

2021 Business Segment IKTVA Estimates

The table below shows the business segments and their estimate IKTVA ratios. Please read description carefully.

Segment	Description & Examples	2021
Air Conditioning Manufacturing	Local manufacturing of air conditioning material and related equipment such as air conditioning unit, compressor, fans, motors, coils, coppers pipes for air conditioning, etc.	40%
Car Agency	Local Agents of Automotive and heavy equipment's/ Spare parts are excluded.	20%
Car/Truck/Equipment rental	Rental agencies of Vehicles, trucks, equipment, tools and other similar items.	35%
Cement/Concrete Manufacturing	Local Manufacturers of cement, concrete, brick, precast, and similar materials	70%
Chemical Blending Plants	Local crushers, and chemical manufacturers of imported raw materials, including paint manufacturers.	25%
Chemical Manufacturing	Local chemical, oil, and gas manufacturers of locally sourced raw materials (Crushers and manufacturers of imported chemicals excluded)	60%
Civil Construction	Local service providers of civil construction such as pipeline construction works, excavation and asphalt work,, scaffolding erection and installation, other related services,	55%
Electrical Materials Manufacturing	Local manufacturers of switchgear, junction boxes, trays, conduits, lighting fixtures, and circuit breaker, Panel Board etc.	40%
Facility Rental	Office buildings, compounds, hotels, warehouses, store, lot rental etc.	60%
Food Industry & Catering	Local food producers and catering services. Resellers of locally produced food, and drinking water manufacturers. Resellers of imported food are excluded (to be classified are Trading company)	50%
Fuel Services/Gas stations	Local Fuel providers	60%
Government Fees	Taxes, Zakat, withholding taxes, custom duties, port charges and visa payments, iqama and dependent fees. Excludes VAT.	100%
Government Relations	Custom clearance services, passport and iqama services, visa services etc. (excluding government fees)	70%
Industrial Services	Test & Inspection, certification, calibration, preventive maintenance, blasting & painting, coating & galvanizing, and scaffolding rental.	45%
Instrumentation Manufacturing	Local manufacturers of measurement equipment and other instrumentation materials (e.g. pressure & temperature gauges, flow meters, etc.)	35%
Insurance/Banks	Insurance for Medical, property, car and equipment. Also, other G&A Expense and finance cost. Excludes principal payments on debt.	70%
IT / Communication Services	Local providers of Installation and maintenance of computer and telecommunication equipment, website design and maintenance, hosting and app development, Internet, support services, CCTV installation services, software licenses and other related IT services.	45%
IT, Communication & Electronics Manufacturing	Manufacturing of computer and electronic components and communication equipment. (agents/resellers are excluded)	15%
Logistics & Transportation	All shipping, transportation and cargo service providers, Saudi-based airlines	55%
Machining Services	Machining, threading, drilling, fabrication works and welding	40%
Manpower Suppliers	Excluding recruitment agencies	50%
Medical Services	Hospitals/pharmacies, etc.	45%
National Companies	-In-Kingdom national companies such as Aramco, SABIC, SADARA, Saptco, Modon, Royal Commission, MA'ADEN, Marafiq, PetroRabigh, SEC, SWCC, National Water Co., and telecommunications entities e.g. STC, ZAIN, Mobily	80%
Offshore Drilling		40%
Onshore Drilling		50%
Other Services	Non-core business services (advertising services, print shops, packing services, janitorial services, pest control, material disposal)	50%
Pipe Manufacturing (ERW/Spiral)	Pipe using locally sourced materials, excluding non-metallic	65%
Pipe Manufacturing (Seamless/LSAW)	Pipe using imported raw materials, excluding non-metallic	35%
Plastic & Non-Metal Manufacturing	Gaskets, PVC pipes and fittings, non-metallic pipe, and other materials where raw material is sourced locally	55%

Saudi Aramco: Company General Use

Note: This list is subject to change and update without prior notice.

Power Distribution Manufacturing	Electrical cables, distribution equipment, etc.	30%
Professional Services	Consulting, engineering, accounting, training and legal services.	40%
Real Estate Development	Commercial, industrial and residential development	50%
Recyclers	Metal scrap, paper, plastic, rubber, steel, aluminum etc.	80%
Rotating Equipment Manufacturing	Pumps, compressors, gas turbines, mechanical seals, control valves, Hydraulic cylinder, Oil separator and filters etc.	30%
Safety Materials Manufacturing	Local manufacturing of safety and protective materials e.g. safety shoes, hard hats, safety glasses/goggles, fire equipment manufacturing	30%
Security Services	Guard, patrol, and armored vehicle services	70%
Static Equipment Manufacturing	Tanks, pressure vessels, valves (control valves excluded) , flanges, fittings, Impeller, Bearing Bracket, Bearing Cover, Joint Ring and steel fabricators/manufacturers	35%
Steel Rebar Manufacturing	Includes rebar only.	70%
Tire Agency	Resellers and service providers of tires	10%
Trading (Local industries)	Agents of locally produced materials – score is 10 points less than manufacturing. Example: local food producer is assigned 40%, then agent of local producer is 30%	
Trading Company	Agents/Resellers of imported materials	0%
Trading of Local Building Materials	Agents of building materials where materials are produced locally (steel rebar, sand, bricks). Excluding building tools	60%
Travel Agencies	Ticket booking, tours, trip planning	40%
Wooden Products Manufacturing	Such as furniture manufacturing	15%
In-Kingdom Based Companies with Out-of-Kingdom Operations	Out of kingdom spend with Saudi based companies (SABIC, Saudi Aramco, Saudi Airlines, etc.). The iktva score is half of the selected business segment. For example, if the spend is with SABIC's international operations, the score would be 40% (half of 80%)	