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SAUDI VISION 2030: MID-WAY JOURNEY PERFORMANCE PROGRESS ASSESSMENT

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Abstract: Saudi Vision 2030 which is a comprehensive national reform plan launched in 2016 to diversify the economy, modernize society, and enhance global standing by 2030, set its objectives around three main themes; a vibrant society, a thriving economy, and an ambitious nation i.e. around the fields of social, economic, and cultural. After eight years of vision launch, this paper seeks to take a look at the state of the vision; to identify the objectives sets, know to what extent are reforms advancing these initial objectives, and suggest what changes need to be enacted for reforms advancement. Based on the vision's own "Key Performance Indicators" (KPIs) where available, economic data on Saudi Arabia, and comparative national surveys, the study attempts to objectively assess the progress and approach toward this reform program up to end of 2023, focusing on economic progress. The study findings generally showed some noteworthy achievements to date, with difference in degree of progress in each field. As while social and cultural fields made unprecedented higher progress, the economic had moderate progress, most notably in transforming the private sector into an engine of grow. That required Saudi government has to devote more efforts to overcome all challenges, for vision success.

Keywords: Vision2030, diversification, sustainability, reform, employment, Economy.

1-Introduction

Until the first half of 2014, the Saudi economy was one of the fastest growing economies in the G20, the world's largest economy, with a real average growth rate of more than 5 per cent in 2011-2014. According to IMF statistics, the main driver of this growth was the continued rise in crude oil prices, which also resulted in large surpluses in the balance of payments and the general budget of the state, led to a strong expansion in public spending, which in turn led to dynamic movement in the private sector (IMF-2018).

But however, in the following two years the global oil market environment has changed dramatically, with crude oil prices falling by more than 50 per cent, so economic growth fell to 2.6% in 2015, then to 1.4% in 2016, due to government spending reduction due to the partial decrease in subsidies for gasoline, electricity, and water, in addition to the starting of rationalizing public expenditure to be adjusted to the low crude oil environment. Thus the

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total reliance on oil has made the Saudi economy hostage to fluctuation in oil markets prices, which has delayed much of its transition to a developed emerging economy. This situation has increased the need for extensive structural reforms to change the economic mobility from the public sector, which employs two-thirds of Saudi labor to the private sector, which is dominated by 80% expatriate workers. So in this context and in response to the guidance of the Custodian of the Two Holy Mosques King Salman bin Abdul Aziz to draw a vision for the future of the Kingdom.

2-Methodology of Study

In this article, the author used quantitative descriptive research methodology by conducting a literature review as the primary method. The research refers to the approach described by (Gunter-2013). who argued for the importance of in-depth analysis of various literary sources to understand complex phenomena such as economic, social reform and sustainable development, such as the context of the Saudi Vision 2030. The primary data sources for study were government statistic reports, news articles, and citations from activists related to this study. The secondary data resources were library researches, government vision reports, published material and worldwide web sites. The research methodology is divided into three phases; the data collection phase, the data analysis phase, and the interpretation or meaning of the data acquisition phases (Mohajan-2018). So the latest data about Saudi Arabia Vision was obtained and then comprehensively analyzed to address changes, trends and effects of implementation. The analysis aims to assess the achievements of targets that set out in the vision, in order to identify the challenges and achievements progress have been appeared through implementation up to 2023. Thus this approach provides in-depth understanding of effectiveness and efficiency of social and economic reforms in realizing diversification and sustainable development in the Kingdom of Saudi Arabia.

3-Saudi Arabia Vison- 2030

The Saudi Cabinet approved on April 25, 2016, the vision of Saudi Arabia 2030, prepared by the Council for Economic Affairs and Development. Saudi Vision-2030, (SV-2030) text document is including the outline of the vision and the full details to be published. The document presents a comprehensive and comprehensive vision for the distribution of the Saudi economy and the deepening of sustainable and balanced development through the reconstruction of production bases, diversification of sources of income and the relationship of power to society based on systematic scientific principles and standards. That means moving to a new social contract in which the citizen is a partner in both wealth and power.

3-1-Vison Financial Resources and Revenues

The Kingdom to rely mainly on Public Invest Fund as source of finance within others expected resource. Regarding revenues, government expected revenues from all economic movements and initiatives (SV-2030)

3.1.1 Financial Resources

Regarding financial resources, a basic premise of the vision is to benefit from the investment tools owned by Saudi Arabia, the most important of which is the Public Investment Fund (PIF), which will become the largest sovereign investment fund in the world ($ 1.8 trillion) after the transfer a part of the ownership of Aramco oil to it. So that the proceeds of its investments could contribute effectively to development of new sectors and public companies that can raise the Kingdom's non-oil revenues and strengthen the Fund's role in diversifying and expanding the country's productive base. Asset guidance for investment will come in particular from less than 5 per cent of Aramco's assets, which will be valued at $ 2.5 trillion, for public subscription, additionally followed by a second wave of IPO to Aramco's subsidiaries, which could inject new funds into the sovereign fund Estimated at hundreds of billions of dollars (SV-2030).

