Beyond Vision 2030: Evaluating Saudi Arabia's Path Toward Sustainable Economic Growth

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ABSTRACT

In this article, Saudi Arabia's Vision 2030 has been critically analysed to assess the progress made toward achieving a diversified, non-oil-based economy. By surveying major industries such as energy, tourism, information technology, and finance, the paper examines the comprehensive measures and programs undertaken to stimulate economic growth, attract foreign investment, and foster innovation. It delves into the Kingdom's strategic reforms aimed at creating a sustainable and resilient economy, highlighting how these efforts align with global trends in economic diversification and technological advancement.

The article also evaluates the environmental and socioeconomic costs and benefits of these initiatives, offering a balanced perspective on their successes, shortcomings, and areas for improvement. Additionally, it underscores Vision 2030's alignment with global sustainability objectives, showcasing Saudi Arabia's commitment to adopting innovative technologies and integrating sustainable practices into its economic framework.

Furthermore, this analysis explores the transformative potential of Vision 2030, detailing its role in positioning Saudi Arabia as a forward-thinking nation ready to embrace new economic paradigms. By providing a detailed overview supported by graphics and visual representations, this study aims to enrich the understanding of Saudi Arabia's journey toward a sustainable economy. The findings presented in this article are not only of interest to policymakers and investors but also to scholars and individuals interested in the broader implications of economic reform in the region.

Keywords: Saudi Arabia, Vision 2030, sustainable economic growth, economic diversification, energy sector, tourism sector, technology sector, finance sector, foreign investment, sustainability, environmental impact, socio-economic development, policy evaluation, data visualization, Saudi economic reform

INTRODUCTION

Background of Vision 2030

Saudi Arabia Vision 2030 is a strategic systematic and empowering blueprint of the economic development of Saudi Arabia of Saudi Arabia. The plan that has been developed and envisaged by Mohammed bin Salman in 2016 is Vision 2030 aimed at changing the nature of the country's economy contributing it to be the main economic and cultural hub rather than oil exporting one (Vision 2030, 2016). Vision 2030 is much greater than a long-term development strategy; it is a plan for social and economic change geared towards fostering a sustainable, knowledge based society. Therefore some of the fundamentals in Vision 2030 include the; transformation of the economy from a reliance on the exportation of oil to embracing the development of other sectors in the economy that will enable the society to adapt to change in the system.

Long protected from disclosure, Vision 2030 was developed because Saudi Arabian conception of development based on oil exportation is not sustainable in the long haul (Smith, 2018). International seasonal demand and supply for energy coupled with

environmental preferable and technological changes have made it inevitable for Saudi Arabia to look for economical diversification. Thus, this paper aims to discuss Vision 2030 as the new paradigm for the launch of the country to a new economic paradigm that will utilize its geopolitic advantage, human capital, and abundant natural resources apart from oil (Al-Faisal, 2019). For this, it is transitioning to become a non-oil economy to make sure that the kingdom's future will not be reliant on the oil market but will be founded instead on other sectors of investment opportunities like technology, entertainment and tourism.

Vision 2030 is built on three core strategic pillars:

1. **A Vibrant Society:**
   This pillar is more centred on making the lives of those in Saudi Arabia healthier, happier and generally more productive through promotion of cultural, recreational, and social activities (Vision 2030, 2016). In this context, it focuses on building the environment for Saudi citizens and residents to provide care for their health, education, as well as the welfare of the society (Al-Faisal, 2018).

2. **A Thriving Economy:**
   The second category aims to diversify the economy, utilize it more than oil for the creation of a sustainable economic environment (Smith, 2018). This also encompasses the efforts that are being made to support the diversification of non-oil sectors including tourism, entertainment, IT and manufacturing, combined with supporting innovation and enterprise (Al-Rashed, 2019).

3. **An Ambitious Nation:**
   The third one so as to engender an efficient and responsible government that can help drive and execute the Vision rightly and appropriately for the advantage of the common populace (Khan, 2020). It is the organisation of governance, additional or upgraded infrastructure, and public services to make sure that Saudi Arabian economic and social goals are met through better management and planning (Vision 2030, 2016).

Vision 2030 is thus a holistic endeavour at redesigning the Saudi Arabian economy, to equip it adequately to face both regional alternation and global transformation (Smith, 2018).

