

# SAUDI ARABIA'S DIVERSIFICATION STRATEGY THROUGH *THE RED SEA PROJECT* IN FACING THE INTERNATIONAL PETROLEUM COMPETITION

Moh. Talabul Amal<sup>1</sup>; Ahmad Sahide<sup>2</sup>; Mohammad Reevany Bustami<sup>3</sup>

<sup>1,2</sup>Ilmu Hubungan Internasional, Universitas Muhammadiyah Yogyakarta,  
Indonesia;

<sup>3</sup>Centre for Policy Research and International Studies, Universiti  
Sains Malaysia

Email : talabulamal@gmail.com

Received: September 09, 2024; Reviewed: October 09, 2024; Accepted: November 27, 2024;  
Published: December 31, 2024

## ***Abstract***

*This paper examines how legal structures in Saudi Arabia have changed to diversify the economy. In this regard, the focus is on developing the tourism sector through the Red Sea Project. Traditionally, the Saudi economy was largely dependent on oil exports, thus prone to volatile markets and inadequate crude oil reserves. However, the instability in the global oil market has posed a threat to the economy, which led the government to*

*kickstart the Saudi Vision 2030 initiative—a much-sought plan that mainly consists of reforms aimed at revitalising sectors outside of oil. This research analyses the problem using the Law and Economics theory, and it seeks to investigate how investment laws and environmental laws are used to establish environmentally friendly investment avenues. The findings show that, although Saudi Arabia’s tourism industry has not been able to bring in revenue as oil does, in the long term, the economy’s growth under the legal changes brought by Saudi Vision 2030 will bear fruit. Their significance lies in emphasising the importance of properly developed legal means of firm institutional framework for successfully implementing economic resource diversification in non-renewable resource-rich economies. It also shows how such legal reforms could be applied to pursue economic change in countries with resource economies and could serve as a model for such economies that experience similar problems.*

*Arikel ini mengkaji bagaimana struktur hukum di Arab Saudi telah berubah untuk mendiversifikasi ekonomi dan dalam hal ini, fokusnya adalah pada pengembangan sektor pariwisata melalui Proyek Laut Merah. Secara tradisional, ekonomi Saudi sebagian besar bergantung pada ekspor minyak, sehingga rentan terhadap pasar yang bergejolak dan ketidakcukupan dalam cadangan minyak mentah. Namun, ketidakstabilan di pasar minyak global telah menimbulkan ancaman bagi ekonomi yang menyebabkan pemerintah memulai inisiatif Visi Saudi 2030, sebuah rencana yang banyak dicari yang terutama terdiri dari reformasi yang bertujuan untuk merevitalisasi sektor-sektor di luar minyak seperti pariwisata. Penelitian ini dianalisis menggunakan teori Hukum dan Ekonomi dan mencoba menjawab pertanyaan tentang bagaimana undang-undang investasi dan hukum lingkungan digunakan untuk membangun jalan investasi yang ramah lingkungan. Temuan menunjukkan bahwa, meskipun industri pariwisata Arab Saudi belum mampu menghasilkan pendapatan seperti minyak, tetapi dalam jangka panjang pertumbuhan ekonomi di bawah perubahan hukum yang dibawa*

*oleh Visi Saudi 2030 akan membuahkan hasil. Signifikansi mereka terletak pada penekanan pentingnya sarana hukum yang dikembangkan dengan baik dari kerangka kelembagaan yang kuat untuk keberhasilan implementasi diversifikasi sumber daya ekonomi di ekonomi yang kaya sumber daya yang tidak terbarukan. Ini juga menunjukkan bagaimana reformasi hukum tersebut dapat diterapkan untuk mengejar perubahan ekonomi di negara-negara dengan ekonomi sumber daya dan dapat berfungsi sebagai model bagi ekonomi tersebut yang mengalami masalah serupa.*

**Keywords:** *petroleum, economic diversification, tourism sector, red sea project.*

## Introduction

The global halal sector has grown significantly as a result of the growing Muslim population, which is predicted to account for 30% of the world's population by 2030. As is well known, the halal industry includes food and beverage items as well as other industries like banking, travel, fashion, cosmetics, pharmaceuticals, and a variety of service-oriented goods.<sup>1</sup> Countries in the Middle East region rely heavily on natural resources like petroleum and natural gas as the backbone of their economies. These commodities are vital to economic dynamics and international trade activities. Saudi Arabia is one of the countries in the Middle East that uses petroleum natural resources to support the economic welfare and prosperity of its citizens. Petroleum commodities make a significant contribution to Saudi Arabia's economy, among other sources of

---

<sup>1</sup> Ida Ayu Ketut Artami et al., "The Awareness of Millennial Generation Towards Halal-Certified Products: An Empirical Study Potentially Influencing Policy-Making," *Jurnal IUS Kajian Hukum Dan Keadilan* 11, no. 2 (2023): 314–32, <https://doi.org/10.29303/ius.v11i2.1258>.

economic income for the state. Notably, nearly three-quarters of Saudi Arabia's economy is supported by sources of income from petroleum production.<sup>2</sup>

Saudi Arabia's economy has always been an oil export economy, which exposes the country to the risks associated with the international oil market.<sup>3</sup> Given volatile oil prices and the exhaustion of crude oil reserves, this situation has prompted questions concerning Saudi's economic viability. To address these issues, the Saudi authorities have launched the Saudi Vision 2030 program, which puts forward a set of reforms aimed at the country's economic expansion in new areas outside the oil sector, especially tourism. A key part of the diversification strategy is the Red Sea Project, which aims to create a world-class tourism resort and, in the process, promote ecological conservation.

Two main factors justify the need for economic diversification. Firstly, the oil market has been highly volatile for the last several decades, with large nosedives in value in recent years, which directly threatens the economy of Saudi Arabia.<sup>4</sup> Secondly, oil seems an exhaustible commodity, and Saudi Arabia is endowed with large reserves, but the supply across the globe will eventually wane, thereby necessitating the country to look for other sources of revenue. In response, Saudi Arabia's Vision 2030 programme envisions an economically diversified future to reduce the nation's dependence on oil as its primary commodity. The government has launched a positive and ambitious diversification program focusing mainly on tourism—an underdeveloped sector that holds the potential for sustainable growth.

The Red Sea project demonstrates the necessity to change the law to leverage economic diversification. This project is expected to reach the

---

<sup>2</sup> Citra Nur Hikmah & Abrar Abrar. (2019). Saudi Vision: Reformasi Ekonomi Arab Saudi. *Jurnal Sejarah dan Pendidikan Sejarah*, 27-39.

<sup>3</sup> Hossa, Almutairi., Marzio, Galeotti., Baltasar, Manzano., Axel, Pierru. (2024). 1. Resilience of Saudi Arabia's Economy to Oil Shocks: Effects of Economic Reforms. *The Energy Journal*, doi: 10.1177/01956574241240279

<sup>4</sup> Haykel, Tlili., Kais, Tissaoui., Bassem, Kahouli., Rabab, Triki. (2023). 1. Do Crude Oil Volatility, Geopolitical Risk and World Uncertainty Affect Economic Growth and Financial Development in Saudi Arabia: New Evidence from Granger Causality Test in Frequency Domain. doi: 10.2139/ssrn.4624557

international sphere and attract local stakeholders by establishing a strong legal framework that fosters investment and environmental conservation. This study is based on the legal and economic approaches, explaining the importance of having specific legal definitions to enhance the performance of an economy by minimising transaction costs. This paper sheds light on how legal reforms under Saudi Vision 2030 would help formulate sound policies for sustained economic development.

