



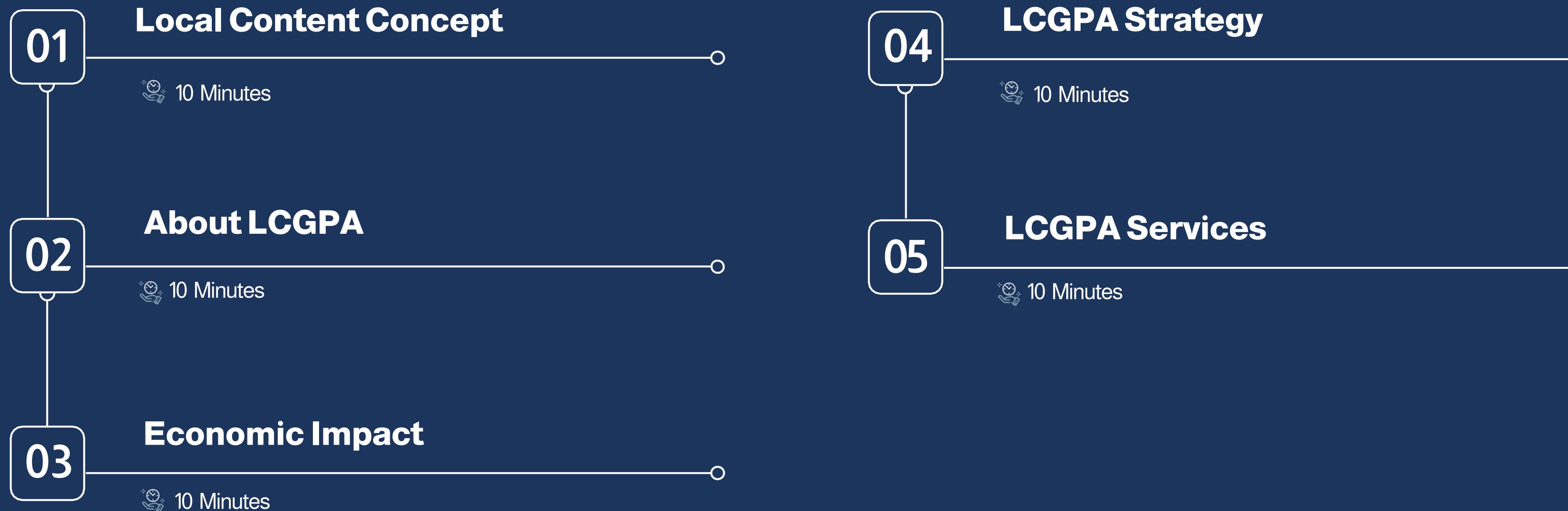
# Unit 4

# Local Content & Government Procurement

## Authority E-Services



# Workshop Agenda





01

## Local Content Concept

# Local Content Concept

## Definition and Elements of Local Content



### What is Local Content?

- » It is the total spending in Saudi Arabia through the participation of Saudi elements in the workforce, goods and services, productive assets, technology, and other.

### Local Content Elements

.....01.....

#### Assets



- Sources and Components of goods for the development of production chains.

.....02.....

#### Workforce



- The Labor involved in manufacturing products or supplying services.

.....03.....

#### Goods and Services



- Local Components that are used in the production of goods or services.

.....04.....

#### Technology & Other



- Research, Development and training for The Saudi Workforce.



02

About LCGPA



The LCGPA was established pursuant to Royal Decree No. (168/A) dated 20/04/1440 H, corresponding to 27/12/2018 AD, with the aim of developing local content's components at the national economic level and enhancing and monitoring government procurement activities, in accordance with the applicable systems and regulations.





### **Vision**



Enhancing local capacities and maximizing the benefits of national purchasing power to build a robust and sustainable economy.

### **Mission**



Developing and monitoring the implementation of knowledge-based policies and tools, enhancing awareness and fostering participation in local content development across all sectors.





03

Economic Impact

# Economic Impact

Targets related to boosting local content



LCGPA Contributes to Achieving Saudi Vision 2030 through the direct and indirect Alignment of its objectives with the Vision's Goals.



## Targets related to boosting local content



Raising the private sector's contribution to GDP to **65%**



Raising the contribution of small and medium enterprises to **35%** of GDP.



Raising the percentage of local content in the oil and gas sector to **75%**



Raising the percentage of non-oil exports to at least **50%** of the non-oil GDP.



Raising the contribution of foreign direct investment to GDP to **5.7%**



## LCGPA Contributions

LCGPA's contribution is directly related to the following objectives:

### - From level 1:

- 3.0** Development and diversification of the economy.
- 4.0** Increasing employment rates.
- 5.0** Enhancing government effectiveness.

### - From level 2:

- 3.3** Unlocking the potential of non-oil sectors.
- 5.1** Balancing the public budget.

### - From level 3:

- 3.3.3** Localization of promising industries.
- 3.3.7** Increasing the percentage of local content in non-oil sectors.
- 5.1.1** Enhancing the effectiveness of financial planning and the efficiency of government spending.



04

## LCGPA Strategy



### Vision

Enhancing local capacities and maximizing the benefits of national purchasing power to build a strong and sustainable economy.

**Mission:** Develop and monitor the implementation of knowledge-based policies and tools, enhance awareness, and foster participation in local content development across all sectors.

**Level 1**

1

Innovation

Collaboration

Empowerment

Achieving impact

Sustainability

**Level 2**

2

**01 Empowerment**

Developing policies and tools, and improving services.

Increasing awareness and cognitive abilities across all target sectors.

Establishing and strengthening effective partnerships.

**02 Development**

Activating local content policies and tools for government sector.

Activating local content policies and tools for private sector.

Activating local content policies and tools for individuals.

**03 Commitment**

Increasing compliance with the application of local content requirements in the government sector.

Increasing compliance with the application of local content requirements in the private sector.

Ensuring optimal implementation of the signed agreements.

**04 Business Intelligence**

Developing and managing databases according to best practices.

Analyzing data and developing studies to support decision-making.

**05 Excellence**

Providing an attractive work environment.

Achieving institutional excellence.

Enabling digital transformation and innovation.

**Level 3**

3

Portfolio of strategic performance indicators.

**Level 4**

4

Portfolio of strategic initiatives.



# 05

## LCGPA Services

# LCGPA Services

## E-Services Portal



**LCGPA utilizes its portal to provide various local content-related services to public and private sector stakeholders, through a unified page that offers comprehensive details and the mechanism for accessing these services easily and conveniently.**



**Enabling the competitor to measure their contribution to local content.**



**Enabling government entities to request an exception of a product from the mandatory list.**



**Enabling the competitor to submit their local content commitments to the government entity.**



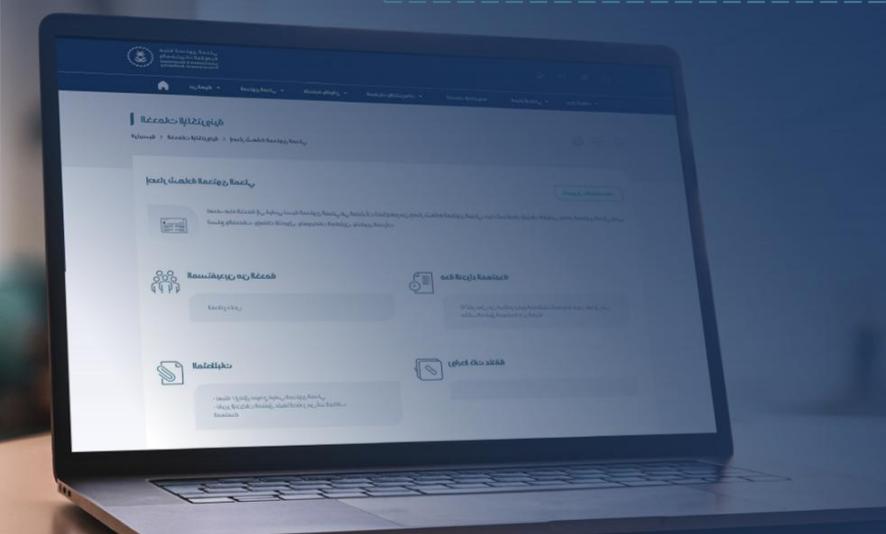
**Enabling local and GCC factories to submit a request for including their factories in the mandatory list.**



