

SME MONITOR

MONSHA'AT QUARTERLY REPORT Q1 2025

Inside this report:

- › Quarterly highlights from the ecosystem and Monsha'at
- › Initiatives supporting SME growth
- › Exclusive interviews with leading experts and entrepreneurs
- › Insights into handicrafts SMEs in Saudi Arabia and abroad

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Heritage Commission



The cultural heritage sector is one of the most vital contributors to the national economy in terms of both preservation and job creation. Whether through the rehabilitation and activation of heritage buildings and sites, the hosting of cultural events and activities, or the preservation and development of traditional handicrafts, the sector plays a growing role in driving sustainable economic development.

Given its cultural, economic, social, and national significance, the heritage sector has received generous and ongoing support from the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, may God protect him, and His Royal Highness Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud, Prime Minister, may God preserve him. This support can be seen in a broad range of government programs and initiatives dedicated to the preservation and promotion of national heritage in its many creative iterations. It is also firmly embedded in Saudi Vision 2030, which recognizes cultural heritage as a core strength and defining pillar of Saudi identity on the global stage.

Within this context, the Heritage Commission places a special emphasis on the development of the handicrafts sector. It is one of the five heritage domains under the Commission's mandate, alongside antiquities, built heritage, intangible heritage, and world heritage. Toward this end, the Commission has launched a wide range of initiatives and programs aimed at supporting artisans and advancing the sector in myriad ways. These efforts include increasing public awareness of the importance of preserving traditional crafts, strengthening the presence of Saudi handicrafts in regional and international cultural forums, and establishing the Saudi Crafts Company to promote and market local craft products both within the Kingdom and abroad.

In addition, the Commission has invested heavily in education and training, most notably through its Craft Houses





initiative, which has provided training to aspiring artisans in more than 12 dedicated centers across the country. These efforts have led to the production of over 14,000 handcrafted items in collaboration with partners from the public and private sectors. The Commission has also organized numerous conferences, exhibitions, and events to support artisans in promoting and selling their products, in addition to licensing more than 4,900 craftspeople across the Kingdom to practice over 50 different types of traditional crafts.

We are also proud to have launched the Saudi International Handicrafts Week, Benan, which has become a national and international platform for celebrating handicrafts and the skilled artisans who masterfully produce them. More than 850 artisans from across the Kingdom benefited from the first two editions of this event.

Given the unique combination of talent, initiative, creativity, and dedication that it demands, the handicrafts sector represents a promising avenue for entrepreneurship. To develop these skills and proclivities on a wider level, a number of programs have been designed to help people enter the crafts market, from dedicated business accelerators to professional licenses to help new businesses. To date, the Commission has issued over 30 Traditional Craft Retail Licenses, opening the door for small businesses to participate in both local and international events and showcase their work to broader audiences.

At the Heritage Commission, we believe that supporting and empowering entrepreneurs and SMEs in the crafts sector is more than an economic initiative. It is a cultural investment. Every handmade piece helps revive a part of our national identity, and together, they pave the way for a creative future that is deeply rooted in our heritage and aligned with the aspirations of Saudi Vision 2030.

Table of Contents

| | |
|---|-----------|
| KEY COMMERCIAL INDICATORS | 3 |
| SME growth snapshot | 4 |
| Trends in SMEs development in the handicrafts sector | 6 |
| THE HANDICRAFTS SECTOR IN SAUDI ARABIA | 7 |
| Handicrafts in the Kingdom: A tapestry of patterns and possibilities | 8 |
| Current landscape, sustainable practices, and challenges | 11 |
| Opportunities for handicraft SMEs | 16 |
|  EXPERT INSIGHT: Suzan Alyahya, CEO, Royal Institute of Traditional Arts (Wrth) | 20 |
|  SUCCESS STORY: Amani Al Wazeer, Head of Supervisory Board, Sleysla | 21 |
| GLOBAL HANDICRAFTS LANDSCAPE | 22 |
| Overview of global trends | 23 |
| FUTURE PROJECTIONS AND OUTLOOK | 26 |
| Growth potential for the sector | 27 |
|  EXPERT INSIGHT: Majed bin Abdulmohsen Al-Hugail, CEO, Cultural Development Fund | 30 |
|  SUCCESS STORY: Abdulrahman Al-Abed, CEO, Qormuz | 31 |
| MONSHA'AT & ECOSYSTEM UPDATES | 32 |
| Monsha'at key figures | 33 |
| Tomoh Funding updates | 33 |
| Key government and private sector initiatives | 36 |
| ABOUT MONSHA'AT | 37 |
| BIBLIOGRAPHY | 38 |

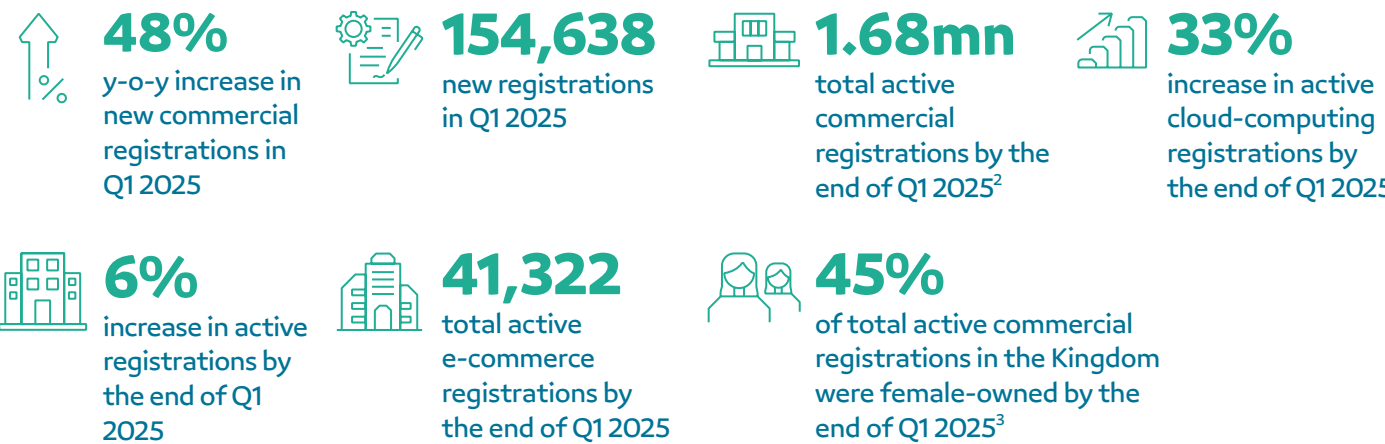


KEY COMMERCIAL INDICATORS

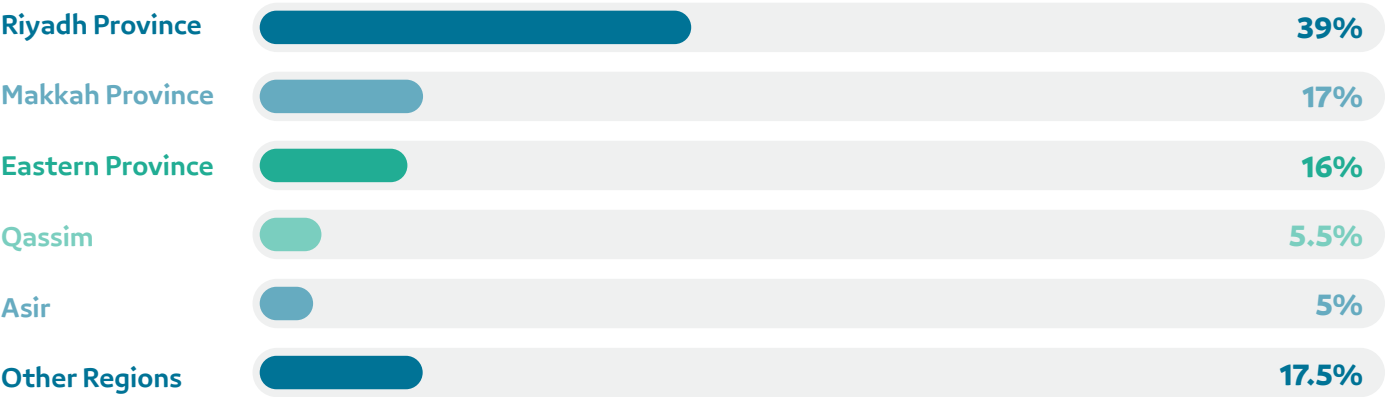
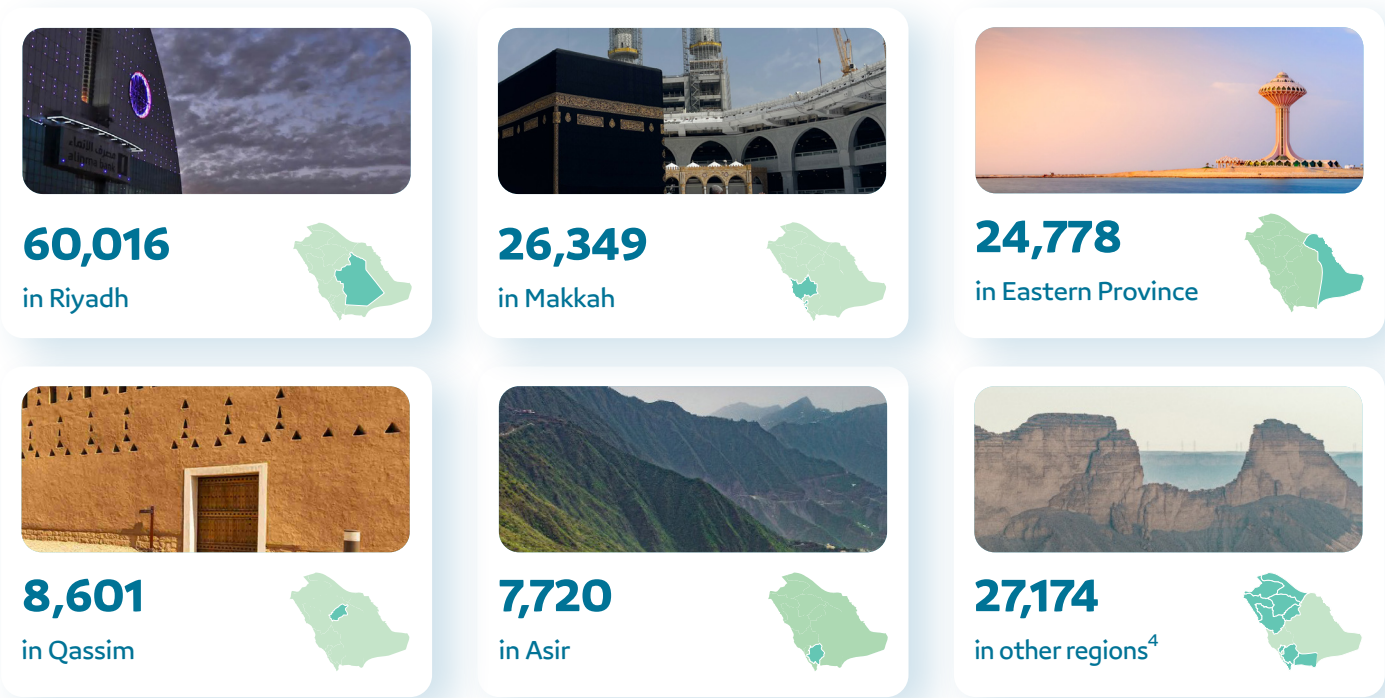
Thanks to strong and persistent support for the Kingdom's rapidly developing private sector, Saudi Arabia saw an impressive 48% y-o-y increase in new commercial registrations in Q1 2025. In addition to 154,638 new commercial registrations, the period in question saw a 33% surge in active cloud-computing registrations and a 6% uptick in active e-commerce registrations. The Kingdom ended a buoyant Q1 with 1.68 million total active commercial registrations, 45% of which are owned by women.¹

