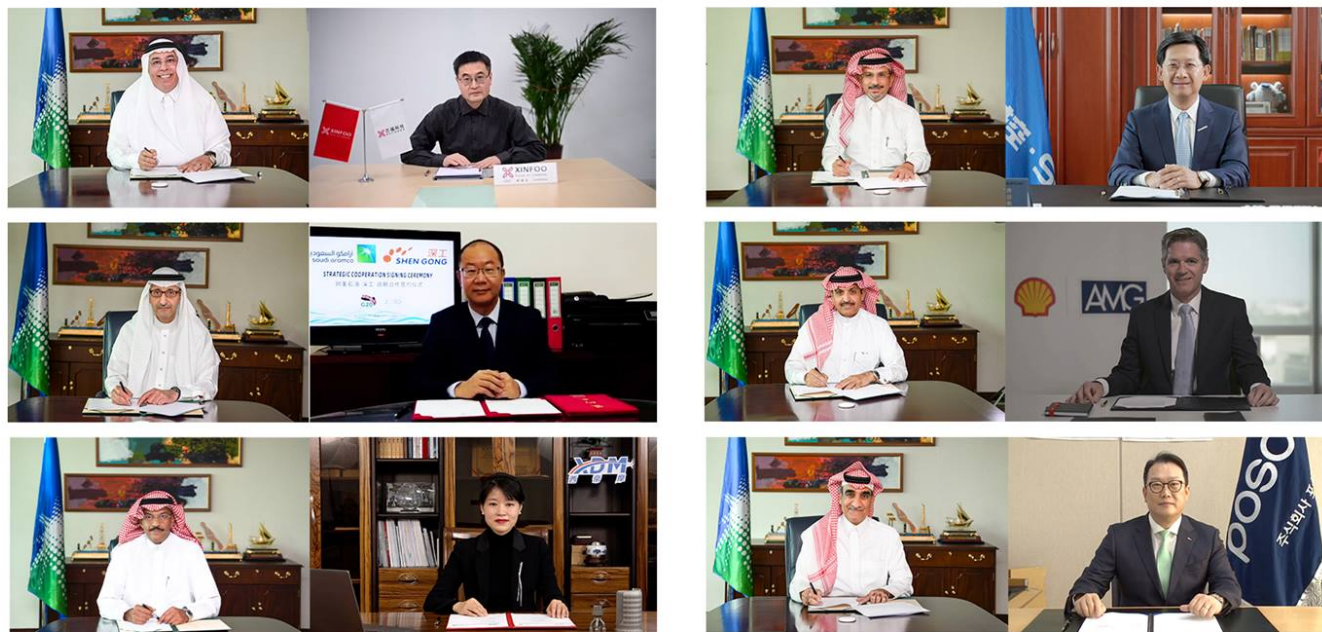


Aramco announces expansion of its flagship localization program

DHAHRAN, November 30, 2020



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Aramco today announced the expansion of its flagship program to increase local content and boost domestic supply chains. It is a significant milestone in the company's In-Kingdom Total Value Add (iktva) program, which marks its fifth anniversary on December 1st. The expansion includes plans for new international partnerships and the establishing of companies through an Industrial Investment Program (IIP), which is linked to the development of Aramco's business.

Aramco has signed MoUs with Shell & AMG Recycling BV (AMG) from the Netherlands; Chinese firms Suzhou XDM, Shen Gong, Xinfoo and SUPCON; and Posco from South Korea.

These strategic collaborations pave the way for the launch of new businesses across multiple innovative growth sectors, including steel plate manufacturing, industrial 3D printing, digital equipment manufacturing, energy management and control; catalyst manufacturing and recycling, and advanced chip and smart sensor manufacturing.

These new collaborations reflect Aramco's commitment to increasing the company's reliability and operational efficiency, as well as its commitment to further enhancing the Kingdom's commercial ecosystem and increasing employment and development opportunities for talented Saudis. Since iktva's launch, Aramco's local content index has increased from 35% at the end of 2015 to 56%.

Amin H. Nasser, Aramco's President & Chief Executive Officer, said: "Today's announcement is a step change in Aramco's pioneering IKTVA program which was launched in 2015. Despite the uncertainties surrounding the global economy, we have sustained our focus on our long-term goals to enable growth and development for a thriving ecosystem and a more diversified Saudi economy.

"These new partnerships will contribute to advancing innovation, sustainability and enhance the scale of reliability in our business ecosystem and, in addition, benefit companies operating in the Kingdom's vast energy and chemicals sector. These partnerships will also have a strong focus on new technologies, by maximizing our investments in non-metallic materials and the circular carbon economy, as well as the development of talented Saudis in communities where we operate."

Ahmad Al-Saadi, Aramco's Senior Vice President of Technical Services, said: "Aramco has a long history of supporting the local business ecosystem. Our iktva program is a manifestation of our commitment to this and the resulting investments, either directly by Aramco or indirectly by suppliers, have promoted localization, contributed to Aramco's supply chain resilience and enhanced Saudi Arabia's economic growth. Our planned partnerships will continue this journey and advance the Kingdom's economic

progress. We intend to act as an enabler, supporting the growth of national champions. Today we are expanding our flagship program, and expect more partnerships in the future.”

Saudi Aramco has concluded MoUs with the following companies:

- 1 **POSCO** – an agreement to collaborate on evaluating the feasibility of constructing an integrated steel plate manufacturing plant in Saudi Arabia.
- 2 **Suzhou XDM 3D Printing Company Ltd** – an agreement to collaborate on industrial 3D printing technologies and development in Saudi Arabia.
- 3 **SHEN GONG New Materials (Guang Zhou) Co. Ltd** – an agreement to focus on developing control systems technologies for LED lighting, energy management and intelligent control.
- 4 **XINFOO Sensor Technology Company Limited** – an agreement to explore opportunities in chip manufacturing and related technologies.
- 5 **Shell & AMG Recycling B.V.** – an agreement to explore collaboration to develop plans for a state-of-the-art regional hub for the recycling of gasification ash and reclamation of spent catalyst, in addition to providing sustainable solutions.
- 6 **Zhejiang SUPCON Technology Co., Ltd** - an agreement to explore potential joint investment opportunities in Saudi Arabia for the services and manufacturing value chain.

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