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Ukrainian-American Concordia University
Management and Business Faculty

MASTER'S QUALIFICATION WORK

**Ways of designing techniques of export-import operations of the
enterprise**

Master's student of
Field of Study 07 – Management
and Administration
Speciality 073 – Management
Specialization – Business
Administration

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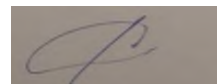


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Abstracts

This present study about how the ways of designing techniques of export-import operations of the enterprise and the competitiveness of export market can affect the growth in the economic and improving performance of the market and companies, and help the company to solve the problems that related to the import-export in the international market, and how to improve the strategies for company with developing of the export that can increase the exporting cargo and products. And understand the essence of export-import operations as a component of the system management with the impact of international competitiveness.

Keywords: Export and import, international market, economy , techniques, strategy, company.

Дане дослідження про те, як способи проектування методик експортно-імпортних операцій підприємства та конкурентоспроможність експортного ринку можуть вплинути на економічне зростання та покращення показників ринку та компаній, а також допомогти компанії вирішити проблеми, пов'язані з імпортом-експортом на міжнародному ринку, та як покращити стратегії компанії з розвитком експорту, що може збільшити обсяги експорту вантажів та продукції. А також зрозуміти сутність експортно-імпортних операцій як складової системи управління з урахуванням впливу на міжнародну конкурентоспроможність.

Ключові слова: Експорт та імпорт, міжнародний ринок, економіка, методи, стратегія, підприємство

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TASK
FOR FINAL QUALIFICATION WORK
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1. Topic of the work

Ways of designing techniques of export-import operations of the enterprise

Supervisor of the work Liudmyla Syerova PhD of Economics, Associate Professor

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Which approved by Order of University from **“16” December 2022 №22-12/2022- 1c**

2. Deadline for final qualification work submission **“10” February 2023**

3. Data-out to the final qualification work

to the master thesis materials received during the consultation with the representatives of Antar company

4. Contents of the explanatory note (list of issues to be developed)

There are three main topics/tasks for the thesis: theoretical and methodological foundations of the organization of international operations; research of the organizational and economic mechanism of management of the international operations of the enterprise; development of measures to improve the management of international operations of the enterprise.

5. List of graphic material (with exact indication of any mandatory drawings)

Graph for illustrating the dynamic of financial indicators of the company activity and schemes for visualization the market intelligence and analysis of the company.

6. Consultants for parts of the work

Part of the project	Surname, name, position	Signature, date	
		Given	Accepted
1	Syerova		
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3	Syerova		

7. Date of issue of the assignment

Time Schedule

№	The title of the parts of the master's qualification work	Deadlines	Notes
1.	I chapter	19.10-21.10.2022	Done
2.	II chapter	26.10-28.10.2022	Done
3.	III chapter	16.11-18.11.2022	Done
4.	Introduction, conclusions, summary	19.10 – 21.10.2022	Done
5.	Pre-defense	13.12.2022	Done

Student

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Supervisor _____

(signature)

Conclusions: _____

The master thesis of Mohammed Alharazi is relevant and dedicated to the organizing of international operations. Reviewed master thesis consists of content, introduction, 3 sections, conclusions, and recommendations. The content of the paragraphs is fully complied with the parts' titles and the topic of the master thesis. Content and structure of the work meet the requirements and current standards for obtaining an educational master's degree. Illustrative materials facilitate the perception of presented information and indicates persistence in the collection and processing (analyzing) of statistical data. Practical significance of this master thesis is proved by opportunity of using of proposed improving set of measures on the enterprise – AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY. Proposed recommendations will increase the efficiency of export-import operations of the company. The master thesis is a complete independent study of current theoretical and practical, aspects of the organizing of export-import operations. The master thesis of Mohammed Alharazi is recommended for defense with the highest score.

Supervisor _____

(signature)

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INTRODUCTION

Global economic integration gives corporations a large choice of markets to penetrate. The limitations among home and overseas international locations come to be much less applicable as companies gradually move globally. However, the global marketplace ventures of small- and medium-sized exporters, specifically in rising economies, are regularly constrained through their confined size, reach, and access. Therefore, good enough foreign marketplace knowledge is essential in formulating global techniques which can be supported through their internal assets and abilities. Such techniques consist of the choice to export merchandise to markets that provide extra possibilities for reaching advanced overall performance. As export destinations, evolved and growing international locations are various in phrases in their aggressive environment and patron preferences. The variations have created unsure situations characterized by each possibility and risk. Thus, companies are required to set off a marketplace-orientated method this is compatible with the surroundings so that it will be successful. Although some of the comparative benefits of exporters from growing international locations were highlighted, similarly discussion withinside the context of export techniques continues to be confined. Previous studies have tested the results of export techniques on a firm's overall performance particularly markets, without emphasizing which elements that make contributions to the selection of these markets. Thus, it's far vital to discover the function of export techniques in figuring out the goal of foreign markets due to the fact that export overall performance relies upon particular situational variables withinside the decided area. The motive of this observation is to have a look at the connection between export techniques and the marketplace choice of SME exporters in a rising economy. Hypotheses are built on how value management, differentiation, and consciousness techniques are related to exports to growing and evolved international locations amongst production SMEs. The effects suggest by the value management techniques are definitely related to exports to evolved international locations however negatively associated with exports to growing countries. Also, differentiation techniques display the alternative effect, value techniques, and consciousness

techniques are negatively related to exports to reach market. also, the contributes by integrating a firm-degree element into a country-degree evaluation and demonstrates that export techniques do act as a variable influencing the international marketplace selection (IMS) The globalization process, as one of the fundamental traits of current society, withinside the financial sense, more and more brings the complicated procedures of internationalization, liberalization, cross-border trade, investment, capital flows, generation transfer, labor mobility, and growing competition. It has improved the interest of policymakers and economic analysts withinside the global competitiveness of enterprises, industries, sectors, and country-wide economies. The global competitiveness difficulty has these days received growing interest because of its connection to prosperity. The high-quality courting among the country's worldwide competitiveness and its economic prosperity has emerged as evident. Competitiveness may be analyzed at the level of enterprises, sectors/industries, international locations, and regions. While the competitiveness of the organization has been an issue of the interest from the start of the competitiveness concept, since the cease of the seventies of the 20th century, the term competitiveness is more and more used on the subject of the performance of the enterprise or country-wide economies. The export performance and global competitiveness of the producing enterprise and its sectors have emerged as the primary situation of choice-makers across the world, with growing interest given to its function in boosting economic boom and development.

In global trade indentions a vital theoretical link between the export choices of institutions and the introduction and destruction of institutions. In this framework, discounts in marginal change costs, along with price lists and transportation costs, generate a massive boom in the percentage of institutions exporting and decrease the motivation to create new institutions. For instance, an eight percent discount in price lists will increase export participation by ninety-two percent however reduces the inventory of home institutions through percentage. While the impact of change on access is nicely understood, the impact of change at the dynamics of access over the commercial enterprise cycle is much less understood. And given the massive discount in company introduction for the reason that Great Recession, that is a vital place of interest.

International trade permits makers and distributors to hunt out merchandise, services, and parts made in foreign countries. Firms acquire them attributable to value benefits or so as to be told concerning advanced technical ways used abroad; for instance, ways that facilitate scale back the price of production lower costs and successively, induce a lot of consumption therefore manufacturing accumulated profit. Trade conjointly permits companies to accumulate resources that don't seem to be offered reception. Besides providing customers with a spread of products and services, international trade will increase incomes and employment. In 1990, the amount of U.S. jobs supported by merchandise exports to all or any foreign markets reached 7.2 million. U.S. merchandise exports to all or any foreign markets contributed to 25 percent of the expansion in U.S. civilian jobs between 1986 and 1990. It's calculable that each billion bucks of merchandise exports support concerning 25,000 jobs. A survey of 3,032 small- and medium-sized producing enterprises in Canada over a three-year amount (1994-1997) powerfully indicates that growth in exports is related to a rise in jobs. Even supposing imports area unit related to loss of jobs thanks to plant closings or production cutbacks of domestic industries, the export job-generation impact is concerning 7.5 percent larger than the import job-loss impact. Throughout the 1979-1999 periods, about 6.4 million U.S. jobs were displaced thanks to import competition. Such losses area unit mostly targeted in electrical/nonelectrical machinery, apparel, motorcars, and blast furnaces. 1 / 4 of displaced staff according earning losses of concerning thirty percent, whereas thirty six percent indicated comparable or higher earnings than from their previous job. Most occupations show a web job gain from associate degree equal quantity of exports and imports aside from blue-collar occupations, that area unit shrinking in most developed countries thanks to increasing pressure from low-wage imports. Exports produce high-wage employment. In an exceedingly study of recent wage statistics, the U.S. Trade Representative's workplace found that U.S. staff utilized in export-related jobs earn seventeen percent over the typical employee within the U.S. Export-related wages area unit higher for producing and repair sector jobs. Whereas service-related jobs typically pay but producing jobs, service jobs within the export sector were found to pay a lot of on the average than producing jobs within the overall economy. A recent study on wages and trade finds a powerful

correlational statistics between export intensity and wages. this might be partially explained by the very fact that export-intensive sectors tend to point out higher levels of productivity than different companies. it's conjointly according to theory, as industries within which a nation enjoys comparative advantage area unit possible to be those within which staff area unit a lot of productive and so receive higher wages. It conjointly shows that bigger import penetration is related to bigger demand snap, that reduces workers' bargaining power.

Many studies are conducted to determine major factors that influence exports. The trade Associate in and charge per unit regime presence of an entrepreneurial category, efficiency-enhancing government policy, secure access to move (and transport costs), and promoting services square measure thought-about to be vital authoritative factors of export behavior. A study on the character, composition, and determinants of Singapore's technology exports suggests that the country's open trade and investment regime and development-oriented policy are the key factors in enhancing the country's exports. Singapore's economy has shown continuing and noteworthy growth in exports for over thirty years with solely 2 transient and delicate recessions within the mid-1970s and mid-1980s. Its total trade as a proportion of gross domestic product remains one among the best within the world, over 300 % of gross domestic product in 2003. A recent study on the determinants of export performance underlines the importance of foreign direct investment (FDI) and also the general quality of the institutional framework. Foreign direct investment contributes to capital formation and helps promote the event and export of knowledge-based industries. a lot of the analysis literature on imports underlines the importance of high per capita incomes, the value of imports, and also the charge per unit in determinative import levels. For developing countries, however, determinants crucial demand conjointly embrace factors like government restrictions on imports and handiness of interchange. A study examining the factors influencing import demand in West Pakistan from 1959 to 1986 found that the policy of devaluation or the policy of raising tariffs wasn't important in reducing imports except within the case of imports of machinery and instrumentality.

The purpose and the final qualifying paper . The purpose of the work is to reveal the theoretical foundations and develop a methodology for systematic research on the Import and export of the organization and the growing importance of the import and export economy in the world.

Based on the specified goal, a set of tasks was set and solved in the work:

- to investigate the essential features, and imperatives of import and export economy in order to form a theoretical and methodological basis for their analysis;
- reveal the effectiveness of the import and export of in regions ;
- to analyze the features of import and export at the corporate level;
- develop the process of export management;
- to analyze the effectiveness of the management of the import and export in the world economy;

The object of research is the processes, regularities, and trends of the functioning of the import and export economy.

The subject of research is the theoretical-methodological and scientific-practical aspects of ensuring competitiveness in the import and export operations.

Structure and scope of work. Master thesis consists of an introduction, 3 chapters, conclusion, list of references. Work is carried out on 101 sheets.

CHAPTER 1

THEORETICAL ASPECT AND METHODOLOGY OF THE IMPORT AND EXPORT MANAGEMENT

1.1 THE ESSENCE OF EXPORT-IMPORT OPERATIONS AS A COMPONENT OF THE SYSTEM MANAGEMENT OF A MODERN ENTERPRISE

One of the first famous trade theories is the Heckscher-Ohlin-Samuelsson version (HOS-model). This model is primarily based totally upon the comparative benefits every country has in its endowments; i.e. capital wealthy nations will export capital-extensive merchandise and labor-wealthy nations will focus on labor extensive export.. However, Leontief (1953) confirmed in an empirical evaluation of the export styles of business nations that the HOS concept fell brief to provide an explanation for styles of intra-enterprise trade. Since the HOS version fails to provide an explanation for the dynamic export relations in the sector marketplace, trade models which do now no longer use variations in endowments had been introduced. One of the earliest trade models by Posner was in 1961. His paper delivered the discussion that trade could be caused by technological modifications originating in one country. Posner's discussion moved the trade concept from an 'endowment concentrated' attitude to an 'innovation-imitation' view. His fundamental assumption became that the improvement of the latest merchandise did not happen concurrently in all nations, ensuing in a comparative technological gain for the innovator. This lag withinside the spreading of technological know-how consequences in temporary quasi-monopolies wherein the innovator is able to generate excess and profit from the disequilibrium available in the marketplace. The increased call for a brand new product with brand new technological content, ensuing in extra demand, will deliver the competition available in the marketplace an incentive to imitate the new technology. The complexity of the new technology and the country of opposition withinside the enterprise earlier than the new technology became introduced will decide how long the comparative technological gain will last. However, even if an enterprise in a single country loses its

temporary trade disequilibrium gain, the brief-term competitive gain can result in the introduction of the innovative cluster. This clustering of innovation promotes the improvement of the latest technology, ensuing in new capability disequilibrium benefits (Posner, 1961). The problem with Posner's technical trade concept is that it sees innovation and imitation as a lead to itself. Posner fails briefly to identify the complexity of global competition and its different characteristics. An extra dynamic evaluation of the competitive levels of manufacturing became introduced through the PLC in a trading concept by Vernon (1966) and Hirsch (1967). Vernon and Hirsch united the PLC concept earlier introduced for a single company by Dean (1950) with the trade concept regarding differences in technology. The end result became an extra dynamic trade concept primarily based totally at the different levels of product improvement that require different ranges of standardization. Since technological understanding is not the same spatial distribution and nations maintain comparative benefits in one-of-a-kind levels of the PLC, the trade sample may be visible as primarily based totally on the PLC concept. The initial degree of the PLC is the modern phase, in which the asymmetric understanding generates temporary quasi-monopolies for the innovator. During the time it takes for the competition to analyze the new technology the innovator will advantage of extra profits. As the competition analyzes the new technology manufacturing will become extra standardized. This standardization requires different talents and understanding than the modern degree, ensuing in that the comparative gain can also additionally shift from the innovator to different suppliers, transferring the competition towards price reduction. As the product is produced and exported, different manufacturers analyze the technology, and the manufacturing technology is progressed according to the learning curve. As the product reaches the degree of marketplace saturation, the new technology is now introduced among a majority of the manufacturers, which makes it hard to compete over product characteristics. To this level the marketplace percentage for the innovator is not developing anymore, as a substitute new manufacturers with a comparative gain in manufacturing technology can also add input to the marketplace, transferring the opposition towards rate competition. If the innovator is not capable of competing in the new price-cutting marketplace, its marketplace percentage will decline to

leave it with extra manufacturing capacity; forcing it to shut down or to introduce new improvements which all over again can offer it temporary quasi-monopolies. The product cycle, and its different levels of product and rate competition, can be drawn withinside the following manner.

In order to further examine the performance of various economies and subregions in global trade, ECLAC has extended the use of the RCA index via a method called can (“Competitive Analysis of Nations”). can is used to assemble a sequence of signs that increase the RCA index using data from the United Nations Commodity Trade Statistics Database (Comtrade). In its most current version, Comtrade information time-series data for the 1985-2010 period from a pattern of 73 nations, of which 23 are industrialized and the remainder are growing nations. Its information of exports and imports now covers 90% of world trade, expressed in current United States dollars. With the can technique, information from Comtrade is processed in several ways. First, it calculates regional aggregates of the imports of broad groups of economies:

- (i) industrialized countries
- (ii) growing countries.

Then, the trade of data for each of these organizations is damaged down into different subregions. The industrialized countries are separated into 3 groups:

- (i) North America
- (ii) Western Europe
- (iii) other industrialized nations.

The growing nations are divided into

- (i) Africa
- (ii) Asia,
- (iii) the Americas.

Import data are indexed with the aid of using greater than 230 product organizations

according to the Standard International Trade Classification (SITC) revision 2: in different words, damaged down to the three-digit level. Then, three-year rolling averages of the Comtrade data are calculated, except for the figures from the most current year (2011), for which an average with the previous year is calculated. Using descriptive statistics can build at the method based on found out comparative advantage (RCA) and lets in an evaluation of the evolution of the sectoral shape of a country's exports of a product or organizations of merchandise, their marketplace shares, and the dynamism of the global demand them. Those signs are used to attract a sequence of matrices that offer summarized indicators of the competitiveness of a country's exports at a given time and in a selected outside reference marketplace. A country's competitive position is decided with the aid of using the evolution of the percentage of its exports in a given outside marketplace in the course of a particular length of time. Similarly, it takes into consideration the dynamism of the demand for the different merchandise it exports. Compared to the RCA index, can constitute considerable development in describing and comparing the globally competitive and comparative conditions of various nations for particular sectors or merchandise over a relatively long length. But, just like the RCA index, it gives the only descriptive technique to the export competitiveness of a given economy. It does not offer an explanatory version for the elements that underlie the competitiveness it detects; it does not indicate whether the attained competitiveness is sustainable withinside the long term; and it fails to discover how production, transportation, and different prices evolve. At the equal time, with the aid of using expressing figures in current dollars, the canned analysis ignores the separation of the phenomena of price and volume. Finally, in that it is based on income at current prices, the can methodology offers no information on the evolution and significance of local or foreign costs delivered in special exported goods.

1.2 THE IMPACT OF INTERNATIONAL COMPETITIVENESS ON TECHNIQUES OF EXPORT-IMPORT OPERATIONS

The term "competitiveness" is one of the most usually used ideas within the economic system, although there is no usual standard definition of it. Nobel laureate in economics Paul Krugman believes that if competitiveness has any meaning, it is just another manner to specific productivity, emphasizing that the capacity of a country to enhance its living popularity depends nearly completely on its ability to grow its productivity. According to Krugman, competitiveness is a meaningless phrase when applied to the national economic system stage. This is an intense attitude, due to the fact the government, via its rules, significantly affects the situations wherein organizations create and enhance their competitiveness. Michael Porter, who is one of the conceptual creators of the notion of competitiveness, within the shape wherein it is acknowledged today, in his work "Competitive advantage of nations", states that the competitiveness of the country-wide economic system (macro competitiveness) arises exactly from the competitiveness of corporations belonging to that economic system. According to Porter, competitiveness may be determined simplest on the business enterprise stage. Despite these views, the concept that the economic success of a countrywide economic system relies upon its global competitiveness emerged among commercial enterprises, and political and intellectual circles within the late seventies. At that time, the World Economic Forum had begun publishing the Global Competitiveness Report, which included the ranking listing of country-wide economies with the aid of using competitiveness. The most essential global agencies gave their definitions of the idea of competitiveness. The Organization for Economic Co-operation and Development (OECD) defines competitiveness because of the degree of the country's ability to supply items and services by skipping global marketplace checks in loose and identical marketplace situations. International Institute for Management Development defines competitiveness as "the cap potential of the country-wide economic system to supply the brand new fee and growth countrywide wealth". The idea of competitiveness in line with the European Commission is described because of the cap potential of a rustic to offer its

populace an excessive and growing trend of dwelling with excessive employment quotes at a sustainable basis. The World Economic Forum and one of the maximum well-known friends of this institution, Michael Porter, define competitiveness because of the set of institutions, rules, and elements that decide the extent of the country's productivity. The stage of productivity, on the opposite hand, defines the sustainable stage of prosperity that the economic system can achieve. If the economic system is greater competitive, it will be able to producing a better stage of earnings for its citizens. According to Kovacevic, funding quotes, exchange accounts and outside debt must be brought to the competitiveness definition of the World Economic Forum. Bearing in thought the aforementioned definitions of competitiveness, it's miles clean that competitiveness is a complicated idea that has no particular harmonized definition. On the contrary, most economic specialists agree that the XXI century is the duration of worldwide monetary opposition because of the globalization process. In current situations, competitiveness is crucial a part of improvement management, on the way to greater correctly creating social wealth and long-time period sustainable increase. In general, competitiveness may be described because the concept arises from the ability of commercial enterprise entities, individual commercial sectors, or national economies to marketplace services and products greater effective than a few different commercial enterprise entities, commercial sectors, or country-wide economies. Competitiveness is important thing concept withinside the modern economic system, for the reason that competitiveness of the economic system additionally affects withinside the better popular of living for citizens. The primary aim of reaching and enhancing competitiveness in current situations is permanent and sustainable financial increase expressed via GDP increase and GDP per capita increase, which guarantees the growth in employment and, ultimately, the rise withinside the citizens' best of life. Competitiveness became at the start notion to be measurable simplest at decreased levels, most usually for businesses, when competitiveness denotes the capacity to create, produce, promote and provide merchandise or services. Lately, the competitiveness problem is analyzed at various levels of socio-economic organization, from the extent of products, corporations, sectors, and branches to the competitiveness of country-wide economies and local integration. Multidimensional

