



CONSULTING  
**HAUS**

**TOURISM & HOSPITALITY**

SECTOR OVERVIEW

SEPTEMBER 2023



# TOURISM & HOSPITALITY SECTOR OVERVIEW AND OUTLOOK

## INTRODUCTION

This tourism and hospitality sector overview (“**Overview**”) has been prepared by Consulting HAUS LLC (“**CH**”) based on information obtained from secondary sources (including World Travel & Tourism Council (“**WTTC**”), Marketline, Saudi Ministry of Tourism, websites etc.) and information gathered via primary market interviews with a cross section of market participants in Saudi Arabia.

Based on an assessment of the various sources of data, the Overview presents the potential market outlook for the tourism sector in Saudi Arabia in the coming years.

Users of the Overview are encouraged to undertake their own independent research before making any business-related decisions based on the content of the Overview.

Should you require a more in-depth analysis of the tourism and hospitality sector, please contact a member of the team or send an enquiry via our website: [www.consulting-haus.com](http://www.consulting-haus.com)

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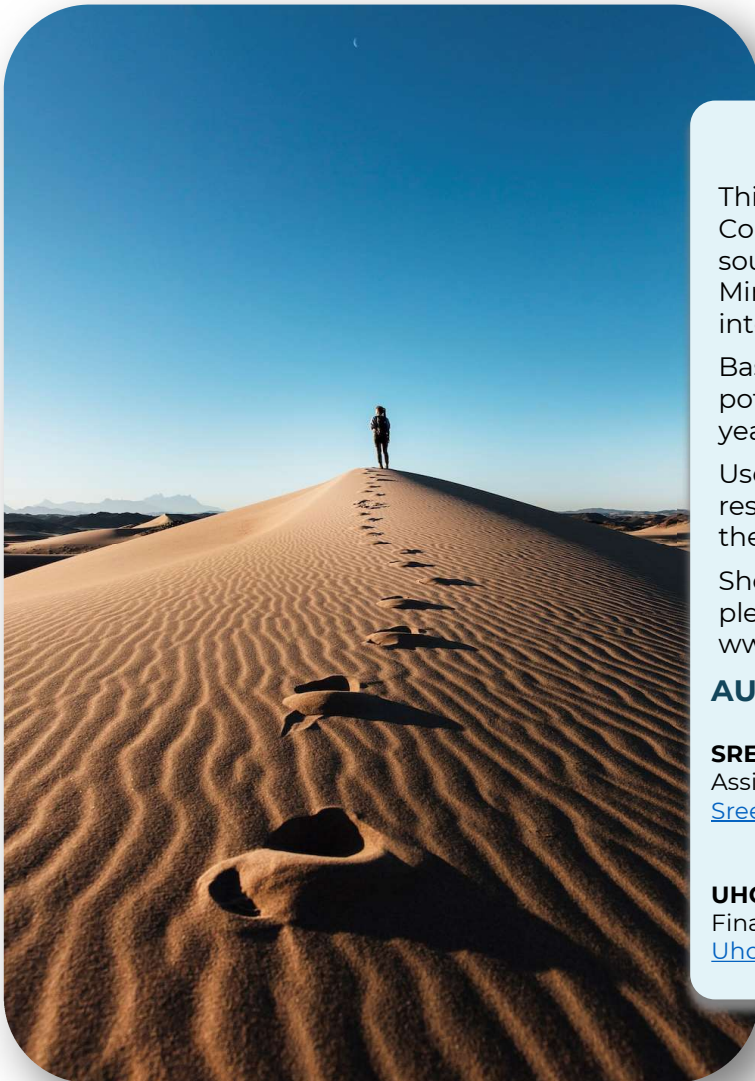
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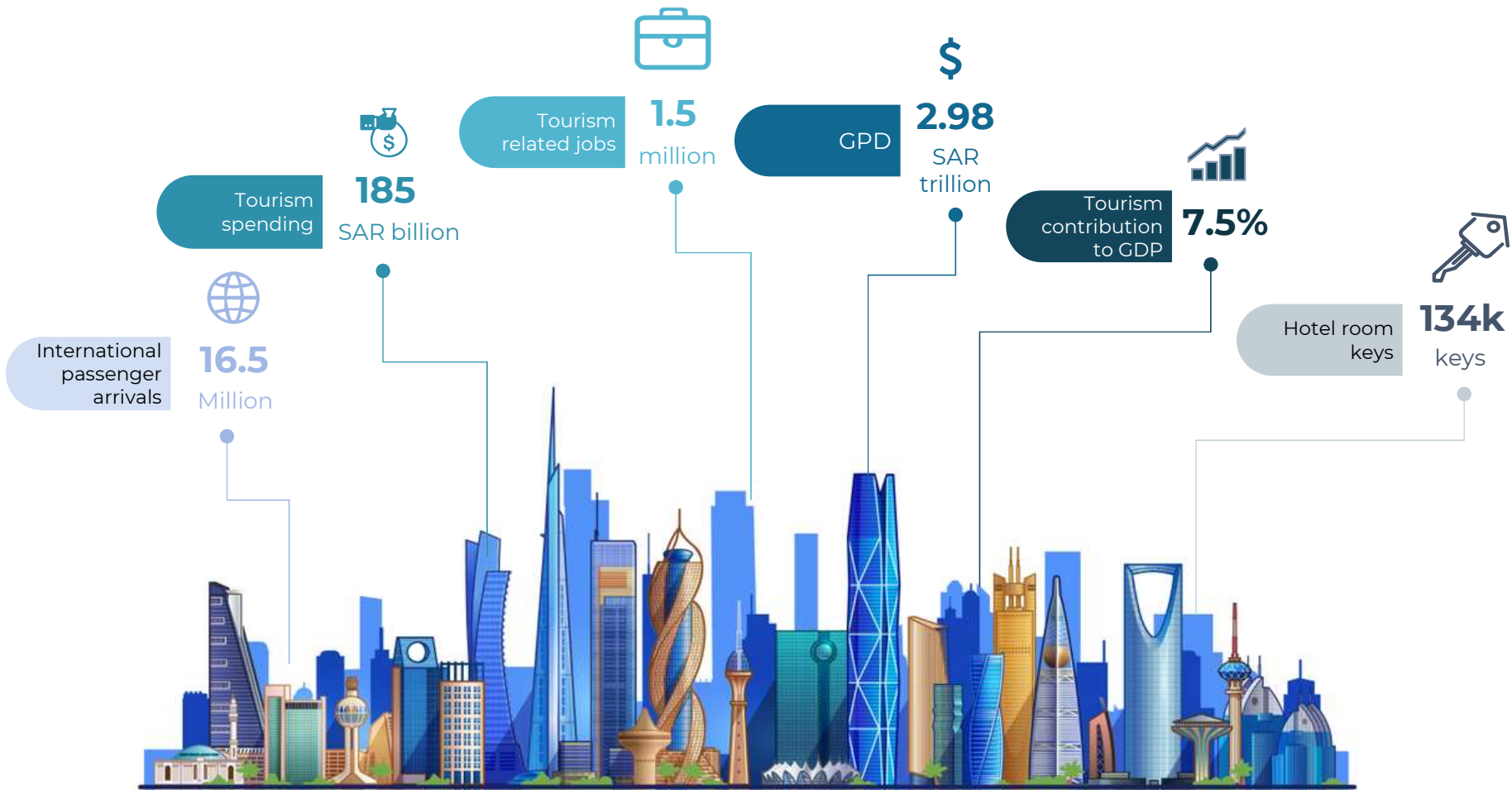




# Tourism & hospitality sector overview

## 2022 HIGHLIGHTS

Amidst the transformative landscape of Saudi Arabia, a remarkable evolution is underway within its tourism sector





