



Human Resources and  
Social Development

# Human Resources and Social Development

## Procedural Guide on the Decision to Localize Jazan Province

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In implementation of the mechanisms of joint work between the Ministry of Human Resources and the Emirate of Hail (the higher and executive committees for Localization) and in implementation of the regional localization program launched by the Ministry in partnership with the Ministry of Interior and in order to promote the aim of raising the participation of Saudi men and women in the labor market in the Jazan Province, and according to the memorandum of understanding concluded with the Emirate of the region and the Ministry of Human Resources and Social Development, as well as the recommendations of the Higher Committee for the Localization and Social Development Program in Jazan Province, headed by His Royal Highness, Deputy Governor of Jazan Province on 04/01/1441 AH, to localize some activities and occupations in the region, his Highness the Minister of Human Resources and Social Development issued Decision No. ( ) which dated on (0/00/1444 AH) regarding the localization of a number of economic activities in the Jazan Province that the Ministry has worked on in cooperation and partnership with the Jazan Province emirates and the relevant governmental and supervisory agencies to provide an appropriate and stimulating work environment for national human resources, and to expand the participation rate with the private sector in line with the localization strategy of the Ministry.

The desire of the Ministry, represented by the Localization Agency (General Administration of Territorial Localization), to clarify all the necessary details before the localization decision enters into force, to assist private sector enterprises in preparing for the execution of the decision, work has been done to issue this guide, which shows the details of the localization decision for Jazan Province, including the grace period, the time period for executing the decision, the percentage of targeted activities, and exceptions for each activity, if any, and clarifying the support and training programs provided by the human resources and social development system in addition to answering the most frequent questions.

|                              |                                                                                                                                                                             |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Localization Decision</b> | It means the decision of the Minister of Human Resources and Social Development regarding the localization of the Jazan Province No. (000) which dated on 00/00/1444 AH.    |
| <b>Localization ratios</b>   | It means the ratio of the number of Saudi workers in the activities that will be localized to the total number of workers, whether Saudis or non-Saudis.                    |
| <b>The Outlet</b>            | The place where goods or commodities are sold to retail and wholesale customers which including stores, exhibitions, shopping malls, kiosks, and the like from the outlets. |

|                               |                                                                                                                                                                                                                                           |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Targeted Enterprises</b>   | It is every legal entity registered in the records of the Ministry of Human Resources and Social Development and classified under targeted activities.                                                                                    |
| <b>Correction Time-limit</b>  | It is the period between the date of publication of the Ministerial Decision and the date of applying the ratios. During this period, the enterprise can work to correct its situation to reach its target.                               |
| <b>Execution period</b>       | The period during which the enterprise is committed to execute the decision, as the enterprise is subject to legal procedures and penalties in the event of non-compliance with the localization percentage referred to in this decision. |
| <b>Support and Employment</b> | It means the support and employment programs provided by the human resources system to stimulate and support the labor market.                                                                                                            |

1. Localized 70% of the total workers in service outlets for the activity of advertising agencies in outlets.
  2. Localized 70% of the total workers in the photography service outlets.
  3. Localized 70% of the total workers in service outlets for the activity of repairing and maintaining personal computers and laptops.
  4. Localized reservation offices and supervisory occupations by 100% in palaces and halls for weddings and events with accommodation.
- **Occupations excluded from localization in the aforementioned activities:**
    1. Cleaning Worker
    2. Loading and Unloading Operator

Provided that their percentage does not exceed 20% of the workers in the outlet in one shift. In the event that the number of workers in one shift is five or less, the number of workers in the excluded occupations must not exceed one worker, with adherence in all cases to a uniform for workers in the excluded occupations (cleaning worker, loading and unloading worker), which includes both male and female workers, and the worker's occupation be written on the back of the uniform, and an emphasis on observing Ministerial Decision No. 164091 dated on 14/11/1441 AH related to organizing the workers' uniform.

| Occupation Code | Occupation    | Ratio | Time period for application        |
|-----------------|---------------|-------|------------------------------------|
| 511102          | Sea Attendant | 100%  | 6 months from issuing the decision |
| 3213182         | Ticket Clerk  |       |                                    |

|         |                         |  |     |                                     |
|---------|-------------------------|--|-----|-------------------------------------|
| 431101  | Accounts Clerk          |  | 50% | 12 months from issuing the decision |
| 331301  | Accounts Assistant      |  |     |                                     |
| 431201  | Financial Clerk         |  |     |                                     |
| 214405  | Marine Engineer         |  |     |                                     |
| 315102  | Ship Safety Technician  |  |     |                                     |
| 835002  | Sailor                  |  |     |                                     |
| 121102  | Accounting Manager      |  |     |                                     |
| 3232022 | Ship Traffic Controller |  |     |                                     |
| 315207  | Port Controller         |  |     |                                     |
| 315202  | Maritime Navigator      |  |     |                                     |
| 315208  | Maritime Observer       |  |     |                                     |

| Occupation Code                                                                                                                         | Occupation                |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| 243110                                                                                                                                  | Marketing Specialist      |
| -522311-522310-522309-52208-522307-522304-522302-522301-521201-521101<br>952002-524905-522318-522317-522316-522315-522314-522313-522312 | Seller                    |
| 523001                                                                                                                                  | Accounting cashier        |
| 332302                                                                                                                                  | Purchasing Representative |
| 243102                                                                                                                                  | Purchasing Specialist     |

- The decision does not contradict the localization ration in other decisions that apply to the total number of employees in the enterprise according to the Nitaqat program.

