing economy.”

Christine Baltzer-Zacharias

Senior Lawyer  
Meyer-Reumann  
& Partners



Photo: Meyer-Reumann & Partners (1)

# Local Company Law was Comprehensively Amended

**With Vision 2030, which was launched in 2016, Saudi Arabia aims to diversify and expand its economy. At the same time, it aims to create an environment that is attractive to both local and foreign investors.**

An investor-friendly environment aims to reduce the country's dependence on oil. In this context, the local company law was comprehensively amended in June 2022 so that it can be applied to companies regardless of whether they are commercial, non-profit, or freelance. New legal regulations are intended to facilitate the transition to a more diverse and sustainable economy.

For example, a new corporate form (Simplified Joint Stock Company) serves investments by nonprofit organizations to generate income that is used for charitable purposes. Simplifications in the requirements of the incorporation process for small and medium-sized enterprises have since also contributed. The recognition of joint venture agreements in addition to the possibility of including special clauses in the articles of association of companies to be founded, as well as the introduction of uniform liability standards and due to diligence requirements for managing directors, represent important legal provisions, that are of great significance to foreign investors.

Finally, the strengthening of electronic legal transactions is an important aspect for companies to enhance business dynamics in all sectors.



Christine Baltzer-Zacharias , Senior Lawyer, Meyer-Reumann & Partners , and Dr. Dalia Samra-Rohte  
Delegate of German Industry & Commerce

## About Meyer-Reumann & Partners Legal Consultancy

Meyer-Reumann & Partners has been active as a German law firm in the region for more than 40 years. Since then, our lawyers have been bridging the gap to Saudi Arabia and the Middle East for international and local investors, considering the legal and cultural particularities. In Saudi Arabia, the team of Meyer-Reumann specializes in Commercial and Corporate Law, Commercial Agency Laws, Intellectual Property Law, Private International Law, and Conflict of Laws, supporting international groups, cross border joint ventures, international and local business start-ups.

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REUMANN**  
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# Saudi Arabia's New Civil Transactions Law

and its connection to German Law,

by Christian Both, Partner & Alexander Sarac, Partner | Addleshaw Goddard

**Saudi Arabia has recently issued its first Civil Transactions Law (CTL). The CTL will come into effect on 16 December 2023. However, the law has a retrospective effect, which means that it will apply also to any transactions signed prior to such date.**

The highly anticipated CTL is the third of four laws to be issued as part of the Kingdom of Saudi Arabia's (the "Kingdom") legal reforms to elevate the legislative environment, in line with its 2030 Vision.

The CTL aims to govern contracts among parties and is applicable to all civil and commercial transactions (unless otherwise governed by applicable commercial laws).

## **The current position (i.e. prior to the CTL)**

Historically, in Saudi Arabia, there was no comprehensive codified system for civil transactions.

As a consequence, most contracts were governed by general Shari'ah law principles, which caused some degree of uncertainty for the following reasons:

- Shari'ah law principles are general principles derived from religious texts and traditions, but are themselves not found in one specific source or code;
- No principle of binding legal precedence existed in Saudi Arabia, and often court decisions were not published; and
- Judges applied Shari'ah law principles on contracts on a case-by-case basis and the application and interpretation of these principles in relation to the matter at hand was ultimately subject to the discretion of the relevant judge.

## **The CTL and its scope**

The CTL is one of the largest pieces of legislation issued in Saudi Arabia and consists of 721 articles, focusing on civil transactions. Not included are family and estate matters, that for example are included in the Civil Code in Germany (BGB). The CTL consists of a general part (General Part), a part that deals with specific contract types (Specific Contract Part) and a third party that lists Shari'ah law principles.



### The General Part

The General Part, contains rules that generally apply to all civil transactions. To a German lawyer or business this will look familiar since this general part contains very similar topics as the BGB General Part. The CTL General Part contains rules related to entering into contracts, legal representation, interpretation, obligations and performance of contracts, default and breach of contract, fulfilment of obligations, termination; it deals with harmful acts (tort), unjustified enrichment, damages and compensation, and regulates the statute of time limitations.

