VIII. PLAN MANAGEMENT AND IMPLEMENTATION
VIII. Plan Management and Implementation

The first section of this concluding chapter discusses the size of the Plan in terms of its financial, manpower, and construction requirements, and the problems of implementation that will arise due to the magnitude of the total requirements.

Plans for providing the statistics, maps, meteorological data, and standards and specifications needed to support development planning are then presented, followed by a strategy for developing science and technology to support progress toward national goals.

The remaining sections are concerned with central planning, measures to expand the capability of the public and private sectors to implement the Plan and steps being taken to enlist international cooperation in the development of the Kingdom.
A. SIZE OF THE PLAN

The increase in revenues from oil has provided Saudi Arabia with the financial resources to implement a development plan far larger, by any measure, than could possibly have been contemplated a few years ago, and far larger than has ever been possible for any country of comparable population at an early stage in its development into a modern industrial society.

This fortunate circumstance offers the Kingdom an unprecedented opportunity to improve the prosperity, security, health, education, and general well-being of both present and future generations of its people. It also offers the challenge to demonstrate that abundant financial resources can be successfully used to transform the society into a modern nation capable of sustaining a high standard of living for all its people through the development of its human skills and material resources.

Inherent in this opportunity and challenge is the risk that achievement will fall far short of expectation. The expected growth of the economy and the plans for achieving that growth have been described in previous chapters. This section presents some measures of the magnitude of the plan that has been formulated and draws conclusions from these indicators about the problems that will be encountered in its implementation.

1. Financial Requirements

1.1 Table VIII-1 compares the first and second development plans in terms of the finance required from the public budget for their implementation. While problems have inevitably been encountered in obtaining comparability of data, the table shows that the second Development Plan calls for public expenditure of about SR 498,000 million, almost nine times that projected for the first plan. Revenues at their present level of approximately SR 100,000 million at the end of 1394-95, and additional revenues from foreign investment and taxes on foreign enterprises and employees will be sufficient to meet the total appropriations required for the Plan even with significant inflation in costs.

1.2 The four development sectors shown in the table account for SR 318,000 million or 64 percent of total public expenditures. Public expenditures proposed for these sectors in the second Development Plan are over nine and a half times those projected for the first plan.
Table VIII-1
COMPARISON OF ESTIMATED FINANCIAL REQUIREMENTS
OF FIRST AND SECOND PLANS\(^a\)
(SR Millions)

<table>
<thead>
<tr>
<th></th>
<th>First Plan</th>
<th></th>
<th>Second Plan</th>
<th></th>
<th>Ratio: Second Plan to First Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Percent</td>
<td>Amount</td>
<td>Percent</td>
<td></td>
</tr>
<tr>
<td>Economic Resource Development</td>
<td>6,033.3</td>
<td>10.7</td>
<td>92,135.0</td>
<td>18.5</td>
<td>15.3</td>
</tr>
<tr>
<td>Human Resource Development</td>
<td>10,198.7</td>
<td>18.1</td>
<td>80,123.9</td>
<td>16.1</td>
<td>7.9</td>
</tr>
<tr>
<td>Social Development</td>
<td>2,443.0</td>
<td>4.4</td>
<td>33,212.8</td>
<td>6.7</td>
<td>13.6</td>
</tr>
<tr>
<td>Physical Infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>14,086.8</td>
<td>25.1</td>
<td>112,944.6</td>
<td>22.7</td>
<td>8.0</td>
</tr>
<tr>
<td>Subtotal, Development</td>
<td>32,761.8</td>
<td>58.3</td>
<td>318,416.3</td>
<td>63.9</td>
<td>9.7</td>
</tr>
<tr>
<td>Administration</td>
<td>10,466.5</td>
<td>18.6</td>
<td>38,179.2</td>
<td>7.7</td>
<td>3.7</td>
</tr>
<tr>
<td>Defense</td>
<td>12,994.7</td>
<td>23.1</td>
<td>78,156.5</td>
<td>15.7</td>
<td>6.0</td>
</tr>
<tr>
<td>External Assistance, Emergency Funds, Food Subsidies, and General Reserve</td>
<td>-</td>
<td>-</td>
<td>63,478.2</td>
<td>12.7</td>
<td>-</td>
</tr>
<tr>
<td>Subtotal, Other</td>
<td>23,461.2</td>
<td>41.7</td>
<td>179,813.9</td>
<td>36.1</td>
<td>7.7</td>
</tr>
<tr>
<td>Total Plan</td>
<td>56,223.0</td>
<td>100.0</td>
<td>498,230.2</td>
<td>100.0</td>
<td>8.9</td>
</tr>
</tbody>
</table>

First plan values have been adjusted to 1994-95 prices (used uniformly for the second plan except for certain long-term projections that included inflation factors.)

1.3 In addition to the overall increase in the magnitude of the plan, there is a significant change in the direction of public finance, as summarized below.

1.3.1 Provision for economic resource development is over fifteen times larger than in the first development plan and ranks second after physical infrastructure in its financial requirements. This reflects the emphasis in the Plan on economic diversification.

1.3.2 Provision for human resource development is almost eight times larger than in the first development plan, reflecting both continued emphasis on educating and training the future manpower of the Kingdom and the relatively high share of this sector in the total allocation of public finance under the first development plan.

1.3.3 Social development is allocated thirteen and a half times the amount allocated under the first plan, reflecting the second Plan's objective of increasing real incomes and accelerating the provision of social services.

1.3.4 Physical infrastructure is again accorded the highest share in total allocations, and the eightfold increase in its allocation reflects the continuing need to develop the transportation, communications, municipalities, and housing infrastructure needed to support the development of all sectors.

1.3.5 Administration is accorded a less than fourfold increase in allocations to meet the requirements of the agencies concerned with planning and management information.
discussed later in this chapter, and to provide for an annual increase of ten percent in other administrative costs.

1.3.6 Provision for defense is six times larger than in the first plan, reflecting an assumed 20 percent annual increase in the defense budget.

1.3.7 The last item — external assistance, emergency funds, food subsidies, and general reserve — accounts for 13 percent of total requirements and is based on an annual increase of ten percent in the provisions for these items in the 1394-95 budget. It thus includes substantial unallocated provisions to provide additional financing for anti-inflationary measures, for regional agricultural development, and for corporations, companies, and funds recently established, such as the Supplies Corporation, the hotel, inland transportation, and non-oil shipping companies, and the contractors’ fund, for which the financial needs have not yet been determined.

1.4 Table VIII-2 shows the division of the Plan’s financial requirements between recurrent and project costs. Provision for projects accounts for 75 percent of financial requirements for development and 67 percent overall. The costs of the main development programs are tabulated below (SR millions):

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water and Desalination</td>
<td>34,065</td>
</tr>
<tr>
<td>Agriculture*</td>
<td>4,685</td>
</tr>
<tr>
<td>Electricity</td>
<td>6,240</td>
</tr>
<tr>
<td>Manufacturing and Minerals</td>
<td>45,058</td>
</tr>
<tr>
<td>Education</td>
<td>74,161</td>
</tr>
<tr>
<td>Health</td>
<td>17,302</td>
</tr>
<tr>
<td>Social Programs and Youth Welfare</td>
<td>14,649</td>
</tr>
<tr>
<td>Roads, Ports and Railroads</td>
<td>21,283</td>
</tr>
<tr>
<td>Civil Aviation and SAUDIA</td>
<td>14,845</td>
</tr>
<tr>
<td>Telecommunications and Post</td>
<td>4,225</td>
</tr>
<tr>
<td>Municipalities</td>
<td>53,328</td>
</tr>
<tr>
<td>Housing</td>
<td>14,263</td>
</tr>
<tr>
<td>Holy Cities and the Hajj</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total Development</strong></td>
<td>309,104</td>
</tr>
<tr>
<td><strong>Other Development</strong></td>
<td>9,312</td>
</tr>
<tr>
<td><strong>Subtotal Development</strong></td>
<td>318,416</td>
</tr>
<tr>
<td>Defense</td>
<td>78,157</td>
</tr>
<tr>
<td>General Administration</td>
<td>38,179</td>
</tr>
<tr>
<td>Funds</td>
<td>63,478</td>
</tr>
<tr>
<td><strong>Subtotal Other</strong></td>
<td>179,814</td>
</tr>
<tr>
<td><strong>Total Plan</strong></td>
<td>498,230</td>
</tr>
</tbody>
</table>

