



SAUDI BRITISH
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Maritime Development in Saudi Arabia: Opportunities for UK Companies

SBJBC Defence & Resilience Programme

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Executive Summary

Saudi Arabia's maritime sector is undergoing a rapid and strategically significant transformation under Vision 2030, driven by the Kingdom's ambition to position itself as a global logistics and transport hub¹. This transformation is supported by large-scale investment in ports, digital infrastructure and coastal developments, aimed at improving efficiency and diversifying the Kingdom's economy. As a result, maritime security, infrastructure resilience and operational efficiency have become core national priorities.

Recent regional developments have reinforced the urgency of this transformation. Disruption to shipping routes in the Red Sea between 2023 and 2025, alongside heightened regional tensions affecting transit through the Strait of Hormuz in 2026, have demonstrated the vulnerability of global trade flows to both state and non-state actors. For Saudi Arabia, whose economy remains heavily dependent on maritime energy exports, these developments have demonstrated the importance of infrastructure protection, diversified export routes and the unrestricted flow of trade.

The Kingdom is investing heavily in port modernisation, digital infrastructure, naval capability and coastal development. Major upgrades at Jeddah Islamic Port and King Abdullah Port, alongside the development of new economic zones and tourism destinations such as NEOM and Red Sea Global, are reshaping the maritime landscape. At the same time, the sector is integrating advanced technologies including AI, automation and smart systems, alongside an increasing emphasis on environmental sustainability. However, this transformation is occurring against a more complex and evolving threat environment. Risks include conflict spillover, asymmetric attacks on shipping, critical infrastructure vulnerability, and the growing exposure of digitalised port systems to cyber threats. In this context, there is a growing requirement for dual-use solutions that enhance operational efficiency and strengthen security and resilience in the maritime domain.

For the United Kingdom, these developments present a significant opportunity. The UK's maritime, defence and technology sectors offer capabilities that align closely with Saudi Arabia's needs, particularly in areas such as maritime domain awareness, smart port systems, cyber security and environmental monitoring. Small and medium-sized enterprises (SMEs) are especially well placed to contribute, providing specialised and innovative solutions that support both localisation and capability

¹Public Investment Fund (PIF) (2024) 'Transport and Logistics' URL: https://www.pif.gov.sa/en/strategy-and-impact/the-program/transport-and-logistics/#supplierportfolio_e=0

development goals under Vision 2030. Success in this market depends on more than just capability, as UK companies must also navigate Saudi regulatory frameworks and industrial development goals.

1. Why Does Maritime Security Matter for Saudi Arabia?

Saudi Arabia's maritime domain is central to both its national security and its longer-term economic transformation strategy under Vision 2030. Located between the Red Sea and the Arabian Gulf, the Kingdom occupies a geographically strategic position at the intersection of some of the world's most important maritime trade routes, linking Asia, Africa and Europe. This location underpins Saudi Arabia's ambition to establish itself as a global logistics and trade hub, but it also exposes the Kingdom to persistent vulnerabilities across multiple maritime chokepoints.

The necessity of maritime security is closely tied to the structure of Saudi Arabia's economy, particularly its dependence on energy exports. These exports rely on the uninterrupted flow of shipping through key maritime chokepoints, most notably the Strait of Hormuz, which is a critical gateway from the Gulf. Recent regional tensions in March and April 2026 have demonstrated the vulnerability of this route, as well as Iran's capability to disrupt or restrict transit through the strait². On the western coast, the Red Sea represents another vital maritime corridor. This route has also experienced significant disruption in recent years, particularly from Houthi activity near the Bab al-Mandeb strait between 2023-2025³. Maritime security is therefore viewed as both an economic and defence priority.

Economic diversification strategies under Vision 2030 have increased the importance of secure maritime spaces, as major port and tourism developments located along the Red Sea coast have heightened the need for infrastructure protection and security provisions. Maritime security in the Kingdom is therefore closely intertwined with energy security, economic diversification, infrastructure development and environmental governance, which makes it of significant strategic importance. This intersection is driving demand for integrated maritime solutions capable of delivering both security and operational efficiency across an increasingly complex maritime environment.

