

# BUILDING A COLLABORATIVE GLOBAL ECOSYSTEM

GEC RIYADH 2022  
"REBOOT, RETHINK, REGENERATE"



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# RIYADH AS AN ENTREPRENEURIAL HUB

Few places have more entrepreneurial promise than Riyadh. Blessed with a young and dynamic population and one of the most proactive governments on the planet, the Saudi capital is transforming itself into one of the region's most exciting economic hubs. As this GEC 2022 report shows, things have only just begun.



Governor of Monsha'at Saleh Alrasheed

***"Entrepreneurs are confident in Saudi Arabia's future and see that the vast opportunities in growing and new sectors such as tech, tourism, entertainment, and healthcare are not to be missed. With one of the youngest, most curious, and best-connected populations on earth, Saudis are adopting new technologies, ideas, and innovations quicker than ever."***

Set on a new economic course since 2016, Saudi Arabia had been strengthening its SME ecosystem long before the pandemic struck, implementing a series of measures to drive SMEs' contribution to GDP from 20% to 35%.

**Data highlights:** The right mix of capital allocation and public policies has led to a huge increase in SMEs, VCs, and entrepreneurial activity across the Kingdom.



**650,000+**

SMEs in Saudi Arabia in 2021



**270%**

VC growth in 2021 alone



**79%** of employers

plan on hiring more workers in 2022,  
up from 43% in 2021



**\$530 mn**

invested by angel investing networks  
and crowd-funding platforms in 2021



**2<sup>nd</sup>** highest

Total early-stage Entrepreneurial Activity  
(TEA) in upper income economies in 2021



**\$21.5 bn**

in SME funding facilitated by  
Monsha'at by close of 2021



*"Saudi Arabia is no longer waiting for somebody to develop technologies for it. We are leaping into a future where we know that the challenge for us and our own deliverance, well-being, and sustainability depends upon ourselves."*

**HRH Abdulaziz bin Salman Al Saud,  
Minister of Energy**



*"The Kingdom is open for business globally. We're attracting investors, entrepreneurs, innovators, scientists, and capital - and contributing the same from here to the rest of the world."*

**HE Khalid Al Falih  
Minister of Investment**



*"We are fortunate to have a leader that is creating what I call the 'entrepreneurial state,' where you have the highest concentration of tech, youth and women in entrepreneurship."*

**HE Abdullah bin Amer Alswaha,  
Minister of ICT**

# HIGHLIGHTS FROM KEYNOTE SPEAKERS

In addition to hearing from many of Saudi Arabia's most important policymakers, GEC was privileged to host several of the greatest international business minds to the stage in Riyadh. This included Apple's Steve Wozniak, Netflix's Marc Randolph, and Orascom's Samih Sawiris, highlights of which are below.



**Steve Wozniak,**  
Co-founder, Apple



**Samih Sawiris,**  
Chairman, Orascom Hotels & Development



**Marc Randolph,**  
Co-founder + Former CEO, Netflix

GEC Riyadh was privileged to open with a giant of the contemporary business world. Wozniak spoke at length about education, technology, youth empowerment, space, and more. Learning is contagious, he said, and depends so much on being open, innovative, and fun.

In the end, innovation is really about helping other people. "I wanted the best technologies ever to be developed for normal people in their normal, average lives. And that's how I started out."

Business and engineering are about being useful to others. **"My father taught this to me when I was young: engineers build things. By building things, we're going to give people a better life. And I still believe it."**

One of Africa's most successful entrepreneurs, Samih Sawiris told GEC about the most pressing challenges and opportunities facing businesses today. First, there's no room for complacency. It's all about managing crisis, continually.

On the other hand, there is far more opportunity for young people. **"What is very encouraging about today's world is how cheap it is to become an entrepreneur. This has opened the door for many young people without serious means to develop and evolve with their ideas into proper businesses."**

"What is happening in Saudi Arabia right now is really mind-boggling," he told GEC. "The sky is the limit in terms of opportunities. What I find exciting is that most of the world doesn't really know how much Saudi Arabia is open for business. It's only a matter of time until everyone finds out."

