



Transitioning Away from an Oil-based Economy through Saudi Arabia’s Vision 2030

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ABSTRACT

To modify the economy and make it less dependent on oil, several initiatives were launched by the Kingdom of Saudi Arabia in 2016 under the Saudi Vision 2030 umbrella. This study looked at the financial impact of Saudi Vision 2030 and assessed whether non-oil industries have responded as desired. Since the implementation of Saudi Vision 2030, several industries have demonstrated noteworthy accomplishments and contributed to the GDP of Saudi Arabia. Three such industries—tourism, small and medium-sized enterprises, and the “Saudi Made” logo campaign—were the subject of this study. The analytical objective of this research was to determine if these industries strengthen the economy of the country and ultimately lessen its dependency on oil revenue. This analysis utilized secondary data gathered from published news, online articles, and various public sector records, including government and private bodies through their annual reports, alongside figures from the Saudi Arabian Monetary Authority. The results indicate that gains are being made toward the strategic objectives of the Saudi Vision 2030.

KEYWORDS

Arabian monetary, growth-led-tourism hypothesis, medium-sized enterprises, post-oil economy, Saudi tourism, small enterprises

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1. Introduction

Global economies with a dependency on importing oil have undergone significant changes in the last ten years. To meet the challenges presented by this new reality, nations with oil-based economies have implemented a number of reforms, including relying on major advances in technology, increasing support for renewable energy or natural gas alternatives, and investing in the development of electric vehicles. Even as the discovery of new oil reserves has meant greater supply, it has become necessary for such governments to come up with plans to become less dependent on oil revenue. Additionally, the ongoing war in Ukraine has raised demand for fossil resources (oil and gas), which has driven up the price of oil.

As a result of these events, the Kingdom of Saudi Arabia (KSA) began charting out strategic initiatives to transform its socioeconomic framework. These initiatives were introduced with Saudi Vision 2030 and the National Transformation Plan (NTP). The aim of Vision 2030 is to transition the country’s economy away from oil, while simultaneously improving public services like healthcare, education, and infrastructure, as well as leisure and entertainment opportunities, for its citizens. Reardon (2016) reported that Vision 2030 aims to make Saudi Arabia a worldwide investment powerhouse by boosting the economy and diversifying revenue streams. The goal is that such expansion will help boost investment and move the KSA from being the 19th to the 15th largest economy in the world. An additional goal is to move the KSA from its present ranking of 25th on the Global Competitiveness Index, into the top 10. The targeted areas include military, mining, private sector investment, public investment funds, foreign investment, privatizations, renewable energy, retail and trade, telecommunications, transportation, entertainment, sports, tourism, religious sightseeing, entrepreneurship, and Saudi Made logo branding. The goals of Vision 2030 are to build a prosperous economy, a dynamic society, and an ambitious country. To accomplish these three notions, the KSA has focused its policies on achieving economic development, expanding opportunities for all, augmenting the economy, and creating jobs. To measure the success

of the Saudi Vision 2030 plan, the present study carefully examines the roles and contributions of three sectors: small and medium-sized enterprises (SMEs), tourism, and Saudi Made products.

1.1. Benefits of the Study:

The benefit of this study is to popularize Saudi Vision 2030 and its significant impact on Saudi Arabia’s economic future. It provides insight into the successful implementation of Vision 2030 and its accomplishments thus far, including its effects on Saudi Arabia’s economy.

1.2. Literature Review:

For many years, oil exports have accounted for the majority of the KSA’s overall exports and have been the driving force behind most of the nation’s socioeconomic growth. However, just as with other oil-based economies, export diversification emerged as a serious concern for the KSA. At the end of 2016, the nation unveiled Saudi Vision 2030, a reform strategy intended to vary the nation’s financial resources. Through this vision, it seeks to boost non-oil’s share of the gross domestic product (GDP) from 16% to 50% by 2030, decrease non-oil exports, and lower unemployment from 11.6% to 7% (Kumar and Albashrawi, 2022). One of the key elements of the KSA’s economic shift is non-oil exports, since they are seen as crucial for diversified long-term economic growth (Saudi Gazette, 2021).

Kumar and Albashrawi (2022) explain that Vision 2030 is based on three concepts: a vibrant society, a thriving economy, and an ambitious nation. First, it is believed that a vibrant society reflects its diversity, which will enhance economic status and help motivate its citizens. These variables are seen as essential for establishing a stable foundation for economic growth, because if all members of the community enjoy a respectable existence in beautiful surroundings and are assisted by an effective social and healthcare infrastructure, they will, in turn, be proud of their national heritage and identity.

In the second notion, a thriving economy offers growth opportunities for everyone by aligning the education system with market demands and fostering economic prospects for small, medium, and large

enterprises. To do so, the KSA has identified economic sectors that will drive investment, diversification, and job creation. Finally, the third aspect centers on fostering an ambitious nation by effectively and efficiently enabling high performance with constant accountability.