2. Key Drivers of Maritime Development

Vision 2030 is the principal strategic framework shaping Saudi Arabia's maritime development, establishing economic diversification, reduced hydrocarbon dependence and global logistics integration as core national objectives⁴. This positioning has elevated the importance of port capacity, operational efficiency and infrastructure resilience within national economic planning and strategy.

Vision 2030 maritime objectives are already being implemented through investment in port expansion and logistics integration, including upgrades to key ports and the development of transport corridors linking sea, rail, road and air networks⁵. These measures are designed to improve capacity and efficiency in trade flows, reduce disruption and strengthen Saudi Arabia's connectivity with global shipping routes across the Red Sea and the Arabian Gulf. Technological transformation underpins these developments, with the integration of digitalised and automated port systems. Smart port

²Brookings (2026) 'Why Iran's disruption of the Strait of Hormuz matters' URL: <https://www.brookings.edu/articles/why-irans-disruption-of-the-strait-of-hormuz-matters/>

³World Bank (2025) 'The Deepening Red Sea Shipping Crisis: Impacts and Outlook' URL: <https://documents1.worldbank.org/curated/en/099253002102539789/pdf/IDU10b8b59671dbc814cfc19c4a1299ff54854ba.pdf>

⁴Vision 2030 (2025) <https://www.vision2030.gov.sa/en/overview>

⁵Arab News (2026) 'Saudi Arabia Railways launches 5 new logistics corridors to boost international trade' URL: <https://www.arabnews.com/node/2639459/business-economy>

technologies, AI-enabled traffic management and data-driven logistics platforms are being introduced to improve operational efficiency and reduce associated costs.⁶

Coastal infrastructure development has also expanded into commercial and tourism-related sectors. Projects such as NEOM, Oxagon and Red Sea Global have broadened the role of the maritime sector beyond traditional cargo handling functions. In particular, the Red Sea Global is developing new tourism destinations along the Red Sea coast, including AMAALA and Thuwal, as part of a wider effort to develop high-end coastal tourism infrastructure⁷. This growth in tourism-related coastal activity is generating an increased demand for improved port facilities, transport services and enhanced safety in coastal areas. Integrated into these new developments and more broadly into Saudi Arabia's vision 2030 strategy is environmental protection and sustainability objectives. Greater emphasis is being placed on emissions reduction, marine ecosystem preservation and sustainable construction practices under the 'blue economy' strategy⁸. These requirements are shaping the planning and operation of maritime infrastructure and introducing new obligations in coastal zones.

3. Threat landscape

3.1 Regional Conflict Spillover

Saudi Arabia's security environment is shaped by its geographic location, reliance on maritime export routes and the importance of its energy infrastructure. This has been demonstrated by recent regional escalations involving Iran, Israel and the United States since 28 February 2026, during which Iran has launched direct attacks against Saudi Arabia and neighbouring Gulf states⁹. A key development has been the disruption of the Strait of Hormuz by Iran, one of the world's most strategically important energy transit chokepoints. Constraints or disruptions to the route have immediate implications for Saudi crude exports, a substantial proportion of which traditionally transit the Gulf. In response, export flows have been reoriented towards the Red Sea, increasing the Kingdom's reliance on western maritime corridors¹⁰. However, this adjustment has placed increased risk on infrastructure and reliance on Red Sea stability. Exporting via the Red Sea relies on the East–West pipeline, which transports crude from eastern production fields to Red Sea export terminals such as Yanbu. The reported recent targeting of this pipeline during the current escalation further highlights the vulnerability of infrastructure and trade dynamics¹¹.

More broadly, the escalation of regional conflict has wider implications for Vision 2030 objectives. Disruptions to air travel, heightened security conditions and increased regional instability have affected mobility and contributed to elevated risk perceptions and travel advice. This may have longer-term consequences for investor confidence and the development of tourism sectors, particularly in coastal regions central to diversification efforts.