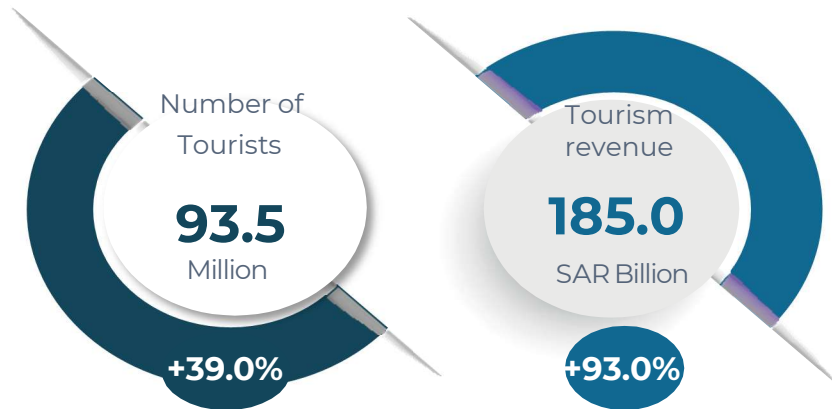
## Tourism & hospitality sector overview

### OVERVIEW OF TOURISM SECTOR IN SAUDI ARABIA

Saudi Arabia's tourism outlook remains positive in terms of long-term prospects as a result of various initiatives undertaken by the government as part of Saudi Vision 2030

#### TOURISM IN SAUDI ARABIA

- The Kingdom of Saudi Arabia ("**Saudi**" or "**Saudi Arabia**") is entering an entirely new tourism landscape through its Saudi Vision 2030 initiatives. With a strong economic outlook, diversification of its economy, and significant governmental support, the hospitality and tourism markets across the country are expected to see strong growth over the next decade.
- International tourism arrivals in Saudi Arabia jumped by 471.1% to 16.5 million in 2022A from 3.5 million in 2021A following the relief from the COVID-19 travel restrictions, while the number of domestic tourists increased by 21.3% to 77 million during the year.
- Total tourism spending in 2022A amounted to SAR185 billion with an increase of 93.2% compared to the previous year.
- According to the World Tourism Organization ("**WTO**"), Saudi Arabia ranked 13th globally as one of the top countries receiving international tourists in 2022 by advancing 12 places from 25<sup>th</sup> in 2019A.
- Saudi's outlook remains positive in terms of long-term prospects. By 2030, Saudi targets annually 100 million tourist visits, 15.0% direct tourism contribution to GDP, and over 1 million additional tourism jobs.



Tourism in 2022A compared to 2021A

Source: Ministry of Tourism, Saudi Arabia



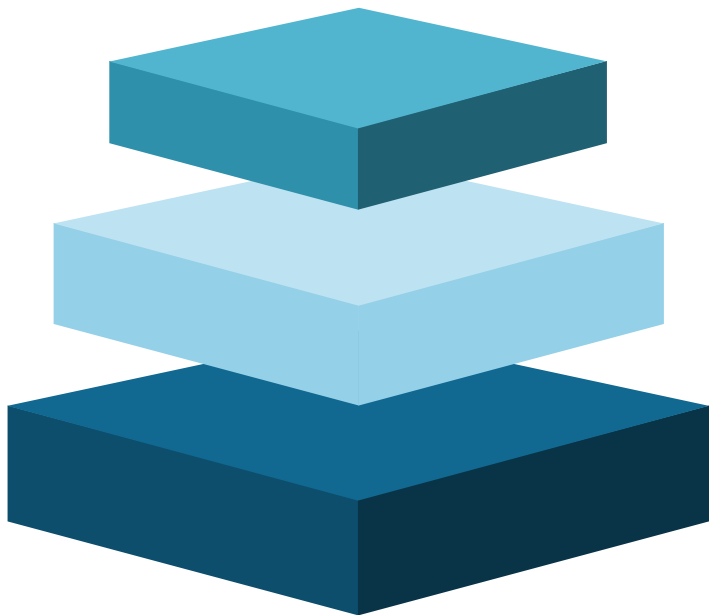


## Tourism & hospitality sector overview

### SAUDI VISION 2030

The Saudi Vision 2030 was translated into strategic goals, facilitating efficient execution via programs designed for realizing the envisioned outcomes

#### THE THREE PILLARS OF SAUDI VISION 2030



#### A VIBRANT SOCIETY

This pillar aims to create a more tolerant, inclusive, and equitable society in Saudi Arabia. The government plans to do this by investing in education, healthcare, and social welfare programs. They also plan to promote women's empowerment and protect human rights.



#### A THRIVING ECONOMY

This pillar aims to diversify the Saudi economy away from oil and gas. The government plans to do this by investing in new sectors such as tourism, manufacturing, and technology. They also plan to attract foreign investment and improve the business environment.



#### AN AMBITIOUS NATION

This pillar aims to make Saudi Arabia a more influential player on the global stage. The government plans to do this by investing in military and security capabilities, as well as soft power initiatives such as cultural diplomacy.

The Thriving Economy pillar of Saudi Vision 2030 includes initiative to advance the tourism and hospitality sector. The government plans to invest heavily in the sector, with the goal of attracting 100 million tourists to the country by 2030, create 1 million new jobs in the sector, increase the number of hotel rooms to 450,000 and generate USD100b in tourism revenue. This would make Saudi Arabia one of the top tourist destinations in the world.

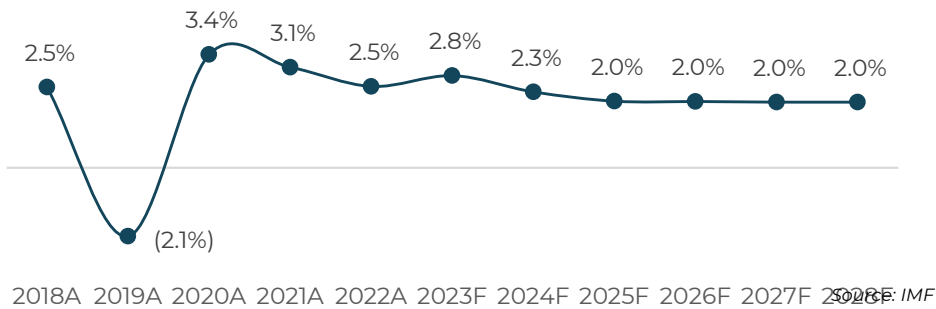


## Tourism & hospitality sector overview

# ECONOMIC PERFORMANCE AND OUTLOOK

GDP of the country witnessed a strong growth of 8.7% in 2022 reaching SAR3.0 trillion underpinned by the higher oil production

### AVERAGE CONSUMER PRICE INFLATION (2018A - 2028F)



### GDP OF SAUDI ARABIA IN TRILLION (2018A - 2028F)



### ECONOMIC OVERVIEW

- Saudi Arabia is the largest economy in the GCC and the world's largest crude oil exporter.
- In 2016A, the Saudi Government launched its Saudi Vision 2030 to diversify its economic resources. The country's plans focus on service improvement, fiscal sustainability, and private sector empowerment, through diversifying the economy, improving non-oil revenues, enhancing spending efficiency, and generating employment.
- With a continued focus to allocate resources to health, education, and the development of core services, in addition to the continuation of social support and benefits as part of its Saudi Vision 2030 objectives, the Saudi government is promoting a better quality of life and diversified economy.

### GDP ANALYSIS

- GDP of the country witnessed a strong growth of 8.7% in 2022A reaching SAR3.0t due to the higher oil production.
- Following a stellar GDP expansion of 8.7% in 2022A, economic growth is projected to decelerate to 3.1% in 2023F. A fall in oil production as Saudi abides by OPEC agreed production cuts leading to the contraction of the oil sector GDP by 2.0%. However, with oil prices remaining at relatively high levels, loose fiscal policy and robust private credit growth are expected to cushion the contraction in the oil sector. As a result, non-oil sectors are anticipated to grow by 4.7% in 2023F.
- Inflation of the country is expected to remain in the range of 2.0%-2.8% during the forecast period (2023F-2028F) on the prediction of lower energy prices.

