

A Guide to Securing Land and Permits for a Solar Factory in Saudi Arabia

Navigating MODON, Vision 2030, and Industrial Licensing

Content Partner: J. v. G. technology GmbH

Turnkey solar module production lines — since 1997

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Technical Overview: Securing Land and Permits for Saudi Solar Factories



National renewable energy targets driving industrial demand



Local manufacturing mandates create in-country value (ICV) requirements



Strategic location enables export to GCC, Africa, and South Asia markets

Why MODON Industrial Cities Matter

What MODON Provides

- Pre-developed industrial land with utilities and road access
- One-stop-shop for permits, licensing, and inspections
- Standardized land lease contracts — predictable legal framework
- Presence in 36+ industrial cities across all Saudi regions

Why It Matters for Solar

- Reduces greenfield risk — infrastructure is already in place
- Faster land allocation than private industrial land acquisition
- Access to bonded zones and customs facilitation
- Recognized by international investors and lenders

Strategic Advantages for Solar Manufacturing

Energy Cost

- Among the lowest industrial electricity tariffs globally
- Gas-based energy subsidies remain available for industry
- Critical for energy-intensive lamination and tempering processes

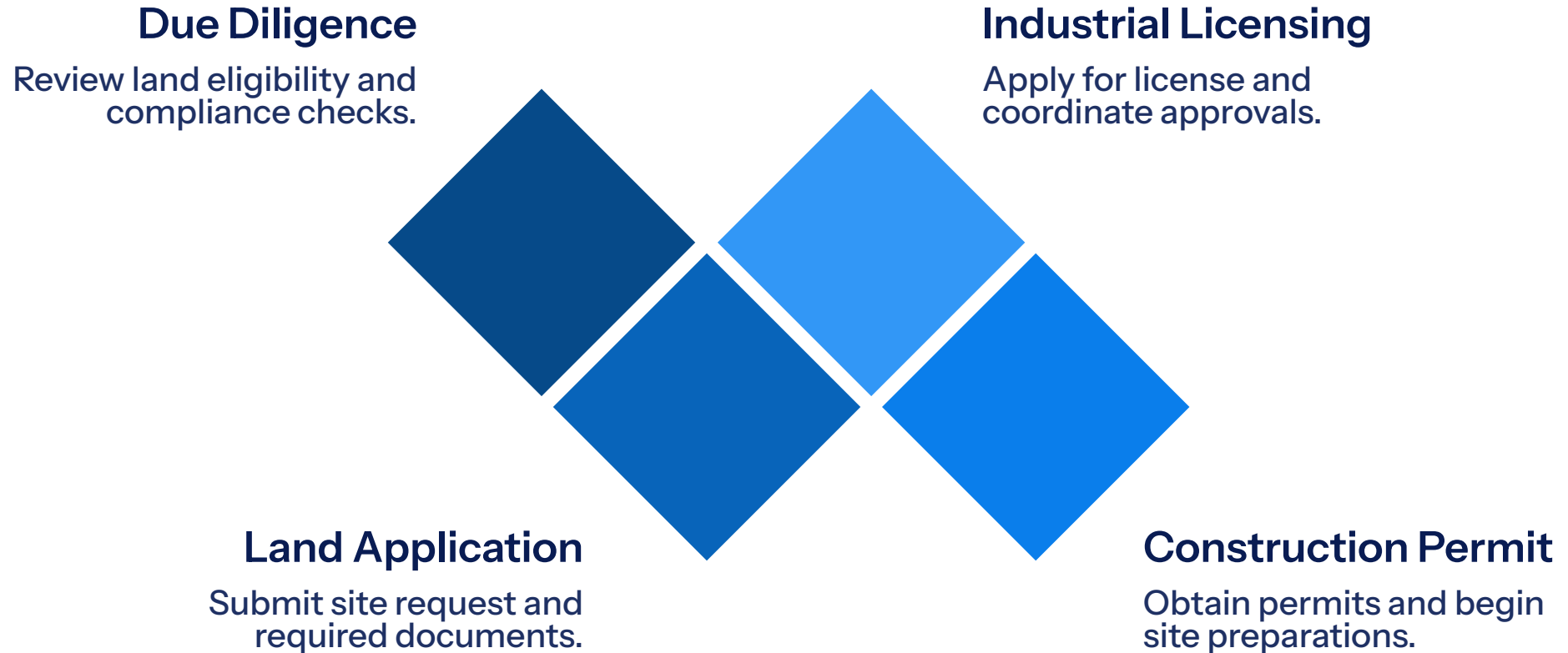
Market Access

- Proximity to NEOM, Red Sea Project, and Vision 2030 gigaprojects
- GCC free trade agreements reduce export tariffs
- Strong domestic demand pipeline through 2030

Incentive Structure

- MISA (Ministry of Investment) offers investment facilitation services
- ICV scoring rewards local manufacturing in procurement tenders
- Access to SIDF (Saudi Industrial Development Fund) financing

MODON Process Overview



Each phase involves distinct governmental touchpoints. Overlapping phases where legally permissible — particularly licensing and early construction planning — is a recognized strategy to compress the overall timeline.

Land Allocation Workflow

1

1 — Application Submission

Submit land request via MODON portal with project concept and production capacity data

Required: company registration, financial capacity evidence, feasibility summary

2

2 — Technical Review

MODON engineering committee evaluates land size, utility load, and activity classification

Site options presented based on availability in preferred industrial city

3

3 — Preliminary Approval

Provisional land allocation letter issued — valid for a defined development period

Triggers the start of industrial license and building permit applications

4

4 — Lease Contract Execution

Land lease agreement signed; ground preparation and survey activities may begin

Rental rates and term conditions fixed at this stage

Industrial Licensing Requirements

Ministry of Industry (Mol)

- Industrial registration (Sijil Sanai) mandatory before production
