

# Introduction of NEOM and Korea's Participation

**Park, Hyung Jin**

Deputy General Manager

International Contractors Association of Korea

# Contents

---

## **I . Saudi Arabia**

- Economy and Vision 2030
- Construction Market
- Giga Projects

## **II. NEOM**

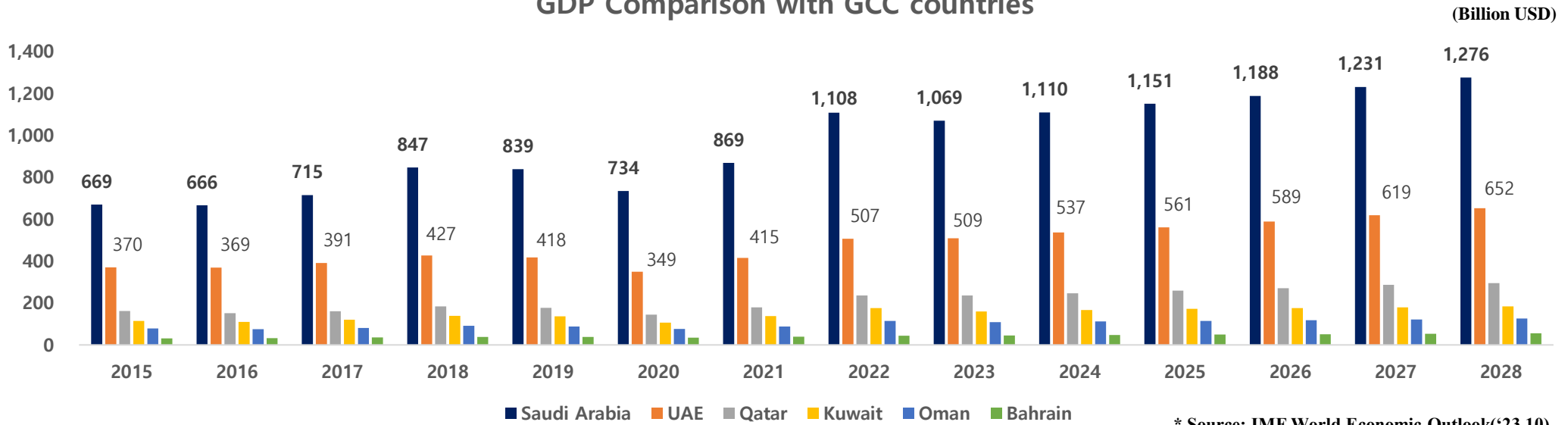
- Outline
- Regions
- Progress
- Major players
- Challenges

## **III. Korea's Participation**

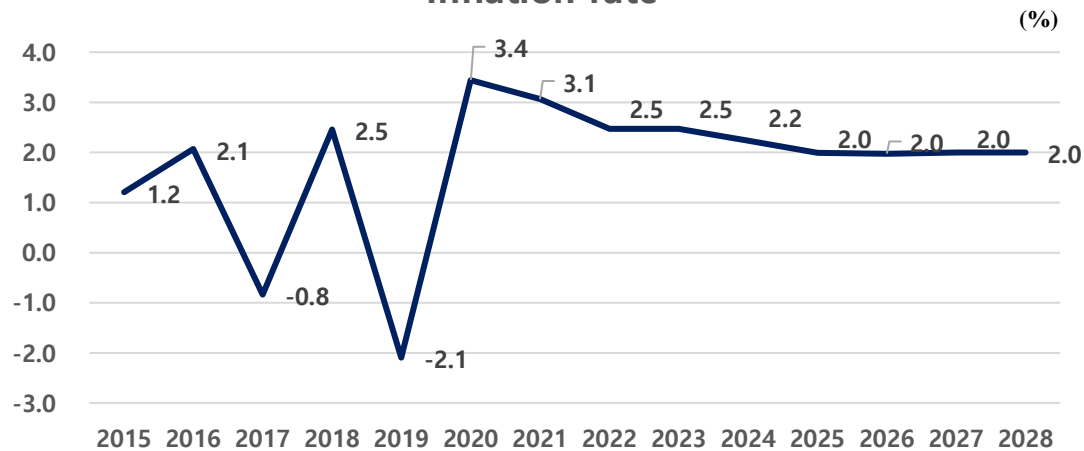
- Overview
- Strategy

# I . Saudi Arabia : Economy and Vision 2030

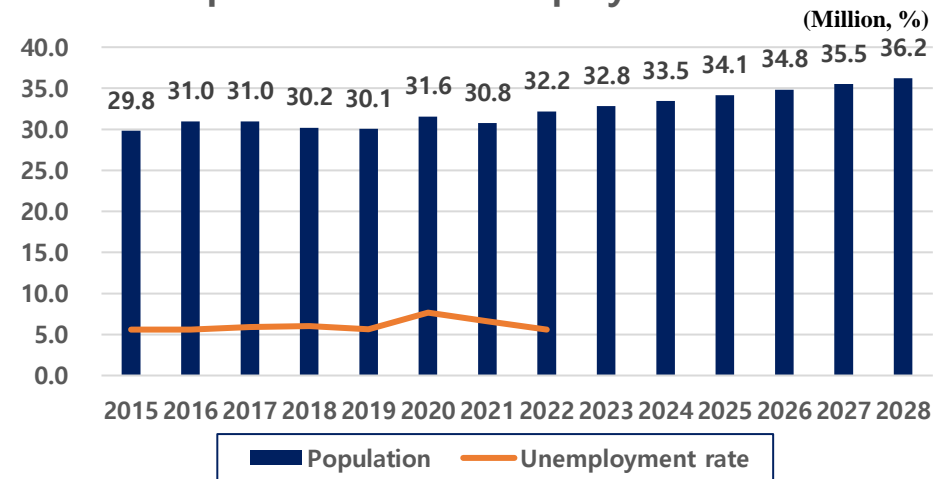
### GDP Comparison with GCC countries



### Inflation rate



### Population and Unemployment rate



## I . Saudi Arabia : Economy and Vision 2030

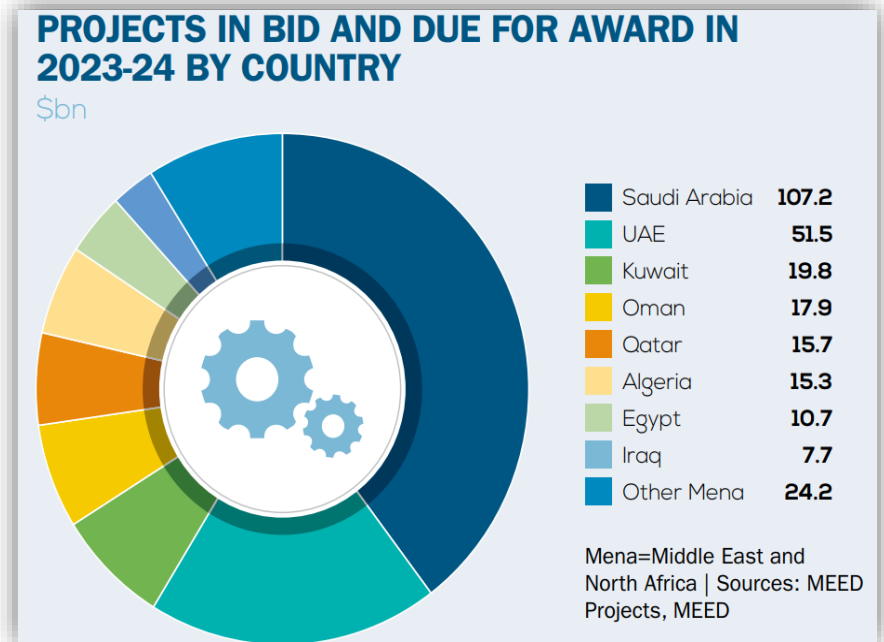
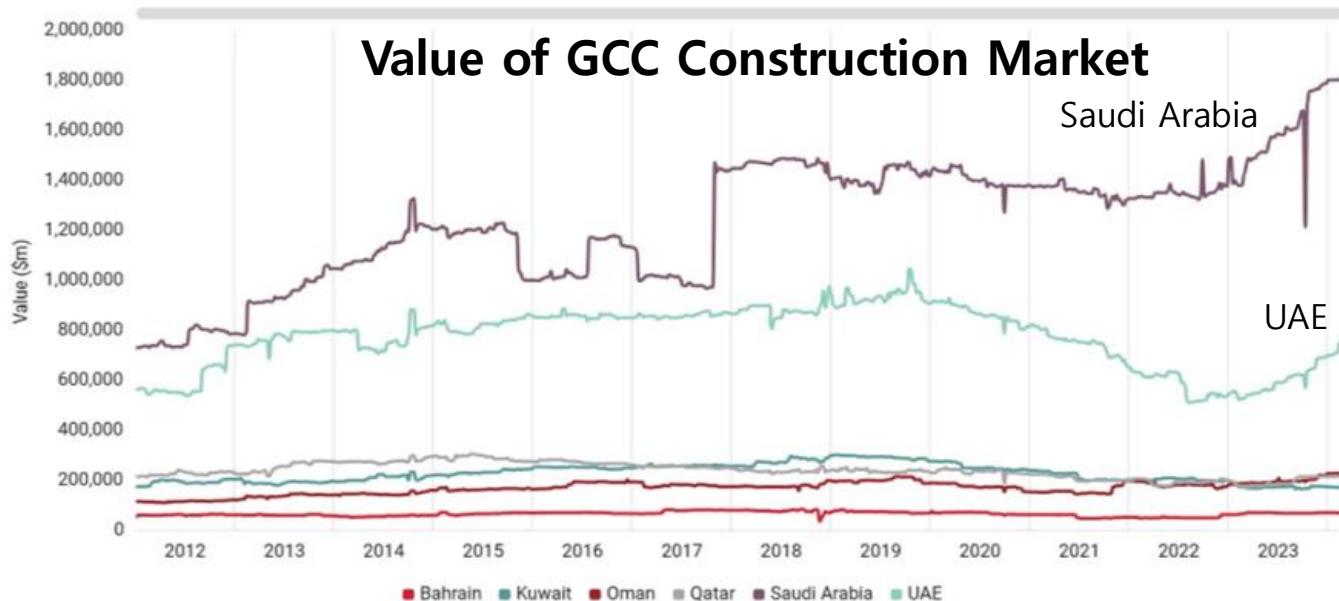
---

