

Comments on Saudi Arabia's reduced spending plans in Al Monitor, 16 Jun 2024

Dr. Nasser Saidi's comments on Saudi Arabia's reduced spending plans appeared in the article titled "[Why is Saudi Arabia cutting funding, reducing costs on ambitious projects?](#)" in Al Monitor's 16th June 2024 edition. The comments are posted below.

Over the last few months, employees working for state-backed Saudi companies have been startled by unforeseen cost cuts. It started during the first quarter of 2024 and affected those working in diverse sectors across the kingdom, from the media to the country's ambitious giga projects. Department spendings were significantly reduced, employees were made redundant and managements did everything big and small to save money, causing an atmosphere of tension and uncertainty.

"Government spending cuts are best understood as expenditure rationalization, improved decision-making and cost-benefit analysis of projects, including mega projects, in the light of achievements since the launch of Vision 2030," Nasser Saidi, former Lebanese economy and trade minister and founder of economic and business advisory consultancy Nasser Saidi & Associates, told Al-Monitor. "The Saudi economy remains in a transformation phase with increased policy emphasis on growing the non-oil sector for economic diversification and greater private sector participation."

"Significant diversification efforts have been underway, with Saudi diversifying in three dimensions: more diversified economic activity, more diversified trade and greater diversification of government revenues," said Saidi. "New

sectors have been unlocked– not just overdependence on real estate and construction, including mining, tourism, entertainment and renewable energy.”

Additionally, he underlined, “Saudi Arabia is fully engaged in the energy transition as witnessed through its great investments in clean and renewable energy and electric mobility and its undertaking of a de-risking of fossil fuel assets as witnessed by Aramco share sale.”