The aim of the Vision is to expand its non-oil exports by reducing the volatility of export earnings, eliminating instability and uncertainty, increasing private sector employment, attracting foreign investment, and contributing to overall productivity and efficiency.

An analysis of the Saudi Arabian Monetary Authority's (SAMA's) data shows there was an increase in exports in 2015, prior to the formal announcement of Vision in 2030 the following year, as noted in Table 1 and Figure 1.

Table 1: The Volume of Exports through the Seaports (in Thousand Tons)

Date	Chemical products	Refined oil products and gas	Construction materials and steel	Transshipments	Agricultural products	Other goods
2005	17075	64536	9365	7914	22	2524
2006	18234	59689	10004	8381	26	2801
2007	18855	57325	11649	8132	38	2754
2008	19161	57881	12523	8199	42	2844
2009	21075	54074	12451	6379	40	3002
2010	23073	46777	18446	8449	63	2781
2011	23869	50408	16736	9001	108	1568
2012	25108	55490	19149	11077	125	113
2013	23966.798	51931.11	18429.689	9859.353	62.391	1664.225
2014	23669.968	59373.034	16011.749	8488.304	54.688	2491.139
2015	24792.093	119486.03	15522.866	8609.547	84.184	101596.818
2016	40358	134604.5	16088.6	9203	79.452	44965.324
2017	28454.818	131820.644	14689.38	11022.481	93.227	31805.133
2018	30694.854	133755.051	17386.43	12465.997	116.856	30530.417
2019	33323.49033	126613.7347	18825.766	12975.35633	122.1066667	20640.1793
2020	35245.479	124008.729	19019.472	15361.549	135.785	25174.999
2021	33230.389	113611.135	20041.034	17133.163	410.287	17175.595

Table 1, which presents the volume of exports from 2005 to 2021, establishes that, as of 2021, all exported products have at least doubled in production since 2005, and agricultural products and other goods have risen almost 10-fold. Figure 1 is a graph of the data in Table 1 and clearly highlights a large increase in exports beginning in 2015, which is likely due to the impending Vision 2030 announcement. By 2021, exports either remained the same or declined slightly due to the COVID-19 pandemic.

Figure 1: Exports of "refined oil products and gas" from 2015 to 2021

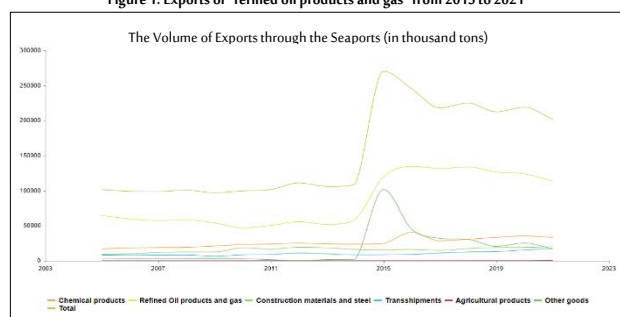


Figure 1 also displays an overall decrease in exports of "refined oil products and gas" from 2015 to 2021, as well as a visible increase in other categories, such as chemical products, construction materials and steel, transshipments, agricultural products, and other goods.

According to Economy and Business-Vision 2030 (n/a), since launching the Saudi Vision 2030, the KSA has implemented various economic initiatives and structural changes. This has included boosting local content and national industry, launching and growing potential economic sectors, and maximizing the participation of the private sector and SMEs. These structural changes have strengthened the KSA's economy and aided in preventing a recession during the COVID-19 pandemic. Furthermore, this structural transition is projected to continue in the coming years, thanks to the Saudi Public Investment Fund (PIF) and prominent firms.

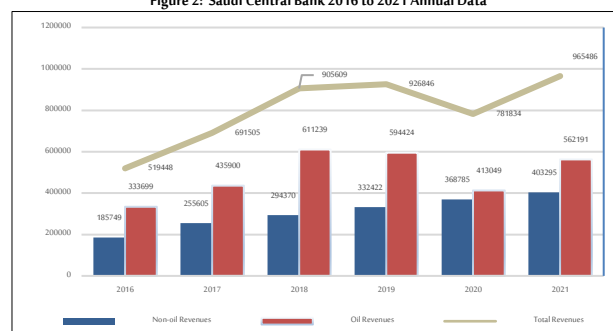
The Saudi economy can also be improved through technology

transfers to key research centers. A study by Hasanov et al. (2021) explored the critical components of the KSA's long- and short-term non-oil exports. The study informed the policy-making process and provided insights into Vision 2030 by developing a state-of-the-art model framework for non-oil exports (Hasanov et al., 2021).

McKinsey Global Institute (2015) revealed that the KSA's economy, which has substantially grown over the last several years as a result of increasing oil prices, is now in a transition phase. Today, the country enjoys a unique opportunity to supplement its economy and achieve a qualitative leap forward by implementing a pioneering model of firmly rooted economic transformation through a combination of increased investment and increased productivity, which would result in sustainable growth, increased employment, and an increase in the well-being of all citizens. According to the McKinsey Global Institute (2015), during the oil boom from 2003 to 2013, the Saudi economy achieved extraordinary growth of 75% and created 1.7 million jobs for its citizens, including the emergence of Saudi women's access to the labor market. In 2014, the Saudi government also began investing heavily in many sectors, such as education, healthcare, and infrastructure projects (McKinsey Global Institute, 2015).

