

# How Saudi Arabia attracts added value investment under the volatile global economic conditions and the COVID-19 pandemic?

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## Abstract.

International capital flows are primarily facilitated by foreign direct investment (FDI). The study employs display research to investigate how to draw value-added FDI in the face of turbulence along with the global economy and the COVID-19 pandemic to the Saudi Market. These findings have led to an important mode of foreign direct investment, so they are extremely important as compared to previous studies. The findings reveal that trade openness, infrastructure availability, and market size all play a role in attracting foreign direct investment into a region. Foreign direct investment can be beneficial to both investment companies and host governments. Furthermore, the COVID-19 shock will amplify the current worldwide trend of shortening supply chains and reducing FDI growth. This is a critical juncture that the Saudi government should be encouraged to develop strategies that would lessen the economic impact of such changes on the host country.

It also aids the country's economic development and socio-economic transition. Several factors influence Saudi Arabia's ability to attract foreign direct investment, including growth rates, GDP, exports, and imports. During the Covid-19 pandemic, the government must ensure that the nation remains attractive in order to retain maximum foreign direct investment flows, as this encourages long-term economic growth by rising human capital investment. Therefore, in the face of tumultuous global economic conditions and the COVID-19 pandemic, attracting foreign direct investment can become a source of economic dependency and technology transfer diversification within the Kingdom.

**Keywords:** Foreign Direct Investment (FDI); Covid-19 Pandemic; Kingdom Of Saudi Arabia; Capital Investment.

## Introduction:

International capital flows are primarily facilitated by foreign direct investment (FDI). The study employs display research to investigate how to draw value-added FDI in the face of volatility in the world's market along with the global economy and the COVID-19 pandemic in the Saudi Market. The Kingdom of Saudi Arabia (KSA) has the largest population and is the most powerful nation in the Gulf Cooperation Council (GCC) region. Its GDP accounts for roughly half of the Arab countries' overall GDP in the Middle East and North Africa (MENA) region. However, as opposed to smaller countries like the UAE and Qatar, the amount of FDI it attracted between 1984 and 1997 was much smaller than the size of the economy and population. Some share this viewpoint and point out that, given the size of the Saudi economy, the amount of FDI it attracted was much smaller in proportion to the size of the economy and population. The FDI it has been able to draw in the past has had little effect on its economic development. The key explanation for this phenomenon, according to the author, is that the Saudi Arabian Union has unfavorable inward influences (such as cultural distance and bilateral trade) and needs a significant amount of foreign direct investment (Canh, Binh, Thanh, & Schinckus, 2020).

However, the influence of Covid-19 on the global economy has significantly slowed the flow of the world's investment, specifically to emerging markets. Lockdowns, disturbance in global supply chains, cross-border closed, and the fear of an uncontrollable spread of the virus. Keeping in mind such circumstances, KSA is not alone as the entire world is facing the negative effects of the pandemic on the economy globally. The kingdom is further challenged as demand for oil has decreased significantly. A healthy hydrocarbon market is essential for KSA to continue to attract foreign direct investment (FDI) with an added value under volatile global economic conditions. The Saudi Industrial Development Fund (SIDF) launched a \$1 billion stimulus program in June 2020 to help industrial enterprises hit by the COVID-19 outbreak (Bihkongnyuy, 2020). The Ministry of Investment (MISA) created the COVID-19 Response Center (MCRC) in March 2020. All investors in Saudi Arabia benefit from MCRC's help for business continuity and mitigation of negative business effects. MCRC offers investors round-the-clock assistance through a variety of services and requirements.

Saudi Arabia outlined its target sectors and adopted an inclusive plan for accelerating growth through investment through Invest Saudi. In the World Bank's Doing Business 2020 survey, Saudi Arabia jumped 30 points. No country in the world has ever risen faster in such a short amount of time. As a member of Vision 2030, a comprehensive series of structural reforms have been effective in creating new investment markets, leveraging the Kingdom of Saudi Arabia's core strategic assets, and accelerating economic growth and diversification (Alshehri, 2019).

In most countries, foreign direct investment is one of the forces of sustainable transformation. Surprisingly, most foreign direct investment is guided to some extent by commercial and efficiency motives. The countries of the Organization for International Cooperation and Development believe that foreign direct investment is an important source of economic growth (OECD). Under uncertain global economic conditions and the COVID-19 pandemic in Saudi Arabia, the research model can be used to calculate the foreign direct investment in different defined sectors to attract foreign direct investment with added value (Chiappini & Viaud, 2020).