method of the idea of international competitiveness, each enterprise (international microeconomics) and individual sector (international mesoconference), in addition to the economic system as a whole (international macroeconomics), is more present. Macro competitiveness changed neglected till the second 1/2 of the 20th century in terms of the idea of micro competitiveness. However, considering then, macro competitiveness has received its importance, not only as an economic but also as a political issue. Assessing a country's competitiveness and growing regulations for its development have come to be formally institutionalized responsibilities in lots of country-wide economies: the United States, the United Kingdom, Belgium, Italy, the Netherlands and Japan. The growing realistic use of the idea of competitiveness in assessing the success of country-wide economies in handling economically demanding situations corresponds to the pioneering efforts of the United States and the European Union withinside the early 1990s, which shaped the councils for enhancing competitiveness. Macro competitiveness refers to the competitiveness of national economies compared to other national economies, while the idea of micro competitiveness refers back to the enterprise of corporations of one national economic system in terms of enterprise of foreign businesses. Given the reality that the idea of global competitiveness, as a relative concept, implies a few global comparisons, international area competitiveness may be described as the attention of the world competitiveness of one national economic system as compared to the world competitiveness of different national economies. The idea of macro competitiveness and techniques of measuring, Krugman described as "dangerous obsessions" (Krugman, 1994) and because of the longstanding mistake that made global trade new and exaggerated rhetoric. Krugman described the idea of competitiveness because of the capacity to hold foreign trade in stability, while reaching the ok popular of living. According to Krugman, while looking at company-level competitiveness, the achievement of 1 corporation usually method the loss for all others (known as zero-sum games), while in the observation of competitiveness among countries, in particular, withinside the lengthy-time period, this is typically not the case. One definition of macro competitiveness defines this term because the capacity of a vicinity or a country to create added value and jobs and to enhance the residing standards, and the capacity

of a country (area) to reach GDP above target. Porter defines macro competitiveness because the capacity of a country to attain high-current productivity. In the quick term, the time gap between the changes in productivity signs and changes in the country's competitive function withinside the international may be created. On the opposite hand, withinside the lengthy-time term, productiveness in the use of resources is one of the primary determinants of the competitiveness of the national economic system. Changes in competitiveness withinside a short time period should occur without changes in productiveness, and Tomas cites devaluation as one of such determinants of competitiveness. Difficulties in theoretical insurance of the concept of competitiveness are associated with the reality that competitiveness is primarily based totally on relative positions; it has unique meanings at extraordinary levels of aggregation and the dynamics of the observed economic system perform a critical function in determining the phenomenon of competitiveness. There is no typically universal definition in the expert literature for sector competitiveness. Sector-level competitiveness is often viewed because of the techniques and processes of businesses running withinside the area. In the case of sectoral competitiveness, the macroeconomic evaluation on the sectoral stage is carried out, so there is an overlap of macro and Mesolevels of competitiveness. Foreign exchange balance serves as the basis for clarifying and analyzing the comparative benefits of the enterprise/area. competitiveness is the capability of the world, enterprise or department to supply and promote their items on the price, quality, and different characteristics that are more attractive than the comparative characteristics of products presented by competitors. Cho and Moon factor out that, while defining competitiveness on the national economic system degree, it's far vital to awareness not of the economic system as a whole, but on its sectors / enterprise. The competitiveness of the financial sectors has a dominant effect on the general competitiveness of the national financial system and it is from the basis of export competitiveness. Export competitiveness is affected by a big number of factors (productivity, manufacturing costs, technological development, etc.), but it is predominantly determined by the level of sectoral competitiveness.

1.3 THEORETICAL FOUNDATIONS OF MAIN APPROACHES TO ORGANIZATION AND TECHNIQUES OF EXPORT-IMPORT OPERATIONS

Zones Special Economic (SEZ). If properly applied and within the proper framework, the Zones could be effective tools for market entities . Some developing nations , especially those in East Asia , provide success tests . Such zones, however, are risky, expensive investments that need to be made with care. They can be used to further a political theory rather than a financial one, and in a few zones .

The phrase "Special Economic Zones" (SEZs) refers to a broad range of zones , including loose ports, organization zones, parks , financial and technology development zones , sophisticated zones , and others.

Table one indicates the most not unusual place sorts which can be created in latest years.

Table 1

Main approaches to SPZs

Name	Definition
Free Trade Zones	FTZS (also known as commercial-free zones) are fenced-in, duty-free areas, offering warehousing, storage, and distribution facilities for trade, transshipment, and re-export operations.
Export Processing Zones	EPZS are industrial estates aimed primarily at foreign markets. They offer firms free-trade conditions and a liberal regulatory environment. There are in general two types of EPZS: one is a comprehensive type, open to all industries; another is a specialized type, only open for certain specialized sectors/products.
Comprehensive Special Economic Zones	Comprehensive SEZs (also called "Multi-functional Economic Zones") are zones of a large size that have with a mix of different, industrial, service and urban-amenity operations. In some cases these zones can encompass a whole city or jurisdiction, such as Shenzhen (city) and Hainan (province) in China.
Industrial Parks	Industrial Parks (also called "Industrial Zones") are largely manufacturing-based sites. Some multi-functional ones similar to "Comprehensive Special Economic Zones" (listed above) exist, but usually operate at a smaller scale. The parks normally offer a broad set of incentives and benefits.

Bonded Area	Bonded Areas (also known as "Bonded Warehouses") are specific buildings or other secured areas in which goods may be stored, be manipulated, or may undergo manufacturing operations without payment of duties that would ordinarily be imposed. To some extent, a "bonded area" is similar to a "free trade zone" or "free port." However, the major difference is that a "bonded area" is subject to customs laws and regulations, while a "free trade zone" is exempt from these provisions.
Specialized Zones	Specialized Zones include science/technology parks, petrochemical zones, logistics parks and airport-based zones.
Eco-Industrial Zones or Parks	Eco-industrial zones or parks focus on ecological improvements in terms of reducing waste and improving the environmental performance of firms. They often use an "Industrial symbiosis" concept and green technologies to achieve energy and resource efficiency. Given the severe environmental challenges, an increasing number of countries is embracing this new type of zone.

Source – made by the author based on WTO

Although these zones differ from each other, they all have positive characteristics. Broadly speaking, four characteristics outline the SEZ concept:

- it is a geographically represented space that is physically secured from time to time,
- it is single administration or management,
- it gives advantages to traders who are physically located in the sector,
- it is a separate customs area (duty-free benefits) and efficient procedures.

these zones distribute alternatives that contribute to the specificity of the SEZ. These are:

1. a special restrictive regime: zones operate unobtrusively as individuals under a set of liberal financial laws, which usually prevail on issues such as labor, land use, and foreign finance
2. public offerings: square degree zones unobtrusive with economic customs, quick track registration and licensing, usually via one-stop-shop offerings
3. Infrastructure: Zones have much higher and more reliable infrastructure such as roads, electricity and water compared to the domestic financial environment

4. Incentives for trading firms: the buyer sector, particularly its anchor traders, typically enjoys capital freedoms and high levels of tax incentives and subsidies.

The first modern SEZ was founded in 1959 in Shannon, Ireland. In the 1970s, East Asian and Occupied Territories began establishing such zones—at first essentially in the style of Export Processing Zones (EPZs)—to attract foreigners to provide direct financing in labor-intensive manufacturing sectors to stimulate exports. One sector represents a departure from standard import substitution policies. EPZs place units in typically gated properties with tight customs controls, and a maximum of product produced in these zones (typically over 80 percent) must be exported. This version has been changed to Palmy in several countries, as well as the Republic of Korea, Taiwan, China, Vietnam, Bangladesh, Mauritius, the State and Republic of El Salvador. Since then, numerous new FEZs have been created. By 1986, in cooperation with the International Labor Organization (ILO), 176 EPZs were in operation in 47 countries; and by 2015 their presence had matured to around 4,300 EPZs in over 130 countries.

Quantitative measures of financial improvement outcomes, such as funding, employment, exchange, and/or export generation; and in some cases, coupled with the financial and coverage reforms, to bet on the provisional targets of the proposal. For there to be music of its progress, an accurate observation and analysis device must be set up to visualize whether or not the area program is on track and to see whether or not adjustment or remedial action should be taken. Additionally, a partner goes-out mechanism may be required to save your partners from a poorly designed application at the early stage of the partner

On the other hand, in situations where zones need time to make an impact, one must not declare their success or failure too early, in order not to end a sector program prematurely degree economical and powerful method. In particular, funding in SEZs can:

1. Offer the bundling of public services in the course of a geographically focused location
2. Improve the efficiency of limited public infrastructure resources/budgets

3. Facilitate cluster improvement or agglomeration of positive industries
4. Offer housing options that support advanced living conditions for all employees earning minimum wage and highly qualified technical staff, and take advantage of economies of scale when providing environmental services like water treatment facilities and barn waste disposal facilities. With this, the SEZs might contribute to the beginning of any activity, the creation of economic benefits, and possibly even the protection of the environment and the promotion of green growth and eco-friendly cities.

It must be stressed, nonetheless, that Special Economic Zones ought to be thoroughly considered for market imperfections or commitment limitations that cannot be resolved by opportunity judgments alone. Zones may not be necessary if the constraints can be resolved on their own by comprehensive reforms, industry-wide stimulus programs, or general strategies.

Although the SEZ regime is essentially a tool for shaping national policy, governments are required to be conscious of how SEZ interacts with their obligations to the world. Such national policy making will be facilitated or constrained by international regulations.

Two key areas of SEZ-related national policymaking act with countries' international obligations:

- Support measures granted to SEZ resident corporations
- needs placed on SEZ investors

International rules will either facilitate (allowing or requiring) or constrain (prohibiting or requiring phasing out) such measures. States square measure suggested to style and administer SEZs during a method that does not breach their international obligations and maximizes the advantages these obligations might offer.

Table 2

Main Distinguishes of Supporting and Constraining Firms

SEZs and international law (examples)Impact of measure	Measures	international rules limiting the measure prohibiting it or phasing it out)	International rules allowing or requiring the measure
Supporting firms	<ul style="list-style-type: none"> • Tax and other benefits • Exemption from customs and duties • Relaxed regulatory requirements • Additional liberalization for foreign investors • Streamlined administrative procedures 	<ul style="list-style-type: none"> • WTO SCM instruments • Human rights • ILO conventions • Environmental agreements 	<ul style="list-style-type: none"> • Kyoto Convention • WTO GATT • WTO GATS/RTA (establishment commitments) • WTO TFA • IA (investment facilitation rules)
Constraining firms	Establishment and operational requirements	<ul style="list-style-type: none"> • WTO TRIMS • IA/RTA rules on performance requirements 	<ul style="list-style-type: none"> • RTA/A reservations for performance requirements

Source – made by the author based on WTO

International financing agreements are usually manual official measures with appropriate investment protection and, for smaller amounts, grants, subsidies, compensation packages, and capital financing. Among other things, host countries sign the IIA for the possibility of attracting funds, this is also an important goal of the SEZ.

In general, bilateral investment agreements and memoranda of understanding with financing provisions do not identify investments in SEZs. Rather, they look at how investments in SEZs, and how can make opportunity-creating investments. Most bilateral trade agreements allow buyers to enforce significant protections against host countries through global arbitration. A scan of more than 900 publicly recognized ISDS instances, mostly contract-based and fully contract-based, revealed 11 SEZ investment disputes.

The association of these 11 cases with SEZ varies. The most suitable instances contain 3 actions:

- Termination of leases by SEZ authorities
- Deprivation of investor's SEZ tax status

- Imposition of environmental wishes in alleged violation of the stabilization clause under the rules of the host US Special Economic Zone.

• **WORLD TRADE ORGANIZATION**

As with BITs, World Trade Organization (WTO) policy does not distinguish between SEZs. Therefore, international corporate policy respects the actions of the competent authorities that can be taken within the framework of the SEZ.

The World Organization Convention on Subsidies and Countervailing Measures is the most appropriate. Although not specifically provided for in the SEZ, the SCM prohibits export subsidies and subsidies that may be contingent on favoring local over foreign products. Insofar as SEZ applies such measures, questions about the overall compatibility or non-compatibility of the company may arise.

At the same time, the SCM gives you some flexibility to carry out fellowship activities that may take place at the SEZ. For example, popular infrastructure accessible to all or some special economic zones was not considered insurance and therefore does not apply to the SCM Agreement standards. Exempting the exported composite products from any liability or tax due to the form of the product consumed in the region, or waiving such obligations under tariff concessions, does not pose a problem under the Agreement's rules on subsidies and countervailing measures.

By providing a single and differentiated treatment, the SCM arrangement created several flexibilities for the development of US participants. Most rollback periods and transition strategies, but have since been rolled back. As a result, the least developed countries and the most efficient developing countries with a gross domestic product of less than USD 1,000 per year per capita. Maintain export subsidies. Many international economic players have been closely watching the transition and phasing out of this adaptability and need to educate themselves accordingly.

Like the SCM Arrangement, the Comprehensive Company Agreement on Trade-Related Investment Measures does not identify SEZs, but may address SEZ-related measures. Examples

are trade-related financing measures, such as local material requirements or import-export matching requirements. To the extent that SEZ applies such measures, questions about the company's overall compliance or non-compliance may arise. Overall, the TRIMs agreement contains provisions on changes

In view of the importance of tariff facilitation in SEZs, the overall organization of the trade facilitation agreement also influences SEZ policy. completed in 2013, came into effect in February 2017. It establishes rules to expedite the movement, clearance, and customs clearance of goods with flexibility for developing and least developed member countries. The obligation of a developing country or a least developed country to implement the provisions of the Agreement is conditional on that member acquiring a mandatory technical capability. this may require donor support, supported by an analysis of each member's needs.

In addition, many global organizational processes involve SEZ-related issues:

- **Joining a global organization:** Prospective members of a global organization should document their trade policies and SEZ rules and incentives and/or plans for future SEZs. create additional obligations that explicitly refer to or mention the SEZ.
- **Foreign Policy Review Mechanism:** A member body of a global organization provides the Foreign Policy Review Body with a comprehensive and detailed report on its business policies and practices and on the SEZs.
- **World Organization Dispute Resolution: Export Measures,** draws attention to issues related to special economic zones and the SCM's ban on export subsidies.

•**REGIONAL TRADE AGREEMENTS**

Like the BITs and the agreements of international organizations, the RTAs also cover the SEZs of the participants in the RTA, unless the SEZs are expressly excluded from the RTA or by special provisions.

The current RTA is often an elegant arrangement made up of numerous chapters dealing with various aspects of the economic relationship between the parties. While this focuses on issues related to trade in goods and services, it further obscures alternative issues such as

investment, business entry, government takeovers, ownership, competition policy, public enterprise, jobs, atmosphere, and restrictive cooperation. The bases that cover these areas move a total of different ranks with the policy related to the SEZs.

When considering an SEZ in the context of an RTA, two types of interest come into play.

However, other RTA members have an interest in the partner countries' special economic zones not hindering their struggle and economic performance. Country interests are not fundamentally static as the new SEZs may seem while others are phasing out. Therefore, developing balanced rules is beneficial for all RTA partners.

The big majority of model RTA provisions apply to the SEZ in the same way as to the rest of a Party's territory. However, RTAs sometimes contain rules that apply specifically to SEZ; Such unit area rules are generally rare. These rules contain definitions, written assurances of contractual obligations, exceptions or reservations to obligations, provisions on institutional cooperation or rules derived from the specific content of the SEZ. Some special regulations for SEZs have been abolished, but products from SEZs in partner countries must be treated when imported. Others modify the general rules of origin of SEZ products.

Although there are numerous difficulties, there are also many opportunities brought about by the interconnections between SEZ-related policy measures and the various legal frameworks. Countries should consciously build this interface at 3 levels in order to maximize benefits:

- At the strategic level, decide on investment policy priorities that will most effectively contribute to SEZs' development. In order to achieve national development goals, national and foreign investment policies should be integrated as they relate to SEZs. These objectives could potentially be included into a nation's overall development plan and linked to the United Nations' Sustainable Development Goals for housing.
- At the policymaking level, develop the guiding principles to promote collaboration and support real estate development goals. Examples include developing synergy between national and law of countries and policies, as well as between SEZ objectives and legal obligations.

- At the level of policy implementation, enhance collaboration between pertinent parties to ensure due process, transparency, and policy coherence in SEZ governance, management, and administration. There has been an increase in foreign investment in SEZ development. Governments are increasingly building SEZs abroad, in addition to private foreign zone developers. Cross-border SEZs spanning two or more nations with joint occupancy have also evolved, accelerating the emergence of border SEZs and promoting regional and global collaboration.

Zones for foreign partnerships

The establishment of SEZs is attracting more FDI. Large corporations and developers of industrial properties are becoming more and more interested in the growth of economic zones abroad. For instance, significant international zone developers include Sembcorp Industries (Singapore), Ascendas-Singbridge (Singapore), Mitsubishi, Sojitz, and Sumitomo (all Japan). Chinese companies, particularly in Asia and Africa, are becoming increasingly noticeable in the creation of economic zones, such as Holley Cluster and Yantian Port Cluster. The host economies frequently refer to some zone development models as "zones built with the cooperation of a foreign partner." Government-to-government cooperation zones have received attention, however the majority of these zones were created by multinational firms without the assistance of bilateral government agreements. To accommodate their suppliers and increase provisional capacity, some foreign countries have created their own economic zones. For instance, Toyota has created a collection of supply chain networks at its industrial parks in India since 1998. In a sizable area of Viet Nam, Samsung built its own big industrial complex in 2016. (AIR17). In host countries, many zones are built as PPP projects, and foreign developers have taken on these projects through joint ventures with both public and private native partners. In most cases, the foreign developer becomes the manager of the zone or a partner within the management company.

Table 3

Types of SEZS developed with foreign partners

Types of SEZS	Examples
Zones developed by foreign developers or through joint ventures with local companies as private FDI	Amata City Bien Hao, developed by Amata (Thailand) in Viet Nam (1994) through a joint venture with Viet Nam's State-owned enterprise Sonadez
Zones developed through public-private partnerships with foreign developers	Savan-Seno SEZ in the Lao People's Democratic Republic (2003), developed through a joint venture between Malaysian private companies and the Government
Zones developed as government-government partnership projects	Suzhou Industrial Park, developed in China (1994) through a joint venture between Singaporean and Chinese consortiums

Source : made by the author WTO Report

Government-to-government partnership SEZs have conjointly become popular in recent years. they're underpinned by a bilateral agreement to conjointly develop SEZs, putting in the cooperation framework, the division of responsibilities, and therefore the development and management mechanism of the zones. Government partnership zones will be designed and managed by host-economy developers, home-country developers, joint ventures, or third-country developers, to learn from their capital or experience in zones development. one of the Japanese townships in Asian nation, One Hub Chennai, was developed by Japan's Mizuho Bank and engineering company JGC, in conjunction with Ascends, associate degree tough business advanced developer from Singapore.