3-1.2 Expected Revenues

With regard to the expected revenues from all economic movements, the vision focuses on two main sources: (i) the return of the sovereign fund's investments as a main source of public revenues rather than oil; and (ii) non-oil revenues, of which about 70 sources have been identified, could generate more than 1.5 trillion riyals per for the public treasury. But the vision targets only a quarter of those resources, which have no negative political, economic or social consequences such as permanent residency, which will make residents of the kingdom part of the local economy. Beside the expected income of programs as a source of economic growth and a new pillar of a diversified economy will support the vision of renewable energy and industrial equipment, tourism and leisure, information technology (digital economy), and metallurgy (minerals, oil and gas) to increase its contribution to GDP and employment. In addition to the contribution of the private sector which will open the door to investment by encouraging innovation and free competition, removing all obstacles to its performance and activating the legislative system for markets and businesses to provide greater opportunities for the sector in services such as health and education.

3-2Vision Objectives

Saudi Arabia Vision 2030 lays out targets for diversification and improving competitiveness. It is built around three main themes which set out specific objectives that are to be achieved by the year of 2030.

1. A vibrant society: Focuses on urbanism, culture and entertainment, sports, Umrah pilgrims, UNESCO heritage sites, life expectancy.
2. A thriving economy: Prioritizing employment, women in the workforce, international competitiveness, Public Investment Fund (PIF), foreign direct investment, private sector, and non-oil exports.
3. 3-An ambitious nation: Improving government effectiveness, innovation, and competitiveness, household savings and income, non-profits and volunteering.

The vision has begun by the approval of National Transformation Program which sets out the goals and targets to be achieved by the Kingdom by 2020. It is the first out of three phases each lasting for five years. Each phase will contribute towards achieving a certain number of goals and targets that will eventually help the Kingdom in reaching the ultimate goals of Vision 2030.About 80 major projects are expected to be developed in Saudi Arabia by the year 2030. Most of these projects are financed by the Public Investment Fund (PIF) of Saudi Arabia (SV-2030).To ensure achieving its objective the vision is based on three pillars: (a) the Arab and Islamic depth that Saudi Arabia is the heart of Arab and Islamic worlds and has a large Arab and Islamic heritage; (b) the Kingdom's investment power represented by its sovereign fund and other funds; (c) the geostrategic location, as 30% of global trade passes through the Saudi Arabian straits.The vision includes achieving specific strategic goals by 2030; diversifying the economy away from oil, modernizing society while respecting cultural traditions, and enhancing the Kingdom’s global profile. These goals have been pursued through 11 Vision Realization Programs, each with specific objectives to be met by 2030. To help achieving these objectives, specific benchmarks, or "Key Performance Indicators" (KPIs) is established for success.

3-2-1-A Vibrant Society Objectives

- To increase our capacity to welcome Umrah visitors from 8 million to 30 million every year.
- To more than double the number of Saudi heritage sites registered with UNESCO.
- To have three Saudi cities be recognized in the top ranked 100 cities in the world.

- To increase household spending on cultural andentertainment activities inside the Kingdom from the current level of 2.9% to 6.
- To increase the ratio of individuals exercising at least once a weak from 13% of population to 40%.
- To raise our position from 26 to 10 in the Social Capital index.
- To increase an average life expectancy from 74 years to 80 years.

3.2.2. A Thriving Economic Objectives

- To lower the rate of unemployment rate from 11.6% down to 7%.
- To increase SME contribution to GDP from 20% to 35%.
- To increase women's participation in the workforce from 22% to 30%.
- To move from our current position as the 19th largest economy in the world into the top.
- To increase the localization of oil and gas sector from 40% to 75%.
- To increase Public Investment Fund assets under management from $ 192 billion up to $ 2.7 trillion.
- To rise from our current position of 25th to the top 10 countries on the global competitiveness index.
- To increase foreign direct investment from 3.8% to the international level of 5.7% of GDP.
- To increase private sector contribution from 40% to 65% of GDP.
- To raise global ranking in the Logistic Performance Index from 49 to 25 and ensure the Kingdom is a regional leader.
- To raise the share of non-oil exports share in non-oil GDP from16% to 50%.

3.2.3 An Ambitious Nation Objectives

- To increase non-oil government revenue from SAR 163 billion to SAR 1 trillion.
- To raise our ranking in the Government Effectiveness Index, from 80 to 20.
- To raise our ranking on the E-Government Survey Index from our current position of 36 to be among the top five nations.
- To increase household savings from 6% to 10% of total household income.
- To raise the non-profit sector’s contribution to GDP from less than 1% to 5%.
- To rally one million volunteers per year (compared to 11,000 now).

3.3 Vison Key Projects and Sectors Initiatives

Saudi vision launched in 2016, includes more than one hundred projects and initiatives, aiming to achieve key strategic goals and objectives of the vision.

3-3.1Key Projects

About 80 major projects are expected to be developed in Saudi Arabia by the year 2030, the following projects represent the most import and massive ones (SV-2030).

1. Neom: A futuristic mega-city project on the Red Sea coast, Neom is envisioned as a hub for innovation, technology, and sustainability. It aims to attract global talent and investment, offering cutting-edge infrastructure and a high quality of life. Neom expected cost is $ 500 billion and predicted to contribute $48 billion to the GDP of Saudi Arabia by 2030. The ambitious self-sustaining megacity, “The Line” is expected to create about 380,000 new job opportunities in Saudi Arabia. In order to attract foreign investors and make them invest, The Neom zone will have a special tax and regulatory framework.

