

Saudi Arabia Invests US\$70 Billion in Economic Cities Project

“Cisco IBSG has been instrumental in helping the Saudi Arabian General Investment Authority (SAGIA) shape a strategy for the country’s Economic Cities vision. We consider Cisco a powerhouse and a broker for this project.”—Dr. Ahmad Al-Yamani, CTO, SAGIA

In Brief

The Kingdom of Saudi Arabia (KSA) is investing billions of dollars to build four new “Economic Cities,” referred to as Smart Cities. The move is an attempt to diversify by moving gross domestic product (GDP) away from the hydrocarbon sector (oil accounts for 94 percent of the country’s export revenue). GDP in the nonoil sector grew from 5.8 percent to 6.7 percent between 2007 and 2008. The Smart Cities are expected to support this trend, as well as create a knowledge economy—one that will provide KSA’s younger population with the skills required for professional and senior-level jobs. The Saudi Arabian General Investment Authority (SAGIA) is charged with bringing foreign direct investment into the KSA. SAGIA expects the Economic Cities to contribute US\$150 billion to GDP and create more than 1 million jobs by 2020. The Smart Cities project is a collaborative partnership between the KSA and the Cisco® Internet Business Solutions Group (IBSG).

Customer

Saudi Arabian General Investment Authority

Industry

Public Sector, Government

Challenges

- Reform the KSA’s economic landscape via Smart Cities to create “islands of change.”
- Implement a competitive-driven and innovation-focused disaggregated operating model and orchestration body to align service providers and national interests.
- Convince the business and public sectors of the importance of information and communications technology (ICT) in these cities as the key enabler of country transformation.
- Define point-to-point architecture as the de facto standard for Smart Cities in the KSA.

Solutions

Economic Cities Vision: Promote ICT as the key enabler of the Smart Cities.

Business Case: Show service providers (SPs) and city master developers the project’s revenue potential.



Cisco Internet Business Solutions Group (IBSG)

Smart Safety and Security Master Plan: Build a public–private partnership as the foundation for an ICT-enabled security company managing physical security in the cities.

Service Provider Operating Model: Drive competition and innovation through low-cost broadband and new services across the different Smart Cities.

Smart City Office: Govern the relationship between various master developers and government entities to ensure a unified services level across the Smart Cities.

Orchestration Body: Define the role of government and the process for attracting service providers to build an ecosystem for each city’s ICT services.

Industry Cluster Analysis: Attract the right businesses, suppliers, and institutions to the Smart Cities to increase productivity nationally and globally.

Engagement Results / Benefits

- Three memos of understanding have been signed to develop four Smart Cities. Cisco’s Mega Projects team secured the following customer advisory deals:
 - King Abdullah Economic City (KAEC): Advisory Services contract for building a fully integrated smart network.
 - Medina Knowledge Economic City (MKEC): Advisory Services contract covering the operations model, Smart City services definition (including high-level network design), and assistance with city master planning.
 - Prince Abdulaziz Bin Musaed Economic City (PABMEC): Advisory Services Engagement to develop the ICT technology architecture based on Cisco’s Connected Real Estate solutions.
- SAGIA incorporated IBSG’s recommendations for SP regulations for the project (based on IBSG’s Sustainable Broadband Expansion thought leadership within the Country Transformation Framework) into its official recommendations to the Communications and Information Technology Commission (CITC), the Saudi service provider regulator.

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