- ◆ Established in April 2016 and overseen by the Crown Prince, it displays Saudi Arabia's ambitious goal towards transition in terms of social, economy, and culture and to achieve economic diversification and lower reliance on oil revenue.
- ◆ 3 Pillars as its main theme
  - 1) A Vibrant Society: Focuses on its people and religion
    - Increase of Umrah(Islamic pilgrimage to Mecca) visitors from 8mil.→30mil. Annually
    - Double the number of Saudi heritage sites registered with UNESCO
    - Develop 3 cities recognized as top 100 in the world
  - 2) A Thriving Economy: Focuses on economic diversification and job creation
    - Privatization of state-owned assets
    - Developing underdeveloped industries(manufacturing, renewable energy and tourism)
    - Refocusing on SMEs by encouraging financial assistance
      - \* Contribution of SMEs to GDP from 20% → 30% by 2030
  - 3) An Ambitious Nation: Focuses on Transparent and Effective Governing
    - Zero Tolerance for corruption
    - Enhance transparency by expanding online service and improving governance standards
    - Established King Salman Program for Human Capability Initiative(2021-2025) to empower citizens and elevate their global competitiveness

# I . Saudi Arabia : Construction Market

- ◆ Total value of GCC construction market: \$3.32tn (as of 26 March)
  - Saudi accounts for about 55% with \$1.82tn
- ◆ GCC region : \$270b. under bid(bidding stage: \$126bn, bid submission stage: \$67bn, prequalification stage: \$77bn)
  - Saudi accounts for 40% with \$107bn followed by UAE with 19%
- ◆ Top 10 clients accounts for 38% of the total bid with the value of \$103bn.
  - 5 clients from Saudi: Aramco, NEOM, SPPC, DNEC, SEC (\$59.9bn.)

\* Source: MEED Business Review(Jan.2024)



# I . Saudi Arabia : Construction Market

- ◆ Construction sector forecasted to grow by 4.6%
- ◆ According to 2024 Budget, government expenditure was increased by 12.3%
  - \$297.1bn (2023) → \$333.6bn(2024)
- ◆ Investments will be expanded towards various sectors including transport, renewable energy, tourism, industrial and housing
  - Aims to increase the share of renewable energy to 50% by 2030
    - Net Zero emission target 2060
  - Roshn Real Estate Co. building approx. 400thousand houses across the country incl. 1,000 schools commercial & entertainment districts
    - Plans to award \$93 bn. worth of projects in 2024
- ◆ As of Dec. 2023, \$266bn worth projects are under execution and \$630bn at pre-execution stage
  - Construction sector accounts the most with \$84bn. worth of projects under execution and \$218bn. under pre-execution stage
- ◆ The main drivers are Giga projects implemented by the PIF since 2017
  - NEOM(\$500bil), Qiddiya(\$20bn), Red Sea Global(\$17bn), Diriyah(\$62bn) and ROSHN



نيوم NEOM



ACTIVE PROJECTS



Execution \$266.2bn Pre-execution \$630.4bn

|      |                   |       |
|------|-------------------|-------|
| 84.2 | Construction      | 218.7 |
| 79.9 | Energy & Industry | 139.8 |
| 57.6 | Power & Water     | 164.9 |
| 44.4 | Transport         | 107.0 |

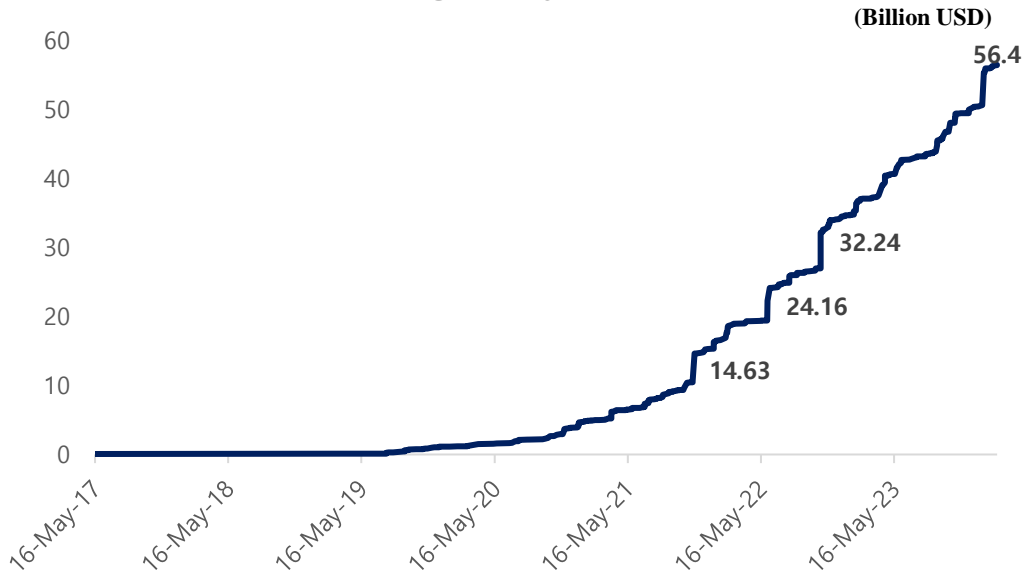
\* Source: MEED (2023.12.24)

# I . Saudi Arabia : Giga Projects

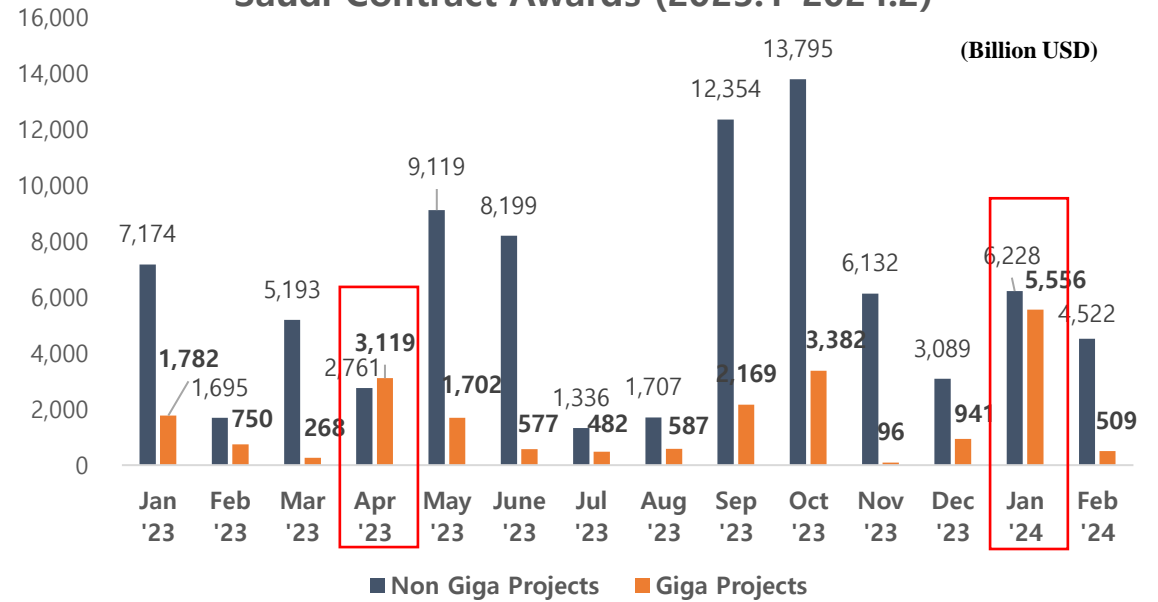
**\$300Bn**  
Total Contract Value  
since 2017 in Saudi Arabia