**Enabling government entities and factories to submit a request for adding a product to the mandatory list.**



**Enabling investors to submit a request for an industry localization opportunity and knowledge transfer.**



# LCGPA Services



In the current phase, the portal offers ten services:



**Issue a local content certificate.**



**Issue target local content percentage.**



**Investment opportunities for industry localization and knowledge transfer.**



**Industry localization and knowledge transfer request.**



**Register a factory or service provider.**



**Add a product to the mandatory list.**



**Exclude a product from the mandatory list.**



**Small and Medium-Sized Enterprises (SMEs) Incentive Initiative for issuing a local content certificate (Baseline).**



**Query local content percentage.**



**Verify the Local Content Certificate (baseline) and the target percentage document.**





# Issuing Baseline Calculation Service

Beneficiaries and requirements



## 01 Issuing Baseline Calculation Service

This service aims to measure the local content percentage at entity level, to enable them to obtain a local content certificate (baseline).

### Service Beneficiaries



- The private sector and state-owned enterprises.

### Approved Processing Time



- 10 Business days from the receipt of all valid requirements.

### Requirements



- Fill out/attach the Local Content Measurement Template.
- Agreed-upon procedures report issued by an accredited office.



# Issuing Baseline Calculation Service

## Beneficiary Journey





# Issue a Local Content Certificate (Baseline)

## Service Guide



Learn about the service and its procedures through the following:





### Baseline Calculation Service

This service aims to enable private sector companies to submit baseline calculation requests to the audit offices approved by the Authority for auditing and sending them to the Authority for approval, and then issue a local content certificate

[Open Service](#) [Service Details](#)



The service aims to enable private sector companies to submit baseline calculation requests to the audit offices approved by the Authority for auditing and sending them to the Authority for approval, and then issue a local content certificate

**Applying for Localization of Industry and**  
This service allows interested private sector companies to submit baseline calculation requests to the audit offices approved by the Authority for auditing and sending them to the Authority for approval, and then issue a local content certificate

**Baseline Calculation Service**  
This service aims to enable private sector companies to submit baseline calculation requests to the audit offices approved by the Authority for auditing and sending them to the Authority for approval, and then issue a local content certificate

**Registering a factory or a service provider**  
This service allows private sector companies to register their factories or service providers with the Authority for auditing and sending them to the Authority for approval, and then issue a local content certificate

**Issuing The Target Local Content Percentage**  
This service aims to enable the private sector to issue the target local content percentage and improve the quality of the products provided to measure the target local content percentage

**Adding a product to the mandatory list**  
This service enables beneficiaries to apply for the addition of a product to the mandatory list of national products

**Exception of a product from the mandatory list**  
This service enables beneficiaries to request an exception for one or more products from the mandatory list of national products

**Investment Opportunities for**  
To implement the procedures for submitting a request to announce investment opportunities for localization of products

**The Initiative of Encouraging Small and**  
This initiative aims to encourage industrial/MSME to issue the local content certificate and contribute to developing local content targets



# Issue Target Local Content Percentage



Beneficiaries and requirements



## 02 Issue Target Local Content Percentage

The service aims to enable competitors across all sectors to issue the target percentage document and participate in high-value tenders mandating a specific local content percentage.

### Service Beneficiaries



- Competitors across all sectors.

### Approved Processing Time



- Instant Issuance.

### Requirements

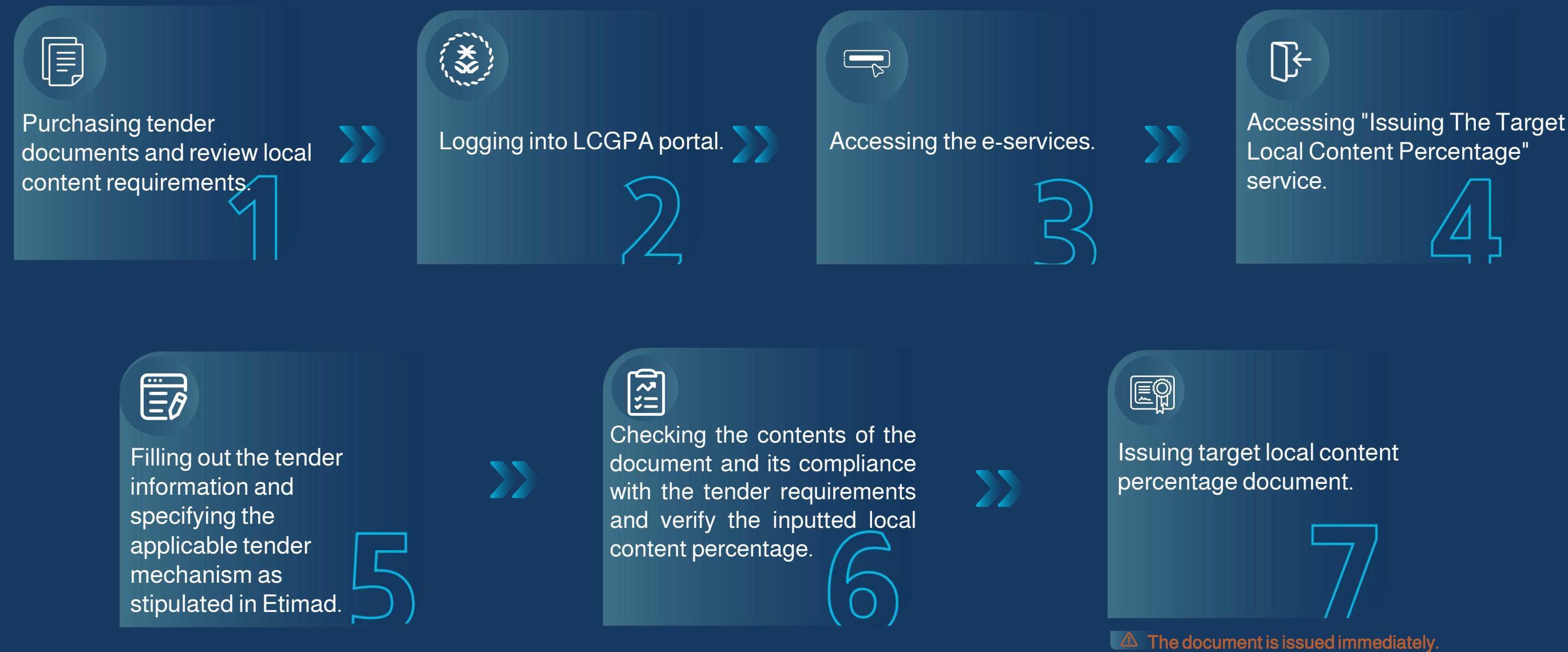


- Fill in the required data according to the template.
- Availability of tender data.