Due to the rise of emerging markets and growth opportunities in various regions, the availability of various capitals is the driving force for direct investment in Saudi Arabia. Changes in business conditions and innovation have also been used as a driving force for foreign direct investment. The ways of Multinational companies promote foreign direct investment by providing tools such as entrepreneurial capabilities, management knowledge, and technical skills, all of which can be quickly acquired through different training programs within the Kingdom.

## **2.0 Theoretical and Empirical Development of Literature:**

Saudi Arabia, like other developed countries, has benefited greatly from foreign direct investment. The study examined several ways to draw foreign direct investments with added value to the Saudi market during the COVID-19 pandemic in Saudi economic growth during the volatile global economic conditions. Saudi Arabia has made major efforts to attract international investors, according to the study's findings (Ashraf, 2020). Similarly, foreign direct investment in Saudi Arabia has resulted in the creation of jobs and an increase in the country's GDP. However, it is noted that China's internal foreign direct investment (IFDI) and outward foreign direct investment (OFDI) are both facing unparalleled threats and challenges (McDermott, 2020). While it is generally anticipated that the COVID-19 pandemic would cause the economy and spending to shrink, there is still a scarcity of observational data on the effect of COVID-19 on FDI (Fang, Collins, & Yao, 2021). The countries that received more foreign capital saw faster economic growth than those that received a decreased inflow of capital. It is believed that attracting foreign direct investment can stimulate the economy of Saudi Arabia (Contractor, Dangol, Nuruzzaman, & Raghunath, 2020). The various ways of investment that are considered in attracting FDI in Saudi Arabia include greenfield investments, joint ventures, and offset programs. The offset programs are key factors that help attract foreign direct investments to the country (Sulaiman, 2018). Furthermore, during the COVID-19 pandemic's volatile global economic circumstances, Saudi Arabia's leaders and administrators have embraced the idea of foreign direct investment as a significant benefit to the country's economy (Cavusgil, Ghauri, & Liu, 2021). When international companies begin to launch new goods, they have a significant impact on customer behavior in the host country. The study of international direct investment, on the other hand, has resulted in new infrastructure and job prospects for Saudi citizens (Mosteanu & Alghaddaf, 2019). Trade transparency, appropriate infrastructure, and the efficiency of Saudi Arabia's institutions are all important factors in attracting foreign direct investment (Soh, Wong, & Tang, 2021). During the COVID-19 pandemic, Saudi Arabia's overall economic success played an important role in attracting maximum foreign direct investment with added value to the Saudi economy, despite the turbulent global economic conditions (Alshamlan, Fernandez, & Fernandez, 2021). FDI methods and techniques are an important source of financing for infrastructure ventures in a variety of countries. This is especially true in developed countries, where FDI inflows are seen as driving economic growth, filling capital deficits, and having a positive impact on economies (Yusuf, 2020). However, the study of the ways of attracting

foreign direct investment is linked to various factors, such as the level of trade sensitivity of a given country. This is because FDI helps develop a country's economy (Contractor et al., 2020).

### 3.0 Research Questions, Objective, and Goals:

The research aims to find out how to attract foreign direct investment with added value to the Saudi market under the volatile global economic conditions. This is an analysis of the foreign direct investment. The goal of our study is to learn more about how to attract foreign direct investment. The data for this study comes from a worldwide platform for foreign direct investment. Newspapers, books, reports, portals, journal articles, magazines, and other open-source materials were used to support this research. These all sources are being cited in the references.

#### 3.1 Research Background and Problem Statement

COVID-19 has had a significant influence on the supply chain sector as a whole. This is true not just for completed goods but also for raw resources—supply disruptions in both pharmaceutical and medical goods. The latter, on the other hand, has been more affected. Further disruptions to global supply and delivery delays may occur if the crisis lasts longer, accompanied by prolonged lockdowns. The epidemic has prompted more investment in the business is planned, with the goal of reducing the country's reliance on medical imports such as masks and other items, which are currently manufactured domestically. If you look at the indirect signs of the government's amazing capacity to make substantial changes at an alarming rate, it's clear. Only a powerful and centralized government can implement policies like limiting the authority of religious police, allowing women to drive, and issuing tourist visas; in contrast, governments suffering from widespread corruption often encounter pressure when they carry out deep reforms because deep-rooted interests try to keep revenue running. Since the 1970s, KSA has paid little attention to its FDI policies. **Aramco and SABIC** have always been the top priorities in the energy sector, and religious tourism was runner-up. The lack of large-scale tourist visas for decades demonstrates that wooing foreigners and persuading them that the Kingdom of Saudi Arabia is worth their time and money is not a vital economic strategy (Young, 2020). Meanwhile, the amendment (with 100% foreign ownership) in the Saudi healthcare sector would allow international investors to participate in the Kingdom's transformation as it advances toward having private sector service providers establish and run government-owned health institutions across the country. The predicted immediate consequence is an increase in the overall quality of healthcare practitioners and institutions following the Kingdom's Vision 2030.

