

AIMING FOR THE STARS: SAUDI ARABIA'S THE LINE PROJECT

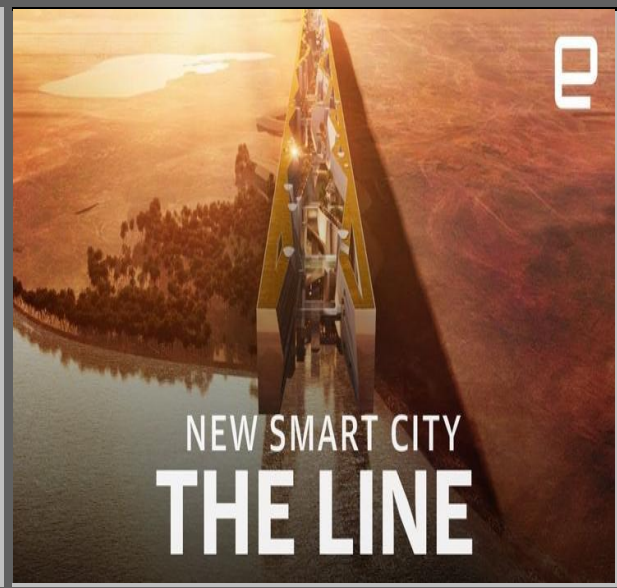
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(Views expressed in the brief are those of the author, and do not represent those of ISSI)



Mohammed bin Salman (MBS), the crown prince of the Kingdom of Saudi Arabia (KSA) recently unveiled plans for 'The Line', a linear city part of the futuristic NEOM project, an integral part of Saudi Arabia's Vision 2030. It has been called the “civilizational revolution” that will challenge “traditional horizontal cities.”¹ About 100 miles in length and one-eighth of a mile wide, the walled city would form the “infrastructure spine” of a wider megapolis, known as Neom, planned for northwestern KSA. MBS first unveiled his idea for a linear city during a national broadcast in January 2021. Most of NEOM is meant to be completed by 2025, as per the timeline set by Saudi Vision 2030, the crown prince's ambitious plan to wean the Saudi economy off of oil by the end of this decade.

What is The Line project?

The Line is a proposed one-building city that will stretch for 170km and consists of tall mirrored skyscrapers. Its residents will use a high-speed train that travels between the two ends of the city in 20 minutes, and within five minutes they will have access to all city facilities and services. The Line will be located near the Red Sea, spanning 34 square kilometres and with a capacity to host 9 million people. Despite its vast length, the proposed width of the linear city is just 200 metres, with the

¹ “Saudi Arabia puts its NEOM proposition on The Line”, *Arab News*, January 11, 2021. <https://www.arabnews.com/node/1790781>

height of its skyscrapers reaching 500 metres and latest urban construction technologies will be used to create a hydrocarbon-free economic zone. The aim is that the Kingdom will be able to attract foreign investment and international corporations, increasing Riyadh's non-oil-generated wealth. As on August 2022, Chinese contracting firm Power China has started work on the Line towers.



The Line's design will vertically layer all the city's offerings including its homes, offices, hotels and schools while giving those present within it the possibility to move seamlessly in three dimensions (up, down or across) to access the different facilities in a concept referred to as Zero Gravity Urbanism. It will also have an outer mirror façade that will allow it to blend with its surroundings and will be created by a team of architects and engineers led by Neom.²

Economic challenges

The project is being financed by the Public Investment Fund (PIF), the kingdom's sovereign wealth private investment fund. However, except for discussions with some foreign companies, regarding infrastructure, Riyadh has not had success in other financial partnerships for NEOM. The financial viability of PIF is highly dependent on the Kingdom's oil exports, a market that has proven volatile in recent years. In 2020, Riyadh faced a significant fiscal deficit of more than \$79 billion.³

² "The Future of Urban Living," *The Line*.
<https://www.neom.com/en-us/regions/theline>

³ "Saudi Arabia reveals details of The Line project in Neom," *Business Traveler*, July 26, 2022.
<https://www.businesstraveller.com/business-travel/2022/07/26/saudi-arabia-reveals-details-of-the-line-project-in-neom/>



Financial challenges are the biggest obstacle for mega projects like NEOM and The Line. While the initial plan was to complete NEOM by 2030 with an allotted \$500 billion, some reports claim that the city may not be completed until 2050, increasing the cost to an estimated \$1 trillion.

