

CHAPTER III

GOVERNMENT POLICY AND ORGANIZATION

Achievement of the targets for growth presented in the previous chapter will require:

1. Fiscal and monetary policies oriented towards financing development under conditions of monetary stability.
2. Encouragement of private enterprise to share in the burden of financing development operations and implementing programs.
3. Implementation of a rigorous program of administrative reform that will increase the executive capacity of government agencies and achieve economies in the cost of execution of programs.
4. Undertaking the planning and research that are prerequisites to orderly programming and economy in the utilization of resources.
5. Effective support of development programs by agencies, in particular the Public Works Department, the Aerial Survey Department (Mapping), and the Central Department of Statistics, that provide centralized services.

PUBLIC FINANCE

Financial Allocations for the Plan

Table 2 summarizes the financial allocations for the Plan, and shows the percentage shares of each sector in the total. These allocations are subject to review for the following reasons:

1. The rate of expansion of some programs may have to be reduced and some projects deferred because of the annual budgetary constraint.

TABLE 2
SUMMARY OF FINANCIAL ALLOCATIONS FOR
THE PLAN
(SR Millions)

	Recurrent (a)	Project (b)	Total	
			Amount	Percent
Administration	6,794.6	922.8	7,717.4	18.6
Defense	3,980.0	5,575.0	9,555.0	23.1
Education, Vocational Training and Cultural Affairs	6,150.2	1,227.5	7,377.7	17.8
Health and Social Affairs	1,612.9	308.2	1,921.1	4.7
Public Utilities and Urban Development	1,246.9	3,325.4	4,572.3	11.1
Transport and Communications	1,767.3	5,709.2	7,476.5	18.1
Industry	321.8	776.7	1,098.5	2.7
Agriculture	973.8	493.9	1,467.7	3.6
Trade and Services	83.5	43.8	127.3	0.3
Total	22,931.0	18,382.5	41,313.5	100.0

(a) Covers expenditures under Chapters I, II and III of the annual budget.

(b) Covers expenditures under Chapter IV of the annual budget.

2. The allocations for some programs and projects are contingent upon the completion of further studies.

Total allocations for the Plan amount to SR 41.3 thousand million. Expenditures are expected to fall short of this total because of time-lags in the implementation of projects and difficulties in recruiting qualified personnel.

Allocations for Administration are projected to increase at an average annual rate of 5 percent for the period of the Plan. They account for 18.6 percent of total allocations.

Allocations for Defense are expected to decline, in the second year of the Plan, from the existing level of 31 percent of revenues, to 25 percent of the budget in the second and remaining years of the Plan. They represent 23.1 percent of total allocations.

Allocations for social development (Education, Vocational Training, Cultural Affairs, Health, and Social Affairs) together account for 22.5 percent of total allocations.

Allocations for physical infrastructure (Public Utilities, Urban Development, Transport and Communications) represent 29.2 percent of total allocations.

Allocations for Industry, Agriculture, and Trade and Services account for 6.6 percent of the total.

Table 3 shows the change in percentage shares of Financial Allocations from 1389-90 to the last year of the Plan.

TABLE 3
CHANGE IN PERCENTAGE SHARES OF FINANCIAL
ALLOCATIONS FROM 1389-90 TO THE LAST YEAR OF THE PLAN

	Percentage share 1389-90	Percentage share Last year of Plan
Administration	22.3	18.3
Defense	30.7	21.3
Education, Vocational Training, and Cultural Affairs	12.0	21.7
Health and Social Affairs	4.4	5.0
Public Utilities and Urban Development	9.7	10.9
Transport and Communications	15.7	16.0
Industry	1.4	2.7
Agriculture	3.6	3.8
Trade and Services	0.2	0.3
Total	100.0	100.0

A large increase can be seen in the share of allocations for Education, Vocational Training and Cultural Affairs, an almost twofold increase in the share of Industry, and small increases in the shares of the other economic sectors.

MONEY AND BANKING

"The banking system continues to expand at a fairly rapid pace. Total deposits of the commercial banks expanded by SR 125 million or over 10 percent during 1387/88 to stand at SR 1,361 million. The most pronounced increase was in time and savings deposits which expanded by 47 percent during the year to stand at SR 350 million and now account for over 25 percent of total deposits. The sharp increase in time and saving deposits indicates the public's responsiveness to increased banking facilities and also highlights the role of the banking system in mobilizing domestic savings in countries like Saudi Arabia which do not have developed capital markets. Over the last five years, total deposits of commercial banks have almost doubled from SR 685 million at mid-1383 to SR 1,361 million at mid-1388 showing a growth rate of about 15 percent. Time and savings deposits expanded at a remarkably high rate of 40 percent per annum during this period rising more than five-fold from SR 67 million at mid-1383 to SR 350 million at mid-1388".*

* Saudi Arabian Monetary Agency, "Annual Report, 1387-88" pp 17-18.

Objectives and Targets

The objectives for the money and banking sector are to:

1. Maintain an open and stable economy without exchange or import restrictions.
2. Reformulate fiscal policy so as to maintain a foreign reserve that is equal to the value of imports for one and a half years and under no circumstances is less than the value of imports for one year.
3. Continue development of a strong, diversified and viable banking sector that will encourage a high rate of economic growth without adverse inflationary effects.
4. Ensure majority Saudi ownership of most banks in the Kingdom.

Specific targets for the sector are to:

1. Establish during the first year of the Plan an Industrial Bank to extend credit to large and medium scale enterprises on a normal commercial basis, and to make subsidized credit available to small scale enterprises.
2. Increase the capital of the Agricultural Bank each year in accordance with the credit requirements of the plan for agriculture.
3. Initiate studies and implement the conclusions of studies on:
 - a. Means of financing housing and real estate development.
 - b. The need for establishing a bank to serve people of limited income.
4. Encourage the national banks to open branches in at least six smaller towns now without banking services and to increase the numbers of their offices in the major towns. (See Fig. 3)
5. Allow credit to grow in accordance with the requirements of development.
6. Stimulate savings and mobilize funds for investment by such measures as encouraging the use of checks in the payment of salaries and asking quasi-government commercial organizations to maintain their balances with local banks.
7. Improve national bank operations by providing technical assistance and training.
8. Improve the statistical reporting by commercial banks.
9. Promote the expansion of warehousing facilities in the major trading centers where goods can be held as security against bank advances.