**\$56Bn**  
Giga Projects' Total Value  
(19%)

Saudi Giga project awards



Saudi Contract Awards (2023.1-2024.2)



\* Source: MEED Project

# I . Saudi Arabia : Giga Projects

## ◆ Focused on promoting tourism and improving the quality of life

- Tourism: Selected as a host for major international events

- Expo 2030: Pledged to invest \$7.8bn / Attract 40 mil. visitors

- \* Zero carbon emission(solar powered)

- Luxury hotels & resorts, transportation, and renewable energy, entertainment

- Improving quality of life : Housings, Water, Entertainment

## ◆ Schedule



\* Source: AECOM

## Saudi Arabia wins bid to host 2027 Asian Cup

February 01, 2023



## Saudi Arabia win bid to host 2029 Asian Winter Games at desert megacity

- Mountain resort in \$500bn Neom project to host event
- 'Trojena will be a year-round destination for winter sports'

## Saudi Arabia launch bid to host the 2034 World Cup

By Reuters

March 2, 2024 12:17 PM GMT+9 - Updated a month ago



# II. NEOM : Outline

**NEOM**  
(New Future)

- ◆ Size: 26,500km<sup>2</sup>
- ◆ Coastline: 468km
- ◆ Value: \$500bn(est.)



## II. NEOM : Outline

### ◆ Milestone

- 1 — 2017. 10  
Launched NEOM
- 2 — 2018. 07  
Appointed Mr. Nadhmi Al-Nasr as the CEO of NEOM
- 3 — 2019. 06  
Launched NEOM Bay Airport with the first commercial flight by Saudia Airlines
- 4 — 2020. 07  
Established NEOM Green Hydrogen Company (J/V: ACWA Power, Air Products, NEOM)
- 5 — 2021. 01  
Unveils plan for The Line
- 6 — 2021. 11  
Revealed plans for Oxagon, the industrial city
- 7 — 2022. 03  
Revealed plans for Trojena, the Mountainous tourism destination
- 8 — 2022. 12  
Launched Sindalah, a luxury island in the Red Sea

### ◆ Plan

- 9 — 2024  
Sindalah scheduled for completion
- 10 — 2026  
Oxagon, Trojena scheduled for completion
- 11 — 2030  
NEOM City scheduled for completion



## II. NEOM : Outline

---

### ◆ NEOM Company

- Established in Jan. 2019 / Fully owned by the PIF
- 14 core sectors: Design & construction, Education, Research and innovation, Energy(solar, wind, green hydrogen, etc), Entertainment and culture, Financial services, Food, health, well-being and biotech, Manufacturing, Media, Mobility, Sport, Technology and digital, Tourism, Water

#### 1) ENOWA

- Established in Mar. 2022
- Engaged in supplying energy, water and sustainable fuels including hydrogen
- Tasks: solar power generation, development, transmission and related services
- Recent news: pumped hydro-power storage project using IPP model
  - Advisor: HSBC(UK), White&Case(US)/ Prequalification of developers start May 2024

#### 2) Tonomus : Cognitive technology

- Established in Sep. 2022
- NEOM Tech & Digital company
- Invested \$1bn in AI, including a metaverse platform

#### 3) Topian: Food Security

- Established in Nov. 2023
- Sector: food production and distribution
- Supported by Ministry of Environment, Water & Agriculture



## II. NEOM : Outline

---

### ◆ NEOM Investment Fund (NIF)

- Strategic investment arm of NEOM, wholly owned by NEOM
- Purpose: “To support the development of NEOM’s 14 priority sectors and deliver long-term value while enabling creation of jobs in NEOM”
- Invest globally through M&A and venture capital in technology startups/ develop JV and partnership with multinationals, institutional investors and innovators

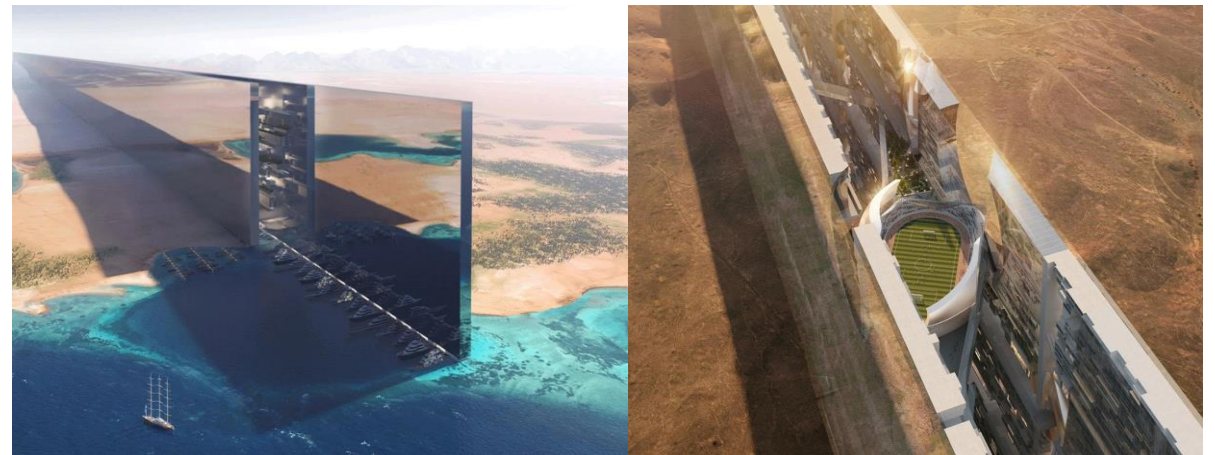
| Date        | Milestones   |
|-------------|--|
| 2023. 10.24 | NEOM announces the inauguration of NEOM Investment Fund  |
| 2023. 10.25 | NIF closed an investment into REGEN, a US based electric sea-glider manufacturer   |
| 2023. 10.25 | Established J/V with Pony.ai to develop manufacture and deliver autonomous vehicles  |
| 2023.10. 31 | Signed MOU with BlueNalue, a global leader in the development of cell-cultured seafood, to promote the commercialization, marketing and distribution of its products |

- ### ◆ NEOM Investment Office (NIO) : representative body responsible for attracting capital, identifying business opportunities for private and public participation and delivering partnerships
- Opened its first international office in London in Nov. 2023

## II. NEOM : Regions – The LINE

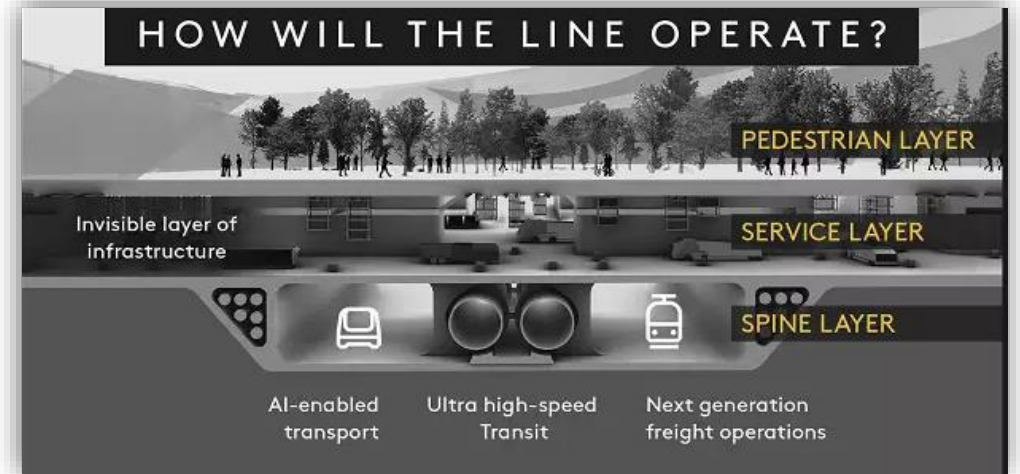
- ◆ **Architect: Morphosis Architects (US)**
- ◆ **Location: Near Tabuk**
  - Reach 40% of the world in less than 6hrs. by air
  - 13% of global trade passes the Suez Canal
- ◆ **Size: 34m<sup>2</sup>**
  - Length: 170km covering 3 regions
    - Coastal desert, Mountain, and upper valley
  - Total Width: 200m
  - Height: 500m above sea level
- ◆ **Features**
  - Environmentally sustainable city
  - Eco-friendly(Zero cars, Zero carbon emissions)
  - Modules to accommodate 80 thousand people
  - 20min. end to the end transit time with HSR
  - Cognitive city (AI)

