



Asset Management

**Key highlights of Vision 2030
achievements**

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Key highlights of Vision 2030 achievements

We are 5 years into the progression towards Vision 2030 since Crown Prince, Mohammad bin Salman launched this transformative initiative to diversify the Kingdom's economy, along with bringing in various positive socio-cultural changes. Since the inception of the initiative, the Kingdom has achieved significant progress towards developing various strategically important sectors, while elevating the Kingdom's competitive advantage regionally and globally.

Non-Oil diversification

In line with the diversification away from oil, the Kingdom has succeeded in achieving record non-oil revenues in 2020, accounting for 46.5% of the state's total revenues, which is far higher than proportion seen before the launch of Vision 2030. Since the start of Vision 2030, the Kingdom's non-oil revenues have increased 200 per cent. Foreign Direct Investments have also increased with FDI in first half of 2020 being 12% higher compared to the previous year.

Tourism

By encouraging foreign investments, sectors such as tourism which has been one of the key pillars of the Vision, has benefited immensely with various events and attractions pulling in foreign tourists to explore the Kingdom. Noteworthy success stories in the tourism space include the e-visa solution which enabled tourists from 49 countries to obtain instant visas, bringing in more than 440,000 visa approvals through March 2020. Tourism spend has thus increased many fold over the past five years. The launch of the SAR 15 Bn Tourism Development Fund has helped fund more than 65 tourism oriented projects, with more in the pipeline. The launch of the 'Your Future is Tourism' campaign will aid in adding 100,000 jobs for Saudi nationals by the end of 2021.

Home ownership and mega projects

Home ownership, which is another key priority of Vision 2030, has been sky-rocketing in the last few years driven by various government initiatives. The kingdom now has a 60% home ownership against 47% four years back. The Kingdom's mega projects including NEOM, Amala, Red Sea, Qiddiya and Diriyah Gate are being developed on the best planning standards while also being mindful of sustainability. One such project called The Line, which is a part of NEOM, will be a zero-carbon emissions city with no cars, will further encourage tourism and provide a high standard experience for the residents.

Domestic manufacturing

The Kingdom is also on track to develop domestic manufacturing capabilities for high value defense military equipment which will enable self-sufficiency. The government will operate through Saudi Military Industries Corporation to deliver on the Crown Prince's promise to localize 50% of overall military spending by 2030, while adding a further 40,000 new jobs and innovation. The Joint venture agreement with LockheedMartin which was signed last year is reflective of the remarkable strides taken by the Kingdom towards developing an integrated defense industry through global and local partnerships.

Additionally, Saudi Fund for Development has signed 714 agreements, totaling SAR 61 Bn, since its inception in 1975, to drive development projects for economic and social development in 83 countries around the globe.

Key highlights from the interview

During an interview held on April 27, 2021, the Crown Prince highlighted the success seen across sectors through the last five years, and also showed optimism in mentioning that at the current pace, the Kingdom is on track to exceed Vision 2030 target by the end of 2025, further bolstering the growth and diversification strategies over the next five years. Education and healthcare remain key areas of focus for the Kingdom. Unemployment rate is also a key focus area, which has successfully come down to 11 percent from 14 percent before Vision 2030. The Crown Prince also reiterated that the changes that were made to the government ministries which have strengthened the various government infrastructure and made them more efficient. Recently launched Shareek program, which aims to increase the private sectors contribution to nation building has also been lauded and is expected to increase the business opportunities in the Kingdom. Under this program, close to SAR 5 Bn is expected to be invested in domestic capital spending. The Crown Prince also mentioned a few additional developments aimed at capitalizing on the achievements over the first 5 years of Vision 2030. They include:

- Discussions with a global energy peer to sell 1% (c. USD 19 Bn) of ARAMCO. The deal could go through within the next two years
- A secondary round of public share offering for ARAMCO shares in the coming years
- Floating a number of PIF assets this year and further in the coming years
- Current VAT rates are temporary and likely to stay for a maximum period of five years. The rates would be revised within a target of 5% to 10%
- No plans to introduce any form on income tax

These plans would continue boosting the economic development of Saudi Arabia, and further boost the non-oil sector performance. Despite the global challenge in terms of the coronavirus pandemic, Saudi Arabia is on track to achieve its Vision 2030 objectives.

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