The financial requirements of the Industrial and Agricultural Banks are included in the financial requirements for these sectors. Other costs relating to the above targets will be met from SAMA's own financial resources.

ENCOURAGEMENT OF PRIVATE ENTERPRISE

The private sector already accounts for 85 percent of GDP, 54 percent coming from the oil companies and 31 percent from other private sector activities. These percentages have changed little in recent years.

It is the general objective of the Plan to encourage the private sector to increase its productivity and to participate as much as possible in the process of development.

Programs and projects for the encouragement of private enterprise in the production sectors, where output comes mostly from private enterprise, are described in detail in the chapters on these sectors.

For other sectors, in particular education, health, public utilities and public administration, it is proposed that studies be initiated during 1390 through 1392 to devise means by which the private sector may be induced to offer some services currently being provided by the Government. Possibilities include:

1. Encouraging the private sector to establish and operate private schools and hospitals
2. Contracting the maintenance and operation of public utilities to private enterprise, and
3. Engaging private firms to repair and maintain governmental buildings and institutions

ADMINISTRATIVE REFORM

In recent years the Government has implemented measures to improve its administrative capacity; among the most important are:

1. Creation of the High Committee for Administrative Reform.

2. Formulation of a general plan for improving the organization of government.
3. Strengthening the Central Budget Department and the General Personnel Bureau.
4. Establishing the Central Organization and Management Department and the related O & M units within the ministries, the Institute of Public Administration, the Public Works Department, and the Central Purchasing Department.
5. Influencing specific organizational changes in various ministries and agencies.

Much remains to be done to improve the administrative capacity to the level required for increasingly rapid economic and social development.

Objectives and Targets

The general objectives for administrative reform are to:

1. Improve the effectiveness of the agencies established to undertake the centralized functions of government.
2. Achieve greater delegation of authority and responsibility for other functions to the specialized agencies of government.
3. Achieve clearer definition within all agencies of the functions of divisions, sections and individuals, and hence greater delegation of authority and responsibility at all levels.

Targets for the first year of the Plan are:

1. Publication by the Personnel Bureau of a personnel law defining the structure and conditions of employment in the public service.
2. Revision by the Personnel Bureau of the structure of salaries for Saudi employees in accordance with the grades and qualifications specified in the personnel law.
3. Definition by the Ministry of Finance of a program for budget and accounting reforms and formulation by the Institute of Public Administration of a corresponding training program designed to support its implementation.
4. Classification by the Ministry of Finance of functions and posts in four major ministries so that reforms of personnel, budget and accounting practices within these ministries can be implemented during the second year of the Plan.
5. Resolution by the High Committee for Administrative Reform of outstanding problems in relation to division of responsibility between agencies.
6. Review by the High Committee for Administrative Reform of progress made in the effort to centralize common services in the agencies responsible for:
 - a. Public works,
 - b. Central purchasing and contracting,
 - c. Government printing works,
 - d. Mapping,
 - e. Statistics and computer services;
 and definition of the extent to which further centralization may be necessary.
7. Initiation by the High Committee for Administrative Reform of studies directed toward the decentralization of the functions of executive ministries and agencies down to the regional and district levels.
8. Initiation by the Ministry of Interior of studies on development of local administration.
9. Revision of regulations and procedures that may obstruct achievement of the objectives of the Plan, in particular:
 - a. Revision by the Ministry of Finance of customs import, re-export and tariff exemption and rebate regulations and procedures.
 - b. Revision by the Ministry of Interior of entry-visa and residence procedures for qualified foreign personnel.
 - c. Revision by the Ministry of Interior of licensing and coordination procedures for urban works.

