

LONG-TERM STRATEGY FOR THE SAUDI ECONOMY

3.1 INTRODUCTION

The future vision of the Saudi economy up to 2024 reflects the long-term socioeconomic development path and the strategic priorities adopted by the Kingdom over the period. The long-term strategy was formulated with reference to this vision that has articulated the envisaged socioeconomic and cultural scene in 2024.

The strategic approach of the Kingdom was not confined to formulating the Long-Term Strategy for the Saudi Economy, but, in addition, the Eighth Development Plan period witnessed the formulation of a number of sectoral strategies, such as the National Industrial Strategy, the National Information Technology and Communications Plan, the Transport Strategy, the Healthcare Strategy, and the Social Development Strategy. The Eighth Development Plan constituted the first phase of implementation of the long-term strategy of the national economy up to 2024, and the Ninth Plan 2010–2014 will represent the second phase.

This chapter reviews the issues and challenges facing the long-term strategy of the national economy over the next phase, the supporting factors that help overcome these challenges, and the envisaged strategic paths, in relation to the Ninth Development Plan.

3.2 STRATEGIC ISSUES AND CHALLENGES

3.2.1 Raising the Standard of Living and Improving the Quality of Life

The long-term strategy aims to move the Kingdom to the ranks of advanced countries from its current position in the upper stratum of middle-income countries. More specifically, the objective is to increase per capita real GDP from SR43.7 thousand at the beginning of the

strategy in 2004 to SR86.5 thousand by the end of the strategy in 2024; an overall increase of about 98%.

The Eighth Development Plan (the first phase of implementation of the long-term strategy) successfully achieved the targets of increasing per capita real GDP from SR43.7 thousand in 2004 to SR46.2 thousand in 2009.

3.2.2 Achieving Sustainable Development

In view of the complex socio-economic and environmental factors involved, achieving sustainable development is a multi-dimensional challenge, the most significant dimensions of which are addressed below.

A. Diversification of Economic Base:

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Diversification of the economic base has been a key objective of economic and social development ever since the development planning system was initiated. Successive development plans have focused on this objective, as well as on decreasing dependence on oil, which is depletable in the long run and is subject to the volatility of international energy markets. Indeed, after decades of planning, non-oil sectors have grown in value at an average annual rate of 6.2%, with their share in real GDP growing from 51.1% at the beginning of the First Development Plan to 77.1% at the end of the Eighth Plan, while non-oil exports grew at an average annual rate of 6.7%.

Nevertheless, development of the non-oil sectors and increasing their share in GDP and exports remains a key challenge to development that will determine the long run status, progress and competitiveness of the national economy.

B. Role of Oil Revenues:

As the primary source of revenue for the state budget directed to meeting the needs of public expenditure, both investment and operational, oil revenues have been the major driving force of

development over the past decades. However, sustainability of the development process requires optimal investment of oil revenues, directing them towards productive sustainable assets contributing to diversification of the economic base, as well as towards enhancing the capabilities of national human resources.

C. Development and Appropriate Employment of Human Resources:

Availability of qualified, highly efficient and productive national manpower is a sine qua non for achieving sustainable development, for the individual is the means for, and the end of, development and a key component of the competitiveness of modern economies. As a result of the intense focus on this strategic resource over the last two decades, through education, training and healthcare, human resources development indicators of the Kingdom have improved. However, requirements of the development process have led to a growing gap between supply of and demand for manpower in many areas, necessitating recruitment of foreign labour, which has made Saudization of the workforce one of the main challenges to the development process.

In recent years, the growing incompatibility between outputs of the education and training system and the needs of the labour market have led to structural unemployment among Saudi citizens. Hence, there is a need to address the issue of compatibility, in an effort to endow national human resources with the skill levels needed to meet demands of the labour market, as well as to correct the imbalances that hinder substitution of expatriates with national labour.

D. Sustainability of Natural Resources:

The Kingdom is rich in natural resources. However, given its large area, the rapid growth of its population and the requirements of economic and social development, these resources are relatively limited.

Requirements of sustainable development call for full reliance on conventional renewable water sources while maintaining a strategic

stock of non-renewable water. In addition, conservation of agricultural land and protecting it from further deterioration or desertification are key challenges to sustainable development, as are conservation and development of forests, conservation and cleanness of the environment, and provision of resources and technology for optimum exploitation of fishery resources.