* Does not include provision for regional development.
Table VIII-2
THE PLAN'S ESTIMATED RECURRENT AND PROJECT COSTS
(SR Millions)

<table>
<thead>
<tr>
<th></th>
<th>Recurrent Costs</th>
<th>Project Costs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Resource Development</td>
<td>4,518.5</td>
<td>87,616.5</td>
<td>92,135.0</td>
</tr>
<tr>
<td>Human Resource Development</td>
<td>43,907.3</td>
<td>36,216.6</td>
<td>80,123.9</td>
</tr>
<tr>
<td>Social Development</td>
<td>18,148.8</td>
<td>15,064.0</td>
<td>33,212.8</td>
</tr>
<tr>
<td>Physical Infrastructure Development</td>
<td>12,530.8</td>
<td>100,413.8</td>
<td>112,944.6</td>
</tr>
<tr>
<td><strong>Subtotal, Development</strong></td>
<td><strong>79,105.4</strong></td>
<td><strong>239,310.9</strong></td>
<td><strong>318,416.3</strong></td>
</tr>
<tr>
<td>Administration</td>
<td>18,010.6</td>
<td>20,168.6</td>
<td>38,179.2</td>
</tr>
<tr>
<td>Defense</td>
<td>14,652.8</td>
<td>63,503.7</td>
<td>78,156.5</td>
</tr>
<tr>
<td>External Assistance, Emergency Funds, Food Subsidies, and General Reserve</td>
<td>54,857.9</td>
<td>8,620.3</td>
<td>63,478.2</td>
</tr>
<tr>
<td><strong>Subtotal, Other</strong></td>
<td><strong>87,521.3</strong></td>
<td><strong>92,292.6</strong></td>
<td><strong>179,813.9</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>166,626.7</strong></td>
<td><strong>331,603.5</strong></td>
<td><strong>498,230.2</strong></td>
</tr>
</tbody>
</table>

a Covers items under Chapters I, II, III of the annual budget except as noted below.
b Covers items under Chapter IV of the annual budget together with public corporation project costs and public financing of private-sector and joint-venture investments normally carried in Chapter III of the annual budget.

1.5 The allocations of public finance summarized above reflect only part of the total allocation of national resources to development. They do not include the following:

☆ Investment by the private sector in agricultural development apart from that financed by agricultural credit.
☆ Investment by the oil companies in expanding oil production capacity.
☆ Investment by the private sector and joint-venture partners in industry, apart from the amounts to be financed by industrial credit.
☆ Investment by the private sector in commerce, transportation, and services.
☆ Investment in private-sector housing not financed by the Real Estate Development Fund.

2. Manpower Requirements
A second measure of the size of the Plan is the manpower required to implement it. Details of manpower requirements have already been given in earlier chapters. The projections of the total work force required to implement the Plan, compared with current manpower, are summarized below (thousands):

<table>
<thead>
<tr>
<th></th>
<th>1395</th>
<th>1400</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Sector</td>
<td>1,353.3</td>
<td>1,977.9</td>
<td>46</td>
</tr>
<tr>
<td>Public Sector</td>
<td>168.8</td>
<td>352.7</td>
<td>109</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,522.1</td>
<td>2,330.6</td>
<td>53</td>
</tr>
</tbody>
</table>
A net increase of 498,600 foreign workers is required to make up the difference between
the increase in the Saudi work force — 309,900 — and the total increase in the work
force of 808,500 workers.

3. Construction Requirements

Construction activity included in the Plan also provides a measure of its size. It is
estimated in an earlier chapter that the total value of construction in 1394-95 is about
SR 10,000 million and that the total volume of construction called for in the Plan may
exceed SR 300,000 million in 1394-95 prices. To complete the construction component of
this investment — about 80 percent of fixed capital investment — will require an average
annual rate of increase of about 60 percent in construction, which means a ten-fold
increase by the end of the Plan.

4. Constraints

4.1 It is clear from the above that the financial cost of the Plan is not the critical
measure of its size.

4.2 The conclusion to be drawn from the projections of manpower requirements is not
so clear. The forecast of private sector requirements is drawn mainly from estimates of
the manpower that would be required given the projections of growth in value added in
constant prices. These projections were based on an overall assessment of the highest
rates of growth sustainable over the period of the Plan, taking into account the
absorptive capacity of the economy. On the other hand, the public sector projections
reflect the manpower estimated by government agencies as needed for the
implementation of their plans. Hence the manpower projections already reflect to a
considerable degree the limitations on absorptive capacity; nevertheless, even the
increase in the work force specified above may prove exceedingly difficult to satisfy.

4.3 It is recognized that to achieve an average annual rate of growth of 60 percent in
construction volume will be extremely difficult however much success is achieved in
improving construction methods and supplies. In view of this potential constraint on plan
implementation, it may be necessary to reschedule construction programs from year to
year in accordance with development priorities and in the light of the impact of growing
construction volume on prices, wages, contract bids, services, supplies, and housing.

4.4 Work has already started on assessment of physical constraints on plan
implementation. High priority must now be given to developing central planning
capability to define priorities in relation to manpower and construction requirements and
to rescheduling of lower priority projects and programs in the light of these constraints.
B. PLANNING AND MANAGEMENT INFORMATION

VIII.B.1 STATISTICS

1. Present Conditions

1.1 Substantial progress has been made in achieving the targets set for the development of the Kingdom’s statistics under the Central Department of Statistics (CDS) during the first plan period.

1.1.1 A comprehensive census of population and housing was taken on 27-28 Shaban 1394 (14-15 September 1974) and it was expected that data on population by sex and administrative areas could become available a few months later. Complete results covering all characteristics and major correlations will be available after 18 to 24 months. Final publication of the full report is scheduled for Rabi’ II, 1396 (April 1976).

1.1.2 Field work on the demographic sample survey, consisting of a series of quarterly sample surveys to obtain vital statistics data from which natural population growth rates can be calculated, has been completed and the necessary tables are being compiled.

1.1.3 The Ministry of Agriculture and Water carried out surveys on production of both summer and winter crops for the years 1390-91, 1391-92, and 1392-93. The results of the 1390-91 survey have been published. The 1391-92 survey results have been tabulated, and final processing and publication of these data should be accomplished in 1395. Processing of the data obtained from the 1392-93 survey is under way. A census of settled agriculture was completed in 1394, and preliminary results should become available by the end of 1395.

1.1.4 Annual surveys of establishments have improved the available data on manufacturing, gas and electricity, construction, trade and services, communications, insurance, and real estate. The results of the 1392 survey, conducted in 1393, are being processed. (No survey was conducted in 1394 owing to preoccupation with the census of population and housing.) Construction activity is only partially covered by these surveys, and the results are inadequate. The survey samples were based on the frame provided by a census of establishments completed in 1391; the census was carried out in urban centers only and did not cover the rural areas.

1.1.5 Data-base improvements have also resulted in expansion of the national accounts and development of new statistical series for the period 1386-87 to 1392-93. These include gross domestic product, gross national expenditure, national income, and capital formation. Time-series on wages and employment are not yet available.
1.1.6 Data on actual government expenditures have just become available for the years 1384-85 through 1392-93. Analysis of these data will yield substantial improvement in the national accounts — product, income, expenditure, and capital formation.

