

SAUDI ARABIA

The kingdom's bold new world

As the Middle Eastern giant resets its foundations, vast new investment opportunities abound in everything from industry to culture

Saudi Arabia may be able to trace its roots back to the earliest civilizations of the Arabian peninsula, but for centuries the vast country remained somewhat of a sleeping giant on the global stage. That all began to change in 2016, when the kingdom launched a transformational blueprint for its future in the form of the Saudi Vision 2030 development plan.

At the very heart of the strategy was a determination to ensure the country is no longer solely reliant on the oil and gas sector. Vision 2030 laid out a clear pathway to actively diversify the economy, opening up opportunities in sectors such as tourism, agriculture and technology. In the years that have passed since the initiative was unveiled, Saudi Arabia has emerged as a thriving hub for business and commerce and is rapidly cementing its position as a central player in the worldwide economy.

“Our vision is to become a global investment powerhouse. Our nation holds strong investment capabilities, which we will harness to stimulate our economy and diversify our revenues,” revealed Crown Prince Mohammed bin Salman when discussing his vision for Saudi Arabia’s future back in 2016.

“We are determined to reinforce and diversify the capabilities of our economy, turning our key strengths into enabling tools for a fully diversified future. Our geographic position between key global waterways, makes the Kingdom of Saudi Arabia an epicenter of trade and the gateway to the world.” These bold statements have turned into reality over the past several years as Saudi Arabia has made significant investments in its infrastructure and business environment, with a specific focus on attracting foreign investment and supporting the growth of domestic businesses.

The kingdom has established several special economic zones, including the King Abdullah Economic City, which are designed to provide investors with access to support services within world-class facilities. The country has also evolved into a major node for innovation and technology, thanks to huge investment in universities and research institutions.

Programs have been launched that are dedicated to growing tourism, promoting culture and harnessing the power of clean energy. These areas are now all providing ample investment opportunities. Furthermore, Saudi Arabia established a National Incentives Committee in 2022 that offers enticing tax relief, discounts on



Six Senses Southern Dunes resort offers the opportunity to experience luxury in a unique Saudi Arabian oasis

CROWN PRINCE MOHAMMED BIN SALMAN

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government fees and subsidies on investments across various sectors.

By attracting significant investment, Saudi Arabia has gone a long way toward meeting its goals of creating a vibrant society and a thriving economy. It is also helping the kingdom to realize some of the most awe-inspiring development schemes in the world, which is particu-

larly true of the numerous gigaprojects that are being created across the country.

While these are largely funded by Saudi Arabia’s Public Investment Fund, it was confirmed in 2019 that the country would seek to attract \$429 billion in private investment over a 10-year period to fund a vast infrastructure program that includes roads, railways, power plants and airports. These developments are also aiding the country’s drive to become a tourism hotspot. Saudi Arabia has already attracted about \$13 billion in private sector investments into its tourism industry, as it aims to welcome 150 million visitors annually by 2030 — with a central focus being high-spending travelers from the US, China and Europe — and to add around 200,000 hotel rooms to its offering in the next two years alone.

The government wants to drawn in as much as \$80 billion in private investment into tour-

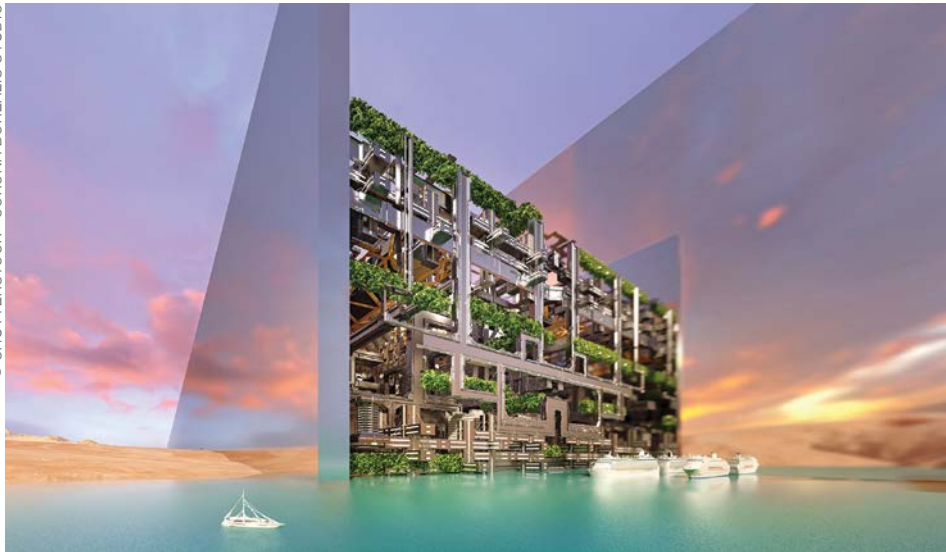
ism by 2030 and is planning to spend some \$800 billion of its own on the industry over the next decade.

Recognizing the need to make investing in Saudi Arabia as attractive as possible, the Ministry of Tourism has launched the Tourism Investment Enablers Program, which is designed to lower investment barriers, reduce government fees by 22% and offers various other incentives.

With the cost of doing business significantly lowered and the regulatory landscape now much more easily navigated, Saudi Arabia has created a fertile ground for investors to prosper. Progress in this direction is set to carry on for many years to come, with more streamlined investment processes and incentives coming on line that will help to continue the country’s transformation into one of the most investor-friendly environments worldwide.



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Creating tomorrow's sustainable cities today

Inspirational projects such as New Murabba and Neom will revolutionize the country's landscape and quality of life for their residents

One of the key objectives of the Saudi Vision 2030 plan is revolutionizing the landscape of cities and their surrounding areas. This is being achieved through numerous pioneering projects that are of such scale and ambition that it is difficult to comprehend just how different Saudi Arabia will look in the next six years.

Designed to stimulate the economy, with benefits that are expected to expand significant-

ly beyond the real estate and infrastructure sectors, the list of gigaprojects continues to grow and demonstrates the aspirational nature of Saudi Arabia’s leaders.

Perhaps the most ambitious of all is Neom, a \$500-billion project in the northwest of the kingdom that will be powered entirely by clean energy. First unveiled by Crown Prince Mohammed bin Salman in 2017, it seeks to challenge the traditional concept of cities and lifestyle.

Neom currently encompasses 11 sub-projects, which include The Line, a 70-kilometer-long city that will eventually be home to around 9 million people as well as, for instance, a luxury eco-tourism destination named Zardun that will cover 4 square kilometers and will be filled with native plants and animals.

Innovation will also be at the center of Neom, with shared autonomous and electric shuttles providing on-demand travel for residents, along with urban air mobility and a high-speed underground transit system. That means there will be no cars and no traditional roads.

“If we are to solve the challenges of tomorrow, we must face up to them today, no matter how difficult they may seem,” explains Nadhmi Al Nasr, Neom’s CEO.

“We are addressing some of the most pressing challenges facing humanity by bringing together a community of the brightest minds committed to reimagining what a sustainable future will look like in 20 to 30 years, and building it today.”

Similarly, Saudi Arabia is reimagining what the downtown area of a major city can look like with its New Murabba development. Located at the intersection of King Salman and King Kha-

lid roads in the kingdom’s capital, Riyadh, it will house 104,000 homes, more than 9,000 hotel rooms and vast retail space.

It is also being built around the concept of sustainability and will feature green areas as well as walking and cycling paths. The project will include a museum, a technology and design university, a multipurpose theater and more than 80 cultural and entertainment venues.

At the heart of the project will be a huge cube structure called Mukaab. Inspired by the country’s traditional Najdi architectural style, it will offer a range of retail, cultural and tourist attractions, including an immersive experience that utilizes cutting-edge technologies and the latest holographics.

“New Murabba isn’t just about transforming a region in Riyadh, we’re redefining the entire concept of a modern downtown,” Michael Dyke, CEO of New Murabba, believes.

“Our vision is to create a place where vibrant communities live, work and thrive, where everything is within easy reach. New Murabba has become so much more than a typical urban development by focusing on quality of life and a better future whilst acting as a gateway to another world.”

STRATEGIC SECTORS DRIVING NEW INVESTMENT



Clean tech: Increased production of hydrogen and electric vehicles



Healthcare: There's a growing demand for quality healthcare services



Hospitality: An additional 500,000 hotel rooms are needed by 2030



Energy: Oil production still factors heavily in the nation's economic plan



Real Estate: Foreign investment reached \$19 billion in 2023



Construction: Numerous ambitious urban developments are underway



Tourism: Saudi Arabia aims to attract 150 million visitors a year by 2030



Transportation: Plans are in place to expand King Salman International Airport



Mining: Saudi Arabia possesses mineral resources worth \$1.3 trillion



Logistics: The kingdom is at the crossroads of three continents

A vibrant society and thriving economy

Saudi Vision 2030’s implementation is transforming the kingdom at breakneck speed

It was in 2016 that King Salman bin Abdulaziz Al Saud and Crown Prince Mohammed bin Salman announced a ground-breaking national strategy for long-term social and economic transformation. Based on three pillars — a vibrant society, a thriving economy and an ambitious nation — Saudi Vision 2030 encompassed a range of sweeping structural reforms and set out to diversify the country’s economy beyond the oil and gas industry.

“Our ambition is for the long term. It goes beyond replenishing sources of income that have weakened or preserving what we have already achieved. We are determined to build a thriving country in which all citizens can fulfil their dreams, hopes and ambitions,” stated Mohammed bin Salman when unveiling Saudi Vision 2030.

“We will improve the business environment, so that our economy grows and flourishes, driving healthier employment opportunities for citizens and long-term prosperity for all. Together, we can strengthen the Kingdom of Saudi Arabia’s position as a great nation in which we should all feel an immense pride.”