Figure 1: A conceptual diagram of Vision 2030's main goals and sectors, highlighting the three strategic pillars and their key initiative

Importance of Economic Diversification and Sustainability

Saudi Arabia has for long based its economy on exporting crude oil since the country's major sources of income and export have been dominated by oil (Vision 2030, 2016). The high oil-based revenue model has been advantageous for the Kingdom in that it benefits from high oil prices, yet it has exposed it to fluctuating global energy markets (Smith, 2018). Again, a decrease in oil prices, which was evident during the various world recessions and periods of overproduction, significantly affects the country's budget, growth rate, and overall

stability (Al-Rashed, 2019). This heavy dependence on oil revenues has underscored the urgent need for economic diversification to shield the Kingdom from market volatility. Recognizing these vulnerabilities, Vision 2030 aims to establish a more sustainable and balanced economy that is less reliant on oil. By focusing on non-oil sectors, the Kingdom seeks to reduce risks associated with global energy market fluctuations while fostering long-term economic resilience and stability.

Thus, economic diversification plays an absolute role in Saudi Arabia's future sustainability. Vision 2030 understands that for the kingdom to realize sustainable and long-term growth, the kingdom has to diversify the economy away from the oil sector as can be seen in sectors such as technology, entertainment, tourism, manufacturing, and finances. With the vision of diversifying the Saudi Arabian economy, the kingdom plans to generate new employment opportunities for its citizens, encourage development of new industries, and encourage foreign investors to set foot in the kingdom; all of which shall be useful in addressing the future volatility of oil prices, as well as the shift towards the development of renewable energy sources (Al-Faisal, 2018). Diversification will also counter the economic vulnerability relating to the over-dependence on oil, which shields the Kingdom from future world upheavals. This strategic shift is possible mainly because the Kingdom of Saudi Arabia is determined to establish a more inclusive and diverse economy.

Other than economic diversification, sustainability is a core and essential component of Vision 2030. Sustainability means sustainable in its environment of operation as well as sustainability in the economy, and this is the idea of Vision 2030. Accordingly, Saudi Arabia has vision to build circular economy where the country could use renewable energy to manage its resource efficiently and to build the green technologies (Smith, 2018). The country is on the right track on this front, for example through the development of NEOM; the futuristic city on the Red Sea built on sustainability, innovation, and the use of advanced technology and artificial intelligence (Al-Rashed, 2019).

Moreover, new economy diversification will begin to have constant economic growth to make the Kingdom less susceptible to the shift to clean energy across the world (Khan, 2020). As the global transition towards decarbonization gathers pace, Saudi Arabia's capacity to do so and diversify into clean and innovative industries is going to be crucial to its future prosperity on the basis of Vision 2030 (2016). By embracing advancements in renewable energy, the Kingdom aims to position itself as a leader in sectors such as solar and wind power, hydrogen energy, and carbon capture technologies. These efforts are not only geared toward reducing domestic reliance on fossil fuels but also toward establishing Saudi Arabia as a global exporter of clean energy solutions.

Table 1: Shift from an oil-dependent economy

Sector	Current Share of GDP (%)	Targeted Share of GDP by 2030 (%)
Oil & Gas	45%	30%
Non-Oil Sectors (Total)	55%	70%
Technology	5%	10%
Tourism	2%	6%
Manufacturing	10%	15%
Finance	5%	10%
Healthcare	2%	5%
Entertainment	1%	7%

This table illustrates the shift from an oil-dependent economy towards a more diversified one by 2030, in line with Saudi Arabia's Vision 2030 plan.

METHODOLOGY

In detail, this work assesses the Saudi Arabia's sustainable economic development agenda in the context of the Vision 2030, which highlight the ongoing diversification of the economy that has been dominated by oil exports. These are reasons to show that using a mixed method approach, both qualitative and quantitative is the best approach for evaluating the Countries Transition. The methodology aims to assess the outcomes of all Vision 2030 projects; the success of diversification strategies; and the place of sustainability in development. The methodology follows four main components: samples, business sector, data analysis methods, and case study investigation.

Data Collection

Data collection for this study is divided into two main categories: There are two kinds of data, namely primary data and secondary data.

Primary Data

To some extent, primary data will be gathered with the help of semi-structured interviews carried out with the key stakeholders:

Policymakers: Top politicians who are currently managing the policy formulation and implementation of Vision 2030 (Vision 2030, 2016).

Industry Leaders: Members from organizations of identified sectors for diversification; energy, technology, tourism, and financial institution senior management.

Academic Experts: Experts in the subject of Saudi Arabia economy development and economic studies.

