

National Privatization Strategy 2025



My primary goal is for our country to be a successful and leading model worldwide across all fields, and I will work with you to achieve that.



Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al Saud



The future and prosperity of the Kingdom are founded on a partnership between the public and private sectors; therefore, building a vibrant and thriving private sector is a national priority.



His Royal Highness
Prince Mohammed bin Salman bin Abdulaziz Al Saud
Crown Prince, Prime Minister



Message from His Excellency the Minister of Finance

In light of the ambitions of our wise leadership, Saudi Arabia has witnessed remarkable development across various fronts. The privatization ecosystem has grown in a clear and positive way, with economic and social benefits that have helped improve the quality of services.

As part of the ongoing transformation journey, we continue to move steadily toward achieving further objectives of Saudi Vision 2030, overcoming challenges and advancing toward a bright future.

To set national objectives, achieve the intended outcomes of privatization, support the implementation of privatization and Public-Private Partnership (PPP) projects, and define their priorities, it was necessary to launch a national strategy. This strategy aims to maximize the economic, social, and financial impact of privatization and PPP projects.

Accordingly, the National Privatization Strategy was developed to address challenges that slow progress, make the most of opportunities that support economic growth and financial sustainability, and improve the quality and efficiency of services.

Over the past years, the privatization ecosystem has achieved numerous accomplishments across various sectors, including improving the efficiency of the national economy, increasing its competitiveness, supporting and empowering the public and private sectors and investors, and expanding the number of participating sectors.

We will continue to work together to achieve our goals and strengthen the Kingdom's position to become a reference in the field of infrastructure and public services privatization.

Mohammed bin Abdullah Al-Jadaan

Minister of Finance

Chairman of the Board of Directors, The National Center for Privatization & PPP



Message from the CEO of the National Center for Privatization & PPP

The privatization ecosystem benefits from strong and continuous support from our wise leadership. Through Saudi Vision 2030, the foundations for growth have been established across both the public and private sectors, covering economic and social aspects. Having moved beyond the initial establishment phase, the ecosystem is now in a stage of expansion, achieving notable successes that form a strong base for greater ambitions ahead.

Today, we continue this journey of success through the development of the National Privatization Strategy, which plays a vital role in defining the strategic direction of privatization efforts. This contributes to driving economic development, enhancing the quality and efficiency of infrastructure and public services for the people of Saudi Arabia, reducing the government's operational role in the delivery of public services, strengthening financial sustainability, and creating an enabling environment for privatization.

Within the framework of the National Center for Privatization & PPP's mandate and its continuous pursuit of advancement, the Strategy has been built on solid foundations to address challenges that hinder improvements in the quality and efficiency of public services and infrastructure across the Kingdom. It also seeks to capitalize on opportunities for economic development and financial sustainability. Privatization, in partnership with the private sector, has achieved a range of successes that have contributed to the development of healthcare, education, and logistics services; increased port capacity; improved the efficiency of public transportation systems; enhanced the sustainability of water resources; and supported the development of the sports sector, thereby improving quality of life and advancing the objectives of Saudi Vision 2030.

In conclusion, the National Center for Privatization & PPP strives to realize the leadership's vision and aspirations by delivering a global model for privatization through leveraging capabilities and expertise in best practices and services, and by enabling effective PPPs to ensure the success of development projects within the privatization portfolio, thereby securing the Center a leading role within the privatization ecosystem.

Mohannad bin Ahmad Basodan

CEO, The National Center for Privatization & PPP

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Executive Summary

Privatization is a tool to improve citizens' lives, enhance service quality, and strengthen the national economy. It is one of the key mechanisms for achieving the pillars of Saudi Vision 2030 by building a thriving economy, supporting a vibrant society, and fostering an ambitious nation. This is achieved through engaging the private sector in providing public services and operating infrastructure more efficiently and with higher quality, directly benefiting citizens.



Concept of Privatization

PPP contracts and ownership transfer of government-owned assets contracts to be operated by the private sector with the aim of improving their quality and efficiency.



National Privatization Strategy

In light of the notable achievements of Saudi Vision 2030, there arose a need for a clear national strategy to organize the privatization process, ensure its alignment with national priorities, maximize its economic, social, and financial impact, as well as build on the accomplishments achieved in recent years.



