رؤية VISION 2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

منشآت
monsha'at
الهيئة العامة للمنشآت الصغيرة والمتوسطة
Small & Medium Enterprises General Authority

The National Strategy for Entrepreneurship and SMEs



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2026



My first objective is for our country to be a pioneering and successful global model of excellence, on all fronts, and I will work with you to achieve that.”

Custodian of the Two Holy Mosques

King Salman Bin Abdulaziz Al-Saud



The future of the Kingdom is one of huge promise and great potential. Our precious country deserves the best. Therefore, we will expand and further develop our talents and capacity.”

His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz Al Saud

Crown Prince and Prime Minister



The entrepreneurship and SMEs ecosystem is a national priority and a key driver of economic growth. Its contribution to innovation, job creation, competitiveness, and the diversification of growth sources is helping to build a more sustainable and resilient economy.

Over the past several years, efforts to empower SMEs have supported their expansion and contributed to the Kingdom ranking third globally in the National Entrepreneurship Context Index, according to the Global Entrepreneurship Monitor (GEM) 2025–2026 report.

Through the collective efforts of the government, private, and nonprofit sectors to expand access to financing for entrepreneurs, SMEs, and startups, credit facilities provided by commercial banks and finance companies exceeded $130.4 billion by the end of the first quarter of 2026. This progress has supported the growth of the ecosystem and strengthened its competitiveness.

Through the National Strategy for Entrepreneurship and SMEs, we reaffirm our commitment to working with all partners to achieve the goals of Saudi Vision 2030. Together, we will continue to support and empower the ecosystem as a cornerstone of sustainable growth.

Minister of Commerce

Chairman of the Board of the Small and Medium Enterprises General Authority

H.E. Dr. Majid bin Abdullah Al-Kassabi



With the continued support of the Kingdom's leadership, the SMEs and entrepreneurship ecosystem has made significant strides, strengthening its role in diversifying the national economy, creating opportunities, and fostering innovation and competitiveness in line with the objectives of Saudi Vision 2030.

The Small and Medium Enterprises General Authority "Monsha'at" has played a pivotal role in advancing this ecosystem by building an enabling environment, developing capabilities, and expanding access to financing and markets. By the end of the first half of 2026, its Tomoh program had supported more than 3,000 fast-growing enterprises, more than 40 of which had been listed on capital markets. As of August 2026, these listed enterprises had a combined market capitalization exceeding $4.27 million.

Additionally, by the end of the first half of 2026, SMEs Support Centers had served more than 300,000 beneficiaries, while Monsha'at Academy had helped build the capabilities of more than 370,000 beneficiaries.

Today, the ecosystem is entering a new phase with the National Strategy for Entrepreneurship and SMEs. Developed by Monsha'at in collaboration with relevant entities, the strategy establishes a national framework that aligns efforts, strengthens coordination across policies and support measures, and enables enterprises to grow, expand, improve productivity, and compete more effectively.

The strategy represents a step toward a more integrated and sustainable ecosystem that responds to economic and technological change and strengthens the contribution of SMEs and entrepreneurship to value creation and economic diversification. Working alongside its partners, Monsha'at will continue to advance the strategy's objectives and translate them into tangible and sustainable impact.

Governor of the Small and Medium Enterprises General Authority

Mr. Sami bin Ibrahim Al Hussaini

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Saudi Vision 2030 was launched to strengthen and diversify the Kingdom's economy while driving far-reaching economic, social, and institutional transformation. Small and medium enterprises are a cornerstone of this vision, reflecting their globally recognized role in fostering economic diversification and their contribution of approximately 40–50% of GDP across economies. This underscores the strategic importance of investing in the sector and accelerating its development to drive economic growth and support a transformative shift in the Kingdom's economy.

Why Was the National Strategy for Entrepreneurship and SMEs Developed?

Since its establishment, the Small and Medium Enterprises General Authority "Monsha'at" has been mandated to support the creation and development of SMEs and strengthen their role as a key pillar of economic diversification, contributing to job creation and GDP growth.

To advance this mandate, Council of Ministers Resolution No. 301 dated 11\7\1437 AH corresponding to 18 April 2016. entrusted Monsha'at with developing a comprehensive National SMEs Strategy, overseeing its implementation, and establishing the required action plans and implementation timelines in coordination with relevant stakeholders across the public, private, and nonprofit sectors.