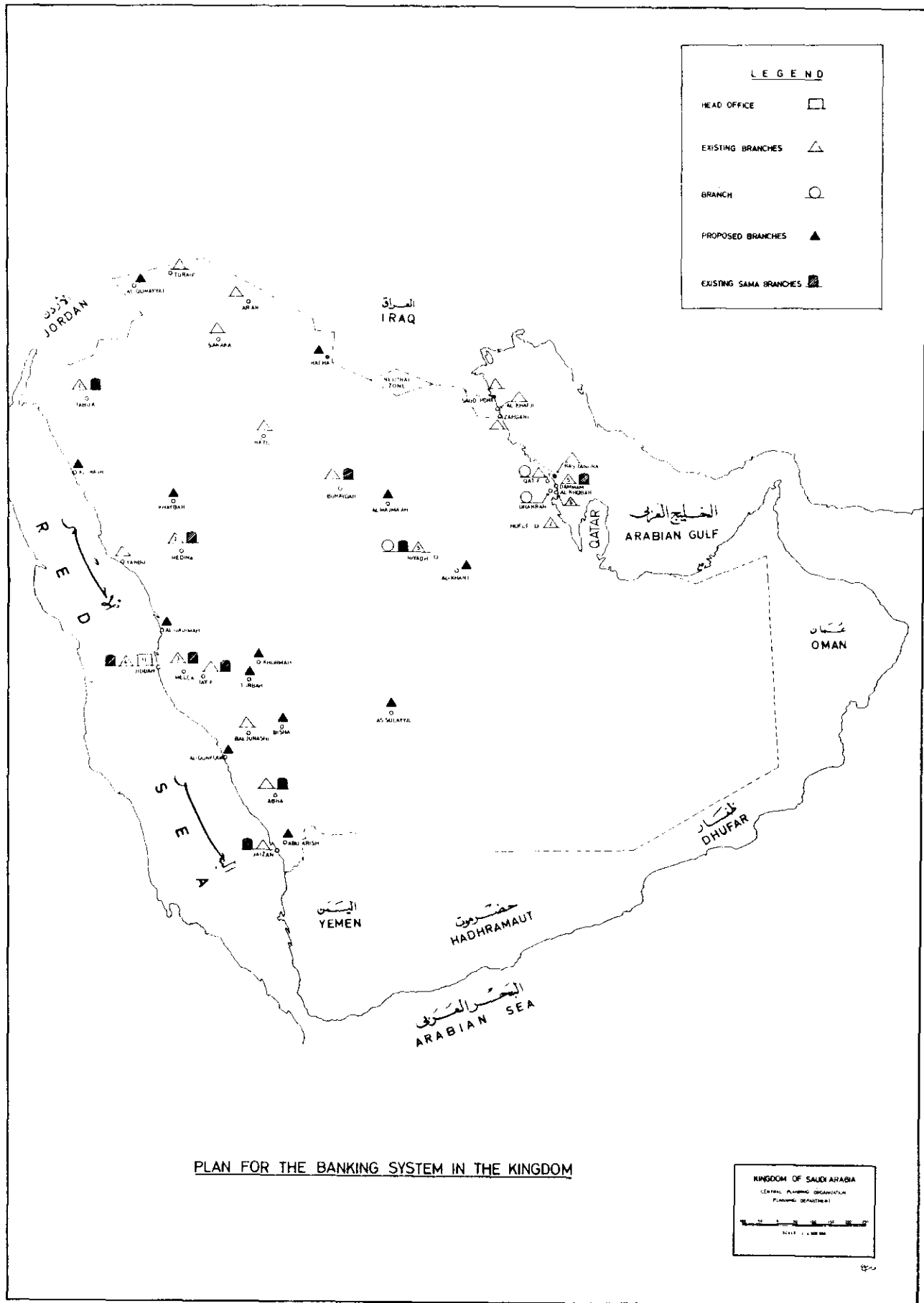


FIG. - 3

Targets for the second year, for the corresponding agencies identified above, are:

1. Implementation of reforms in personnel, budget and accounting practices in the four major ministries studied during the first year of the Plan.
2. Classification of functions and posts in the remaining ministries and agencies, and implementation of reforms in personnel, budget and accounting practices by the end of the year.
3. Completion of studies relating to further centralization of common services.
4. Review and decision-making on the decentralization of the functions of executive ministries and agencies to the regional and district levels.
5. Formulation of a program for giving greater autonomy to local governments with respect to local government functions within a framework of defined allocations of centrally collected revenues, specific powers of taxation and rate collections and defined authority over expenditures within specified limits.

Targets for the remainder of the Plan are the implementation of decisions relating to:

1. Further centralization of common services.
2. Decentralization of government functions to the regional and district levels.
3. The program for giving greater autonomy and responsibility to local administration authorities.

Throughout the Plan, the Central O & M Department in cooperation with the O & M units in each ministry and agency will undertake a continuing review of organization and procedures within ministries and agencies so as to achieve, by the last year of the Plan, a much higher level of productivity within the public service than the existing level.

PLANNING AND RESEARCH

In the past two years the Central Planning Organization, with the support and cooperation of other ministries and agencies, has produced an Economic Report and this Development Plan. In so doing it has shown the importance of a continuing and critical appraisal of all aspects of economic and social development and the benefits that can accrue from inter-ministerial coordination and from formulating programs for several years instead of annually.

Objectives and Targets

The general objectives for the Central Planning Organization for the Plan are to:

1. Improve the utilization of economic, financial, and human resources by ensuring that decisions on policies, programs and projects are based on adequate studies of the economic, social, and financial implications of such decisions.
2. Promote the collection of statistical and research information so that decisions may be made and plans and programs formulated in the light of a more comprehensive knowledge of facts and a better assessment of the potential for development.
3. Encourage the adoption of policies and forms of economic organization that will give economic and social forces greater freedom to contribute to the processes of economic and social development.

Targets for the Central Planning Organization for 1390-91 are to:

1. Initiate, in cooperation with the agencies concerned, a national transport survey covering all modes of transport that will lead to the formulation of a detailed program for investment in transport facilities integrated with the planned development of agricultural and industrial production, and designed to facilitate the raising of loan finance for major investment projects.
2. Initiate a regional survey of the northwest portion of the Kingdom that will lead to the formulation of an integrated plan for exploitation of the iron ore, phosphate and natural gas deposits in the region.
3. Participate with other agencies in defining the terms of reference for first priority studies identified in sectoral plans.
4. Review progress and problems related to implementation of the Plan.

Targets for 1391-92 are to:

1. Complete the transport survey and devise an investment program in cooperation with the agencies concerned.
2. Complete the regional survey of the northwest region and formulate a program for implementation of the conclusions reached.
3. Initiate a regional survey covering the southwest portion of the Kingdom that will lead to the formulation of an integrated plan for development of its mineral and agricultural resources.
4. Participate with other agencies in the formulation of programs based on the first priority studies undertaken in 1390-91 and in the initiation of second priority studies.
5. Review the progress and problems related to implementation of the Plan.

Targets for the remainder of the Plan are to:

1. Follow up on studies undertaken or initiated during 1390-91 and 1391-92.
2. Review progress and problems related to implementation of the Plan.
3. Define research work and studies to be performed in advance of preparation of the next development plan.
4. Prepare the next development plan.

STATISTICS

Statistics that describe the operation of a country's economic and social forces are rightfully a matter of national concern. Saudi Arabia has recognized this by establishing a Central Department of Statistics (CDS), with responsibility for, and authority to, determine statistical requirements and initiate programs to satisfy those requirements.

Saudi Arabia has thus decided on a highly integrated national statistical system. Substantial progress has been made in recent years, but the data developed still fall far short of the desirable quality as well as quantity, particularly for an economy wherein planning plays such a key role.

The role statistical data play in planning economic development is an obvious one. No less important is the contribution of statistical data to appraising performance and evaluating progress. Of equal significance is the use to be made of statistics in management. While planning and development may take place in the absence of comprehensive and reliable statistics, no one would question that their absence constitutes a serious handicap.

Producing the desired statistical data is a slow process; not all the required information can be made available in the short run. The single most important limiting factor in obtaining the desired data is the shortage of trained people on both the administrative and field levels. It is, therefore, mandatory to establish a carefully designed scheme of priorities for the various programs required to produce the statistics needed by planners and decision makers. It is necessary, first of all, to specify the major categories of statistics needed for use in planning.

These needs should then be examined with respect to the existing situation. The next steps are to:

1. Find means of filling gaps as soon as possible;
2. Take the steps necessary to assure that an orderly flow of the requisite information eventually occurs as a matter of routine; and,
3. Make the data available promptly in an organized form geared to the needs of appropriate authorities for their respective fields of concern.

Objectives and Targets

Major Objectives

The major objectives of the Plan for statistical development are to:

1. Improve the quality of all the existing statistical series;
2. Expand the existing series to provide additional information not now available, but that is required by planners, decision makers, managers, and appraisers; and,
3. Accelerate the collection, collation, analysis, and publication of economic and social data of all types.

Targets

The CDS has identified four targets for the Plan:

1. Completion of a comprehensive population census by the last year of the Plan.

2. Initiation by 1391-92 of a series of quarterly sample surveys to obtain data from which natural population growth rates can be calculated.
3. Cooperation with other ministries and agencies in obtaining an improved data base from which to estimate the Gross National Product; the field work for such sample surveys to be initiated in 1390-91.
4. Expansion of the CDS data base for use in improving and adding to the existing statistical series.

