DOMESTIC TOURISM BOOSTING SAUDI REVENUE AND OCCUPANCY RATES

In recent years there has been a massive rise in the number hotels being invested in, and occupied, in Saudi Arabia and similar growth in employment figures for the tourism industry as a whole. There are around 3,700 accommodation facilities in the kingdom – a third being hotels and many others being furnished apartments – and this means that there are around 300,000 rooms to be occupied at any one time. Because of a rise in tourist numbers, occupancy rates in these hotels reached 64% and the number of employees hired to service them has also risen. Over 27% of permanently employed Saudis are in the tourism industry and a record number of new opportunities means there are now 1.1 million staff members within the sector.

Domestic tourism is on the rise and more and more local tourists are boosting the kingdom's tourism revenue by staying in these room and apartments.

There are two things that are particularly interesting about this high growth rate: firstly that these big numbers actually cover quite a small area and small percentage of the Kingdom's GDP; secondly the way that a new trend in domestic tourism is affecting the industry and its prospects for the future. Tourism contributes SR75 billion to the nation's GDP, which constitutes just 3% of the total, and 77% of hotel investments are taking place in Makkah and Madinah alone. An increase of 4.8 million domestic passengers between 2012 and 2013 is said to have occurred because of investments in the country's tourism infrastructure, according to a report from the Saudi Commission for Tourism and Antiquities, and authorities are hopeful that this is an ongoing trend because of the increased spending of these local tourists and the greater revenue they bring. SR28 billion was brought in at this time and, unsurprisingly, accommodation with the sub-sector that received the greatest percentage of this expenditure.

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