SME GROWTH SNAPSHOT

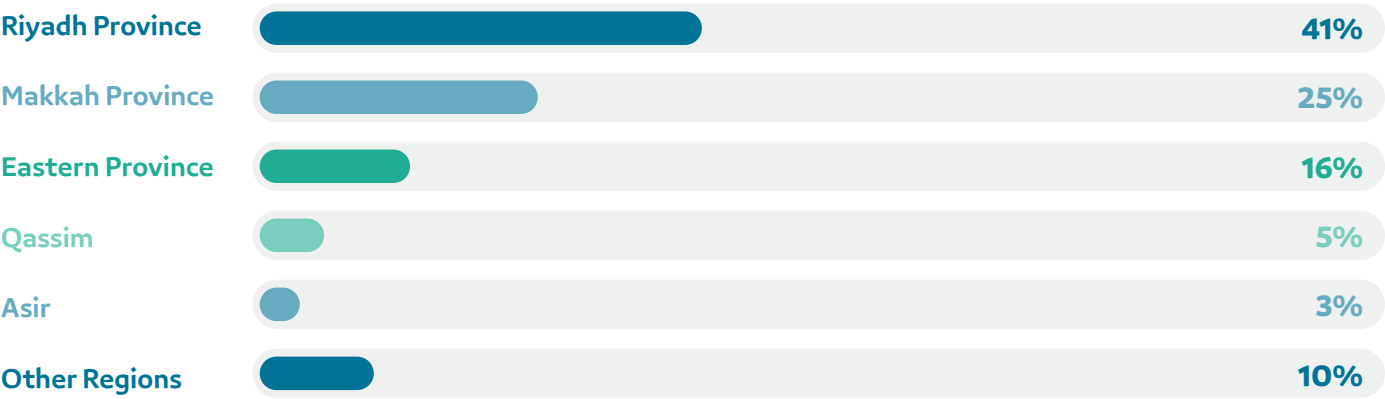
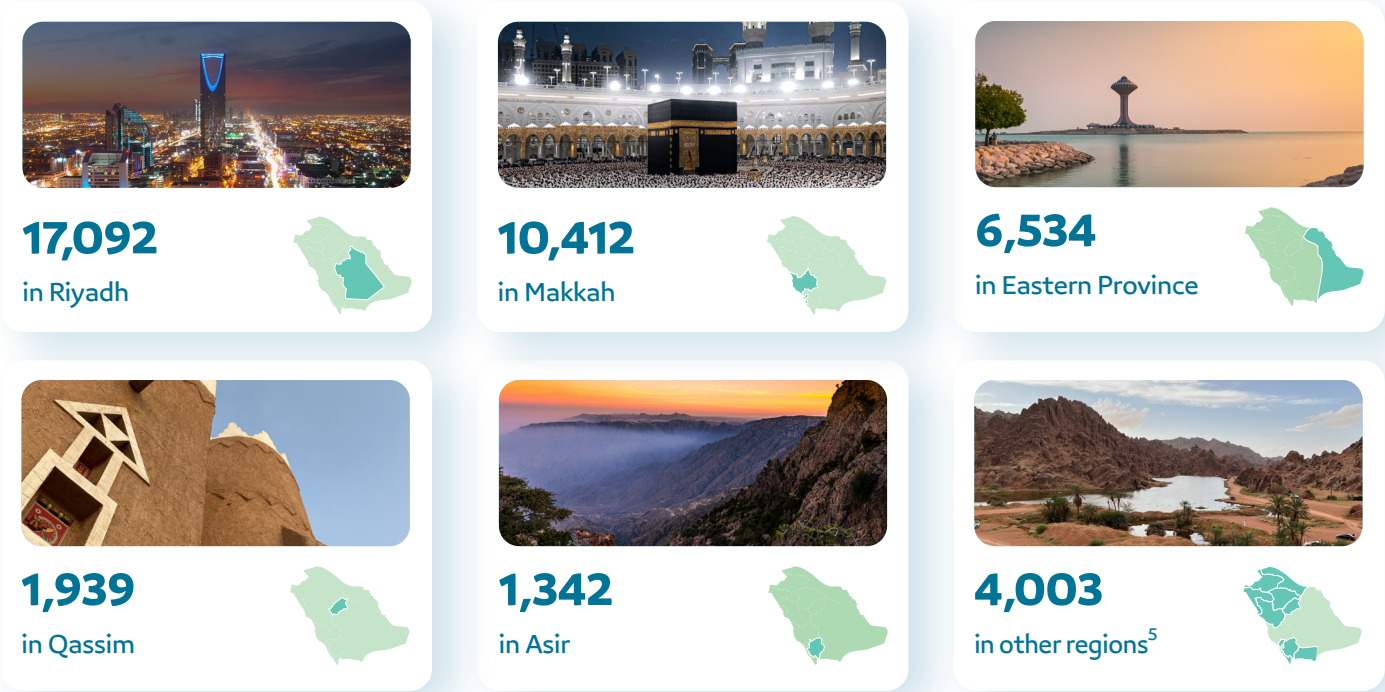
Bolstered by another strong quarter of non-oil investment and economic activity, Saudi Arabia’s dynamic private sector continued to show impressive performance indicators in the first quarter of 2025.



New commercial registrations by region in Q1 2025



New e-commerce registrations by region in Q1 2025



TRENDS IN SMEs DEVELOPMENT IN THE HANDICRAFTS SECTOR

Following the Council of Ministers' approval to designate 2025 as the Year of Handicrafts, a number of robust public and private initiatives have been launched to increase the quality, sustainability, and marketability of the Saudi handicrafts sector.



Government initiatives: In this Year of Handicrafts, public initiatives like the Saudi Artisanal Company, Made in Saudi, Royal Institute of Traditional Arts, Heritage Commission, and the Tourism Development Fund Handicrafts Program are empowering entrepreneurs across the handicrafts sector.



UNESCO recognition: Since 2015, 16 elements of Saudi culture have been recognized as part of humanity's Intangible Cultural Heritage, including handicrafts and traditional practices related to Taif roses, Semsemiah instrument crafting, metal engraving, date palm products, calligraphy, Al Sadu weaving, and Al-Qatt Al-Asiri wall paintings.⁶



Increased commercial registrations: Saudi Arabia saw a notable rise in new commercial registrations during Q1 2025, with over 154,000 new registrations. Additionally, the cloud computing sector recorded a 33% increase in active commercial registrations by the end of Q1 2025. The Kingdom ended the quarter with 1.68 million active commercial registrations.⁷



Rise in tourism: In addition to welcoming nearly 30 million foreign visitors in 2024⁸, Saudi Arabia's tourism sector continues to thrive. As millions of new foreign and domestic travelers discover Saudi Arabia's rich heritage, history, and culture, handicrafts can prosper like never before.



Growth of e-commerce: By the end of Q1 2025, Saudi Arabia's e-commerce sector recorded 41,322 active commercial registrations, reflecting a 6% year-on-year increase.⁹



Cultural revitalization: In regions like Jeddah's Historic District (Al-Balad) and AlUla, significant restoration and revitalization efforts are underway, integrating modern creativity within traditional handicraft-related frameworks. This blend of old and new attracts artists and tourists alike, enriching the cultural landscape and supporting artisanal enterprises.