1.1.7 The final report on the family budget expenditure surveys, undertaken in Riyadh, Jiddah, and Dammam in 1390-91, has been published. The cost of living index up to 1973 has also been published.

1.1.8 Administrative reporting of statistics to the CDS by other ministries and departments also continues to improve. Post office, telephone, and telegraph statistics have been streamlined by the CDS, and the process will be extended throughout the Government as rapidly as possible.

1.2 Construction of suitable offices, equipment rooms, and library for the CDS is in progress.

1.3 It has not been possible to strengthen the CDS staff as planned. A large number of vacancies could not be filled, and a number of staff members left for better opportunities elsewhere.

1.4 A great deal of delay still takes place between the time that data are collected and a report on them is prepared. There is also usually a long delay between the time the report is prepared and actually printed and distributed.

2. Objectives and Policies

2.1 In addition to improving the quality of all existing statistical series, a major objective for the period of the Development Plan 1395 is to provide information that is not now available, but is required by planners, decision-makers, managers, and appraisers. The type and scope of information sought is detailed in the table entitled “Statistical Series for the Period 1395-1400” which appears at the end of this section of the Plan.

2.2 The collection, collation, analysis, and publication of economic and social data of all types will be accelerated.

2.3 The above objectives will be achieved by implementing the following supporting policies.

2.3.1 Provide adequate incentives to attract and retain well-qualified statistical personnel.

2.3.2 Utilize foreign consultants to the extent needed to meet program schedules and to provide on-the-job training.

2.3.3 Establish the machinery needed to coordinate the policies and programs of statistical agencies throughout the Government, and to provide for timely compilation and dissemination of data of all types.
3. Programs and Projects
3.1 Statistical Analysis
   Create a Statistical Analysis Section to evaluate all published statistics and to make recommendations for improving their quality and scope (1395-96).

3.2 Census and Surveys Organization
   Establish a Census and Surveys Organization to provide, on a continual basis, current data on demographic characteristics, health, consumption, housing conditions and facilities, educational characteristics and cultural activities, employment, and economic levels of households. This organization will also:
   
   ☆ Maintain all material relevant to its tasks, such as census and survey frames, and records and maps.
   ☆ Assist other ministries and agencies in planning and conducting surveys of all types.
   ☆ Extend the Census of Establishments to rural areas.
   ☆ Develop time-series on wages and employment.
   ☆ Conduct surveys of current mining and quarrying activities.
   ☆ Assist the Ministry of Health in establishing a registration system to provide a record of vital statistics.

3.3 National Accounts
   Expand the National Accounts series to include:
   
   ☆ Economic and functional classifications of actual expenditures.
   ☆ Relation of GNP and national income.
   ☆ Relation of national income and personal income.
   ☆ Disposition of personal income.
   ☆ Presentations of all series in constant prices.
   ☆ Capital formation by economic category.
   ☆ Breakdown of private consumption by type of expenditure.
   ☆ Income and outlay, and capital finance accounts.
   ☆ Input-output tables.
   ☆ Regional accounts of products and expenditures.
   ☆ New statistical series on prices, wages, transportation, construction, and trade margins.

3.4 Administration
3.4.1 Reorganize field offices, strengthen and up-grade central staff, and acquire control of reproduction units so as to facilitate publication.
3.4.2 Obtain the financial support required to carry out all programs, including the completion and equipping of new building; recruiting, training, and promoting of personnel; and development of an adequate library and data bank.

3.4.3 Hire teams of consultants and foreign experts to help carry the expanded work load.

3.4.4 Create a technical committee to coordinate the policies and programs of all statistical agencies on a national basis.

3.4.5 Establish standing panels for various statistical fields as an organized means for discussing all the different programs, as a technique for participation by all interested ministries and agencies, and as a method of avoiding duplication of work.

3.4.6 To provide continuity, require all ministries and agencies to have a permanent statistical unit.

3.4.7 Prepare, code, and key-punch all data for computer processing.

3.4.8 Develop a library of statistical publications and arrange for exchange of publications with other countries and various international organizations.

3.5 Training

3.5.1 Establish training programs in the CDS, the Institute of Public Administration, and in the universities where practical applications can be taught and practiced.

3.5.2 Send qualified employees abroad for training.

4. Finance

The financial requirements of the Central Department of Statistics are estimated as follows (SR millions):

<table>
<thead>
<tr>
<th></th>
<th>Budgeted 1394-95</th>
<th>1395</th>
<th>1396</th>
<th>1397</th>
<th>1398</th>
<th>1399-1400</th>
<th>Plan Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurrent</td>
<td>49.3*</td>
<td>15.9</td>
<td>18.0</td>
<td>20.1</td>
<td>21.7</td>
<td>23.2</td>
<td>98.9</td>
</tr>
<tr>
<td>Project</td>
<td>7.3</td>
<td>3.0</td>
<td>5.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>56.6</td>
<td>18.9</td>
<td>23.0</td>
<td>20.1</td>
<td>21.7</td>
<td>23.2</td>
<td>106.9</td>
</tr>
</tbody>
</table>

* Includes extraordinary expenditures incurred in conducting the Census of Population and Housing.
Table VIII-3
STATISTICAL SERIES FOR THE PERIOD 1395-1400

<table>
<thead>
<tr>
<th>Program and Scope</th>
<th>Source/Frequency and Agency Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Population</td>
<td></td>
</tr>
<tr>
<td>A. Number of persons classified by economic activity, marital status, educational level, size of household, sex, age, nationality group; employment status and duration of stay by place of normal residence and birth.</td>
<td>Census/decennial. Conducted by the CDS/Ministry of Interior in Shaban 1394, results expected to be available by 1395-96.</td>
</tr>
<tr>
<td>B. Births and deaths, rates of births and deaths, natural increase of population.</td>
<td>Sample survey/annual. CDS to conduct until the civil registration system is fully developed.</td>
</tr>
<tr>
<td>C. Civil registration system. Phase I (demonstrations areas around Riyadh). Phase II (demonstration areas on sample basis in the settled parts of the country). Phase III (demonstration areas in all the settled parts). Births and deaths.</td>
<td>Registration/as and when. Undertaken by Ministry of Health.</td>
</tr>
<tr>
<td>D. Number of immigrants and emigrants by sex, age, and occupation.</td>
<td>Admin. Reporting/annual and quarterly.</td>
</tr>
<tr>
<td>II. Housing</td>
<td></td>
</tr>
<tr>
<td>Number of houses by type, rooms, occupants, type of utilities, building material, and floors.</td>
<td>Census/decennial. Conducted by CDS within the framework of the population census, results are expected to be available by 1395-96.</td>
</tr>
<tr>
<td>III. Labor</td>
<td></td>
</tr>
<tr>
<td>Number in the labor force by kind of economic activity, occupation, levels of skills, sex, age, nationality, wages and salaries paid, and hours of work.</td>
<td>Sample survey/biennial. Results are available on the 1392-93 survey conducted by the Ministry of Labor and Social Affairs/CDS. The next is scheduled for 1395-96.</td>
</tr>
<tr>
<td>IV. Agriculture</td>
<td></td>
</tr>
<tr>
<td>A. Number of agricultural holdings by size, kind of tenure, irrigation and power, workers, capital formation, and fertilizers and insecticides used.</td>
<td>Census/quinquennial. Conducted by the Ministry of Agriculture/CDS in 1394, results are expected to be available by 1395-96. The next is planned for 1397-98 with full results published in 1398-99.</td>
</tr>
<tr>
<td>B. Estimates of area sown and yields (selected crops): number of fruit trees/vines by kinds and yields.</td>
<td>Sample survey/annual. Ministry of Agriculture/CDS.</td>
</tr>
<tr>
<td>C. Number of livestock by kind, sex and age; number slaughtered; quantity and value of products.</td>
<td>Sample census/bi-annual. Ministry of Agriculture/CDS.</td>
</tr>
<tr>
<td>E. Fishing: catch by kind and value.</td>
<td>Sample survey/annual. Ministry of Agriculture/CDS.</td>
</tr>
<tr>
<td>F. Agricultural prices in markets and those received by farmers, with prices of inputs.</td>
<td>Sample survey/quinquennial. Scheduled for 1398-99 by Ministry of Agriculture.</td>
</tr>
</tbody>
</table>

