



Gulf Research Center
Knowledge for All



Saudi Arabia Tourism Industry Outlook





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1. EXECUTIVE SUMMARY

1.1. INITIATIVES TO PROMOTE TOURISM

Saudi Arabia has launched several initiatives to boost the travel and tourism industry, as tourism grows in importance as a major driver of the Saudi economy due to its strong employment potential. Enhancing the Saudi private sector to create a vibrant community, diversifying the economy, and investing in ways to promote Saudi Arabia's global trade and competitiveness are among the Kingdom's Vision 2030 goals. Major tourism projects include the Red Sea Project, NEOM, Qiddiya, and Amaala.

The Red Sea Project aims to build an exquisite luxury tourism destination out of 50 uninhabited islands with white sand beaches. The project is expected to run entirely on on-site renewable energy, which is a big accomplishment for a project of this size. It also intends to be carbon neutral in its activities, with a zero waste-to-landfill strategy.

The NEOM project's budget is estimated to be about US\$500 billion, and it is intended to become an international gateway for a variety of industries and services. The project is expected to be completed in 2030, with a contribution to the country's GDP of more than US\$100 billion.

Amaala, an ultra-luxury project with 2,500 hotel rooms, 700 residential villas, an equestrian club, and four yacht marinas, is projected to contribute 0.6 percent of GDP by 2030.

Qiddiya, a leisure, entertainment, and culture district 40 kilometers north of Riyadh, has also been named as one of Saudi Vision 2030's megaprojects. Qiddiya is a US\$8 billion entertainment city that, once completed in 2030, is expected to become the Kingdom's entertainment, sports, and arts hub.

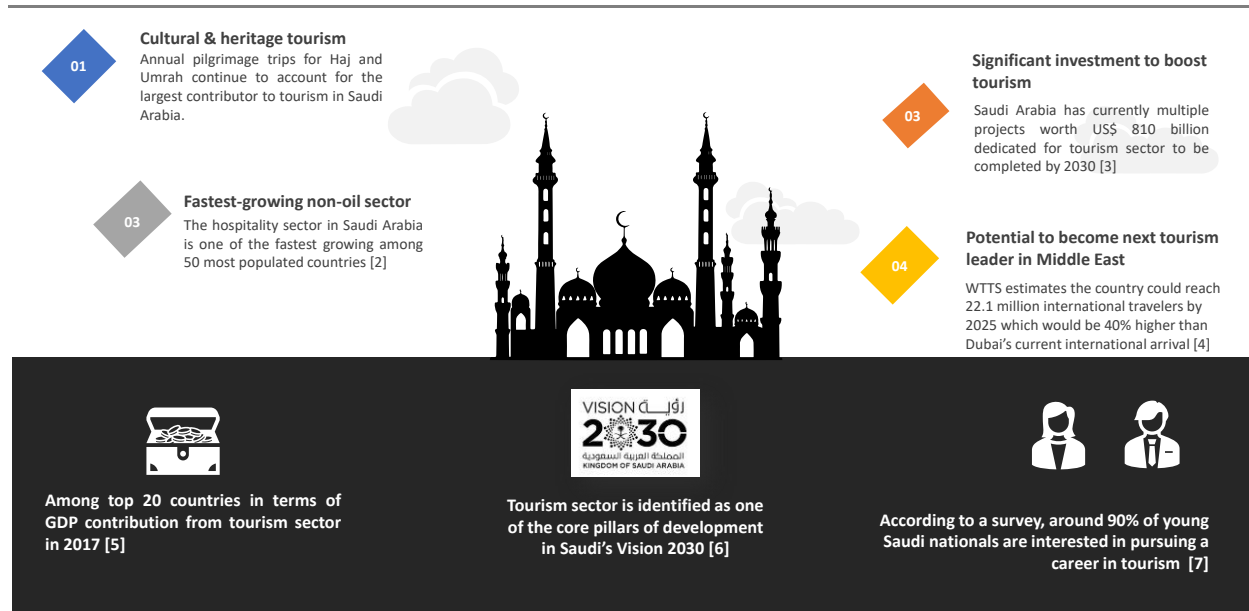
1.2. FUTURE OUTLOOK

Tourism giga-projects currently under construction are vital to the achievement of the commitment to increase tourism revenue from 3 percent of GDP to 10 percent of GDP by 2030. In the Kingdom's Vision 2030 economic diversification strategy, the tourism sector has been identified as a key driver of growth. Vision 2030 aims to double its growth by 2020, raise revenue by 18 percent in the next nine years, and create 1.2 million jobs for Saudi Arabia. According to a research study conducted by the Saudi Arabian Monetary Authority (SAMA), per one million Saudi riyals spent on the tourism sector, approximately 1.4 new jobs were created in Saudi Arabia. The Red Sea project is expected to generate 70,000 new jobs and contribute SAR22 billion (US\$5.9 billion) to the economy each year.

2. INTRODUCTION TO TOURISM SECTOR

2.1. OVERVIEW AND KEY INDUSTRY TRENDS

FIGURE 1. TOURISM SECTOR IN SAUDI ARABIA – SNAPSHOT



Source: Travel Daily Media¹, Trade Arabia², IHL Insights and WTTC, US Export.gov³, Ministry of Tourism, Saudi Arabia⁴, Arab Business⁵

Prior to 2019, most of the tourism in Saudi Arabia was oriented toward religious, business or expatriates-based international travelers. Nonetheless, the country's strong initiatives toward diversification away from oil and subsequently exploring other sectors to boost economic activities powered the growth of the tourism sector in 2019 and 2020.⁶ As a result, the country's rich cultural, heritage, and emerging cities, among other destinations, successfully attracted considerable number of international tourists. Additionally, Saudi Arabia's consistent strong emphasis toward upscaling or constructing of infrastructure pertaining to hospitality, connectivity, travel, and accommodation, among other projects, has gained major traction in the last few years.

¹ <https://www.traveldailymedia.com/saudi-arabia-tops-world-in-projected-hotel-supply-growth/#:~:text=Saudi%20Arabia's%20hospitality%20sector%20is,over%20the%20next%20three%20years.>

² http://trade.arabia.com/news/CONS_372738.html.

³ <https://www.export.gov/apex/article2?id=Saudi-Arabia-Travel-Tourism-and-Entertainment>.

⁴ <https://mt.gov.sa/en/TourismInvestment/Pages/TourismInvestment.aspx>.

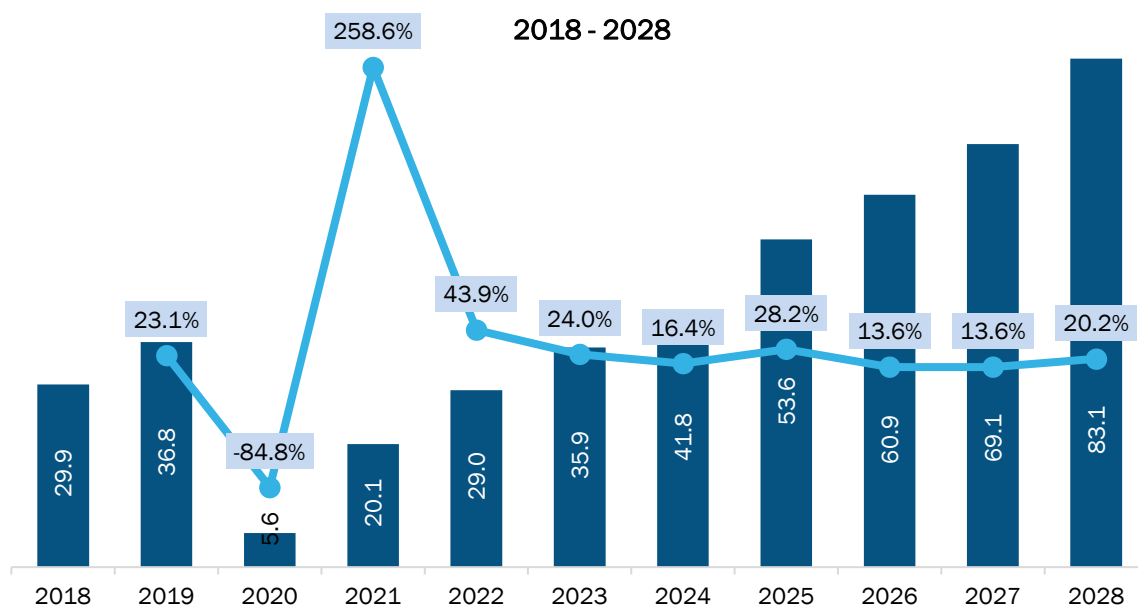
⁵ <https://www.arabianbusiness.com/travel-hospitality/455040-why-the-younger-saudi-generation-is-picking-tourism-jobs-over-oil>.

⁶ <https://www.bbc.com/news/business-49848068#:~:text=Saudi%20Arabia%20will%20open%20its,its%20economic%20dependence%20on%20oil.&text=It%20wants%20tourism%20to%20rise,gross%20domestic%20product%20by%202030.>

Presently, several megaprojects are under development and are focused toward boosting revenue, as the tourism sector has been identified as one of the core pillars of upcoming development in Saudi's Vision 2030. Moreover, the government continues to promote tourism-specific projects that feature ultra-luxurious experience, wellness, culture and heritage, and religious travel experience. For instance, following the implementation of international travel restrictions due to the COVID-19 pandemic, Saudi's tourism authority encouraged their citizens to explore their domestic travel destinations through the "Saudi Summer" campaign. The government strategically partnered with numerous hospitality service providers, as well as accommodation and travel companies, to develop more than 100 tourism-related packages comprising 10 destinations. The campaign yielded favorable results as the locals started travelling to these unexplored places and this provided an opportunity for the Saudi government to be prepared for the resumption of tourism activities in the subsequent months.⁷

2.2. SAUDI ARABIA TOURISM: MARKET SIZE AND FORECASTS (2018–2028)

FIGURE 2. SAUDI ARABIA TOURISM: MARKET SIZE AND FORECAST, 2018 TO 2028 (US\$ BILLION)



Source: Gulf Research Center Analysis.

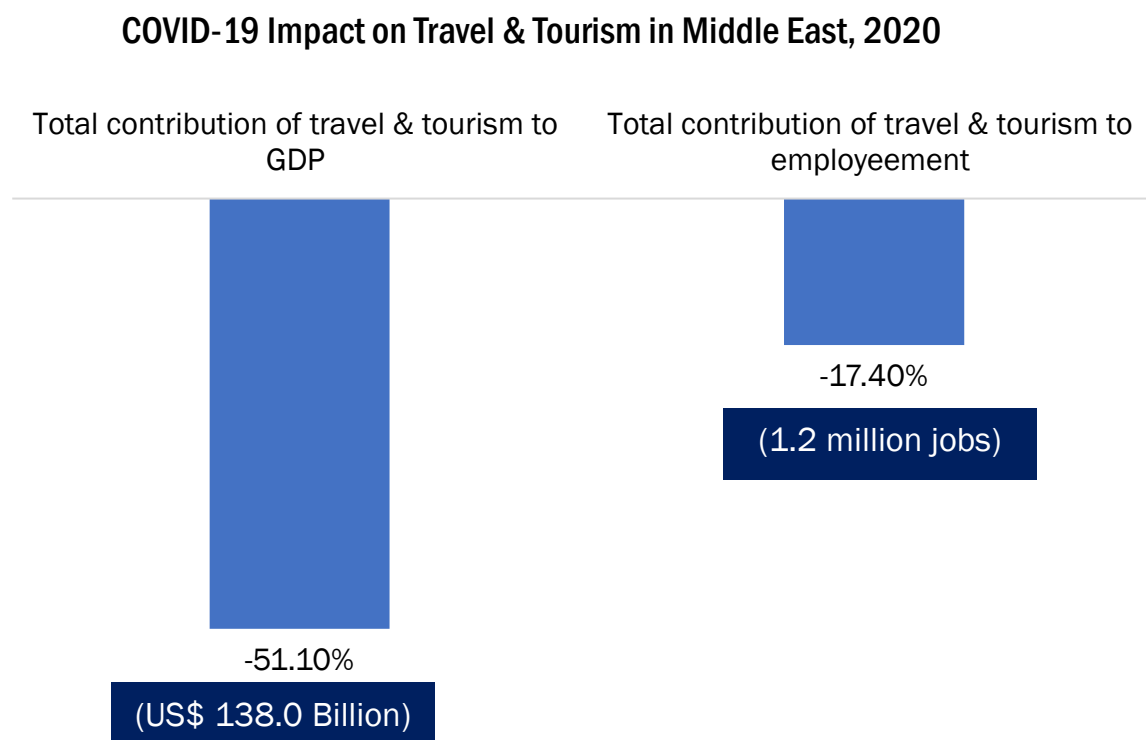
The Saudi tourism market is projected to reach US\$83.1 billion by 2028 from US\$36.8 billion in 2019, and thereby likely to register a CAGR of 22.5 percent from 2021 to 2028. Consistent significant investment in infrastructure development, favorable government policies along with increase in the number of international tourists are expected to be among the major factors powering the growth of the sector in the country. Presently,

⁷ <https://skift.com/2020/09/24/saudi-arabias-bold-global-tourism-efforts-gain-traction-but-with-locals-for-now/>.

Saudi Arabia has multiple megaprojects such as the Red Sea Project, NEOM City, Qiddiya, and Riyadh Green, as well as related activities planned in their phased development, which are expected to boost the tourism sector in the coming years. In addition, the existing religious and pilgrimage-based tourism is expected to provide a steady growth in the revenue generated through tourism activities.

2.3. COVID-19 IMPACT ON THE SAUDI TOURISM SECTOR

FIGURE 3. ESTIMATED COVID-19 IMPACT ON TRAVEL & TOURISM IN THE MIDDLE EAST, 2020



Source: WTTC Economic Impact Report

The outbreak of COVID-19 across the world has had a profound negative impact on global tourism as well as travel industry owing to government restrictions on travel and implementation of social distancing guidelines. For instance, according to a WTTC economic assessment, the estimated loss of revenue in the global tourism and travel industry was valued at US\$4.5 trillion in 2020. Moreover, the overall contribution of the tourism and travel industry to global GDP declined from 10.4 percent in 2019 to 5.5 percent in 2020.⁸ In April 2020, the

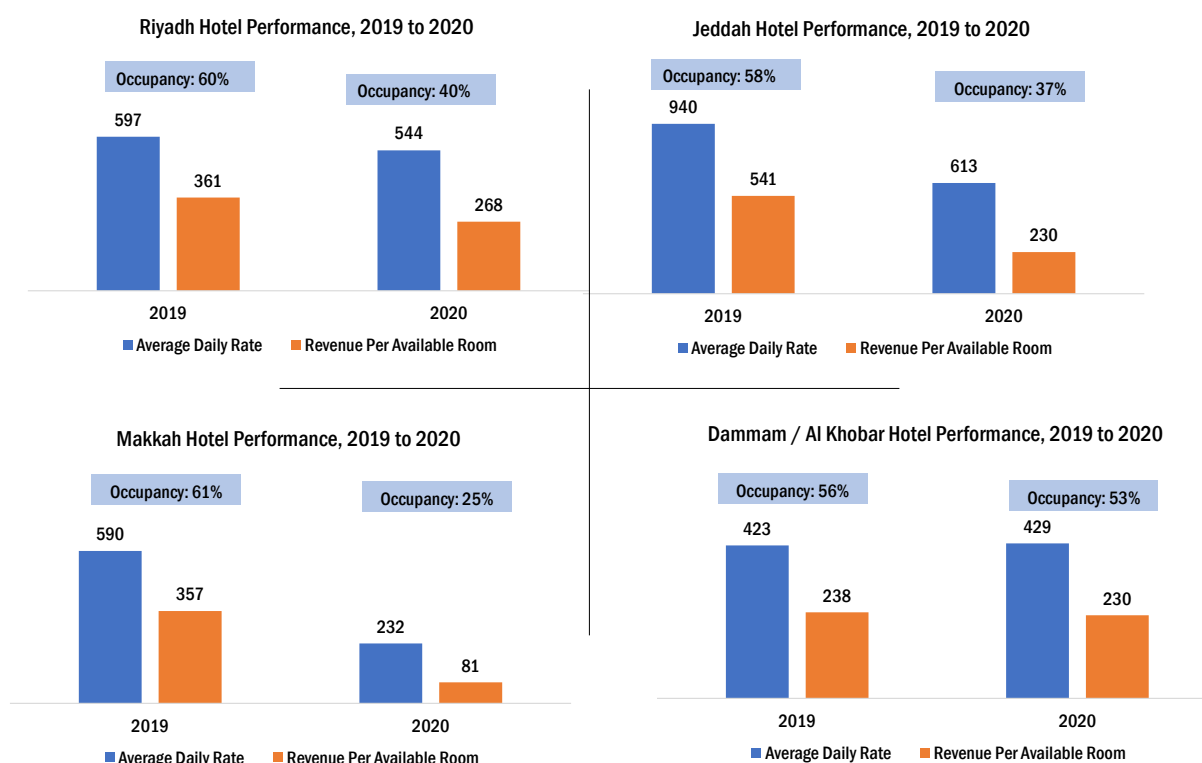
⁸ <https://wttc.org/Research/Economic-Impact>.

Ministry of Tourism in Saudi Arabia anticipated 35–45 percent contraction in its tourism sector following the suspension of tourism activities to prevent the spread of Covid-19 in the country.⁹

Therefore, the country's pilgrimage-related tourism activities, which account for a large share in its overall tourism-related revenue, were significantly impacted until the country reopened its borders for international tourists around September 2020. The tourism sector registered a recovery following a reformed visa application process and continuation of Haj and Umrah-based activities upon resumption of tourist activities in late 2020.¹⁰

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FIGURE 4. HOTEL PERFORMANCE OF SELECTED SAUDI CITIES, 2019 AND 2020



Source: KSA Hospitality Market Overview and STR Global.^{12, 13}

⁹ <https://www.reuters.com/article/health-coronavirus-saudi-tourism/saudi-tourism-sector-could-see-35-45-decline-this-year-on-coronavirus-idUSL5N2CC70A>.

¹⁰ <https://english.alarabiya.net/business/economy/2020/09/03/Saudi-Arabia-s-tourism-sector-is-recovering-from-coronavirus-says-finance-minister>.

¹¹ <https://www.reuters.com/article/us-saudi-tourism/saudi-arabia-plans-to-resume-tourist-visas-by-early-2021-minister-idUSKBN26H100>.

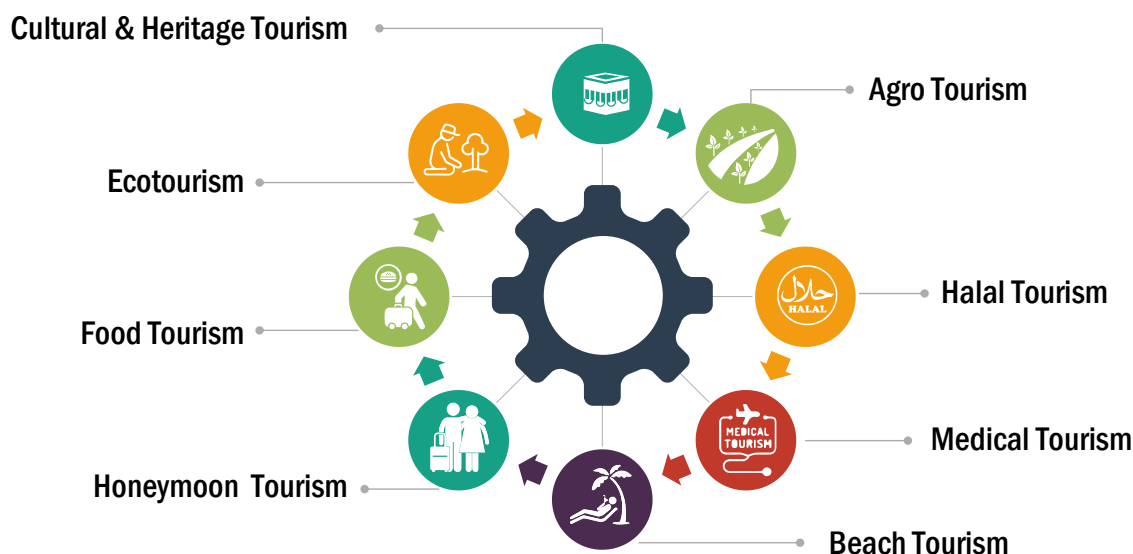
¹² https://www2.deloitte.com/content/dam/Deloitte/xe/Documents/tax/me_ksa-hospitality-market_an-overview-2020.pdf.

¹³ <https://www.consultancy-me.com/news/3685/how-saudi-arabias-hotel-industry-performed-during-corona>.

3. TOURISM SECTOR

3.1. TYPES OF TOURISM

FIGURE 5. SOME OF THE POPULAR TYPES OF TOURISM GLOBALLY



Source: Gulf Research Center Analysis.

The type of tourism differs from country to country; hence, there is no credible standardized set of tourism categories. Adventure tourism, healthcare & wellness tourism, eco-tourism, religious & pilgrimage tourism, cultural tourism, and recreational tourism are among the common types of tourism.^{14,15,16} However, selected countries or geographic regions, owing to their unique cultural, social, and legal circumstances, tend to offer a niche collection of tourist activities such as rural tourism, geotourism, gastronomy tourism, and art tourism.^{17,18}

¹⁴ <https://wheretheroadforks.com/35-types-of-tourism/>.

¹⁵ <https://www.theholidaystory.com/different-types-of-tourism/>.

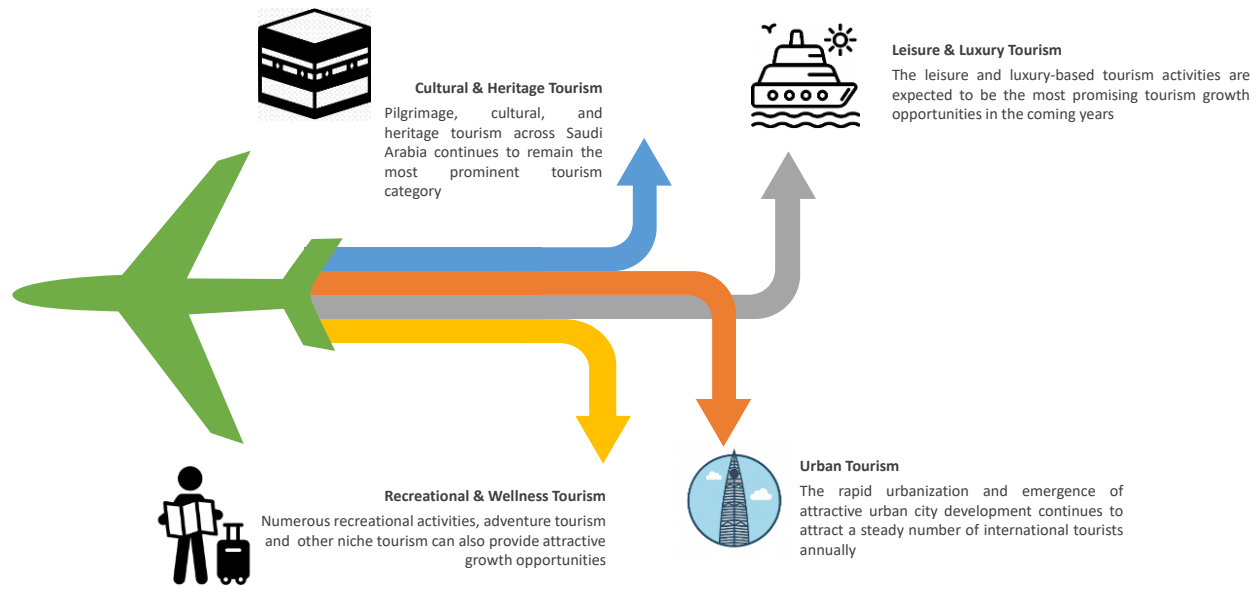
¹⁶ <https://colorwhistle.com/types-of-tourism/>.