Although charitable tourism has not generated the revenues that oil has for now, the legal changes introduced over the short-term outlook are favourable. These findings show that concentrating on diversifying the economy's structure is strategically essential to Saudi Arabia and other resource-interdependent nations that may be experiencing the same highs. At last, this study emphasises the impact of the legal system in the economic structural change where it suits the achievement of the objectives of diversification of the economy in the context of a resource-dependent economy.

Starting with the Red Sea Project, we can see how legal changes alongside economic planning can appropriately assist in altering the oil-centric focus of Saudi Arabia. To this end, Saudi Arabia is interested in changing its petroleum dependence by fostering a legal environment that promotes investments, economic diversification, and environmental protection. This essay will elaborate on these reforms addressing tourism and their anticipated sustainability in economic development. Petroleum commodities are a crucial product in the dynamics of international trade because petroleum is a necessity for all industrial and manufacturing activities involving the use of production tools and the use of land, sea and air transportation. Saudi Arabia holds at least nearly one-third of the world's oil reserves, which puts it in an essential position in the construction of the economy and international trade.<sup>5</sup>

---

5 Wirachmi, A., & Litbang MPI. (2022, January 4). Segini Penghasilan dan Kekayaan Arab Saudi dari Minyak. Retrieved from Sindo News: <https://international.sindonews.com/read/647233/43/segini-penghasilan-dan-kekayaan-arab-saudi-dari-minyak1641272463>

However, Saudi Arabia's economic prosperity supported by petroleum is faced with the fact that petroleum is a limited and non-renewable natural resource, making it impossible for Saudi Arabia to keep depending on this unsustainable source of income. Although the petroleum reserves of more than 200 billion barrels owned by Saudi Arabia are the largest in the world under the United States and Russia in the category of petroleum-producing countries, the effectiveness of production, distribution and consumption of petroleum carried out by Saudi Arabia can only last no more than 100 years. In fact, according to Rystad Energy, if the supply of petroleum reserves in the world is combined, the effectiveness of using petroleum as an international commodity can only last for seventy years.<sup>6</sup> This then presents a fact that indicates a threat to Saudi Arabia, a country whose economy is primarily supported by petroleum production.

On the other hand, the main problem regarding the dependence of the Saudi Arabia economy on the production and distribution of petroleum marketing in the world does not only dwell on the essence of the limitations that accompany these natural resources but also the fact that petroleum tends to fluctuate over the past few decades. This indication began to be obvious in June 2014 when the price of petroleum commodities experienced a significant decline in the international market due to various crucial factors and competitive competition from the world's petroleum-producing countries and holders of petroleum reserves. This caused Saudi Arabia's petroleum prices to decline to 50 US dollars per barrel. The high competition in the petroleum market is predicted to reduce the price of Saudi Arabia's petroleum to 30 US dollars per barrel.<sup>7</sup>

---

6 Handoko, E. (2016, July 7). The World's Crude Oil Reserves Are Only Enough for 70 Years. Retrieved from Kompas: <https://internasional.kompas.com/read/2016/07/07/19141571/cadangan.minyak.menta.h.dunia.hanya.cukup.untuk.70.tahun>

7 BBC. (2016, January 29). Oil prices fall sharply, Saudi Arabia's economy is threatened? Retrieved from BBC Indonesia: [https://www.bbc.com/indonesia/majalah/2016/01/160129\\_majalah\\_saudi\\_minyak](https://www.bbc.com/indonesia/majalah/2016/01/160129_majalah_saudi_minyak)

This high competition in petroleum commodities in the international market is allegedly a consequence of the actions of the United States and Canada to increase their petroleum production and supply. The affordability of the price of petroleum used as a fuel for transportation and industrial activities is ultimately felt by the local people in the US and Canada as a result of the increase in domestic petroleum supply, but it leaves a bad impact on petroleum exporting countries to the United States and Canada because of a decrease in demand, forcing them to lower prices to increase competitiveness and gain profits from exports.<sup>8</sup> The impact of competitive competition makes oil prices fall, as felt by Saudi Arabia. Due to the competition in oil prices, the economy of Saudi Arabia slumped by 98 billion US dollars in 2015.<sup>9</sup>

Economic diversification, in Tjiptono's view, is a step to divide or break down economic sources such as products and types of businesses with the aim of maximising economic income.<sup>10</sup> In this context, economic diversification aims to find other sources of economic income in addition to the primary source of economic income. In line with this, Saudi Arabia has reformed its economic structure and orientation by issuing a *blueprint* for the Saudi Vision 2030 policy in 2014. Saudi Vision 2030 is a policy established by Saudi Arabia with the aim of breaking away from dependence on petroleum with a target of achievement by 2020 and achieving the final result by 2030 with an increase in exports of non-oil products by 50% with a predicted economic income of 267 billion US dollars.<sup>11</sup>

---

8 Official VOA. (2015, January 2). The sharpest drop in world oil prices in 2014. Retrieved from VOA Economy: <https://www.voaindonesia.com/a/anjloknya-harga-minyak-dunia-tertajam-di-2014/2582337.html>

9 BBC. (2016, January 29). Oil prices fall sharply, Saudi Arabia's economy is threatened? Retrieved from BBC: [https://www.bbc.com/indonesia/majalah/2016/01/160129\\_majalah\\_saudi\\_minyak](https://www.bbc.com/indonesia/majalah/2016/01/160129_majalah_saudi_minyak)

10 Lucius Hermawan. (2015). The Dilemma Of Product Diversification: Increasing Revenue Or Giving Rise To Product Cannibalism? *Competence Journal of Management Studies*, 143-153.

11 Sita Hidriyah. (2016). ECONOMIC REFORM OF SAUDI ARABIA. *Brief Info Magazine*, 5-8.

Specifically, in the Saudi Vision 2030 policy package, Saudi Arabia will implement these three policy segments: 1) *a vibrant society*, 2) *a thriving economy*, and 3) *an ambitious nation*. The three pillars of segmentation were initiated to reform the economy of Saudi Arabia as a whole while changing the social construction of Saudi Arabia society as well as various other ambitious goals, including increasing public investment, stability of the Government's fiscal and monetary policies, and improving the capacity and capabilities of human resources.<sup>12</sup>

The first research on renewable and sustainable energy production in Saudi Arabia, according to Saudi Vision 2030, argues that current status and prospects are marked as the main key to a stable economy worldwide, especially in developed countries, such as the Kingdom of Saudi Arabia (KSA). Energy resources have been used in a wide range of technological applications and have proven to be a profitable and reliable substitute for hydrocarbons as an energy source. Saudi Arabia is a dynamic country facing rapid population growth, which has led to large electricity consumption. Thus, Saudi Arabia has invested billions of dollars in installing large projects in many locations nationwide with strong financing capabilities. The study found that some energy resource technologies are not yet adequately used today and may play an important role in the future. In addition, it was found that there was a need to examine the potential of offshore wind, biomass, and thermal energy. Further, this review seeks to provide comprehensive insights into the potential applications of energy resource technologies to develop sound energy policies to achieve energy security and reduce costs, thus ensuring the efficiency of energy resource applications towards long-term prosperity and energy reservation in Saudi Arabia.<sup>13</sup>

---

12 Saudi Vision. (2022). Saudi Vision 2030 An ambitious vision for an ambitious *nation*. Retrieved from Saudi Vision 2030: <https://www.vision2030.gov.sa/v2030/overview/>

13 Y.H. Ahssein Amran, Y.H. Mugahed Amran, Rayed Alyousef, Hisham Alabduljabbar . (2020). Renewable and sustainable energy production in Saudi Arabia according to Saudi Vision 2030; Current status and future prospects. *Journal of Cleaner Production*.