- Activity code must match solar module manufacturing classification
- Minimum capital requirements apply by activity and plant scale

MISA Investment License

- Required for foreign-invested entities; issued by Ministry of Investment
- Enables 100% foreign ownership in manufacturing sectors
- Coordinates with Mol license for activity alignment

MODON Operating Permit

- Issued after industrial license and construction completion
- Required to commence commercial manufacturing operations
- Subject to compliance inspection by MODON technical teams

Supporting Registrations

- Chamber of Commerce membership required
- ZATCA (tax authority) registration and VAT enrollment
- General Organization for Social Insurance (GOSI) enrollment for workforce

Construction Permits & Factory Planning

Building Permit Process

- Architectural and structural drawings submitted to MODON engineering
- Drawings must comply with Saudi Building Code (SBC) standards
- MEP (mechanical, electrical, plumbing) designs reviewed separately
- Foundation and structural approvals often issued in stages

Factory Design Considerations

- Clean room zones required for lamination and cell stringing areas
- Heavy equipment load points must be defined in structural drawings
- Utility sizing (power, compressed air, cooling water) drives building spec
- Fire suppression and safety layout reviewed by Civil Defense

Environmental & Civil Defense Approvals

Environmental Assessment (NCEC)

- Initial Environmental Assessment (IEA) required for manufacturing facilities
- Solar module production classified as light-to-medium industrial impact
- Waste handling plan for chemical consumables (EVA, solvents) must be documented

Civil Defense (NFPA / SBC Compliance)

- Fire suppression systems, emergency exits, and evacuation plans reviewed
- Hazardous material storage (chemicals, laminates) must meet zoning rules
- Operational Civil Defense license issued before factory commissioning

Utilities & Municipality Sign-Off

- SEC (Saudi Electricity Company) connection agreement for industrial power load
- Water authority coordination for process water and wastewater discharge
- Municipal completion certificate (Shu'un Baladiyya) required before occupancy

Importance of Factory Layout Planning

1

Production Flow

Material flow from raw input to finished module must be mapped before construction — retroactive changes are costly and disruptive

2

Equipment Footprint

Laminator, stringer, framing, and testing stations have fixed spacing requirements — define early to avoid structural conflicts

3

Regulatory Compliance

Civil Defense and MODON require finalized layout before permit issuance — planning delays directly impact the construction permit timeline

- ❏ An experienced European turnkey provider integrates factory layout engineering into the permitting process — aligning equipment placement, utility routing, and compliance requirements from day one.

