



## La Visión 2030 en Arabia Saudita

### Resumen:

La estrategia conocida como Visión 2030 pretende afrontar un posible escenario de descenso de las reservas petrolíferas, que a su vez podría causar una caída de los ingresos estatales de Arabia Saudí.

En consecuencia, Arabia Saudí se encuentra en plena transformación, con un número muy amplio de proyectos e inversiones en curso. En el ámbito de la política exterior, las relaciones con China son estratégicas, se asiste al inicio de un clima de confianza con Israel e Irán y el poder blando se despliega en grandes escaparates deportivos. En el campo militar, existe la voluntad política de realizar un esfuerzo de guerra para fabricar material militar en el propio país y limitar la dependencia de proveedores externos. Por otro lado, Arabia Saudí quiere ser relevante en su espacio marítimo y con seguridad va a aumentar su capacidad naval militar. El desarrollo económico en actividades no petroleras se orienta hacia el desarrollo urbano, la actividad industrial y comercial y el sector turístico. Finalmente, el grado de penetración de las energías renovables se halla en una fase incipiente y es posible que Arabia Saudí concentre su esfuerzo inversor en el desarrollo de los métodos para capturar y almacenar CO<sub>2</sub>. Sin embargo, los cambios no serán profundos en el campo social.

Por el momento, el margen de maniobra del príncipe heredero y primer ministro, Muhammad bin Salmán, es muy amplio, debido al apoyo incondicional del rey. Así pues, mientras su padre viva, el proceso de cambio, que algunos sectores perciben como una amenaza, podrá desarrollarse sin oposición.

### Palabras clave:

Visión 2030, China, Israel, Irán, capacidad naval militar, Muhammad bin Salmán.

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## Introduction

Saudi Arabia covers almost the entire Arabian Peninsula, covering an area of 2.15 million square kilometres (4.26 times the size of Spain). With 35 million inhabitants, it is also the most populous country in the region.



Figure 1. Saudi Arabia

Source: *The World Factbook 2021*. Central Intelligence Agency, Washington D. C., 2021.  
Available at: <https://www.cia.gov/the-world-factbook/> [accessed: 13/1/2023].

It has land borders of approximately 1,800 kilometres and coastlines of 2,640 kilometres on the Red Sea and the Persian Gulf (12 miles of territorial waters). It borders Jordan, Iraq and Kuwait to the north, Qatar and the United Arab Emirates (UAE) to the east, and Yemen and Oman to the south.

Saudi Arabia's ascendancy is based on oil; this commodity underpins its wealth and power. In fact, it has the world's largest reserves and the most developed oil industry to cope with global demand.

Table 1. Saudi Arabia's borders with neighbouring countries in kilometres

Yemen	1,458
Iraq	814
Jordan	728
United Arab Emirates	457
Kuwait	222
Qatar	60
Oman	676

Source: Author's own elaboration.

The Saudi Arabian Oil Company (ARAMCO) and the refiner Saudi Arabia Basis Industries Corporation (SABIC) are the world's largest oil companies. Within the Organisation of Petroleum Exporting Countries (OPEC) and the Gulf Cooperation Council (GCC), which were established in 1960 and 1981 respectively, Saudi Arabia holds important roles.

However, the global hegemony of its large oil reserves and its international positioning as the main exporter meant that it was caught by surprise when the United States became the world's largest oil producer by using hydraulic fracturing between 2014 and 2015, which in turn saw oil prices collapse.

Faced with these new economic conditions, Mohammed bin Salman (MbS), the crown prince and prime minister, presented on 25 April 2016 a set of measures in the political, economic and military spheres based on the strategy known as Vision 2030.<sup>1</sup>

This paper analyses the elements that the programme aims to introduce to the military, economic, energy, social and foreign relations fields. The king, Salman bin Abdulaziz al

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<sup>1</sup> In addition to Saudi Arabia, five other countries in the Arabian Peninsula – Bahrain, the United Arab Emirates, Kuwait, Qatar and Oman – have implemented similar government plans to diversify their economies through non-oil activities (visions 2030, 2035, 2040, etc.).