Value Provided by the Strategy

The National Privatization Strategy focuses on delivering tangible results that citizens can feel in their daily lives by improving public service quality, enhancing infrastructure efficiency, providing better options, supporting quality of life, and achieving the objectives of the privatization program, which aims to strengthen the role of the private sector in service delivery and make government assets available to boost the national economy.

It also contributes to economic growth, attracts investment, empowers the private sector, creates job opportunities, supports financial sustainability, and enables the government to focus on its regulatory and legislative roles.



Strategy Vision

To position the kingdom as a global reference in the field of infrastructure and public service privatization.



Strategy Mission

Maximize economic, social, and fiscal impact of public-private partnerships and privatization projects.

Alignment of the Strategy with Saudi Vision 2030

The National Privatization Strategy builds on the achievements accomplished so far. Saudi Vision 2030, through the Privatization Program, has laid the foundations for empowering the private sector and expanding its participation in providing public services and operating assets and infrastructure. This has paved the way for a new, more mature and impactful phase of privatization. Accordingly, the Strategy directly supports the achievement of two third-level strategic goals of Saudi Vision 2030:

- 01.** Unlocking state-owned assets for the private sector.
- 02.** Privatizing selected government services.

The National Privatization Strategy conveys clear messages, including:

- | | | |
|--|--|--|
| 01.
Improving quality
and efficiency of
services. | 02.
Strengthening the
private sector and
attracting investment. | 03.
Enhancing value for
money and long-term
sustainability. |
|--|--|--|



Main Objectives of the Strategy

The Strategy aims to achieve five clear and integrated objectives:

01.

Enhancing the quality and efficiency of infrastructure and public services for the residents of Saudi Arabia.

03.

Reducing the government's operational role in the delivery of public services.

02.

Contributing to sustainable economic growth.

04.

Strengthening fiscal sustainability.

05.

Creating an enabling environment for privatization.

Ambitions of the Strategy by 2030

\$64 billion

Total value of private sector capital investments.

\$11.5 billion

Total value for money from PPP transactions.

221 contracts

Resulting from PPPs pave the way for the creation of thousands of jobs.



Methodology for Developing the Strategy

The National Center for Privatization & PPP embarked on developing the National Privatization Strategy to achieve three main objectives:

- 01.** Define and articulate national objectives and the desired outcomes of privatization in the Kingdom, ensuring clarity of direction for all stakeholders and enhancing the delivery of tangible value to citizens.
- 02.** Identify and address challenges hindering privatization efforts, and leverage existing opportunities to accelerate the implementation of privatization and PPP projects in order to maximize their impact.
- 03.** Establish a model for prioritizing privatization and PPP opportunities at the national level across all sectors, in alignment with the national objectives of privatization.

Strategy Development Approach

The development of the National Privatization Strategy was based on the following:





National Privatization Strategy



Privatization Landscape in the Kingdom

Saudi Vision 2030 has laid the foundation for unprecedented social and economic improvements, in addition to enhancing the way the public sector operates, with a direct and positive impact on citizens' lives. These improvements pursue multiple objectives, including strengthening government effectiveness, developing and diversifying the economy, increasing employment rates, and improving quality of life and public health, among others.

To achieve these objectives and translate the Vision into tangible outcomes felt by citizens, several programs were launched, focusing on the most critical areas of improvement across various sectors. These include enhancing private sector participation, improving quality of life, and achieving financial sustainability.

In coordination with other public sector entities, these programs have delivered tangible achievements across multiple fields and sectors, and they continue to serve as the main driving forces behind the success of Saudi Vision 2030.

To highlight the significant role of the private sector in achieving the Vision's objectives, it is worth recalling the words of His Royal Highness Prince Mohammed bin Salman, Crown Prince and Prime Minister in the introduction to the Vision, where he stated:

"We will open broader opportunities for the private sector to become a partner by facilitating its business and encouraging its growth, enabling it to become one of the world's largest economies, drive employment for citizens, and serve as a source of national prosperity and well-being for all. This promise is built on cooperation and partnership in sharing responsibility."