2. Diriyah Gate: It is a UNESCO World Heritage Site, has always been a center of culture and trade from ancient history. This tradition is expected to be followed by Diriyah Company that leading the development of the Diriyah Giga project. Diriyah will express the Saudi identity, pride and heritage by setting up galleries, cultural attractions and fine dining opportunities. Diriyah Gate started as an ambitious $50 billion development project, and its scope got wider after the Public Investment Fund of the country decided to change it to a Giga project. The project is expected to cost $ 63 billion and is predicted to create 178,000 jobs and its contribution to the kingdom is expected to be around $18.66 billion. This Giga project is supposed to oversee the construction of an over hundreds of restaurants, 38 hotels and other community facilities.

3. Qiddiya Entertainment City: Positioned as a major entertainment, sports, and cultural destination, Qiddiya aims to offer a diverse array of attractions, including theme parks, sports facilities, and performing arts centers. The project aims to become a huge tourist center, attracting both foreigners and local tourists alike. The project is expected to cost about $ 40 billion and expected to contribute up to $4.53 billion to Saudi Arabia’s GDP by 2030. The project is expected to create 57,000 new jobs as well.

4. Red Sea Project: This luxury tourism and resort development aims to transform Saudi Arabia into a premier global tourism destination, leveraging the Kingdom’s natural beauty and cultural heritage. The Red Sea project is expected to cost $ 20 billion and is predicted to contribute $4 billion annually to Saudi Arabia’s GDP. This project would be a game changer for the kingdom’s job sector by creating 35000 job opportunities for tourism, hospitality and cultural sectors.

5. Al'Ula Project: The Al’Ula project aims to develop land around the UNESCO World Heritage Site of Al’Ula thus attracting tourists and increasing the quality of life of the locals. This project aims to enhance the economic and social well-being of the city, by constructing various cultural centers, luxury hotels, museums etc. The estimated total development value of the project is over $15 billion. The budget of $3.2 billion will be used to develop the primary infrastructure of the ancient city. The Al’Ula project looks for efficient partners to implement its “Journey Through Time” master plan and this offers both public-private partnerships. This Giga project is expected to create over 38,000 jobs and contribute $32 billion to the Kingdom’s GDP.

3.3.2 Key Sectors Initiatives

Vision national program plan includes 89 initiatives with the aim of achieving 16 strategic goals of Saudi Arabia’s Vision 2030. Initiatives have included many sectors, such as tourism, manufacturing, mining, entertainment, culture, digital services, logistics, entrepreneurship, technology, renewal energy, entertainment, sport, culture, and social empowerment. The vision strategic allocation of investments focused on high potential sectors, mainly tourism, manufacturing, mining, and on top private sector workforce Saudization. Truism sector targets by 2030; to reach150 million visitors annually and creating 1.6 million job opportunities, backed by a substantial $1 trillion investment in the tourism sector as part of the National Tourism Strategy (SV-2030). To become the leading tourism destination, the Kingdom has made significant initiatives to develop major entertainment, heritage, and cultural sites such as Qiddiya near Riyadh, AlUla in the northwest, and Al-Soudah in the Asir region. Easing, streamlining travel procedures through extensive digitization of services and introducing e-visa has significantly increased the number of tourists from around the world. Additionally to the Saudi Tourism Authority (STA**)** signing of over than partnerships, reinforcing the Kingdom’s position as a global leader in tourism, including new alliances with major airlines, including Saudia and Riyadh Air, and companies like Flyadeal, Noon, and China i2i Group. These partnerships are expected to enhance the Kingdom’s connectivity and appeal as a dynamic, year-round destination. Recently Saudi Arabia has launched a new initiative called "Hospitality Investment Enablers" to encourage tourism growth by improving business efficiency, project success rates, and access to government-owned land. The initiative, developed with the Ministry of Investment, simplifies bureaucratic procedures and removes market entry obstacles. It includes the upcoming launch of the Tourism Investment One Stop Shop, which aims to consolidate all investor needs in one location, in partnership with the Saudi Business Center (Al-Khateeb-2024), the Minister of Tourism, announced this at the "100 Million Welcomes Celebration" in Riyadh. To foster tourism sector, initiatives in fields of entertainment and sport have been launched. Vision 2030 commits enormous resources to creating entertainment offerings as part of public life in Saudi Arabia. In 2016 the General Entertainment Authority (GEA), began its activity excepting to invest $64 billion in entertainment infrastructure over the next ten years (Reuters-2019). The GEA envisions investment creating more than two hundred thousand jobs and adding $133 billion (SAR 500 billion) to the GDP over the next ten years. In field of sport, the General Sports Authority’s (GSA) mission, as part of the Quality of Life Program, is to build a sporting economy from the ground up to include professional sports leagues and sports for entertainment, as well as greater physical activity for all Saudis, regardless of age or gender, with funding of $650 million for sports clubs in Saudi Arabia to develop infrastructure, diversify participation, and increase attendance and engagement with the events (John-2019).Manufacturing, in focus of the Public Invest Fund (PIF) which aims to empower private sector and support domestic growth, launching three private sector initiatives: Musahama Program, Supplier Development Program (SDP), and Private sector Hub (SV-2030).Musahama Program aims to enhance local content and private sector effectiveness, 60% targeted share of local content across the PIF and its portfolio companies. Supplier Development Program (SDP) builds long term partnership PIF companies and local business, aiming to upscale local suppliers to meet growing demands of PIF companies. As per year 2023 Vision Annual Report (VAR-2023), more than one hundred Saudi companies secured collaborative opportunities with PIF portfolio companies. Private sector Hub initiatives services as platform for connecting private companies with PIF investment opportunities to promote their involvement as investors, partners, and suppliers. More than two hundred investment opportunities have been facelifted valued at more than $ 5.33 billion. Additionally to acquisition of PIF two-thirds of the shares of the country’s largest mining company, Saudi Arabia Mining Company, it acquired a controlling interest in cement companies that account for 40 percent of domestic market share, and become the leading shareholder in three of the country’s leading food companies Savola, Almarai, and Nadec (VAR-2023). Localization industry developing is a cornerstone of vision 2030. Therefore various initiatives have been carried out aimed to increase local content in government procurement and driving domestic production. These efforts have enhanced the sector reliance and growth, with industrial investment reaching $ 400 billion by 2023(VAR-2023). Initiatives include electric vehicles manufacturing factory an investment amounting to $4.37 billion and new automotive manufacturing plant, joint between Public Investment Fund (PIF) and Hyundai Motor Company. Mining is essential for expanding Saudi industries, so business friendly initiatives, such as miming invest low; have spurred the growth by simplifying the license progress, in addition to Mining Exploration Incubator Program (Nuthree), which targets to increase minerals wealth value, facilitates the connection between prospectors and investors, offering experts guidance, promotes the growth of SMEs and entrepreneurs focused on sustainable exploration. The program selected nine companies from over 400 applicants, specialized in exploration, drilling, prospecting, and rock fragmentation (VAR-2023). Saudization strategy of Ministry for Labor and Social Development (MLSD) aims to see majority of job seekers looking to the private sector. To reach this goal, the MLSD laid out plans for a number of new initiatives to: subsidize job training and increase training for new employees using technology; encourage teleworking, flexible staffing, and part-time work in the private sector (MLSD-2024). Since 2011, Saudization efforts have been mainly implemented through the Nitaqat program. Nitaqat operates based on industry and firm size specific quotas for the share of employed Saudi nationals. Firms above the quota are granted benefits, while those below face restrictions for expat hiring. Nitaqat has gone through different iterations since launching in 2011 and remains in effect to this day. The quota requirements have also been complemented by other instruments (like job training, visa fees, differential minimum wages) aimed at making Saudis relatively more attractive to private sector employers, and vice versa (Cortes, et al.-2020). On top of the Nitaqat quotas, Saudi Arabia in July 2017 implemented a new expat levy, or a monthly fee, on non-Saudi workers. Under the new scheme, Saudi companies and foreign workers each bear a fee. Companies pay a fee per non-Saudi employee, and companies that employ more Saudis pay a lower fee on each expatriate worker compared to those that employ fewer Saudis. Under the same program, foreign nationals must pay a fee on each dependent they sponsor. The expat levy was introduced in 2012, and in 2017 the government raised the fees for companies and introduced the fee paid by workers on foreign dependents. The fees on companies and workers have increased gradually from 2017 to 2020. As since 2020, every expat worker in Saudi private sector is required to pay monthly SR400 ($100.6) for each dependent.