### The Specific Contract Part

The Specific Contract Part contains a list of contracts that are being codified and regulated. The regulated contracts include sales contracts, barter, gifts, loans, leases, contracting, guarantees, partnerships, and others.

This will also look very similar to a German observer. Also codified in this section are Islamic contract concepts, such as Mudaraba, Musharaka and Murabah contracts.

The one area that the German trained eye will be less familiar with is the list of 41 applicable Shari'ah law principles. These are now expressly codified and while the CTL is fairly comprehensive, in case of any gaps, these Shari'ah law principles will apply. As highlighted above, the similarities with the BGB indicate that the CTL uses Continental European Civil Law precedence as a basis and combines it with codified Shari'ah law principles. It is worth noting that (similar to Continental European Law) only certain provisions of the CTL are mandatory, while the parties are free to deviate in their contracts from the other provisions of the CTL.

### Importance for foreign investments

The CTL establishes a transparent, robust and comprehensive legal framework, protecting the rights of all parties involved in civil transactions. This ensures that the parties have a clear understanding of their rights and obligations and can rely on a predictable and fair legal system. This will help foster legal certainty, trust and confidence of domestic and international businesses, reducing disputes and promoting smoother business transactions. Furthermore, investors from Continental European countries (including Germany) will particularly benefit from

the law, given its similarities with the civil transactions laws that they are familiar with from home.

### Conclusion

The introduction of the CTL is expected to have a far-reaching impact on the Kingdom. The CTL is the result of coordinated efforts by the Kingdom's institutions and further cements the monumental developments in the Kingdom's legal landscape.

The Kingdom's codification of Shari'ah principles in alignment with international best practices aims to instil certainty and transparency, attracting foreign investment and promoting economic growth. This will benefit the country at large and make investments into the Kingdom even more attractive.

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"We would like to express our appreciation for the exceptional work done by the AHK in Saudi Arabia (GESALO). Their contributions have been instrumental in our successful market entry and expansion in the Middle East. We highly value their expertise, professionalism, and commitment to excellence."

Nicola Lohrey  
Managing Partner  
Rödl & Partner

# Investment Hub KSA

” With its new Special Economic Zones (SEZ) project Saudi Arabia attracts investors from around the world.

**As lawyers, tax advisors, auditors and consultants, we are present in around 50 countries with more than 100 offices. Rödl & Partner has been successfully active in the GCC region since 2003.**

Our in-depth understanding of local conditions and business practices contributes to our clients' sustained success. From our offices in the United Arab Emirates and Saudi Arabia, we support our clients throughout the region with our international expertise from a single source.

The Kingdom's Vision 2030 aims to modernize the country and turn Saudi Arabia into an investment powerhouse. New investor-friendly regulations shall facilitate the transition to a diverse and sustainable economy.



Most recently tax E-invoicing has been introduced to increase business efficiency, security and transparency.

With its new Special Economic Zones (SEZ) project Saudi Arabia attracts investors from around the world. Companies can benefit from tax incentives as a 5% corporate income tax for up to 20 years, 0% withholding tax for profit repatriation and 0% VAT within the SEZs.

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**Rödl & Partner**





# Saudi Arabia's Economic Transformation:

## A Legal Reforms Overview.

by Andrés Ring, Partner; Christoph Keimer, Partner & Amir Makee Mosa, Partner | SCHLÜTER GRAF

### I.

#### Legal Policy Background: Visionary Path

Recognized regionally and internationally as a flourishing investment and growth market, the Kingdom of Saudi Arabia has experienced a remarkable transformation spurred by the Saudi Vision 2030 reform program.

This reform initiative showcases Saudi Arabia's intensive reform and economic diversification efforts which have triggered significant legislative amendments, cultivated a more attractive investment landscape, and bolstered legal certainty; consequently, positioning the Kingdom as an appealing destination for both local and international investors. In the following we highlight some important legal changes in KSA.

