



In-kingdom Total Value Add (*iktva*) – program in motion

iktva

70 by 21

70% localization
by the year 2021

the vision....



“A thriving economy provides opportunity for all ... we will develop our investment tools to unlock our promising economic sectors, diversify our economy and create job opportunities.”

HRH Deputy Crown Prince Mohammed bin Salman bin Abdulaziz Al-Saud

and Saudi Aramco's contribution



Saudi Jobs



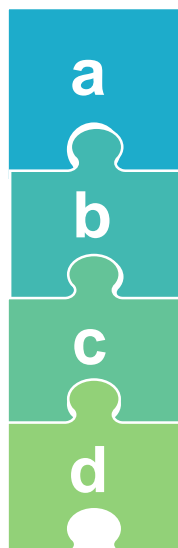
70% Saudi Content



30% Exports

- Enable a sustainable economy, supply chain, and energy sector
- Double locally manufactured materials and services
- Create technical and professional jobs and careers

In-Kingdom Total Value Add (iktva) program



a

Localized Goods and Services (\$)

b

Compensation Paid to Saudis (\$)

c

Training & Development of Saudis (\$)

d

Supplier Development Spend (\$)

$$iktva = \left[\frac{a+b+c+d}{E} \right] \times 100$$

E = Targeted Saudi Aramco spend (\$)

iktva execution pillars

SUPPLY CHAIN DEVELOPMENT



WORKFORCE DEVELOPMENT



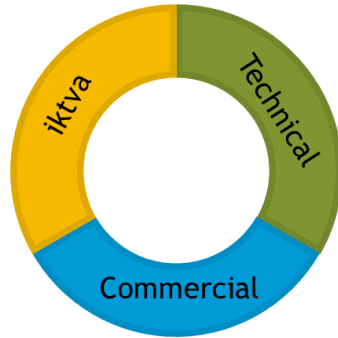
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ANCHOR PROJECTS



iktva

execution – supply chain development



PROCUREMENT POLICIES & PROCEDURES

Systems and governance are in-place
Hardwired into Procurement

- iktva targets setting
- Bid evaluation
- Supplier Performance
- Market share & business allocation



2016 IKTVA IN CONTRACTS (SIGNED/AWARD PROCESS)

SR60 Billion

- Drilling & OFS: SR10.1 Billion
- PM: SR14.3 Billion
- Operations: SR4.2 Billion
- Under negotiations: SR31.4 Billion



2016 PLACEMENT WITH LOCAL MANUFACTURERS

SR10 Billion

- Significant increase (up by 16%) from 37% in 2015 to 43% in 2016
- Local manufacturing spend captured SR10 Billion