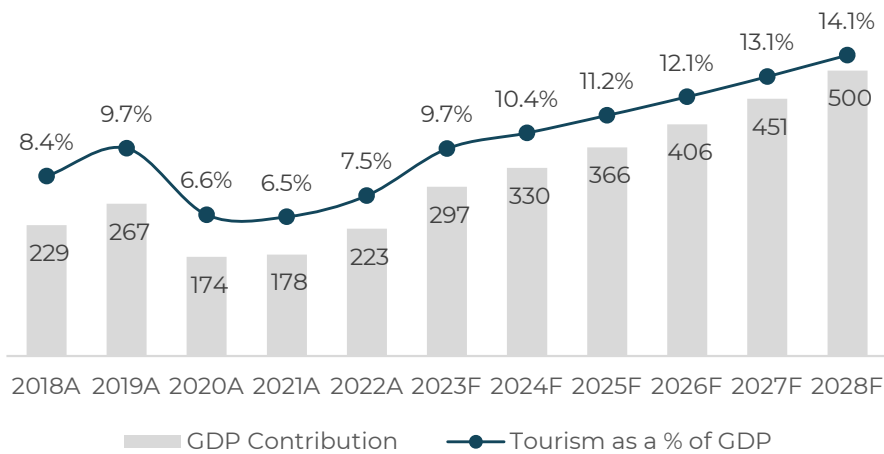


## Tourism & hospitality sector overview

### TOURISM AND GDP

World Travel and Tourism Council anticipates the sector in Saudi to grow at an average of 11.0% annually over the next decade

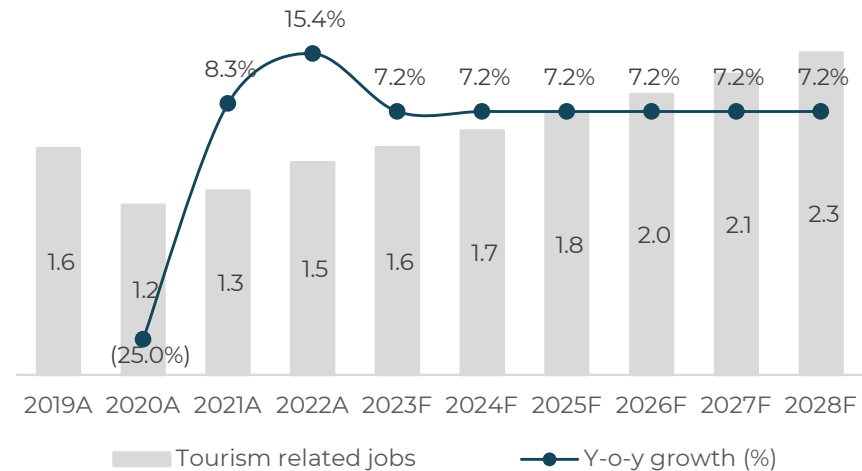
#### CONTRIBUTION OF TOURISM TO GDP (SARB)



Source: World Travel and Tourism Council

- World Travel and Tourism Council (“**WTTC**”) anticipates the sector in Saudi to grow at an average of 11.0% annually over the next decade, making it the fastest-growing travel & tourism sector in the Middle East.
- The country expects the total sector’s contribution to reach SAR500b in 2028F, constituting c.14.1% of the total economic GDP.
- The data illustrates the economic relevance of tourism in the country. Travel & tourism will become a driving force of the Saudi Arabian economy due to high levels of investments and strong governmental support According to WTTC, Saudi Arabia is anticipated to surpass the goals set out in its Saudi Vision 2030.

#### TOURISM RELATED JOBS (M)



Source: World Travel and Tourism Council

- The tourism sector played a significant role in the economic landscape of the nation, contributing approximately 7.5% to the GDP in the year 2022A. Furthermore, this sector exerted a direct influence by fostering employment opportunities for nearly 1.5 million individuals within the country in 2022A.
- Projections for the forthcoming years indicate a promising trajectory of growth within the tourism industry. Anticipated expansion in this sector is poised to yield substantial outcomes, including a twofold increase in the number of jobs linked directly to tourism over the course of the next decade.





## Tourism & hospitality sector overview

### SAUDI TOURISM ECOSYSTEM

Ministry of Tourism, Saudi Tourism Authority and Tourism Development Fund are the foundational cornerstones of Saudi tourism

#### SAUDI TOURISM ECOSYSTEM

وزارة السياحة  
Ministry of Tourism



#### MINISTRY OF TOURISM

- Establish rules and regulations for tourism sector development
- Attract quality investments to the tourism sector
- Upskill and support human resources
- Issue licenses and classifications for tourism activities and projects
- Foster an attractive investor environment
- Create new job opportunities across Saudi tourism sector

SAUDI الهيئة  
TOURISM السعودية  
AUTHORITY للسياحة



#### SAUDI TOURISM AUTHORITY

- Promote Saudi Arabia as a tourism destination domestically and internationally
- Develop, promote and distribute tourism packages in collaboration with private sector
- Provide guidelines and coordinate DMOs (destination management organization) on brand strategy & positioning, marketing campaigns, and tourism events, tradeshow & road shows
- Participate in tourism events and exhibitions, trade show & road shows domestically and internationally
- Measure the tourist experience and suggests ways to enhance it to the

Tourism صندوق  
Development التمنية  
Fund السياحي



#### TOURISM DEVELOPMENT FUND

- Develop financial products that suit the needs of SMEs and large institutions
- Make tourism investment more attractive to both lenders and investors, maximising the impact on the sector
- Support investors by providing access to the entire tourism ecosystem
- Establish partnership with private and public lenders to unlock the investment potential

Source: Ministry of Tourism, Saudi Arabia





# Tourism & hospitality sector overview

## GIGA PROJECTS

Various giga projects across the country account for 73.0% of the hotel supply pipeline

### GIGA PROJECTS

- The growth of the tourism and hospitality sector is propelled by Saudi Arabia's latest giga and mega projects, alongside a lineup of initiatives dedicated to heritage and enhancing established locales.
- As part of Saudi Vision 2030, Saudi Arabia has invested in several giga projects across the nation accounting for 73.0% of the hotel supply pipeline, including NEOM, AMAALA, The Red Sea Project, Diriyah, Qiddiya, and many more as shown on the adjacent map. These projects each strongly and uniquely reflects the country's vision and are anticipated to change the tourism and overall economic landscape of Saudi.
- In efforts to diversify demand and establish Saudi Arabia as an international destination, the giga projects are diversified in nature to address the evolving demand. The Red Sea Project presents a wide range of sustainable land and sea luxury encounters, Al Ula and Diriyah developments harness the nation's rich cultural legacy, and NEOM provides avenues to delve into a multitude of distinctive nature-based experiences.