4-Results and Discussion

Creating the vision is the easy part, implementing it is the hard part that requires continuous support and expertise. Despite the challenges, the Kingdom's Vision 2030 has been able to achieve many goals since its launch in 2016 until today.

4.1-Results

A close and comprehensive look at the status of the Kingdom's vision over the past eight years shows significant progress to achievement of many targeted objectives, notably in pillar of Ambitious Nation. In looking at 19 objectives in the table below, it concluded that vision has made significant progress or exceeded its target in five, made satisfactory progress in ten, and needs "enhanced momentum" to achieve four. As for the details, they are shown in a below table.

Vision Objectives: Targets Veijrsus Actual

Pillars Objectives	Base 2016	Target 2030	Later 2022	Latest 2023	Annu. chg.%	Total chg%	Progress remarks
AVibrant Society							
Home ownership (%)	47%	70%	67%	63.7%	0.1%	36%	Significant
Umrah pilgims(mn)	08	30	8.4	13.6	62%	70%	Significant
Toursim share to GDP (%)	3.6%	10%	4.5%	4.5%	0.0%	25%	Satisfied
Life expectancy (years)	77	80	78	78	0%	01%	Satisfied
AThirving Economy							
Size of economy (rank)	19th	15th	17th	17th	0.0%	11%	Satisfied
SME share of GDP(%)	20%	35%	29%	29%	0.0%	45%	Satisfied
Globle cometitiveness (rank)	25th	10th	17th	17th	0.0%	32%	Satisfied
Non-oil export./ non-oil GDP(%)	18%	50%	15%.	24%.	33%	50%	Satisfied
Female labor paricipation (%)	22%	30%	36%	34%	-06%	55%	T.exceeded
Unemployed Saudis rate (%)	11.6%	07%	8.6%	7.7%	10%	34%	Significant
PIF assets under mngt ($ bln)	556	2670	594	748	26%	35%	Unsatisfy
SME loans as % total banks	02%	20%	7.7%	8.3%	7.7%	315%	Unsatisfy
Logistic Performance (rank)	49th	25th	36th	38th	05%	22%	Satisfied
Private sect.share GDP (%)	40%	65%	45%	45%	0.0%	13%	Satisfied
FDI inflow ($bln)	29.3	1030	22.4	25.6	14%	(13%)	Unsatisfy
FDI inflow share GDP (%)	3.8%	5.7%	2,0%	2.4%	20%	(37%)	Unsatisfy
An Ambitious Nation							
Non-oil fiscal revenues ($bln)	44	267	109	122	12%	178%	Significant
Government effectiveness (rank)	80th	20th	63th	63th	0.0%	21%	Satisfied
Rank in UN eGov.Dev. Index	36th	05th	31th	31th	0.0%	14%	Satisfied

Source: Author, computed from reports of, Saudi government, IMF, articles, etc.