Additional information on methods, timing, frequency and the participation by other government agencies in achieving these targets is set forth in the appendix to this section. In addition, this appendix includes information on the continuing programs and such modifications as are proposed for them.

Comprehensive Census. Accurate knowledge of the characteristics of the Kingdom's population is of utmost importance to the planner and the administrator. This knowledge can be obtained only by the completion of a comprehensive census that will develop information on the population, its housing, the available labor force, agriculture, and all other aspects of the economy. The planning and preparation for the census must be completed soon enough for the head-count to be performed in 1392-93 if the results are to be analyzed and published by the target date. The planning and preparation for the head-count will begin in 1390-91.

Sample Surveys. Knowledge of natural growth rates will provide a basis for the development of a census strategy and further surveys. Preparations for these surveys will start in 1390-91; the actual surveys will be initiated in 1391-92 and performed quarterly thereafter.

Cooperative Surveys. An improved data base from which to estimate Gross Domestic Product will be obtained in cooperation with the ministries and other agencies as shown in Table 4.

TABLE 4
RESPONSIBILITIES AND SCHEDULES FOR
COOPERATIVE SURVEYS

<u>Sector</u>	<u>Preparation</u>	<u>Field Work</u>	<u>Completion</u>
Agriculture	1390-91	1392-94	End of Plan
Mining, Manufacturing, Gas and Electricity	1393-94	End of Plan	Post-1395
Construction	1390-91	1390-91	1390-91
Trade and Services	1392-93	1393-94	End of Plan
Communications	1390-91	1390-91	1390-91
Insurance	1390-91	1390-91	1390-91
Real Estate	1389-90	1390-91	1390-91

In addition to these new programs, a large number of continuing programs within CDS and the cooperating government agencies generate data on production, value added, capital formation, employment, government revenue, prices, wages, and societal matters, including education and health. These statistical programs will be strengthened during the plan period as part of normal operations.

Data Base Expansion. The CDS will expand its data base through improvements in staff, facilities, and coordination throughout the government insofar as statistical capabilities are concerned, so that new statistical series can be added and existing series can be improved. These statistical series will be devoted to such topics as:

1. **Gross National Expenditures:** the final demand by major categories of consumption and investment.
2. **National Income:** The total, rate of growth, and distribution.
3. **Economic Indicators:** Improved time series on wages, prices, cost of living, foreign trade, employment, etc., to be published quarterly.
4. **Capital Formation:** Data on the development of capital formation based on actual public and private investment by economic sector.
5. **Government Accounts:** Economic classification of all governmental receipts, and economic and functional classification of all public disbursements.

6. **Classification of Commodities Used in Trade Statistics:** Replacement of the existing BTN with the U.N. SITC and reduction in the time lag in publishing such data.
7. **Foreign Trade and Balance of Payments:** Analysis of all exports, imports, and re-exports; and of balance of payments by type of transaction.
8. **Gregorian Calendar:** Development of means and methods for presenting all statistics on a Gregorian calendar year basis and compile supplementary series where appropriate on a Hijra year basis.

The foregoing is by no means exhaustive, but provides a frame of reference for the formulation of an overall strategy to meet the major needs of development planners. Data for more specialized requirements can be developed as needed. Once the basic data are assembled and collated, they can be aggregated in various ways to describe the operation of the economy, the interrelationships of its various parts, and to make predictions about the probable consequences of alternative actions.

Programs and Projects

The following actions will be taken to achieve the above objectives and to meet the government's growing needs for data handling of many types.

Operations

The staff of the Central Department of Statistics will be strengthened during the Plan by adding more Saudi and foreign experts and other permanent staff. These experts will be organized as teams of specialists under the direction of a senior expert who will be responsible for coordinating their activities and who will report directly to the Director General of CDS.

The statistical staffs of the other ministries and agencies will be considered as part of the national statistical team. The CDS will cooperate with them as requested in recruiting personnel, and in designing, structuring, and organizing statistical programs.

The existing field offices of the CDS (located in Jiddah, Dammam, Abha and Buraydah) now have only nuclei staffs. These offices will be adequately staffed and organized into a network for the field collection work related to the statistical programs. This organization will provide a smooth and regular flow of information to the central staff which then will be able to check, code, process and publish data expeditiously.

Facilities

The projected increase in staff and workload will soon exhaust the capacity of the present processing equipment and facilities. It is proposed to replace the existing unit-record-type of processing equipment with a medium-sized computer.

In the medium term future, it is proposed to design and construct a special facility to house the Central Department of Statistics. This building will provide office space for a permanent staff of 300 before the end of the Plan, a technical library, training facilities, conference rooms, and computer installation. Adequate housing and associated facilities will greatly improve the efficiency of the CDS.

Training

Under the existing work pressures, training occurs only incidentally. Strengthening the staff and expanding the facilities will accelerate the conduct of systematic training programs, thus improving both the technical and the administrative capabilities throughout the department.

Gregorian Calendar

Economic data by their very nature involve a strong element of seasonality. To simplify the production of meaningful analyses for economic planning, it is proposed that statistics be compiled and presented according to the Gregorian calendar. Distortion occurs in comparisons of months, of quarters, or of years when periods differ in duration. In addition, the most important source of revenue — oil — is received on a Gregorian year basis. Furthermore, the most important economic sector in terms of the number of people involved — agriculture — is inherently a Gregorian year activity. Moreover, international comparisons of any given time series require a year of similar length; for example, SAMA maintains records on the balance of payments on a Gregorian calendar basis, as does the CDS on foreign trade. Such comparisons are becoming increasingly important in connection with development planning.

There are statistical series, however, whose seasonality is associated with the Hijra year; supplementary tabulations will be compiled on this base.

Coordination of Statistical Programs

Most statistical programs will be directly controlled by the Central Department of Statistics. There are, of course, many types of statistics that should be generated by other departments, ministries, and agencies from their normal record-keeping activities. These activities will be coordinated by the CDS to maintain internal consistency in the data generated so that such programs may be integrated within the framework of the Kingdom's broad program for a national statistical system.

Manpower Requirements

The existing manpower situation and the annual increases at different levels over the period of the Plan indicate that the Department will require 10 persons with suitable specialities at a master's degree level and 50 persons at the bachelor's degree level. Provision is also required during the period for 20 to 25 fellowships abroad to train a portion of the senior members of the professional staff in advanced specialities.