THE HANDICRAFTS SECTOR IN SAUDI ARABIA

Blessed with some of the oldest and most celebrated handicrafts in the world, it should come as no surprise that Saudi Arabia is prioritizing the development of its robust artisanal sector through a range of new empowerment programs designed to boost local economies and employment, protect and showcase cultural heritage, and empower artisanal SMEs. The Kingdom has announced the designation of 2025 as the Year of Handicrafts, in celebration of this authentic cultural heritage and recognition of its significant cultural value.



HANDICRAFTS IN THE KINGDOM: A TAPESTRY OF PATTERNS AND POSSIBILITIES

Saudi Arabia has a rich tradition of handicrafts production that extends to a wide range of cultural practices, from wool, wicker, and wood to plaster, engraving, natural dye creation, gypsum carving, and palm frond household products. These are several of the mainstays of its rich handicraft sector, whose SMEs are set to expand in the coming years.

- › **Al-Sadu weaving:** On UNESCO's Intangible Cultural Heritage list, these intricately patterned textiles are produced by Bedouin artisans for tents, rugs, and camel saddles.¹⁰
- › **Al-Qatt Al-Asiri wall decoration:** UNESCO-recognized female expert artisans in Asir practice this traditional interior wall decoration of vibrant geometric patterns.¹¹
- › **Bisht tailoring:** This traditional men's cloak is a notable handicraft in the Eastern Province, among which the Hasawi Bisht is known for having the highest quality embroidery.¹²
- › **Taif rose products:** Rosewater and fragrances from Taif roses are a thriving craft in Makkah and Taif governorate, for which 500 million roses are harvested each year.¹³
- › **Palm frond products:** Artisans produce baskets, mats, fiber ropes, vessels, and cages from palm fronds, particularly in the Qassim province, home to over 11 million palm trees.¹⁴
- › **Jambiya daggers:** These traditional curved daggers are a flourishing handicraft with intricate workmanship, especially in Najran and its historic Aba Lasaud neighborhood.¹⁵
- › **Madinah pottery:** Thanks to its soft clay after seasonal rains, Madinah's celebrated pottery has many uses, including storage and cooking.¹⁶
- › **Woodwork:** Saudi carpenters excel in furniture, doors, latticework, windows, incense burners, boxes, crocks, ceilings, utensils, chairs, benches, boats, and fishing nets.¹⁷
- › **Metalwork:** Artisanal metalworks include daggers, knives, hilts, scabbards, sheaths, swords, inlaid handles, percolators, silverware, copperware, and iron pots.¹⁸
- › **Leather:** Saudi leatherworks include tanning, patterning and designing, utensils, shoes, wallets, pendants, bottles, oil vessels, rifle sheaths, scabbards, belts & water buckets.¹⁹
- › **Jewelry:** Artisanal jewelers masterfully incorporate seashells, silver, gold, precious stones, pearls, coral, and amber to make rings, bracelets, necklaces, and other items.²⁰

The cultural and economic significance of Saudi handicrafts

It is difficult to understate the cultural significance of Saudi Arabia's rich handicrafts sector. In addition to employing thousands of talented craftspeople across a range of creative industries, it protects and promotes the rich cultural tapestry of the Kingdom's distinct regions.



Preserving regional heritage



Protecting communal art forms and practices



Upholding social solidarity



Transmitting local knowledge and ancestral wisdom



Promoting economic and cultural revival



Diversifying the economy



Integrating older forms into modern design and production techniques



Promoting tourism and cultural diplomacy



Protecting aesthetic achievements



Fostering national pride and cultural continuity

Economic impact of a highly skilled traditional sector

In addition to providing livelihoods for thousands of artisans, the handicrafts sector is poised for growth thanks to increasing demand for authentic cultural products, expanding market access through e-commerce, and growing public investment by initiatives such as the Year of Handicrafts and the Saudi Artisanal Company.



\$1.33tn

handicrafts sector by 2028²¹



15%

of the domestic market to be served by Saudi Artisanal Company (SAC)²²



9,000

new jobs to be created in the handicrafts sector by SAC by 2030²³



150mn

tourists targeted for Saudi Arabia by 2030²⁴

Coloring the future: How handicrafts align with Saudi Vision 2030

Few sectors are better aligned with achieving Saudi Vision 2030's ambitious goals than handicrafts, which not only support economic diversification, job creation, and sustainable development but also promote cultural identity, enrich tourism, and support SMEs and entrepreneurship.



Economic diversification & non-oil growth: In line with Saudi Vision 2030's goal of helping the private sector contribute to 65% of GDP by 2030, the sector is key to bolstering the importance of SMEs and entrepreneurs in a wide variety of traditional industries.²⁵



Job creation & Saudi empowerment: In addition to the sector employing thousands of women in rural areas, government-backed initiatives like the Saudi Artisanal Company aim to create 9,000 new jobs and empower Saudi SMEs throughout the creative economy.²⁶



Cultural identity & global recognition: By reviving and sustaining traditional skills like Al-Sadu weaving, Al-Qatt Al-Asiri, and palm frond weaving, each recognized by UNESCO, the sector is helping position the Kingdom as a global arts and culture hub.²⁷



Tourism: Handicrafts play a crucial role in Saudi Arabia's growing tourism sector, another top Saudi Vision 2030 priority, by enriching destinations like AlUla, Diriyah, and Jeddah's Al-Balad with crafts and souvenirs, cultural experiences, and artisan workshops.²⁸



SMEs & entrepreneurship: The government actively supports SMEs in handicrafts through funding, training programs, and digital transformation under initiatives like Made in Saudi and the Year of Handicrafts, which was officially designated for 2025 by the Council of Ministers. These efforts help artisans and SMEs create awareness and scale their businesses.



Sustainable development: Handicrafts contribute to sustainability efforts by promoting eco-friendly materials and traditional production methods with the use of local resources like palm fronds and wool, aligning with Saudi Vision 2030's long-term sustainability targets.

CURRENT LANDSCAPE, SUSTAINABLE PRACTICES, AND CHALLENGES

Key regions and production hubs

While all of Saudi Arabia's culturally rich regions specialize in one or more forms of handicraft production, these are several of its most prominent hubs and artisanal specializations.

- › **Riyadh:** Where traditional meets contemporary craftsmanship

While Diriyah's artisans produce woodwork, pottery, and traditional Najdi-style doors, Riyadh's Souk Al-Zal is a hub for locally made leather goods, woven rugs, and jewelry.

- › **AlUla:** Ancient oasis artistry

In addition to stone carving, pottery, and metalwork inspired by its Nabataean heritage, AlUla also has excellent baskets, mats, and decorative items made from date palm fronds.

- › **Jazan:** Rich weaving and textile traditions

As well as Al-Qatt Al-Asiri, the region's intricate geometric wall paintings, Jazan is known for traditional Sadu weaving, an ancient craft in carpets and tent decorations.

- › **Makkah & Madinah:** A spiritual craft center

Makkah specializes in producing Islamic calligraphy and incense products, and Madinah is known for handmade prayer beads, rosaries, and leather-bound Quranic manuscripts.

- › **Jeddah:** Civilizational melting pot

Jeddah's old town is a center for woodwork, jewelry, and Hejazi-style embroidery, along with decorative mother-of-pearl craftsmanship for furniture, doors, and accessories.

- › **Qassim:** Pottery and date palm crafts

As the biggest date-producing region, Unaizah and Buraydah are famous for handmade pottery, clay cooking pots, and palm-based crafts like baskets and other accessories.

- › **Najran:** Rock carving, traditional handicrafts, and leather products

In addition to its famous silver jewelry and traditional curved dagger (jambiya) industry, Najran's artisans specialize in stone carving, jewelry making, and leather craftsmanship.²⁹

- › **Eastern Province:** Pottery and pearl diving

Al-Ahsa Oasis, Dammam, and Qatif specialize in clay pottery, date palm crafts, woven textiles, mother-of-pearl jewelry, and maritime-inspired decorative items.

- › **Asir:** Vibrant interiors and world-class weaving

Using wool, palm fronds, and natural dyes to weave extraordinary patterns, Asir is also famous for its vibrant UNESCO-recognized Al-Qatt Al-Asiri interior wall decorations.

› **Hail:** Engraved doors of great mastery

While traditional Najdi doors have three crossbars, the exquisite Hail Najdi door has four crossbars and is made from tamarisk wood and local materials by master craftsmen.³⁰

› **Tabuk:** Seafaring and desert caravan crafts

Famous for its seafaring and desert caravan crafts, Tabuk specializes in tents, wooden ships, nylon nets, Al-Sadu weaving, white weapons, blacksmithing & leather products.³¹

› **Al Bahah:** Mountainous terrain inspires timeless tradition

With locally sourced materials, Al Bahah artisans excel in white weapons, hand-sewn attire, wickerwork, stone masonry, wool products, silverware, and wooden chairs.³²

› **Al Jouf:** Where Al-Sadu meets ancient olive wood

In addition to its world-class Al-Sadu, Al Jouf is well-known for its olive oil, date-palm weaving, wool crafts, stonework, and olive wood products.³³

› **Northern Borders:** Traditional Heritage at Its Best

Given its sparse geography and traditional lifestyles, Northern Borders is best known for its sheep and camel hair tents, rugs, and embroidery, in addition to leather goods.³⁴



Government policies and regulations

Over the past five years, the Saudi government has overseen the creation of numerous programs and initiatives to upskill the Kingdom's artisanal ecosystem and support crafts and heritage-focused SMEs and entrepreneurs.