Eight years have now passed and the transformation has been nothing short of remarkable. By the end of 2023, some 197 of Saudi Vision 2030’s 243 key performance indicators had been fully achieved, while 87% of 1,064 initiatives were deemed to be on either on track or already completed.

A major part of this success has been the reforms that have made it easier to conduct business in the kingdom. For example, business regulations have been streamlined, restrictions on foreign ownership in various sectors have been eased and state-owned enterprises have been privatized. This has helped to stimulate growth in the economy and attract foreign investment.

The economy is thriving and, by the end of 2023, the country’s non-oil gross domestic product amounted to over \$503.6 billion, edging ever closer to the target of \$515.6 billion. Revenues also surpassed \$121.8 billion, contributing 50% of the kingdom’s economy for the first time.

Overall, Saudi Arabia’s GDP has risen from \$665.8 billion to more than \$1.1 trillion, as it

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The evidence of change is not just in the numbers, it is visible throughout the country as the landscape evolves at a staggering rate. Gigantic development projects are underway, including Madar in Mecca, New Murabba in Riyadh, the Jeddah Central Project in Jeddah and the Red Sea Project on the west coast. Then there is Neom, perhaps the most well-known project at the international level, which will cover 26,500 square kilometers and will include tourist resorts, a global trade hub and a pioneering sustainable linear city.

Slightly smaller-scale schemes are taking place as well: Saudi Downtown Company, for instance, is in the midst of creating urban centers in 12 countrywide cities, while property developer Roshn is building more than 400,000 homes across Saudi Arabia.

Another major achievement that has come from Saudi Vision 2030 is the growing number of women taking on leadership roles in

strides towards its goal of becoming one of the world’s top-15 economies by 2030. Growth has also been realized in the Saudi Public Investment Fund’s assets, which now exceed \$700 billion and have created 644,000 direct and indirect jobs.

The blueprint laid out in Saudi Vision 2030 has had a major impact on the country’s tourism industry too. The introduction of e-visas in 2018 helped to open up the country, while significant investment has been made to promote the kingdom’s diverse and fascinating culture, stunning natural landscapes and wealth of attractions. As a result of these efforts, Saudi Arabia welcomed more than 100 million visitors in 2023, a target that it initially believed would not be achievable until 2030.



Ritz Carlton's luxury Nujuma resort on the Red Sea coast opened this year

SAUDI VISION 2030: KEY GOALS



The goal is for tourism to contribute **10%** to GDP, create **1.6** million jobs and attract **150** million visitors



Saudi Arabia aims to double the country’s presence on the **UNESCO** World Heritage List



The country has targeted having **30%** of women participating in the workforce and lowering unemployment to **7%** by 2030



The kingdom wants to increase KSA’s share of non-oil exports and raise private sector contribution to **65%** of GDP

various sectors, including government, business, finance, academia and the media. Female entrepreneurship through initiatives such as loan programs, business incubators and networking events to help women gain the support and resources to grow their businesses.

This success has been made possible as the government in Saudi Arabia realized that, in order to foster a vibrant society, it needed to ensure there were numerous opportunities for

women to participate and advance across a wide range of sectors. It has also encouraged female entrepreneurship through initiatives such as loan programs, business incubators and networking events to help women gain the support and resources to grow their businesses.

While much has clearly been achieved since the launch of Saudi Vision 2030 across numerous fields, Saudi Arabia is still ambitious to go much further and will continue to set new targets and break new ground in the years to come.



The Red Sea Project is the world’s largest regenerative tourism development



At-Turaif is one of the most preeminent historical sites on the Arabian peninsula

Remarkable projects promote the kingdom’s unique facets

Saudi Arabia has recruited top business leaders from around the world to ensure the success of some of its globally important developments

As part of the Saudi Vision 2030 roadmap, the kingdom aims to become one of the leading tourist destinations in the world. While this may appear to be an extremely ambitious task, the country has already been forced to upscale its goals for the sector: in 2023, it welcomed 100 million visitors, achieving this target seven years ahead of schedule. Now, the kingdom aims to attract 150 million tourists by 2030.

One reason for the recent influx of tourists to the country is that a number of diverse landmark development projects that are capitalizing on and protecting Saudi Arabia’s rich heritage, culture and natural environments are starting to open up their initial stages to visitors. Among the most important of those is Diriyah, located just outside of Riyadh, which is on its way to becoming the cultural capital of the country and the region.

Diriyah: A truly historic cultural capital

At the heart of Diriyah gigaproject is the preservation of the At-Turaif heritage site, the historic mud-brick city where the original House of Saud was founded. Aimed at honoring the country’s traditions while also providing modern lifestyle amenities, Diriyah is expected to welcome 27 million visitors annually.

Set to play a crucial role in Saudi Arabia’s tourism industry, the development is being overseen by Jerry Inzerillo, an internationally renowned executive with vast global experience in the hospitality sector. Acting as the Group CEO of the Diriyah Company, the New York-native jumped at the chance when Crown Prince Mohammed bin Salman asked him to get involved in the project.

“I have a personal passion, which is the preservation of culture and identity, what makes countries uniquely different. Diriyah is the birthplace of Saudi Arabia, the home of Al Saud, the source of national identity and an iconic emblem of the entire country. We want to make the UNESCO World Heritage Site of Diriyah one of

the great gathering places of the world,” explains Inzerillo. “Therefore, we’re building a 140-million-square-meter, \$63-billion development project — a master plan that will house 100,000 people to work, to live, to create. There will be 42 new hotels and 30,000 residences in the most livable pedestrianized cultural city in the world.”

“What makes the project even more remarkable is that it is centered around mud architecture. We are creating a walkable cultural city by making 185-million mud bricks that will form all the buildings, so that the city will appear as it did 300 years ago. But the astounding part is that below the ground we are building a smart city, complete with fiber optics, rail and metro stations and 40,000 parking spots.”

While the project will not be completed until 2030, areas of the development have opened to the public, including the Bujairi Terrace gastronomic haven, and additional areas will be inaugurated every year.

JERRY INZERILLO
GROUP CEO, DIRIYAH COMPANY

“Diriyah is the birthplace of Saudi Arabia, the home of Al Saud, the source of national identity and an iconic emblem of the entire country.”

Inzerillo is confident that Diriyah will quickly emerge as a popular destination for US tourists: “We think America is going to be a very big market. We’re investing lot of money in Saudi-American tourism, destination marketing operations, tour operators and travel agents. The message to America is that we’re open and welcoming, come see for yourself.”

The ultimate destination for eco-tourists
Another major development that is already becoming a tourism hotspot is enabling visitors



Jerry Inzerillo
Group CEO, Diriyah Company



John Pagano
CEO, Red Sea Global

to experience some of the kingdom’s amazing natural environment: the Red Sea Project. On completion, the 28,000-square-kilometer project that incorporates 200 kilometers of unspoiled coastline and 90 islands will offer 50 hotels with more than 8,000 rooms and its own international airport. Completely transforming Saudi Arabia’s west coast, its first resort opened in 2023, with a further 16 set to be completed in the next two years.

While these properties will dramatically enhance Saudi Arabia’s luxury offerings, they have also been designed to be sustainable and every effort has been made to protect the surrounding environment and marine wildlife.

At the heart of an initiative that stands out as the world’s most extensive regenerative tourism development project is John Pagano, CEO at Red Sea Global, who has more than 35 years of international experience from all facets of the commercial property industry from Europe, North America and the Caribbean.

Holding this position since 2018, he has helped to ensure this hugely ambitious project sets new standards for sustainable development. “We’re focused on regeneration. Our goal is to increase the net conservation value of the area by 30% by 2040, which includes enhancing biodiversity,” states Pagano.

“We have an abundance of coral and mangroves ecosystems we protect and enhance — we have a mangrove nursery that has grown 1.2 million mangrove trees so far and we’re aiming for 50 million. We’re also growing coral through

the Corallium Marine Life Institute at AMAA-LA, which focuses on research and will be open to the public for educational tours and submarine excursions.

“The destination is powered by renewable energy 24/7 too, a feat never attempted on this scale until now. We’re carbon neutral, banning single-use plastics, using electric vehicles and we have the largest electric-vehicle charging network powered by renewable energy. Our desalination facility produces 50 million liters of water daily and our district cooling systems are the largest in the world.”

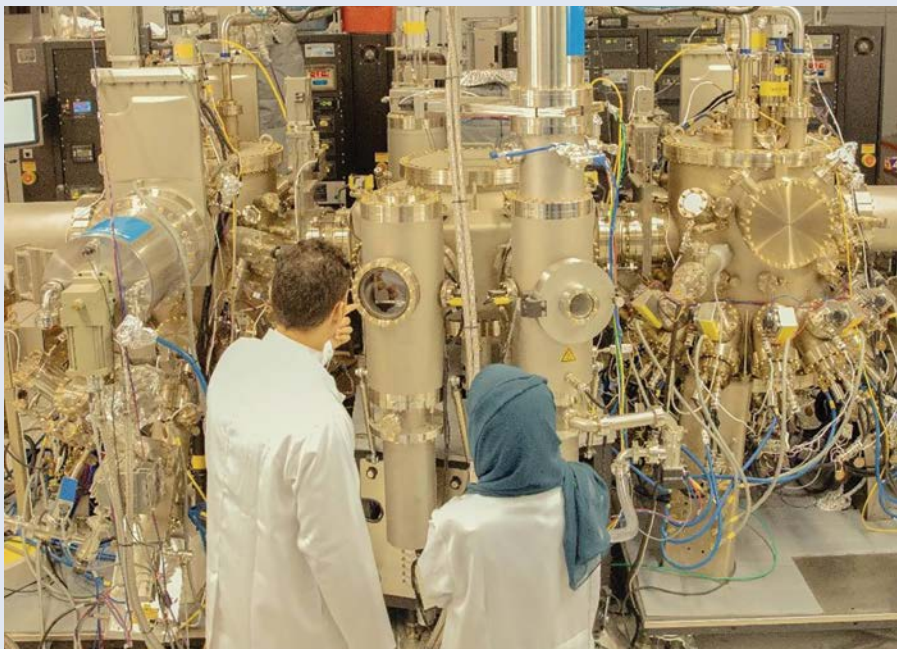
This remarkable achievement makes the Red Sea Project a one-of-a-kind destination that Pagano believes will attract visitors from around the world. “Our pristine environment and responsible development cater to travelers who value sustainability,” he states.