Government partnership zones square measure being established at the initiative of each the host country and therefore the partners. a mix of development help, economic cooperation, and strategic issues is encouraging the event of partnership zones initiated by capitalist home-country governments. Major ODA donors and multilateral development establishments have enclosed the event of SEZs as a part of development help. the globe Bank, along with the U.S. Agency for International Development and therefore the European Investment Bank, supported

the institution of the Gaza Industrial Estate in 1999 to extend employment and GDP, for instance. Japan other piece of ground development to its menu of business development help within the early 2000s and thru Japan, International Cooperation Agency helped build SEZs within the Middle East and Africa. Since 2000, France, Germany, India, the Republic of Korean Peninsula, and Turkey have all engaged within the construction of FTZs within the State of Palestine to push economic development and Israeli–Palestinian cooperation. (appendices 7)

In the case of Singapore, building a network of strategic zones in key markets⁶ was a essential part of the country's Regionalization 2000 programme. The programme supposed to facilitate Singapore's transition to a "total business centre" by relocating low added producing activities to regional sites whereas restructuring Singapore's economy into a regional hub for the higher-end activities of Singapore-based MNEs. (see appendices 7)

Development of China's Overseas Economic Cooperation Zones Although the Chinese Government announced in 2006 that it would establish up to 50 overseas economic and trade cooperation zones, only 19 overseas zone proposals were selected as China's Overseas Cooperation Zones (COCZs) through two rounds of tenders in 2006 and 2007. The zones were required to submit an annual report to the Ministry of Commerce and the Ministry of Finance and to be evaluated annually on the basis of their performance in zone construction, investment committed, number of tenants, investment of tenants, corporate social responsibilities, environmental protection and the like. Zones that failed to pass the evaluation for three consecutive years would be no longer eligible for government incentives. The tender experiment was suspended in 2014. Enterprises are now encouraged to build overseas industrial zones on the basis of their business needs and apply for verification as national COCZS from the Ministry of Commerce. Verified zones can then apply for concessional loans or low-cost finance from development banks and funds

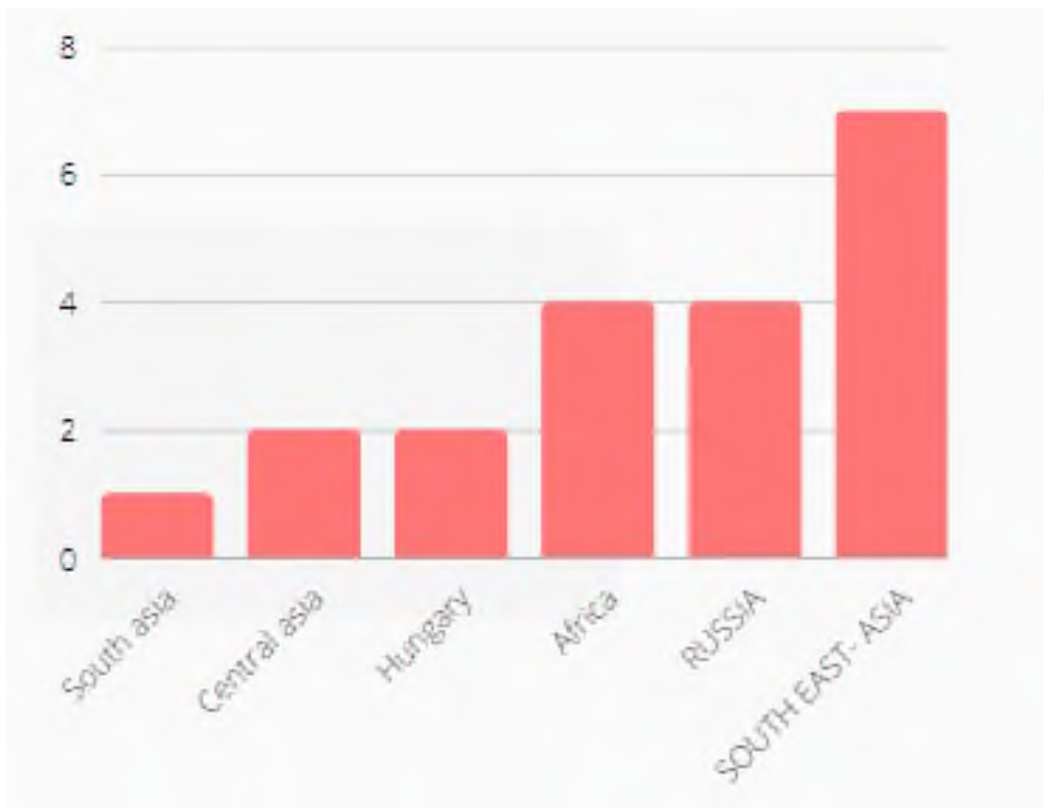


Fig 1. Distribution of the 20 verified COCZs

Source : made by the author WTO Report

Since the early 1990s, over a dozen Singapore Industrial Parks have been built in Indonesia, Viet Nam and China by Singapore Government-linked companies.

- **Import and export management difficulties**

- 1. legislation and regulations**

Small and medium-sized businesses may all be one of a kind and distinctive, but they must nevertheless go by a set of laws and regulations that apply to all of them. Companies engaging in international business should be aware of the legal and statutory framework governing imports and exports. Global value chains (GVCs), which involve the movement of raw materials, parts, components, and services across national boundaries before being incorporated into the finished goods, account for over 70% of today's sophisticated international trade.

- 2. Regulations and limits on international trade**

Exchange agreements are reached and trickle down on three levels: multilateral, bilateral, and unilateral, to establish standards and rules. The World Trade Organization (WTO) is responsible for regulating international trade as it is the leading body in this area. Through multilateral agreements, the organization establishes the rules to follow for the exchange of products, services, and intellectual property as well as the procedures to follow for resolving disputes.

- 3. Worldwide payments**

Small and medium-sized enterprises (SMEs) with a global presence are frequently need to transfer money to foreign accounts in order to pay their employees, pay their wages abroad, pay suppliers abroad, and for a variety of other reasons. Cross-border payments, often known as international payments, include at least two completely distinct nations and more than one bank. While the choice of service providers and payment methods best suited to a particular firm are influenced by commercial activity and the trade environment, all corporations should take certain factors into account.

International payments have gotten simpler, faster, and more secure as global trade has exploded. Nevertheless, there is room for development. Additionally, the cost of international payments remains high. International payments can cost a lot for those who are unprepared due to hidden costs including currency conversion fees, poor exchange rates, and

transfer fees. Using best practices for international payments can help import and export businesses operate more cheaply and effectively.

CHAPTER 2. STUDY OF ORGANIZATION AND TECHNIQUES OF EXPORT-IMPORT OPERATIONS OF AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY

2.1 ORGANIZATION STRUCTURE AND CHARACTERISTICS OF FINANCIAL AND ECONOMIC ACTIVITY F THE ENTERPRISE

The company's overall performance after COVID-19 the global economic system has exposed extreme damages, the maximum essential of them is reducing of the combination demand which becomes appeared in lots of financial aspects of our life, the Saudi economic system is as other economies withinside the world, which means markets in Saudi Arabia exposed to a semi-decline in all its activities, which made the local economic system is a problem to a lot of downturn problems. So, the effects of the organization become according and affected with this situation, that an intense decline incurred in income because of decreased demand of merchandise and high value of income, commonly the entire internet of labor and running activities effects have been influenced by COVID-19 and feature bad impact on the achievement of desired goals because of reducing of used effective capability and incurrence of constant non-used running costs. Fortunately, in its strategy, the Saudi 2030 vision has previously authorized the desired plans to support non-public areas and assigned them to carry out essential roles in all fields of sustained development, so the Saudi non-public area has become ready to do an effective position with the authorities bodies in revive demand in local marketplace and setting it in its natural role earlier than COVID-19

Al Abdullatif Industrial Investment Co. is a Saudi shareholding organization indexed at Saudi Stock Exchange, is professionally controlled and specialized in production of carpet and mediated merchandise consisting of strings (polyester strings, acrylic strings, polypropylene strings, nylon strings) and manufacturing of carpets' linings, manufacturing of colored stains, manufacturing of paper tubes, production and sales of blankets, the corporation has modern and included manufacturing lines with skillful and large experience employees on this area. Al

Abdullatif Industrial Investment Co. become a limited liability company withinside the call of Saudi Carpet Factory and in 2007 it becomes converted into an indexed shareholding company.

Team Organization



Fig. 2. The organization structure of Al Abdullatif Industrial Investment Company

Source : made by the author based on Annual report of the company

The main activities of the enterprise are targeted on the field of carpet manufacturing, pieces of carpet, prayers carpet, manufacturing of stings associated with the production of carpet, import and operation of radiated devices regarding the organization factories as per license issued through Research Institute of Atomic Energy and General Constructions for Housing Buildings, activities of subsidiaries are targeted on manufacturing of circle spinning strings, manufacturing of polypropylene strings, fundamental and secondary carpet lining from polypropylene, production of blankets and acrylic strings, manufacturing of colored plastics

and color-fastening colors, production of paper and crimped cardboard (carton), production of paper cylinders in different sizes, production of carpet and wholesale and retail in carpet, training within Al Abdullatif Training Co.

The company plays those activities during its factories and subsidiaries that are owned through the organization with 100%, the enterprise has no industrial activity outside the Kingdom of Saudi Arabia, those subsidiaries are limited liability ones, and they have never issued any credit shares or instruments during the year. (see appendices 8)

Measurement of the company's well-known performance is connected with targets and strategic plan, obligations of executive administration, the board of administrators, and committees, additionally related with results, achievements, and information provided to all stakeholders, the process to measure the organization's performance, firstly should acknowledge that the business enterprise has exposed to damage after COVID-19 because of reducing of demand and additionally protective precautions which had been taken, which include lockdowns for the sure period, due to the fact Kingdom of Saudi Arabia dealt nicely with implications of COVID-19, that is evident in Royal decrees issued by the Custodian of the Two Holy Mosques regarding helping the Saudi non-public region which highly decreases the impact of COVID-19 at the business enterprise.

Anyhow, the economic standard is a remarkable indicator to evaluate companies' overall performance. In this regard it needs to be cited that Al Abdullatif Industrial Investment Co. suffers from intense relapse in income value, additionally drop in overall earnings and operational earnings and growth withinside the company net loss during these 12 months compared with the previous financial 12 months.

This resulted in reduce earnings remaining withinside the enterprise, but in the course of these 12 months, a set of indicators have been regarded that may be definitely defined which was a reduction in the value of industrial disclosures because of the growth of collection rates and growth of cash resulted from cash flows, additionally reduce of inventory because of following of inventory reduce rules from final merchandise and modification of retention period with raw materials before getting into production, additional to reduce of responsibilities

values to the enterprise, consequently the value of Islamic loans has reduced very well, additionally duties towards importers (credit disclosures) beside growing of Zakat to face any possible responsibilities.

Starting from growing of general awareness concerning non-financial requirements in the evaluation of the companies' performance and development of its reputation and upgrading its function in enhancement and variety of monetary structure in Kingdom of Saudi Arabia that is completely related to governance and following of transparency and improvement of human staff and adoption of social obligation programs, in order different industrial companies, Al Abdullatif Industrial Investment Co. is compliant to apply the notable mechanisms of governance; which include transparency and disclosure of economic and non-financial data and to put together information according with applicable accounting requirements and to enhance the function of internal and outside auditing and emphasizing the function of auditing committee taken from the board of administrators in control and supervision. The enterprise seeks to open new markets for export in order to benefit from customs tariffs on imports of raw materials exempted from customs fees. Also, to advantage of the great significance of Saudi Arabia's government towards the commercial sector; which includes transformational industries and others that grant added value to the Saudi origin product.

Potential Risks:

The risks unit under the business enterprise performs activities associated with deciding risks that the business enterprise exposes, measuring them, and dealing with causes and resulting effects. The major reason for the risks unit represents in permitting to efficiently increase and to efficiently achieve its objectives. be note that the under dangers do not include all those that may be faced through the business enterprise, but it is possible to discover additional risks that may not be regarded through the organization at the present time, or the corporation considers them as non-substantial ones:

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increase and to efficiently achieve its objectives. be note that the under dangers do not include all those that may be faced through the business enterprise, but it is possible to discover additional risks that may not be regarded through the organization at the present time, or the corporation considers them as non-substantial ones:

1- Risks of COVID-19 spreading all around the arena could have an intense impact on the deceleration of nations' economies, travel, and goods transport.

2- Economic risks and worldwide financial role might also additionally have an indirect impact on future organization commercial enterprise, covering modifications in marketplace performance, cash flows in marketplace and finance costs, industrial recession, competition from abroad industries countries and organizations, technological development, prices of the business enterprise inputs and final merchandise, inflation, political and diplomatic occasions that can impact at the business enterprise's markets, fluctuation of exchange prices and options of merchandise which may have an impact at the business enterprise activities and sales.

3- Risks associated with policies and legal guidelines, due to the fact management of the business enterprise activities is subject to different policies and legal guidelines and any extrude or modification with other new limited ones from any government body, supervision or judicial government or issuance of orders that result in droop the corporation's activities or preventing the business enterprise's merchandise can impact at the business enterprise commercial enterprise and sales.

4- Risks associated with raw materials, in case of unavailability of primary materials or lack of import because of any financial reasons or government orders, or because of natural failures or any force majeure, this will have an impact at the organization's business and sales, inclusive of a boycott of a few main materials imported from Turkey during this period which results in a few disruptions of the business enterprise product, now also looking for options from different reasserts for those materials.

5- Risks associated with export marketplace, due to the fact the business enterprise's sales from the export marketplace is a situation to availability of external markets that accept the business enterprise's merchandise, any modifications in political positions between nations or

export boycott or fluctuation of trade price might also additionally impact at the enterprise business and sales on this marketplace, that is as a state of affairs of the organizations which determined to prevent export some of its merchandise to Turkey, which resulted to discover other markets to distribute items inside a worldwide financial crisis that redoubled due COVID-19, there had been a few proposed answers through following new approach, inclusive of using modern generation techniques to keep away from discount and recession of sales, additionally advertisings and packages whether at the business enterprise's website or mobile's packages. Lack of using digital equipment to create new opportunities for the business enterprise markets' quantities could be insignificant or non-existent.

6- Risks associated with the recognition of a few clients, merchandise of the organization cover a huge category of clients, the pinnacle of them are ten clients whose accounts represent approximately 62% of the organization's sales, if any of them incurs loss or reduction off their purchases from the organization, this can necessarily impact at the organization activities and revenues.

7- Quarterly assessment of risks and growth in risks and getting into advertising and marketing and operational details.

8- Risks associated with the geographical area of the organization and natural disasters, all activities of the organization deal with the second business city at Riyadh, consequently issuance of any directives regarding preventing the organization activities in this region or occurrence of natural disasters; together with floods or earthquakes will impact at the organization activities and revenues.

9- Risks related to funding: that danger resulted from descending and ascending guidelines that arise in the capital marketplace because of many motives that impact anticipated cash flows and rate of required sales from investment, thinking that every funding possibility has some risks, which are existed in various ranges as according to the investment type.

10- Risks associated with the marketplace: the overall circumstance of the marketplace is not stable, whereas all works and orders were performed as the daily foundation and there is no guarantee to continue acquiring similar orders, due to the fact the marketplace is prompted by

the financial disaster and political disturbances, as happened currently in Europe which suffers from the identical financial disaster and results of Brexit, additionally for the risky American marketplace, area of the Middle East and Gulf affected with political issues, and monetary recession resulted through the utility of price brought to tax, additionally the Asian marketplace that firstly primarily based totally on orders and shortage of ensures to retain in acquiring on similarly orders, additionally in Australian marketplace that is taken into consideration higher than the above mentioned.

11- Financial Position of Customers:

- Many clients have a problem with the availability of cash and they ask in additional credit centers because a lot of them are correlated with insurance organizations and banks which continuously reduce their credit limit.
- The corporation faces some problems in collecting debts from some clients because of a lack of cash, besides there are some clients asking for growth credit facilities inside those current circumstances, and it needs to be mentioned that inside those modern situations, the management is pressured to extraordinarily decrease the earnings margin.

Human Resources and Training

Reinforcing the enterprise's strategic trend aiming at Saudi size human groups of workers, the corporation prepares and qualifies group of workers inside specialized applications to improve group of workers and makes plans for their activity tracks to ensure occupying activity positions withinside the organization with exclusive qualified employees, the corporation continues in software improvement (incentives and performance) to gain many effective results, the corporation additionally provides training packages for Saudi youths in Al Abdullatif Training Co. placed at the second business town for the motive of job replacement, through becoming a member of them to training institutes outside the corporation with a purpose to qualify and train them. It needs to be mentioned that Al Abdullatif Industrial Investment Co. and its subsidiaries are consistent with (the Nitaqat) system issued by the Ministry of Human Resources.

Social Responsibility

The corporation believes in the importance of contribution, social improvement, and participation in achievement in elevating of Saudi Arabia and network participants through beneficial projects and programs, and attraction of disabled individuals to jobs that are consistent with their skills beside qualify and improving them, staffing number of school's students in annual summer education programs, the corporation additionally contributes in-network provider throughout interested in training and improvement of Saudi youths abilities additional to training and employment of Saudi employees, besides compliance to requirements of expert safety, the corporation additionally performs its critical function in helping manufacturing base of the countrywide economic system and including a value into the national merchandise and updating of manufacturing methods.

The Company Policy in Profits Distribution:

The annual net income of the enterprise is disbursed after the deduction of general expenses and different costs, as the subsequent below:

To reserve (10%) of net income as a regulative reserve, the ordinary assembly popular has the right to prevent this reservation when this reserve reaches (30%) of the paid capital.

2- As per a proposal from the board of administrators, the ordinary assembly general has the right to order a percentage not greater than (20%) of net income as an agreeable reserve for sure purposes.

3- After that, the rest must be disbursed to shareholders with a percentage not much less than (1%) of the paid capital.

4- Taking into attention article (76) of the organization's regulations, after the above mentioned, a percentage not greater than (5%) have to be assigned as praise for participants of the board of administrators with a rate of one hundred thousand Saudi riyals for each member towards his membership withinside the board of administrators, due of reward must be regular with a number of conferences attended by the member

5- The shareholder is worth his element in profits in accordance to decision of the assembly popular issued on this matter wherein the due date and date of distribution are

explained, earnings eligibility for proportion owners registered withinside the corporation's registers can be on the end of the due date.

6- The enterprise has the right to distribute interim income to the shareholder on half yearly or quarterly basis, after authorization from the assembly general to the board of administrators regarding the distribution of interim income according to a choice that has to be annually renewed.

7- After that, the rest must be disbursed to the shareholder as a further portion of income or be transferred to the account of remained earnings.

Distribution of Profits:

The company did not distribute earnings to the shareholders in 2020, as it failed to gain income in that year as shown on the economic statements of the organization, the purpose of that was COVID-19, the board of administrators will submit this advice to the next assembly general for approval.

Deadline of Profits Distribution:

The board of administrators must implement the selection of the meeting general concerning the distribution of income for registered shareholders within (15) days from the due date, or the selection of the board of administrators associated with the distribution of interim income.

Non-Distribution of Profits:

In case profits of any financial year had been not distributed, consequently it is forbidden to distribute the income of the observed years, except after payment of the portion stated on this system for owners of awesome share, if the company failed to pay this portion for three consecutive years, the assembly general of shareholders held as consistent with the provision of the article (86) of the companies' guidelines has the right to determine whether to wait for conferences of the organization assembly general and participation in a vote or to appoint their representatives withinside the board of administrators as per the value of their shares withinside the capital, until the agency allows to pay complete precedence income for shareholders withinside the next years.

Fiscal Results:

- The net income for 12 months became (-24.83) million Saudi Riyal, as opposed to (-11.67) million Saudi Riyal during the same period of the last 12 months.
- Share profit for 12 months became (-0.31) Saudi Riyal, as opposed to (-0.14) Saudi Riyal during a similar period of the last 12 months
- Total profit for 12 months became 30.30 million Saudi Riyal, as opposed to 41.04 million Saudi Riyal during the same period of the last 12 months with a lower of 26.17%.
- Operational income for 12 months became 0.50 million Saudi Riyal, as opposed to 10.66 million Saudi Riyal for the same period of the last 12 months with a lower of 95.28%.
- Comprehensive profits of the current duration is (-17.12) million Saudi Riyal, versus (-14.76) million Saudi Riyal during the same duration in 2019.
- Net income was 466.09 million Saudi Riyal for the duration of the current length, as opposed to 600.51 million Saudi Riyal during a similar length in 2019 with a decrease of 22.38%.
- Total rights of shareholders became 1131.71 million Saudi Riyal during the current period, as opposed to 1148.83 million Saudi Riyal during the same period in 2019 with a decrease of 1.49%.
- Some comparison numbers have been reclassified in order to be consistent with the numbers classification of the current 12 months.

The reasons for the reduction in gross income and operating earnings and the growth in net loss and the loss in comprehensive earnings for the economic year 2020 in comparison to the last year are because of:

- 1- The sharp reduce in income because of the decline in demand.
- 2- Increasing general and administrative fees.
- 3- Decrease withinside the earnings of comparing investments at fair value via earnings and loss.
- 4- The increase in zakat provision.
- 5- The growth in actuarial losses from re-measuring personnel benefits.

6- The increase withinside the fee of the produced portions due to the enterprise bearing operating fees for not completely making use of the available manufacturing capacity.

7- Finally, the enterprise has been suffering from the repercussions of the Coronavirus (Covid-19), which negatively affected the enterprise's activities, as stopped at instances or diminished at different instances in the course of the last periods, and the enterprise taking some of the essential measures to lessen current and capital expenditures and control borrowers in a regular manner. With the requirements of the period, inventory planning, updating procurement plans, and coordinating the connection with suppliers, the enterprise has additionally benefited from government tasks and the amazing support provided by the government of the Custodian of the Two Holy Mosques to the companies.

Table 6

Analysis of Main Indicators of Al Abdullatif Industrial Investment Company

Company's Name	Sales between (included sales companies)		Net profits Zakat (after payment)		Participat ion percentage of the subsidiary in net profit	Comprehen sive profit	Participat ion percentage of the subsidiary in comprehensive profit
	2019	2020	2019	2020		2020	
Al Abdullatif Industrial Investment Co.	169,997	146,882	-19,796	-22,593	91%	-14,629	85%
Eastern Textile Co. Ltd.	166,036	133,547	5,738	1,959	-8%	2,188	-13%
National Spinning Co. Ltd.	20,359	16,616	-5,427	-6,367	26%	-6,687	39%
Western Textile Co. Ltd.	146,059	119,484	3,699	2,189	-9%	2,312	-14%
Shahad Paper Manufacturi ng Tube	12,539	9,051	2,625	728	-3%	729	-4%

Nadeen Arabian Colors Co.	17,357	19,145	476	509	-2%	496	-3%
ADFA Blankets Co.	70,524	62,669	-748	-1,761	7%	-1,937	11%
The First Company for Carpets	142,237	97,500	959	188	-1%	90	-1%
Al Abdullatif training Co.	260	300	-39	4	0%	4	0%
Retaj Al Waseel Company for Maintenance, Services and subsistence	9,956	9,944	840	313	-1%	313	-2%
Total	755,324	615,138	-11,673	-24,831	100%	-17,121	100%
Deduction of interstate sales between companies	-154,818	-149,044					
Net sales of customers	600,506	466,094					

Source : made by the author based on Annual report of the company

Figure 3 shows how the sales between all the nine companies and there a huge different in the amount of the sales, and the textiles companies have the highest amount and that show the company's performance in this field.

