



Sweden
Sverige



BUSINESS CLIMATE SURVEY FOR SWEDISH COMPANIES IN SAUDI ARABIA 2025

A REPORT FROM BUSINESS SWEDEN IN SAUDI ARABIA

TABLE OF CONTENTS

FOREWORD 3

ABOUT THE SURVEY 5

ECONOMIC OUTLOOK 6

THE MARKET 11

HOW SWEDISH COMPANIES SUCCEED IN SAUDI ARABIA 23

ACTING SUSTAINABLY 27

CONCLUDING REMARKS 30

CONTACT US 31

FOREWORD

Saudi Arabia, together with the United Arab Emirates (UAE), has long been Sweden's largest export markets in the Middle East and Swedish businesses are well represented in the Saudi market. Apart from manufacturing and consumer trade, Swedish firms have engaged in significant infrastructure projects across the country, as well as in other sectors like healthcare and education. The bilateral relations between the two kingdoms trace back to the 1950s, when the first Swedish companies established operations in Saudi Arabia. Since then, the economic partnership has shown steady advancement, with approximately 60 Swedish enterprises currently operating either directly or through partners in the Saudi market today.

In 2023, amidst a shifting global economic landscape, the Middle East emerged as the fastest growing export market for Swedish companies¹. In 2024, exports from Sweden to Saudi Arabia increased by almost five per cent compared to the previous year, reaching USD 1.5 billion². Saudi Arabia's national transformation strategy, Vision 2030, aims to diversify its economy away from oil dependence, thereby creating an extensive and varied project pipeline across products, services, and technology. Non-oil activities in Saudi Arabia achieved a historic milestone in 2023, reaching 50 per cent of the country's real GDP. This upward trend continued into 2024, with non-oil GDP expanding by over four per cent compared to overall GDP, which saw an increase of 1.3 per cent³.

Saudi Arabia has enacted reforms to promote social, legal, and economic liberalisation, attracting foreign investment and is expected to continue evolving. EU foreign direct investment inflows to Saudi Arabia totalled USD 8.5 billion, accounting for 17 per cent of the country's total FDI inflows⁴. This data, in conjunction with the recent establishment of the European Chamber of Commerce in Saudi Arabia (ECCKSA) 2024, underscores a growing confidence among European investors regarding the Saudi Arabian market and its business environment. Furthermore, Saudi Arabia's sovereign wealth fund is actively investing both in new, innovative industries and in numerous giga projects. These investments are reshaping the business climate and presenting new prospects for collaboration between Sweden and Saudi Arabia, where contributions from Swedish innovative and sustainable solutions are sought after and can have a positive impact on Saudi's economic and social transformation.

Today, Swedish exports predominantly flow towards Europe, with 74 per cent of exports directed to that region. In contrast, only about two per cent of exports is directed to the MENA region, despite its relative geographical proximity to Sweden.⁵ While regional markets are a natural focus for Swedish exports, there is clear potential for Swedish companies to expand their global reach beyond traditional export destinations. In this context, Saudi Arabia is well-positioned to grow its importance as an export destination for Swedish businesses.

This survey was created for and by the local Swedish business community in Saudi Arabia, conducted through Business Sweden during January and February 2024. Together, we seek to understand the country's attractiveness to Swedish businesses, identify challenges, and determine how to address them. We would like to extend our sincere gratitude to the participating companies and respondents who contributed to this report.

We hope this report will offer valuable insights to all companies interested in the Saudi Arabian market. By considering the perspectives of already established Swedish firms, we hope to provide a valuable addition to other statistical data and macroeconomic analyses related to the market. As always, Business Sweden and the Embassy of Sweden in Riyadh stand ready to support Swedish companies interested in exploring opportunities in the Middle East.



H.E. Petra Menander
Ambassador of Sweden
to Saudi Arabia



Nebe Almayahi
Trade Commissioner of
Sweden to Saudi Arabia

¹ Statistiska centralbyrån (SCB), 2024

² Kommerskollegium (National Board of Trade Sweden), 2024. Swedish exports to Saudi Arabia reached 14 472 million SEK in 2024.

³ Saudi Arabia's general authority for statistics (GASTAT), 2024

⁴ Ministry of Investment in Saudi Arabia (MISA), 2023

⁵ Exportkreditnämnden (EKN), 2025

+34 respondents in Saudi Arabia

Current business climate

91%

of Swedish companies view the business climate as good or very good

Industry turnover

82%

of Swedish companies expect their industry turnover to increase

Future investments

74%

of Swedish companies plan to increase their investments slightly or significantly in the next 12 months

Globally valued success factors

1. Partnerships/relationships
2. Brand awareness
3. Cost efficiency

Brand Sweden

91%

of Swedish companies abroad consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Personal safety
2. Level of digitalisation
3. Distributors/Physical infrastructure/Financial system

Local conditions with least satisfaction

1. Labour market regulation
2. Specialists and key personnel
3. Licences, permits and approvals

Environmental considerations

54%

of respondents believe the environment is a considerable factor in their customers' purchasing decisions

Valued success factors in Saudi Arabia

1. Partnerships & relationships
2. Brand awareness
3. Cost efficiency
4. Sales competence
5. Staff development
6. Public affairs

ABOUT THE SURVEY

The 2025 survey received 34 answers from Swedish companies in Saudi Arabia

Business Sweden in Saudi Arabia carried out this survey to track how Swedish companies operating in Saudi Arabia perceive the market conditions and the economic prospects of their business. The survey also tracks if and how perceptions diverge across company types.

Currently, around 60 Swedish companies are present in Saudi Arabia directly or through a partner/agent. Conducted during January and February 2025, this survey seeks to understand the perceptions of economic and market developments and the opportunities and challenges Swedish companies are facing. The web-based survey contained 23 questions.

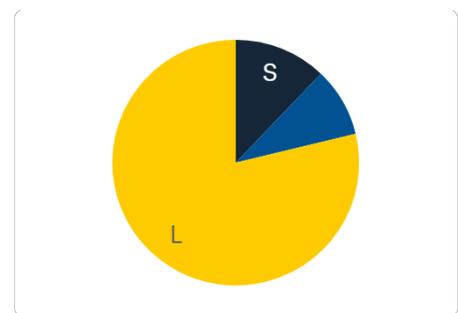
This report is divided into four main sections. First, the report elaborates on the economic situation, including current business performance and Swedish companies' outlook for the upcoming year. The following section focuses on the Saudi Arabian market, including respondents' views on the business climate in general and which factors contribute positively and negatively to their commercial success. The third section covers Swedish companies' operations and perceived success factors in the market, and the last section explores sustainability-related aspects of doing business in the market.

Out of the respondents, 79 per cent are large companies with more than 1000 global employees. Nine per cent of the companies are classified as medium-sized, with 250-1000 employees. The remaining 12 per cent are small companies with at most 249 employees.

The range of business areas represented in this report is grouped into two broad categories: industrial companies (54 per cent) and professional services (46 per cent). Consumer companies are also active in the market; however, they were not represented by the respondents in the 2025 survey. By contrast, in 2024, the consumer segment constituted nine percent of the respondents.

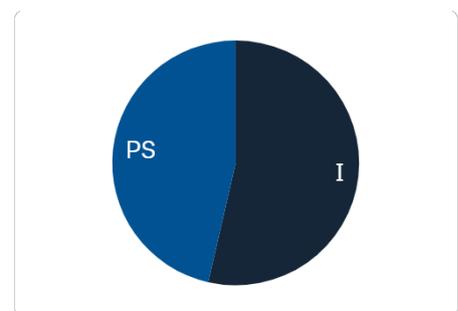
Representatives from 'experienced' companies, classified as companies established in Saudi Arabia between 2004 and 2019, constitute the largest group of respondents in the 2025 survey and make up 47 per cent of the respondents. 'Mature' companies, 38 per cent, are defined as being established in Saudi Arabia before 2003. 'Newcomer' is defined as a company established after 2019 and constitutes 16 per cent of the respondents.

SIZE OF COMPANIES



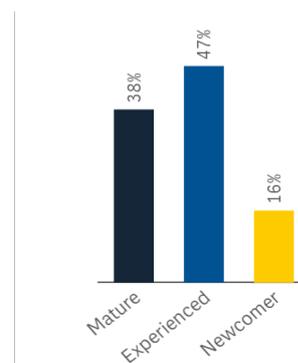
NOTE: Global employees. Large >1000 (79%). Medium 250-1000 (9%). Small 0-249 (12%)

MAIN INDUSTRY



NOTE: Industrial 54%. Professional services 46%.

AGE OF COMPANIES



NOTE: Mature (<2003). Experienced (2004-2019). Newcomer (2020-)

ECONOMIC OUTLOOK

Amidst global uncertainties, Saudi Arabia demonstrates economic resilience and forecasts stable growth in the years ahead

With the discovery of oil in the late 1930s, Saudi Arabia underwent a significant transformation. Once a relatively poor nation, the country experienced an economic boom that propelled it to become one of the wealthiest nations globally. By its substantial oil reserves, Saudi Arabia has established itself as a key player in the global energy market. Home to Saudi Aramco, the world's largest oil and gas company, and ranking as the second-largest oil producer globally⁶. The oil industry has played a key role in shaping Saudi Arabia's economy and has been instrumental in driving its development and prosperity over the years. Saudi Arabia's economy remains highly dependent on oil and gas exports, which amounted to 69 per cent of total exports and 22 per cent of GDP in 2024⁷. Presently, the country is situated among the top 25 nations in terms of GDP per capita globally⁸.

Saudi Arabia is the largest economy in the Middle East⁹ and Sweden's foremost export partner in the region, together with the UAE. Exports from Sweden to Saudi Arabia amounted to USD 1.43 billion in 2024, an increase of almost five per cent from the previous year¹⁰. Swedish businesses are performing well within the Kingdom, with 82 per cent of the Swedish companies surveyed reporting profitable financial performance in 2024. This represents an improvement over the previous year's results and indicates stronger profitability compared to Swedish firms operating in the neighbouring UAE.

Saudi Arabia's financial position remains relatively stable, supported by oil revenues and low levels of public debt. This has supported ongoing investment in infrastructure and development projects, including the government's portfolio of giga projects under Vision 2030. However, in May 2025, Saudi Arabia increased its oil production, marking a strategic shift from previous efforts to support prices through production cuts.¹¹ If sustained, the adjustment could affect fiscal planning and may lead to a reassessment of the scale or timing of some capital-intensive initiatives.

For international companies, the evolving context underscores the importance of aligning with national priorities. Establishing a long-term presence and contributing to the local economy remain important for foreign firms seeking to participate in government-led initiatives. These expectations are part of the government's efforts to gradually reduce Saudi Arabia's reliance on hydrocarbon revenues and expand other sectors of the economy.

Over a third of Swedish companies surveyed generate more than 50 per cent of their MEA region revenue from Saudi Arabia

NOTE: The number of respondents for this question was 34.

SOURCE: Business Climate Survey for Swedish Companies in Saudi Arabia 2025.