E. Balanced Regional Development:

Notwithstanding efforts to provide infrastructure and public services to all regions of the Kingdom in an attempt to achieve balanced development, there are still disparities in economic activity among the regions; mainly due to disparities in potential. Although declining gradually, internal migration from rural to urban areas is evidence of such disparities. This migration has led to immense economic, social and environmental pressures in the cities, which required more public resources. Hence, stimulating economic activity in the least developed regions, with due consideration to their particular characteristics and comparative advantages, poses a major challenge in the coming years.

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3.2.3 Enhancement of Competitiveness

Within a short period, the Kingdom has succeeded in establishing a distinguished competitive position globally, based on economic advantages in energy, petrochemicals and some other activities. However, these advantages rest upon abundance of both energy and financial resources. Acquisition of new sources of competitive advantage constitutes, therefore, one of the major challenges and strategic issues that require an intensive effort, given the multiplicity of economic and social dimensions. As international experience suggests, in addition to natural resources, building competitive advantages requires a strong science and technology base, highly qualified human resources, modern material and institutional capacities, identification of areas of excellence upon which to concentrate, and a clear strategy and comprehensive plan to attain the set goals.

3.2.4 Laying the Foundations for a Knowledge-Based Economy

Building a knowledge-based economy to support sustainability of economic growth and development is a key challenge to the efforts aimed at diversifying the economic base and enhancing the competitiveness of the national economy and its export potential. To meet this challenge, the strategy has numerous objectives, policies and programmes that have been included progressively in the Eighth and Ninth Development Plans. This gradual approach will be followed in subsequent plans, for the strategic response to this challenge must be comprehensive and multifaceted, since it involves building both the national workforce (knowledge workers) and the technological infrastructure and related institutions; development of science, technology and innovation; and establishing appropriate administrative and regulatory environments. A number of international indicators will be used to measure the progress being made in laying the foundations of a knowledge-based economy.

3.2.5 Regional and Arab Integration

The last few decades witnessed remarkable progress in economic cooperation, both in the Gulf and the wider Arab region, with the Kingdom playing a crucial role in activating and developing cooperation projects to deal seriously with the challenges of globalization and the concomitant formation of strong regional blocs. Over the coming stage, the Kingdom will continue its efforts to support the common march of the Arab Gulf countries towards the highest possible levels of economic integration among the countries of the Gulf Cooperation Council. In addition, the Kingdom will intensify its efforts to develop economic cooperation and trade with other Arab countries in the common interests of all parties. The Kingdom will also work in cooperation with other Arab countries to accelerate implementation of the joint economic projects that have been adopted, including the Arab Common Market.

3.3 SUPPORTING FACTORS FOR FACING CHALLENGES

Dealing with the issues and challenges facing the national economy and achieving the long-term strategic goals and objectives require availability of manpower, as well as financial, organizational and technical capabilities. Moreover, executive agencies and other community institutions should be committed to the aims and objectives of the long-term strategy. In this respect, readiness of the Kingdom to face these issues and challenges stem from a solid economic and social base, human resources amenable to development, rich natural-resource endowments, and other supporting factors as shown below.

❑ *Successful Development Experience*

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Despite recency of its socio-economic development planning, the Kingdom has made notable achievements, reflected in all sustainable development indicators. These have been made possible by setting correct economic growth priorities throughout the successive eight development plans, taking into account circumstances and requirements of each phase in order to ensure continuity of the development effort.

❑ *Advanced Infrastructure and Services*

The Kingdom enjoys modern infrastructural facilities equal to those in advanced countries, in addition to health, education, training, social and environmental protection services.

❑ *A Pioneering Regional Experience in Promoting Comprehensive Development*

The Kingdom succeeded in a short period in building two industrial cities at Jubail and Yanbu. The two cities attained a distinguished status both regionally and internationally in petrochemicals and other downstream industries. As a result of this success, Jubail 2, Jubail 3 and Yanbu 2 projects have been developed and four integrated

economic cities have been initiated: King Abdullah Economic City in Rabigh, Prince Abdulaziz Bin Musaed Economic City in Hail, Jazan Economic City, and the "Knowledge Economic City" in Medina. Moreover, feasibility studies for establishing two other cities in Tabuk and the Eastern Region are being carried out.

Integrated economic cities that take into account the potential and comparative advantage of each region have proved appropriate, effective, and successful, both locally and internationally.