Saud, is currently eighty-six years old and it is possible that his thirty-seven-year-old son will soon come to sit on the throne. For the moment, MbS has the king's unconditional support and therefore a lot of room for manoeuvre. Thus, as long as his father lives, the process of change, which some sectors perceive as a threat, can be implemented without opposition.

With regard to the strategy, the Saud dynasty remains stable. Since 2022, the founding of the Saudi kingdom by Mohammed bin Saud in Diriyah in February 1727 has been commemorated in that same month. Although in actual fact, it was not until 1902<sup>2</sup> that the emirate led by Ibn Saud managed to defeat the other local emirates and subsume their territories. During the First World War, Britain was the most active player<sup>3</sup> in the expansion of the Saud family leadership.



Figure 2. King and Crown Prince of Saudi Arabia  
Source: Wikipedia [accessed: 10/3/2023].

## **Military independence**

Saudi Arabia is one of the largest purchasers of defence equipment from the US and military cooperation has been one of the main reasons for their close relationship. However, Saudi Arabia was shocked by the presence of US troops on its territory after

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<sup>2</sup> AL-RASHEED, Madawi. *Historia de Arabia Saudi*. Cambridge University Press, Madrid, 2003.

<sup>3</sup> The UK set up a network of espionage agents in its colonies, recruited from universities among geographers, anthropologists, linguists, archaeologists and many other experts. In Saudi Arabia, there were two prominent figures: the archaeologist Thomas Edward Lawrence, recruited in 1914, who had different missions throughout his life, mainly aimed at participating in the anti-Turkish uprisings and establishing friendships with the sons of tribal leaders; and the Arabist Harry St. John Philby, who became an advisor to the Ibn Saud family and was the promoter of the establishment of the company Standard Oil of California in Saudi Arabia in 1933.

Iraq's invasion of Kuwait on 2 August 1990, which also demonstrated that none of the Gulf states had the military power to resist the Iraqi invasion.<sup>4</sup>

For this reason, since the Gulf War, military spending has increased and, in fact, Saudi Arabia was the world's largest importer of major armaments between 2016 and 2020.<sup>5</sup> The ensuing rearmament allowed it to adopt an aggressive military presence in regional conflicts, specifically in Yemen<sup>6</sup> where it maintains a 15,000-strong force and high military capabilities. Matériel comes from the UK, US and China. However, because of this same military intervention and alleged violations of international humanitarian law, the Netherlands, Germany, Finland and Denmark have stopped exporting arms to Saudi Arabia.

On 23 October last year, MbS presented the National Industrial Strategy, based on the Government's Financing and Investment Plan. It set out the development of the country's own arms industry to manufacture more than 50% of the military equipment that will be financed in 2030 (only 2% was domestically manufactured in 2017). It should be noted that MbS was minister of defence between 2015 and 2022; following a government reshuffle in September 2022, Prince Khalid bin Salman holds this portfolio.

However, high levels of spending on military equipment from external suppliers continue for the time being. In fact, Saudi Arabia's balance of payments was negative in 2021<sup>7</sup>: 77% of the budget went to arms procurement, while oil revenues were around 60%.

In relation to naval strength, two Spanish-built corvettes and five French patrol boats were delivered to the Royal Saudi Arabian Navy last year:

- The corvettes are a unique, specific type of ship, with an on-board helipad, from the AVANTE 2000 programme, designed for Saudi Arabia. Being ocean-going vessels, they can sail on the rough high seas. They have a minimum displacement of about 1,500-2,000 tonnes. Initially, they were designed for low-intensity, maritime security-type operations (anti-piracy, maritime traffic

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<sup>4</sup> ROGAN, Eugene. *Los Árabes del Imperio Otomano a la actualidad*. Crítica, 2012, pp. 691-708.