Financial Allocations

The financial allocations for the statistics program are shown in Table 5.

TABLE 5
FINANCIAL ALLOCATIONS FOR THE CENTRAL DEPARTMENT OF STATISTICS
(SR. Millions)

	<u>Recurrent</u>	<u>Project</u>	<u>Total</u>
Salaries and wages	18.9	—	18.9
Operating Expenses	5.5	—	5.5
Census	—	20.5	20.5
CDS Building	—	2.0	2.0
Total	24.4	22.5	46.9

MAJOR STATISTICAL SERIES REQUIRED FOR SOCIAL AND ECONOMIC PLANNING TO BE DEVELOPED DURING THE PLAN PERIOD

Note: *In the case of continuing programs an asterisk (*) is shown; unless a note to the contrary is given under remarks column, a proposed new program is to commence in the financial year 1391/92.*

<u>Scope of Statistical Series</u>	<u>Source and Frequency</u>	<u>Agency Responsible</u>	<u>Remarks</u>
I. <u>Population</u>			
1) Number of persons classified by economic activity, marital status, educational level, size of household, sex, age and nationality group.	<u>Census</u> Decennial	CDS/Ministry of the Interior	To make the Census results available in final form by the end of the Plan, the actual head count must occur no later than 1392/93 which means that planning and preparation should start early in 1390/91
2) Births and Deaths.	<u>Sample Survey</u> Quarterly	CDS/Ministry of Health	As an interim measure until vital registration system is fully developed
3) Immigrants and Emigrants; number by sex, age and occupation.	<u>Admin. Reporting</u> Annually and Quarterly*	CDS/Ministry of the Interior	
II. <u>Housing</u>			
Number of houses by types, rooms, occupants and type of utilities.	<u>Census</u> Decennial	CDS/Ministry of the Interior	Within the framework of population census
III. <u>Labor</u>			
Number in the labor force classified by kind of economic activity occupation, levels of skills, sex, age, nationality, wages and salaries paid and hours of work.	<u>Sample Survey</u> Annual	Ministry of Labor and Social Affairs/CDS	
IV. <u>Agriculture</u>			
1) Number of agricultural holdings by size, kind of tenure, irrigation and power, workers, capital formation.	<u>Sample Census</u> Decennial	Ministry of Agriculture/CDS	Field work must start beginning of 1391/92.
2) Estimates of area sown and yields (selected crops): number of fruit trees/vines by kinds and yields.	<u>Sample Survey</u> Annual	Ministry of Agriculture/CDS	
3) Number of livestock by kind, sex and age; number slaughtered quantity and value of products.	<u>Sample Census</u> Quinquennial	Ministry of Agriculture/CDS	Within the general framework of agricultural census
4) Forests: area, density, fellings and growth; quantity & value of timber extracted.	<u>Sample Census</u> Quinquennial	Ministry of Agriculture/CDS	
5) Fishing: catch by kind and value.	<u>Sample Survey</u> Annual	Ministry of Agriculture/CDS	

<u>Scope of Statistical Series</u>	<u>Source and Frequency</u>	<u>Agency Responsible</u>	<u>Remarks</u>
<u>V. Mining, Manufacturing and Production of Gas and Electricity</u>			
1) Number of establishments, key inputs and products, value added by kind of economic activity and size of establishment; legal organization; value of fixed assets; number of workers; capacity of installed power equipment.	<u>Census</u> Quinquennial	CDS/Ministry of Commerce and Industry	During final years of plan.
2) Estimates of employment and value added by kind of economic activity; gross capital formation; average prices paid for key inputs and received for key outputs.	<u>Sample Survey</u> Annual*	CDS/Ministry of Commerce and Industry	
<u>VI. Construction</u>			
Total value and value added by type of construction and employment with details of new starts and completions.		CDS/Ministry of Interior (Municipalities) PWD	
<u>VII. Wholesale, Retail and Service Trades</u>			
1) Number of establishments, value of sales, gross margins by kind of activity, employment size, legal/economic organization.	<u>Census</u> Quinquennial	CDS/Ministry of Commerce and Industry	
2) Number of workers, value of sales, gross margins, inventories, capital formation, investments and turnover.	<u>Sample Survey</u> Annual*	CDS/Ministry of Commerce and Industry	
3) Wholesale and retail prices (selected commodities).	<u>Sample Survey</u> Annual, Quarterly, Monthly and Weekly	CDS/Ministry of Commerce and Industry	
<u>VIII. External Trade</u>			
Imports, exports and re-exports of goods by commodities and countries.	<u>Admin. Reporting</u> Annual, Quarterly and Monthly*	CDS/Customs and Ministry of Finance	Present classification which is based on BTN needs to be replaced by SITC
<u>IX. Transportation</u>			
1) Roads: Length by types; number and carrying capacity of commercial vehicles; value added and gross capital formation; number of workers.	<u>Admin. Reporting</u> Annual*	Ministry of Communications	

<u>Scope of Statistical Series</u>	<u>Source and Frequency</u>	<u>Agency Responsible</u>	<u>Remarks</u>
2) Rail: Net freight ton/passenger - km carried; revenue; capital formation; rolling stock; number of workers.	<u>Admin. Reporting</u> Annual*	Ministry of Communications	
3) Sea: Gross tonnage of goods loaded / unloaded, revenue; value added by ports; capital formation; number of workers; capacity of ports.	<u>Admin. Reporting</u> Annual*	Ministry of Communications	
4) Air: Passenger-km; cargo, mail ton - km; revenue; value added, capital formation; number of aircraft, number of passengers embarked/d disembarked; cargo loaded/unloaded for domestic and international flights.	<u>Admin. Reporting</u> Monthly*	Ministry of Defense (Civil Aviation)	

X. Communications

1) Post Offices: Number of post offices, letters/parcels cleared; revenue; value added and capital formation; number of workers.	<u>Admin. Reporting</u> Annual	Ministry of Communications	
2) Telephones: Number of exchanges; subscribers; calls registered; revenue; value added and capital formation; number of workers.	<u>Admin. Reporting</u> Annual	Ministry of Communications	
3) Telegraph: Number of telegraph offices; telegrams cleared; revenue; value added and capital formation; number of workers.	<u>Admin. Reporting</u> Annual	Ministry of Communications	
4) Radio/TV: Number of broadcasts/telecasts, stations, value added and capital formation; number of radio/TV sets; number of workers	<u>Admin. Reporting</u> Annual	Ministry of Information	