# Issue Target Local Content Percentage

## Beneficiary Journey





# Issue Target Local Content Percentage

## Service Guide



Learn about the service and its procedures through the following:

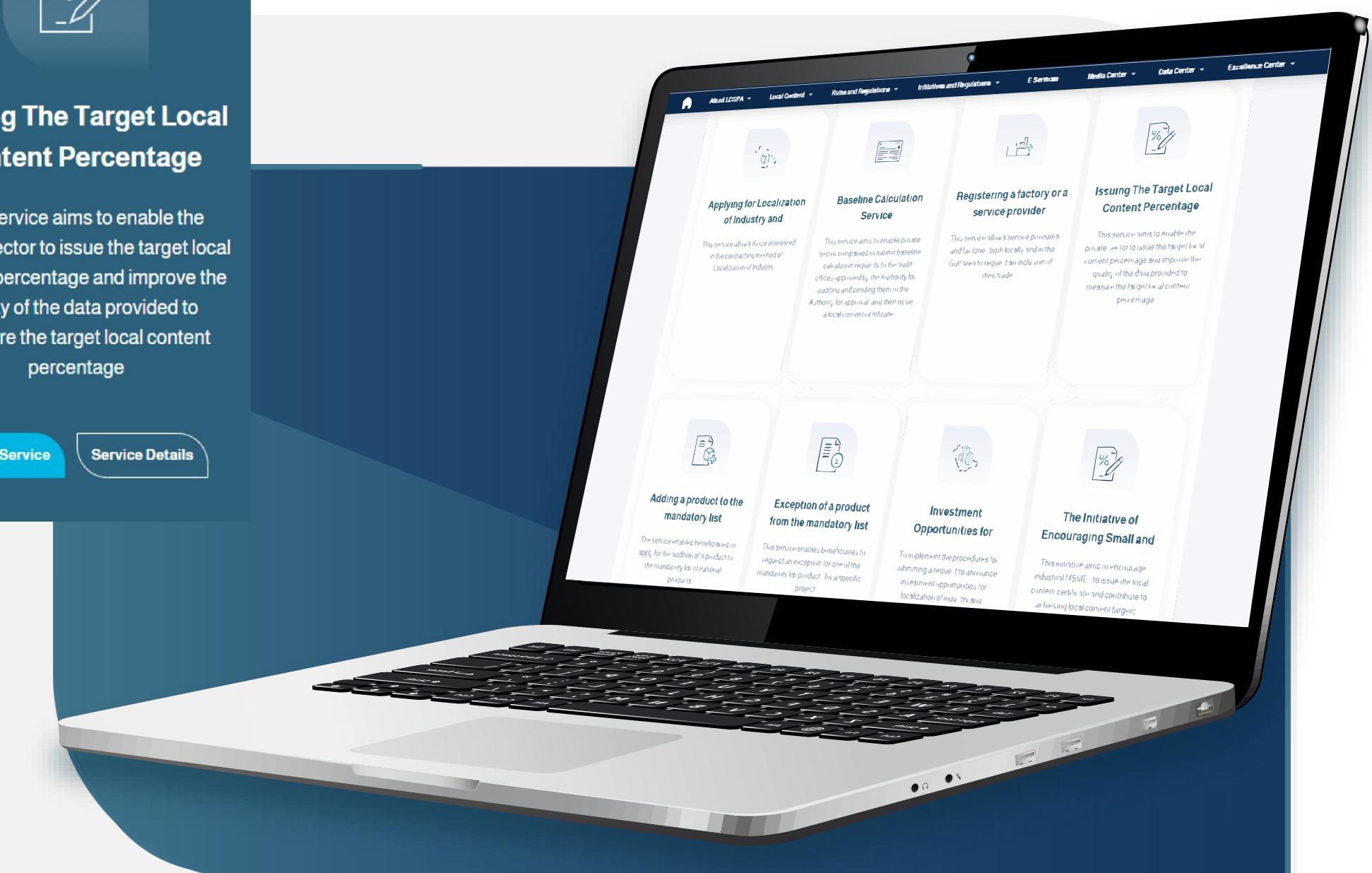




### Issuing The Target Local Content Percentage

This service aims to enable the private sector to issue the target local content percentage and improve the quality of the data provided to measure the target local content percentage

[Open Service](#) [Service Details](#)



The service aims to enable the private sector to issue the target local content percentage and improve the quality of the data provided to measure the target local content percentage

**Applying for Localization of Industry and Service**  
This service allows interested private sector companies to submit baseline calculation requests to the relevant local authority for approval and then issue a local content certificate.

**Baseline Calculation Service**  
This service allows private sector companies to submit baseline calculation requests to the relevant local authority for auditing and sending them to the authority for approval and then issue a local content certificate.

**Registering a factory or a service provider**  
This service allows private sector companies to register both locally and in the Global Trade Register. It includes a range of services provided to measure the target local content percentage.

**Issuing The Target Local Content Percentage**  
This service aims to enable the private sector to issue the target local content percentage and improve the quality of the data provided to measure the target local content percentage

**Adding a product to the mandatory list**  
This service enables beneficiaries to apply for the addition of a product to the mandatory list of national products.

**Exception of a product from the mandatory list**  
This service enables beneficiaries to request an exception or removal of the mandatory list of products for a specific project.

**Investment Opportunities for Encouraging Small and Medium Enterprises**  
To implement the procedures for submitting a request to announce investment opportunities for localization of products.

**The Initiative of Encouraging Small and Medium Enterprises**  
This initiative aims to encourage industrial/MSME to issue the local content certificate and contribute to developing local content targets.



# Investment Opportunities for LIKT

Beneficiaries and requirements



## 03 Investment opportunities for industry localization and knowledge transfer

The service provides local and foreign investors with the opportunity to learn about industry localization opportunities targeted by the LCGPA and the possibility of engaging in these initiatives.

### Service Beneficiaries



- Private sector.

### Approved Processing Time



- The response time varies depending on the product.

### Requirements



- Fill the application form for industry localization and knowledge transfer opportunities.
- Provide a company profile



# Investment Opportunities for LIKT

## Beneficiary Journey



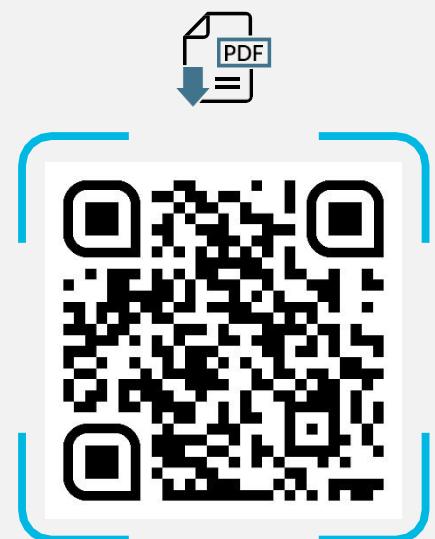


# Investment Opportunities for LIKT

## Service Guide



Learn about the service and its procedures through the following:



### Investment Opportunities for...

To implement the procedures for submitting a request to announce investment opportunities for localization of industry and knowledge transfer. Aside from automating the workflow, it seeks to facilitate submitting and approving requests for this service.

[Open Service](#) [Service Details](#)



# Applying for LIKT



## Beneficiaries and requirements



### 04 Applying for Localization of Industry and Knowledge Transfer

This service aims to enable government agencies and investors to request contracts for localization of industry and knowledge transfer. It also facilitates the execution of related activities. Furthermore, the service allows interested parties from both the public and private sectors to share industry localization and knowledge transfer opportunities with LCGPA for review.

#### Service Beneficiaries



- Government entities and private sector.

#### Approved Processing Time



- The response time varies depending on the product.

#### Requirements



- Fill in the feasibility study template.