¹⁷ <https://www.tourismtattler.com/articles/niche-tourism/31-niche-tourism-groups/>.

¹⁸ <https://www.trendhunter.com/slideshow/niche-tourism>.

At present, pilgrimage-based tourism is the most prominent and popular type of tourism in Saudi Arabia owing to the country's rich cultural and heritage positioning in the Islamic region. Moreover, the presence of a significant number of cultural and heritage sites, monuments, and architecture provides a boost to the country's overall cultural and heritage tourism.¹⁹ In addition, the Kingdom is witnessing a massive rise in investment in the tourism industry with a growing number of tourists seeking leisure and luxury tourism, urban tourism, as well as recreational activity-based tourism.^{20 21}

FIGURE 6. POPULAR TOURISM TYPES IN SAUDI ARABIA



Source: Gulf Research Center Analysis.

¹⁹ <https://www.leaders-mena.com/religious-tourism-in-saudi-arabia/#:~:text=Therefore%2C%20religious%20tourism%20in%20Saudi,religious%20tourism%20in%20Saudi%20Arabia.>

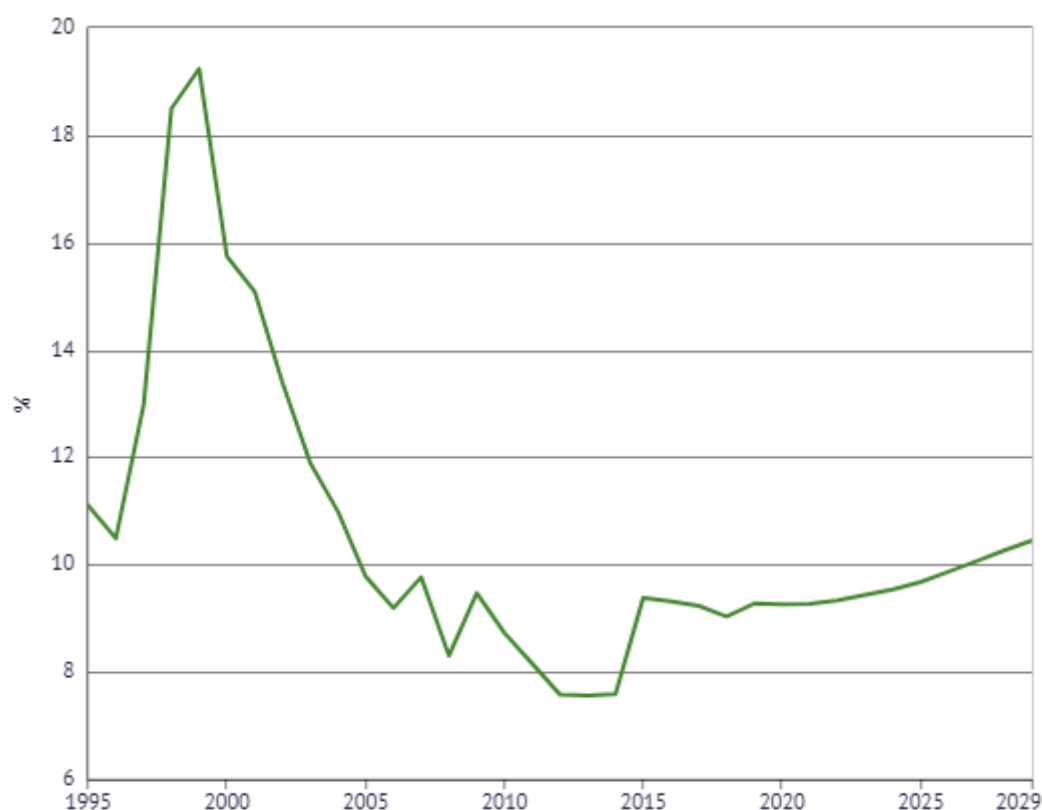
²⁰ <https://www.travelweekly.com/Arnie-Weissmann/Saudi-Arabia-Leisure-tourists-enter-the-Kingdom.>

²¹ [https://www.hospitalitynewsmag.com/en/event/usd-810b-worth-of-projects-to-help-saudi-leisure-tourism-sector-grow-to-new-heights-in-the-next-10-years/.](https://www.hospitalitynewsmag.com/en/event/usd-810b-worth-of-projects-to-help-saudi-leisure-tourism-sector-grow-to-new-heights-in-the-next-10-years/)

3.2. ECONOMIC CONTRIBUTION

At present, tourism is one of the most pivotal sectors apart from the oil sector in Saudi Arabia. According to the World Travel & Tourism Council (WTTC), the tourism sector was the fastest and best performing sector in 2019 across Saudi Arabia. Moreover, the sector witnessed an overall growth of 14 percent in 2019 and accounted for 9.5 percent of the country's GDP with 1.45 million job offers in the country.²² Also, according to one of the previous projections of WTTC in 2015, the tourism sector directly contributed SAR59.6 billion (US\$15.8 billion) amounting to 2.5 percent of the total GDP of Saudi Arabia.²³

FIGURE 7. CONTRIBUTION OF TRAVEL & TOURISM TO GDP (AS A PERCENTAGE OF GDP) – SAUDI ARABIA



Source: KNOEMA and WTTC²⁴

²² <https://wttc.org/News-Article/WTTC-implores-G20-leaders-to-save-the-Travel-Tourism-sector-and-recognizes-the-Kingdom-of-Saudi-Arabia-s-leadership>.

²³ <https://oxfordbusinessgroup.com/overview/rising-star-sector-gains-importance-face-subdued-hydrocarbons-earnings#:~:text=According%20to%20the%20latest%20figures,or%202.5%25%20of%20total%20GDP.&text=When%20the%20sector's%20indirect%20input,8%25%20of%20GDP%20in%202015.>

²⁴ <https://knoema.com/WTTC2019/world-travel-and-tourism-council-data>

TABLE 1. HISTORICAL TOURIST STATISTICS, PERCENTAGE VALUE ADD IN GNP AND ESTIMATED INCOME PER TOURIST, 2019-2004

Year	Number of tourists (in millions)	Receipts (in US\$ Bn)	% of GNP	Income per tourist (in USD)
2019	20.29	19.85	2.5%	978
2018	17.57	16.98	2.2%	966
2017	18.61	15.02	2.2%	807
2016	20.89	13.44	2.1%	643
2015	21.83	11.18	1.7%	512
2014	23.01	9.26	1.2%	403
2013	19.93	8.69	1.2%	436
2012	19.85	8.40	1.1%	423
2011	15.78	9.32	1.4%	591
2010	13.03	7.54	1.4%	579
2009	13.32	6.74	1.6%	506
2008	17.72	6.78	1.3%	382
2007	13.48	6.91	1.7%	512
2006	10.96	4.77	1.3%	435
2005	10.42	4.63	1.4%	444
2004	11.08	6.49	2.5%	585

Source: World Tourism Organization and World Data Info.²⁵

²⁵ <https://www.worlddata.info/asia/saudi-arabia/tourism.php>.

TABLE 2. DIRECT JOBS IN THE TOURISM SECTOR, 2005 TO 2018

Years	Accommodation	Restaurants and Cafés	Travel & Tourism Agencies	Traveller Transportation Services*	Entertainment Services	Total
2005	54,900	1,87,500	8,400	34,800	—	2,85,600
2006	72,520	1,93,020	9,389	40,681	12,810	3,28,420
2007	63,359	2,00,509	7,049	95,758	26,789	3,93,464
2008	70,099	2,31,987	8,689	1,00,509	34,471	4,45,755
2009	85,588	2,43,352	10,714	1,00,115	39,210	4,78,979
2010	83,906	3,06,275	11,929	1,59,982	67,218	6,29,310
2011	90,020	3,22,603	12,817	1,75,245	69,343	6,70,028
2012	1,03,798	3,48,730	13,829	1,45,395	86,360	6,98,112
2013	1,10,236	3,76,202	35,278	1,46,407	1,28,947	7,97,070
2014	1,15,086	3,92,755	36,830	1,52,849	1,34,621	8,32,141
2015	1,22,107	4,16,713	39,077	1,62,173	1,42,833	8,82,903
2016	1,74,344	2,77,369	16,871	84,431	16,166	5,69,181
2017	1,14,957	2,89,491	25,140	88,275	12,966	5,30,829
2018**	1,18,941	2,98,487	25,560	90,939	13,359	5,47,286

Source: Ministry of Tourism, Saudi Arabia.²⁶

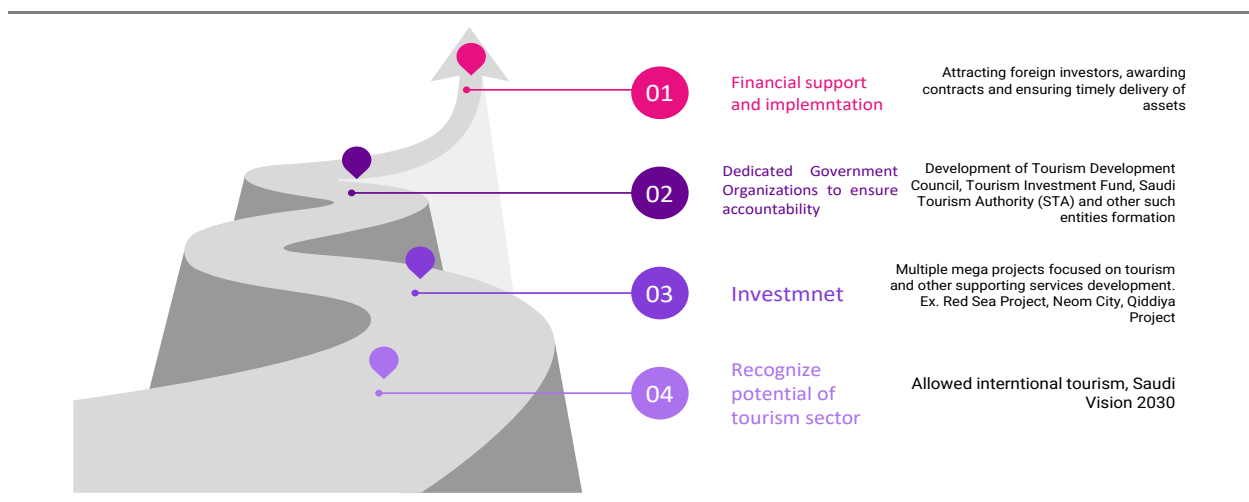
NOTE: * Including airlines, railways, public transport companies and car rental companies, excluding taxi drivers.

NOTE: **Provisional.

²⁶ <https://mt.gov.sa/en/Pages/default.aspx>.

3.2.1. Government Initiatives and Programs

FIGURE 8. TOURISM SECTOR ROADMAP IN SAUDI ARABIA



Source: Ministry of Tourism, Saudi Arabia, and press releases.

In June 2020, Saudi Arabia's Ministry of Tourism²⁷ made an initial investment of US\$4 billion for tourism growth. In partnership with private and investment banks, the Tourism Development Fund will introduce equity and debt investment funds to grow the tourism sector.

Saudi Arabia's Ministry of Tourism released over 400,000 tourist visas in the first six months under a new tourist visa scheme introduced in September 2019.²⁸

Increase the tourism sector's contribution towards GDP from 3 percent in 2020 to over 10 percent by 2030.²⁹

The National Tourism Monitoring Platform was established to track the performance of accommodation facilities and tourism movement in Saudi Arabia as well as to serve as a repository for tourism-related statistics and data.³⁰

Below are some of the initiatives by Saudi Arabia

Development of NEOM Project

Development of the Red Sea Project

Development of Qiddiya Project

²⁷ <https://www.arabnews.com/node/1693306/saudi-arabia>.

²⁸ <https://www.arabnews.com/node/1777201/business-economy>.

²⁹

https://www.my.gov.sa/wps/portal/snp/aboutksa/tourism!/ut/p/z0/04_Sj9CPykssy0xPLMnMz0vMAfljo8zjQx93d0NDYz8DczCLA0CQ4KCg1zMfL2CA4z0g1Pz9AuyHRUBqgX_Gw!!/.

³⁰

https://www.my.gov.sa/wps/portal/snp/aboutksa/tourism!/ut/p/z0/04_Sj9CPykssy0xPLMnMz0vMAfljo8zjQx93d0NDYz8DczCLA0CQ4KCg1zMfL2CA4z0g1Pz9AuyHRUBqgX_Gw!!/.

3.3. TOURIST FOOTFALL AND STATISTICS

Presently, the Saudi tourism sector is dominated by cultural and heritage tourism owing to the considerable number of international pilgrims who arrive for Haj and Umrah. However, the recent government push for promoting tourism as part of economic diversification efforts has had a profound positive impact on overall international tourist footfall in the country. For instance, the country registered a growth of 14 percent in 2019 for travel and tourism. Moreover, leisure spending accounted for 96 percent as compared to 4 percent for business travel. However, domestic spending held only a 32 percent share (international spending 68 percent) in the overall tourism sector in 2019.³¹

TABLE 3. ESTIMATED TOURIST ACTIVITIES IN THE KINGDOM – 2005 TO 2019

Years	Domestic Tourism			Inbound Tourism		
	Trips (Million)	Nights (Million)	Expenditure* (Billion Riyals)	Trips (Million)	Nights (Million)	Expenditure* (Billion Riyals)
2005	30.2	196.7	31.9	8	91.4	20.3
2006	27.1	183.5	32.3	8.6	112.4	18.6
2007	28.6	188	31.8	11.5	152	19.6
2008	28.8	199	37.6	14.7	209	36.5
2009	32	198	33	11	157	29
2010	23	117	31	11	181	26
2011	26	122	38	14	272	44
2012	21	103	38	16	319	55
2013	24	99	23	16	304	51
2014	37.1	165	43	18.3	355	53
2015	46.5	240.6	48	18	193.1	82.5
2016	45	235.8	55.4	18	187.2	93.4
2017	43.8	224.2	46.1	16.1	171	97.8
2018	42.6	232	48	15.3	173.9	93.5
2019*	48	249	53	16.5	188	101

Source: Ministry of Tourism, Saudi Arabia.³²

NOTE: * Excluding international transportation expenditure.

TABLE 4. PROVISIONAL ESTIMATED TOURIST ACTIVITIES IN THE KINGDOM – 2005 TO 2019**

Years	Outbound Tourism	Internal Tourism (Domestic + Inbound)
-------	------------------	---------------------------------------

³¹ <https://wttc.org/Research/Economic-Impact>.

³² <https://mt.gov.sa/en/Pages/default.aspx>.

	Trips (Million)	Nights (Million)	Expenditure* (Billion Riyals)	Trips (Million)	Nights (Million)	Expenditure* (Billion Riyals)
2005	4.3	56	14.1	38.2	288.1	52.2
2006	20	25.9	6.8	35.7	295.6	50.9
2007	4.1	45.4	18.3	40.1	341	51.4
2008	4	42.2	19.7	43.6	407	74.2
2009	6	55	28	43	355	63
2010	18	218	56	34	298	57
2011	15	200	61	40	394	82
2012	19	121	63	37	422	101
2013	19	177	74	40	403	74
2014	20	174	78	55.4	520	96
2015	21	275.2	84.1	64.5	433.7	130.5
2016	21.2	340.4	97.3	63.1	423	148.9
2017	21.1	328.6	78	59.9	395.2	143.9
2018	21.8	339.1	75.3	57.9	405.9	141.5
2019*	20.6	322.6	70	64.5	437	154

Source: Ministry of Tourism, Saudi Arabia.³³

NOTE: * Excluding international transportation expenditure.

NOTE: **Provisional.

³³ <https://mt.gov.sa/en/Pages/default.aspx>

TABLE 5. NUMBER OF DOMESTIC TOURISTS IN SAUDI ARABIA BY MAIN DESTINATION CITIES, 2005 TO 2019

Years	Riyadh	Makkah	Madinah	Al-Qassim	Eastern	Asir	Tabouk	Ha'il	Northern Borders	Jazan	Najran	Al-Bahah	Al-Jawf	Total
2005	4,666	1,1776	2,761	521	3,979	2,429	644	675	418	1,013	243	703	408	30,236
2006	3,892	10,913	2,275	386	3,604	2,342	723	592	340	705	202	730	376	27,080
2007	3,372	10,929	3,675	317	3,288	3,249	660	408	270	626	84	1,505	166	28,549
2008	3,538	10,804	3,489	477	3,803	2,543	929	603	244	797	140	1,243	164	28,776
2009	4,104	12,776	2,882	722	4,227	3,782	722	864	124	518	280	880	132	32,014
2010	2,290	9,966	2,687	377	2,928	1,625	577	368	121	675	241	830	96	22,780
2011	1,913	10,132	3,096	294	2,855	1,339	623	277	112	897	133	677	124	22,473
2012	2,027	6,326	4,145	321	2,067	1,212	1,344	253	62	647	71	527	40	19,039
2013	3,157	9,780	2,921	931	3,011	1,450	719	406	275	621	177	291	43	23,782
2014	4,317	13,845	5,927	942	4,701	2,826	1,168	457	240	1,006	271	1,217	184	37,101
2015	4,953	16,565	7,361	947	5,285	5,092	1,164	672	399	2,076	432	1,041	464	46,451
2016	4,468	16,807	7,879	734	3,851	4,988	1,150	455	276	2,352	527	1,223	326	45,036
2017	4,105	16,911	7,236	908	3,567	5,322	1,228	465	202	1,885	600	1,106	284	43,821
2018	4,306	15,522	6,552	1,072	4,093	4,923	1,246	791	263	2,238	622	1,235	393	43,255
2019*	4,547	17,083	7,634	1,311	4,295	5,159	1,452	885	335	2,215	557	1,559	469	47,500

Source: Ministry of Tourism, Saudi Arabia.³⁴

NOTE: **Provisional.

³⁴ <https://mt.gov.sa/en/Pages/default.aspx>.

TABLE 6. INBOUND TOURIST TRIPS BY COUNTRIES, 2005 TO 2019

Years	GCC Countries	Middle East (excluding GCC countries)	South Asia	Euro	Africa	East Asia and Pacific	Americas	Total
2005	2,352	2,423	1,719	397	573	510	58	8,032
2006	3,594	1,922	1,469	485	489	595	66	8,620
2007	3,869	3,575	2,014	657	602	579	236	11,531
2008	5,731	3,603	1,967	1,185	1,033	941	297	14,757
2009	6,625	2,052	1,094	445	261	363	57	10,897
2010	6,306	1,939	1,330	367	369	486	54	10,850
2011	6,762	4,336	3,858	722	790	844	182	17,494
2012	4,901	3,162	2,903	982	1,139	1,017	172	14,276
2013	5,485	4,123	2,892	1,126	769	1,197	181	15,772
2014	6,551	4,593	3,685	1,148	848	1,177	259	18,261
2015	6,699	3,237	3,616	1,381	1,139	1,608	316	17,996
2016	4,722	3,008	4,336	1,508	1,518	1,988	965	18,044
2017	3,781	2,258	4,723	1,149	1,487	2,042	669	16,109
2018	3,611	1,956	4,224	1,238	1,407	1,981	909	15,326
2019*	6,211	2,418	2,761	1,208	1,274	1,825	788	16,485

Source: Ministry of Tourism, Saudi Arabia.³⁵

NOTE: **Provisional.

³⁵ <https://mt.gov.sa/en/Pages/default.aspx>.

3.4. CAPITAL INVESTMENTS AND MAJOR INVESTORS

Saudi Arabia's Tourism Development Fund has reached an agreement with two local banks, Riyad Bank and Banque Saudi Fransi, to provide SAR160 billion (US\$42.7 billion) to tourism projects in the Kingdom.³⁶

By 2023, the Saudi Tourism Ministry aims to raise SAR220 billion (US\$58.5 billion) in new investments and more than SAR500 billion (US\$133 billion) by 2030.³⁷

With a total amount of SAR9 billion, the Kingdom has initiated an initiative to fund Saudis' wages in the private sector. The tourism industry has also benefited from this assistance.³⁸

Several agreements and MOUs have been signed by Saudi Arabian General Investment Authority (SAGIA) with top companies. Among them:³⁹

- Triple 5 (SAR37.5 billion) plans to grow mixed-use leisure, hospitality and entertainment destinations.
- Majid Al Futtaim (SAR20 billion) will construct Saudi Arabia's largest indoor ski slope and snow park as well as a mixed-use shopping and entertainment destination.
- FTG Development is constructing a hotel, water park, and retail development in Qiddiya as well as a hotel in NEOM, for a total investment of SAR5.5 billion.
- The Nenking Group and Ajlan Brothers have invested SAR1.5 billion in a landmark lifestyle destination in Riyadh.
- Kerten Hospitality (SAR270 million) plans to construct mixed-use projects in Saudi Arabia.

³⁶ <https://www.arabnews.com/node/1741311/saudi-arabia>.

³⁷ http://www.tradearabia.com/news/TTN_376669.html#:~:text=The%20Saudi%20tourism%20ministry%20is,by%202030%2C%20said%20a%20report.