❑ *An Active and Entrepreneurial Private Sector*

The private sector enjoys a high degree of dynamism, as evidenced by its high contribution to real GDP of about 57.4 % in 2009. With its activities covering all production and services sectors and its financial and administrative capabilities enhanced, it moved from high dependence on government contracts and public expenditure to self-reliance, becoming a major partner in development. Enhanced competitiveness of the sector qualifies it to lead a larger role, particularly in view of the growth of promising investment opportunities resulting from rapid economic and social development, establishment of new economic cities, and implementation of the privatization strategy.

❑ *Abundance of Financial Resources*

Financial surpluses arising from high oil prices and revenues over the past few years are being invested in development projects and programmes. With continued economic growth and steady improvement in business and investment environment, rates of domestic investment will continue to rise, supported and reinforced by the influx of more foreign direct investments that bring in advanced technologies and modern methods in organization, management and marketing.

□ *Institutional and Organisational Environment*

Under the Seventh and Eighth Development Plans, institutional and administrative development efforts were made. In addition to development of an organisational and regulatory environment conducive to both national and foreign investment, numerous decisions and measures aimed at raising efficiency of public institutions were taken. These efforts are expected to continue at a fast pace over the coming years, creating a solid base for implementation of the Long-Term Strategy.

□ *Geographical Characteristics*

In addition to having a vast geographical area well endowed with exploitable natural resources, the Kingdom occupies a distinguished strategic location, with seaports linking it to all international ports. These distinct geographical characteristics and abundant natural resources afford great potential and opportunities for achieving the set objectives of the long-term strategy.

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□ *Demographic Characteristics*

The age structure of population and the relatively high population growth rate have significant implications for development. In the section on challenges, the Strategy addresses the issue of education and training of national human resources and enhancing their compatibility with development needs. Should this challenge be met successfully, the demographic characteristics of the Kingdom could become a source of strength and positive advantage, contributing to the achievement of the goals and objectives of the strategy.

3.4 TARGET PATHS ENVISAGED BY THE STRATEGY

Objectives of the long-term strategy are expected to be accomplished by the end of the Eleventh Development Plan 2020–2024. Performance under the Eighth Development Plan, which launched implementation

of the long-term strategy, was good, with the majority of the objectives set by the strategy accomplished, such as for GDP growth and the increase in real per capita income. Tables 3.2–3.7 detail the target paths envisaged by the strategy for a number of key economic variables over the period 2004–2024 covered by the four development plans.

3.4.1 Long-Term Population Forecasts

Population of the Kingdom (Saudi and non-Saudi) is projected to grow at an average annual rate of 1.9% over the period of the strategy, to reach 33.11 million in 2024, of whom 7.63 million will be non-Saudi (Table 3.1).

Table 3.1
Population Developments over the Period of the Strategy

	Population (Million)					Average Annual Growth Rate (%)
	2004	2009	2014	2019	2024	
Total Population	22.67	25.37	28.19	30.53	33.11	1.9
Saudis	16.53	18.54	20.70	22.97	25.48	2.2
Non-Saudis	6.14	6.83	7.49	7.56*	7.63*	1.1
Net Dependency Rate of Saudis**	4.67	4.7	4.1	3.7	3.3	–

* Ministry of Economy and Planning estimates assume a decrease in growth of the foreign labour force due to Saudization.

** Net dependency rate = (No. of Saudi population) / (No. of Saudis employed).

Source: Central Department of Statistics and Information, Ministry of Economy and Planning.

These forecasts assume a reduction in the rate of growth of the Saudi population from an average annual rate of 2.3% over the Eighth Development Plan period to an average annual rate of 2.1% over the period of the Eleventh Development Plan; leading to an average annual rate of 2.2% for the whole period of the strategy. The population

structure of Saudis is expected to change appreciably over the period, with the relative weight of over fourteen increasing, especially those in the working-age group (15–64). As a result, the net dependency rate of Saudis will decrease from about 4.67 persons in 2004 to about 3.3 persons in 2024.

3.4.2 Future Vision of the Saudi Economy

The long-term strategy stems from an ambitious vision for the future of the Saudi economy that may be summarized as:

"By the will of God, by 2024, the Saudi economy will be a diverse, thriving and prosperous economy based on sustainable foundations. It will extend rewarding work opportunities to all citizens, will have a high-quality education and training system, and will provide excellent healthcare for all, in addition to all the services necessary for ensuring the welfare of all citizens, while safeguarding social and religious values and preserving the national heritage as well as the environment."