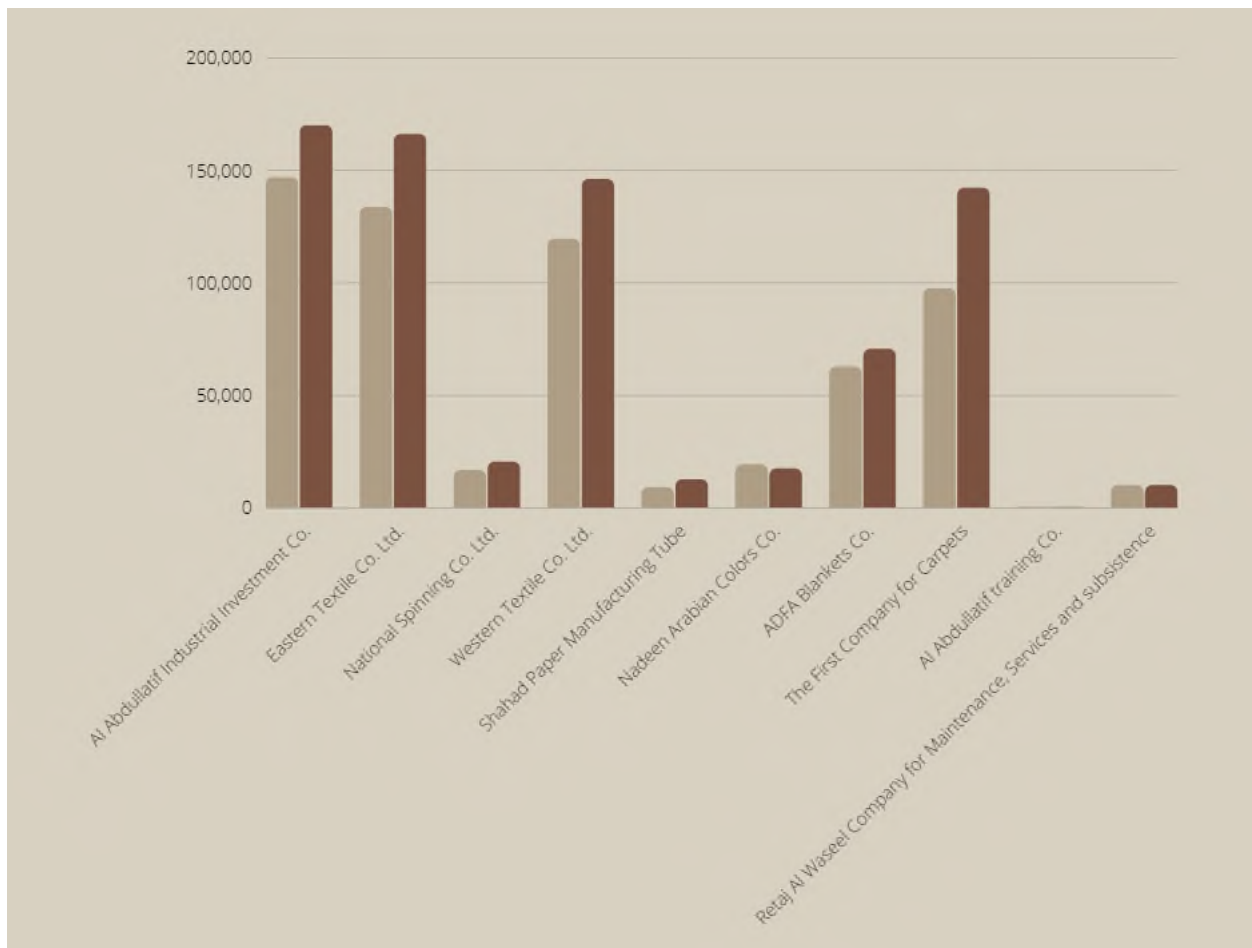


Fig. 3. Structure of Sales of Al Abdullatif Industrial Investment Company, 2020

Source : made by the author based on Annual report of the company

After the zakat payment Figure 4 show how the companies performance after the payment and during the Pandemic time were not preparing well for such that situation, so the all the companies had a difficult time.

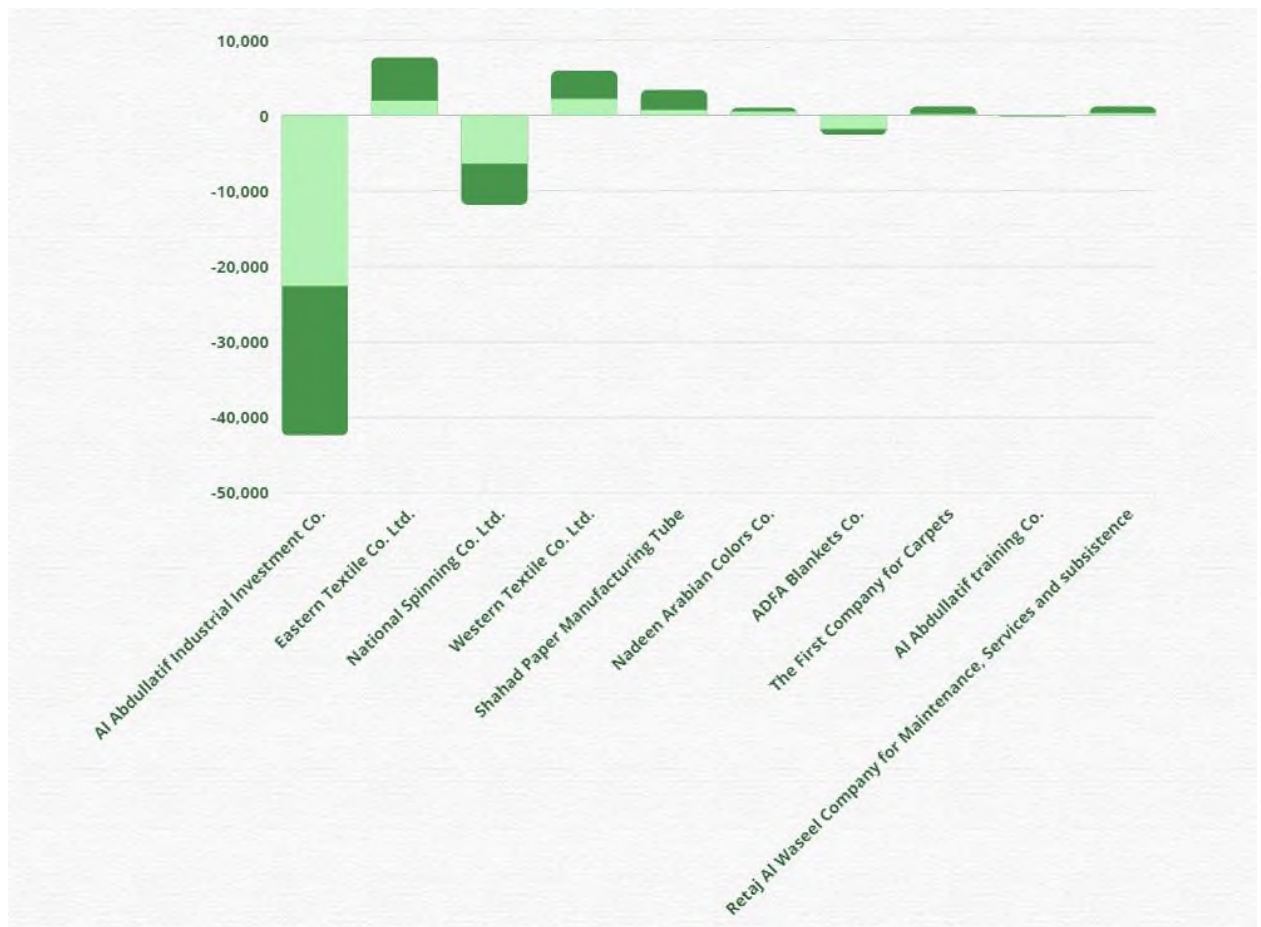


Fig. 4. Net profits of Al Abdullatif Industrial Investment Company, 2020

Source : made by the author based on Annual report of the company

Table 7

Geographical Distribution of Al Abdullatif Industrial Investment Company Revenue (internal and external):

(In thousands Saudi Riyals)

Description	2019	2020
Local Sales	316.701	248.529
International Sales	283.805	217.565
Total	600.506	466.094

Source : made by the author based on Annual report of the company

Table 7 appear the Geographical Distribution of the Company's Revenue data in the local market and the international market and the Figure 5 show that the reduction in the revenue in for local and international market that because the company had affected by the pandemic in 2020

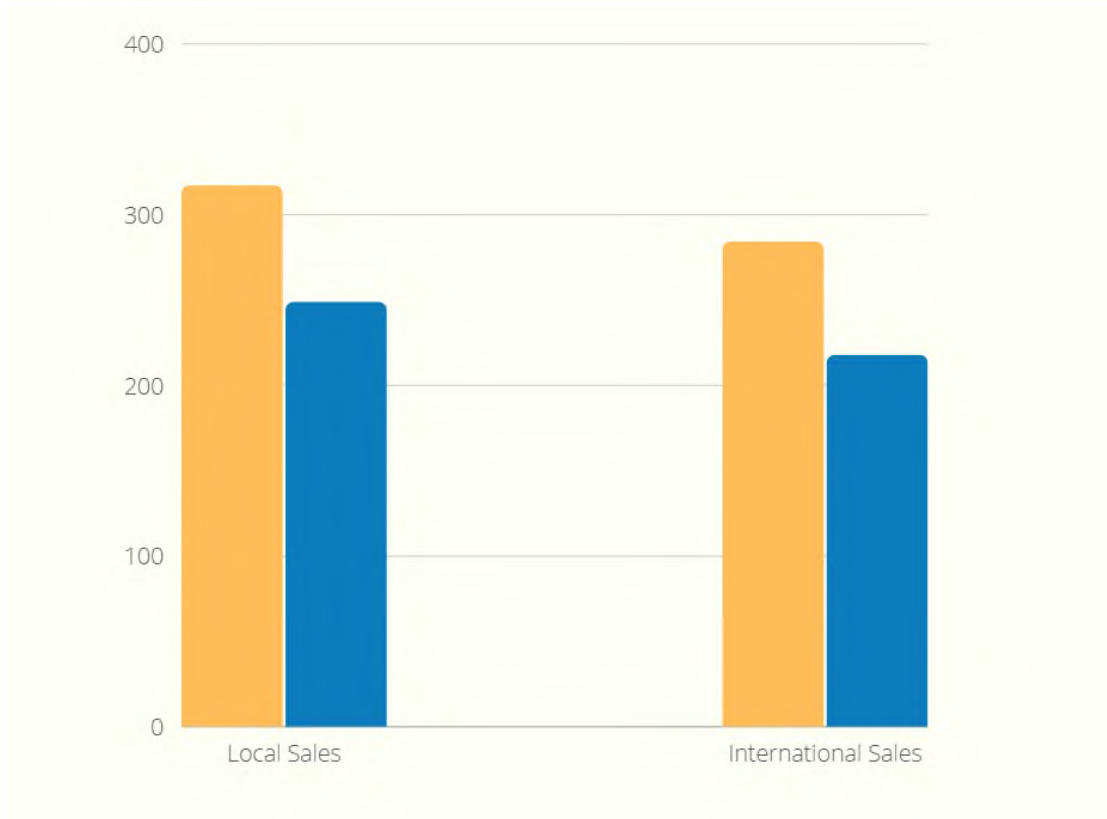


Fig 5 : Domestic and export sales of Al Abdullatif Industrial Investment Company, 2022

Source : made by the author based on Annual report of the company

Table 8**Export sales of Al Abdullatif Industrial Investment Company, 2019-2020**

	Name of Region	2019	2020
1	Asia Continent	104.602	68.592
2	South America Continent		
3	Africa Continent	26.018	28.452
4	North America Continent	72.173	39.020
5	Europe Continent	26.633	30.962
6	Australia Continent	54.379	50.539
	Total	283.805	217.565

Source : made by the author based on Annual report of the company

All activities of the company focus in Riyadh – Saudi Arabia, but the company has some showrooms and warehouses of ADFA Blankets Co. (one of its subsidiaries), are the following below:

Table 9

Dynamic of the revenues of main subsidiaries of Al Abdullatif Industrial Investment Company, 2019-2020

Name of Region	2019	2020
Central Region	6.862	4.203
Eastern Region	1.902	1.598
Northern Region	4.364	3.466
Southern Region	5.036	5.048
Western Region	3.170	2.419

Total	21.334	16.734
--------------	--------	--------

Source : made by the author based on Annual report of the company

As the Table 9 shows data of the Geographical Distribution for Revenue of Local Distribution Centers and the Figure 5 appear the percentage of the revenue in the local region and show how are the southern, central , and northern have the most revenue with a little big different from the other 2 regions.

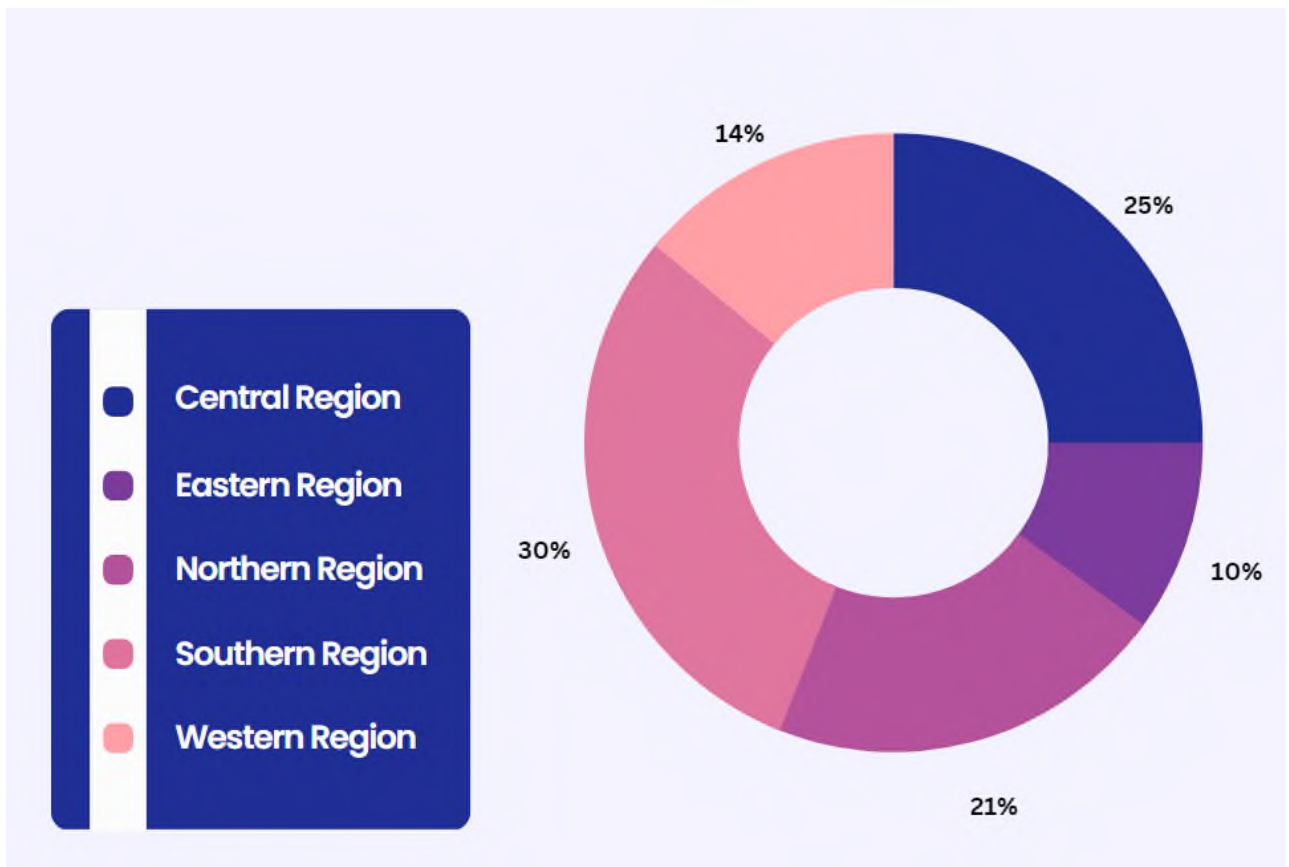


Fig 5. Geographical Distribution for Revenue of Local Distribution Centers

Source : made by the author based on Annual report of the company

Table10

**LIST OF FINANCIAL POSITION OF AL ABDULLATIF INDUSTRIAL
INVESTMENT COMPANY, 2016-2020**

Description	2016	2017	2018	2019	2020
Current assets	931,9	892.4	894.7	901.0	833.5
	5	2	9	4	7
Investments	153,5	122.6	125.2	141.7	150.5
	4	1	4	7	7
Fixed assets	475,9	428.7	382.3	341.3	298.6
	1	5	6	0	5
Total of assets	1,561	1,443	1,402	1,384	1,282
	.40	.78	.39	.11	.79
Current liabilities	330,3	218.1	206.9	205.4	120.5
	5	8	6	3	2
Long-term loans					
Non-current liabilities	9.07	11.99	10.60	29.85	30.56
Total of shareholders' rights	1,221	1,213	1,184	1,148	1,131
	.98	.61	.83	.83	.71
Total of liabilities and shareholders' rights	1,561	1,443	1,402	1,384	1,282
	.40	.78	.39	.11	.79

In 2008 the company s' capital was increased from 650,000,000 riyals to 812,500,000 riyals by granting a share of 25% of the capital and figure 6 show how the is the company increase the investment trying to make more assets to increase the value of the company

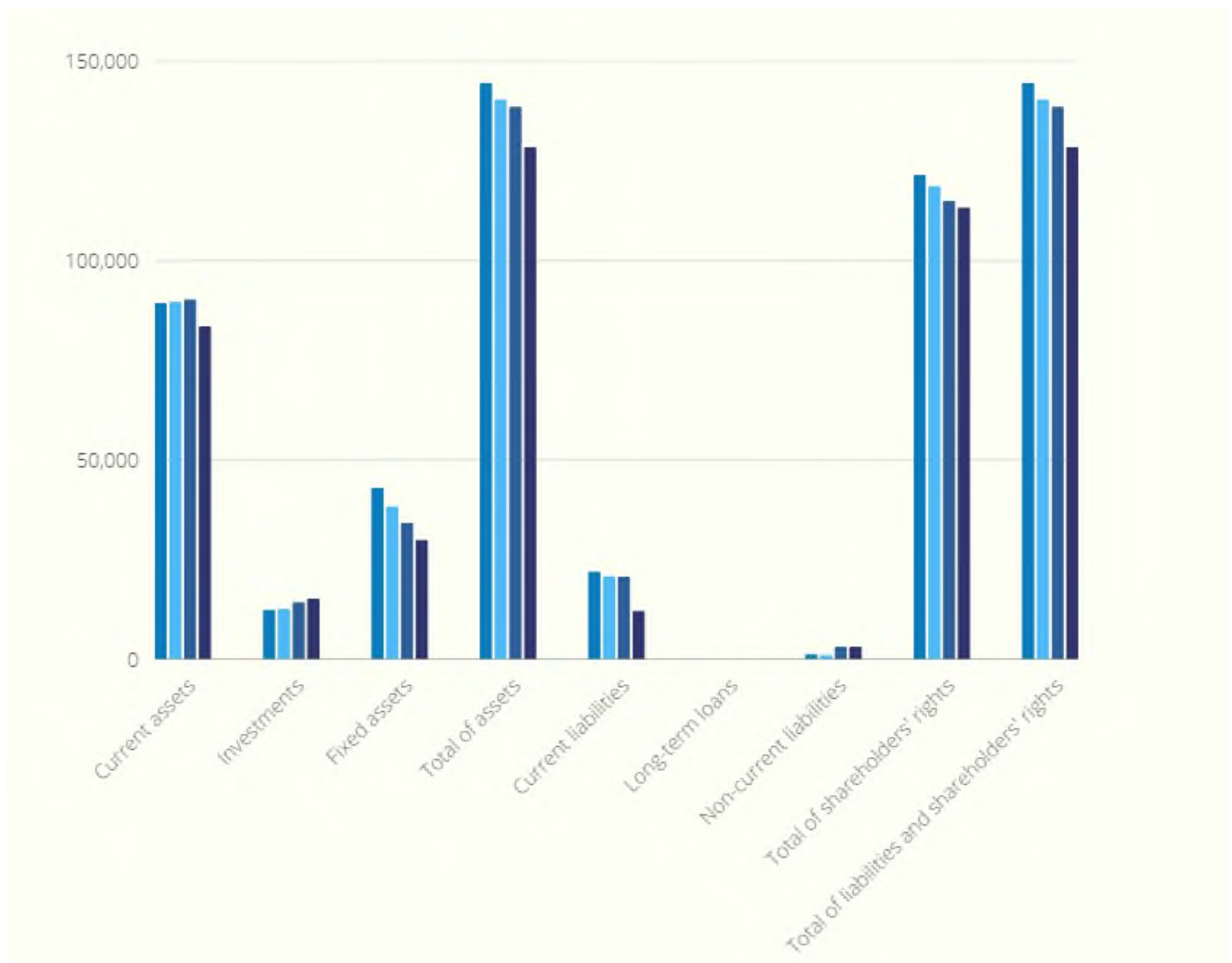


Fig 6. •LIST OF FINANCIAL POSITION AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY, 2020

Source : made by the author based on Annual report of the company

Table 11

ANALYSISI OF MAIN INDICATORS OF AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY, 2016-2020

<i>Description</i>	2016	2017	2018	2019	2020
--------------------	-------------	-------------	-------------	-------------	-------------

<i>Net Sales</i>	740,8	668,4	621,1	600,5	466,0
	1	1	9	1	9
<i>Sales cost</i>	-	-	-	-	-
	634,78	586,57	563,22	559,47	435,79
<i>Total profit</i>	106,0	81,84	57,97	41,04	30,30
	3				
<i>Total of expenses and burdens</i>	-85,13	-60,78	-57,62	-61,21	-63,00
<i>Other revenue</i>	7,75	14,15	7,68	8,55	7,87
<i>Annul net income</i>	28,65	35,21	8,03	-11,67	-24,83
<i>Net other comprehensive income</i>		-2,96	3,82	-3,08	7,71
<i>Net annual comprehensive income</i>	28,65	32,25	11,85	-14,75	-17,12
<i>Share profit from net annual income</i>	0,35	0,43	0,10	-0,14	-0,31

Source : made by the author based on Annual report of the company

List of income in the Table 11 show that there are decrease in the performance in the net sales during the last 5 years especially in 2020 that have the biggest decrease and because of the pandemic year 2020 the company was not ready for this situation, so the company had to have more expenses. And Figure 7 show that sales cost performance trying to reduce the loss that the company have in the previous year.