execution – supply chain development

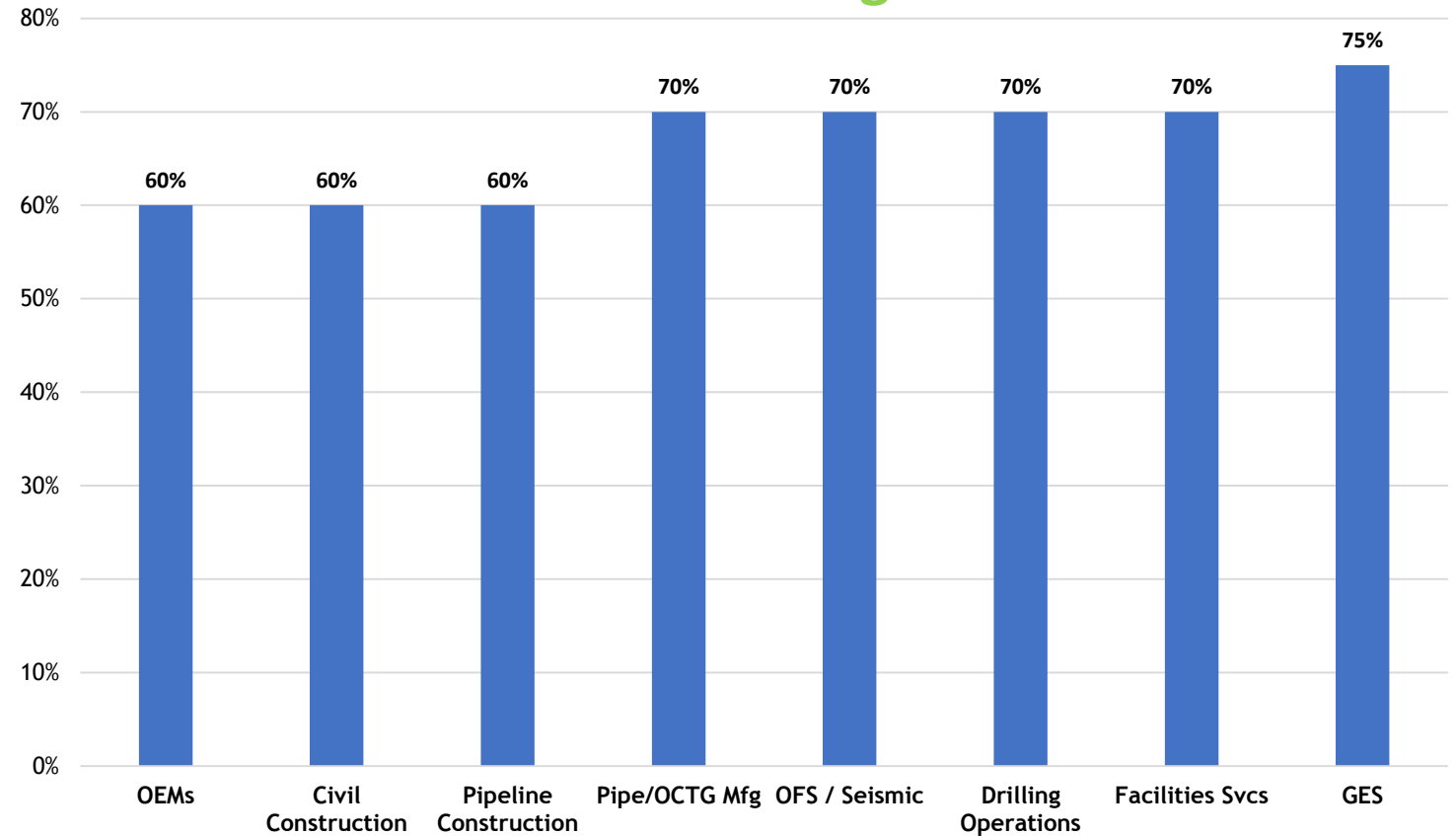


IKTVA BASELINES & TARGETS

Strategic suppliers engaged for baselines and 5 years action plans:

- Sectors iktva targets set
- Action plans depicting how to reach those targets

2021 iktva targets



In-Kingdom Total Value Add (iktva) program



$$iktva = \left[\frac{a+b+c+d+r}{E} \right] \times 100$$

E = Targeted Saudi Aramco spend (\$)

execution – supply chain development

LOCAL INVESTMENTS

Main Sectors:

Main Sectors: Pipe, Static Equipment, Rotating Equipment, Electrical, Drilling, Forging & Casting, Steel Plate, Chemicals, Compressors, Pumps & Motors