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3.4.2.1 GDP and Per Capita Income

The Long-Term Strategy aims at raising the national economy to the level of advanced economies. Hence, per capita income is expected to reach by the end of 2024 about SR86,500 at 1999 constant prices. Given the expected population growth rate, an average annual growth rate of GDP of 5.7% over the period of the strategy will be sufficient to achieve the envisaged per capita income. Due to the repercussions of the global financial crisis, the average annual rate of GDP growth of (3.5%) over the Eighth Plan was less than the targeted rate of 4.6%. The Ninth Development Plan has taken into account expected local and global developments and adopted policies to raise the rate of economic growth appropriately. Hence, it aims at achieving an average annual growth rate of 5.2%, with the targeted growth rates over the tenth and eleventh plans amounting to 6.5% and 7.9%, respectively (Table 3.2).

Table 3.2
GDP and Saudi Per Capita Income*
at 1999 Constant Prices

Years	GDP (SR billion)	Per Capita Income SR (000)
2004	722.2	43.7
2009	855.8	46.2
2014	1101.2	53.2
2019	1507.1	65.6
2024	2204.6	86.5
	Annual growth rate (%)	
2005–2009	3.5	1.1
2010–2014	5.2	2.9
2015–2019	6.5	2.3
2020–2024	7.9	5.7
2005–2024	5.7	3.4

* Objectives of the strategy will be reviewed and updated at the beginning of each development plan.

Values and percentages are to the nearest decimal

Source: Ministry of Economy and Planning.

3.4.2.2 GDP by Expenditure Item

Diversification of the economic base requires enhancing public and private investments, rendering them the main source of economic growth throughout the period of the strategy. Investment expenditure is expected to grow at an average annual rate of 10.3% over the period (at 1999 constant prices), compared with 6% for consumption expenditure (Table 3.3). The share of investment expenditure in GDP is expected thus to grow from 21.1% in 2004 to 49.3% in 2024, while the share of consumption expenditure will increase relatively from 70.7% to 74.3% over the period.

Private investments are expected to be the major catalyst for growth in investment expenditure, growing at an annual rate of 10.5% over the period of the strategy, compared with an average annual growth rate of 8.7% for public investment. Contribution of private investment to GDP will thus increase over the period from 16.3% to 40.2%. In view of the complementarities between public and private investments and the role

of public investments in building adequate infrastructure for projects, contribution of public investment is expected to increase from about 4.2% to 7.3% over the period of the strategy.

Table 3.3
GDP by Expenditure Items
at 1999 Constant Prices*

Item	SR Billion					Average Annual Growth Rate (%)
	2004	2009	2014	2019	2024	
Consumption:	510.8	760.0	990.4	1284.0	1637.1	6.0
• Public	221.6	332.8	445.4	563.0	725.5	6.1
• Private	289.2	427.2	545.0	720.9	911.6	5.9
Investment:	152.4	259.3	424.4	663.4	1087.9	10.3
• Public	30.3	55.4	71.4	106.9	160.0	8.7
• Private	117.7	190.9	334.0	525.0	887.4	10.5
Agriculture	4.6	3.4	4.7	6.8	6.8	1.9
Industry	37.3	84.1	121.8	212.3	379.4	12.3
Services	50.1	72.5	158.7	225.1	367.2	10.5
• Oil Sector	4.4	13.0	19.0	31.6	40.5	11.8
Change in stocks:	23.2	33.8	37.3	42.2	47.8	3.7
Exports:	265.0	315.2	393.0	565.4	1049.2	7.1
• Oil & Gas	174.4	153.4	132.8	164.7	204.3	0.8
• Services	19.7	43.5	76.6	129.2	217.6	12.8
• Others	70.9	118.3	183.5	271.5	627.3	11.5
Imports (-)	229.2	512.6	743.9	1047.9	1617.2	10.3
GDP	722.2	855.8	1101.2	1507.1	2204.6	5.7

* Values and percentages are to the nearest decimal.

Source: Ministry of Economy and Planning.