#### 3.2 The Goals/Objectives of This Research Are:

- a) To analyze the important areas of FDI to attract foreign investors in Saudi Arabia, the volatile global economic conditions, and the COVID-19 pandemic.
- b) To decide how critical considerations are valued for bringing more foreign investors to the Saudi Market.
- c) Implementation of FDI strategies to attract value-added foreign investment to the Saudi market under volatile global economic conditions.

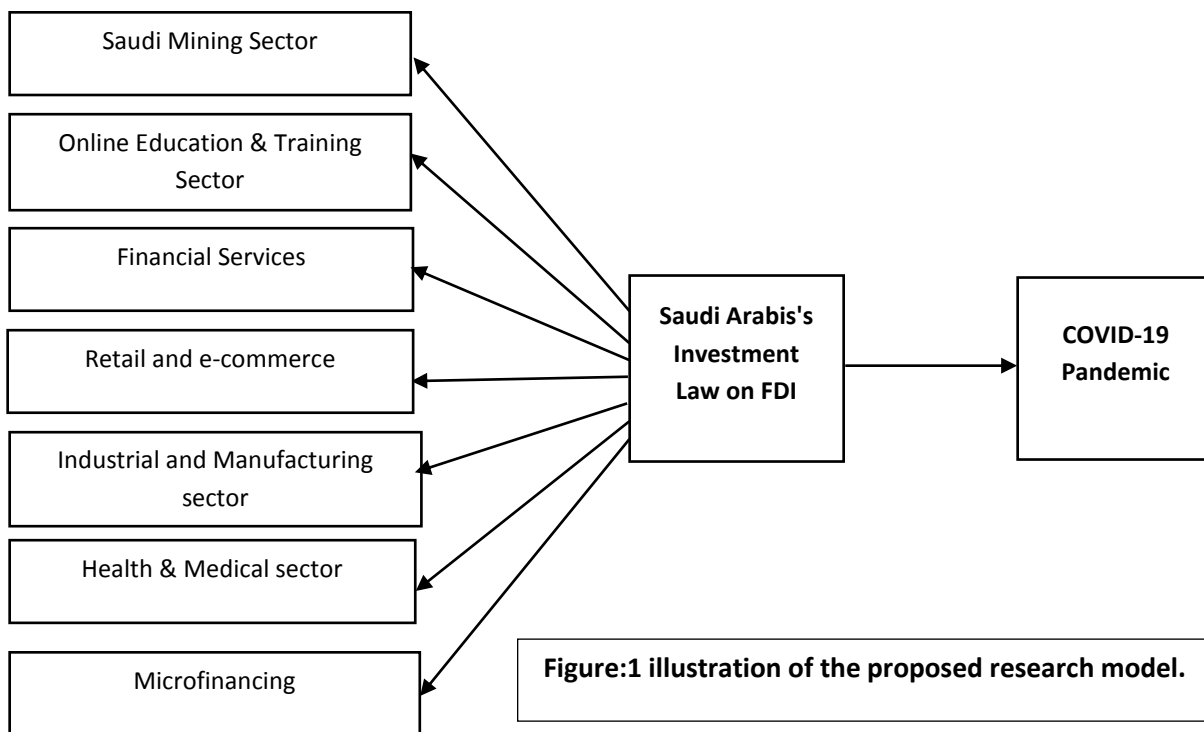
### 4.0 Research Model:

This study proposes a framework for attracting value-added FDI methods to the Saudi market under turbulent global economic conditions and the COVID-19 pandemic. During this Covid-19 pandemic, several factors and key areas that may play an important role can be categorized through the Saudi Arabian Foreign Direct Investment Law.