### KEY GIGA PROJECTS DETAILS

	THE RED SEA	AMAALA	NEOM
Expected date of completion	Phase 1: 2024 Phase 2: 2030	Phase 1: 2024 Phase 2: 2030	Phase 1: 2025 Phase 2: 2030
Number of hotels	Phase 1: 16 Phase 2: 50	Phase 1: NA Phase 2: 25	Phase 1: 15 Phase 2: 25-30
Number of hotel rooms	Phase 1: 3000 Phase 2: 8000	Phase 1: 1300 Phase 2: 3000	NA
Area	28,000 km <sup>2</sup>	4,155 km <sup>2</sup>	26,000 km <sup>2</sup>

### GIGA PROJECTS MAP



Source: CH research NEOM, AMAALA

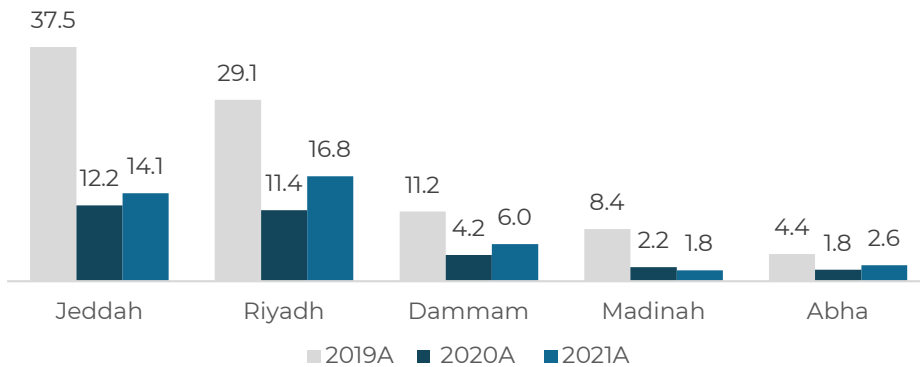


## Tourism & hospitality sector overview

### TOURISM LANDSCAPE

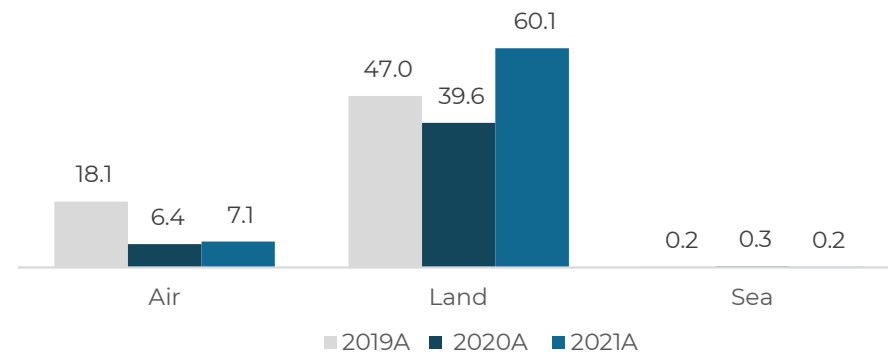
The General Authority of Civil Aviation aims to invest over SAR375b to construct two main airports in Riyadh and Jeddah

#### AIRPORT PASSENGER MOVEMENT (MILLIONS) IN MAJOR AIRPORTS



Source: GACA

#### TOURISTS BY MODE OF TRANSPORTATION (M)



Source: Ministry of tourism

- Airport passenger movement is an important indicator of transient hotel demand. A sizeable percentage of arriving passengers will need hotel accommodation, depending upon the type and location of the airport.
- Trends showing changes in passenger counts also reflect local business activity and the overall economic health of an area. As illustrated in the graph above, the top five major airports in Saudi Arabia experienced a significant reduction in passenger movement in 2020A due to the pandemic.
- Following the pandemic, passenger movement slowly recovered at every airport in Saudi Arabia. Passenger movement in the first half of 2022A has recovered to approximately 70.0% of pre-pandemic levels across the country, according to Saudi Arabia's General Authority of Civil Aviation ("**GACA**").
- Saudi Arabia's GACA aims to invest over USD100b into the aviation sector, construct two major airports in Riyadh and Jeddah, and increase the number of destinations served from 100 to 250, in order to boost passenger traffic across Saudi to 330 million passengers by 2030.

- The graph above shows the mode of transportation chosen by tourists (both domestic and international) during the period 2019A and 2021A.
- Both air and land transportation show a decline in trend between 2019A and 2020A as a result of COVID-19 related travel restrictions.
- However, a sharp jump is visible in the number of tourists who choose land as mode of transport in 2021A largely due to increase in domestic tourists.
- Tourist arrivals through sea remain low between 2019A and 2021A and contributes the least to the total number of tourists.

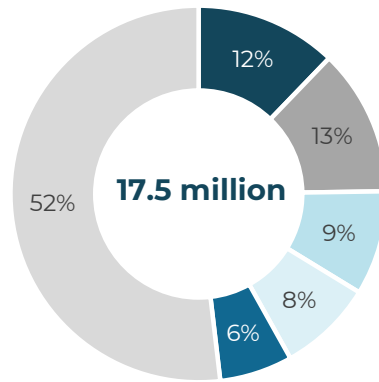


# Tourism & hospitality sector overview

## SOURCE MARKET AND DESTINATIONS - INBOUND

Kuwait was the top source market in 2021A with 623 thousand tourists

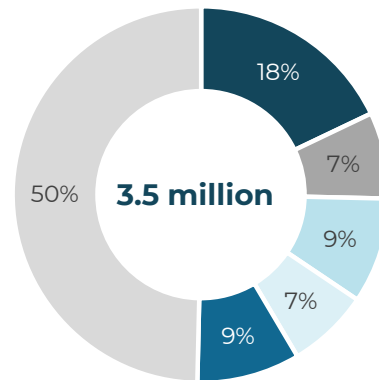
### VISITORS BY SOURCE COUNTRIES -2019A



■ Kuwait ■ Pakistan ■ India ■ Indonesia ■ Egypt ■ Rest of the world

Source: Ministry of tourism

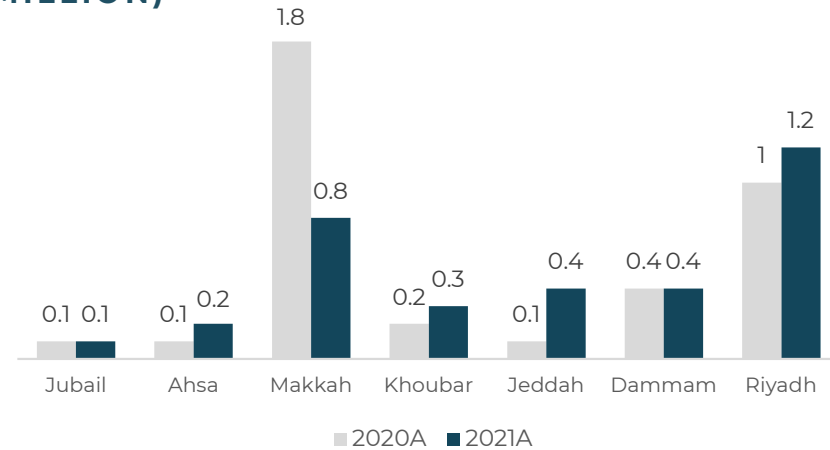
### VISITORS BY SOURCE COUNTRIES -2021A



■ Kuwait ■ Pakistan ■ India ■ Indonesia ■ Egypt ■ Rest of the world

Source: Ministry of tourism

### TOP TOURIST DESTINATION (TOURISTS IN MILLION)



■ 2020A ■ 2021A

Source: Ministry of tourism

- In 2021A, Kuwait was the top source market with 623 thousand tourists followed by India and Egypt with 316 and 308 thousand tourists respectively.
- Fast-growing Asian countries with large Islamic populations, as well as the GCC region, make up the top source markets for inbound travel to Saudi Arabia. This is anticipated to remain in the future on account of religious tourism. In 2021A, travel restrictions and border closures had a significant impact on inbound visitation.
- Riyadh was the top local destination for inbound tourism in 2021A with 1.2 million tourists.
- Jeddah was the top growing local destination with an average growth rate of 368.0% in 2021A compared to 2020A, Makkah recorded the greatest decline by 84.0% in 2021A compared to 2020A due to the procedures and restrictions imposed on Umrah.