Second, a study entitled *The Kingdom of Saudi Arabia: Achieving the Aspirations of the National Transformation Program 2020 and Saudi Vision 2030 Through Education* explains the Saudi Arabia National Transformation Program 2020 and Saudi Vision 2030. This study uses document analysis to identify the relevant curriculum orientation in the documents and determine how to imagine achieving aspirations through educational development. The analysis reveals that the Kingdom's goals and aspirations are becoming clearer by paying attention to the alignment between national education goals and economic development while ensuring its practices are consistent with Islamic beliefs. In summary, as evidenced in the document, the analysis reveals that the imperative of the National Transformation Program 2020 and Saudi Vision 2030 is to build a 'Saudized' knowledge-based economy, and education is seen as a means to foster this.<sup>14</sup>

Third, a study on *The Transformation from an Oil-based Economy to a Knowledge-based Economy in Saudi Arabia: the Direction of Saudi Vision 2030* describes issues associated with the transformation of an oil-dependent economy to a knowledge economy in Saudi Arabia—a country that witnessed a remarkable revolution after the discovery of oil more than three-quarters of a century ago (March 1938). The study provides insights into what the country's knowledge economy looks like today and potential policy issues related to how the economy can evolve into the future. As a member of the G20, Saudi Arabia is the world's largest oil exporter and earns about 90% of government revenue from oil. Six main aspects to consider in developing Saudi Arabia's knowledge economy include human resources, innovation, information and communication technology (ICT), economy, education and employment. The

---

14 Brendan Mitchell & Abdulrahman Alfuraih. (2018). *The Kingdom of Saudi Arabia: Achieving the Aspirations of the National Transformation Program 2020 and Saudi Vision 2030 Through Education*. *Journal of Education and Development*.

Saudi government's vision emphasises the importance of diversifying the economy through the development of a knowledge economy.<sup>15</sup>

Fourth, a study on introducing inter-professional education in curricula of Saudi health science schools: An educational projection of Saudi Vision 2030 explains that the Saudi government initiated a plan to improve the health care system and health profession education. Providing optimal services in healthcare institutions requires health service providers from various services to collaborate and interact. Evidence-based research has shown that optimising interactions and communication between healthcare workers improves positive outcomes for patients and reduces medical errors.<sup>16</sup>

Since Vice Crown Prince Mohammed bin Salman Al Saud launched the Saudi Vision 2030 (National Transformation Program, April 25, 2016), many analyses have focused on the potential impact of Vision 2030 at the national level. Significantly, the Saudi Vision 2030, which promises a better future and governance, raises hopes and expectations among well-educated young Saudis. This paper discusses young men's perceptions of Saudi Vision 2030, including their hopes and expectations for the Vision. An understanding of how Saudi youth view Vision 2030 is not only relevant in the Saudi national context (or indeed some Saudi domestic context), but it also has broader regional relevance, taking into account oil market developments and economic policies.<sup>17</sup>

Recent research has focused on Saudi Arabia's economic diversification strategies in the context of the Vision 2030 programme. The dominant concern within the majority of literature is the urgency for the country to liberalise and not depend on petroleum resources for economic survival. Several fundamental

---

15 Mohammad Nurunnabi. (2017). Transformation from an Oil-based Economy to a Knowledge-based Economy in Saudi Arabia: the Direction of Saudi Vision 2030. *Journal of the Knowledge Economy* volume , 536-564.

16 Hind I. Fallatah MD. (2016). Introducing inter-professional education in curricula of Saudi health science schools: An educational projection of Saudi Vision 2030. *Journal of Taibah University Medical Sciences*, 520-525.

17 Thompson, M. C. (2017). 'Saudi Vision 2030': A Viable Response To Youth Aspirations And Concerns? . *Asian Affairs*, 205-221.

works focus on strategies for this transition and the likely obstacles. For instance, Hassan (2020) emphasises using AI and digital innovations to diversify the Kingdom of Saudi Arabia's economy, especially in projects like Neom. This particular standpoint puts into the focal emphasis the use of technology progress as a key to the restructuring of the economy, but this also fits within the scope of broader efforts encapsulated in the Vision 2030 programme, including the Red Sea initiative expounded on tourism and sustainability.<sup>18</sup>

In the same way, Hasanov and Razek (2023) also examine the oil and non-oil factors of the Saudi economy but point out that the country has to move away from the oil dependence model to allow for sustainable growth.<sup>19</sup> Their findings correspond well with the central aims of Vision 2030, which is designed to lessen the kingdom's reliance on precious oil by promoting other sectors like tourism. This strategic pivot is further explored by Young (2024), who emphasises the role of Saudi state capitalism in the achievement of diversification objectives. Young argues that the nationalisation of the country to the extent that the state finances and takes responsibility for executing large-scale projects such as the Red Sea Project is in response to issues faced by unstable oil prices and limited oil supplies.

Other works, such as those of El-Showk (2016), point out the ambition of Saudi Arabia's transformation plan, emphasising the shift from an oil-dependent economy to a knowledge-based and tourism-driven economy.<sup>20</sup> Soummane, Ghersi, and Nadai (2022) also support this narrative by stating that as a part of the strategies for economic diversification, strategies which address environmental issues and energy needs are essential for the sustainability of the

---

<sup>18</sup> Hassan, O. (2020). Artificial intelligence, Neom, and Saudi Arabia's transformation: Navigating Vision 2030. *The Political Quarterly*, 91(1), 222–227. <https://doi.org/10.1111/1467-923X.12794>

<sup>19</sup> Hasanov, F., & Razek, N. H. A. (2023). Oil and non-oil determinants of Saudi Arabia's economic growth. *Social Science Research Network*. <https://doi.org/10.2139/ssrn.4170277>

<sup>20</sup> El-Showk, S. (2016). A 21st-century transformation. *Nature*, 532, S4–S4. <https://doi.org/10.1038/532S4A>

Saudi economy.<sup>21</sup> These studies provide a worthwhile setting for analysing the legal and economic bonds that relate the Sea Project to the fifty-year vision, thus placing it as one of the key projects of the vision.

