

The Executive Brief

Issue 19 | Welcome to The Executive Brief – AEI’s curated update for businesses looking to grow, invest, and thrive in Saudi Arabia



AEI Saudi
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Welcome back to the AEI Executive Brief

Saudi Arabia continues to evolve rapidly as a destination for foreign investment, with April 2026 marking another significant period of policy recalibration, regulatory tightening, and strategic repositioning. AEI have been reporting every month for over a year that the Kingdom’s transition toward a more disciplined, domestically focused growth model, aligned with Vision 2030, has direct implications for international investors seeking market entry or expansion. This is our latest monthly summary of insights for you to consider.

The Public Investment Fund 2026–2030 Strategy is a shift to Domestic Value Creation

In April, the Saudi Arabian leadership formally approved the Public Investment Fund’s (PIF) 2026 to 2030 strategy, sign posting a decisive pivot in capital allocation. The nearly \$925 billion sovereign fund will now direct almost 80% of investments domestically, prioritizing sectors such as tourism, logistics, clean energy, and advanced manufacturing.¹

The strategy introduces a structure of Vision, Strategic, and Financial portfolios, all designed to balance national development goals with financial returns and risk management.²

AEI clients should note the increased emphasis on private sector participation (a pendulum swing away from the centre that we have described before), co-investment models, and stricter performance criteria. This marks a formal transition from rapid expansion to efficiency, governance, and sustainable returns, creating more structured, but also more selective entry opportunities.

AEI clients should therefore expect more focused projects and programmes, tighter budgets, and more stringent procurement processes. Regulatory compliance is a fundamental undertaking of AEI service delivery, but if your business also needs advice on local partnerships and supply chain integration as the PIF strategy rolls out, please reach out to info@aeisaudi.com



From Expansion to Efficiency: PIF refocuses on domestic value creation

The strategic reallocation of capital and reduced overseas spending

Recent developments also highlight a broader recalibration of Saudi capital deployment globally. Notably, PIF announced it will discontinue funding for high-profile international ventures such as LIV Golf after 2026, citing misalignment with its revised priorities.^[3] This reflects a wider strategic trend which is a reduced appetite for high-cost, non-core international investments and increased scrutiny of return on investment at home and abroad.

Many AEI clients will receive this change in course direction as a positive as it implies that capital inflows will increasingly favour projects with clear domestic economic impact, technology transfer, or alignment with national priorities. However, while outbound Saudi investment remains significant, inbound investors should expect more rigorous evaluation standards and stronger alignment requirements with Vision 2030 objectives. This change of

tack and step change in maturity will add to the growing confidence of international regulated clients and service providers already entering the market.



A strategic pivot: capital deployment shifts towards focus, discipline, and domestic impact

More regulatory changes by the expansion of Saudization requirements

Another month, another key regulatory development. In April, we witnessed the expansion of Saudization (local workforce nationalisation) policies. Effective April 5, 2026, the Saudi government mandated 100% Saudi national employment in 69 specified private-sector roles across industries, including retail, hospitality, IT, and consulting. ⁴

This policy, enforced by the Ministry of Human Resources and Social Development, represents another substantial tightening of labour regulations. As always, non-compliance will result in penalties, making workforce structures a critical consideration for new entrants. For investors, this underscores the importance of local talent development and HR compliance strategies. Those who know the AEI 6 'P's will tell you how we can assist you with Planning to ensure operational continuity.

The strengthening of governance and economic frameworks

April also saw the introduction and enforcement of broader economic governance measures, including a new Financial Oversight Law to enhance transparency, fiscal accountability, and regulatory compliance. Additionally, the Saudi cabinet approved cross-border agreements

and tax-related measures to facilitate international business activity while maintaining oversight⁵

These developments reinforce Saudi Arabia's trajectory toward a more mature and rules-based investment environment. While this improves long-term market stability and investor confidence, it also increases compliance expectations. Businesses entering the market should prepare for more formalised regulatory processes, enhanced reporting standards, and tighter financial scrutiny. The AEI team are on hand to assist.



Built on stronger foundations: governance and transparency are driving long-term investor confidence.

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

[1] Reuters 15 April 2026 Timour Azahari & Jana Choukeir

[2] PIF Press Release 15 April 2026

[3] Reuters 30 April 2026

[4] Arab News 6 April 2026

[5] Arab News 22 April 2026



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