<sup>5</sup>In SIPRI (Stockholm International Peace Research Institute) 2017 and 2021 yearbooks, the US and UK were listed as Saudi Arabia's largest arms suppliers.

<sup>6</sup> International Institute for Strategic Studies (IISS). "Conflict Report Yemen: Saudi Arabian armed forces", *The Armed Conflict Survey*, 2022, p. 168.

<sup>7</sup> According to the summary of the 2021 budget report available at SIPRI (Stockholm International Peace Research Institute).

protection), but they have sufficient military capability for naval warfare as they are equipped with sensors and weapons.

- The patrol vessels are small, just over 20 metres in length, and a displacement of 50 tonnes. They are used for maritime security missions, i.e. surveillance and protection (coastline, infrastructure, fishing vessels, exclusive economic zone, economic interests, etc.), rescue and salvage. They have no weapons systems, only portable weapons, such as machine guns.

### **Foreign and economic relations**

In the global oil trade, Gulf and East Asian economies have become increasingly complementary. Saudi Arabia and China have trade agreements and joint investment projects in facilities, factories and refineries. These include a broad spectrum of economic activities: oil and gas exploration, refining, marketing, production (petrochemicals, chemical fibres and fertilisers and other chemicals), storage, transportation and the sale of crude oil, gas and petrochemicals. It should be noted, however, that since last year China has been buying oil from Russia, which means that Saudi Arabia has temporarily moved into second place for China's oil imports.

In addition to strategic relations with China, regional alliances are being maintained and intensified with Egypt, Jordan, Iraq, Turkey and with more distant territories (South Africa) in the economic and commercial fields with projects and large investments in mineral production and renewable energy.

In the Persian Gulf, Saudi Arabia shares space with Iran and, like the UAE, announced on 10 March the restoration of bilateral relations and the reopening of embassies within two months.

- Relations between the two countries deteriorated after the Iranian Revolution of 1979. Soon after, Saudi Arabia provided financial support to Baghdad during the Iran-Iraq War.
- In 1987, diplomatic relations broke down when, following the death of 200 Iranian pilgrims during the Hajj pilgrimage, Ayatollah Khomeini called for the overthrow of the Saudi monarchy.

- In the 1990s, relations thawed due to Iran's need to rebuild its battered economy after eight years of war.
- However, the invasion of Iraq in 2003 and the leadership of Mahmoud Ahmadinejad reignited the rivalry, leading to what has become known as the "Middle East Cold War".

In Riyadh's relations with Israel, rivalry has also been the dominant feature. Saudi Arabia became a very influential country in the Arab world due to its support for the Palestinian cause.

- In August 1967, King Faisal proclaimed his three famous slogans: no recognition of the State of Israel, no negotiations with Israel, no peace with Israel. In 1968, he again supported the Palestinian cause by obtaining funding for the Palestine Liberation Organisation (PLO). He also expressed his desire to pray in Jerusalem, the third holiest place in Islam after Mecca and Medina.
- Then, in 1973, during the war between Egypt and Israel, Saudi Arabia joined other oil-producing countries in declaring an embargo on oil shipments to countries that supported Israel.
- In 2002, Saudi Arabia put forward the Arab Peace Initiative, which offered universal recognition of the State of Israel by Arab countries and normalisation of relations in exchange for its withdrawal from the Palestinian territories occupied since 1967 and the creation of a Palestinian state within those boundaries. The deal was rejected by Israel, but, both in the region and beyond, the proposal was interpreted as the best offer the Arab states could make.
- This was followed in 2007 by the Mecca Agreement between Fatah and Hamas, mediated by Saudi Arabia, to negotiate a coalition government with the offer of increased development aid to the occupied Palestinian territories.