Continued
Table VIII-3 (continued)

<table>
<thead>
<tr>
<th>Program and Scope</th>
<th>Source/Frequency and Agency Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>H. Index number of agricultural products.</td>
<td>Annual. Planned by the Ministry of Agriculture/CDS to commence in 1397-98.</td>
</tr>
</tbody>
</table>

V. Mining, Manufacturing, and Production of Gas and Electricity

| A. Industrial establishments. | Census/quinquennial. Scheduled for 1395-96 by CDS. |
| B. 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; and capacity of installed power equipment. | Sample survey/annual. Ministry of Commerce/CDS. |
| C. Estimates of employment and value-added by kind of economic activity; gross capital formation; average prices paid and received for key outputs. | Sample survey/annual. CDS/Ministry of Commerce. |
| D. Index number for industrial products. | Admin. Reporting/annual. Ministry of Commerce/CDS. |

VI. Construction

Total value and value-added by type of construction and employment, with details of new starts and completions.

| | Sample survey/biennial. Scheduled by the CDS/Ministry of Interior for 1394-95. |

VII. Wholesale, Retail, and Service Trades

| A. Number of establishments, kind activity, employment size, legal/economic organization. | Census/quinquennial. Scheduled by the CDS/Ministry of Commerce for 1395-96. |
| B. Number of workers, value of sales, gross margins, inventories, capital formation, investments, and turnover. | Sample survey/annual. Ministry of Commerce/CDS. |
| C. Wholesale and retail prices (selected commodities). | Sample survey/annual, quarterly, monthly, weekly. CDS/Ministry of Commerce. |
| D. Trade margins. | Sample survey/annual. By the CDS/Ministry of Commerce and Industry. |

VIII. External Trade

| A. Imports, exports, and re-exports of goods by commodity and country. | Admin. Reporting/annual, quarterly. CDS/Customs and Ministry of Finance. Present classification based on BTN and needs to be replaced by SITC. |
| B. Index numbers and unit costs for imports and exports. | Admin. Reporting/annual. CDS. |

IX. Transportation

| A. Roads: length by type, number and carrying capacity of commercial vehicles, value-added and gross capital formation, number of workers. | Admin. Reporting/annual. Ministry of Communications. |

Continued
Table VIII-3 (continued)

<table>
<thead>
<tr>
<th>Program and Scope</th>
<th>Source/Frequency and Agency Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Rail: net freight ton/passenger/kilometer; revenue; capital formation; rolling stock; number of workers.</td>
<td>Admin. Reporting/annual. Ministry of Communications.</td>
</tr>
<tr>
<td>C. Sea: gross tonnage of goods loaded/unloaded: revenue; value-added by ports; capital formation; number of workers; capacity of ports.</td>
<td>Admin. Reporting/annual. Ministry of Communications.</td>
</tr>
<tr>
<td>D. Air: passenger-kilometer; cargo, mail, ton-kilometer; revenue; value-added, capital formation; number of aircraft, number of passengers embarked/disembarked; cargo loaded/unloaded for domestic and international flights.</td>
<td>Admin. Reporting/monthly. Ministry of Defense (Civil Aviation).</td>
</tr>
<tr>
<td>E. Transport: origin and destination of commodities by type of transport.</td>
<td>Sample survey/annual. Ministry of Communications.</td>
</tr>
<tr>
<td>F. Traffic: intensity of vehicle traffic at selected spots.</td>
<td>Sample survey/annual. Ministry of Communications.</td>
</tr>
</tbody>
</table>

X. Communications

A. Post Offices: number of post offices, letters/parcels cleared; revenue; value-added and capital formation; number of workers. | Admin. Reporting/annual. Ministry of Communications. |
B. Telephones: number of exchanges; subscribers; calls registered; revenue; value-added and capital formation; number of workers. | Admin. Reporting/annual. Ministry of Communications. |
C. Telegraph: number of telegraph offices, telegrams cleared; revenue; value-added and capital formation; number of workers. | Admin. Reporting/annual. Ministry of Communications. |
D. Radio/TV: number of broadcasts/telecasts; stations; value-added and capital formation; number of radio/TV sets; number of workers. | Admin. Reporting/annual. Ministry of Information. |

XI. Money, Banking, Insurance, Finance

A. Banks: number of banks, branches and workers; current and time deposits; loans and advances; gross capital formation and value-added. | Admin. Reporting/annual. SAMA/CDS. |
B. Insurance Companies: number of Mail inquiry/annual. CDS. companies/agencies; premiums received by kind of business, benefits paid, and costs incurred; number of workers. |

XII. Education

Number of public and private schools by level of education; teachers by nationality | Admin. Reporting/annual. Ministry of Education. |

Continued
<table>
<thead>
<tr>
<th>Program and Scope</th>
<th>Source/Frequency and Agency Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>and level of education; students by sex.</td>
<td>Admin. Reporting/annual. Ministry of Health.</td>
</tr>
<tr>
<td>level of education enrolled, examination results (appeared and passed); value-added and capital formation; drop-outs.</td>
<td></td>
</tr>
<tr>
<td>XIII. <strong>Health</strong></td>
<td></td>
</tr>
<tr>
<td>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; and number of drug stores.</td>
<td>Sample survey/annual. This will replace a number of present surveys, such as family living, demographic, and cost of living.</td>
</tr>
<tr>
<td>XIV. <strong>Household Surveys</strong></td>
<td></td>
</tr>
<tr>
<td>Demographic characteristics, health, food consumption, housing conditions and facilities, educational and cultural activities, employment, and economic level of the household.</td>
<td>Admin. Reporting/annual. CDS/Ministry of Finance.</td>
</tr>
<tr>
<td>XV. <strong>Government</strong></td>
<td></td>
</tr>
<tr>
<td>Economic classification of receipts and disbursements, economic and functional classifications of expenditures.</td>
<td>Survey/annual. CDS/Ministry of Hajj.</td>
</tr>
<tr>
<td>XVI. <strong>Hajj</strong></td>
<td></td>
</tr>
<tr>
<td>Survey of local/foreign pilgrims; transportation; slaughtered animals.</td>
<td></td>
</tr>
<tr>
<td>XVII. <strong>National Income</strong></td>
<td></td>
</tr>
</tbody>
</table>
VIII.B.2. NATIONAL COMPUTER CENTER

1. Present Conditions

1.1 In accord with the first development plan, a National Computer Center has been established in the Ministry of Finance and National Economy under the direction of the Central Department of Statistics. The computer, an IBM 370-135, is temporarily installed in a rented building pending completion of permanent quarters, now being constructed. Testing of the equipment has been completed. Three groups of Saudis have been trained in computer operations and programming, and are now being given practical training.

1.2 The major initial task, in which the Center is now engaged, is the processing of the data obtained from the Census of Population and Housing conducted on 27-28 Shaban 1394 (14-15 September 1974).

1.3 Preliminary work has begun on computerizing the government budget, personal income taxes, a personnel application for the Ministry of Education, and foreign trade statistics.