Oil exports have comprised a large share of total Saudi exports for decades and have contributed to supporting social and economic developments in the Kingdom. The KSA began its success story in 2016 with Vision 2030 and achieved tangible results during the first five years. According to the Saudi Central Bank (2022), annual statistics data indicate a continuous increase in non-oil income, despite the COVID-19 pandemic. From a figure of 185,749 million SAR in 2016, it has almost doubled in six years' time; it increased by more than 117% and reached 403,295 million SAR in 2021, as shown in Figure 2 below:

Figure 2: Saudi Central Bank 2016 to 2021 Annual Data



On the other hand, according to the Saudi Press Agency (2022), Saudi non-oil exports reached their peak of 25.98 billion SAR in November 2021. In addition, Saudi Press Agency (2021a) reported that non-oil exports increased by 40.5% in June 2021, compared to the same month in 2020. China was Saudi Arabia's most prominent export destination in June 2021, as exports amounted to 15.9 billion SAR (18.8% of total exports), followed by exports to Japan (8.3 billion) and the USA (6.6 billion). Exports to the UAE, India, and Bahrain brought in 2.8 billion SAR, 1.2 billion SAR, and 1.1 billion SAR, respectively.

It is important to note that Saudi Vision 2030 views economic diversification as a crucial component of raising the non-oil sector's share of the GDP. As a result, the Saudi Export Development Authority (SEDA) has played a key role in the country's efforts to acquire access to worldwide markets. According to SEDA, the goal is to increase non-oil exports of the GDP from 16% in 2016 to at least 50% by 2030 (Hasanov et al., 2021, 6). Accordingly, the SEDA has undertaken a number of efforts to make Saudi Arabia a fierce competitor in both the global and regional markets (Saudi Export Development Authority, n/a; Havrlant and Darandary, 2022).

As Havrlant and Darandary (2021) have stressed, diversification of economic sources (measured by the Shannon-Weaver Index) is vital to any country and is desirable because it brings about benefits such as “resilience to external shocks, improved internal stability, opening entrepreneurial opportunities, development of skillful labor force, attraction and retention of talents, broader government income base, improved livability, [and] positive environmental spillovers.” Havrlant and Darandary (2022: 7) further posit that the following sectors are key to economic adaptation, transformation, and diversification:

- Education: Establishing appropriate skills and incentives.
- Labor market: Allocating labor efficiently and improving skills.
- Business environment and regulation: Supporting emerging businesses.
- Sectoral composition: Increasing lower or higher value-added production, including research and development (R&D).
- International linkages: Strengthening the position of advanced production in global value.
- Chains: Improving non-oil trade balances.

Table 2: The following is a chart of possible sectors contributing to economic diversification

Sector	Annual GDP growth in 2020–2030(%)	GDP share in 2020(%)	GDP share in 2030 (%)	GDP share adjustment in 2020–2030 (p.p.)
Basic pharmaceutical products	46.5	0	0.01	0.01
New high value-added menu	37	0	0.01	0.01
Rubber and plastic products	8.7	0.09	0.12	0.03
Fabricated metal products	8.7	0.93	1.26	0.33
Specialty chemical products	8.7	0.07	0.09	0.02
Motor vehicles, trailers	8.7	0.08	0.11	0.03
Non-metallic mineral products	8.7	0.3	0.41	0.11
Basic metals – aluminum	8.7	0.1	0.14	0.04
Machinery and equipment	8.7	0.41	0.55	0.14
Basic steel products	8.7	0.17	0.23	0.06
Computer, electronic equipment	8.7	0.63	0.85	0.22
Ships and boat manufacturing	8.7	0.03	0.04	0.01
Intermediate chemical products	7.8	1.79	2.24	0.45
Food products, beverages	7.8	2.51	3.15	0.64

Source: Havrlant and Darandary (2021).

Table 2 presents the secondary data on the contribution of various sectors in achieving Vision 2030. It is expected that from 2020 to 2030, the contribution of basic pharmaceutical products will increase by 46.5%, and the second largest contributor is expected to be new high value-added manufacturing units, which are estimated to contribute 37%. The rest of the industrial sectors would increase between 7.8% and 8.7% respectively. Yet, it is important to note that the contribution of basic pharmaceutical products and new high value-added manufacturing was almost nil in 2020, although their share in 2030 would remain at 0.01%. The highest contributor found as of 2030 would be food products and beverages (3.15%).