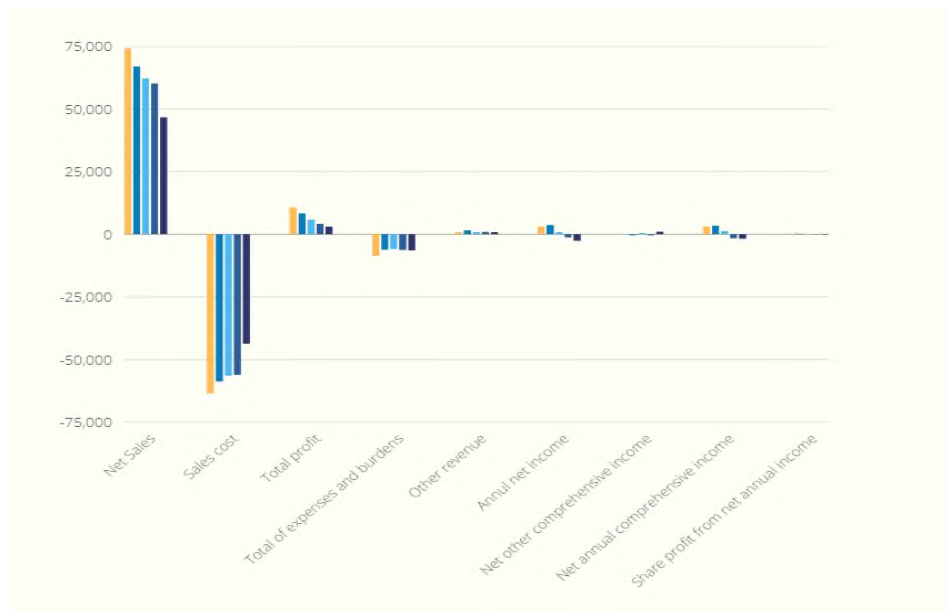


Fig 7 . LIST OF INCOME AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY, 2019-2020

Source : made by the author based on Annual report of the company

Some of the comparative numbers in 2019 have been categorized in order to be constant with the class of the current year.

Table 12

Net Cash Al Abdullatif Industrial Investment Company, 2019-2020

Description	2019	2020
Net cash resulted from operation processes	50,54	90,70
Net cash used in investment processes	-27,11	-0,52
Net cash used in financial processes	-32,44	-83,21
Net cash flows from operations	-9,01	6,97
Cash and the like - starting of the year	78,69	69,68
Cash and the like- end of the year	69,68	76,65

Source : made by the author based on Annual report of the company

Some of the comparative numbers had been amended with the intention to be according to the transformation necessities of global standards.

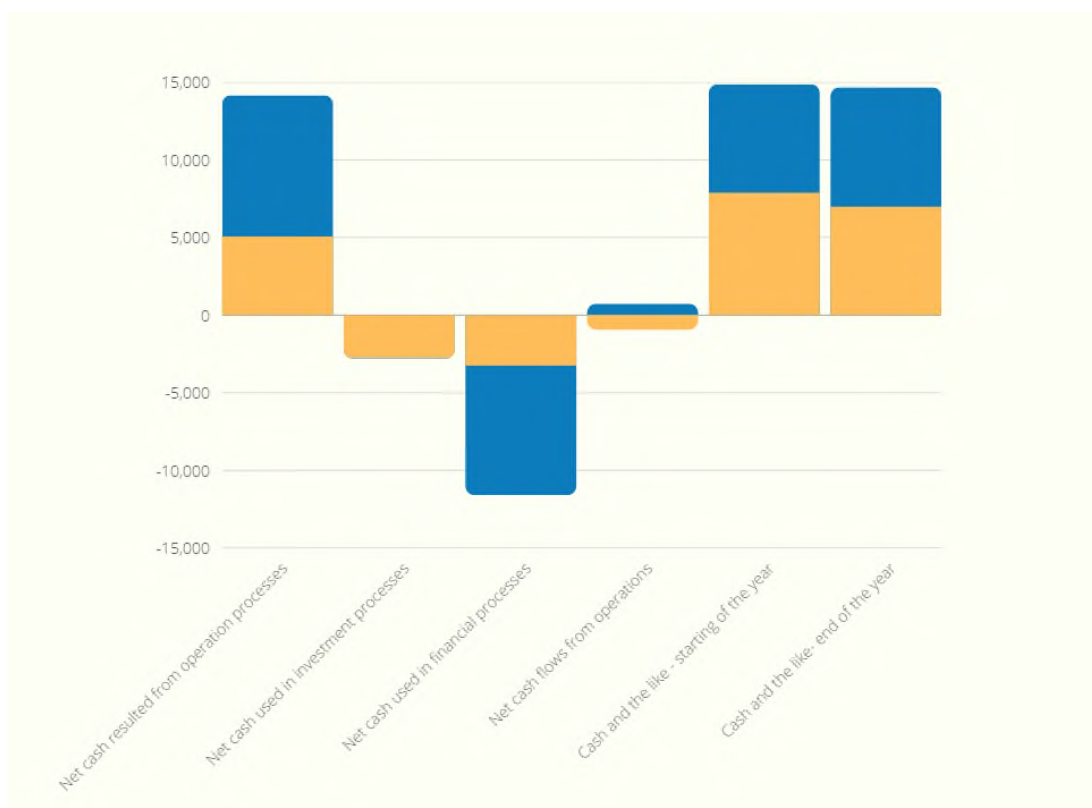


Fig 8 . Net Cash Al Abdullatif Industrial Investment Company, 2019-2020

Source : made by the author based on Annual report of the company

Financial statements of the corporation in 2020 constitute an essential part of this report.

Table 13

Elements of costs in the relation with sales Al Abdullatif Industrial Investment Company, 2019-2020

Description

	2019	Sales in %	2020	Sales in %
Sales	600.51		466.09	
Cost of raw materials	327.43	54.5%	245.28	52.6%
Cost of manufacturing	559.47	93.2%	435.79	93.5%

Consumption	55.10	9.2%	51.16	11.0%
General administrative costs	19.13	3.2%	21.30	4.6%
Costs of marketing	18.31	3.0%	15.61	3.3%
Zakat	17.93	3.0%	22.46	4.8%

Source : made by the author based on Annual report of the company

Some of the comparative numbers had been amended in order to be according to the transformation necessities of global standards. And the Figure 9 show how are the sales and cost of manufacturing have the highest amount in the Elements of costs in the relation with sales.

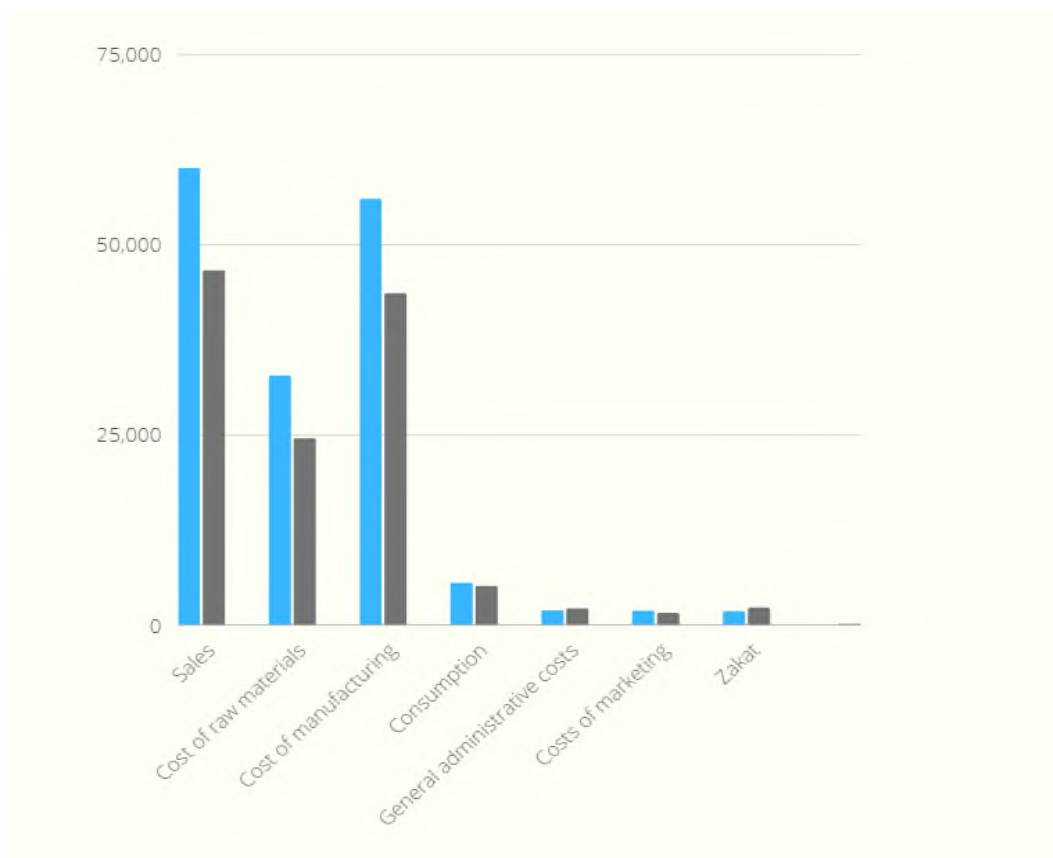


Fig 9. Elements of costs in the relation with sales Al Abdullatif Industrial Investment Company, 2019-2020

Source : made by the author based on Annual report of the company

Transactions with Relevant Parties

During the year that ended on 31/12/2020, the company has conducted transaction with relevant parties, as the following below:

Table 14

ANALYSIS OF MAIN INDICATORS OF AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY, 2020

<i>Name of Relevant Party</i>	<i>First debit balance 1/1/2020</i>	<i>Sales to a relevant party</i>	<i>Services and benefits to a relevant party</i>	<i>Services and benefits from a relevant party</i>	<i>Purchases from a relevant party</i>	<i>Received payments from a relevant party</i>	<i>Paid payments to a relevant party</i>	<i>Final balance 31/12/2020</i>
<i>Al Abdullatif Furniture Co.</i>	38,452	29,945	3,968	339	26	33,541	339	38,798
<i>Natural Gas Distribution Co.</i>					1,740		1,555	(185)
<i>Total</i>	38,452	29,945	3,968	339	1,766	33,541	1,894	38,613

Source : made by the author based on Annual report of the company

Nature of transactions carried out with the relevant party in the financial year 2020, because of the following:

1- Sales to a relevant party (Al Abdullatif Furniture Co.). Sales standard include wholesales in carpet and moquette, it must be mentioned that every transaction with the relevant party do not differ from those with regular creditor-debtor merchants, and have no unique characteristics, the length of those activities is one year and may be annually renewed through the assembly general, income in the economic year 2020 was (29.945) thousand Saudi Riyals.

2- Services and benefits provided to the relevant party (Al Abdullatif Furniture Co.), those services and benefits represent the following:

(A) Rent agreement of warehouses, its first party is Al Abdullatif Industrial Investment Co. (lessor), its second party Al Abdullatif Furniture Co. (tenant), duration of the agreement is one year may be yearly renewed through the assembly general, its price until 31/12/2020 was (2.948) thousand Saudi Riyal

(B) Upon providing service of ration and housing, its first party is Retaj Al Waseel Company for Maintenance, Services, and Subsistent which is a subsidiary of Al Abdullatif Industrial Investment Co., its second party is Al Abdullatif Furniture Co., period of the agreement is one year may be annually renewed by the meeting standard, its value until 31/12/2020 was (920) thousand Saudi Riyal.

(C) Logistic services – environmental services - and payment constitute in offered through Al Abdullatif Furniture Co., the agreement price until 31/12/2020 was (100) thousand Saudi Riyal. So, the total value of services and advantages presented to the relevant party until 31/12/2020 was (3968) thousand Saudi Riyal.

3- Services and benefits presented by the relevant party to the company represent the following:

(A) Rent agreement of housings and others, its first party is Al Abdullatif Furniture Co. lessor), its second party is Al Abdullatif Industrial Investment Co.(tenant) for housing of some employees of Al Abdullatif Industrial Investment Co., period of the agreement is one year may be annually renewed through the assembly general, its value until 31/12/2020 was (150) thousand Saudi Riyal.

(B) Rent agreement of warehouses and promoting center outside Riyadh city, its first party is Al Abdullatif Furniture Co. lessor), and its second party Al Abdullatif Industrial Investment Co.(tenant)., length of the agreement is one year and maybe yearly renewed through the meeting general, its fee until 31/12/2020 was (189) thousand Saudi Riyal. So, the overall fee of offerings and benefits supplied to the relevant party until 31/12/2020 was (339) thousand Saudi Riyal.

4- Purchase from the applicable party: Purchases typically include a relevant party (Natural Gas Distribution Co.), buy fee on 31/12/2020 was (1.740) thousand Saudi Riyal.

Purchases from a relevant party (Al Abdullatif Furniture Co.) might be carpets necessities with a fee of (26) thousand Saudi Riyal. So, the overall fee of purchases from the relevant party until 31/12/2020 was (1766) thousand Saudi Riyal.

Table 15

Regulative Payments of Al Abdullatif Industrial Investment Company, 2019-2020

<i>Description</i>	2019	2020	Description
<i>Legal Zakat</i>	17.71	18,82	Paid Legal Zakat
	9	6	
<i>Social insurance</i>	5.478	4,965	Payment of employees subscriptions, included retirements, job risks, insurance of work disability.
<i>Passports & Ministry of Labor</i>	16.92	7,116	Renewal of resident identities, labor licenses for the company employees
<i>Customs Fess</i>	3.589	1,421	Paid fees for Customs Authority
<i>General Directorate of Traffic</i>	28	32	Renewal of registrations for the company cars and trucks
<i>Industrial Cities Department</i>	2.081	2,030	Payment of the company's locations renting
<i>Capital Market Authority - Tadawul</i>	565	559	Fees of services providing (Tadawul)
<i>Zakat Authority - Value Added Tax</i>	179	5.238	Value added tax
<i>Other</i>	178	101	Authentication from Chamber of Commerce and Ministry of Foreign Affairs

Source : made by the author based on Annual report of the company

The estimated Zakat of the company in 2020 was (19.581) thousand Saudi Riyal and will be paid in 2021.

Refunded value added tax was (1.348) thousand Saudi Riyal.

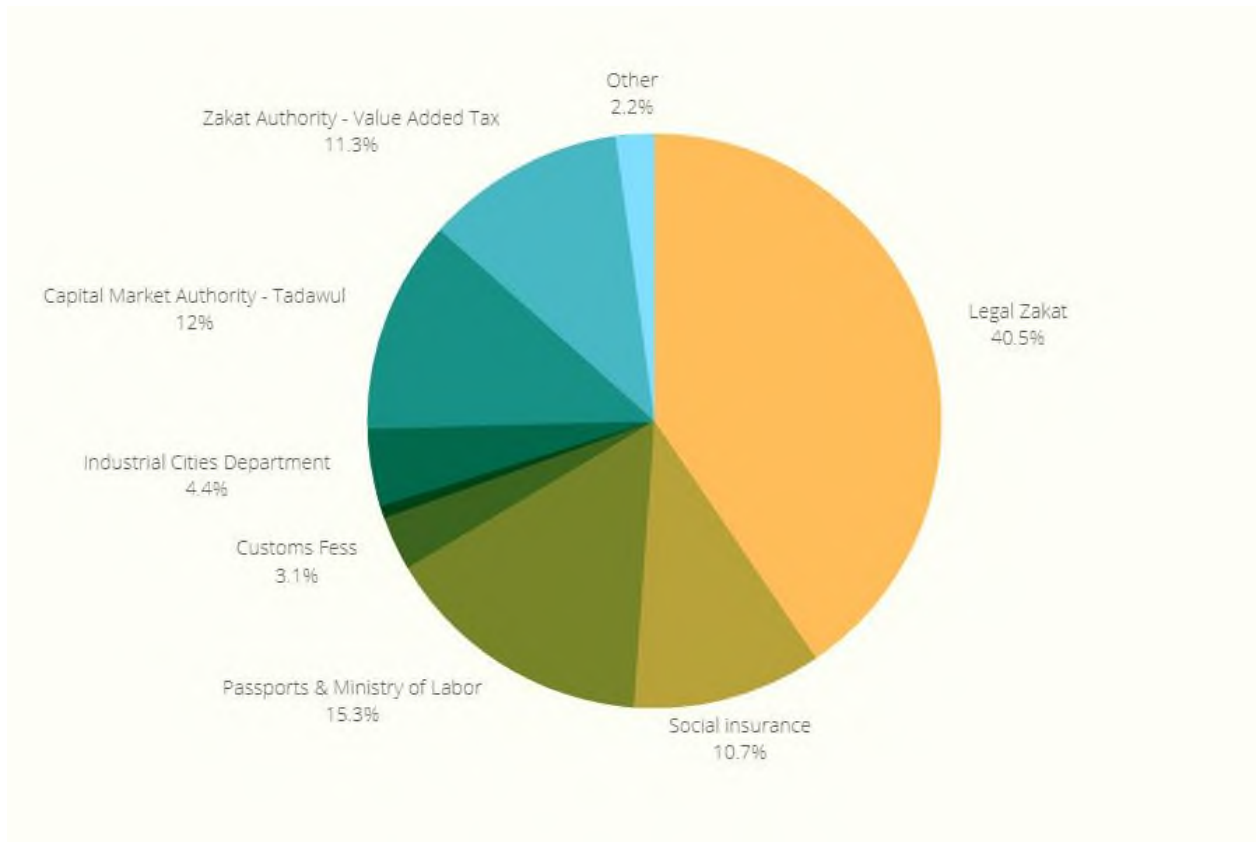


Fig 10. Regulative Payments of Al Abdullatif Industrial Investment Company, 2020

Source : made by the author based on Annual report of the company

There is no arrangements or agreement wherein the board of executive administrators waive any profits, besides their waiving of allowances concerning assembly attendance and reward annual council membership, additionally, there is no preparations or agreement wherein one of the senior executives waives any profits or compensation, even as the chairman of the board of administrators and other (2) executive participants have waived in their allowances of membership, assembly attendance and committee during this year, it must be mentioned that each executive contributors have acquired their salaries and benefits popular by the company, 4 independent participants have obtained (400.000) Saudi Riyal as the reward of council membership during 2019, which has been paid in economic year 2020 after approval of the assembly general.

