

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

SAUDI ARABIA

Middle East

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Riyadh	Capital and financial/corporate hub; Regional Headquarters (RHQ) Programme requires multinationals to base their Middle East HQ here to access government contracts; King Abdullah Financial District anchors banking/finance	Financial services, corporate HQs, fintech, real estate
Eastern Province (Dhahran / Dammam / Jubail)	Aramco's heartland and the kingdom's industrial/petrochemical core; also directly exposed to Feb2026 Iranian missile fire and ongoing regional-conflict risk given its energy-infrastructure concentration	Oil & gas, petrochemicals, industrial manufacturing
Red Sea coast (Yanbu / Jizan)	Major Aramco refining/export and industrial hub; Houthi forces have claimed attacks on Aramco facilities here since July 2026 amid the breakdown of the 2022 Yemen truce	Refining, petrochemicals, export logistics
NEOM / Red Sea giga-projects (Tabuk Province)	Flagship Vision 2030 development; PIF's 2026-2030 strategy has explicitly deprioritised The Line's 2030 completion and separated NEOM from the wider tourism push, though the zone itself remains funded	Tourism, advanced manufacturing, clean energy (scaled-back timeline)
Makkah / Madinah	Religious-tourism core, now the centre of gravity of Saudi Arabia's recalibrated tourism strategy (shifted from Western-leisure giga-projects toward religious, regional and event-based tourism)	Hospitality, religious tourism infrastructure, retail
Jeddah	Commercial gateway and logistics hub on the Red Sea; positioned alongside Riyadh and Makkah/Madinah as one of the four anchor destinations in the revised tourism strategy	Logistics, trade, hospitality, light manufacturing
King Abdullah Economic City (KAEC) / Special Economic Zones	SEZ incentive package (reduced corporate tax, customs exemptions) targeting cloud computing, logistics, advanced manufacturing and media alongside Jazan, Ras Al-Khair and the Integrated Logistics Bonded Zone	Logistics, cloud/data centres, advanced manufacturing

INVESTOR ENTRY ROUTES

- MINISTRY OF INVESTMENT OF SAUDI ARABIA (MISA) INVESTMENT LICENSING: Single-window approval for most sectors, now largely 100% foreign-owned eligible outside a short negative list
- REGIONAL HEADQUARTERS (RHQ) PROGRAMME: Mandatory for multinationals seeking Saudi government contracts, with tax and visa incentives attached
- PIF co-investment and giga-project supply-chain participation (NEOM, Red Sea, Qiddiya, Diriyah, Roshn) for larger strategic investors

- Special Economic Zone licensing (KAEC, Jazan, Ras Al-Khair, Cloud Computing SEZ, Integrated Logistics Bonded Zone) for sector-specific tax/customs incentives
- Saudi Exchange (Tadawul) listing or direct/portfolio investment for capital-markets access
- Local sponsorship/joint-venture structuring still required in the narrow set of sectors remaining on the foreign-investment negative list

MARKET-ENTRY OBSERVATION

Saudi Arabia's 2026 investment story is one of recalibration rather than retreat: the 2026-2030 PIF strategy explicitly shifts from the first Vision 2030 cycle's "rapid growth and acceleration" to "sustained value creation," construction commitments have been cut by tens of billions of dollars, and PIF governor Yasir Al-Rumayyan has openly acknowledged that The Line will not be completed by 2030 and that several delayed NEOM components are no longer on the kingdom's "critical path" - Expo 2030 and the 2034 World Cup now hold that position instead. This is a maturing, more disciplined giga-project programme, not an abandoned one: PIF's own assets crossed \$900bn in mid-2026 (en route to a long-stated \$1tn target) with 2025 net profit roughly doubling to \$17bn, and the tourism strategy has pivoted from Western-leisure spectacle toward religious, regional and event-based tourism anchored in Makkah, Madinah, Jeddah and Riyadh.