Table 3: Expected contributions of various service sectors to economic diversification

Sector	Annual GDP growth in 2020–2030(%)	GDP share in 2020(%)	GDP share in 2030 (%)	GDP share adjustment in 2020–2030 (p.p.)
New digital services	29.4	0	0.01	0.01
Railroad transport	13	0	0	0
Air transport	11.9	1.28	2.32	1.04
Wholesale retail trade	11.8	8.64	15.53	6.9
Recreational, cultural, sports	11.8	0.28	0.5	0.22
Road transport	11.4	0.81	1.39	0.59
Pipeline transport - hydrocarbons	11.4	0.17	0.29	0.12
Water transport	11.4	0.03	0.05	0.02
Telecommunications	11.4	3.65	6.32	2.66
Financial and business services	9.7	4.51	6.68	2.17
Real estate services	8.5	4.54	6.04	1.51
Health and social work	7.2	1.4	1.65	0.25

Source: Havrlant and Darandary (2021).

Table 3 presents the service sectors' contribution to Vision 2030. The largest contributor to GDP growth is expected to be the new digital services (29.4%), while the smallest contribution is expected to be from health and social work (7.2%). Currently, digital services have no share and are expected to contribute at least 0.01% by 2030, whereas the highest share is expected to be from wholesale and retail trade (15.53%).

The analysis of data provided by these two tables proves that there are many possibilities for facilitating economic diversification of the

KSA's economy. They also stress the importance of moving from skills development to enterprise development to have a more dramatic impact on the economy.

1.3. Research Questions and Hypotheses:

This paper focuses on identifying non-oil-based sectors that can contribute toward transforming the KSA into a non-oil-based economy as per Saudi Vision 2030. Hence, the following research questions were formulated:

- What are the trends in religious tourism, historical tourism, golf tourism, entertainment events, and the hotel industry since the announcement of Vision 2030?
- How have various enterprises anticipated, responded to, and cooperated with the intent of Vision 2030?
- What is the market share of products with the “Saudi Made” logo on them?

Based on these research questions, the following three hypotheses are proposed:

- Hypothesis 1: Various enterprises have anticipated, responded to, and cooperated with Vision 2030.
- Hypothesis 2: Since the announcement of Vision 2030, religious and historical tourism, desert adventure tourism, cultural appreciation tourism, golf tourism, entertainment events, the manufacturing industry, and the hotel industry have shown significant improvement in their sales.
- Hypothesis 3: There is an effort to promote the “Saudi Made” logo to its citizens and expatriates living within the KSA.

These hypotheses are further investigated using secondary data available from the SAMA and published articles.

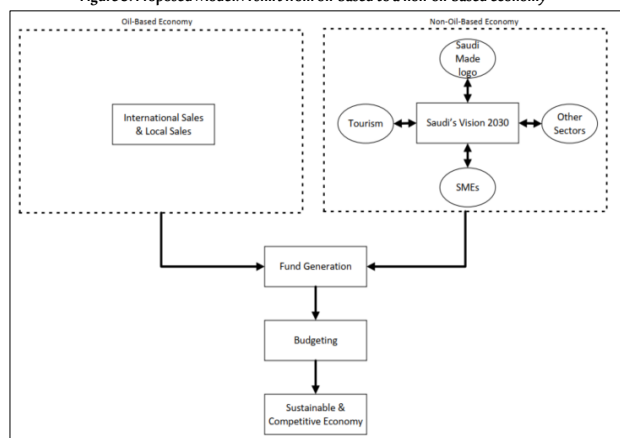
1.4. Methodology:

This study used the descriptive statistic method and analyzed secondary data from 2005–2021 extracted from various government census data and private bodies through annual reports, newspapers, and internet sources. Due care was taken in selecting sources of secondary data. The data collection included assessing and confirming the findings of these secondary sources in line with the data provided. Additionally, the collected data was compared to other sources of secondary data to ensure their consistency and presence in other reliable published research.

2. Findings and Discussion

This research focuses on assessing the monetary responses to the announcement of Vision 2030 using secondary data, specifically with regard to tourism, SMEs and the Saudi Made logo. The proposed hypotheses are critical, considering that since the announcement of Vision 2030 in April 2016, 75% of the government's budget is still dependent on oil exports. Knowing trends with regards to the proposed hypotheses would help the government fine-tune the strategic policy so that Vision 2030 could be achieved on time. Based on Vision 2030, a model was generated illustrating the shift from an oil-based to a non-oil-based economy. Since the paper analyzes just three areas, namely tourism, SMEs, and Saudi Made, all other sectors are indicated as “other sectors.” Therefore, the following model (Figure 3) is hereby presented:

Figure 3: Proposed Model: A shift from oil-based to a non-oil-based economy



The move away from an oil-based economy is important when considering the following data. As of January 2015, the current oil reserves of the Kingdom are approximately 267 billion barrels according to British Petroleum (BP) and OPEC. And since the Kingdom extracts approximately 12.5 million barrels of oil per day, reserves translate into 21,360 days or 60 years' worth before its oil reserves would be depleted (Taib, 2016; Worldometers, 2016).

