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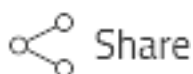
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Questions & Answers

A simple explanation About the Department, explains the type of information relating to this section



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How can the local product take advantage of the mechanisms of trade remedies?

Local producers can take advantage of the mechanisms of trade remedies to remove the damage inflicted upon them as a result of increased, dumped or subsidized imports, or a sudden and large increase in imports through the imposition of fees or measures to remove this damage by providing a complaint to the competent investigating authority. The General Directorate of Anti-Dumping and Safeguard Measures provides assistance to local producers to try to remove the damage inflicted upon them as a result of increased dumped, subsidized, or large and sudden imports by studying their complaints against those imports and clarifying the basic requirements needed in the complaint according to its nature (whether anti-dumping, or prevention, or control Support), and clarifying the requirements for each type of these issues and the minimum information required in each complaint and investigation procedures and their time. The department also provides Saudi companies with complaint forms compatible with the present case and guides them how to complete forms to submit updated data for the Office of the Technical Secretariat of the Gulf Cooperation Council as the investigating authority responsible for conducting investigations of trade remedies.

How can the local product take advantage of the mechanisms of trade remedies in terms of Dumping?

In anti-dumping cases the local producer must prove that the selling prices of the foreign product imported to the local market is less than its selling price in the exporting country, where the two products are compared on the same trade level. The local producer must provide some bills for the product from the exporting country dating to the earliest prior year to the filing of the complaint. He must also provide bills of sale for similar imported products from the same country for the local market and compares the two prices after the necessary adjustments. Anti-dumping cases are filed against one or more foreign country exporters and must include the import data from the countries that have complained, as well as the export prices to prove the dumping prices of the imported products.

How can the local product take advantage of the mechanisms of trade remedies in terms of preventive measures?

These cases are related to a large and sudden increase of imports without regard to their source. As so the prevention here differs from other cases where it does not result from the practice of companies or individual countries, but an unexpected development in local or global markets which leads to a sudden increase in imports which leads to weakening the Gulf industry and its sustainability. Exceptional preventative measures are taken here to give domestic industries a temporary chance to compete again. The most important indicators in prevention cases are the occurrences of unexpected circumstances in local or global markets which lead to the

What is your advice to the Saudi industrialist to face the competitiveness and tremendous openness to global markets?

The industrial sector in the Kingdom witnesses many developmental changes, the most important development is the Kingdom's accession to the World Trade Organization (WTO). It is highly important to take advantage of the great opportunities in foreign markets, by improving production in order to ensure the access to these markets and compete in.

What is the main requirement to apply for project funding from the Saudi Industrial Development Fund?

The project should be feasible in respect to marketing, technical and financial matters.

Does the company remain eligible for the Industrial Development Fund loan if there is a partnership with foreign partners?

Yes, and even projects wholly owned by foreign owners are also eligible for the Fund loan if they meet the lending requirements.

Does the Industrial Development Fund give grants as it provides loans?

No, it offers financing as medium-and long-term loans that can be fully paid according to the payment schedule. This schedule can be prepared after evaluating the project according to its expected cash flow

How long does it take to review the loan application form?

It depends on the adequacy of the information provided by the applicant. However, generally it takes less than four months if sufficient information provided.

What is the maximum term of the loan?

The duration of grace period granted and installment amount determination is based on the outcomes of the study of the potential cash flow of the project. The maximum term of the loan is fifteen years in major regions; however, it may increase up to twenty years in the least developed regions.

What is the upper limit of the Fund loan ?

The upper limit of the fund loan is 1.2 billion riyals, and this amount is granted only to: • public shareholding companies, • closed joint stock companies • and limited liability companies that 20% of their share are for national corporation, or where the foreign partner has a large financial and technical resources. These companies should be found in the least developed regions of the third category.

What is the guarantee required by the Fund?

The fund requests the following guarantees: • mortgage fixed assets fund the project • Personal or corporate guarantee, particularly by shareholders in LLC. • The probability of requiring an additional guarantee of high risk projects • Additional guarantee for projects that operating in leased premises out industrial cities.

What are the requirements after loan disbursement?

The applicants should submit the following to the Fund: • Audited calculations by auditors within 90 days from the end of the fiscal year • Unaudited calculations within 30 days from the end of each quarter • The Fund delegate to visit the factory from time to time at least twice a year. • Amounts must be paid to the Fund in the due date

Does the Fund provide other assistance for projects alongside the loans?

Yes, the Fund provides assistance to any administrative, technical, marketing, financial and accounting problems projects may face when is needed. (see consultancy services)

Does the fund earn interest on the loan?

The Fund receives from the investors the costs of studying and evaluating the projects they apply for; and in a prior agreement, this cost should not be paid until the loan is disbursed. The Fund also receives the costs of follow-up during the implementation and operation of the project till the loan is fully repaid and in average of one claim every six months.

Does the Fund finance capital expenditure for the expansion and improvement of existing projects?

Yes, the Fund finances project for such reason after making sure of its feasibility, and then the application form will passes through the regular process and procedures of getting a loan. However,

the process and procedures will be much easier and faster for those who get loans for their existing projects because they submitted in advance a big part of the information required for the approval of the original loan.

Why does the Fund requires the applicants to provide a lot of information?

In order to enable the project owner to take a wise decision from the first place where he must collect enough information before applying for the loan. Also, this information help the project owner to examine his project appropriately, which enhances his ability to properly plan and success in the future.

Who is eligible to apply for a loan from the Saudi Industrial Development Fund?

Saudi and foreign institutions and companies have a commercial register and a manufacturing license to proceed manufacturing business in Saudi Arabia. There are some industries that are no longer eligible for funding by the Fund.

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