Saudi Artisanal Company (2018)

Affiliated with the Heritage Commission, this government-owned enterprise is dedicated to developing Saudi's handicrafts sector by empowering local artisans to create high-quality authentic products that embody Saudi heritage and showcase their wares in local, regional, and global markets. Aligned with Saudi Vision 2030, it aims to create thousands of sustainable jobs for artisans.³⁵

Royal Institute of Traditional Arts (Wrth) (2020)

The Institute aims to preserve, promote, and develop Saudi Arabia's traditional arts and crafts through specialized programs in traditional architecture, crafts, and performing arts, equipping artisans with modern skills and safeguarding heritage. It also supports research, documentation, and cultural exchange, fostering artistic excellence, economic opportunities, and national identity.³⁶

Heritage Commission (2020)

Responsible for preserving, developing, and promoting Saudi cultural heritage by integrating archaeology, historical sites, and traditional crafts into the national economy. The Commission supports research, documentation, and restoration projects, facilitates UNESCO's heritage registrations, and empowers artisans and cultural practitioners through training, funding, and regulatory frameworks.³⁷

Tourism Development Fund Handicrafts Program (2020)

This program helps SMEs design and manufacture unique Saudi souvenirs through a training framework that helps artisans refine their ideas and produce high-quality products for global markets. In doing so, it will improve the Kingdom's tourism offerings by promoting unique, culturally significant handicrafts and creating national brand ambassadors.³⁸

Year of Handicrafts (2025)

Launched by the Ministry of Culture, this initiative aims to celebrate, preserve, and promote Saudi's rich handicraft heritage by raising awareness, supporting artisans, and integrating traditional crafts into modern markets. In addition to enhancing recognition of Saudi craftsmanship, it is also designed to foster cultural sustainability, economic opportunities, and national pride in the artisanal sector.³⁹

Access to skilled labor and materials

Efforts to upskill a new generation of Saudi artisans have picked up pace with the launch of several important professional associations and training programs that provide artisans with the skills, networks, and materials they need to thrive.

Professional Crafts Association

Launched by the Ministry of Culture, the Professional Crafts Association was created as an upskilling platform that offers members a range of professional development resources, including business training, marketing support, and access to funding opportunities to help them build sustainable careers in the crafts sector.



40 craft associations



+10 data exchange agreements⁴⁰

National Handicraft Register

Launched by the Heritage Commission, this national database for registering artisanal talent has helped thousands of artisans and craftspeople register their business, access new clients, and grow their SME across the Kingdom.



+4,600

artisans
registered



+880

artisans trained or
upskilled



+130

designs created



+4,400

handicraft pieces
created for hotels,
airlines, and
Sougha stores⁴¹

National Handicraft Program BAREA

In partnership with the Heritage Commission, Saudi Arabia has launched over 17 handicrafts centers in Riyadh, Asir, Qassim, Tabuk, Eastern Province, Al Jouf, and Medina to help artisans access critical materials and master a range of traditional crafts.

- › Gypsum working
- › Copper hammering
- › Sewing
- › Embroidery
- › Hammering
- › Full-length garments
- › Wickerwork
- › Woodwork
- › Pottery
- › Al Sadu
- › Olive oil rosaries
- › Al-Qatt Al-Asiri⁴²

Market competition and digital adaptation

Mass-produced goods pose challenges for local artisans everywhere. To help local craftspeople remain competitive, a series of public initiatives have been launched to support local production, incentivize competition, preserve cultural heritage, and reach a greater customer base.

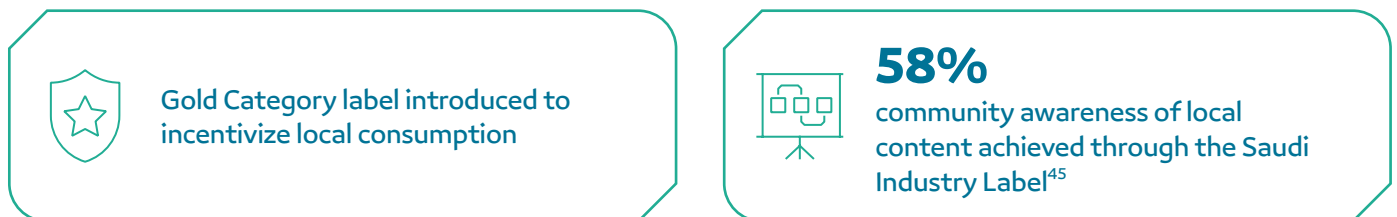
Traditional Handcrafts Revival in Saudi Fashion Competition

Launched by the Fashion Commission to align with the Year of Handicrafts, the Saudi Fashion Competition invited designers to explore Saudi fashion techniques through a workshop that culminated in a design competition assessed by experts from the Royal Institute of Traditional Arts (Wrth).



Made in Saudi

Launched under the National Industrial Development and Logistics Program (NIDLP) and led by the Saudi Export Development Authority, Made in Saudi aims to boost local industries, promote Saudi products, and enhance competitiveness through branding, marketing, and export support, including for artisans, by increasing demand for locally made goods - aligning with Saudi Vision 2030's goals of localization, job creation, and diversification.⁴⁴



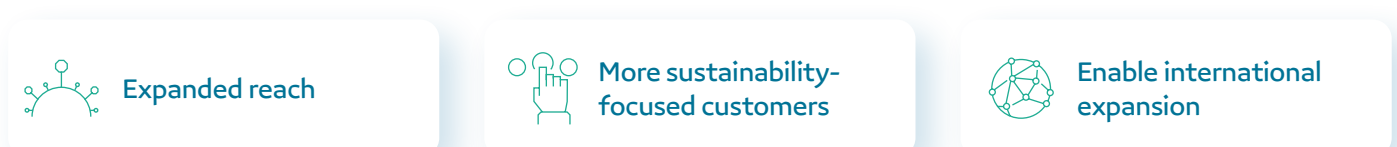
Wrth Community Initiative

Launched by the Royal Institute of Traditional Arts to coincide with the Year of Handicrafts, the Wrth Community Initiative was designed to raise awareness about Saudi traditional arts and cultural heritage and empower individuals to better develop stone, wood, ceramics, and metals-based handicrafts for local and international consumers.



Digitization & e-commerce

Enterprises and initiatives like the Saudi Artisanal Company are working to help local artisans strengthen their marketing and distribution efforts, particularly through digital platforms that showcase handicraft products.



OPPORTUNITIES FOR HANDICRAFT SMEs

Benefits of adopting e-commerce and digital marketing

SMEs in the handicrafts sector can leverage e-commerce and digital marketing to meet growing tourism and heritage branding demand, access international markets and government support programs, enhance brand recognition through social media storytelling, and collaborate with hotels, influencers, and e-commerce platforms to boost sales.



Expanded market reach: E-commerce allows handicraft businesses to reach national and even international customers, increasing sales potential through platforms like Etsy, Amazon Handmade, and social media marketplaces.



Lower operational costs: In addition to online stores being cheaper than maintaining a physical retail location, digital marketing is more cost-effective than traditional advertising.



Direct customer engagement: Digital platforms allow SMEs to interact directly with customers, building relationships and brand loyalty and showcasing craftsmanship through story-driven marketing.



Supporting rural and female entrepreneurs: Many Saudi female artisans operate from rural areas where access to physical markets is limited. Digital platforms allow them to sell their crafts from home, eliminating the need for costly physical stores.



Leveraging social media for low-cost marketing: Instagram, TikTok, and X platforms are incredibly popular and offer free marketing opportunities to handicraft SMEs, helping them gain traction by sharing behind-the-scenes videos, for example.



Integration with Saudi tourism & cultural initiatives: With rising demand for authentic Saudi souvenirs, handicraft SMEs can sell online to tourists after they leave, using QR codes on-site to direct visitors to their web shops.



Logistical improvements: Logistics providers like Saudi Post (SPL), Salasa, and Shipa offer new e-commerce shipping solutions, while platforms like Souq Fann cater to regional handicrafts SMEs.



Meeting global demand: By selling through international platforms, Saudi handicraft SMEs can tap into markets in Europe, the US, and Asia, where demand for authentic Middle Eastern designs is on the rise.



Adaptability & resilience: E-commerce helps businesses remain operational during crises, while multiple online sales channels reduce dependency on one revenue stream.

Leveraging local and international markets

Saudi handicraft SMEs can thrive in local and global markets by leveraging Saudi Vision 2030 initiatives, utilizing e-commerce platforms, partnering with tourism hubs, integrating social media marketing, participating in global craft fairs, and targeting Gulf and global Muslim markets.

Align with Saudi Vision 2030 initiatives

- › **Made in Saudi Program:** Helps local artisans gain visibility and credibility, making it easier to sell in the domestic market.
- › **Saudi Heritage Commission:** Promotes traditional crafts and offers funding, training, and retail opportunities for artisans.

Sell via local e-commerce platforms and delivery services

- › Key platforms include Noon, Amazon.sa, Souq Fann, and Artistia.⁴⁷
- › Instagram, WhatsApp Business, and TikTok Shop also increase sales.
- › Local payment and delivery platforms like Jahez, Aramex & Saudi Post (SPL) boost local sales.

Partner with local retail, tourism hubs, and influencers

- › Artisans can drive sales by setting up shop in AlUla, Diriyah, Riyadh Season, Jeddah Historic District, and NEOM.
- › Exhibiting with venues like the Misk Art Institute can generate publicity and growth.⁴⁸
- › Partnering with hotels, museums, and gift shops drives Saudi-made sales.
- › Aligning with Saudi influencers boosts product visibility and promotes heritage branding.

Sell via global e-commerce platforms

- › Etsy is ideal for handmade Saudi crafts like woven baskets, pottery, and textiles.
- › Amazon Handmade expands reach to buyers in the US, UK, and beyond.
- › Shopify & using one's own website allows full control over branding and pricing.

Target Middle East & Gulf markets & global craft fairs

- › GCC countries show strong demand for authentic Saudi crafts, with Emirati boutiques selling Saudi-designed abayas, Sadu textiles, and Arabic calligraphy art.
- › List products on regional marketplaces like Ounass, Sivvi, and Culture Souq.⁴⁹
- › Showcase at Dubai Design Week, Maison & Objet, and Santa Fe Int'l Folk Art Market.