This data on Saudi oil reserves helps illuminate why the Kingdom's transition towards a post-oil economy is essential and strategic. The KSA's perspective is that oil will not lose its dominant position as a transportation fuel over the next decade; however, its future dominance remains unclear. Consequently, the uncertainty about future oil demands requires all nations to reconsider their dependence on an oil-based economy. Furthermore, to support international efforts to combat climate change, the Kingdom's leadership must plan for alternative sustainable resources and create jobs for Saudi citizens that are not reliant on oil revenue.

The NTP is an operational plan based on Saudi Vision 2030 to set critical performance objectives and benchmarks for its implementation. According to the Saudi Press Agency (2021b), the NTP aims to provide the infrastructure and environment needed to accomplish Saudi Vision 2030. This will be done through developing operational excellence in government, supporting digital transformation, empowering the business sector, forging economic coalitions, and promoting social development. For example, the NTP highlights efforts by Saudi Aramco and the Royal Commission for Jubail and Yanbu; Saudi Aramco is aiming to boost the quantity of locally created and supplied products and energy related services to 70% of its supply chain within five years, thereby generating 500,000 domestic jobs.

As previously outlined, this research focused on three sectors—tourism (both religious and general), SMEs, and Saudi Made logos—to determine whether they have contributed to the growth of non-oil revenues as projected by Saudi Vision 2030 and the NTP. First, with regards to religious tourism, which refers specifically to the annual Hajj and year-round Umrah pilgrims, Saudi Gazette (2022a) and Yezli, et al. (2017) reported that Saudi Arabia's Vision 2030 seeks to increase the number of foreign Umrah pilgrims to 15 million in 2022 and 30 million by 2030, in addition to 5 million annual Hajj pilgrims. Furthermore, the Saudi Ministry of Hajj and Umrah stated that there is no limit on Umrah visas for Muslims worldwide, and a Mahram (blood relative) is no longer required to accompany a woman pilgrim of any country to perform Hajj or Umrah (Saudi Gazette, 2022b). Such initiatives will undoubtedly boost the number of pilgrims and subsequent financial gains.

With regard to general tourism, the Saudi Ministry of Tourism (MT)

plans to double the number of Saudi world cultural sites recognized by UNESCO. To that end, there have been eight cultural heritage sites registered with UNESCO since 2020, while before the Vision there were only three. The aim is also to protect historical treasures and cultural or artistic creations, thereby boosting tourism. For example, the Hemaya program promotes cultural, historical, and natural heritage in AlUla and Khaybar, along with their natural habitat and ecology. The MT is also targeting heritage sites, such as Al-Hijr, Dedan, and Jabal Ikmah, to make them more accessible to tourists by introducing a new streamlined visa system for foreigners.

Furthermore, to boost tourism, the MT has engaged in a vast program to restore sites that could be of interest. These sites include T. E. Lawrence's home in Yanbu on the shores of the Red Sea, and the old downtown area in Jeddah with its ancient markets. In Jeddah, hundreds of shops are now open and offer tourists a unique shopping experience. Also, old mud dwellings along historical trade routes have been restored to attract tourists. In addition, learning from the research of Naseem (2021) in "The Role of Tourism in Economic Growth," it has been shown that sustainable local tourism could indeed support economic growth. This approach is called the growth-led-tourism hypothesis (GLTH).

The goal is for downtown Jeddah to also add museums, stores, parks, resorts, and beaches, resulting in an additional 12,000 homes, 58,000 residents, and 36,000 jobs. In the city of Riyadh, King Salman Park will be the world's largest park, with housing, hotels, retail space, an arts complex, theatres, museums, cinemas, sports arenas, water features, restaurants, and a golf course. Riyadh's 135-kilometer Sports Boulevard will also have pedestrian pathways, cycling lanes, horse-riding tracks, art centers, museums, studios, libraries, conference halls, and indoor sports facilities.

For improving tourism, Saudi Arabia's Achievements Booklet 2016-2020 has established the Industrial Development Fund Academy. The aim is to develop the human skills required for enabling innovation within important industries. For example, more than 1,960 beneficiaries have benefited from 20 such training center programs. In addition, Saudi Arabia has partnered with global tourism and hospitality institutions, and many Saudi students have received tourism and hospitality scholarships to pursue studies at local and foreign universities.

The Achievements Booklet 2016-2020 also notes how Saudi Arabia has chaired the first G20 Tourism Working Group, which approved both the Diriyah Statement and AlUla Framework for Inclusive Community Development Through Tourism. As a result, the World Tourism Organization launched its first regional office in Riyadh in 2021, and in the process founded the Saudi Tourism Authority. The Authority develops tourism packages, markets the Kingdom internationally, and seeks to understand and improve visitor experience. Additionally, the Tourism Spending Index has been expanded, which allowed the Tourist Information and Research Center to calculate that tourism spending in the Kingdom increased 26% from 130.5 billion SAR in 2015 to 164.6 billion SAR in 2019. To bring about an even larger increase, in September 2019, Saudi Arabia introduced online electronic tourist visas for 49 nations across the globe, which resulted in over 440,000 visas being issued as of March 2020.