1.4 Some of the other government agencies that have computers are the University of Petroleum and Minerals (IBM 370-145); the Ministry of Defense and Aviation (IBM 360-20); and SAUDIA (IBM 370-135).

2. Objectives and Policies

2.1 During the second Development Plan, the primary mission of the National Computer Center (NCC) will be to make computer processing available to all ministries and agencies, and to private sector users, as rapidly as feasible in an order of priorities that reflects national development requirements.

2.2 The applications to be undertaken during the plan period include the following.

<table>
<thead>
<tr>
<th>Program</th>
<th>Client</th>
</tr>
</thead>
<tbody>
<tr>
<td>Census of population and housing</td>
<td>Central Department of Statistics</td>
</tr>
<tr>
<td>Budgeting</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>Taxation</td>
<td>Zakat and Income Tax</td>
</tr>
<tr>
<td>Education (personnel, facilities,</td>
<td>Ministry of Education</td>
</tr>
<tr>
<td>students, statistical analyses)</td>
<td></td>
</tr>
<tr>
<td>Health (personnel, facilities,</td>
<td>Ministry of Health</td>
</tr>
<tr>
<td>patients, supplies, statistical</td>
<td>Central Department of Statistics</td>
</tr>
<tr>
<td>analyses)</td>
<td>Government and private</td>
</tr>
<tr>
<td>Foreign Trade</td>
<td>General Personnel Bureau and other</td>
</tr>
<tr>
<td>Payrolls</td>
<td>agencies</td>
</tr>
<tr>
<td>Personnel</td>
<td>General Personnel Bureau</td>
</tr>
<tr>
<td></td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>Pensions</td>
<td>Ministry of Agriculture</td>
</tr>
<tr>
<td>Customs</td>
<td>Ministry of Foreign Affairs</td>
</tr>
<tr>
<td>Water resources</td>
<td>Ministry of Labor</td>
</tr>
<tr>
<td>Visa accounting</td>
<td>Ministry of Labor and</td>
</tr>
<tr>
<td>Work permits</td>
<td>Ministry of Commerce</td>
</tr>
<tr>
<td>Company registration</td>
<td>Ministry of Interior</td>
</tr>
<tr>
<td>Civil registration</td>
<td></td>
</tr>
</tbody>
</table>
2.3 A further objective will be to improve the planning, management, and control of all activities requiring the processing and manipulation of large quantities of data.
2.4 Data processing operations will be centralized and standardized in order to prevent the proliferation of non-compatible computer systems and the dilution of scarce technical skills among competing government agencies.
2.5 The time lag between data collection and availability of results will be shortened while accuracy will be improved.
2.6 The above objectives will be implemented with the following supporting policies:

☆ Establish the National Computer Center as an independent public corporation.
☆ Convert all government statistical data into forms suitable for computer processing as rapidly as possible.
☆ Computerize tasks that consume large quantities of clerical time.
☆ Utilize foreign consultants and contract personnel as needed to meet program development schedules and to provide on-the-job training.
☆ Expand operations to four six-hour shifts as rapidly as feasible, increase Saudi participation, and up-grade equipment as aids to meeting the computer program schedules.
☆ Discourage the development of independent computer facilities in government agencies except for security and national defense purposes.

3. Programs and Projects

3.1 Program Development

3.1.1 Assist ministries and agencies in preparing their data collection formats and the results obtained for adapting to computer application, as follows:

☆ Encourage development of the required data transferal capabilities throughout the Government.
☆ Establish data submission schedules for ministries and agencies.

3.1.2 Develop programs and models for analyzing stored data, describing relationships, and yielding statistical summaries:

☆ Survey users to determine requirements.
☆ Purchase or lease "canned" software application packages when suitable.

3.1.3 Provide terminals in offices of principal government users for transmission of data to and from the NCC and, when applicable, video terminals for rapid retrieval and display of information for government officials.

3.1.4 Expand storage and processing capability so that a national data base is created, managed, and maintained which is responsive to government requirements for information and statistical analyses.
3.1.5 Develop programs of common utility throughout the Government to release individuals from the repetitive performance of routine tasks.
3.1.5.1 Computerize government payrolls and pay by check.
3.1.5.2 Develop program budgeting.
3.1.5.3 Computerize accounting, inventory record-keeping, and personnel records.
3.1.6 Establish mandatory schedules for all major data collection tasks covering time of collection, preparation for computer processing, and submission to the NCC.

3.2 Facilities
3.2.1 Complete the construction of NCC’s permanent building and acquisition of equipment.
3.2.2 Monitor new developments in computer-related equipment so that NCC’s capability can be continually upgraded in anticipation of growing demand for services.
3.2.3 Conduct investigatory studies of Jiddah and Dammam as potential sites for regional computer centers.

3.3 Organization
3.3.1 Establish the National Computer Center as a public corporation through authorizing legislation and specify its board of directors, before 1395-96 if possible.
3.3.2 Develop criteria for priority scheduling and prepare a tentative schedule of the programs to be undertaken during the next five years.

3.4 Staffing and Training
3.4.1 Develop programs for attracting and retaining qualified personnel, undertaking in particular an extensive recruiting program in Saudi Arabia.
3.4.2 Develop programs for specialized education and training of Saudis in data transferal, programming, mathematics, statistics, and computer operations and maintenance to be taught in secondary schools, universities, and various institutes.
3.4.3 Provide on-the-job training and also allowances for qualified Saudis to take special study programs in foreign countries.
3.4.4 Contract with foreign consulting firms and individuals to provide continuing support and expertise both to meet program development schedules and to conduct on-the-job training.
4. **Finance**

In 1394-95, the budget of the Central Department of Statistics included funds for the initial development of a computer center. The estimated financial requirements of the National Computer Center itself during the period 1395-1400 are summarized below (SR millions):

<table>
<thead>
<tr>
<th></th>
<th>1395-96</th>
<th>1396-97</th>
<th>1397-98</th>
<th>1398-99</th>
<th>1399-1400</th>
<th>Plan Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurrent</td>
<td>5.3</td>
<td>8.2</td>
<td>8.8</td>
<td>10.2</td>
<td>11.8</td>
<td>44.2</td>
</tr>
<tr>
<td>Project</td>
<td>4.0</td>
<td>2.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9.3</td>
<td>10.2</td>
<td>8.8</td>
<td>10.2</td>
<td>11.8</td>
<td>50.2</td>
</tr>
</tbody>
</table>
VIII.B.3. AERIAL SURVEY AND MAPPING

1. Present Conditions
1.1 The Aerial Survey Department has completed most of the targets set by the first development plan.
1.2 The first-order National Geodetic Network, extending into the northeast of the Empty Quarter, and a gravity network have been completed.
1.3 The preparatory phase for topographic mapping is complete for 80 percent of the Kingdom, thus exceeding the plan target. However, actual mapping now covers only about 30 percent of the planned area. Working maps were prepared for the 1394 population census. The time spent on census mapping — as well as technical, climatic, contractual, and staffing problems — are the main causes in falling behind the mapping targets.
1.4 A central data bank for surveying maps and aerial photographs has been established but has not been professionally staffed or organized as a separate administrative entity.
1.5 The lack of trained Saudis has led to a heavy reliance on foreigners for a large portion of the surveying work undertaken.

2. Objectives and Policies
   The primary objective of the Aerial Survey Department in the period 1395-1400 is to provide comprehensive mapping services for the Kingdom in response to the requirements of the national Development Plan. Seven specific objectives have been defined, as follow.
2.1 Maintain the National Geodetic Network.
2.2 Incorporate existing local networks into the Kingdom's primary gravity and magnetism network.
2.3 Provide topographic maps for the entire Kingdom.
2.4 Provide hydrographic maps for marine navigational purposes.
2.5 Provide thematic maps from data furnished by government agencies.
2.6 Provide large-scale maps for use in town planning, road design, and other purposes.
2.7 Improve the organization and administration of the Department to render it more responsive to the survey and mapping needs of ministries, agencies, and the private sector.