This literature shows that legal reforms and state initiatives are important factors that allow Saudi Arabia to move forward to a more diversified economy. In their case, the focus on the Red Sea Project is important in demonstrating how certain legal reforms, such as investment law and environmental law, are being implemented to engender activities in such areas as tourism. Furthermore, some of those studies help support the notion that while Saudi Arabia's economic diversification strategy is bold, it also acknowledges the reality of the limitations of an oil-reliant economy. This research tries to elaborate on these concerns by offering a more specific explanation of the legal structures facilitating this transformation and evaluating their ability to advance economic growth sustainably over time.

## Research Methods

This research uses a qualitative methodology that seeks to evaluate the effects of the legal changes in Saudi Arabia brought about by the Vision 2030 plan, especially with respect to the issues of economic diversification as stimulated by the Red Sea Project. Such a qualitative approach fits well in the investigation of multi-faceted legal as well as economic and policy constructs and their impacts on wider economic activities. To further improve the scientific quality of this paper, the author uses a variant of descriptive research methods to explain related phenomena. According to Sugiyono, the descriptive research method explains phenomena by decrypting or comprehensively describing the

---

<sup>21</sup> Soummame, S., Ghersi, F., & Nadai, A. (2022). Structural transformation options of the Saudi economy: Economic diversification in the context of climate policies. *The Energy Journal*, 43(3), 181–200. <https://doi.org/10.5547/01956574.43.3.SSOU>

data found without intending to make new conclusions about the phenomenon.<sup>22</sup>

This study uses a library research data collection technique. The data for this research were obtained using library research strategies, including collecting and analysing secondary sources such as government documents, policy formulation, legal documents, and academic works relevant to the Saudi Vision 2030 and the Red Sea Project. Such documents encompass policy papers pertaining to Saudi Vision 2030, some legal papers on investment and tourism regulations, and articles and studies on the cost-benefit analysis of these changes. In addition, reports prepared by international institutions such as the World Bank and OECD, which provide information on Saudi economic growth, are utilised to provide background information. This data collection technique is used to collect information from reading materials such as books, scientific articles that discuss related phenomena, and news websites with a high validity level.<sup>23</sup>

## Discussion

### Petroleum Challenges and Economic Diversification

Petroleum commodities are products that play a crucial role in economic relations between countries. The existence of petroleum as a non-renewable natural resource takes an important role in various sectors in the life of a country; the importance of the role of petroleum in multiple sectors such as industry, manufacturing, and automotive makes petroleum a commodity that ranks first in the world.<sup>24</sup> Since the first industrial revolution, petroleum began to be developed and produced as a fuel to support industrial and manufacturing activities, along with the industrial era 2.0. The production of aircraft and car

---

22 Sugiyono. (2013). *Quantitative, Qualitative and R&D Research Methodology*. Bandung: ALFABETA.

23 William Neuman. (2000). *Social research methods qualitative and quantitative approaches*. Boston: 4th Edition, Allyn & Bacon, Needham Heights.

24 Haranda, B. (2015). Indonesia's interest in establishing petroleum and gas energy cooperation with France in 2011 – 2013. *JOM FISIP Vol. 2 No 2*, 1-18.

transportation was carried out en masse to present an effect on increasing the consumption and production of petroleum commodities significantly over the years until the current era.<sup>25</sup>

Currently, the position of petroleum has not been replaced as an important commodity that supports the production activities of manufacturing companies, the use of transportation for motor vehicles, cars to aircraft, textile companies and various other industries. The fact that there is a significant dependence on petroleum commodities encourages various countries to compete in increasing oil production and exploration activities in different regions where they have geographical advantages in petroleum content, while countries that do not have geographical advantages seek to cooperate with petroleum exploration countries with the motive of obtaining similar benefits, namely the ownership of petroleum commodities.<sup>26</sup>

The fact that there has been an increase in petroleum production and exploration activities has negative consequences on the existence of the petroleum commodity itself, especially related to the decline in petroleum prices in the international market and the potential for scarcity or even the potential for total depletion of petroleum natural resources due to continuous increase in mass production. The decline in oil prices and the potential for scarcity to completely deplete petroleum commodities can be the two main factors that create urgency for Saudi Arabia to take action in the form of economic diversification.

Since June 2014, the price of petroleum in the international market has experienced a sharp decline to the level of 110 US dollars. This condition worsened when, at the end of 2014, the price of international benchmark petroleum, namely Brent, plummeted by about 4.4% from the previous price to

---

25 Aeni, S. N. (2022, April 7). The Industrial Revolution: Background, History, Examples, and Impact. Retrieved from KataData: <https://katadata.co.id/sitinuraeni/berita/624e79f003767/revolusi-industri-latar-belakang-sejarah-contoh-dan-dampaknya>

26 Haranda, B. (2015). Indonesia's interest in establishing petroleum and gas energy cooperation with France in 2011 – 2013. *Let's Fisip* Vol 2 No 2, 1-18.

74.28 US dollars (US\$). The sharp decline in petroleum prices is allegedly due to increased petroleum production activities, making the supply of petroleum reserves more abundant. According to BBC Indonesia, the decrease in oil prices by 40% was due to the actions of oil-exporting countries outside OPEC membership that increased oil production activities.<sup>27</sup> This is seen in the actions of the United States (US) and Canada, which have increased their oil production massively due to the use of the latest fracking technology, which boosts oil production by touching 9 million barrels per day.<sup>28</sup> This surge in production has created an abundant oil supply in both countries and led to a substantial decline in domestic oil prices across the American region. As a result, the lower oil prices have contributed to a significant boost in the economic growth of the United States and Canada.<sup>29</sup>

The fact that there is an increase in production activities with the aim of getting the maximum profit from the sale of petroleum ultimately has a bad impact on the stability of the price of petroleum itself. Beyond its economic repercussions, the intense competition and price wars in the petroleum market, coupled with heightened production activities, highlight another critical factor urging Saudi Arabia to diversify its economy: the finite nature of petroleum as a non-renewable resource.

The essence of the limitations in petroleum natural resources as a non-renewable natural resource is a common fact that haunts major petroleum exporting countries. This then brings the view that it is appropriate that restrictions on the use of petroleum should be carried out as a result of the nature of the petroleum, but with regard to the fact that echoes in the international system that the increase in petroleum production and exploration activities in oil-exporting countries will bring the world to a pre-crisis condition as explained

---

27 BBC (2014) Non-OPEC producers cause world oil prices to fall, downloaded from BBC News:

[https://www.bbc.com/indonesia/majalah/2014/12/141221\\_opec\\_harga\\_minyak](https://www.bbc.com/indonesia/majalah/2014/12/141221_opec_harga_minyak)

28 Gita Wahyuningsih Putri & Wiwin Aminah. (2019). Factors Mitigating Financial Distress in Mining Companies. *Journal of Contemporary Accounting Research*, 2-8.