# Applying for LIKT

## Beneficiary Journey



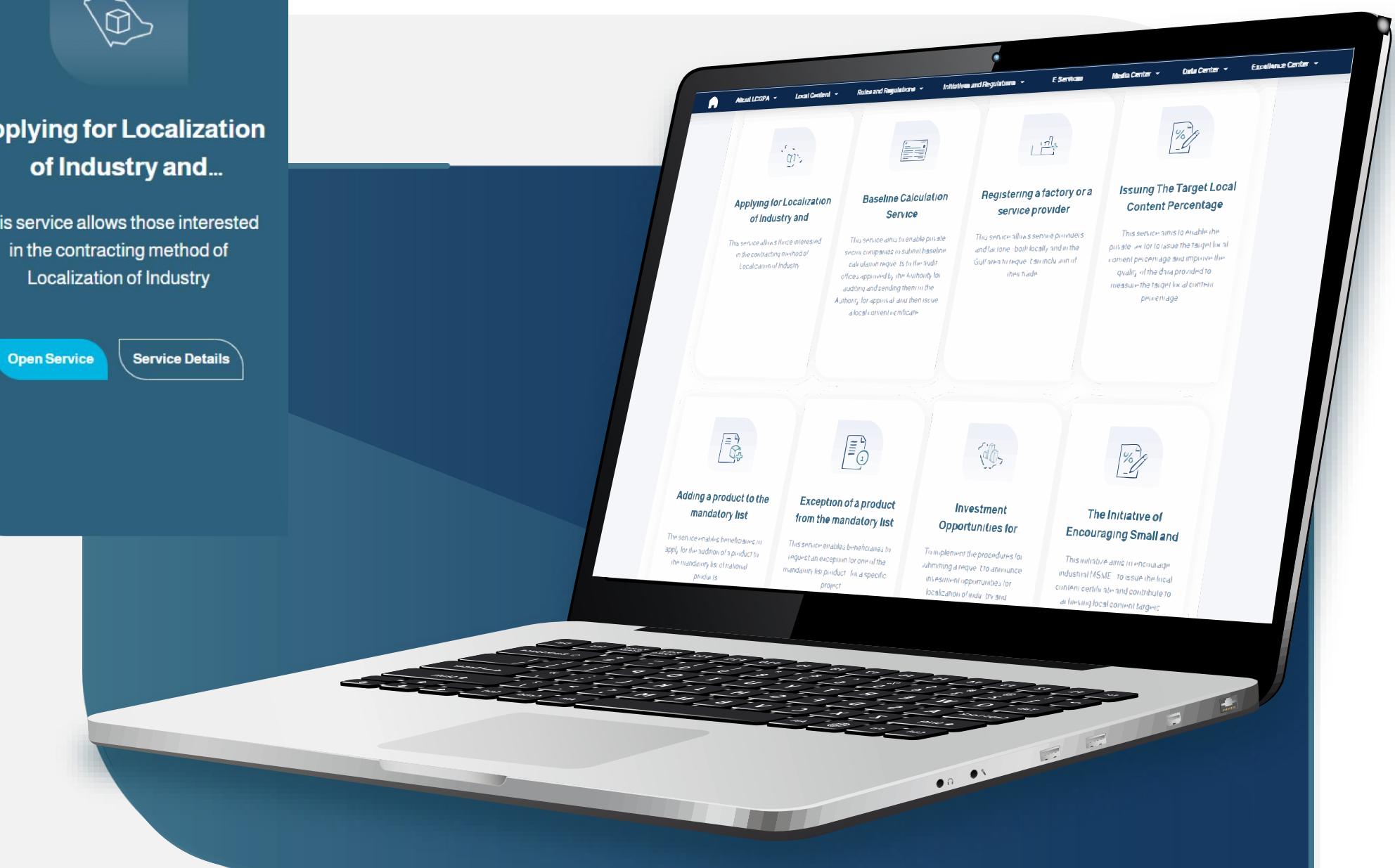
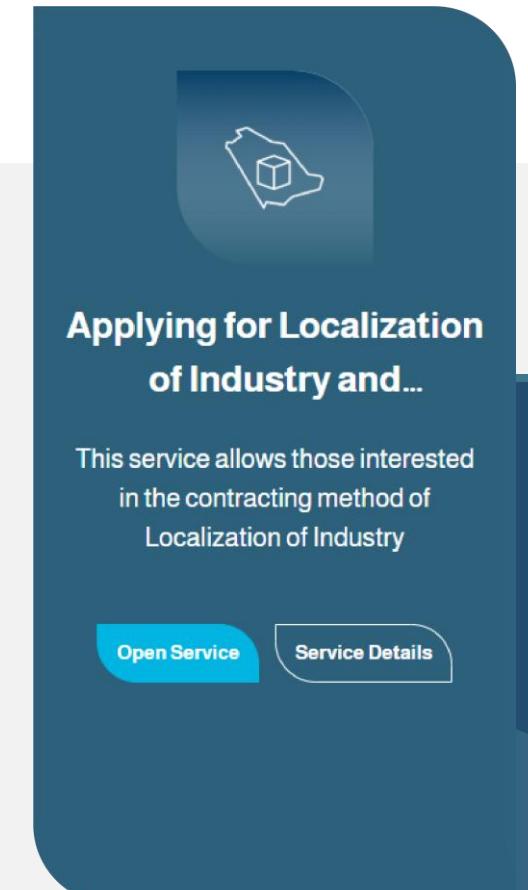


# Applying for LIKT

## Service Guide



Learn about the service and its procedures through the following:





# Registering a Factory or Service Provider **in The** Mandatory List

Beneficiaries and requirements



## 05 Registering a factory or service provider **in the mandatory list**

This service aims to enable local and GCC factories to register their factory or service provider on the mandatory list of national products, which the LCGPA issues and updates periodically.

### Service Beneficiaries



Private sector

### Approved Processing Time



- 6 business days.

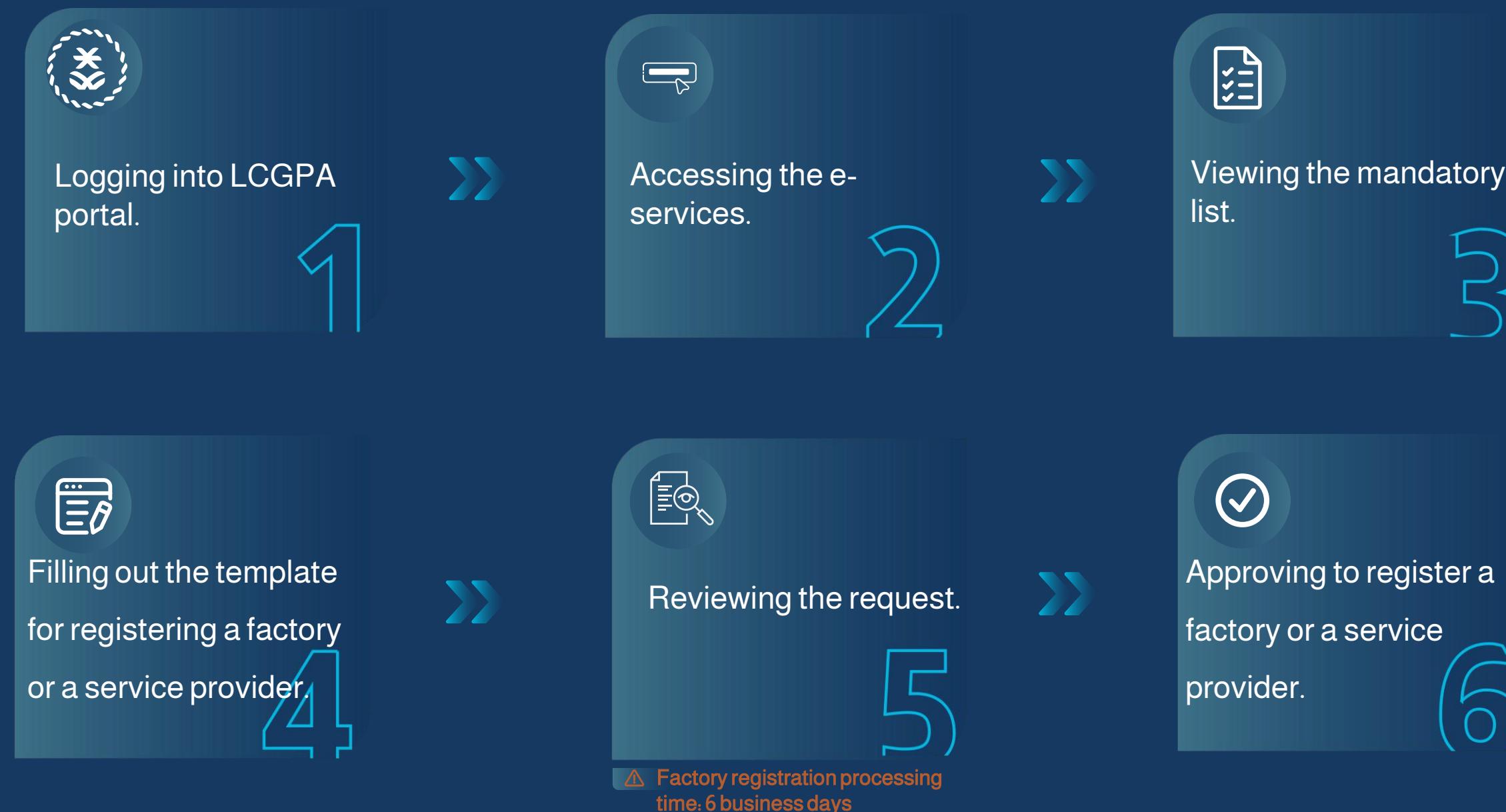
### Requirements



- The product shall be listed in the mandatory list.
- A valid commercial register, with the activity matching the added services being a prerequisite.
- A valid industrial license covering the product to be listed.
- Certificate of Origin for GCC factories.
- Local content certificate (baseline) for the required products.
- Saudi technical certificate for technical products.
- A license from the competent authority for services.