General Objective

This document presents the comprehensive National Strategy developed by Monsha'at in collaboration with key stakeholders to advance entrepreneurship, SMEs, and the startup ecosystem and support competitive sectors across all regions of the Kingdom.

The National Strategy for Entrepreneurship and SMEs is built around three core objectives designed to foster entrepreneurship, accelerate the growth of SMEs and startups in priority sectors, and build an enabling ecosystem that strengthens collaboration among relevant stakeholders.

Vision

A resilient and sustainable entrepreneurial ecosystem that fosters innovation, competes locally and globally, and contributes to the growth of SMEs and the national economy.

Strategy Main Objectives

1. **Build an enabling and stimulating ecosystem** that maintains active engagement and seamless collaboration among all business leaders and stakeholders.

2. **Accelerate the growth of high-potential, established, and emerging enterprises** in key and future-focused sectors.

3. **Strengthen the entrepreneurship ecosystem and culture** to build a society that embraces entrepreneurship.

The National Strategy Objectives by 2030

35%	SMEs' Contribution to GDP
+500K	Number of Direct and Indirect Jobs Created
1	Kingdom's Global Ranking in the Entrepreneurial Skills and Knowledge Index

Background to the Development of the National Strategy

the Kingdom's entrepreneurship and SMEs ecosystem is shaped by evolving global, regional, and domestic trends, which present not only challenges but also opportunities for growth and the development of innovative business models.

Development of the National Strategy

Saudi Vision 2030

Achieving the Objectives of Saudi Vision 2030

- Increase the private sector's contribution to GDP from 40% to 65%.
- Increase SMEs' contribution to GDP from 20% to 35%.
- Strengthen the Kingdom's economic standing, advancing from 19th to 15th globally.
- Increase the share of non-oil exports in non-oil GDP from 16% to 50%.

Monsha'at Regulation

Mandate under the Monsha'at Regulation

- Contribute to developing the National Strategy for supporting and developing SMEs and oversee its implementation, pursuant to Article 3(2) of the Regulation of the Small and Medium Enterprises General Authority, issued by Council of Ministers Resolution No. 301, dated 11/7/1437 AH, corresponding to 18 April 2016.

Shifts

Global Economic Shifts and Trends

- Evolving global trends call for foresight and adaptability to strengthen resilience and competitiveness amid economic change.



- Digitalization
- Globalization
- Sustainability
- Urban Development

The National Strategy is aligned with relevant national and sectoral strategies and Saudi Vision 2030 programs through a comprehensive review of ecosystem initiatives, alignment sessions with key stakeholders, global benchmarking, and best-practice analysis to ensure integration and maximize impact.

45
National, Sectoral, and Institutional Strategies Reviewed

161
Ecosystem Initiatives Identified

20
Expert Consultations

24
Countries Benchmarked

12
Data Sources

Approved Definition of Small and Medium Enterprises (1)

	Micro	Small	Medium
Number of Employees	1 - 5	6 - 49	50 - 249
Revenue ($ Million)	0 – 0.8	> 0.8 – 10.6	> 10.6 – 53.3

Entrepreneurship Definition (2)

The phenomenon associated with entrepreneurial activity, which is the enterprising human action in pursuit of the generation of value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes, or markets, driven by continuous innovation.

Start up Definition (3)

An entity founded by an entrepreneur that develops its products, business model, and investment flexibility, with the aim of meeting new or unique market demands.

- The National Strategy and its initiatives were designed to be inclusive of all target groups, including Saudi and non-Saudi entrepreneurs, innovators, micro, small, and medium enterprises, and startups.

(1) Enterprise size is determined based on two criteria: the number of employees or revenue, whichever is higher.

(2) Based on OECD, GEM, and Schumpeterian definitions.

(3) The definition is approved by Monsha'at's Board of Directors.

Growth of the Kingdom's Entrepreneurship and SMEs Ecosystem

Over the past decade, Saudi Arabia's entrepreneurship and SMEs ecosystem has grown significantly. Despite recent challenges, it has benefited from rising interest in entrepreneurship, positioning the Kingdom as the MENA region's leading market for venture capital investment by value in 2025.