29 *Op.Cit* VOA

by geophysical theorist Marion King Hubber: *oil peak condition*. Hubber introduced this *oil peak condition* as a view used to predict the oil crisis that the world will face by mapping the peak of world oil production.<sup>30</sup>

The prediction of the peak of oil production that will lead to the condition of the oil crisis is getting closer to the truth when reflecting on the current world situation, which has not found a supply of petroleum reserves of a large amount other than in the territory of Kazakhstan in 1990, not to mention the world condition faced by the fact that there was a decline in oil production activities in 2006 and accompanied by a decrease in the number of world oil reserves.<sup>31</sup>

From the description of the previous predictions of the peak of oil production, a view is created that the current oil supply is heading towards a crisis like a ticking bomb which can explode at any unpredictable time. Logically, the increase in petroleum production activities does lead to a problem related to the crisis because the size of a country's ability to produce petroleum depends on the amount of petroleum supply reserves in the country's territory, but this is also followed by the fact that the production process that occurs will reduce the country's oil reserves, especially in a massive amount. The increase in petroleum production and exploration activities from time to time by petroleum exporting countries such as Saudi Arabia, the United States, Canada and other OPEC member countries will bring the world to a certain condition related to a drastic reduction in petroleum supply and towards a condition that reflects the existence of a petroleum energy crisis.

Thus, petroleum commodities have two main problems, namely the tendency of fluctuating prices that hinder petroleum-exporting countries from gaining maximum profits and the potential for a petroleum crisis that will occur

---

30 Graham Winfrey. (2010, January 7). What Is Peak Oil? Retrieved from INSIDER: <https://www.businessinsider.com/what-is-peak-oil-2009-12#peak-means-a-bell-shaped-curve-2>

31 Nosami Rikardi. (2008). Detecting The Influence Of The World Petroleum Market On The Price Crisis. *Journal of Business Accounting* , 1-17

as a consequence of a significant increase in production activities from time to time. These two main problems can be said to be factors that affect Saudi Arabia as an exporting country and make petroleum a support for its economy. These two problems related to petroleum commodities can clearly be said to be the factors that force Saudi Arabia to diversify its economy.

### Economic Diversification Efforts in Saudi Vision 2030

The Kingdom of Saudi Arabia has introduced a number of laws that bolster investments in the private sector with a special emphasis on the tourism industry. Among these legal alterations are the Overseas Ownership Control Act amendments, increased protections of private property rights, and investment incentives in the Red Sea Project, among other things.<sup>32</sup> These reforms are in tandem with the Law and Economics Theory, which argues that well-designed legal systems reduce the transaction costs of economic actors and create disincentives to their engagement in unnecessary activities. Circumventing administrative obstacles and offering well-structured legal systems have encouraged foreign investors and developed the private sector, leading to a more diversified economy.

Saudi Vision 2030 is a *blueprint* initiated by the Government of Saudi Arabia with the aim of building Saudi Arabia as a world economic power by 2030. As a centre of worship for Muslims, Saudi Arabia has a vision to make it a home for investment that provides great benefits and connects the economies of the three regional regions of the world. Saudi Vision 2030 is a long-term plan initiated by Saudi Arabia to achieve more substantial economic capabilities. On the other hand, the goal of the Government of Saudi Arabia in setting Saudi Vision 2030 is to release its economic dependence on petroleum commodities, which have various risks and price trends that have fluctuated over the past few decades. The Red Sea mega project, also called *the Red Sea Project*, is a tourism

---

<sup>32</sup> Amelia, Pratiwi., Siti, Muslikhati. (2024). 2. Implementation of Saudi Vision 2030 Towards Saudi Arabia's Internationally Open Tourism Industry. Jurnal Indonesia Sosial Sains, doi: 10.59141/jiss.v5i1.983

project in Saudi Arabia that aims to make the Red Sea a tourism destination with a target of 100 million visitors by 2030.<sup>33</sup>

In the Saudi Vision 2030 blueprint, some pillars were initiated as goals and achievements by the government of Saudi Arabia. The first pillar is *a vibrant society*, initiated to make Saudi Arabia a country with the identity of a centre of worship for Muslims, a country with strong Islamic values, and a country that can sufficiently fulfil economic and health capacities for the domestic and international community.<sup>34</sup>

The second pillar is *a thriving economy*, initiated with the orientation to achieve significant economic growth in Saudi Arabia by maximising the private sector, optimising income and the efficiency of using the energy sector as a source of income, as well as opening and exploring the potential of the non-energy sector (non-petroleum) through comprehensive economic diversification. Finally, the third pillar, *a nation of ambition*, is a plan initiated by Saudi Arabia to become a country with effective and efficient government capabilities and capacity and increase contributions to society through a commitment to be responsible for domestic and foreign citizens, social contribution to the development of domestic business and involvement in non-profit organisations that are more social and humanitarian issues-oriented.<sup>35</sup>

Those three pillars are aimed at facing the problems that hinder the development and growth of Saudi Arabia in this decade. Among the many problems for which Saudi Arabia has set Saudi Vision 2030 as its long-term plan, the main problem faced by Saudi Arabia is its great dependence on petroleum as its main commodity, with a portion of almost 70% of Saudi Arabia's overall economic growth. This leads to the view that *a thriving economy* with economic diversification is an anticipatory step to respond to problems related to

---

33 Ishmah Winahyu. (2021, July 22). *Saudi Arabia Prepares Big Plans in Tourism*. Retrieved from Media Indonesia: <https://mediaindonesia.com/ekonomi/420245/arab-saudi-siapkan-rencana-besar-di-pariwisata>

<sup>34</sup> *Op.Cit* Saudi Vision

<sup>35</sup> *Ibid.*

petroleum commodities, which bring two main factors associated with the stagnation of Saudi Arabia's economic growth.

The Kingdom's efforts to advance its economy, such as in the tourism sector, are now reaping success. So far, it has been possible to get appreciable foreign direct investment in the Red Sea project, as some large international hotel chains and tourism operators have committed themselves to the construction of luxury resorts and other facilities. Government Reports indicate that there has been a consistent increase in tourism revenues, which have begun to substitute oil revenues even if the sector has still not reached the full economic magnitude of the oil exports. These trends corroborate economic law and economic theory, which posits that a decrease in legal factors restricting markets increases the degree of market involvement and leads to profits for the economy in the long run. With the legal structures in place to encourage the private sector to develop tourism, Saudi Arabia is making efforts to reduce its dependence on oil.

Then, Saudi Arabia also plans to build a regional and international integration network by implementing the Common Market (GCC) and constructing railways to optimise the distribution of goods and human mobilisation (*integrating regionally and internationally*). Lastly, Saudi Arabia plans to increase its support for national companies that contribute to economic growth through supporting the scheme of national companies. In this step, Saudi Arabia seeks to take advantage of a comparative advantage through Saudi Arabia's national companies that already have a position in the international market. Through a thriving economy leveraging its unique position, Saudi Arabia seeks to improve its ranking in *the Logistics Performance Index* from 49th to 25th. Not only that, through this plan, Saudi Arabia also seeks to increase its non-oil and gas exports to 50% from the previous 16% of Saudi Arabia's total GDP.

