

SAUDI ARABIA TO INVEST SR150BN IN TOURISM



Tourism experts estimate SR150 billion investments in Saudi Arabian tourism in 2014. Domestic tourism is expected to get SR50 billion, the rest standing at SR100 billion goes to the inbound tourism.

Saudi domestic tourism has progressed from SR59 billion investments in 2010 to a substantial SR103 billion within the current year. The spending translates to an increase in sustainable investment opportunity. The economic mainstream in Saudi Arabia is connected to Haj and Umrah pilgrimages.

Proper networks of roads, railway connections and reliable energy greatly boost economic opportunities around the holy cities. This combined with other social amenities allow sustainable development in the industry.

It is expected that the number of pilgrims will increase to 5.2 million by 2015 from 2 million in 2013. The increase can be attributed to high capacity facilities such as the expansion of Jeddah airport. By 2035 the airport will be able to accommodate 80 million people. Currently there are plans to expand the northwestern and northeastern sections of the holy mosque to further accommodate 2.5 million people. The Prophets' Mosque in Medina is scheduled to be completed by 2040 - it will be expanded to accommodate between 600,000 and 1.6 million people.

The CEO SEDCO Holding group, Anees Moumina, highlighted the need to project investments in the coming period. This is directly due to the high revenue it generates. The company is constructing 100 hotel towers worth SR18 billion adjacent to Mecca hence adding to the 24,480 hotel rooms in the city.

Hotels mainly hold the larger share accounting to 96 percent of the Mecca accommodation industry. ELAF is a major investor in the hospitality industry in regions such as Mecca, Medina and Jeddah. The company intends to expand its investment in the tourism and hospitality industries, especially accommodation.

Conclusively, the Saudi tourism industry is without a doubt a merging leader. Proper planning ensures the future is secure creating progressive growth and sustainable economic opportunities. By correctly analyzing the facilities the kingdom possesses it is only a matter of time before they harness the potential the industry can offer.

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