- ◆ **Modules**
  - The Line is subdivided into about 140 modules
  - Each module is 200m wide and 800m long, 500m high
  - Each could house up to 80,000 people
  - Each module have 14~16 cores
  - It will create two continuous mirrored buildings(The Line)
  - Railway stations at every third module



## II. NEOM : Regions – The LINE

- ◆ **The Spine (Railway Network) : 3 sections (A, B,C)**
  - **Type A works : Divided into 10 lots(A1~A10)**
    - Coastal Area(A1, A2, A10/ 58km)
    - Coastal Desert East Area(A4~6 (38km)
    - Upper Valley Area(A7~A9, 22km)
  - **Type B works**
    - Construction of Delta Junction(13.7km)
      - \* Split into Delta junction North and South
    - Construction of Marina including tunnel(7.6km) and railway stations(6)
  - **Type C works**
    - Construction of cut and cover tunnels, earthworks, etc.
- ◆ **Delta Junction**
- ◆ **Connector South**
  - Links The Line with Oxagon
    - The Line - NEOM Bay airport - Oxagon
  - WeBuild+Sajco (May 2023)

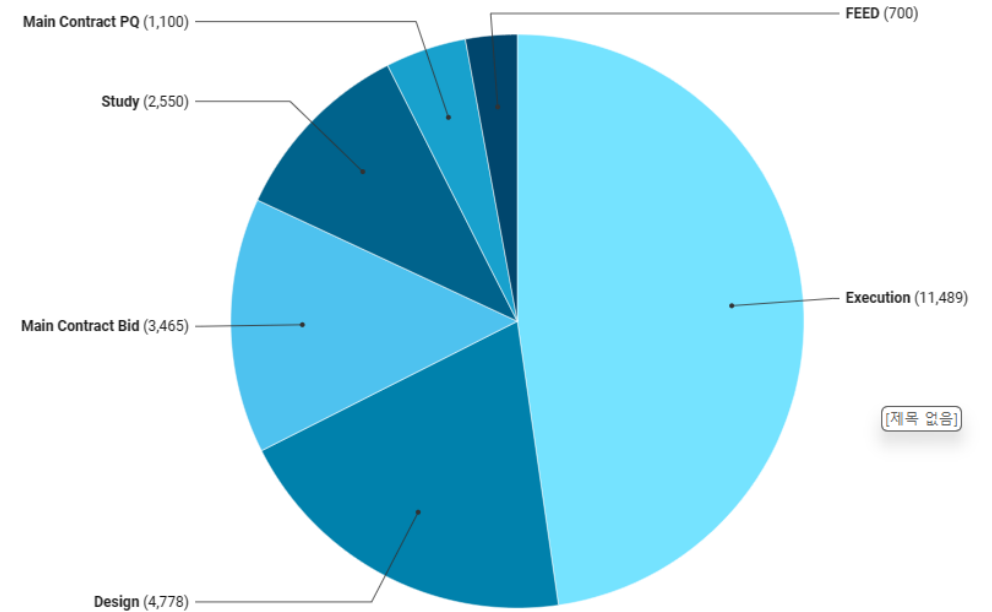


\* Source: The Economic Times

## II. NEOM : Regions – Oxagon

- ◆ Announced in Nov. 2021
- ◆ Size: cover 48km<sup>2</sup> across land and sea / diameter: 7km
- ◆ Purpose
  - Port automation
  - Create region's largest logistic hub
    - 13% of world's trade volume crosses the Suez canal
  - Create stable supply chain
- ◆ Design: BIG (Danish) / 2023.5.23
- ◆ Construction tender: 2024.Q2(1<sup>st</sup> phase / Total of 4)
- ◆ Features
  - 100% renewable energy
  - Communities are mostly waterfront
  - Focused on manufacturing supported by R&D District
  - Utilization of IoT, AI and robotics
  - Confirmed tenants: Air Products, ACWA Power, NEOM, McLaren etc.
- ◆ Total of \$24bn worth of project is implemented with \$11bn under execution stage and remaining 13bn under pre-execution stage

Oxagon Projects Status (\$m)



\* Source: MEED(2023.8.14)

## II. NEOM : Regions – Oxagon

### ◆ Oxagon Village

- Core residential component of Oxagon
- Size: 1.5km<sup>2</sup>
- Status: Detailed design(HOK, US)
- 8,500 apartments(17,000residents), schools, hospitals, offices, sports facilities, hotel, restaurants
- Modular based construction method