These interviews will seek to establish the experience of the selected organisations at implementing Vision 2030 measures and the opportunities and challenges encountered in the process of attaining the vision's goals that include development of non-oil sectors, enhanced innovation and sustainability.

Secondary Data

Secondary data is obtained from cross-sections of reliable books, journals and databases:

Government Reports: Annual and other Saudi Vision 2030's update documents and files, which highlights its achievements and issues experience in terms of the Saudi Arabia's economic structural change (Saudi Vision 2030 Committee, 2020).

Economic Indicators: Annual GDP growth rate of KSA, sector wise distribution in KSA GDP, FDI and employment statistics data for KSA and compare it with the other developed nations by using firmly established databases like the world bank, IMFA, SAMA etc., of current year and previous years data (World Bank, 2020).

Industry Reports: The countries' analytical works by Noble House firms such as McKinsey & Company, PwC, and EY containing outlooks on sectors that have the ability to generate value within the Saudi Arabian scanners of diversification (PwC, 2020).

Table 2: Data report

Data Source	Type	Details
Saudi Vision 2030 Committee Reports	Government	Annual reports and updates on Vision 2030 progress.
World Bank Data on Saudi Economy	Global Economic Data	Data on GDP growth, sectoral contributions, and FDI.
Industry Analysis by McKinsey & Co.	Consultancy Reports	Sector-specific reports on economic diversification.

Sectoral Analysis

Thus, another important focus of this work is an assessment of the Saudi diversification strategy regarding various sectors specified in Vision 2030. Such sectors are energy, information technology, tourism, manufacturing, finance, and entertainment. Sectoral analysis will include the basic comparison of the current share of these sectors in the total national GDP, with the set goals for 2030. The following sectors will be explored in depth:

- **Energy and Renewable Resources**: Of course, with such a focus on oil, Saudi Arabia has still invested rather a lot into renewable energy above all solar and wind power. This transition is intended to decrease the role of oil in the country and to diversify the type of energy (Al-Faisal, 2019).
- **Technology:** It has become evident that the technology sector is central to Vision 2030 since much effort is directed towards development of a digital economy and encouragement of technological advancement. There are many programmes including, but not limited, to the Saudi Digital Transformation Plan which target AI, smart cities, and IT support (Smith, 2018).
- **Tourism and Entertainment:** A major part of Saudi Arabia's diversification strategy involves the development of the tourism industry – large-scale projects such as the Red Sea Project, NEOM and Al-Ula (Khan, 2020).
- **Finance and Banking**: Increasing the efficiency of the financial sector of Saudi Arabia is one of the primary concern. Activities include a campaign for foreign direct investment, the creation of an enabling environment for fintech companies, and the remodelling of Riyadh as an international financial city (Al-Rashed, 2019).

Data Analysis Techniques

The evaluation of Saudi Arabia's advancement towards the accomplishment of Vision 2030's economic diversification goals of this paper incorporates quantitative and qualitative analysis method approaches. Bearing this evidence in mind, these techniques offer the insights on the details policies and performance as well as different initiatives taken in the kingdom of KSA.

Quantitative Analysis

Descriptive Statistics

Purpose: To establish the trends common to various sectors of economy in order to generalize them.

Focus: Identifying how present current sector contribution map to the total GDP of Saudi Arabia. Comparing these contributions to the Teased sectorial percentage figures specified for 2030.

Outcome: Offers good insight on the extent of diversification. Draws attention to the fact that the performance noted, is still below Vision 2030 goals and objectives.

Regression Analysis

Purpose: To determine probable future sectoral growth and measure the performances of Vision 2030 programs.

Methodology: By using regression equations and econometric models, persons should analyse such separate components as investment from other countries, employment, and sectors' development.

Outcome: Illustrates the anticipated course of change of liberalization. Discusses antecedents, which have an impact on the diversification of the economy.

Comparative Analysis

Purpose: To compare Saudi Arabia's experience with other economies in similar transformation process like the UAE and Qatar.

