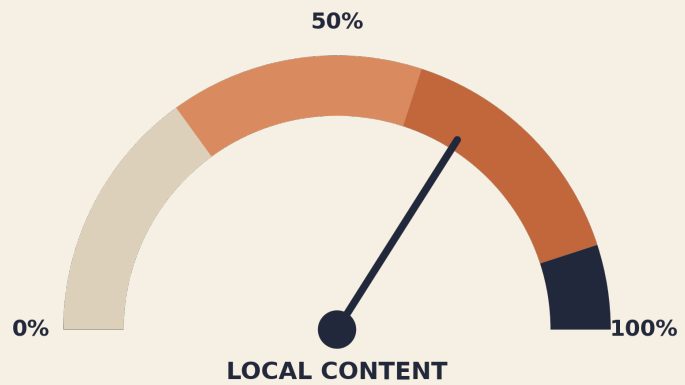


Local Content:
Why It Has Become a
Strategic Competitive Advantage
for Saudi Businesses

Strengthening Industrial Growth, Supply Chains, and Economic Value in Saudi Arabia



CONTENTS

An independent briefing on localization and industrial competitiveness

01	A New Business Environment	3
02	From Compliance to Competitive Advantage	4
03	Local Content Depends on Visibility	5
04	Trusted Business Data Is Essential	6
05	Standardization Makes Local Content Measurable	7
06	Intelligent, Data-Driven Procurement	8
07	A Platform Example: Jazalla	9
08	Building the Future of Saudi Industry	10



SECTION 01

Local Content Is Creating a New Business Environment

Saudi Arabia is undergoing one of the most ambitious economic and industrial transformations in the world. Through Vision 2030, the Kingdom is reshaping its economy by diversifying beyond oil, strengthening domestic industries, attracting investment, expanding manufacturing, and creating sustainable employment opportunities for Saudi citizens.

At the center of this transformation is a national objective that extends far beyond procurement policies — the development of Local Content. Today, Local Content is no longer viewed simply as a regulatory requirement for government contracts. It has become a strategic business driver that influences procurement decisions, supplier qualification, industrial partnerships, investment opportunities, and long-term competitiveness across both the public and private sectors.

Organizations that understand, measure, and continuously improve their Local Content contribution are increasingly better positioned to secure contracts and become preferred partners within Saudi Arabia's growing industrial economy.

Local Content represents the value created inside the Kingdom through manufacturing, services, employment, procurement, investment, technology transfer, and capability development. Every Riyal retained within the Kingdom supports additional economic activity, creates employment opportunities, develops new skills, strengthens supply chains, and contributes to sustainable economic growth.



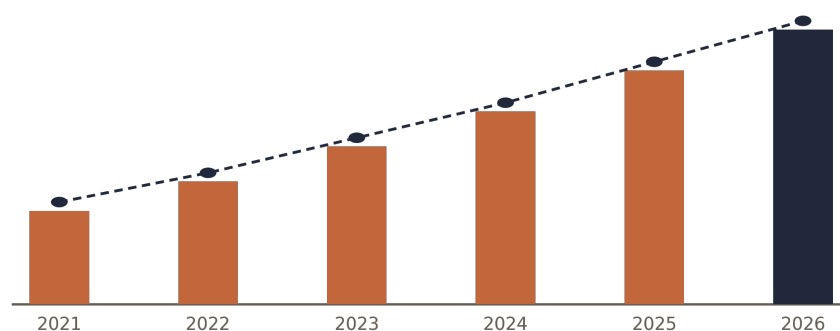
SECTION 02

From Compliance to Competitive Advantage

A few years ago, many organizations viewed Local Content primarily as a requirement for government procurement. That perception has changed significantly.

Today, major government entities and leading corporations increasingly recognize that strong local supply chains improve business resilience, reduce dependence on imports, shorten delivery times, mitigate geopolitical risks, and strengthen long-term operational sustainability.

Programs led by organizations such as the Local Content and Government Procurement Authority (LCGPA), the Ministry of Industry and Mineral Resources (MIM), Saudi Aramco's IKTVA Program, GAMI, SABIC, Saudi Electricity Company, Ma'aden, and other national champions are accelerating supplier development and encouraging greater participation by Saudi manufacturers and service providers.



Illustrative trend: growing weight of Local Content in procurement evaluation

As a result, Local Content is no longer relevant only to government tenders. It is increasingly influencing procurement decisions throughout the Kingdom's industrial sector. Organizations that invest in Saudi capabilities are becoming more attractive business partners.