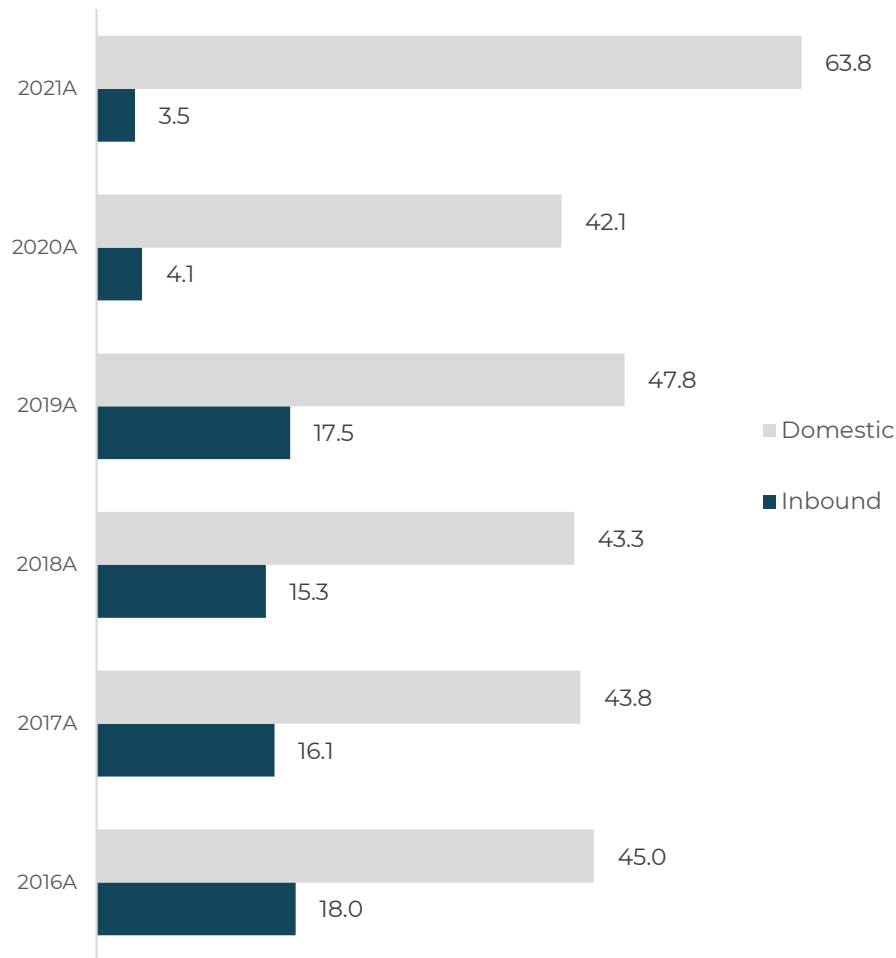


## Tourism & hospitality sector overview

### INBOUND AND DOMESTIC TOURISTS

Domestic tourism in 2021A witnessed a record 63.8 million tourists

#### TOURISTS (IN MILLION)



Source: Ministry of tourism

#### KEY HIGHLIGHTS

- Inbound tourism in 2021A declined compared to 2020A by 16.0% due to COVID-19 pandemic and the e-visa suspension as well as Hajj and Umrah restrictions.
- In the long-term, the initiatives that will be implemented under Saudi Vision 2030, the ease in visa restrictions following the introduction of the tourist visa, and the revamp of product offerings in secondary cities, as well as several legislative changes, inbound arrivals are expected to increase exponentially.
- Saudi Arabia witnessed a record of 63.8 million domestic tourists in 2021A.
- Although domestic tourism was initially fueled by the closure of borders and restrictions on travel for Saudi nationals, annual festivals and seasons organized by the tourism authorities supported the resurgence of domestic tourism. Sports, arts, and entertainment events, including the Saudi Arabian Grand Prix, engaged Saudis and attracted global attention and foreign visitors in 2021A.
- Domestic tourism is anticipated to increase drastically in the next three to five years on account of the major developments planned for the country and it is expected that domestic travelers will initially drive the country's tourism goals. However, as the destinations develop further and gain popularity, the demand is expected to be generated from the Middle East region as well as globally.



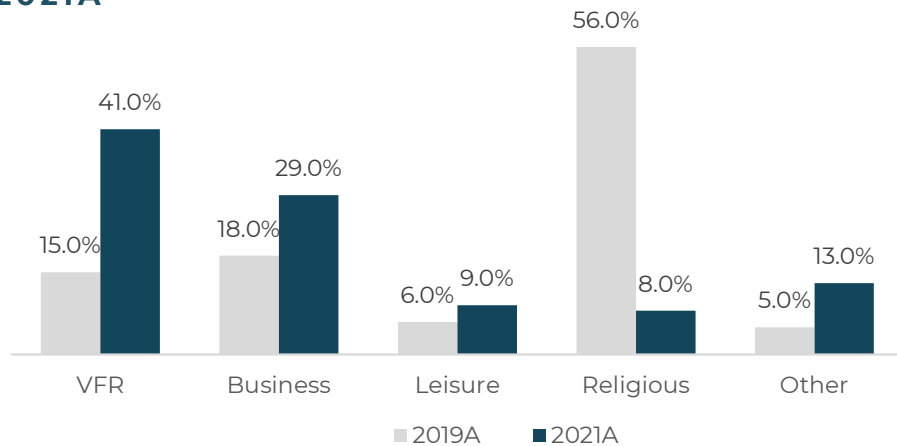


# Tourism & hospitality sector overview

## PURPOSE OF VISITS

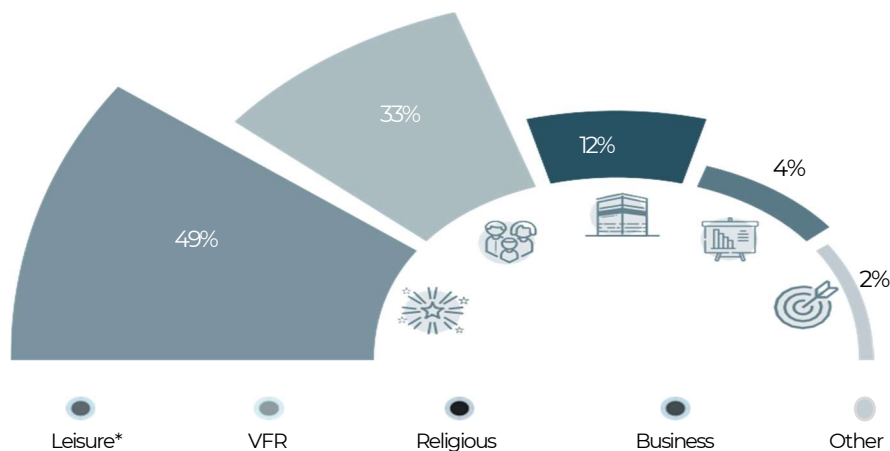
Investments by the Saudi Arabian government are anticipated to diversify inbound travel to the country

### PURPOSE OF VISITS OF INBOUND TOURISTS – 2021A



Source: Ministry of tourism

### PURPOSE OF VISITS OF DOMESTIC TOURISTS – 2021A



Source: Ministry of tourism

\*Leisure: Recreation, Shopping & Sports

### KEY HIGHLIGHTS- INBOUND TOURISTS

- The Saudi Arabian inbound tourism is heavily dependent on Hajj and Umrah pilgrims. However, investments by the Saudi Arabian government are anticipated to diversify inbound travel into Saudi Arabia. Religious tourism is expected to regain momentum as the low 8.0% figure in 2021A was due to the cancellation of the pilgrimage due to COVID-19.
- In 2021A, visiting family and relatives (“VFR”) consisted of c.41.0% of total inbound tourists, followed by business at c.29.0%, leisure at c.9.0%, religious at 8.0% and others at c.13.0%.
- It is expected that the leisure and business tourism are likely to grow significantly as a result of the current promotion and development of a tourism landscape with Saudi Vision 2030, including the completion of mega-developments, the implementation of other tourism initiatives, the ease in tourist visas as well as several legislative and social reforms in Saudi Arabia.