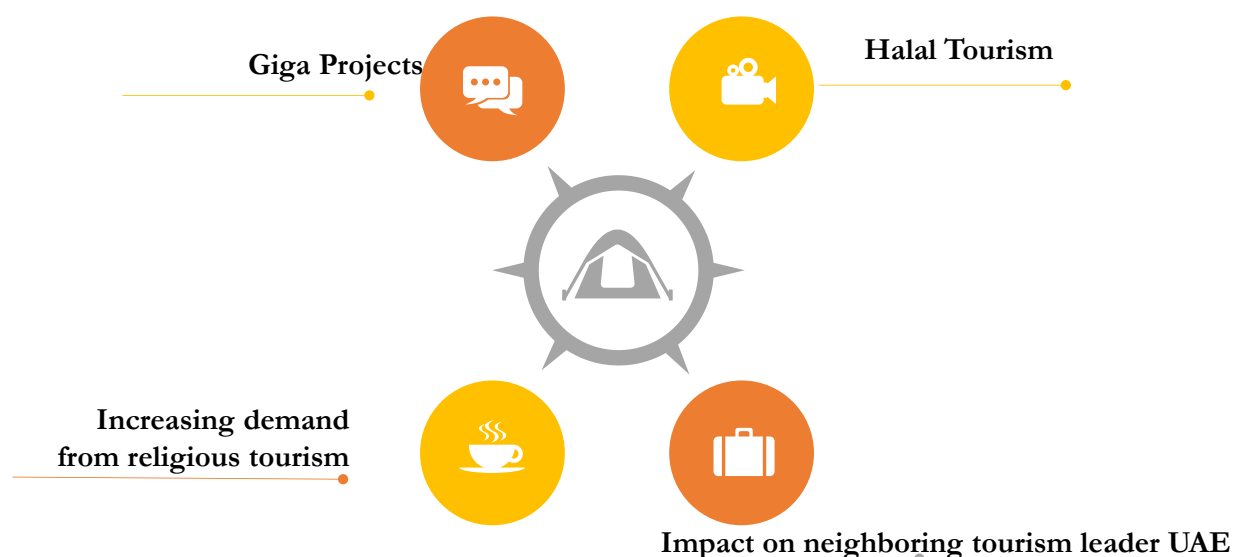
³⁸ <https://mt.gov.sa/en/TourismInvestment/Pages/TourismInvestment.aspx>.

³⁹ <https://blooloop.com/water-parks/news/saudi-arabia-invest-tourism/>.

4. TOURISM INDUSTRY DYNAMICS

4.1. KEY INDUSTRY DRIVERS

FIGURE 9. KEY INDUSTRY DRIVERS OF TOURISM SECTOR IN SAUDI ARABIA



Source: EHL Insights.⁴⁰

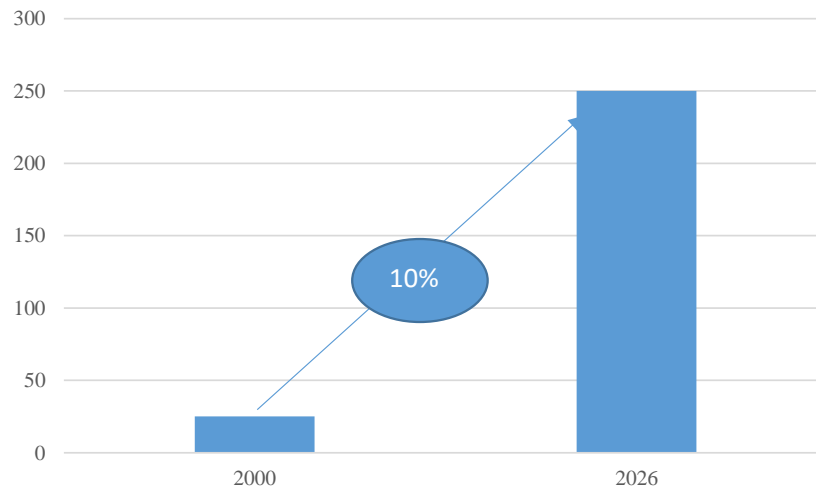
Giga Projects:

- Amaala, also called the "Middle East Riviera," with 2,500 luxury hotel rooms is expected to generate more than 22,000 jobs by its completion in 2028.
- An investment of US\$500 billion in NEOM, a futuristic city designed to be sustainable.
- US\$10 billion has been invested in an entertainment project called Qiddiya Project.
- The Red Sea Project will have 90 islands for people to visit. The country is also investing in projects that promote Saudi heritage.
- Increasing demand for cultural and heritage tourism.
- The Vision 2030 project aims to increase international religious visitors for Umrah up to 30 million by 2030. This would mean increasing the number of religious visas and an influx of tourists.

⁴⁰ <https://hospitalityinsights.ehl.edu/saudi-arabia-tourism>.

- Jeddah — transit city for pilgrimages to the Islamic holy cities of Makkah and Madinah — is expecting an additional 1,800 and 2,000 hotel rooms in 2020 and 2021, respectively, with the creation of new luxury properties such as the Jeddah Marriott or the Shangri-la Jeddah Hotel.
- Furthermore, the religious visas are now convertible into non-religious foreign tourist visas, which will encourage people to visit the country's developing tourist destinations.⁴¹
- Artificial Intelligence: Muslim travelers will be able to develop personalized itineraries and interactions through chatbots and Intelligent Personal Assistants (IPAs); thus, artificial intelligence is playing a crucial role in the growth of the tourism sector.
- Augmented Reality: A traveler looking for halal-friendly restaurants will be able to wave their phone in street view and instantly retrieve information of the restaurant. In addition, specialized itineraries using AR can help travelers retrieve historical information regarding the lost Islamic heritage landmarks.
- Hotels are learning to adapt by connecting guests with Ramadan services, providing Halal food, as well as accommodating other Islamic requirements. The process for Muslims to get a visa to visit Makkah is becoming easier.
- Certain signature elements of the Islamic faith such as protecting the environment will be incorporated in the development of tourism. Hence, it is expected that environmental justice will be reflected as mandated in the United Nations Sustainable Development Goals (SDG).

⁴¹ <https://hospitalityinsights.ehl.edu/saudi-arabia-tourism#:~:text=In%20parallel%20to%20those%20leisure,visas%20and%20therefore%20the%20demand.>

FIGURE 10. INCREASE IN HALAL TOURISM 2000 VS 2026

Source: EHL Insights, Could Saudi Arabia Become the Next Tourism Leader in the Middle East, 2021.

4.2. KEY INDUSTRY CHALLENGES AND SUSTAINABILITY ISSUES

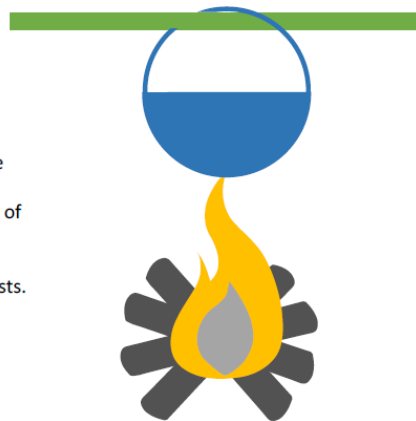
FIGURE 11. SOME OF THE KEY INDUSTRY CHALLENGES FOR THE TOURISM SECTOR IN SAUDI ARABIA

Country-scale initiative to train tourism professionals

According to the head of one forthcoming mega-project, the tourism sector faces huge challenges to train an estimated one million staff needed to operate the tourism sector. (1)

Infrastructure:

Population dense cities such as Jeddah, Riyadh, and Dammam in Saudi Arabia are well-connected and infrastructure improvements continue in the holy cities of Makkah and Madinah; however, other parts of Saudi Arabia do not have the necessary infrastructure to support tourists.



Impact of tourism on quality of life of residents

After a discussion on Muslim travelers at an OIC meeting, thoughts were expressed relating to sustainable tourism and possibly placing a cap on the number of visitors who could come to Saudi Arabia - in order to avoid over-tourism. (2)

Pandemic Scenario

According to Saudi Minister of Tourism, Ahmed Al-Khateeb, the travel sector is expected to lose up to 160 million jobs out of 330 million existing jobs by the end of 2022.

Source: Saudi Vision 2030 and Ministry of Tourism Saudi Arabia.

According to the head of one of the forthcoming mega-projects, Saudi Arabia has opened its doors to tourists, but is expected to face a huge challenge in training the large number of staff required to operate the tourism sector.

The Red Sea project spanning nearby deserts and mountains is to be built across an archipelago of 90 islands and will be operational for business by 2022. John Pagano, CEO of a major investment forum in Riyadh, stated in a media interview, “The challenges are going to be related to investing in our people, training the workforce that we need for the future.”

Other reports also suggest that connecting infrastructure for tourism and quality of residents’ life are among the challenges to be worked on.

4.3. KEY INDUSTRY OPPORTUNITIES

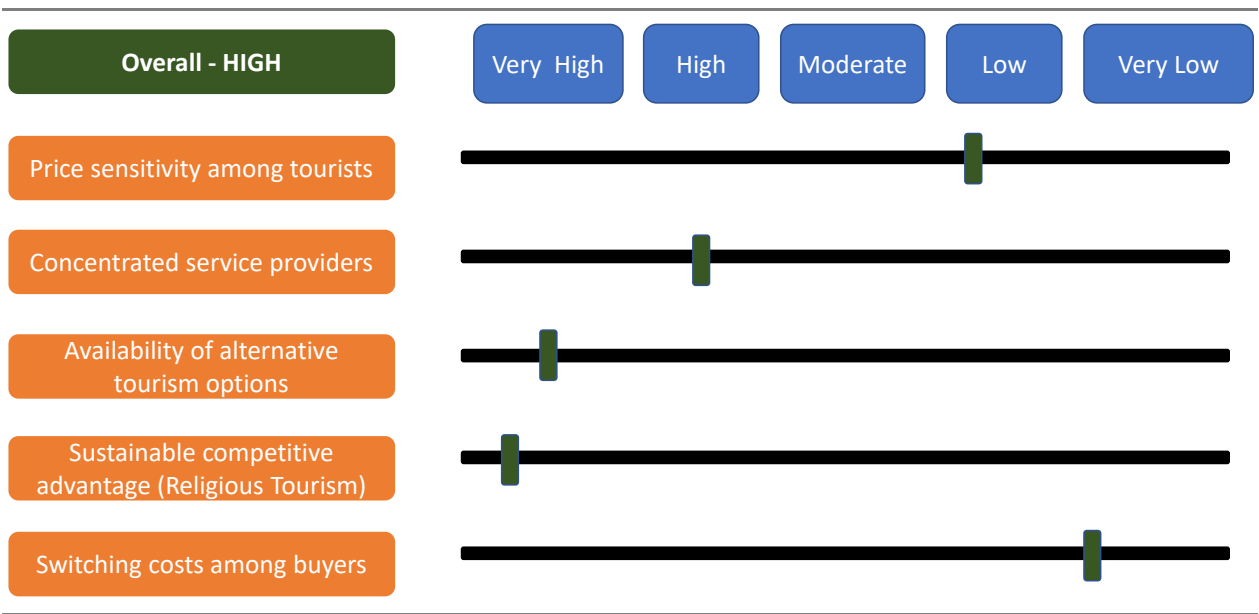
FIGURE 12. SOME OF THE KEY INDUSTRY OPPORTUNITIES FOR THE TOURISM SECTOR IN SAUDI ARABIA



Source: Saudi Vision 2030 and Ministry of Tourism Saudi Arabia.

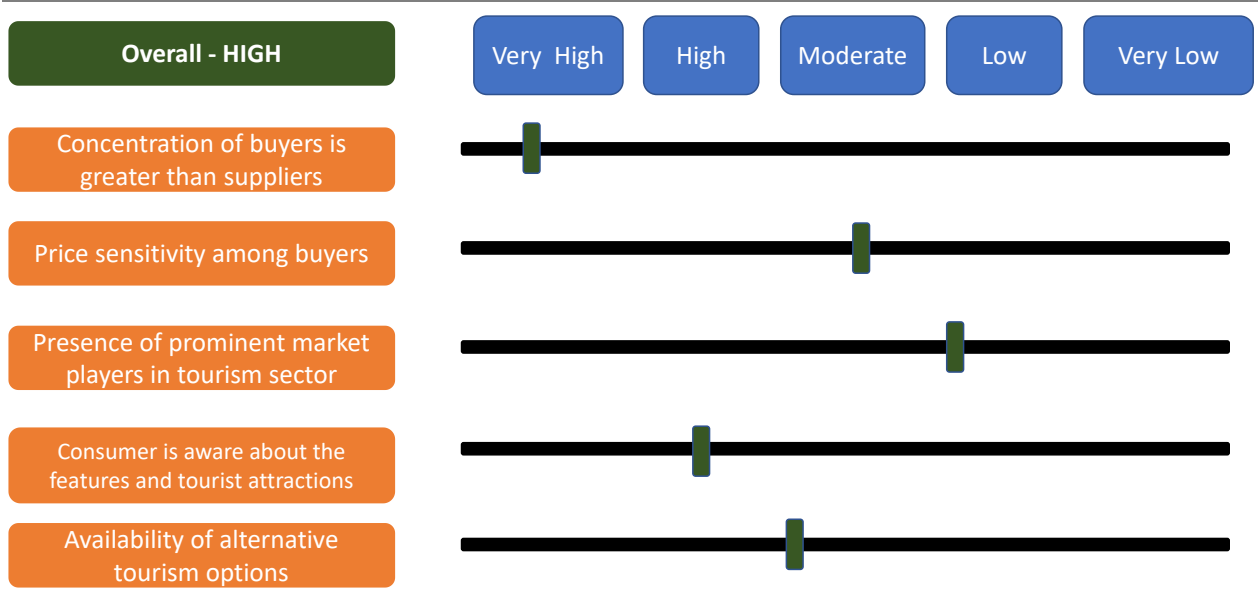
4.4. PORTER’S FIVE FORCES ANALYSIS

FIGURE 13. BARGAINING POWER OF SUPPLIERS



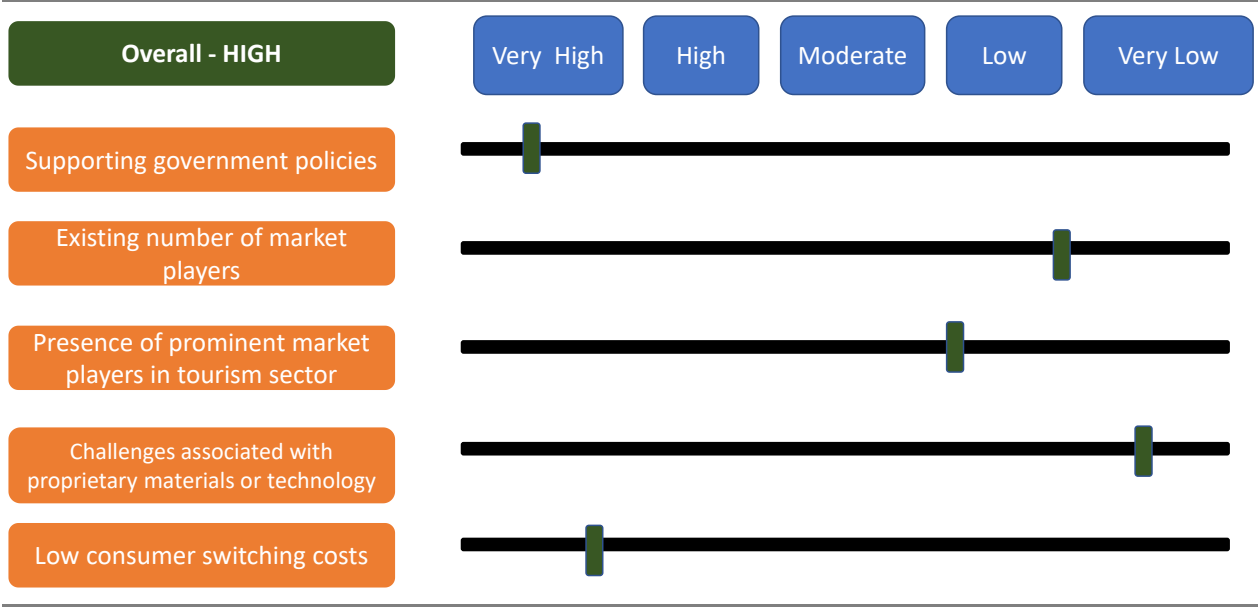
Source: Gulf Research Center Analysis.

FIGURE 14. BARGAINING POWER OF BUYERS



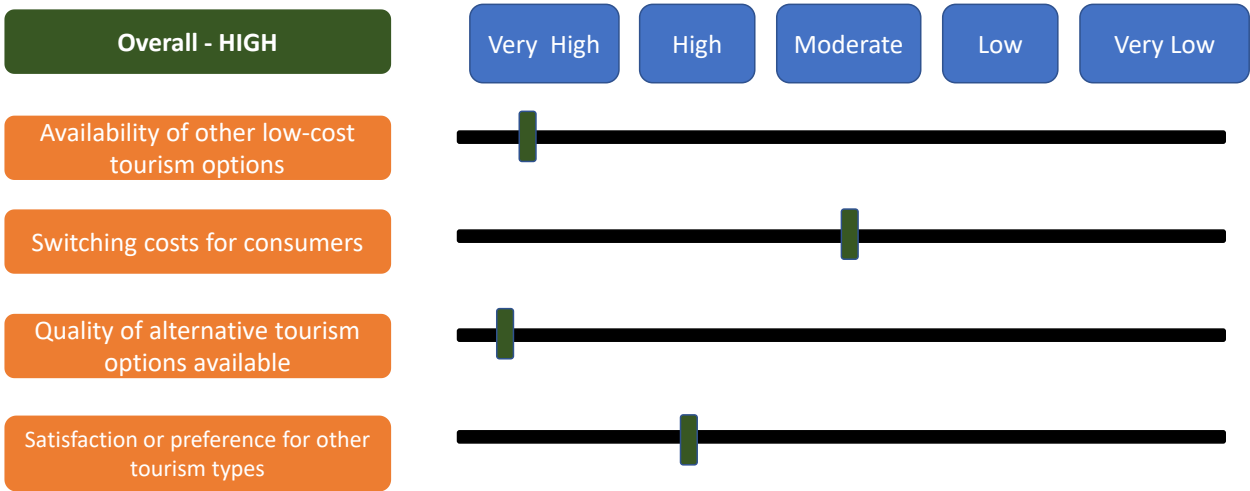
Source: Gulf Research Center Analysis.

FIGURE 15. THREAT OF NEW ENTRANTS



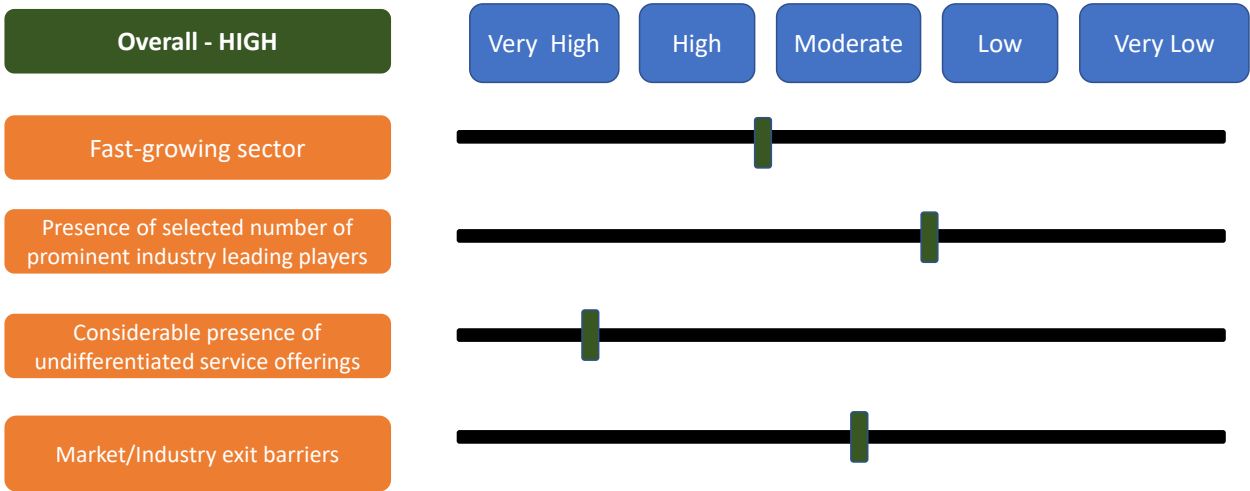
Source: Gulf Research Center Analysis.

FIGURE 16. THREAT FROM SUBSTITUTES

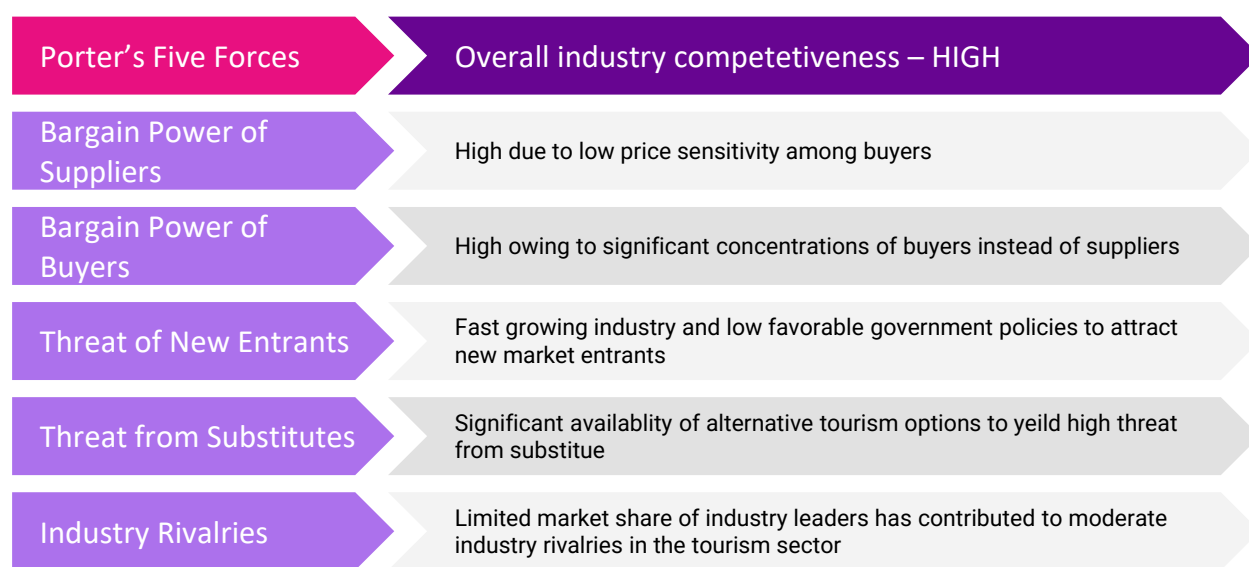


Source: Gulf Research Center Analysis.

FIGURE 17. INDUSTRY RIVALRIES



Source: Gulf Research Center Analysis.

FIGURE 18. OVERVIEW OF PORTER'S ANALYSIS

Source: Gulf Research Center Analysis.