3. Programs and Projects
3.1 Mapping Operations
3.1.1 National Geodetic Network
3.1.1.1 Establish 6,000 km of first-class geodetic net lines (1395-1400).
3.1.1.2 Complete the connection with the Empty Quarter (1395-1400).
3.1.1.3 Establish survey nets for six small towns or villages each year (1395-1400).
3.1.1.4 Maintain 2,260 traverse and paving stations (1395-1400).

3.1.2 Topographic Mapping
3.1.2.1 Complete the preparatory stage of topographic mapping for all parts of the Kingdom.
3.1.2.2 Prepare topographic maps for 70 percent of the Kingdom's area (1395-1400).

3.1.3 Maritime Mapping
3.1.3.1 Establish a section for maritime navigational mapping (1395).
3.1.3.2 Prepare three maritime maps per year of the Kingdom's coasts (1395-1400).

3.1.4 Cadastral Mapping
3.1.4.1 Renew the cadastral maps for big towns every three years (1395 onwards).
3.1.4.2 Renew the cadastral maps for small towns every six years (1395 onwards).

3.1.5 Thematic Mapping
3.1.5.1 Produce thematic maps of various parts of the Kingdom based on the 1394 census (1395-1400).
3.1.5.2 Produce thematic maps as requested by other government agencies.

3.2 Facilities and Equipment
3.2.1 Design and construct a photogrammetric building and a garage for field cars (1395-1400).
3.2.2 Establish a computer center (1395-1400).
3.2.3 Provide required equipment and cars (1395-1400).

3.3 Organization and Administration
3.3.1 Conduct a study to recommend organizational and administrative changes that will increase the Department's responsiveness to the needs of ministries, agencies, and the private sector for survey and mapping services (1395).
3.3.2 Implement the recommendations of the above study (1396).

3.4 Training
   Establish and implement a managerial and technical training program (1395-1400).

4. Finance
4.1 The financial requirements of Aerial Survey Department projects are estimated to total SR 201.1 million for the period 1395-1400, as shown below:

<table>
<thead>
<tr>
<th></th>
<th>Budgeted 1394-95</th>
<th>1395-96</th>
<th>1396-97</th>
<th>1397-98</th>
<th>1398-99</th>
<th>1399-1400</th>
<th>Plan Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurrentb Project</td>
<td>35.3</td>
<td>32.3</td>
<td>36.5</td>
<td>44.7</td>
<td>42.3</td>
<td>45.3</td>
<td>201.1</td>
</tr>
<tr>
<td>Total</td>
<td>35.3</td>
<td>32.3</td>
<td>36.5</td>
<td>44.7</td>
<td>42.3</td>
<td>45.3</td>
<td>201.1</td>
</tr>
</tbody>
</table>

a Included under recurrent costs for the Ministry of Petroleum.
VIII.B.4. METEOROLOGY

1. Present Conditions
1.1 The first plan period witnessed the expansion of the Department of Meteorology to its current total of twenty surface and six upper-air observation stations. The Department now utilizes the latest techniques, including satellite imagery, and maintains a sophisticated communications system that links the stations, transmits and receives facsimile weather data, and records internal and external meteorological reports.
1.2 While the Department has implemented a major portion of the projects set forth in the first plan, progress has been seriously hampered by the shortage of technical and professional manpower. The result is that programs such as climatology, agro-meteorology, and marine meteorology, which will contribute valuable services to various sectors of the economy, are still in the initial phases.
1.3 It has been agreed that the Meteorological Institute for the training of observers should be attached to the King Abdul Aziz University. It will start operation during 1395-96. The Department will continue coordinating with the Ministry of Education to send Saudi nationals abroad for specialized training in meteorology.
1.4 The Department has negotiated working agreements with its principal user agencies specifying the duties and obligations of each party. In agro-meteorology, the accord reached with the Ministry of Agriculture and Water recognizes the requirement for parallel organizations and ensures coordination to enhance the collection and analysis of data.
1.5 Climatological Weather Summaries of daily, monthly, and yearly data from meteorological stations were distributed to local and international users throughout the first plan period.
1.6 While need for a national meteorological center is apparent, a realistic appraisal of manpower availability and priorities led to deferment of this project.

2. Objectives and Policies

Four basic objectives will guide the Department of Meteorology in the period of the second Plan, as follows.

2.1 Improve the present services provided to civil aviation, the armed services, and the general public by expanding operations and facilities.
2.2 Contribute to the economic activities of the Kingdom through applied meteorology by supplying information and advice relating to agriculture, transportation, construction, public health, and environmental protection.
2.3 Undertake an extensive education and training program to promote the technical and professional expertise required in the field of meteorology.
2.4 Make a positive contribution to the Global Research Program of the World Meteorological Organization, and expand cooperation in the World Weather Watch program and regional programs.

3. Programs and Projects

3.1 Basic Operations and Facilities

3.1.1 Increase the number of surface stations to 31 (1395-1400).
3.1.2 Increase the number of upper-air stations to 12 and equip 10 stations for high altitude data collection (1395-1400).
3.1.3 Install 3 automatic (unmanned) weather stations at selected isolated locations (1395-1398).
3.1.4 Establish a weather satellite ground station at Dhahran (1395-1398).
3.1.5 Establish forecasting offices at Khamis Mushayt, and Tabuk (1395-1397).
3.1.6 Establish forecasting stations at Riyadh, Tayif, Medina, Abha, and the new Jeddah International Airport; provide computerized and electronic meteorological equipment at all forecasting stations (1395-98).
3.1.7 Study the establishment of a national meteorological center at Riyadh and proceed with design and construction accordingly (1395-1400).
3.1.8 Commence automated publication of a single, all-inclusive climatological record, starting with current data, then available back-data; build up distribution to about 500 recipients (1395-96).

3.2 Applied Meteorology

3.2.1 Establish a network of maritime meteorological stations along the Arabian Gulf and Red Sea coasts with forecasting centers at Dammam and Jiddah. Upgrade Jiddah to an oceanographic center (1395-1400).
3.2.2 Establish agro-meteorological components at the surface synoptic stations and auxiliary agro-meteorological stations at suitable locations, in consultation with the Ministry of Agriculture and Water (1395-1400).
3.2.3 Develop the climatological section to World Meteorological Organization standards (1395-1400).
3.2.4 Establish additional special-purpose stations at Mecca, Mina, Tayif, and Riyadh to monitor and study air pollution and human environment (1397-1400).
3.2.5 Establish 17 limited-purpose automatic stations at selected locations for studying atmospheric conditions and human environment (1395-1398).
3.2.6 Install storm-warning weather radar (1395-1398).
3.2.7 Establish a research program to evaluate the feasibility of cloud seeding and other rain-making techniques in selected areas of the Kingdom (1395-1400).
3.2.8 Following consultation with agencies requiring meteorological services, provide such services to meet their needs (1395-1400).
3.3 Training
3.3.1 Coordinate with the Ministry of Education to obtain intermediate graduates for the Meteorological Institute program and send at least 5 secondary graduates each year for specialized meteorological training in foreign countries (1395-1400).
3.3.2 Upgrade the Meteorological Institute to ultimately provide professional and technical training at the university level (1395-1400).
3.3.3 Provide training abroad for selected university science graduates and departmental candidates in maintenance, engineering, and specialized meteorological fields (1395-1400).
3.3.4 Use the fellowship program of the World Meteorological Organization for selected candidates in the fields of hydrology, agro-meteorology, marine meteorology, and oceanography.
3.3.5 Obtain advanced training capability through mutual aid agreements with friendly developed countries (1395-1400).
3.3.6 Establish refresher courses for all forecasters and observers (1395-1400).
3.3.7 Provide classroom and on-the-job training for technicians and communications operators (1395-1400).
3.3.8 In the short term, employ non-Saudis on a contract basis to fill vacancies after exhausting all sources of capable Saudi nationals (1395-1400).