SMEs growth reached approximatly 54% in 2025, with the total number of enterprises reaching 1.76 million, up from 1.14 million in 2022.

▲ Growth in 2025 Compared with 2022

Regional Growth



Riyadh City

89.3% ▲



Makkah Region

26.4% ▲



Eastern Province

42.4% ▲

Sectoral Growth



Wholesale & Retail Trade

25.3% ▲



Manufacturing

70.5% ▲



Construction

91.1% ▲

Growth in Market Activity and Access

$124.96 billion

Total SMEs financing by banks and finance companies in 2025

$1.72 billion

Total venture capital investment in 2025

27.9%

SMEs' share of government procurement in 2025

While the Kingdom's entrepreneurship and SMEs ecosystem has made significant progress, considerable opportunities remain to drive further growth and expansion.

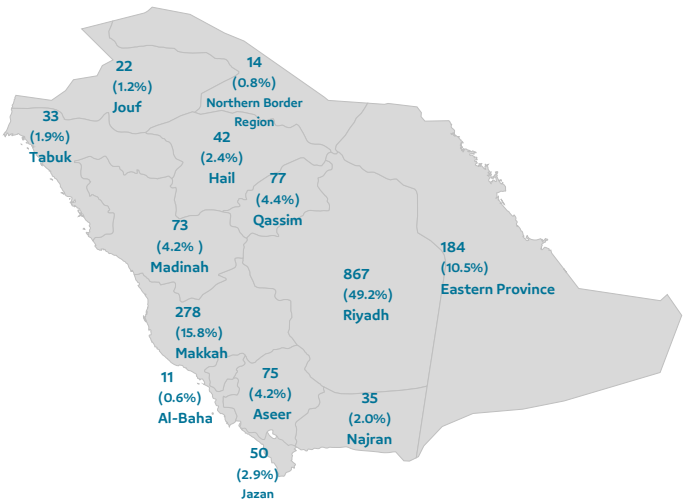
Bridging the Gap Between SMEs Capabilities and the Requirements of Major Projects

As the Kingdom advances on its ambitious journey toward Saudi Vision 2030, and with the continued expansion of major projects and promising sectors, opportunities for SMEs continue to grow. This calls for further expanding the SME base and strengthening its capabilities and competitiveness, enabling SMEs to participate more effectively in economic growth and value chains.

Current Distribution of Enterprises and Related Challenges

- More than 75% of enterprises and 81% of employees are concentrated in Riyadh, Makkah, and the Eastern Province, where infrastructure and talent are readily available.
- The remaining regions of the Kingdom offer promising opportunities for SMEs, helping capitalize on each region's comparative advantages, diversify economic activity, and create more jobs.

Regional Distribution of SMEs (Thousands), 2024



The Need for Expansion

- Major projects and large-scale events present opportunities for SMEs and startups to expand.

Key Future Opportunities in Major Projects and Events

NEOM	Red Sea	Qiddiya
AlUla	Diriyah Gate	King Salman Energy Park (SPARK)
Jeddah Economic City	New Murabba	ROSHN
Hajj and Umrah	FIFA World Cup 2034	Expo 2030
Asian Cup 2027	Olympic Esports Games 2025	Formula 1
Riyadh Season	Jeddah Season	Diriyah Formula E

Advancing Entrepreneurship and SMEs Through Ecosystem-Wide Efforts in Saudi Arabia

The Kingdom's entrepreneurship and SMEs ecosystem has supported broad efforts to address key barriers to growth and productivity. These efforts are aligned with Saudi Vision 2030 and promising sectors, enabling entities, projects, and other efforts, alongside incentives and enabling measures implemented across the Kingdom.

Promising Sectors

- Tourism Sector
- Culture Sector
- Technology Sector
- Entertainment Sector
- Sports Sector

Saudi Vision 2030 identified priority sectors to strengthen non-oil GDP, encouraging entrepreneurs to launch innovative ventures that respond to growing demand. As a result, the ecosystem has made notable progress in recent years.

