

A lot to underwrite home about

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Hot on the heels of its World Cup 2034 bid win last October, Saudi Arabia secured the hosting rights for the World Expo 2030 only a month later. By any standard, this is a double win of massive scale and impact. And for our industry, it leaves a lot to insure and innovate.

Over a surface of 6 million square meters, 246 country pavilions will bring to life the World Expo 2030's vision, "The Era of Change: Together for a foresighted tomorrow". Expo organizers have set an ambitious target of 40 million visits and 1 billion metaverse visits.¹ In ensuring that these targets are not mere ink on paper, the Saudi government is investing big and bold, to the tune of USD 7.8 billion² – including USD 343 million³ to help 100 countries with pavilion construction and maintenance, technical support, and logistics.

A recent report by Al Rajhi Capital has sized up the World Expo 2030's economic opportunity to nearly SAR 355 billion (USD 95.6 billion).⁴ To put numbers into perspective, that's 5.8% of the Kingdom's target GDP for the same year, carried by a single large-scale event.⁵ The groundwork laid by the government in reaching these hard targets sets the stage for a comprehensive insurance ecosystem. The pre-expo phase alone demands risk assessment and strategic advisory services where both the insurance and consulting sectors will play a leading role. Domestically, spending related to Expo 2030 projects is projected to grow at a CAGR (compound annual growth rate) of 11% to reach USD 824 billion by 2030.⁶ Corporate lending activity is expected to match it in scale, with new products set to diversify the Kingdom's financing landscape away from its historical reliance on deposits. This shift, driven and accelerated by the Expo, will need a robust credit insurance market to safeguard lenders and investors against defaults and financial discrepancies.

As the event's infrastructure takes shape, insurers will also need to strategize complex coverage options for the many stakeholders involved in site construction. For instance, pavilion construction insurance should factor in the diverse ownership and multinational participation, requiring cross-border policies that juggle varying legal and risk profiles. The construction phase itself demands comprehensive coverage, from workers' compensation to third-party liability to contractor's all-risk insurance, and even delay-in-startup coverage. Every nut, bolt, and beam of the Expo's physical infrastructure should have a protective umbrella, potentially generating an incremental SAR 675 million to the Saudi property and casualty insurance sector.⁷ With Riyadh requiring an extra 100,000 rooms just to absorb the visitor surge from the Expo,⁸ the construction boom will extend beyond the site itself to hotel and F&B expansions that demand equally specialized insurance solutions.

¹ Expo 2030

² Reuters (2023). Saudi Arabia allocates \$7.8 billion worth of investments for Expo 2030

³ Arabian Business (2023). Saudi Arabia offers to allocate \$343 million to assist 100 countries in its bid to host Expo 2030

⁴ Arab News (2023G). True value of Expo 2030 boost laid out in new report

⁵ Saudi Gazette (2021G). Saudi Arabia eyes GDP of SR 6.4 trillion by 2030: Al-Falih

⁶ Arab News (2023G). True value of Expo 2030 boost laid out in new report

⁷ Arab News (2023G). True value of Expo 2030 boost laid out in new report

⁸ Arab News (2023G). True value of Expo 2030 boost laid out in new report

Once the Expo's doors open, the focus will pivot to a broader product and consumer spectrum. The sheer scale of expected metaverse visits puts cybersecurity at the center, demanding cutting-edge policies to protect digital assets and visitor data against cyber threats.

The influx of international guests also brings travel insurance into sharp focus, with the industry expected to generate an additional SAR 646 million from the Expo 2030 alone.⁹ In this space, packages that are tailored for an international audience, including emergency medical coverage, trip cancellation, and even specialized policies for lost or delayed baggage, will be vital for a seamless visitor experience. For aviation insurers, the task will be to provide comprehensive fleet and passenger coverage in accommodating higher air traffic.

The event's nature and theme also require targeted insurance solutions. Such products will play a critical role in protecting the wealth of patented technologies and intellectual property in transit and on site. Considering the scale and international scope of the Expo 2030, event cancellation insurance becomes equally critical in ensuring financial resilience against potential disruptions – from natural disasters to geopolitical tensions.

As previous experience from neighboring and global Expo hosts has taught us, the end of the event is only the beginning. While the focus shifts to legacy projects post-event, the repurposing of Expo infrastructure into permanent facilities will entail ongoing property and liability insurance. Advances in healthcare and sustainability showcased at the Expo will continue to evolve, creating a demand for insurance products that support the development and commercialization of these technologies. Saudi Arabia's future emergence as a global event destination in the wake of the Expo will also lay the groundwork for future large-scale projects. For our sector, this is a call to action in crafting policies as innovative as the visions that we protect. None is more inspiring than Vision 2030, laid out by our Kingdom's wise leadership almost a decade ago, and bearing fruit every day. And with double the opportunity emerging from the World Expo 2030 and the World Cup 2034, we're doubling down on our promise to innovate by example.

⁹ Arab News (2023G). True value of Expo 2030 boost laid out in new report