Likewise, despite the Covid-19 pandemic, methods of attracting value-added foreign direct investment are critical to building sustainable economic growth in the kingdom. Focusing foreign direct investment in the most important sectors such as the mining industry, online education and training, financial services, retail and e-commerce, industry and manufacturing, health and medical industries, followed by microfinance, will help foreign investors to invest in the Kingdom of Saudi Arabia. KSA attracted 18% of foreign investment into the Middle East and North Africa last year, the most among all countries in the region. This concept of inviting foreign investors to successfully attract FDI will be attributed to some initiatives that will attract investors through this research model. By focusing on active governance, transparency and investor-friendly relations, robust infrastructure, and favorable policies, Saudi Arabia has developed into an advanced economy. Furthermore, the COVID-19 shock will amplify the current worldwide trend of shortening supply chains and reducing FDI growth. This is a critical juncture that the Saudi government should be encouraged to develop strategies that would lessen the economic impact of such changes on the host country.

It also aids the country's economic development and socio-economic transition. Several factors influence Saudi Arabia's ability to attract foreign direct investment, including growth rates, GDP, exports, and imports. During the Covid-19 pandemic, the government must ensure that the nation remains attractive to retain maximum foreign direct investment flows, as this encourages long-term economic growth by rising human capital investment. Therefore, in the face of tumultuous global economic conditions and the COVID-19 pandemic, attracting foreign direct investment can become a source of economic dependency and technology transfer diversification within the Kingdom.

These below-mentioned (Fig.3) elements will strengthen the Kingdom of Saudi Arabia's ability to attract foreign direct investment. This research model will provide investment opportunities in specified areas of the kingdom, as well as a chance for international investors to focus their investment in these sectors. It will serve as a blue ocean strategy by the Saudi government, allowing international investors to locate new market sectors for investment and return under the Saudi government's administration and oversight. As a result, this study provides a paradigm for identifying a new approach to attract FDI opportunities with added value in the COVID-19 under the volatile global economic conditions, as explained below in Fig (1).



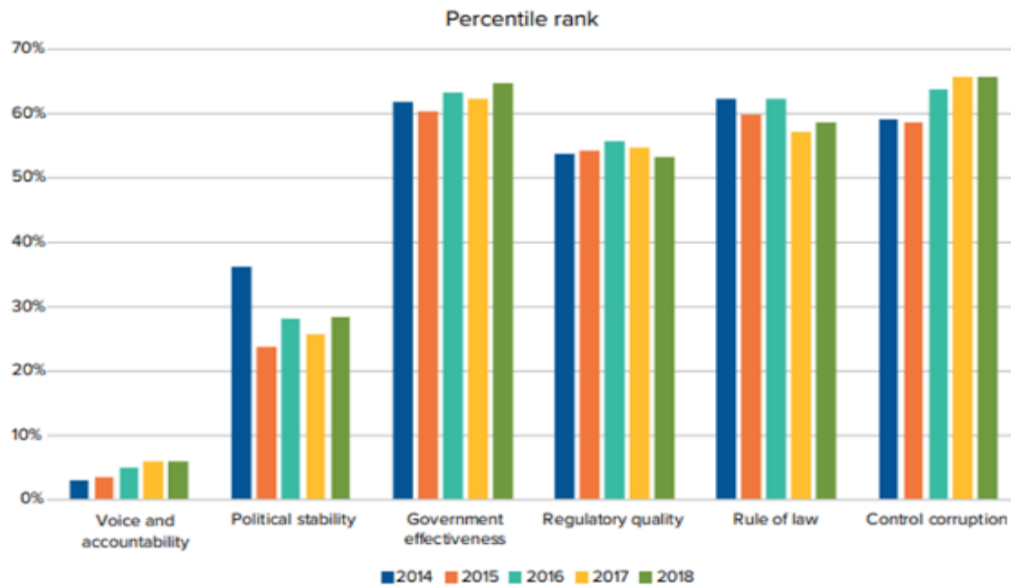
Saudi Arabia's main investors include the United Arab Emirates, the United States, France, Singapore, Japan, Kuwait, and Malaysia. Chemicals, real estate, fossil fuels, vehicles, tourism, and manufacturing are the primary targets of investment. Non-discrimination, investment protection, investment sustainability, more openness, protection of public policy concerns, easier access to personnel, and knowledge and technology transfer are among the seven guiding principles Saudi Arabia embraced for investment decision-making in 2021. Through this research proposed model, the new investment strategy in diversified sectors and economic reform plan aims to improve the country's investment environment within the Kingdom under the volatile global economic conditions and the COVID-19 pandemic.