“Saudi Arabia remains a hidden gem with thriving coral reefs and natural beauty. Hospitality is ingrained in Saudi culture and as we open our doors to the world, particularly the US, we expect visitors to embrace and advocate for our destination. We’re creating an ecosystem of complementary, differentiated destinations, encouraging multiple visits and extended stays.

“We offer a unique destination that appeals to those seeking new and diverse experiences beyond the typical desert image of Saudi Arabia. The Red Sea Project’s diverse geography, including mountains and a rich marine environment, will attract tourists looking for something completely different.”



KACST’s Solar Park provides comprehensive prototyping for quality panels



KACST utilizes advanced cleanroom to foster talent and empower local industry

Helping to deliver a brighter future

The King Abdulaziz City for Science and Technology is driving innovation and tackling issues that affect the kingdom and beyond

Standing at the forefront of Saudi Arabia’s scientific and technological endeavors, the King Abdulaziz City for Science and Technology (KACST) has been driving innovation and addressing crucial national challenges for almost 50 years.

A pioneering institution that plays a pivotal role in advancing research and fostering technological growth, one of the very first projects it undertook, in 1975, saw KACST work on one of the largest ever solar renewable energy projects in the world at that time. Five years later, the results of this work provided an entire village with a renewable light source.

Since then, KACST has not only been addressing national challenges but also playing a major role in solving issues found throughout the world.

“At KACST we are bridging the role between academia and industry,” explains Dr. Munir Eldesouki, president of KACST. “We are able to scale up activities that can be implemented into the real world.”

“More recently, we have also focused on the startup community because we have some of the most advanced labs in the region and we want companies to be able to innovate by utilizing our facilities. Not only does this provide access to the equipment and the data the lab produces, but all of the labs that we own are accessible to any researcher in the kingdom.

“This has helped us to take KACST to the next level as the private sector now has access to our labs. We are now talking to numerous companies in the US that are moving their regional HQs to Riyadh so their research teams can work in our labs and alongside our scientists.”

It is no surprise that startups and established companies alike are keen to work alongside KACST as the organization has been able to foster a staggering amount of talent. There are some 3,300 employees, including 1,800 researchers, with more than 1,000 holding PhDs and Masters from some of the most high-profile universities in the world.

These bright minds are now working alongside global startup companies, thanks to the launch of an area known as the Garage. Formally home to a collection of cars, it now houses 300 companies from 54 countries around the world.

MUNIR ELDESOUKI
PRESIDENT, KING ABDULAZIZ CITY FOR SCIENCE AND TECHNOLOGY

“Numerous companies in the US are moving their regional HQs to Riyadh so their research teams can work in our labs and alongside our scientists.”

“We’ve seen companies from Silicon Valley move to the Garage, and even ones from Ukraine and Russia,” says Eldesouki.

“We also conduct networking events and we invite entrepreneurs to do demo days and three-minute pitches on stage. We are really working hard to build an innovation hub in the city of Riyadh.

“It is really quite exciting as in just one year we have seen that around 20% of the venture capital activity in the kingdom has come through the Garage, due to it being a deep-tech incubator that has access to advanced labs. This really is a testimony to the market and the production happening in Saudi Arabia.”

Harnessing emerging technology

With numerous research institutes and centers housed within KACST, one of the organization’s most important roles is aligning research initiatives with the kingdom’s development goals. This is especially important when it comes to new technologies that can help propel Saudi Arabia into a fourth industrial revolution.

“We have the first research nuclear reactor that’s being built in the kingdom and that will be inaugurated soon. This serves the Ministry of Energy and is a lab that is open to all stakeholders to use. It has been accredited by the International Atomic Energy Agency and will be a training hub for the nuclear domain,” explains Eldesouki.

“Another great example of how we are



Munir Eldesouki
President, King Abdulaziz City for Science and Technology (KACST)

serving other sectors is the work we are carrying out for the Ministry of Environment, Water and Agriculture. Saudi Arabia was facing a huge challenge in regard to underground reservoirs being depleted for feed farming. It was estimated that we consume somewhere in the region of 19 billion cubic meters of water per year from underground reservoirs, which are a scarce resource in a desert.

“We have a lot of advanced projects that we do with our partners, such as Caltech in the US for example, using satellites and radar imaging to detect even a one to three-centimeter drop from the reservoir.”

“We have also used our satellite network, together with artificial intelligence, and built a platform that monitors the kingdom from space and every quarter delivers a report about changes in agricultural activities.

“This helped the kingdom to save nine billion cubic meters of water in one year. Additionally, our AI algorithms have started to significantly help the farmers. This is



KACST’s Industry 4.0 Center aims to boost 4IR tech in Saudi via training and demos



The Garage hosts networking events for the regional startup community

because we were able to detect the health of the crops that they are growing. We could also tell if a nozzle was blocked from space and inform the farmer. So, technology has become very useful and we utilize it in numerous sectors, including energy, water and agriculture.”

This is just one example of how KACST is utilizing AI to deliver a solution to a growing problem. And while there are concerns about the future of AI, be it ethical dilemmas or security risks, Eldesouki believes it will make a substantial contribution when it comes to aiding research.

“AI has become a hot topic but we have already noticed how it can be used to enhance productivity,” he outlines.

“Our AI team here at KACST has been working with our chemistry partners at the University of California, Berkeley, on developing a new material called Metal-Organic Frameworks (MOFs) — which is being led by Professor Omar M. Yaghi, who’s a Saudi-American scientist at Berkeley.

“This material can be used to store hydrogen, it can capture carbon dioxide, and it can also capture water directly from the air, which is a very important thing. The problem is that it’s very difficult to optimize new types of MOFs with high porosity. But the chemists, with the help of AI, have been able to achieve in two weeks what would have previously taken two years.

“So not only has the amount of time been reduced significantly, but the quality of the results was five to six times higher. If you think about applying that to every scientific and research domain, that would shift how mankind’s future is going to look. I believe that taking AI into every scientific domain is going to accelerate bringing human knowledge forward.”

Fostering innovation

KACST has a long and storied history when it comes to working with the US. It was initially set up as an independent scientific organization in Saudi Arabia in partnership with the US and throughout the years it has entered into partnerships with numerous American agencies. This includes the National Aeronautics and Space Administration (NASA) and the National Science Foundation.

These collaborations are instrumental when it comes to delivering innovation as

knowledge exchange can help to deliver important breakthroughs. However, it is not just government agencies that KACST works alongside, it has also formed partnerships in the private sector.

With IBM it is working on renewable energy, with Intel on semiconductors, with Boeing on decision support centers and with Lockheed Martin on satellites.

But perhaps the most important partnerships are with the academic sector as KACST has the opportunity to work with some of the world’s brightest minds.

“We work very closely with the Massachusetts Institute of Technology (MIT), Harvard, Stanford, Berkeley, UC Santa Barbara, the University of Michigan Ann Arbor, UC San Diego, and UCLA, to name just a few,” says Eldesouki, who has a PhD in Electrical and Computer Engineering from McMaster University in Canada and is a fellow of the National Academy of Inventors in the US.

“We have been working with MIT for 12 years on complex system modeling, which can model smart cities and digital twins. It’s been a great partnership.

MUNIR ELDESOUKI
PRESIDENT, KING ABDULAZIZ CITY FOR SCIENCE AND TECHNOLOGY

“I believe that taking AI into every scientific domain is going to accelerate bringing human knowledge forward.”

“I’m also very proud that we have a program with MIT that empowers women in science called the Ibn Khaldoun Fellowship. This has been running for more than 10 years and has trained around 50 Saudi women who have completed their postdoc at MIT. “Many of these women have come back to the kingdom and have become leaders in the scientific community and within government organizations.

“Furthermore, we’ve worked with the likes of Stanford, Caltech and NASA on numerous experiments over the years and the Saudi Space Agency is continuing to work closely with NASA as we take our space activity to the next level.

“We have already sent two Saudi astronauts to the International Space Station in partnership with the US, this included Rayyanah Barnawi, a stem cell researcher, who became the first Arab and Muslim woman to go to space.”

Driving the kingdom forward

While KACST continues to work with numerous partners in the US and helps tackle issues that affect people around the world, it is also set to have a significant influence on the future of Saudi Arabia. One prominent role that it will undertake is helping the kingdom to deliver on four national priority areas that are being driven by the scientific community.

These focus areas are health and wellness, economies of the future, excellence in energy and industry, and environment and supply of essential needs. In a bid to tackle some of these issues, KACST will be inviting scientists from around the world to be part of a consortium that will address these serious problems. These bright minds will then come together to hopefully deliver a positive future.

Eldesouki is also hopeful that the next generation of young scientists and innovators will help shape the future of Saudi Arabia and beyond. He also has some valuable advice for those hoping to enter the world of science and technology.

“There is no doubt that the youth of today are very positive about startups, which is why we have created incubators and accelerators to target them. However, I still believe that you need to be the best of the best at what you do,” he states. “You need to understand the science and you need to excel at it before you can jump into any startup.