The envisaged expansion in investment expenditure over the years of the strategy is expected to lead to exports increasing at an average annual rate of 7.1%, to constitute about 47.6% of GDP by the end of 2024, compared to 36.7% at the end of 2004. However, expansion in investment spending is usually accompanied by a rise in imports of capital goods and other goods and services as a result of higher income levels. Imports are thus expected to grow at an average annual rate of 10.3%, to reach 73.3% of GDP by the end of the strategy period, compared with 31.7% at the end of 2004.

The structure of exports is expected to shift considerably to ‘other exports’, including exports of manufacturing industries, petrochemicals, chemicals, basic metals and other non-oil exports, whose share in total exports will increase from 26.8% at the end of 2004 to about 59.8% by the end of 2024, as shown in Table 3.4.

Table 3.4
Exports Structure at the Beginning and End of the Strategy Period*
at 1999 Constant Prices

	2004		2024	
	Value (SR Billion)	(%)	Value (SR Billion)	(%)
Oil and Gas Exports	174.4	65.8	204.3	19.5
Others Exports**	70.9	26.8	627.3	59.8
Services Exports	19.7	7.4	217.6	20.7
Total Exports	265.0	100.0	1049.2	100.0

* Values and percentages are to the nearest decimal.

** Including, petrochemicals, chemicals, products of manufacturing industries, food...etc

Source: Ministry of Economy and Planning

The share of oil and gas in total exports is expected to decrease from 65.8% to 19.5% over the period of the strategy, as a result of the contribution of non-oil exports rising from 34.2% to 80.5%. Oil and gas exports are expected to grow at an annual average rate of 0.8%, compared with 11.8% for non-oil exports. Over the period of the strategy, service exports are expected to grow at an annual average rate of about 12.8%, with their share of total exports increasing from about 7.4% in 2004 to about 20.7 % by the end of period.

This change in export structure will enhance the efforts in diversifying the economic base through increased reliance on non-oil revenues to finance the development process.

3.4.2.3 GDP by Sector

Great importance is attached to enhancing the role of non-oil sectors in achieving the strategic objectives of diversification of the economic base and sustainable development. Achieving these objectives is, however, contingent upon the quality of growth rather than its

magnitude, i.e. on structural development of the economy which enhances the role of non-oil production and service sectors that possess competitive advantages. Thus, the strategy aims at growing the non-oil production sectors at an average annual rate of 7 %, with their share in GDP increasing from 25.1% at the beginning of the period to 32% by the end (Table 3.5).

In line with the objectives of diversifying the economic base, utilizing the existing comparative advantages of the national economy, and gaining new competitive advantages, the industrial sector is expected to grow at an average annual rate of 8.1%, with its share in GDP increasing from 11.3% to 17.6% over the period of the strategy.

The service sector is expected to play a leading role in economic diversification. Advantage will be taken of the opportunities offered by advances in communications and information technology to expand the scope of the activities of this sector. Upgrading and enhancing the innovative skills of the national scientific cadres, strengthening the role of the tourist sector, and utilizing the geographic location of the Kingdom to provide services enhancing international trade and capital flows will also contribute to invigoration of the sector. Hence, the strategy envisages an average annual growth rate of approximately 7.4% for the sector, with its share of GDP increasing gradually from 27% at the beginning of the strategy to about 36.8% at the end.

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Over the period of the strategy, the oil sector is expected to grow at an average annual rate of 2.5%, lower than the growth rates envisaged for non-oil production sectors (7%) and services (7.4%). Thus its share in GDP is expected to decrease from 28.4% to 15.4%, which means that the share of non-oil sectors (minus banking services' charges and import duties) will represent 82.9% of GDP by the end of the period of the strategy, compared with 70.5% at the beginning (Figure 3.1).

Table 3.5
Real GDP*
at 1999 Constant Prices

SR Billion

	2004	2009	2014	2019	2024	Average Annual Growth Rate over the Period* (%)
– Non-Oil Production Sectors	181.6	228.1	310.2	440.8	704.5	7.0
• Agriculture and Forestry	37.9	40.6	44.2	48.1	55.4	1.9
• Industry (**)	81.3	108.5	153.6	234.7	388.9	8.1
• Others (***)	62.4	79.0	112.3	158.0	260.2	7.4
– Services Sector(****)	195.1	263.1	367.4	538.7	811.5	7.4
– Private Sector (*****)	376.7	491.2	677.6	979.5	1516.0	7.2
– Public Sector	132.1	151.0	190.9	241.3	310.9	4.4
– Oil Sector	205.1	203.2	215.6	262.1	338.8	2.5
– Import Duties	8.3	10.3	17.1	24.2	38.9	8.0
GDP	722.2	855.8	1101.2	1507.1	2204.6	5.7

* Values and percentages are rounded to the nearest decimal.