Everything was not positive however, as Deloitte Professional Services (2020) reported that the hotel industry has been one of the worst hit by the COVID-19 pandemic. Before the pandemic, hotels were the world's fastest-growing industry, as Middle East Travel and Tourism GDP grew 3.2% in 2019, with Saudi Arabia—the region's largest tourist country by GDP—driving most of that rise. Saudi Arabia also had the fastest expanding economy in the Middle East

and G20 in 2019 at an impressive 11.7% growth rate (up from 6.9% in 2017). This tremendous growth was primarily the consequence of the ambitious Vision 2030 strategy to overhaul the travel and tourism sector (WTTC, 2021).

To overcome the setbacks of the COVID-19 pandemic, the Saudi Tourism Authority declared a “Winter is all around you” campaign in June 2020, which promoted 17 places (13 of which were small towns) to Saudi citizens. Approximately 90 hotels and resorts on the outskirts of Riyadh, Jeddah, Makkah, and Dammam/Al Khobar took part in the plan to promote internal tourism, with Tabuk, Abha, Jazan, the Red Sea coastline, and AlUla modifying their services to attract domestic visitors. The plan for government-led tourism initiatives to expand the Kingdom’s tourism sector has been paying immediate dividends, as according to the World Economic Forum (2015), Saudi Arabia’s global rank in tourism rose from 64th in 2015, to 43rd in 2019 and 33rd by 2021 (World Economic Forum, 2022).

In addition, agriculture tourism has also been activated in Saudi Arabia. For instance, 102 agricultural tourism permits were awarded in Riyadh, Al-Qassim, Al-Ahsa, Ha’il, Tabuk, Najran, Jeddah, Madinah, Taif, and their governorates. The Financing Guarantee Program, “Kafalah”, and the Tourist and Hotel Projects Lending Support Initiative have funded more than 67 tourism projects for over 200 million SAR. Additionally, 18 tourist accommodation industry leaders and specialists have been localized. As reported by Business Start Up Saudi Arabia (2022a), Saudi Arabia has earmarked 413 billion SAR to expand its hospitality industry, as 310,000 more hotel rooms are expected to meet Vision 2030. This is especially important, as Business Start Up Saudi Arabia (2022b) revealed that as the COVID-19 pandemic wound down, Saudi Arabia received 15 million tourists in the first three months of 2022.

Business Start Up Saudi Arabia (2022b) also indicated that tourism services have increased by 108% in 2022, and that during the first half of 2022, domestic, foreign, and local tourists spent 4.1 billion SAR (USD 1.1 billion). Moreover, individual travel grew 175% year-over-year to 1.1 billion SAR (USD 290 million), with Business Start-Up Saudi Arabia’s report estimating that the sector will be worth 4 billion SAR by 2022.

To meet this new demand, Saudi Arabia has diversified its means of entertainment, and 1,000 diverse economic sectors and businesses joined together to create 101,000 permanent and seasonal jobs (Vision 2030 Achievements, Booklet 2016-2020, n/a). The entertainment sector aims to boost the economy, society, and culture, while further assisting Saudi cities to compete globally. For instance, already by 2020, 46 million people had participated in 2,000 sports and cultural and volunteer events, while since 2018, the Saudi Entertainment Ventures Company, which belongs to the PIF and the American Multi-Cinema (AMC), has opened 33 theatres in 12 cities and six regions throughout Saudi Arabia—employing over 2,500 citizens. Coinciding with this, Saudi Arabia recently launched the Entertainment Pioneers Program, in partnership with a US company, to train Saudis in the entertainment industry.

With regards to entertainment and sports venues, as of 2022, the Kingdom has embarked on various mega projects in order to build facilities commensurate with its ambitions. One of the grandest is named Qiddiya, an entertainment megaproject which was started in 2019. Qiddiya is located in Riyadh and will be three times the size of Walt Disney World, according to the International Trade Administration. The Qiddiya Entertainment Project will consist of 300 recreational and educational facilities, including a 20,000-seat clifftop stadium, motorsports facilities, a world-class waterpark, golf courses, and cinemas. Qiddiya is expected to attract 17 million visitors, generate 25,000 jobs, and inject 17 billion SAR into the Saudi

economy by 2030.

On SMEs, Abuljadayel (2022) and Vision 2030 (n/a) reported that the objective of Vision 2030 is to provide work opportunities for its population through the fostering of SME entrepreneurship, privatization, and investments in new sectors. It is hoped that SMEs will help Saudi Arabia lower unemployment from 11.6% to 7%, increase women’s labor participation from 22% to 30%, and increase SMEs’ contribution to 35% of the GDP by 2030. In addition, Saudi Gazette (2020) reported that Saudi Exports launched the “Made in Saudi” campaign in Q1 2021, with its industrial ecosystem partners. “Made in Saudi” is a national campaign that aims to increase customer loyalty to Saudi Made products and intends to assist the national efforts to enhance non-oil exports’ contribution to the GDP from 16% to 50% by 2030, while attracting industrial investments.

3. Hypotheses Testing

The findings from the secondary data analysis and the designed model could assist in testing the study’s hypotheses based on the given data.

