

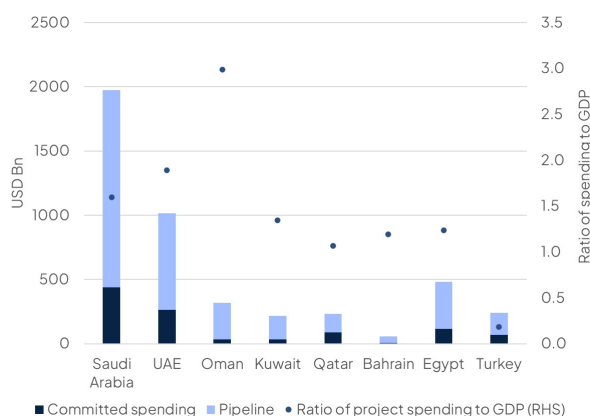
Outlook for Saudi project spending remains robust

4 September 2025 – regional economics

Spending on projects will remain a key driver of Saudi economic growth over the next several years, consistent with the Kingdom's diversification strategies. At present Saudi has USD 440bn worth of already-committed projects (contracts that have been awarded or are in execution), and a further USD 1.55trn of potential projects in the pipeline.

This scale of spending is equivalent to almost 1.6 times annual nominal Saudi GDP. While this is the largest absolute value of project spending in the GCC, as a ratio to GDP it is broadly in line with other large regional economies.

Saudi project spending largest in the region



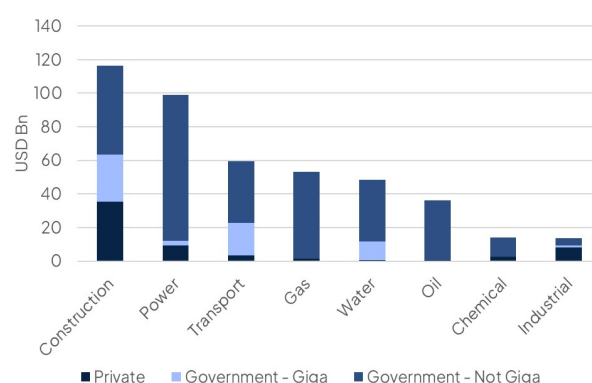
Source: MEED Projects, Emirates NBD Research.

The USD 440bn worth of already-committed spending is spread over a variety of sectors, with over a quarter going to construction projects (USD 116bn), followed by a further 23% in the power sector (USD 99bn).

Current spending is dominated by government projects, accounting for 86% of the total value, a share of which are related to so-called giga projects, which form part of the Kingdom's Vision 2030 plans. Non-giga government projects make up the majority of already-committed spending plans, with the total value of contracts awarded or in execution largest in the power, construction and gas sector. Projects in the power sector include a plethora of new or expanded oil and gas power plants, while current spending in the construction sector is dominated by residential villa and apartment projects.

The relatively small share of already-committed spending on giga projects (defined here as the five giga projects listed by PIF – NEOM, Diriyah, ROSHN, Qiddiya and Red Sea), is consistent with the proportion of the budgeted giga project value that has been awarded to-date.

Construction and power dominate current spending



Source: MEED Projects, Emirates NBD Research.

Current spending on giga projects is clustered in construction, transport and water-sector projects.

Giga project contract awards remain limited relative to budget

	Estimated Budget (\$bn)	Contract Value (\$bn)	Project Description
NEOM	500.0	38.9	Mixed use
Diriyah	63.2	16.9	Mixed use
ROSHN	46.9	5.3	Residential real estate
Qiddiya	32.2	8.0	Mixed use
Red Sea Project	27.6	11.5	Tourism
Grand Total	669.9	80.5	

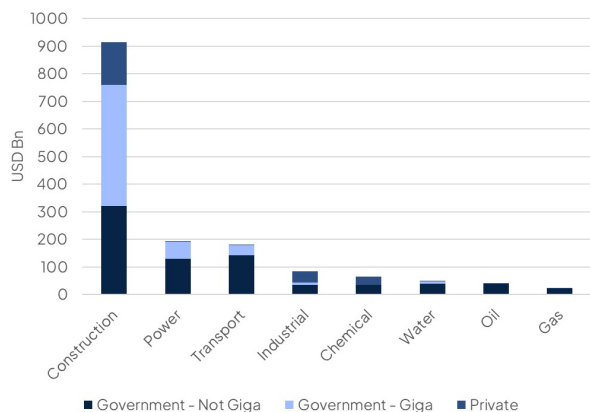
Source: MEED Projects, Emirates NBD Research.