3.2 The Houthi Threat

⁶Research and Markets (2025) 'Saudi Arabia Smart Ports and Logistics Automation Market' URL: https://www.researchandmarkets.com/reports/6211953/saudi-arabia-smart-ports-logistics-automation?srltid=AfmBOosaYfxUTkNY_xac4efs9Mu1nWtvotGRkgT8-xd_H5xcEW1funv

⁷Red Sea Global (2024) URL: <https://www.redseaglobal.com/en/>

⁸World Economic Forum (2024) 'How Saudi Arabia is unlocking the Power of the Blue Economy' URL: <https://www.weforum.org/stories/2024/01/saudi-arabia-unlocking-power-blue-economy/>

⁹Reuters (2026) 'Iran has attacked Saudi Arabia's Jubail petrochemical complex, IRGC says'. URL: <https://www.reuters.com/world/middle-east/iran-has-attacked-saudi-petrochemical-complex-jubail-fars-news-agency-says-2026-04-07/>

¹⁰Al Jazeera (2026) 'Saudi, UAE, Iraq: Can three pipelines help oil escape Strait of Hormuz?' URL: <https://www.aljazeera.com/economy/2026/3/27/saudi-uae-iraq-can-three-pipelines-help-oil-escape-strait-of-hormuz>

¹¹Reuters (2026) 'Iran struck Saudi Arabia oil pipeline just hours after ceasefire' URL: <https://www.reuters.com/business/energy/saudi-arabias-east-west-oil-pipeline-hit-iranian-attack-damage-being-assessed-2026-04-08/>

On the Red Sea coast, the Houthi movement in Yemen has emerged as a sustained asymmetric threat to Red Sea maritime security, directly affecting one of the world's most critical shipping corridors. Operating from a strategically significant position along the Bab al-Mandeb Strait, the group has conducted repeated attacks on commercial shipping, particularly during the peak disruption period between 2023 and 2025¹². Although the Houthis have framed their operations as targeting vessels linked to Israel in connection with the Gaza conflict, certain attacks have affected commercial shipping with no direct connection to the conflict¹³. This pattern indicates both limited target discrimination and a broader intent to disrupt regional and global trade flows.

Houthi tactics have included the use of anti-ship missiles, drones, small boat assaults and vessel seizures, resulting in substantial ship damage, vessel sinkings, crew casualties and hostage incidents¹⁴. Examples include the high-profile seizure of the British-flagged *Galaxy Leader* in November 2023¹⁵. In response to this heightened risk, major shipping operators diverted vessels away from the Red Sea towards the Cape of Good Hope, significantly increasing transit times and logistics costs¹⁶. This rerouting had direct economic implications for Saudi Arabia, with major ports including Jeddah Islamic Port and King Abdullah Port experiencing substantial reductions in throughput during peak disruption periods, including declines exceeding 80 per cent at King Abdullah Port in 2024¹⁷.

While maritime attacks decreased following Israeli-Palestine ceasefire agreements in late 2025, the underlying threat has not been fully eliminated. The potential for renewed escalation remains, particularly given the Houthis' recent entry into the current regional conflict on 28 March 2026, where they fired missiles in Israel¹⁸. While there have been no attacks on the Red Sea route, the heightened risk for maritime security solutions, creating a demand for coastal defence systems, resilient port infrastructure and protection.

3.3 Cyber and Digital Threats

The digitalisation of maritime infrastructure introduces an additional threat dimension. Smart ports rely on interconnected systems combining artificial intelligence, Internet of Things (IoT) technologies, and automated logistics platforms to improve efficiency¹⁹. However, the increasing reliance on these integrated digital systems creates new vulnerabilities including increased potential for attacks from hostile actors. Cyberattacks targeting these systems have the potential to disrupt trade flows, delay port operations and affect wider supply chain continuity.

