

The Executive Brief

Issue 16 | The Executive Brief Strategic insights for businesses shaping their next phase of growth in Saudi Arabia.



AEI Saudi
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It is not too late to wish our Executive Brief readers a Happy New Year, whether you have been with us from the beginning or this is your first read.

The 2026 version will change tack slightly, with a lighter touch on the volume of content, but it will remain a curated selection of analysis of activity in the Kingdom of Saudi Arabia and how it may affect your business as an international invest

NEOM and New Murraba are scaling back. Is it really news?

The official line on NEOM is that “the Saudi Arabia’s Olympic Committee and the Olympic Council of Asia have agreed to indefinitely postpone the 2029 Asian Winter Games, which were to have been held in a mountain resort in NEOM.” The FT comments further still that sources have reported that NEOM will be “significantly downscaled”.

Although “officials from PIF, the Saudi government and the New Murabba project did not respond to Reuters requests for comment” the Arab news is reporting that work is also suspended on the Mukaab (cube) in Riyadh.

Whilst these reports will be hugely disappointing for many individuals working on these projects and for some businesses in the supply chain, this is not only anticipated but also advocated by many as a positive; see AEI's Exec brief Oct 2025. AEI have been reporting for over 12 months on the 'recalibration' taking place in the Kingdom, with amongst other things, adjustments to government spending through PIF, strategic pivots to AI and tech as well a pendulum swing to the private sector.

This focus from the centre which includes restructuring funding plans means a guaranteed runway for short term deliverables such as Expo 2030 and the 2034 World Cup, but also long-term planning for sustainable government programmes and projects in the base economy. Think railways, ports, education, health. Furthermore, the arrival of a vibrant, market focussed, and well-funded private sector is a welcome addition. The business opportunity in Saudi has not been reduced; it has just been reset with more defined parameters.



Flagship developments like New Murabba reflect Saudi Arabia's long term vision – even as priorities are recalibrated to balance ambition with delivery

More changes to Saudization rates

The Ministry of Human Resources and Social Development (MHRSD) recently announced three decisions to increase Saudisation rates in engineering, marketing, and sales professions.

The Saudisation rate for general engineering professions will increase to 30%, while the minimum monthly salary in the private and nonprofit sectors will rise to SAR 8,000.^[4]

The Saudisation rate for marketing professionals in the private sector will increase to 60%, effective from 19th January 2026. The decision applies to establishments employing three or more workers in marketing roles, with a minimum monthly wage set at SAR 5,500. The targeted professions include: Marketing Manager, Advertising Agent, Advertising Manager, Graphic Designer, Advertising Designer, Public Relations Specialist, Advertising and Promotion Specialist, Marketing Specialist, Public Relations Manager, and Photographer.^[5]

The Saudization rate in sales professions in the private sector rises to 60% effective from the same date. It also applies to establishments employing three or more workers in sales roles. The targeted professions include: Sales Manager, Retail Sales Representative, Wholesale Sales Representative, Sales Representative, Information and Communications Technology (ICT) Sales Specialist, Sales Specialist, Commercial Specialist, and Commodity Broker.

Businesses can expect to see more changes to come in 2026 as part of government efforts to “strengthen the participation of national talent in the labor market, raise localisation levels in specialised roles, and create attractive, productive employment opportunities for Saudi men and women across all regions of the Kingdom.”^[6]



Updated Saudization rates highlight the importance of forward workforce planning for businesses operating in the Kingdom

A busy start to 2026

Whilst there may be a re-focus in government spending and the use of capital across the Kingdom, there is no change in the breadth or pace of the market opportunity, as evidenced by the continuation of conference season. The message is clear; there is much to be getting on with.

In January, the UK’s Department of Business and Trade asked AEI to brief at both the Future Minerals Forum and the separate IFAT Saudi Arabia. The latter conference is part of the world’s largest network for environmental technologies. In a different opportunity, we were delighted that Yvonne and Abbie, two of our team, were keynote speakers at Wellbeing at Work (our third year supporting this event), demonstrating how corporate culture is changing in the Kingdom. AEI were also in attendance at Big 5 Construct.

AEI was also asked by our strategic partners at the Ministry of Investment (MISA) to attend MESIF Riyadh 2026. This maturing sports investment forum is developing an essential multinational ecosystem and supply chain not only for the delivery of the 2034 World Cup, but also for domestic sport participation and the expansion of physical education across a national population of 36 million people, 71% of whom are under 35.^[7]



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Finally, we look forward in February to attending the biennial World Defence Show, during which we will be running our own networking breakfast on Wednesday 11th Feb. The event has been built around a multinational AEI Defence environment created over 15 years and will take place away from the hustle and bustle of the conference in a more intimate networking space. Please reach out to info@aeisaudi.com if you are interested in attending.

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

[1] Arab News 25 Jan 26

[2] FT London 25 Jan 26

[3] Arab News 27 Jan 26

[4] Arab News 4 Jan 26

[5] MHRSD Website

[6] Ibid.

[7] GSTAT Saudi Family Statistics report 2024.



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