4.1.1 Vibrant Society Objectives progress

Actual results show that; the number of Umrah pilgrims rose by 7.36 million to reach 13.36 million, represents an increment of 70% from the base line of 8million, achieving the highest number of pilgrims from outside the Kingdom. Saudi landmarks in UNESCO World Heritage list is increased by 75% reaching 7 sites instead of 4 sites in base line. Regarding enabling a healthy and prosperous life, Saudis average life expectancy years increased to 78 years instead of 77years in baseline, additionally to increment of Saudi homeownership by 16.7% in 2023, reaching 63.74%**.**

4.1.2 Thriving Economic Objective Results

The vision focuses on diversifying the economy by developing new sectors to ensure sustainable growth. Saudi real GDP rose from baseline of $716 billion up to $ 790 billion that led to raising its global ranking to 17th place. Others objectives achievements results show significant progress such as, increment of non-oil exports share in non-oil GDP by annual rate 24% in 2023, leading to increase of non-oil amount from $ 415 billion up to $ 515 billion, hit a highest level contributing of non-oil by 50% to real GDP with 4.7% growth rate (VAR-2023). Saudis unemployment rate reached a lowest level of 7.7%, dropping down from baseline of 11.6%, promoting to raise the female participation percentage in labor market up to 34% from the baseline of 22.8, which has surpassed its 2030 target of 30%. Private sector contribution to GDP increased by 12.5% reaching a rate of 45% due to the increment of the Public Investment Fund (PIF) portfolio companies to 97 companies, sharing in increasing (PIF) total assets under management by annual rate of 26%; i.e. from $ 594 in 2022 to $ 749 billion in 2023. Government policy stimulates banks to increase loans to small and medium enterprises (SMEs), let to increase their loans percentage of total banks loans up to 8.3% instead of only 2% at baseline, which promotes (SMEs) share to GDP to reach 29% in 2023. Foreign direct investment (FDI) inflows to Saudi Arabia reached SAR 96 billion ($25.6 billion) in 2023, increased by annual rate of 14%, according to data by the Ministry of Investment report (MIS-2024). The ministry of investment mentioned in its latest report that actual FDI inflows in 2023 year were 16% more than the targeted 83 billion riyals under the National Investment Strategy (NIS), and equivalent to 2.4% of the country's nominal GDP. Notably Saudi Arabia, in consultation with the International Monetary Fund (IMF), adopted a new methodology for calculating foreign direct investment statistics in October of 2023, which led to a significant upward revision in total figures for 2022.Total FDI stock stood at 897 billion riyals by the end of 2023, accounting for 22.5% of GDP and 13% more than previous year. In 2023, Saudi Arabia ranked 11th globally in net FDI inflows and 16th in FDI stock among G20 nations. The Kingdom also placed second in the growth rate of net FDI inflows and fourth in FDI stock growth, excluding the Aramco deal (MIS-2024**).**

4.1.3 Ambitious Nation Objectives Results

Enhancing government effectiveness indicators show significant progress; non-oil revenues have increased by approximately $ 78 billion since 2016, reaching $ 122 billion, an increase of 12% over 2022 record. Non-oil activities contributed to 2023 budget by 35% surpassing the set target of 28% (VAR-2023). Kingdom rate in Government Effectiveness Index has increased by approximately 7.8 points since 2016, raising its global ranking to 63th instead of 80th, additionally to the advancement of the Kingdom rank in E-Government Development Index (EGDE) from 36th rank up to 31th. Regarding enabling social responsibility; the number of volunteer's annual rally raised up to 834 thousands from 22.9 thousands in baseline; non-profit sector contribution percentage to GDP increased to 0,87% from baseline of 0.2% (VAR-2023).

In short, Saudi Arabia has achieved significant progress through vision-2030, succeeding in growth of sustainable and diversified economy. The non-oil sector accounted for half of GDP in 2023, reduction of the unemployment rate from 11.6% to 7.7%, increasing the share of SMEs in GDP from 20% to 29%, and increasing the proportion of women in the workforce from 22% to 34% which has surpassed its 2030 target of 30%; a significant expansion of home ownership from 47% to 63.7% in 2023 (despite its decline by 5% compared to 2022), non-oil fiscal revenue reaching approximately three times its baseline, covered 35% of total budget expenditure for 2023. In addition to transformation Public Invest Fund (PIF) from a relatively low-profile sovereign wealth fund, to an assertive international dealmaker and manager of megaprojects.

