

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

and saudi aramco's contribution



Saudi Jobs



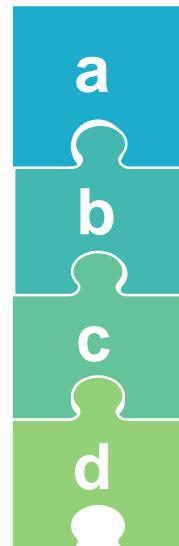
70% Saudi Content



30% Exports

-
- Enable 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



Localized Goods and Services (\$)

Compensation Paid to Saudis (\$)

Training & Development of Saudis (\$)

Supplier Development Spend (\$)

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

E = Targeted Saudi Aramco spend (\$)

iktva execution pillars

SUPPLY CHAIN DEVELOPMENT



The diagram illustrates the four pillars of execution. The central text reads: 'iktva is imperative for doing business with Saudi Aramco'. Surrounding this text are four circular icons representing different pillars: Quality (green ribbon with checkmark), Schedule (green calendar), Safety (yellow hard hat), and Environment (palm tree). The background is teal, and the word 'iktva' is written in large white letters at the bottom.

iktva

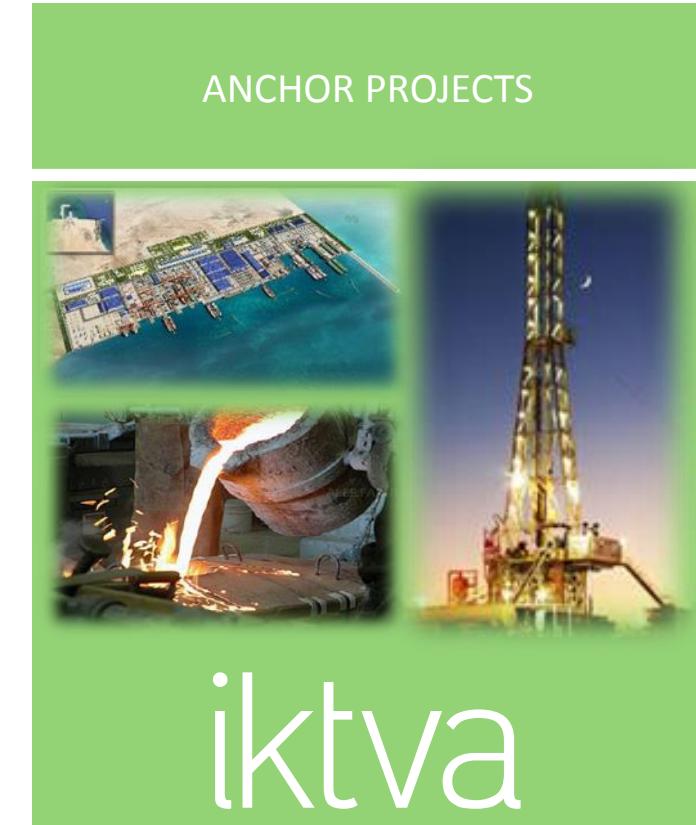
WORKFORCE DEVELOPMENT



The diagram features a large white 'iktva' logo centered on a teal background. Above the logo is the text 'WORKFORCE DEVELOPMENT'.

iktva

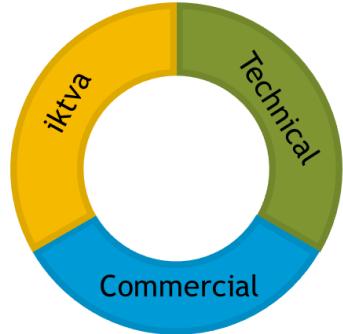
ANCHOR PROJECTS



The diagram features a large white 'iktva' logo centered on a green background. Above the logo is the text 'ANCHOR PROJECTS'. To the left of the logo is a photograph of an industrial facility with a large storage tank and pipes. To the right is a photograph of an offshore oil rig at night.

