

The Impact of Regional Trade Agreements, Foreign Direct Investment, Export Diversification, and Economic Integration on Saudi Arabia's Economic Growth

*Thesis Submitted in Partial Fulfillment of the Requirements for the Award of the Degree
of*

MASTER OF BUSINESS ADMINISTRATION

BY

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Under Supervision

Supervisors Name

COLLEGE OF ADMINISTRATIVE AND FINANCIAL SCIENCES

SAUDI ELECTRONIC UNIVERSITY

2025



Declaration Certificate

The work entitled, ***“The Impact of Regional Trade Agreements, Foreign Direct Investment, Export Diversification, and Economic Integration on Saudi Arabia's Economic Growth”***, embodies the results of the original research work carried out by me in the College of Administrative and Financial Sciences, Department of Business Administration Saudi Electronic University. This research work has not been submitted in part or full for the award of any other degree at SEU or any other university.

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Table of Contents

Declaration Certificate	2
Acknowledgement	3
List of Tables	7

List of Figures	8
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ABSTRACT.....	9
---------------	---

CHAPTER 1	Error! Bookmark not defined.
-----------------	-------------------------------------

INTRODUCTION	Error! Bookmark not defined.
--------------------	-------------------------------------

1.1. General Introduction	Error! Bookmark not defined.
---------------------------------	-------------------------------------

1.2. Statement of the Problem.....	Error! Bookmark not defined.
------------------------------------	-------------------------------------

1.3. Aim of the Study	Error! Bookmark not defined.
-----------------------------	-------------------------------------

1.4. Research Questions	Error! Bookmark not defined.
-------------------------------	-------------------------------------

1.5. Research Objectives.....	Error! Bookmark not defined.
-------------------------------	-------------------------------------

1.6. Significance of the Study	Error! Bookmark not defined.
--------------------------------------	-------------------------------------

1.6.1. Managerial Relevance.....	Error! Bookmark not defined.
----------------------------------	-------------------------------------

1.6.2. Scientific Relevance.....	Error! Bookmark not defined.
----------------------------------	-------------------------------------

CHAPTER 2	Error! Bookmark not defined.
-----------------	-------------------------------------

REVIEW OF LITERATURE	Error! Bookmark not defined.
----------------------------	-------------------------------------

2.1. The Impact of Regional Trade Agreements on Economic Growth	Error! Bookmark not defined.
---	-------------------------------------

2.2. The Influence of Foreign Direct Investment on Economic Growth	Error! Bookmark not defined.
--	-------------------------------------

2.3. The Effect of Export Diversification on Economic Growth	Error! Bookmark not defined.
--	-------------------------------------

2.4. The Role of Economic Integration in Enhancing Economic Growth	Error! Bookmark not defined.
--	-------------------------------------

2.5. Theoretical Framework.....	Error! Bookmark not defined.
---------------------------------	-------------------------------------

2.6. Research Gap	Error! Bookmark not defined.
2.7. Conceptual Framework.....	Error! Bookmark not defined.
2.8. Hypothesis.....	Error! Bookmark not defined.
THE METHODOLOGY.....	Error! Bookmark not defined.
3.1. Research Approach	Error! Bookmark not defined.
3.2. Research Design.....	Error! Bookmark not defined.
3.3. Target Population and Sample Size	Error! Bookmark not defined.
3.4. Data Collection Approach.....	Error! Bookmark not defined.
3.5. Data Analysis	Error! Bookmark not defined.
3.6. Ethical Considerations	Error! Bookmark not defined.
ANALYSIS AND RESULTS.....	Error! Bookmark not defined.
4.1. Demographic Data Analysis	Error! Bookmark not defined.
4.2. Results of Multivariate Analysis.....	Error! Bookmark not defined.
4.2.1. Extraction of Regional Trade Agreements (RTAs)	Error! Bookmark not defined.
4.2.2. Extraction of Foreign Direct Investment (FDI)	Error! Bookmark not defined.
4.2.3. Extraction of Export Diversification.....	Error! Bookmark not defined.
4.2.4. Extraction of Economic Integration.....	Error! Bookmark not defined.
4.2.5. Extraction of Economic Growth	Error! Bookmark not defined.
4.3. Results of Correlation Analysis	Error! Bookmark not defined.
4.4. Results of Regression Analysis.....	Error! Bookmark not defined.
DISCUSSION AND CONCLUSION	Error! Bookmark not defined.
5.1. Discussion	Error! Bookmark not defined.
5.2. Conclusion	Error! Bookmark not defined.
5.3. Managerial Relevance.....	Error! Bookmark not defined.
5.4. Scientific Implications	Error! Bookmark not defined.