4.1.4 Projects & Sectors Initiatives Progress

As for the achievement status of the megaprojects, the picture is blurry as there is no KPIs or details of them mentioned in the latest annual report on the vision’s performance for the year 2023. However, there are some international sites that mentioned some details, such as a report of Nikita Buekenhout in the Mechanical Electrical Plumbing (MEP) website. The report explained the continued of Neom project to make progress with ongoing infrastructure development, aiming to reshape urban living in Saudi Arabia with a focus on eco-friendly technology and urban mobility, expecting its completion in the period between 2030 and 2045 (Nikita-2024). Regarding The birthplace of the Saudi Kingdom, Diriyah is being revitalized with hotels, museums, and entertainment venues. Update is that; Bab Samhan, a Marriott Luxury Collection Hotel, is among the recent developments, alongside the expansion of cultural landmarks like At-Turaif, expected completion is 2030. For the

Qiddiya, new developments are progressing, including the construction of entertainment facilities, theme parks, and sports venues, expected completion in 2030. The Red Sea Project is advancing rapidly with several resorts and attractions under construction, incorporating sustainable design and marine conservation, expected completion is 2030. Tim Whealy, a global construction expert, explained that in 2023 year, the Sixth Annual CRUX Insight Report analyzed more than 1,800 projects in 106 countries with a combined CAPEX of $2.247 trillion. CRUX showed that overruns in the Middle East were among the longest of the world's regions, averaging 82% of planned schedules (and nearly 100% in Saudi Arabia). On average, the costs claimed on these 401 projects exceeded 35% of budgets. The most dominant causes of project claims and disputes were change in scope (54%) and the often-related problems of design information being issued late (34.9%) or incomplete (30.5%). Conflicts over contract interpretation (28.8%) and late approvals (27.1%) were the other 'top five' causes. Within the Kingdom, scope change (54%) and late designs (34.5%) again came top, with restricted or late access to sites (also 34.5%), followed by late approvals (31.9%) and cash flow and payment issues (23.6%) (Tim- 2024).

Initiatives effects in sectors showed varied progress; significant in tourism, satisfactory in sector of mining, and less progress in private sector and megaprojects. Tourism in Saudi Arabia has seen a significant increase, with visitor numbers reaching 106.2 million in 2023, which is a 56% rise compared to 2019 and 12% more than in 2022. Tourist spending has contributed 4% to the national GDP, totaling over SR250 billion ($66 billion) in 2023.Al-Khateeb acknowledged the positive influence of tourism on the local culture and economy and announced the Saudi Tourism Excellence Award to honor professionals in the industry. The demand for tourism activity licenses soared by 390% in 2023, signaling robust growth (Al-Khateeb-2024). He also noted the progress of mega-projects like NEOM, Red Sea Project, AMAALA, AlUla, and Qiddiya. The Tourism Investment Enabler Program has been created to ease business operations within the Saudi tourism sector and make them more cost-efficient. In his remarks, Al-Khateeb mentioned a restructured tourism license fee system and a reduction in annual government fees by nearly 22% due to effective government collaboration. He also recognized the joint efforts of government entities, international organizations, the private sector, and investors in enhancing Saudi Arabia's tourism industry.

Manufacturing figures from the General Authority for Statistics (GASTA-2024) show that according to budget performance report for 2023; non-oil activities expanded by 4 percent years on year, reflecting growth across most sectors except for electricity and gas supply.

Manufacturing emerged as the main driver of growth, recording a 6.3 percent annual increase, according to the report. The manufacturing sector's expansion was supported by a strong performance in key industries, particularly the production of coke and refined petroleum products, which surged 9.3 percent year on year. The chemical manufacturing sector also contributed to the increase, rising 4.8 percent annually. Similarly, the food industry saw an 8.8 percent annual rise, while the paper products sector grew by 8.7 percent. The electrical devices sector posted a 10.5 percent increase during this period.

Mining sector generated over $ 410 billion in revenue in 2023, with 10% increase rate in mineral wealth value due to discoveries of rare earth elements used in high-tech industries. The sector GDP contribution, expected to rise from $17 billion to 75 billion by 2030 (VAR-2023). The geological survey has been completed covering 30% of Arabian Shield, As a result estimated value of mineral wealth has risen from $ 1.31 trillion in 2016 up to over $ 2.5 trillion, including new discoveries of phosphates, gold, and rare metals.

Saudi employment as per reports of General Authority for Statistic (GASTA-2024), showed in the private sector recorded a growth of 6.4% in 2021, rising from 1,940,611 employees to 2,065,338, rising in 2022 to 2,442,953, with a growth rate of 18.3%, This represents the highest among those registered with social insurance due to the private sector returning to full activity after the Corona pandemic. While in 2023 it recorded a growth of 7.7%, rising to 2.6 31,204 employees, led in turn to drop of Saudi unemployment rate to 7.7%. In contrast, in 2023, expatriate workers recorded a greater annual increase of 19.8 percent, with their total number in the private sector reaching about 8.7 million workers, which is considered as the highest number of expatriate workers in the history of the private sector, This increase represents structural imbalance in the labor market, confirms the continued dependence of the Saudi economy on expatriate labor, especially in sectors that require specialized skills or in jobs that are less desirable to Saudi citizens. Some experts consider the expansion of the size of the non-Saudi labor force at this pace reflects the continued dependence of the Kingdom's economy on professional labor in sectors such as construction and hospitality, and its dependence on foreign expertise in sectors such as industry and health care (Huda-2024).

4.2 Discussion

Despite the amazing progress of the vision in the field of macro-economics, there is little progress in some others; Saudi government have made unsatisfactory progress in attracting more foreign direct investment, developing private sector to reach the global level, and overcoming stumble upon the completion of some megaprojects.