Nevertheless, as far as Israel is concerned, the presence of Israeli businessmen in Riyadh and Saudi investments in Jewish-American technology companies are currently initiating a certain climate of trust. Indeed, Prime Minister Benjamin Netanyahu's agenda includes the normalisation of relations with Arab countries, and more specifically with Saudi Arabia. In this vein, Israel last year renounced its dispute of Saudi sovereignty over the Tiran and Sanafir islands in the Red Sea.



Finally, soft power is being deployed through major sporting events, including the signing of contracts with the Dakar Rally, Formula 1 and football stars.<sup>8</sup>



Figure 2. Aramco is one of Formula 1's major sponsors.  
Fernando Alonso's Aston Martin car for 2023  
Source: Motorsport.com

### **Energy transformation and economic diversification**

Saudi Arabia's climate policy is known as the Green Initiative. Its goal is to achieve zero greenhouse gas (GHG) emissions by 2060, which requires an energy transformation or transition to decarbonisation.<sup>9</sup>

Amin Nasser,<sup>10</sup> chairman and CEO of the national oil company ARAMCO, has stated that renewable energy in the short term cannot replace hydrocarbons and that research is directed towards the development of carbon capture and storage systems, which would reduce emissions at the point of production.

Vision 2030's modernisation plans have also affected Saudi Arabia's most strategic company: ARAMCO, which is owned by the royal family. On 11 December 2019, the company went public with an initial valuation of two trillion dollars, expecting to sell 3% of its outstanding shares. However, the stock was shunned by major global banks and

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<sup>8</sup> OXFORD ANALYTICA. "Saudi Arabia funding will change the business of golf", *Daily Brief*. 3 March 2023. Available at: <https://www.emerald.com/insight/content/doi/10.1108/OXAN-DB276474/full/html>

<sup>9</sup> The combustion of oil, coal and gas generates carbon dioxide (CO<sub>2</sub>), one of the GHGs responsible for global warming. At COP27 (Sharm El-Sheikh, Egypt, November 2022), the safe limit for global temperature was set at 1.5°C, but GHG emissions have increased by 54% since 1990.

<sup>10</sup> BAKR, Amena. "Aramco CEO: Don't Drop Oil and Gas Too Quickly", *Energy Intel*. 13 February 2023. Available at: [https://www.energyintel.com/00000186-4b83-d031-a1ff-7ff3326a0000?\\_amp=true](https://www.energyintel.com/00000186-4b83-d031-a1ff-7ff3326a0000?_amp=true) [accessed: February 2023].

investment funds, which led the company's management to impose the purchase of part of these shares on prominent families in the country.

Saudi Arabia's economy is based on oil and gas, as well as higher-value refined products. Between 2010 and 2015, the country invested heavily in upgrading and building new refineries, as the type of crude oil drilled in the Gulf countries is of high quality and ideal for the production of petrochemicals and plastics.

On the other hand, economic development initiatives in non-oil activities began in the 1970s as a result of the five-year plans launched by King Faisal's government. However, such developments were subsequently eroded by increased military spending since the Gulf War.

One of the five-year plans gave rise to the National Infrastructure Plan and other projects to create industrial zones, which in turn boosted the construction industry, the largest in the Gulf until 2015. Nevertheless, infrastructure and roads are being built through large-scale economic projects – some of them using international tenders – carried out by foreign consortia, companies and labour.

In terms of the labour force, unemployment rates are high, even though the economy has registered growth and there has been some success under the Saudisation policies (Nitaqat Programme), which established a minimum number of national workers in private sector companies.

In fact, more than half of the workforce is employed in the public sector, accounting for 45% of the state budget.<sup>11</sup> In order to reduce this ratio, the aim is for the workforce to be indigenous – especially in senior positions in sectors considered key for Saudis – and for the development of the tertiary and industrial sectors with a view to generating private sector jobs for Saudis to fill.

Revenue from tourism has been growing to date as a result of the concentration on two secure segments, religious and business tourism. At the same time, other destinations, such as the ruins of Diriyah, a World Heritage Site, are being promoted.