Reaffirming the importance of the private sector in achieving the goals of Saudi Vision 2030, the Vision includes a direct second-level objective: "Growing the contribution of the private sector to the economy." In support of this objective, two third-level goals outline PPPs: "Unlocking state-owned assets for the private sector" and "Privatizing selected government services."

In addition to direct objectives, Saudi Vision 2030 includes a number of other phased targets, in which the private sector is expected to play a significant yet indirect role in achieving them. The Vision aims to increase the private sector's contribution to the GDP from 40% to 65% by 2030, thereby strengthening the national economy and creating broader opportunities for citizens.

Establishing a National Privatization Strategy is therefore a critical step in completing the journey toward stronger and more impactful PPPs, and in increasing the private sector's contribution to the Kingdom's economy.



Current State of the Privatization Ecosystem in the Kingdom

Enabling Factors

- 01.** The Kingdom's strong standing at the regional and international levels.
- 02.** The achievements of the privatization ecosystem and the Privatization Program in expanding and diversifying the number of projects across sectors.
- 03.** The issuance of laws and regulations that provide a high degree of regulatory flexibility and clarity in governance.
- 04.** The progress made in developing sectoral privatization plans.
- 05.** The establishment of the National Infrastructure Fund as a financing and enabling instrument to enhance private sector participation in infrastructure projects.
- 06.** Strong ties between the Kingdom and potential investor countries.
- 07.** The successful implementation of a number of privatization and PPP projects across sectors, including healthcare, education, transport and logistics, environment, water and agriculture, municipalities and housing, sports, and many others.

Available Opportunities

- 01.** The availability of a wide range of privatization and PPP opportunities across the targeted sectors.
- 02.** The private sector's capability to significantly enhance the quality of services delivered to citizens.
- 03.** High potential to attract investors within a rapidly growing economy.
- 04.** Reducing financial pressure on the public budget.
- 05.** Implementing privatization in alignment with the state's plans to serve citizens and the economy.
- 06.** Increasing employment of Saudi nationals through new projects, and further leveraging local content requirements to empower national suppliers and increase the local economic impact of privatization projects.
- 07.** Substantial national efforts have been undertaken to build local human capital and qualify competitive national talent in the field of privatization and PPPs across most sectors.
- 08.** The strong momentum created by Saudi Vision 2030, which contributes to accelerating privatization and PPP processes.



Global Experiences in Privatization

10
countries

were selected for benchmarking through a **screening process that assessed 50 countries** using multiple criteria. The selected countries include:

- ▶ Countries **with a mature privatization ecosystem**
- ▶ Countries **approaching maturity**
- ▶ Countries **emerging in privatization**

Results of Benchmarking Against Global Experiences

Privatization Strategy

- 01.** Advanced countries adopt long-term privatization policies and strategies, while countries with emerging privatization frameworks tend to rely on short-term, defined plans.
- 02.** Privatization policies and strategies are derived from national infrastructure plans.
- 03.** The identification and prioritization of opportunities are conducted through clear processes and well-defined frameworks.

Human Capital and Knowledge Capabilities

- 01.** Entities responsible for privatization work to develop the skills of their workforce.
- 02.** Numerous external organizations contribute to capacity building and training in the field of privatization, such as training institutes, universities, and similar institutions.



Privatization Financing

- 01.** Privatization projects are managed according to clear rules that support financial sustainability.
- 02.** Countries emerging in privatization and PPPs collaborate with international development banks to secure project funding.
- 03.** Advanced countries establish infrastructure funds and work with commercial banks to finance privatization and PPP projects.

Planning and Implementation of Privatization Opportunities and Projects

- 01.** Globally, the energy and transportation sectors have been the main focus for PPPs, followed by social infrastructure and information and communication technology.

Comparisons indicate that the main reasons for privatization setbacks in the benchmarked countries include:

Absence of a clear framework for preparatory procedures.

Lack of clarity or complexity in governance mechanisms.

