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From Oil Dependency to Diversified Growth

Saudi Arabia's non-oil economy has **overwritten** the oil-based model.

The **volume of traffic**, business establishment, and investor interest reflect a **moving vision**.

Tourism is a key indicator: Saudi Arabia welcomed **29.7 million inbound international tourists in 2024** (+8% in one year). Total tourism (domestic and international) reached 115.9 million visitors in 2024 (86.2 million domestic, 29.7 million inbound).

The diversification spans **hospitality, real estate, transport, energy, AI, data centers**, and more – with **no single dominant sector**.

Legal Reforms Driving Foreign Investment

Over **254 regulatory amendments** have reshaped the business landscape.

Key reforms include:

- **30-year tax exemptions for companies establishing their Regional Headquarters in the country**
- **Unified investment law**
- Ability to **register 100% foreign-owned companies**

Impact on FDI:

- France is now a **top investor**:
 - **2023**: 2nd largest with **\$3 billion**
 - **2024**: 3rd largest investor; **#5 in giga-project contracts**
- Over **200 French companies, 30 regional HQs, 400 licenses** and a **60% increase** in French presence.

Business Culture & Human Capital Evolution

The transformation is **not too fast**, but **consistent and synergistic**.

70% of the population is under 30 – young, ambitious, and open to change.

Business culture has evolved post-COVID:

- **Transparency, female workforce inclusion, and education investment.**
- **Tourism visas** now available – a major shift.

Cultural perceptions lag behind reality – e.g., **women driving and working** is still seen as new abroad, but normalized locally.

Strategic Investment Opportunities

All sectors are impacted – the country is changing rapidly.

Oil & gas still represent **22% of GDP**, but **culture and tourism** aim to grow from **<1% to 3% by 2030**.

Key sectors to watch:

- **Real estate, construction, transport, energy, AI, data centers**

Success factors for companies:

- **Realistic market approach**
- **Understanding local culture and communication**
- **Authentic presence** – not just representation
- **Commitment to local content and Saudization**
- **Dedicated resources** – you can't be everywhere

The French Perspective & Market Realities

50% of the audience has visited Saudi – often surprised by the reality vs. preconceived ideas.

France is well-perceived:

- **Heritage, quality, culture**
- But **price sensitivity** is high – quality alone doesn't guarantee acceptance.

To succeed:

- Blend **commitment, competitiveness, and localization**
- Understand that **Gen Z is Gen Z** – same behaviors as elsewhere
- France must **choose Saudi** and **invest strategically**

Looking Ahead

Saudi Arabia is undergoing a transformation **similar to Dubai 15 years ago**.

With **\$2 trillion in mega-projects**, the window of opportunity is now.

Companies must **act early** – the market will become more competitive and harder to enter.

The future is shaped by a **young, educated, and ambitious population** – ready to build, innovate, and partner.