

Kingdom of Saudi Arabia



History:

The Kingdom of Saudi Arabia (KSA) has a rich and complex history that dates back to the dawn of civilization. It is the birthplace of Islam, with the Prophet Muhammad originating from Mecca, now a major Islamic holy site. Much of the country's history is intertwined with Islamic history, as the Arab tribes played a crucial role in the spread of the religion. The modern kingdom was founded in 1932 by Abdulaziz Ibn Saud, uniting the regions of Nejd and Hejaz under his rule. Since then, the kingdom has been ruled by his descendants, maintaining a monarchical system of governance with a strong basis in Islamic law.

Geography:

Saudi Arabia is the largest country in the Middle East, located on the Arabian Peninsula and bordered by Jordan and Iraq to the north, Kuwait to the northeast, Qatar, Bahrain, and the United Arab Emirates to the east, Oman to the southeast, and Yemen to the south. It also has coastlines along the Red Sea and the Arabian Gulf. The country's geography is predominantly desert, with the Rub' al Khali (Empty Quarter) being the largest continuous sand desert in the world. The country also features mountain ranges and coastal plains.

Economy:

Saudi Arabia's economy is heavily dependent on oil, boasting the second-largest proven petroleum reserves and being the largest exporter of petroleum globally. The petroleum sector accounts for roughly 90% of budget revenues, 42% of GDP, and 90% of export earnings. However, under its Vision 2030 initiative, the kingdom has been actively trying to diversify its economy, focusing on areas like tourism, entertainment, and other non-oil industries. The country is also a member of the G20, reflecting its influence on the global economy.

Business Opportunities:

Saudi Arabia presents several business opportunities largely due to its sizable economy, growing population, and ambitious economic diversification plans under Vision 2030. The initiative has led to increased opportunities in sectors such as entertainment, tourism, digital services, and renewable energy, among others. The government has prioritized attracting foreign investment, improving the ease of doing business, and developing public-private partnerships. However, it's important for potential investors to understand the local business culture, legal framework, and Saudi Arabia's commitment to specific social and economic goals.

Summary of Labor Law:

The labor law in Saudi Arabia encompasses several laws and regulations aimed at protecting the rights of workers. Here is a summary of the key aspects of labor law in Saudi Arabia:

- **Working Hours:** The standard work week in the KSA is 48 hours, typically spread over six days. During the holy month of Ramadan, the workday for Muslims is reduced to six hours.
- **Paid Leave:** Employees are entitled to 21 days of paid annual leave, which increases to 30 days after five years of service. Sick leave of up to 30 days is also provided, with varying levels of pay depending on the length of the leave.
- **Minimum Wage:** As of my last update, the KSA has implemented a minimum wage for Saudi workers set at SAR 4,000 per month. However, this does not apply to foreign workers.
- **Termination and Severance:** The notice period for termination depends on the terms of the contract. Employees are entitled to an end-of-service benefit, a type of severance pay, after they have completed two years of service.
- **Social Security:** The KSA has a social security system that provides pensions and benefits for Saudi nationals. Expatriate workers are covered by the country's wage protection system and workers' compensation system, but are generally not eligible for social security benefits.
- **Labor Disputes:** Labor disputes are handled by the Ministry of Human Resources and Social Development and the Labor Court.

As this is a summary, do not hesitate to contact us at contact@genta-international.com for specific advice on labor law in Kingdom of Saudi Arabia.