# Registering a Factory or Service Provider to The Mandatory List

Beneficiary Journey



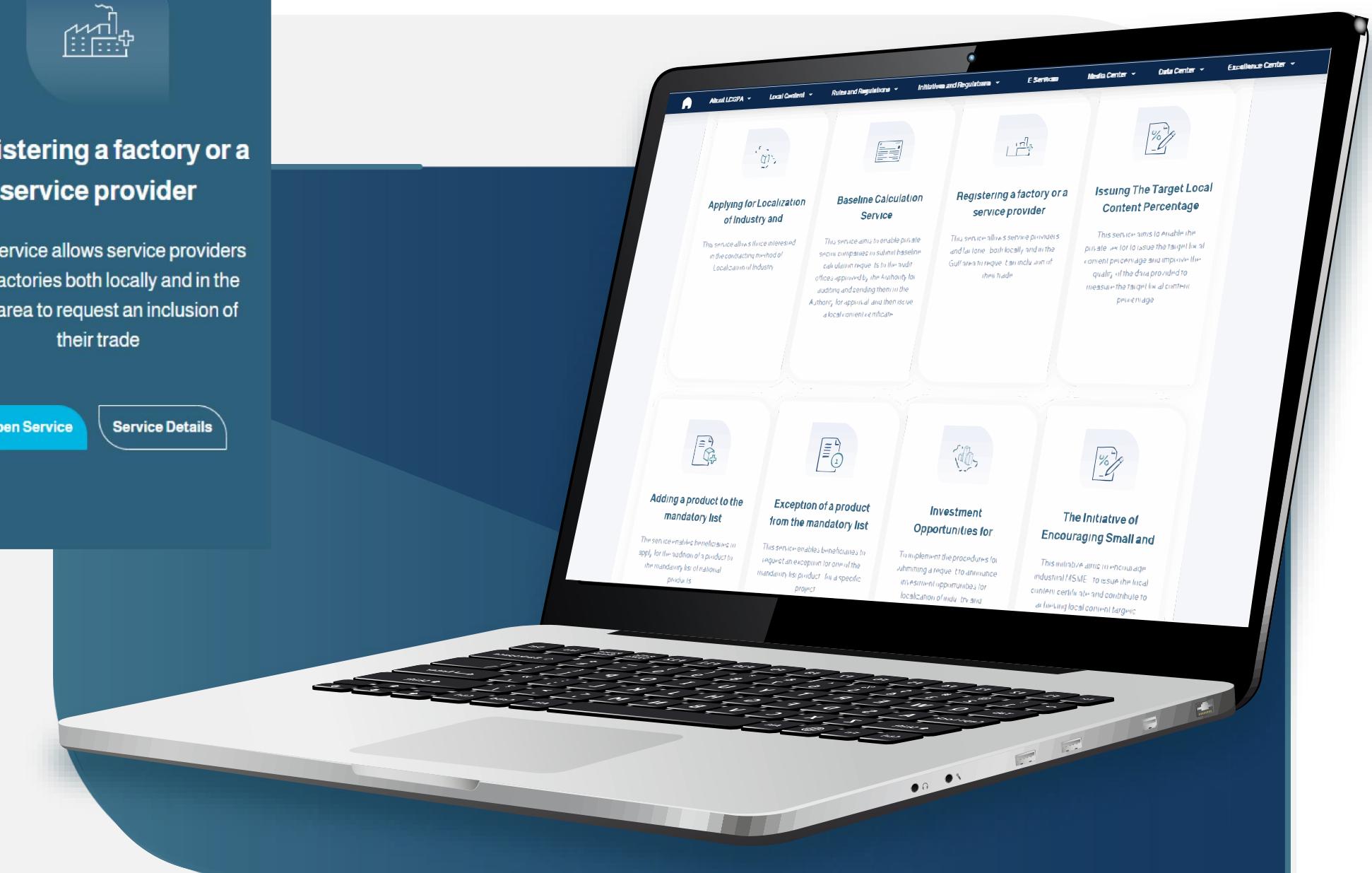
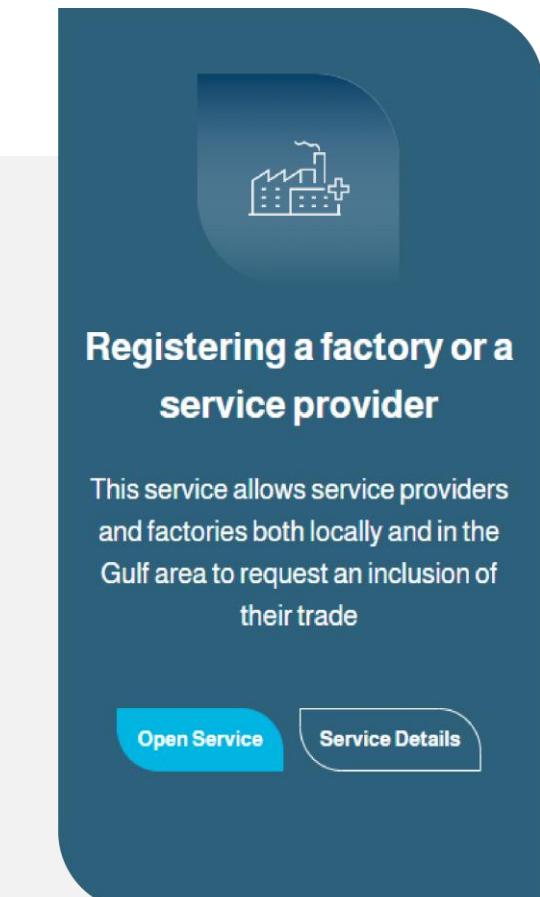


# Registering a Factory or Service Provider in The Mandatory List

Service Guide



Learn about the service and its procedures through the following:



# Adding a Product to The Mandatory List

Beneficiaries and requirements



## 06 Adding a Product to the Mandatory List

This service aims to enable beneficiaries from government agencies and private sector to submit a request to add a product to the mandatory list of national products.

### Service Beneficiaries



- Government entities and private sector.

### Approved Processing Time



- 180 business days from receipt of all requirements.

### Requirements



- A valid commercial register, with the activity matching the added services being a prerequisite.
- A valid industrial license.
- Attach a list of products manufactured by the factory, including the desired items to be added.
- Quality certificate.
- Saudi technical certificate for technical products.
- A license from the competent authority for services.



# Adding a Product to The Mandatory List

## Beneficiary Journey



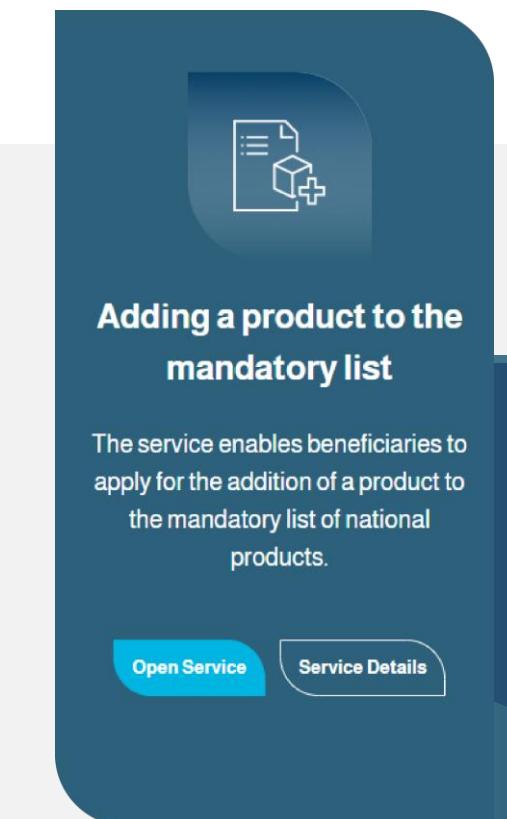


# Adding a Product to The Mandatory List

## Service Guide



Learn about the service and its procedures through the following:



### Adding a product to the mandatory list

The service enables beneficiaries to apply for the addition of a product to the mandatory list of national products.

