

Turning Shifts into Strength: Saudi Arabia's Opportunity in a Changing Trade World

Introduction: A World in Transition

The world economy has been rocked by escalating trade tensions in recent years, most notably between two of the largest global players: the United States and China. While these frictions may appear distant from the Gulf region, they have rippled across global markets, affecting commodity flows, investor sentiment, and supply chains. For Saudi Arabia, a nation in the midst of an ambitious economic overhaul, this turbulence has brought both challenges and unique opportunities. As the Kingdom navigates this uncertain terrain, it may well find new strength in diversification, partnerships, and strategic reform.

Pressure on Oil Revenues

Saudi Arabia's economic foundation remains closely linked to oil, which accounted for 27.8% of its GDP and over 73% of total exports in 2024. Any disruption in global trade volumes inevitably affects energy demand, and this has been reflected in recent oil price movements. Following the announcement of new U.S. tariffs on April 2nd, 2025, and a subsequent voluntary increase in oil production by OPEC on April 3rd, Brent crude prices declined sharply—from USD 74.6 per barrel at the end of 2024 to USD 62.0 per barrel by April 8th, 2025.

To protect market share, Saudi Arabia offered discounted crude to Asian partners, notably China. But balancing domestic priorities and external alliances has never been more delicate. With lower prices affecting public revenues, the government is considering tapping into reserves or raising debt to sustain national projects and fiscal stability.

Market Reactions and Investor Confidence

The turbulence in global trade has spilled into financial markets, with the Saudi stock exchange (Tadawul) exhibiting increased volatility — especially among energy-linked stocks like Saudi Aramco, whose valuation has taken a hit.

Nevertheless, some segments of the market have demonstrated resilience. Banks and non-oil enterprises, particularly those aligned with Saudi Arabia's diversification strategy, have continued to attract interest. Initial public offerings are moving forward, albeit more cautiously, indicating that despite elevated risk perceptions, investors still view the Kingdom as a market of long-term potential.

Vision 2030: Staying the Course Amid Headwinds

Vision 2030 remains the cornerstone of Saudi Arabia's transformation. It aims to transition Saudi Arabia into a modern, diversified economy, less reliant on hydrocarbons and more integrated with global value chains. Though many of its flagship projects—from NEOM to public sector modernization—are still heavily dependent on oil revenue, there are encouraging signs. Non-oil sectors, including tourism, logistics, and manufacturing, are gaining momentum.

Non-oil exports have grown, and sectors such as tourism, logistics, and advanced manufacturing are gaining momentum. These trends suggest that the Vision 2030 agenda is beginning to yield results. With non-oil private sector activity projected to drive economic growth in 2025, the diversification effort may help buffer the impact of external shocks.

A Deeper Look: From Crisis to Opportunity

Although recent shifts in global trade and economic policy have been unsettling, a more reflective perspective reveals room for optimism. What may seem like the dismantling of post-World War II economic order is, in reality, an opening for new, more balanced systems to emerge.

Since the dominance of a single economic superpower has started to fade, the global economy is gravitating toward a multipolar configuration. This shift mirrors a broader sentiment: that economic systems once seen as immutable are no longer universally beneficial—even for those who created them. Principles such as relentless growth, financial speculation, and pressure for quarterly earnings have shown their limitations. These frameworks, increasingly detached from real economic activity, have created a demand for models rooted in sustainability, inclusivity, and authenticity.

Rather than a step backward, this is a return to fundamentals—where trade is anchored in real value, fairness, and long-term partnership. Nations are being called to refocus on the true purpose of economic activity: creating sustainable prosperity, not merely chasing short-term gains.

For Saudi Arabia, this evolving landscape resonates deeply. The traditions of ethical trade, fairness, and measured growth place KSA in a strong position to participate in shaping the new global order.

The End of the Old Market System

The established market system, once seen as unshakable, is facing a loss of credibility. Financial markets—where money has often been treated as a goal rather than a tool—have created distortions that no longer serve real economies. This misalignment has weakened trust in traditional institutions

and made clear that new frameworks, guided by more inclusive and authentic principles, are urgently needed.

Saudi Arabia is uniquely placed to respond to this call. As the foundations of the old economic order erode, new spaces are opening for leadership rooted in responsibility, partnership, and sustainability.

The Kingdom's steady reform momentum under Vision 2030, combined with its strategic geographic position, economic resources, and unwavering commitment to ethical practices, gives it both the legitimacy and the tools to be a cornerstone of this emerging world order.

A Changing Global Order and the Rise of New Alliances

Trade dynamics are shifting. The latest U.S. tariffs—including a universal 10% on imports and a steep 125% on Chinese goods—have sparked retaliatory moves, rattling supply chains and consumer markets. China, which accounts for about 15% of U.S. exports, may reduce its import demand—Saudi oil included—as economic growth slows.

But here lies an opening for Saudi Arabia. As non-U.S.-aligned countries reassess their trade partnerships, there's growing momentum to form alternative trade corridors. Nations in Asia, Africa, and Latin America are increasingly seeking collaborative frameworks that reduce reliance on Western markets.

Saudi Arabia, with its strategic location, robust energy sector, and expanding logistics infrastructure, is well-positioned to serve as a hub for these emerging trade alliances. Strengthening ties with BRICS countries, deepening economic links with Africa, and participating in regional initiatives can offer a more balanced, resilient trade portfolio.

The Kingdom's Moment to Lead

Saudi Arabia has long been a reliable contributor to the global economy. But the time may be ripe for it to play a more formative role—not just as a supplier of resources, but as a co-architect of the economic future.

As legacy institutions and market ideologies face questions about credibility and sustainability, new principles are being written. The Kingdom has the moral compass, human capital, and material resources to help define this next chapter. Its consistent values—ethics in business, long-term planning, and regional cooperation—can become guiding forces in shaping new norms.

In an era where global power is becoming more decentralized, the Kingdom's strategic vision, cultural depth, and stability position it to be more than a participant—it can be a leader. With the right approach, Saudi Arabia can influence not just regional trends, but global transformations.

Conclusion: Turning Adversity into Advantage

Trade wars, falling oil prices, and financial volatility undeniably pose near-term challenges. But adversity has also triggered a sense of urgency—one that aligns with the Kingdom's own long-term ambitions. If Saudi Arabia can adapt, diversify, and engage with emerging economic powers, it stands to gain more than it loses.

Among GCC peers, the Kingdom may feel the pressure more acutely due to its economic scale and hydrocarbon exposure. Yet, its reform momentum and capacity for resilience offer a comparative edge. In embracing global shifts and helping shape a multipolar economic future, Saudi Arabia has an opportunity not just to survive disruption—but to thrive because of it.

While the near-term outlook remains clouded by volatility, Saudi Arabia's strategic position, reform momentum, and natural resource endowment give it a competitive edge. If it can effectively pivot and adapt to new trade dynamics, the Kingdom is well positioned to turn current adversity into a platform for long-term economic sustainability and regional leadership.

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