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

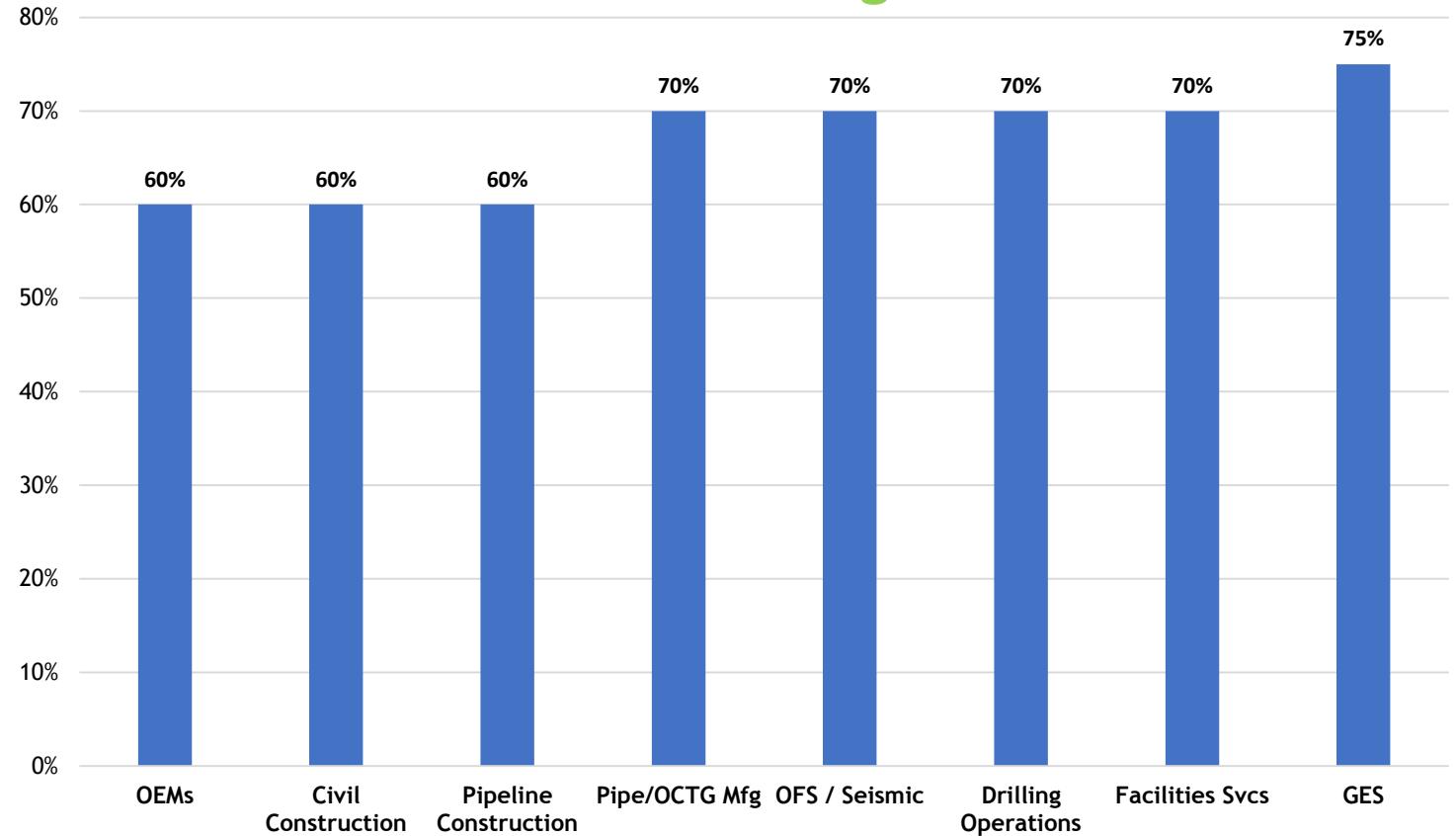


IKTVA BASELINES & TARGETS

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



Localized Goods and Services (\$)

Compensation Paid to Saudis (\$)

Training & Development of Saudis (\$)

Supplier Development Spend (\$)

Research & Development (\$)

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

E = Targeted Saudi Aramco spend (\$)