4.5. POLITICAL, ECONOMIC, SOCIAL, TECHNOLOGICAL, LEGAL (REGULATORY) AND ENVIRONMENTAL FACTOR ANALYSIS

FIGURE 19. PESTLE ANALYSIS

Political	Economic	Social	Technological	Legal	Environmental
<ul style="list-style-type: none"> Country introduced a new upon-arrival tourism visa to nationals of nearly 50 countries 	<ul style="list-style-type: none"> Saudi Vision 2030 Mega industrial projects Rising disposable income 	<ul style="list-style-type: none"> Women in the workforce 	<ul style="list-style-type: none"> Open data in tourism 	<ul style="list-style-type: none"> Transparent legislative enactments and regulatory frameworks governing the development and operation of tourism facilities and services 	<ul style="list-style-type: none"> Air pollution

Source: Gulf Research Center Analysis.

5. CURRENT INDUSTRY LANDSCAPE

5.1. POPULAR TOURISM TRENDS AND LOCATIONS

FIGURE 20. SOME RECENT TOURISM TRENDS IN SAUDI ARABIA



Source: Saudi Vision 2030 and Ministry of Tourism Saudi Arabia.

According to the Saudi Vision 2030 economic diversification plan, the tourism sector is anticipated to witness robust infrastructure development along with a few attractive growth opportunities in the coming years. At present, the median age of the country's population is estimated at around 29.9 years. This, along with high purchasing power parity and disposable income per capita, will continue to propel the growth of domestic tourism within the country.⁴² As per WTTC findings, leisure tourism spending in the country witnessed an increase of 12.55 percent from US\$2.9 billion to US\$26.4 billion in 2018. Further, the country's recent decision to simplify and streamline the tourism visa procedure is poised to have long-term impact in attracting international tourists traveling for the first time to the country.⁴³ Saudi Arabia is expected to invest ~US\$180 billion across its mega tourism and leisure projects such as the Red City, NEOM City, and Qiddiya.⁴⁴

⁴² https://skift.com/wp-content/uploads/2019/11/Decoding-the-Saudi-Arabian-Travel-and-Tourism-Industry.pdf?utm_campaign=Seera%20Group%202019&utm_medium=email&_hsenc=p2ANqtz-8cjUhcMlxfyohj2N0dcq07dbAddGOJOyt6GZdVhcUr_SEW2LX0fLoUpN52DWH6rcV8yhZYAjJpJRLulbeP7PaX5kuiKVyK3izl8jAC9eTLFQasMM&_hsmi=79056329&utm_content=79056329&utm_source=hs_automation&hsCtaTracking=d1397aa7-685a-4599-a94e-492bc191ba56%7C1e7db249-cca5-4f19-8361-30aea7e1dc14.

⁴³ <https://hospitalityinsights.ehl.edu/saudi-arabia-tourism>.

⁴⁴ http://tradedarabia.com/news/CONS_372738.html.

The Kingdom continues to witness all-round progress in its tourism sector in terms of investment, tourism standards, and participation of prominent hospitality leaders of the world, and this, in turn, is powering the growth of revenue through the sector. In 2019, the hotel occupancy rate in three cities—Riyadh, Makkah, and Dammam—increased notably.⁴⁵ On the other hand, Jeddah accounted for the highest average revenue collected from a city per day globally in 2019.⁴⁶

FIGURE 21. LIST OF SOME POPULAR TOURISM LOCATIONS IN SAUDI ARABIA



Source: Open Secondary Sources.⁴⁷

Although tourism types such as leisure and luxury, recreational, and entertainment are gaining traction in Saudi tourism, cultural and heritage tourism continues to dominate the country's overall tourism scene. The Makkah and Madinah regions in Saudi Arabia have consistently been the most visited destinations in the past decades due to the performance of Haj and Umrah rituals. Quba Mosque (Madinah), the Grand Mosque (Makkah), the Prophet's Mosque (Makkah), and the Holy Kabaah (Makkah) are among the most visited religious locations in the country.⁴⁸

⁴⁵ <https://www.thehotelshowsaudioarabia.com/media-hub/industry-news/2019/november/saudi-arabia-hospitality-market-deloitte-predictions/>.

⁴⁶ <https://hospitalityinsights.ehl.edu/saudi-arabia-tourism>.

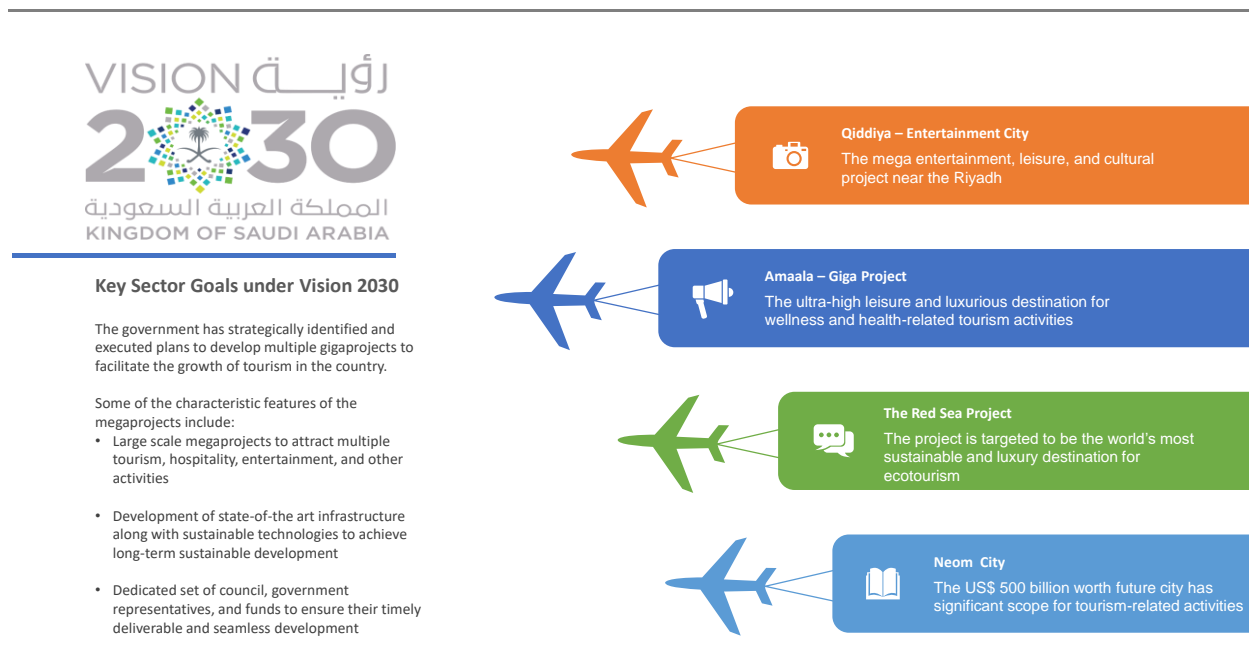
⁴⁷ <https://www.myholidays.com/blog/top-places-to-visit-in-saudi-arabia-for-an-exciting-vacation/>.

⁴⁸ <https://www.leaders-mena.com/religious-tourism-in-saudi-arabia/#:~:text=Therefore%2C%20religious%20tourism%20in%20Saudi,religious%20tourism%20in%20Saudi%20Arabia>.

Apart from cultural and heritage tourism, the country is witnessing a surge in the number of international tourists visiting UNESCO's registered heritage sites and monuments, and there is an emerging active city life especially in Riyadh, Jeddah, and Dammam.⁴⁹

5.2. UPCOMING TOURISM PROJECTS

FIGURE 22. SOME UPCOMING GIGA PROJECTS RELATED TO TOURISM IN SAUDI ARABIA



Source: Open Secondary Sources⁵⁰ and Gulf Research Center Analysis.

At present, Saudi Arabia has multiple ongoing mega infrastructure projects to boost the tourism sector as per Vision 2030 and seeks to increase the tourism sector's contribution to GDP by almost 10 percent by 2030. As a result, several small, medium, and large tourism-related projects are part of the ongoing mega infrastructure projects. A few notable projects that are expected to play a vital role in powering tourism in the country are as follows:

- **The Red Sea Project:** The world's most luxurious project is located in an unexplored 28,000 sq.km across the Red Sea coast and comprises 90 pristine islands. Upon the project's completion by 2030, it would feature leisure and high-end luxury tourism experiences related to culture, heritage, nature, and wellness. Completion of the first phase and operation of a selected number of hotels and tourist destinations is scheduled for 2022.⁵¹

⁴⁹ <https://www.traveltrendstoday.in/news/international/item/8741-saudi-arabia-the-fastest-growing-tourist-destination-in-the-world>.

⁵⁰ <https://en.vogue.me/culture/saudi-arabia-new-projects/>.

⁵¹ <https://www.theredsea.sa/en>.

- Qiddiya Entertainment City: The mega entertainment project is planned near the city of Riyadh and is poised to become the entertainment capital in the country. One of the biggest tourism-based development projects with a focus on entertainment, sports, arts, shopping, and leisure activities, it will be a family attraction center. Primarily, the projects revolve around five themes: parks, attractions, sports & wellness, mobility, arts & culture, and nature & environment. The project is due for testing and grand opening between 2021 and 2023 upon the completion of construction by 2020 as per initial phase 1 plans.⁵²
- The NEOM City: The mega project is a planned futuristic smart city equipped with state-of-the-art technology, services, infrastructure, and other utilities which also places emphasis on the sustainable development process. The city is planned in the Tabuk Province of the country and will be built on 26,500 sq km. Additionally, the city is being planned to operate on 100 percent renewable energy and would provide space for commercial, residential, and industrial activities.⁵³

Some of the recent developments related to the tourism sector in Saudi Arabia are as follows:

- The Red Sea Development Co (TRSDC), the leading authority for the Red Sea Project, added two hotels to the number of hotels in the project expected to be operational by 2023. Hence, the facility would have at least 16 hotels operational by 2023.⁵⁴
- To boost the connectivity between its two holy cities (Makkah and Madinah), the Saudi government launched the Haramain High-Speed railway to minimize the traveling time between the cities. In addition, the overall railway network will provide connectivity from the holy cities to the Red Sea Project.^{55,56}
- In November 2020, the Saudi government announced plans to distribute construction and infrastructure development contracts worth up to SAR16.0 billion (US\$4 billion) to boost construction activities at its ambitious Red Sea Project so as to complete its first phase by 2023.⁵⁷
- TRSDC announced the allocation of contracts to Al Bawani and Blumer Lehman, Saudi and Swiss-based companies, respectively, for the development of luxury hotels and resorts at the Red Sea Project. The ongoing mega project focused on luxury and leisure tourism would comprise ~50 resorts and 8,000 hotel rooms upon its completion by 2030. However, the government plans to have at least 4 hotels operational by 2022 and 12 by 2023 as part of phased development.⁵⁸

⁵² <https://qiddiya.com/en/about-qiddiya/about/>.

⁵³ <https://www.neom.com/en-us>.

⁵⁴ <https://www.aljazeera.com/economy/2020/11/12/saudi-red-sea-project-plans-16-hotels-by-2023-finalising-3-7bn>.

⁵⁵ <https://www.aljazeera.com/news/2018/9/26/saudi-arabia-opens-high-speed-rail-linking-islams-holiest-cities>.

⁵⁶ <https://www.railway-technology.com/projects/haramain-high-speed/>.

⁵⁷ <https://www.thenationalnews.com/business/economy/saudi-arabia-to-award-4bn-worth-of-contracts-for-its-red-sea-mega-project-by-year-end-1.1103987>.

⁵⁸ <https://www.globalconstructionreview.com/news/swiss-saudi-firms-win-hotel-contracts-saudis-mass/>.

- In June 2020, the Saudi Tourism Authority (STA) announced plans to develop a 1,835 km stretch of dedicated path focused on recreational and entertainment activities which would subsequently boost domestic tourism while connecting the different regions. The path is expected to include entertainment centers, malls, and outdoor activities along with promoting local hotels and restaurants.⁵⁹
- In November 2020, one of the world's leading hotel chains IHG Hotels & Resorts entered into an agreement with Saudi-based Arif Group to develop their voco™ hotel in Jeddah by 2022. The hotel would be situated near the new city airport and would offer world class hospitality and accommodation, with 145 rooms likely to be operational by the first quarter of 2022.⁶⁰

⁵⁹ [https://meconstructionnews.com/41865/saudi-arabia-to-develop-1835km-tourist-path-as-part-of-domestic-tourism-drive#:~:text=Construction-,Saudi%20Arabia%20to%20develop%201%2C835km%20tourist,part%20of%20domestic%20tourism%20drive&text=Saudi%20Arabia's%20Tourism%20Authority%20\(STA,drive%20to%20promote%20domestic%20tourism.](https://meconstructionnews.com/41865/saudi-arabia-to-develop-1835km-tourist-path-as-part-of-domestic-tourism-drive#:~:text=Construction-,Saudi%20Arabia%20to%20develop%201%2C835km%20tourist,part%20of%20domestic%20tourism%20drive&text=Saudi%20Arabia's%20Tourism%20Authority%20(STA,drive%20to%20promote%20domestic%20tourism.)

⁶⁰ <https://www.ihgplc.com/en/news-and-media/news-releases/2020/ihg-strengthens-upscale-portfolio-in-ksa-with-a-new-voco-signing-in-jeddah.>

6. CURRENT INDUSTRY COMPETITIVE LANDSCAPE

6.1. PROMINENT TOURISM COMPANY PROFILES

6.1.1. Seera

6.1.1.1. Key Facts

SEERA	
Founded	1979
Corporate Address	Takhassusi Street Olaya, P.O.Box 52660, Riyadh, Kingdom of Saudi Arabia
Telephone	+966 11 463 3133
URL	www.seera.sa/en/
Location	Europe and Middle East
Exchange Ticker Symbol	Saudi SE
Fiscal Year End	December 2020

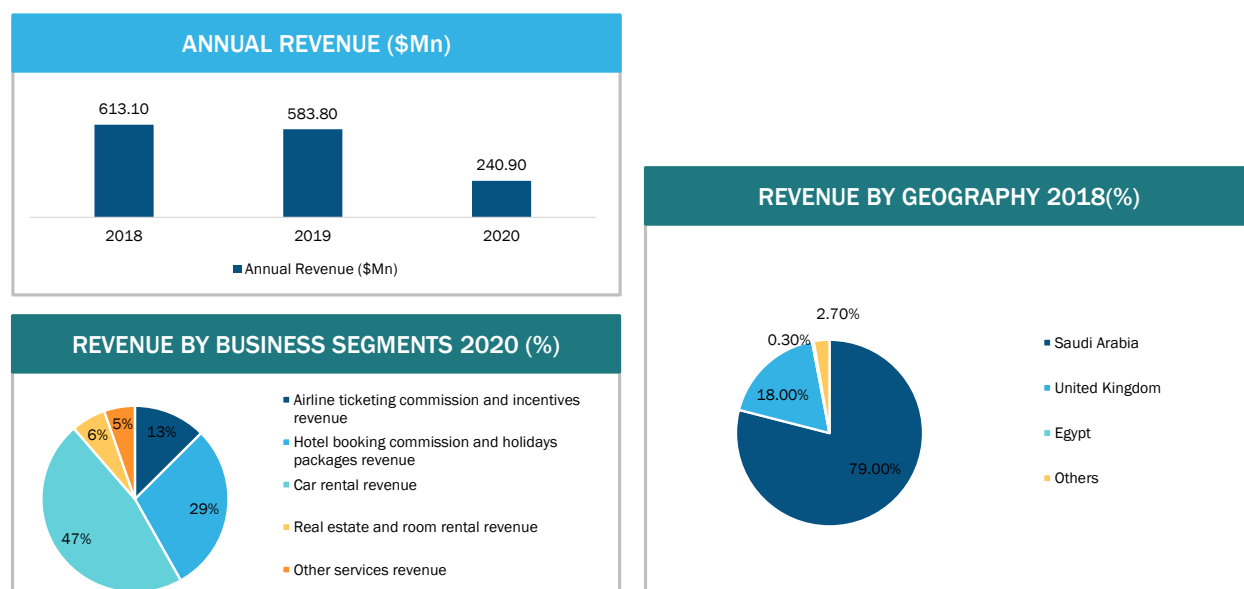
6.1.1.2. Business Description

Seera is a leading provider of a wide range of travel services in the MENA region, with a balanced portfolio of brands spanning five verticals. The Seera Group is a key contributor to domestic, inbound, and outbound tourism facilities in Saudi Arabia. Also, it is a best-in-class business partner in maximizing opportunities in the country. The company provides a wide range of services, including travel agency, car rental, freight handling, private jet charter services, real estate property investment and development, fairs and exhibitions, hotel ownership and operations, and short message services. The company operates in five major business segments, namely – airline ticketing commission and incentives, hotel booking commission and holidays packages, car rental, real estate and room rental, and other services. The firm has a strong presence in Egypt, the UK, and Saudi Arabia, among other countries.

6.1.1.3. Products and Services

Product/Service Category	Product/Service Name	Description
Consumer Travel	Al Mosafer Tajawal	Provides services such as hotel, flight, and holiday bookings.
Travel Management	Elaa	Provides fully developed staff travel itineraries in line with business allowances, including flights, hotels, car rentals, and chartered flights and cargo.
Hajj & Umrah	Mawasim	This offers complete Hajj and Umrah services.
Hospitality		Provides hotel support services.
Destination Management		Offers tourist visas and other services.

6.1.1.4. Financial Overview



Source: Press Release, Newsletters, and Company Annual Report.

6.1.1.5. SWOT Analysis



Source: Press Release, Newsletters, and Company Annual Report.

6.1.1.6. Key Developments

Date	Development	Category	Description
September 2020	Tajawal's partnership with Mediclinic	Partnership	For international bookings, Tajawal, a brand of Seera, entered into a partnership with Mediclinic to provide travel guidelines and destination updates.

Source: Press Release, Newsletters, and Company Annual Report.

6.1.2. Attar Travel

6.1.2.1. Key Facts

ATTAR TRAVEL	
Founded	1952
Corporate Address	Holiday Center, SKAB Center, Madina Road
Telephone	+966 12 661 1222
URL	www.attartravel.com/
Location	Asia and Middle East
Number of Employees	500

6.1.2.2. Business Description

Attar Travel has more than 42 offices across Saudi Arabia and an international presence. The company has entered into a collaboration with Lufthansa City Centre International, the world's largest travel management company with 600 offices in 77 countries. Attar Travel offers a full range of travel and tourism services, such as reservation; ticketing; follow-up and confirmation for major domestic, regional, and international flights; and ticketing for land, sea, and rail transportation. Apart from recreational tourism, the company offers various specialized tourism programs, such as reward trips, honeymoon trips, and medical and educational programs.

6.1.2.3. Products and Services

Product/Service Category	Description
Honeymoon Travel	Provide a variety of travel and tour services for various customer segments.
Fun Travel	
Weekend Travel	
Seasonal Travel	

6.1.2.4. Financial Overview

As Attar Travel is a privately held company, financials are not available in the public domain.

6.1.2.5. SWOT Analysis



Source: Press Release, Newsletters, and Company Annual Report.

6.1.2.6. Key Developments

There are no recent developments related to Attar Travel in the Saudi tourism market.

6.1.3. Ace Travel

6.1.3.1. Key Facts

ACE TRAVEL	
Founded	1968
Corporate Address	P. O. Box 6152, Jeddah 21442, Saudi Arabia
Telephone	+966 012 6056002
URL	www.ace-travel.com
Location	Asia, Europe, and Middle East
Number of Employees	200+

6.1.3.2. Business Description

Ace Travel, a part of the SKAB group, is one of the top three travel agencies in Saudi Arabia, with over 30 offices across the country. The company's greatest asset is its staff; the agency employs over 200 people who are highly educated, committed, and competent. Ace Travel Group has more than 22 offices in cities such as Jeddah, Riyadh, Al Khobar, Jubail, and Yanbu. In 2002, Ace Travel became the first travel management company in Saudi Arabia to implement online booking and payment system.

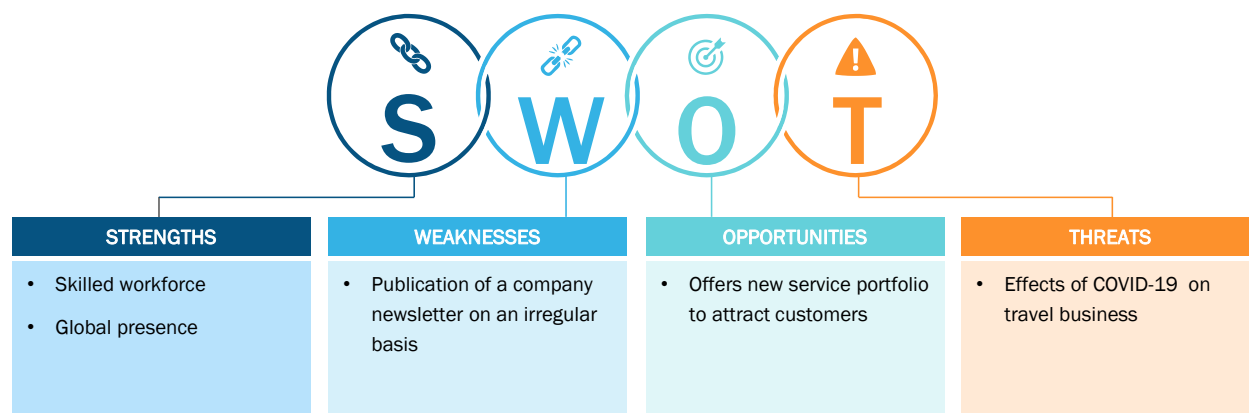
6.1.3.3. Products and Services

Product/Service Category	Description
Global Travel Planning & Reservations	The company designs and delivers tours and provides other related services for a wide range of customers.
Global Hotel Bookings	
Incentive Travel	
Holiday Packages	

6.1.3.4. Financial Overview

As Ace Travel is a privately held company, financials are not available in the public domain.

6.1.3.5. SWOT Analysis



Source: Press Release, Newsletters, and Company Annual Report.

6.1.3.6. Key Developments

Date	Development	Category	Description
June 2020	Received ISO Certification	Company New	The company received ISO 9001:2015 certificate for travel management services.

Source: Press Release, Newsletters, and Company Annual Report.

6.1.4. Elaf Group

6.1.4.1. Key Facts

ELAF GROUP	
Founded	1981
Corporate Address	Al-Nakheel Center, Madinah Road, PO Box 13541 Jeddah 21414
Telephone	+966 12 664 1233
URL	www.elafgroup.com
Location	Europe and Middle East
Number of Employees	1,300

6.1.4.2. Business Description

The Elaf Group is a leading and rapidly expanding travel and tourism company in the Middle East. It is managed by the Saudi Economic and Development Company (SEDCO). Since its founding, the company has effectively combined best-in-class technical management expertise with a strong business model, giving it a significant competitive advantage. The organization has special offices dedicated to cultural and heritage tourism in countries such as Morocco, Egypt, Turkey, and Indonesia. In addition, the company has 10 offices in Makkah, Madinah, Jeddah, and Riyadh. The company is well known for developing hotel and tourism facilities in the Gulf Cooperation Council (GCC), the Middle East and Africa, Europe, the Americas, and the Pacific.