“So my advice would be that, although we are going through a shift in AI and productivity, it is still hugely important to learn and not rely on technology and tools. Experts are slowly going to diminish, so I would advise the younger generation to understand the science and never fully rely on AI or other tools. Instead, rely on your brain and then you will be able to excel at anything you want.”



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Saudi capital markets are powering economic expansion

International investment is flooding into Saudi Exchange, which has quickly become one of the 10-largest stock exchanges in the world by market capitalization and IPOs

Initially formed in the 1950s, Saudi Arabia's Capital Market Authority (CMA) is tasked with regulating, supervising and developing the country's capital markets. Its objectives are to constantly strive to improve the investment environment; to boost confidence and reinforce transparency and disclosure standards in all listed companies; and to ensure investors and dealers are protected.

"2023 was a year of achievements we take pride in," according to CMA's chairman, Mohammed bin Abdullah El-Kuwaiz. Among other measures, the CMA introduced enhanced rules for foreign investment in securities in order to stimulate investment, increase market attractiveness and promote the country's international competitiveness.

Last year also saw foreign investment in the Saudi capital markets reach unprecedented levels, with net foreign investments expanding to \$52.8 billion, an increase of 7.7% compared to 2022. Additionally, the country welcomed 43 new listings to its capital markets, 79% higher than its target for 2023, with El-Kuwaiz noting: "The total value of initial public offerings, private placements and right issues amounted to \$5.28 billion."

MOHAMMED AL-RUMAIH
CEO, SAUDI EXCHANGE

"The significance of the US market cannot be overstated for any global capital market and this holds true for us as an exchange."

As a result of CMA's efforts, the kingdom has positioned itself at the top of several global financial market indicators, ranking first among G20 countries in the Board of Directors Index and second in the Ease of Access to Financial Markets Index, for example.

At the center of the country's capital market ecosystem is Saudi Arabia's rapidly expanding stock exchange — Saudi Exchange — which is fully aligned with international standards to guarantee transparency and strong investor protection measures.

Saudi Exchange was first opened up to qualified foreign investors (QFIs) in 2015 and the criteria for QFI status have been progressively relaxed to encourage more foreign participation ever since then. Similarly, the exchange's inclusion in leading international indices, such as the MSCI Emerging Markets Index and the FTSE Russell Emerging Markets Index, has increased its visibility and attractiveness to global investors.

This has helped the stock exchange to quickly become the largest in the Middle East and North Africa and one of the 10 biggest globally by market capitalization. Earlier this year, it celebrated its 400th listing across all securities and there are plans in place to further enhance the kingdom's capital market infrastructure by diversifying Saudi Exchange's portfolio of products and services.

"In recent years, we have witnessed a surge in initial public offerings (IPOs), propelling us to be ranked among the top-10 exchanges in the world both in terms of the number and size of IPOs. In 2023, we welcomed more than 35 listings and this year there is no sign of the number slowing down," reveals Mohammed Al-Rumaih, CEO at Saudi Exchange.

"We play a pivotal role as a vital hub connecting markets from the east to the west, connecting global investors with opportunities within the MENA region and more specifically in Saudi Arabia. As an exchange, we're focused on developing a world-class capital market experience for issuers and investors, and a key component of this is ensuring our infrastructure, services and products are as technologically advanced and sophisticated as possible."

With ambitions to further extend its presence on the international financial stage, Saudi Exchange hopes to build on the country's commitment to strengthening ties with the US. Not only will this help in terms of its worldwide recognition but it will ensure that more strategic alliances are fostered.

"The significance of the US market cannot be overstated for any global capital market and this holds true for us as an exchange," states Al-Rumaih. "Since the launch of our QFI program, the US has been our primary destination for attracting investors, particularly institution-



Saudi Exchange is located in Riyadh's iconic King Abdullah Financial District



Mohammed bin Abdullah El-Kuwaiz
Chairman, Capital Market Authority



Mohammed Al-Rumaih
CEO, Saudi Exchange

al investors who have become key players in our market.

"Our proactive engagement includes regular investor-targeting road shows in collaboration with major American investment banks such as JP Morgan, Morgan Stanley and Merrill Lynch, all of which rank among the most active brokers in the Saudi market. As part of our continuous collaboration, we look forward to introducing new products that can help us gather insights from American institutional investors."

With the CMA working hard to raise the attractiveness and efficiency of the kingdom's capital market and further develop the financial sector, it is an exciting time for Al-Rumaih who foresees a bright future for the Saudi Exchange.

"We are ambitiously striving to enhance our

market presence in the Saudi economy. Our strategic aims include positioning ourselves as the focal point for capital formation, extending beyond Saudi Arabia to encompass the MENA region," he concludes.

"Additionally, as the world transitions to net zero, we have invested and become a partner in the Voluntary Carbon Market, established in partnership with the Public Investment Fund. Furthermore, our strategy involves enhancing the growth of our equity market by introducing a broader range of derivative products.

"We aim to expand our existing index franchise within the comprehensive market data product portfolio. These initiatives form part of our seven growth pillars and provide a glimpse into our near-term focus."

Experts in boutique investment banking

GIB Capital is a preferred supplier of innovative and customized solutions for many investors

Saudi Arabia contains local experts in various fields that stand ready to introduce investors to the country and facilitate their access to the market. One prominent example is GIB Capital. Set up as a subsidiary of the Gulf International Bank Group in 2008, it has extensive experience of providing government-related entities, institutions, family businesses and investors with a comprehensive range of financial and investment banking solutions across Saudi Arabia and other Gulf nations.

Since the 1990s, GIB Group has been a leading player in the region's equity capital markets — in terms of taking companies public or private, mergers and acquisitions and project financing — as well as in debt capital market and debt advisory services. Its subsidiary continues to be at the forefront of those sectors. "In addition, we started offering asset management services in 2017 and have developed an alternative investment business, focusing on private equity, real estate funds and development funds. We have also developed a brokerage business providing services to retail and institutional clients. Within this, our research services cover companies that are not widely covered by other analysts, shedding light on little-known opportunities," explains GIB Capital's CEO, Osamah Mohammed Shaker. "Our capabilities in all our areas of expertise are constantly expanding. In asset management, for example, we've recently beefed up our capability in fixed-income investment solutions."

OSAMAH MOHAMMED SHAKER
CEO, GIB CAPITAL

"We choose our clients and the services we offer them carefully, investing time to understand exactly what a client's specific needs are."

GIB Capital is renowned for its customized services. "We're a boutique investment bank that is focused on particular areas where we have exceptional expertise and track record. We choose our clients and the services we offer them carefully, investing time to understand exactly what a client's specific needs are. That has made us a preferred financial partner, as evidenced by our high number of repeat clients," Shaker states. The company is also an innovator, he adds: "We have been the first Saudi service or advice provider for many solutions and projects. We strive to go into challenging territories and think about them from all angles before devising viable solutions."



Osamah Mohammed Shaker
CEO, GIB Capital

Despite being a boutique operator, GIB Capital employs one of the biggest investment banking teams in Saudi Arabia. "We probably have the largest pool of intellectual minds under one roof, all of them are in Riyadh," he asserts. "There is a large pool of smart young people to choose from in Saudi Arabia, as the education system has improved significantly and the government has embarked on a major postgraduate sponsorship program." The GIB Group is also nurturing local talent through, for instance, its Jammaz Al-Suhaimi development program for promising graduates.

According to the CEO, the country's young, talented population offers substantial opportunities to investors, as do other resources across the vast nation. As an illustration, he highlights the diverse geographies and climates that make it a potential tourist destination all year long. "Saudi Arabia is now tapping into its many natural, historical and religious attractions for tourists for the very first time. We're analyzing the rest of the world's best practices and are starting from there to develop major tourism infrastructure projects that are the best of the best," he states. "GIB Capital aims to bridge the gap between international investors and local demand to finance these projects by creating vehicles that enable investors to take part in this substantial growth area."

In order to encourage tourism, the government has reformed Saudi Arabia's visa systems, Shaker notes: "It's quite probably one of the easiest countries to get a visit visa for now. That's key, because one of the first things any potential investor should do is come to Saudi Arabia and see for themselves the huge investments and projects that are taking place as part of Saudi Vision 2030."

A land of investment opportunities

anb capital is at the forefront of the Saudi capital markets

One of the leading investment banks in Saudi Arabia, anb capital is active across the entire spectrum of capital market activity, from brokerage in local and international markets, to investment management, investment banking and alternative investments. In the following interview, anb capital's CEO, Khalid S. Al-Ghamdi, provides an insight into the evolving Saudi investment environment.

How is Saudi Arabia's unprecedented economic transformation shaping the role of investment banks in the country?

The Saudi growth story has only just begun. Estimates indicate that projects underway in the country require in excess of \$1 trillion of funding up to 2030. With the banking sector's loan-to-deposit ratio already at 100%, there will be a funding gap that will have to be bridged by the capital markets. For example, we foresee AT-1 issuances by banks to increase their lending capacity and activity in equity issuances, securitizations and bond issuances. Of course,

KHALID S. AL-GHAMDI
CEO, ANB CAPITAL

"This year we launched our Digital and IT Equity Fund, which is Saudi Arabia's first thematic fund focused on that sector."

there are challenges ahead. Hybrid capital and private credit markets are still to develop in Saudi Arabia. In this context, taking markets forward also means convincing investors and institutions to invest in or lend to projects that contribute to the diversification of the economy. Investment banks will play a critical role in this by leading the evolution of capital markets, not only to fund projects, but also for investors to realize value.

The Saudi stock market is now the 11th-largest globally. How much interest does it offer to international investors?

