

The role of startups and business incubators in achieving economic development: The case of Saudi Arabia

Gharbi Zahia ¹, Barka Naima ², Chetiba Zineb ³

¹ Laboratory of Institutional Performance and Economics in the Light of Globalization, University of Ouargla, Algeria. Email: zahiagarpi@gmail.com

² Laboratory of Quantitative Applications in Economics and Finance, University of Ouargla, Algeria. Email: naimabarka979@gmail.com

³ Laboratory of Quantitative Applications in Economics and Finance, University of Ouargla, Algeria. Email: zchetiba@gmail.com

Abstract---The study aimed to highlight the role of both business incubators and emerging institutions in achieving economic development, and to shed light on the mechanisms that business incubators follow while accompanying emerging institutions, as well as the role that emerging institutions play in advancing economic development and standing in the national economy, where light was shed on each The variables of the study, where we followed the descriptive analytical approach to familiarize ourselves with the subject, and took the Saudi experience as an example. The study concluded that emerging institutions in Saudi Arabia have a fundamental and effective role in achieving economic development.

Keywords---Business Incubators, Start-up enterprises, economic development.

Introduction

In recent times, with technological advancement—particularly in the field of information and communication technologies—there has been growing interest in startups, due to the important role they play in the economic activity of nations and their status as a fundamental pillar for achieving economic and social development in any country. Startups provide a range of services, including

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employing a large number of unemployed individuals, thus helping to reduce unemployment, supplying markets with new and high-quality products, and facilitating access to foreign markets.

However, this type of enterprise faces numerous challenges due to its reliance on innovative and creative ideas, which are often characterized by high risk. Therefore, they require support from entities that can adopt their ideas and accompany them until they reach their goals. This has led to the emergence of so-called business incubators, in response to the growing attention given by countries to these enterprises. Alongside Algeria, the Kingdom of Saudi Arabia is among the countries that have shown significant interest in startups, having established many business incubators.

➤ **Research Problem:**

Through this study and in order to cover the topic, we seek to answer the following main question: What is the role of startups and business incubators in achieving economic development?

➤ **Significance of the Topic:**

The importance of this topic lies in highlighting the effective role that startups and business incubators play in achieving economic development, particularly given the unique characteristics of startups. This capacity can yield significant benefits for business activity.

➤ **Objectives of the Topic:**

The aim of this study is to shed light on the role of startups and business incubators in achieving economic development, and on the activities carried out by business incubators to support startups. This includes coordinating multiple factors (talent, technology, and knowledge) to guide them toward safety and help them achieve their desired objectives, as well as focusing on the experience of Saudi Arabia. We addressed the following point:

Definition of Startups:

Recently, the concept of startups has gained considerable attention, especially in light of tremendous technological advancements—particularly in the field of information and communication technologies—and the rapid spread of digitization. As a result, opinions have differed on a precise definition of startups.

A startup is defined, according to the English dictionary, as a small project that has just begun. The word start-up consists of two parts: “start,” referring to the idea of launching, and “up,” which indicates strong growth. (Souih Mouna, Maimouni Yassine, Bougtaia Sofiane, 2020, p. 405)

Startups are also defined as small-sized enterprises, characterized by their ease of establishment and the fact that they do not require large capital. Young people can establish this type of enterprise, meaning that recent graduates holding degrees can develop their ideas and create a startup instead of seeking employment in an existing institution. This only requires a market study aligned with the proposed project to assess its feasibility and chances of success. (Zebiri Noura, Ben Othmane Aïcha, Fakhari Farouk, 2018)

Ferré defines it as an initial phase in the development of a project, and it is assumed to be a business oriented toward growth. This definition indicates that a startup is merely a temporary stage, representing the preliminary phase of a project. (Hussein Youssef, Sadiki Ismail, 2021, p. 70)

According to Paul Graham, a startup is a company designed to grow rapidly. Being newly established does not necessarily make it a startup, nor is it required for a startup to operate in the technology sector, receive venture capital funding, or aim for a specific exit strategy. The one essential trait is growth. (Leila Baouni, 2022)

From the above definitions, it can be concluded that startups are small-sized, newly established enterprises that do not require large amounts of capital or major effort to launch. Most of them operate in the field of information and communication technologies.