⁶ EIA, 2025

⁷ Saudi Arabia's General Authority for Statistics (GASTAT), 2024

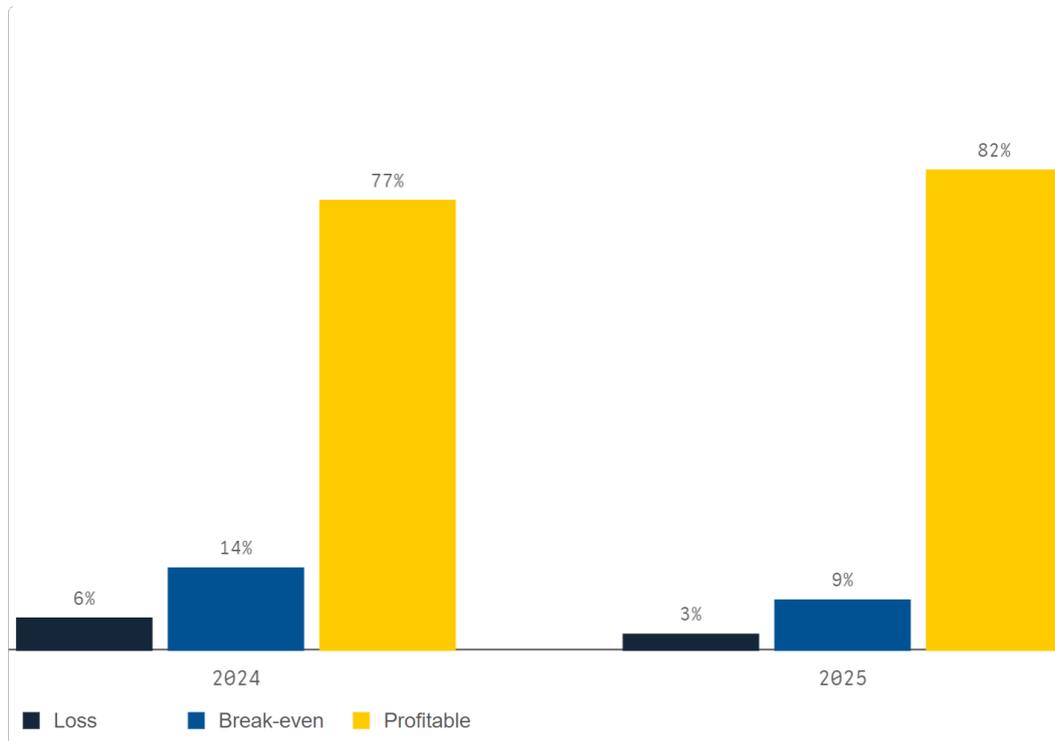
⁸ World Bank (World Development Indicators, December 16, 2024)

⁹ Business Sweden defines the Middle East as Bahrain, Egypt, Iran, Iraq, Palestine, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates, Yemen

¹⁰ Kommerskollegium (National Board of Swedish Trade), 2024

¹¹ Financial Times, 2025

HOW WOULD YOU DESCRIBE YOUR COMPANY'S FINANCIAL PERFORMANCE IN SAUDI ARABIA IN 2024?



NOTE: The number of respondents for this question was 34. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish Companies in Saudi Arabia 2025.

In 2024, a noteworthy 82 per cent of Swedish companies operating in Saudi Arabia reported profitability, while only three per cent experienced losses, a positive trend compared to the previous year. Medium and large enterprises demonstrated particularly strong financial performance, with 100 per cent of medium-sized firms and 85 per cent of large firms reporting profits. In contrast, smaller companies reported a degree of vulnerability, with nearly 25 per cent recording losses; however, 75 per cent of small firms still reported a profitable year.

When analysing profitability in relation to company maturity, the length of time a firm has been established in Saudi Arabia appeared to have a limited impact. Approximately 75 per cent of mature companies (those established for over five years) and 80 per cent of newcomers (recent entrants) reported profits, revealing only a five percentage point disparity between the two groups. Though it is often argued that penetrating the market takes time, this finding suggests that Swedish companies entering Saudi Arabia do so with clear strategies, enabling them to achieve success even as newcomers. The most profitable segment, characterised as experienced companies - those that entered the market between 2003 and 2018 - reported an 85 per cent profitability rate in 2024.

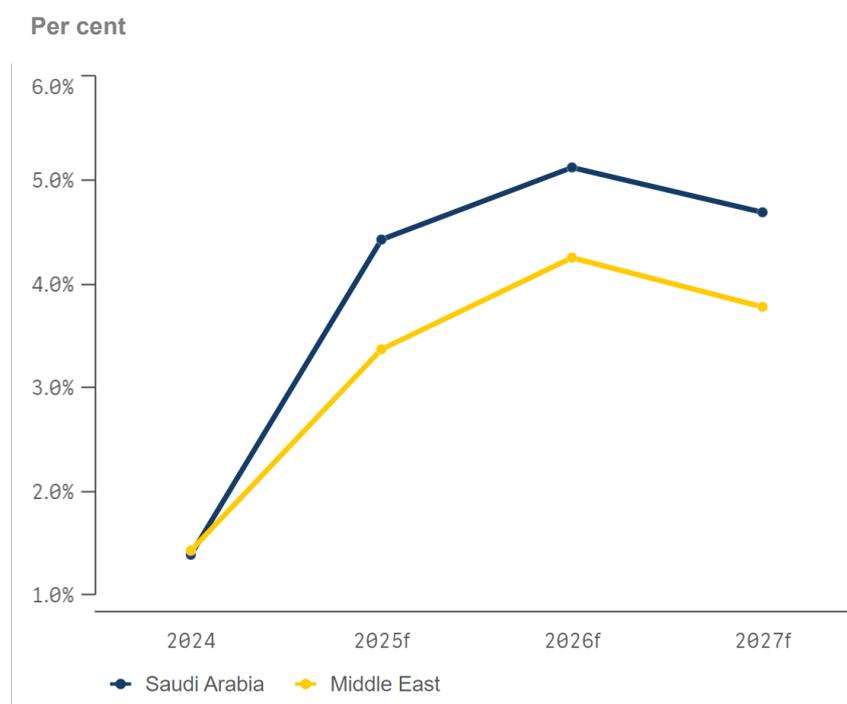
Examining profitability by industry, the data indicates only minor differences. Professional services firms reported an 85 per cent profit margin, while industrial companies achieved a slightly higher margin of 87 per cent. This nominal variation reflects the relative alignment of a stable financial performance between sectors operating in Saudi Arabia.

Positive turnover expectations and investment plans indicate optimism for future performance

The overall outlook for the business environment in Saudi Arabia remains positive, as reflected in the expectations of Swedish companies operating in the country. Saudi Arabia's GDP is forecast to grow faster than other countries in the region between 2024 and 2027, driven largely by continued investment in non-oil sectors. To attract foreign direct investment and improve the ease of doing business, the government has implemented, and continues to implement, a series of economic and regulatory reforms. In parallel, it is also developing strategic initiatives such as Special Economic Zones (SEZs), which offer tailored incentives, regulatory flexibility, and advanced infrastructure to encourage investment in targeted sectors.

Swedish companies operating in the country share this optimism through their investment plans and turnover expectations. The positive outlook indicates confidence in the stability and growth potential of the Saudi market, suggesting that businesses are ready to seize opportunities that align with Saudi's strategic objectives. This collective sentiment underscores the importance of continued engagement and collaboration between Swedish enterprises and local stakeholders.

PROJECTED GDP GROWTH IN SAUDI ARABIA



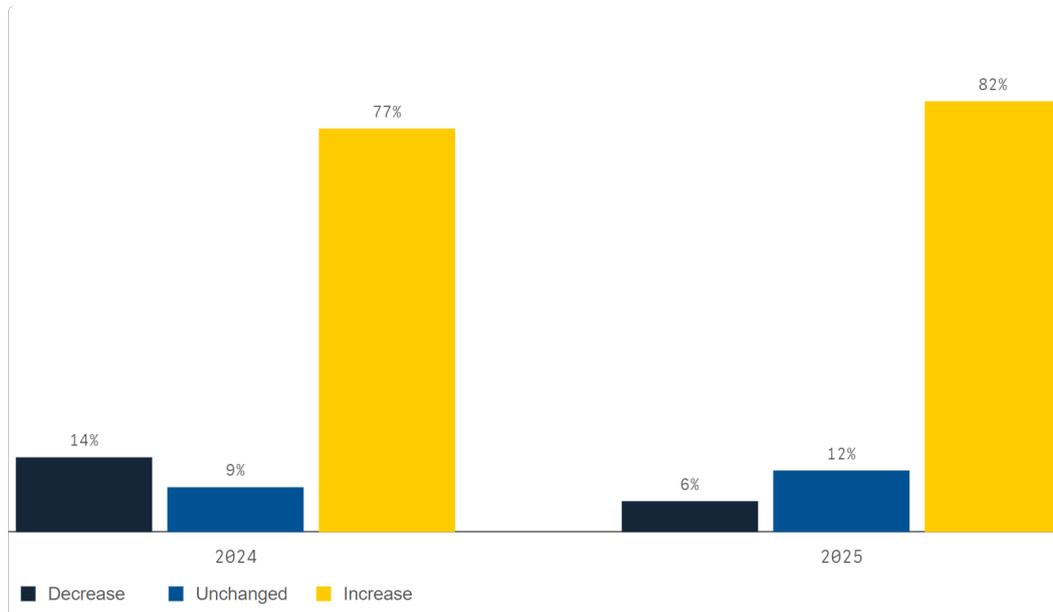
NOTE: Constant prices.

SOURCE: Oxford Economics, GDP, constant prices and exchange rate US dollar. Last update: March 2025

However, despite this optimism, Saudi Arabia's GDP growth is expected to slow somewhat after 2026 compared to earlier projections. According to the IMF, this moderation is driven by factors such as global economic uncertainty, lower oil prices, and ongoing structural challenges. Nonetheless, the country's diversification efforts, particularly by developing non-oil sectors, are expected to provide resilience and support a shift toward more balanced, sustainable growth¹².

¹² The International Monetary Fund (IMF), 2025

COMPARED TO THE DEVELOPMENT IN THE PAST 12 MONTHS, WHAT ARE YOUR EXPECTATIONS FOR THE COMING 12 MONTHS FOR YOUR INDUSTRY IN SAUDI ARABIA REGARDING TURNOVER?



NOTE: The number of respondents for this question was 34. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish Companies in Saudi Arabia 2025.

