

SAUDI ARABIA: DOMESTIC TOURISM GRADUALLY DEVELOPING



With oil prices at all time high Saudi Arabia's domestic tourism is benefiting by getting a serious revamp and upgrade. The kingdom may not have the reputation of a popular tourist destination, but it is definitely changing this perception.

Job creation in the tourism industry is promoting more involvement of Saudis in their domestic travel trade. This has been in direct connection with the growing number of domestic tourists in Saudi Arabia.

Opportunities

Various investors and government are currently pumping serious money into the infrastructure of domestic tourism. This is in anticipation of the expected growth in terms of revenue to be collected from the segment. In 2009, the revenue stood at around \$16 billion and the expected growth for the year 2012 is likely to peak at something like \$20 billion.

One of the examples is USD 8 billion that should be invested in the expansion and development of Dubai International Airport. Furthermore, international events like the 2022 World Cup have made the gulf country invest heavily in things like roads, hotels, infrastructure, stadiums and tourism related structures. Investors are upbeat about creating new hotels, apartments, and resorts to promote more tourism.

In addition, the fact that tourism, both domestic and foreign, is injecting revenue into the GDP of the kingdom is another indicator that the industry is growing. For the year 2012, it is expected that the percentage will hit the 2.9% mark, up by 0.2% from the year 2009.

Problems

Despite the positive strides that this oil rich state has made in generating domestic tourism there are still some issues that hold this progress back. **One of them is the lack of proper hotels and related infrastructure.** Development is happening, but it is taking a rather slow pace. Modern day resorts, or better road infrastructure around the various destinations, are not complimenting availability of air travel.

Another difficulty is represented by hotel staff and personnel. Saudi citizens have been complaining about the level of treatment they get from local hotel and tourism personnel. They do not feel that the quality of service has reached the very best, compared to other foreign destination places.

The cost of traveling within the kingdom is still high compared to touring abroad. With added charges and extortion from local destinations, some Saudis view that traveling around their country is still very expensive.

Despite all the above challenges, Saudi Arabia's domestic tourism is expected to grow. With the government fully committed to increasing the number of domestic tourists, all industry players are

earnestly looking at development and investment.

Date: 2012-04-02

Article link:

<http://www.tourism-review.com/domestic-tourism-in-saudi-arabia-slowly-developing-news3188>