Issue 22 | Welcome to The Executive Brief – AEI's curated update for businesses looking to grow, invest, and thrive in Saudi Arabia

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August 31 2026

Welcome back to the AEI Executive Brief

August reinforced the two defining themes of 2026 which are accelerating economic diversification and deepening compliance discipline. The headline was the Aramco-Maaden joint venture, opening a vast new frontier for mineral exploration. Meanwhile, the final phase of the unified employment contract regime took effect, the Saudi Exchange cut derivatives fees to deepen capital markets, the non-oil economy posted a fourth straight month of expansion despite regional headwinds, and giga-project recalibration continued. For international investors, the direction of travel remains consistent which is real opportunity in priority sectors, matched by rising regulatory expectations. Leadership teams that treat compliance as a driver of growth, rather than a cost of doing business, will be best placed to capture it.

Aramco and Maaden open a new mining frontier

On 18 August, Aramco and Maaden signed a shareholders' agreement to form a joint venture (51% Maaden, 49% Aramco) for mineral exploration and hard-rock mining across Zone-4, the 'Transition Zone' of the Arabian Platform, which is some 182,000 square kilometres, nearly 10% of the Kingdom's land area. The focus is copper and other energy transition minerals, combining Aramco's 90 years of subsurface data and AI capability with Maaden's exploration expertise; Maaden's Darryl Clark said the partners can now "move faster, explore smarter".[1]

With Saudi mineral wealth estimated at $2.5 trillion, mining remains a priority diversification sector, and the supply chain opportunity for international engineering, equipment, and services firms is considerable.

Saudi Arabia is accelerating exploration for copper and other energy-transition minerals as it develops mining into a major pillar of economic diversification

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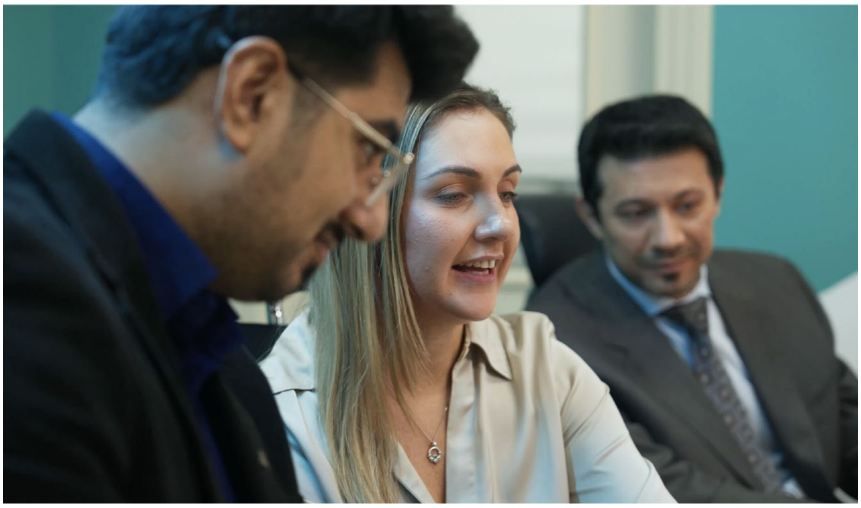
Unified employment contracts – final phase now in force

Regular readers of the Executive Brief will be familiar with consistent labour regulation changes. From 6 August, all remaining indefinite-term employment contracts must transition to the authenticated contract form on the Qiwa platform, completing the three-phase rollout begun in October 2025. Wage clauses in authenticated contracts are directly enforceable through the Najiz enforcement portal (a Ministry of Justice platform), without full labour court proceedings. [2] Employers should audit contracts, confirm Qiwa registration, and ensure payroll matches contracted salaries exactly. Alongside the Saudization quotas covered in our April and June/July editions, HR compliance remains a first-order consideration for any new business in the Kingdom – the direct enforceability of wage terms raises the cost of getting this wrong, and the AEI team is on hand to assist.



AEI supports international businesses in maintaining compliant employment contracts, payroll processes and workforce records across Saudi Arabia

Capital market deepening - derivatives fees cut

Effective 19 August, the Saudi Exchange and clearing house Muqassa lowered fees for index futures tied to the Kingdom's 30 largest listed firms, including a one-year waiver of futures transaction and settlement fees, plus revised margin requirements, to attract more investors and trading firms.[3] Following the opening of the Tadawul (the Saudi Stock exchange) to all categories of foreign investor reported in our May edition, this is a further, deliberate step in maturing the Kingdom's capital markets, and good news for AEI's institutional clients.

Non-oil economy holds firm through regional headwinds

The Riyad Bank PMI registered 53.1 in July, a fourth consecutive month of expansion, with the bank's chief economist noting that "domestic demand is gradually strengthening as market conditions normalize".[4] This resilience matters; flash estimates showed second-quarter GDP contracting 4.8% year-on-year, driven almost entirely by a 24.7% fall in oil activities on disrupted exports, while non-oil activities kept growing.[5] As we reported in June/July, the IMF expects a strong 2027 rebound. The diversifying domestic economy our clients serve is doing its job.

Giga project recalibration continues

Consistent with the reprioritisation we described in March, August brought further changes. New Murabba replaced its chief executive amid the Kingdom-wide reassessment of giga project spending, while LIV Golf cut its workforce as PIF funding winds down, as flagged in our April edition.[6] Our read is unchanged, capital is rotating toward projects with measurable domestic impact, so expect tighter procurement but more credible pipelines.

Construction activity in Riyadh, Saudi Arabia
Image credit: Getty Images via Arab News

If you would like to discuss any of this month's stories, contact the team at info@aeisaudi.com

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

[1] Aramco-Maaden joint announcement, Saudi Press Agency, 18 August 2026; The National, 18 August 2026.

[2] Ministry of Human Resources and Social Development / Ministry of Justice phased rollout; CRS News Flash, 26 August 2026.

[3] Saudi Exchange and Muqassa announcement, reported by Bloomberg, 26 August 2026.

[4] Riyad Bank Saudi Arabia PMI, compiled by S&P Global, 4 August 2026.

[5] General Authority for Statistics flash estimates, 30 July 2026.

[6] AGBI, 27-28 August 2026.