XI. Money, Banking, Insurance and Finance

1) Banks: Number of banks, branches and workers; current and time deposits; loans and advances; gross capital formation and value added.	<u>Admin. Reporting</u> Annual*	SAMA/CDS	
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<u>Scope of Statistical Series</u>	<u>Source and Frequency</u>	<u>Agency Responsible</u>	<u>Remarks</u>
2) Insurance Companies: Number of companies/agencies, premiums received by kind of business, benefits paid and costs incurred; number of workers.	<u>Mail Enquiry</u> Annual	CDS	
XII. Education			
Number of public and private schools by level of education; teachers by nationality and level of education; students by sex, level of education, enrolled, examination results (appeared and passed); value added and capital formation.	<u>Admin. Reporting</u> Monthly*	Ministry of Education	
XIII. Health			
Number of hospitals, dispensaries and health centers; number of beds and their utilization; in-patients and out-patients by type of medical care/diseases; doctors and other medical personnel by sex, nationality and specialization, departmental statistics, value added and capital formation.	<u>Admin. Reporting</u> Monthly*	Ministry of Health	
XIV. Family Living Studies			
Distribution of households by broad income ranges, socio-economic characteristics, household size and expenditure on broad groups of items.	<u>Sample Survey</u> Quinquennial	CDS/Ministry of Labor (S.A)	During final year.
XV. Government			
Economic classification of receipts and disbursements, economic and functional classification of expenditures.	<u>Admin. Reporting</u> Annual*	CDS/Ministry of Finance	

PUBLIC WORKS

Public Works activities are presently performed by the Public Works Department (PWD) and other government ministries and agencies. These activities are handicapped by shortage of technical staff of agencies performing these activities, coordination between the departments and ministries dealing with public works activities as well as lack of consistency in standards of construction.

Objectives and Targets

The main purpose of the Public Works Plan is to merge vital public works activities in one organization (PWD) where, by so doing, economies in operation will be obtained.

Specific objectives are to:

1. Undertake a study to define the role of PWD with regard to performance of public works activities.
2. Allocate responsibility for design, supervision of construction, and maintenance of all government buildings to PWD.
3. Create capabilities within PWD for testing materials used in the construction field.
4. Upgrade the national building codes and material specifications and standards and to prepare drafts of regulations for proper execution of public works.

Materials testing laboratories will be established in Jiddah, Riyadh and Dammam in connection with the above third objective.

In pursuance of these objectives the following targets have been set for accomplishment within the period of the Plan:

Completion of the following activities by the end of the first year of the Plan:

1. Study regarding centralization of classes of public works activities and services in PWD.
2. Implementation of a training center at PWD headquarters.
3. Implementation of a materials testing laboratory in Riyadh.
4. Feasibility study regarding the desirability of additional PWD branches.

Completion of the following activities by the end of the second year of the Plan:

1. Implementation of a central library for materials testing.
2. Implementation of a computer center.
3. Implementation of a materials testing laboratory in Jiddah.
4. Implementation of mobile laboratories.
5. Preparation of regulations for proper execution of public works.

Completion of the following activities by the end of the third year of the Plan:

1. Establishment of upgraded national building codes and materials specifications and standards. This task will be coordinated with the Ministry of Commerce and Industry.
2. Implementation of a materials testing laboratory in Dammam.
3. Implementation of additional mobile laboratories.

Completion of the following activities during the remaining years of the plan period (in order of priority):

1. Allocation of responsibility for design, supervision of construction, and maintenance of all government buildings to PWD.
2. Implementation of additional mobile laboratories.
3. Reorganization of PWD.

The first target for completion by the end of first year of the Plan relates to the High Committee for Administrative Reform, while all other targets relate to PWD. These other targets are based on the assumption that the study regarding centralization of classes of public works activities and services will conclude that PWD should continue to be responsible for public buildings and material testing.

Programs and Projects

To achieve the above objectives the following actions will be taken:

1. **Study Regarding Centralization of Classes of Public Works Activities and Services.** This study, which will be carried out by the High Committee for Administrative Reform, will establish which classes of public works and services related to public works should be centralized in PWD and which should remain the responsibility of other agencies, having regard to the capabilities of the respective agencies. The study will also define a program for implementation.
2. **Training Center.** A training center for Saudi Nationals will be organized at the premises of PWD headquarters. Within a period of three years Saudis will be trained as draftsmen, land surveyors, and operators and technicians for materials testing. This training will result in reducing dependence on foreign personnel in keeping with government policy.
3. **Riyadh Materials Testing Laboratory.** The construction of the building for the materials testing laboratory in Riyadh has been completed and some of the required equipment has already been ordered. This laboratory will be used to test concrete, cement, soils, water, ceramics, paints and lacquers, plastics, steel bars and timber.
4. **Feasibility Study for Additional PWD Branches.** It is felt that the remoteness of some of the sites of PWD activities will justify the establishment of additional branches, particularly in Abha, Tabuk, Al-Jauf, Jizan, Al-Qasim, and Medina. However, a feasibility study is required to determine the economic justification of introducing additional branches. The financial allocations described below include an allowance for establishing four additional branches.
5. **Central Library for Materials Testing.** Building materials testing is an area in which many improvements have been made during recent years. It is expected that additional improvements will be introduced abroad in the future. The proposed library will be helpful in maintaining procedures related to materials testing according to the latest methods.
6. **Computer Center.** The Computer Center will initially be established for the performance of calculations with simple electronic equipment. Towards the end of the Plan the center will also be used for the evaluation of test results.
7. **Jiddah and Dammam Materials Testing Laboratories.** During the period of the Plan two small materials testing laboratories will be established in addition to the laboratory in Riyadh. The Jiddah laboratory will be in operation during the end of the second year of the Plan, while the implementation of the Dammam laboratory will be completed during the end of the third year of the Plan.
8. **Mobile Laboratories.** Mobile Laboratories will be introduced to facilitate PWD activities in locations distant from Jiddah, Riyadh and Dammam. Two mobile laboratories will be introduced during the second year of the Plan, while two additional units will be organized during each of the two subsequent years.
9. **Execution of Public Works, National Building Codes and Materials Specifications.** PWD will prepare regulations for the proper execution of public works, including standard forms for contracts and regulations for consultant's fees, in the areas of civil, mechanical, electrical, and sanitary engineering, air conditioning and acoustics. In addition, PWD will, in coordination with the Ministry of Commerce and Industry, prepare upgraded national building codes and materials specifications and standards.
10. **Allocation of Responsibility for Design, Supervision of Construction, and Maintenance of all Government Buildings to PWD.** During the first four years of the Plan preparations will be made to allocate responsibility for design, supervision of construction, and maintenance of all government buildings to PWD. These preparations call for the assistance of ten foreign experts to train Saudis in the fields of civil, electrical, and mechanical engineering, architecture and land surveying. During the first four years of the Plan three design, and supervision of construction projects will be undertaken annually.
11. **PWD Reorganization.** During the period of the Plan PWD will be reorganized to enable it to take over the responsibility for design, supervision of construction, and maintenance of all government buildings in an effective manner. Planning techniques such as "Program Evaluation Review Techniques (PERT)" and "PERT/COST Procedures" will be introduced. In addition, the reorganization will include actions to be taken if additional public works activities become the responsibility of PWD upon termination of the Plan.

