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Saudi Vision 2030: Tracking the Transformation



Saudi Arabia's Vision 2030 is driving massive economic growth. The country embarked on a transformation path a couple of years ago and has since managed to make its mark through impressive sustainable developments.

What is Saudi Vision 2030?

Saudi Arabia launched Vision 2030 back in 2016 as an extensive social and economic reform strategy.

The Vision 2030 emphasizes transforming the nation's economic and social landscape by incorporating ESG into diverse areas. This initiative is also taken in an effort to enhance awareness and implementation of ESG principles among businesses. Some of the key developments have been and are currently being made to bring the country's sustainability goals to fruition. In the process of implementing Vision 2030 initiatives, Saudi Arabia has achieved a GDP of SAR 2,959 billion, surpassing the baseline of SAR 2,685 billion.



The Vision 2030 is an economic-centric plan encompassing three key themes: **dynamic society, flourishing economy, and a competitive nation**. A dynamic society emphasizes vibrant culture, sports, entertainment, and life expectancy; a flourishing economy focuses on a women-centric workforce, overall employment, and global standing; and a competitive nation highlights non-profits, administrative efficiency, and volunteering.

In the years to come, there is a huge possibility of witnessing a positive and substantial transformation in the Kingdom of Saudi Arabia, considering Saudi Arabia's immense drive for progressive changes and economic diversity. This will pave the way for the Kingdom to successfully accomplish Vision 2030 goals while attaining global leadership in the sustainability landscape.

Key goals of Saudi Vision 2030



Minimizing oil dependence by setting new and innovative business models



Increasing the GDP contribution by SMEs from 20% to 35%



Including 5 universities at the minimum in world's top 200 universities



Boosting the nation's non-oil exports share



Increasing the contribution of private share to GDP by 65%



Increasing Foreign Direct Investment (FDI) contribution to 5.7% of GDP



Optimizing hospital capacity and improving the healthcare quality

Significant progress made by the nation under the leadership of Crown Prince Mohammed bin Salman

Renewable energy projects contracted by September 2024 add up to 21, having a total capacity of 19 GW. In August, the 700 MW Al-Rass solar plant started functioning, and its capacity is anticipated to increase by more than double in 2025 and later in 2026 in order for it to reach 21 GW. Saudi Arabia's rate of unemployment reduced by 7.1% in Q2 2024, which is more than the Vision 2030 target of 7%.

Participation of women in the workforce reached 35.4% in 2024, being commendably ahead of the set target of 30%. If these numbers are encouraging, how about Saudi attracting 500 regional company headquarters in 2024? In fact, with the completion of 2024, 517 international companies have already established their regional headquarters in Riyadh.

Initiatives taken up by Saudi Arabia in accomplishing Vision 2030 goals

Saudi Arabia has been actively promoting various governing bodies to establish conducive platforms for sustainable growth and innovation. Key initiatives include:

Public Investment Fund (PIF)

is a sovereign wealth fund that proactively invests in the strategic set-up of firms in healthcare, technology, tourism, and entertainment sectors. While the PIF aims to reach net zero by 2050, the Kingdom of Saudi Arabia in general is motivated to achieve net zero by 2060.

Small and Medium Enterprises General Authority (Monsha'at)

promotes innovation and entrepreneurship while simultaneously prioritizing sustainability in the SME sector by offering financial aid and incentives. Some of this financial assistance includes grants and subsidies, soft loans, equity financing, and guarantees.

NEOM

is a next-generation region located in northwest Saudi Arabia that is sourced using 100% renewable energy like solar and wind. Apart from that, NEOM makes use of IoT, AI, and robotics to revolutionize urban living by reducing carbon emissions.

Saudi Green Initiative (SGI)

was established in the year 2021. Being the foundational base of the country's sustainability initiatives, SGI's major goals involve annual mitigation of 278 million tons of carbon by 2030, rehabilitating land by planting 10 billion trees, and saving 30% of the nation's land and sea combined by 2030.

ESG Disclosure Guidelines

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Unified ESG metrics for Gulf Cooperation Council (GCC)

exchanges were achieved in January 2023. It was a collaborative initiative led by the Saudi Exchange, which was in line with the international standards established by organizations such as the World Federation of Exchanges. It involved metrics on energy usage, greenhouse gas emissions, water consumption, data privacy, and gender diversity.

With Saudi Arabia's incessant progression, its influence on the international front has solidified. The so-far efforts like the SGI and setting up of ESG guidelines to meet the Vision goals have portrayed Saudi Arabia as a forward-thinking and responsible nation, dedicated towards making transformation for a sustainable and livable future.

Effects on businesses

Businesses in Saudi Arabia are responding positively to Vision 2030, which is reshaping the economic status of the Kingdom.

Companies are investing in hospitality and entertainment ventures to support the government's goal of increasing tourist visits from 8 million to 30 million annually.

The push for technological development is prompting businesses to emulate innovative business models and embark on a digital business agenda. Vision 2030 aims to increase the technology sector's contribution to GDP from 1% to 5% by 2030, driving firms to adopt advanced technologies such as AI and data analytics. Companies are also establishing Special Economic Zones (SEZs) to drive innovation and attract tech startups.



Leading organisations are scaling up spending in a bid to achieve the goals of Vision 2030. Companies are embracing the option of engaging with governmental programmes that provide access to funding and resources for small and medium enterprises (SMEs).

With Vision 2030 promoting healthier lifestyles and sustainable practices, businesses are offering products and services that align with these values. There is a growing demand for sports facilities, healthy food options, and environmentally friendly products, prompting companies to innovate in these areas. This proactive approach is essential to fully tapping the redeeming features offered by Vision 2030.