[Open Service](#)[Service Details](#)

# Exception of a Product from the Mandatory List Service



## Beneficiaries and requirements



### 07 Exception of a Product from the Mandatory List Service

This service aims to enable beneficiaries to request the exception of a product from the mandatory list for a specific project.

#### Service Beneficiaries



- The government sector.

#### Approved Processing Time



- 10 business days.

#### Requirements



- Products to be excluded.
- The value of the products to be excluded .
- A copy of the submitted statements or quotations, as applicable, which vary based on the different reasons for requesting an exception and are detailed in the document outlining the controls for inclusion in and exemption from the mandatory list.

# Exception of a Product from the Mandatory List Service

## Beneficiary Journey



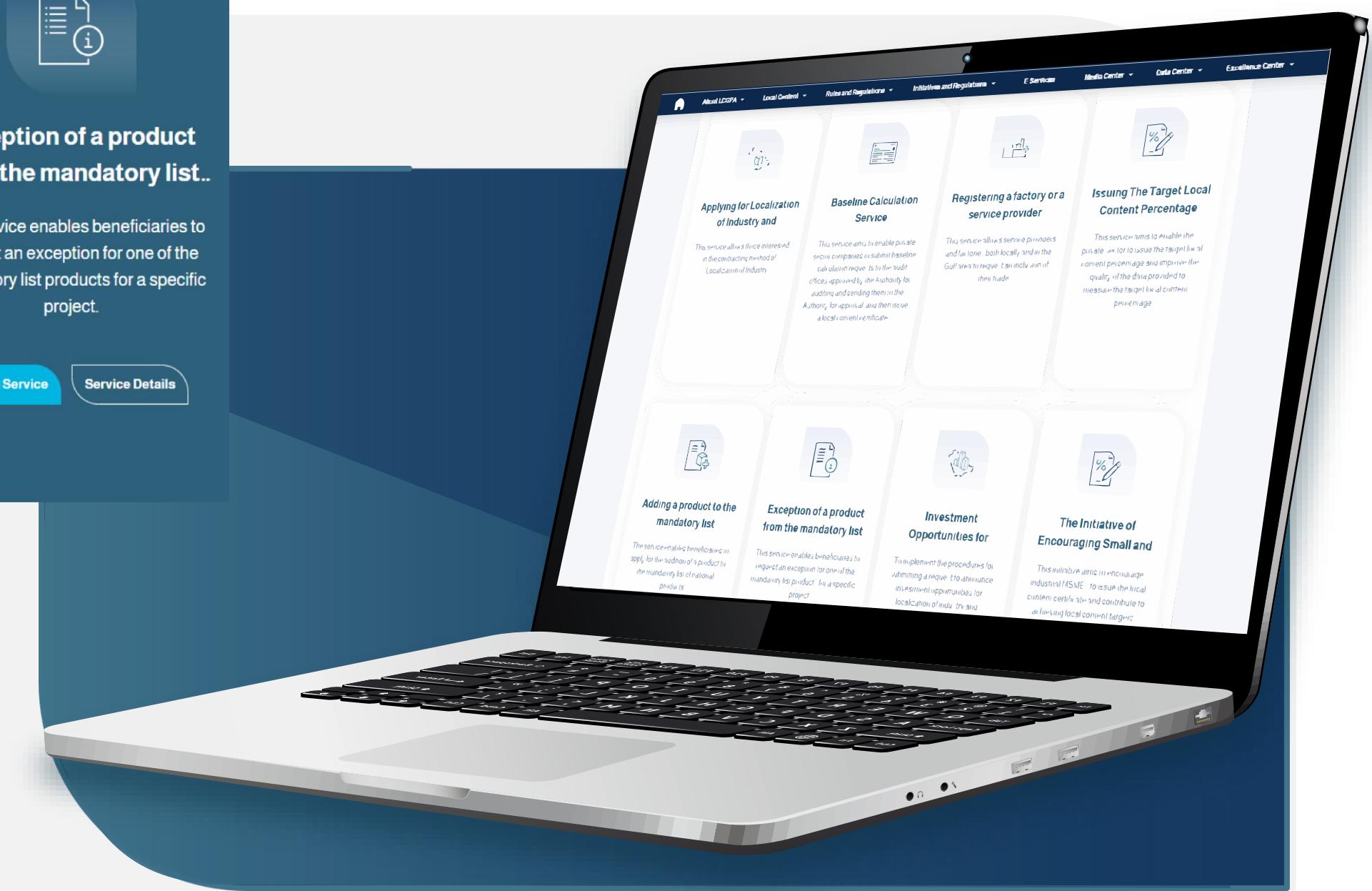
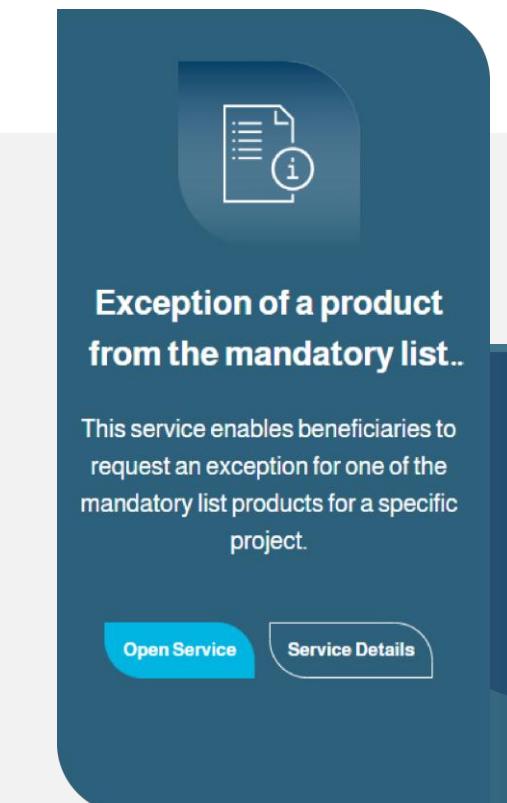


# Exception of a Product from the Mandatory List Service

## Service Guide



Learn about the service and its procedures through the following:



# The Initiative of Encouraging Small and Medium Factories to Issue the Local Content Certificate.

Beneficiaries and requirements



## 08 The Initiative of Encouraging Small and Medium Factories to Issue the Local Content Certificate.

This initiative aims to encourage medium, small, and micro industrial enterprises to obtain a local content certificate (baseline) and contribute to achieving local content targets. This is accomplished by covering the financial fee for the local content audit, or a portion thereof, offered to them by auditing firms.

### Service Beneficiaries



- Micro-, Small and Medium-sized Enterprises(SME's).

### Approved Processing Time



- 10 business days.

### Requirements



- The facility shall be a micro, small, or medium-sized enterprise, and a certificate from Monsha'at shall be provided as proof.
- The facility shall have an active commercial registry and a valid industrial license.
- The facility shall be issued a certificate of eligibility to avail of the initiative provided by LCGPA.
- The facility shall hold a local content certificate pertaining to its financial statements for the fiscal year 2022 or subsequent years.
- The facility shall submit a Compensation request to LCGPA - after obtaining the local content certificate (baseline) - within a period not exceeding ninety (90) days from the date of issuance of the eligibility certificate.
- The facility shall have an active bank account with a Saudi bank.
- The facility shall submit audited financial statements in question.
- The facility shall submit a signed engagement letter from the Audit Office to measure the percentage of local content (baseline) for the period in question.