While government sources dominate current spending plans, the private sector does play a major role in several sectors. In particular, private sector projects make a significant contribution to the construction sector, accounting for over 30% of the total sector spending on already-committed projects.

Giga projects a larger share of pipeline

The distribution of the 1.55trn pipeline of projects is heavily skewed towards the construction sector, accounting for almost 60% (USD 916bn). The power and transport sectors are the next largest in the pipeline, with USD 194bn and USD 180bn worth of projects respectively.

Construction projects dominate pipeline

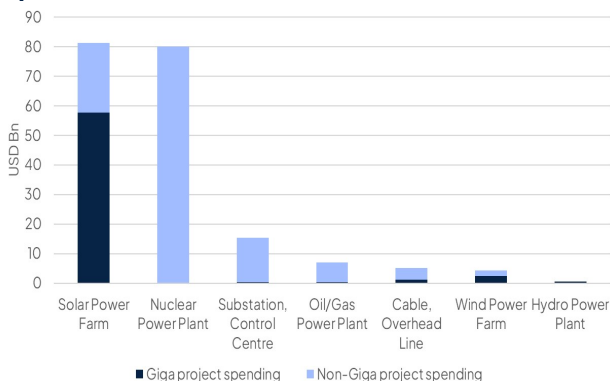


Source: MEED Projects, Emirates NBD Research.

A much larger share of the value of the pipeline is associated with giga projects, accounting for around 47% of the potential value, with over 77% of that potential giga spending earmarked for NEOM, highlighting the scale of development envisioned.

Projects in the power and transport sectors make the next largest contributions to the potential pipeline. Low-carbon and green energy takes the stage here, with solar and nuclear projects accounting for the largest share of future spending in the power sector, both in the region of USD 80bn.

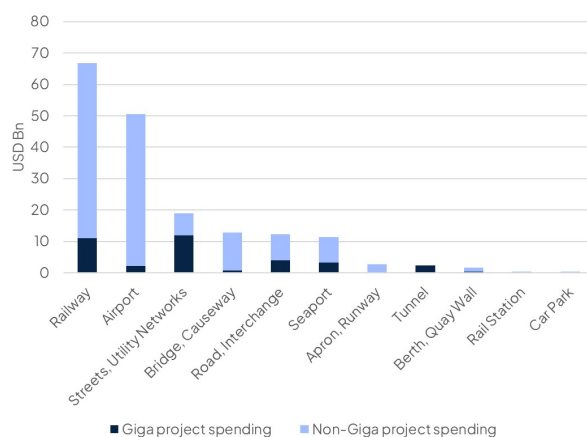
Green project spending significant in power pipeline



Source: MEED Projects, Emirates NBD Research.

Railway and airport related projects account for the largest share of transport sector pipeline spending plans. Railway plans include a variety of large-scale projects, including the Riyadh and Mecca metro projects.

Transport giga projects spread across sub-sectors



Source: MEED Projects, Emirates NBD Research.

Saudi Arabia's extensive programme of project spending has come into focus recently, with press reports suggesting that giga-project spending in Saudi Arabia could be scaled back, as the Kingdom faces budget pressures and weaker than expected foreign direct investment inflows. While the government has not made any formal announcements confirming this speculation, the Saudi Minister of Finance – Mohammed Al-Jadaan – did suggest in a recent interview that the Kingdom would "take stock" of project spending.

Whilst there is no evidence currently of a widespread increase in giga projects being put on hold or cancelled, there is some evidence of a slowdown in the awarding of contracts. A recent report from MEED showed that the value of projects awarded between January and June 2025 had reached USD 25.7bn, compared to USD 154bn over the course of 2024 as a whole.

Even if there is a slowdown in the pace with which projects move from the pipeline into execution, the sheer scale of the pipeline means that both giga projects and other non-giga government spending – including the likes of the 2030 Riyadh World Expo and the 2034 FIFA World Cup – will continue to provide stimulus to the Saudi economy.

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