A seismic shift has taken place in the Saudi capital markets since 2019 with the inclusion of our stock exchange in MSCI and FTSE indices. In 2018, the volume traded on the Saudi Exchange by qualified foreign investors (QFIs) was \$14 billion or 3% of total. In 2023, this figure reached \$132 billion or about 19% of total. The regulatory environment has also been encouraging, with access to the exchange for for-



Khalid S. Al-Ghamdi
CEO, anb capital

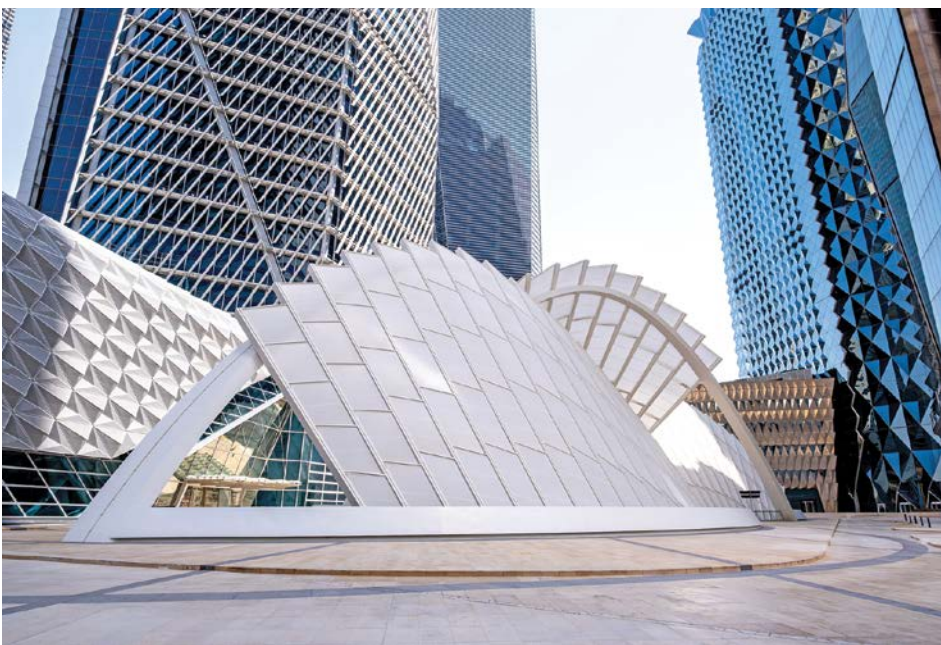
eign investors becoming easier. Saudi Arabia is one of the world's most exciting and dynamic markets, and potentially the only true land of opportunity right now. We see global interest in our country, with businesspeople, investors and tourists from all over the world pouring in.

Founded in 2008, what are some of the ways in which anb capital is advancing Saudi Arabia's investment sphere?

We've experienced a revitalization in recent years, more than tripling our bottom line and investing heavily in our people and infrastructure. We have also brought in new products. For example, this year we launched our Digital and IT Equity Fund, which is Saudi Arabia's first thematic fund focused on that sector. This fund fully dovetails with the objectives of Vision 2030, where we have seen IT-driven transformations across all public sectors that have fundamentally changed how the country operates.

We have also greatly expanded our asset management product offering, with four new funds and investment strategies launched in 2023. We have launched our first private equity funds as well, while our successes in real estate are unparalleled. Furthermore, we've gained traction in investment banking, with some of the country's largest corporates and institutions as our clients.

anb capital
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The award-winning King Abdullah Financial District has redefined the capital

Hub for fintech innovation

Saudi Arabia has established itself as a regional leader in digital financial service

The top priorities of the Saudi Financial Sector Development Program that was initiated in 2018 are innovation and investment in talent and technology. By focusing on those priorities, the kingdom has modernized and digitalized the entire sector, and turned itself into a dynamic frontrunner in digital financial services and the leading fintech hub within the Middle East and North Africa.

Probably the most important contributor to this achievement is Fintech Saudi, which was established in 2018 by the Capital Market Authority and the Saudi Central Bank. This organization and its parents have launched numerous initiatives that are nurturing fintech innovation and entrepreneurs in the sector, including a startup accelerator, an innovation hub and a regulatory sandbox to test new technologies.

As a result of programs like this, the number of fintech startups in the country has grown twenty times since 2018, with 216 operating in the kingdom at the end of 2023 that were employing over 6,500 people.

Those startups also have sufficient financing and support available to ensure their growth. The country ranks second among G20 nations in the Venture Capital Index, with nearly \$2 billion having been invested into Saudi fintech startups to date, while three entirely digital new banks have been awarded licenses.

Startups, traditional financial institutions and authorities have formed a highly collaborative fintech ecosystem that has allowed online banking, mobile apps and digital wallets to

become integral features of the Saudi banking experience for all clients. Banks throughout Saudi Arabia are, for instance, introducing cutting-edge technologies to improve the customer experience, ranging from chatbots powered by artificial intelligence to customized financial recommendations based on big-data analytics.

All other financial service providers have also embraced the digital revolution, not least the national stock exchange, which invests heavily to guarantee that its services, products and systems are the most technologically advanced on the market.

"We have a long-standing relationship with Nasdaq, which has been our strategic and technology partner since the inception of the Saudi Exchange. It has provided us with the technology required for our trading systems, as well as enabled us to launch our Post-Trade Infrastructure Program in 2022, which was the biggest bundle of post-trade enhancements in the history of the Saudi capital market," states Saudi Exchange's CEO Mohammed Al-Rumaih.

This program enabled the exchange to launch new financial instruments and facilitate access to them for both local and foreign investors. "For instance, we introduced single stock futures in response to increased demand from international investors seeking diversified offerings and hedging tools in the Saudi capital market," Al-Rumaih explains.

"We continue to value our relationship with Nasdaq and look forward to further enhancing the Saudi capital market through cooperation and collaboration with it and other US partners."



Saudi Arabia has positioned itself as a regional hub for financial services

Highly conducive environment for investors

Investment potential is abundant in one of the world's most dynamic financial sector

A key pillar of the Saudi Vision 2030 framework is the Financial Sector Development Program (FSDP), which was launched in 2018 with a goal of building a thriving and innovative financial ecosystem.

Since then, the industry has experienced "a remarkable transformation," says Mohammed Al-Rumaih, CEO of the kingdom's stock exchange. "This initiative places emphasis on bolstering both equity and debt markets, aiming to fortify financial institutions in the kingdom, enhance competitiveness and propel the growth and advancement of the overall financial sector in Saudi Arabia. It's been a very rewarding journey."

Alongside many other reforms that have been undertaken to make the country more business friendly, the extensive modernization and expansion of the Saudi financial sector is helping to draw in a constantly increasing number of international investors — in the fourth quarter of 2023, for instance, net inflows of foreign direct investment reached \$3.49 billion, 16% up from the previous quarter.

Saudi Exchange has been a central player in this success. "We've taken significant steps to support the FSDP by improving our market infrastructure, thereby unlocking opportunities for all market stakeholders, including global investors and issuers," the CEO asserts. "We've emerged as one of the largest capital markets

for attracting foreign investment, ranking as the second-largest emerging market in net inflows. We have been consistently recording growing net inflows of investors and amounts invested every year, and we anticipate this will carry on.

"This is attributed to our ongoing evolution, advancements in our tools and the continuous improvement of our infrastructure."

"Saudi Arabia's transformation is gaining momentum and credibility. Investors are witnessing the changes taking place and are increasingly attracted to take part in the country's surge toward becoming a significant player on the world stage."

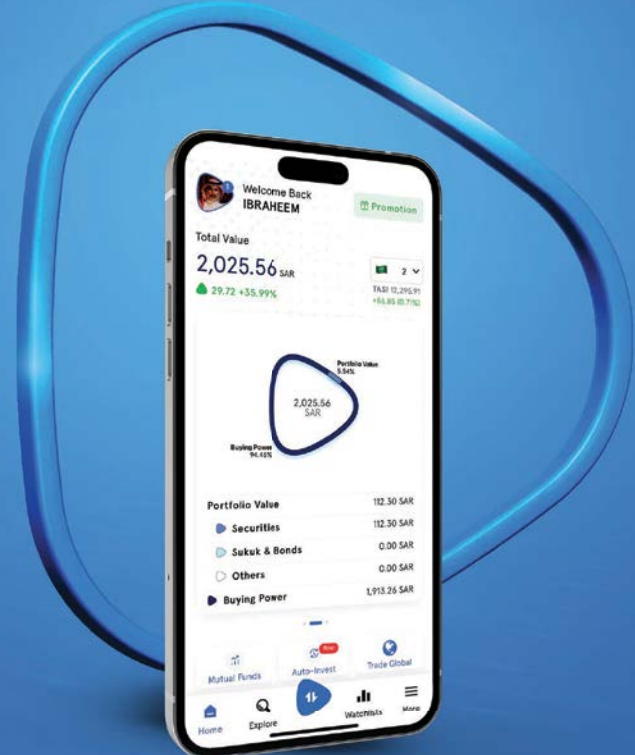
One recent highlight on the exchange for domestic and international investors came in June this year, with its first initial public offering for a fintech company: Rasan. The Saudi start-up that has created an extremely popular online insurance aggregator raised more than \$224 million in a listing that was 129 times oversubscribed, giving it a market capitalization of almost \$1 billion.

Rasan is one of around 200 fintech startups with potential in Saudi Arabia and the country is working hard to foster the growth of this ecosystem that more than doubled in size between 2022 and 2023. That expansion not only aligns with the kingdom's strategy to position itself as a regional financial hub by 2030, but it presents exciting opportunities for international investors in fintech.