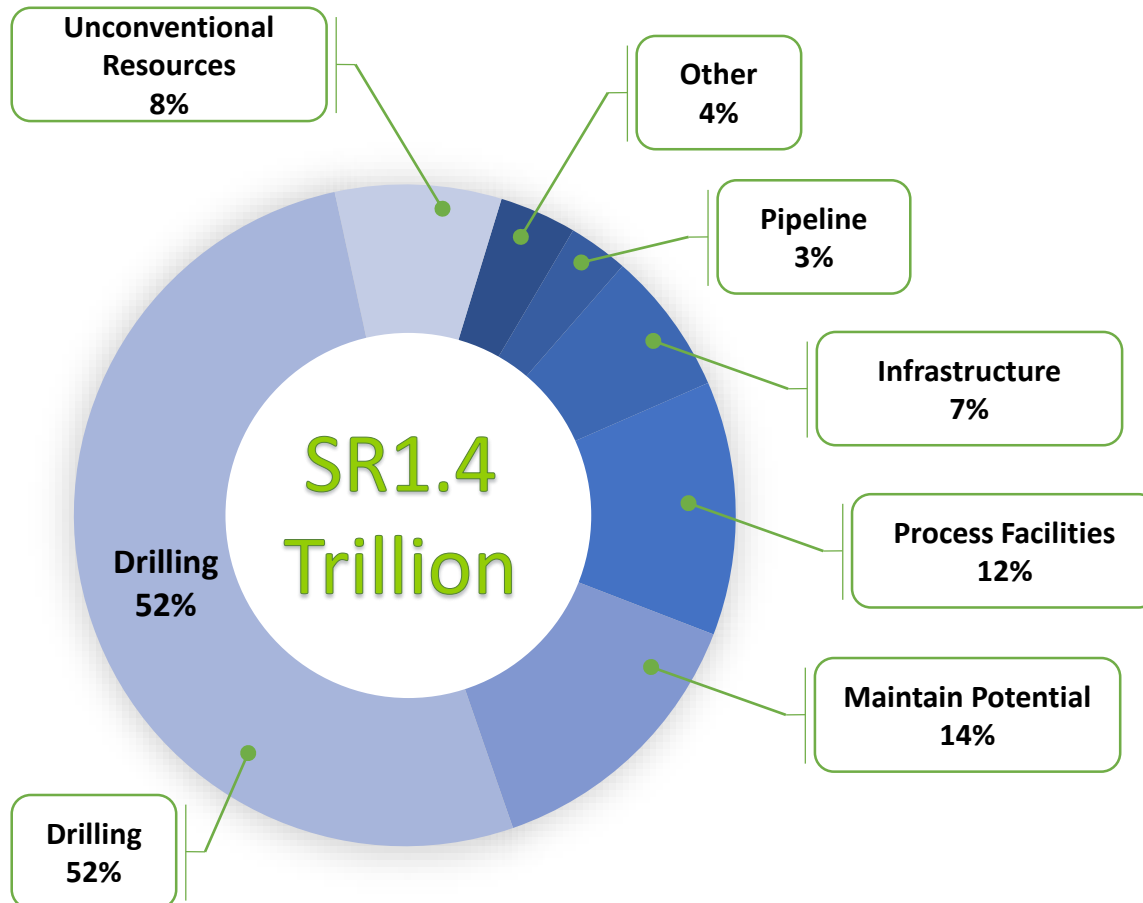


70 by 21

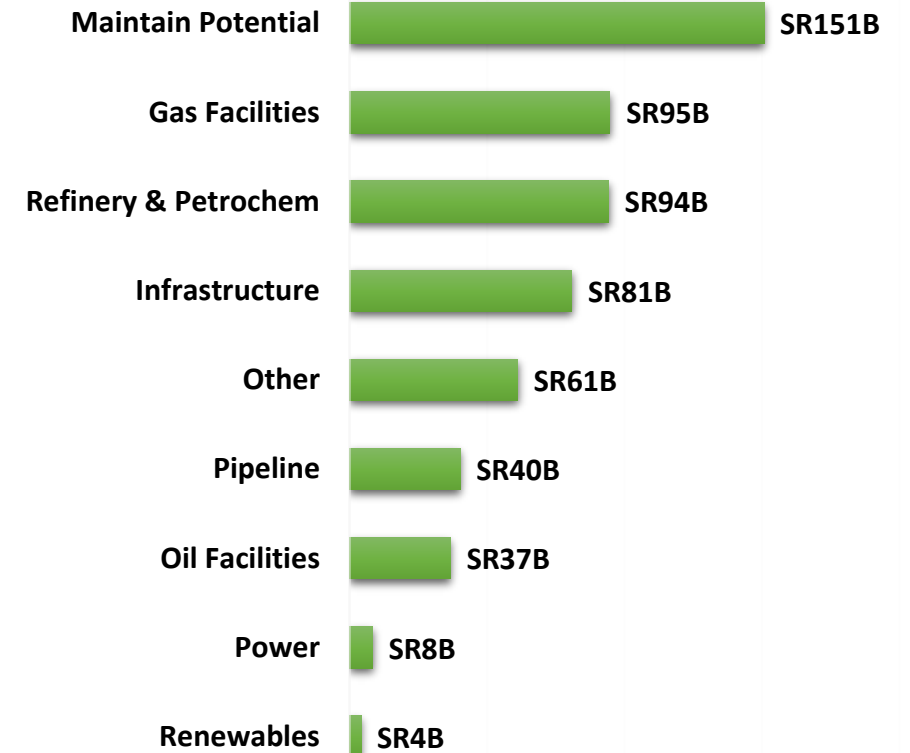
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execution – supply chain development

10-Year Capital Program Forecast



Surface Facilities



iktva execution pillars

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ANCHOR PROJECTS



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execution – workforce skills development