Cater to Muslim & Halal lifestyle market

- › Artisanal prayer mats, Quran holders, and Arabic calligraphy are highly marketable in Muslim-majority regions.
- › Partner with Islamic e-commerce sites like Muslim Mall and use targeted ads on Facebook & Google to reach Muslim buyers globally.

Partnerships with tourism and cultural initiatives

In its bid to boost local tourism, enrich cultural offerings, and empower artisanal SMEs, Saudi Arabia has launched a number of initiatives to help artisans partner with national tourism stakeholders to showcase their wares to much bigger customer bases.

TDF Grow

Created by the Tourism Development Fund in partnership with the AlMashtal Creative Incubator, this accelerator consists of a Saudi Souvenirs challenge, whose winners are selected for product development. In addition to elevating the handicrafts sector, the challenge empowers local SMEs and enriches local tourism.



+560
applicants



15
completed projects⁵⁰



6-week

bootcamp
development phase for
short-listed projects



1-week
business clinic at
AlMashtal



10–12-week

virtual accelerator for 5 finalists to develop brand
identity, marketing plan, and prepare product market
launch⁵¹

Saudi Artisanal Company & Red Sea Global

In 2024, Saudi Artisanal Company and Red Sea Global partnered to give artisans the chance to sell their wares in one of the Kingdom's most sought-after tourist locations, an initiative that supports the handicrafts sector by providing sustainable income for craftspeople and introducing local and international tourists to Saudi heritage.

- › Door-engraving-inspired serving dishes
- › Katheeb (dune) incense burners
- › Innovatively designed wicker cups⁵²

Saudi International Handicrafts Week (Banan)

Launched in 2023 by the Saudi Heritage Commission, this event showcases Saudi handicrafts and artisanal industries through several interactive activities, including live demonstrations, workshops, interactive experiences, and booths for entrepreneurs.



25
countries
represented



+500
participating Saudi
artisans



China, Mexico,
Jordan, Oman,
Hungary, and
Northern Ireland
present⁵³

Access to funding and government support programs

As the Kingdom works to boost entrepreneurship and empower its culture sector, a growing variety of public initiatives have been launched to help finance, upskill, and empower artisanal and crafts-focused SMEs.

Cultural Development Fund (CDF)

The CDF offers access to finance for SMEs working across a wide range of cultural sectors, including handicrafts.



6 months to 5 years

of funding available to qualifying SMEs



16 cultural sectors

eligible for SMEs financing⁵⁴

Heritage Commission

The Heritage Commission is key to the Ministry of Culture's long-term efforts to promote the development and preservation of cultural heritage, including traditional crafts.

Artisans House Initiative: Provides artisanal SMEs with training programs, technical support, raw materials provision, creative spaces, and skill-specific workshops.⁵⁵

Social Development Bank (SDB)

In addition to providing funding for SMEs, especially home-based and female-owned businesses, SDB also helps Saudi artisans to showcase their wares.



+13,000

attended its Souq Al-Dar



+300

Saudi artisans showcased handicrafts at the handicrafts souq⁵⁶



Interest-free loans, savings programs, and financial literacy programs for SMEs⁵⁷

Kafalah Program

As part of its efforts to empower Saudi entrepreneurs, the Kafalah Program offers funding to SMEs in cultural spaces, including handicrafts, with its Cultural Sector Product.

SAR 2.5mn

maximum funding for micro enterprises (1-5 employees)

SAR 5mn

maximum funding for small enterprises (6-49 employees)

SAR 15mn

maximum funding for medium enterprises (50-249 employees)⁵⁸

Royal Institute of Traditional Arts (Wrth)

Dedicated to preserving the Kingdom's cultural heritage, this Quality of Life Program has extensive programming to support Saudi artisans.

- › Continuing education courses
- › Craftsmanship apprenticeships
- › Variety of community programs and competitions⁵⁹

Suzan Alyahya

CEO,
Royal Institute of Traditional Arts (Wrth)

المعهد الملكي
للآفنون اللفلفففة
The Royal Institute
of Traditional Arts



You played a very key role in the establishment of the Royal Institute of Traditional Arts. What was your inspiration and vision for doing so at the time?

Traditional arts are fundamental to shaping Saudi national identity. Rich and inspirational, we also believe they can thrive locally and internationally by transferring knowledge and expertise in various fields through educational and training programs delivered by skilled experts and artisans.

What challenges have you faced in getting the institute off the ground, and how were you able to overcome them?

With the guidance and support of His Royal Highness Prince Badr bin Abdullah bin Farhan Al Saud, Minister of Culture and Chairman of the Board of Trustees of the Royal Institute for Traditional Arts (Wrth), we have overcome most foundational challenges. Of course, certain challenges remain in every cultural sector, particularly in traditional arts. These include the need to document traditional arts and handicrafts, the shortage of skilled artisans that authentically practice them, and the need to strengthen the infrastructure supporting these crafts.

Wrth addresses each of these by upskilling future generations in specialized studios with professional tools. We also offer educational programs, artistic support, and arts documentation in collaboration with local and international partners, in addition to participating in specialized conferences and forums.

What are some of the initiatives at Wrth that you are most proud of?

To raise awareness of traditional arts, Wrth has launched several educational tracks within its academic programs, including a postgraduate diploma, and continues to offer lifelong learning programs in various Saudi traditional arts. The institute has also welcomed new cohorts into its apprenticeship program, in addition to organizing and participating in numerous local and international events.

What role do traditional arts play in Saudi Arabia's economic history, and what role would you like to see them play at the national level in the future?

Traditional arts play a vital role in the economic history of Saudi Arabia. Today, they contribute to promoting tourism through

art exhibitions and cultural exchange programs with countries around the world. Moreover, handicrafts serve as a foundation for many modern industries. In the years to come, we aspire to help strengthen the traditional arts economy through ongoing initiatives such as entrepreneurship and incubation programs that empower both Wrth graduates as well as emerging SMEs in handicrafts. We also support artisans through technical support, including innovative designs, marketing skills, and opportunities to participate in major events and diverse projects.

How have the arts and handicrafts sector evolved in Saudi Arabia in the last few decades, and how might entrepreneurs stay abreast of these changes?

The cultural sector has witnessed a celebrated renewal in recent years, especially thanks to 2025 being named the Year of Handicrafts. To mark the occasion, there have been many efforts to enhance the visibility of handicrafts and raise awareness and appreciation of our Saudi traditional arts, whether through daily practices or showcasing them at annual festivities.

How does Wrth empower SMEs in the arts and handicrafts spaces to pursue their dreams and launch and grow their businesses?

One of Wrth's strategic pillars is developing skilled talent to support a vibrant creative economy. To do so, we have launched several programs, including the Business Incubator and Accelerator, which play a vital role in supporting artisans and artists through training, consultations, and support networks. We also offer cooperative training programs that prepare Wrth's talented students for the traditional arts job market, not to mention a training and advisory program that helps artisans develop product designs for the creation of exclusive craft products.

What future initiatives would you like to see implemented by the institute?

I would love to see new opportunities and projects arise that promote handicrafts through more training, funding, and marketing programs. Together, these will help foster a more dedicated artistic community with a deeper interest in strengthening the field.

Amani Al Wazeer

Founding Member,
Sleysla



Sleysla has a long history of working with female artisans. Can you tell us more about its mission and where it fits into Saudi Arabia's larger arts and crafts ecosystem?

Sleysla was launched in 2004 as an initiative of the Al-Faisalya Women's Welfare Society in Jeddah to empower women from underprivileged backgrounds by helping them acquire traditional craft skills and generate sustainable income. It grew from a training center to become a nationally recognized entity. In 2018, it became an independent cooperative. Today, it is one of Saudi Arabia's leading heritage brands dedicated to reviving and developing traditional crafts with a contemporary Saudi identity.

What are the Kingdom's comparative advantages when it comes to the handicrafts sector, and how can these be leveraged to empower SMEs?

Each region offers distinct materials, patterns, and artisanal techniques, which makes the sector uniquely positioned on a global scale. Moreover, local artisans possess rare, inherited skills that reflect the Kingdom's identity. To capitalize on these strengths, efforts must focus on documenting craft traditions, improving product quality, expanding global and digital marketing channels, and aligning crafts with tourism and cultural demand.

What role does sustainability play in your trainings and operations?

Sustainability is not just a concept for us; it's a guiding principle in everything we do. From sourcing natural, renewable materials—like palm fronds, fibers, and repurposed fabrics—to how we design our programs, our focus is always on minimizing environmental impact while maximizing social value.

Are there any handicraft sub-sectors you would like to see more developed in Saudi Arabia?

Despite notable progress, several areas remain underdeveloped—chief among them are creative marketing and modern product design that still respects traditional aesthetics. These can be strengthened by offering specialized training in innovation, branding, and product photography. Moreover, creating dedicated incubators for craftswomen and building partnerships with universities and design colleges can foster a new generation of artisans who combine a deep understanding of heritage with a mastery of contemporary business tools.

What advice would you give to young artisans and handicraft SMEs today?

First and foremost, artisans should truly believe in their own potential. Craftsmanship is not just a skill—it's a language and an identity that reflects culture and community. It's essential to continuously seek learning and development, whether through workshops or inspiring local and global experiences. I also urge them to craft a unique story around their products—one that captures their values and heritage—because in a crowded market, a compelling story is often what sets a product apart. And they should never hesitate to pursue strategic partnerships, as these can open doors to wider opportunities and sustainable growth.