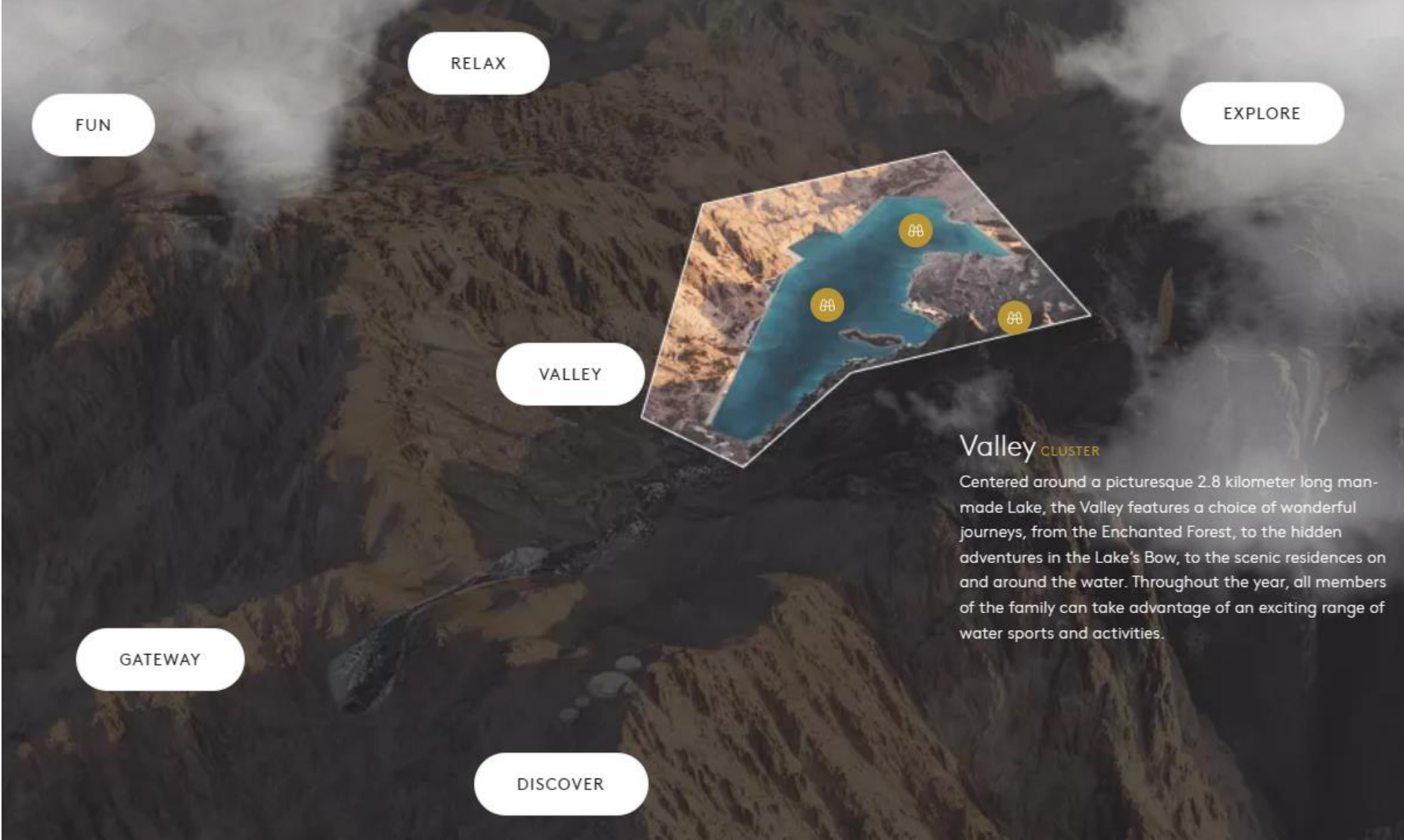
\* Source: NEOM

## II. NEOM : Regions – Trojena

---

- ◆ **Masterplan: LAVA(German)**
  - Zaha Hadid Architects (UK, Designed Discovery Tower)
  - UNStudio, Aedas, Mecanoo, Bureau Proberts (Hotels and attractions)
- ◆ **Purpose: a year-round tourist destination**
  - Ski village, resorts, retail F&B facilities, sports facilities(watersports, mountain biking etc.)
- ◆ **Divided into 6 clusters: Discover, Gateway, Valley, Explore, Relax, Fun**
- ◆ **Latest updates**
  - Mirage Visitor center: located at lower plateau (Gateway cluster)
  - Visitors to arrive at the center and travel through a tunnel passing the Vault and on to various destinations
- ◆ **Major projects awarded**
  - Trojena infrastructure development, Oct 2023, Al Ayuni Investment & Contracting +Limak Holding
    - construction of a 4.4km tunnel(Neom Time Travel Tunnel), a freight depot and excavation works
  - Dam project at the Trojena Mountain resort, Feb, 2024, WeBuild (Valley Cluster)
  - Worker's accommodation facilities mostly awarded to local companies
- ◆ **Recently announced**
  - Raffles Trojena hotel (Discovery cluster) : Announced in Feb. 2024
    - 105 rooms, ring-shaped design, surrounding view (Expected to open in 2027)

# II. NEOM : Regions – Trojena



**FUN**

**RELAX**

**EXPLORE**

**VALLEY**

**GATEWAY**

**DISCOVER**

**Valley** CLUSTER

Centered around a picturesque 2.8 kilometer long man-made Lake, the Valley features a choice of wonderful journeys, from the Enchanted Forest, to the hidden adventures in the Lake's Bow, to the scenic residences on and around the water. Throughout the year, all members of the family can take advantage of an exciting range of water sports and activities.



\* Source: NEOM

## II. NEOM : Regions – Sindalah

- ◆ Neom's first luxury island and yacht club destination in the Red Sea
- ◆ MP/ Concept design: Luca Dini Design and Architecture(Italy)
- ◆ Size: 840,000m<sup>2</sup> (5km distance from mainland)
- ◆ Features
  - 333 serviced apartments, 88 villas
  - 3 luxury hotels(Marriott, Fours Seasons / 413 rooms)
  - 86-berth for yachts, 75 buoys for super yachts
  - Restaurants, sports facilities(golf course, scuba diving etc)
- ◆ Split into 2 packages: Cluster 3, 4, 6(Pkg 1) Cluster 5(Pkg 2)
  - GFA: 37,605m<sup>2</sup>(Pkg1) / 48,968m<sup>2</sup>(Pkg 2)
  - Cluster 3: Focuses on luxury resorts
  - Cluster 4, 6: luxury resort south, beach club, golf clubhouse, sports center
  - Cluster 5: Luxury resort south, procurement
- Planned schedule
  - Package 1: December 2023
  - Package 2: November 2024



\* Source: NEOM

## II. NEOM : Regions – Gulf of Aqaba

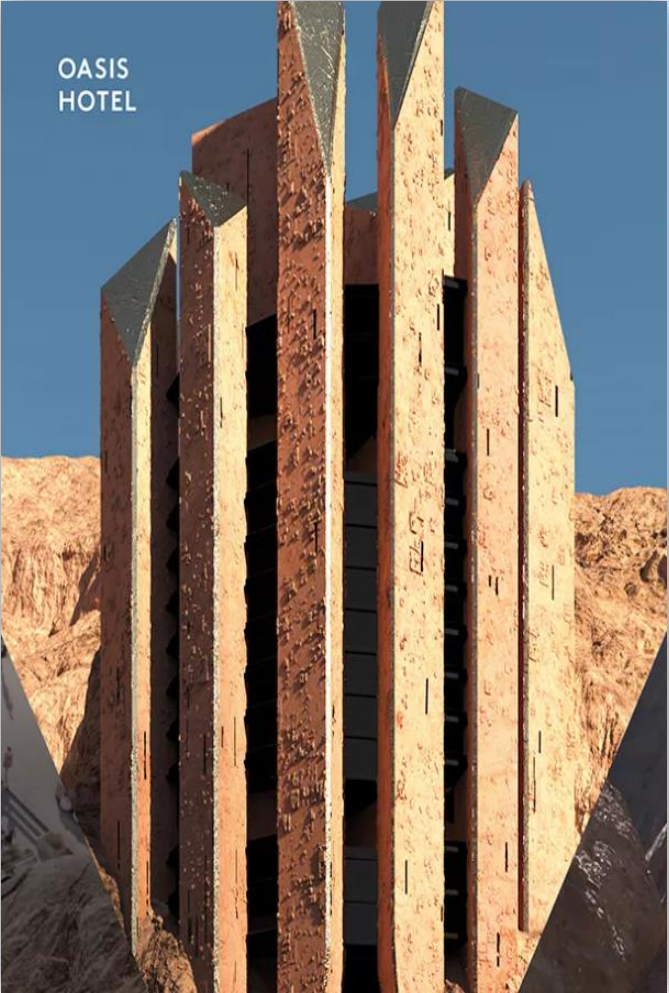
---

### ◆ Architect

- **Leyja: Shaun Killa (Wellness hotel), Mairo Cucinella (Oasis hotel), Chris Van Duijin (Adventure Hotel)**
  - Comprised of 3 Luxury boutique hotels
- **Epicon: 10Design**
  - Two interconnected skyscrapers each with 225 and 275m height
  - Beach resort(120 rooms) and villas(45)
- **Siranna: Woods Bagot**
  - Hexagonal-pillar-shaped hotel
  - 65-room hotel and 35 private residences
- **Utamo: Ricardo Bofill Taller De Arquitectura**
  - “Theatre of the future” event space
  - Accessed through a 64m high entrance clad in staggered stone blocks
- **Norlana: 10 Design**
  - Built on the coast of Gulf of Aqaba accommodating 3,000 residents
  - Coastal yachting town with 120 berth marina, apartments and hotels
  - Focus on sport facilities including 18-hole golf course and tennis club
- **Aquellum: LAVA, Name Architecture**
  - An inside-out, upside-down luxury skyscraper consisted of hotels, shops and apartments