5.5. Limitations and Scope for Future Research.....	Error! Bookmark not defined.
References.....	Error! Bookmark not defined.
References.....	Error! Bookmark not defined.
Appendix-Questionnaire	Error! Bookmark not defined.



List of Tables

Table 1: Gender...	Error!	Bookmark not defined.
Table 2: Age Group	Error!	Bookmark not defined.
Table 3: Educational Qualification	Error!	Bookmark not defined.
Table 4: Occupation.....	Error!	Bookmark not defined.
Table 5: Years of Experience in Trade, Investment, or Economic Sector	Error!	Bookmark not defined.
Table 6: Reliability Statistics of Regional Trade Agreements (RTAs)	Error!	Bookmark not defined.
Table 7: KMO and Bartlett's Test of Regional Trade Agreements (RTAs)	Error!	Bookmark not defined.
Table 8: Total Variance Explained of Regional Trade Agreements (RTAs)	Error!	Bookmark not defined.
Table 9: Reliability Statistics of Foreign Direct Investment (FDI)	Error!	Bookmark not defined.
Table 10: KMO and Bartlett's Test of Foreign Direct Investment (FDI)	Error!	Bookmark not defined.
Table 11: Total Variance Explained of Foreign Direct Investment (FDI)	Error!	Bookmark not defined.
Table 12: Reliability Statistics of Export Diversification.....	Error!	Bookmark not defined.
Table 13: KMO and Bartlett's Test of Export Diversification..	Error!	Bookmark not defined.
Table 14: Total Variance Explained of Export Diversification	Error!	Bookmark not defined.
Table 15: Reliability Statistics of Economic Integration.....	Error!	Bookmark not defined.
Table 16: KMO and Bartlett's Test of Economic Integration...	Error!	Bookmark not defined.
Table 17: Total Variance Explained of Economic Integration .	Error!	Bookmark not defined.
Table 18: Reliability Statistics of Economic Growth	Error!	Bookmark not defined.
Table 19: KMO and Bartlett's Test of Economic Growth	Error!	Bookmark not defined.
Table 20: Total Variance Explained of Economic Growth	Error!	Bookmark not defined.

Table 21: Results of Correlation Analysis	Error! Bookmark not defined.
Table 22: Results of ANOVA Test	Error! Bookmark not defined.
Table 23: Results of the Regression Analysis.....	Error! Bookmark not defined.



List of Figures

Figure 1: Conceptual Model of the Study **Error!**

Bookmark not defined.