3.4 Administration
Enhance the manning of these sections, both in quality and quantity, to cope with the rapid expansion of the technical sections (1395-1400).

4. Finance
The financial requirements of the Department of Meteorology are estimated as follows (SR millions):

<table>
<thead>
<tr>
<th></th>
<th>Budgeted</th>
<th>1395</th>
<th>1396</th>
<th>1397</th>
<th>1398</th>
<th>1399-1400</th>
<th>Plan Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurrent</td>
<td>26.6</td>
<td>16.9</td>
<td>20.4</td>
<td>23.8</td>
<td>28.6</td>
<td>29.9</td>
<td>119.6</td>
</tr>
<tr>
<td>Project</td>
<td>33.9</td>
<td>104.5</td>
<td>101.4</td>
<td>109.0</td>
<td>79.6</td>
<td>31.2</td>
<td>425.7</td>
</tr>
<tr>
<td>Total</td>
<td>60.5</td>
<td>121.4</td>
<td>121.8</td>
<td>132.8</td>
<td>108.2</td>
<td>61.1</td>
<td>545.3</td>
</tr>
</tbody>
</table>
VIII.B.5. STANDARDS AND SPECIFICATIONS

1. Present Conditions
1.1 The Saudi Arabian Standards Organization (SASO) was established by Royal Decree in 1392 to (a) develop product standard specifications for quality control of imported and domestically produced materials and products, (b) administer an inspection system to ensure conformance to such standards, and (c) administer a system of national trademarks and certification of manufacturers so that customers can recognize quality products in the market.

1.2 SASO's core staff has been recruited, and several standards have been completed to date. Initial emphasis is being placed on products with potential health and safety hazards, such as foodstuffs, construction materials, pressure vessels and pipes, and electrical equipment.

1.3 A contract for consulting assistance was arranged with the British Standards Institution.

1.4 Full-scale implementation of the organization is dependent upon completion of a central testing laboratory and branch administrative offices. The Public Works Department is preparing plans for these projects, and construction is scheduled for completion in the latter years of the second Development Plan.

1.5 The inspection system is in the planning stage, and the trademark and certification program must await completion of the central laboratory for its implementation.

2. Objectives and Policies

A primary objective has been defined for each of SASO's four major development programs — standards, trademark and certification, facilities, and recruitment and training — for the period 1395-1400. These are as follows.

2.1 Develop the standards program as rapidly as possible, with the following priorities:

☆ Goods involving health and safety.
☆ These and other products with relatively high significance in the national economy.
☆ Products that have quality problems in present use.
☆ Products to be manufactured by major industrial enterprises now in the planning stage.
☆ Domestic manufactures requiring protection from competition with low quality imports.
☆ Exported products that should meet international quality standards.
2.2 Implement the trademark and certification program to provide the means for public recognition of quality products and also to promote importer, manufacturer, and merchant interest in such products.

2.3 Complete design plans for the necessary administrative and laboratory facilities and construct these facilities.

2.4 Continue a vigorous recruitment and training program for development of staff to optimum operational levels, utilizing foreign personnel and training facilities as necessary.

3. Programs and Projects

3.1 Standards

3.1.1 Complete the preparation of standards for the following products by 1400:

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Number of Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foodstuffs</td>
<td>80</td>
</tr>
<tr>
<td>Construction materials and products</td>
<td>45</td>
</tr>
<tr>
<td>Electrical equipment</td>
<td>35</td>
</tr>
<tr>
<td>Mechanical equipment</td>
<td>50</td>
</tr>
<tr>
<td>Chemical and petroleum products</td>
<td>50</td>
</tr>
<tr>
<td>Textiles</td>
<td>10</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
</tr>
</tbody>
</table>

3.1.2 Strengthen procedures and capabilities for developing standards by the following means:

- Studies of products on the domestic market and products made for export, to assign proper priority in selecting products for preparation of standards.
- Reviews of existing international standards, to take full advantage of prior work in other countries.
- Laboratory tests of products to provide the base for determining standards, and to establish appropriate testing and inspection practices, and the associated equipment.

3.1.3 Expedite development of the control function within the Standards Organization, to enforce quality conformance for the selected products (1395-97).

3.1.4 Refine procedures for the dissemination of approved standards and revisions thereof, to ensure full understanding of the standards and of the enforcement mechanisms.

3.1.5 Continue to participate in international forums of standards organizations.
3.2 Trademark and Certification
3.2.1 Prepare the procedures and regulations for approving the use of the trademark by qualifying organizations, the fees to be imposed, and the inspection control practices to monitor performance (1395-1400).
3.2.2 Develop staffing plans to support the trademark and certification program, including administrative, inspection, and laboratory personnel (1395-1400).
3.2.3 Implement the program upon completion of the central laboratory.

3.3 Facilities
3.3.1 Complete in 1396 the Public Works engineering studies of the headquarters office, and schedule construction to be finished by 1398.
3.3.2 Complete the engineering plans for the central laboratory by 1396, and schedule construction to be finished in 1398.
3.3.3 Proceed with studies of branch requirements for efficient administration of the SASO programs, and complete such plans by 1397.

3.4 Recruitment
3.4.1 Expand internal training programs to include use of other laboratories and industrial plants within the Kingdom for such training.
3.4.2 Develop the skills of selected staff members by assigning them to training positions abroad, especially with other standards organizations.
3.4.3 Execute plans for expanding the assistance foreigners can provide, including their use in training Saudi manpower.

4. Finance
The estimated financial requirements of the Saudi Arabian Standards Organization for the plan period are as follows (SR millions):

<table>
<thead>
<tr>
<th></th>
<th>Budgeted</th>
<th>1395</th>
<th>1396</th>
<th>1397</th>
<th>1398</th>
<th>1399-1400</th>
<th>Plan Total</th>
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<td>Total</td>
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<td>11.6</td>
<td>21.4</td>
<td>26.9</td>
<td>25.2</td>
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<td>105.3</td>
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</table>
C. SCIENCE AND TECHNOLOGY

1. Present Conditions

1.1 Available Technology
1.1.1 In the development of science and technology in the Kingdom, the emphasis has and will continue to be on the selection, transfer, and management of existing foreign technology. However, much of the transferred foreign technology was actually created to meet needs and conditions different from those existing in Saudi Arabia.
1.1.2 Initial efforts are now being made to find solutions that fit the unique requirements and conditions of Saudi Arabia.
1.1.3 These efforts to modify and to control the quality of transferred technology correspond to, or already exceed, what most other countries at the same stage of development can afford, but such countries do not have the extraordinary financial resources of Saudi Arabia.

1.2 Non-Available Technology
1.2.1 Several conditions that are unique to Saudi Arabia and of great importance to its well-being have not yet been studied in detail by the industrialized countries.
1.2.2 If research and development (R&D) were applied to certain of these problem areas, the potential pay-off would be high. For example:

☆ Solar Energy — The climatic conditions and the great expanses of unused land make Saudi Arabia one of the most privileged countries for harnessing solar energy. These considerations, and the ultimate depletion of oil as a source of energy and revenue, justify a broad-based research effort in the field of solar energy.

☆ Agriculture — The adaptation of new crops and development of new production methods suitable for Saudi conditions offer the possibility of improving the diet of the people and lessening the nation’s dependence on food imports.

☆ Fisheries — The resources of the surrounding seas have not been appraised as a basis for a major fishing industry.
Water Resources — The availability of water is a growth-determining factor for agriculture and for many industries and communities, thus justifying a broad-based research program on all aspects of water resources.

