

SAUDI ARABIA TOURISM PLANS BIG DEVELOPMENTS



As the pilgrimage to Mecca has just finished, the kingdom of Saudi Arabia is also seeking to develop its non-religious tourism industry in order to distance itself from its dependence on oil extraction. Saudi Arabia tourism has been growing in importance for the economy.

The traditional pilgrimage to Mecca - one of the five pillars of Islam - annually attracts around 2 million Muslims. Every Muslim is required to visit, at least once in his/her lifetime, the holy city where the Bedouins carried out religious rituals even before the prophet Muhammad began preaching in the 7th century.

30 million tourists by 2030

Saudi Arabia tourism authorities announced around 8 million visitors came to the kingdom last year, largely within the context of this pilgrimage. **Tourism accounts for 3.3 % of the kingdom's GDP and directly employs 603 500 people, according to a study conducted by the World Travel and Tourism Council .**

While the price of black gold continues to stagnate at around \$50 a barrel, slowing down the kingdom's economy and winding up its deficit, the ultra-conservative kingdom is now looking to take the economy to the next level. Anxious to diversify Saudi Arabia's economy, Prince Mohammed ben Salmane aims to attract 30 million tourists by 2030 in accordance with the "Vision 2030" program.

To achieve this objective, the country's new strongman intends to sell 5% of the shares of the kingdom's oil jewel - Saudi Aramco - valued at \$2 trillion. This should free up enough capital to finance new investments.

Pharaonic Projects

A railway project that plans to link the country's main cities (Mecca, Medine, Jeddah, etc.) is already on track. The city of Mecca, home of the famous black (Kaaba) stone around which pilgrims gather, has also seen its hotel infrastructure grow at full speed in the last few years.

However, Saudi Arabia tourism stakeholders are no longer satisfied with religious travels alone. In August, the government announced plans to transform some fifty Red Sea islands into a luxury resort which will cover some 34 000 km² - a surface area larger than that of Belgium!

Furthermore, the kingdom intends to open, by 2020, many - mainly culturally oriented - amusement parks which would endow it, by this time, with some 450 leisure installations. These decisions have found popularity with the younger segment of the population, but are making the religious establishment cringe.

Challenges

If he wants to succeed, Prince "MBS" will need to face many challenges head on. In 2015, a

stampede during the Mecca pilgrimage cost the lives of more than 2 000 pilgrims and provoked a diplomatic crisis with Iran, the neighboring Shiite power.

This drama further tarnished the country's already degraded image abroad. The prohibition of the sale of alcohol and the numerous restrictions imposed on women could also constitute major obstacles for Western tourists.

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