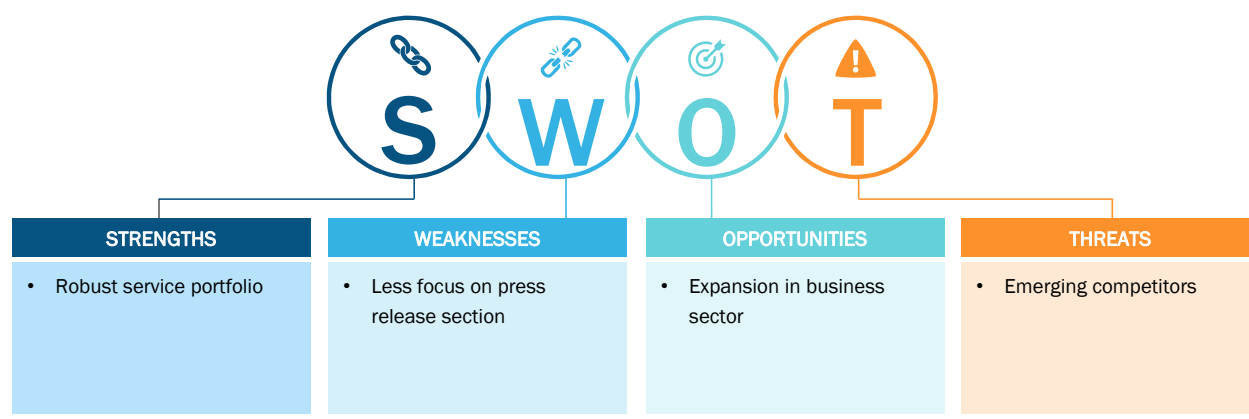
6.1.4.3. Products and Services

Product/Service Category	Description
Beauty Holidays	The company offers customized tour packages in several countries such as Egypt, Indonesia, Malaysia, Morocco, Sri Lanka, Turkey, and the UAE.
Ski Holidays	
Medical Tourism	
Shopping Trips	
Beach Holidays	
Luxury Holidays	
Romantic Holidays	
Honeymoon Holidays	
Family Holidays	
Haj & Umrah	

6.1.4.4. Financial Overview

As Elaf Group is a privately held company, financials are not available in the public domain.

6.1.4.5. SWOT Analysis



Source: Press Release, Newsletters, and Company Annual Report.

6.1.4.6. Key Developments

Date	Development	Category	Description
June 2020	Received ISO Certification	Company New	The company received ISO 9001:2015 certification for travel management services.

Source: Press Release, Newsletters, and Company Annual Report.

6.1.5. Al Shitaiwi Travel & Tourism

6.1.5.1. Key Facts

AL SHITAIWI TRAVEL & TOURISM	
Founded	1965
Corporate Address	As Sulimaniyah, Prince Mamdouh Bin AbdulAziz Road, Riyadh, 12245
Telephone	+966 50 424 6928
URL	www.alshitaiwitours.com
Location	Middle East

6.1.5.2. Business Description

Al Shitaiwi Travel & Tours is a Saudi Arabia-based destination management company that offers guided tours, hotel reservations, car rentals, visa services, vacation packages, city tours, excursions, camping, and other services. The company offers travel management in different cities, including Riyadh, Tabuk, Al Hafuf, Abha, Jeddah, Taif, Hail/Jubbah, Sakaka, Najran, and Al Ula/Madain Saleh. The firm has completed more than 500 tours and has more than 2,500 clients.

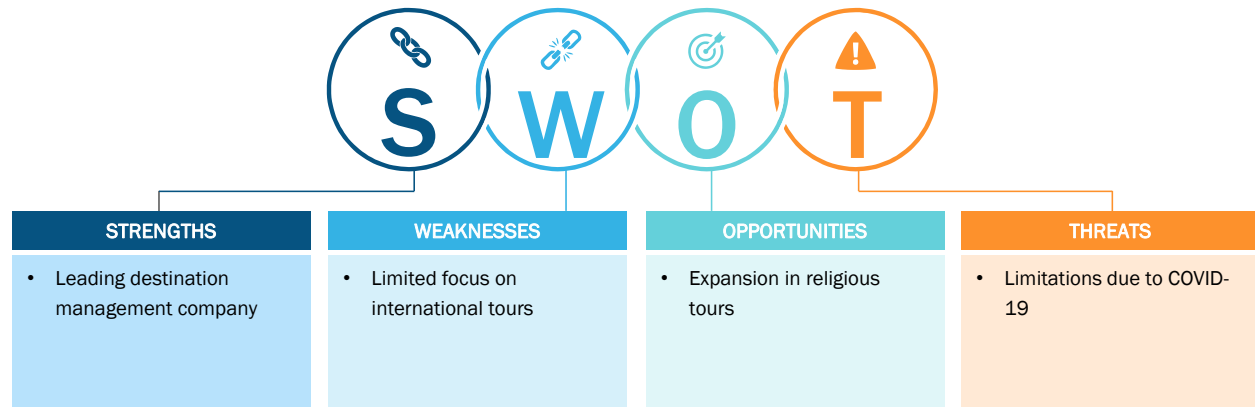
6.1.5.3. Products and Services

Product/Service Category	Description
Cultural Tours	The company offers destination management as well as group and corporate tours across Saudi Arabia.
Adventure Tours	
Entertainment and Relaxation	
Weekend Tours	

6.1.5.4. Financial Overview

As Al Shitaiwi Travel & Tours is a privately held company, financials are not available in the public domain.

6.1.5.5. SWOT Analysis



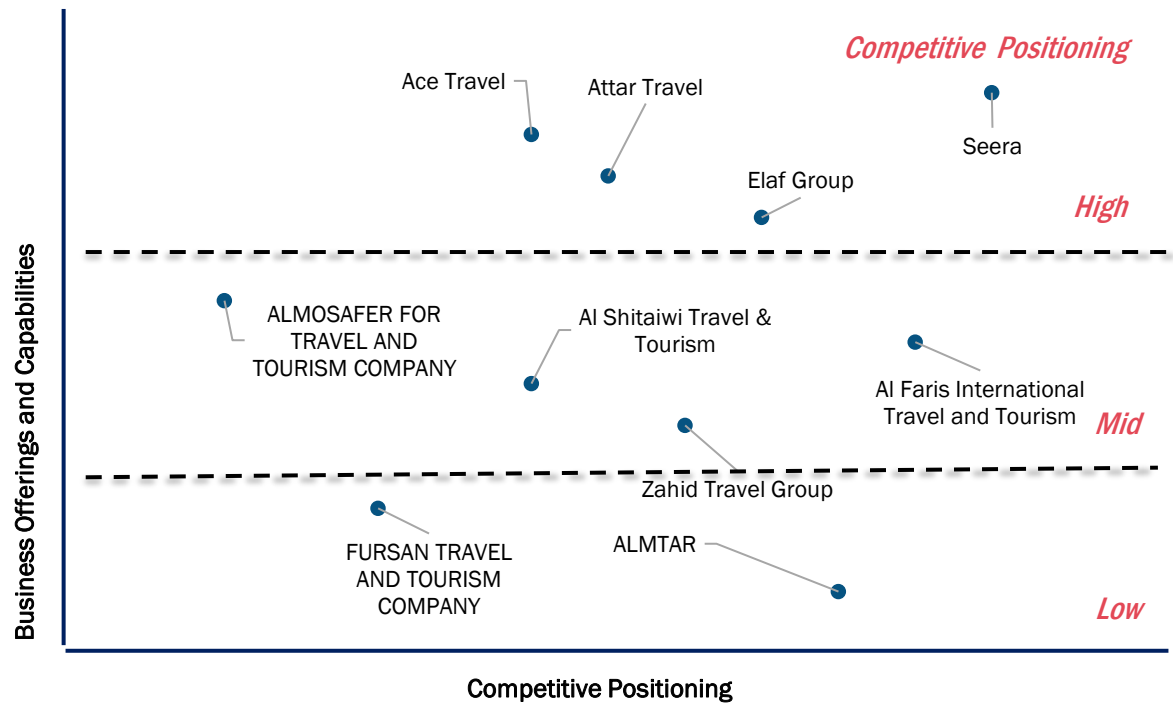
Source: Press Release, Newsletters, and Company Annual Report.

6.1.5.6. Key Developments

There are no recent developments related to Al Shitaiwi Travel & Tours in the Saudi tourism market.

6.2. COMPETITIVE BENCHMARKING

FIGURE 23. COMPETITIVE BENCHMARKING



Source: Press Release, Newsletters, D&B Hoovers Database, and Company Annual Report.

6.3. LIST OF TOURISM COMPANIES IN SAUDI ARABIA

FIGURE 24. ZAHID TRAVEL GROUP – COMPANY SNAPSHOT



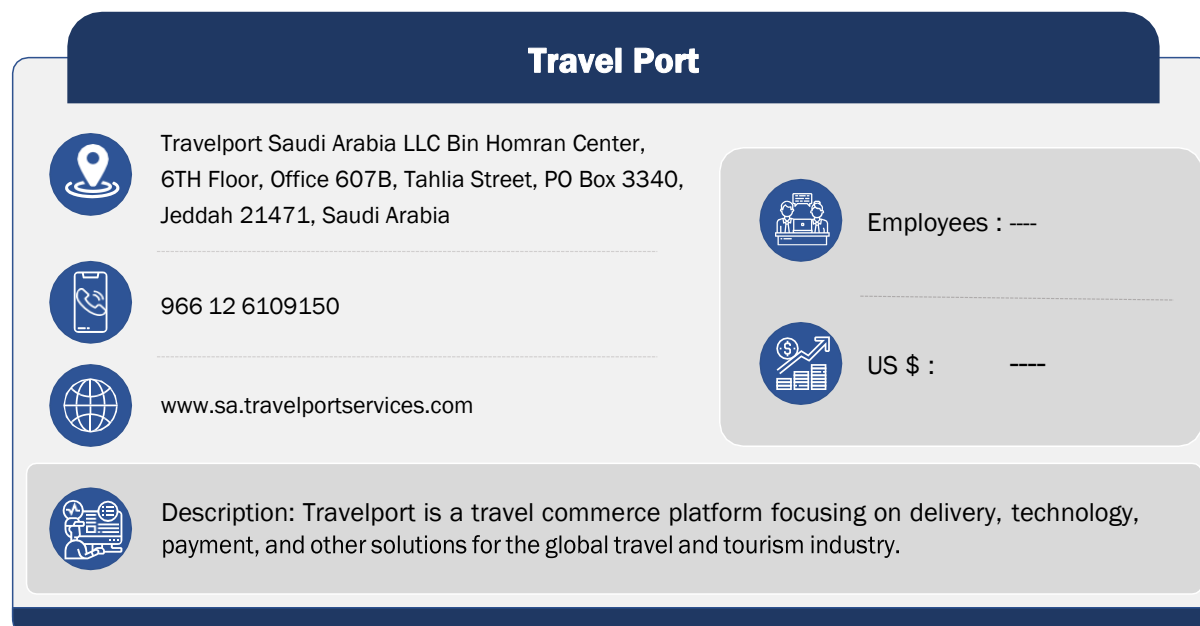
Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 25. AL SARH TRAVEL & TOURISM – COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 26. TRAVELPORT- COMPANY SNAPSHOT



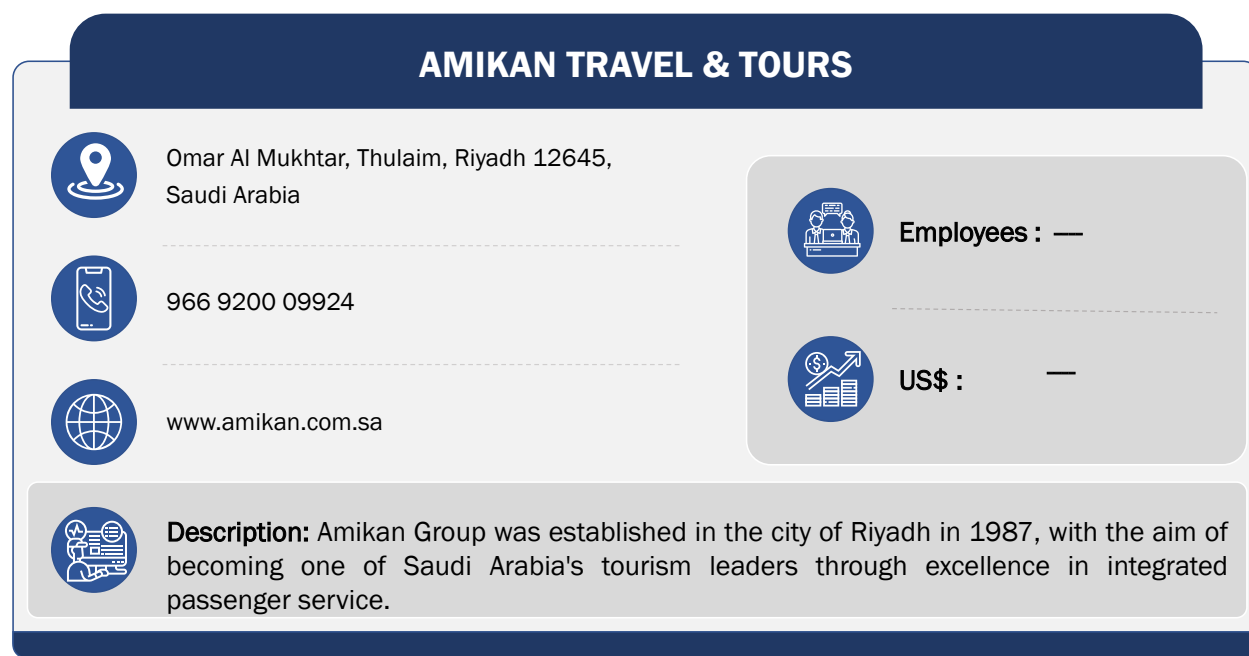
Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 27. FURSAN TRAVEL & TOURISM CO. LLC- COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 28. AMIKAN TRAVEL & TOURS- COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 29. AL MUAYED TRAVEL & TOURISM CO- COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 30. AREEJ TRAVEL & TOURS – COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 31. FLYIN – COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 32. AL RIYADH TRAVEL & TOURISM- COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 33. AL-THEYAB TRAVEL & TOURISM- COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 34. DUNIA AL REHLAT TRAVEL & TOURISM COMPANY- COMPANY SNAPSHOT


Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 35. ABDULAZIZ & ABDULLAH AL-JAMMAZ COMPANY FOR TRAVEL & TOURISM - COMPANY SNAPSHOT


Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 36. FURSAN TRAVEL AND TOURISM COMPANY- COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 37. ALMOSAFAER FOR TRAVEL AND TOURISM COMPANY- COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 38. NABA TRAVEL & TOURISM LIMITED- COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 39. AL AHRAM TRAVEL & TOURISM AGENCY- COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 40. SAUDI INTERNATIONAL TRAVEL AGENCY- COMPANY SNAPSHOT



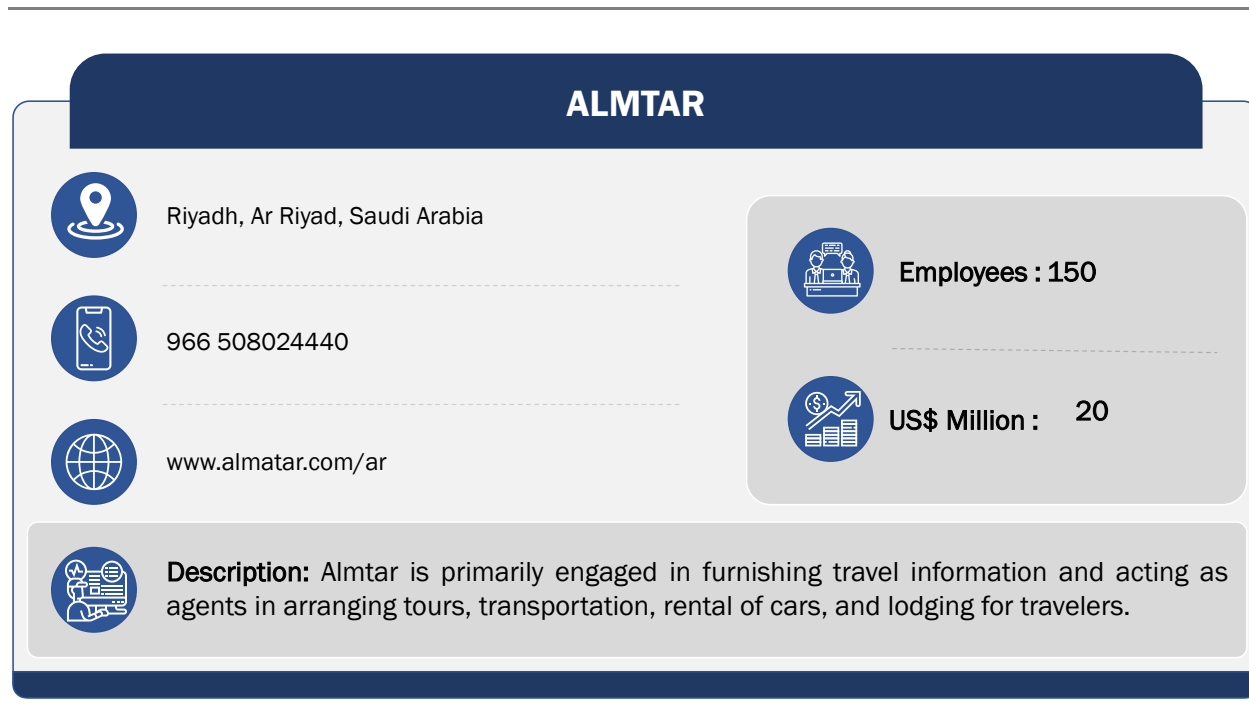
Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 41. GLOBAL TRAVEL SOLUTIONS- COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 42. ALMTAR – COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 43. INTERCONTINENTAL TRAVEL CO LTD. – COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021.

FIGURE 44. ITL LEISURE TOURISM & TRAVEL COMPANY- COMPANY SNAPSHOT



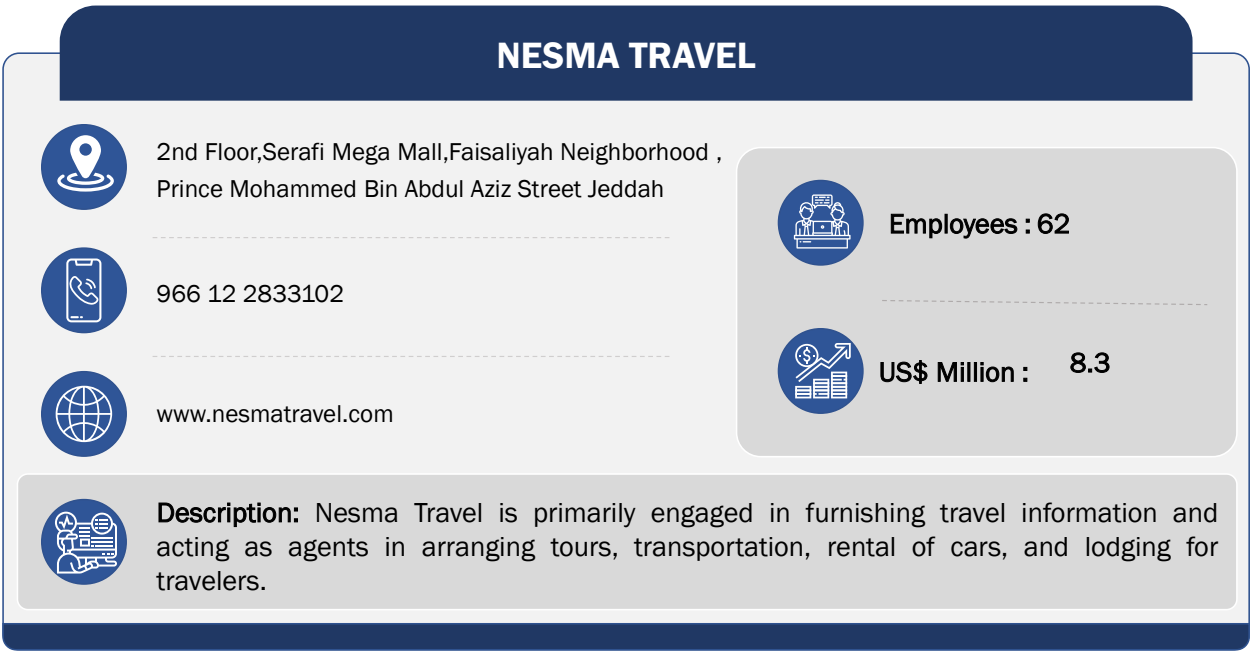
Source: D&B Hoovers Database, Accessed May 2021..

FIGURE 45. AL FARIS INTERNATIONAL TRAVEL AND TOURISM- COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021..

FIGURE 46. NESMA TRAVEL- COMPANY SNAPSHOT



Source: D&B Hoovers Database, Accessed May 2021.

7. PUBLIC-PRIVATE PARTNERSHIP IN TOURISM SECTOR

7.1. RECENT DEVELOPMENTS ACROSS PPP IN TOURISM SECTOR

The Saudi Commission for Tourism and National Heritage founded the public-private partnership (PPP) “Saudi Hospitality Heritage Company” in 2000. The aim is to establish a high-quality network of heritage hospitality destinations across Saudi Arabia as a long-term and internationally recognized tourism initiative.

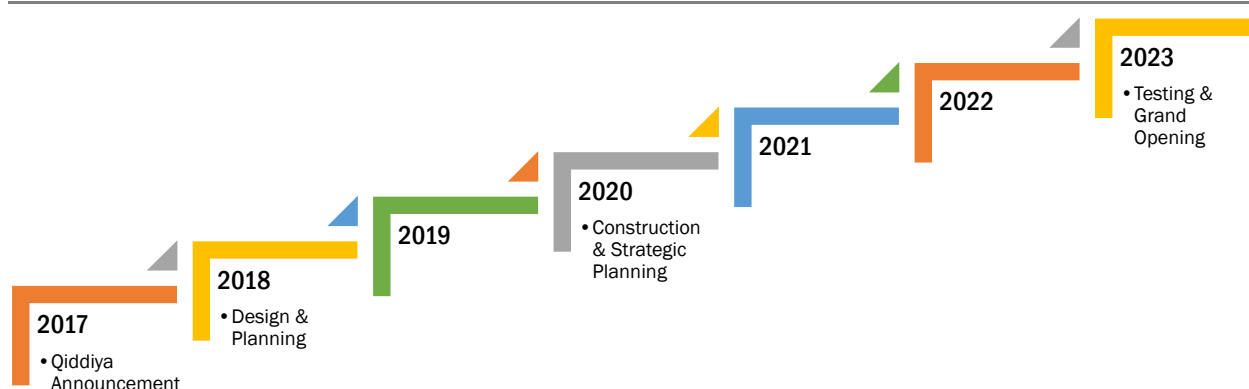
One of the core policies of Vision 2030, the Saudi government's plan is to boost economic growth through non-oil sectors along with PPPs for their mega construction projects. The aim is to have modern infrastructure, better facilities, and expand private sector involvement. The Amaala and Red Sea Projects are critical in achieving Saudi Arabia's luxury tourism goals while protecting and improving the country's natural environment.