Some say there are no bad ideas, Marc Randolph told GEC. **"I disagree! I say there's no such thing as a good idea! Every idea is flawed in some way. Our job as entrepreneurs is to figure out how to fix that."**

Running a successful business is all about attitude. "I never fall in love with my ideas. I fall in love with the problem. The idea's always gonna break your heart, and run off with someone else. But the problem becomes more interesting, more nuanced. Trying to solve it is what keeps you going."

How does Netflix continually stay ahead of the curve? By being willing to walk away from your present to do what's right for the future.



 **Apple**  
Follow QR for video highlights



**ORASCOM**  
DEVELOPMENT  
Follow QR for video highlights



**NETFLIX**  
Follow QR for video highlights

# GEC PRODUCES HISTORICAL DEALS AND INITIATIVES

GEC 2022 generated an estimated SAR 51.8 billion (USD \$13.8 billion) in new investment for locally based start-ups and SMEs, in addition to numerous new initiatives to support innovation, training, mentorship, and improved licensing and foreign investment procedures, making the four-day event a watershed moment for the Kingdom's ecosystem.



## \$13.8 bn

in announcements & investment agreements



## 10+

rounds of financing secured for Saudi SMEs and startups



## \$3.2 bn

in financing set aside for Small and Medium Enterprises Bank

### Day 1:

- › Announcements & investment initiatives worth more than **\$4.3 billion** on day one of GEC, including 12 rounds for start-ups worth between \$1 million and \$5 million.
- › Monsha'at signed MoUs with Lenskart, Kitopi, Cars24, GoDaddy & Zoho Tech with a total of **\$474 Million** that will be invested in Saudi within the next couple of years.
- › The **Social Development Bank** launched initiatives to support entrepreneurs worth almost **\$3 billion**, while SVC signed agreements with a variety of funds worth **\$650 million**.
- › In partnership with NCB Capital, **SABIC** launched the **\$200 million Nusaned Fund II** supporting start-ups and industry.
- › Monsha'at signed MOUs to cooperate on initiatives for entrepreneurs and SMEs with SABIC and to provide financing to SMEs worth up to **\$5.3 million** with the Al-Jabr Finance Company.
- › Monsha'at also penned an agreement with the **Saudi Industrial Development Fund**, collaborating via the **Afaq** and **Tomoh** programs to provide growth services to SIDF clients.
- › Solutions Courier Company for Logistics Services closed a round worth **\$4.5 million**, EdfaPay Fintech obtained **\$1.6 million** in funding, and Dailymealz closed a round worth **\$5.3 million**.

### Day 3:

- › **Kafalah Fund** signs **10** agreements and MoUs worth **\$1.68 billion** to finance SMEs with multiple parties, governments, and incubators.
- › Monsha'at launched its fourth **Tomoh** business mentorship program in cooperation with **Endeavor KSA**. This targets 26 fast growing enterprises that provide more than **400,000** direct and indirect jobs, with the goal of achieving six stock exchange listings.
- › **Chaizer Power Company** for portable power banks signed an agreement with the **European Mega Tel Group** to manufacture **electrical car** charges in Saudi Arabia and the Middle East

### Day 2:

- › Announcements & investment agreements on day two reached almost **\$8 billion**. This included **\$3.2 billion** from the newly announced **Small and Medium Enterprises Bank** to finance new businesses.
- › Monsha'at & Amazon signed an agreement to support entrepreneurs and individual merchants to sell their goods through Amazon Saudi, and support in training up-and-coming eCommerce businessmen and businesswoman.
- › **Albilad Bank** signed an agreement to provide financing worth **\$520 million**, while the **Arab National Bank** launched a credit card for SMEs and other financial products worth **\$293 million**.
- › Saudi Arabia's **Ministry of Investment** announced licensing for international companies to enter the country's domestic market, along with investments estimated at almost **\$1 billion**.
- › Monsha'at signed an agreement with **Al Rajhi Bank** to provide financing and to launch point-of-sale and fleet financing products worth **\$533 million**.
- › Monsha'at signed two separate agreements with the **Saudi National Bank**, one worth **\$720,000** to support innovation and another on financing products worth **\$266 million**.