3.1. Hypothesis 1: Various enterprises anticipated, responded to, and cooperated with the objectives of the KSA’s Vision 2030.

In most economies, and especially in growing ones, SMEs play a significant role. Tripathi (2019) emphasizes that SMEs are regarded as the most important contributors to the nation’s economic growth and a cornerstone of the national GDP. However, Tripathi cited the Ministry of Labor and Social Development who estimated that Saudi Arabian SMEs only contribute 22% to the Kingdom’s GDP, compared to 70% in comparable economies. Further, Oxford Business Group (2020) cited in the Report Saudi Arabia 2020 that approximately two-thirds of SMEs and 90% of micro-enterprises are in hospitality, retail, and non-oil manufacturing. Vision 2030 intends to increase SME GDP contributions from 20% to 35% (Saudi Vision 2030, 2021). The following Table 4 looks at SMEs in Saudi Arabia.

Table 4: SMEs in Saudi Arabia

Area of Achievements	Before the Vision	2016–2020	Change (%)
Number of SMEs	447,749 in 2016	626,669 in 2020	40%
Contribution of SMEs to the GDP	20%	35%	15 (75%)
Lowering the rate of unemployment	11.6%	7%	4.6% (40%)
Increase in women’s participation in the workforce	22%	30%	8 (36%)
Digital government services maturity	60%	81%	19 (35%)
Ranking in World Bank Government Effectiveness Index	83	75	8-place gain
Economic value of volunteering in KSA per capita	0.6 SAR per hour	21.27 SAR per hour	20.67 (3445%)
Families benefiting from financing solutions	3000	62865	32865 (1095%)
Localization of pharmaceutical and dentistry companies, communications, and information technology, engineering, and technical professions	18%	24%	33%

Source: Vision 2030 Achievements 2016-2020 (n/a).

Table 4 shows that many enterprises anticipated, responded to, and cooperated with the intent of Vision 2030. Areas of achievement include the number of SMEs that increased by 40% from 2016 to 2020. These SMEs have contributed 75% to the GDP. In addition, the unemployment rate has significantly decreased from 11.6% to 7%, which represents an approximately 40% drop. Similarly, women’s participation in the workforce increased by 36% in only four years. For its part, digital government services maturity was enhanced by about 35%. Accordingly, the Kingdom’s ranking in the World Bank Government Effectiveness Index improved by eight places, moving from 83rd to 75th. Furthermore, the economic value of volunteering in Saudi Arabia per capita notably increased from 0.6 SAR per hour to 20.3 SAR per hour (an increase of 3,445%). The number of families who benefited from financing solutions has

risen drastically, reaching 62,865 families, and the nationalization of pharmaceutical companies, dentistry, and information technology also showed significant improvement. Therefore, Hypothesis 1 is accepted due to the positive changes that fulfill Vision 2030's goals.

This research hypothesis also explores the cooperation of the private sector with the political leadership to push the Vision forward. One specific aspect of Vision 2030 is to provide jobs to its citizens, which bore the term "Saudiization," symbolizing a strong drive to localize jobs. To ensure the proper implementation of this drive, the "Nitaqat" program was devised. Companies are classified into three groups: green, yellow, and red. Companies that fulfill the required percentage of Saudiization are put into the green category. This classification grants such companies "favors" related to the recruitment of foreign manpower with work visas. Those that fall short are put in the yellow group and given a chance to comply with the program's requirements to improve their standing to green. Conversely, the companies that violate the Nitaqat requirements are put into the red category and are banned from certain services. If these violators fail to correct their status within the stipulated time, they may incur fines and other consequences. Consequently, this Saudiization drive means that the educational system has to undergo serious reform to prepare Saudi nationals to take up the positions made available through this initiative. Therefore, the role of the educational system is very critical to make this goal a success.

3.2. Hypothesis 2: Religious and historical tourism, golf tourism, entertainment events, and the hotel industry have shown significant improvement in their revenues since the announcement of Vision 2030.

One of the most significant changes that took place in non-oil revenues is in religious tourism, historical tourism, golf tourism, entertainment events, and the hotel industry. The statistical analysis of the results of the secondary data reveals a significant increase in the targeted sectors, in support of Hypothesis 2 and noted in Table 4. For example, the number of national heritage sites open to visitors increased by 46%. Similarly, places for entertainment rose by almost 80%. Furthermore, the waiting period for the issuance of an electronic visa for Hajj and Umrah was reduced drastically, going from 14 days before the Vision to five minutes currently. And there was a 25% increase in the capacity to host Umrah visitors.