The 2026 budget (SR1.313tn/\$350bn spending against SR1.147tn/\$305bn revenue, a 3.3%-of-GDP deficit) still projects 4.6% GDP growth led by non-oil activity, continuing a now well-established diversification trend. But the kingdom has also been drawn more directly into regional conflict than at any point since the Vision 2030 programme began: Iranian missiles struck toward Riyadh and the Eastern Province on 28 February 2026, Saudi aircraft have struck Iran-backed militias in Iraq (including jointly with US forces in July), and the 2022 Yemen truce has unravelled - Houthi forces have fired on Saudi territory, declared a Red Sea maritime embargo against Saudi vessels, and claimed strikes on Aramco facilities at Yanbu and Jizan, prompting renewed Saudi-US strikes on Houthi targets including Hodeidah.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Renewed Houthi conflict / Red Sea risk	2022 Yemen truce has broken down; Houthi missile fire toward Saudi territory, a declared maritime embargo against Saudi vessels, and claimed strikes on Aramco's Yanbu and Jizan facilities since July 2026 have raised war-risk insurance costs for Red Sea and southern Hormuz voyages	Saudi Arabia's East-West pipeline (~7m bpd Q1 2026) offers a Hormuz bypass, though it does not eliminate Red Sea exposure; monitor Houthi-conflict developments closely for any Red Sea or Eastern Province-linked mandate
Direct exposure to the Iran war	Iran fired missiles toward Riyadh and the Eastern Province on 28 February 2026; Saudi forces have since conducted strikes (including jointly with the US) against Iran-aligned militias in Iraq accused of targeting Saudi energy infrastructure	No direct hit on major Saudi energy infrastructure has been confirmed to date; Saudi air defences and the US security relationship remain the primary mitigants
Giga-project timeline uncertainty	PIF has explicitly deprioritised The Line's 2030 completion and separated NEOM from the broader tourism ecosystem; the tourism strategy's replacement metrics and targets are not yet fully specified	Favour giga-project participation tied to deadline-anchored priorities (Expo 2030, 2034 World Cup) over NEOM-linked timelines that remain in flux
Fiscal deficit / Aramco dividend normalisation	2026 budget deficit of 3.3% of GDP, with Aramco dividend payouts normalising lower after the post-pandemic highs, pressuring both the state budget and PIF's funding base	PIF's \$900bn+ asset base and continued non-oil revenue growth provide a substantial buffer; deficit remains moderate by regional standards
Saudization (Nitaqat) labour quotas	Private-sector Saudi-national hiring quotas apply across most sectors, tightening further in recent years and affecting workforce planning and cost structures	Build Saudization compliance into hiring plans from the outset; MISA and HRSD provide sector-specific quota guidance
Residual sector restrictions	A narrow negative list still restricts full foreign ownership in select sectors (e.g. some upstream oil exploration, certain real estate in Makkah/Madinah)	MISA licensing review clarifies sector eligibility early; joint-venture structuring remains available where required
RHQ Programme compliance	Multinationals seeking Saudi government contracts must establish a regional headquarters in the kingdom, adding a structural and relocation	RHQ tax and visa incentives substantially offset the relocation cost for firms with genuine Saudi government-contract ambitions

Issue	Potential Impact	Possible Mitigation
	cost for firms used to basing Gulf operations elsewhere (e.g. Dubai)	

INVESTOR RISK NOTE

Saudi Arabia's risk profile has shifted meaningfully in 2026: what was previously a largely domestic-execution risk story (can the giga-projects be delivered on budget and on time) now includes a genuine regional-conflict dimension, with Iranian missiles reaching Saudi territory in February and a reignited Houthis campaign against Saudi energy infrastructure and Red Sea shipping from July onward. Neither development has so far produced a confirmed major hit on core Saudi energy infrastructure, and Fitch reaffirmed Saudi Arabia's A+/stable rating as recently as July 2026, citing underlying fiscal and external strength - but the kingdom's strategic dilemma is real: further military action may be needed to protect its territory and energy assets, yet a major confrontation with the Houthis risks reopening the broader Yemen war and undermines Riyadh's standing as a potential negotiator. On the execution side, PIF's own leadership has been candid that the first Vision 2030 cycle over-promised on pace, and the 2026-2030 recalibration toward "sustained value creation" should be read as a maturity signal rather than a failure signal, backed by a PIF asset base that has grown six-fold since 2015.

MARKET ACCESS

MISA licensing now permits 100% foreign ownership across the large majority of sectors, with a narrow negative list covering select strategic or religiously sensitive areas. The RHQ Programme ties access to Saudi government contracts to establishing a genuine regional headquarters in the kingdom. Special Economic Zones (KAEC, Jazan, Ras Al-Khair, the Cloud Computing SEZ and Integrated Logistics Bonded Zone) offer reduced corporate tax and customs exemptions for targeted sectors, and the Saudi Exchange (Tadawul) provides listed-equity and bond-market access, including for Qualified Foreign Investors. PIF remains the dominant co-investment and giga-project gateway for large-scale strategic capital.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Ministry of Investment (MISA)	Primary licensing authority for foreign direct investment across most sectors, including the negative-list determination	First point of contact for any new market-entry licensing application
Public Investment Fund (PIF)	The kingdom's giga-project sponsor and co-investment partner, now executing its 2026-2030 "sustained value creation" strategy across AI, energy transition, advanced manufacturing, and sports/entertainment	Essential counterpart for any giga-project supply-chain participation or large-scale co-investment mandate
NEOM Company	Developer of the NEOM region, now operating on a more disciplined timeline separated from the broader tourism push	Engage with updated project priorities in mind; The Line's 2030 target is no longer operative
Saudi Tourism Authority (STA)	Leading the recalibrated tourism strategy centred on Makkah, Madinah, Jeddah and Riyadh, with yield and infrastructure-utilization metrics replacing headline visitor-count targets	Relevant for hospitality, religious-tourism infrastructure and event-based tourism mandates
Saudi Aramco	State oil major and the kingdom's dominant commercial entity, directly exposed to the Houthis campaign against Yanbu/Jizan and broader regional energy-infrastructure risk	Relevant counterpart for any energy, petrochemicals or downstream-manufacturing mandate; monitor its security posture for Red Sea/Eastern Province exposure
Human Resources and Social Development Ministry (HRSD)	Administers Saudization (Nitaqat) quotas and private-sector labour-market localisation policy	Required counterpart for workforce planning and Saudization compliance
Saudi Central Bank (SAMA) / Capital Market Authority (CMA)	Banking, payments and capital-markets regulators overseeing financial-sector licensing, including fintech and Qualified Foreign Investor market access	Required counterpart for any financial-services or capital-markets entry