Qiddiya Project, NEOM Project, the Kafalah program, the Red Sea Project, redevelopment of Jeddah's waterfront corniche, SouqOkaz City, and the Farasan Islands are among the projects announced by the Saudi government for the development of the tourism sector.

7.2. LIST OF MAJOR PUBLIC-PRIVATE PARTNERSHIPS

Qiddiya Project: The concession for the construction of road and bridge infrastructure at the upper plateau of the Qiddiya megaproject has been awarded by the Qiddiya Investment Company (QIC). Freyssinet Saudi Arabia Co Ltd, a joint venture between Haif bin Mohammed bin Abboud Alqahtani and Partners for Trading Contracting Co, has been chosen as the preferred bidder for the project. The overall value of construction contracts awarded so far has reached US\$533.3 million (SAR2 billion), with Saudi companies receiving 100 percent of the contracts.⁶¹

FIGURE 47. QIDDIYA PHASE 1 TIMELINE



Source: Qiddiya⁶²

NEOM: NEOM, a US\$500 billion megacity, represents an important part of Saudi Arabia's economic diversification strategy. It is expected to boost Saudi Arabia's tourism profile across the world. In Riyadh, the launch of NEOM was announced by Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince, Deputy Prime Minister, and Chairman of the Public Investment Fund (PIF).

"We will be working alongside Aradhana Khawala (Chair of the Advisory Board, The Red Sea Development Company) to make NEOM an exceptional global tourism destination looking ahead to the future," said CEO Nadhmi Al-Nasr in a tweet on NEOM's official account.

⁶¹ <https://www.infrapppworld.com/news/qiddiya-awarded-multimillion-roads-and-bridges-contract>.

⁶² <https://qiddiya.com/en/about-qiddiya/about/>.

The Red Sea Project: The Red Sea Development Company (TRSDC) was established in 2018 as a closed joint stock company wholly owned by Saudi Arabia's PIF to advance the development of the Red Sea Project, a regenerative tourism destination on the country's west coast and one of three giga-projects announced by HRH Crown Prince Mohammad bin Salman bin Abdulaziz Al-Saud in 2017.⁶³ TRSDC, Saudi Arabia's flagship tourism project, intends to open 16 hotels by 2023. The Red Sea Development Company will contribute to Saudi Arabia's economic growth and play an important role in achieving the Kingdom's Vision 2030 strategic goals. It is one of the leading ecotourism companies in the world and aspires to be the first destination in the world to implement the concept of renewable tourism at such a high level.

⁶³ <https://www.theredsea.sa/en/project>.

8. INITIATIVES TO PROMOTE TOURISM SECTOR

8.1. CASE STUDY – 1: IMPACT OF LOW-COST CARRIERS (LCCS) ON SAUDI TOURISM DEMAND

8.1.1. Background and Solution

Many changes have occurred in the aviation industry over the last few decades as a result of the drive toward aviation sector liberalization and deregulation. Several low-cost carriers (LCCs) have emerged and begun to compete in the global aviation industry. Their growing market presence has provided air passengers with plenty of options regarding airlines. The global aviation industry has recognized four important aspects of the Gulf region's aviation market: The Gulf countries' rising aviation market demand; the Gulf's "Big Three" carriers' effect on international routes and global air travel demand; the strategic advantage of those "Big Three" carriers' hubs; and the LCC sector's rapid expansion in the Gulf area. As a result, it is worth noting how the UAE, Qatar, and Saudi Arabia have developed into significant tourist destinations and hubs for global tourists in the 21st century. Due to the growing importance of the airline and tourism sectors in the Saudi Arabian economy, it is necessary to generate accurate forecasts for Saudi Arabia's foreign inbound tourism and assess the contribution of the region's LCCs to tourist flows.⁶⁴

8.1.2. Interpretation

Increased airline capability, religious travel, and airline rivalry are all linked to an increase in international tourist arrivals in Saudi Arabia, according to the findings. This also suggests that there is a positive link between air transportation and tourism growth. Further, aviation liberalization in the Gulf region is being discussed to enable the region's low-cost carriers (LCCs) to capture a larger share of the growing air travel market, thereby boosting the growth of tourism.

⁶⁴ <https://isiarticles.com/bundles/Article/pre/pdf/148820.pdf>.

8.2. CASE STUDY – 2: PROMOTE DOMESTIC & REGIONAL TOURISM

8.2.1. Background and Solution

Domestic tourism will rebound first, followed by regional travel, and finally international travel. To take advantage of this opportunity, governments, tourism boards, and tourism organizations are focusing their early marketing and promotional efforts on encouraging domestic and regional travel and persuading people to visit nearby destinations.

Saudi Arabia has taken this approach, with the Saudi Tourism Authority announcing plans to construct one of the world's longest recreational tourist paths with a length of 1,835 km in an attempt to boost domestic tourism. According to a report in *Saudi Gazette*, the path will link the Kingdom's south and north through the western area, beginning in Abha and ending in Tabuk, passing through Al-Baha, Taif, Jeddah, Rabigh Economic City, Yanbu and Umluj. Shopping, entertainment shows, and outdoor activities are all part of the path. This is part of STA's "Saudi Summer" tourism strategy.⁶⁵

8.2.2. Interpretation

The strategy aims to support the hotel and restaurant industries by providing appealing discounts and engaging in a variety of activities. Considering the current travel restrictions, it also aims to promote tourism through vehicles rather than airplanes.⁶⁶

⁶⁵https://www.oliverwyman.com/content/dam/oliver-wyman/v2/publications/2020/To_Recovery_and_Beyond-The_Future_of_Travel_and_Tourism_in_the_Wake_of_COVID-19.pdf.

⁶⁶ <https://meconstructionnews.com/41858/80-of-construction-on-community-centres-in-tilal-city-complete-says-developer>.

8.3. CASE STUDY – 3: DIRIYAH GATE: JEWEL OF THE KINGDOM

8.3.1. Background and Solution

Diriyah Gate intends to turn the royal family's ancestral home into a vast leisure, arts, and entertainment destination, with the construction of 20 hotels, 12 museums, and a golf course. It is one of the world's largest cultural projects, costing about US\$20 billion (SAR75 billion).⁶⁷ The project aims to restore Diriyah, a 15th-century city that was established on the banks of Wadi Hanifah in 1446 AD and became the first Saudi state's capital in 1744 AD. The Diriyah Gate Development Authority recently declared that major construction on the development had begun, claiming that it was a "fast-track" project with a target completion date of 2025⁶⁸.

8.3.2 Interpretation

By 2030, Diriyah Gate would attract nearly 25–30 million tourists who would enjoy world-class cultural, educational, and leisure facilities, including museums and galleries that provide visitors with immersive and enjoyable experiences.

⁶⁷ <https://www.aljazeera.com/economy/2020/7/3/saudi-arabia-continues-20bn-tourism-project-despite-crisis>.

⁶⁸ <https://www.constructionweekonline.com/business/266451-saudi-arabias-diriyah-is-the-jewel-of-the-kingdom>.

9. PRIMARY RESEARCH STUDY ANALYSIS

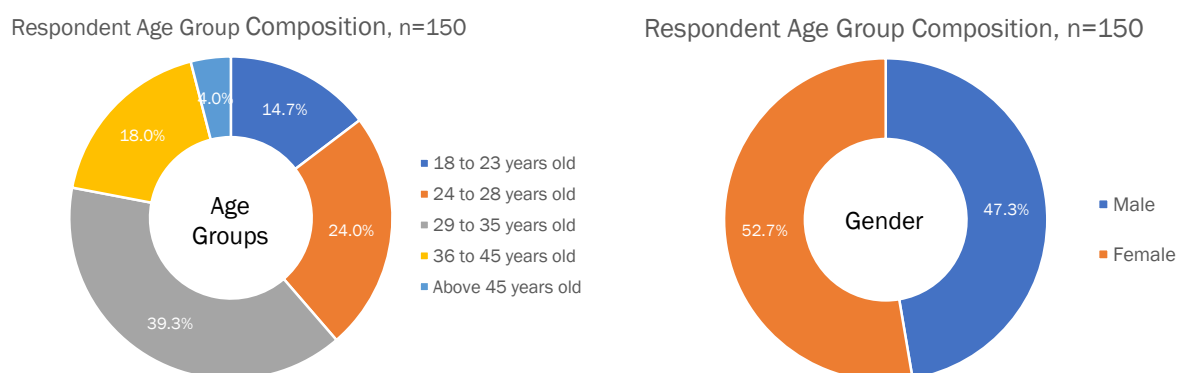
9.1. OVERVIEW

The following primary research was conducted through online mode across Saudi Arabia to gather insights pertaining to the tourism sector. The number of primary respondents surveyed was 172, out of which 150 were finalized towards the assessment of analysis. The finalized questionnaire utilized for the study has been included in the Appendix and focuses on demographics, vacation habits of respondents, ideal vacation expectations and respondents' feedback on tourism in Saudi Arabia.

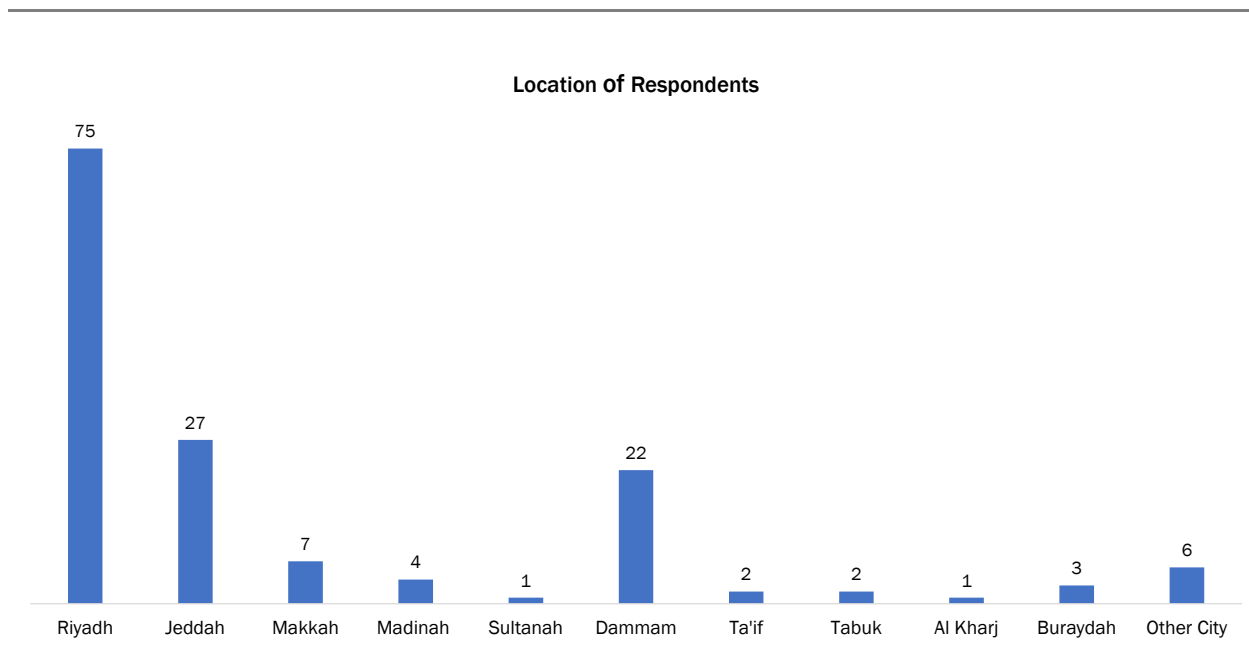
9.2. DEMOGRAPHICS

The young adult population in the age group 23-38 dominated the participation and accounted for 63.3 percent overall of the primary respondents. Furthermore, the percentage of males and females in the respondent group was almost equal.

FIGURE 48. AGE GROUP AND GENDER COMPOSITION OF RESPONDENTS



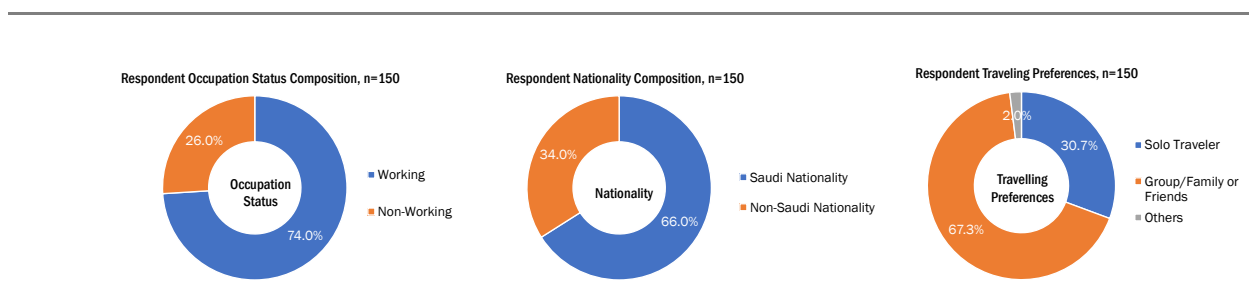
Source: Gulf Research Center Analysis and High Beam Global.

FIGURE 49. LOCATION OF RESPONDENTS

Source: Gulf Research Center Analysis and High Beam Global.

As shown in Figure 49, most respondents included in the study were from prominent cities namely Riyadh, Jeddah and Dammam, which collectively accounted for 82.7 percent of total respondents. The other non-metro cities-based respondents accounted for 17.3 percent of the total individuals surveyed.

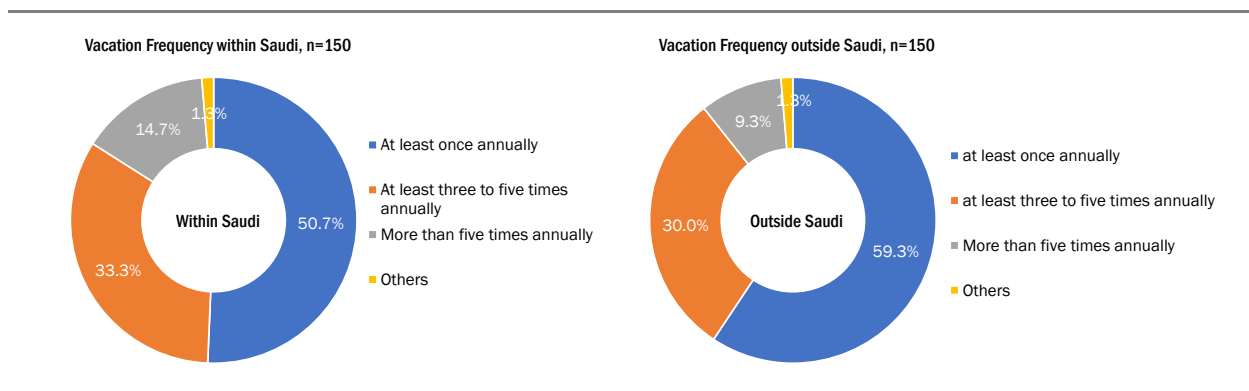
Additionally, the working group-based respondents dominated the survey accounting for almost three fourths of the total survey group with a majority being of Saudi nationality. Moreover, most respondents preferred traveling with either family or friends. Next in preference was solo travel.

FIGURE 50. RESPONDENT OCCUPATION STATUS, NATIONALITY AND TRAVELING PREFERENCE

Source: Gulf Research Center Analysis and High Beam Global.

9.3. VACATION HABITS

FIGURE 51. FREQUENCY OF VACATION WITHIN AND OUTSIDE SAUDI ARABIA

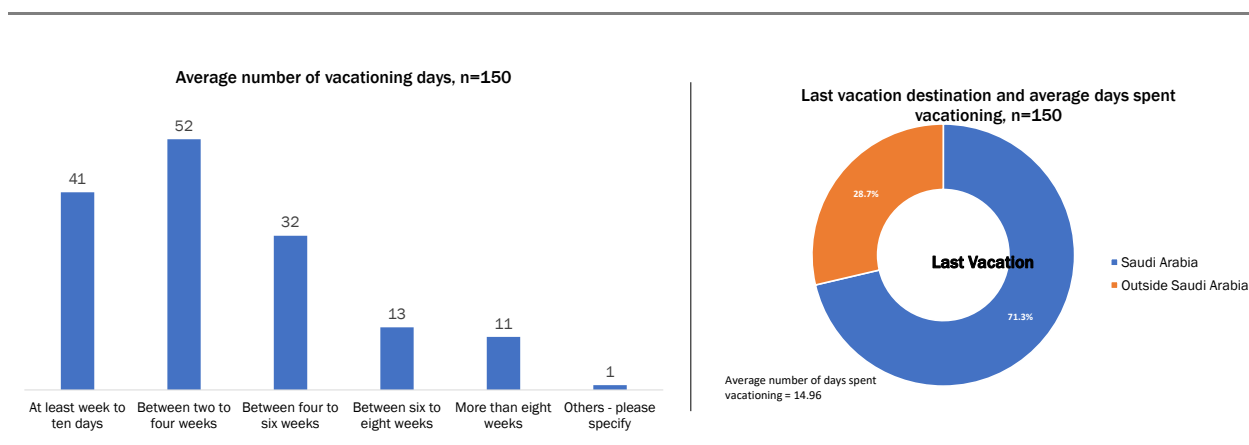


Source: Gulf Research Analysis and High Beam Global.

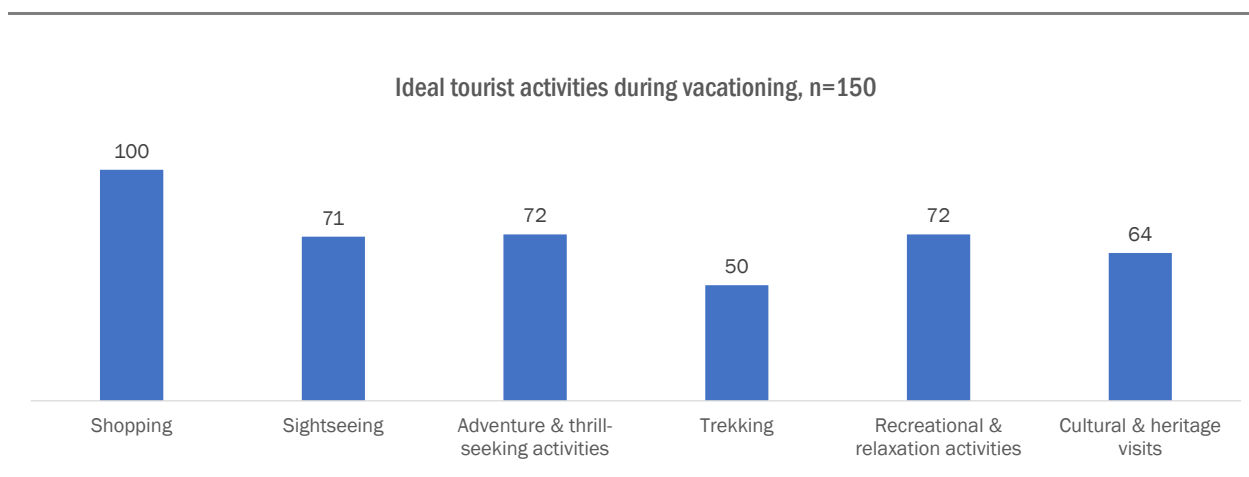
With high per capita income among Saudi individuals, at least more than half of individuals spent their vacation outside Saudi Arabia along with an equal number of domestic trips. The trends appear almost similar in the vacation pattern between vacationing in Saudi Arabia and outside it.

On the other hand, due to the recent COVID-19 outbreak and travel restrictions, most respondents have spent vacations of an average of fourteen days within Saudi Arabia. Also, the average vacation period for the majority of respondents was identified as between two to four weeks of vacation annually.

FIGURE 52. AVERAGE NUMBER OF VACATIONING DAYS AND LAST VACATION DESTINATION WITH NUMBER OF DAYS SPENT VACATIONING



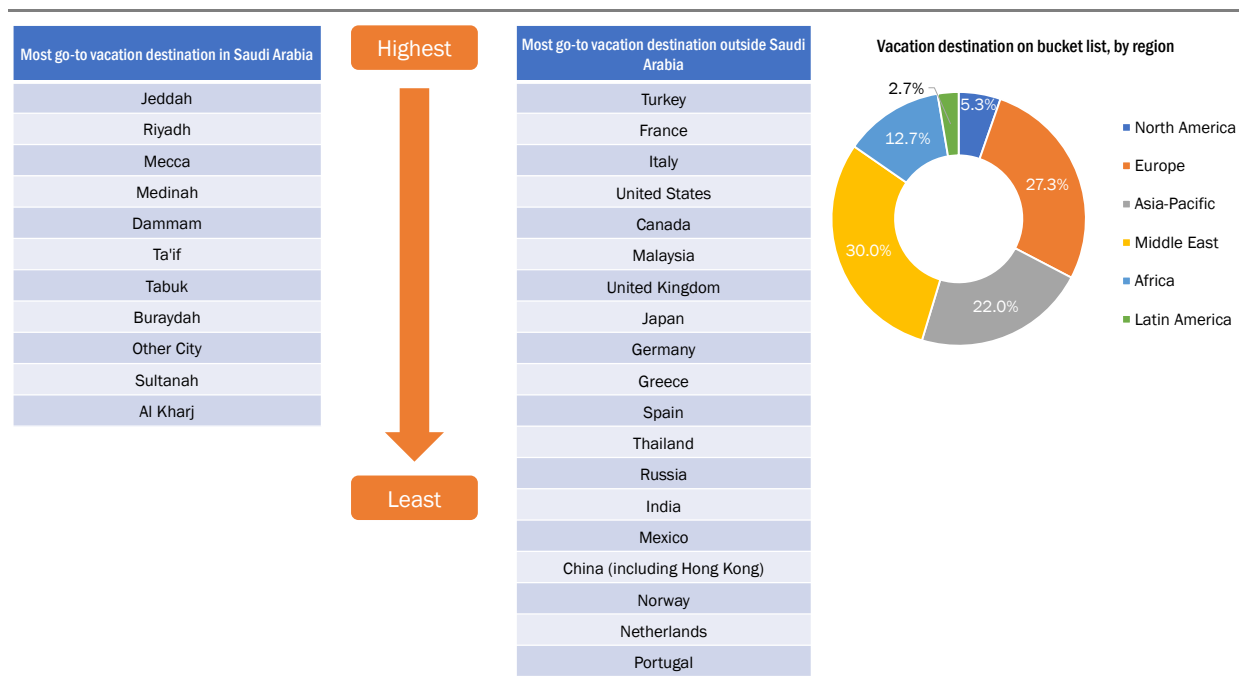
Source: Gulf Research Center Analysis and High Beam Global.