Methodology: Develop and compare factors such as diversification of GDP, FDI and sector wise growth in similar country.
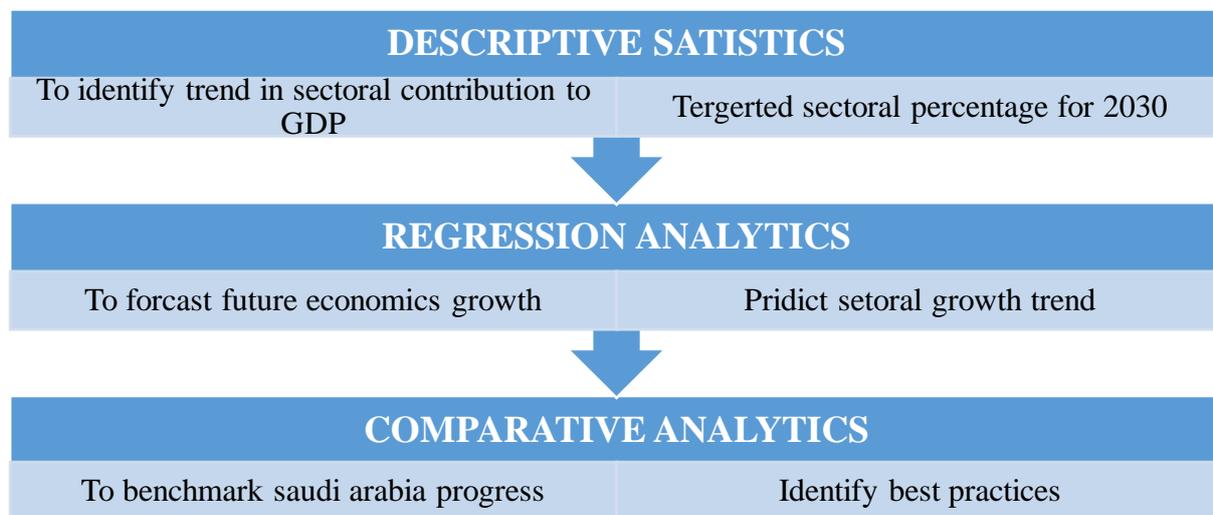
Outcome: Offers understanding of Saudi Arabia's ranking as a country in the world. It draws out key successes of the Vision 2030 framework and the ways in which it may learn and develop.

Qualitative Analysis

Purpose: In order to evaluate the contextual, policy, and socio-economic factors of Vision 2030 reforms drafted.

Methodology: Key findings using documents: sources such as government reports and policy documents; key informant interviews. Assessment of the social and environment effects of large-scale projects in Tanzania's Vision 2030.

Outcome: Supplements statistical outcomes with descriptive analysis. Provides a comprehensive view on the subject involving the transition of the Kingdom's economy.

DESCRIPTIVE SATISTICS	
To identify trend in sectoral contribution to GDP	Tergeted sectoral percentage for 2030

REGRESSION ANALYTICS	
To forcast future economics growth	Pridict setoral growth trend

COMPARATIVE ANALYTICS	
To benchmark saudi arabia progress	Identify best practices

Figure 2: Analytical Methods for Evaluating Vision 2030

Qualitative Analysis:

- **Content Analysis:** Content analysis will be used in assessing reports from the government, policies and interviews. Using this method will ensure that different themes like innovation, governance and sustainability among others are recognized and their effectiveness or otherwise in implementing Vision 2030 analysed.
- **Thematic Analysis:** In light of this, the study will use thematic analysis to identify and discuss key themes relating to implementation of Vision 2030 including the 'peak' and the 'valleys' experienced across the countries. It will also evaluate the factor such as socio-economic effects of certain projects such as NEOM and Red Sea Development Project (Al-Faisal, 2019).

Case Study Exploration

Based on the analysis methods discussed in the methodological part above, this study goes further to explore actual real-life applications of Vision 2030 through exploring flagship projects. Information about goals, their implementation, and results are provided through these examples, which relate to the Vision. The selected projects highlight how Saudi Arabia is addressing diverse aspects of economic diversification, sustainability, and technological innovation:

1. NEOM

A city still in the making, NEOM mirrors many goals of Vision 2030 while serving diverse aims at once.

Key Features: Smart city architectural design, artificial intelligence, IoT, renewable energy systems. The concept of checking economic self interest in favour of a balanced ecosystem with greater emphasis on social and physical environment. Sustainable infrastructure to build a city in which every need can be self-provided according to the city's needs of the future.

Role in Vision 2030: Illustrates Saudi Arabia's vision of developing a knowledge-based economy and green future. Acts as a pilot for the realization of Vision 2030 in terms of technology, sustainability, and social well are (Khan, 2020).

2. The Red Sea Project

This paper focuses on a revolutionary tourism plan geared towards consolidating Saudi Arabia as a tourist destination.