### II.

#### Key Legal Reforms: Navigating Change

##### Company Law and Focused Development Zones

In June 2022, Saudi Arabia introduced a comprehensive new Companies Law. This reform recognizes joint ventures, introduces uniform liability standards, and extends to freelance and non-profit companies. Notably, Limited Liability Companies undergo significant restructuring, offering foreign investors greater flexibility.

Another strategic push to allure foreign investment is Saudi Arabia's recent focus on special economic zones, including the Special Integrated Logistics Zone (SILZ). This emphasis is evident in the NEOM megaproject, which envisions a special economic zone with an independent legal system, highlighting the kingdom's dedication to attracting global businesses.

## II.

## Key Legal Reforms: Navigating Change

### Regional Headquarters Program

The Regional Headquarters Program aims to establish Saudi Arabia as the regional hub for multinational companies, requiring them to have their regional headquarters in the Kingdom from 2024 if they wish to participate in public tenders.

### Employment & Residence Law; Saudization

The employment sector has witnessed various reforms over the past years, e.g., the introduction of newly established labour courts at the Ministry of Justice, a mandatory employment contract model for foreigners and changes to the so-called sponsorship system, allowing foreigners to change employers.

Additionally, since February 2021, a "Temporary Work Visit Visa" facilitates short-term work, and an "eTourist Visa" streamlines entry for nationals of select countries. Furthermore, aligned with Saudi Vision 2030, the Nitaqat nationalization program, updated in December 2021, sets Saudization quotas for companies based on size and sector.

### Legal Frameworks: Individuals & Civil Affairs

Saudi Arabia had issued the Data Protection Act (DPA) in September 2021. The DPA contains similar core concepts as the European General Data Protection Regulations (GDPR) and imposes stringent requirements for cross-border data transfers, particularly in matters involving foreign connections. The corresponding implementing regulations have been issued in September 2023.

## Other noteworthy legal reforms

In addition to the above listed reforms, there have been various other legislative codifications in Saudi Arabia. Some of these include:

- The **Medical Devices and Medical Products Law** (2021): Enhances regulation for medical devices in line with regional trends.
- **Franchise Law** (2019): Saudi's first independent regulation for franchises.
- **Revamping Court Costs** (2021): The 2021 Court Costs Law introduced a 5% fee of the dispute's value departing from the past practice of free court proceedings.

## III.

## Conclusion

Saudi Arabia's rapid pace of legislative reforms, aligned with the Vision 2030 framework, showcases its commitment to economic diversification, liberalization, and social openness. Ongoing efforts to balance localization and liberalization policies will significantly improve the attractiveness of the country for foreign investors. Continued administrative reforms, investment in education, and Saudization programs reflect a determined approach to enhance the nation's competitiveness.

[www.schlueter-graf.com](http://www.schlueter-graf.com)

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“Hundt & Partners Legal and Business Advisory, a full-service practice which through its partners has been proudly supporting GESALO for over 25 years, and which is ardently looking forward to the next 25.”

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Jochen Hundt  
Managing Partner  
Hundt & Partners





# Full-Service — Solutions in High Demand

The profile of companies establishing a presence in the Kingdom has shifted remarkably. Previously, we had seen larger enterprises who, after years of operating directly from Germany or through a KSA distributor, were upgrading their presence into a rep office, a branch, or a subsidiary. Today however – ‘Vision 2030’ helping – companies of all sizes without KSA market exposure are tempted to enter.

As they lack experience, a trend towards full-service solutions has materialized. Full-service firms can cover everything from government accounts to developing market strategies, including compliance, IT, HR, and tax, and can also create pitch decks to raise capital locally and internationally. Full-service therefore often lays the basis for long-term success in KSA.



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### **AT-TURAIF WORLD HERITAGE SITE, AD-DIR'IYAH**

Royal residence of the First Saudi State, built in the distinctive Najdi style.