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The kingdom has made vast investments in cutting-edge digital infrastructure

Leading the way in tech advancements

Described as the Middle East’s Silicon Valley, Saudi Arabia’s rich technology ecosystem includes tech giants and local innovators

As technology continues to advance at an unprecedented pace and drive significant change across numerous global industries, it has become essential for businesses to embrace innovation and stay ahead of the curve. That has certainly happened in Saudi Arabia, where the government, companies and society have a clear understanding of the importance of leveraging the digital transformation.

The country has made significant investment in groundbreaking new technologies and digital infrastructure that have propelled it to the forefront of innovation and turned it into an emerging cutting-edge technology hub.

It has also contributed to Saudi Arabia attracting more than \$9 billion in technology-based foreign direct investments in recent years, with global leaders such as Microsoft and Oracle committed to working in the country.

These tech giants also benefit from the kingdom’s young, tech-savvy population that not only has a strong appetite for digital products and services, but which offers potential employers world-class tech-related skills qualifications.

The influx of international companies, many of which have set up regional headquarters in Riyadh, have helped to advance and enrich the country’s technology ecosystem, positioning

Saudi Arabia as the Silicon Valley of the Middle East. Within that ecosystem are a large number of homegrown tech startups and established enterprises that are enjoying local and international success.

One such company is Taqnia ETS, a provider of innovative solutions in engineering and technology. A subsidiary of the Saudi Technology Development and Investment Company that is owned by the Saudi Public Investment Fund, Taqnia ETS is a regional powerhouse in its specialized field.

“We were established nine years ago and have managed to become a leader in geospatial services throughout the Middle East and North Africa,” explains Hassan Aljohani, vice president for business development at Taqnia ETS. “We focus on engineering technology services, but more specifically, we offer everything within the geospatial industry.

“We are active in data acquisition and collection, as well as in geo-analytics, visualization, management and operation. We even provide services for the commercialization of different geospatial data, working across the value chain. That is one of our key differentiators compared to our competition within the market.”

Providing services to a wide variety of industries that include agriculture, defense, health,



Saudi Arabia has emerged as a leader in innovative technology

education and the environment, Taqnia ETS has grown significantly since it was established and much of its success is down to its renowned ability to cultivate talent.

“We rely heavily on local capabilities, because a major part of our DNA is building up Saudi talent. But we are fortunate that the skill set is available in the country. There is a wealth of knowledge in Saudi Arabia, which is why our operations are led and launched by local talent,” states Aljohani. “We have also hired experts from abroad who can pass on their knowledge and expertise to our homegrown talent. This has helped us to build our in-house capabilities and resources, which in turn has allowed us to evolve and grow without the need to outsource or look offshore.”

Solutions with transformative potential

Whether it’s revolutionizing industries in supply chain management and urban planning or helping build infrastructure, there is a growing demand for the transformative potential of geospatial services. Therefore, it is vital that Taqnia ETS is constantly innovating and expanding its services across a variety of sectors.

HASSAN ALJOHANI
VICE PRESIDENT BUSINESS DEVELOPMENT
TAQANIA ETS

“We heavily rely on local capabilities, because a major part of our DNA is building up Saudi talent. But we are fortunate that the skill set is available in the country.”

To achieve this, the company has to be aware of technological trends that affect the geospatial industry. It must also track shifting priorities within the market, especially as it seeks to offer its services to more international clients.

“To keep innovating across a diverse clientele, we always try to ensure that what we learn from one segment can be applied to another,” says Aljohani. “We look to repurpose

knowledge and capability, which has happened numerous times across a diverse range of industries. Business innovation and operational innovation are what clients want. Government entities, for example, are paying millions of dollars and they expect a good return on value for the public service. If we can achieve that at a lower cost, better efficiency and high quality, then what better? Isn’t that the whole objective of innovation? That’s what we do.”

When it comes to innovation, one area that is beginning to be explored within the company is how artificial intelligence can be utilized in geo-analytics. Taqnia ETS is currently developing new tools and models that use AI, with the hope that the technology can increase efficiency and decrease costs.

However, the company is also taking a cautious approach to a technology that is developing at a rapid rate. “We are incorporating it into our services, but we are continuously testing the proof of concept,” describes Aljohani. “We already have certain AI tools that we applied in geo-analytics, which have decreased time, accelerated development and produced high-quality results. However, we are being very systematic and not rushing to push something unless we’re fully confident in the results.”

This careful and considered approach to AI is important, especially as Taqnia ETS aims to become a global frontrunner in the geospatial industry. While Saudi ETS is already seen as a prominent nation when it comes to developing AI, Aljohani is well aware that the US is the industry leader in this field of technology.

“Research partnerships with the US are important for us in identifying and commercializing the output of research and development for the benefit of the public. We’ve carried out multiple collaborations within the geospatial sector,” he reveals. “I expect the results of partnerships with the US in the AI domain will be tangible, and deliver public good and value in government. We will continue to work with US companies as that transfer of knowledge and expertise is invaluable. I’m certain that everyone in the US and Saudi Arabia will benefit in one way or another from this collaboration.”

A pioneering insurance company rightly proud

Tawuniya is growing its health vertical by offering a diverse, digitally accessible portfolio to every facet of Saudi Arabia

Saudi Arabia’s rapidly expanding insurance sector achieved gross written premiums (GWPs) totaling \$13.05 billion over the first nine months of 2023, a 22% year-on-year increase. Health insurance was the key driver of this growth, contributing 61% of premiums. Demonstrating the sector’s dynamism, Cigna Worldwide Insurance became the first foreign health insurer to receive a license in Saudi Arabia last year, reflecting the government’s efforts to attract international players and raise benchmarks.

Against this competitive background, the Company for Cooperative Insurance (Tawuniya) — a leading domestic player across all types of insurance — has expanded its health and life vertical. “We’ve improved efficiencies, turnaround times and access to services through digitalization and automation, while enhancing policyholders’ coverage with value-added services and new products that address market gaps,” explains Mohammad Alsaeed, CEO of Health at Tawuniya. To identify those gaps, the company carries out regular market surveys and focus groups to identify client needs and untapped market segments.

MOHAMMAD ALSAEED
CEO, HEALTH, TAWUNIYA

“Tawuniya’s health gross written premiums reached over \$3.3 billion in 2023. Over 31,000 new health insurance policies were purchased.”

As a result of its approach, in 2022 Tawuniya was named Best Health Insurance Company at the Saudi Council of Health Insurance (CHI) Excellence Awards. In addition, says Alsaeed: “Tawuniya’s health and life GWPs reached over \$3.3 billion in 2023. Over 31,000 new health insurance policies were purchased, with 17,483 of them being corporate. Of the total medical claims received in 2023, 97% were made electronically.”

Tawuniya’s digital transformation has revolutionized Saudi health insurance. For example, it offers an integrated online portal that logs all interactions from initial contact to statements; digital contracts and dashboards; and automated authorization processes.

In 2020, it partnered with the global Vitality Group to introduce Tawuniya Vitality, the first-of-its-kind wellness program in the Middle East and North Africa. The app sets personalized



Mohammad Alsaeed
CEO, Health, Tawuniya

goals for users and offers rewards for improving wellbeing. “Vitality members reaching its higher tiers have recorded an 18% decrease in claims over the past three years, compared to policyholders that were not members,” says Alsaeed. “In 2023, the app saw a 600% year-on-year increase in memberships.”

The company’s diverse portfolio of individual, family and corporate health and life insurance policies address all levels of society and extend to, for instance, insurance for visa visits, tourists and pilgrims. In 2023, it launched two new products: in-patient insurance for parents, designed for adult children to purchase for hospitalized parents; and domestic worker health insurance, a previously underrepresented demographic.

Tawuniya has also expanded its distinctive options for companies of all sizes. One of its specialisms is small and medium-sized enterprises, which it offers a comprehensive, 360-degree health insurance package. “Last year, we launched our SME e-Service Platform, providing access to automated services online and reducing turnaround times from five days to a few minutes. This resulted in Tawuniya recording its highest ever year-on-year growth in its SME business,” he reveals.

Tawuniya is on course for an equally strong 2024, Alsaeed asserts: “We will continue to assess and upgrade our existing health product offerings, as well as crafting more innovative solutions. Technological innovation will power our growth too, with the upcoming launch of a comprehensive digital platform for corporate health insurance needs, among other things. And we will carry on pursuing partnerships with global and regional insurance companies.”

The tourism destination unlike any other

Rich with natural, cultural and historical wonders, Saudi Arabia has the fastest-growing tourism sector among G20 nations and could become a top-5 global destination

Tourism in Saudi Arabia has traditionally revolved around religious pilgrimages to Mecca and Medina. However, propelled by ambitious goals of Saudi Vision 2030 to diversify the economy, huge investments into opening up the kingdom’s infinite array of historical, cultural and natural assets for visitors are revolutionizing the sector and turning Saudi Arabia into a first-class global tourist destination. The country aims to have tourism contribute 10% of its gross domestic product by 2030 and it is already well on its way to meeting that target.

According to the latest data from the Saudi Central Bank, tourist spending reached a record high of \$39.95 billion in 2023, a growth rate of 42.8%, as compared to 2022. The bank has also reported that the Gulf state attracted a record 100 million visitors last year — 156% more than its pre-COVID 2019 level — leading to international acclaim from the World Travel and Tourism Council (WTTTC) and the World Tourism Organization.

These impressive statistics are seen as just the start for Saudi Arabia, as there are several gigaprojects now beginning to open or in the pipeline that are bound to draw in many more millions of visitors. Illustrations include the Red Sea Project and the \$500-billion Neom development, which both aim to capitalize on the kingdom’s extraordinary natural beauty by offering luxury resorts, adventure tourism and eco-friendly initiatives.

“The transformation that this country is undergoing, I have never seen anything like it in my entire life,” exclaims Gloria Guevara Manzo, former chief special advisor to the Minister of Tourism and a vastly experienced figure in the global sector who previously held the position of president at the WTTTC.

