



Press Release

Saudi Arabia among leading nations globally in improving innovation environment: GE Survey

- *GE announces results of the second annual Global Innovation Barometer*
- *96% of respondents said innovation environment in the Kingdom has improved in the past five years*
- *86% respondents say that investing in innovation is the best way to create jobs*

Riyadh, Saudi Arabia; January 23, 2012: The environment for innovation in Saudi Arabia has improved in the past five years, according to the respondents of the second annual GE Innovation Barometer Survey. Some 96 percent of the respondents, compared with the global average of 82 percent, said that the innovation environment in the Kingdom has improved in the recent past, one of the best results among the 22 countries surveyed. This reflects the leading position of Saudi Arabia globally in terms of the confidence of businesses in the progress achieved to promote innovation-led growth by the Kingdom.

GE surveyed nearly 3,000 senior business executives from the 22 countries, including Saudi Arabia, all with direct involvement in their companies' innovation strategy and decision making. The Barometer was commissioned by GE and conducted by independent research and consulting firm StrategyOne to identify drivers and deterrents of innovation and to analyze perceptions around innovation opportunities and challenges.

According to the survey, 92 percent of the businesses interviewed in Saudi Arabia believe that innovation is the main lever for a more competitive economy. In line with the global average 86 percent respondents said investing in innovation is the best way to create jobs, and 87 percent (as against the global average of 85 percent) said innovation will also lead to a greener economy.

Walid Abukhaled, GE's President & Chief Executive Officer for Saudi Arabia and Bahrain, said: "The findings of GE's Global Innovation Barometer highlight the importance that businesses in the Kingdom place on innovation. This is also a perfect fit to the Saudi Government's Vision 2020, which focuses on driving innovation to boost human resources as well as drive the economic diversification goals. The optimism of businesses in the Kingdom's overall innovation context, their confidence in the improvements in the environment for innovation, and the speed at which innovative products are coming to the market, will contribute to strengthening the competitiveness of the economy."

Investment environment

As Saudi Arabia focuses on economic diversification in line with its Vision 2020, the businesses in the Kingdom share an optimistic outlook towards the power of innovation, as per the survey. The Saudi businesses see energy, healthcare, telecommunications, construction, automotive and fast moving consumer goods, as economic sectors with the most innovation driven growth potential.

Respondents from Saudi Arabia are more satisfied than the global average regarding the way the country is allocating resources and budget. Across all parameters examined – environment, energy needs, energy security, healthcare, jobs, social care, education and research & innovation – Saudi Arabia scored higher than the global average. Energy needs (83 percent) and healthcare (82 percent) are the two key areas where respondents were most enthusiastic about the efforts made by the Saudi Arabian government.



GE is complementing the focus on these sectors with path-breaking initiatives such as the GE Energy Manufacturing Technology Center, opened last year in Dammam, which in addition to driving the economic diversification goals of Saudi Arabia, also promotes research and training in energy sector. GE has also been steering health awareness campaigns in the Kingdom through public and private partnerships, and led by its healthymagination commitment to enhance access to quality medical care for more people at lower costs. Specifically, the company has been at the forefront in promoting awareness of breast cancer and other lifestyle diseases.

Improving lives

Businesses in Saudi Arabia are confident that improved innovation policies would drive not only profit and jobs in various economic sectors but also contribute to improving citizens' lives. Compared with the global average of 72 percent, in Saudi Arabia, 80 percent respondents believe that innovation could successfully improve people's lives, and compared with the global average of 59 percent, 66 percent of the respondents also said the local context for innovation is favourable. They were more optimistic than their global counterparts in the potential of innovation to bring about improvements in the communications sector, health quality, job market, energy security, access to education and education quality, access to healthcare, housing quality and citizen security.

Over the past years, GE's innovation-led partnerships have contributed to enhancing the quality of life. Today, GE supports nearly 50 percent of the Kingdom's power generation through the 500 gas turbines supplied to various partners in the Kingdom, and delivers more than 180 million liters of clean water to the most remote corners of the Kingdom.

Building on Partnerships

One of the best contexts for innovation in Saudi Arabia is the efficiency of public private partnerships in driving it, observed the respondents. A good 88 percent agreed that innovation is about partnership between several different players than standalone success, while 85 percent agreed that innovation brings value to society and not only for consumers or citizens.

Saudi businesses – more than their global counterparts – believe that a combination of players partnering together will drive innovation in the next decade. Some 63 percent respondents agree that public private partnerships have proved effective to support innovation and 59 percent agree that local universities efficiently prepare tomorrow's innovation leaders.

This is a perfect fit to GE's long-term partnerships in the Kingdom, especially to promote research and development, such as with King Fahd University for Petroleum & Minerals (KFUPM) for a new energy Fuel Research Center, at KFUPM, which will focus on the research and advancing the use of alternative fuels, as well as other business sector leaders across energy, aviation, healthcare, and oil & gas.

Innovation enablers

Saudi Arabia finds that appetite for innovation among the young generation serves as one of the best global contexts for innovation, with 60 percent agreeing that having more people with advanced technical experience will help innovators on a day-to-day basis. According to 75 percent Saudi business executives surveyed, there is an appetite for innovation among young generations.

According to the Saudi business executives, the two most important dimensions of innovation are the implementation of new processes, products, and organizational or marketing changes, and an environment that embraces positive change, creativity and continuous improvement.



With over 1,000 employees in the Kingdom across seven offices and facilities, GE has a long heritage of over 80 years of operation in the Kingdom. GE has invested more than SAR 1 billion in localization and manufacturing projects in the Kingdom last year only, and plans to double its workforce by 2013.

GE has also extended its highly successful Graduate Management Program (GMP) to the Kingdom. To date, there are 20 GMPs within GE Energy. GE also signed a MoU with Saudi Arabia's TVTC to expand the GE joint technical program (GE JTP). The expanded GE JTP aims to annually train up to 100 students, selected from leading technical colleges across the Kingdom.

For more information on this study and a detailed report on results, visit:
www.GE.com/innovationbarometer.

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Note to Editors

About the Barometer:

The research was commissioned by GE and conducted by StrategyOne between October 15, 2011, and November 15, 2011. Interviews with the 2,800 senior business executives were conducted by telephone across 22 countries. All respondents are directly involved in their company's innovation processes and are VP and above with 30 percent of those surveyed at the C-suite level.

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About StrategyOne:

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