Financial Allocations

Table 6 shows total financial allocations required for the above programs and projects.

TABLE 6
FINANCIAL ALLOCATIONS FOR THE PUBLIC WORKS DEPARTMENT
(SR Millions)

	<u>Recurrent</u>	<u>Project</u>	<u>Total</u>
High Committee for Administrative Reform			
Centralization Study of Public Works activities	—	—	—
Public Works Department			
Training Center	0.6	—	0.6
Riyadh Materials Testing Laboratory	7.0	14.0	21.0
Feasibility Study for Additional PWD Branches*	2.7	4.1	6.8
Central Library for Materials Testing	0.3	1.4	1.7
Computer Center	2.3	6.0	8.3
Jiddah and Dammam Materials Testing Laboratories	5.2	17.0	22.2
Mobile Laboratories	0.9	5.1	6.0
Execution of Public Works Codes and Specifications	1.0	—	1.0
Allocation of Responsibility for Design, Supervision of Construction and Maintenance of all Government Buildings to PWD	26.8	—	26.8
PWD Reorganization	0.5	—	0.5
Total	47.3	47.6	94.9

* Project costs include allowance for establishing four additional branches.

MAPPING

The preparation of various development programs by government agencies and private organizations is handicapped by a lack of maps. The range and availability of services offered by the Aerial Survey Department (ASD) must be improved to provide the maps required for economic development.

This improvement is also important to avoid duplication of mapping activities now performed by several ministries.

Objectives and Targets

The general objective of the mapping plan is to provide a comprehensive mapping service for the country and hence to provide reliable data for physical planning of projects such as mineral explorations, highway construction, and design of irrigation works. Use of reliable maps will avoid losses of significant amounts of money as occurred in the past with road construction projects.

Specific objectives are to:

1. Complete and maintain the first order National Geodetic Network, which will be the basis for geodetic surveys needed for projects dealing with the determination of locations and/or distance and height measurements;
2. Prepare and supply national topographic maps for the entire Kingdom, which will facilitate planning work in agriculture, industry, transportation, communications, geology, defense, and other sectors;
3. Prepare and supply large scale maps as requested by government agencies and private enterprises;
4. Prepare and supply thematic, revised, and derived maps, including photomosaics*;
5. Maintain a Central Data Bank for surveying data, maps and aerial photography, thus avoiding duplication of surveying and mapping efforts in the Kingdom.

Targets set for the completion of specific surveying and mapping activities during the period of the Plan are:

1. Completion of first order National Geodetic Network (NGN) in 1390.

* Thematic maps show such information as soil and mineral characteristics, road characteristics, town plans and the like. Revised maps are maps up-dated to provide latest information. Derived maps are small-scale maps prepared from large scale maps. Photomosaics are sets of aerial photographs.

2. Extension of NGN into the northeast of the Empty Quarter in 1391.
3. Topographic mapping of the following areas (by priority):
 - a. Tayif
 - b. Northern Hejaz and Asir
 - c. Qasim
 - d. Eastern Province and Central Hejaz
 - e. South Shammar and Dahna
4. Addition of Statistical Section to Central Data Bank in 1392.

The order of priorities for topographic mapping' was established after consultation with the main users of the mapping service.

Programs and Projects

To achieve the above objectives a mapping program comprising five projects and a training program are proposed. The mapping projects and training program are described below.

Basic Geodetic Network. This project provides for:

1. Completion of the first order National Geodetic Network project (NGN), which started in 1386: this network will provide the basis for projects dealing with the determination of location and/or distance and height measurements.
2. Expansion of the NGN project to include the northeast of the Empty Quarter.
3. Integration of existing local networks in the NGN: These include the ones prepared by oil companies, and the "Geological Triangulation" prepared by DGMR in cooperation with Aramco, USGS and the US Army Map Service (AMS).
4. Geophysical surveys; a primary network will first be prepared for magnetism and gravity; later existing local networks will be incorporated.
5. Maintenance of geodetic networks by repositioning of lost geodetic points and updating the archives maintained at ASD.

Topographic Mapping. Implementation of the National Topographic Mapping Project (NTMP) was initiated in 1389. The results of this 10-year project will facilitate the planning of communications, irrigation, agriculture, geologic research and the like. Areas to be completed within the period of the Plan are Tayif, Northern Hejaz, Asir, Qasim, Eastern Province, Central Hejaz, South Shammar and Dahna, (Fig. 4). The NTMP maps will adhere to international standards and rules. they will include the following features: uniform scheme of production, provision for revisions, reliable and current information with complete planimetry and height data. Maps are prepared on three different scales: 1:50,000, 1:100,000 and 1:250,000, depending on the importance of the areas.

Large Scale Mapping Service (LSMS). The LSMS will supply ministries and private enterprises with large scale maps of any part of Saudi Arabia upon request.

Thematic, Revised and Derived Mapping. Thematic mapping will be performed for such special purposes as soil and mineral investigations, town planning and road classification. Revisions will update topographic and town planning maps, and small scale maps will be derived from maps with a large scale.

Central Data Bank. ASD activities related to the Central Data Bank will be continued. The organization of the archives system of the Central Data Bank has been completed. A statistical section will be added to this archives system.

Training Program. Training of Saudi staff is planned for activities related to large scale mapping. A training program to be implemented in the first year of the Plan calls for a training and advisory team consisting of nine experts. This program will include courses from six months to two or three years and will be continued until the end of the Plan by which time the present ASD staff will be increased to about 160 professional and skilled employees.

