



## **Shaker, LG and the Ministry of Investment of Saudi Arabia (MISA) Sign an MOU to Explore Local Manufacturing of AC Compressors in Saudi Arabia**

**Riyadh, Saudi Arabia, 12 February 2024:** Al Hassan Ghazi Ibrahim Shaker Co. (“Shaker Group”), Saudi Arabia’s leading importer, manufacturer and distributor of Air Conditioners and Home Appliances, has announced the signing of an MoU with LG Electronics (LG) and the Ministry of Investment of Saudi Arabia (MISA) to manufacture AC compressors in the Kingdom. This groundbreaking agreement is set to fortify the longstanding partnership between Shaker and LG, building upon their successful joint venture factory in Riyadh that has been producing AC units for the local and international markets since 2008.

The MoU was signed in the presence of H.E. Khalid AlFalih, Minister of Investment, Mr. Abdulelah Abunayyan, Chairman of Shaker Group, Eng. Saleh AlKhabti, Deputy of Investment Transactions Deputyship at MISA, Eng. Fahad Aljubairy, Assistant Deputy Minister for Sectoral Strategies and Regulations at Ministry of Industry and Mineral Resources, Mr. Mohammed Ibrahim Abunayyan, CEO of Shaker Group, and Mr. Jong Ho Lee, CEO of LG.

This marks a significant leap towards localizing the production of the most technologically complex component of AC units - the compressor, and the realization of this project – upon the completion of the feasibility study and final agreement – will position Shaker and LG as pioneers in the local and regional manufacturing of AC compressors, in alignment with the Kingdom's Vision 2030 goals of transforming Saudi Arabia into an industrial leader and a global logistics hub.

In support of this ambitious project, MISA, along with the Ministry of Industry and Mineral Resources, and the National Industrial Development Center, are collaboratively participating in the feasibility study. The joint effort is focused on thoroughly reviewing the viability of establishing a domestic production facility for AC compressors, with further specifics concerning investments and essential considerations to be determined in forthcoming discussions. This partnership underscores the commitment of various Saudi ministries to foster industrial growth and technological innovation within the Kingdom.

**Eng. Saleh AlKhabti, Deputy of Investment Transactions Deputyship at MISA, commented:**

*"The collaboration between MISA, LG, and Shaker Group through this MoU is a strategic leap towards achieving the Kingdom's Vision 2030 by localizing the air conditioning industry and its components. It signifies our commitment to not just local industry enhancement but also positions Saudi Arabia as a potential hub for assembling and eventually manufacturing a broader range of electronic products, aligning with our investment diversification and growth strategy."*

**Eng. Fahad Aljubairy, Assistant Deputy Minister for Sectoral Strategies and Regulations at Ministry of Industry and Mineral Resources, said:**

*"This MoU embodies our strategic focus on developing the machinery and equipment sector and aligns with our National Industrial Strategy, particularly through the localization of compressor manufacturing. It's a testament to our dedication to not only enhancing local production capabilities but also to establishing Saudi Arabia as a pivotal exporter in the region. This initiative*



*supports our broader objective of integrating and strengthening value chains across sectors, bolstering both current and future projects within the Kingdom."*

**Mr. Abdulelah Abdullah Abunayyan, Chairman at Shaker Group, added:**

*"This MoU is a testament to our commitment to contributing to the Kingdom's industrial and technological advancement. By bringing the manufacturing of AC compressors to our homeland, we are taking a significant step towards self-reliance in AC production and is perfectly in-sync with the Kingdom's strategic aspirations to ascend to the forefront of global industrial leadership and establish itself as a pivotal logistics hub."*

**Mr. Mohammed Ibrahim Abunayyan, CEO at Shaker Group, said:**

*"Our collaboration with LG and MISA on this venture underscores our unique position as the first and only company in the Kingdom with the capabilities to potentially manufacture AC compressors, marking a significant advancement in energy-efficient technology. This initiative not only enhances our product offerings but also ensures that Saudi Arabia leads in sustainable manufacturing practices. We are excited about the prospects this MoU presents for Shaker, LG, and the Kingdom, driving innovation and excellence in the HVAC industry at large."*

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**About Shaker**

Shaker was founded in 1950 and was amongst the first in Saudi Arabia to introduce Air Conditioning & Home Appliances for Saudi consumers. Shaker is the importer and distributor of several leading international brands including Maytag, Ariston, Indesit, Midea, Bompani, and LG in Saudi Arabia, and the sole distributor of LG Air Conditioners in Saudi Arabia. ESCO, as a business unit of Shaker, provides Energy Solutions and management services. Shaker has been a publicly listed company on the Saudi Exchange (Saudi Exchange) since 2010. Throughout the years, Shaker has positioned its name among the top Saudi companies, providing a range of integrated solutions in terms of Air Conditioners and Home Appliances in the Saudi market and the region. For more information, visit: <http://www.shaker.com.sa/>

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