Photo: Kerstin Steinberg (1)



Najd architecture

At-Turaif View from Al Bujairi Park

# At-Turaif & Al Bujairi in Diriyah


by Barbara Schumacher  
German Journalist and Photographer

**At-Turaif and Al Bujairi are districts of Diriyah. At Turaif has been a UNESCO World Heritage Site since 2010.**

Diriyah was the first capital of the Saudi dynasty in the heart of the Arabian Peninsula, about 30 km northwest of Riyadh. It was founded in the 15th century and is a testimony to the Najd architectural style typical of the center of the Arabian Peninsula.

In the 18th and early 19th centuries, its political and religious importance increased, and the citadel of At-Turaif became the center of the secular power of the House of Saud and the spread of Wahhabi reform within Islam. At-Turaif includes the remains of numerous palaces and an urban ensemble built on the edge of the Diriyah Oasis.

For many years, the former royal palaces, beautiful examples of Najd architecture, were renovated in At-Turaif and five new museums were built. The official opening was Dec. 4, 2022, and there is excellent information and guides at the visitor center.



At-Turaif View from inside



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"Diriyah is the birthplace of the Arabian Peninsula, Diriyah is the birthplace of the Kingdom of Saudi Arabia, Diriyah is the ancestral home of the House of Al-Saud,"

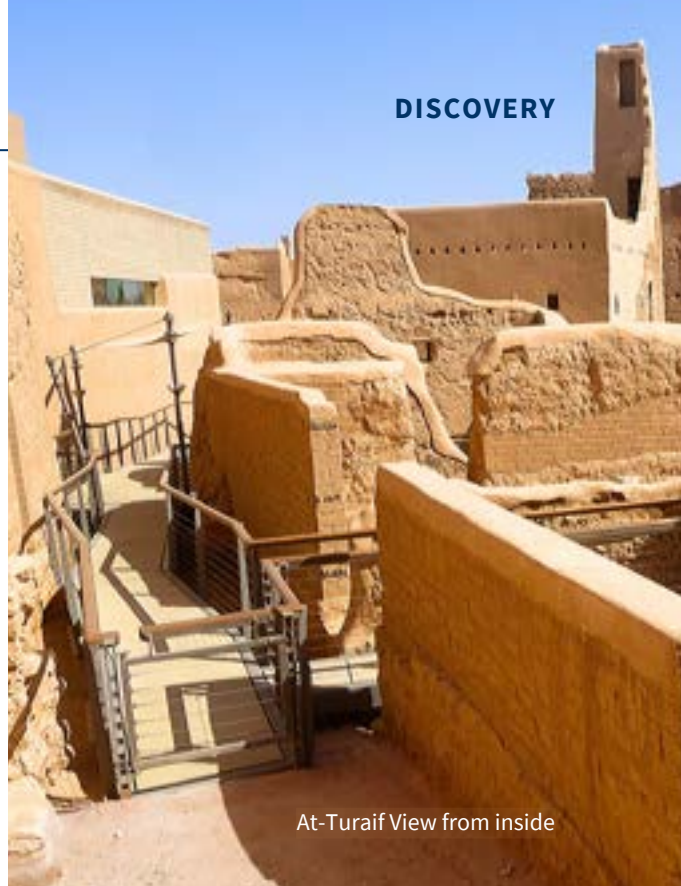
said Jerry Inzerillo, director general of the Diriyah Gate Development Authority (DGDA).



At-Turaif View from outside

A bridge over Wadi Hanifah separates At-Turaif from Al Bujairi (also renovated in the traditional style) with parks designed by MK2, a German landscape consultant associated with Bödeker Landscape Architects, the Ministry of Culture Building, stores, restaurants and cafes, and large squares often used for art installations.

The attractive viewing terrace at Al Bujairi offers a unique view of the evening light show projected onto the walls of the Salwa Palace in At-Turaif. The terraces of At-Turaif and Al Bujairi are popular venues for high-profile events.



At-Turaif View from inside

At-Turaif & Al Bujairi in Diriyah are located 10km East from the GESALO office.



Building in Al Bujairi Terrace

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