FIGURE 53. IDEAL TOURIST ACTIVITIES DURING VACATIONING AS PER PRIMARY RESEARCH

Source: Gulf Research Center Analysis and High Beam Global.

As shown in Figure 53, most individuals prefer shopping, sightseeing, and adventure and thrill-seeking based activities.

9.4. IDEAL VACATION EXPECTATIONS

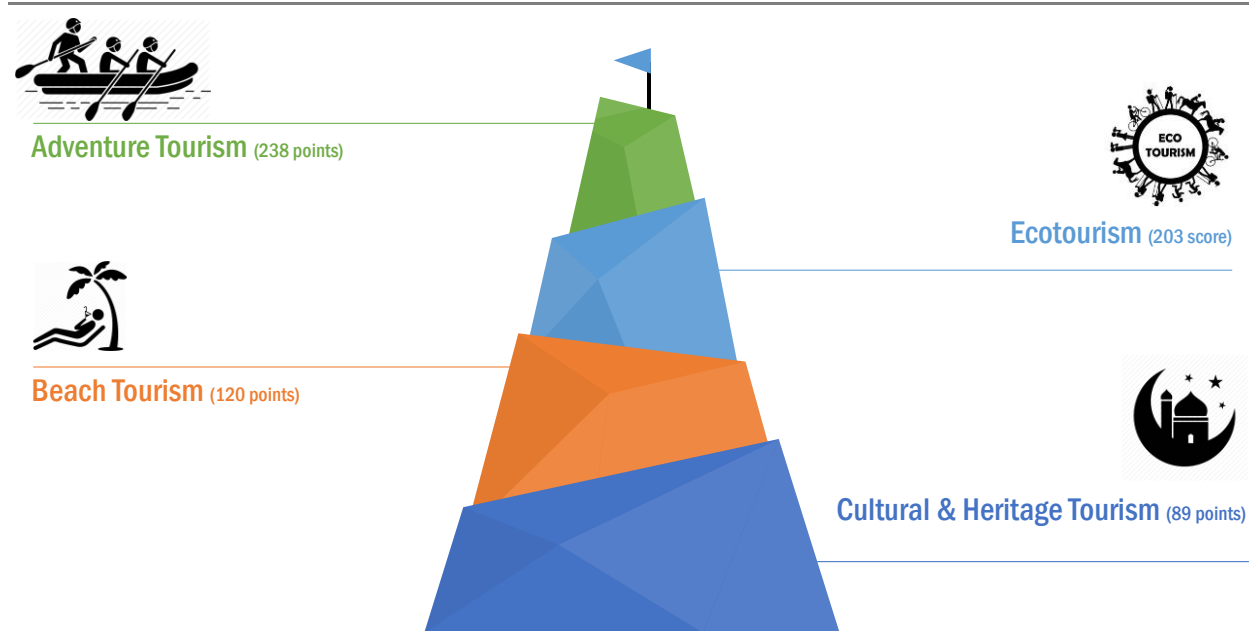
FIGURE 54. IDEAL VACATION DESTINATION WITHIN SAUDI ARABIA, OUTSIDE SAUDI ARABIA AND PREFERRED NEXT VACATION DESTINATION

Source: Gulf Research Center Analysis and High Beam Global.

Prominent cities such as Jeddah and Riyadh continue to dominate the most preferred tourist destinations list among the survey participants as shown in Figure 54. Also, cultural & heritage tourism has facilitated the popularity of Makkah and Madinah placing them among the top five destinations to visit in Saudi Arabia. On the other hand, internationally, countries such as Turkey, France, Italy, United States and Canada are the most preferred vacation destinations outside Saudi Arabia.

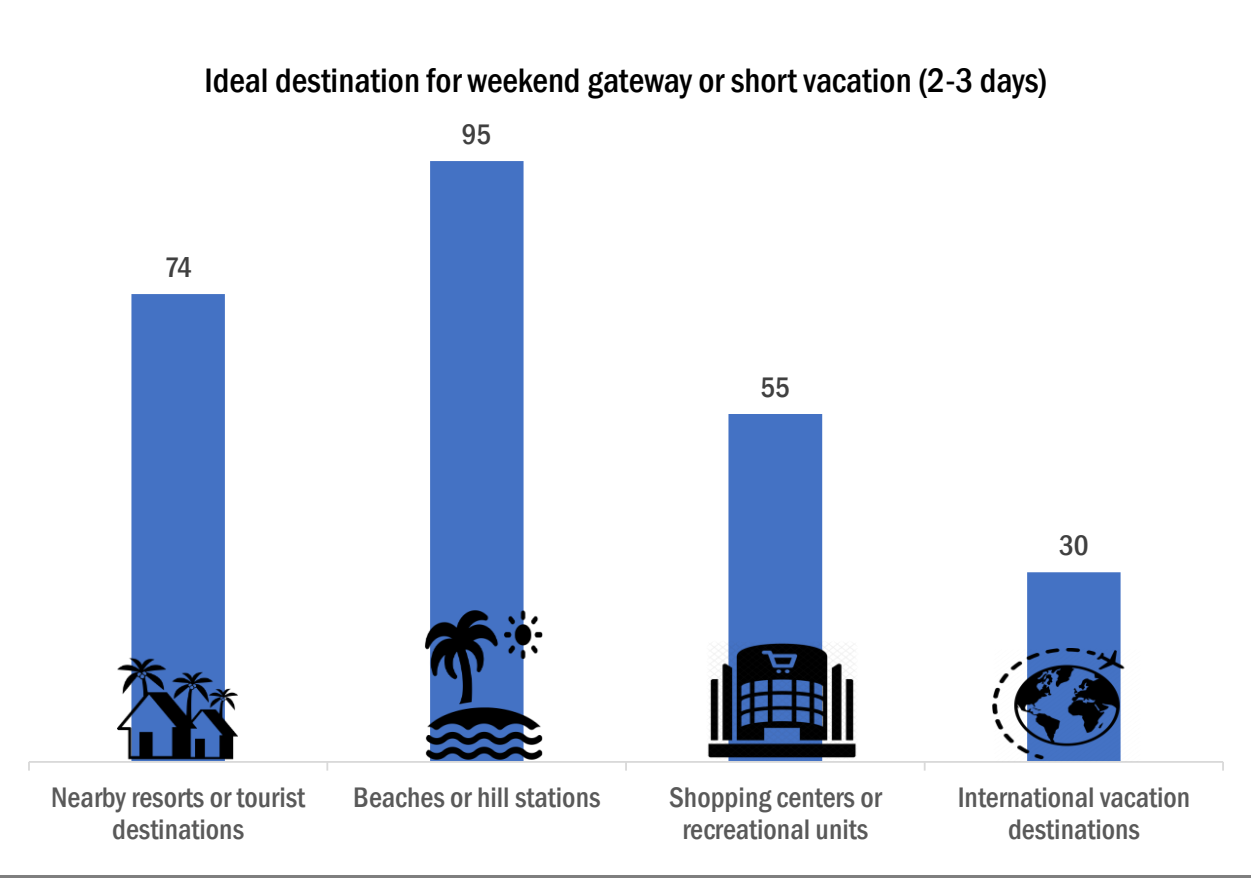
Figure 55 highlights the most popular tourism types among the survey participants, namely adventure tourism, ecotourism, and beach tourism. Rural tourism and cruise appeared to be least popular among the sample population.

FIGURE 55. TOP 4 PREFERRED TOURISM TYPES



Source: Gulf Research Center Analysis and High Beam Global.

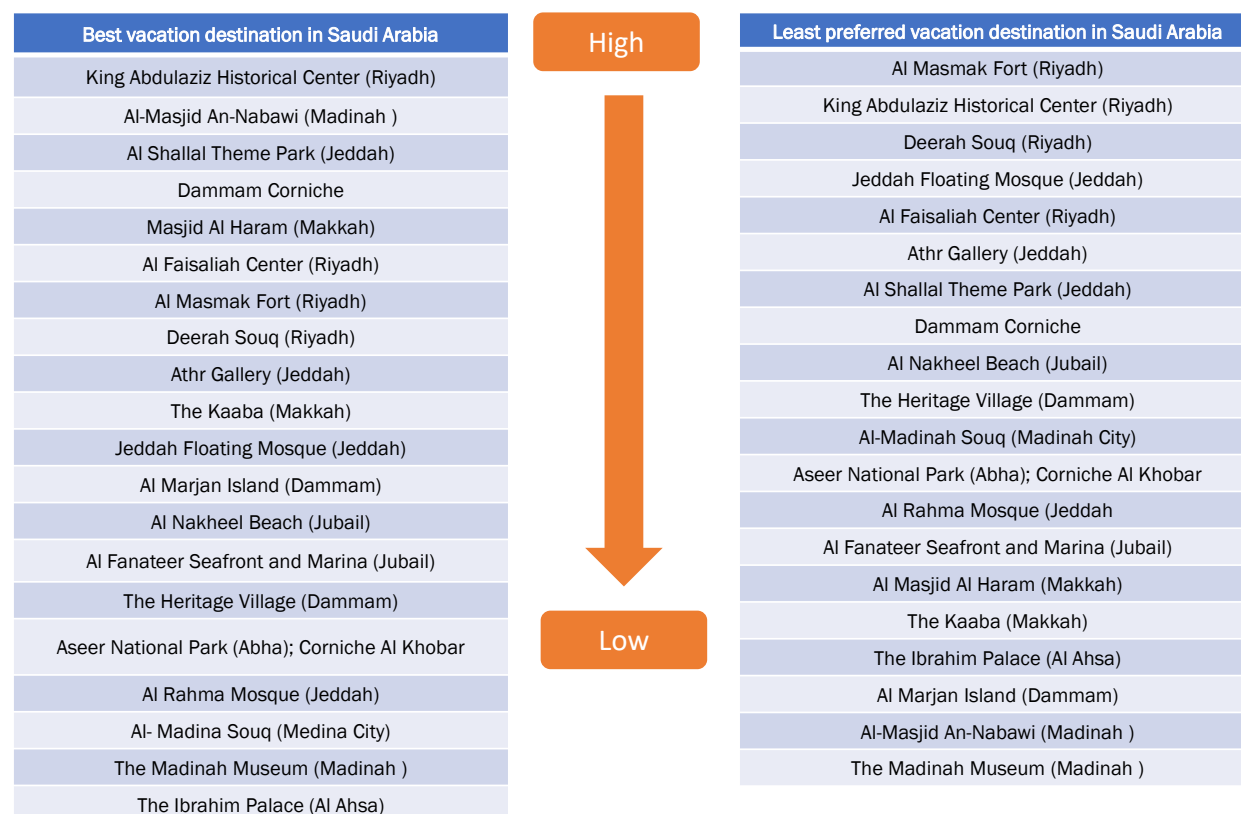
FIGURE 56. IDEAL DESTINATION FOR WEEKEND GETAWAY (SHORT TRIP OF 2 TO 3 DAYS)



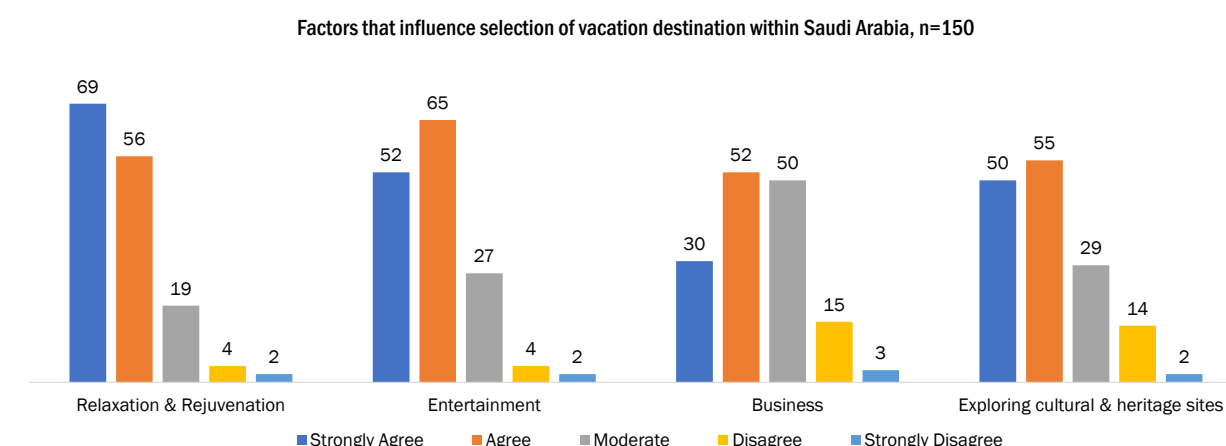
Source: Gulf Research Center Analysis and High Beam Global.

For short vacations of two to three days or weekend getaways, visiting nearby beaches or hill stations appears to be popular. The next most preferred options are resorts or tourism destinations and shopping-based activities.

Figure 57 highlights the best destination as well as least preferred vacation destination in Saudi Arabia based on survey responses.

FIGURE 57. MOST AND LEAST PREFERRED TOURIST DESTINATION IN SAUDI ARABIA

Source: Gulf Research Center Analysis and High Beam Global.

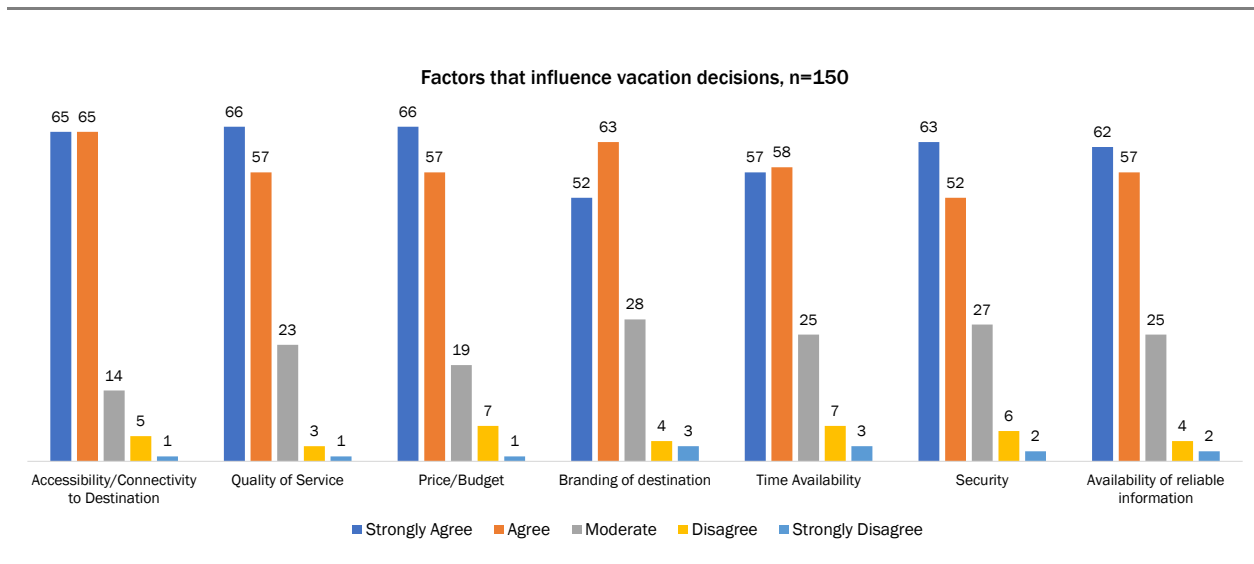
FIGURE 58. FACTORS THAT INFLUENCE SELECTION OF VACATION DESTINATION WITHIN SAUDI ARABIA

Source: Gulf Research Center Analysis and High Beam Global.

Factors such as relaxation and rejuvenation and entertainment are among the most important factors that can influence the choice of vacation destination in Saudi Arabia. The exploration of cultural and heritage sites and monuments came third in terms of factors that can influence the choice of vacation destination.

Additionally, as shown in Figure 59, the factors that influence the vacation decision-making process comprise accessibility/connectivity to destination and quality of service along with price and budget constraints. The time availability for vacationing has comparatively limited impact on the overall decision making of the participants.

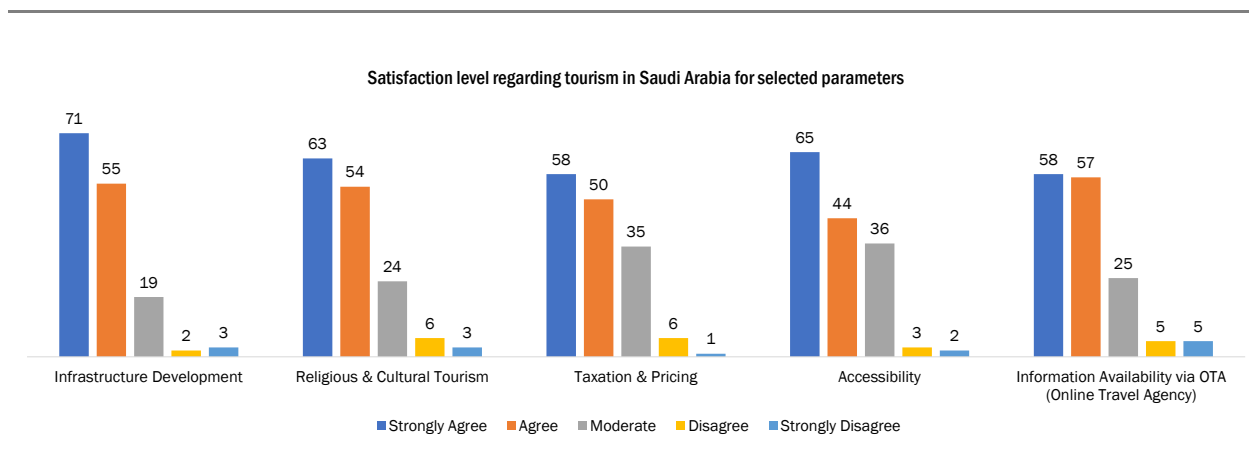
FIGURE 59. FACTORS THAT INFLUENCE VACATION DECISION MAKING



Source: Gulf Research Center Analysis and High Beam Global.

9.5. RESPONDENTS' FEEDBACK

FIGURE 60. SATISFACTION LEVEL REGARDING TOURISM IN SAUDI ARABIA FOR SELECTED PARAMETERS

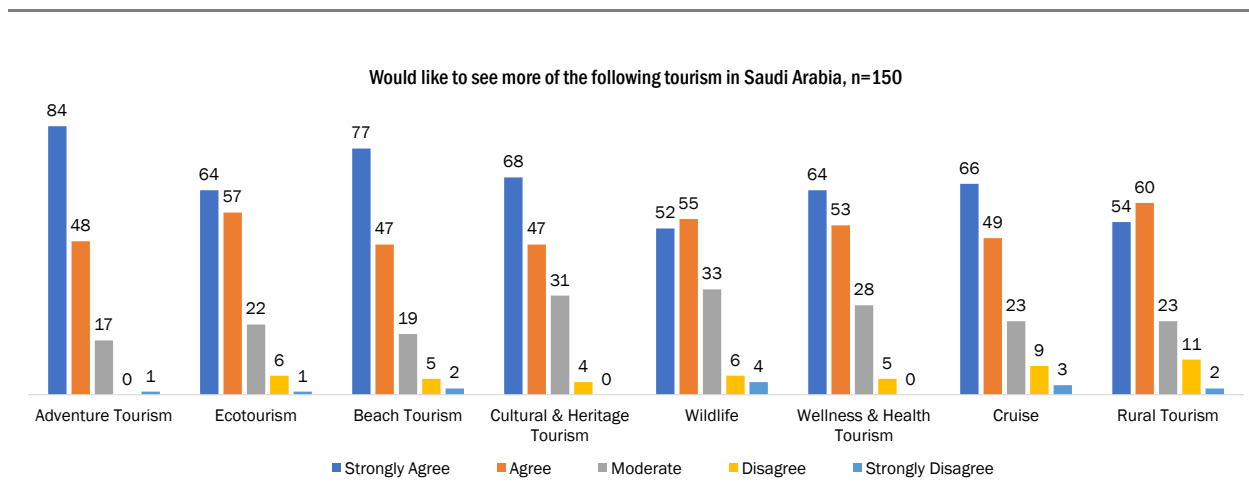


Source: Gulf Research Center Analysis and High Beam Global.

In terms of satisfaction, most participants of the study appear satisfied with the infrastructure development as well as religious and cultural tourism. Moreover, the existing accessibility of tourist destinations also scored well among the individuals. Figure 60 shows the perceived satisfaction regarding selected characteristics of tourism in Saudi Arabia.

Figure 61 highlights the tourism type the respondents would like to see more of in the country. Adventure tourism along with beach tourism are preferred by a majority of individuals from the sample group.

FIGURE 61. PROBABLE TOURISM TYPE EXPECTATION IN SAUDI ARABIA



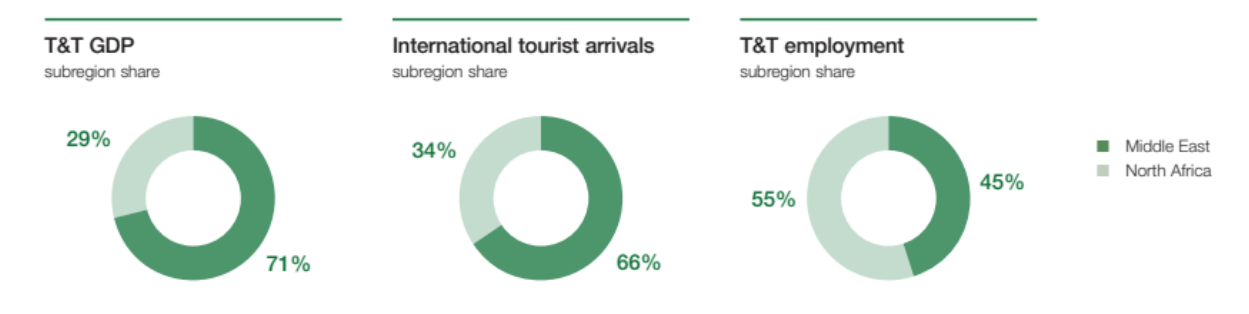
Source: Gulf Research Center Analysis and High Beam Global.