### Day 4:

- › By the end of day, **\$13.8 billion** in investments had been secured for entrepreneurial activity in the Kingdom.
- › Alhilal Club signed two foundation agreements with "Midwide" and "Boonfull" companies through "i-be" to support the entrepreneurship ecosystem.

# INSIGHTS FROM GEN'S FOUNDER



## **Jonathan Ortman**

*Founder and president of the Global Entrepreneurship Network (GEN)*

### **Why choose Saudi Arabia to host GEC 2022?**

It's commonly recognized in the region that there has been an exponential acceleration of entrepreneurial ecosystem performance in Saudi Arabia, which translates into scalable new firms and increasing opportunities for talent. The investor side of the ecosystem has also grown particularly sophisticated. For example, when I travel to other MENA countries, I see a substantial number of the investors that are looking for deal flow are coming from Saudi Arabia. Crucially, there is a commitment and dedication from large existing industries to innovation and entrepreneurship, not to mention from government agencies. It's no accident that almost all ministers were present at GEC. In short, there is a clear attempt to attract the kind of talent and investments that are required in order to scale the ecosystem. This made it the right time to have the international community educated and supportive of the trends and efforts being made here.

GEN will aid this change. It will have an impact on the level of confidence in the ecosystem, both for people within it and for international onlookers hoping to get involved. So many more organizations and individuals are now aware of how much Saudi Arabia is on the map of top-level entrepreneurial ecosystems.

### **What is the state of the Kingdom's entrepreneurial ecosystem?**

It's rapidly scaling, and in a very healthy situation. If there are barriers to a particular industry, sector, or constituency, there's a strong willingness to quickly remove them. Of course, some barriers remain, but these are generally well understood at higher levels and without wanting to go too quickly, they are being overcome.

Saudi Arabia has also been very good at identifying industries with high potential for the region and welcoming organizations moving into the country. Due to this commitment and momentum, the ecosystem is in a position where it is leap-frogging other markets, especially in comparison with many ecosystems that have become complacent. This is compounded by the high level of cooperation between ministries in the Kingdom, which you don't often see. This team spirit and coordination between ministries is a huge strength.

### **What are the core takeaways from the event?**

The most important outcome of GEC in Riyadh was the sheer educational awareness the international community got about Saudi Arabia. A lot of people came to the country with no knowledge or indeed misconceptions about what's happening here. Challenging this, it's vital to introduce the international community to a country and an ecosystem and let them see for themselves what's going on. Those who came were universally and positively shocked, which adds real long-term value to perceptions about the ecosystem. Within this context, I am thrilled to disclose that GEN is now in the process of establishing an office in Saudi Arabia, and we greatly look forward to contributing to this burgeoning ecosystem.

Finally, I want to stress how important it was to meet in person this past week. Too often we underestimate the value of meeting in person, and the bonds and intimacy that this creates. That's why we are so excited to announce next year's event in Melbourne, Australia from March 27-30, 2023, which we invite all of you to register for on [gen.co](https://www.gen.co).



# VOICES FROM GEC



*On impact and the role of diversity in growth*

**Lujain Al Ubaid**

Co-Founder and CEO, Tasamy for Impact

I am honored to speak about the importance of women in investment circles. As the co-Founder and CEO of Tasamy for Impact, we mainly focus on building innovative, impactful solutions for the public and private sector, in addition to building financial tools for our Impact Investment Center.

**In general, we focus on things that build innovative solutions for a wide variety of societal challenges, from which point we venture into growing these businesses into having more depth in their impact.**

We also need networks devoted to female investors, such as Women Spark. As someone who's been on both sides of these things, particularly when working on the women empowerment at the G20, I learned that it's very important to have women's empowerment and strong female investors and in every enterprise. We need to find a way to be inclusive within every agenda.

This is not about women, alone, to be sure. Nor is it restricted to certain programs. But I think there's a huge potential for impact when it comes to including women on boards of investment committees and in different decision-making processes, whether it is VC, investment committees, or something else.

We all need more community. It would be great for both female investors and female entrepreneurs to have a place to be more comfortable about sharing their successes, their failures, and their experiences to an audience that can understand what they're going through.