Table 16

**Investments with Fair Value Through Other Comprehensive Income of Al
Abdullatif Industrial Investment Company, 2019-2020**

Description	Regulatory Form	Locati on	Proport y%	31/12/20 19	31/12/20 20
	Unlisted	Investments			
Red Sea Cables Co	Saudi closed stock company	Riyadh	27%	46,300	45,650
Al-Reef Sugar Refinery Co	Saudi closed stock company	Jeddah	15%	26,077	37,125
				72,377	82,775

Source : made by the author based on Annual report of the company

As the Table 16 show that the company have some investment with other companies, and some of these investment have increase in 2020.(Figure 11)

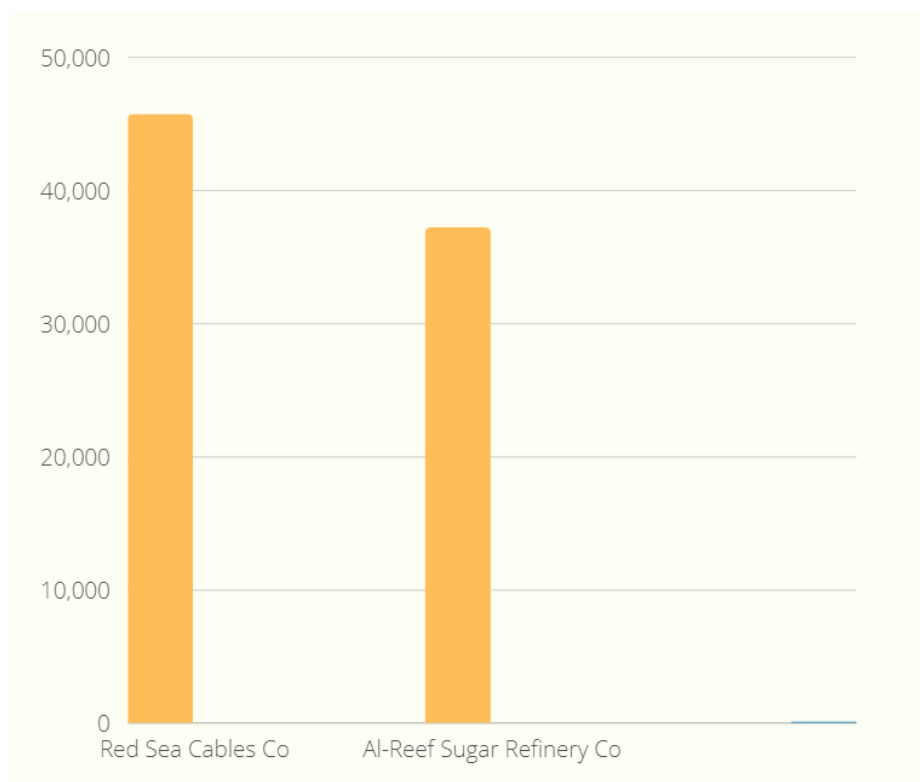


Fig 11. Investments with Fair Value Through Other Comprehensive Income

Source : made by the author based on Annual report of the company

Table 17

Investment with Fair Value Throughout Profits and Loss of Al Abdullatif Industrial Investment Company, 2019-2020

Description	31/12/2020	31/12/2019
	In Thousand Riyal	In Thousand Riyal
Balance in the beginning of year	16,258	
Additives during the year		14,759
Profits reassessment of investments in fair value	309	1,499
Exclusion with selling	-7,817	
Balance in the last of year	8,750	16,258

Source : made by the author based on Annual report of the company

The Figure 12 show the performance of the elements that in Investment with Fair Value Throughout Profits and Loss (Table 17) some of them have increase and some have a decrease in the pandemic year 2020.

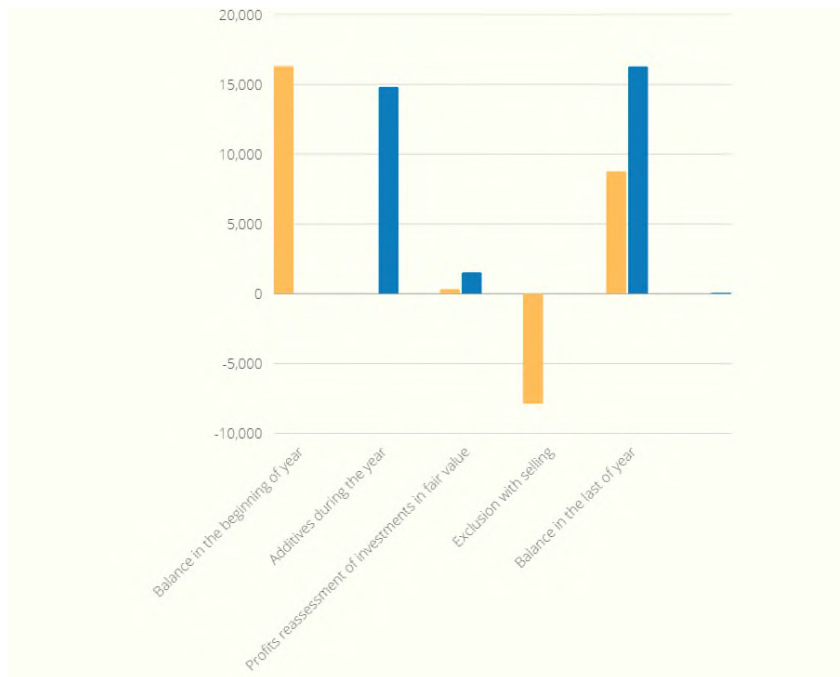


Fig 12. Investment with Fair Value Throughout Profits and Loss of Al Abdullatif Industrial Investment Company, 2020

Source : made by the author based on Annual report of the company

Information Related To The Company's Loans

1- Long-term loans: The company acknowledge that there are no long-term loans have been received in 2020.

2- Short-term loans:

Table 18

The Loans of Al Abdullatif Industrial Investment Company, 2019-2020

<i>Loans Movement</i>	31/12/2019	31/12/2020
	Thousands Saudi Riyals In	Thousands Saudi Riyals
<i>Finance of commercial facility and short-term Murabah</i>	145,861	66,653
<i>Deduction : delayed finance commissions</i>	-1,506	-349
<i>Net value of Islamic loans</i>	144,355	66,304

Source : made by the author based on Annual report of the company

In accordance with facilities agreements signed with local banks, the organization has acquired facilities with credit restrict of (566.7) million Saudi Riyals.

All of them are short-term loans for the subsequent purposes:

- Finance to buy and import required raw materials for production.
- Finance of the company operational period and working capital.
- Buying materials via the open account of SABIC.
- Documentary credits and warranties.
- Murabahat & Tawaruq.
- Precautions regarding risks of foreign currencies.

As per the following warranties

- Order bonds in maximum limit of facilities amount
- General agreement of Islamic commerce finance.
- Main agreement of precaution.

2.2 ANALYSIS OF INTERNAL AND EXTERNAL ENVIRONMENT OF THE ENTERPRISE

SWOT analysis could be a important strategic designing tool that can be used by AllC managers to do a situational analysis of the corporate. it is a handy technique to judge the current Strengths (S), Weaknesses (W), Opportunities (O) & Threats (T).

AllC is one of the leading organizations in its business. AllC maintains its distinguished position in the market by critically analyzing and reviewing the SWOT analysis. SWOT analysis is an immensely interactive method and needs effective coordination among varied departments inside the firm like – marketing, finance, operations, management info systems, and strategic designing.

As one of the main corporations in its industry, These strengths not simplest assist it to defend the marketplace proportion in current markets but additionally assist in penetrating new markets.



Fig 13. SWOT ANALYSIS OF AI Abdullatif Industrial Investment Company, 2020
Source : made by the author

Strengths of AIIC – Internal Strategic Factors

- Highly successful at Go To Market techniques for its merchandise.
- High level of client pleasure – the enterprise with its committed purchaser courting control branch has capable of gaining an excessive level of purchaser pleasure amongst present clients and good brand equity a number of the capacity clients.
- Strong Free Cash Flow – AIIC has strong loose cash flows that offer sources withinside the hand of the enterprise to make bigger into new projects.
- Strong distribution network – Over the years AIIC has constructed a dependable distribution community that may attain the majority of its capacity marketplace.
- Highly professional personnel via successful education and learning programs. AIIC is making an investment in large sources in training and improvement of its personnel ensuing in

personnel that is not simplest tremendously professional but additionally stimulated to attain greater.

Weaknesses are the regions in which AIIC can enhance upon. Strategy is set in making selections and weak spots are the regions in which an organization can enhance the usage of SWOT evaluation and construct on its aggressive gain and strategic positioning.

- Days inventory is excessive evaluate to the competition – making the enterprise enhance greater capital to make investments withinside the channel. This can affect the long-term growth of United Carpets Group Plc

- Not very good at product demand forecasting mainly to a better charge of overlooked possibilities evaluates to its competition. One of the motives why the times stock is excessively evaluated to its competition is that AIIC isn't superb at demand forecasting, for this reason, ends up keeping better inventory both in-house and in the channel.

- The marketing of the products left a lot to be desired. Even though the product is an achievement in phrases of sale however its positioning and the specific promoting proposition aren't truly described that may cause the assaults on this phase from the competition.

- There are gaps in the product range sold by the enterprise. This loss of desire can provide a brand new competitor a foothold withinside the marketplace.

- Need more investment in new technology. Given the size of growth and special geographies the enterprise is making plans to make bigger into, AIIC desires to position extra money in the technology to integrate the methods throughout the board. Right now the funding in technology is not at par with the imagination and prescient of the enterprise.

Opportunities for AIIC – External Strategic Factors

- New customers from online channel – Over the beyond few years the enterprise has invested massive amount of money into the online platform. This funding has opened a new income channel for AIIC . In the following couple of years the enterprise can leverage this possibility through understanding its purchaser higher and serving their desires using massive facts analytics.

- The new technology provides an opportunity for AIIC to practice differentiated pricing methods withinside the new marketplace. It will allow the organization to keep its loyal clients with excellent service and entice new clients through different cost-orientated propositions.

- New trends in client behavior can open up a new marketplace for the AIIC. It offers a great possibility for the employer to construct new sales streams and diversify into new product categories too.

- Decreasing the cost of transportation because of decreased delivery charges also can convey down the value of AIIC's merchandise thus offering a possibility to the enterprise - both to enhance its profitability or by skipping the advantages to the clients to benefit marketplace proportion.

- New environmental policies – The new possibilities will create a stage playing area for all the players withinside the enterprise. It constitutes an excellent possibility for AIIC to force domestic its gain in new technology and benefit marketplace proportion withinside the new product category.

Threats AIIC Facing - External Strategic Factors

- Growing strengths of local distributors additionally provide a chance in some markets because the opposition is paying better margins to the local vendors.

- Increasing trends toward isolationism withinside the American financial system can cause comparable responses from different authorities for this reason negatively impacting global income.

- Rising pay levels, especially movements and growing charges can cause serious pressure on the profitability of AIIC

- New technologies developed by the competitor or marketplace disruptor might be an extreme chance for the enterprise in the medium to long time future.

- Intense competition – Stable profitability has improved the range of players withinside the enterprise over the last years which has placed a downward strain on not only profitability but additionally on overall income.

2.3 ANALYSIS OF THE ORGANIZATION AND TECHNIQUES OF EXPORT-IMPORT OPERATIONS AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY (ALLC)

The company must use all kinds of border crossings for export and import, but the company prefers to use the sea port more, because the port enables import and export in large quantities, which allows the company to increase the amount of export and import cargo (table 14).

Table 14

Imports by type of transportation (2015 – 2019)

Imports by Type of Transportation For the Years of 2015 - 2019

Table No (5)

جدول رقم (5)

Weight (Thousands Tons) / Value (Million S.R.)

الوزن (ألف طن) / القيمة (مليون ريال)

2019		2018		2017		2016		2015		Items المواد
القيمة value	الوزن weight	القيمة value	الوزن weight	القيمة value	الوزن weight	القيمة value	الوزن weight	القيمة value	الوزن weight	
352,082	66,367	310,407	66,260	310,792	66,015	333,562	65,555	411,486	70,798	البحرية By Sea
83,589	10,387	76,875	8,344	81,043	9,306	88,916	10,641	109,596	12,918	البرية By Land
138,691	758	126,711	635	112,612	677	103,158	535	133,952	490	الجوية By Air
574,361	77,512	513,993	75,239	504,447	75,998	525,636	76,731	655,033	84,206	Total المجموع

Source : The national Saudi trade authorizes ,Import trade report 2019

Imports by Nature of Items For the Years of 2015 - 2019

Table No (3)

جدول رقم (3)

Weight (Thousands Tons) / Value (Million S.R.)

الوزن (ألف طن) / القيمة (مليون ريال)

2019		2018		2017		2016		2015		Items المواد
القيمة value	الوزن weight	القيمة value	الوزن weight	القيمة value	الوزن weight	القيمة value	الوزن weight	القيمة value	الوزن weight	
19,603	15,299	26,376	26,661	25,111	27,397	23,699	26,207	27,685	27,662	خام RAW MATERIAL
127,428	35,094	123,648	25,868	121,579	27,358	126,827	32,092	166,403	36,162	نصف مصنعة SEMI FINISHED PRODUCTS
427,330	27,119	363,968	22,711	357,756	21,244	375,110	18,433	460,946	20,382	مصنعة FINISHED PRODUCTS
574,361	77,512	513,993	75,239	504,447	75,998	525,636	76,731	655,033	84,206	Total المجموع

Imports According to commodities and countries For the Year of 2019

Table No (11)

جدول رقم (11)

القيمة بالآلاف Value - 000 SR	الوزن بالطن Weight Tons	الكمية Unit	السلعة / الدولة Commodity / Country
55032000 ألياف من بوليستر غير محضرة للغزل POLYESTER FIBERS NOT FOR SPINNING			
1,835	368		الإمارات العربية المتحدة UNITED ARAB EMIRATES
7,418	1,653		الهند INDIA
9,105	2,324		فيتنام VIETNAM
8,556	2,017		الصين CHINA
6,087	1,463		تايوان TAIWAN
2,345	467		كوريا الجنوبية SOUTH KOREA
1,919	421		إندونيسيا INDONESIA
1,548	415		مصر EGYPT
1,134	215		دول أخرى Other Countries
36,946	9,343		Total المجموع
55034000 ألياف من بولي بروبيلين غير محضرة للغزل POLYPROPYLENE FIBERS, NOT FOR SPINNING			
54079200 نسيج آخر مصبوغه DYED OTHER WOVENS			
1,406	472		الإمارات العربية المتحدة

Fig 17. Imports according to commodities and countries 2019
Source : The national Saudi trade authorizes ,Import trade report 2019

CHAPTER 3. OPPORTUNITIES FOR IMPROVEMENT OF EXPORT-IMPORT OPERATIONS OF AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY

3.1. ASSESSMENT OF FACTORS PREDETERMINING THE NEED TO IMPROVE THE ORGANIZATION OF EXPORT-IMPORT OPERATIONS OF AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY

Import and export tendencies for a number of the world's primary buying and selling economies similarly illustrate the healing patterns of Q3 2021. Overall, the trend of stronger healing for items relative to offerings is common to all primary economies. In Q3 2021, alternate items in all primary economies became above the 2019 stages, both in relation to imports and exports. With the notable exceptions of the exports of China and the Republic of Korea, alternate offerings stay beneath or around the 2019 stages for maximum primary economies. Most of the primary economies have visible increases in rates stabilizing for items alternate in Q3 2021. On the opposite hand, the pace of services trade persisted in growth relative to Q2 2021. Notably, India's trade increase increased in Q3 2021 in items and offerings, while China remained relatively constant, albeit at already excessive levels.

Based on the above statistical data, it is possible to draw conclusions about further prospects for expanding the company's exports to the markets of the EU and Asia. In particular, China is currently the most promising market.

The study of the state and main features of the formation of the agricultural products sales system of AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY, carried out in the second chapter, gave reasons to identify some serious problems and shortcomings in the work of logistical support of export processes at the enterprise. The lag of AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY from its competitors in terms of profitability and turnover determines the following tasks for improving logistical support in the company's product sales system:

- the need to work on the company's product strategy and assortment in the direction of their improvement;
- the need to optimize sales policy;
- further improvement of the logistics system.

Based on the above, it is possible to propose the following directions for increasing logistical support for the export strategy of AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY (Fig. 2.1). Let's consider each of the above directions in more detail.

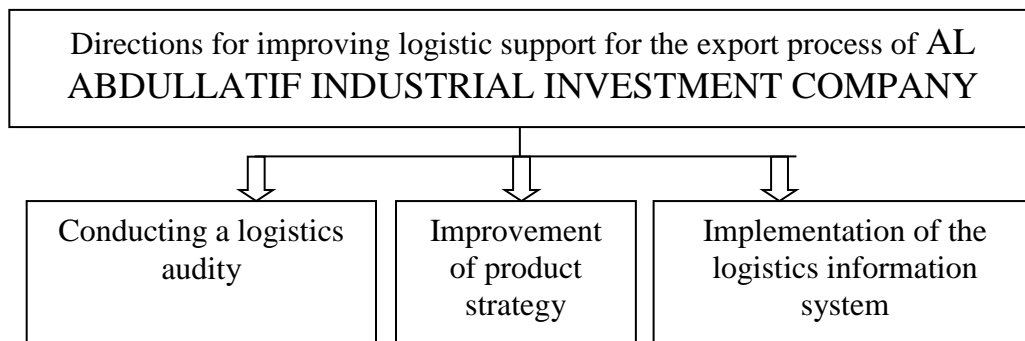


Fig. 2.1. Directions for increasing logistical support for product export of AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY

*compiled based on[1-14]

1. Conducting a logistics audit

The improvement of the logistics management of the AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY enterprise is based on the results of determining the logistics strategy of the enterprise, in particular, the possibility of conducting a logistics audit and improving work with intermediaries.

The algorithm for conducting an audit of the logistics of export operations for AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY should include several consecutive studies of the object of logistics analysis at the enterprise and is presented on Fig. 2.2.

It is advisable to appoint a deputy director who is not directly related to the organizational structure of the commercial department and, accordingly, cannot be an interested person, to be responsible for the logistics audit.

Since the commercial department of the enterprise is responsible for export operations, it is advisable to involve several managers of the commercial department as assistants for the analysis of logistics at AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY. In the process of logistics analysis, the commercial director of the enterprise must provide all necessary information and respond to all requests addressed to the commercial service. On the basis of the received data, options for improving the sales activity of AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY will be proposed in the form of theses, depending on the results of the study.

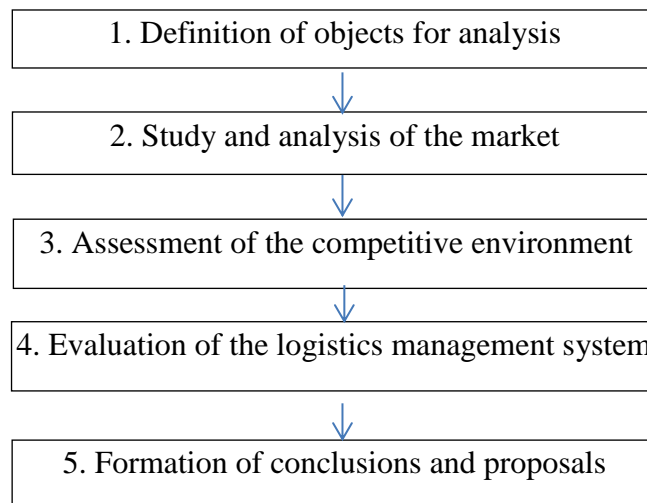


Fig.2.2. PROPOSED STAGES OF CONDUCTING A LOGISTICS AUDIT AT AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY ENTERPRISE TO INCREASE THE EFFICIENCY OF REGIONAL ECONOMIC ACTIVITY

Source - compiled based on[10, 14, 29]

A report is prepared based on the audit of logistics processes. The proposed recommendations and results of the audit are intended to improve the quality of logistics at the

AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY enterprise by improving the quality of analysis and control of logistics activities.

2. Improving the product export strategy

For AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY, in turn, the target orientation is the possibility of continuing its own business on the foreign grain market in the long term. It should be borne in mind that for the consumer there are no irreplaceable goods, services, company, seller, etc., the most important thing for him is his own needs, values, desires, the reality of how a product or service can do something for him he hopes

Choosing a strategy for the development of the assortment portfolio of AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY on the market is an important element of strategic management, since already at the first stages of its formation it is advisable to realize that the object of management is a specialized, homogeneous in terms of activity or a diversified, multi-disciplinary product specialization of the enterprise. The first group most often includes mono-product orientations of assortment development. The second group includes multi-product orientations, which are based on the manufacture and sale of products of different purposes and almost unrelated to each other.