10. TOURISM SECTOR COMPARISON – SAUDI ARABIA VERSUS REST OF MIDDLE EASTERN ECONOMIES

10.1. OVERVIEW

Since the last edition of the Travel & Tourism Competitiveness Index, the Middle East and North Africa (MENA) region has substantially improved its travel & tourism (T&T) competitiveness. With 12 out of 15 MENA economies included in the 2019 index improving their score from 2017, the region was able to outperform the global average in terms of competitiveness.

FIGURE 62. GDP, INTERNATIONAL TOURIST ARRIVALS, AND T&T EMPLOYMENT VS SUBREGION SHARE (%)



Source: The Travel and Tourism Competitiveness Report 2019.⁶⁹

FIGURE 63. MIDDLE EAST AND NORTH AFRICA TRAVEL & TOURISM COMPETITIVENESS INDEX SCORE BY COUNTRY/ECONOMY, 2019



FIGURE 64. SOURCE: THE TRAVEL AND TOURISM COMPETITIVENESS REPORT 2019. MIDDLE EAST TRAVEL & TOURISM COMPETITIVENESS INDEX SCORES (2019)

⁶⁹ <http://reports.weforum.org/travel-and-tourism-competitiveness-report-2019/wp-content/blogs.dir/144/mp/files/pages/files/mena3.pdf>.

		ENABLING ENVIRONMENT					T&T POLICY & ENABLING CONDITIONS				INFRASTRUCTURE			NATURE & CULT. RESOURCES	
	Global Rank	Business Environment	Safety & Security	Health & Hygiene	Human Resources & Labor Market	ICT Readiness	Prioritization of T&T	Int'l. Openness	Price Competitiveness	Environ. Sustainability	Air Transport Infrastructure	Ground & Port Infrastructure	Tourist Service Infrastructure	Natural Resources	Cultural Res. & Business Travel
United Arab Emirates	33	5.6	6.3	5.4	5.1	6.4	4.7	3.0	5.5	4.5	5.7	4.5	5.6	2.4	2.2
Qatar	51	5.6	6.3	5.3	5.1	5.6	4.4	3.5	5.9	4.4	4.5	4.7	5.0	1.8	1.4
Israel	57	5.1	5.5	6.0	5.3	5.9	5.0	2.5	3.6	4.3	3.6	4.4	5.4	2.3	1.7
Oman	58	5.3	6.5	5.3	4.6	5.3	4.7	2.8	5.7	4.4	3.4	4.4	4.1	2.3	2.0
Bahrain	64	5.4	5.9	5.2	4.9	5.8	4.5	2.9	5.8	4.1	3.5	5.2	4.6	1.6	1.2
Saudi Arabia	69	5.2	6.0	5.7	4.6	5.2	4.6	1.6	5.9	4.0	4.1	3.5	5.1	1.9	1.9
Jordan	84	4.6	5.7	5.4	4.0	4.8	5.1	3.3	5.3	4.3	2.7	2.9	3.8	2.2	1.3
Iran, Islamic Rep.	89	3.9	5.4	5.0	4.1	4.5	3.7	2.4	6.7	3.9	2.5	3.1	2.8	2.4	2.8
Kuwait	96	4.7	5.8	5.6	4.3	5.5	3.6	1.9	5.6	4.0	2.6	3.3	3.9	1.8	1.1
Lebanon	100	4.0	4.8	5.6	3.9	4.1	5.0	2.5	5.5	4.1	2.5	2.8	4.0	2.0	1.4
Yemen	140	3.5	3.2	4.1	3.0	2.4	2.1	1.3	6.0	3.4	1.2	2.0	1.9	1.8	1.3
Middle East Average		4.8	5.6	5.3	4.5	5.1	4.3	2.5	5.6	4.1	3.3	3.7	4.2	2.1	1.7

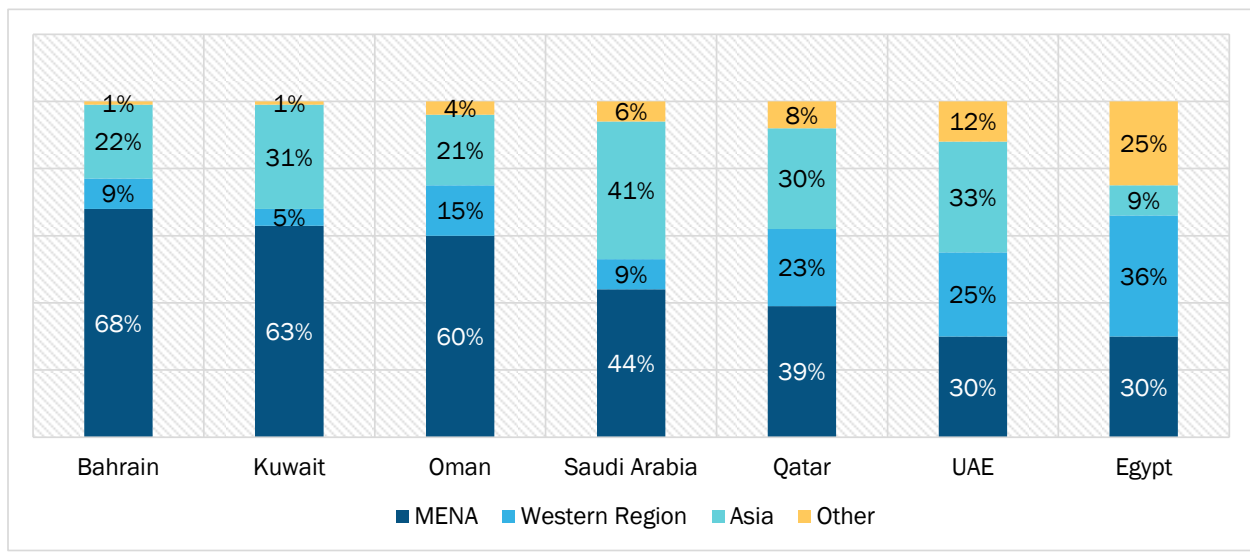
Source: The Travel and Tourism Competitiveness Report 2019.

The UAE: The UAE continues to be the highest-scoring economy in the MENA region, ranking 33rd globally. Also, the country has the best overall enabling climate in the region. The country has favorable investment and development conditions for travel and tourism (T&T). The UAE's infrastructure, which ranks 13th internationally, gives it a significant advantage over the average regional competitor. With the fourth highest air transport infrastructure pillar score in the ranking, the country's central position between Europe and Asia, strong business climate, and government investment have enabled it to transform into a major global aviation hub.

Saudi Arabia: Saudi Arabia accounts for roughly one-fifth of regional T&T GDP and is ranked 8th in the MENA region and 69th on the global index. Also, the country is a popular travel destination in the Middle East, with over 16 million visitors in 2017, most of them being pilgrims. Saudi Arabia ranks 35th in terms of tourist service infrastructure, with significantly high hotel capacity. The potential of the country for T&T has also increased because of improved air transport infrastructure, which ranks 3rd regionally. However, Saudi Arabia has several weaknesses that limit its ability to diversify and develop its T&T industry. Further, the country can do more to strengthen its position as a tourist destination by improving its ranking with regard to natural and cultural resources. Data refinement has shown that if the country needs to make its natural resources more appealing, it needs to extend protected territory coverage. Improved perceptions of the government's prioritization of the T&T industry (from 82nd to 53rd) and tourism marketing effectiveness (from 87th to 70th) also point to genuine efforts to improve competitiveness. Also, Saudi Arabia has made progress in improving an already favorable business climate, which may promote investment in the T&T sector.

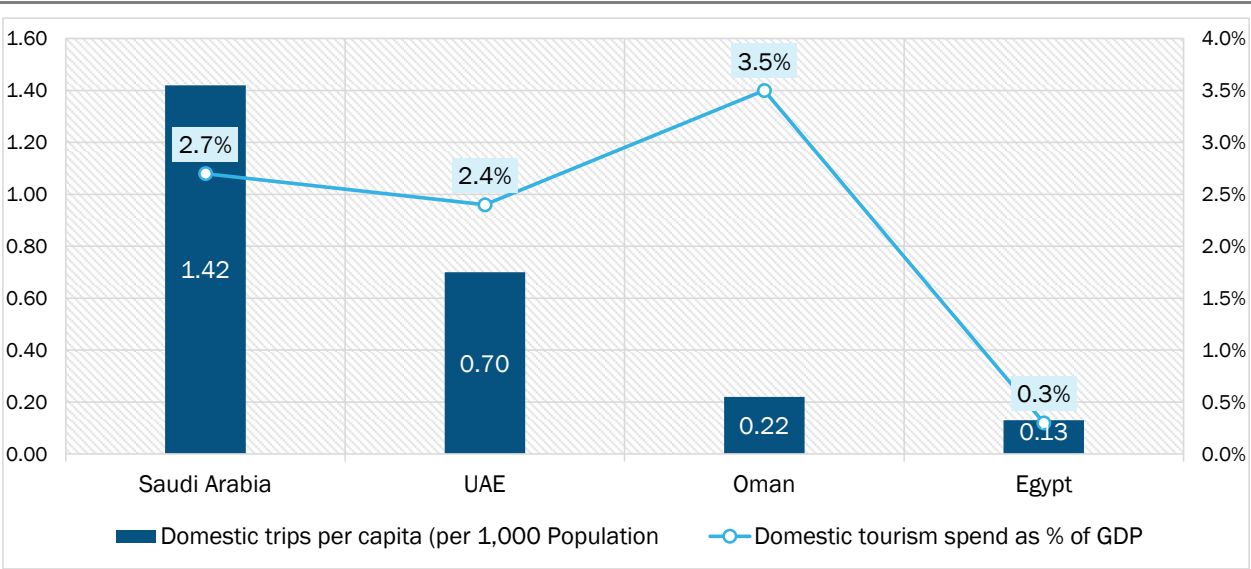
Egypt: Egypt is known for its world-famous monuments, including the Giza Pyramids Complex, and is ranked 38th globally in terms of cultural heritage sites. Egypt's significant natural resources were the true driving force behind its overall improved TCI ranking. Moreover, Egypt is known as a top destination for nature-based spots such as beach resorts, and the country's price-competitive tourist locations attract visitors looking for low-cost vacations. Strategies such as increasing government spending; improving tourism brand strategy; and improving air, land, and port infrastructure are also propelling the growth of the tourism sector in the country.

FIGURE 65. VISITORS BY COUNTRY (2019)



Source: National Statistics Databases, Visit Qatar Statistics 2019, and Bahrain Tourism & Exhibitions Authority.

FIGURE 66. DOMESTIC TRIPS PER CAPITA VS GDP SPEND (2018)



Source: National Statistics Databases, Visit Qatar Statistics 2019, and Bahrain Tourism & Exhibitions Authority.

11. WAY FORWARD

11.1. WAY FORWARD

- The tourism industry would benefit from integration of new technologies into information systems. Such technologies include artificial-intelligence-based chatbots and virtual assistants.⁷⁰ Users can have seamless access to a chatbot that can provide necessary information such as up-to-date data about locations, activities, and weather conditions, as well as recommend places to visit. Moreover, the virtual assistant would also aid in travel and accommodation bookings. The customized virtual assistant can provide reliable information through government entities and provide assistance from start to finish for international travelers in the country
- One of the sources of concern for the Kingdom could be providing standard medical care to incoming tourists across the international airports in the country. Many tourists have difficulty finding a dispensary or clinic. As a result, it is also recommended that dispensary or clinic signage be placed in different places so that patients can quickly access medical care in the event of an emergency. Standardized medical care should be available as well as accessible for international tourists across numerous travel destinations.⁷¹
- Based on the data analysis of the survey conducted, focused investment in tourism, including adventure tourism, ecotourism, and beach tourism to attract young adults as well as first-time international tourists can provide long term benefits.
- Instead of going through a travel agent, people increasingly travel through fare aggregators. One of the most trending ways to attract tourists and visits is to add the tourism locations to online aggregator sites and focus on the review system. It is important to have a team efficiently monitor and respond to the review system. This will help increase online views and raise the tourism locations in Saudi Arabia to a higher rating, thereby attracting more tourists.
- The tourism industry may also benefit if the Kingdom develops strategic plans to make their tourism locations and tourism businesses multi-seasonal. Adding a new dimension to tourism businesses by offering year-round tourism opportunities, will bring significant benefits in the longer term.
- Empowerment of local communities will encourage support from them, thereby creating a comfortable culture for tourists. Where possible, facilities and amenities developed for tourists should also be made available to members of the local community. In some locations, visitor spending can make the difference in ensuring the viability of community services and facilities, such as local shops. Use of such services by tourists should be encouraged through information, events, etc.

⁷⁰ https://www.researchgate.net/publication/347134431_AI_Chatbot_for_Tourist_Recommendations_A_Case_Study_in_the_City_of_Jeddah_Saudi_Arabia.

⁷¹ <http://medcraveonline.com/MOJPH/MOJPH-06-00173.pdf>

12. APPENDIX

12.1. LIST OF ABBREVIATIONS/GLOSSARY

TABLE 7. LIST OF ABBREVIATIONS/GLOSSARY

Acronym	Expansion
SAMA	Saudi Arabian Monetary Authority
WTTC	World Travel & Tourism Council
Bn	Billion
CAGR	Compound Annual Growth Rate
SAGIA	Saudi Arabian General Investment Authority
IPAs	Intelligent Personal Assistants
SDG	Sustainable Development Goals
DROT	Drivers, Restraints, Opportunity, Trends
UNESCO	United Nations Educational, Scientific and Cultural Organization
TRSDC	The Red Sea Development Co.
STA	Saudi Tourism Authority
SEDCO	Saudi Economic and Development Company
GCC	Gulf Cooperation Council
PPP	Public-Private Partnership
QIC	Qiddiya Investment Company
PIF	Public Investment Fund
LCCs	Low-Cost Carriers
US\$	US Dollar
MENA	Middle East & North Africa
Mn	Million
SWOT	Strengths, Weaknesses, Opportunities and Threats

Source: Gulf Research Center Analysis

12.2. QUESTIONNAIRE

Target Audience: Anyone above the age of 18+ years and should be either a resident of Saudi Arabia or have lived more than 3+ years in the KSA.

Questionnaire: Total 4 sections and 21 questions

Section A – Demographics (6 questions)		
Question	Options	
Q1. Age	Less than 18	0
	18 to 23 years old	22
	24 to 28 years old	36
	29 to 35 years old	59
	36 to 45 years old	27
	Above 45 years old	6
Q2. Gender	Male	71
	Female	79
Q3. Location	Riyadh	75
	Jeddah	27
	Makkah	7
	Madinah	4
	Sultanah	1
	Dammam	22
	Ta'if	2
	Tabuk	2
	Al Kharj	1
	Buraydah	3
	Other City	6
Q4. Occupation	Working	111
	Non-Working	39
Q5. Nationality	Saudi Nationality	99
	Non-Saudi Nationality	51
Q6. Traveler Type	Solo Traveller	46
	Group/Family or Friends	101
	Others	3

Section B – Vacation Habits (5 questions)		
Question	Options	
Q1. How frequently do you take vacations within Saudi Arabia?	At least once annually	76
	At least three to five times annually	50
	More than five times annually	22
	Others - please specify	2
Q2. How frequently do you take vacations outside Saudi Arabia?	At least once annually	89
	At least three to five times annually	45
	More than five times annually	14
	Others - please specify	2
Q3. Estimated average number of days you spend vacationing.	At least week to ten days	41
	Between two to four weeks	52
	Between four to six weeks	32
	Between six to eight weeks	13
	More than eight weeks	11
	Others - please specify	1
Q4. According to you, what constitutes ideal vacationing activities?	Shopping	100
	Sight-seeing	71
	Adventure & thrill-seeking activities	72
	Trekking	50
	Recreational & relaxation activities	72
	Cultural & heritage visits	64
	Others - please specify	0
Q5. What was your last vacation destination? (options – Saudi (107 responses), Outside Saudi (43 responses) and number of days (average = 14.96 days)		

Section C – Ideal Vacation Expectations (8 questions)

Question	Options	
Q1. What is your ideal vacation destination? (two parts – within Saudi Arabia and outside Saudi Arabia)	Within Saudi Arabia	
	Riyadh	48
	Jeddah	51
	Makkah	41
	Madinah	39
	Sultanah	4
	Dammam	32
	Ta'if	26
	Tabuk	15
	Al Kharj	4
	Buraydah	8
	Other City	7
	Outside Saudi Arabia	
	Canada	29
	China (including Hong Kong)	8
	France	34
	Germany	20
	Greece	20
	India	9
	Italy	32
	Japan	21
	Malaysia	28
	Mexico	9
	Netherlands	7
	Norway	8
	Portugal	4
	Russia	14
	Spain	16
	Thailand	15
	Turkey	43

Section C – Ideal Vacation Expectations (8 questions)				
	United Kingdom	25		
	United States	30		
Q2. What is the next vacationing destination on your bucket list?	North America	1		
	Europe	2		
	Asia-Pacific	3		
	Middle East	4		
	Africa	5		
	Latin America	6		
Q3. Select the top three as per your next preferred vacation destination	Consumer Prefer Positioning	First Preference	Second Preference	Third Preference
	Adventure Tourism	60	21	16
	Ecotourism	25	15	15
	Beach Tourism	33	41	22
	Cultural & Heritage Tourism	10	20	19
	Wildlife	8	18	26
	Wellness & Health Tourism	4	15	20
	Cruise	4	11	15
	Rural Tourism	6	9	17
Q4. What is your preferred vacation destination for 2-3 days or weekend getaways?	Nearby resorts or tourist destinations	74		
	Beaches or hill stations	95		
	Shopping centers or recreational units	55		
	International vacation destinations	30		
Q5. According to you, what is the best vacation destination in Saudi Arabia?	King Abdulaziz Historical Center (Riyadh)	16		
	Al-Masjid An-Nabawi (Madinah)	15		
	Al Shallal Theme Park (Jeddah)	14		
	Dammam Corniche	13		
	Masjid Al-Haram (Makkah)	13		
	Al Faisaliah Center (Riyadh)	11		

Section C – Ideal Vacation Expectations (8 questions)

	Al Masmak Fort (Riyadh)	10
	Deerah Souq (Riyadh)	10
	Athr Gallery (Jeddah)	9
	The Kaaba (Makkah)	9
	Jeddah Floating Mosque (Jeddah)	7
	Al Marjan Island (Dammam)	5
	Al Nakheel Beach (Jubail)	5
	Al Fanateer Seafront and Marina (Jubail)	4
	The Heritage Village (Dammam)	3
	Aseer National Park (Abha); Corniche Al Khobar	3
	Al Rahma Mosque (Jeddah)	2
	Al-Madinah Souq (Madinah City)	1
	The Madinah Museum (Madinah)	0
	The Ibrahim Palace (Al Ahsa)	0
Q6. According to you, what is the least favorite vacation destination in Saudi Arabia?	Al Masmak Fort (Riyadh)	21
	King Abdulaziz Historical Center (Riyadh)	17
	Deerah Souq (Riyadh)	17
	Jeddah Floating Mosque (Jeddah)	11
	Al Faisaliah Center (Riyadh)	10
	Athr Gallery (Jeddah)	10
	Al Shallal Theme Park (Jeddah)	8
	Dammam Corniche	7
	Al Nakheel Beach (Jubail)	6
	The Heritage Village (Dammam)	5
	Al- Madina Souq (Madinah City)	5
	Aseer National Park (Abha); Corniche Al Khobar	5
	Al Rahma Mosque (Jeddah)	4
	Al Fanateer Seafront and Marina (Jubail)	4
	Masjid Al-Haram (Makkah)	4
	The Kaaba (Makkah)	4

Section C – Ideal Vacation Expectations (8 questions)

	The Ibrahim Palace (Al Ahsa)	4
	Al Marjan Island (Dammam)	3
	Al-Masjid An-Nabawi (Madinah)	3
	The Madinah Museum (Madinah)	1

Q7. What factors influence your vacation destination in Saudi Arabia?

Factor	Strongly Agree	Agree	Moderate	Disagree	Strongly Disagree
Relaxation & Rejuvenation	69	56	19	4	2
Entertainment	52	65	27	4	2
Business	30	52	50	15	3
Exploring cultural & heritage sites	50	55	29	14	2

Q8. Factors that influence your vacation decision(s)

Factor	Strongly Agree	Agree	Moderate	Disagree	Strongly Disagree
Accessibility/Connectivity to Destination	65	65	14	5	1
Quality of Service	66	57	23	3	1
Price/Budget	66	57	19	7	1
Branding of destination	52	63	28	4	3
Time Availability	57	58	25	7	3
Security	63	52	27	6	2
Availability or reliable information	62	57	25	4	2

Section D – Respondents’ Feedback (2 questions)
Q1. Please rank your satisfaction level regarding tourism in Saudi Arabia for the following factors

Factor	Strongly Agree	Agree	Moderate	Disagree	Strongly Disagree
Infrastructure Development	71	55	19	2	3
Religious & Cultural Tourism	63	54	24	6	3
Taxation & Pricing	58	50	35	6	1
Accessibility	65	44	36	3	2
Information Availability via OTA (Online Travel Agency)	58	57	25	5	5

Q2. What type of tourism would you like to see more of in Saudi Arabia?

Factor	Strongly Agree	Agree	Moderate	Disagree	Strongly Disagree
Adventure Tourism	84	48	17	0	1
Ecotourism	64	57	22	6	1
Beach Tourism	77	47	19	5	2
Cultural & Heritage Tourism	68	47	31	4	0
Wildlife	52	55	33	6	4
Wellness & Health Tourism	64	53	28	5	0
Cruise	66	49	23	9	3
Rural Tourism	54	60	23	11	2

12.3. REFERENCES

World Travel & Tourism Council

Saudi Tourism Authority

Saudi Arabian Monetary Authority

Saudi Arabian General Investment Authority

Ministry of Tourism, Saudi Arabia



Gulf Research Center

Knowledge for All



Gulf Research Centre - Cambridge
University of Cambridge
Sidgwick Avenue,
Cambridge CB3 9DA, UK
Tel: +44-1223-760758
Fax: +44-1223-335110



Gulf Research Center Foundation
Avenue de France 23
1202 Geneva
Switzerland
Tel: +41227162730
Email: Info@grc.net



مركز الخليج للأبحاث
مؤسسة الملك فيصل الخيرية
البرج الشمالي، الدور ١١، الوحدة FN11A
شارع الملك فهد الفرعي، حي العليا الرياض
ص.ب 10082 الرياض 12212
المملكة العربية السعودية
هاتف: +966 11 211 2567
البريد الإلكتروني: info@grc.net



مركز الخليج للأبحاث
(المركز الرئيسي)
19 شارع راية الاتحاد
ص.ب 2134 جدة 21451
المملكة العربية السعودية
هاتف: +966 12 6511999
فاكس: +966 12 6531375
البريد الإلكتروني: info@grc.net



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