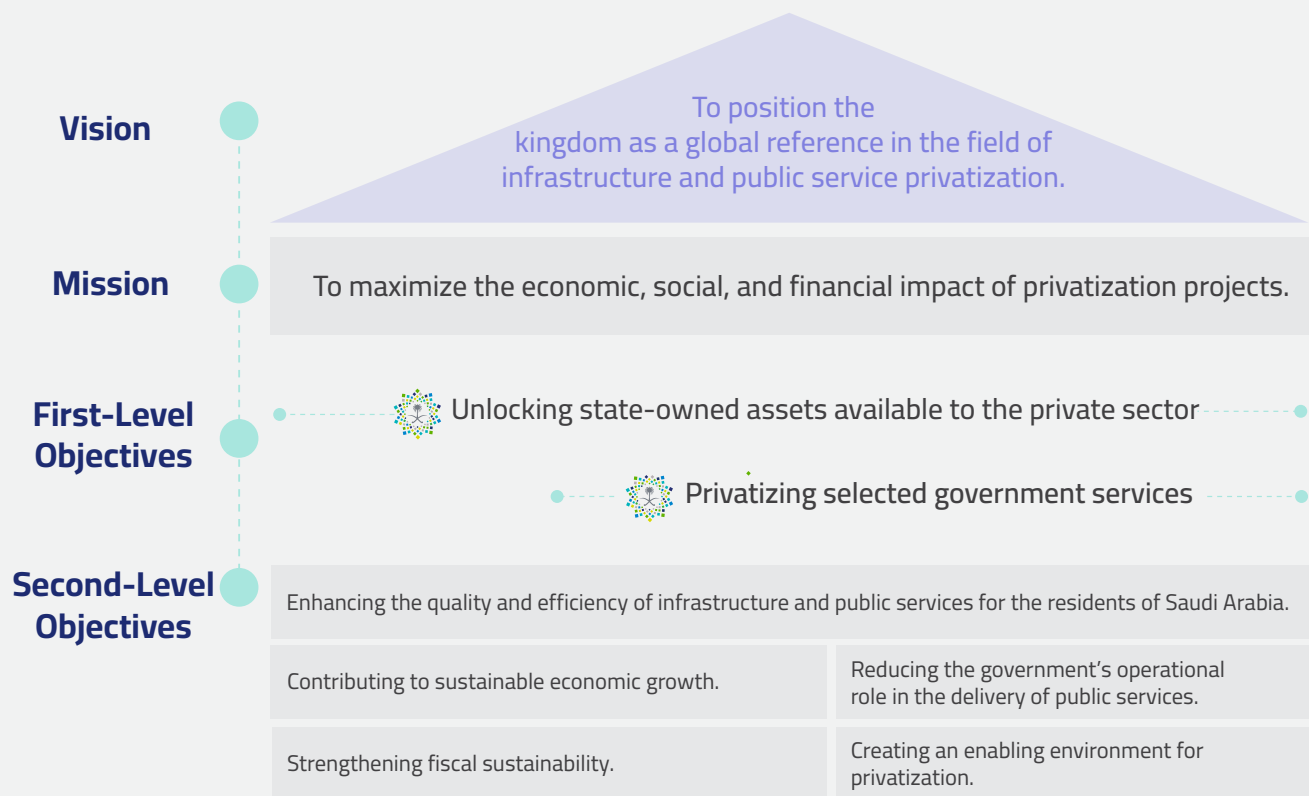
Limited capabilities within the public sector.

Incompatibility of benchmark models with the realities of some countries.

Financial challenges, in addition to administrative changes.



Structure of the National Privatization Strategy



Impact of the Strategy on the Public Sector

01. **The public sector assumes a key role in regulation and oversight,** alongside an operational role focused on delivering strategic services.
02. **Enhancing the efficiency of public spending,** achieving economic stability in the face of financial fluctuations, and reinforcing clarity of roles and responsibilities between the government and the private sector.
03. **Delivering high-quality and effective services,** along with superior infrastructure.
04. **Building intensive and robust partnerships in public services and infrastructure,** and leveraging private sector expertise to improve service quality.

Strategy Implementation Mechanisms

Transforming the National Privatization Strategy into tangible impact requires clear programs and practical initiatives. Accordingly, it will be implemented through five main programs designed to achieve realistic outcomes that citizens can experience and from which the national economy can benefit. These include **four enabling programs** that support the privatization ecosystem, and **one implementation program** focused on executing priority privatization and PPP projects. The programs comprise:

42
initiatives

01. Ensuring Impact-Based Planning and Continuous Management

Number of initiatives: 7

This program aims to ensure that all privatization projects, at various stages, deliver real value to citizens and the economy through impact-based planning, continuous monitoring, and results measurement.