## 5.0 Discussion:

As of March 2020, the total nominal GDP of Saudi Arabia is reported to be **USD 185.5 billion**. (CEIC: Global Data Forecast). These are the following large-scale projects; for example, A \$20 billion legacy project has been launched by the

Diriyah Gate Development Authority (DGDA). NEOM has agreed to develop green hydrogen plants for \$5 billion. Abdul Ali Ajimi and the Kingdom of Saudi Arabia were given the first building contract of the year by Qidiya Investment Corporation (QIC) (Moshashai, Leber, & Savage, 2020). AMAALA presented plans for a new international airport in June, designed by Foster + Partners of the United Kingdom and **Red Sea project**, etc.

The **2030 Vision** aims to reverse this trend for several reasons. First, foreign direct investment directly promotes economic diversification because the economic activities it involves may be related to insufficient oil prices (or ideally negative). Second, in many countries, foreign direct investment may be an important tool for information transfer and human capital development, and Saudi Arabia targets these two goals because it seeks to reduce its dependence on energy (Ulucak & Khan, 2020).



Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010). The Worldwide Governance Indicators: Methodology and Analytical Issues, <https://info.worldbank.org/governance/wgi/Home/Reports>.

**Fig. 2 - World Bank Indicators for Saudi Arabia- Source: (Kaufman, Kraay, & Mastruzzi, 2010)**

Similarly, in the case of Saudi Arabia, the goal is to provide policy-related information on root causes and assess their relative relevance, which may help policymakers design policy measures to increase the competitiveness of Greece and Portugal in attracting FDI compared to Eastern European countries (Vogiatzoglou, 2018). However, in KSA, bureaucracy is still large and slow, and there are some opaque restrictions. Other recent government policies aimed at increasing local citizen employment in Saudi Arabia, such as the expense of work licenses for foreigners, may hinder international investment, stricter Saudization policies, quotas for foreign workers and employees, and starting from July 1, 2020, total 15% value-added tax is implemented. In the emerging markets in the Kingdom of Saudi Arabia, capital flows are considered to be the main feature of the current financial crisis (Ramady, 2021). Therefore, compared with other sources of funding, developing countries rely extensively on foreign direct investment.

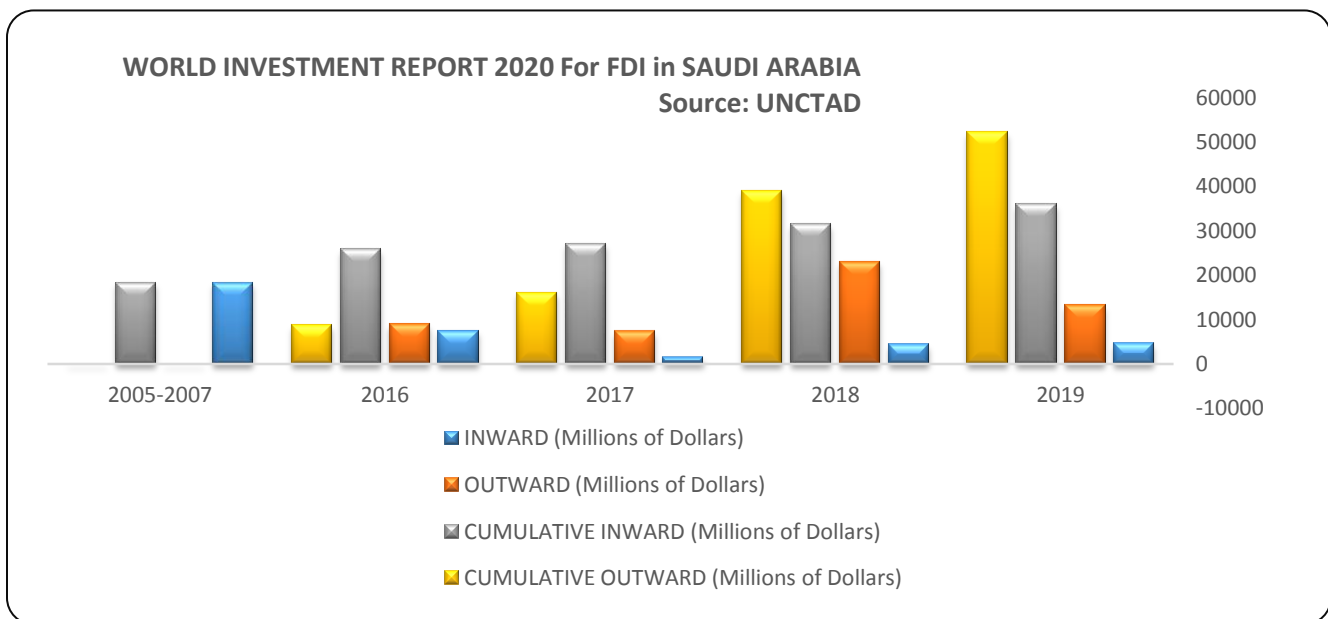
### 5.1 Following sectors to target Foreign Direct Investment (FDI) in Saudi during Covid-19 Pandemic:

Presently there are important areas in which FDI can be attracted within KSA under the volatile global economic conditions and the COVID-19 pandemic.

- Saudi Mining Sector
- Online Education & Training Sector
- Financial Services
- Retail and e-commerce

- Industrial and Manufacturing sector
- Health & Medical sector
- Microfinancing

To encourage FDI in comparison to other Gulf countries, Saudi Arabia has earned a reputation for respecting international investors' property rights. As more and more **multinational companies** seek wide-ranging investment opportunities in different fields, education, housing, infrastructure, and financial services are only a few examples, the increase in foreign direct investment from multinational companies (**MNEs**) will help KSA achieve faster economic diversification (Rumiński, 2018).



**Fig 3- World Investment Report 2020**

### Follow

ing the outbreak of COVID-19 in 2020, the Saudi government passed many laws and regulations to avoid the exploitation of sensitive sectors of FDI. The epidemic's effects on FDI would be concentrated in the most affected countries (Curran, Eckhardt, & Lee, 2021).

As a result, FDI will serve as a source of economic dependency and technology transition diversification under the volatile global economic conditions and the COVID-19 pandemic. **B20 Saudi Arabia** has put forward a series of feasible recommendations to solve the immediate health crisis and start the recovery phase after **the COVID-19 pandemic** within the KSA (Casanova & Miroux, 2020)

### 5.2 How to Implement FDI strategies in Saudi Arabia?

- Contribute to attracting MNEs from developed countries.
- Promotion of local tourism apart from religious tourism (Haj/Umrah) and contribute to the Investment Promotion Agencies.
- Global promotion of Legal Policies of the country for international investors.
- The business-friendly economic and political environment for investors.
- Industrial policy for international investors and a high proportion of international trade.

- Improve and promote the operation of global financial markets, encourage first foreign direct investment, and encourage spillover from foreign direct investment to the local economy.
- Assist in the establishment of supplier development plans and support the establishment of Export Processing Zones (EPZ) to drive them into the domestic economy.

The question is, therefore, **how do they achieve this goal?** Only a better sense of the different methods of attracting foreign investment in the kingdom can answer this question, so research is needed. The Saudi government requires multinational companies in different sectors to move to the Middle East hub, with the government awarded contracts to Saudi Arabia, which will help the country to attract more foreign investment. This will also help create jobs for Saudi nationals, thereby reducing the country's unemployment rate.

## **6.0 Ways of attracting FDI with added value to the KSA market.**

Economic globalization is being eradicated by COVID-19. Containment policies affect global industrial networks were being destroyed on an unprecedented scale on both the supply and demand sides; at the same time, the epidemic has shown how intertwined the worldwide flow of commodities and services is, prompting governments to reconsider their foreign trade policies in order to lessen their vulnerability to global economic shocks. There are both common and domain-specific limitations. The media, telecommunications, transportation, defense and military, encryption and security technologies and communication systems, as well as the mining of uranium or p or the operation of nuclear facilities, are all subject to specific industry restrictions.

Other industry-specific rules, such as banking and finance, transportation, and insurance, also govern foreign direct investment. How Covid-19 restricts foreign direct investment is determined by the type of investor, the type of investment, the investment industry market, and the proposed investment's value. Foreign investors can, in general, exceed the control threshold outside of sensitive sectors and land transactions. In the face of unpredictable global economic conditions and the Covid-19 pandemic, here's how to bring value-added FDI to the Saudi sector.