Characteristics of Startups:

Startups possess a set of distinctive features that differentiate them from other types of enterprises, as highlighted in various definitions:

- **Newly established, young, and temporary entities:** Most startups are found in the experimental market, as they generally begin as hypothetical ideas initiated by the project founder.
- **Innovation:** One of the main traits of startups is their capacity for creativity, innovation, and continuous development. They have the ability to create new products or improve existing ones with new features or services.
- **High growth and scalability potential:** Perhaps the most common feature shared among startups is their ability to grow rapidly, penetrate markets, and generate significant revenues in a short time compared to the costs of setup and operation.
- **Risk:** Startups operate under high uncertainty, since they are based on innovation in a market that may not yet exist—or if it does, it is still unsaturated. This makes market research difficult due to limited available data.
- **Market diversity:** While startups have excelled in the tech and digital sectors, they are now expanding into traditional markets such as agriculture, industry, and education, among others.
- **The team:** The entrepreneur typically forms a team to allocate resources based on each member's skills. Since most startup founders are university graduates or young professionals with limited experience, they seek to ensure synergy and complementarity among team members to bring the idea to life and launch the startup successfully.
- **Focus on a single product/service:** Entrepreneurs often focus on a single innovative idea and work intensively to develop it without distractions, as dealing with innovation requires concentration and significant effort.
- **Capital and investors:** Entrepreneurs usually begin by relying on self-financing or financial support from friends and family. (Hussein Youssef, Sadiki Ismail, 2021, pp. 73–74)

Advantages of Startups

Startups differ from other types of companies through the following advantages:

1. **Newly established companies:** Many people make the mistake of classifying small businesses as startups.
2. **Startups are young and emerging enterprises** with two possible paths: either to grow and transform into successful companies, or to shut down and incur losses.
3. **Companies with the potential for gradual and exponential growth:** One of the defining characteristics of a startup is its ability to grow rapidly and generate revenue much faster than the operational costs it requires.
4. **Technology-oriented companies that heavily rely on it:** Startups are distinguished by building their business on innovative ideas and fulfilling market needs in smart and modern ways.
5. **Low-cost enterprises:** The concept of a startup implies that it requires very minimal costs compared to the profits it can generate—profits which often appear rapidly and somewhat suddenly. Examples of such startups include Apple, Google, Microsoft, etc. (‘Arab Fatima Zahra, Sadiki Khadra, 2021, pp. 36–37)

The Startup Life Cycle:

From the definition presented above, one might think that what characterizes startups is continuous growth. However, the reality is different. These enterprises often stumble and go through difficult

phases and severe fluctuations before finding their path to success. According to Paul Graham, startups go through five stages:

- **Stage One:** This begins before the startup is officially launched, when an individual or a group of people present a prototype of a creative, new, or even “crazy” idea. During this phase, extensive research is conducted, and the idea is thoroughly examined.
- **Stage Two:** The launch phase. At this stage, the first generation of the product or service is released. It is typically unknown, and perhaps the biggest challenge for the entrepreneur is finding someone to adopt and finance the idea—particularly in the beginning when the level of risk is high. The product requires significant promotion, is often priced high, and begins to receive media attention.
- **Stage Three:** The early stage of takeoff and growth. In this stage, the product reaches its peak and enthusiasm runs high. The offering becomes widespread, and activity may extend beyond the initial innovators. Negative pressure starts to build as the number of competitors increases, leading to possible failures or obstacles that could push the growth curve into decline.
- **Stage Four:** The descent into the valley. Despite the continued support of venture capital investors, the project continues to regress, potentially reaching what is called the “valley of sorrow” or “valley of death.” This can lead to the startup exiting the market if not corrected, especially since growth rates at this point are very low. (Souih Mouna, Maimouni Yassine, Bougtaia Sofiane, 2020, p. 408)
- **Stage Five:** Climbing the slope. At this stage, the entrepreneur continues to make improvements to the product and launches enhanced versions. The startup begins to recover thanks to applied strategies and the team’s accumulated experience. The second generation of the product is released, and its price is adjusted.
- **Stage Six:** The high-growth stage. At this point, the product is fully developed and exits the testing phase to be introduced to the right market. The startup begins to grow continuously, and the growth curve starts rising. It is estimated that 20–30% of the target audience may adopt the new innovation, initiating the stage of economies of scale and generating significant profits. (Belchaour Sharifa, 2018, pp. 421–422)

The Role and Importance of Startups:

- **Providing real, productive employment opportunities and addressing the problem of unemployment.**
- **Innovation in research and development,** especially in the field of technology, which has become more essential than ever for the development of any country in the world (according to an American study) (Pierre, 2001, p. 66).
- **Increasing productivity and maintaining competitiveness:** Startups have played a central role in the 2000s and in recent years by using tools, methods, and modern production techniques that reduce costs and improve product quality.
- **Developing and enhancing individual capabilities,** especially since individuals in startups tend to possess exceptional potential that allows them to perform multiple and distinguished roles within the company. (Souih Mouna, Maimouni Yassine, Bougtaia Sofiane, 2020, p. 407)
- **Spreading positive values in society:** Startups address many of the major economic, social, and cultural issues through the research they conduct, helping to develop and introduce new values into society.
- **Contributing to relative economic development:** Startups tackle economic issues through their research and help disseminate positive economic and organizational principles such as initiative, creativity, innovation, time management, efficiency, and effectiveness. They also contribute to the production of innovative and new goods and services.
- **Investing savings and attracting both domestic and foreign capital:** Startups have the ability to mobilize the savings of project owners instead of keeping them idle.

- **Contributing to economic growth:** By creating new jobs in the long term and increasing annual income, startups help generate wealth and contribute to gross domestic product (GDP).
- **Flexibility and adaptability:** Startups demonstrate flexibility in their operations and provide smooth, rapid-response solutions. (Hussein Youssef, Sadiki Ismail, 2021, pp. 72–73)

The Evolution of Incubators:

The first appearance of business incubators took place with the establishment of a manufacturing center project named “Batavia” in the United States in 1959. The story began when a family ceased its business operations for certain reasons and converted its company headquarters into a business center. They started renting it out to individuals interested in launching projects, offering them advice and consultancy services. The initiative was highly successful due to the strategic location of the site, which was situated in a business-friendly environment near financial institutions and marketing areas. (Mahmoud Hussein Al-Wadi, 2010, p. 10)

After the idea of incubators emerged in the U.S. in the early 1980s, other countries began to adopt it, including European nations such as France, Germany, and the United Kingdom. It also spread to East Asian countries like Japan and South Korea. Eventually, the concept extended to numerous countries worldwide, both developed and developing, including Turkey and India, which have been applying it for over 20 years. Several Arab countries have also established such incubators, including Tunisia, Bahrain, Oman, and Jordan. (Mahmoud Hussein Al-Wadi, 2010, pp. 8–9)

Business Incubators:

Business incubators are independent entities that provide a range of services, facilities, support mechanisms, and consultancy during a specific period for startups. Since startups are exposed to market competition that may weaken or halt their operations, they require support due to the significant role they play in promoting national economic development. (Mahmoud Hussein Al-Wadi, 2010, pp. 8–9)

Incubators are among the mechanisms that support new projects and help them grow. At first glance, the term might seem inspired by the word “incubator” used for premature infants, intended to protect them from complications due to early birth. (Source: <https://expandcart.com/ar/74041>, accessed 07/12/2022)

Thus, an incubator is a comprehensive operational system that provides everything necessary—from a fully equipped and suitable space to all required resources—for launching and growing a project. This system is managed by a specialized administration that offers all types of support to increase the success rates of startups. (Foudoua Mohamed, Maimouni Belkacem, Ben Bia Mohamed, 2021, p. 118)

Therefore, a business incubator can be defined as an integrated operational framework that provides all necessary means for hosting and supporting a project for a limited period. It fosters growth and development by offering a productive work environment, suitable conditions, and comprehensive administrative and logistical support.

Types of Business Incubators:

There are several types of business incubators, whether in terms of ownership, nature of services, or activities. Each incubator has its own characteristics that distinguish it from others. Among them are the following: (Saqni Chouaib Riyadh, Zahar Houssam, pp. 08–09)

1. **General (Non-Technological) Project Incubators:**

These incubators deal with small projects of various and diverse specializations across all productive, industrial, and service sectors, without specifying a technological level for these projects. They focus primarily on attracting agricultural business ventures, light engineering industries, or projects with distinguished artisanal skills aimed at regional markets.

2. **Technological Incubators:**

These incubators represent scientific and technological support units usually established within universities and research centers. Their goal is to leverage scientific research and technological innovations and transform them into successful projects.