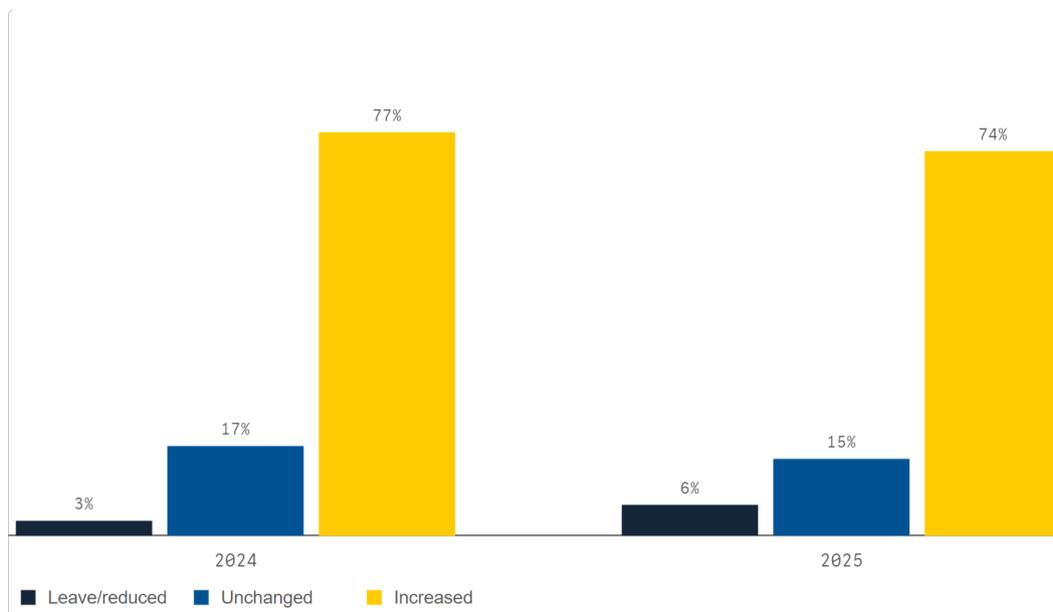
When surveyed about their anticipated turnover in Saudi Arabia for the upcoming year, 82 per cent of respondents expressed optimism, foreseeing an increase in turnover. A significant 82 per cent of respondents expressed optimism about an increase in turnover, up from 77 per cent in 2024. This positive sentiment is consistent across businesses of all sizes – small, medium, and large corporations – and across various stages of company maturity. Notably, all newcomers in the market indicated expectations for turnover growth in the next 12 months, showcasing strong confidence among new entrants. Among industry segments, while optimism prevailed across the board, the professional services sector exhibited slightly more confidence in future turnover expectations. Overall, this collective optimism reflects a broad belief in the economic prospects of Saudi Arabia among Swedish firms across various industries and business sizes, signalling confidence in the Saudi Arabian market.

Investment plans remain largely consistent compared to 2024, signalling overall market confidence

The survey findings indicate a strong overall intent among respondents to increase their investments in Saudi Arabia, with 74 per cent planning to do so over the next 12 months. Notably, all medium-sized companies surveyed have committed to increasing their investments, showcasing a strong confidence in their growth potential within the Kingdom. In contrast, smaller companies appear to be more cautious, with only 50 per cent indicating plans for increased investments. This hesitancy may stem from concerns about market volatility or a need for further understanding of the market before making significant financial commitments. In contrast, all newcomers to the Saudi market plan to increase their investment, demonstrating a strong belief in the available opportunities and an optimistic perception of the market. This influx of new investors may indicate a broader trend of interest in Saudi Arabia as a dynamic investment destination, potentially shifting the focus from the UAE as the traditional launch pad for companies entering the Middle East. Among established and mature companies, a more cautious approach is observed, with only 67 per cent planning to increase their investments. A significant portion of these firms appears to maintain their current investment strategies, reflecting a wait-and-see attitude.

When analysing industry segments, the professional services sector stands out as the most optimistic, with 85 per cent of respondents in this category planning to increase their investments. Conversely, industrial companies exhibit less aggressive investment intentions, with 67 per cent indicating plans to invest more and 13 per cent choosing to maintain their current levels.

WHAT ARE YOUR COMPANY'S INVESTMENT PLANS FOR THE COMING 12 MONTHS IN SAUDI ARABIA, COMPARED TO THE PAST 12 MONTHS?



NOTE: The number of respondents for this question was 34. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish Companies in Saudi Arabia 2025.

THE MARKET

Swedish business in Saudi Arabia is composed mainly of industrial companies, some with local presence for 70 years

Swedish companies have been established in Saudi Arabia since the 1950s. Companies such as ABB and Ericsson have played a significant role in developing Saudi infrastructure and industry. The largest bilateral project to date is the strategic oil storage project initiated by ABV Rock Group in the mid-1980s and completed in March 2009. IKEA has been present in the country since 1983 and opened its fourth store in 2022. The franchise rights for IKEA in Saudi Arabia are held by the Alsulaiman Group, whose CEO, Saud Alsulaiman, also serves as Sweden's honorary consul based in Jeddah.

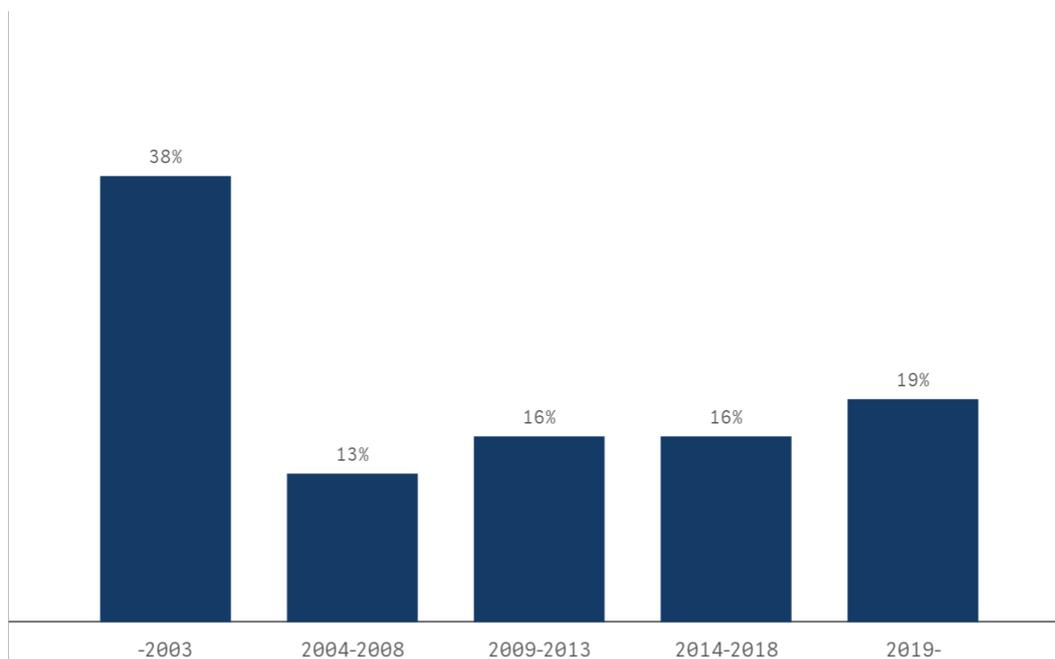
Saudi Arabia is Sweden's most important export market in the Middle East, together with the UAE. Commodity exports, which largely consist of iron ore, medical and pharmaceutical products, and workshop machinery and equipment, amounted to just over USD 4.43 billion in 2023, compared to USD 0.75 billion in 2018. Commodity imports from Saudi Arabia amounted to just over USD 330 million during 2024 and consisted largely of raw materials and fuels identified as mineral oils and products thereof¹³.

The sectors in Saudi Arabia with particularly high potential for Swedish companies are energy, healthcare & life sciences, advanced manufacturing, telecom, mining and transportation & automotive. Saudi Arabia is strengthening its global positioning in strategic industries such as mining, aiming to become a key international player in critical minerals and metals. In addition, the ongoing shift towards diversification and digitalisation is creating demand for cross-sectoral expertise. This opens opportunities in areas like cyber security, sustainable cities, and industries where Public Private Partnerships (PPP) are the dominant business model.

Sweden and Saudi Arabia have established a series of bilateral agreements over the years to support cooperation. A general bilateral cooperation agreement has been in place between Sweden and Saudi Arabia since 2005, an investment protection agreement since 2008, and a memorandum of understanding in the health sector since 2011. In 2015, the two countries signed an agreement to avoid double taxation. That same year, the Stockholm Chamber of Commerce and the representative body of the Saudi Chambers of Commerce signed a memorandum of understanding to establish a Swedish-Saudi Joint Business Council, which has since remained active. In 2017, a memorandum of understanding was signed in the field of higher education and research.

Today, around 40 Swedish companies are directly established in the country, and additional companies operate through local partners making the total number of Swedish companies operating in Saudi Arabia around 60. According to Swedish companies active in the Saudi market, the Swedish brand is well-regarded. Local stakeholders value Swedish expertise, innovation, product quality, and broader societal values associated with quality of life. Swedish firms are also widely regarded as reliable business partners, often recognised for their long-term commitment to the market.

¹³ Kommerskollegium (National Board of Trade Sweden), 2024

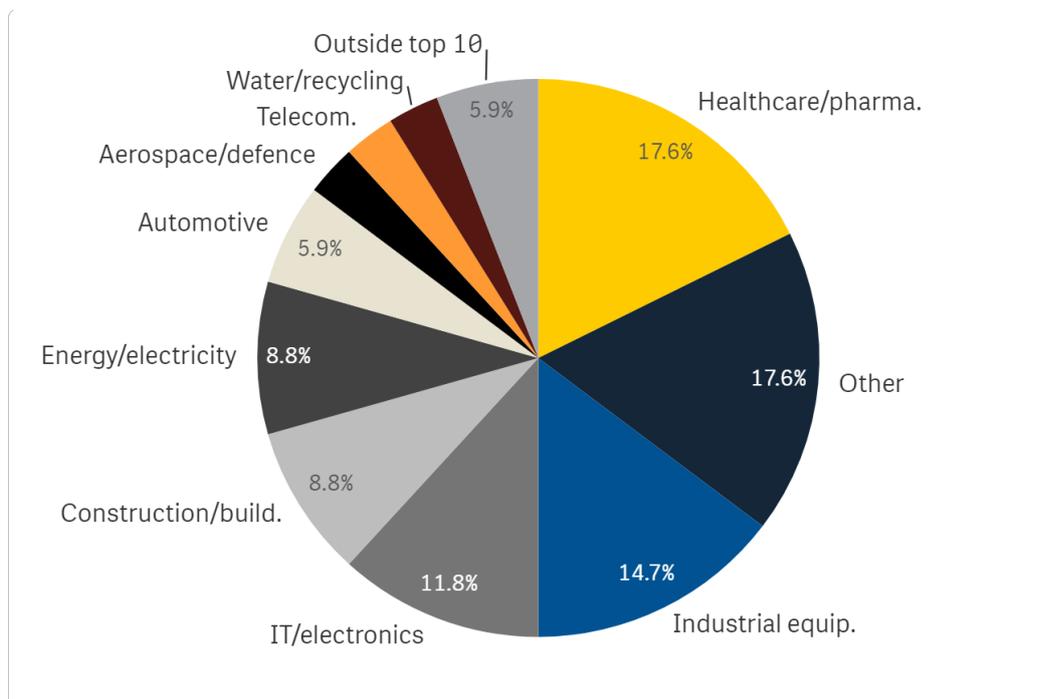
IN WHAT YEAR DID YOUR COMPANY ESTABLISH OPERATIONS IN SAUDI ARABIA?

