

2030 Vision: Saudi Arabia's turning point and what it means for global business

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Announced in 2016, Saudi Arabia's Vision 2030 marked an ambitious change. One that sought to break away from the Kingdom's longstanding dependence on oil, aiming instead to build a more diversified and integrated economy. A decade later, the momentum is visible, albeit unfolding at a measured pace.



Fuelled by sweeping investments from the Public Investment Fund (PIF) into renewables, artificial intelligence (AI), logistics and tourism, the Kingdom is steadily transforming. Eye wateringly ambitious initiatives such as NEOM and The Line are no longer distant concepts but active construction sites attracting international collaboration. In addition, Riyadh's pragmatic relations with both China and Western economies has strengthened its position as a neutral and dynamic player, amid fluid global alliances.

Saudi Arabia's rebalancing: early fruits of Vision 2030

Since the launch of Vision 2030, Saudi Arabia has made measurable progress in reducing its economic dependence on hydrocarbons. In 2016, oil revenues accounted for roughly 42% of GDP and by 2024, the non-oil sector's contribution had risen to nearly 50%, according to the Saudi Gazette and Vision 2030 official reports, reflecting tangible progress toward actual reform.

Tourism has emerged as a particularly bright spot seeing international visitor numbers returning steadily since the pandemic, driven mainly by hyped initiatives like the Red Sea Project and AIUla's development. Meanwhile, manufacturing has expanded through approaches such as the National Industrial Development and Logistics Program, helping to build a more resilient export base beyond crude oil.

However, the Kingdom's transformation has not been plain sailing. Analysts have noted that while public sector investments through the PIF have accelerated growth, the pace of private sector participation could be perceived as uneven. Over reliance on government funding risks stunting entrepreneurial development and this could delay the ideal of a truly self-sustaining non-oil dependent economy. The question of whether Saudi Arabia's current economic growth is being driven mostly by government money and not by natural private sector growth is open, however, it appears for the time being to be the latter. The future will tell.

The Public Investment Fund (PIF) engine: sectors redefining Saudi Arabia

At the heart of Saudi Arabia's diversification efforts lies the PIF, which has rapidly evolved into one of the world's most active sovereign investors. With assets exceeding US\$900 billion as of early 2025, the PIF is channelling resources into sectors that align with Vision 2030's priorities.

Renewable energy stands out among these initiatives. Projects such as the Sudair Solar Power Plant and ACWA Power's expansion are positioning Saudi Arabia as a potential regional leader in clean energy, although execution risks - including technology transfer hurdles and project delays – endure.

AI is another focus point. Through the National Strategy for Data and AI (NSDAI) and partnerships with firms like IBM and SenseTime, Saudi Arabia is cultivating an AI ecosystem intended to drive both government services and private sector innovation. However, a shortage of highly skilled domestic talent is presenting challenges.

Tourism also continues to gain momentum. Developments such as Red Sea Global and Diriyah Gate are progressing, with Saudi Arabia nearing its goal of attracting 100 million visitors annually, although maintaining cultural openness at scale presents a long-term reputational risk.

In logistics, upgrades to facilities like Jeddah Islamic Port are enhancing Saudi Arabia's ambition to become a transcontinental shipping hub. Yet, competition from established players in the UAE and Egypt will test Riyadh's ability to capture meaningful market share.

Mega projects in motion: NEOM, The Line, and beyond

NEOM, the centrepiece of Saudi Arabia's Vision 2030 megaprojects, has moved from inspiring dream to visible progress. Spanning 26,500 square kilometres, NEOM is advancing through multiple phases, with the first residential and business districts expected to open by as soon as 2026, according to updates from official sources.

High-profile partnerships with the US, Chinese and European technology, construction and sustainability firms, underscore NEOM's global appeal and the Kingdom's strategy to internationalise its transformation.

Within NEOM, The Line (the linear smart city) is also taking shape. Foundations and preliminary structures are already rising in the desert, despite widespread skepticism over its scale and feasibility. While the project promises revolutionary urban design and sustainable living for nine million residents, concerns continue regarding construction costs, engineering challenges and potential delays, with some indicating a 100-year phased development plan.

Strategically, NEOM and The Line present first-mover advantages for multinational firms willing to engage through joint ventures, technology licensing or service provision. However, companies must also weigh reputational risks associated with project overpromising and execution uncertainty. As Saudi Arabia accelerates these initiatives, the ability to align operational agility with investor patience will separate the men from the boys, revealing which players are financially strong enough to capitalise on the Kingdom's evolving market.