### Execution of a Thriving Economy Pillar in Saudi Arabia's Tourism Sector Through the Development of *the Red Sea Project*

The tourism sector has made a major contribution to the country's economy. Over the past few decades, the tourism sector has played an important role in the development process and dynamics of economic growth in countries worldwide. This tendency is triggered by globalisation laden with technological and communication transformations, making information distribution faster and more expansive. Globalisation may have a great impact on the existence of the tourism sector because the nature of globalisation directly increases the awareness of the global community. This increase can be easily explained through case examples, where people today are willing to visit distant places in other regions or countries because they have a prior understanding of the regions and places from the internet and television programmes documenting the places.<sup>36</sup>

On the other hand, transportation facilities, infrastructure, and the community's demographics have developed rapidly to the effect of affordable tourist trips and the increasing number of people who have cars or motorcycles for seamless trips. The growing transportation facilities and infrastructure positively affect tourist travel's affordability with a series of discounts and bonuses. Then, the development of population demographics is marked by an increase in the number of residents to an increase in the number of elderly people who also contribute to improving the tourism sector through complex schemes involving consumers, distributors and producers/providers of tourism services.<sup>37</sup>

It brings perspective that the measure taken by Saudi Arabia by improving its tourism sector on one of the pillars in the ambitious Saudi Vision

---

36 BBC-UK. (n.d.). Growth of tourism. Retrieved from Growth of tourism: <https://www.bbc.co.uk/bitesize/guides/zqk7hyc/revision/1#:~:text=People%20have%20more%20leisure%20time,they%20have%20when%20they%20retire>

37 *Ibid.*

2030 blueprint is the right step to diversify the economy. The lucrative potential of the growing tourism sector can be said to be one of the alternatives that provide Saudi Arabia with a solution to shift petroleum commodities as the country's main source of income.

In this regard, the Government of Saudi Arabia applies its plan through various programs in the tourism sector. One of the efforts made by Saudi Arabia in the plan to launch a promising sector in maximising the pillar of a thriving economy is the construction of the Red Sea Mega Project (Red Sea Project). This project is an ambitious plan of Saudi Arabia in the tourism sector that seeks to make the Red Sea an international-class tourism destination. The program, which operates under the auspices of The Red Sea Development Company (TRSDC), is the most ambitious regenerative project in the world. The general goal of this project is to set international sustainable development standards in the tourism sector, which are outlined in the form of creating tourism destinations that are luxurious yet environmentally friendly. Through the Red Sea Project, the Government of Saudi Arabia seeks to create a destination for the international community to get to know and explore further related to Saudi Arabia's cultural heritage located in the Red Sea.<sup>38</sup>

So far, the Red Sea Project has completed several supporting infrastructures, such as 80 kilometres of new roads as a link to Red Sea tourist destinations. Then, the construction village that will be a tourist destination in the Red Sea Project has accommodated 10 thousand workers, and the coastal village has been completed by accommodating as many as 14 thousand workers who will live in the area. With a final target of 2030, the Government of Saudi Arabia stated that there will be around 50 luxury resorts providing 8,000 hotel rooms, more than a thousand residential properties on 22 islands, mountain tourist destinations, deserts and luxury marinas equipped with a number of entertainment facilities and sports facilities such as golf courses. On the other hand, in line with the vision of creating environmentally friendly tourism, the

---

38 *Op.Cit.* Official The Red Sea

Government of Saudi Arabia, through The Red Sea Development Company, stated that it will allow and not build facilities around 75% of the islands around the Red Sea to protect their natural environment.<sup>39</sup>

### Legal and Economic Reforms

One of the crucial aspects the authors of this research have identified is the role of legal reforms in achieving the economic objectives of diversification in the Kingdom of Saudi Arabia. The creation of Vision 2030 has made it necessary for the Saudi Arabian government to implement a range of changes intended to expand the investment opportunity. Some of the key reforms include modifications made to the restrictions on the ownership of foreign nationals, which theoretically have increased the ownership of foreign investors in areas such as tourism, manufacturing, and services.

Furthermore, laws regarding landlordism, cursory contracts, and business investments, among others, have been improved, thereby enhancing the legal environment. This shifts the focus of the author's reform efforts to the approach known as the Law and Economics Theory, which expresses the need for simpler laws and regulations that will reduce expenditures in transactions as well as enable economic agents to conduct transactions without fear of the legal intricacies involved. A good illustration of the Red Sea Project legal framework is the case of the laws on land use, environmental sustainability and investment protection policies. This, combined with the legislation which establishes land use in the Red Sea area, allows room for these regions to look for international investors. These legal reforms are especially oriented towards guaranteeing the inflow of funds in the tourism sector, which is considered one of the main levers of economic diversification in the Kingdom of Saudi Arabia.<sup>40</sup> One of the reasons why the regulations highlight the government's determination to

---

<sup>39</sup> *Op.Cit.* Official The Red Sea

<sup>40</sup> Cristian, Barra., Pasquale, Marcello, Falcone. (2024). Unraveling the impact of economic policy uncertainty on environmental efficiency: How do institutional quality and political orientation matter?. doi: 10.1111/ecpo.12297

emphasise sustainable development is because it is also desirable from an economic efficiency perspective, ensuring that tourism growth is not at the expense of the environment.

The findings point out that these legal reforms have contributed to the relative expansion of the economy from being oil-dependent to now being more reliant on tourism and services. The legal structures have been integral to this transformation, providing the necessary framework for business sustainability and efficiency. The history makes it abundantly clear that these steps have had an economic effect. The tourism industry, especially built around the Red Sea Project, has seen significant growth in foreign direct investment (FDI), infrastructure development, and job opportunities. Government statistics, as well as foreign studies, show that there has been an increase in the contribution of the tourism sector to the GDP of Saudi Arabia since the promulgation of the 2030 vision. However, the petroleum sector remains the highest in terms of contribution in absolute values.

The Red Sea Project, a signature development under Vision 2030, garners global attention from high-end hospitality brands, infrastructure builders, and environmental companies. By 2030, millions of foreign visitors will be coming to the project every year, bringing in billions of dollars and generating employment for thousands of Saudi nationals. This emotes how such a new and structural shift in business aspirations and diversification is envisaged to work.

The rise of the tourism sector further emphasises the significance of the legal reforms discussed above. Had these legislative changes not been in practice, the tourism sector's impact on the economy would have been very limited due to the drastic limitations imposed on foreign market access, bureaucratic controls, and regulation preservation. This phenomenon is well understood by the Law and Economics Theory, which postulates that most legal rules that promote certainty and facilitate market transactions lead to efficiency gains. Saudi Arabia has been able to enhance its other non-oil sectors appreciably by reducing the costs of transactions and enforcing the rule of law.

However, the results also indicate that while tourism revenues are increasing, they are far from the levels at which petroleum exports would be targeted. This brings to light the fact that the economic diversification process which is being targeted in Vision 2030 will not happen overnight. However, the Red Sea Project, and many such projects, give an idea of how the economy of Saudi Arabia can look like in the near future, where oil and oil-related activities will not dominate but will be part of the economy, and other sectors such as tourism would complement the economy.

Although the aforementioned improvements have occurred, several important aspects still need to be attended to in order to better understand how these reforms would be implemented. The main problem, in this case, is the social and cultural friction likely to accompany the opening of certain industries, such as tourism. For example, the objectives of the Red Sea Project include targeting international tourists, many of whom, by the nature of their backgrounds, may have interests and behaviours out of harmony with the dominant culture in Saudi Arabia. The relaxation of women's dress code for some resorts, which may entail the consumption of alcohol, is, however, not welcomed by certain groups in Saudi society.

