CORE CONCEPT

Local Content Strategy in Saudi Arabia: LCGPA, iktva and Giga-Project Localisation

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Technical depth: Conceptual · **Practical mode:** Case study

Introduction

In Saudi Arabia, LCGPA local content requirements in government tenders, the Aramco iktva programme and PIF's MUSAHAMA policy for giga-projects now shape who wins major contracts, which suppliers qualify and what large projects really cost. Organisations that treat localisation as reporting find scores capped, bids marked down and supply chains unprepared for contractual targets. This Core Concept course equips senior leaders to treat localisation as strategy: deciding where local value can be built, what it will cost and how progress is governed. Participants test decisions on multi-sector cases and leave with a Saudi Localisation Strategy and Roadmap.

Course Objectives

- Assess how LCGPA, iktva and MUSAHAMA local content requirements affect the organisation's competitiveness, margins and contract eligibility in Saudi Arabia
- Evaluate localisation opportunities across the value chain and prioritise them by spend, feasibility and strategic importance
- Judge localisation investment cases, joint ventures and supplier development proposals against cost, risk and LCGPA or iktva score impact
- Direct supply chain, workforce and procurement functions to deliver agreed localisation targets on Saudi giga-projects and major projects
- Establish governance, KPIs and reporting that keep localisation commitments credible to clients, regulators and boards
- Present a Saudi Localisation Strategy and Roadmap for board approval

Target Audience

- Executives accountable for corporate strategy and business development in contracting and industrial organisations
- Senior supply chain and procurement leaders responsible for sourcing strategy
- Directors of major capital projects and programmes subject to localisation targets
- Senior leaders of government relations and local content functions
- Executives in investment and partnerships units evaluating localisation ventures

Course Outline

Day 1: The Strategic Case for Localisation in Saudi Arabia

- Local Content, In-Country Value and Vision 2030 Localisation Policy Instruments Compared
- LCGPA Mechanisms: 10% Price Preference, Mandatory List, Local Content Weighting and Minimum Requirements
- Aramco iktva Programme: 70% Local Content Achieved and the 75% Target for 2030
- PIF MUSAHAMA Local Content Policy and Giga-Project Localisation Targets
- Trade Rules Context Under WTO TRIMs and Organisational Localisation Maturity Assessment

Day 2: Strategic Models for Localisation Decisions

- Porter's Value Chain Analysis for Localisation Opportunity Mapping
- Kraljic Portfolio Matrix Applied to Localisable Spend Categories
- Make-or-Buy, Partner or Import Decision Framework
- Supplier Development Programme Models and ISO 44001 Collaborative Relationships
- Responsible Sourcing Alignment With ISO 20400 and OECD Guidelines

Day 3: Building the Localisation Strategy

- Spend Cube Analysis and Localisation Heat Map Against LCGPA and iktva Score Drivers
- Saudi Workforce Localisation and Skills Pipeline Planning
- Localisation Investment Case: Capex, Payback and Score Uplift
- Joint Venture and Technology Transfer Structuring Options
- Flow-Down of Local Content Obligations to Subcontractors on Giga-Projects

Day 4: Risk, Governance and Performance

- Localisation Risk Register: Cost Premium, Capacity and Quality Risks
- Score Inflation and Misreporting Red Flags in Certified Local Content Submissions
- Localisation Governance Committee and Decision Rights Charter
- Localisation Balanced Scorecard and KPI Set
- Local Supplier Spend Disclosure Under GRI 204

Day 5: Case Work and the Saudi Localisation Strategy and Roadmap

- Energy Megaproject Case Study: Setting and Flowing Down iktva Targets
- Healthcare Supply Chain Case Study: Localising a Mandatory List Category
- Localisation Opportunity Prioritisation for an Own Organisation
- Saudi Localisation Strategy and Roadmap Board Paper Drafting
- Executive Panel Challenge and Roadmap Defence

Skills You Will Gain

- Localisation Strategy
- Value Chain Analysis
- Supplier Development
- Investment Case Evaluation
- Partnership Structuring
- Localisation Governance
- Strategic Sourcing
- Localisation Performance Measurement

Why Attend This Course

- Take back a Saudi Localisation Strategy and Roadmap in board-paper form, already tested by an executive panel
- Know which LCGPA and iktva commitments are worth making in a bid and which will erode margin
- Brief project, supply chain and HR leaders with clear localisation priorities and accountabilities
- Exchange approaches with executives from energy, construction, healthcare and industrial sectors

Conclusion

Localisation delivers value when leaders choose where to build local capability and fund it deliberately, rather than chasing LCGPA or iktva scores contract by contract. This course moves from the Saudi policy and trade context, through the models that identify localisable value, to investment cases, partnerships, governance and the risks that undermine credibility. The final day turns that material into a Saudi Localisation Strategy and Roadmap that participants take back to their boards as the basis for the next planning cycle.