Although the amount of money spent by visitors declined from 127,632 million SAR to 41,811 million SAR (Table 5) because of travel restrictions during the COVID-19 pandemic, it is expected that the number of tourists to Saudi Arabia will rise dramatically as the world returns to relative normalcy. In this regard, Table 5 also shows the significant benefits of electronic visas offered for tourists (which were not offered before 2016 but have since led to 440,000 visas being issued). Moreover, the travel and tourism sector rose in its ranking from 64th in 2015, to 43rd in 2019, and ultimately 33rd in 2021. This represents a gain of 29 places in only six years. Regarding sports, tremendous efforts were put forth to grow the sector, and the Vision anticipates the sports sector to contribute up to 1% of GDP by 2030. In the entertainment sector, 33 cinemas in 12 cities were introduced in 2018 across the country. Finally, the manufacturing industry also grew from 13% to 32.60% after the launch of Vision 2030. Based on these findings, the study accepts Hypothesis 2 as well.

Table 5: Vision 2030 achievements 2016-2020

Area of Achievements	Before the Vision	2016 – 2022 (+)	Change
Number of national heritage sites open to visitors	241	354	113 (46% increase in heritage sites)

Number of places for entertainment	154	277	123 (80% increase in places for entertainment)
Waiting period for Hajj and Umrah visas (electronic)	14 days	5 minutes	Waiting time reduced by 99.97%
Number of electronic tourist visas	Not offered	440,000 visas	14%
Capacity to host foreign Umrah visitors	6.53 million visitors	8.2 million visitors	1.67 (an increase of 25%)
Number of Umrah Pilgrims	A little over 5 million	just over 6 million	The little increase is due to the COVID-19 pandemic
Tourists visited KSA	21 million (in 2015)	20 million (2019)	5%
Contribution of the sports sector to GDP	Not available	0.1% (2017) to 0.28% (2023)	0.18%
Sports groups	50 in (2015)	451	401 (802%)
Entertainment: Opening cinemas	0	33	a new sector
Tourism sector	127,632 million	41,811 million	Nil (COVID-19)
Travel and tourism rank	64 (2015)	43 (2019), 33 (2021)	10-place gain

Source: Vision 2030 Achievements 2016-2020 (n/a), Al-Khateeb (n/a), and Yezli, et al. (2017)

3.3. Hypothesis 3: There is an effort to promote the "Saudi Made" logo to citizens and expatriates.

The statistical analysis of the findings of secondary data in Tables 5 and 6 shows that there is a significant relationship in the effort of promoting the "Saudi Made" logo as per Saudi Vision 2030. After the initiation of Vision 2030, the number of products with the "Saudi Made" logo reached over 128,000 products (Table 6), taking up about 70% of all retail space according to Arab News (2022a). Arab News (2022b) added that the SEDA tabulated that more than 900 Saudi businesses have registered with the Kingdom's "Saudi Made" initiative since its introduction, and currently 151 companies have applied the logo to their products (Saudi Made, n/a). However, since there were more than 620,000 SMEs in the Kingdom in 2020, it can be said that the number of products with the "Saudi Made" logo is still comparatively low. Despite this fact, Hypothesis 3 is accepted.

Table 6: Area of achievements before the vision 2016 - 2020

Area of Achievements	Before the vision	2016 - 2020	Change
Saudi Made products with Saudi logo	NA	+128,000 products	Positive
Number of Saudi companies registered with the 'Made in Saudi' program	NA	More than 900 local companies	Positive

Source: Arab News (2022a) and Arab News (2022b).

4. Conclusion

The economy in the KSA, which has traditionally been based on oil, has been undergoing a transformation in recent years, notably since the establishment of Saudi Vision 2030. The emergence of electric automobiles (among other things) has prompted a series of reforms in oil-based economies to address emerging challenges of consumption. Significant technological advancements have also raised support for renewable energy sources, while the American quest for shale oil has contributed to a global decrease in crude oil demand. Consequently, a nation like the KSA needed to come up with a plan to decrease their dependency on oil revenue.

The Saudi Vision 2030 is a road map to the future, and the aim is to reduce the country's dependency on oil, diversify the economy, develop public-sector companies, and regenerate the private sector. Thus, many sectors, such as SMEs, tourism, and "Saudi Made" products, have shown improvement and achievements since the launch of Vision 2030. As displayed in this paper, SMEs, the tourism industry, and "Saudi Made" products benefited greatly from the initiative mapped out in the Vision. Without a doubt, the introduction of Saudi Vision 2030 was timely, as the KSA leadership tries to diversify the revenue streams supplying their budget. Many projects of wide and broad scopes were developed in line with this Vision.

However, based on secondary data gathered from the SAMA and other related published articles, this study indicates that the full desired financial gains envisioned by Saudi Vision 2030 have yet to be attained. Further studies on the promotion and the progress of the "Saudi Made" project should be done, as it is still in the early stages, and many of the companies have merely registered their interest to participate in the

project. Yet, even if many of these initiatives have yet to materialize on a practical level, this research study confirms that the KSA's course of action is the right one and is in the best interests of the nation. The study's weakness may be that it only looked at secondary data that was based on the work of other authors. Moreover, preparing thousands of Saudi personnel, such as qualified tour guides for visitors, who will be required to operate growing tourist demand, is another challenge, especially as they may need English language proficiency to manage this industry effectively. Nevertheless, the project was called a "Vision" for a reason, and the KSA is well on its way to attaining the desired image.

Biography

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