NOTE: The number of respondents for this question was 34. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish Companies in Saudi Arabia 2025.

As illustrated in the circle diagram, Swedish companies have a broad operational footprint in Saudi Arabia, with over 30 per cent engaged in the healthcare/pharmaceutical and industrial equipment sectors, which form the backbone of Swedish business presence in the country. Significant involvement is also seen in key sectors such as IT/electronics, construction, energy, and automotive. This aligns well with Saudi Arabia's agenda for construction and infrastructure development, which spans residential, commercial, industrial, healthcare, and energy sectors. Additionally, Saudi Arabia's focus on knowledge transfer and local content encourages the emergence of Swedish service providers, who experience competitive advantage combining product sales with training initiatives.

WHAT IS YOUR COMPANY'S MAIN INDUSTRY IN SAUDI ARABIA?

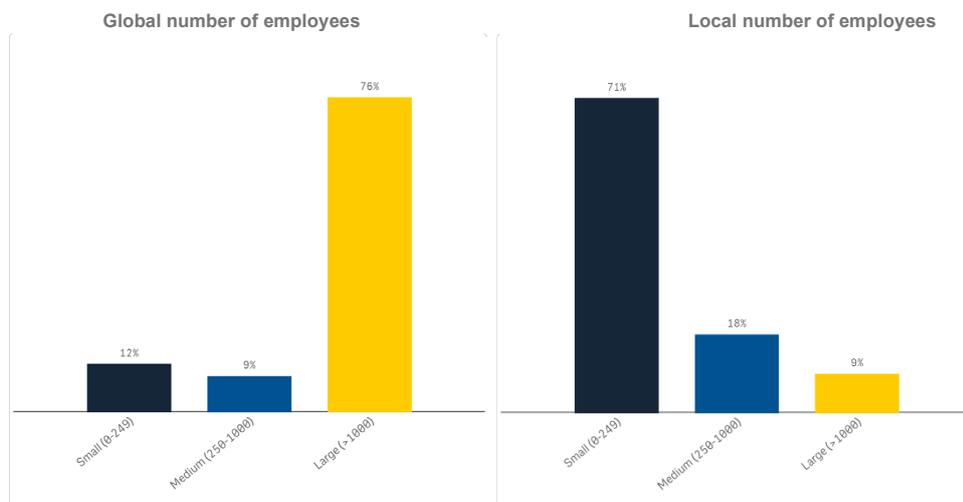


NOTE: The number of respondents for this question was 34. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish Companies in Saudi Arabia 2025.

It's not surprising that the majority of Swedish companies operating in Saudi Arabia are large multinational enterprises, characterised by having over 1000 employees worldwide: in fact, 76 per cent fall into this category, likely driven by their resources, experience, and capacity to navigate complex regulatory environments. While many maintain lean local teams - over a third employ fewer than 10 local staff, and another third between 10 and 49 - this is often due to the nature of their operations. A large share of Swedish companies in Saudi Arabia are active in B2B sectors such as industrial equipment, technology, and healthcare, where activities are typically project-based or managed through local partnerships. Notably, several firms contribute to local employment through long-standing collaborations with Saudi partners which manage local production, distribution, or service operations. Only a few Swedish companies operate in labour-intensive sectors such as retail or manufacturing, which may explain why just nine per cent report having more than 1000 local employees. This setup reflects a strategic blend of global expertise and local partnerships tailored to the structure and demands of the Saudi market.

SWEDISH FIRMS' LOCAL NUMBER OF EMPLOYEES IN SAUDI ARABIA IN 2025



NOTE: The number of respondents for this question was 34. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish Companies in Saudi Arabia 2024.

Vision 2030, Saudi Arabia's diversification strategy away from oil and gas dependence

Since 2017, Saudi Arabia has been implementing economic reforms and liberalising its social contract. As the largest economy in the Middle East, the country aims to enhance its global presence in energy, innovation, and diplomacy, as a hub in a multipolar world. While oil and gas still play a significant role in the economy, the Saudi government has implemented substantial reforms to reduce oil dependency as part of the Vision 2030.

Saudi Vision 2030 outlines a comprehensive framework aimed to transform the country's economy, society, and infrastructure. This visionary roadmap is structured around three core pillars: fostering a vibrant society, cultivating a thriving economy, and constructing an ambitious nation. This roadmap aims to guide Saudi Arabia towards sustainable growth and prosperity in the 21st century. Key elements of the strategy include sector privatisation, the promotion of international tourism, encouragement of entrepreneurship, and a strong emphasis on education to prepare Saudi citizens for future professional roles. Notable initiatives cover the gradual privatisation of state-owned assets, including the IPO of Saudi Aramco, supporting the financial capacity of the sovereign wealth fund (Public Investment Fund, PIF) and enabling it to pursue ambitious investment projects like NEOM – a futuristic city on the Red Sea coast with a projected cost of USD 500 billion. The PIF play a key role in diversifying the Saudi economy through a wide portfolio of companies and supporting sectors such as manufacturing and renewable energy, while acknowledging the role of SMEs to GDP growth and creating employment opportunities.

Saudi Arabia's diversification strategy involves attracting Foreign Direct Investment (FDI)

Saudi Arabia has made substantial progress in attracting FDI as part of its Vision 2030 economic diversification strategy. The Kingdom aims for annual FDI inflows of USD 104 billion by 2030, which would represent 5.7 per cent of its GDP, positioning Saudi Arabia among the world's top 15 economies¹⁴.

Saudi Arabia, widely recognised for its investments abroad, is actively addressing the need to diversify its economy away from oil dependency. To support this economic transformation, the Kingdom has introduced a series of legislative measures aimed at attracting foreign capital and expertise. The industrial sector accounts for 30 per cent of total FDIs, with USD 38 billion invested in manufacturing during the first nine months of 2024. This includes contributions from 571 multinational companies establishing regional headquarters in Saudi Arabia¹⁵ with the government providing enabling incentives and investments through diverse programs incentivising industrial FDI.

Additionally, the country has launched a Special Economic Zone (SEZ) program targeting non-traditional industries such as cloud computing services, renewable energy, and logistics. These zones offer competitive incentives such as reduced corporate tax rates (five per cent) for up to 20 years, VAT exemptions, and customs duty deferrals to attract global investors. Government incentives and political and economic stability have positioned Saudi Arabia as a more attractive destination for foreign investors seeking refuge from instability in some of the neighbouring countries. Saudi Arabia continue climbing up in the top 50 of the Global Innovation Index and ranked 47th on the Global Innovation Index 2024¹⁶ and 69th on the 2023 Foreign Direct Investment Index.

In 2023, FDI inflows to Saudi Arabia experienced a 12 per cent increase, reaching USD 19 billion compared to USD 17 billion in 2022. Looking ahead, Saudi Arabia aims to achieve an FDI inflow target of USD 104 billion by 2030, equivalent to 5.7 per cent of its GDP, as part of its broader strategy to position the country among the 15 largest economies globally. Key investors in Saudi Arabia include the European Union, the UAE, the United States, Singapore, Japan, Kuwait, and Malaysia, with investments primarily concentrated in industries such as chemicals, real estate, fossil fuels, automobiles, tourism, plastics, and machinery.

Nearly half of Swedish businesses operating in Saudi Arabia are currently engaged in at least one giga project

As part of its Vision 2030 plan, Saudi Arabia has launched several PIF-financed giga projects. These, together with other large-scale development initiatives, mega projects, are intended to diversify the economy away from oil dependency and stimulate growth in various sectors including urban development, entertainment, tourism, cultural preservation, and residential construction. The launch of these mega-projects reflects a strategic effort to generate new economic opportunities and drive development throughout the Kingdom. PIF-backed projects are increasingly open to welcoming export financing solutions – an area where Swedish companies can benefit from attractive SEK/EKN-backed financing tools, strengthening their competitiveness in the Saudi market.

SAUDI KEY TARGETS BY 2030*:

15

largest economy globally

5.7%

FDI inflow (as % of GDP). In 2021 this number was 1.5%

50%

Non-oil exports (as % of non-oil nominal GDP)

65%

Increase in the private sector contribution to GDP

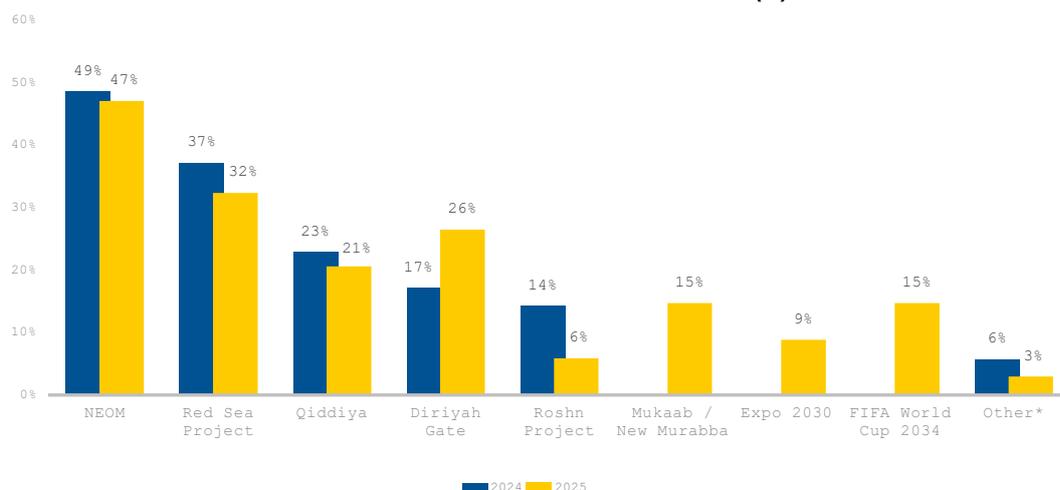
¹⁴ Ministry of Investment in Saudi Arabia (MISA), 2024

¹⁵ Ministry of Investment in Saudi Arabia (MISA), 2024

¹⁶ Global Innovation Index Database, WIPO, 2024

*: Key targets for Saudi Arabia by 2030 are presented by the Ministry of Investment in Saudi Arabia (MISA); Saudi Arabia Foreign Direct Investment Report 2025

ARE YOU CURRENTLY ENGAGED IN ANY GIGA PROJECT(S) IN SAUDI ARABIA?



NOTE: The number of respondents for this question was 35 in 2024 and 24 in 2025. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish Companies in Saudi Arabia 2025

A significant portion of respondents have reported direct involvement with one or more giga-projects in Saudi Arabia. Among the six per cent of respondents who indicated other forms of engagement, some mentioned their participation in the heritage site AlUla, while others noted indirect involvement in giga projects through local partners. Given that this is only the second year of conducting the Business Climate Survey in Saudi Arabia, it remains early to draw firm conclusions about long-term trends. However, the growing awareness of these large-scale initiatives suggests that more companies may explore participation in the coming years.