“What is happening here is out of this world. It is very exciting to see how much importance is being given to the tourism sector, with more than \$1 trillion set to be invested. That is an unprecedented number and will play an important role in travel and tourism moving from a 3% contribution to GDP, to 10%.

“The Vision 2030 goals were to create one million jobs and to have 100 million domestic and international travelers in the country by 2030. The reality is that it achieved that number last year, way before 2030.”

Due to this remarkable success, Minister of Tourism Ahmed Al-Khateeb has revealed that the country has revised its 2030 target up to 150 million visitors. He has also announced a new target for the breakdown of tourists, with the nation bidding to welcome 75 million international visitors and a further 75 million domestic travelers.

“The Saudi tourism sector is growing faster than even we anticipated,” states Guevara. “In 2022, the country had the fastest growing economy in the G20 as it grew by 8.7% and a big portion of that is now the non-oil sector.

GLORIA GUEVARA MANZO
FORMER CHIEF SPECIAL ADVISOR
TO THE MINISTER OF TOURISM

“The Vision 2030 goals were to create one million jobs and to have 100 million domestic and international travelers in the country by 2030. The reality is that it achieved that number last year.”

Tourism is playing an important role in this, which is why the sector is going to build an additional 600,000 rooms between now and 2030. It also needs improved connectivity, which is why a new airline has been announced, as well as more flights to Riyadh.”

Global benchmark for sustainability

The immense country is home to world-famous archaeological sites that showcase historic civilizations, such as AIUla and Diriyah, as well as expansive red-sand deserts, mountains and the pristine waters of the Red Sea.

And while the built landscape of Saudi Arabia will change radically over the coming decade with groundbreaking developments that allow visitors to immerse themselves in these treasures, the kingdom has realized the importance of protecting its natural beauty and rich cultural heritage that spans thousands of years for future generations.

“Every single gigaproject being developed in the country has been planned to be sustainable. That is the priority that Crown Prince Mohammed bin Salman has established for the country,” Guevara asserts.

“That’s why you will hear from the Red Sea Project about how it is not only protecting existing coral reefs but how it is regenerating new coral reefs. The Red Sea Project has been sustainable from day one, as are all of the other gigaprojects.

“For example, the country is looking at how to reduce emissions in terms of transport and within facilities, as well as reducing food waste and plastic usage. Saudi Arabia wants to do things right and show the world what can be achieved with regards to sustainability.”

The country has also entered into a new partnership with the WTTTC, which is giving it a keen understanding of the impact of the sector on the environment. Funded by Saudi Arabia, the WTTTC recently conducting research in 185 nations that measured tourism’s greenhouse-gas emissions, carbon footprints



The 15-kilometer-long Wadi al Disah canyon is a glorious green oasis that offers numerous opportunities for adventure



Fahd Hamidaddin
CEO, Saudi Tourism Authority



Gloria Guevara Manzo
Former Chief Special Advisor
to the Minister of Tourism

and sustainability levels.

The resulting report made some crucial findings that will allow the country to better plan for a greener future. “It gives us an idea of the emissions of our sector, which are 8.1% of the total. That’s the contribution, unfortunately, for worldwide travel and tourism in terms of carbon-dioxide emissions,” says Guevara.

“This report is important, as Saudi Arabia is not only committed to sustainability in the country but also globally.”

As part of its efforts toward sustainability,

Saudi Arabia is focused on ensuring that the wildlife that has dwelled on the lands for centuries is given the right conditions to flourish. For instance, the country has embarked on a journey to bring back species to its landscapes and restore their ecosystems to full functionality.

“The wildlife in Saudi Arabia is not often spoken about, but we have numerous ongoing re-wilding initiatives that are aimed at 21 species,” explains Fahd Hamidaddin, CEO of the Saudi Tourism Authority. “We have committed to preserving 30% of our total land for reserves



The 5-star St. Regis Red Sea Resort is located on its own private island



The Maraya multipurpose venue in AIUla is the world’s largest mirrored building



Visitors to Saudi Arabia can enjoy numerous traditional cultural experiences

and we want to showcase our unique wildlife such as the oryx, which is a type of antelope, and the ibex, which is a wild goat. And it is not just on land, we also want to protect our marine life, including the turtles that nest along the Red Sea coastline.

“Our Red Sea coast has wonderful biodiversity and it is no surprise that National Geographic voted it as one of the best places in the world to go diving.”

A magnet for US visitors

Saudi Arabia has long coveted American tourists for their extended stays and higher spending in comparison to travelers from other regions. The US population is forecast to be contributing \$198 billion to global tourism revenues by 2025 and the Saudi Tourism Authority is striving to enhance connectivity between the two countries and to promote the kingdom’s many unique advantages to US travelers.

“We believe the American market is critical for us. We are paying special attention to building the right awareness and perception, as well as connectivity. Perception is important, as many people don’t know Saudi Arabia for what it really is. They are unaware of our numerous natural, historical and cultural wonders, which is why we are working hard to improve awareness,” says Hamidaddin.

“We have seven UNESCO World Heritage sites, the Red Sea is home to hundreds of untouched islands, our capital Riyadh hosts more events per week than any other destination in the world and we are building new projects like Neom that simply cannot be missed.

FAHD HAMIDADDIN
CEO
SAUDI TOURISM AUTHORITY

“Perception is important, as many people don’t know Saudi Arabia for what it really is. They are unaware of our numerous natural, historical and cultural wonders.”

“That is why all the regional airline players now connect the US to Saudi Arabia and why we expect American Airlines to start connecting as demand continues to grow.”

The future of tourism to the kingdom looks extremely promising, with Saudi Arabia poised to become one of the leading worldwide destinations for luxury travel experiences, adventure tourism, eco-tourism and cultural exploration.

“If it continues in the direction it is going, I believe that this country is going to be a top-five destination in the world, because it has absolutely everything, the assets, the history and the culture,” states Guevara.

“Take AIUla for instance, it has a similar cultural heritage to Petra in Jordan, but the difference in AIUla is that it has 121 tombs. Or you can go to the Red Sea, where you will find a beautiful ocean that is protected, while in Diriyah you can see how life was thousands of years ago.

“Add on to these the hugely exciting gigaprojects that are being delivered in such a professional way and the sky is the limit. It has been extremely exciting to be part of this transformation, as the kingdom is dedicated to executing these changes and people across the country are engaged. Furthermore, hospitality has long been part of the country’s DNA, so the population is very excited to showcase its history and culture.”

GLORIA GUEVARA MANZO
FORMER CHIEF SPECIAL ADVISOR
TO THE MINISTER OF TOURISM

“Every single gigaproject being developed in the country has been planned to be sustainable. That is the priority that Crown Prince Mohammed bin Salman has established.”

Hamidaddin agrees about the sector’s prospects. “We will continue being the fastest-growing tourist destination in the G20, as we have been for the past two years,” he declares.

“In the 1920s, people used to come to Saudi for oil. In the 2020s, they’re going to come for tourism. We will unpack for them a beautiful, rewarding and unique destination, rich with stories, mystery, culture, and preserved and authentic experiences.

“This is not a normal destination — not many lands are at the center of the crossroads of three continents, not many have been the birthplace of civilizations, languages and religions. Saudi Arabia is that land and its door is wide open to visitors.”



As part of the Neom project, Four Seasons is launching a resort on Sindalah island



Saudi Arabia is regenerating many of the coral reefs on its Red Sea coast

Unparalleled vision into the future

Some of the largest and most inspiring development projects in the world are currently underway in Saudi Arabia

Saudi Arabia is determined to generate employment opportunities, to diversify its economy away from a reliance on oil and to become a world-leading tourist destination. Key to achieving these objectives are a series of pioneering gigaprojects that are garnering attention around the world.

Varying in size and ambition, these projects are expected to cost in the region of \$1 trillion in total and they will help to ensure that Saudi Arabia emerges as a global economic force. Construction is underway across the country, with the majority set to be completed by 2030. Here, we shine a spotlight on just a few of these projects.

Qiddiya City: A hub for entertainment

A new destination built around entertainment, sports and culture, Qiddiya is one of the largest projects taking place in Saudi Arabia. It is located in the heart of the stunning Tuwaiq mountains, just a 40-minute drive from downtown Riyadh, and will feature theme parks, sports arenas, a Jack Niklaus-branded golf course, academies for sports and a host of entertainment venues.

Backed by the Public Investment Fund, Saudi Arabia's sovereign wealth fund that manages more than \$620 billion in assets, the development will cover an area of roughly 376 square kilometers. In addition to the entertainment

offerings, there will be residential communities that can house more than 600,000 people and host millions of visitors per year.

Hoping to capitalize on family vacations, Qiddiya City will boast a Six Flags theme park with 28 rides, including the world's longest, tallest and fastest rollercoaster. Aquarabia will also appeal to those with families, as the water-based theme park will have 81 private cabanas and the region's first surf school.

The new city is also primed to become a global sporting destination, as in addition to the 18-hole golf course, there are plans to construct a new motorsport circuit that could host a Formula One grand prix. Saudi Arabia is already home to one F1 race, which takes place in Jeddah, but the hope is that two F1 races will be held in the Gulf country in the future.

Qiddiya City will also contain the world's first mixed-use gaming and esports district that will attract gamers from across the globe. Aiming to establish the kingdom as the worldwide epicenter of the rapidly growing gaming and esports industry, the new venue will boast the largest indoor LED screen to have ever been installed in an esports arena and will feature 5,300 seats.

Misk: The innovative city for innovation

Situated a 20-minute drive from Riyadh, Mohammed bin Salman Non-Profit (Misk) City is

supported by the Crown Prince's personal foundation and aims to be an incubator for youth and volunteer groups as well as local and international non-profit institutions.