# II. NEOM : Regions – Gulf of Aqaba

## ◆ Leyja



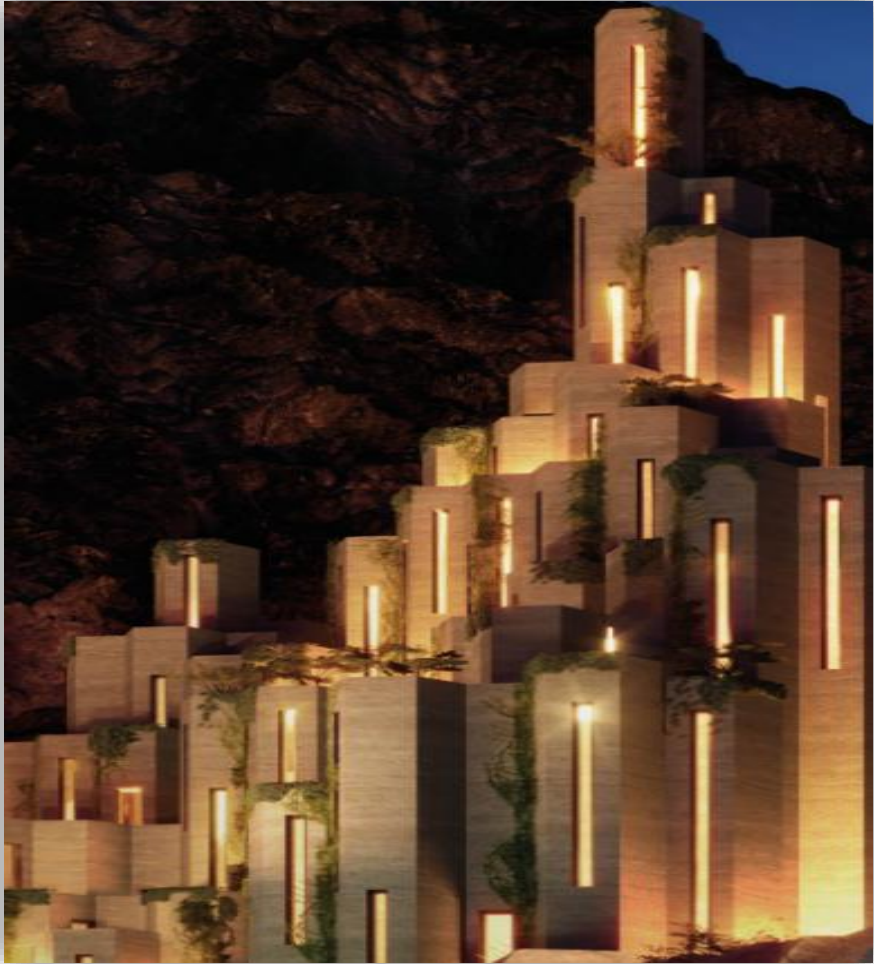
\* Source: NEOM

# II. NEOM : Regions – Gulf of Aqaba

## ◆ Epicon

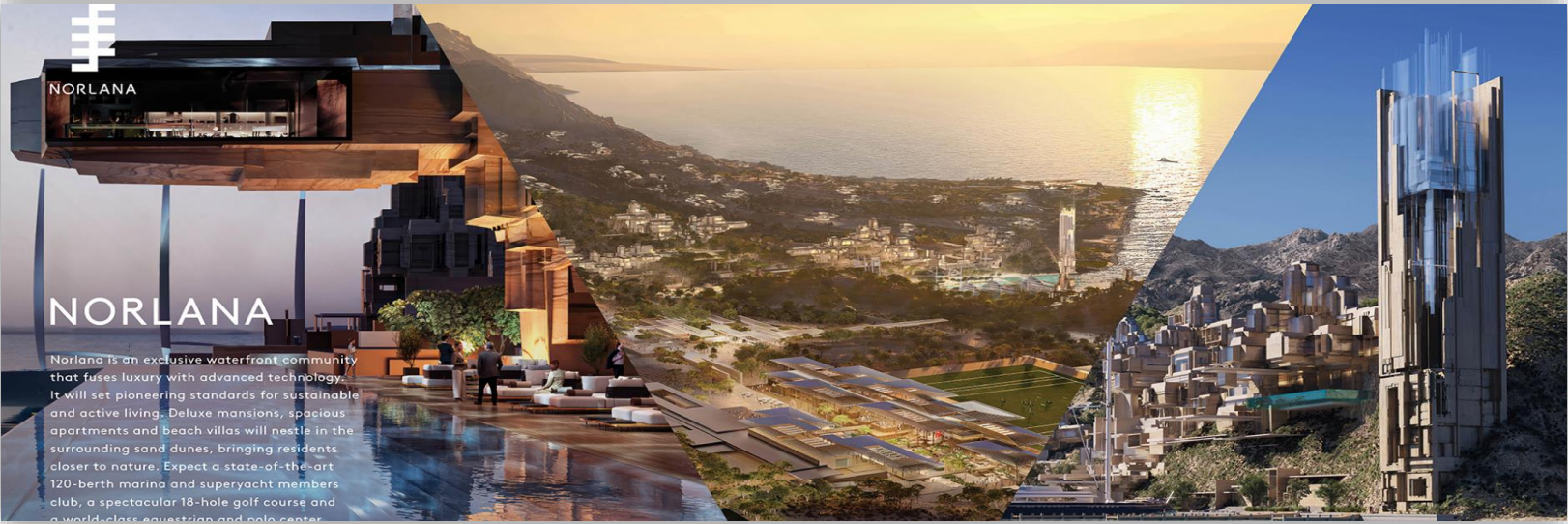


## ◆ Siranna

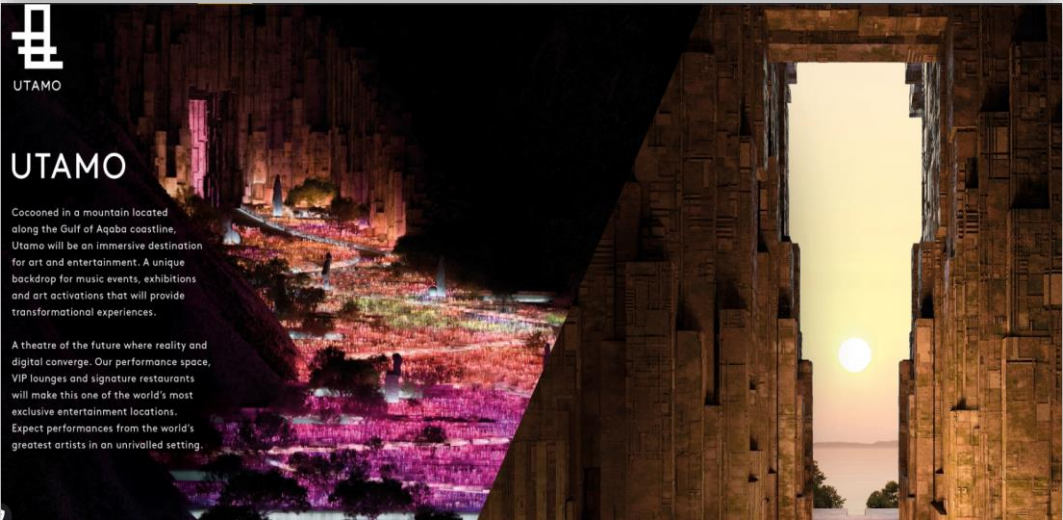


\* Source: NEOM

# II. NEOM : Regions – Gulf of Aqaba



\* Source: NEOM



## II. NEOM : Regions – Gulf of Aqaba

### ◆ Recently Announced

- Zardun: Announced in Jan, 2024
  - Sanctuary resort, luxury signature buildings
  - Comprise three distinct and luxurious boutique hotels, offering in total 100 rooms and suites,
  - Offer trekking, mountain biking, rock climbing and a variety of other sports and leisure pursuits, including stargazing, meditation and yoga.
- Xaynor: Announced in Feb, 2024
  - Beachfront private members club
- Elanan: Announced in Feb. 2024
  - Place for wellness retreat, featuring 80 bespoke rooms and suites

\* Source: NEOM



## II. NEOM : Regions – Gulf of Aqaba

### ◆ Recently Announced

- **Gidori: Announced in Mar. 2024**
  - Residential golf community
  - Luxury sea-view apartments(190), Restaurants, retail stores, garden spaces, 18-hole golf course
  - 200 individually designed and highly desirable private villas and homes, boutique luxury hotel(80 rooms)
- **Treyam: Announced in March 20, 2024 / Design: JT+Partners (UAE)**
  - Bridge-like architecture connecting northern and southern shores,
  - Luxury resort(250 rooms), rooftop infinity pool(450m long, 36 meters above the sea)
  - Sailing, diving and other water sports, as well as land-based activities.