While giga projects continue to represent major long-term opportunities in sectors such as tourism, infrastructure, and sustainability, the pace of execution has varied. Some projects remain in early development stages or have experienced delays, and financing conditions have become more selective amid changing fiscal and global economic dynamics. As such, the expansion of foreign and local participation will likely depend on clearer project timelines, stable funding streams, and a continued focus on implementation. Still, these initiatives remain central to Saudi Arabia's broader efforts to diversify its economy and attract international expertise.

Saudisation

Saudisation, also known as Nitaqat in Arabic, is a nationalisation program initiated by the Saudi Arabian government to boost the employment of Saudi nationals within the private sector. The primary objective of Saudisation is to decrease dependence on expatriate labour and generate more job opportunities for Saudi citizens. Under this program, private companies in Saudi Arabia are categorised based on their compliance with Saudisation quotas, which are determined by the ratio of Saudi employees to the total workforce. These quotas differ depending on industry and company size, and non-compliance can result in penalties, including fines and restrictions on the recruitment of foreign workers.

Competition among international firms, as well as with Saudi public and private employers, for Saudi talent is strong, which means that companies may encounter difficulties in sourcing Saudi candidates with the required skills and experience. Despite a large influx of new talents into the labour market, as 67 per cent of Saudis are under the age of 35¹⁷, competition for talents means salary expectations, even among those lacking relevant work experience, may be high. Additionally, Saudi nationals who have gained experience working for international firms are seen as attractive candidates by local employers and other international firms who offer competitive salaries, which can create retention challenges for companies looking to maintain skilled Saudi employees.

As non-compliance with Nitaqat rules may result in penalties, it's imperative for international firms to understand these complexities and adapt their hiring practices accordingly to align with Saudisation requirements. The implementation of localisation policies is not unique to Saudi Arabia; several Gulf countries, including those with Emiratisation and Omanisation programs, similarly aim to elevate the employment of nationals in key sectors. These policies are designed to support national economic security and autonomy by developing local talent, diversifying economies, and reducing reliance on oil and gas revenues. Through compliance with Saudisation and similar initiatives, businesses can contribute to the broader objectives of economic diversification and sustainable development within the region.

More than a third of Swedish companies operating in Saudi Arabia have already established a Regional Head Quarter (RHQ)

The RHQ Program in Saudi Arabia is a key element of the Vision 2030 plan, designed to attract multinational corporations to establish or relocate their regional headquarters to Riyadh. Developed by the Ministry of Investment, Saudi Arabia (MISA) and the Royal Commission for Riyadh City (RCRC), the program aims to position Saudi Arabia as a leading business hub, increase FDI and drive economic diversification by enticing global companies to anchor their operations in the country. Our study indicates that more than 40 per cent of Swedish companies with a local presence in Saudi Arabia have either set up an RHQ or are currently in the process of doing so. Additionally, a handful of respondents mentioned that they are evaluating the feasibility of establishing an RHQ and are currently conducting studies on the matter. This suggests a growing interest in the program and its potential benefits, reflecting a trend towards greater corporate investment in Saudi Arabia as part of the country's ambitious economic transformation efforts.

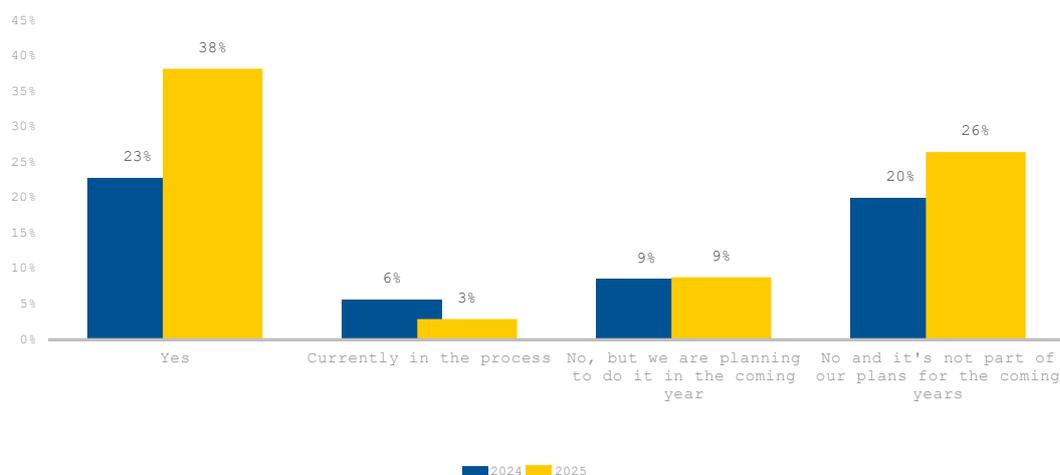
The impacts of the RHQ Program are still emerging. While the program holds significant symbolic value in demonstrating a commitment to the Saudi market and its stakeholders, multinational companies that choose not to participate in the RHQ Program may soon face implications, including restrictions on public procurement and access to government contracts. However, there are also incentives for foreign companies participating in the program, which include tax exemptions,

¹⁷ Vision 2030, 2024

unlimited visas for RHQ employees, a ten-year exemption from Saudisation requirements, zero corporate income tax, withholding tax for 30 years, and benefits for employees' dependents.

As more multinational firms establish their RHQs in Saudi Arabia, there will likely be increasing pressure on Swedish companies to follow suit, as the implications of non-participation may become more stringent over time. Ultimately, joining the RHQ Program provides strategic advantages, enabling Swedish companies to strengthen their market position and capitalise on the opportunities presented by Saudi Arabia's evolving economic landscape.

HAVE YOU ESTABLISHED A REGIONAL HEAD QUARTER IN SAUDI ARABIA (I.E. HAVE YOU RECEIVED A RHQ LICENSE FROM MISA)?



NOTE: The number of respondents for this question was 35 in 2024 and 24 in 2025 "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Saudi Arabia 2025

Saudi Arabia is perceived as one of the markets offering the most favourable business climate for Swedish companies in 2024 and 2025

Saudi Arabia stands out as the market in MEA+ region with the perceived most favourable business climate for Swedish companies 2025¹⁸. A notable 91 per cent of respondents in Saudi Arabia view the business climate as good or very good, reflecting an increase of over 20 per cent compared to the previous year. This positive perception can be compared with other markets in the MENA region, such as Morocco and the UAE, where 72 per cent and 71 per cent of respondents, respectively, report favourable views. The optimism in Saudi is particularly pronounced among medium and large companies, which consistently report favourable views of the current business environment. Furthermore, Swedish companies that have been operating in the market since before 2018 demonstrate a strong, optimistic outlook, with all these mature firms indicating a positive perception of the business climate. Their optimism likely arises from a deeper understanding of local dynamics and the valuable relationships they have cultivated, creating a solid foundation for successfully navigating market challenges. In addition, the favourable sentiment can also be linked to the perceived improvement compared to past experiences, and a general optimism regarding future market opportunities. Ongoing investments and initiatives aimed at diversifying Saudi Arabia's economy contribute significantly to this positive outlook among business leaders, underscoring the country's transformative efforts in creating an attractive environment for foreign investment and collaboration.

¹⁸ Business Sweden's Business Climate Survey in the MEA+ region included six markets 2025: Kenya, Morocco, Saudi Arabia, South Africa, The UAE, and Turkey

“ There are a number of business climate considerations that are positive in Saudi Arabia and probably way more advanced and structured compared to many other countries where we operate, particularly in Europe, Asia, and the rest of the GCC. Saudi Arabia has done a huge leap in digitising several key processes that were manual and time consuming for all businesses in the country.

Survey respondent,
Healthcare and pharmaceuticals

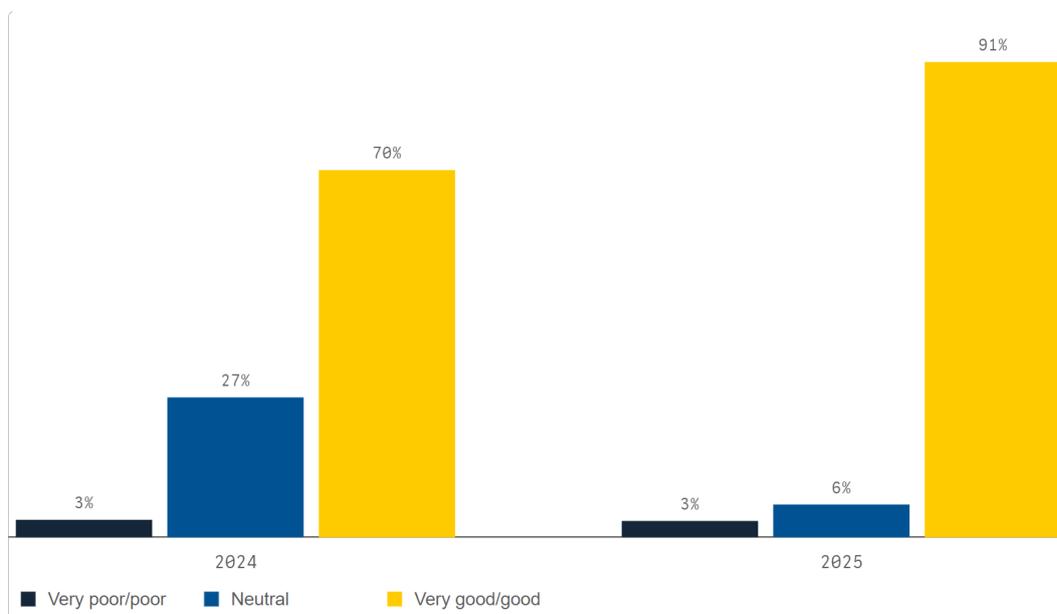
Conversely, smaller companies express a more cautious outlook on the business climate in Saudi Arabia. Only one-third of these businesses report a positive perception, while half maintain a neutral stance, and the remaining respondents consider the environment to be poor or very poor. This disparity suggests that smaller enterprises may encounter greater challenges in adapting to the evolving market conditions, which can be attributed to limitations in resources and available support.

“ Saudi is trying to improve their business climate, but still there are a lot of bureaucracy and things are moving slowly. However, Saudi is a market with a huge potential.

Survey respondent,
Transport

While the overall sentiment regarding the business climate in Saudi Arabia is positive, it is important to acknowledge the cultural nuances inherent in the Saudi market. This environment is characterised by a strong emphasis on relationship-building and necessitates a commitment of both time and resources. Establishing trust within local networks is crucial for achieving long-term success in this market. Business Sweden is here to assist companies in navigating these complexities, providing guidance in developing strategies tailored to the Saudi market.

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN SAUDI ARABIA?



NOTE: The number of respondents for this question was 32. “Don't know/Not applicable” responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish Companies in Saudi Arabia 2025.

“ Being the largest economy in the Middle East and by permitting foreign investors to own 100 per cent of the companies and avoiding the previous requirement of local partner, Saudi Arabia has opened its market globally and becoming a very attractive market.