Practical Risks & Timeline Management

Risk Area	Typical Cause	Mitigation
Land allocation delays	Incomplete documentation or activity code mismatch	Pre-qualification with MODON advisor
License processing lag	Ministerial coordination gaps (MoI / MISA)	Parallel submission strategy
Building permit revision cycles	Non-compliant drawings; SBC gaps	Saudi-licensed engineering office on team
Civil Defense rejection	Missing fire suppression or chemical storage plan	Early Civil Defense pre-consultation
SEC power connection delay	High grid load in chosen industrial city	City selection based on utility capacity
Overall schedule overrun	Sequential rather than parallel permit tracking	Integrated project management with local liaison

Role of Local Expertise

Regulatory Navigation

- Local industrial consultants maintain active MODON and Mol relationships
- Arabic-language documentation and submission management is critical
- Knowledge of current processing times prevents false schedule assumptions

Technical Translation

- Turnkey equipment providers must coordinate with Saudi-licensed engineers
- European or Asian factory designs require SBC-compliant adaptation
- Local MEP contractors familiar with MODON utility connection protocols

Workforce & Saudization

- Nitaqat (Saudization) quotas apply to manufacturing workforce composition
- Training programs must be planned before operational license is issued
- A proven turnkey manufacturing concept includes on-site team training

Key Project Data

9–12mo

Permitting Cycle

Typical timeline from land application to construction permit issuance

36+

MODON Cities

Industrial cities across Saudi Arabia available for manufacturing investment

100%

Foreign Ownership

Permitted in manufacturing sectors under MISA investment license framework

GW+

Domestic Pipeline

Saudi renewable energy procurement pipeline driving in-country manufacturing demand

📄 Scale: Solar module manufacturing facility · Investment focus: Industrial land, permits, infrastructure · Line type: Automated solar module production · Timeline: 9–12 months permitting cycle · Region: Saudi Arabia · Source: PVKnowHow / J.v.G. Technology GmbH

FAQ Highlights

Can a foreign company own 100% of a Saudi manufacturing entity?

Yes — under a MISA industrial investment license, 100% foreign ownership is permitted in solar module manufacturing. A Saudi commercial registration is required.

How long does the full permitting process realistically take?

A realistic planning assumption is 9–12 months from land application to construction permit. Parallel processing of licensing steps can compress this where regulations permit.

Is prior manufacturing experience required?

Not necessarily. A proven turnkey manufacturing concept includes process engineering, factory layout, equipment commissioning, and on-site operator training — no prior PV manufacturing experience required from the investor side.

Which MODON city is best for solar manufacturing?

Selection depends on utility capacity, proximity to logistics corridors, and available land size. A local site assessment comparing 2–3 candidate cities is the recommended starting point.

Strategic Conclusion

- 1 Vision 2030 creates a structurally favorable environment for solar module manufacturing investment
- 2 MODON industrial cities reduce infrastructure risk and provide a regulated, predictable entry framework
- 3 A 9–12 month permitting cycle is manageable with parallel processing and qualified local advisory support
- 4 An experienced European turnkey provider with in-Kingdom partnerships is a critical success factor for first-time entrants

 Source: PVKnowHow / J.v.G. Technology GmbH — www.jvg-thoma.com



About the Content Partner

J. v. G. technology GmbH — The DESERT Company

Founded in 1997 in Bavaria, Germany. Family-owned engineering company specializing in turnkey solar module production lines.

More than 90 factory projects delivered worldwide.

On-site team training included — no prior manufacturing experience required.

Key areas:

Turnkey PV manufacturing lines | DESERT Technology® |
TÜV-certified module designs | Factory planning to production

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