** Includes petrochemical industry, refining industry and other manufacturing industries.

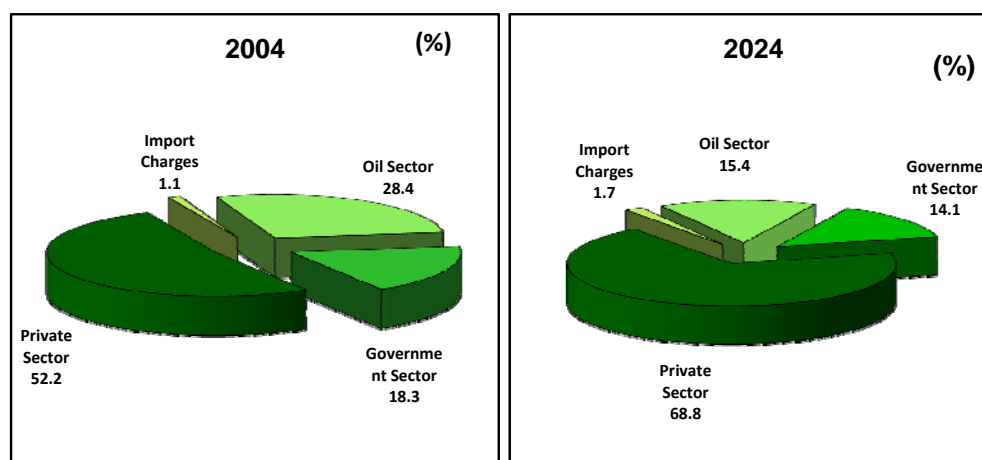
*** Includes construction, electricity and mining.

**** Includes trade, transport, communications, finance, insurance, real estate and community services, minus banking services' charges.

***** Minus banking services' charges.

Source: Ministry of Economy and Planning

Figure 3.1
Percentage Contribution of Economic Sectors to GDP
at 1999 Constant Prices



Source: Ministry of Economy and Planning.

3.4.2.4 Labour Force and Employment

Over the period of the strategy, the total labour force is expected to grow at an average annual rate of 3%, increasing from about 7.74 million workers in 2004 to about 13.81 million in 2024. The Saudi labour force is projected to increase at an average annual rate of 4.4%, from 3.29 to 7.74 million workers, while the expatriate labour force (employment) is projected to increase at an average annual rate of 2.1%, from about 3.88 to 5.91 million workers (Table 3.6).

Employment estimates are based on potential demand by various economic sectors, especially in the services sector, whose estimated share of total employment is expected to reach about 51.2% by the end of the period of the strategy, and in production sectors, which are expected to absorb 32.3% of total national employment.

Table 3.6
Labour Force and Employment Indicators

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Indicator	2004	2009	2014	2019	2024	Average Annual Growth Rate (%)
Total Labour Force*	7743.2	8587.5	9687.9	11445.7	13810.2	3.0
Saudi Labour Force*	3860.8	4329.0	5328.6	6486.2	7895.2	3.6
Total Employment*	7180.6	8173.1	9396.3	11221.1	13660.7	3.3
Expatriate Employment*	3882.4	4258.5	4359.3	4959.5	5914.9	2.1
National Employment*	3298.2	3914.6	5037.0	6261.6	7745.8	4.4
Number Of Unemployed*	562.6	414.4	291.6	224.6	149.5	-6.4
Unemployment Rate (%)	14.6	9.6	5.5	3.5	1.9	
Saudization Rate (%)	46.3	47.9	53.6	55.8	56.7	

* Thousand workers, numbers and percentages are to the nearest decimal
Overall employment = Total labour force – Number of unemployed.

Source: Central Department of Statistics and Information, Ministry of Economy and Planning.

As regards distribution of national manpower by level of educational attainment, the next phase requires high levels of skill and specialization. Thus, the number of university graduates is expected to grow at an average annual rate of 5.1%, with their share in the labour force increasing from 24.5% to 32.6%. Similarly, the number of secondary-school graduates is expected to grow at an average annual

rate of 8.2%, which is the highest rate among the various educational groups, with their share in the labour force increasing from 22.1% to 51.7% (Table 3.7). In contrast, the number of intermediate-school graduates is envisaged to decrease, as will the number of primary school graduates and those without qualifications, but at higher rates (Figure 3.2). Generally, the share of the last three categories will decline during the above period.