\* Source: NEOM

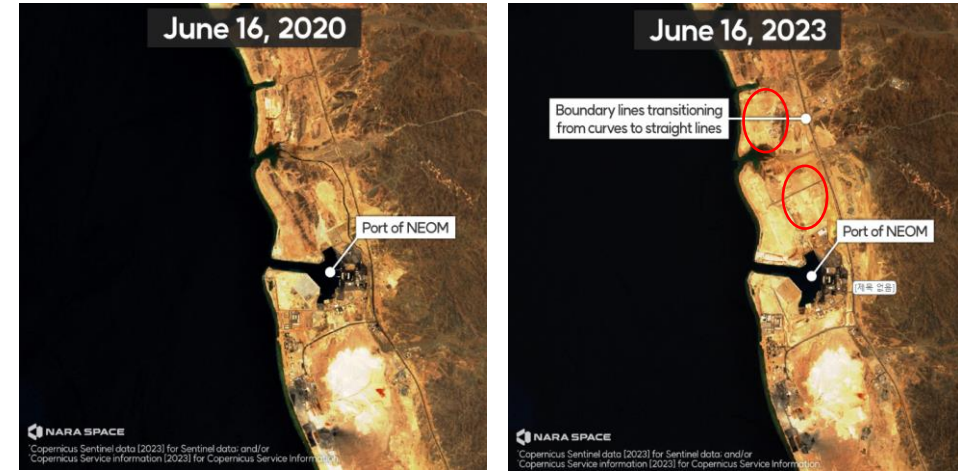


## II. NEOM : Progress

- ◆ NEOM in Progress (as of Oct. 2023)
- ◆ THE LINE in Progress - February 2024
- ◆ Sindalah



### ◆ Oxagon



### ◆ Trojena

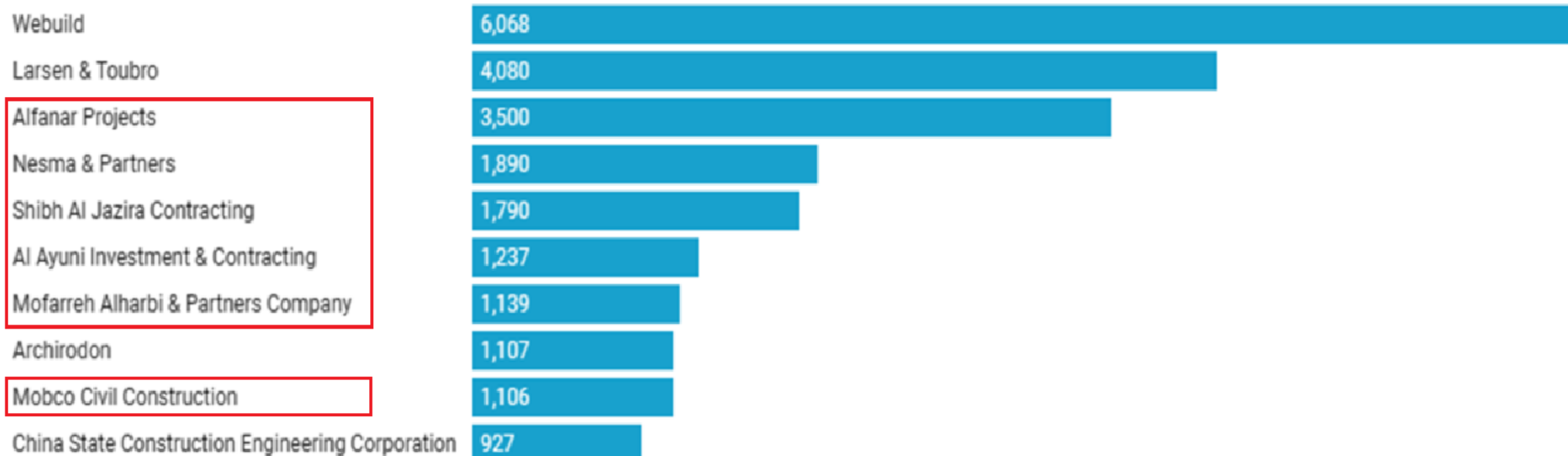


\* Source: Nara Space

## II. NEOM : Major players - Local

- ◆ Since 2017, majority of projects awarded were basic infrastructure including road, utilities and staff accommodations offering competitive local companies more opportunities to participate
- ◆ Local companies' participation was noticeable in terms of contract value
  - As of January 2024, 6 companies were listed on top 10 contractors in terms of value taking \$10.7bn

### Top 10 Neom contractors by value of work (\$m)



\* Source: MEED Project

## II. NEOM : Major players - Local

### ◆ Major projects awarded between 2022-2023 by local companies

| (Million USD)   |   |        |       |         |
|---|---|--------|-------|---------|
| Company   | Project   | Client | Value | Awarded |
| Masco Group, Al-Shalawi International, Mofarreh Alharbi & Partners, Al Ayuni Investment & Contracting | The Spine : <b>Earthworks</b> Package (Lot 1&2, 8A, 8B, 10.3, 10.4, 11) | NEOM   | 1,416 | 2022    |
| Modern Building Leaders   | Sindalah <b>Roads &amp; Infrastructure</b> Works: Package 1             |        | 160   | 2021    |
| FMSCO   | NEOM Bay Square: Access and Internal <b>Ring Road</b>                   |        | 320   | 2021    |
| Alfanar Projects  | Community Villages: Wave 1: Five <b>Housing</b> Clusters                |        | 2,000 | 2022    |
| Mobco Civil Construction  | Community Villages: Wave 1: Two <b>Housing</b> Clusters                 |        | 700   | 2022    |
| Mofarreh Alharbi & Partners   | The Spine : <b>Earthworks</b> Package - Lot 10.3                        |        | 316   | 2022    |
| Mofarreh Alharbi & Partners   | Oxagon: Northern Cluster: Industrial & Commercial <b>Buildings</b>      |        | 267   | 2020    |
| Nesma & Partners  | Trojena: <b>Base Camp</b>   |        | 160   | 2021    |
| Al-Rashid Trading&Contracting   | <b>Water Transmission</b> Line(RE3~Mountain Reservoir)                  |        | 200   | 2023    |

\* Source: MEED Project

## II. NEOM : Major players -International

- ◆ Foreign companies engaged in more complex and technologically advanced projects
  - By forming J/V with the local companies they maximized efficiency in undertaking projects
- ◆ Major projects awarded between 2022-Jan 2024 by foreign companies

(Billion USD)

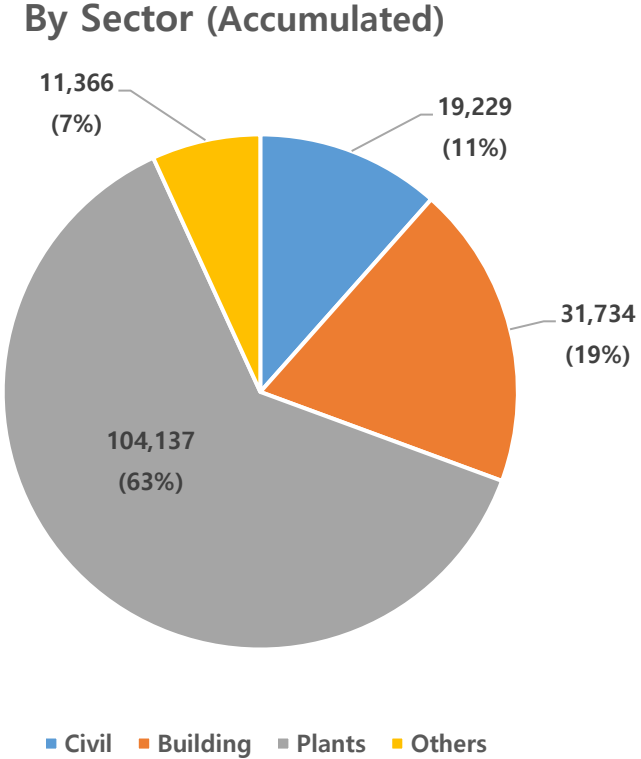
| Company                             | Project   | Client | Value | Awarded   |
|-------------------------------------|---|--------|-------|-----------|
| Larsen&Toubro(L&T)                  | <b>Renewable energy project</b><br>Renewable Energy Generation, Storage and Grid infrastructure | NGHC   | 2.8   | June 2022 |
| Sajco+CSCEC+FCC Construction        | The Line backbone infrastructure <b>tunnels</b> Lot 2, 3  | NEOM   | 2.7   | June 2022 |
| Webuild+Sajco                       | Connector South <b>rail line</b> (The Line-Oxagon)  | NEOM   | 2.0   | May 2023  |
| Besix+Boskalis+MBL                  | Oxagon Duba <b>Port</b> Expansion Project Phase 1   | NEOM   | 0.8   | Jan 2023  |
| Deme+Archirodon                     | Oxagon Duba <b>Port</b> Expansion Project Phase 2   | NEOM   | 1.0   | Oct 2023  |
| WeBuild+Shibh Al Jazira Contracting | Connector South   | NEOM   | 1.5   | May 2023  |
| Al-Ayuni+Limak Holding              | Trojena infrastructure development  | NEOM   | 1.2   | Oct 2023  |
| WeBuild                             | Trojena <b>Dams</b>   | NEOM   | 4.7   | Jan 2024  |

