

ASG Analysis: Saudi Arabia Unveils National Strategy for Data and Artificial Intelligence (NSDAI)

October 27, 2020

Key Takeaways

- The Saudi Data and Artificial Intelligence Authority (SDAIA) unveiled its National Strategy for Data and Artificial Intelligence (NSDAI) at this year's Global AI Summit on October 21. The strategy outlines the Kingdom's aspirations to become a global leader in data and AI and provides a broad indication of the approach it plans to take to realize those aspirations. We expect further announcements on specific programs and policies to support the implementation of the strategy.
- Notably, the strategy promises the development of specific data and AI plans for the education, government, healthcare, energy, and transport & logistics sectors. Companies in these sectors that hope to inform future regulations and plans for data and AI should engage with government stakeholders in the short term before these sector-specific plans are released.
- The strategy also provides some insight into the roles of key government entities overseeing data and digital activities in the Kingdom. The National Data Management Office (NDMO) will manage data as a digital asset, develop policies and regulations, and drive compliance with these regulations. The National Information Center (NIC) may have an expanded role in serving as a cloud service provider (CSP) to government organizations.

Key Components of the NSDAI

The National Strategy for Data and Artificial Intelligence (NSDAI), released on October 21 by the Saudi Data and Artificial Intelligence Authority (SDAIA), provides an initial roadmap towards the Kingdom's goals of making Saudi Arabia a global leader in AI and a data-driven economy. Broadly, the Kingdom intends to achieve this goal through skills development and education, attraction of investment from foreign and domestic sources, and the creation of a business-friendly regulatory environment and start-up ecosystem. The strategy provides limited concrete detail about the implementation of this approach but announces plans for the following:

- **Skills development and education:** The development of data- and AI-focused educational tracks for K-12 schools, universities, and professional certification programs.

- **Investment attraction:** The creation of a fund to incentivize both foreign and local investment in priority areas within data and AI. This fund will invest in “relevant cutting-edge Data & AI applications to the KSA market.” The NSDAI sets the target of attracting SAR 75 billion (~US\$20 billion) in investment by 2030 (combined foreign and domestic investment, including Saudi government investment).
- **Regulatory environment:** The enactment of “the most welcoming legislation for Data & AI businesses and talents.” The strategy refers to the development of a regulatory framework that will cover “data collection, classification, sharing, open data policy, and freedom of information,” the topics covered under SDAIA’s recently published National Data Governance Interim Regulations (see ASG’s analysis of the Interim Regulations [here](#)). Although the Interim Regulations are already in effect, the NSDAI’s reference to the future development of a regulatory framework provides further indication that these regulations will likely be refined in the coming months and years.

In its implementation of the strategy, the Kingdom will seek to leverage gigaprojects such as the smart city NEOM to contribute to the attraction of investment and talent and the creation of a collaborative and innovative ecosystem for data and AI companies.

Notably, the NSDAI also promises the development of sector-specific data and AI plans that will likely include more concrete initiatives, regulations, and goals. This is the same approach currently being employed by the Kingdom’s National Cybersecurity Authority (NCA), which is developing sector-specific cybersecurity regulations to supplement general cybersecurity laws. The five priority sectors identified by the NSDAI are education, government, healthcare, energy, and transport & logistics. Companies in these sectors that hope to inform future regulations and plans for data and AI should engage with government stakeholders in the short term before these sector-specific plans are released.

Role of Key Stakeholders

The NSDAI also provides some hints about the future responsibilities of the organizations under SDAIA’s authority. Upon SDAIA’s establishment in 2019, the National Data Management Office (NDMO) and National Center for Artificial Intelligence (NCAI) were also created as new organizations under SDAIA’s umbrella. The National Information Center (NIC), a long-established entity traditionally under the supervision of the Ministry of Interior, was transferred to SDAIA upon the latter’s creation.

- **The NDMO will drive compliance with future data policies.** The NSDAI states that the NDMO “manages national data as a digital asset and is responsible for the development of standards, policies and regulations as well as driving compliance.” The NDMO authored the new Data Governance Interim Regulations, which state that the NDMO will serve as a regulator for entities covered by those regulations who have no existing regulatory authority. While many digital companies are currently regulated by other organizations such as the General Commission for Audiovisual Media (GCAM) and the Communications and Information Technology Commission (CITC), the language in the strategy suggests that NDMO’s compliance enforcement role for data policies may grow as the regulatory landscape continues to evolve.

- **The NIC will host all government data and harness AI solutions to provide insights to government decision-makers.** The strategy describes the NIC as “the national data bank, hosting all government data, and acting as the main government insights provider using the power of AI.” The document provides no further detail about the NIC’s mandate to host all government data, but this mandate contrasts with existing policies that allow private cloud service providers (CSPs) to store non-sensitive government data. The Cloud First Policy released by the Ministry of Communications and Information Technology (MCIT) in 2019 states that “the general policy is that data categorized in level 1 (top secure) or level 2 (secure) must be hosted in the Government Cloud (NIC),” while less sensitive data may be stored with other CSPs. Given this contradiction, it is unclear whether the Kingdom indeed intends for the NIC to host all government data. CSPs should closely monitor for additional clarification from the Saudi government on this potentially significant development.
- **The NCAI will establish a center of excellence in partnership with private companies and academic institutions to advance research on AI solutions.** Businesses may consider partnering with the NCAI to demonstrate their dedication to advancing the Kingdom’s national goals.

It remains unclear exactly how new entities like SDAIA and NDMO will set boundaries with existing organizations like MCIT, CITC, and MISA with regards to data and digital policy development, regulation, and investment attraction. Potentially overlapping mandates and gaps in authority will likely be a source of confusion over the next several months.

Key Considerations for Businesses

The NSDAI demonstrates that the Kingdom is rapidly moving towards its goals of becoming a global AI leader and a data-driven economy. Business should prioritize the following:

1. Closely monitor additional announcements from the Saudi government about specific initiatives, policies, and programs that will support the implementation of NSDAI, as well as further clarification about SDAIA’s role in overseeing these developments.
2. Build relationships with SDAIA and the NDMO, in light of these entities’ recent demonstration of their growing authority over future data policies and digital activities in the Kingdom.
3. Identify areas for cooperation with the Saudi government to help it achieve the objectives set forward in the NSDAI, specifically focusing on ways that businesses can help the Kingdom reach its goal of attracting \$20 billion in investment in data and AI solutions by 2030.

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