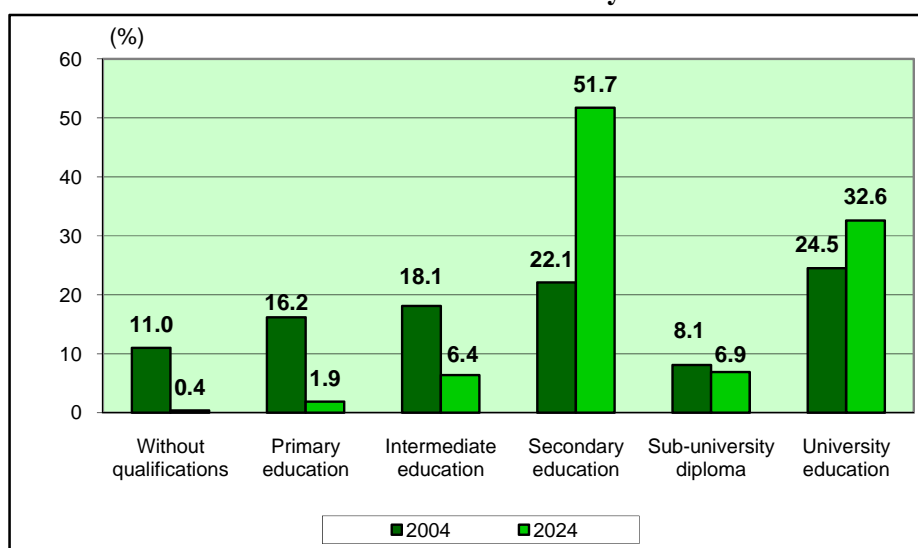
Table 3.7
Saudi Labour Force by Level of Education*

Description	Saudi Manpower (thousand)					Average annual growth rate (%)
	2004	2009	2014	2019	2024	
National Labour Force	3860.8	4329.0	5328.6	6486.2	7895.2	3.6
- Without Qualifications	426.3	232.4	130.4	68.0	33.9	-11.9
- Primary Education	626.1	459.5	340.0	233.6	153.6	-6.8
- Intermediate Education	699.7	684.3	658.0	587.2	501.8	-1.6
- Secondary Education	851.9	1296.9	2027.0	2940.6	4084.9	8.2
- Sub-University Diploma	311.8	408.1	479.2	522.4	545.3	2.8
- University Education	945.1	1247.8	1694.0	2134.5	2575.7	5.1

* Values and percentages are rounded to the nearest decimal.

Source: Ministry of Economy and Planning.

Figure 3.2
National Labour Force Structure by Level of Education



Source: Ministry of Economy and Planning.

3.4.3 Target Path for Improving Quality of Life

The Strategy addresses not only the economic dimension of the quality of life, but also the social and cultural dimensions. Within such a framework, a composite quality-of-life indicator has been devised, covering the human development indicators, and the millennium development goals that address, among other things, health, education, income distribution, environment, and empowerment, as well as other indicators specific to the Kingdom. The composite indicator comprises 11 indicators, which, in turn, comprise 40 sub-indicators, covering various aspects, such as income and its distribution, transport and communications, health, education, housing, environment, family life, public safety, and recreation and leisure. The Ministry reviews these indicators and updates them from time to time.

3.4.4 Target Path for Development of Scientific, Technological and Knowledge Capacities

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Three major themes are involved: development of scientific and technical manpower capacities; enhancing the national system of science, technology and innovation; and strengthening the links between the national system of science, technology and innovation and the various sectors of the economy. Each of these themes involves long-term and transitional objectives; identification of financial, institutional and organizational inputs required to achieve the goals; selection of programmes and projects for effective implementation, and appropriate indicators for monitoring progress of implementation.

3.5 LONG-TERM STRATEGY AND THE NINTH DEVELOPMENT PLAN

The Ninth Development Plan is the second implementation phase of the Strategy. Hence, all policies, mechanisms, programmes, and projects are consistent with the Strategy. During implementation, any mismatch between the actual path of development and the target path set by the Strategy will be addressed in the five-year review of the Strategy, which will be conducted simultaneously with the preparation of future development plans.