

SAUDI ARABIA: 320,000 NEW HOTEL ROOMS IN DEVELOPMENT BY 2030



Saudi Arabia is planning to bolster its hospitality industry by constructing 320,000 new hotel rooms by 2030, as per the analysis conducted by global real estate firm Knight Frank.

The study revealed that approximately 67% of the proposed hotel room inventory in the country would fall under the "upscale" or "luxury" categories, indicating 4-star and 5-star accommodations, respectively. **This move aims to cater to the expected rise in tourism, with an estimated 150 million domestic and international tourists anticipated by 2030.**

The Saudi Arabian government, demonstrating its strong commitment, has targeted 150 million visitors by 2030, a 50 percent increase from its previous goal. To achieve this, the government is not just exploring but actively implementing various strategies to attract international travelers, including developing cultural and entertainment offerings nationwide. This proactive approach instills confidence in the industry's growth potential.

The Saudi General Entertainment Authority has licensed 24 new theme parks over the past year, and Boulevard World in Riyadh is one of the noteworthy additions. Furthermore, Riyadh's successful bid to host the 2030 World Expo is expected to bring a significant economic boost of \$94.6 billion to the country's capital, with an estimated 40 million visitors expected during the six-month-long exhibition.

It is essential to provide suitable accommodation for hotel staff. The World Trade Organization suggests that 4- to 5-star hotels typically require 1 to 2 staff members per room. This indicates that between 232,000 and 387,000 key workers may need accommodation in Saudi Arabia's hospitality industry. Although worker-to-room ratios in Saudi Arabia may be lower than the global average, **it is still crucial to provide essential worker accommodation to ensure the future success of the hospitality sector.**

Saudi Arabia has almost achieved its goal of attracting 100 million tourists, both domestic and international, by the end of 2023. The tourism and hospitality industry has contributed nearly 6 percent to the country's gross domestic product, indicating that it is well on its way to achieving the government's target of 10 percent by the decade's end.

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