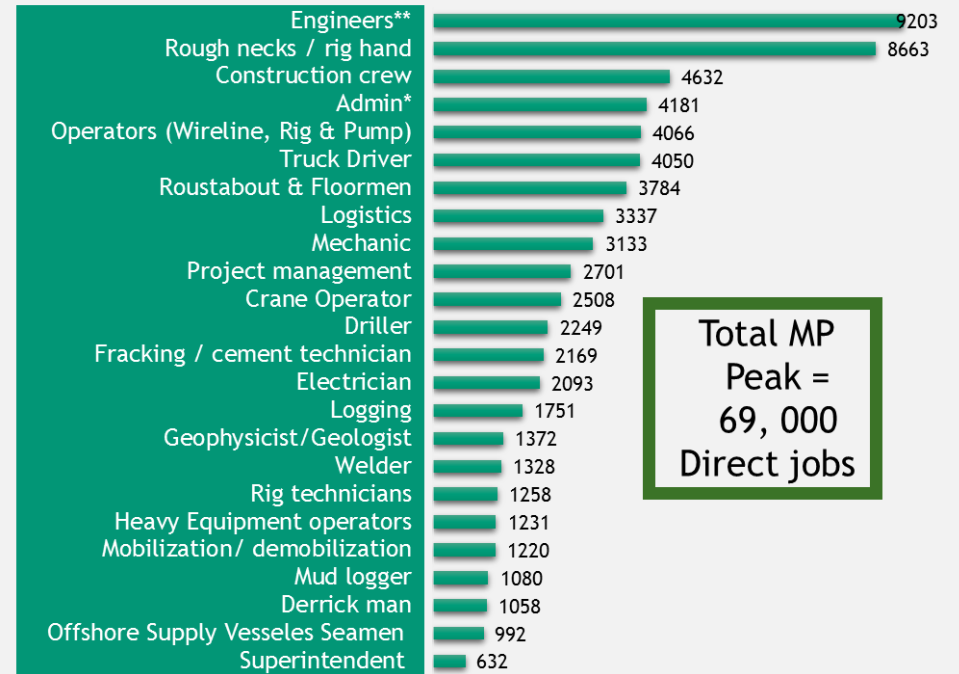


28
TRAINING
CENTERS



360,000
GRADUATES BY 2030

DRILLING AVERAGE MANPOWER/YEAR* SKILL LEVEL EXAMPLES



** Inclusive of all disciplines

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execution – workforce skills development

AVAILABLE TRAINING CENTERS

- Saudi Petroleum Services Polytechnic:
 - Operation & Maintenance
 - Drilling & Construction
- Constructions Training Institute
- Crane & Heavy Equipment Training Institute
- Jazan Contractors Consortium JCC Training Institute
- ITQAN
- National Industrial Training Institute (NITI)
- Saudi Arabian Drilling Academy (SADA)

TRAINING CENTERS UNDER DEVELOPMENT

- Aviation Academy
- Maritime Academy
- National Power Academy (NPA)
- National Construction Training Institute
- Facility and Hospitality Management (FHM)
- Engineering Program
- Information Technology Academy
- National Civil Security Training Academy (AMAN)
- National Power Academy (NPA)
- Saudi Arabian Drilling Academy (SADA)

iktva execution pillars

SUPPLY CHAIN DEVELOPMENT



WORKFORCE DEVELOPMENT



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ANCHOR PROJECTS



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execution – anchor projects

King Salman International Complex for Maritime Industries and Services

OBJECTIVE :

Establishing a manufacturing & services hub offshore rigs, commercial vessels, offshore service vessels

IMPACT :

SR21.8 Billion investment
80,000 Jobs



execution – anchor projects

Energy Industrial City

OBJECTIVE :

Fully integrated industrial city

IMPACT :

SR16.5 Billion investment

150,000 Jobs



execution – anchor projects

Casting & Forging

OBJECTIVE :

World-class casting and forging facility

IMPACT :

SR1.9 Billion investment

6,900 Jobs



execution – anchor projects

Rig Operations

OBJECTIVE :

Own, manage and operate onshore and offshore drilling rigs

IMPACT :

SR24 Billion investment
5,000 Jobs



iktva execution pillars

SUPPLY CHAIN DEVELOPMENT



WORKFORCE DEVELOPMENT



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Thank you

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