02. Enhancing Regulatory Environment and Effective Governance

Number of initiatives: 6

Focuses on developing regulations, rules, and governance, addressing regulatory gaps, enhancing coordination among stakeholders, promoting transparency, and improving decision-making efficiency.

03. Developing Human Capital and Knowledge Management

Number of initiatives: 4

Aims to develop national skills and abilities within entities involved in privatization and build an effective knowledge management system to ensure ongoing development and long-term performance improvement.

04. Improving Marketability and Attractiveness of Privatization

Number of initiatives: 6

Focuses on raising awareness of privatization and PPP opportunities, enhancing their appeal to local and international investors, and supporting the availability of suitable financing mechanisms to expand private sector participation.

05. Implementing Priority Privatization Projects with the Greatest Impact

Number of initiatives: 19

This program forms the core of strategy implementation, focusing on executing privatization and PPP projects prioritized nationally based on readiness and expected impact across vital sectors.

Programs of the National Privatization Strategy



Ensuring Impact-Based Planning and Continuous Management

Expected Impact



Comprehensive and consistent coverage of PPP opportunities that support the transformation of sector operations.



Maximize the value and impact of PPP projects at the national level.



Effectively guide, manage, and follow-up for the implementation of future privatization projects through the provision of best-in-class processes and tools.

Initiatives

- Update and issue the guidance manual for developing sectoral privatization plans, maximizing impact and restructuring the sector's operational perspective.
- Approve sectoral privatization plans in alignment with the issued guidance manuals.
- Automate progress tracking for privatization and PPP projects.
- Develop and implement a methodology to measure the financial, social, and economic impacts of completed privatization and PPP projects.
- Enhance and refine the list of potential opportunities and sectoral privatization plans, while exploring new opportunities.
- Improve privatization process procedures.
- Prepare and detail the investment tool for the initial tendering of privatization projects.



Program 2

Enhancing Regulatory Environment and Effective Governance

Expected Impact



Improve the nationally implementable regulatory framework for privatization.



Strengthen collaboration among stakeholders in the privatization ecosystem by clarifying roles and increasing the focus on achieving and accelerating implementation.



Ensure effective planning and management of financial obligations and risks arising from privatization.

Initiatives

- Empower the National Center for Privatization & PPP.
- Develop the general legislative frameworks for privatization.
- Detail system-wide governance and develop comprehensive service level agreements across the privatization ecosystem to accelerate processes.
- Establish and implement financial planning procedures for PPPs and a risk management methodology.
- Review and update the regulatory and governance framework for privatization.
- Develop a sustainable business model to finance preparatory studies for privatization and PPP projects.

Program 3

Developing Human Capital and Knowledge Management

Expected Impact



Enhance human capabilities within the National Center for Privatization & PPP and other sectors and entities in the ecosystem to achieve the privatization agenda.



Improve knowledge and experience transfer to facilitate future privatization projects across sectors.



Strengthen collaboration and integration with the national and international privatization ecosystem.

Initiatives

- Establish a specialized capacity-building program and professional certification within the Center for employees, while expanding sector capabilities.
- Enrich and expand external educational programs related to privatization through partnerships with academic institutions and external training providers.
- Identify international centers of excellence in privatization to enhance Saudi Arabia's participation and influence in the global privatization ecosystem.
- Develop and implement knowledge management tools to strengthen inter-sector collaboration and promote a culture of knowledge sharing.



Improving Marketability and Attractiveness of Privatization

Expected Impact



Enhance the attractiveness of privatization in the Kingdom through strong collaboration with investors and the private sector.



Increase public awareness and support for privatization.



Establish diverse financing and support mechanisms for privatization, boosting the appeal of opportunities.