Foreign direct investment is essential for Saudi economy's success which is required more huge qualitative investment, foreign technology, and foreign know-how. Therefore, Saudi government has to overcome the hesitation of foreign investors by improving its investment environment**.** However, the most telling measure of Saudi Arabia's ability to attract outside capital is that foreign direct investment (FDI) shrank dramatically in 2017, to only 0.2 percent of GDP, from an average of 1 percent and 1.25 percent since 2013 as per 2019 world invest report of UN Trade & Development (UNDTAD-2019). The government recorded a nearly 100 percent increase in FDI in 2018, but only because it was negligible in 2017 the $4.25 billion inflow still amounted to only 0.54 percent of GDP in 2018. In 2023, FDI inflows amounted to SAR 96 billion, exceeding the National Investment Strategy (NIS) target of SAR 83 billion by 16% (actual performance vs. NIS target), but in reality FDI inflow in 2023 is dropped by 13% compared to 2016 (The baseline) amount of SAR 110 billion. Recent study conducted by Awad and others, investigated the variables that affected foreign direct investment in the Kingdom of Saudi Arabia between 1980 and 2022, revealed a significant negative integrating link between gross capital formation (GCFR), exchange rate (EXRT), and trade openness (TOPN). They argued, in the context of the Saudi economy, these findings can be explained in terms of the higher trade openness which leads to increased imports, causing domestic markets to become oversaturated with foreign goods, which can negatively impact FDI inflows; underdeveloped financial systems and domestic economic inefficiencies can result in the misallocation of foreign capital; and a stronger exchange rate, such as the Saudi Riyal, could discourage foreign direct investment (FDI) by increasing costs for foreign investors and reducing their returns (Awad et al.-2024). The study of Saeed, examined the FDI determinants in Saudi Arabia from 2000 to 2020 using VECM and ARDL models. In the long term, the study found that factors such as trade openness, government spending, and economic stability significantly influence FDI inflows. Surprisingly, variables like exports and market size did not show significant effects. In the short term, however, exports, trade openness, and economic stability emerged as statistically significant factors of FDI. This research underscores the dynamic nature of FDI determinants in Saudi Arabia and highlights the importance of trade policies, government expenditure, and macroeconomic stability in enticing foreign investment (Saeed-2023). Popovici and others study analyzed data from 97 countries, which were classified into different income levels. The study revealed that for high-income countries like Saudi Arabia, factors such as economic growth, infrastructure development, and CPI (Consumer Price Indicator) exerted significant influences on FDI. Additionally, institutional quality and technology availability also played significant roles (Popovici et al.-2021). Previous study findings conducted by Sally and others mentioned, the most important determinants of foreign investment in Saudi Arabia that have a statistically significant impact are GDP growth rate, domestic investments, and natural gas reserves. They indicted existence of a significant inverse relationship between government expenditure and the volume of foreign direct investment, which negatively affects the deficit of the state budget. This was discussed in the Saudi Vision 2030 which called for privatization programs for the public sector (Sally et al.-2020). Alfalih and Hadj conducted a study using annual data from 1984 to 2017, revealing different findings. The study indicated that, in the short run, FDI is positively influenced by the real exchange rate, market size, and the legal environment. Interestingly, the authors found that FDI inflows were more responsive to changes in oil prices rather than the abundance of oil resource (Alfalih and Hadj-2020). Nevertheless the slight different findings of these studies, however authors agree on, most of the elements of attracting foreign investment are available in Saudi Arabia. Foreign firms appear eager to do business with Saudi Arabia, given its immense wealth, but they appear less willing at this point to risk their own capital with long-term investments on the ground in Saudi Arabia. Such foreign direct investment will likely require better conditions for private-sector business activity and a far more developed rule of law; both should be at top level by the government. Broadly, the government has not yet shown sufficient willingness to open the economy to real competition from domestic and foreign entrepreneurs. Additionally, concerted efforts should be made to enhance institutional quality through improvements in transparency, accountability, and governance, thereby establishing a more favorable investment environment conducive to sustained FDI inflows.

Saudi employees in private sector dramatically increased recently due to execution of various initiatives, in addition to the effective role of the Kingdom’s Saudization initiatives called Saudi Nationalization Scheme (Nitaqaat), which is not merely a policy but a transformative strategy aimed at reshaping the national workforce and bolstering economic prosperity. The Kingdom’s Saudization initiative is not merely a policy but a transformative strategy aimed at reshaping the national workforce and bolstering economic prosperity (Hafiz-2024). Hafiz confirms, Nitaqat has achieved significant milestones, effectively increasing the number of Saudi nationals in the private sector workforce. While Hafiz; credits the program with reducing unemployment, Michael and others don't see it that way (Michael, et al.-2020). They argue based on their study findings; programs like Nitaqat and associated Saudization efforts appear to have outgrown themselves and their underlying assumptions on mechanisms of securing jobs for Saudis are no longer viable or scalable. They added if Saudization policies and efforts continue on the same course, our evidence suggests that the gains will not justify the costs. For instance, the expat levy helps artificially increase Saudi employment by making expats relatively more expensive to firms. The collected revenues have a cushioning effect on fiscal balance at the expense of firm profitability. On the other hand, the levy has led to massive departure of expat workers with exacerbating effects to the economic downturn. Tradable sectors also face higher labor costs without increased productivity, which undermines long-run diversification goals. Therefore, a Saudization driven policy agenda comes with modest gains and long-term structural consequences. An alternative, perhaps the only viable alternative, centers on the prioritization of diversifying the economy away from oil. Concentrating efforts on diversification requires moving resources away from ad-hoc measures to boost short-term growth (Michael, et al.-2020).