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<sup>11</sup> OXFORD ANALYTICA. "Workforce localisation will accelerate in Saudi Arabia", *Daily Brief*. 29 December 2022, pp. 9-13. Available at: <https://www.emerald.com/insight/content/doi/10.1108/OXAN-DB274926/full/html>

Urban development has focused on two cities, both in the north-west: The Line and NEOM, which will be powered by renewable energy, have natural spaces and use artificial intelligence. In particular, NEOM will have an airport, a seaport, an industrial and technological centre (Oxagon) and a natural area for mountain tourism (Trojena). The latter has been selected as the venue for the 2029 Asian Winter Games. For water supply, agreements were signed in June 2022 with the Japanese company Itochu and the French company Veolia, which will build a desalination plant powered by green hydrogen.

To boost the industrial sector, Bandar Alkhorayef, Minister of Industry and Mineral Resources, announced the construction of three iron and steel plants for the use and processing of iron. Elsewhere, agreements were signed with Lucid Group, an international manufacturer of luxury electric cars, and with the US multinational aeronautics company Boeing for the purpose of onshoring manufacturing.

Finally, trade activity keeps its high capacity with sixteen commercial ports, and the Transport and Logistics Strategy is expected to make the country a major hub of economic activity.

### **Opening up society**

Saudi rulers have introduced social reforms when forced by new political and economic conditions, adverse to their interests, in the regional or international environment. Changes have been made to adapt to uncertain situations as can be seen with reforms to counter an Arab Spring and possible uprisings on its territory during the reign of Abdullah bin Abdulaziz or the introduction of Vision 2030, aimed at dealing with declining oil reserves which would cause a drop in state revenues.

The right to vote for men and women was first granted in the context of the Arab Spring, in 2009 and 2015 respectively.<sup>12</sup> On the other hand, in May 2018, Vision 2030 led to the lifting of the world's only ban on women driving.<sup>13</sup>

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<sup>12</sup> Voting is allowed only for municipal elections.

<sup>13</sup> Mona Eltahawy sees the lifting of the ban as an achievement of the so-called "driving protests", which led to the arrest and imprisonment of feminists and women's rights activists for a long time (cf. ELTAHAWY, Mona. *El himen y el hiyab: por qué el mundo árabe necesita una revolución sexual..* Capitán Swing, 2018, pp. 10-13).

However, the changes have never been profound. Saudi Arabia has a political base of ideological and religious intolerance, since its official doctrine is the Wahhabi school of thought, characterised by rigidity and dogmatism. Saudi rulers are the primary beneficiaries, because religious teaching prohibits any public criticism of them and criminalises discussion of their policies.<sup>14</sup>

Eighty-two percent of the population uses social networks and this technology could lead to a questioning of the legitimacy of ideological discourse, which is why systems have been set up to monitor them.<sup>15</sup>

Saudi Arabia is actually the ninth largest economy in the world, but Wahhabi doctrine has alienated important and influential sectors of society, banished into exile. In relation to women, it ranks 127<sup>th</sup> out of 146 countries surveyed by the Global Gender Gap Index 2022.<sup>16</sup>

Identity is absolutely masculine,<sup>17</sup> i.e. rank, status and family ties are determined by the male line of succession (patrilineal identity). Of the Saudi rulers, only the biographical details of the fathers are known. The mothers' names, personalities or origins are rarely known.<sup>18</sup>

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<sup>14</sup> There are no political parties in Saudi Arabia. During the Arab Spring uprisings, the Shias rebelled in the eastern regions. The Ulema Council issued a *fatwa* banning demonstrations, marches or sit-ins because they contradicted Islamic law.