CURRENT INTERNATIONAL BUSINESS CHANNELS

Saudi Arabia's international business engagement runs through MISA's investor-promotion activity, PIF's expanding international office network (new offices opened in Paris, Beijing and Shanghai in 2025-2026 alongside existing hubs), the RHQ Programme's pull on multinational corporate presence, and high-profile events diplomacy (Expo 2030, the 2034 FIFA World Cup) that is increasingly the organising frame for giga-project sequencing. The kingdom's deepening military and security coordination with the United States - including joint strikes against Iran-aligned militias and Houthi targets in 2026 - has also intensified direct US government-to-government engagement on regional security alongside the commercial relationship.

INVESTOR PROFILE BEST SUITED

Best suited to investors who can engage at PIF/giga-project scale or who fit cleanly within the MISA-licensed mainstream economy (financial services, logistics, advanced manufacturing, religious/regional tourism, SEZ-eligible sectors); NEOM/Line-specific mandates should be reassessed against the explicitly slower, more disciplined 2026-2030 timeline rather than the original 2030 ambition. Investors in energy, petrochemicals, Red Sea logistics or Eastern Province operations should factor the renewed Iran-war and Houthi-conflict exposure explicitly into risk underwriting, even though no major infrastructure hit has yet been confirmed.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Confirm sector eligibility via MISA

Establish whether the target sector permits 100% foreign ownership or falls on the narrow negative list requiring a joint-venture structure.

STEP 2: Assess RHQ Programme relevance

For multinationals seeking Saudi government contracts, confirm whether establishing a regional headquarters in the kingdom is required and plan the relocation/tax structuring accordingly.

STEP 3: Map giga-project or SEZ fit

Determine whether the investment aligns with PIF's 2026-2030 priority sectors (AI, energy transition, advanced manufacturing, sports/entertainment) or a Special Economic Zone's incentive package.

STEP 4: Build Saudization compliance into workforce planning

Engage HRSD early to confirm Nitaqat quota requirements for the specific sector and company size.

STEP 5: Underwrite regional-conflict exposure explicitly

For any Eastern Province, Red Sea or energy-infrastructure-linked mandate, model Houthi-conflict and Iran-war spillover risk separately, tracking Aramco and Saudi Ministry of Defence security updates.

WAVERLEY'S ROLE

- Advise on MISA licensing strategy and negative-list navigation for the investor's specific sector
- Facilitate introductions to PIF, NEOM Company, the Saudi Tourism Authority or relevant SEZ authorities depending on the mandate
- Provide real-time monitoring of the Iran-war and Houthi-conflict exposure for energy-, logistics- and Red Sea-linked mandates
- Help structure RHQ Programme compliance and Saudization-compliant workforce plans

INVESTOR CALL TO ACTION

Saudi Arabia in late 2026 combines a genuinely maturing, better-disciplined Vision 2030 programme with a new and real regional-conflict exposure that did not exist when the giga-project era began - the two need to be weighed separately, not conflated.

Waverley can help investors calibrate entry timing and risk exposure to both realities at once.

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

PIF's 2026-2030 strategy prioritises AI, energy transition, advanced manufacturing, and sports and entertainment, backed by an asset base that crossed \$900bn in mid-2026 and 2025 net profit that roughly doubled to \$17bn. Deadline-anchored events (Expo 2030, the 2034 FIFA World Cup) are now the organising priority over NEOM/Line timelines, offering a clearer near-term construction, hospitality, logistics and infrastructure pipeline. The recalibrated tourism strategy centred on Makkah, Madinah, Jeddah and Riyadh, alongside continuing SEZ incentive expansion (cloud computing, logistics, advanced manufacturing), rounds out a diversification pipeline that remains among the largest and best-capitalised in the Gulf, even as the kingdom manages acute regional-security exposure.

POSITIONING

Saudi Arabia occupies a dual position heading into 2027: the Gulf's largest and best-capitalised diversification programme, now visibly recalibrating from first-cycle over-ambition toward disciplined execution, running alongside a genuinely new regional-conflict exposure - direct Iranian missile fire in February 2026 and a reignited Houthi campaign against Saudi energy infrastructure and Red Sea shipping from mid-2026 onward.

For investors, this makes Saudi Arabia less a simple execution-risk story than it was a year ago, and more a question of whether a given mandate sits inside the kingdom's well-funded, increasingly disciplined core economy or within the geographic and sectoral footprint most exposed to regional-conflict spillover.

SELECTED SOURCES

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- SolarQuarter (August 18, 2026): PIF assets surpass \$900bn, 2025 profit roughly doubles to \$17bn
- Enterprise/MENA Plus (July 2026): Fitch affirms Saudi Arabia at A+/stable amid growth slowdown