### KEY HIGHLIGHTS- DOMESTIC TOURISTS

- Domestic tourism witnessed a significant growth in 2021A as a result of travel restrictions and the various initiatives taken by the government to promote tourism.
- Leisure tourism contributed the most in 2021A with a share of 49.0%, followed by VFR (33.0%) and religious tourism (12.0%) in domestic tourism.
- The delivery of the first phases of giga-projects such as the Red Sea, Amaala, Diriyah Gate, Al Ula, and Qiddiya as well as development of new hospitality offerings in primary and secondary cities will support tourism growth in Saudi Arabia. The hospitality demand in Saudi Arabia is expected to grow in the coming years with a significant rise in leisure tourism as part of Saudi Vision 2030.

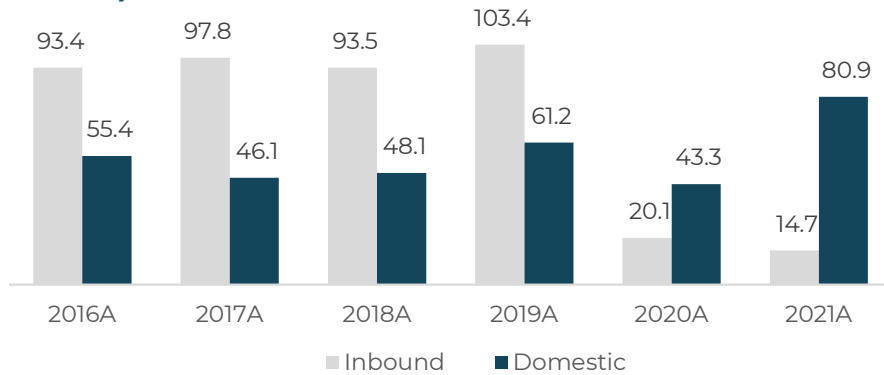


## Tourism & hospitality sector overview

### TOURIST SPENDING

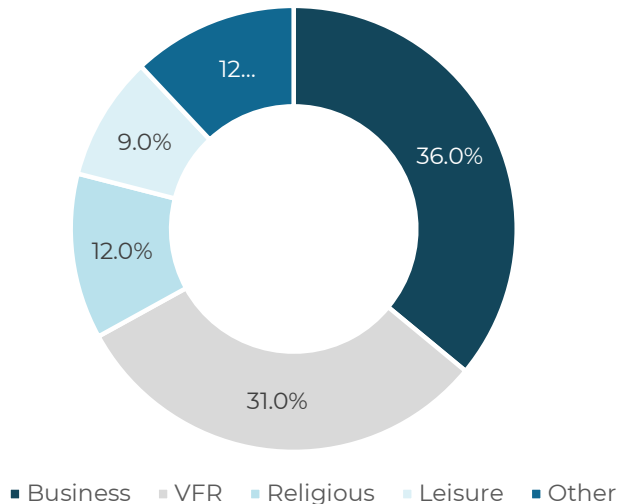
Saudi Arabia witnessed a significant growth in domestic spending in 2021A compared to previous year with a growth of c.86.8% to reach SAR80.9b

#### INBOUND AND DOMESTIC TOURIST SPENDING (SAR B)



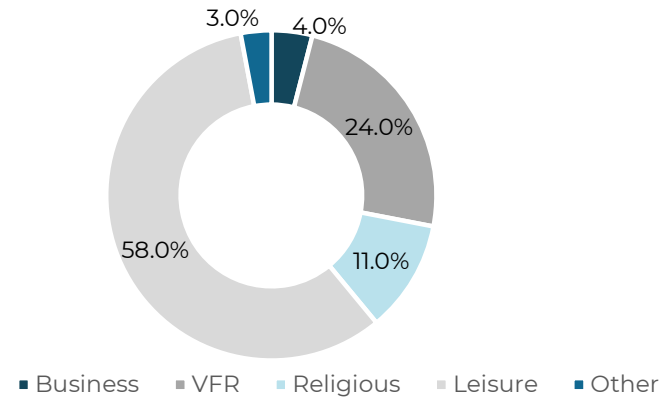
Source: Ministry of tourism

#### INBOUND TOURIST SPENDING BY PURPOSE - 2021A



Source: Ministry of tourism

#### DOMESTIC TOURIST SPENDING BY PURPOSE - 2021A



Source: Ministry of tourism

- Saudi Arabia witnessed significant growth in inbound tourism and domestic tourism in 2019A with a growth of c.10.5% and c.27.2% respectively. This was a result of the government's initiatives to develop and promote new locations and demand generators, as well as the government's investments to improve infrastructure and its efforts to promote destinations' attractiveness.
- In 2020A, inbound tourism spending dropped by c.80.6% as the country closed its borders and imposed travel restrictions to tackle the COVID-19 pandemic.
- Saudi Arabia witnessed a significant growth in domestic spending in 2021A compared to previous year with a growth of c.86.8% to reach SAR80.9b.
- Leisure travel accounted for 58.0% of the overall domestic expenditure, followed by VFR at 24.0%, and religious travel at 11.0%.
- Inbound tourism further reduced to SAR14.7bin 2021A. However, as per the Ministry of Tourism, inbound travels increased as of the start of July after lifting COVID-19 restrictions. Business tourists were the largest contributor to tourism revenue in 2021A with a contribution of 36.0%, followed by VFR at 31.0%.

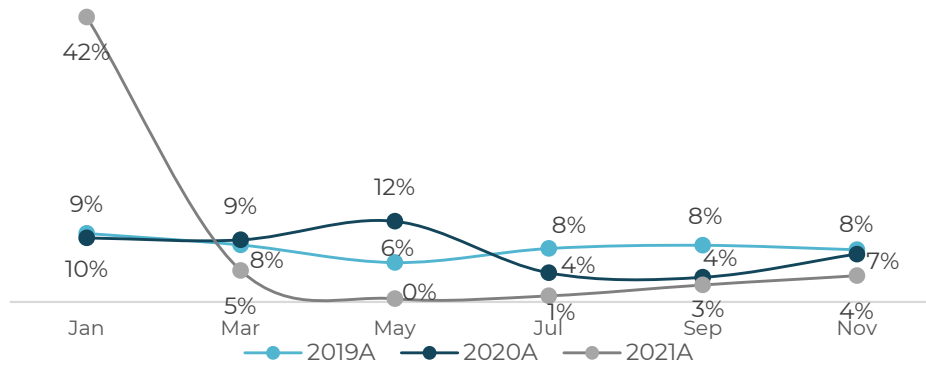


# Tourism & hospitality sector overview

## SEASONALITY

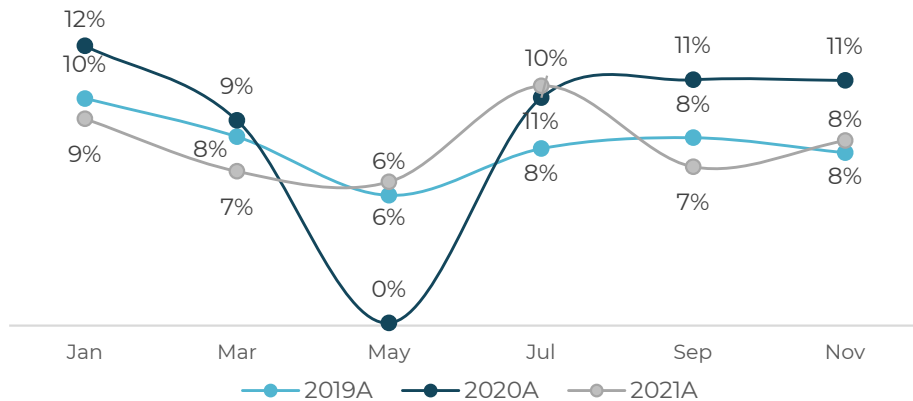
Domestic tourism in Saudi Arabia witnessed a strong growth in 2021A