Covering 3.4 square kilometers, the city will house schools, colleges, a conference center, science museum, a theatre and an arts academy. Additionally, it anticipates hosting 450 new businesses, 19,500 permanent residents and an additional 14,800 professionals across a diverse range of industries.

"This will be the first non-profit city of its kind which will contribute to achieving the goals of Mohammed bin Salman Foundation in supporting innovation, entrepreneurship and qualifying future leaders by defining non-profit work in its internal operational concept and in terms of opportunities and youth training programs it will provide.

In addition, the project will provide services that contribute to creating an attractive environment for all beneficiaries of the city's offerings," explained Mohammed bin Salman when launching the project.

CROWN PRINCE MOHAMMED BIN SALMAN

"This will be the first non-profit city of its kind which will contribute to achieving the goals of Mohammed bin Salman Foundation in supporting innovation, entrepreneurship and qualifying future leaders."

Set to cost \$5.4 billion, the vision of Misk City is the development of human capital. With that, it hopes to become a hub for education and entrepreneurship, with the specialized training facilities and institutions being complemented by programs from the Misk Foundation that focus on entrepreneurship, upskilling and fostering talent across various industries.

Jeddah Central: Unique waterfront site

A \$20-billion project to develop more than 5.7

million square meters in the heart of Jeddah, the ultimate goal of this initiative is to transform the city into an unparalleled waterfront destination for residents and visitors that capitalizes on its fabulous location on the Red Sea coast and its proximity to religious pilgrimage destinations Mecca and Madinah.

Due to be completed across three phases, with the first that accounts for 45% of the project scheduled for the end of 2027, Jeddah Central includes the construction of a 9.5-kilometer waterfront with a marina ready to receive yachts from inside and outside the kingdom, an opera house, museum, sports stadium and an oceanarium complete with coral farms.

Split into six distinct districts, it is being designed as a smart destination and in line with global sustainability programs to support the environment and the economy. This extends to a memorandum of understanding with Waterise and Ajlan & Bros Holding Group to develop and implement innovative deep-sea desalination technology that will supply the city with clean water.

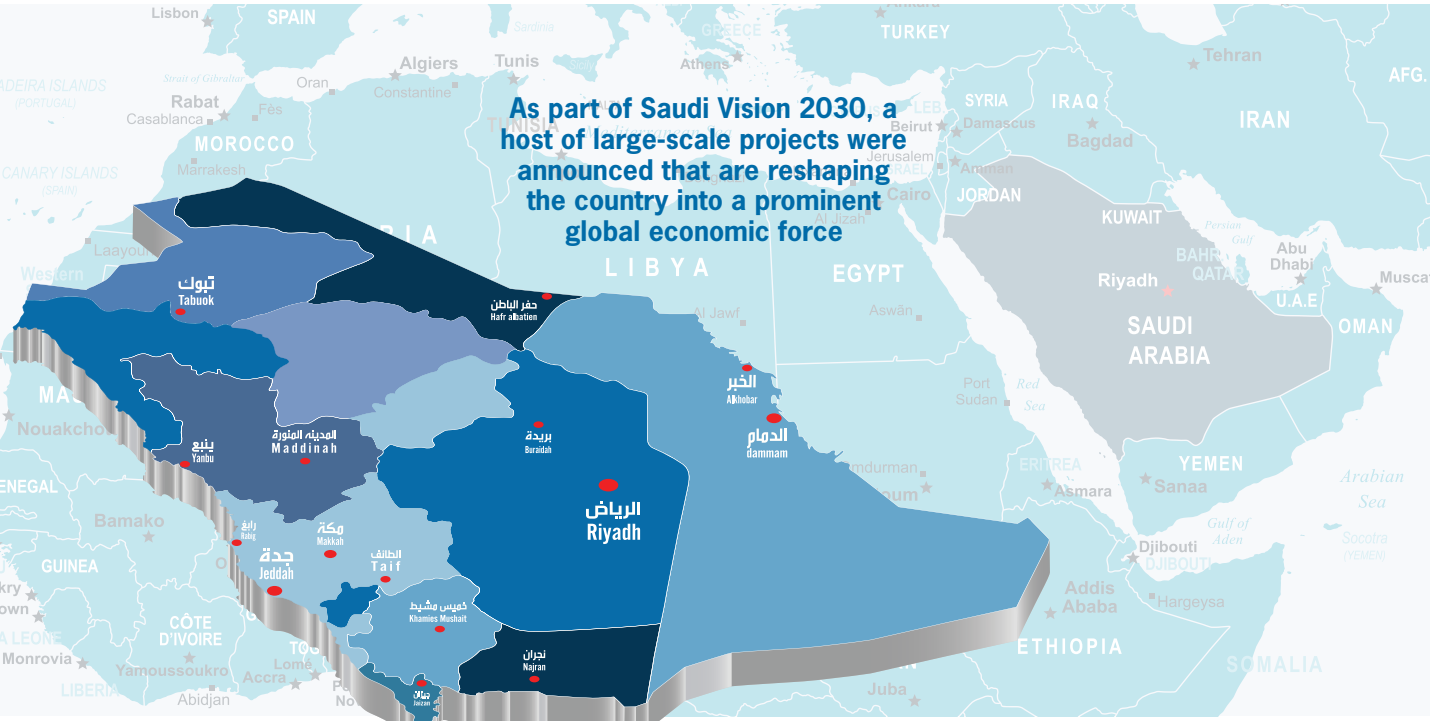
AIUla: Vast project covering 2 millennia

The scale of this project is simply breathtaking, as Saudi Arabia plans to transform a vast area of land, estimated to be the same size as Belgium, into an outstanding archaeological, cultural and tourism complex. An ancient oasis city in Medina province, AIUla is already a popular tourist destination, served by Prince Abdul Majeed bin Abdulaziz International Airport, and home to dozens of preserved tombs and sandstone outcrops.

The Royal Commission for AIUla was established in 2017 to preserve and develop the 2,000-year-old archaeological and historical site, with the overarching intention being to turn it into one of the kingdom's cultural capitals.

The planned development contains more than 7,500 hotel rooms, 5,000 residential units, a staff village comprising more than 1,000 units, as well as infrastructure support. This includes the Sharaan Resort, designed by French architect Jean Nouvel, which was inspired by ancient techniques used by the Nabataean inhabitants of the region.

THE GIGAPROJECTS CHANGING THE LANDSCAPE OF SAUDI ARABIA



170km

The Line is a linear city project that will stretch over **170km**

10

New entertainment districts are being built by **7** organizations

100%

The floating port city of **Oxagon** will run on **100%** clean energy

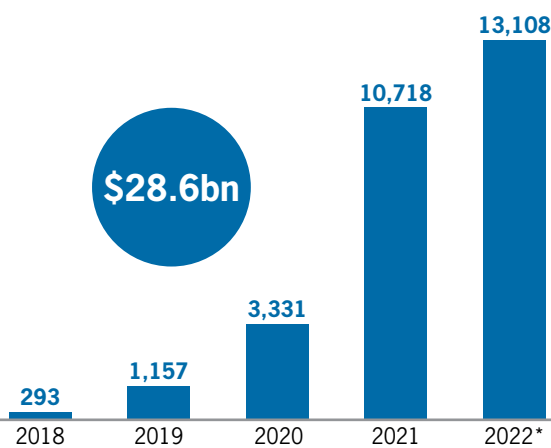
84ha

Sindalah is an **84**-hectare island resort with three luxury hotels

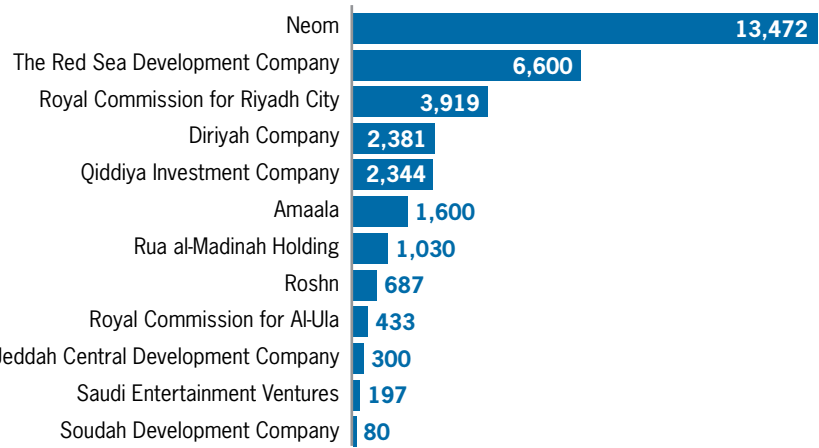
PROGRESS MADE ON THE GIGAPROJECTS SO FAR

Neom has the highest value of work to date, while the Red Sea Project is the most advanced

TOTAL VALUE OF CONSTRUCTION CONTRACTS AWARDED, 2018-22 (\$m)



TOTAL VALUE OF CONSTRUCTION CONTRACTS AWARDED BY CLIENT (\$m)



SOURCE: Saudi Gigaprojects 2022 report; MEED Projects



AIUla: This ancient region will be home to museums, cultural centers and eco-resorts



Trojena: Part of the Neom project, it will offer world-class winter sports facilities



Jeddah Tower: Set to become the world's tallest building, topping the Burj Khalifa by 172m



Amaala: A major luxury tourism development project that will be home to 14 top hotel brands



Riyadh Metro: Slated to be the largest public transport network project in the world



King Salman Energy Park: A new industrial city that will become a global hub for the energy sector



King Salman Park: Located in Riyadh, it will be the world's largest urban park



Diriyah: The historic site is already internationally renowned for culture and heritage