This creates a challenge for the Saudi authorities. First, they need to implement their Vision 2030 objectives of modernising and diversifying the economy, which means opening the Kingdom to the international tourism markets. Second, they need to be sensitive to the social changes that such initiatives would trigger so that these do not lead to social chaos. Additionally, there is the risk of economic loss because of the overdependence on the expansion of mega projects such as the Red Sea Project. Because of the nature of their size, there is a requirement for substantial funding along with long-term support on the part of the state and the private sector. Delays in implementation or challenges in execution could lead to significant losses, especially if the anticipated influx of tourists fails the expectations.

On the other hand, some opportunities also exist. For instance, the Red Sea Project's sustainable development component on Saudi Arabia's part is quite

unique and is consistent with the global drift towards eco-tourism. This commitment to preserving 75% of the islands within the Red Sea area for development should attract eco-friendly tourists and investors.<sup>41</sup> This concern about sustainability is not only an environmental matter but also an issue of economics. As Law and Economics Theory states, the implementation of sustainable development practices contributes to the effective economics of tourism in the future by maintaining the resources upon which it depends.

Some prospects can be realised from these reforms, such as generating new employment opportunities, boosting small and medium enterprises (SMEs), and expanding supporting industries and services that are directly or indirectly linked to tourism, including all forms of hospitality and transport. The legal frameworks that are able to support these industries are important because they guarantee that the enterprises obtain the necessary legal protection to develop and expand.

### Challenges and Opportunities

Despite the challenges in implementing the *Red Sea Project*, the main goal of the realisation of the programme is the positive impact on Saudi Arabia's economy and the success of economic diversification that is no longer fully dependent on petroleum commodities. The ambitious *Red Sea Project* program is alleged to have a massive impact on Saudi Arabia's economy and can even potentially cut the contribution of petroleum as a source of economic income that accounts for nearly 70% of Saudi Arabia's total GDP.

Efforts to create an image as a country with the number one tourist destination in the world carried out by Saudi Arabia through the *Red Sea Project* allegedly increase growth in various sectors of Saudi Arabia. With the final achievement target by 2030, the construction of the Red Sea Mega Project,

---

41 Nurunnabi, M. (2017). Transformation from an Oil-based Economy to a Knowledge-based Economy in Saudi Arabia: the Direction of Saudi Vision 2030. *Journal of the Knowledge Economy* volume , 536-564.

which even rivals the size of Belgium, is alleged to have a positive impact on the Saudi Arabia economy in the form of creating jobs for human resources both at home and abroad as many as 35 thousand jobs, opening up business and entrepreneurial opportunities and contributing to the economy of Saudi Arabia more than 4 trillion US dollars every year.<sup>42</sup>

Although it does not contribute as much as the economic income derived from petroleum recorded in 2020, it contributes a fairly high figure to the economy of Saudi Arabia. The realisation of the *Red Sea Project* program with a sustainable environment orientation can be said to be a more profitable alternative in the long term (long-term economic activity) when juxtaposed with petroleum revenue sources, which are non-renewable commodities and will run out in less than 100 years. This seemingly ambitious program does not present a greater risk than the option to rely on petroleum commodities for a large portion of Saudi Arabia's GDP.

Although there are some optimistic predictions, the challenges posed by the implementation of these reforms are huge. The Red Sea Project, aimed at increasing the region's international tourism, is faced with cultural conflict as tourists may expect facilities that contradict the more conservative values of Saudi Arabia. Resisting such liberal movements makes more conservative sections of Saudi society uncomfortable, especially the reduction of dress codes for women and the consumption of alcohol at certain resorts. This, in turn, creates a rather difficult balancing act for the Saudi government. First, it has to ensure that it implements the financial development and diversification poles enshrined in the Vision 2030 plans, which entail internationalising the country's tourism spots. Secondly, it is obliged to deal with the social situations that go together with such alterations so as not to spark domestic volatile repercussions.

---

42 Karen Gilchirist. (2017, Agustus 2). *How 125 miles of coastline could add \$4 billion and 35,000 jobs to Saudi Arabia's economy*. Retrieved from CNBC: <https://www.cnbc.com/2017/08/02/saudi-arabia-red-sea-tourism-project-4-billion-economy.html>

Additionally, with respect to diversification, an overreliance on mega infrastructure development such as the Red Sea Project could pose economic threats. The size of these projects makes it imperative that huge amounts of financing and long-term commitment from both government and private investors be made. If such projects fail to be completed or are delayed, there would be a high potential for economic losses, especially when the intended tourist inflow does not meet expectations.

However, there are also substantial opportunities. Saudi Arabia's emphasis on environmental considerations within the framework of the Red Sea Project is an approach that is relevant to global eco-tourism trends, a forward-looking approach. It is an important advertisement to say that the government intends to keep 75% of the islands in the Red Sea region in their natural condition, free from human development. However, this concentration on sustainability is both an environmental and economic concern. As Law and Economics Theory claims, the concept of sustainable development practices maintains economic viability over time by conserving the natural resources necessary for future tourism. In addition, the creation of new jobs, stimulation of small and medium enterprises (SMEs) and the development of related sectors around tourism (for instance, hospitality and transport) are other opportunities that may result from these reforms. The legal regimes existing to assist these industries are crucial as they provide business setups with the necessary legal backing that fosters the expansion of such businesses over time.

## Conclusion

As a country that depends on petroleum commodities, the Government of Saudi Arabia faces two difficulties. First, petroleum prices have fluctuated with a downward trend in recent decades due to competition and increased petroleum production and exploration activities by petroleum-exporting countries. Second, it is related to the potential to face the petroleum crisis as a non-renewable natural resource due to continuous use and increasing production and exploration activities. These two factors ultimately prompted

Saudi Arabia to carry out economic reforms and issue an ambitious policy draft (*blueprint*), namely Saudi Vision 2030, to release dependence on oil and increase Saudi Arabia's economic growth through the non-oil and gas sectors. One of the concrete steps taken by Saudi Arabia in this policy is to build a Red Sea Mega Project, which is based on a thriving economy pillar.

*The Red Sea Project* is an ambitious program set by Saudi Arabia to make the Red Sea the number one tourism destination in the world. With the final development target of 2030, the *Red Sea Project* is considered to be able to make a major contribution to Saudi Arabia's economic growth by opening around 35 thousand new jobs and contributing to the Saudi Arabia economy of 4 to 5 billion US dollars. With an explicit scheme and mechanism, the *Red Sea Project* programme is predicted to succeed in contributing to the economy of Saudi Arabia, although it has not been able to compete with the source of income derived from petroleum. Through the perspective of *the* decision-making model, the rational actor theory, and the concept of nation branding, the economic diversification efforts carried out by Saudi Arabia can be said to be successful.