When it comes to product development, I recommend linking all parts of the value chain. Every stage should be approached with a clear methodology, starting with a deep understanding of the cultural background of the product and region it originates. This should be followed by collaborative design development with professionals in high-quality production, ensuring the end-product is grounded in solid engineering, scientific, business, and marketing principles. Packaging, display, and marketing must reflect the product's identity and values, too.

Are there any other national development programs or initiatives that have successfully enabled the handicrafts sector?

National initiatives—such as the Cultural Fund programs and the Heritage Commission's efforts—alongside private sector initiatives and institutional support from Monsha'at, have collectively formed a comprehensive framework that has empowered artisans and helped organize the handicrafts sector. These initiatives have played a crucial role in providing training, financial support, and a more professional environment for artisans. However, there remains a significant opportunity to scale these efforts by integrating modern technologies, activating digital platforms, facilitating access to funding, and opening sustainable export channels.

What we need today is a holistic model that supports artisans from idea to global market—anchored in innovation, sustainability, and competitiveness—so that this sector becomes a vital part of the national creative economy.

GLOBAL HANDICRAFTS LANDSCAPE

As one of the world's oldest economic sectors, handicrafts may have lost ground to mass-produced commodities, but they are back and booming thanks to greater public interest in protecting cultural heritage, growing local economies, and supporting local artisans.

OVERVIEW OF GLOBAL TRENDS

The global handicrafts market's recent expansion has been driven by a growing consumer preference for unique, handmade products, the rise of e-commerce platforms facilitating artisanal market access, and an increasing consumer emphasis on sustainability.



\$500bn

growth in the global handicrafts market from 2021-2025⁶⁰



36%

of global market in Asia Pacific



\$1.22tn

global market in 2025



37%

of global handicraft market share is woodworks⁶¹



10%

CAGR growth expected between 2025-2032



927,000

people work in handicrafts in the EU, 0.5% of all employment in the manufacturing sector⁶²

Market trends

While handicrafts are one of the world's oldest sectors, an industry reliant upon painstaking attention to detail, craftsmanship, and timeless traditions, there are still a number of innovative production and sales techniques empowering SMEs in the sector.



Sustainability and eco-friendliness: There is a growing consumer preference around the world for environmentally friendly and sustainable products, leading artisans to stress eco-conscious materials and processes.



E-commerce expansion: Online platforms have significantly broadened the reach of artisans, enabling them to sell directly to consumers worldwide.



Integration of technology: Innovations such as AI are being integrated into traditional craftsmanship, enhancing design processes, material selection, and sustainability, which helps artisans compete with much larger producers.⁶³



Cultural preservation: In mid- to high-income markets around the world, there is an increasing emphasis on preserving cultural heritage through handicrafts, with artisans blending traditional techniques with contemporary designs to appeal to modern consumers.

Major markets and consumer preferences

Globalization and cultural homogenization have not prevented many of the world's largest and most prosperous markets from taking increasing pride in their national and regional handicrafts sectors in recent years.

US

US consumers display a growing demand for ethically-sourced and locally-made artisanal products that support local economies and undercut unethical practices in the following sectors.

- › Home décor
- › Organic food products
- › Beverages
- › Metal artware and jewelry⁶⁴

India

With handicrafts exports at \$4 billion per year, the Indian Handicrafts and Gifts Fair in Delhi now features 2,000+ exhibitors selling many of India's most sought-after handicrafts.

- › Sujani craft
- › Madhubani paintings from Bihar
- › Odisha silver jewelry
- › Rajasthan craft jewelry⁶⁵

China

In its push to empower peripheral regions and ethnic minorities, China has launched handicraft programs that have already created 500,000+ new jobs in Guizhou province alone.

- › Ethnic minority crafts
- › Embroidery
- › Batik wax printing
- › Ethnic costume making⁶⁶

EU

Valued at \$55 billion per year with over 150 million customers, the EU's handicrafts sector is one of the most important in the world, led by high annual purchases in the following sectors.

- › Ceramics
- › Textiles
- › Woodworking
- › Jewelry
- › Glass
- › Leather⁶⁷

Brazil

The South American giant's handicrafts sector weaves indigenous wisdom with African influences and European heritage into a rich tapestry that supports sustainable incomes.

- › Natural leaves and palm fibers, cotton, sisal, and coconut shells
- › Wood and plant materials
- › Weaving and textile work
- › Ceramics and pottery
- › Clay and stone⁶⁸

Innovations in sustainable and ethical production

A rising global commitment to sustainability and ethics in handicrafts production is leading to innovations that blend traditional craftsmanship with modern technology and eco-friendly materials.

New sustainable materials

Biomaterials & waste repurposing



Biomaterials and repurposed waste create eco-friendly products and homeware from recycled plastics, aluminum, and ceramic ash.⁶⁹

Natural fibers



In Uganda, local startup TEXFAD transforms banana waste into valuable handicrafts such as rugs and lampshades, providing much needed income for farmers.⁷⁰

Technological integration

3D-printing with biodegradable materials



Designers are using 3D printing technology with biodegradable materials to create customized garments with minimal waste.⁷¹

Artificial intelligence (AI)



AI tools are enhancing artisanal creativity and productivity, allowing for innovative designs while still preserving the human touch that embodies bespoke creations.⁷²

Ethical production & Fair Trade

Supporting artisans



Brands like LIKHÂ collaborate with Filipino artisans to produce unique, sustainable homewares that ensure fair wages and access to global markets.⁷³

Eco-friendly certifications



A number of certifications have emerged that recognize SMEs committed to responsible manufacturing and ecological and ethical standards.⁷⁴

Innovative design

Biotech design



Innovators are using bacterial microbes to create materials like bioconcrete, which reduces greenhouse gas emissions in manufacturing up to 95%.⁷⁵

Traditional crafts & modern tech



The fusion of traditional handcrafting techniques with modern technology is leading to the creation of exciting, sustainable new products.⁷⁶

FUTURE PROJECTIONS AND OUTLOOK

As Saudi consumers grow more sophisticated, conscientious, and sustainability-minded, they look for products and producers that reflect their values through more locally-sourced and culturally-rich creative processes. SMEs that can adapt in time to meet this demand will thrive.

GROWTH POTENTIAL FOR THE SECTOR

A number of emerging global trends are increasing the size, visibility, viability, and growth potential of the handicrafts sector by emphasizing the importance of quality, sourcing, and sustainability, which strengthen both local economies and cultural heritage.



Cultural tourism: Handicrafts are increasingly important to those seeking authentic experiences that reflect local culture, embody heritage, and drive sustainable growth.⁷⁷



Slow fashion: Consumers are shifting away from mass-produced clothing towards handcrafted, eco-friendly, ethically sourced, and sustainable products.⁷⁸



E-commerce expansion: Online platforms like Etsy, Amazon Handmade, and social media marketplaces have dramatically increased the global reach of local artisans.



Home décor & lifestyle: As the global middle class expands, there's growing demand everywhere for unique, handcrafted homeware, furniture, and fashion accessories.⁷⁹



Corporate & institutional interest: Governments, NGOs, and companies are investing in craft-based livelihood programs, heritage preservation, and community empowerment.



National heritage: Tourism-friendly countries with rich artisanal traditions like Saudi Arabia, India, Morocco, and Mexico can scale exports with the right support systems.



Digitization: Digital training and online sales tools are helping artisans modernize marketing and logistics, reaching a vast new array of educated and engaged customers.



Branding & storytelling: Crafts with a compelling origin story or cultural heritage are driving SMEs' growth and improving cultural sustainability.⁸⁰



Government support: A growing body of incentives, grants, and trade policies can drastically boost the handicraft sector, especially in rural economies.⁸¹

Integrating handicrafts with technology and innovation

In addition to e-commerce, the most effective way of integrating handicrafts with technology, a number of other innovative tools are helping handicraft SMEs grow their customer base.

Digital design tools

Artisans can combine traditional techniques with digital design to forecast better design processes and reduce waste.

Graphic software and 3D modeling tools can prototype patterns, adjust designs, or visualize work before production.⁸²

Example: A Sadu weaver can visualize color variations before committing to the loom.

Digital storytelling

Customers are hungrier than ever for authentic products whose origin story and human element they can connect with.

Stories of traditional techniques and producers' lives deepen the emotional connection with customers.⁸³

Example: Scannable product tags that give shoppers a short story or video.

Artificial intelligence (AI) & machine learning

AI tools can analyze customer preferences, trends, and pricing patterns, or generate new pattern ideas for artisan inspiration.

This drives smarter product development and improved marketing performance.

Example: A platform that recommends trending colors or motifs for regional crafts based on seasonal search data.⁸⁴

Smart manufacturing

New techniques allow SMEs to blend handmade quality with innovative new forms of production support.

Laser cutting, CNC, and 3D printing can assist with repetitive or detailed tasks, but the final finishing should be done by hand.⁸⁵

Example: Thailand clothier Jiwyia uses digital dye pattern mapping to reduce waste.⁸⁶

Online capacity building

Artisans can access video tutorials, design tools, pricing calculators, and language support via apps to gain customers and grow their business.

Example: Initiatives like Nest (US) help handicraft SMEs become supply chain ready with digital inventory tracking, quality control systems, and design assistance.⁸⁷

Emerging trends in locally sourced production

As producers, consumers, and governments seek to increase localization and foster greater sustainability in the handicrafts sector, a number of innovative new sourcing methods have arisen to meet this demand.

Back-to-roots sourcing

Handicraft platforms like Etsy are stressing the importance of merchants who source local materials and natural resources.

Handicraft SMEs can use native plants for natural dyes, local clay for ceramics, region-specific wool or hides, and desert grasses for weaving.⁸⁸

Eco-conscious, low-impact crafting

There is rising demand for green crafts that use sustainably sourced local materials and avoid harmful chemicals.