3. **Open Incubators or "Wall-less Incubators":**

These are incubators established to develop and support existing enterprises and industries. They are typically located in industrial clusters and function as integrated centers for serving surrounding businesses. Open incubators carry out all the traditional activities of regular business incubators, acting as intermediaries between businesses, research centers, universities, laboratories, quality review agencies, administrative and governmental entities, while also providing marketing, managerial, and technical support as well as necessary consulting for business growth.

4. **Clusters with Specialized Support Units:**

These are integrated systems of industrial-oriented businesses designed to develop specific industries by providing the right environment and infrastructure within large industrial zones. They resemble traditional incubators in having a central management and shared services, but may not require specific admission criteria for the projects they host.

Mechanisms of Support Provided by Business Incubators to Startups

Business incubators are among the most effective institutions for accelerating the implementation of economic development programs and creating new job opportunities. They are specifically established to support and accompany startups through various methods and mechanisms—starting with the incubator's approval of the project and extending to the provision of all necessary tools for the project's success (training, planning, financing, marketing, etc.).

This makes the business incubator a valuable tool for creating a more entrepreneurial environment, reducing the failure rate of emerging businesses, and enhancing their chances of survival and growth in the long term.

Stages of Startup Incubation

Startups admitted to the incubator are monitored and supported throughout different phases of their stay within the incubator as follows:

1. **Preliminary Study, Discussion, and Planning Phase:**

During this stage, personal interviews are conducted between the incubator management and the applicants presenting their projects. The seriousness of the project owners is assessed, as well as the degree to which selection criteria apply to them and their projects. Their managerial capacity is also evaluated, along with the type and nature of services the project will require from the incubator, the incubator's ability to provide those services, and the project's future expansion plans.

2. **Project Planning Phase:**

After the project's feasibility is studied from economic, administrative, and technical perspectives and once it is approved by the incubator management the project owner is given the green light to prepare a business plan aligned with the project's size, capabilities, and environment.

3. **Joining the Incubator and Starting Activities:**

In this phase, a formal agreement is signed to join the incubator. As a result, the project gains access to the essential resources and a dedicated space to operate. The location is determined based on the type and size of the business activity.

4. **Project Growth and Development Phase:**

This is considered one of the most critical stages for the startup, as it involves field monitoring of the project's performance and support in achieving high growth rates. This is done through

consultations, advisory services, training sessions within the incubator, and participation in seminars and workshops.

5. **Graduation from the Incubator:**

This final phase typically occurs two to three years after the project's acceptance into the incubator. Graduation is based on specific criteria, taking into account the startup's readiness to operate independently outside the incubator. (BaMohamed Nafissa, Barbawi Kamal, Ben Chelat Mostafa, 2020, pp. 237–238)

Characteristics of Business Incubators:

Based on the various definitions of business incubators, they are distinguished by several characteristics, including:

- A **workspace** that offers shared and consulting services, along with a location that enables interaction and the exchange of expertise among incubated businesses, at an affordable rental cost.
- A **network connection** linking incubated projects to a range of expertise and services such as industrial facilities, workshops, universities, laboratory services, research centers, and more.
- A **small administrative team** with strong capabilities to ensure early identification of risks and rapid response.
- A **rigorous selection process** for incoming projects, with acceptable requirements, and the establishment of an exit plan for businesses after three to four years of incubation. (Bouaïcha Tahar, 2022, pp. 16–17)

Objectives of Business Incubators:

Business incubators primarily aim to support and host startups, and they work to achieve several objectives, including:

- Reducing startup costs;
- Minimizing business risks associated with the early stages of project initiation;
- Shortening the time required for the project to grow and develop its production;
- Avoiding mistakes and reducing duplication of efforts, which leads to cost efficiency; (Source: <https://small-projects.org>)
- Finding appropriate solutions to the technical, financial, administrative, and legal problems faced by the project;
- Increasing success rates, encouraging innovative ideas, and ensuring the sustainability of incubated enterprises;
- Helping companies develop new types of products or enter new fields of activity;
- Promoting the concept of cooperation among projects.

From the above, it is evident that business incubators offer emerging small enterprises the opportunity for rapid growth within the incubator, while also improving their chances of success resulting in strong performance upon graduation from the incubator. (Foudoua Mohamed, Maimouni Belkacem, Ben Yeba Mohamed, 2021, p. 120)

Success Factors of Business Incubators:

There are a number of success factors which, if met, can help incubators achieve their overall objectives. For incubators to succeed in fulfilling their role in skill development, encouraging personal initiatives, job creation, and enterprise development, several key elements must be in place:

1. Business incubators, like any other project, require a well-studied scientific and practical plan to ensure effective implementation.