### **6.1 Support and encourage scientific studies into effective strategies for developing countries.**

One of the main topics on the agenda of the Group of 20 nations currently chaired by Saudi Arabia is the promotion of sustainable development, especially for Saudi Arabia. The G20 countries should provide sufficient funds to their universities and research institutions to conduct research that is in the interests of developing countries. The T20 think tank can continuously provide thought-provoking impulses and investigate academic literature to conduct innovative research and provide new evidence. Responsible to each other based on a common history and a common vision for the future. In the context of increasing globalization, any problem in one region of the world is interrelated to all other regions. One of the guiding ideologies of Saudi Arabia's strategy is that private rather than public investment is needed to create the long-term employment opportunities needed by the Kingdom of Saudi Arabia. Like other developing countries, this makes foreign direct investment the tool of choice for Saudi Arabia's strategy (Chiappini & Viaud, 2020).

### **6.2 Assist in the establishment of Investment Promotion Agencies.**

The Investment Promotion Agency (IPA) was founded by the Kingdom to promote international investment and foreign firms. Saudi Arabia wants to raise the amount of foreign direct investment it receives each year (FDI).

Saudi Arabia's FDI market research, the attractiveness of global corporations, investment promotion, and the development of a worldwide corporate headquarters in Saudi Arabia are all priorities for the kingdom.

This year, KSA concentrated on enhancing the investment climate in the capital. It will begin operating a comprehensive platform for locating investment data. The site will include an artificial intelligence assistant that will give overseas investors with English-language investing advice 24 hours a day, seven days a week. G20 nations, notably Saudi Arabia, may also serve as mentors for such IPAs, advising on how to effectively use them for marketing growing host countries to global investors (Moran, Görg, Serić, & Krieger-Boden, 2018).

### **6.3 To establish a program for vendor development and growth.**

To aid in the pairing of a global customer with a local supplier, therefore boosting the home economy's potential by collaborating with international vendors. It may also be able to cover the pay of an overseas plant manager who functions as a scout for domestic suppliers.

#### **6.4 Encourage the Creation of Export Processing Zones (EPZs).**

EPZs must be supported in a way that propels the domestic economy of the relevant developed country ahead. G20 nations may provide guidance on enacting laws to create such EPZs. Regulations that, for example, make it difficult to develop local supplier agreements should be prevented (Najimudin, Dahlan, & Nor, 2020).

#### **6.5 Strengthen the Global Financial Markets' Functioning**

Utilize FDI to aid developing nations. Better financial market institutions, such as those found in FDI source countries, would aid in the remediation of poor financial markets in host countries, resulting in increased FDI flows to developing nations during this continuing pandemic.

#### **6.6 Maintain a growth approach.**

FDI is often considered an important source of investment, knowledge transfer, and expansion. The factors that attract FDI have long been a source of debate. The authors conduct a thorough examination of the available data on one factor: the ability of economic growth to attract FDI. Despite having abundant natural resources, many developing economies have less human capital, physical capital, and technology than industrialized ones. For emerging nations, corruption, government effectiveness, and political and economic uncertainty are all barriers. These restrictions hinder capital investment and make the optimum use of existing resources impossible. As a result, it's no surprise that industrialized countries look to overseas sources for economic expansion and growth, particularly foreign direct investment. Developing nations want to attract international investors by offering fresh and mostly unexplored markets, natural resources, and relatively inexpensive labor, as well as locational advantages and direct and indirect benefits (Hain & Jurowetzki, 2018). With these benefits of FDI, it's only natural that scholars and policymakers seek to know what makes a host country attractive to foreign investors. The economic prosperity of the host nation, particularly during the Covid-19 epidemic, is one of these influences.

#### **6.7 Saudi Arabia's legal reforms will promote foreign medical investment:**

In the world before the coronavirus pandemic, the manufacturing of medical equipment has become more and more complex, and the demand for more products has also increased. This is an era when the focus was on quality and regulatory compliance while at the cost of increasing inventory. Saudi Arabia's yearly expenditures on health and social development make for the majority of the country's spending, accounting for around 16.4% of the country's budget expenditures last year; it was the third-largest percentage. The epidemic stimulates further investment in the industry, reducing the country's dependency on medical imports like masks and other things that are now manufactured in the Kingdom. Saudi Arabia's medical supply business will be enticed by a range of new legislative reforms. Saudi Arabia had already undertaken major legislative changes aimed at increasing the efficiency of its judicial institutions and court proceedings. The new framework will assist local producers in the industry growth and exporting by boosting the Saudi government. Saudi Arabia's healthcare business has grown significantly, inviting more corporations to invest in the country.