Key Features: Allianz's luxury resorts with minimal people's ecological footprint. Development of ecotourism in which the preservation of tropical forest as a bio-diverse region is of paramount importance. To diversify its economic base more effort should be made to market the country for international tourism.

Role in Vision 2030: Serves as the invitation to Saudi Arabia investors as one of the places to be for investors to invest in. It increases foreign direct investment and contribution of Non–oil Gross Domestic Product.

3. Digital Saudi

An overall approach for Saudi Arabian transformation regarding it a foremost digital economy country.

Key Features: Demographics such as the Vision 2030 Digital Economy Enablement Program. Use of e- government technological applications to streamline delivery of services. Technological related investment in 5G networks or cybersecurity amongst others.

Role in Vision 2030: Promotes economic diversification because it encourages innovation and creation of new businesses. Enhances competitiveness on the international digital platform.

Expanding Impacts of Cases: All these projects together present how Vision 2030 is being executed and achieve the objective of proving that Saudi Arabia is set out to change its economy and society.

Common Themes: Their strategic imperative is: sustainability and innovation. Keeping up with the trends that are exhibited around the world in terms of development in technology and environmental management. Development of local and international state actors in the achievement of development goals.

Table 3: Key Vision 2030 Projects and Their Impacts

Project	Sector	Key Objectives	Vision 2030 Contribution
NEOM	Urban Development	High-tech innovation, sustainable ecosystem, advanced infrastructure.	Pioneers future cities with integrated technology, sustainability, and global appeal.
Red Sea Project	Tourism	Ecotourism, luxury hospitality, biodiversity conservation.	Boosts non-oil GDP, creates jobs, and attracts international tourists.
Digital Saudi	Technology	Transition to a digital economy, e-government, enhanced digital infrastructure.	Encourages innovation, attracts tech investments, and strengthens Saudi Arabia's economy.

DISCUSSION

Saudi Arabia's Vision 2030 is a large-scaled, far reaching agenda of change that aims at the transformation of the Kingdom of Saudi Arabia's economy, society and environment. Accordingly, the Kingdom intends to shift its economy beyond the dependence on oil revenues, promote leadership in adopting innovative international trends in the consumption of renewable energy in addition to boosting technology and socio-economic development in the Kingdom. Similarly, the initiative confirms the sustainable development oriented strategic vision for a more robust and durable economy over the longer term.

There have been problems along the way and much as the country has advanced in areas such as tourism, technology and renewable energy. This discussion advances the analysis of the effects, continuously emerging challenges, and potential advancement related to Saudi Arabia's fostering of Vision 2030, including its achievements and challenges that still deserve more strategic approaches. This study aims to explore the Kingdom's experience and evaluate such factors that define a long-term perspective and the processes that cannot be called competitive in the global economy.

Economic Diversification: An Advance

It aimed at diversification of the economy which was one of the key strategies of Saudi Arabia's Vision 2030, which means the Kingdom was striving to leave the oil-dependent model. The Vision 2030 Report (2023) shows changing contribution of the non-oil sector by Nigeria in the overall GDP, from 42% in 2016 to 50% in 2023 due to growth in tourist, manufacturing, and technology subsectors. It also reveals the efficiency of such investments as the NEOM and the Red Sea Projects – all strategic gambles. For example NEOM which has garnered huge international funding has indicated the ability of the Kingdom to drive innovative projects for economic change (Khan, 2020).

But oil is still the key to the government revenues being at over 60 percent of total receipts. This constant dependence shows that the pace of diversification has to be stepped up to achieve the challenging 2030 goals. The fluctuating markets of the global energy increases the necessity to have better development of economic independence by having top-notch sectoral diversifications. Such vulnerabilities leave little option for Saudi Arabia other than to continue pushing for investment into sectors outside of oil and ensuring the current policies in place are stable enough to mitigate for fluctuation in the market place (Smith, 2018).

Further, the process of diversification has started bearing some socio–economic dividends such as improved employment opportunities and foreign investors' attractiveness. For instance, the tourism industry has experience dynamic growth through an aspect such as visa liberalization and enhancement of cultural tourism sites to actualize the Kingdom's vision of becoming a tourist's paradise. In the same manner, Saudi Arabia owes its increased competitiveness on the international market to the digital economy and advanced manufacturing. Nevertheless, such accomplishments as industrialization, growth of skills in human capital, and greater and more efficient capital formation are some of the achievements most organizations face challenge such as lack of skills in the workforce and need to upgrade infrastructure to support long term development.