<sup>15</sup> OXFORD ANALYTICA. "Saudi Arabia will use social media to deter criticism", *Daily Brief*. 14 December 2022, pp. 18-21. Available at: <https://www.emerald.com/insight/content/doi/10.1108/OXAN-DB274681/full/html>

<sup>16</sup> The UAE, Kuwait, Bahrain, Qatar and Oman occupy the 68<sup>th</sup>, 130<sup>th</sup>, 131<sup>st</sup>, 137<sup>th</sup> and 139<sup>th</sup> positions respectively (WORLD ECONOMIC FORUM. *Global Gender Gap Report 2022*. Available at: [https://www3.weforum.org/docs/WEF\\_GGGR\\_2022.pdf](https://www3.weforum.org/docs/WEF_GGGR_2022.pdf) [accessed: 02/03/2023].

<sup>17</sup> LEWIS, Bernard. . *Las identidades múltiples de Oriente Medio*. Siglo XXI, 2000.

<sup>18</sup> The situation of women and the restriction of their rights in the public arena in Middle Eastern countries have been the subject of many essays. These include:

LEWIS, Bernard. *¿Qué ha fallado? El impacto de Occidente y la respuesta de Oriente Próximo*, Siglo XXI, 2002, pp. 81-93.

MARTINEZ MONTÁVEZ, Pedro. *El reto del islam, la larga crisis del mundo árabe contemporáneo*. Temas de Hoy, 1997, pp.185-193.

ELTAHAWY, Mona. *El himen y el hiyab: por qué el mundo árabe necesita una revolución sexual*. Capitán Swing Libros, 2018.

## Conclusions

Saudi Arabia is undergoing a transformation, with a large number of projects and investments underway.<sup>19</sup> However, many of these are unlikely to be completed by the target date of 2030, and some will not be implemented at all.

### *Shifting economic power in the world*

By 2050, East Asia, and China in particular, will account for 50% of global production. Manufacturing markets will remain very high growth and increase their energy consumption, fed mainly from the Gulf.

Oil is traded globally in dollars but, because of this shift to the east, it is possible that in the medium term there will be a radical change in the financial spheres and prices will start to be priced in Chinese yuan.

In the short term, relations between Saudi Arabia and China will intensify, including in security and military cooperation. Both powers are ideologically similar. Their political powers perceive Western democratic or liberal ideas as foreign and a threat. Moreover, as allies, they have sufficient means to deploy considerable economic muscle globally.

Finally, Saudi Arabia will keep channels of communication open with the US, which remains the most important military power in the Gulf. In terms of oil flows, the US is the world's largest producer and may no longer need to import from Saudi Arabia.

### *Relations with Iran*

Through China's mediation, the restoration of bilateral relations with Iran is seen as a response to the fact that both countries, like the UAE, are part of China's great infrastructure corridor, a rejuvenation of the ancient Silk Road.

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<sup>19</sup> Vision 2030 projects entail huge investments, which are being made by different state actors backed by sovereign wealth funds: development funds, industrial groups (Saudi Arabian Military Industries, SAMI) and investment funds (Saudi Downtown Company, SDC).

### ***Relations with Israel***

The signatories to the Abraham Accords to date have been the UAE, Bahrain, Sudan and Morocco.

A window of opportunity for improving relations with Israel could open in Saudi Arabia, due to MbS's leadership and ideas on the one hand, and the loss of Palestinian significance in the international arena on the other.

Despite political and religious divergences with Israel, the common ground for a possible future understanding is based on the threat that Iran poses to both. As a result, the two countries could converge to destabilise Iran and prevent the creation of a nuclear state.

For its part, the formalisation of the Abraham Accords would imply the recognition of Israel as the nation state of the Jewish people. This alliance would be a profound paradigm shift in Saudi Arabia, which could affect its internal stability due to possible pressure from conservative religious circles.

### ***Industrial sector***

For international manufacturers setting up in Saudi Arabia, the future steel plants are expected to become the main suppliers of steel, an alloy<sup>20</sup> that is essential to the automotive, aeronautical and naval sectors. Moreover, the plastic parts required in the industrial process will almost certainly be supplied by SABIC, the Saudi Arabian refining company.