Activities related to the geodetic network will be performed by the present ASD staff and foreign manpower but the execution of the topographic mapping project will mainly be done by foreign contractors. Activities related to thematic, revised and derived mapping, as well as the Central Data Bank, will be carried out by foreign and local staff assigned to the geodetic network and topographic mapping projects, and the large scale mapping service.

Financial Allocations

Table 7 shows total financial allocations required for the above programs and projects as well as personnel expenditures during the period of the Plan. Though these allocations are shown as separate from the budget of the Ministry of Petroleum and Mineral Resources, it is understood that the ASD budget forms an integral part of this Ministry's budget.

TABLE 7
FINANCIAL ALLOCATIONS FOR MAPPING
(SR Millions)

	<u>Recurrent</u>	<u>Project</u>	<u>Total</u>
Aerial Survey Department			
Basic Geodetic Network	0.1	8.8	8.9
Topographic Mapping	1.2	54.3	55.5
Large Scale Mapping	1.2	3.1	4.3
Thematic, Revised and Derived Mapping ^(a)	—	—	—
Central Data Bank ^(a)	—	—	—
Training	10.0	—	10.0
Personnel	12.9	—	12.9
Expansion of ASD Building	—	0.5	0.5
Total	25.4	66.7	92.1

(a) No allocations are made since these projects will be carried out with equipment and personnel planned for other projects.

FINANCIAL ALLOCATIONS FOR ADMINISTRATION

The financial allocations for the agencies included in the category of Administration* are shown in Table 8

Total budget allocations for this class in 1389-90 amount to SR 1,330.2 millions of which SR 217.7 millions are for project expenditures.

The total and recurrent amounts are projected to increase by 5 percent annually throughout the Plan, and to the latter is added the estimated net cost of restructuring of salaries.

The total project amount is the amount remaining after total recurrent is deducted from the overall total. It provides for average annual expenditure for projects in this category of SR 184.6 million, compared with the sum of SR 217.7 million budgeted for 1389-90.

* *All agencies except Defense and the National Guard for which financial allocations are not given in other chapters.*

TABLE 8
FINANCIAL ALLOCATIONS FOR ADMINISTRATION
(SR Millions)

	<u>Recurrent</u>	<u>Project</u>	<u>Total</u>
Public Works Department	47.3	47.6	94.9
ASD	25.4	66.7	92.1
CDS	24.4	22.5	46.9
Other Agencies	6,697.5	786.0	7,483.5
Total	6,794.6	922.8	7,717.4

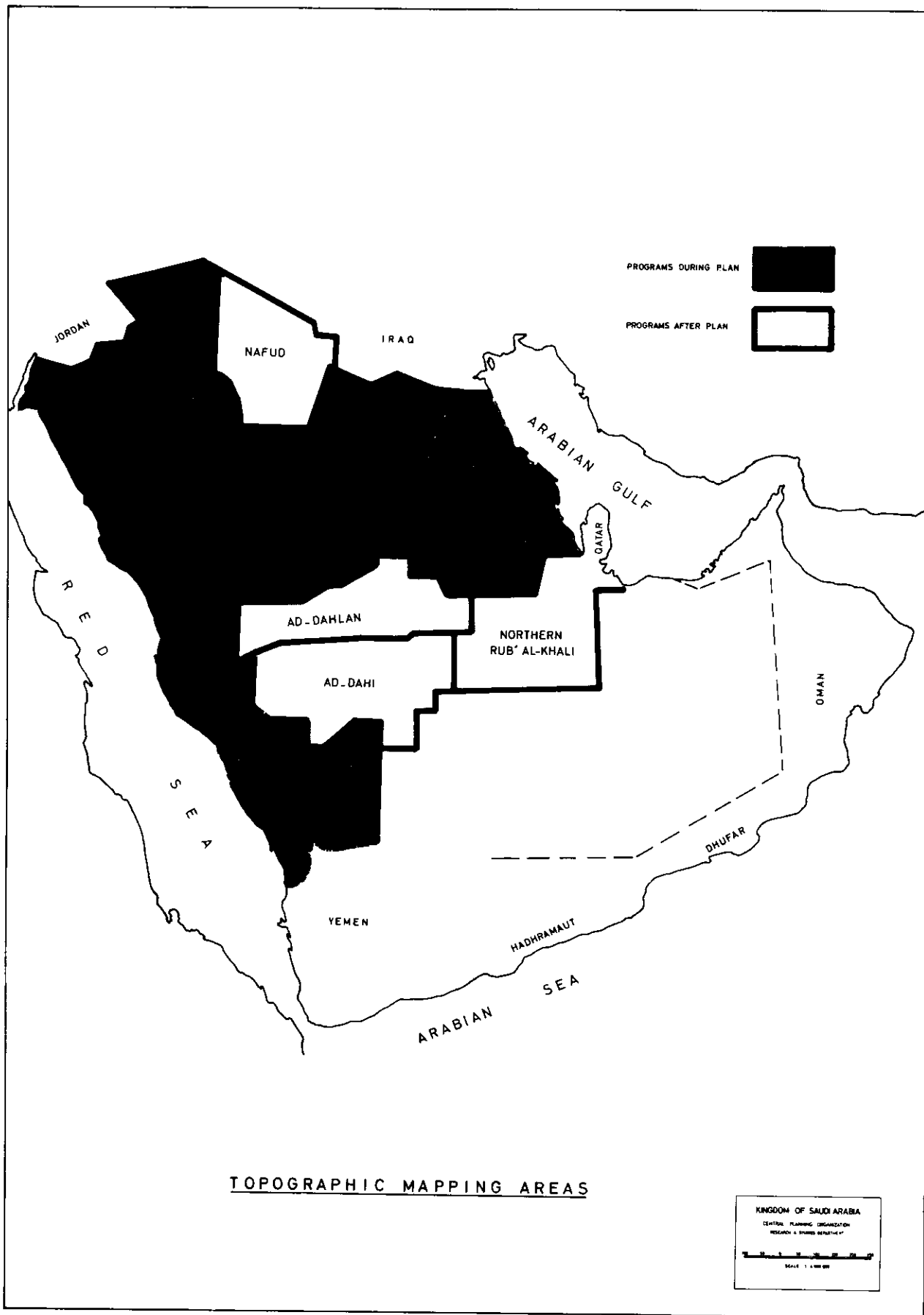


FIG. -4