Thus, when optimizing the assortment of AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY on the grain market, the choice of mono-product orientation is specific for this enterprise. To this end, it is necessary to concentrate the company's efforts on increasing the volume of exports of scarce grain crops, which include:

- rapeseed and rapeseed oil;
- espresso and its oil;
- amaranth and its oil.

These products are of great importance on the grain market, as they can be used in the food and chemical industries. In Ukraine, there is an opportunity to conclude contracts with potential agricultural producers for the cultivation of these crops.

3. Improvement of the logistics system of the enterprise










This direction is a supplement to direction No. 1, which provides for conducting a logistics audit. The company bears rather high transport costs, and the period of delivery of products to customers is longer, compared to a similar indicator of competitors. Also, the company under study has a mono-product strategy, as a result of which it is unable to use warehouse space effectively.

In order to improve the information base for managing the effectiveness of foreign economic projects, we propose to implement the logistics management system One Box 1.0.

So, in this issue, the main prerequisites and general directions for improving the efficiency of the foreign economic activity of AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY were substantiated. Based on the statistical data expressing indicators of the development of world grain production, it is possible to draw conclusions about the future prospects of expanding the company's exports to the markets of EU countries and Asia. In particular, China is currently the most promising market. The main directions for increasing the effectiveness of the foreign economic activity of the enterprise under study are as follows: conducting a logistics audit, improving the company's logistics system, optimizing the enterprise's product export strategy.

Table 15

Imports and exports of major trading economies

		Q3 2021 RELATIVE TO 2019 AVERAGE		Q3 2021 RELATIVE TO Q2 2021	
		IMPORTS	EXPORTS	IMPORTS	EXPORTS
 Brazil	GOODS	↑ 20%	↑ 33%	↑ 2%	↓ 5%
	SERVICES	↓ 25%	↑ 2%	↑ 4%	↑ 3%
 China	GOODS	↑ 29%	↑ 34%	↓ 2%	↑ 3%
	SERVICES	↓ 10%	↑ 46%	↑ 6%	↑ 14%
 India	GOODS	↑ 26%	↑ 27%	↑ 15%	↑ 5%
	SERVICES	↑ 3%*	↑ 7%*	↑ 18%*	↑ 17%*
 Japan	GOODS	↑ 10%	↑ 8%	↑ 4%	↓ 3%
	SERVICES	↓ 5%	↓ 18%	↓ 3%	0%
 Republic of Korea	GOODS	↑ 27%	↑ 21%	↑ 6%	↑ 4%
	SERVICES	↓ 5%	↑ 24%	0%	↑ 12%
 Russian Federation	GOODS	↑ 21%	↑ 32%	↓ 1%	↑ 14%
	SERVICES	↓ 30%	↓ 15%	↑ 1%	↑ 4%
 South Africa	GOODS	↑ 9%	↑ 40%	↓ 3%	↓ 13%
	SERVICES	↓ 12%*	↓ 29%*	↑ 9%*	↑ 8%*
 United States	GOODS	↑ 14%	↑ 7%	↑ 1%	↓ 1%
	SERVICES	↓ 8%*	↓ 11%*	↑ 8%*	↑ 6%*
 European Union	GOODS	↑ 16%	↑ 9%	↑ 1%	↓ 2%
	SERVICES	↓ 4%*	↓ 1%*	↑ 7%*	↑ 11%*

Source : UNCTAD based in national statistics

Overall, in Q3 2021, exchange flows persevered to boom greater strongly for growing international locations in evaluation to evolved international locations. A comparable sample is observed while evaluating Q3 2021 with Q3 2019. While this fashion became pushed with the aid of using sturdy exchange increase in East Asian growing economies in preceding quarters, it has come to be broader throughout growing international locations in Q3 2021. Furthermore, in Q3 2021 exchange increase has tremendously decreased for East Asian economies than for different growing international locations.

Table 16

The Development Of The Trade In The Countries

	vs 2020		vs 2019	
	IMPORT	EXPORT	IMPORT	EXPORT
Developed countries	↑ 19%	↑ 18%	↑ 15%	↑ 11%
Developing countries	↑ 30%	↑ 30%	↑ 21%	↑ 24%
South-South Trade	↑ 33%		↑ 25%	
Developing countries (excluding East Asia)	↑ 34%	↑ 40%	↑ 18%	↑ 20%
South-South trade (excluding East Asia)	↑ 43%		↑ 22%	

Source : UNCTAD based in national statistics

Trade increase prices in Q3 2021 had been very sturdy throughout all geographic areas, despite the fact that tremendously muted in North America, Europe, and East Asia, especially as compared to Q3 2020. The export increase has been more potent in commodity-exporting areas as commodity charges have increased. Trade overall performance and volatility indices on the USA level are supplied withinside the Annex.

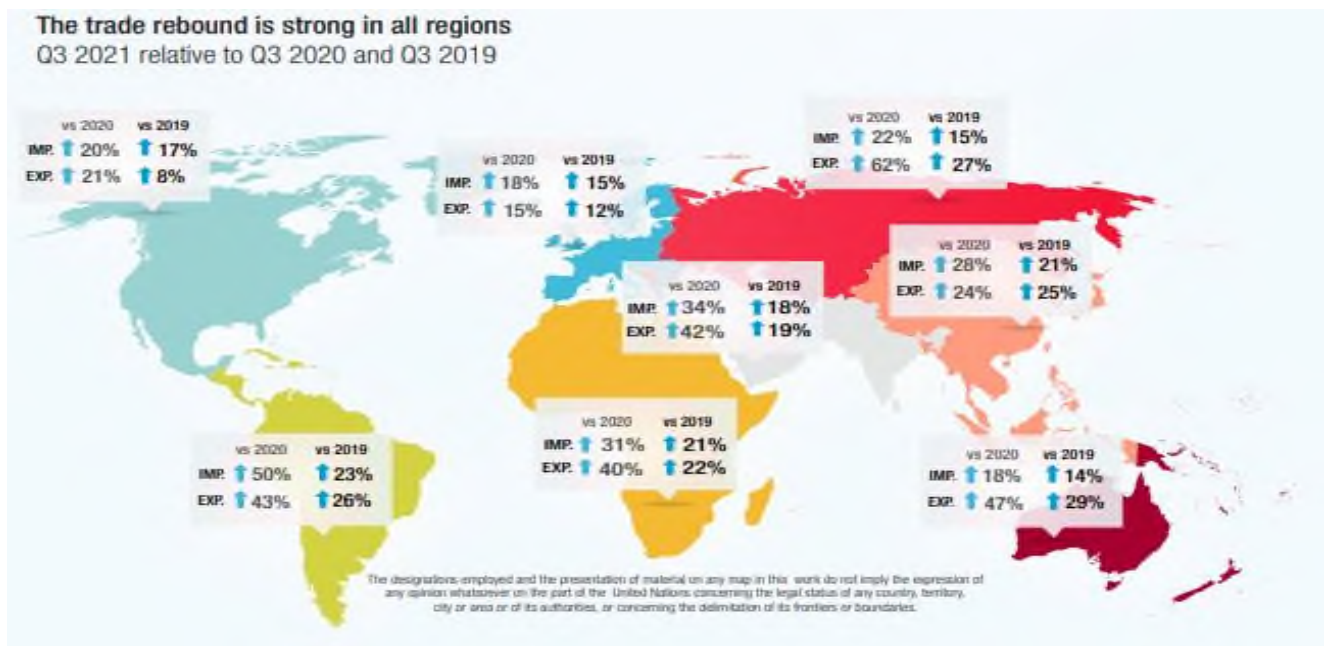


Fig.2.3. The trade rebound in all regions

Source : UNCTAD based in national statistics

In Q3 2021 noticed a sturdy growth in exchange in maximum financial sectors. The price of exchange in energy-associated merchandise grew the maximum, buoyed through excessive call for and growth withinside the charge of fossil fuels. Trade increase became additionally above common in a number of the commodity sectors together with minerals and metals. On the alternative hand, exchange in a number of the sectors associated with COVID-19 became extra muted. In particular, increase withinside the exchange of verbal exchange and workplace gadget became rather low, as became the increase withinside the exchange of textiles and garb because of decrease call for non-public protecting gadget. Trade associated with the automobile sectors became additionally beneath common in Q3 2021, whilst exchange withinside the delivery area remained bad in comparison to 2019.

As it shown in the data in general the country and also The company doing well in the importing sector, but there is one more thing that can make an improvement for the company, which is moving some import to Africa especially the raw materials like (wood , iron ...etc) because the African market can bring the benefits for the company because of some points that will helps the organization:

- Less cost of materials
- Less costs shipping
- Less distance
- Entering new market
- Less time shipping

When the company can have this benefits so that will make improvement in the performance of the company and increase the value and sales of the company because that will make the process of the productivity more efficient and profitable. And also exporting to USA and Russia and Europe, so helping the company to expand in the international market with high quality product and less costing materials and producing.

3.2. IMPLEMENTATION OF THE DEVELOPMENT STRATEGY IN ORGANIZATION OF THE INTERNATIONAL MANAGEMENT OF AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY

A modern examiner knowledgeable that businesses in Saudi Arabia normally have positive destiny expectations concerning their enterprise compared with remaining international markets, the look revealed that more than half of businesses in Saudi Arabia attempt to adapt to enterprise changeable environment. According to this examination, enterprise businesses predicted time body slightly faster for restoration compared with the worldwide level. Anyhow, the growth relies upon on growth of local and international demand, and on updating of products, entering into the field of digital systems and channels, and using superior technology to participate in the growth of the enterprise domain, and efforts have been made to decrease costs in order to face strong competition from competitive producers. So, Al Abdullatif Industrial Investment Co. sees a light at one of the tunnel stages although the excellent task of COVID-19 which negatively affected the business enterprise's activities in the economic year, and no matter what critical precautions taken by the company to reduce modern and capital expenses and other approaches to reduce the influence of COVID-19 profiting from supporting authorities initials and excellent assist given through authorities of His Custodian of the Two Holy Mosques to the companies. Although our outcomes during are nevertheless under our ambitions, however, to enhance positions and markets and to growth export possibilities withinside the economic 12 months of 2023 and the subsequent years. Although verify that destiny expectancy concerning sales of Al Abdullatif Industrial Investment Co. are hard to correctly be predicted, due to the fact related with changeable worldwide financial data, which can also additionally replicate on monetary outcomes of the business enterprise, however suppose that the business enterprise sales face to an advantageous path through the Grace of Allah, with efforts made through the business enterprise government management, board of administrators and committees; the government management seeks to growth income through export to acquire an brought cost if the worldwide financial system reasonably recovers, this

can have a brilliant impact withinside the business enterprise outcomes, additionally the purpose regulations of presidency of the Custodian of the Two Holy Mosques can also additionally arise an advantageous have an effect on at the business enterprise outcomes and different businesses, on every occasion clients sectors go back again to its nature, this can have an advantageous impact at the business enterprise sales.

At the present time, the corporation has no intention of restructuring or preventing operations, destiny plan of the organization for the year consists of accomplishing the subsequent objectives:

- The organization keeps offering excessively excellent merchandise that fulfills the desires and expectancies of clients and is well suited to the organization's values in managing clients.
- Continuance in enormous marketing interest to grow the organization element in the local marketplace.
- Continuously seeking to open new markets and attract new clients all around the arena in order to market the organization's merchandise.
- Continuous work and looking to gain affordable income under these current circumstances.
- To serve the national economy, by participating in providing new and advanced merchandise.
- To gain an advanced role for the organization by growing its component withinside the marketplace. • Training guides for the organization's staff.
- To increase guidelines and organizational systems and economic and administrative structures per international standards.
- Continuance in improving and updating computer structures according to the necessities of the applicable authorities.
- Participation in activities of the local network and supplying required support in this field.

Export-Import Activity

In fact, the company needs several strategies to develop the level of the company and develop the export and import department and its activities such like

1- Innovation strategy

the company needs the creation of competitive products and consumer engagement is becoming more and more important as one of the most important success factors in competition. New products must differ from existing ones on the market, either in appearance or in functionality. This can be achieved through innovation and significant investment in product development.

2- Diversification strategy.

the company must make a development of new activities for the company and the expansion of the product range and production. After developing the strategy, and analyzing international markets and the main competitors, it is necessary to analyze the expected results when implementing the marketing strategy export -Import activities of the company and comparison with prospects for economic activity on the domestic market.

In order to determine the feasibility of export-import operations, it is important to analyze the efficiency of these operations, and only then compare them with the efficiency of production and sale in the domestic market. Having chosen one of the options for organizing export-import operations, the company searches for potential partners, which leads to negotiations and the signing of contracts.

Informational elements in the management of the effectiveness of the development plan of the program to increase the logistical support of sales processes at the enterprise are poorly developed. Also, there are no specialized programs at the enterprise that would make it possible to optimize innovations. In general, AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY also does not have its own logistics system.

The idea of the information system "One Box 1.0" is the formation of an automated information system for receiving, accounting, systematization and processing of information

coming from suppliers and buyers of the enterprise, automation of transport processes in the warehouses of the enterprise. Transport processes taking place in the network of AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY must have a foreign economic orientation of its development.

So, based on the above proposals, it is possible to justify the program of increasing the efficiency of the export activity of AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY for 2023. Let's proceed directly to the substantiation of the main stages of the implementation of the program to increase logistical support for the export of products to foreign markets.

The action plan for the organization of the program to increase logistical support for export of products for 2023 is given in the table 2.17.

Table 17

**Program for increasing logistic support for the export of AL ABDULLATIF
INDUSTRIAL INVESTMENT COMPANY products for 2023**

Statements of the program	Information basics	Expected results of the Program	Responsibles	Time lines
1	2	3	4	5
<i>Audit program of logistics processes</i>				
Definition of objects for analysis	Reports of the commercial department for 2021 – / 2022 yy.	Determination of problematic aspects of the activity of the commercial department	Commercial director, logistics manager	February 2023
Study and analysis of the market, assessment of the competitive environment	Data of the commercial director, data of the third-party logistics company GFK	Determination of the potential of the enterprise on the market.	logistic manager	February 2023
Evaluation of the logistics management system	Staff schedule, job descriptions of the commercial department	Evaluation of the organizational aspects of the work of the commercial service	Commercial director, logistics manager	March 2023
Generalization of audit results, formation of proposals	Materials and calculations carried out during the audit	Determination of export improvement prospects	Commercial Director	March 2023

Continue the table 2.6				
1	2	3	4	5
Improving logistics processes				
Purchase of a server, car sensors	Offer prices of relevant hardware and software, terms of purchase	Providing the technical part of system installation, program installation and user connection	IT manager	March 2023
Purchase of a 4G connection package			IT manager	
Installing the ONE BOX 1.0 program			IT manager	
Improving the product exporting strategy				
Setting up and testing work	Available system software settings	Debugging the system	IT manager	April 2023
Product portfolio optimization	Assortment, prices, presentation, terms of promotion of competitors' goods	Formation of optimal assortment, prices	Commercial director, logistics manager	April 2023
Substantiating the amount of costs for the implementation of the sales program	Prices and estimates for the services of competitors' managers	Determination of a clear amount of costs for the implementation of the program	Financial Director, Commercial Director	April 2023

*created by the author

Based on the above directions, a program for increasing the efficiency of export of products was formed, which involves the development of a specific plan-schedule for the implementation of the directions defined above (Table 2.6). It can be presented in the form of the following components:

- determining the terms of implementation of the new export strategy and updating the assortment, as well as those responsible for this process;
- determination of deadlines and responsible for logistics analysis;
- determination of deadlines and responsible for improving logistics processes;
- determination of deadlines and those responsible for improving the activities of the company's management in the field of branding;
- determination of the amount of income and expenses that will be received as a result of the implementation of the program to increase the logistical support of sales processes;

- evaluation of the effectiveness of the program and determination of the positive economic effect of its implementation.

Thus, in this issue, the main measures to increase the efficiency of the foreign economic activity of the enterprise "F&S SOLUTIONS" for 2023 were determined, in particular: conducting a logistics audit with the aim of improving transport processes during export, organizing measures to improve the export strategy during export, developing measures to implement new logistics management system. When optimizing the assortment of AL ABDULLATIF INDUSTRIAL INVESTMENT COMPANY on the grain market, the choice of mono-product orientation is specific for this enterprise. For this purpose, it is necessary to concentrate the company's efforts on increasing the volume of exports of scarce grain crops, which include: rapeseed and rapeseed oil; Espret and its oil; amaranth and its oil. These measures will make it possible to increase the effectiveness of the formation of an export strategy and ensure an increase in the volume of exports of the enterprise in the forecast period (2023-2025 yy.).

Development of the export

The issue of developing the export and import sector is not confined to companies only. There must also be governmental support, which facilitates work for companies to develop this sector and makes the economic movement in this sector become increasing, and this makes international cooperation between companies become easier, and there will also be investment from external companies to develop. These pieces and companies must move this market, conclude foreign deals, and innovate new products.

And the development of this sector can be at some points, including:

- 1- The development of the electronic system in terms of facilitating the requirements for export and import, so that the exporters have the ease of clearing the required transactions and papers and occupying it with the tax account, which makes the export process easier.
- 2- Supporting emerging sectors and supporting exporters, as the reason for the high demand for resources is local products, which calls on companies to export more of

these resources and produce new resources and products, which increases the possibility of investing in these companies and entering foreign investment into the local market

- 3- Reducing taxes, which makes the market move and demand increase, and this method helps in reviving the dead market for some resources and sectors. This may be a way to attract the attention of investors and increase investment in these sectors and also make the local product less taxable than the imported product, and this makes investing in local products and trying to develop them. Export it to the global market more.

CONCLUSIONS AND PROPOSALS

The company's vision is to develop day after day in order to remain and become the best pioneers and Polypropylene, Polyester, Nylon, Wool, Viscose & Acrylic carpets in the region and the world, and the company provides a wonderful work environment mixed with experts and skills, and this allows new employees to gain experience in the shortest time and become a skilled and expert owner, with all that the company can achieve its goals while also achieving The ambitions of the employees, which makes the work go towards a positive path for both parties, and this allows the employees to improve their income and wages, as well as an increase in sales ratios and the total income of the company.

During the pandemic period, the company was able to achieve profits, even if a portion is not large, in light of the fact that all companies suffer and some of them declared bankruptcy. This resulted in the company having the opportunity to grow and make profits due to the inability of some competitors to do.

the company needs to import from different countries. especially after the pandemic corona, so that also the company has a chance to enter the African market and build storage there because the distance and the costs can be reasonable for the company.

One of the ways to address the financial system for import and export is to have a unified system for all countries and companies, where companies and transfers have the payments that are made in the conclusion of deals, and the state has a presence in this system, where the tax account is monitored, the issuance of regulations, which is commensurate with the system of each country, and also the fight against corruption.

The regulations and regulations for each market in any country are different from the other, so there must be communication for the state where companies are obligated to enter into the unified system and the presence of the state is through the Ministry of Commerce through which companies control regulations are issued and announced to reduce corruption as well and prevent penetration of systems.

Of course, there are other reasons that face the movement of export and import, such as natural accidents, and these are unexpected things, and there is difficulty in finding a solution to these problems.

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WTO Report

Box IV.9.

Development of China's Overseas Economic Cooperation Zones

Although the Chinese Government announced in 2006 that it would establish up to 50 overseas economic and trade cooperation zones, only 19 overseas zone proposals were selected as China's Overseas Cooperation Zones (COCZs) through two rounds of tenders in 2006 and 2007. The zones were required to submit an annual report to the Ministry of Commerce and the Ministry of Finance and to be evaluated annually on the basis of their performance in zone construction, investment committed, number of tenants, investment of tenants, corporate social responsibilities, environmental protection and the like. Zones that failed to pass the evaluation for three consecutive years would be no longer eligible for government incentives.

The tender experiment was suspended in 2014. Enterprises are now encouraged to build overseas industrial zones on the basis of their business needs and apply for verification as national COCZs from the Ministry of Commerce. Verified zones can then apply for concessional loans or low-cost finance from development banks and funds. There were 20 verified zones as of 2018 (box figure IV.9.1).

Box figure IV.9.1. Distribution of the 20 verified COCZs, 2018

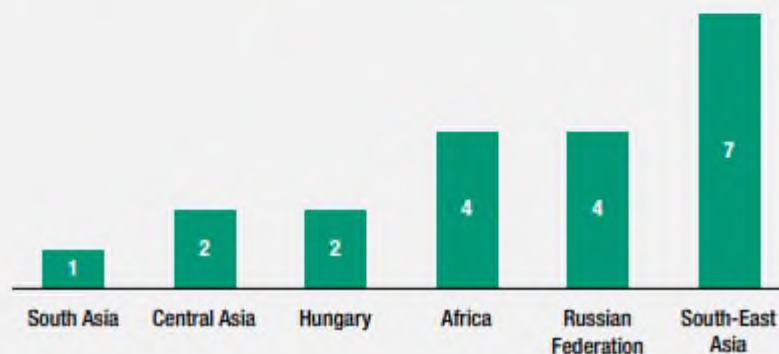


Table IV.13.