# The Initiative of Encouraging Small and Medium Factories to Issue the Local Content Certificate.

## Beneficiary Journey



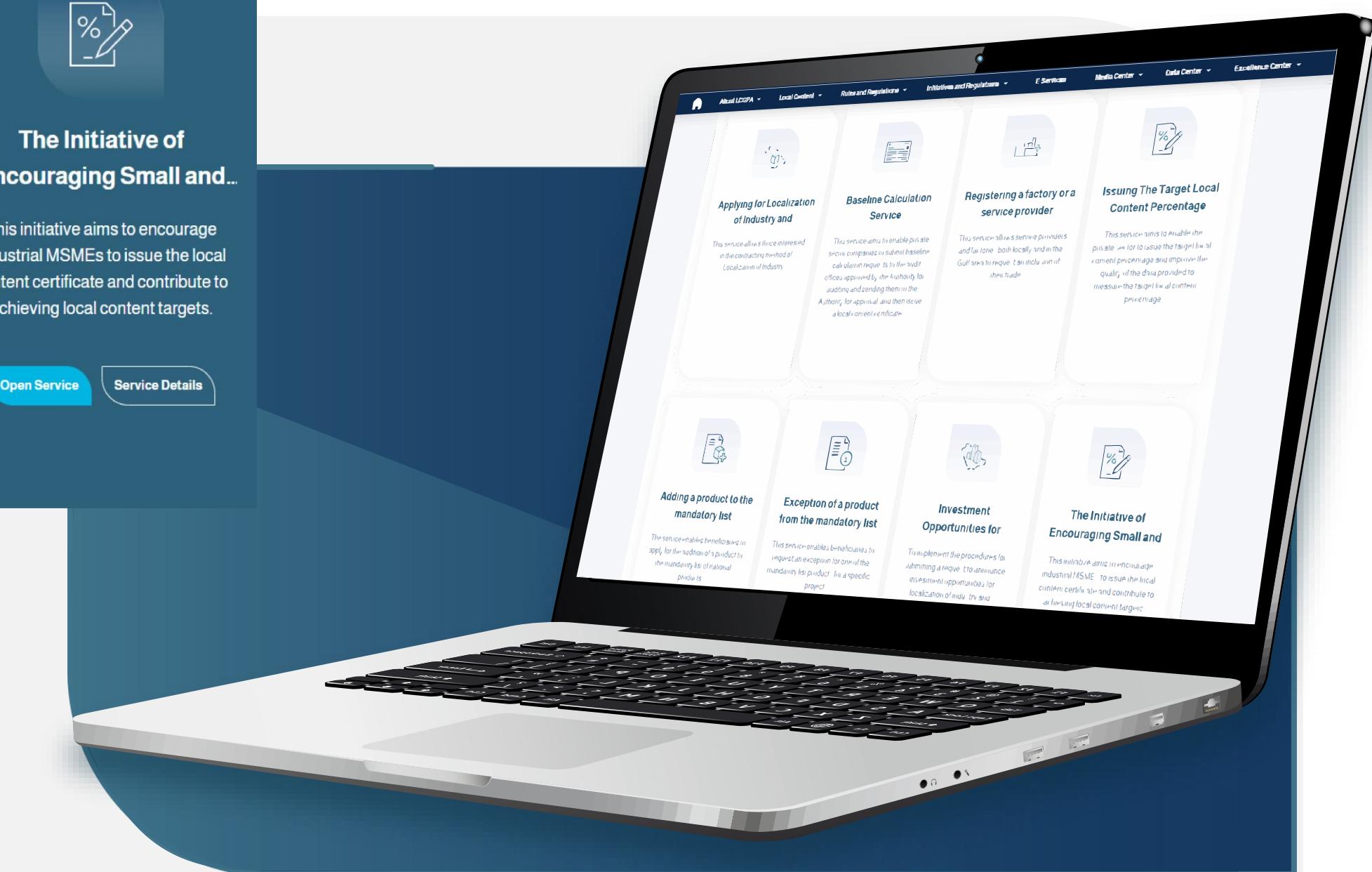
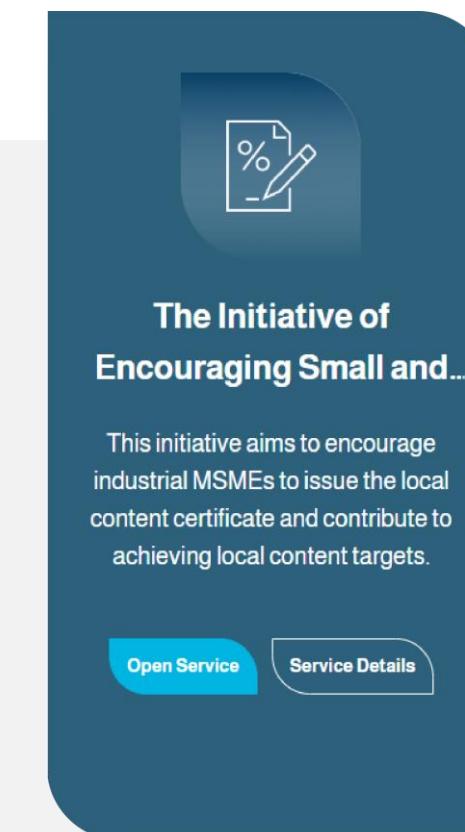
# The Initiative of Encouraging Small and Medium Factories to Issue the Local Content Certificate.



## Service Guide



Learn about the service and its procedures through the following:





# Sharing Local Content Score

Beneficiaries and requirements



## 09 Sharing Local Content Score

This service aims to specify the approved local content percentage (baseline) for all companies that allow sharing their percentages.

### Service Beneficiaries



- All.

### Approved Processing Time



- Instant Issuance.

### Requirements



- None.



# Sharing Local Content Score

## Beneficiary Journey





# Sharing Local Content Score

## Service Guide



Learn about the service and its procedures through the following:

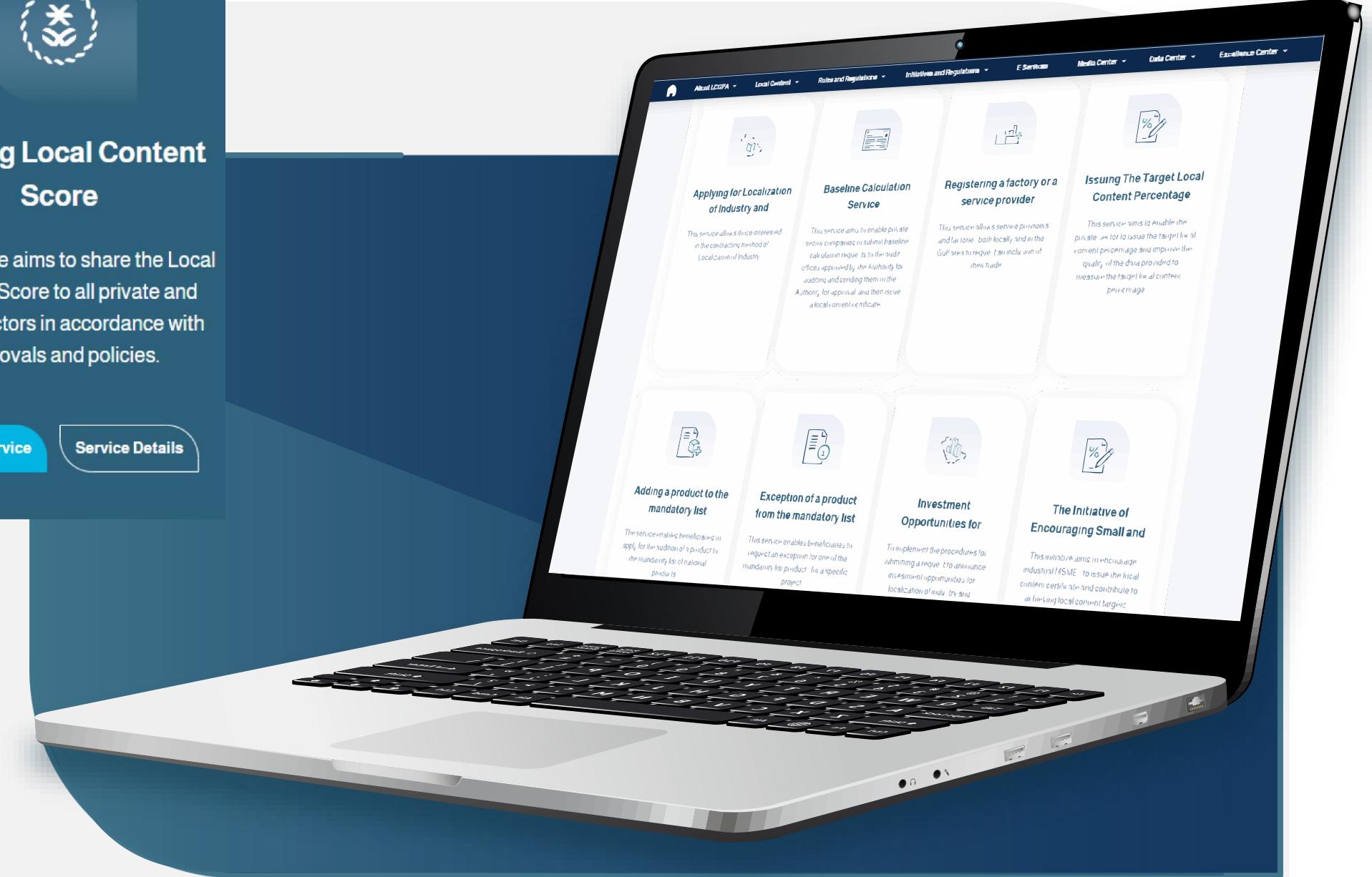




### Sharing Local Content Score

This service aims to share the Local Content Score to all private and public sectors in accordance with approvals and policies.

[Open Service](#) [Service Details](#)



# Verifying Local Content Certificate (Baseline) and Target Percentage Document

Beneficiaries and requirements



## 10 Verifying Local Content Certificate (Baseline) and Target Percentage Document.

The service aims at verifying the local content certificate (Baseline) and the target percentage document.

### Service Beneficiaries



- All.

### Approved Processing Time



- Instant Issuance.

### Requirements



- None.



# Verifying Local Content Certificate (Baseline) and Target Percentage Document

Beneficiary Journey

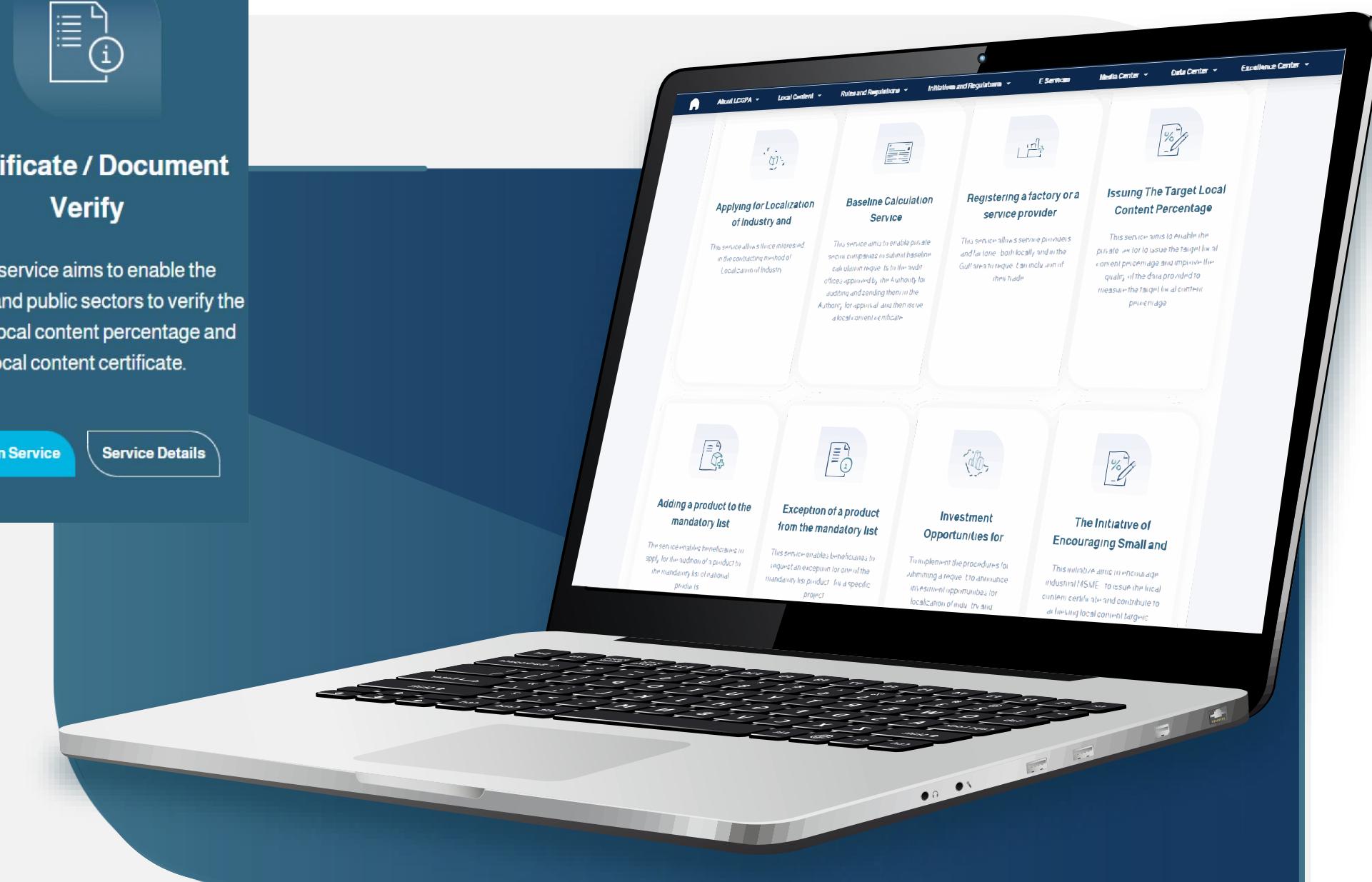
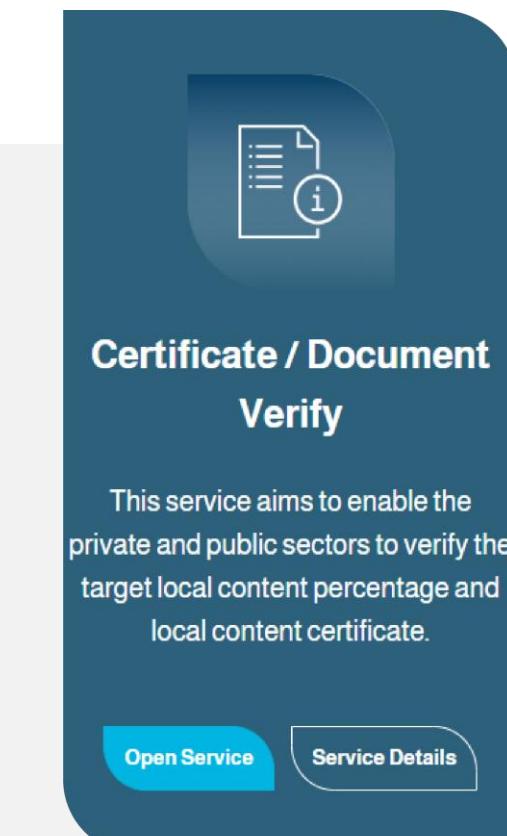


# Verifying Local Content Certificate (Baseline) and Target Percentage Document

## Service Guide



Learn about the service and its procedures through the following:





# Thank you..

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