Strategic geopolitics: playing both East and West

Saudi Arabia's evolving strategy is reinforcing its position as a key player among global powers. Riyadh has deepened economic and technological ties with China, embracing co-operation on projects aligned with the Belt and Road Initiative, and advancing partnerships in sectors such as 5G infrastructure and AI. Simultaneously, the Kingdom continues to nurture strategic relationships with the US and Europe, maintaining defence collaborations and promoting business engagement through Vision 2030 investment roadshows across Western capitals.

In an era defined by the economic decoupling of Washington and Beijing, Saudi Arabia's balancing act offers multinational corporations a rare advantage; a stable, neutral investment platform that can interact freely with both spheres. This best of both positioning enhances the Kingdom's appeal, particularly for firms seeking to de-risk their global operations while accessing diversified opportunities.

Nonetheless, geopolitical volatility remains an underlying risk. Shifts in US-Middle East policy, future regulatory realignments or escalation in global trade disputes, could affect bilateral agreements and market access.

Looking forward: new trade and technology horizons

As Vision 2030 enters a critical phase, Saudi Arabia is poised to broaden its global reach through a new wave of trade and technology agreements. Recent diplomatic engagements, including hosting high-level delegations during the LEAP tech conference and the G20 summits, signal Riyadh's ambition to position itself as an important innovation and investment hub.

Renewable energy remains high on the agenda, with upcoming deals expected to centre on green hydrogen production, solar infrastructure and carbon capture technologies. Similarly, the smart city sector is gaining momentum, fuelled by partnerships in the Internet of Things (IoT), cybersecurity and urban design, critical enablers for projects like NEOM and The Line.

Tourism, too, is set for deeper international collaboration. New frameworks are emerging to encourage foreign direct investment in hospitality, entertainment and cultural initiatives tied to Saudi Arabia's broader thinking toward becoming a major tourism destination.

However, regulatory unpredictability and concerns around intellectual property protection still present material risks for multinational corporations. For companies entering this market, structuring joint ventures or strategic alliances can offer an effective hedge, allowing foreign businesses to align with Saudi ownership and localisation requirements.

Those who move quickly and position carefully, can participate in substantial opportunities across technology, energy and services, as Saudi Arabia extends its economic influence well beyond the traditional energy sector.

Regulatory considerations: Saudization requirements

Foreign companies operating in Saudi Arabia must carefully account for the Kingdom's Saudization protectionism policy, officially known as the Nitaqat program. This framework mandates that businesses employ a minimum percentage of Saudi nationals, with specific targets varying by sector and company size. For multinational corporations, these requirements have direct implications on operational planning, staffing models and cost structures. Even industries prioritised under Vision 2030, such as tourism, technology and logistics, are not exempt from Saudization compliance. Companies that fall short of mandated hiring thresholds risk facing fines, restricted license renewals and potential barriers to scaling operations.

Regulatory conditions have, however, evolved in recent years.

Since 2022, Saudi authorities have introduced greater flexibility for high-value foreign investors, offering more graduated quota requirements and temporary exemptions in sectors considered vital for economic diversification. Nevertheless, Saudization remains a critical element in market-entry planning. Senior decision makers should incorporate workforce nationalisation targets into their early stage investing assessments, considering hybrid staffing models or joint ventures as potential risk mitigation strategies.

Conclusion

Saudi Arabia's Vision 2030 is no longer a theoretical blueprint, it is a real economic transformation, creating tangible opportunities across multiple sectors. Early movers that align with PIF-backed initiatives will find strategic advantage, supported by strong government momentum and a clear diversification agenda.

However, operational success demands more than just investment. Regulatory dynamics - particularly around Saudization workforce requirements - must be factored in boardroom decisions. Companies will need flexible partnership models and localised staffing strategies to navigate these obligations effectively while protecting operations.

For executives, the message is clear. Establishing an early footprint in mega-project ecosystems like NEOM or partnering within high-priority non-oil sectors, offers a chance to secure long-term influence in a market poised for global leadership. Saudi Arabia is no longer a distant opportunity, it is becoming a core pillar of a new global economy. Vision 2030 is not just reshaping the Kingdom; it might redefine global business.

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