Initiatives

- Design and launch various types of government support and facilitation plans for PPPs.
- Promote the benefits of privatization and raise public awareness about them.
- Expand access and increase engagement with local and international investors or operators, while strengthening collaboration between the National Center for Privatization & PPP and the Ministry of Investment.
- Develop the Investors Portal platform for privatization projects to facilitate offerings and manage investor relations.
- The International Privatization Conference.
- Study the contribution of small and medium-sized enterprises (SMEs) in privatization projects and encourage their participation.



Implementing Priority Privatization Projects with the Greatest Impact

Expected Impact



Identify and prioritize high-impact, execution-ready privatization opportunities at the national level.



Enable the National Center for Privatization & PPP, the Ministry of Finance, and other relevant entities to improve resource allocation.



Provide clarity on projects over the coming years and facilitate communication with the private sector and investors.



Priority Projects

01. The initiatives under Program Five focus on launching high-priority projects identified across:

18 sectors targeted for privatization

as well as initiating and completing other projects based on progress achieved in each sector or through the identification of privatization opportunities.

Targeted Sectors:



02. A large number of privatization projects have been identified, with a total of:

\$64 billion
Capital expenditures

\$7.2 billion
Total net government revenue

Methodology for Prioritizing Privatization Projects

The National Privatization Strategy is based on rigorous criteria to prioritize the implementation of projects that serve citizens and deliver the greatest economic impact. These criteria include overarching national priorities, implementing regulations, as well as the needs of various sectors. Accordingly, a framework was developed to prioritize projects through a clear two-stage methodology: assessing expected benefits and outcomes, and evaluating readiness for privatization.

Within each of these stages, a set of metrics is applied to ensure the selection of the most suitable projects at the right time.



Economic Impact



Improving the quality and coverage of services by leveraging the private sector's expertise in delivering services effectively and efficiently.



Raising living standards through citizen-centric services and enhancing mutual value creation between the public and private sectors.



Sharing costs and financial risks, thereby reducing public expenditure and stimulating economic growth by attracting local and foreign private investment.



Allowing the government to focus on regulatory and oversight roles, while assigning operational activities to the private sector.



Leveraging the private sector's technical knowledge and expertise to accelerate the adoption of advanced technologies.



Capital investments from the private sector totaling \$64 billion.



Creation of tens of thousands of high-quality jobs.



Conclusion

The National Privatization Strategy represents one of the key enablers for achieving the objectives of Saudi Vision 2030. It goes beyond an implementation plan for projects to serve as a comprehensive national framework that strengthens PPPs and redefines the role of government entities from direct service providers to enablers of development, focused on regulation, oversight, and quality assurance.

What the Strategy Delivers for Citizens

The National Privatization Strategy means higher-quality and more efficient public services, improved infrastructure, and an enhanced experience across vital sectors such as healthcare, education, transport, and water. The Strategy also contributes to improving quality of life across all regions of the Kingdom, meeting today's needs while preparing for the future.

What the Strategy Delivers for the Private Sector and the Economy

The Strategy provides broader opportunities for private sector participation in privatization and PPP projects within a clear, investment-attractive regulatory environment. It contributes to economic growth, job creation, knowledge transfer, and enhanced competitiveness of the national economy.

The National Privatization Strategy builds on achievements already realized and looks ahead to a more impactful phase. Over recent years, privatization efforts have resulted in the signing of **approximately 90 privatization and PPP contracts** with the private sector, with a total investment value exceeding **\$50 billion** by the end of 2025. These included strategic projects in sectors such as flour mills, as well as improvements in service quality across healthcare, education, and transport. These accomplishments form a strong foundation for the next phase.

The Strategy drives the implementation of higher-priority, higher-impact projects, strengthens governance and transparency, and enhances planning and execution efficiency, ensuring the delivery of sustainable value for citizens and the economy over the long term.

Ways for the Private Sector to Participate

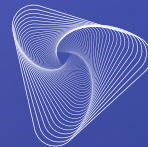
The private sector can participate through:

- Applying for tendered privatization and PPP opportunities.
- Investing in the development and operation of infrastructure and public services.
- Building long-term partnerships that contribute to innovation and improved service quality.

Finally, to learn more about the details of the Strategy, privatization opportunities, and tendered projects, you may visit the National Center for Privatization & PPP's website and official platforms, where up-to-date information and available opportunities for investors are provided.



الاستراتيجية الوطنية
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