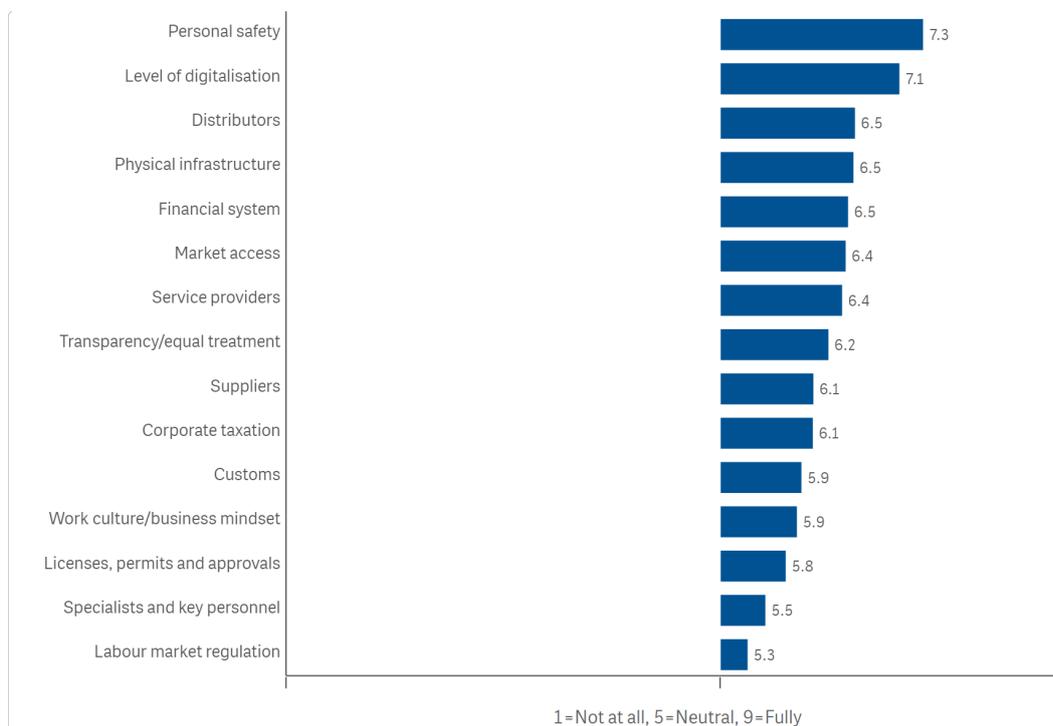
Survey respondent,
Energy and electricity

Labour market regulation stands out as a challenging factor for businesses operating in Saudi Arabia, while personal safety was the most appreciated

Overall, survey respondents assessed a range of conditions for conducting business in Saudi Arabia as positive or neutral, with none of the criteria scoring negatively (below five). Similar to other countries in the Gulf region, Saudi Arabia is characterised by a high level of personal safety and security, contributing to the overall perceived business environment through the wellbeing of employees and accompanying family members. Additionally, the country's investment in technology and artificial intelligence across sectors such as finance, manufacturing, and entertainment contributes to a prominent level of perceived digitalisation. In addition, the demographic landscape of a young population, high smartphone penetration, and fast internet speed create a favourable environment for the growth of e-commerce. Regarding access to distributors, historically, most international companies have been active in the Saudi Arabian market through distributorships, a business model that continues to be the most common. However, the government's initiative to promote Regional Headquarters (RHQs) in Saudi may encourage a shift towards more direct company establishments in the country. While this potential change is still emerging, it could influence how foreign firms engage with the Saudi market going forward.

Conversely, Swedish companies and other multinationals have encountered challenges with local requirements – such as Saudisation policies, which set targets for employing Saudi nationals, and local content regulations that encourage sourcing goods and services domestically. Several Swedish firms have reported difficulties competing with the public sector in terms of salary offerings, affecting their ability to attract and retain skilled local talent. In addition, comments from our survey indicate a perception of limited transparency in government procedures, particularly related to financial transactions, project developments, and public tender processes, contributing to an experienced uncertainty for foreign entrants into the Saudi market. Further, some of the responses in the survey suggest that regulatory frameworks are perceived as ambiguous or complex, resulting in increased time investment for Swedish companies seeking to navigate these regulations. Additionally, some SMEs report having faced difficulties in establishing local banking relationships.

HOW WELL DO THE FOLLOWING CONDITIONS MEET THE NEEDS OF YOUR COMPANY IN SAUDI ARABIA?

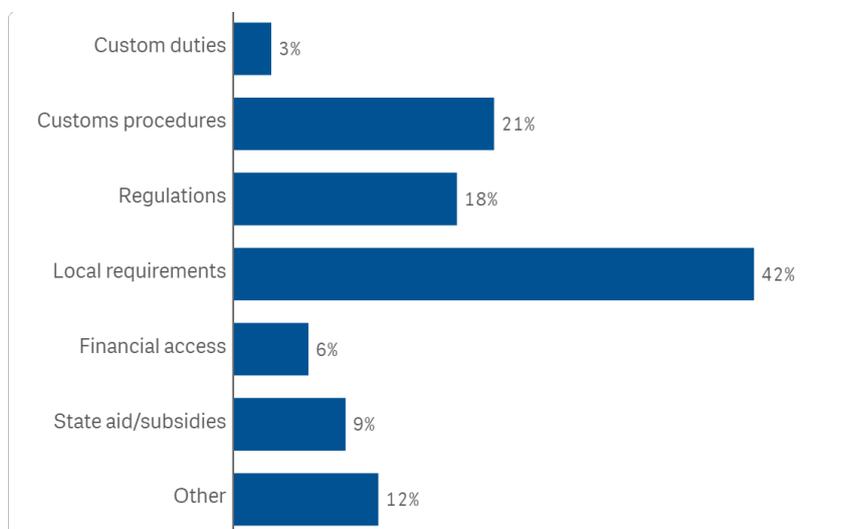


NOTE: The number of respondents for this question was 34.
SOURCE: Business Climate Survey for Swedish Companies in Saudi Arabia 2025.

Local requirements, custom procedures and regulations are the main trade barriers according to Swedish companies in Saudi Arabia

The survey finds that approximately 42 per cent of respondents perceive local requirements as a barrier to business operations in Saudi Arabia. An additional 21 per cent of survey respondents experience custom procedure as a barrier for local operations. Similarly, around 18 per cent of respondents reported difficulties navigating local regulations. To navigate the evolving regulatory landscape amidst Saudi Arabia's rapid transformation, companies are encouraged to proactively adapt to regulatory changes and stay informed about updates to ensure compliance and alignment. Furthermore, respondents indicated challenges in collecting payments from clients, noting that the payment terms in Saudi Arabia tend to be longer than what companies might be accustomed to in European export markets. Swedish companies can benefit from adopting asset-light strategies and developing joint proof of concepts with customers to demonstrate commitment and facilitate smoother transactions. A number of Swedish firms also highlighted the costs associated with company audits, trade licenses, and visas, along with cumbersome paperwork processes. Additionally, in some instances, introduced tax obligations, particularly Value Added Tax and Corporate Income Tax have been perceived as a hurdle, especially in cases when receivables are delayed or remain outstanding. In response to these issues, Business Sweden recommends regular and thorough validation of information when navigating the Saudi Arabian market.

HAS YOUR COMPANY IN THE PAST YEAR ENCOUNTERED TRADE BARRIERS IN SAUDI ARABIA WITH A NOTICEABLY NEGATIVE IMPACT ON OPERATIONS, IN ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 34.
SOURCE: Business Climate Survey for Swedish Companies in Saudi Arabia 2025.

HOW SWEDISH COMPANIES SUCCEED IN SAUDI ARABIA

Swedish companies typically begin their market presence by partnering with a local distributor, focusing mainly on marketing and sales

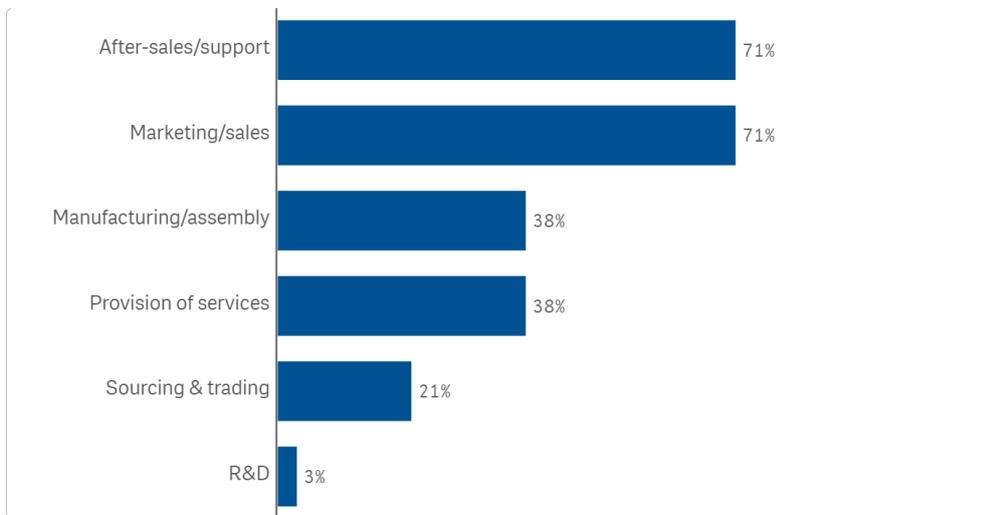
Saudi Arabia is a distributor-driven market, and before committing to direct operations in the market, Swedish companies often assess their market potential through partnerships with local distributors. This indirect approach is particularly advantageous for small and medium-sized enterprises as it entails lower investment risks, although it may also limit potential rewards. Prior to forming partnerships with local distributors, thorough due diligence supported by local expertise is strongly advised. Successful collaboration with a local partner requires ongoing communication, with in-person meetings being especially valuable and something which should not be underestimated. Additionally, providing sales and marketing support to local distributors is often recommended.

Following initial market testing, Swedish companies tend to advance by establishing marketing and sales offices in Saudi Arabia. Survey findings affirm that such operations are commonly associated with newcomers to the market. Over time, as Swedish companies gain experience, they often diversify into other types of operations. The second most prevalent type of operation is after-sales and/or support functions, followed by provision of services. Looking ahead, it is projected to become increasingly important for Swedish companies to further invest in local operations, including R&D, manufacturing, and assembly. This strategic move will enhance competitiveness, particularly when vying for government tenders. By expanding their local footprint, Swedish companies can better align with the evolving demands of the Saudi market and capitalise on opportunities presented to international firms.

The In-Kingdom Total Value Add program (IKTVA), established by Aramco, in Saudi Arabia, is an example of a strategic initiative aimed at localising industries, driving economic growth, and reducing the country's dependence on oil revenues. This program focuses on maximising the value created within the country by promoting the development of domestic industries, increasing local content, creating job opportunities for Saudi nationals, and building a competitive and sustainable industrial sector. The IKTVA program is a key component of Saudi Aramco's procurement process. In addition to the oil, gas, and petrochemicals industries, Saudi Aramco invests in renewable energy sectors, including blue and green hydrogen production, carbon capture utilisation and storage projects, and sustainability research and development. This makes the IKTVA program relevant for all Swedish suppliers seeking participation in the Saudi Arabian energy sector.