Enabling Entities

- Ministry of Commerce
- Ministry of Investment
- Ministry of Communications and Information Technology
- Ministry of Tourism
- Ministry of Culture
- Saudi Authority for Data and Artificial Intelligence
- General Entertainment Authority

Enabling entities help address the challenges facing the small and medium-sized enterprise sector by reviewing policies and regulations, developing sector-specific initiatives, and implementing diverse projects that support the sector's growth and enhance its competitiveness.

Projects and Other Public-Sector Efforts

- Government Tenders and Procurement Platform
- Development of Legislation, Policies, and Regulations
- Major Projects and Services
- Major and Seasonal Events

The projects have supported development in major cities and strengthened the competitiveness of the regions. Alongside other public-sector efforts, including policy and regulatory development, and major projects and events, they have helped advance the ecosystem and expand the participation of entrepreneurs, SMEs, and startups in the national economy.

Summary of the Current-State Assessment Across (6) Areas

The ecosystem has expanded significantly, with a growing number of enterprises. Despite progress in access to markets, financing, and support services, gaps persist across several areas.

Access to Markets

89%

Of entrepreneurial activity is in future-oriented sectors.

4.5%

Of SMEs are high-growth enterprises

- Participation in international markets and advanced manufacturing remains limited, while achieving rapid business expansion presents a broader challenge.

Doing Business

- SMEs face challenges in meeting tax requirements and navigating related procedures due to limited resources and specialized expertise.
- Some enterprises struggle to manage workforce costs while balancing their operational needs with mandatory requirements.

Access to Finance

11.5%

Share of the total credit portfolio ($124.96 billion)

97%

Growth in financing for micro enterprises ($22.21 billion)

34%

Growth in financing for small enterprises ($43.65 billion)

47%

Medium enterprises' share of total financing ($59.07 billion)

Growth rates for 2025 compared with 2024.

Digital Transformation and Growth

30th The Kingdom's position in the Global Digital Competitiveness Ranking.

- Rising costs associated with technology adoption and limited availability of talent in technology and innovation

Entrepreneurship Awareness

61%

Share of people who say fear of failure would prevent them from starting a business

5.1

Entrepreneurship Education Index in General Education (out of 10)

5.9

Entrepreneurship Education Index at the University Level (out of 10)

Supportive Services

- Most incubators and accelerators are concentrated in Riyadh and Makkah, followed by the Eastern Province, limiting startups' access to support services elsewhere in the Kingdom.
- Providing easier access to shared production tools and platforms could help SMEs reduce operating costs.

Key Priority Challenges

The 12 Priority Challenges

The comprehensive current-state assessment identified the main challenges facing the ecosystem and classified them by severity and ease of resolution. This helps focus interventions on the highest-priority issues across three main categories:

1 Challenges in Increasing the Number of New Enterprises

1	Limited access to enablers that support the commercialization of innovations.
2	High fear-of-failure rate, linked to the limited reach of entrepreneurship culture.
3	Shortage of specialized talent to meet the needs of enterprises and entrepreneurs across sectors and regions.
4	Limited infrastructure and purchasing power in outlying regions constrain enterprises' ability to survive and grow.

2 Challenges in Natural Growth

5	Rising costs of doing business and difficulty for enterprises in estimating them.
6	Limited access to finance.
7	Insufficient market data to inform decisions by entrepreneurs and enterprise owners.
8	Difficulty retaining talent as SMEs compete with large corporations, government entities, and the public sector.

3 Challenges in Increasing Productivity

9	Inadequate infrastructure and support services in manufacturing and supply chains.
10	A lack of effective export programs and platforms limits export capacity.
11	Low adoption of digital technologies among startups, entrepreneurs, and SMEs, constraining productivity growth and the ability to scale.
12	Limited consideration of the characteristics and needs of startups, entrepreneurs, and SMEs when developing Laws and regulations.

The strategy was designed with the ecosystem's key challenges in mind to address them and reduce barriers to growth and productivity facing SMEs and startups.

The Strategy General Framework

The National Strategy for Entrepreneurship and SMEs is built on two core pillars: fostering entrepreneurship, supporting the growth of SMEs and startups in priority sectors, and creating an enabling ecosystem that strengthens collaboration among stakeholders.

Vision

A resilient and sustainable entrepreneurial ecosystem that fosters innovation, competes locally and globally, and contributes to the growth of SMEs and the national economy.