¹²Atlas Institute for International Affairs (2025) 'The Red Sea Shipping Crisis' URL: <https://atlasinstitute.org/the-red-sea-shipping-crisis-2024-2025-houthi-attacks-and-global-trade-disruption/>

¹³Reuters (2024) 'Houthis mistakenly target tanker carrying Russian oil' URL: <https://www.reuters.com/world/middle-east/houthis-mistakenly-target-tanker-carrying-russian-oil-ambrey-report-2024-01-12/>

¹⁴RUSI (2024) 'Securing the Red Sea: How can Houthi Maritime Strikes be Countered?' URL: <https://www.rusi.org/explore-our-research/publications/commentary/securing-red-sea-how-can-houthi-maritime-strikes-be-countered>

¹⁵Lloyds List (2023) 'Houthis 'hijack' Israeli-owned car carrier Galaxy Leader' URL: <https://www.lloydslist.com/LL1147314/Houthis-hijack-Israeli-owned-car-carrier-Galaxy-Leader>

¹⁶The Guardian (2023) 'More than 100 container ships rerouted from Suez Canal to avoid Houthi Attacks'. URL: <https://www.theguardian.com/business/2023/dec/20/more-than-100-container-ships-rerouted-suez-canal-red-sea-houthi-attacks-yemen>

¹⁷OceanMind (2025) 'How the Red Sea Crisis has impacted international shipping activity and emissions at Saudi Ports' URL: <https://oceanmind.global/knowledge-hub/how-the-red-sea-crisis-has-impacted-international-shipping-activity-and-emissions-at-saudi-ports/>

¹⁸BBC News (2026) 'Iran-backed Houthis join war with attack against Israel'. URL: <https://www.bbc.co.uk/news/articles/cd615n8jv4yo>

¹⁹STC (2022) 'Smart Ports for a Thriving Economy' URL: https://www.stc.com.sa/content/dam/corporatesite/common/business/pdf/smart_ports_operations_final.pdf

The maritime sector is also increasingly exposed to broader geopolitical tensions, particularly in the Gulf region and adjacent waterways. In the Middle East, and especially around the Strait of Hormuz and the Persian Gulf, cyber and hybrid threats have become more pronounced alongside physical security risks. Incidents such as GPS spoofing have been reported against commercial vessels, including oil tankers, where navigation systems are manipulated to misrepresent vessel locations, sometimes showing ships as operating within territorial waters while in international waters²⁰. Such tactics increase the risk of miscalculation, interference with navigation and escalation in an already sensitive maritime environment. Recent analysis highlights the scale of this emerging cyber threat, with maritime cyber incidents having increased by 103% in 2025 compared to 2024²¹. This demonstrates the heightened threat associated with smart and digitally enabled maritime systems.

4. Saudi Maritime Development Trajectory

4.1 Port Transformation and Investment

Saudi Arabia's maritime sector is undergoing rapid transformation under Vision 2030, focusing on the expansion and modernisation of key ports such as Jeddah Islamic Port and King Abdullah Port²². Objectives include increasing capacity, improving efficiency and strengthening links with global shipping networks. The Saudi Ports Authority (MAWANI) is leading this process through sector-wide digitalisation, including automation, 5G systems and smart logistics systems, turning ports into more integrated and efficient trade hubs²³. This modernisation is supported by significant private sector investment, with more than SAR 2.2 billion (USD 586.6 million) directed towards multipurpose cargo terminals across eight Saudi ports²⁴. King Abdullah Port is testament to this progress, having been ranked the world's most efficient container port in 2022, highlighting improvements in operational performance and infrastructure efficiency²⁵.

4.2 Naval Expansion and Maritime Security Capability

Alongside commercial maritime development, Saudi Arabia is significantly expanding its naval and maritime security capabilities. The Saudi Naval Expansion Programme II (SNEP II) forms a central pillar of this effort, focusing on the protection of key national assets, including offshore energy installations and export terminals, as well as the enhancement of coastal and offshore surveillance capabilities²⁶. It also seeks to strengthen deterrence against both conventional and asymmetric maritime threats, while contributing to the development of domestic defence manufacturing capacity in line with wider 50% defence localisation objectives. Recent developments further reflect the growing prioritisation of maritime security within the Kingdom's defence posture, including the