Technology and Digitalisation

Information technology constitutes a part of the Saudi Arabia Vision 2030 as the main contributor of change at economic and social levels. Schemes such as 'Digital Saudi' and the continuous progress in the creation of projects linked with 5G have placed the Kingdom ahead in the global digital economy in the MENA region. These are not only designing and developing convenient infrastructures but also encouraging innovations and engineering Saudi Arabia as a technological country. Marketing of the digitalization process has ensured

that locals and global investors invest heavily in the country and offer a friendly environment for innovation and creativity (Al-Rashed, 2022).

Furthermore, the digital transformation strategy has led to the development of new related fields, including e-commerce, fintech, and artificial intelligence in the Kingdom of Saudi Arabia which helped expand the economy. Another important improvement has been realization of job creation in the high technology firms owing to the government's proactive roles in the generation of a knowledge based economy under the country's socio-economic blue-print, Vision 2030. Also through enhancing cybersecurity the National Cybersecurity Authority has been an added advantage to investor confidence in the protection of data.

However, concerns still remain – for instance, while it seem that digital divide has been narrowed such that urban citizens are now equally as digitally connected as rural citizens, the rural areas are still not as digitally connected as their urban counterparts are. Further, the growth of digital strategies is also meteoric, and there is need to enhance the legal environment to regulate for data protection issues and other cyber security threats. There will be great importance in maintaining openness and integrity together with managing new technologies and public expectations as they form key variables for fostering continuous, long-term digital transformation goals (Al-Faisal, 2019).

Thus, while Saudi Arabia continues further down this road, maintaining the link between ICT advancement and the achievement of socio-economic and security objectives will be decisive. There remains significant potential to increase digital engagement through multi-stakeholder partnership that utilises public and private entities: this could expand access to digital services to mitigate uneven geography of the digital revolution's benefits' distribution.

The Progress in Tourism and Cultural Revolution

Basically, tourism has become one of the main focus of the Kingdom of Saudi Arabia as both business and leisure travellers visit the country. Such endeavours as the Red Sea Project, and the publicity of AlUla for tourism, has put the Kingdom in a strategic and cultural domain (Vision 2030, 2016). Again, targets set by the KSA included; By 2023, the KSA recorded success in the highest number of visitors with 19 million visitors showing the impact of their implemented strategies as mentioned by Khan in 2020. Further, with the establishment of easier visa regimes as well as cultural events that include the Riyadh Season, there is ongoing expansion in the sector.

In spite of all these achievements; there are some issues that still remain un solved. The sector has threats such as competition from existing tourism destinations like UAE, infrastructure requirements and challenges and having to adopt fresh approaches, society and the environment. Solving these problems could help realize Saudi Arabia's full tourism potential to place the Kingdom on the world map as a must-visit tourist destination (Smith, 2018). These barriers will have to be met by a synergy of investment push, workforce development, and sustainable initiatives that support Vision 2030.

Figure 3: Diagram: Vision 2030 – Tourism Sector Transformation

Environmental Responsibility and Green Practices

Environmental sustainability is a fundamental goal of Vision 2030 as Saudi Arabia seeks to include sustainable development to its economic plans. Among them, the Green Saudi Initiative focuses on cutting back emissions and the development of renewable power. In the same year, or by 2023, the Kingdom was able to produce 10% of its energy from renewable sources This progress marks the Kingdom closer to its vision of achieving 50% of energy from renewable sources by 2030 (Al-Faisal, 2019). Such other programs under this initiative include large scale afforestation and development of solar and wind electricity generation facilities.

However, there are still fears about parallel investments that the Kingdom is making in related industries in the oil sector. Some of these critics put forwarded that such investments may be incongruent with the larger environmental plans of Vision 2030. To surmount this duality, Saudi Arabia needs to enhance the quality of the environmental information disclosed and also advance circular economy solutions. This would entail not only an expansion of renewable energy projects but also the promotion of innovation in waste, resource and urbanism sustainability (Al-Rashed, 2022).

