

# The Executive Brief

## Issue 20 | Welcome to The Executive Brief – AEI’s curated update for businesses looking to grow, invest, and thrive in Saudi Arabia



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### Welcome back to the AEI Executive Brief

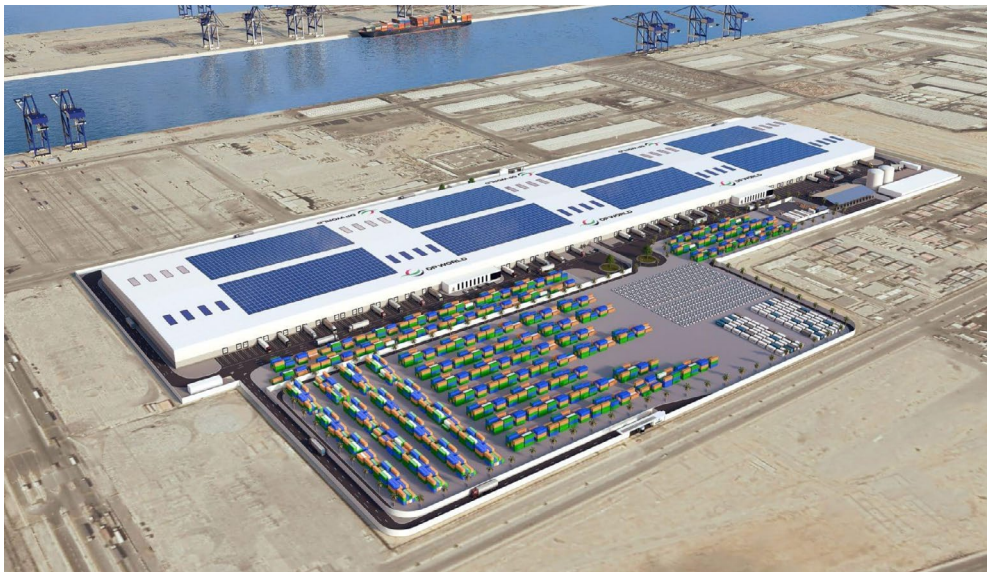
**Saudi Arabia’s investment landscape continued to evolve during May, building on several policy and strategic initiatives introduced earlier in the year and which we have highlighted in previous editions. For AEI’s foreign business and investor colleagues evaluating market entry, May’s developments highlighted three recurring themes: increased market accessibility, greater focus on high-impact domestic investment, and accelerating growth across priority sectors including infrastructure, manufacturing, technology, and artificial intelligence.**

### PIF Strategy Moves from announcement to implementation

As reported in last month’s AEI Exec Brief and following the approval of the Public Investment Fund’s (PIF) 2026–2030 strategy in April, May provided greater clarity on how the new framework will be executed. The strategy prioritises value creation, investment efficiency, and private-sector participation through three portfolios, which are Vision, Strategic, and Financial. Particular emphasis is placed on the six domestic ecosystems of tourism and entertainment, urban development, advanced manufacturing, logistics and industry, clean energy, and finally NEOM.

During May, market participants observed increasing evidence of this shift as investment attention focused on housing, AI, infrastructure, and projects with measurable economic impact. For foreign investors, the key takeaway is that partnership opportunities remain significant, but capital is increasingly directed toward projects that support domestic economic diversification, technology transfer, and long-term national development objectives.

We were delighted to hear at the recent Middle East Sports Investment Forum in London, that our Friends at Musco Lighting are licenced to manufacture in the Eastern Province and their 'made in Saudi' products will be exported around the world. Whilst not specifically linked to the PIF strategy announcement, it demonstrates what success looks like as the strategy unfolds. Furthermore, Musco's arc of success on its investor journey strongly articulates the expanding foreign investment opportunity.



From vision to delivery, Saudi Arabia's next phase of investment is taking shape through infrastructure, industry and logistics.

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## **Regulatory developments expand foreign investment opportunities**

One of the most significant developments affecting international investors has been the continued implementation of Saudi Arabia's liberalised foreign investment framework. Market guidance issued and discussed during May reinforced the practical implications of the Kingdom's decision to open its capital markets to all categories of foreign investors, allowing direct participation in the Saudi stock market without the former Qualified Foreign Investor requirements.

In addition, updated guidance regarding foreign ownership structures and real estate investment procedures has continued to improve transparency for international businesses seeking a long-term presence in the Kingdom. These measures collectively signal Saudi Arabia's commitment to reducing barriers to entry while maintaining regulatory oversight and governance standards. At AEI, we have been talking about the maturing nature of the Saudi market for some time, and that the "quick buck brigade" is making way for banks, institutions

and professional services who take a more considered and longer view of the Saudi market. This is very positive.



Creating the conditions for long-term, global investment

## Strong non-oil growth reinforces market fundamentals

Economic indicator, the Purchasing Managers Index, released following May activity, showed the Saudi non-oil private sector recording its strongest growth in three months. Expansion was supported by improving domestic demand, stronger business activity, and more stable supply chains. While regional geopolitical developments continue to create uncertainty for exporters, domestic economic activity remains resilient.

For foreign companies, this trend reinforces the growing importance of Saudi Arabia's non-oil economy as a source of opportunity. Sectors linked to consumer spending, business services, logistics, industrial production, digital technologies, and infrastructure continue to benefit from government support and Vision 2030 investment priorities.



Global events supporting long-term economic growth

## Accelerating momentum in industrial, infrastructure and AI projects

May saw continued momentum across industrial and infrastructure development programs, including new mining investments, manufacturing expansion, digital infrastructure projects, and artificial intelligence initiatives. The Kingdom's focus on developing globally competitive industrial capabilities remains central to economic diversification efforts.

The growing concentration of investment in advanced technologies and industrial ecosystems is creating opportunities for international firms with expertise in engineering, automation, digital transformation, AI, renewable energy, logistics, and industrial services. As major projects move from planning to execution, demand for foreign technology, operational expertise, and strategic partnerships is expected to increase. In particular, AEI are taking part in a number of conversations regarding the supply chain for Expo 2030 on the back of RFPs beginning to emerge.

If you are interested in discussing any of the subjects contained in this month's executive brief, please get in touch with one of our team at [info@aeisaudi.com](mailto:info@aeisaudi.com)

**Trust AEI – experts in Saudi success. We support foreign businesses to enter the Kingdom, establish operations, and succeed long term.**



### AEI Saudi Executive Brief

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