²⁰Ibid

²¹BreakBulk (2025) 'Meet King Abdullah Port, combining high efficiency and high growth' URL: <https://middleeast.breakbulk.com/articles/meet-king-abdullah-port>

²²Saudi Press Agency (2023), 'Mawani, stc Sign Three Agreements to Transform Saudi Arabia's ports into Smart Ports using 5G technologies' URL: <https://www.spa.gov.sa/2338953>

²³Arab News (2026) 'Saudi Arabia's port push accelerates amid global trade disruptions' URL: <https://www.arabnews.com/node/2638772/%7B%7B>

²⁴Arab News (2023) King Abdullah Port records highest ever volume on single vessel' URL: <https://www.arabnews.com/node/2317741/corporate-news>

²⁵IISS (2019) 'Shopping for Sea Power: Saudi Arabia's naval transformation' URL: <https://www.iiss.org/online-analysis/military-balance/2025/10/shopping-for-sea-power-saudi-arabias-naval-transformation/>

²⁶World Defense Show (2026) 'Naval Zone' URL: <https://www.worlddefenseshow.com/en/show-features-and-programs/11>

introduction of a dedicated naval zone at the World Defence Show 2026, which highlights the increasing prominence of maritime capability development within national defence planning²⁷.

4.3 Partner Diversification and Localisation Goals

Saudi Arabia continues to engage with major international defence and technology providers, including Thales Group, Airbus, and BAE Systems, particularly in the delivery of complex systems and capability development programmes²⁸. However, there is a clear and ongoing shift in procurement and industrial strategy towards diversifying international partnerships and reducing long-term dependence on a limited number of organisations. This shift is closely linked to the Kingdom's localisation agenda under Vision 2030, which prioritises domestic capability development, increased SME participation and the transfer of knowledge. There is growing emphasis on Saudisation within defence and maritime-related sectors, alongside requirements for international suppliers to contribute to local production and training.

4.4 Institutional Development and Governance.

Maritime development in Saudi Arabia is underpinned by an evolving institutional framework designed to improve governance and regulatory oversight. The Saudi Ports Authority (Mawani) plays a central role in overseeing port operations, infrastructure development and the facilitation of private sector participation across the maritime logistics sector. Its mandate includes improving operational efficiency across ports and supporting investment in port infrastructure in line with national development priorities²⁹. Alongside this, the Saudi Red Sea Authority has been established to regulate coastal tourism and broader maritime activity within the Red Sea region³⁰. Its responsibilities include developing regulatory standards, managing coastal activities and ensuring alignment with environmental and sustainability requirements in sensitive maritime zones.

5. Opportunities for UK Companies

5.1 Maritime Intelligence and Surveillance

There is a growing requirement for advanced maritime domain awareness capabilities across Saudi Arabia's ports, coastal developments and wider maritime environment, driven by the need to improve safety, protect infrastructure and monitor both environmental conditions and security threats in the Red Sea and Arabian Gulf. This reflects the increasing complexity of maritime activity, where commercial shipping, tourism development and regional security risks intersect within the same operational space.

This creates a strong opportunity for UK SMEs with expertise in artificial intelligence, geospatial intelligence and advanced data analytics. The range of operational priorities in the sector, from environmental monitoring and marine protection to the detection of asymmetric threats, highlights the breadth of demand for maritime intelligence solutions. In this context, there is also increasing value in dual-use systems that combine security and civilian functions, including surveillance technologies that can support both coastal protection and tourist safety.

5.2 Cyber Security

²⁷European Security and Defence (2024) 'Saudi Defence Industry: capabilities and partnerships' URL: <https://euro-sd.com/2024/02/articles/36323/saudi-defence-industry-capabilities-and-partnerships/>

²⁸Official government website of the Government of the Kingdom of Saudi Arabia (2025) 'GAMI reports localisation of military spending of Saudi Arabia Increases to 24.89%' URL: <https://www.gami.gov.sa/en/news/gami-reports-localization-military-spending-saudi-arabia-increases-2489>

²⁹Lloyds Register (2019) 'Setting the Standard: Mawani Port Standardisation Project' URL: <https://www.lr.org/en/knowledge/case-studies/setting-the-standard--mawani-port--standardisation-project/>

