

GMS Flash Alert

Employment Law

2025-217 | 10 November 2025



Saudi Arabia – Second Phase of Saudization for Key Health Professions Launched

The Ministry of Human Resources and Social Development, in partnership with the Ministry of Health, announced the implementation of the second phase of higher Saudization (localization) rates for four key healthcare professions in the private sector, effective from 17 October 2025.¹

The launch of the second phase of Saudization for key health professions is intended to be a pivotal step in strengthening Saudi Arabia's healthcare workforce and advancing its Vision 2030 goals.

WHY THIS MATTERS

This development could substantially affect private sector healthcare employers, especially those with significant numbers of expatriate professionals in therapeutic nutrition, physiotherapy, medical laboratories, and radiology.

Globally mobile employees and international hires in these fields may experience reduced opportunities or stricter eligibility requirements, while organizations may face increased administrative costs and complexities in meeting regulatory standards.

This initiative may also open new career pathways for Saudi nationals, foster national talent development, and support the broader transformation of the healthcare sector into a more resilient and locally empowered system.

Context

Saudi Arabia has progressively increased localization rates for healthcare professions as part of its labor market strategy and Health Sector Transformation Program. The first phase of the initiative applied to major cities and large/giant facilities starting on 17 April 2025. The second phase now extends these requirements to all private sector healthcare facilities across Saudi Arabia.

Key Highlights

Affected Professions and Localization Rates

- The localization rate for radiology professions has been set at 65 percent.
- For medical laboratories, the required localization rate is 70 percent.
- Both therapeutic nutrition and physiotherapy professions must meet a localization rate of 80 percent.

Minimum Wage Requirements

- The minimum monthly wage for specialists is SAR 7,000.
- The minimum monthly wage for technicians is SAR 5,000.

Compliance and Enforcement

- Procedural guide published by the Ministry of Human Resources and Social Development.
- Regulatory penalties for non-compliance.

Support for Private Sector

Employers can access recruitment, training, and employment support programs via the Human Resources Development Fund (HADAF).

KPMG INSIGHTS

Considerations for Organizations

Organizations may wish to audit their current workforce against the new Saudization and wage requirements, develop transition plans for affected roles, and engage with available government support programs for recruitment and training of Saudi professionals. Also, payroll systems could be updated to adhere to the mandated wage levels.

If assignees and/or their programme managers have any questions or concerns about the scope of the directive, its application and potential impacts, and appropriate next steps, they should consult with their qualified tax or social security professional or a member of the GMS/People Services team with KPMG in the Lower Gulf (see the Contacts section).

FOOTNOTE:

1 [“Implement second phase of healthcare saudization in four healthcare professions,”](#) Saudi Press Agency, published on 17 October 2025.

OTHER RESOURCES:

Also see [“Saudi Arabia raises localization rates in four health professions,”](#) Saudi Press Agency, published on 17 October 2025.

Also see [“The Ministry, in partnership with the Ministry of Health, announces the issuance of a decision to increase the localization rates,”](#) Ministry of Human Resources and Social Development, Kingdom of Saudi Arabia, published on 20 October 2024.

* * * *

Contact Us

For additional information or assistance, please contact your local GMS or People Services professional* or one of the following professionals with the KPMG International member firm in the United Arab Emirates:



Samar Abdelrahman
Associate Director
Tel. + 971 44 030 301
sabdelrahman1@kpmg.com



Pranav Shah
Director
Tel. +971 4 356 9866
pshah27@kpmg.com

** Please note the KPMG International member firm in the United States does not provide immigration or labour law services. However, KPMG Law LLP in Canada can assist clients with U.S. immigration matters.*

The information contained in this newsletter was submitted by the KPMG International member firm in the United Arab Emirates.

© 2025 KPMG Lower Gulf Limited, KPMG LLP and KPMG LLC, licensed in the United Arab Emirates and the Sultanate of Oman, and member firms of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

www.kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:



kpmg.com

© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. Printed in the U.S.A. USCS001250-2F

The KPMG name and logo are registered trademarks or trademarks of KPMG International. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing Audit, Tax and Advisory services. The KPMG global organization operates in 147 countries and territories and has more than 219,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

GMS Flash Alert is a publication of the KPMG LLP Washington National Tax practice.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.