2. Upon calculating the number of Saudi workers out of the total workers in the outlet, it is rounded to ones (from 0.49 or less it is rounded to zero, and from 0.5 and above rounded to 1).
3. The equation for calculating the number of Saudi workers = (Number of workers in the outlet or occupation - Number of workers in the excluded occupations) x the imposed Saudization ratio.
4. It is applied to each outlet in the targeted activities.

The National Classification of Economic Activities issued by the General Authority for Statistics has been approved in the classification of economic activities (in addition to any violating enterprise operating in the same activity but with a different commercial register or municipal license, as the legal penalties will be executed to it in cooperation with the relevant government agencies).

- Below is an illustrative example of the mechanism for calculating binding localization ratios in outlets for localized activities:

| Number of employees in the outlet | Number of employees in excluded occupations | Mandatory number of Saudis at the outlet |
|-----------------------------------|---------------------------------------------|------------------------------------------|
| 4                                 | 1                                           | $= (4-1) \times 70\% = 2$                |
| 7                                 | 1                                           | $= (7-1) \times 70\% = 4$                |
| 9                                 | 2                                           | $= (9-2) \times 70\% = 5$                |
| 10                                | 2                                           | $= (10-2) \times 70\% = 6$               |

The example below shows the mechanism for calculating localization ratio in the targeted occupations with rates less than 100%:

|                                                                       |                                                                                                                                                                                        |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Total number of employees in the Enterprise</b>                    | <b>300</b>                                                                                                                                                                             |
| <b>Total number of workers in the targeted occupations</b>            | 70                                                                                                                                                                                     |
| <b>Total number of Saudis in the targeted occupations</b>             | 20                                                                                                                                                                                     |
| <b>Applying the localization ratio (50%)</b>                          | (Total number of workers in the targeted occupations x Localization ratio)<br>$70 \times 0.50 = 35$ Saudi Employees                                                                    |
| <b>The required number (number of working Saudis) of Localization</b> | 35 (required) - 20 (current number) = 15 Saudi Employees <ul style="list-style-type: none"> <li>• The Enterprise shall employ 15 Saudi workers in the targeted occupations.</li> </ul> |

- The Enterprise shall take into account the percentage achieved in the case of replacement or new employment.
- Such example shall not applied to localized occupations by 100%.

Publish the Ministerial Decision  
00/00/1444 AH

Correction Time-limit  
6 months

Commencement of applying ratios  
00/00/1445 AH

In the event that the Enterprise does not comply with the required localization ratio, then the Ministry will take all necessary measures to ensure that the Enterprise comply with the execution of this decision, as well as penalties will be applied against Enterprises that violate the terms of this decision according to the schedule of violations and penalties issued by Ministerial Decision No. (92768) dated on 05/05/ 1443 AH, taking into account any amendments to this decision. The Ministry will also take all other necessary measures to ensure the execution of the Ministerial Decision.

A package of incentives and support will be provided to support private sector enterprises in employing Saudis, including the following packages:

1. Support the recruitment process and the search for suitable workers.
2. Supporting the necessary training and qualification processes.
3. Supporting the recruitment process and job stability for Saudis.
4. The priority of benefiting from all Localization support programs available at the system.

### **1-Will the decision be applied in all regions of the Kingdom or only in Jazan?**

The decision is for Jazan Province, and it will be applied only there without the rest of the Kingdom's regions.

### **2- When there is a difference in localization rates in the Ministerial Decisions related to localization for the same activities or occupations, what is the ration that applies?**

It shall apply higher localization ratio

### **3- Is it possible to benefit from the services of the Ministry of Human Resources and Social Development during the grace period?**

Yes, it is possible to benefit from the Ministry's services during the grace period.



**4- Does this decision contradict with any of the previous localization decisions?**

This decision does not contradict in any way with previous decisions regarding the localization or feminization of activities.

**5- Is the localization decision applied in line with Nitaqat?**

Yes, the localization decision applies to workers inside the enterprise, as well as the penalties stipulated in the law, regardless of the scope of the enterprise in Nitaqat, which meaning that the scope of the enterprise in Nitaqat does not affect the calculation of the localization ratio.

**6- Does the decision apply to the name of the National Classification of Economic Activities (ISIC4) only or to the actual activity of the Enterprise?**

The decision shall be applied to the name of the national classification of economic activities and the actual activity of enterprises.

**7- Will the Localization ration be amended in the future?**

The Ministry of Human Resources and Social Development works to reduce the unemployment rate and contribute to providing jobs through several initiatives to be launched, and in order to achieve this, the Ministry periodically reviews the required localization rates by counting the number of graduates and job seekers, and the ability and capacity to absorb the market, to ensure that graduates participate in the labor market automatically.

**8- Is it necessary to register the Saudi worker in the social insurance to be counted in the localization rates?**

In order for the Saudi worker to be counted in the localization ratios, he must be registered in the insurance for the account of the enterprise, or be an employee with a documented flexible employment contract, or hold a self-employment document.

**9- Is it possible to employ a Saudi male/female with a modern work pattern, such as: (part-time work), or flexible work in the occupations that have been imposed on localization, and are they included in the support and training programs provided by the Human Resources Development Fund "HRDF"?**

Saudi workers who are required to be present at the outlet and who have a contractual relationship with the employer to perform work mainly in exchange for wages, their contracts can be in any type of work (full - part - flexible "hourly work") according to the determined conditions.

**10- Is it possible for the worker required to be present at the outlet with a flexible contract of "hourly work"?**

Yes, and the employee present at the outlet is counted with a valid flexible employment contract with one worker, provided that the contract is concluded and ratified through the flexible work platform. mrn.sa