### INBOUND TOURSİM SEASONALITY (2019A – 2021A)



Source: Ministry of tourism

### DOMESTIC TOURISM SEASONALITY (2019A – 2021A)



Source: Ministry of tourism

### KEY HIGHLIGHTS

- Saudi Arabia's tourism experiences a peak period July-December through domestic tourism, coinciding with the Hajj and Ramadan, two essential drivers of the market that bring millions of domestic and international pilgrims into the region.
- As the majority of inbound travel related to business purpose (excluding religious tourism), the number of visitors across the years are more or less stable except the year of pandemic.
- In 2021A, the seasonality patterns were affected by the travel restrictions due to COVID-19. Hence, the seasonality pattern shown in the graph on the left side may not be a true representation of market sentiments.
- Going forward, these seasonality factors are expected to continue, however, the off-peak periods are expected to grow as a result of realization of Saudi Vision 2030.
- The chart in the bottom left side of the page shows the seasonality of domestic tourism.
- Domestic tourism in Saudi Arabia witnessed a strong growth in 2021A. June and July ranked in the top with 10.0% and 11.0% respectively as they coincide with summer season and end of school vacation.
- December came in second with 10.0% followed by January with 9.0% of total tourists in 2021A, this is due to the events and activities of Riyadh Season. This event is a state-sponsored annual entertainment and sports festival, part of the larger Saudi Seasons initiative held since 2019 from October to March during winter in Riyadh
- It is important to note that domestic peak rates are in line with religious holidays which move roughly 20 days per year, therefore, domestic peaks slightly vary each year.
- May is the month which show lowest number of visitors under domestic tourism.

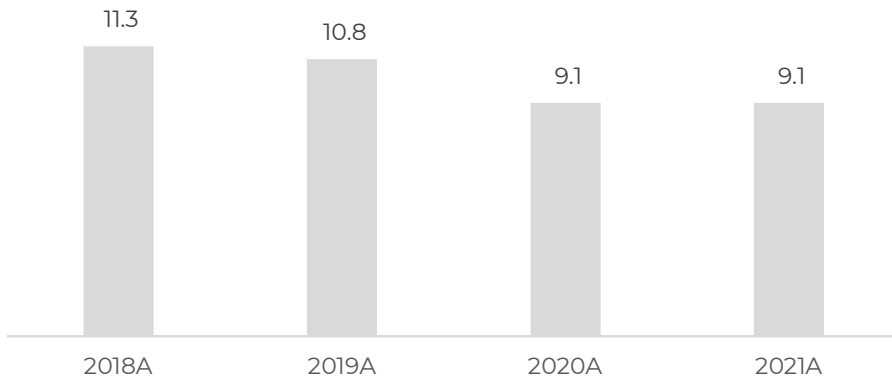


## Tourism & hospitality sector overview

### AVERAGE LENGTH OF STAY

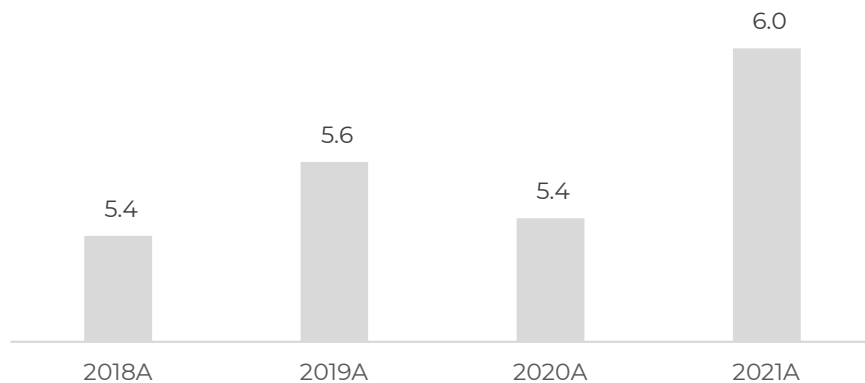
Average length of stay of inbound tourists averaged at c.10 nights between 2018A and 2021A

#### INBOUND TOURSIM (2018A – 2021A) – AVERAGE NIGHTS



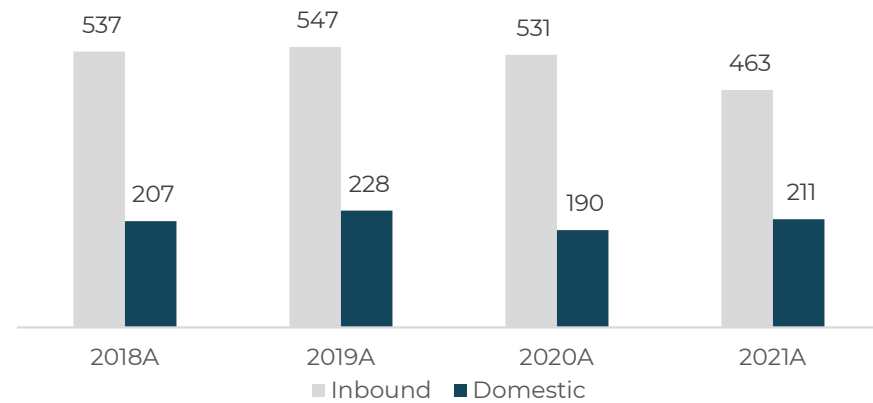
Source: Ministry of tourism

#### DOMESTIC TOURISM (2018A – 2021A) – AVERAGE NIGHTS



Source: Ministry of tourism

#### AVERAGE SPENDING PER NIGHT (SAR)



Source: Ministry of tourism

- As per Ministry of Tourism, average length of stay under inbound tourism is c.10.0 nights between 2018A and 2021A. A fall in number of nights is visible for the years 2020A and 2021A compared to previous years as a result of travel restrictions.
- Average length of stay of domestic tourism show a sharp jump in 2021A after the fall in 2020A. The unprecedented growth in 2021A is a result of steady and strong recovery of tourism sector from COVID-19 pandemic.
- In 2021A, domestic tourists spent over 384 million nights 36.5% of which were spent during the summer break (June, July and August) and about 15.3% were spent during July.
- Average spending per night remain relatively stable for inbound tourism between 2018A and 2020A. However, average spending per night in 2021A declined by c.12.8% due to the pandemic related travel restrictions.
- Under domestic tourism, average spending per night grew by c.11.0% in 2021A inline with growth in average length of stay.



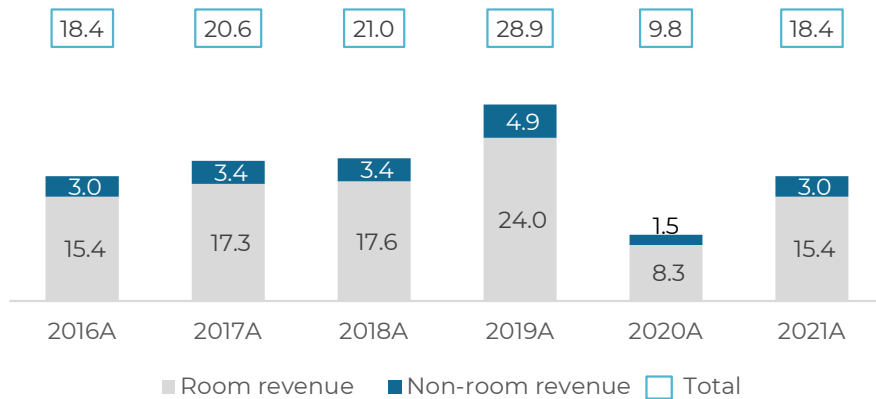


## Tourism & hospitality sector overview

### HOSPITALITY OVERVIEW

The current hotels and motels room supply is estimated at 134,000 and is expected to reach 450,000 by 2023 in-line with the Saudi Vision 2030 goals

