

# World Bank recognizes Saudi Arabia as the 13th most competitive economy in the World and First in the Middle East

Saudi Arabia: Wednesday, September 09 - 2009 at 08:59

The World Bank placed the Kingdom of Saudi Arabia as the 13th most competitive country in the world in its annual Doing Business report, thus ensuring the Kingdom is well poised to achieve its goal of becoming one of the top 10 most competitive countries by 2010.

For the fifth consecutive year, the report ranks Saudi Arabia as the best place to do business in the entire Middle East and Arab World, ahead of Bahrain (20th), the UAE (33rd) and Qatar (39th).

The report also ranks Saudi Arabia ahead of advanced economies such as Japan, Germany, France, and Switzerland.

Whilst Saudi Arabia holds the lead position, improvements in the region generally indicate it is a global hot-spot for major investors.

The World Bank praised several of Saudi Arabia's recent reforms which drove the country's increased ranking this past year.

These reforms made it easier to do business in Saudi Arabia by reducing the required complexity, time, and cost to start a business and obtain construction permits in the Kingdom.

"Saudi Arabia's reforms demonstrate our determination to create the most attractive destination for investment opportunities in the world. We invite investors to learn more about the positive business environment in the Kingdom and to join in the growth of the business community," said. H.E. Amr Al-Dabbagh, Governor of the Saudi Arabian General Investment Authority (SAGIA).

Saudi Arabia has shown significant improvements in the Doing Business rankings over the last 5 years, leaping from 67th position in 2004, to 38th in 2006, 16th in 2007 and to this year's ranking of 13th.

The Kingdom's exceptional performance has been driven by the vision of His Majesty King Abdullah, Custodian of the Two Holy Mosques, to modernize the Saudi business environment, thereby attracting greater participation from foreign investors in the economy of the Kingdom.

He has encouraged domestic and foreign investment in the country by enacting a new foreign investment law, establishing SAGIA, privatizing public companies, and achieving membership in the WTO.

The Governor of SAGIA has since institutionalized efforts to improve the competitiveness of the Saudi Arabian economy with the creation of the National Competitiveness Center (NCC) and the "10 x 10" initiative. "Under His Majesty's leadership, Saudi Arabia has set a goal for the Kingdom to become one of the top 10 most competitive countries in the world by 2010.

Government ministries, private companies, investors, and the Saudi public have collaborated extensively to strive towards this vision," explained H.E. Amr Al-Dabbagh.

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"Competitiveness drives economic growth and contributes to sustained prosperity, encouraging entrepreneurship and the creation of new jobs. The Doing Business report is a vital reference for governments, international development agencies, and the private sector to assess the regulatory framework and competitiveness of nations. Saudi Arabia's increased competitiveness signals the ongoing development of a dynamic and diversified economy in the Kingdom," said Dr. Awwad Al-Awwad, Deputy Governor for Investment Affairs at SAGIA and President of the NCC.

Recent reforms have made Saudi Arabia a better place to do business for both domestic and foreign investors.

This is demonstrated by increasing interest in the Kingdom among prominent foreign business leaders, who chose Saudi Arabia over other countries in the Middle East as investment destinations.

"The World Bank Report confirms BAE Systems' own experience of working in the Kingdom. Already a substantial investor and employer in KSA, our aspiration is to expand our presence further. The assistance and support of SAGIA is proving a key enabler for this growth," said Guy Griffiths, Group Managing Director of BAE Systems.

In addition to the Doing Business report, a key measurement of the impact of the Kingdom's reforms is the United Nations Conference on Trade and Development World Investment Report, which measures the global flow of Foreign Direct Investment (FDI).

FDI flows into the Kingdom are a tangible measure of confidence from foreign investors in the Saudi economy and investment environment, especially during the current financial crisis. Saudi Arabia's consistent improvement in the Doing Business rankings has been matched by FDI inflows to the Kingdom.

In 2006, FDI in Saudi Arabia totaled \$18.3bn. Regulatory reforms and improved business conditions drove that figure to \$4.0bn in 2007.

Such great achievements have bolstered the government's resolve to continue the reforms that will make Saudi Arabia one of the 10 most competitive nations of the world.

SAGIA and the NCC will play a central role in supporting continued efforts to enhance the Kingdom's fundamental competitiveness.