

The Mukaab

Recently, Saudi Arabia announced their new project called 'The Mukaab' aimed to be completed by

2030. The Mukaab is a 400m x 400m x 400m cube is being planned to be built in the center of a 19-square-kilometer area to become 'the world's largest modern downtown' – currently known as the 'New Murabba project' and estimated to cost around £40 billion.

Alongside the New Murabba project, they are making multiple, multi-billion-pound projects for example: 'The Line, The Oxagon, The Sindalah and The Trojena' – part of the NEOM project as well as their 'Red Sea' project. In total, Saudi Arabia's plans for 2030 are predicted to cost over £950 billion.



Features of The Mukaab:

- Large enough to hold 20 Empire State Buildings
- 104,000 residential units
- 9,000 hotel rooms
- 980,000 square meters of retail space
- 1.4 million square meters of office space
- 1.8 million square meters of space dedicated to community facilities
- 620,000 square meters of leisure facilities

How can Saudi Arabia pay for this?

Saudi Arabia currently is the largest exporter of petroleum in the world, a fossil fuel made from crude oil. It has the second largest petroleum reserves after Venezuela as well as the fourth-largest natural gas reserves.

According to the Saudi Arabia government, they have estimated to be in possession of around 270 billion barrels (43 billion cubic meters) which is roughly $\frac{1}{4}$ of the world's oil. All this oil is officially owned by Saudi Aramco; however, the owners of this company are in fact the Saudi Arabia Government.

Recently, Saudi Arabia has increased its GDP by 8.7% since 2022 making it the fastest growing economy in the G20. One factor that has led to this, is the oil revenue windfall created by the war in Ukraine that has driven energy prices up.



Benefits of The Mukaab

Firstly, The Mukaab is expected to boost the employment rate in Saudi Arabia by creating roughly around 350,000 jobs, both through the construction and development phase as well as after its completion where skilled workers in technology and various other industrial areas will be needed.

Moreover, The Mukaab has an immense potential to attract foreign investment. This futuristic city is expected to become a major destination for tourism, research and development which will attract investors and entrepreneurs from around the world. Therefore, resulting in a significant inflow of foreign capital, further creating new business opportunities and boosting economic growth.

Adding to that, one of the main focuses of this project is to build on sustainability and being environmentally friendly. This is because if they are able to reduce the country's need to depend on fossil fuels, the long-term savings on unnecessary costs could be substantial.

Drawbacks of The Mukaab

Despite The Mukaab having major economic benefits to Saudi Arabia, if there were any reasons that the construction had to be stopped before it was completed could lead to multiple economic implications. Due to the fact that The Mukaab is an extremely complex architectural build, there are many constructional risks involved. Some of these risks including: time delays, coordination problems, quality aspects and resources.

Adding to that, some examples of financial risks of The Mukaab, include risks related to investments, liquidity risks, availability of funds, foreign exchange and debt as well as if the project results in lower-than-expected profitability.

However, this does not just include economic impacts, recently some ethical concerns have been raised. The project will require large areas of land to work on which will not only affect the local environment, it could in fact displace multiple local communities from their homes and livelihoods. This had led to criticism that the project may be harming the rights of local people and potentially causing them harm. Furthermore, concerns were raised about the potential impact of developing on natural resources and fragile ecosystems and the problems that this could cause.

Moreover, The Mukaab has received large amounts religious backlash for its likeness to the cube-like structure – The Kaaba. It is considered the most sacred site in Islam, known as the 'House of God.' One Intercept reporter said, "Building a new Kaaba exclusively devoted to capitalism is a little too on the nose."

The Mukaab clearly has many factors for both sides, however, it is whether the financial gain outweighs the ethical drawbacks. Since this structure is still very new, many aspects such as: the treatment of workers and the people allowed to live there are still unknown. Perhaps these facts have been suppressed for a reason. Within the next few years, hopefully all the details behind this phenomenal architectural build will be known.