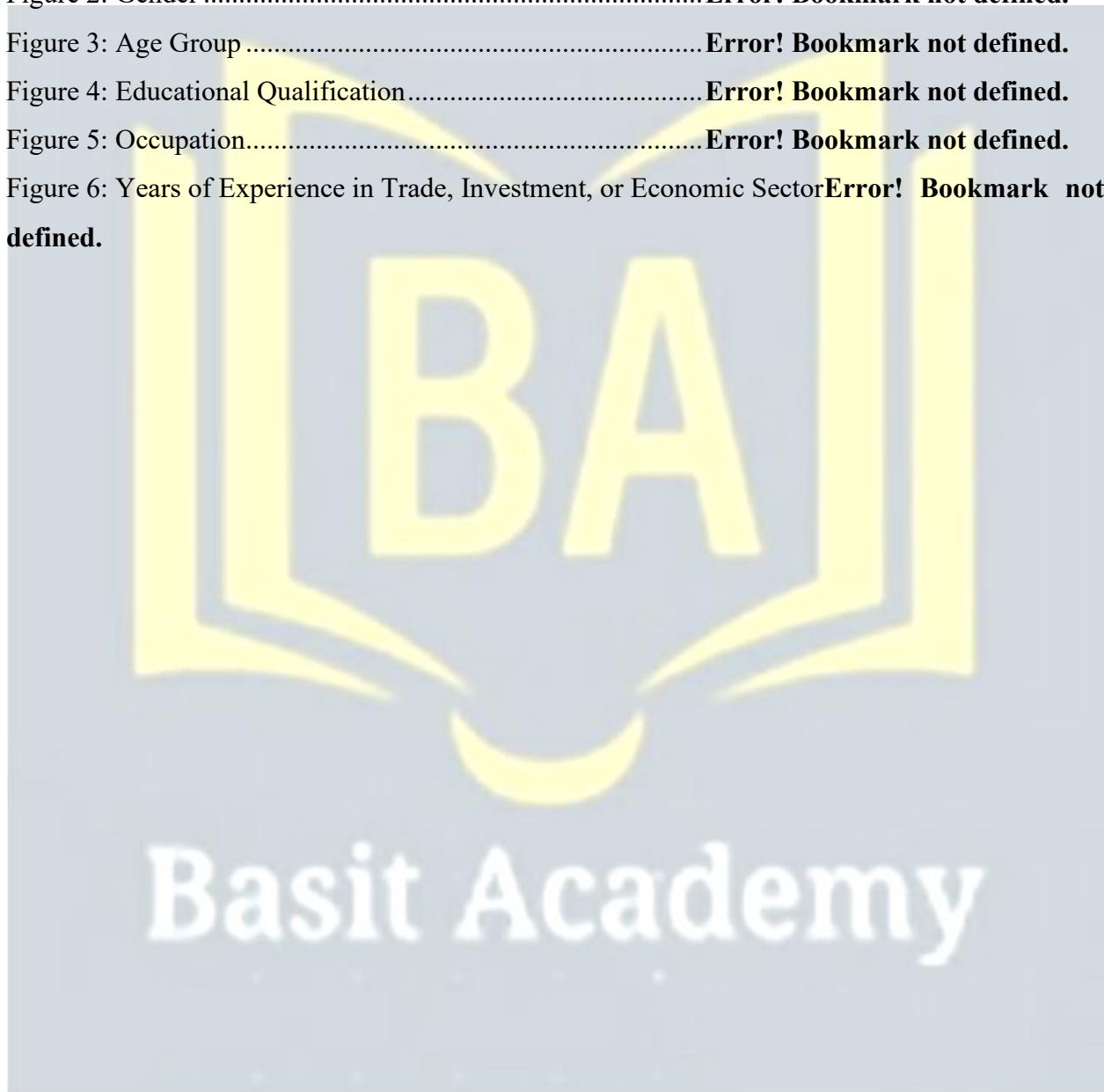
Figure 2: Gender **Error! Bookmark not defined.**

Figure 3: Age Group **Error! Bookmark not defined.**

Figure 4: Educational Qualification..... **Error! Bookmark not defined.**

Figure 5: Occupation..... **Error! Bookmark not defined.**

Figure 6: Years of Experience in Trade, Investment, or Economic Sector**Error! Bookmark not defined.**



ABSTRACT

Background: - Saudi Arabia is undergoing a major economic transformation under its Vision 2030 initiative, which aims to reduce the nation's reliance on oil revenues and promote sustainable, diversified economic growth. In this context, factors such as regional trade agreements (RTAs), foreign direct investment (FDI), export diversification (ED), and economic integration (EI) have emerged as key pillars in shaping the Kingdom's economic development. However, there is limited empirical research assessing the combined impact of these variables on economic growth in the Saudi Arabian context.

Purpose: - The primary objective of this study is to examine the individual and collective influence of RTAs, FDI, ED, and EI on Saudi Arabia's economic growth. The study aims to provide a data-driven foundation for understanding how these drivers interact and contribute to the nation's strategic development goals.

Research Design and Methodology: – This research adopts a quantitative research methodology. Data were collected from a structured survey administered to 316 respondents including professionals, investors, and policymakers engaged in economic planning and development. The study employed reliability analysis (Cronbach's Alpha), factor analysis (KMO and Bartlett's test), descriptive statistics, Pearson correlation, ANOVA, and multiple regression analysis to evaluate the relationships among the variables and test the study's hypotheses.

Findings: – The findings reveal that all four independent variables—RTAs, FDI, ED, and EI—have a significant positive effect on economic growth. Among them, economic integration emerged as the strongest predictor, followed by FDI, RTAs, and export diversification. High correlations were also observed among the independent variables, suggesting a synergistic relationship in promoting economic development. These results affirm the importance of coordinated policy efforts to achieve sustainable growth aligned with Vision 2030.

Practical Implications: – The results have direct implications for policymakers, business leaders, and investors. The study highlights the need for integrated strategies that foster trade, attract long-term investment, expand non-oil exports, and strengthen economic ties with regional and global markets. These insights can guide the design of economic policies that support diversification, resilience, and competitiveness in the Saudi economy.