#### **6.8 Controlling & Monitoring Supply Chain Disruption:**

The global supply chain has been badly affected by the coronavirus epidemic, which has brought economies all over the world to a halt. Saudi Arabia, like many other countries, is affected by global food supply disruptions. However, because the government developed a long-term strategy for food independence, the country was able to properly manage the issue, with relatively minor consequences for consumers.

Despite the severity of the coronavirus epidemic and its devastating influence on the global food supply chain, the Kingdom of Saudi Arabia was able to overcome the challenge due to its strength and durability in food and agricultural security. Saudi Arabia must encourage the establishment of a sustainable agricultural system that ensures food security while also protecting natural resources. Regardless of the Covid-19 epidemic, Saudi Arabia should develop its overseas agriculture investment activities in nations where it has comparative advantages to attract more foreign direct investment locally.

Even though food security remains an issue for Gulf nations, especially Saudi Arabia, ongoing efforts to boost domestic production levels have been made. Saudi Arabia is extremely reliant on external suppliers, particularly for grains, and according to a study by the United Nations Food and Agriculture Organization, the country's grain reliance rate is 92 %. The country's reliance on grain imports may render it vulnerable to global market shocks.



Despite the severity of the coronavirus epidemic and its devastating influence on the global food supply chain, the Kingdom has triumphed over the catastrophe thanks to its strength and perseverance in food and agricultural security, which will surely attract FDI within the Saudi market in the turbulent global economic conditions along with the added value of the COVID-19 era.

## Conclusion:

Our research analysis shows that Saudi Arabia wants to crack the resource curse and step closer to realizing its 2030 vision, which is focused on diversified economic development by the successful implementation of FDI strategies under the volatile global economic conditions and the COVID-19 pandemic (Young, 2020b).

Our findings lead to a better understanding of how the FDI introduction to Saudi Arabia is linked to the COVID-19 pandemic. This study is particularly fascinating. **First**, it provides detailed information on favorable fields when the goal is to attract foreign direct investments (FDI) with added value to the Saudi market under the volatile global economic conditions, and **second**, it provides insight into the important factors (Sauvant, 2021). However, FDI methodology implementation in different sectors is valued for attracting more foreign investors. Furthermore, the potential tendency of foreign investors is not only to pursue jobs but also to pursue business resilience and the overall performance of the country by keeping an eye on the volatile global economic conditions. To draw more foreign direct investment, Saudi Arabia can encourage wealth formation and thereby fuel economic growth during this global pandemic crisis (Satloff, 2019).

The findings show that it is critical to consolidate the legal system, make it strong and equal, and increase its consistency with the country's laws continuously. To this end, it is critical to draft laws and regulations that take into account the many international cultures represented by multinational corporations operating in the Kingdom

## 8.0 Future Research Avenues.

### 8.1 Investment in Saudi Arabia

a) Given the unpredictability of global economic conditions and the Saudi Arabian Covid-19 epidemic, it's difficult to say which combination of variables will attract value-added investment. This is a prospective level, particularly for Vision 2030 implementation. Scenario analysis using various combinations of components might be beneficial.

b) As variables are necessary, do research utilizing a more detailed framework, such as the exact impact of Saudization. Actual data must be acquired from reputable sources in addition to self-reported data from industry reports, books, numerous websites, trade journals, newspapers, magazines, surveys, or interviews to improve the applicability of the results. The literature review and conceptual framework in this study are not without flaws. Although systematic reviews offer many benefits, they also have certain drawbacks to consider. The study's second shortcoming is that it only looks at one nation. Furthermore, it should be anticipated that other nations have generalized outcomes.

### 8.2 Investment in Broad Sense

a) Despite the abundance of theories, there is a dearth of excellent theories that can include value-added investment by enterprises and governments in the face of turbulent global economic situations. More study is needed to achieve this.

b) The historical influence of policy changes and reforms on FDI in numerous countries, including Saudi Arabia, to better understand the impact of each foreign direct investment policy modification or revision.

c) It's unclear how competitiveness-related characteristics impact FDI. This is a high-priority topic for study.

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## Declaration

The authors of this review have no conflict of interest among them or anybody else regarding the conceptual content, financial matters, or otherwise.

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