

هيئة المحتوى المحلي  
والمشتريات الحكومية  
Local Content & Government  
Procurement Authority



# Local Content

— in Saudi Arabia

# Content

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1. Local Content Definition & Elements
2. LCGPA Overview
3. Local Content Mechanisms
4. Localization of Industry and Knowledge Transfer  
(Success Stories in the Water Sector)



# Local Content

 Definition & Elements

# Approved Definition of Local Content

## What is Local Content?

Local content is the total spending in the Kingdom of Saudi Arabia on Saudi components within labor, goods, services, assets, and technology. In other words, it is the value added to the GDP as a result of spending on national elements i.e. human resources, products, services and technology.

### Goods and Services

Local components used in producing goods and services.

Calculated from the value of the local components used.

### Asset Depreciation

Sources and components of goods used to develop production chains.

Calculated from the value of expenditures on assets.

### Compensation

The workforce involved in producing goods or offering services.

Calculated from total salaries of the Saudi workforce and part of the salaries of the non-Saudi workforce.

### Capacity Building

R&D and training for Saudi labor.

Calculated from the value of expenditures on R&D and employee training.

A background image of a city skyline, likely San Francisco, with the Transamerica Pyramid being the most prominent building. The image is heavily fogged or misty, creating a soft, atmospheric effect. A dark blue, semi-transparent overlay covers the bottom half of the image, providing a space for the text.

# Local Content and Government Procurement Authority (LCGPA)

 LCGPA Overview

# LCGPA Vision, Mission and Values

## Vision

Nurturing local potential and capitalizing the national purchasing power for a strong and sustainable economy.

## Mission

Developing and monitoring knowledge-based policies and tools, enhance awareness and participation in the development of local content among all targeted segments.

## Values



Delivering Impact



Collaboration



Sustainability



Innovation



Empowerment



# LCGPA is one of the active government agencies in achieving Saudi Vision 2030 goals

The most prominent goals are:

## Promoting Local Content

LCGPA contributes to promoting local content through:

- Development of local companies by directing government demand to their products and services.
- Empowering human resources.

## Stimulating Local Investment

LCGPA seeks to create an attractive environment for investments in the Kingdom by:

- Identifying government demand and localization opportunities.
- Localization of industry and knowledge transfer.

## Contribution to Achieving Saudi Vision 2030

LCGPA contributes to two pillars of Saudi Vision 2030:

- Thriving Economy
- Ambitious Nation



# Local Content Mechanisms

 In Government Procurement





# LCGPA Local Content Mechanisms

in Government Procurement

## Project Level

Local Content Score in Commercial Evaluation

1



Including local content in the commercial evaluation through a specific weighting mechanism.

Minimum Local Content Threshold

2



Implementing a minimum local content threshold, which must be adhered to.

## Product Level

Price Preference Initiative for National Products

3



Granting national products a price preference by adding 10% to foreign products in government tenders.

Mandatory List

4



Mandatory list of the national products that the contractor is required to adhere to when purchasing products or services throughout the fulfillment of the contract.

## Investments Level

Localization of Industry & Knowledge Transfer

5



Localization of Industry and Knowledge Transfer off-take agreements.

Economic Participation

6



This program allows LCGPA partners to contribute to the national economy through government contracts that have imported goods and services valued at over 100M SAR.

Local Content Preference Mechanisms

New Government Contracting Method



# Localization of Industry and Knowledge Transfer (Success Stories in the Water Sector)

 Offtake Agreement

# Localization of Industry and Knowledge Transfer

Success Stories in The Water Sector

 +50

Agreements on LIKT  
Through the End of 2024

With investments worth over \$4 billion  
through all economic sectors

## Localization of Water Sector

1

RO Membrane

Off-take agreement 8 yrs



\$300M

GDP Contribution



KSA  
2030

\$260M

Demand by

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الهيئة السعودية للمياه  
Saudi Water Authority

'TORAY'  
Innovation by Chemistry



## Tendering Opportunities

1

Cartridge Filter

Off-take agreement 7 yrs



2

Antiscalant for RO Membrane

Off-take agreement 7 yrs



3

RO Membrane Cleaner

Off-take agreement 7 yrs



# Thank you..

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