Another example of localisation measures is the "Made in Saudi" program, launched in 2021 to support Saudi Arabia's industrial capabilities and position it as a global manufacturing hub. The program features a unified national brand identity that local companies can use on their products, contingent on meeting specific eligibility criteria. It covers a wide range of industries, including petrochemicals, renewable energy, automotive, marine, building materials, food, and pharmaceuticals. Moreover, this goes in line with Saudi Arabia's local content calculation aiming to promote the growth of the domestic economy. The initiative plans to increase the participation of local businesses, particularly SMEs in government procurement and private sector projects. A key objective includes increasing the actual value of the Saudi economy through manufacturing of goods and provision of services, as well as developing Saudi talent and R&D capabilities within the country.

OPERATIONS OF SWEDISH FIRMS IN THE MARKET



NOTE: The number of respondents for this question was 34. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish Companies in Saudi Arabia 2025.

International firms should be aware of local content requirements as they can significantly impact their operations and costs in Saudi Arabia. The regulations require international companies to meet certain thresholds for local content, such as employing a minimum percentage of Saudi nationals and spending a portion of their payroll on Saudi employees; purchasing a certain percentage of goods and services from local suppliers; investing in training and development programs for Saudi employees; and contributing to supplier development initiatives. The local content percentage is calculated as the ratio of spending on Saudi elements (goods, services, assets, technology, workforce, etc.) compared to total spending. International firms must submit a local content plan outlining how they will meet the targeted local content percentage by the end of the contract¹⁹. Failure to comply with local content requirements can result in penalties, such as being limited from future government contracts. Therefore, international firms must carefully consider local content regulations when bidding on projects and planning their operations in Saudi Arabia. In addition, international firms adhering to local content rules can benefit from incentives that include the ability to charge higher prices for their products or services, sometimes up to 10-20 per cent, depending on the local content score.

Localisation measures of some sort should be anticipated to increase in governmental procurement and tender processes, where the bidding company that fulfils local requirements, such as an RHQ certificate, are likely to receive preferential treatment in contract awards. In the future, Business Sweden expects the Saudi Arabian government to introduce more stringent initiatives similar to the IKTVA, Made in Saudi and RHQ program. These initiatives will serve to support local industries by channelling a greater share of public expenditure into the national economy.

¹⁹ Local Content and Government Procurement Authority (LCGPA)

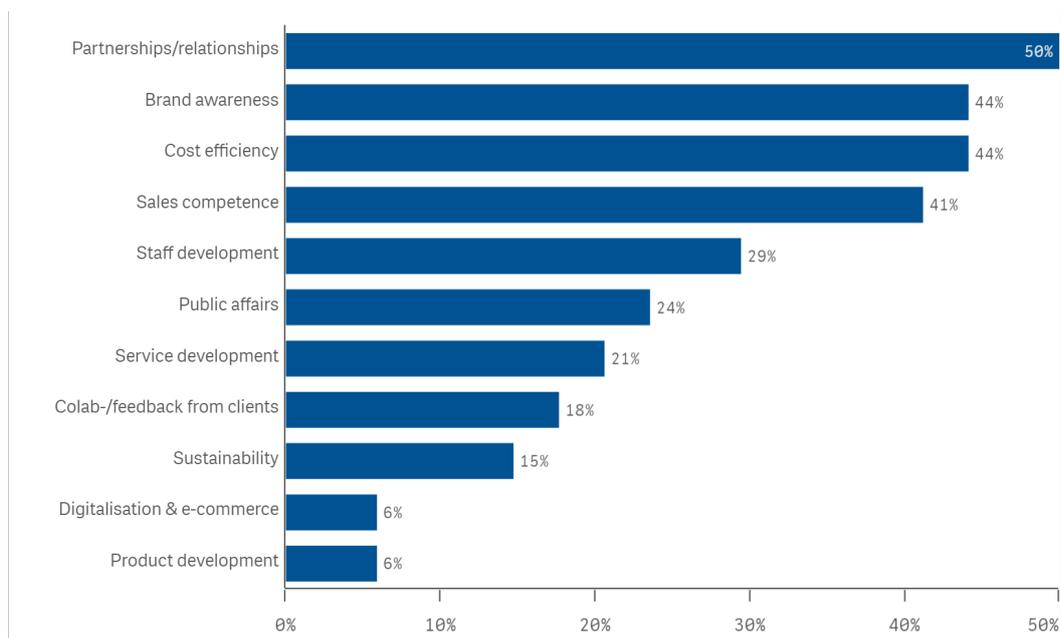
Fostering the right partnerships/relationships stands out as a key factor for maintaining competitiveness according to Swedish companies

Overall, Swedish companies, independent of their size and industry, agree that good partnerships and relationships are one of the most important ingredients for maintaining competitiveness in Saudi Arabia due to legal requirements and the unique business culture. For instance, distributors are a common way to test the market while limiting risk, and joint ventures with Saudi firms are common. Partnerships with local entities, such as distributors or agents, can provide valuable market insights in a country where market data is often not available or unreliable. Working with a local partner can help gain correct market understanding while shortening the time to market.

Moreover, building relationships based on trust and cultural understanding is key in Saudi Arabia. In a mix of formal and informal business culture, the Saudi Arabian market requires investment in time and resources, and it is important to show commitment to the market as business is considered personal. In-person meetings over a traditional cup of Saudi coffee (qahwa) and proper introductions are preferred, and having a local liaison can help establish credibility and reliability, which are highly valued in local business interactions. Maintaining good partnerships is considered important for long-term success in Saudi Arabia and replacing agents or distributors should be handled with caution to prevent harming the firm's reputation. Lastly, partnering with local entities can also provide valuable operational support, facilitate access to resources, and ensure compliance with local laws and regulations. As it is often difficult to identify decision makers remotely and understand complex decision-maker processes, Business Sweden advocates the value added from investing in stakeholder management and relationship building with key stakeholders locally.

In addition, brand awareness, cost efficiency and sales competence are all notable factors to consider. This emphasis reflects the strategic importance of cost management for Swedish firms operating in Saudi Arabia's business environment. Notably, amidst a heightened presence of Chinese competitors, maintaining cost efficiency and brand awareness has become increasingly important. Efficient operations enable firms to offer competitive pricing, which in turn enhances their ability to attract customers and expand market share.

TO DATE, WHICH OF THE FOLLOWING AREAS HAVE BEEN IMPORTANT IN MAINTAINING COMPETITIVENESS IN SAUDI ARABIA?

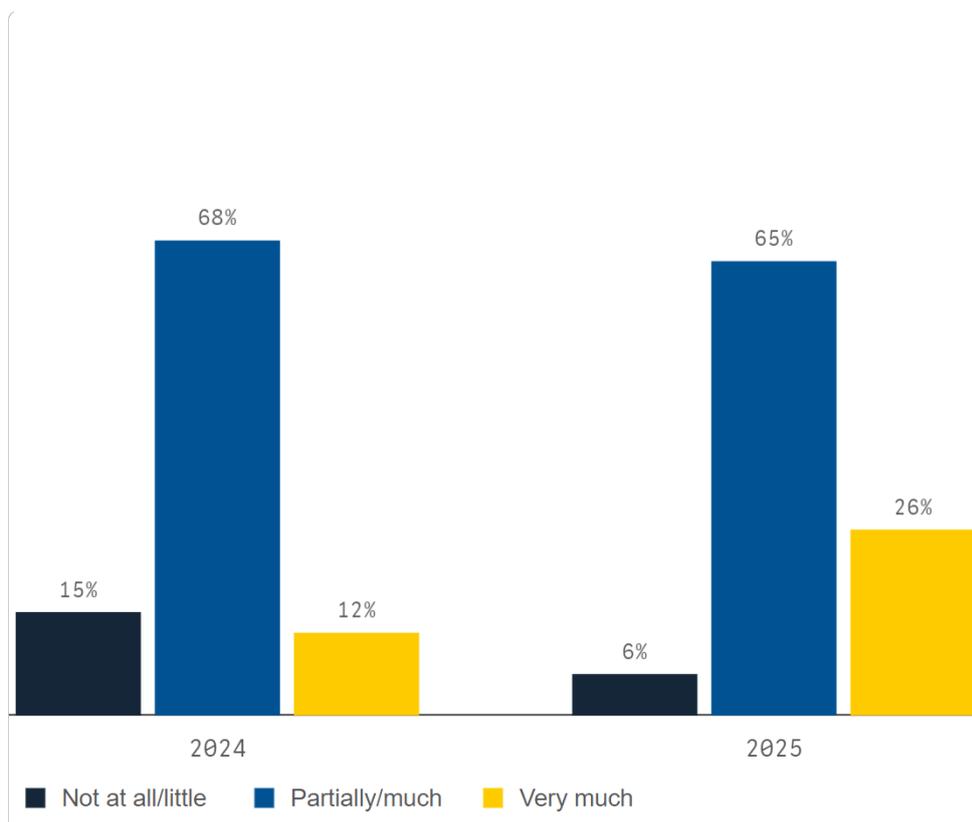


NOTE: "Don't know/Not applicable" responses are included but not shown in this figure.
SOURCE: Business Climate Survey for Swedish Companies in Saudi Arabia 2025.

Ninety-one per cent of Swedish companies in Saudi Arabia consider the “Swedish brand” beneficial to their business.

A strong majority, over 90 per cent, of respondents believe that the "Swedish brand" contributes positively to their business operations in Saudi Arabia, with 26 per cent noting a significant impact - an increase of 14 percentage points compared to 2024. A closer analysis reveals that medium and large companies are the primary beneficiaries of the Swedish brand's reputation in the Kingdom. Additionally, data from our local Business Climate Surveys in the MEA+ region for 2025²⁰ tells the story that the Swedish brand is consistently perceived as advantageous for Swedish businesses operating in these markets. Respondents across the region express strong confidence in the Swedish brand, with perceptions ranging from 81 per cent to 95 per cent. This finding is noteworthy given that many of these countries have significant Muslim populations and the context of recent incidents and disinformation campaigns in Sweden. This indicates that any adverse effects on the Swedish brand perception likely have been short-lived and point to potential opportunities for further strengthening and promoting the Swedish brand in the future.

TO WHAT EXTENT WOULD YOU ESTIMATE THAT THE “SWEDISH BRAND” CONTRIBUTES TO YOUR BUSINESS IN SAUDI ARABIA?



NOTE: Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish Companies in Saudi Arabia 2025.