Table 4: Saudi Arabia's Environmental Sustainability Under Vision 2030

Initiative	Objective	Achievements by 2023	Challenges	Future Goals
Green Saudi Initiative	Reduce carbon emissions, promote renewables	10% of energy from renewables	Balancing oil investments with green ambitions	Achieve 50% energy from renewables by 2030
Renewable Energy Projects	Develop solar and wind power	Installed key solar and wind farms	High initial investment costs	Expand infrastructure, lower costs
Circular Economy Solutions	Enhance resource efficiency, reduce waste	Initial implementation in select sectors	Lack of widespread adoption	Fully integrate across all industries
Afforestation Efforts	Plant 10 billion trees	Initiated regional greening projects	Arid climate challenges	Overcome with innovative techniques

These initiatives underscore Saudi Arabia's effort to align its growth trajectory with global sustainability standards. Accelerating such efforts while addressing existing challenges will be critical in realizing the environmental aspirations of Vision 2030.

Comparative Analysis

Examining Index of Economic freedom of Saudi Arabia paints a mixed picture with respect to its economic evolution vis-a-vis peer economies in the gulf cooperation council starting with the UAE and Qatar. Saudi Arabia, in its Vision 2030, aims to diversify the economy by decreasing the share of oil-dependent income with the aim to build more sustainable and secured economy. Though Vision 2030 has produced progressive movements in many sectors of the economy than UAE, in some aspects it is seen to be advancing more slowly; for example in the diversification of economy noting tourism, finance, and real estate sectors and so on (Vision 2030 Progress Report, 2023).

The UAE has been able to achieve so much infrastructure here in the long-term vision of fixed infrastructure, the supportive Regulations and policies on the FDI and having free zones here for the International companies to converge. One the hand while Saudi Arabia continues to develop diversification projects such as NEOM and the Red Sea Project it still fundamentally depends on oil wealth. The UAE has quickly diversified its economy away from oil in the last few decades to other sectors including finance, tourism and now technology making its economic freedom index robust, thereby is a and more diversified and mature economy than most of its counterparts in the region (Smith, 2018).

On the other hand, Saudi Arabia is still struggling with the lack of sufficient levels of regulatory transparency, the concentration of financial markets, and limitations in ease of doing business. However the kingdom has laid its opportunity in other aspects like for instance good geographical position, availability of resources, other than oil, and an upcoming youthful and growing population. However, to achieve its Vision 2030, the country needs to work on the staunch issues that have been a thorn in its side for decades; bureaucracy, winding regulations, and the pace of privatization (Al-Faisal, 2019).

Furthermore, Saudi Arabia has to introduce economic consequences that would deepen entrepreneurial activities, improve innovation environments, and increase FDI. Thus the Kingdom can improve its competitive skill with reference to peer economies such as the UAE and Qatar by rationalizing its business environment, providing better accessibility to capital, and integrating the economy more closely with the world economy. This would enable Saudi Arabia to thereby realize its diversification of economy driven vision in the long-run and at the same time be sustainable.

Social Economic Effects of Vision 2030

This paper will seek to explore the Index of Economic Freedom of Saudi Arabia and use the country and its comparative analysis to other gulf countries like UAE and Qatar. Despite advancement in carrying out Vision 2030, it's found that the kingdom of Saudi Arabia also goes through some of the common issues that other emerging market economies appear to face particularly the issues of diversification of economy other than oil and embarking on new transformed economy projects such as NEOM. Analysing the results and matching it to the performance of the Kingdom and UAE and Qatar systems, identifies strengths and weaknesses. The UAE has done a good job in diversifying the economy over the years and especially in the current fiscal year; tourism, financial & banking, and property investment sectors have made the UAE one of the most competitive economy in the Middle East. However, unlike other countries that have started the process of diversification, Saudi Arabia still has a high dependence on the oil sector for its GDP and government revenues although it is undergoing the process as Vision 2030 Progress Report (2023), shows.

Due to its active and aggressive policies to attract FDI the UAE has managed to diversify its economy successfully, for instance through establishment of special economic zones, low tax burden and investor friendly laws. Major industries such as the financial services together with the tourism industry have boosted the UAEs position in the economic freedom index. This is quite opposite to Saudi Arabia that has remained a role model in slow paced development of the diversified financial system; with the oil and natural gas being the major source of its government revenues more than 60%. Besides the emphasis on infrastructure, UAE has been aiming at development of knowledge economy and calling for investments in technology and renewable energy. A range of new business sectors has begun to emerge and so while diversification attempts by Saudi Arabia are a work in progress at least in terms of the direction of travel, the country does face some regulatory challenges and obstacles to fostering a more diverse private sector.