SECTION 03

Local Content Depends on Visibility

Many Saudi companies already make significant contributions to the local economy. They employ Saudi engineers and technicians, manufacture products within the Kingdom, maintain internationally recognized certifications, invest in advanced production equipment, and provide highly specialized technical services.

However, many of these capabilities remain invisible to potential customers because they are not presented in a structured and searchable digital format.

Buyers cannot select suppliers based on capabilities they cannot see.

Manufacturers and service providers must therefore be able to communicate their industrial activities, products, production capabilities, certifications, facilities, workforce, and technical expertise through trusted digital information. Visibility is becoming the first step toward increasing Local Content participation.



SECTION 04

Trusted Business Data Is Essential

One of the greatest challenges facing procurement organizations is not calculating Local Content — it is identifying qualified Saudi suppliers capable of supporting their requirements.

Business information is often fragmented across brochures, websites, spreadsheets, emails, and isolated ERP systems. This makes supplier evaluation slow, inconsistent, and difficult to verify.

What Procurement Teams Need to Know

- ◆ Which companies manufacture specific products
- ◆ Which factories possess certain production technologies
- ◆ Which suppliers hold required certifications
- ◆ Which organizations already support strategic sectors such as defense, energy, mining, construction, or healthcare

Without reliable business information, supplier development becomes significantly more difficult.



SECTION 05

Standardization Makes Local Content Measurable

One of the biggest obstacles to supplier discovery is inconsistent terminology. Different manufacturers frequently describe identical capabilities using different language, making comparison difficult.

“International classification standards such as UNSPSC and HS Codes, together with standardized industrial classifications, create a common language that enables buyers to evaluate suppliers objectively.”

Standardization also prepares industrial data for Artificial Intelligence, advanced analytics, and future digital procurement systems that increasingly depend upon structured information rather than free-text descriptions.



SECTION 06

Procurement Is Becoming More Intelligent

Procurement decisions today extend well beyond price. Organizations increasingly evaluate suppliers according to their technical capability, production capacity, certifications, financial stability, previous experience, sustainability, and contribution to Local Content objectives.

This shift is transforming procurement into a strategic function focused on long-term value creation rather than simply reducing costs. For Saudi businesses, this creates significant opportunities to compete on capability rather than size alone.

Industrial Intelligence Supports National Objectives

As Saudi Arabia's industrial base expands, organizations require more than supplier directories — they require Industrial Intelligence that enables buyers, investors, government agencies, and prime contractors to understand where industrial capabilities exist throughout the Kingdom, supporting localization initiatives, strengthening domestic supply chains, and enabling better investment decisions.



SECTION 07

A Platform Example: How Jazalla Supports Local Content

Jazalla was developed as The Digital Infrastructure for Modern Commerce and Industry, providing a connected digital ecosystem that enables organizations to discover, evaluate, and collaborate with Saudi businesses through trusted and standardized information.

Although Local Content itself is created through manufacturing, employment, investment, and economic activity, digital infrastructure plays a critical role in making those capabilities visible, measurable, and accessible.

- ◆ Verified digital business profiles with factory, certification, and capacity detail
- ◆ Support for UNSPSC and HS Code classification standards
- ◆ Digital Procurement for RFQs, tenders, and supplier evaluation
- ◆ Industrial Marketplace visibility for Saudi manufacturers and service providers
- ◆ Industrial Intelligence turning structured data into sourcing and investment insight



SECTION 08

Building the Future of Saudi Industry

Saudi Arabia's industrial transformation will continue to accelerate over the coming decade as new manufacturing facilities, industrial clusters, logistics hubs, and strategic projects are developed throughout the Kingdom.

The organizations that succeed will not necessarily be the largest or oldest. They will be those that are visible, digitally connected, trusted, and capable of demonstrating their contribution to Saudi Arabia's economic development.

Conclusion

Local Content has evolved from a procurement policy into one of Saudi Arabia's most important strategic economic initiatives. Success in this new environment requires more than manufacturing products or delivering services — organizations must also be discoverable, trusted, and capable of demonstrating their capabilities through accurate, standardized, and digitally accessible information.

VISION 2030 ECONOMIC & INDUSTRIAL DIGEST

By making Saudi businesses easier to discover, evaluate, and collaborate with, digital infrastructure supports stronger Local Content and a more competitive industrial economy.

This briefing reflects the independent editorial assessment of Vision 2030 Economic & Industrial Digest and references publicly available platform and program information current as of 2026.