In a country where around 60% of its financial resources came from oil and just 9% from non-oil exports in 2021, the financing of the NEOM project is likely to face financial ups and downs. The financial constraints of the market and a desire to be less dependent on oil resulted in a 5% value-added tax being introduced in 2018, which was then tripled to 15% in 2020.⁴ Due to tax pressure and inflation, some Saudis - who will ultimately bear the financial burden of this project - have expressed dissatisfaction with the lavish spending on high-profile projects.

Technological challenges

Because the NEOM project is an attempt to move the world from the era of the smart city to the age of the cognitive city, it requires overcoming the "challenges of technology" that the Kingdom cannot overcome alone. Adhering to advanced technologies in urban design that will attract the attention of future residents of this city and investors is vital. Otherwise, NEOM would join a long list of unfinished cities across the Gulf such as the Waterfront project in Dubai, the Blue City in Oman and, possibly the most infamous, Dubai's The World, which is now sinking back into the sea.

Practically, the biggest technical problem that Riyadh will face in NEOM is the reliance on foreign skilled workers, an issue that is unlikely to be resolved in the short term. However, in the aftermath of the pandemic, economic rehabilitation is at the forefront of all countries' political agendas. Which is why Riyadh should not have issues in filling any labor gaps with regards to construction and investments in the project itself.

⁴ "Saudi triples VAT rate in austerity push to counter oil slump, virus," *Reuters*, May 11, 2020. <https://www.reuters.com/article/us-health-coronavirus-saudi-economy-idUSKBN22N05M>

Social challenges

The final set of challenges that Riyadh will have to contend with are social. NEOM is located in the northwestern Tabuk province. In April 2020, Riyadh planned to take over the land of the Howeitat tribe, which has been farming in this province for several generations. The killing of a farmer who had refused to hand over his land to the government sparked a wave of criticism from human rights defenders.⁵

Additionally, religious communities across the country have expressed dissatisfaction with MBS's secularization of Saudi society and the efforts to 'modernize' the country with projects such as NEOM and Vision 2030. Aside from technicalities, the real challenge to NEOM is how the Kingdom could use the project as a symbol for a cultural purpose, particularly secularism, which would have to be tolerated by the clerical authority.

There have also been concerns that people may not want to live in a vertical city following the Covid-19 pandemic, and that the size of The Line could impact groundwater flow in desert wadis and restrict the movement of animals.

Despite controversy surrounding crackdowns on protests and opposition from locals during relocation, the company plans to keep its deadline and continue with the construction of its "sustainable, compact and liveable" metropolis scheduled to welcome its first residents in 2024.⁶

Opportunities for Pakistan

Countries such as Pakistan should make use of the vast opportunities present in the projects within the Saudi Vision in general and the various NEOM projects in particular. Given that more than 60 percent of Pakistan's populace comprises young people, Pakistan's manpower is considered an extremely valuable asset. Hence, the Pakistan Government must train its labor force in line with Saudi needs. Specializations where demand workers will be high are engineering and medicine. Moreover, the opportunities in infrastructure development in Saudi Arabia are being overlooked by Pakistan. Islamabad needs to rectify this. One way is if Pakistan and Saudi Arabia sign a contract with regard to sending Pakistani engineers and technicians to provide support in NEOM. The project

⁵ Saudi Arabia's controversial mega-city project: The Line, *YouTube*, July 27, 2022.
<https://www.youtube.com/watch?v=b6GgaJWcbww>

⁶ Ibid.

is said to generate 380,000 jobs and contribute US \$48 billion to the Kingdom's Gross Domestic Product (GDP) by 2030.⁷

Conclusion

The Line and NEOM could prove a success for the Kingdom, attracting global investors and capturing the attention of the international community with MBS's ambitious developments.

However, to do so, it will have to overcome both internal and external challenges around financial and technical feasibility, and define its role in a changing KSA. Also other Neom projects in the pipeline such as Oxagon, its floating manufacturing and innovation city; and Trojena, its mountain tourism destination that will offer the outdoor skiing facilities, must be kept in mind by the leadership in Riyadh, lest they suffer from economic burnout.

⁷ "Saudi Crown Prince launches zero-carbon city in NEOM business zone," *Reuters*, January 11, 2021. <https://www.reuters.com/article/us-saudi-neom-project-idUKKBN29FOL8>