#### HOTELS AND MOTELS MARKET VALUE IN SAUDI ARABIA (SAR B)



Source: Marketline

#### RIYADH MARCH 2023 KEY HIGHLIGHTS

# SAR801




Average daily rate

# 76.4%

Occupancy rate

# SAR605

RevPAR

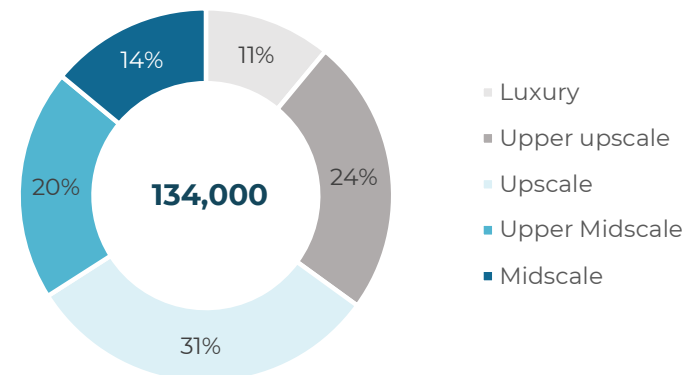




Source: CH research, Smith Travel Research

#### HOTELS AND MOTELS MARKET ANALYSIS

- The market's total value incorporates the revenue derived from two main sources:
  - Room revenue:** The payment made by guests for occupied rooms; and
  - Non-room revenue:** The supplementary income including food and beverage sales, telecommunications, health and recreational services, and car rentals.
- Within the Saudi Arabia hotels & motels industry, the largest segment is room revenue, constituting a substantial 83.7% of the industry's overall market value. The remaining portion, amounting to 16.3%, is attributed to the non-room revenue segment.
- According to Knight Frank's data research on Saudi Arabia's hotels outside of the giga-projects, it is estimated that there are currently 134,000 hotel and serviced apartment keys in the country.

#### ACCOMMODATION TYPE BY NUMBER OF KEYS: 2023



Source: Smith Travel Research



## Tourism & hospitality sector overview

### ATTRACTIONS (1/2)

Saudi Arabia is rich with diverse attraction spots that deliver an authentic and luxurious experience

#### AL-RAHMA MOSQUE JEDDAH

The Al-Rahma Mosque in Jeddah, known as the "floating Mosque," captivates visitors with its turquoise dome and serene architecture. Positioned by the Red Sea, it serves as a spiritual gateway and draws travelers and pilgrims to Jeddah from around the world.



#### KING SALMAN PARK RIYADH

King Salman Park was launched in 2019 and is the world's largest urban park, offering a variety of activities for all ages, from arts and culture to sports and entertainment. It is also a sustainable oasis in the heart of Riyadh.

#### KING ABDULAZIZ HISTORICAL CENTRE (NATIONAL MUSEUM) RIYADH

The King Abdul Aziz Historical Center, or National Museum, showcases Saudi history through well-lit displays, exhibitions, and interactive features. Its extensive area, including a mosque, library, and park, offers diverse cultural experiences.





## Tourism & hospitality sector overview

### ATTRACTIONS (2/2)

#### WINTER PARK AL-ULA

Al Ula is a captivating city with well-preserved tombs, sandstone formations, and monuments. Winter Park, a vibrant destination, hosts engaging activities and events, highlighted by seasonal hot air balloon rides.



#### ASEER NATIONAL PARK ASEER

Aseer National Park, Saudi Arabia's first, houses diverse wildlife and the country's highest peak. Since 1980, it has attracted hikers and nature enthusiasts eager to explore its beauty.

#### OLD DIRIYAH RIYADH

Historical Diriyah, a UNESCO site, showcases Saudi Arabia's history and culture through traditional architecture, artifacts, and museums, blending the past with the present.





## Tourism & hospitality sector overview

### UPCOMING EVENT (1/2)

Aligned with Saudi Vision 2030, the region's entertainment venues grew to 277 in 2021, enhancing the nation's readiness for year-round local and large-scale events

## THE HOTEL SHOW SAUDI ARABIA

The Hotel Show stands as a significant international occasion, uniting experts, suppliers, and stakeholders from the hospitality sector to present goods, share insights, and delve into industry trends. By means of exhibitions, seminars, and networking, it promotes interactions and advancements in hotel amenities, technology, design, and environmental responsibility. Its objective is to cultivate cooperation, spotlight evolving trends, and establish a foundation for expansion and alliances within the hospitality realm.

<b>Date</b>	10-12 September 2023
<b>City</b>	Riyadh
<b>Estimated revenue</b>	USD10-20m
<b>Estimated visitors</b>	8,000+



## Formula 1™

The Saudi Arabian Grand Prix is a notable component of the Formula One World Championship, taking place in Jeddah on an exhilarating street circuit. Launched in 2021, it presents a fast-paced configuration with intricate corners. This occasion underscores Saudi Arabia's presence in Formula One, aligning with the escalating impact of the Middle East in motorsport. The race is distinguished by its distinctive track, serving as a stage for spotlighting the nation and capturing worldwide interest.

<b>Date</b>	7-9 March 2024
<b>City</b>	Jeddah
<b>Estimated revenue</b>	USD100m+
<b>Estimated visitors</b>	100,000+





## Tourism & hospitality sector overview

### UPCOMING EVENTS (2/2)

Since the Saudi Vision 2030's inception, more than 2,000 events have taken place, drawing over 46 million visitors



Esteemed boxing icon Manny 'PacMan' Pacquiao is making a return from retirement for an extraordinary exhibition bout against his former sparring partner, the undefeated Jaber Zayani. This distinctive single-match spectacle, set for 2023 at Riyadh's King Fahd Stadium, will spotlight Pacquiao's celebrated agility and potent strikes. Enthusiasts can anticipate an electrifying encounter lasting eight rounds, where these adept pugilists showcase their prowess.

<b>Date</b>	10 December 2023
<b>City</b>	Riyadh
<b>Estimated revenue</b>	USD10m
<b>Estimated visitors</b>	10,000+



Every year, the FIFA Club World Cup™ brings together champions from premier continental tournaments and the host nation's team, all competing for the esteemed trophy. Renowned for its intense rivalry and dynamic games, the tournament highlights a variety of global talents, offering fans of all generations an opportunity to witness an exciting array of skills on display.

<b>Date</b>	5 – 14 October 2023
<b>City</b>	Nationwide
<b>Estimated revenue</b>	USD75m
<b>Estimated visitors</b>	250,000+



# Tourism & hospitality sector overview

## SWOT ANALYSIS

Highlighted below is the strengths, weaknesses, opportunities, and threats analysis for the tourism and hospitality sector in Saudi Arabia

### STRENGTHS

- ✓ Saudi Vision 2030 Initiatives: The initiatives are driving the growth of the tourism and hospitality sector, focusing on diversifying the economy, improving infrastructure, and enhancing the quality of life for both locals and tourists.
- ✓ Strategic location: Saudi Arabia's strategic location in the Middle East positions it as a potential hub for both leisure and business travelers, capitalizing on its accessibility to various regions.

### THREATS

- ✗ Competition: The global tourism market is highly competitive, with other established destinations in the region such as UAE vying for the same pool of tourists. Saudi Arabia will need to differentiate itself effectively to attract a substantial share of international travelers.
- ✗ Regulatory changes: Changes in regulations or political dynamics can impact the ease of travel, potentially affecting tourist flows.



### WEAKNESSES

- ✗ Dependency on religious Tourism: The tourism sector's overreliance on Hajj and Umrah pilgrims makes it susceptible to fluctuations in religious travel, as demonstrated during the COVID-19 pandemic and associated restrictions.
- ✗ Seasonal fluctuations: The industry experiences significant seasonality due to factors like Hajj, Ramadan, and school vacations. This can lead to challenges in maintaining consistent year-round revenues.

### OPPORTUNITIES

- ✓ Diversification of tourism offerings: The development of giga-projects, cultural events, and entertainment offerings presents an opportunity to diversify the tourism landscape, attracting a wider range of travelers beyond religious tourism.
- ✓ Increased inbound tourism: The easing of visa restrictions, along with the development of new attractions and destinations, holds the potential to attract a larger number of international tourists.



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