Aligning with ESG standards, handicrafts SMEs can use a wide range of materials, from rain-fed cotton or wool and reviving plant-based dyes to biodegradable packaging.⁹¹

Agri-craft integration

Handicrafts are being created as value-added products from agricultural by-products or farm waste, such as date palm fiber baskets, banana bark textiles, and wood.

In addition to tapping into rural supply chains, these reduce waste and foster cross-sector collaboration between farmers and artisans.⁸⁹

Geo-tagging & provenance branding

Consumers increasingly want to know where and how something was made, including location and materials.

Often a shorthand for quality, providence branding highlights a product's origin, building a greater level of trust in consumers by demonstrating a sustainability commitment.⁹²

Micro-hubs of local production

Rather than centralized factories, SMEs are investing in distributed networks of artisan micro-workshops that use available resources.

As well as creating employment in rural areas and strengthening supply chain resilience, these reduce transport costs and carbon footprint.⁹⁰

Circular sourcing & upcycling

Locally sourced materials can also include reusing locally available waste or surplus materials.

This can include fabric offcuts repurposed into patchwork or reclaimed wood or metal in furniture or homeware, which creates unique and one-of-a-kind pieces.⁹³



Majed bin Abdulmohsen Al-Hugail

CEO,
Cultural Development Fund



Can you tell us about the inspiration behind the founding of the Cultural Development Fund and its long-term vision?

The Cultural Development Fund (CDF) was established to support the growth of the cultural sector, maximize its economic and social impact, and ensure its long-term sustainability. We serve as the primary financial enabler of the cultural ecosystem in Saudi Arabia by contributing to the goals of the National Culture Strategy, whose aim is for culture to contribute to 3% of GDP, and Vision 2030.

We are proud to support 16 cultural sectors that reflect Saudi Arabia's deep-rooted heritage and creative diversity. Among these is handicrafts, which plays a key role within the broader heritage domain to which the CDF is committed. Since its establishment, the CDF has provided over \$110 million in funding, which has in turn contributed to more than \$319 million to GDP and created over 4,500 jobs. This support has enabled over \$113 million in private sector contribution to GDP. In short, the Fund is committed to advancing the handicrafts sector as part of a broader cultural movement that supports economic growth and preserves cultural heritage for generations to come.

What role could artisanship play in the Kingdom's diversification efforts, and what if any steps will the CDF take to help the sector meet these?

Handicrafts have a strong economic potential due to their diversity, accessibility, and connection to local identity, with no less than 51 different handicrafts recognized by the Heritage Commission from every region. As a sector, handicrafts turn individual skills and traditional knowledge into marketable products, contributing to income generation and job creation, especially among women, and creating important opportunities for inclusive economic participation.

The sector is also characterized by low production costs and reliance on local materials, making it well-suited for SMEs with a wider economic and social impact. It also contributes to cultural tourism. In 2023, for example, 35.2 million tourists participated in cultural activities, including 13.8 million international visitors, a 145% increase on 2022.

The CDF supports 16 cultural sectors. Which of these might handicrafts SMEs hope to receive support from?

The CDF provides two key forms of support: financial solutions to help cultural SMEs grow and expand their operations, and enablement solutions to build capabilities and reduce business setup and operating costs. Our support covers the entire value chain in the handicrafts sector, including woodworking, palm weaving, and textiles, and spans infrastructure, education, training, and content development.

Despite the growing potential of the handicrafts market, local products represent less than 20% of that, revealing a significant untapped opportunity. If a business lacks the capital to grow, we offer a variety of financing solutions, including cultural loans. For those just starting out, we also provide free advisory services related to finance and administration, including market insights and challenges. We also provide vouchers for feasibility studies, legal setup, and co-working spaces.

The CDF has a new Cultural Financing program for SMEs. Can you tell us more about it?

The Cultural Financing program was launched as a key financial solution to strengthen output across all cultural sectors by providing funding for cultural businesses across the entire value chain: working capital, asset acquisition, project development, and capital expansion. We invite all cultural SMEs and aspiring entrepreneurs to explore these funding opportunities. In short, the program is designed to drive sustainable business development, strengthen market competitiveness, and enable the production of high-quality cultural content.

How do you see the long-term impact of the CDF on the Saudi artisanal sector?

The Fund can play a transformative role in the handicrafts industry, not only through funding, but also by enabling innovative projects, nurturing creative talent, and showcasing the work of Saudi artisans. In partnership with stakeholders across the cultural and development ecosystem, we are committed to building a sustainable and impactful cultural sector that contributes to economic growth, creates high-quality job opportunities, and enhances the Kingdom's overall quality of life.

☆ SUCCESS STORY:

Abdulrahman Al-Abed

CEO,
Qormuz



Qormuz has played a prominent role in reviving Saudi handicrafts. What is unique about Saudi handicrafts, and what cultural and economic impact do they have?

Saudi handicrafts carry a rich legacy of stories, intricate details, and deep-rooted identity. What sets them apart is their geographical diversity and close ties to the lifestyles of many different regions across the Kingdom, from the engravings of Al-Ahsa to Najdi embroidery, Hijazi pottery, and Sadu weaving in the north.

Domestically, they represent a promising economic opportunity, especially in light of growing national interest in the creative economy. Globally, there is a growing appetite for authentic, story-rich products, and Qormuz aims to serve as a gateway for this uniquely Saudi narrative to reach the world.

How does Qormuz contribute to preserving Saudi Arabia's artisanal tradition, and what were some of the key influences that inspired you to bring it to life?

Qormuz was never just meant to be a brand, it was created as a platform to retell Saudi stories through design, scent, and fabric. Our inspiration is drawn from the artisans themselves, from forgotten narratives and the small, beautiful details that we translate into emotionally resonant products.

What inspired me personally was a deep belief that our cultural richness is no less than that of any global tradition. It deserves to be presented in a way that reflects its value and becomes a source of pride and global appeal, not as a simplistic souvenir, but as an experience with artistic and human depth.

What skills or approaches are essential for today's entrepreneurs working in handicrafts, design, and cultural production?

It starts with a deep understanding of identity. Using traditional elements is not enough, they need to be understood and respected before being reimagined. Innovation must not come at the expense of authenticity, the challenge is in refreshing the past without erasing it.

Entrepreneurs also need to build strong storytelling around their products, because today's consumer doesn't just buy an object, but the story behind it. And finally, adaptability is key. Success in this space requires an understanding of changing tastes, values, and cultural expectations.

What policy shifts or public sector initiatives would you like to see enacted to further empower the SME landscape for handicrafts in the Kingdom?

True empowerment begins with simplifying regulatory and financial procedures and creating agile, responsive support platforms tailored to the needs of SMEs. Investing in modern artisanal education by bridging traditional skills with contemporary tools can cultivate a new generation of entrepreneurial craftspeople.

We also need more support for marketing and wider access to selling platforms -both locally and internationally- to give Saudi-made products a stronger, more consistent presence in the market.

How does Qormuz approach sustainability, and what role can local artisans play in advancing more circular and responsible practices?

Sustainability at Qormuz begins with respect for materials, craftsmanship, and the environment. We strive to reduce waste, prioritize natural materials, and partner with local artisans who use traditional, low-impact production methods. By nature, artisans are sustainability pioneers. Their work is handmade, produced on a small scale, and focused on skill rather than machinery, making their approach inherently more mindful and circular.

How have attitudes toward traditional crafts and artisanal design evolved, and how would you like to see it another ten years from now?

Two decades ago, traditional crafts were seen as beautiful relics of the past. Today, they are increasingly viewed as opportunities for the future. Young Saudis are more conscious of their identity and proud to support locally made products, especially when these are presented with modern taste and refinement. I hope to see Saudi Arabia's handicrafts sector become a major player in the global creative economy, a time in which our pieces are not only sold in stores, but displayed in museums, told in stories, and gifted at royal and international occasions.

What advice would you give to aspiring artisans and creative entrepreneurs?

They must first ask themselves: Why am I doing this? Where do I start? Who am I trying to reach? Start small. Don't imitate. Don't rush. Draw inspiration from your roots, your grandmother, your childhood home, the wind that sweeps through your village, and turn it into something worthy of the 21st century. And when things get hard, remember: a true artisan doesn't master their craft with the first piece, but with a thousand attempts that follow.

MONSHA'AT & ECOSYSTEM UPDATES

Thanks to ongoing support for the Kingdom's SME sector, Q1 2025 saw another historic wave of investment in Saudi startups, SMEs, and entrepreneurs. With crucial support from Monsha'at initiatives such as Tomoh program, which provides a comprehensive ecosystem of services and incentive-driven programs tailored to fast-growing SMEs. The program's graduates reached a total market capitalization on Nomu of over \$6.6 billion in Q1.

MONSHA'AT KEY FIGURES

Saudi Arabia's buoyant SME ecosystem was strengthened even further in Q1 2025 thanks to thousands of small and medium enterprises availing themselves of Monsha'at's critical upskilling, training, funding-related, and franchising services.



9,849

businesses benefitted from Monsha'at SMEs Support Centers



9,411

trainees benefitted from Monsha'at e-Academy



515

SMEs qualified for Monsha'at's Jadeer Service



985

beneficiaries availed themselves of the Mazaya Platform



67

brands listed on the Franchise Center Platform



92

SMEs joined the Tomoh Program



1,434

beneficiaries availed themselves of Monsha'at Innovation Centers

TOMOH FUNDING UPDATES

Launched in 2017, the Tomoh Program is an essential part of Monsha'at's toolkit to empower the next generation of Saudi companies through robust financial enablement packages.