### ***Military industrialisation***

MbS has the political will to make an immense push to manufacture military equipment domestically<sup>21</sup> and limit dependence on external suppliers.

Given that the main challenge would be to boost the industrial base and the employment of specialised talent, a feasible time horizon is considered to be 15 years for the country

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<sup>20</sup> Fe-C (iron and carbon).

<sup>21</sup> The beginnings, motivations and the time it took for defence industries to develop in countries such as the US and Israel are detailed in "The Motivation of a Country" (SENOR, Dan and SINGER, Paul. *Start-up Nation: la historia del milagro económico de Israel*. Aleph, 2012, pp.195-202).

to have some modern but less technological conventional armaments and 25-30 years for the development of more advanced and innovative weapons technologies (large weapons systems, space and satellite environment, cyber capabilities, etc.).

Consequently, the generation of conventional capabilities through its own means could improve in the medium term, but in the short term, Saudi Arabia will continue to depend on partners or allies for arms imports.

On the other hand, Saudi Arabia wants to be relevant in its maritime space and, for this reason, will certainly increase its military naval capabilities. The protection and surveillance of the country's important refineries and port infrastructure will be entrusted to patrol vessels and corvettes, which will escort large oil tankers and secure export channels in the oceanic sea (Yemeni coast and Strait of Hormuz).

### ***Pressure groups***

It is believed that Vision 2030 will not be a paradigm shift because economic modernisation will not be accompanied by social and political modernisation.<sup>22</sup>

Despite the resentments of different social groups that may manifest themselves on social media, it is believed that there are no groups or individuals who threaten the stability of the kingdom because of the existing authoritarianism and heavy repression.<sup>23</sup>

Moreover, oil-producing countries experienced a windfall in the first half of 2022 as a result of rising oil prices, and this wealth may be a bulwark against social dissent over the short term.

### ***Zero-emissions by 2060***

Saudi Arabia is not expected to contribute to keeping global temperatures below a 1.5°C increase because it will not reduce its GHG emissions in the short term.

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<sup>22</sup> According to Francis Fukuyama, an underdeveloped political system is one that never generates a principle of political responsibility or a principle of legality (Cfr. *Los orígenes del orden político. De la prehistoria hasta la Revolución francesa*. Ediciones Deusto, 2016).

<sup>23</sup> AL-RASHEED, Madawi. « Estados e islamistas en el mundo árabe, con especial referencia a Arabia Saudí », *AWRAQ*, 15. 2017, pp. 61-72.

On the other hand, the harnessing of renewable energy is still at its nascent stage. To reduce emissions, Saudi Arabia is likely to concentrate its investment effort on developing methods to capture and store carbon.

Over the medium and long term, fossil fuels will continue to benefit from a very favourable context. The powerful ARAMCO (oil) and SABIC (refining) will not stop their activity, as they are crucial for Saudi public coffers.

Oil consumption has been increasing year after year and demand will grow from Asian markets, the highest consuming region, whose high demand will keep prices high and consequently incentivise production. In addition, the amount of plastic waste produced by the refining industry will remain very high and its destination is likely to continue to be Malaysia.

Elsewhere, the construction industry will grow considerably in the coming years, due to large urban developments, tourism and infrastructure projects. Although the Saudi authorities have stated that renewable energy will be used, domestic consumption of crude oil is expected to increase and, consequently, so will environmental problems.

On the other hand, electricity consumption, associated with intense urbanisation, has also led to increased domestic consumption of crude oil, hitherto subsidised by the government. This is seen as one of the main challenges facing the country, with fears that reserves could run out by 2030.

The trend is very negative in terms of global warming. Nevertheless, as a sort of a facelift, oil producers are taking a very active role in climate change negotiations. In fact, the next COP28 will take place from 30 November to 12 December 2023 in Dubai, an emirate within the UAE, a country with the world's seventh largest oil reserves.

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