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GMS Flash Alert



Employment Law

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Saudi Arabia – New Localization Mandate for Engineering Roles

Saudi Arabia has enacted a new policy requiring private sector establishments to localize at least 30 percent of 46 designated engineering professions, with additional requirements on minimum salary and professional accreditation. The decision was issued jointly by the Ministry of Human Resources and Social Development and the Ministry of Municipalities and Housing on 31 December 2025, and will affect organizations employing five or more workers in the specified engineering roles.[1]

WHY THIS MATTERS

This development introduces significant compliance requirements for private sector employers in Saudi Arabia, particularly those with multinational workforces in engineering functions. Human resources leaders and global mobility managers may need to review staffing plans, talent allocation, and compensation structures to align with the mandated localization rate and minimum salary threshold. The requirement for Saudi Council of Engineers accreditation may affect recruitment timelines and qualification validation processes. For mobile employees and expatriate engineers, the policy may affect job security, contract renewals, and career progression, as employers are expected to prioritize Saudi nationals in the designated roles. Organizations may also experience increased administrative demands during the six-month corrective grace period as they restructure their teams and adapt to new regulatory expectations.

Background

Previously, there was no specified mandatory localization rate for engineering roles in the private sector, nor a set minimum salary or accreditation requirement tied to Saudi Council of Engineers membership for these positions. The new policy marks an escalation in workforce nationalization efforts targeting specialized and high-value technical professions, reflecting broader labor market reform initiatives.

Key Highlights

Saudi Arabia has launched a targeted workforce localization plan for engineering roles in the private sector, aiming to boost Saudi participation in strategic technical fields and align professional standards across the sector.

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- Scope and Coverage: Applies to private sector establishments with five or more employees in 46 designated engineering roles.
- Localization Rate: Companies should aim for at least 30 percent of engineering positions being held by Saudi nationals.
- Minimum Salary Requirement: Saudi engineers under the policy should receive at least SAR 8,000 monthly.
- Grace Period: A six-month corrective period is provided for firms to adjust workforce structures and comply.
- Accreditation: Saudi engineers are expected to be accredited by the Saudi Council of Engineers, supporting competence and professional standards.
- Policy Objectives: Enhance national employment opportunities, support professional development, and strengthen Saudi engineers' contribution to private sector growth.

KPMG INSIGHTS

The introduction of a fixed localization rate and salary floor for engineering professions signals a strengthening regulatory approach to workforce nationalization.

Organizations may wish to:

- Review current engineering workforce composition and identify roles subject to localization.
- Plan for proactive recruitment of qualified Saudi engineers and facilitate accreditation processes.
- Adjust compensation frameworks to meet or exceed the new salary threshold.
- Engage with affected employees, both local and expatriate, to manage transitions and maintain operational continuity during the grace period.
- Consult internal or external legal and HR advisers to clarify policy details and aim to remain compliant.

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

FOOTNOTE:

1 "Saudi Arabia to localize 30% of engineering jobs in private sector," Saudi Gazette, published on 4 January 2026.

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