34

fast-growing enterprises supported by Tomoh listed in Parallel Market (Nomu)



29%

of all companies on Nomu were nurtured by Tomoh Program



\$6.6bn

market cap of Tomoh-supported businesses on Nomu



41.8%

of total Nomu market cap from Tomoh-supported businesses



\$450mn

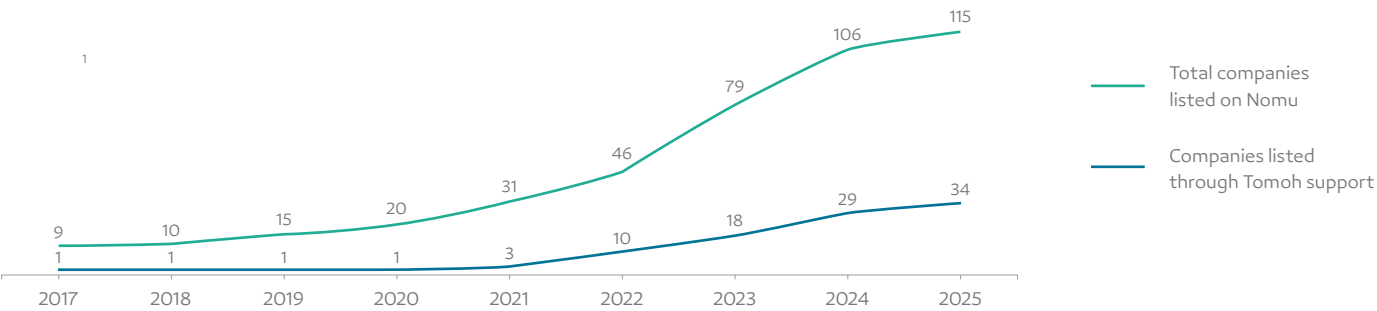
market cap of Tomoh-supported companies listed on Nomu in 2025 alone



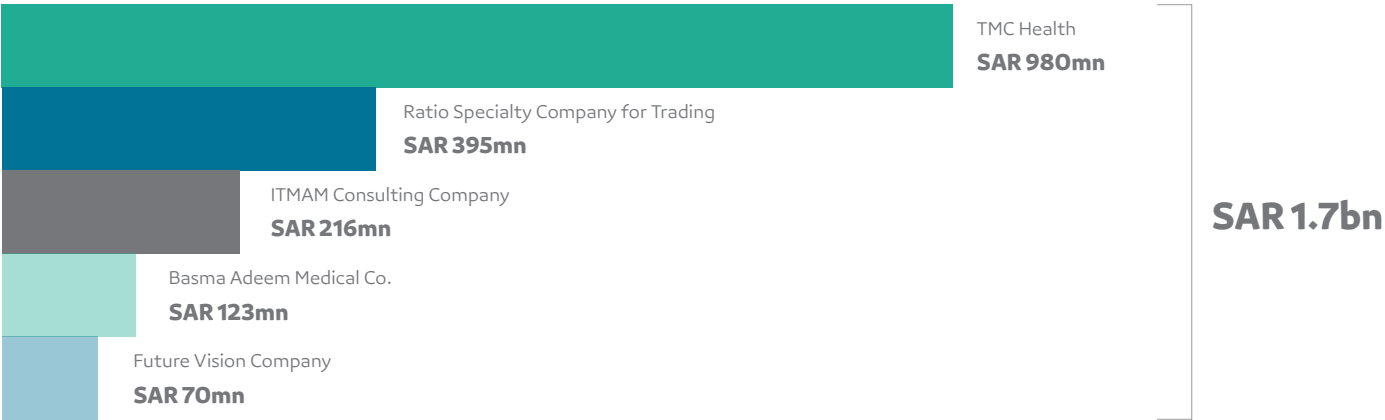
5

Tomoh-supported SMEs listed on Nomu in 2025 alone

Cumulative Listings on Nomu vs. Tomoh Companies (2017-2025)



Tomoh-listed companies listed on Nomu in 2025 alone reached a \$450 million market cap.



3 Tomoh graduates have also listed on the Tadawul market.



Investment value of Tomoh-listed enterprises (as of Q1 2025)

As of Q1 2025, Tomoh has invested more than \$15.7 billion in Saudi-based startups, SMEs, and entrepreneurs, with considerable stakes in dozens of successful listed companies.

- › **\$430mn**
in Jahez (18% stake)
- › **\$320mn**
in Nice One Beauty Digital Marketing Company (16%)
- › **\$261mn**
in TMC Health (direct listing)
- › **\$222mn**
in Perfect Presentation 2P (15%)
- › **\$32mn**
in Shatirah House Restaurant (29%)
- › **\$31mn**
in Saudi Top Plastic Factory (22%)
- › **\$24mn**
in Sure Global Tech (16%)
- › **\$14mn**
TAM Development (16%)
- › **\$13.3mn**
in Ratio Specialty Company for Trading (25%)
- › **\$12.3mn**
in Mufeed Co. (9%)
- › **\$12mn**
in Multi Business Group (15%)
- › **\$12mn**
in ITMAM Consulting Company (14%)
- › **\$11.5mn**
in Al-Modawat Specialized Medical Co (20%)
- › **\$11.5mn**
in Taqat Mineral Company (20%)
- › **\$11.5mn**
in Tharwah HR Company (15%)
- › **\$11.2mn**
in View United Real Estate Development Co. (18%)
- › **\$11mn**
in AlBabatain Food (16%)
- › **\$10.7mn**
in Waja Construction (13%)
- › **\$7.5mn**
in Digital Research Co. (20%)
- › **\$6.4mn**
in Al Ashghal Al Moysra Co. (20%)
- › **\$5.9mn**
in Lana Medical Company (20%)
- › **\$5mn**
in WSM Company (20%)
- › **\$4.8mn**
in Neft Alsharq Co. for Chemical Industries (15%)
- › **\$4.7mn**
in Basma Adeem Medical Co. (20%)
- › **\$4.5mn**
in SADR (12.86%)
- › **\$4.5mn**
in Riyadh Steel (14%)
- › **\$4mn**
in Intelligent Oud Co. (16%)
- › **\$4mn**
in Meyar Company (20%)
- › **\$3.7mn**
in Future Vision Company (20%)
- › **\$3.2mn**
in Molan Steel Company (20%)
- › **\$640,000**
in Purity for Information Technology Company (16%)

Directly listed companies:

- › **Tadweer Company**
- › **Al-Naqool Company**
- › **Al-Rashid Industrial**

KEY GOVERNMENT AND PRIVATE SECTOR INITIATIVES

In the Kingdom’s efforts to empower the private sector ecosystem, boost non-oil exports, and diversify the economy, it pursued a number of SMEs empowerment programs in Q1 2025.

Saudi SME Bank expands debt-based crowdfunding for SMEs

SME Bank partnered with debt-based crowdfunding platforms such as Manafa, Lendo, and Tameed to launch Agency Model, a debt-based crowdfunding model to help finance SMEs.



Kafalah Program provides \$3.7 billion in loan guarantees to SMEs in 2024

Integrated with SME Bank, the Kafalah Program provides financial guarantees that enhance SMEs’ access to funding and mitigate lending risks for financial institutions, driving SMEs’ growth.



Third Edition of PIF’s Private Sector Forum held in Riyadh

From February 12-13, the Public Investment Fund held its third annual Private Sector Forum to highlight how its investments in local companies are empowering the Saudi private sector.



Saudi EXIM Bank signs \$5 million deal to boost SME exports to Oman

Saudi EXIM Bank and the International Islamic Trade Finance Corporation (ITFC) signed an agreement for a \$5 million line of financing for Oman’s Alizz Islamic Bank under the KSA SMEs Export Empowerment Program to boost Saudi SME exports to the sultanate.





ABOUT MONSHA'AT

Established in 2016, the Small and Medium Enterprises General Authority (Monsha'at) chief objective is to organize, support, develop, and sponsor the SMEs sector in accordance with best global practices.

Monsha'at deploys a wide range of initiatives that directly speak to the challenges that SMEs face in the market, with assistance being further broken down by company size and type. In addition to providing firms with critical administrative, technical, and financial support, Monsha'at also assists SMEs with marketing and human resources.

Vision



To transform the Small and Medium Enterprises sector into a vital pillar for economic development in Saudi Arabia and an enabler for achieving Saudi Vision 2030 and beyond.

Mission



Support SMEs' growth and competitiveness through building a supportive ecosystem and an entrepreneurial society, by driving the cooperation with our strategic partners in the public and private sectors and the non-profit sector, locally and internationally.

Please visit our website below for more information.



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48

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49

Ounass Sivvi



Culture Souq



50

Arab News



51

TDF



52

SPA



53

Al-Madina



54

CDF



55

Heritage Commission



56

Arab News



57

The Business Year



58

Kafalah



59

Royal Institute of
Traditional Arts



60

Business Insider



61

Fortune Business
Insights



62

European Center for
the Development of
Vocational Training



63

El País



64

Business Insider
Artisana
Organics



Sonoma County



65

Times of India



66

China Daily



67

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68

Jungle Legacy



69

Dezeen



70

AP



71

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72

Adorno



73

The Spruce



74

Diversitech



75

FT



76

Horizon Europe.



77

Global Sustainable
Tourism Council



78

Oxfam



79

Elephant



80

Harper's Bazaar



| **81**

Invest India



| **82**

UNDP



| **83**

Europeana



| **84**

Wiley Online Library



| **85**

The Economic Times



| **86**

Jiwaya



| **87**

Nest



| **88**

CNBC



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| **90**

European Training
Foundation



| **91**

Low Impact



| **92**

The Manufacturer



| **93**

Circular Sourcing



| **94**

SME Bank



| **95**

SPA



| **96**

SPA



| **97**

Saudi EXIM Bank



| **98**

ITFC



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