## References

- Aeni, S. N. (2022, April 7). *Revolusi Industri: Latar Belakang, Sejarah, Contoh, dan Dampaknya* . Retrieved from KataData: <https://katadata.co.id/sitinuraeni/berita/624e79f003767/revolusi-industri-latar-belakang-sejarah-contoh-dan-dampaknya>
- Afinotan, L. A. (2014). Decision Making in International Relations: A theoretical Analysis. *Canadian Social Science*, 249-256.
- AFP. (2022, Juni 23). *Short hair for women no longer an issue in Saudi Arabia* . Retrieved from GVS: <https://www.globalvillagespace.com/short-hair-for-women-no-longer-an-issue-in-saudi-arabia/>
- Ajeng Wirachmi & Litbang MPI. (2022, Januari 4). *Segini Penghasilan dan Kekayaan Arab Saudi dari Minyak*. Retrieved from Sindo News: <https://international.sindonews.com/read/647233/43/segini->

- penghasilan-dan-kekayaan-arab-saudi-dari-minyak-1641272463#:~:text=RIYADH%20%2D%20Arab%20Saudi%20merupakan%20negara,%2C%20dan%2090%25%20dari%20eskor
- Anholt, S. (2005). *Brand New Justice. The Upside of Global Branding: Second Edition*. London: Butterworth- Heinemann.
- BBC, O. (2014, Desember 21). *Produsen non-OPEC 'penyebab' harga minyak dunia turun*. Retrieved from BBC News: [https://www.bbc.com/indonesia/majalah/2014/12/141221\\_opek\\_harga\\_minyak](https://www.bbc.com/indonesia/majalah/2014/12/141221_opek_harga_minyak)
- BBC, O. (2016, Januari 29). *Harga minyak turun tajam, ekonomi Arab Saudi terancam?* Retrieved from BBC: [https://www.bbc.com/indonesia/majalah/2016/01/160129\\_majalah\\_saudi\\_minyak](https://www.bbc.com/indonesia/majalah/2016/01/160129_majalah_saudi_minyak)
- BBC-UK, O. (n.d.). *Growth of tourism*. Retrieved from Growth of tourism: <https://www.bbc.co.uk/bitesize/guides/zqk7hyc/revision/1#:~:text=People%20have%20more%20leisure%20time,they%20have%20when%20they%20retire>
- Brendan Mitchell & Abdulrahman Alfuraih. (2018). The Kingdom of Saudi Arabia: Achieving the Aspirations of the National Transformation Program 2020 and Saudi Vision 2030 Through Education. *Journal of Education and Development*.
- Citra Nur Hikmah & Abrar Abrar. (2019). Saudi Vision: Reformasi Ekonomi Arab Saudi. *Jurnal Sejarah dan Pendidikan Sejarah*, 27-39.
- Gilchrist, K. (2017, Agustus 2). *How 125 miles of coastline could add \$4 billion and 35,000 jobs to Saudi Arabia's economy*. Retrieved from CNBC: <https://www.cnn.com/2017/08/02/saudi-arabia-red-sea-tourism-project-4-billion-economy.html>
- Gita Wahyuningsih Putri & Wiwin Aminah. (2019). FAKTOR-FAKTOR YANG MEMITIGASI FINANCIAL DISTRESS PADA PERUSAHAAN PERTAMBANGAN. *Jurnal Riset Akuntansi Kontemporer*, 2-8.

- Handoko, E. (2016, Juli 7). *Cadangan Minyak Mentah Dunia Hanya Cukup untuk 70 Tahun*. Retrieved from Kompas: <https://internasional.kompas.com/read/2016/07/07/19141571/cadangan.minyak.mentah.dunia.hanya.cukup.untuk.70.tahun>
- Haranda, B. (2015). KEPENTINGAN INDONESIA MENJALIN KERJASAMA ENERGI MINYAK BUMI DAN GAS DENGAN PERANCIS TAHUN 2011 – 2013. *JOM FISIP Vol 2 No 2*, 1-18.
- Hermawan, L. (2015). DILEMA DIVERSIFIKASI PRODUK: MENINGKATKAN PENDAPATAN ATAU MENIMBULKAN KANIBALISME PRODUK? *Competence Journal of Management Studies*, 143-153.
- Hidriyah, S. (2016). REFORMASI EKONOMI ARAB SAUDI. *Majalah Info Singkat*, 5-8.
- Kurniawan, B. I. (2017). ALASAN RUSIA MENJADI PENGAMAT DALAM ORGANISASI KERJASAMA ISLAM (OKI) SEJAK TAHUN 2005. *eJournal Ilmu Hubungan Internasional*, 1117-1132.
- MD, H. I. (2016). Introducing inter-professional education in curricula of Saudi health science schools: An educational projection of Saudi Vision 2030. *Journal of Taibah University Medical Sciences*, 520-525.
- Moleong, L. J. (2018). *Metodologi penelitian kualitatif*. Bandung: PT Remaja Rosdakarya.
- Neuman, W. (2000). *Social research methods qualitative and quantitative approaches*. Boston: 4th Edition, Allyn & Bacon, Needham Heights.
- Nurunnabi, M. (2017). Transformation from an Oil-based Economy to a Knowledge-based Economy in Saudi Arabia: the Direction of Saudi Vision 2030. *Journal of the Knowledge Economy volume* , 536-564.
- Qin Sun. (2009). AN ANALYTICAL MODEL OF THE DETERMINANTS AND OUTCOMES OF NATION BRANDING. *UNIVERSITY OF NORTH TEXAS*.

- Rikardi, N. (2008). MENDETEKSI PENGARUH PASAR MINYAK BUMI DUNIA TERHADAP KRISIS HARGA. *Jurnal Akuntansi Bisnis*, 1-17.
- Sea, O. T. (2022). *The Red Sea Development Company*. Retrieved from The Master Plan: <https://www.theredsea.sa/en/project/master-plan>
- Sugiyono. (2013). *Metodelogi Penelitian Kuantitatif, Kualitatif Dan R&D*. Bandung: ALFABETA.
- Szondi, G. (2008). Public Diplomacy and Nation Branding: Conceptual Similarities and Differences. *Netherlands Institute of International Relations 'Clingendael'*, 1-41.
- Thompson, M. C. (2017). 'Saudi Vision 2030': A Viable Response To Youth Aspirations And Concerns? . *Asian Affairs*, 205-221.
- Vision, S. (2022). *Saudi Vision 2030 An ambitious vision for an ambitious nation*. Retrieved from Saudi Vision 2030: <https://www.vision2030.gov.sa/v2030/overview/>
- VOA, O. (2015, Januari 2). *Anjloknya Harga Minyak Dunia Tertajam di 2014*. Retrieved from VOA Ekonomi: <https://www.voaindonesia.com/a/anjloknya-harga-minyak-dunia-tertajam-di-2014/2582337.html>
- Winahyu, A. I. (2021, Juli 22). *Arab Saudi Siapkan Rencana Besar di Pariwisata*. Retrieved from Media Indonesia: <https://mediaindonesia.com/ekonomi/420245/arab-saudi-siapkan-rencana-besar-di-pariwisata>
- Winfrey, G. (2010, Januari 7). *What Is Peak Oil?* Retrieved from INSIDER: <https://www.businessinsider.com/what-is-peak-oil-2009-12#peak-means-a-bell-shaped-curve-2>
- Xing, Y. (2015). Analysis of Political Decision-Making and Its Influencing Factors. *Cross-Cultural Communication*, 42-46.
- Y.H. Ahssein Amran, Y.H. Mugahed Amran, Rayed Alyousef, Hisham Alabduljabbar. (2020). Renewable and sustainable energy production in

Saudi Arabia according to Saudi Vision 2030; Current status and future prospects. *Journal of Cleaner Production*.