³⁰SaudiPedia (2026) 'Saudi Red Sea Authority' URL: <https://saudipedia.com/en/saudi-red-sea-authority>

The development of smart ports and technology-integrated systems, particularly in major projects such as NEOM, is creating clear opportunities for UK companies in the cybersecurity space. As port operations become more digital and interconnected, there is a growing need to protect operational systems and safeguard sensitive data. There is also increasing concern around cyber-physical risks, where digital interference could impact the physical functioning of ports. UK firms with experience in cyber defence, critical infrastructure protection and secure digital systems are therefore well placed to support this shift.

5.3 Engineering and Infrastructure Protection

Saudi Arabia's expansion of maritime infrastructure is taking place within a more complex regional threat environment, where critical infrastructure has previously been targeted, including recent attacks on the East-West pipeline. This has reinforced the importance of protecting key economic assets such as energy terminals, port facilities and coastal developments along the Red Sea. There is therefore an increased requirement for practical security measures and ways to strengthen the resilience of new infrastructure. This is particularly relevant for projects linked to tourism and economic development, where safety and reliability are important in attracting tourists and investment. UK engineering companies with experience in critical infrastructure protection and security focused design are therefore well placed to support these requirements.

5.4 Work Force Development and Training

A shortfall of approximately 35,000 skilled workers required to support the digital transformation of maritime operations highlights the scale of the workforce challenge facing Saudi Arabia's maritime sector³¹. This gap is being driven by the fast digital transformation, which has created a demand for training and capability development. This in turn presents a clear opportunity for UK companies to support workforce development, particularly through training in AI, digital systems and advanced operational technologies. The opportunity also extends beyond digital skills to include maritime simulation and training, as well as long-term partnerships between UK and Saudi institutions focused on knowledge transfer in line with localisation and workforce development targets. UK organisations are well positioned to respond to this demand given the UK's strong reputation in maritime education and professional training.

5.5 Sustainability Solutions.

Sustainability has become an increasingly important area of Saudi Arabia's maritime strategy, aligned with wider environmental, net-zero and 'blue economy' ambitions. This is creating growing demand for solutions that reduce the environmental impact of port operations and coastal developments. Alongside this, environmental considerations are being integrated into planning and building standards to ensure maritime development is sustainable. There is therefore a demand for technologies that support environmental protection across coastal areas, including for example systems for monitoring water quality and tracking marine biodiversity. This presents opportunities for UK companies with experience in marine protection and sustainable infrastructure planning for partnership with Saudi companies and for knowledge sharing and training. UK SMEs with expertise in environmental innovation are well positioned to contribute.

Conclusion

Saudi Arabia's maritime sector is in a period of important transformation shaped by both the strategic objectives of Vision 2030 and the increasingly complex regional security environment. The Kingdom's ambition to position itself as a global logistics hub is driving significant investment in port

³¹Research and Markets (2025) 'Saudi Arabia AI Maritime Predictive Maintenance Market Size & Forecast 2025-2030' URL: <https://www.researchandmarkets.com/reports/6205048/saudi-arabia-ai-maritime-predictive-maintenance?srsIid=AfmBOorRep-GOqLNOKYDTLMNWF8zJJDNkiTv-KtP36f3QqvP2FOImAA>

infrastructure and coastal development, which simultaneously creates the need for enhanced maritime security and resilience. The importance of this transformation has been equally reinforced through heightened regional geopolitical tensions, disruptions to critical shipping routes and the emergence of cyber and hybrid threats.

For the United Kingdom, this evolving landscape presents an important opportunity. UK companies, particularly SMEs, are well positioned to contribute to Saudi Arabia's maritime ambitions through maritime intelligence, cyber security, infrastructure protection and sustainable technologies. However, success in this market relies on the ability to align with Saudi Arabia's localisation objectives, complex regulatory environment and long-term development goals. Companies which invest in local development and knowledge transfer and follow a partnership model will be best placed to contribute to the Kingdom's maritime sector.