Strategic Objectives

Build an enabling and stimulating ecosystem that maintains active engagement and seamless collaboration among all business leaders and stakeholders.

Accelerate the growth of high-potential, established, and emerging enterprises in key and future-focused sectors.

Strengthen the entrepreneurship ecosystem and culture to build a society that embraces entrepreneurship.

The proposed strategic initiatives were designed to align with the strategy's pillars and translate them into tangible outcomes. Each initiative targets progress in a specific area by supporting innovation and entrepreneurs, enabling SMEs and startups in high-potential sectors, and strengthening partnerships across the ecosystem. Together, these initiatives aim to strengthen the Kingdom's role in supporting SMEs and achieving sustainable economic growth.

Strategic Pillars

Productivity

- Enterprise and Startup Productivity Program

Growth

- Legislation and Regulatory Sandboxes Program

- Research and Development Support for Enterprises and Startups
- Cost of Doing Business Optimization Program
- SMEs and Startup Expansion Program

Strategy Implementation Mechanisms: 13 Key Initiatives

The strategic programs serve as a platform for future initiatives, bringing together innovative, structured solutions to the challenges identified earlier. Designed to strengthen SMEs growth and the entrepreneurial ecosystem, they align with Saudi Vision 2030 priorities, including fostering a culture of innovation and entrepreneurship and increasing enterprises' contribution to the economy.

Productivity

Enterprise and Startup Productivity Program

- Develop Open Business Innovation
- Increase Financial Awareness and Culture
- Financing Enablement

Growth

Legislation and Regulatory Sandboxes Program

- Empower SMEs Establishments in Special Economic Zones

SMEs and Startup Expansion Program

- Export and International Expansion of SMEs
- Increase the Share of SMEs in Purchases from Major Companies
- Enhance Participation in Government Procurement
- Incentivizing and Attracting SME Financing Institutions

Research and Development Support for Enterprises and Startups

- SME Sector Integrated Database
- Localization of Global Innovative Startups
- Develop and Activate a Framework for Monitoring and Evaluating the Impact of the Entrepreneurship and SME Ecosystem Initiatives

Cost of Doing Business Optimization Program

- Review of the Minimum Localization by Sector
- Reduce the Cost of Doing Business

Expected Impact on the Entrepreneurship and SMEs Ecosystem by 2030

The National Strategy for Entrepreneurship and SMEs strengthens the sector's role as a driver of economic growth by enhancing SMEs productivity, scalability, and competitiveness; stimulating business creation and growth; and expanding SMEs participation in promising sectors and markets. In doing so, it supports economic diversification, creates employment opportunities, and increases SMEs' contribution to GDP in line with the objectives of Saudi Vision 2030.

35%

SMEs' Contribution to GDP

Increase SMEs' contribution to GDP to 35% by supporting their growth, improving productivity, and strengthening their ability to scale and compete across key and future sectors.

+500K

Number of Direct and Indirect Jobs

Contributing to the creation of more than 500,000 direct and indirect jobs by supporting the growth of existing enterprises, establishing new enterprises, and expanding startups and high-potential enterprises.

1

Kingdom's Global Ranking in the Entrepreneurial Skills and Knowledge Index

Positioning the Kingdom first globally in the Entrepreneurial Skills and Knowledge Index, strengthening entrepreneurs' and enterprises' ability to innovate, grow, and capitalize on economic opportunities.

Toward an Entrepreneurship-Driven Economy

SMEs are a vital engine of economies worldwide. As an integral part of the global economic landscape and an influential economic force, and with the support of its wise leadership, Saudi Arabia continues to advance the sector on all fronts, strengthening entrepreneurship across the Kingdom.

Through its strategic objectives and focused pillars, the National Strategy marks a shift from increasing the number of enterprises to fostering sustainable growth, improving productivity, enabling businesses to scale, expanding access to new markets, and strengthening competitiveness, all in support of Saudi Vision 2030 objectives.

The Strategy sets out an ambitious vision for a sector that serves as a cornerstone of the national economy. By cultivating an enabling entrepreneurial environment, addressing challenges, and removing barriers, it seeks to accelerate growth, enhance sustainability, and empower SMEs and entrepreneurs across all fields.

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