2. The presence of a competent and effective manager who can oversee the incubator and coordinate all technical, human, and financial aspects, as well as develop plans to support private projects.
3. The incubator should receive support from the government, local authorities, banks, or international organizations, as this will help secure the necessary financial resources.
4. The incubator must be housed in a large, well-equipped facility with machines, materials, and tools that allow it to host projects.
5. Conducting studies to determine the types of services required by small businesses.
6. The incubator should be located near universities, research centers, and industrial zones.
7. Continuous evaluation: The incubator should regularly assess its own performance, as well as evaluate the performance of projects that have graduated. This will aid in planning how to continuously provide effective services.
8. Adopting a scientific, accurate, and impartial mechanism for selecting projects in need of support.
9. Carrying out evaluative follow-ups at each stage of the incubator's development, while identifying and learning from past mistakes.
10. Establishing incubators in a way that enables them to provide comprehensive support and assistance to small enterprises.
11. Choosing a strategic location for the incubator in terms of space and staffing needs.
12. Coordinating with all stakeholders that support the incubator—whether financially, technically, professionally, or in marketing—and making full use of that support. (Maysoun Mohammed Al-Qawasmeh, 2010, pp. 45–46)

From the above, we find that the most important steps in establishing a successful incubator are conducting feasibility studies and understanding how to manage the incubator effectively. This ensures not only the incubator's success but also its ability to provide meaningful assistance to the projects that apply for support and membership.

The Relationship Between Incubators and Economic Development:

An incubator is a tool for economic development that helps accelerate the success of entrepreneurs (those with creative ideas) by offering a system of services and diverse sources of support. This leads to the emergence of successful project owners who are ready to begin their entrepreneurial journey independently and without direct assistance. (Mahmoud Hussein Al-Wadi, 2010)

- **The Concept of Economic Development:** Before addressing economic development specifically, it is important to begin with the broader concept of “development,” and then move on to define “economic development.”
- **Development** is a conscious process of transformation that occurs within a society through unity and collaboration between citizens and the government, with the goal of utilizing all available resources to achieve social and economic well-being according to a structured plan.
- **Economic Development:** It is difficult to provide a comprehensive definition of economic development due to its complexity and the differing perspectives of schools of thought and analysts. However, according to some authors, it is defined as follows:
- **Gunnar Myrdal:** Economic development is the process through which real national income increases over a period of time.
- **Saad Eddin Ibrahim:** Economic development is the emergence and growth of all potential capabilities and latent energies within an entity, group, or society. (Mohamed Medhat Mostafa, Suheir Abdel-Zaher, Ahmed, p. 46)

Objectives of Economic Development:

1. Increasing National Income:

This is one of the most important objectives of economic development in various countries. The primary reason driving these nations to pursue economic development is the existence of poverty and low living standards among their populations. There is no way to eliminate poverty, improve living conditions, or prevent the worsening of population problems except through increasing national income. (Mohamed Abdel Aziz Ajamia, Sobhi Tadros Qareesa, p. 46)

2. Raising the Standard of Living:

Achieving an improved standard of living is one of the key goals of economic development, particularly in economically underdeveloped countries. It is difficult to provide the basic necessities of life such as food, clothing, housing, healthcare, and education unless the standard of living of the population is raised to a sufficient level to meet these needs.

3. Reducing Income and Wealth Inequality:

This is one of the social objectives of economic development. In most underdeveloped countries, despite low national income and a low per capita share, there is significant disparity in income and wealth distribution. A small segment of society often acquires a large share of wealth, and this disparity causes serious harm to the social structure. (Al-Raddawi Taysir, p. 83)

4. Adjusting the Structural Composition of the National Economy:

This refers to avoiding dependency on a single economic sector as the primary source of national income. Whether a country relies solely on agriculture or another activity, the goal is to establish and support the industrial sector. Relying on just one sector exposes the country to severe economic fluctuations caused by instability in production and prices within that sector. This presents a major threat to the stability of economic life. Therefore, development policymakers must strive to achieve balance among sectors and avoid depending on a single sector for national income. (Faris Rashid Al-Bayati, p. 68)

Methods of Economic Development:

There are several essential factors for advancing economic development, the most important of which include:

- Providing the appropriate and necessary capital for development, both material and human.
- Implementing educational systems that effectively prepare the workforce.
- Developing mechanisms for recruitment and employment.
- Creating systems of incentives and motivational rewards.
- Ensuring a suitable economic and administrative environment.
- Training and qualifying the labor force across various specialties and skill levels, in addition to developing high-level competencies. (Ahmed Badawi, p. 318)

SAUDI ARABIA'S EXPERIENCE IN BUSINESS INCUBATORS AND STARTUPS:

In recent years, the investment and entrepreneurial environment in the Kingdom of Saudi Arabia has witnessed remarkable and substantial growth. Numerous government entities and individuals now believe more than ever in the potential of entrepreneurship to drive the economy forward, both within the Kingdom and across the Arab world.

To support this vision, many structures have been established to help entrepreneurs transform their emerging ideas and projects into fully developed, successful companies capable of competing in the market. Among the most important of these structures are **business incubators**.

Business incubators in Saudi Arabia receive significant and special attention, in alignment with the country's **Vision 2030**, which seeks to support entrepreneurship. Key objectives include: (Source: <https://expandcart.com/ar/74041> - *Business Incubators in Saudi Arabia*)

- Promoting the culture of entrepreneurship within the Kingdom.
- Increasing the contribution of small and medium-sized enterprises (SMEs) to the gross domestic product (GDP).
- Creating more job opportunities through small and medium-sized projects.

Startups in Saudi Arabia

There are more than **101 startups** in Saudi Arabia today, the majority of which around **76 companies**—are owned by Saudi entrepreneurs. This reflects the growing interest of Saudi society in such enterprises, in line with the Kingdom’s shift toward diversifying its economy beyond oil, as part of **Vision 2030**. (Source: <https://www.incarabia.com/613517.html>)

The field of entrepreneurship and startups in the Kingdom of Saudi Arabia has seen notable development in recent years. In this context, project consultant **Ali Al-Ghadeer** told *CNN Business Arabic* that **entrepreneurship is one of the most important factors contributing to economic and social development**, as it creates new job opportunities, promotes innovation, and facilitates technology transfer.

He added that **“one of the key indicators of entrepreneurship development is the growth in the number of startups and small and medium-sized enterprises (SMEs).”**

According to data from the **Saudi General Authority for Statistics**, the number of SMEs in Saudi Arabia reached approximately **2.2 million** in **2023**, an increase of **10.2%** compared to the previous year. These SMEs made up about **99%** of the total enterprises in the Kingdom and provided nearly **70%** of employment opportunities. (Source: <https://cnnbusinessarabic.com/companies/48357>)

The History of Business Incubators in Saudi Arabia

In the 1990s, the focus was primarily on small enterprises and businesses. The conversation around business incubators in Saudi Arabia began in **2002**, following the emergence of chambers of commerce in **Riyadh, Jeddah**, and the **Eastern Province**, which made significant efforts to raise awareness and advocate for the establishment of business incubators in the Kingdom.

The **first business incubator** in Saudi Arabia appeared in **2008**, when **King Saud University** established the first **entrepreneurship center** within Saudi universities. This center included a program for incubating projects and growing companies.

In the same year, the **BADIR** business incubator was launched by the **King Abdulaziz City for Science and Technology (KACST)**. The true launch of the business incubator concept in Saudi Arabia began in early **2009**, reaching **2022** with over **80 business incubators**, including what are now known as **digital incubators**. (Source: <https://faculty.ksu.edu.sa/ar/alshum/blog/336148>)

Funding of Business Incubators in Saudi Arabia:

Business incubators in Saudi Arabia help facilitate access for startups and investors interested in financing these projects. Some incubators even fund the projects themselves in exchange for a share of the profits or equity.

Eligibility Requirements to Benefit from Business Incubators in Saudi Arabia:

In the context of discussing the best business incubators in Saudi Arabia, applicants seeking to benefit from them must ensure that their institution meets certain criteria, which include:

- The applicant must be a university, company, association, or a government entity.
- The established enterprise must be located in an area aligned with the market needs for the type of activity it offers.
- The institution must be built on a plot of at least 250 square meters, and it must include a space for utilities and services.
- The enterprise must be situated on a main commercial street.

- The new institution may be located within a government, educational, or agricultural facility, or within one of the industrial cities.