\* Source: MEED Project



### III. Korea's Participation : Overview

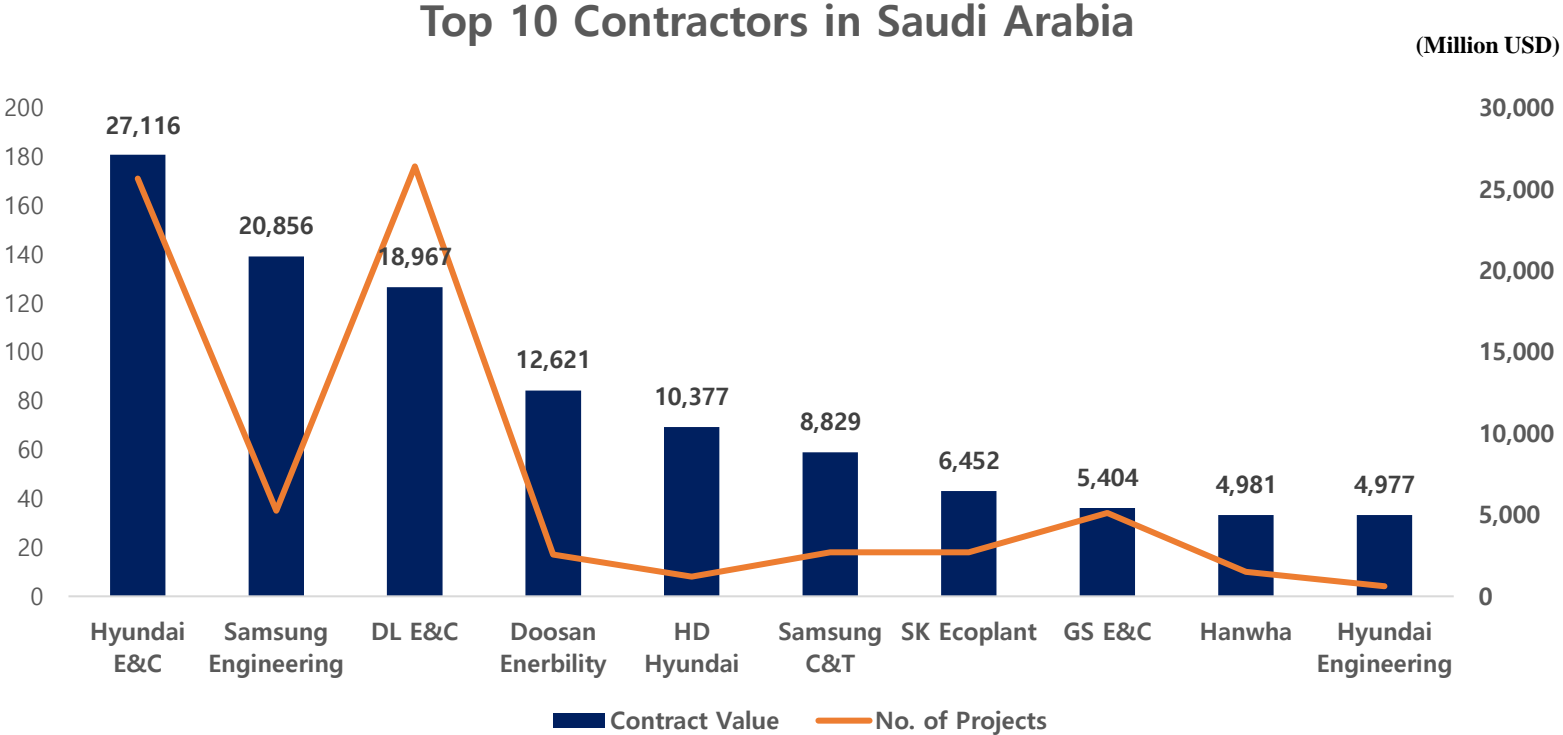
- ◆ Korean company first entered Saudi Arabia's construction market in 1973 with AlUla-Kaiba Highway Project
- ◆ Since then, Korean contractors' accumulated value reached \$166.5bn with 1,871 projects



\* Source: ICAK, OCIS

### III. Korea's Participation : Overview

◆ Top 10 contractors accounts for 72%(\$121bn) of the total contract made in Saudi Arabia

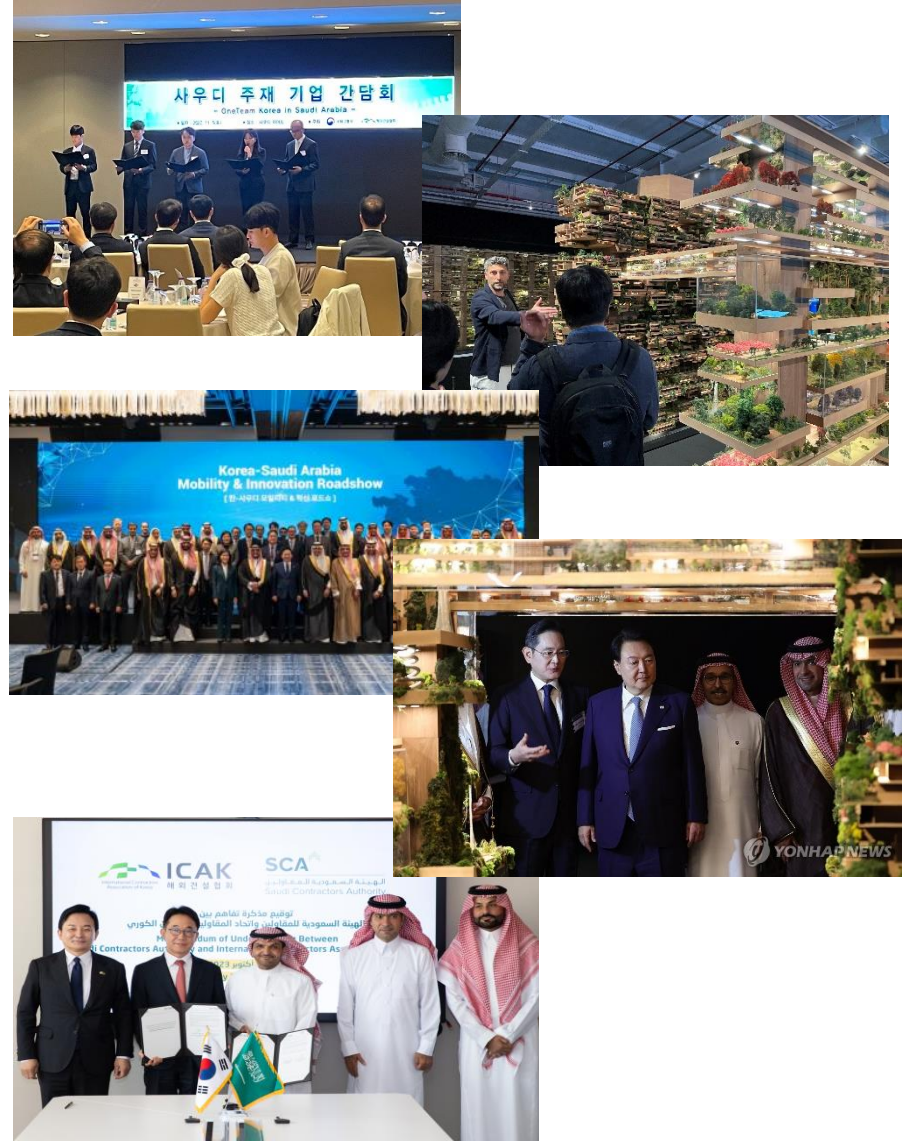


\* Source: ICAK, OCIS

### Ⅲ. Korea's Participation : Strategy

#### ◆ One Team Korea

| Date    | Milestones  |
|---------|---|
| 2022.11 | Inauguration of One-Team Korea  |
| 2022.11 | Korea-Saudi Arabia Investment Forum   |
| 2023.05 | Korea-Saudi Arabia Mobility & Innovation Roadshow   |
| 2023.07 | Discover NEOM Exhibition (First to hold in Asia)<br>MOLIT-NEOM Roadshow   |
| 2023.10 | Visit NEOM<br>50 <sup>th</sup> Anniversary Celebration of the Korea-Saudi Arabia Construction Cooperation<br>ICAK-SCA MOU signing |



### III. Korea's Participation : Strategy

---

**Summit & High-level**

**Support**  
(Information, Financial)

**Package**

**State Visit**  
  
**Summit meeting**  
  
**Exhibition**  
  
**Road-show**

**ICAK**  
  
**K-EXIM**  
  
**KIND**  
  
**K-Sure**

**Infrastructure**  
(Design and Construction)  
  
**Mobility**  
  
**ICT**  
  
**Culture...**

**Enhanced collaboration through joint platform to serve various sectors**

**Thank you**