

Saudi FDI eases in Q2

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Saudi Arabia's foreign direct investment inflows fell to SAR 24.9bn in Q2 2025, marking an 11.5% y/y decline from SAR 28.2bn recorded in Q2 2024. This represents the second consecutive quarter of q/q declines, and a 4.1% q/q drop from Q1 2025's SAR 26.0bn. The weakening momentum in gross inflows comes after FDI peaked at SAR 39.3bn in Q4 2024.

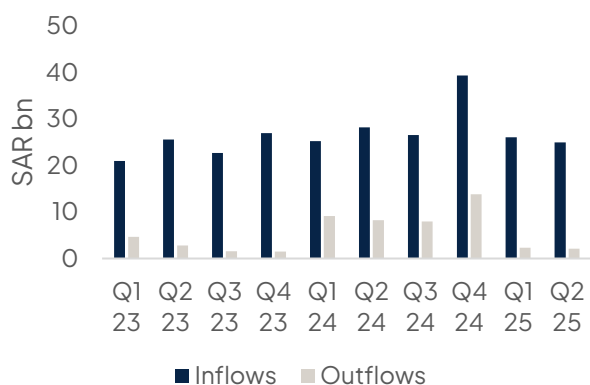
Despite the decline in gross inflows, net FDI rose 14.5% y/y to SAR 22.8bn, up from SAR 19.9bn in Q2 2024. This improvement, however, was driven entirely by a 74.5% drop in FDI outflows to SAR 2.1bn.

Structural changes in investment flows

FDI outflows fell to SAR 2.1bn in Q2 2025, maintaining the low levels seen in Q1 and representing a fraction of historic norms. The 74.5% y/y collapse from SAR 8.2bn in Q2 2024 has persisted for two consecutive quarters, with outflows averaging just SAR 2.2bn in H1 2025 compared to SAR 9.8bn per quarter throughout 2024.

On the inflow side, the Q4 2024 surge to SAR 39.3bn stands in stark contrast to the SAR 24-26bn range that has characterized most other quarters. With inflows reverting to pre-spike levels in H1 2025, the Q4 performance increasingly appears to be an anomaly rather than indicative of a structural change in investment attraction.

FDI inflows and outflows



Source: General Authority for Statistics, Emirates NBD Research.

Major FDI Projects in 2025

Robertet (France) – Taif Rose Essential Oil Manufacturing Facility
Value: USD 763.0m (estimated)
Sector: Chemicals Manufacturing

Robertet, a French producer of aromatic products for food flavoring and perfume industries, is building a new facility in Taif to produce rose essential oils along with other natural extracts. This investment capitalizes on the region's unique Taif roses, which are highly valued in the global perfume industry.

El Attal Holding (Egypt) – Riyadh Residential Development
Value: USD 582.2m (estimated)
Sector: Real Estate

El Attal Holding, an Egyptian real estate developer established in 1948 with extensive experience in construction and development, is developing 800-1,200 residential units in a gated compound in north Riyadh. This project comes at a time when Saudi Arabia's residential construction sector leads with 39.1% of construction expenditure, driven by rapid population growth and housing demand. The development supports Saudi Arabia's housing goals under Vision 2030.

Paragon Developments (Egypt) – Jeddah Office Complex
Value: USD 582.2m (estimated)
Sector: Real Estate

Paragon Developments, through its partnership with Adeer Holding establishing Paragon Saudi Arabia, aims to lead the office and administrative building market with total investments reaching USD 2.7 billion by 2025. This Jeddah office space development is part of Paragon's strategy to deliver 360,000 sq m of mixed-use facilities in Saudi Arabia, with a target of 500,000 sq m by 2030 across key cities. The project addresses the growing demand for modern commercial spaces in Saudi Arabia's major business hubs.



Electricité de France (EDF) - Jeddah Solar PV Park

Value: USD 362.1m (estimated)

Sector: Renewable Energy

EDF, in consortium with Masdar and Nesma Company, is developing the 387MW Jeddah Solar PV Park within the Third Jeddah Industrial City. This project is part of EDF's broader involvement in Saudi Arabia's renewable sector, where the company has signed 25-year power purchase agreements for multiple solar projects. The facility will significantly contribute to Saudi Arabia's target of achieving 50% renewable energy by 2030.

XDS Datacentres (UAE)

Value: USD 310.6m (estimated per facility)

Sector: Communications - ICT & Data Infrastructure

XDS Datacentres has signed a 15-year agreement with ICS Arabia to develop two 10MW immersion-cooled data centers in Riyadh and Jeddah, with facilities scheduled to open in June 2026. These state-of-the-art facilities will feature advanced immersion cooling technology with rack densities up to 368kW, supporting high-density AI, machine learning, and GPU-intensive applications.

Source: fDiMarkets

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