²⁰ Local Business Climate Survey reports were conducted by Team Sweden in Kenya, Morocco, Saudi Arabia, South Africa, The UAE and Turkey 2025

ACTING SUSTAINABLY

Environmental sustainability awareness is growing among Saudi Arabian customers

Sweden is often associated with quality, innovation, reliability and sustainability. From the survey, 12 per cent of respondents listed environmental aspects of a product or service as a significant factor in purchasing decisions while 68 per cent of the respondents see that environmental aspects have partial or much impact on their Saudi Arabian customers' decisions when evaluating their products or services. This perspective is particularly prevalent among medium and larger firms, with 80 per cent of respondents in the consumer segment sharing this view. Among medium-sized companies, 20 per cent of respondents believe that environmental factors significantly influence their customers' decisions. This suggests a growing awareness of environmental sustainability in the Saudi Arabian business landscape.

Yet, 15 per cent answers that environmental considerations currently hold less influence in purchasing decisions for their Saudi Arabian customers. This finding contrasts with expectations, particularly considering the high involvement among Swedish companies in giga projects where environmental sustainability is a central part of the vision. In recent years, Saudi Arabia has taken several steps towards promoting environmental sustainability through long-term strategies and regulations. In 2021, Saudi Crown Prince Mohammed bin Salman declared Saudi Arabia's aim to achieve net zero greenhouse gas emissions by 2060 during the inaugural Saudi Green Initiative Forum in October 2021²¹. As part of this target, Saudi Arabia aims for 50 per cent renewable electricity by 2030 and is committed to investing more than USD 180 billion to reach net-zero emissions by 2060. Through these initiatives, customers in Saudi Arabia will likely start to consider a product's or service's environmental aspects to a greater extent in their purchasing decisions.

In its NDC²², Saudi Arabia targets achieving an annual reduction of 278 million metric tons of CO₂ equivalent (MtCO₂e) by 2030, with 2019 as the base year. Investments include nuclear power and hydrogen, with plans for the world's largest green hydrogen plant in NEOM, producing 600 tons daily by 2026. The country intends to reach its net-zero target in part through the Circular Carbon Economy approach, which includes measures such as carbon capture and storage (CCS) technology, alongside other emission-reduction strategies. In addition, Saudi Arabia plans to meet part of its emissions reduction targets through the use of a carbon market scheme and Article 6 mechanisms. These measures apply to both the 2030 NDC and 2060 net-zero targets. The national oil company Saudi Aramco has committed to reaching net-zero operational emissions in 2050, focusing on scope 1 and 2 emissions through CCS technology.



Our main customer is very keen on us as a supplier have strong ESG policies. We are being audited on those policies by them.

Survey respondent,
Industrial equipment



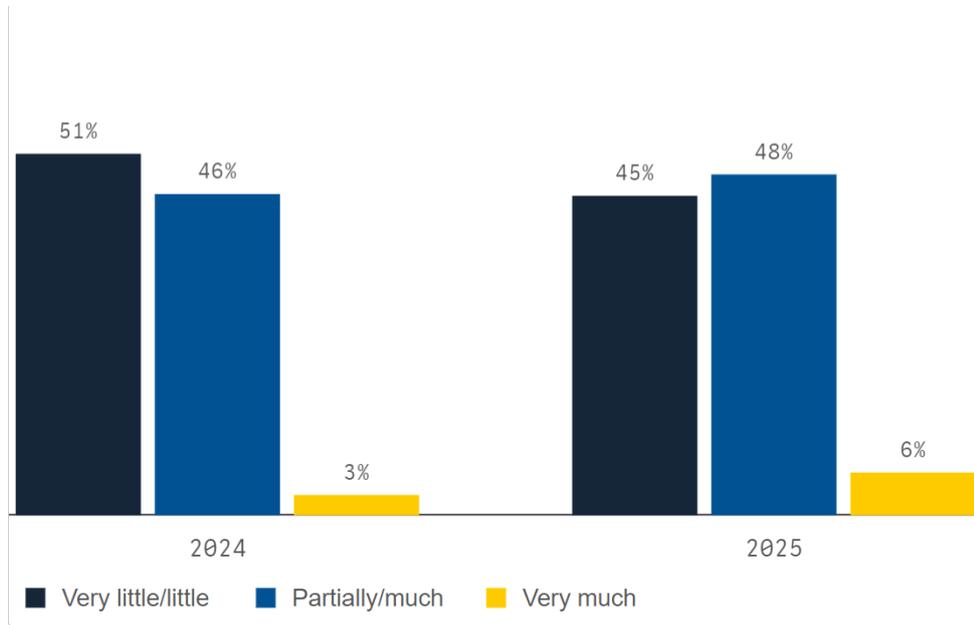
Despite the governments efforts in regard to sustainability, they are not incentivising the industry with tax exceptions or other benefits to migrate to more friendly environmental products. Basically, Saudi is a market which main driver is price.

Survey respondent,
Transport

²¹ Saudi & Middle East Green Initiatives. Note: This target is yet to be officially codified in legislation and policy documents, and as of October 2023, Saudi Arabia has not presented a long-term strategy to UNFCCC.

²² The UN National Determined Contribution (NDC) is a country's pledge within the Paris Agreement, outlining its specific plans to reduce emissions and adapt to climate change.

TO WHAT EXTENT DO CUSTOMERS IN SAUDI ARABIA CONSIDER ENVIRONMENTAL ASPECTS OF A PRODUCT OR SERVICE IN THEIR PURCHASING DECISION?



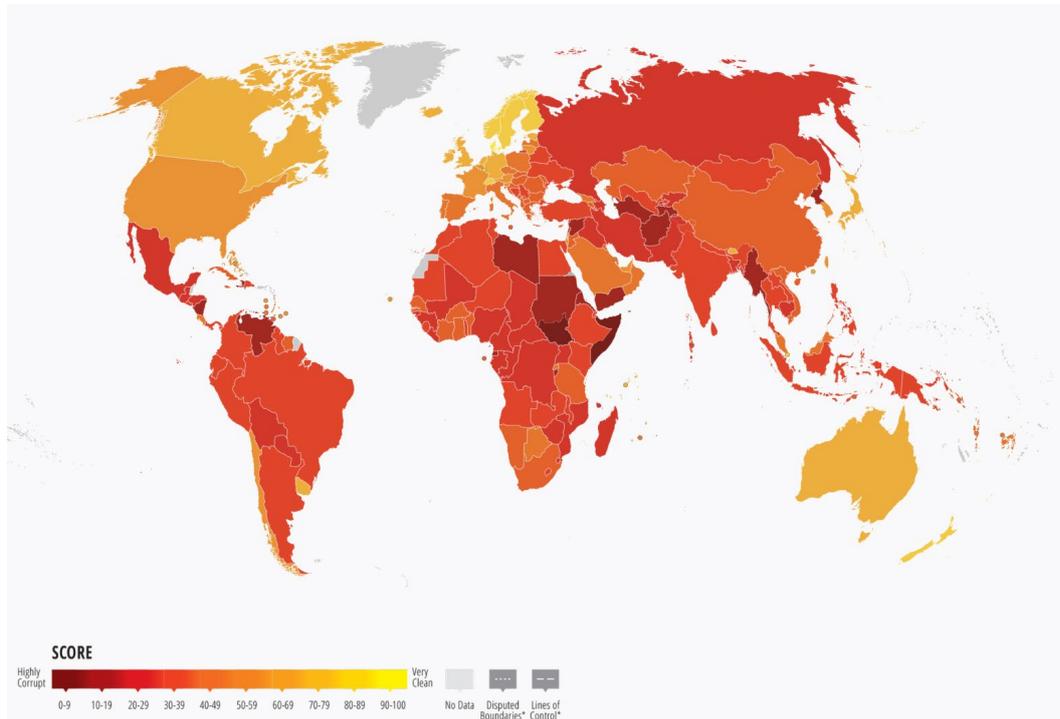
NOTE: "Don't know/Not applicable" responses are included but not shown in this figure.
 SOURCE: Business Climate Survey for Swedish Companies in Saudi Arabia 2025.

Anti-corruption measures are undertaken

To address and work against corruption, Saudi Arabia has established the National Anti-Corruption Commission (Nazaha) and implemented the National Strategy for Protecting Integrity and Combating Corruption. Nazaha has been publishing statistics on corruption since 2016. According to the latest report, published in 2022, bribery is the most common form of corruption reported. Other forms, such as abuse of influence, illicit wealth, forgery, and exploit of contracts rank lower on the list.²³

²³ GOV.sa Unified National Platform, 2024
https://www.my.gov.sa/wps/portal/snp/content/reportcorruption/!ut/p/z0/04_Sj9CPykssy0xPLMnMz0vMAfijo8zjQx93d0NDYz8LXx9LA0CJT1MAoPMzRxDAk30g1Pz9AuyHRUB5GLKcw!!/

CORRUPTION PERCEPTION INDEX 2024



NOTE: Saudi Arabia ranks 38/180 in the CPI 2024, scoring 59 out of 100 points.
SOURCE: Transparency International.

Transparency International's Corruption Perception Index (CPI) rated Saudi Arabia as the third least perceived corrupt country in the Middle East in 2024, sharing its rank with Qatar. Saudi Arabia is ranked 38th out of 180 nations globally, increasing its score with seven points since 2023. In examining corruption challenges in the Middle East, the UAE stands out as the country with the lowest corruption rating in the region (23), followed by Israel (30), Saudi Arabia (38), Qatar (38), Oman (50), Bahrain (53), Jordan (59), and Kuwait (65).

Reforms continue, but some Swedish companies surveyed still perceive challenges, particularly related to bureaucratic hurdles and opacity in regulations. A few, primarily large companies, report having had incidents of attempted bribery or fraud with private counterparts. While Saudi authorities have exhibited a more receptive stance, hurdles persist, particularly in the realm of large-scale projects, where procurement processes sometimes are perceived to hold limited transparency and specifications undergo frequent changes, posing obstacles to submit competitive bidding. In addition, some companies reported reluctance to pursue legal recourse against state entities. However, it is important to note that the data pool is impacted by a significant number of respondents selecting "don't know" or "not applicable". The limited scope of responses warrants caution in generalising findings.

Human rights or labour violations

When queried about encountering any form of human rights violation, responses uniformly lean towards "don't know" or "not applicable". Consequently, no meaningful data can be extracted from this question in this particular survey. Swedish companies are expected to follow the OECD's guidelines for Multinational Enterprises on responsible business conduct and the UN guiding principles on business and human rights and the ILO Tripartite Declaration on Multinational Enterprises and Social Policy.

CONCLUDING REMARKS

The 2025 Business Climate Survey seeks to strengthen the understanding of the Swedish experience of doing business in Saudi Arabia by providing a nuanced picture of the factors driving Swedish companies' achievements. It is important to note that this data comes from a digital survey, and the responses should therefore as always be considered with some caution.

Team Sweden in Saudi Arabia remains committed to continuing to support Swedish companies in the Saudi market and uphold the trust and value associated with the Swedish brand. Our objective is to support Swedish businesses in their global growth journeys and welcome further dialogue about the opportunities and challenges that the market within Saudi Arabia presents. We welcome you to reach out to us for further discussions.

CONTACT US

BUSINESS SWEDEN

Nebe Almayahi

Trade Commissioner of Sweden to Saudi Arabia

nebe.almayahi@business-sweden.se



Sweden
Sverige



BUSINESS
SWEDEN

--	--	--	--