execution – supply chain development

LOCAL INVESTMENTS

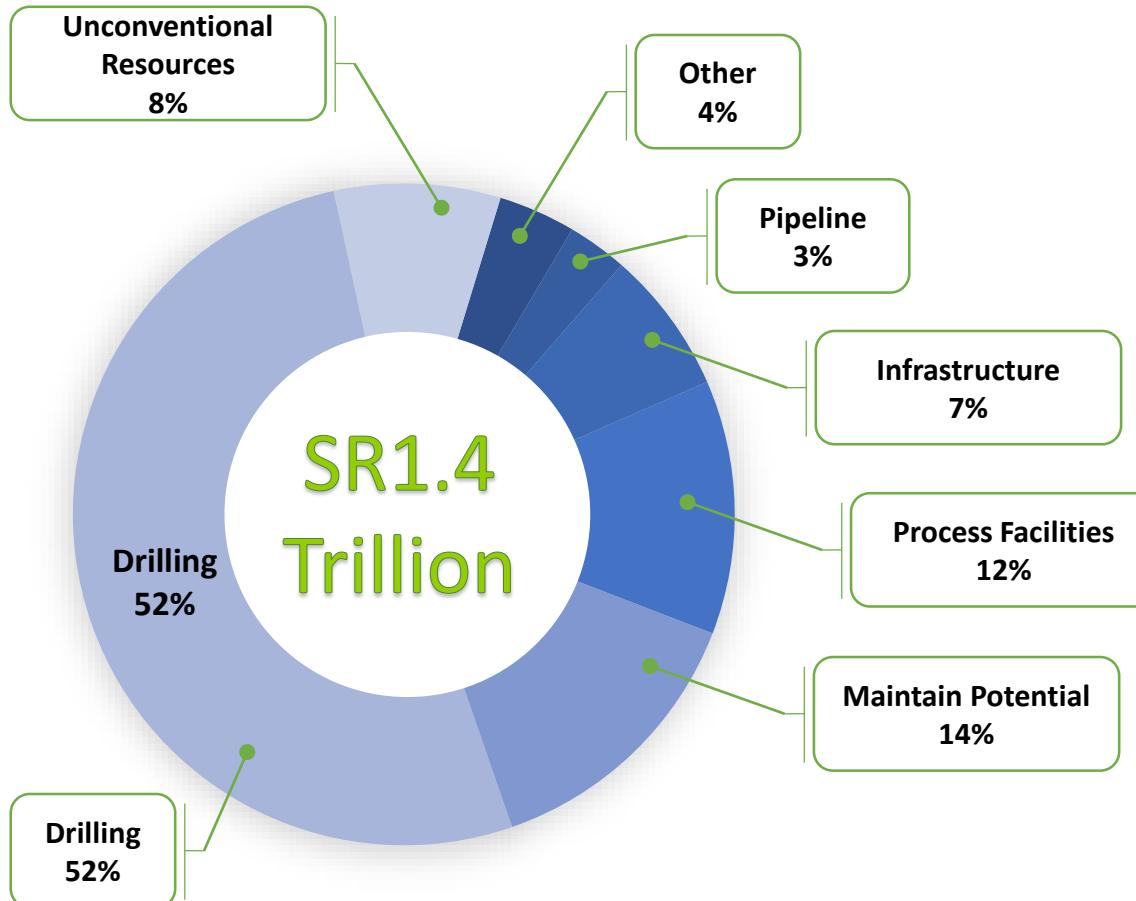
Main Sectors:

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

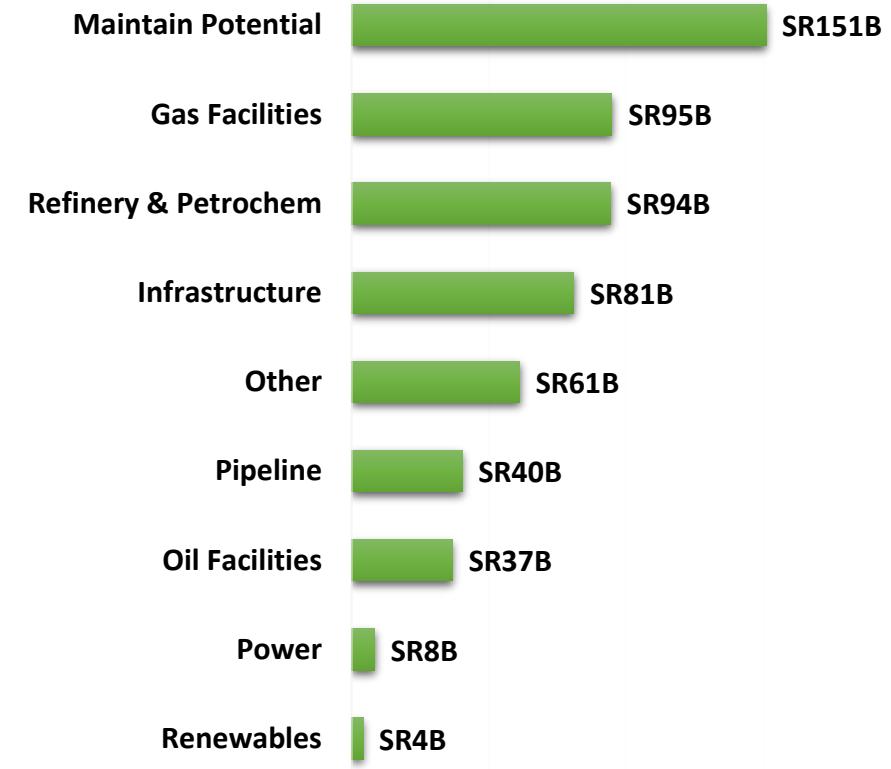


execution – supply chain development

10-Year Capital Program Forecast



Surface Facilities



iktva execution pillars

SUPPLY CHAIN DEVELOPMENT



WORKFORCE DEVELOPMENT



ANCHOR PROJECTS



execution – workforce skills development

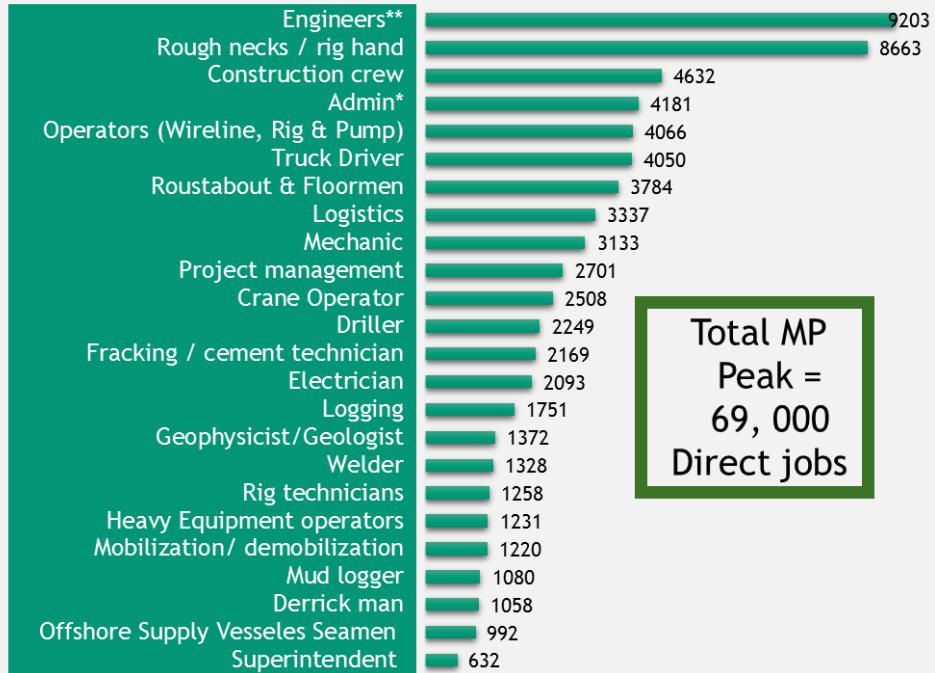


28
TRAINING
CENTERS



360,000
GRADUATES BY 2030

DRILLING AVERAGE MANPOWER/YEAR* SKILL LEVEL EXAMPLES



Total MP
Peak =
69,000
Direct jobs

** Inclusive of all disciplines

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



ANCHOR PROJECTS



iktva

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

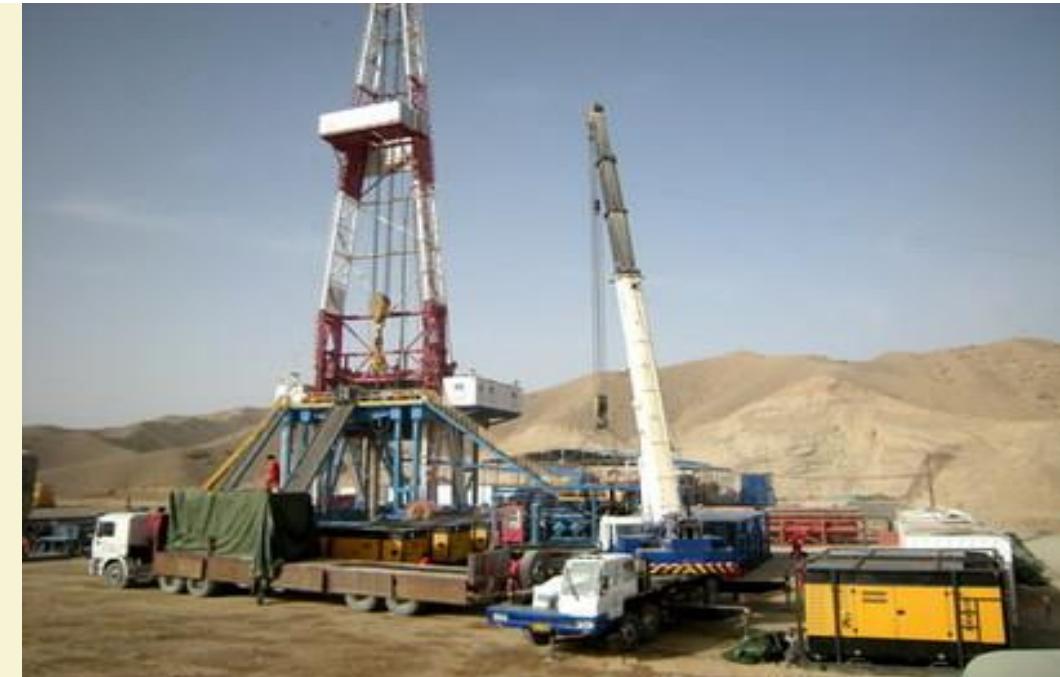
Rig Operations

OBJECTIVE :