Number of Business Incubators in Saudi Arabia:

There are more than 30 business incubators in the Kingdom of Saudi Arabia. You can find incubators in Jeddah, Riyadh, and other regions of the Kingdom, all of which provide support and training programs for leading companies. Among the most well-known business incubators in Saudi Arabia are:

1. “BADIR” Business Incubator:

BADIR is a Saudi incubator and accelerator program that supports technology-based projects. It is one of the initiatives of the **King Abdulaziz City for Science and Technology (KACST)**, launched in **2007**, with the goal of transforming technological innovations into real-life projects.

BADIR has launched **8 incubators** across **7 cities** in the Kingdom (Riyadh, Jeddah, Taif, Abha, Qassim, Dammam, and Medina).

To register with BADIR, the project must fall under sectors financed by the **Industrial Fund**, and it must be accepted into BADIR’s **Industrial Accelerator** program.

2. “Wa’ed” Business Incubator by Aramco:

Wa’ed is a Saudi incubator program affiliated with **Aramco**, launched in **2011**. It offers various programs such as the **Entrepreneurship and Innovation Unit**, providing intensive training and consulting to support new ventures, co-working spaces, and investor access.

Wa’ed offers **seed grants of up to SAR 100,000**, but only to Saudi startups enrolled in the program and specializing in the technology sector. The business owner must be **Saudi**.

3. Princess Nourah University Business Incubator:

This Saudi program aims to **empower female students, faculty, and Saudi women** in general in the field of entrepreneurship by providing training, mentoring, and a supportive environment for project growth.

4. “Khutwa” Business Incubator and Accelerator:

Affiliated with **King Saud University**, this incubator provides an ideal environment for supporting youth with new ideas, offering human resources, financial support, and necessary technologies to help projects grow.

5. Bayt Al-Monshaat Business Incubator:

Founded in **2017**, this Saudi incubator aims to create a supportive entrepreneurial environment. It assists **medium and large companies**, as well as **small businesses**, by offering all necessary resources and services to help them grow and succeed.

6. Biotech Business Incubator:

This Saudi incubator focuses on **biotechnology**, offering flexible office space, shared work tools, and expert mentorship. It also connects startups with **investors** interested in funding biotech projects.

7. “Sana” Business Incubator:

Affiliated with the **Prince Ahmed bin Fahd bin Salman Center** of the **Al-Ahsa Chamber**, this incubator supports **small and medium enterprises**. It offers various programs that help entrepreneurs in developing their projects within a motivating environment.

8. Saudi Innovation Center for Water Technologies Incubator:

Established through cooperation between **Monsha’at** and the **Saline Water Conversion Corporation (SWCC)** in Jubail, this incubator supports **water technology innovations** by helping small projects enter the market and ensuring their sustainability.

9. Entrepreneurship Complex Business Incubator:

This incubator, affiliated with **Monsha’at (The General Authority for Small and Medium Enterprises)**, offers **co-working spaces, administrative and logistical services**, and intensive training. It also provides **consulting services** to ensure the success and sustainability of businesses.

10. Nafisa Shams Business Incubator:

This Saudi incubator aligns with **Vision 2030** and supports **female entrepreneurship** by providing both shared and private workspaces, along with consultations, guidance, and all services needed for success.

Drawbacks of Business Incubators in Saudi Arabia:

Business incubators can present some notable drawbacks. Some participants find it challenging to balance their work with the required training sessions, as incubators often demand strict attendance at workshops and activities. However, others view this as a valuable opportunity to gain deeper insight into business management.

Key Findings:

From the Saudi experience in the field of business incubators, we observe the remarkable development of startups across various sectors (healthcare, agriculture, transportation, education, etc.). These startups have achieved significant success in contributing to economic development.

Moreover, the Kingdom of Saudi Arabia continues to support young people with innovative and entrepreneurial ideas, helping them transform those ideas into real, sustainable projects capable of competing in a highly competitive market. Saudi business incubators are among the most prominent institutions playing a major role in this effort.

Conclusion

Incubators and startups play a significant role in expanding and diversifying the economic base by investing in successful entrepreneurial ideas and transforming them into promising economic projects. These initiatives generate added value for the country and contribute to changing consumers' lives wherever they are, offering lasting solutions. However, these contributions remain limited when viewed against the backdrop of the current global challenges and crises—particularly in developing countries.

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