*On the role funded accelerators play in the ecosystem*

**Adwa Al Dakheel**

Founder and CEO, Falak Investment Hub

Falak Investment Hub started in 2018 with the mission to find, enable, and launch the next unicorns in MENA. We have now graduated three batches, with a total investment amount of around SAR15 million. With 23 companies in our portfolio throughout MENA, our average batch growth per acceleration program exceeds 400%. We are proud to have the second angel network in Saudi Arabia.

**When you are a for-profit accelerator, have skin in the game, are funded, and have a responsibility to investors, your overwhelming focus is your startups' success. It is no longer about graduating an accelerator, but about turning sustainable output into meaningful exits.**

Second is the importance of communities. Why would a Saudi founder want to join a Saudi accelerator? Because of community. Community is what created Silicon Valley and a lot of the European markets. And it's one of the most important things we want to replicate in Saudi Arabia today.

When we got started, local VCs viewed us with suspicion and as potential competition. But we are what gives them their deal flow and makes their founders more educated and better connected. During events such as GEC, VCs can come to understand how important we are to the ecosystem, and so many indicators point to a better future for this amazing ecosystem and this amazing country.

# SME OUTLOOK

90% of Saudi's see entrepreneurship as a good career choice. Saudi Arabia's startup and SME sectors are in a watershed moment, with record-breaking financing, a new SME bank, and exposure enabling them to develop many of the most exciting companies in the region and the world.

## Workshop conclusions



### **The importance of inclusive economies**

There to help clear barriers for entrepreneurs, helping everyone fulfil their ambition.



"The people we want to empower the most could be hiding in plain sight, country after country, and community after community. There are millions of untapped assets and talents. We need to believe in entrepreneurs to change the world."

**Philip Gaskin**, *Vice President of Entrepreneurship, Kauffman Foundation*



### **Democratizing entrepreneurialism and empowering the optimists**

As barriers come down and opportunities spring up, entrepreneurship is becoming democratized at a rate never before seen, particularly in Saudi Arabia



"What is very encouraging about today's world is how cheap it is to become an entrepreneur. Today, you just need a laptop and a couple of friends that will discuss with you."

**Samih Sawiris**, *CEO, Orascom Development Holding AG*



### **Witnessing an ecosystem in action: the case of Saudi Arabia**

Nearly \$14 billion in deals were signed during the four-day conference.



"We are witnessing an unprecedented time where there's a lot of support from the government. It's truly a golden time to enter."

**Lateefa Alwaalan**, *Managing Director, Endeavor Saudi*

## The opportunities of Vision 2030

The Global Entrepreneurship Congress highlighted the enormous opportunities made possible by Vision 2030. This comprehensive set of reforms is remaking of the world's most important economies. As part of its goal to diversify, it is laser-focused on several key metrics.

- **Increasing SMEs' contribution to GDP from 20% to 35%**
- **Boosting new sectors, such as tourism, entertainment, and sports**
- **Increasing localization, reducing red tape, and boosting competition across the board**
- **Privatizing large parts of the healthcare and education sectors**
- **Launching transformative giga-projects such as NEOM, Qiddiya, The Red Sea Project, and the Line**



## ABOUT MONSHA'AT

Established in 2016, the General Authority for Small and Medium Enterprises' (Monsha'at) chief objective is to organize, support, develop, and sponsor the SME sector in accordance with best global practices. In doing so, it will vastly boost private sector productivity and help increase SMEs' contribution to GDP from 20% to 35% by 2030.

Monsha'at deploys a wide range of initiatives that directly speak to the challenges that SMEs face in the market, with assistance being further broken down by company size and type. In addition to providing firms with critical administrative, technical, and financial support, Monsha'at also assists SMEs with marketing and human resources.

### *Vision*

**To make the SME sector an essential engine for economic growth in Saudi Arabia and an enabler in achieving Vision 2030 and beyond.**

### *Mission*

**Develop and support SMEs to enable them to prosper by driving cooperation forward with our strategic partners in the public, private and non-profit sectors, both locally and internationally.**

Please visit [www.monshaat.gov.sa](http://www.monshaat.gov.sa) for more information