Nevertheless, many challenges began to improve; Saudi Arabia is gradually strengthening its potential in such key competitive factors as geographical location, demographic structure, and large reserves of hydrocarbons. The government has introduced measures on business environment which includes; measures to ease doing business; measures to improve legal and regulatory environment; and measures to support entrepreneurship. But, the attainment of these lofty goals entails a major transformation of the economy's strategic areas of finance, manufacturing and technology and the ability to ease rigidity in its labour market to encourage drive of the private sector. Also, increased spending in research and development (R, & D), technology, and innovation is needed to catalyse future economic growth.
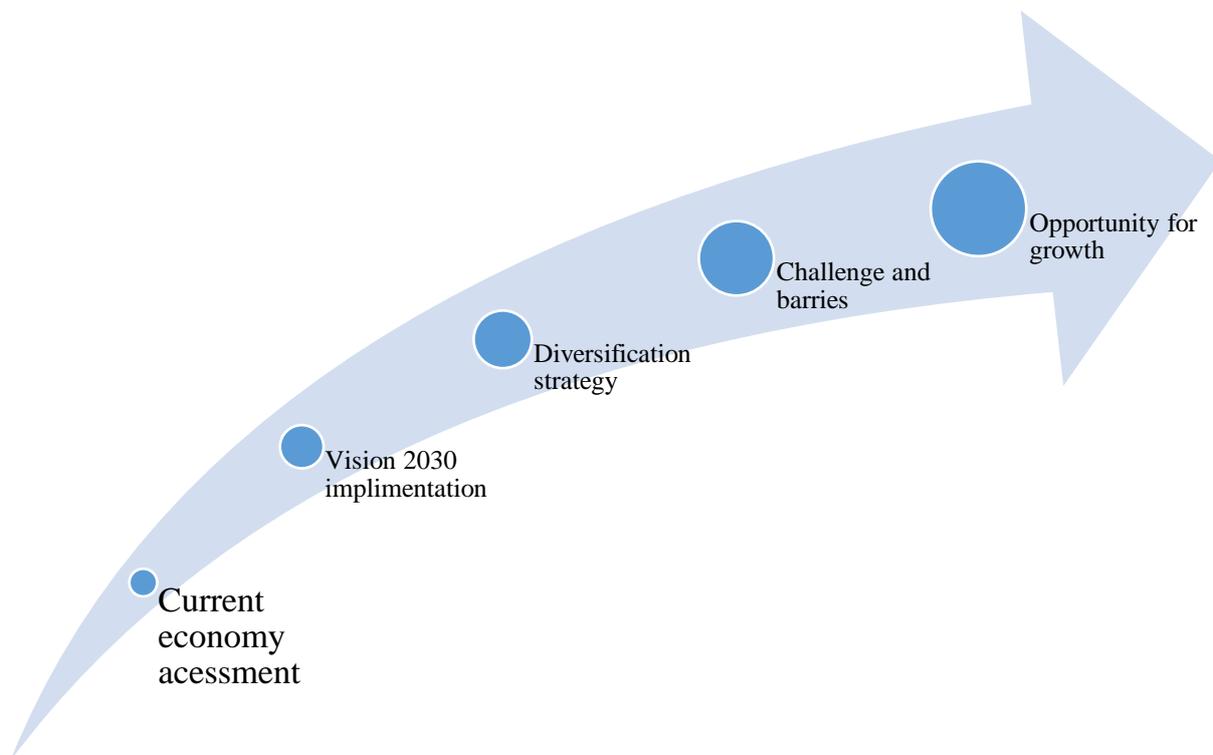

Figure 4: Economic Diversification Process for Saudi Arabia under Vision 2030

CONCLUSION

Therefore, Saudi Arabia's Vision 2030 can be considered as a change management strategy, which targets to redefine the near future Kingdom's overall development in the economic, social and environmental dimensions reducing its dependence on oil. The country has been on the right track in this regard, where a large scale project like NEOM, Red Sea Project, and Digital Saudi has clearly shown government intentions towards modernisation and transformation. Most noticeable is the diversification of sectors such as tourism, technology and renewable energy sources which have already begun yielding fruits given the rising share of non-oil goods to the GDP.

Nevertheless, there are some problems that indispensable to solve, for example, the issue of future diminution of oil export revenues, breakthroughs of the regulating constraints, and the problem of the digital divide in more rural regions adjoin. For Vision 2030 to reach its full potential, the country needs to continue to make changes to its rules and its private sector, as well as investing in education, research and innovation. Environmentally sustainability also ought to be addressed in the Kingdom of Saudi Arabia by beefing up efforts on green technologies and renewable energy sources to accompany the green agenda associated with the Kingdom's economics aspirations.

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