

The ‘NEOM Project’: Saudi Arabia “back to the future”. Modernisation under Mohammed bin Salman.

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The Kingdom of Saudi Arabia is clearly projecting itself into the future. On 24 October 2017, during the “*Future Investment Initiative*”, a business conference held in Riyadh, Crown Prince Mohammed bin Salman (MbS), announced the launch of the NEOM project. NEOM is part of the wider VISION 2030 project, an impressive undertaking that aims to make the Saudi economy independent from oil revenues by 2030. According to *Al Arabiya*, the first three characters “NEO” stand for the word “new” in Latin, while the fourth character “M” is the abbreviation of the Arabic word “Mostaqbal”, which means “future”. NEOM will span some 25,000 square kilometers and will be located in the North West end of Saudi Arabia with parts of it spilling into neighbouring Jordan and Egypt. The plan includes a bridge spanning the Red Sea, connecting the new zone with Egypt and the rest of Africa. NEOM may represent a chance for economic and financial growth for the three countries involved directly and with substantial spillovers beyond. The city aims to be center of innovation in the field of energy and water, biotechnology, food, advanced manufacturing, media, entertainment, technological and the digital sciences. The territory will be under Saudi sovereignty but it will have a special administrative autonomy. Phase I should be completed by 2025.

But what is NEOM going to be? What significance is it going to have? From MbS’s perspective, international policy makers should remember that NEOM will not be an entirely “Saudi initiative”, but also generate opportunities for Saudi Arabia’s partners. Riyadh’s \$500 billion investment into NEOM over the coming years, will be initiated by potential investors. This ambitious project will gather the best skills from Europe, Asia and Africa and bring them to work into the various industrial sectors, from energy to biotechnology. And, the entire city will be 100 per cent clean and sustainable, as everything will work using solar and wind energy.

Certainly, the project has financial, economic and political drivers. The main purpose of this project is to diversify the portfolio of Saudi investments, and provide an alternative source of revenues away from those related to oil. Oil prices have been fluctuating drastically in recent years and Riyadh is aware that it needs to reform and to diversify its economy and State.

NEOM is – as articulated by MbS – “a blank page” and a way to “experiment an open society, without extremisms, discriminations and ideological underdevelopment”. Those elements



characterised the Saudi society until now and Prince MbS told investors gathered in Riyadh that his economic modernisation plans would go hand-in hand with societal reforms to guide the Kingdom away from illiberal State ideologies. MbS wants to modernise and make Saudi Arabia a new hub where people can work and live in *optimal conditions*.

MbS's plans for modernisation have been applauded by many Western leaders, even though some analysts are skeptical and argue he will be unable to implement those economic and societal changes on the scale and at the pace he wishes. Ghanem Nuseibeh (senior analyst who has been frequently consulted on projects in the region) said that this is "a generational project, not an overnight one", which means that it looks to the future: the countries of the region are trying to develop beyond oil and those who don't take that route will be left behind.

NEOM is one of the greatest infrastructural and development projects announced in the past decades. This makes it an appealing opportunity with considerable potential, for both the Middle East and for countries outside of the region and may be an incredible opportunity for Europe as well, considering its proximity to the Mediterranean and the Red Sea. Finally, NEOM is proof of the important transition towards modernisation that Saudi Arabia is undertaking under the guidance of MbS and his father, King Salman. It is a moment of change over how the country will develop socially, politically, strategically, economically and – crucially – in terms of the civilisational energies it pursues. We at EGIC remain very optimistic about the symbolic, strategic and economic importance of NEOM and remain committed to keeping our reader fully informed as to the unfolding details in relation to the project.