Own, manage and operate Onshore and Offshore drilling rigs

IMPACT :

SR24 Billion investment
5,000 Jobs



iktva execution pillars

SUPPLY CHAIN DEVELOPMENT

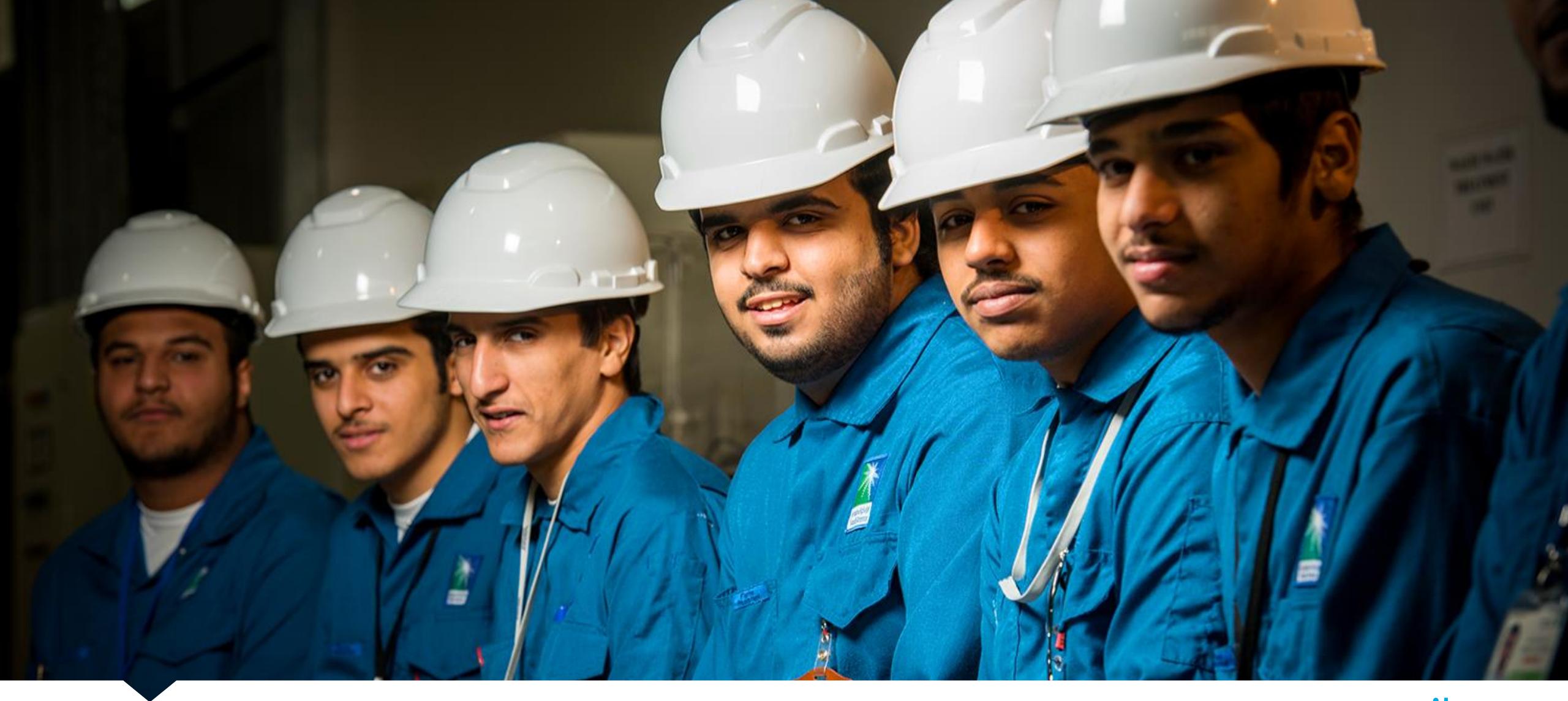


WORKFORCE DEVELOPMENT



ANCHOR PROJECTS





Thank you

iktva

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70% localization
by the year 2021