

# Comments on Saudi mega projects in Arab News, Oct 13 2021

Dr. Nasser Saidi's comments appeared in an Arab News article titled "[Six giga-projects that epitomize Saudi Arabia's \\$7 trillion development plan](#)" published on 13th October 2021.

The comments are posted below.

*Nasser Saidi, former economics minister of Lebanon, now Dubai-based economics consultant, said: "These projects need to be seen in the context of the broader objective of undertaking a structural transformation of the Saudi economy.*

*"Faster and deeper economic diversification is imperative for sustainable job creation for its youthful population, and to address the challenge of the global energy transition away from fossil fuels, Saudi's main source of income and exports.*

*"By investing in new sectors (be it tourism, the digital economy or renewables) and in regional economic development on its western seaboard, Saudi Arabia is moving away from over-reliance on oil and redefining the image of the country.*

*"This is why gigaprojects continued (and related contracts were signed), even during the pandemic, while fiscal tightening was underway.*

*"Foreign investors can take some comfort from Saudi's promising high-growth potential (for example in the previously untapped tourism, media and leisure sectors) and associated returns on investment.*

*"But these are all long-term, long-gestation projects. That is why liberalization measures (full foreign ownership, facilitating long-term residence, reforming labor markets, allowing competition, protecting property rights, insolvency and bankruptcy laws) are important to attract FDI.*

*"Foreign investors can also take comfort from the fact that the gigaprojects are political standard bearers; they must be*

*seen to be successful and they will continue to be funded from PIF, SCB reserves, tapping debt markets, etc. Notably, they will be much easier to do currently when oil prices are high at \$80-plus."*