SEZs and international law: the interface (Examples)

Impact of measure	Measures	International rules limiting the measure (prohibiting it or phasing it out)	International rules allowing or requiring the measure
Supporting firms	<ul style="list-style-type: none"> Tax and other benefits Exemption from customs and duties Relaxed regulatory requirements Additional liberalization for foreign investors Streamlined administrative procedures 	<ul style="list-style-type: none"> WTO SCM Human rights instruments ILO conventions Environmental agreements 	<ul style="list-style-type: none"> Kyoto Convention WTO GATT WTO GATS/RTA (establishment commitments) WTO TFA IIA (investment facilitation rules)
Constraining firms	<ul style="list-style-type: none"> Establishment and operational requirements 	<ul style="list-style-type: none"> WTO TRIMs IIA/RTA rules on performance requirements 	<ul style="list-style-type: none"> RTA/IIA reservations for performance requirements

Table IV.7. Types of SEZs developed with foreign partners

Types of SEZs	Examples
Zones developed by foreign developers or through joint ventures with local companies as private FDI	<ul style="list-style-type: none"> Amata City Bien Hao, developed by Amata (Thailand) in Viet Nam (1994) through a joint venture with Viet Nam's State-owned enterprise Sonadez Techno Park Poipet, developed by Toyota Tsusho (Japan) in Cambodia (2015) Call Tech Park, developed by Zonamerica (Uruguay) in Colombia (2016) Pearl River SEZ, developed by New South (China) in Kenya (2017) through a joint venture with African Economic Zones Ltd
Zones developed through public-private partnerships with foreign developers	<ul style="list-style-type: none"> Savan-Seno SEZ in the Lao People's Democratic Republic (2003), developed through a joint venture between Malaysian private companies and the Government Free Industrial Zone Hualing Kutaisi 2, developed by Hualing Group (China) in Georgia (2015), on the basis of a memorandum of understanding with the Ministry of Economy and Sustainable Development of Georgia Lekki FTZ, developed by Chinese consortiums in Nigeria (2006) through a joint venture with the Lagos State Government
Zones developed as government-government partnership projects	<ul style="list-style-type: none"> Suzhou Industrial Park, developed in China (1994) through a joint venture between Singaporean and Chinese consortiums Thilawa SEZ, developed in Myanmar (2011) through a joint venture between the Myanmar and Japanese governments, and private consortiums from Myanmar and Japan Belarus-China Industrial Park Great Stone in Belarus (2011), developed through a joint venture between a Chinese private developer and Belarus Public Administrator Russia Industrial Zone, developed in Egypt (2018) by a Russian Federation developer

Table IV.8. Selected government partnership zones

Zone	Home economy	Host economy	Bilateral agreement	Development model
Batamindo Industrial Park	Singapore	Indonesia	1989	Joint venture between Singapore Government-linked companies and Salim Group, Indonesia
Suzhou Industrial Park	Singapore	China	1994	Joint venture between Singaporean and Chinese consortiums
Lekki Free Trade Zone	China	Nigeria	2006	Joint venture between Chinese consortiums and the Lagos State Government
Bethlehem Multidisciplinary Industrial Park	France	State of Palestine	2008	Joint venture between the Agence Française de Développement, and French, Palestinian, and other private investors
Sihanoukville SEZ	China	Cambodia	2010	Joint venture between a Chinese conglomerate and Cambodia International Investment Development Group
Belarus-China Great Stone Industrial Park	China	Belarus	2011	Joint venture between a Chinese private developer and a Belarus public administrator
Caracol IP	United States	Haiti	2012	Developed by the Government of Haiti, the Inter-American Development Bank, the United States Government and Sae-A Trading (Republic of Korea), which is also the anchor tenant; managed by Haiti National Society of Industrial Parks
oneHub Chennai	Japan	India	2013	Joint venture between an Indian public administrator, a Singaporean private developer and a Japanese consortium
Sittwe SEZ	India	Myanmar	2016	Still in the planning stage
Russia Industrial Zone	Russia	Egypt	2018	To be developed by a Russian industrial developer

The national Saudi trade authorize

الواردات حسب الأصناف والدول لعام 2019

Imports According to commodities and countries For the Year of 2019

Table No (11)

جدول رقم (11)

السلعة / الدولة Commodity / Country	الكمية Unit	الوزن بالطن Weight Tons	القيمة بالآلاف Value - 000 SR
الأردن	4,007	152	2,486
JORDAN			
السودان	182,427	3,903	55,083
SUDAN			
جيبوتي	283,019	7,327	90,281
DJIBOUTI			
جمهورية الصومال	688,150	14,273	147,786
SOMALIA			
دول أخرى	3,148	930	483
Other Countries			
المجموع	1,083,351	25,795	255,950
Total			
دجاج من فصائل الدواجن، لا يزيد وزن الواحد منها عن 185 غرام POWLS OF GALLUS DOMESTICUS, NOT MORE THAN 185 GRAM			
01051100			
المملكة المتحدة	88,004	3	3,815
UNITED KINGDOM			
الاتحاد الأوروبي، غير منكورة في مكان EUROPEAN UNION, N.E.S	182,188	6	14,742
Other Countries	88,028	3	843
المجموع	281,748	13	19,484
Total			
خرفان من أنواع دجاجات من جنس غالوس دومستكوس Other Fowls of the species Gallus domesticus			
01059400			
الأردن		12	2,332
JORDAN			
فرنسا		12	3,416
FRANCE			
الاتحاد الأوروبي، غير منكورة في مكان EUROPEAN UNION, N.E.S		932	36,992
Other Countries		4	1,287
المجموع		130	40,015
Total			
جمال لتساليقات الرياضية والمزينة Camels for sport and beauty contests			
01061120			
الكويت	1,107	452	1,745
KUWAIT			
الإمارات العربية المتحدة	26,080	5,927	51,285
UNITED ARAB EMIRATES			
دول أخرى	329	96	783
Other Countries			
المجموع		27,198	53,714
Total			
خرفان من جمال			
01061300			
Other of camels			

السلعة / الدولة Commodity / Country	الكمية Unit	الوزن بالطن Weight Tons	القيمة بالآلاف Value - 000 SR
حيوانات حية			
01			
LIVE ANIMALS			
خرفان من أبقار			
01022900			
البرازيل	4,833	1,372	14,890
BRAZIL			
دول أخرى	320	121	1,619
Other Countries			
المجموع	4,953	1,493	16,609
Total			
خرفان من جواميس			
01023900			
البرازيل	7,382	2,226	28,716
BRAZIL			
المجموع	7,382	2,226	28,716
Total			
حيوانات من فصيلة الضأن أصله لا تسال			
01041010			
الأردن	548,710	12,248	242,794
JORDAN			
جورجيا	18,262	1,804	28,835
GEORGIA			
جمهورية الصومال	216,796	5,411	48,449
SOMALIA			
رومانيا	273,137	12,046	553,450
ROMANIA			
دول أخرى	1,417	40	686
Other Countries			
المجموع	887,312	31,548	465,525
Total			
حيوانات من فصيلة الضأن أفر			
01041090			
الأردن	136,806	6,007	63,120
JORDAN			
السودان	3,791,881	122,944	1,621,880
SUDAN			
جيبوتي	348,705	8,743	58,790
DJIBOUTI			
جمهورية الصومال	353,614	8,852	68,255
SOMALIA			
رومانيا	108,800	4,238	48,776
ROMANIA			
دول أخرى	0	0	0
Other Countries			
المجموع	4,730,009	148,764	1,918,823
Total			
خرفان من فصيلة الماعز			
01042090			
OTHER GOATS			

Imports According to commodities and countries For the Year of 2019

Table No (11)

جدول رقم (11)

القيمة بالآلاف Value - 000 SR	الوزن بالطن Weight Tons	الكمية Unit	السلعة / الدولة Commodity / Country
49109990 غيرها من منشورات			
OTHER PRINTED MATTER			
13,468	725		الإمارات العربية المتحدة UNITED ARAB EMIRATES
6,468	914		ماليزيا MALAYSIA
5,189	762		الصين CHINA
4,408	38		الولايات المتحدة الأمريكية U.S.A
1,668	1		المكسيك MEXICO
2,148	8		أيرلندا IRELAND
4,348	4		النمسا AUSTRIA
2,264	25		ألمانيا GERMANY
7,622	4		هولندا NETHERLANDS
8,687	123		المملكة المتحدة UNITED KINGDOM
1,108	28		إيطاليا ITALY
1,481	42		تركيا TURKEY
8,768	2		التشيك CZECH REPUBLIC
4,728	154		دول أخرى Other Countries
70,217	2,124		المجموع Total
59 صوف، وبر - خيوط وقطع منشوجة من شعر الخيل			
WOOL, ANIMAL HAIR; HORSEHAIR YARN AND WC			
51120190 غيرها من المنسوجة بولاً 85% وزناً أو أكثر من صوف أو وبر منشوجة			
3,824	11		المملكة المتحدة UNITED KINGDOM
6,418	18		إيطاليا ITALY
760	8		دول أخرى Other Countries
10,902	38		المجموع Total
55390010 غيرها من المنسوجة من وبر بشق			
OTHER ARTICLES OF COARSE ANIMAL HAIR			

القيمة بالآلاف Value - 000 SR	الوزن بالطن Weight Tons	الكمية Unit	السلعة / الدولة Commodity / Country
27,787	762		الولايات المتحدة الأمريكية U.S.A
11,275	964		المملكة المتحدة UNITED KINGDOM
1,175	8		المجر (مختارة) HUNGARY
8,312	760		دول أخرى Other Countries
193,297	10,032		المجموع Total
49111010 منشورات للعلامة والإعلان			
PRINTED MATTER FOR PUBLICITY AND ADVERTISEMENT			
1,384	42		كروات CROATIA
4,470	120		الإمارات العربية المتحدة UNITED ARAB EMIRATES
1,863	760		الصين CHINA
1,040	12		البنغال BANGLA
1,049	19		الولايات المتحدة الأمريكية U.S.A
1,077	14		ألمانيا GERMANY
4,849	860		إيطاليا ITALY
4,399	148		دول أخرى Other Countries
30,381	5,992		المجموع Total
49111090 كتالوجات تجارية ومعلوماتية			
COMMERCIAL CATALOGUES AND THE LIKE			
1,312	70		الإمارات العربية المتحدة UNITED ARAB EMIRATES
2,825	118		الهند INDIA
9,982	667		الصين CHINA
1,347	728		كوريا الجنوبية SOUTH KOREA
1,391	28		ألمانيا GERMANY
7,360	460		دول أخرى Other Countries
24,345	5,270		المجموع Total

Imports According to commodities and countries For the Year of 2019

Table No (11)

جدول رقم (11)

القيمة بالآلاف Value - 000 SR	الوزن بالطن Weight Tons	الكمية Unit	السلعة / الدولة Commodity / Country
59032000 البارد من بوليستر غير مصبوغ للفرز POLYESTER FIBERS NOT FOR SPINNING			
1,838	388		الإمارات العربية المتحدة UNITED ARAB EMIRATES
7,818	1,852		الهند INDIA
8,185	2,524		فيتنام VIETNAM
8,888	2,017		الصين CHINA
6,067	1,463		تايوان TAIWAN
8,348	480		كوريا الجنوبية SOUTH KOREA
1,918	421		إندونيسيا INDONESIA
1,548	415		مصر EGYPT
1,154	215		دول أخرى Other Countries
30,948	9,343		المجموع Total
59034000 البارد من بوليستر بروفيل، غير مصبوغ للفرز POLYPROPYLENE FIBERS, NOT FOR SPINNING			
1,281	222		الإمارات العربية المتحدة UNITED ARAB EMIRATES
18,984	2,752		كوريا الجنوبية SOUTH KOREA
9,478	823		الدنمارك DENMARK
6,745	1,023		إيطاليا ITALY
2,966	305		دول أخرى Other Countries
30,429	5,125		المجموع Total
59092200 خيوط خزل غير مزينة أو ملونة من أكريليك MULTIPLE OR CABLED ACRYLIC YARN			
34,885	2,884		تركيا TURKEY
428	38		دول أخرى Other Countries
35,274	2,889		المجموع Total
59121100 نسيج مصبوغ أو غير مصبوغ من البارد، نسيج UNBLEACHED OR BLEACHED POLYESTER STAPLE WOVEN FAB			
5,318	230		فيتنام VIETNAM
88,588	7,748		الصين CHINA
3,798	228		تايوان TAIWAN
38,838	5,803		كوريا الجنوبية SOUTH KOREA
28,918	587		اليابان JAPAN
18,542	890		إندونيسيا INDONESIA
1,338	167		المملكة المتحدة UNITED KINGDOM
2,848	179		تركيا TURKEY
2,398	72		دول أخرى Other Countries
183,218	15,375		المجموع Total
54079200 نسيج غير مصبوغ DYED OTHER WOVENS			
1,108	12		الإمارات العربية المتحدة UNITED ARAB EMIRATES
7,444	100		الهند INDIA
1,624	259		الصين CHINA
4,888	911		اليابان JAPAN
2,205	98		دول أخرى Other Countries
16,169	880		المجموع Total
55 البارد التركيبية أو المصنوعة غير مستمرة MANMADE STAPLE FIBERS			
55012000 خيوط من شعيرات تركيبية من بوليستر SYNTHETIC FILAMENT TOW OF POLYESTER			
4,462	851		الهند INDIA
8,900	848		تركيا TURKEY
2,710	782		دول أخرى Other Countries
16,072	2,881		المجموع Total

Annual Report of the company

Summary of the Fiscal Results

(A) List of Financial Position:

(in millions Saudi Riyals)

Description	2016	2017	2018	2019	2020
Current assets	931.95	892.42	894.79	901.04	833.57
Investments	153.54	122.61	125.24	141.77	150.57
Fixed assets	475.91	428.75	382.36	341.30	298.65
Total of assets	1,561.40	1,443.78	1,402.39	1,384.11	1,282.79
Current liabilities	330.35	218.18	206.96	205.43	120.52
Long-term loans	-	-	-	-	-
Non-current liabilities	9.07	11.99	10.60	29.85	30.56
Total of shareholders' rights	1,221.98	1,213.61	1,184.83	1,148.83	1,131.71
Total of liabilities and shareholders' rights	1,561.40	1,443.78	1,402.39	1,384.11	1,282.79

In 2008 the company's capital was increased from 650000000 riyals to 812500000 riyals by granting a share of 25% of the capital

(B) List of Income

(In millions Saudi Riyals)

Description	2016	2017	2018	2019	2020
Net Sales	740.81	668.41	621.19	600.51	466.09
Sales cost	-634.78	-586.57	-563.22	-559.47	-435.79
Total profit	106.03	81.84	57.97	41.04	30.30
Total of expenses and burdens	-85.13	-60.78	-57.62	-61.21	-63.00
Other revenue	7.75	14.15	7.68	8.55	7.87
Annual net income	28.65	35.21	8.03	-11.67	-24.83
Net other comprehensive income	-	-2.96	3.82	-3.08	7.71
Net annual comprehensive income	28.65	32.25	11.85	-14.75	-17.12
Share profit from net annual income	0.35	0.43	0.10	-0.14	-0.31

(C) Summary of Cash Flow List

(In millions Saudi Riyals)

Description	2019	2020
Net cash resulted from operation processes	50.54	90.70
Net cash used in investment processes	-27.11	-0.52
Net cash used in financial processes	-32.44	-83.21
Net cash flows from operations	-9.01	6.97
Cash and the like – starting of the year	78.69	69.68
Cash and the like – end of the year	69.68	76.65

Name of Relevant Party	First debit balance 1/1/2020	Sales to a relevant party	Services and benefits to a relevant party	Services and benefits from a relevant party	Purchases from a relevant party	Received payments from a relevant party	Paid payments to a relevant party	Final balance 31/12/2020
Al Abdullatif Furniture Co.	38,452	29,945	3,968	339	26	33,541	339	38,798
Natural Gas Distribution Co.	-	-	-	-	1,740	-	1,555	(185)
Total	38,452	29,945	3,968	339	1,766	33,541	1,894	38,613

(in thousands Saudi Riyals)

Description	2019	2020	Description
Legal Zakat	17,719	18,826	Paid Legal Zakat
Social insurance	5,478	4,965	Payment of employees subscriptions, included retirements, job risks, insurance of work disability.
Passports & Ministry of Labor	16,925	7,116	Renewal of resident identities, labor licenses for the company employees
Customs Fess	3,589	1,421	Paid fees for Customs Authority
General Directorate of Traffic	28	32	Renewal of registrations for the company cars and trucks
Industrial Cities Department	2,081	2,030	Payment of the company's locations renting
Capital Market Authority – Tadawul	565	559	Fees of services providing (Tadawul)
Zakat Authority – Value Added Tax	179	5,238	Value added tax
Other	178	101	Authentication from Chamber of Commerce and Ministry of Foreign Affairs

Description	Regulatory Form	Location	Property%	31/12/2020	31/12/2019
Unlisted Investments					
Red Sea Cables Co.	Saudi closed stock company	Riyadh	27%	45,650	46,300
Al-Reef Sugar Refinery Co.	Saudi closed stock company	Jeddah	15%	37,125	26,077
				82,775	72,377

Description	31/12/2020	31/12/2019
	In Thousand Riyal	In Thousand Riyal
Balance in the beginning of year	16,258	-
Additives during the year	-	14,759
Profits reassessment of investments in fair value	309	1,499
Exclusion with selling	-7,817	-
Balance in the last of year	8,750	16,258

Loans Movement	31/12/2019	31/12/2020
	In Thousands Saudi Riyals	In Thousands Saudi Riyals
Finance of commercial facility and short-term Murabah	145,861	66,653
Deduction: delayed finance commissions	-1,506	-349
Net value of Islamic loans	144,355	66,304

SELECTED GOVERNMENT PARTNERSHIP ZONES				
Zone	Home economy	Host economy	Bilateral agreement	Development model 99
Batamindo Industrial Park	Singapore	Indonesia	1989	Joint venture between Singapore Government-linked companies and Salim Group, Indonesia
Suzhou Industrial Park	Singapore	China	1994	Joint venture between Singaporean and Chinese consortiums
Lekki Free Trade Zone	China	Nigeria	2006	Joint venture between Chinese consortiums and the Lagos State Government
Bethlehem Multidisciplinary Industrial Park	France	State of Palestine	2008	Joint venture between the Agence Française de Développement, and French, Palestinian, and other private investors
Sihanoukville SEZ	China	Cambodia	2010	Joint venture between a Chinese conglomerate and Cambodia International Investment Development Group
Belarus-China Great Stone Industrial Park	China	Belarus	2011	Joint venture between a Chinese private developer and a Belarus public administrator
Caracol IP	USA	Haiti	2012	Developed by the Government of Haiti, the Inter-American Development Bank, the United States Government and Sae-A Trading ,(Republic of Korea), which is also the anchor tenant; managed by

				Haiti National Society of Industrial Parks
oneHub Chennai	Japan	India	2013	Joint venture between an Indian public administrator, a Singaporean private developer and a Japanese consortium
Sittwe SEZ	India	Myanmar	2016	Still in the planning stage
Russia Industrial Zone	Russia	Egypt	2018	To be developed by a Russian industrial developer

Source : made by the author WTO Report

<i>Company Name</i>	<i>Main Activity</i>	<i>Buildings Country</i>	<i>Original Country</i>	<i>Property%</i>	<i>Capital</i>
<i>National Spinning Co. Ltd.</i>	Spinning and preparation of cotton, spinning and preparation of industrial strings such as nylon and Dillon	Saudi Arabia	Saudi Arabia	100%	30,000,000
<i>Eastern Textile Co. Ltd.</i>	spinning and preparation of industrial strings such as nylon and Dillon, spinning of textiles from industrial strings such as nylon.	Saudi Arabia	Saudi Arabia	100%	20,000,000
<i>Western Textile Co. Ltd.</i>	Manufacturing of industrial strings, included(nylon and polyester)	Saudi Arabia	Saudi Arabia	100%	16,500,000
<i>ADFA Blankets Co.</i>	Cutting and customizing of s pillowslips, mattress, pillows, manufacturing of blankets and carpets.	Saudi Arabia	Saudi Arabia	100%	20,000,000
<i>Nadeen Arabian Colors Co.</i>	Manufacturing materials of stain, coloring, industrial and natural tanning	Saudi Arabia	Saudi Arabia	100%	4,000,000
<i>Shahad Paper Manufacturing Tube</i>	Manufacturing of paper and crimpy cardboard (carton), paper tube	Saudi Arabia	Saudi Arabia	100%	1,300,000
<i>The First Company for Carpets</i>	Manufacturing of carpets (for prayer) and moquette	Saudi Arabia	Saudi Arabia	100%	20,000,000

<i>Al Abdullatif Training Co.</i>	Training Centers	Saudi Arabia	Saudi Arabia	100%	100,000
<i>Retaj Al Waseel Company for Maintenance, Services and subsistence</i>	General Construction of Housing	Saudi Arabia	Saudi Arabia	100%	2,000,000

Source : made by the author based on Annual report of the company