Regarding Saudi labor and private sector, Steffen Hertog of the London School of Economics asks what the Saudi economy would need to look like to have transitioned successfully beyond an oil-rentier state. He suggests two key developments would be required, which are as simple to describe as they are difficult to implement: 1) Saudi Arabia would need to employ the overwhelming majority of its working population in the private sector rather than government and 2) it would need to derive the revenue it uses to fund government expenditure from taxes on private-sector activity rather than from oil. Both would require a monumental expansion in the private sector (Steffen-2019). He argues the Saudi government should work to develop the private sector to grow as a globally competitive private sector, to become an engine for employment. However current government initiatives and treatments of regulatory changes or a few joint ventures with foreign multinationals are not enough**.** He suggests being successful, Saudi Arabia needs a wholesale transformation in the role of state and market, as well as a change in the work mentality of ordinary Saudis. So the government finance interventions should be targeted broadly at global particular industrial sectors rather than specific firms within those sectors, empowering the private sector by leaving space in some big sectors to private enterprises. One criticism of the PIF's agglomeration of state assets is that it is not subject to the same legal standards and scrutiny as the central bank was. Some describe the PIF as having become "a parallel state," in that it operates outside the rules that apply to the rest of the Saudi government. IMF staff has warned that "the growing role of the PIF may lead to a larger role of the government in the economy, crowding out the private sector (IMF-2018). For megaprojects, Saudi government has promoted heavily abroad for the development of these projects, willing contribution of foreign investors, focusing on NEOM project, which is an isolated and largely uninhabited region on the westernmost border of the country, hoping to attract the best talents to relocate there from around the world. Such projects usually face a number of challenges, including geopolitical, structural, economic, social, and environmental, along with the shortages of funding and investments (Hvidt-2019). For instance, the Kingdom had to scale down “The Line” project, part of NEOM, from a massive 170 kilometers to just 2.4 kilometers due to financial constraints (Ahmed-2024). Nevertheless, Riyadh has completed and inaugurated the Sindalah project; still NEOM faces challenges in its completion. More to the point, though, the economics behind NEOM are questionable at best. Government-designed megaprojects of this sort have a poor track record, especially in Saudi Arabia. Beginning in 2005, former King Abdullah announced the creation of six “economic” cities. Only one, King Abdullah Economic City, was completed and has floundered (The Economist -2017).

5-Conclusion and Recommendation

Saudi Vision 2030 represents a transformative blueprint for the Kingdom’s future, aiming to create a diversified, sustainable, and vibrant nation. During eight years journey of vision, Saudi Arabia could successfully passed its vision first phase of national transformation that based on structural and economic reforms, most notably in the realm of social reforms, fiscal stabilization, the development of capital markets. Now in its second phase, the Kingdom has made remarkable strides in diversifying its economy, empowering its society, and elevating its global standing. Today, Saudi Arabia's primary source of income is no longer just from petroleum but has been through various sectors, most notably including increasing in the fields of electricity, sustainable mining, digital economy, and natural gas exploration. Saudi vision could achieve advancements in gender and social reform, reinforced rapid economic growth and global recognition, doubling small and medium-sized enterprises, significant reductions in unemployment, and digitization of government services. While continuing to work towards achieving goals, focusing on diversity, sustainability and dedication to innovation, Saudi Arabia should address to the seen challenges still face the vision implementation, including lack of foreign direct investment, private sector insufficient, and stumble of some megaprojects, addressing assume to be in a new creative approach. For foreign direct investment Kingdom is recommend to work in improving the current investment environment to enhance inflow of investment via, strengthen the rule of law, by opening itself up to greater interintegration with the global economic and financial system, enhance sustainable growth of diversified GDP, keep on support private sector and encourage domestic investment, especially small and micro-enterprises. Strengthening governance will be pivotal for a sustainable economic diversification driven by the private sector, enabling new investments and jobs and also magnifying the payoff from reforms elsewhere. Regarding private sector, Saudi government needs to cede some of its dominant role in the economy to the marketplace and the decisions of private entrepreneurs. This requires changing current government-led economic model to a more market-based approach. For the best way for Saudi Arabia to expand private-sector employment rapidly is to grow industries in tradable sectors that can become part of global supply chains, and in which large numbers of Saudis have the skills to work. This is where the most dramatic productivity and employment gains are likely to be found. So KSA has to be more focus to modernize its education system and set it as a key policy over the coming decade. Notably only by educating a more talented workforce over the long term will the country be able to advance into higher value segments of the global economy. Saudi government is recommended to reevaluate megaprojects feasibility studies, focusing on NEOM, which have a dubious track record of success, within track record in generating jobs is limited. Such megaprojects are only augmenting rather than diminish the role of the state in the economy; particularly to achieve the crux of Vision 2030, which is creating jobs for Saudis today and in the future. Thus the Kingdom has to move expeditiously to enact meaningful economic change, due to the uncertainties associated with the future of the region and oil market.

In conclusion, Saudi Vision 2030 represents a transformative blueprint for the Kingdom's future, targeting to create a diversified, sustainable, and vibrant nation. So far, despite some challenges, the Kingdom could made remarkable strides in diversifying its economy, empowering its society, and elevating its global standing. As the Kingdom continues to implement and refine its vision, with an eye on sustainability, diversification, and a dedication to innovation, it will overcome challenges and set an expiring example for the world.

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