Other R&D possibilities may be identified in industry, health, and housing.

1.3 Constraints

There are several constraints to research and development within Saudi Arabia at present:

1.3.1 Lack of a Plan

The R&D problems of national importance are, in general, interdisciplinary, interministerial, and interacting. Nevertheless, no national R&D policy or plan has been formulated to guide investment of financial and human resources into R&D.

1.3.2 Lack of local Manpower

There are very few Saudis trained in research, and those experienced in research management are extremely scarce or totally lacking.

2. Objectives and Policies

2.1 The two basic objectives for Science and Technology, and the policies required to meet these objectives within the constraints already noted, are as follows.

2.1.1 Available Technology

2.1.1.1 The basic objective is to enhance and expedite transfer and application of appropriate existing technology to Saudi Arabia in accordance with the priorities of the national Development Plan.

2.1.1.2 The transfer and application of existing technology will continue to be the responsibility of the relevant agencies and private companies. Their main difficulty in implementing programs and projects in their respective fields is the lack of Saudi staff with management experience in science and technology. To overcome this shortage it is the policy of the Kingdom to ensure ready access to expert foreign advice and support.

2.1.2 Non-Available Technology

2.1.2.1 The basic objective is to select priority problems in accordance with the Development Plan, and to effect solutions through sponsoring research at those institutions that are in the best position to resolve the selected problems.

2.1.2.2 Projects have to be carried out by foreign laboratories, or by laboratories in Saudi Arabia staffed primarily and managed entirely by foreigners.

2.1.2.3 Exceptions to administrative and customs procedures have to be granted in order to motivate and to retain desired foreign staff, and to obtain results within a reasonable time period.
2.1.2.4 Financial commitments have to be long-term and massive, corresponding at a minimum to support of some dozen research professionals per major program or laboratory.

2.1.2.5 Tangible returns on these investments in R&D have to be viewed as distant and uncertain; no results can be expected during the first five years, and in some areas results of major practical importance will never be achieved.

2.1.2.6 Major compromises on the above points will not lead to desired results but rather to chaotic, ineffective operations that would be more of an embarrassment than a credit to the instigators.

2.1.3 Planning and Control of Science and Technology

2.1.3.1 The creation and application of new science and technology in the Kingdom will be the responsibility of an authority to be established which will have the following functions.

2.1.3.2 Formulate and continuously update a Science and Technology Plan setting the priorities for various R&D targets. The plan should be based on and contain:

- Continuous identification and appraisal, in accordance with the national Development Plan, of priority areas for the future application of science and technology in the Kingdom.
- Assignment of priority to research targets with potential for increasing value-added to exported oil products or decreasing the Kingdom's dependence on revenues from export of low value-added hydrocarbons. Such research targets could include the following:
  - Economically upgrade saline, brackish, or sewage water through utilization of energy resources, including solar energy.
  - Develop economical, controlled-environment methods of producing fruits and vegetables.
  - Further develop micro-biological methods of producing proteins from hydrocarbons for animal feed or for supplementing the present, low-protein diet of Saudis.
  - Estimate in each research area the probability of technical success, the time schedules for attainment of specific targets, the availability of scarce resources such as trained manpower, and the socio-economic impact of applying the results.

- Formulation of broad plans for attaining the research targets: for example, by joint venture R&D agreements with foreign organizations abroad, by inviting foreign organizations to set up laboratories in Saudi Arabia, or by inviting scientists to work in laboratories to be established in Saudi Arabia.
2.1.3.3 Initiate a grant program for support of research on priority problems set forth in the Science and Technology Plan.

☆ Grants should be awarded foreign organizations on a competitive basis in accordance with best estimates of which approach and which organization are most likely to achieve set goals. Later, when Saudi organizations have been established, they should be awarded grants in competition with foreign laboratories.

☆ Grants awarded to foreign laboratories should, when appropriate, carry the stipulation that the laboratory staff will include a certain number of Saudi scientists, engineers, and technicians to work directly on the project.

☆ The program of government grants in research areas of importance to Saudi Arabia should be viewed as a precursor to the establishment of major Saudi laboratories in these areas.

2.1.3.4 Establish major laboratories devoted to research on the priority problems set forth in the Science and Technology Plan.

☆ Each laboratory should be devoted to a research area (a) in which the industrialized nations have not yet achieved unattainable leads, and (b) which corresponds to some basic need or condition of Saudi Arabia.

☆ Each laboratory should be set up from the beginning so that it has the potential of eventually becoming an internationally accepted center of excellence in its field. This objective implies foreign management and staffing in the initial stages.

2.1.3.5 Coordinate and take action on broad policy matters that transcend the interests or jurisdictions of individual institutions.

☆ Take appropriate action to enhance the education and further development of Saudi research scientists and engineers.

☆ Take appropriate action to minimize or abolish the present constraints to research within the Kingdom.

☆ Lend support to agencies and organizations concerned with research in the private sector.

2.1.3.6 Provide the Council of Ministers and government agencies with advice on matters concerned with new science and technology. If the needed experience is not available within the country, it should be the duty of this authority to secure high quality, neutral expertise from abroad. (In this context, “neutral” refers to individuals and organizations that are not concerned with selling technology.)
2.1.3.7 Represent the Government in its contacts with foreign scientific and technical organizations, for example, in discussing and pursuing technical and scientific cooperation with foreign countries.

3. Programs and Projects

3.1 Available Technology

3.1.1 Overcome the shortage of Saudi staff with the technical management experience needed in the successful selection and transfer of foreign technology through the following uses of foreign experts.

3.1.1.1 Government Agencies

Each agency is responsible for securing the best available expertise in its area of jurisdiction; the CPO will continue to assist in this regard and to further increase its awareness of available competent foreign experts.

3.1.1.2 Petroleum and Mining

Petromin has access to foreign experts through its cooperation with foreign, technically-advanced organizations. This expertise is augmented by the increasing capability of the University of Petroleum and Minerals. In view of the overriding national importance of early awareness of possible competitive threats to petroleum as an energy and raw materials source, the University of Petroleum and Minerals will give immediate attention to establishing a major research institute concerned with techno-economic and technical aspects of all potential energy and raw-material sources that can influence the position of petroleum on the world markets. One of the principal aims of this institute will be to have in Saudi Arabia a cadre of experts that can provide the Government and industry with competent advice based on personal experience with relevant technical and economic problems.

3.1.1.3 Private Industry

The Industrial Studies and Development Center is responsible for providing the private sector with expert advice. Within the next two years, ISDC will establish a testing and quality control laboratory for the benefit of industries that cannot afford such facilities themselves. ISDC’s plan to add four foreign experts to its staff will substantially increase its capability to offer sound technical advice.

3.2 Non-Available Technology

3.2.1 Establish a Council for Science and Technology.

3.2.1.1 A central Council for Science and Technology (CST), responsible for achieving the objectives described above through the policies noted, will be established no later than six months after the approval of the national Development Plan 1395.

3.2.1.2 CST will be independent of any ministry and will report directly to the Council of Ministers, or to a person or organization reporting directly to the Council of Ministers.
3.2.1.3 The governing body of CST will have the following composition:

☆ A majority of Saudis who are distinguished scientists and engineers practicing in their respective fields.
☆ Officers of universities and government departments directly concerned with science and technology.
☆ Representatives of technology-based industry.

3.2.1.4 The actual size of the first governing body will depend on the availability of truly qualified persons.

3.2.1.5 Recommendations on the composition of CST’s first governing body will be formulated by the Central Planning Organization for approval by the Council of Ministers.

3.2.1.6 The following working procedures are visualized for the CST.

☆ Form working groups and task forces for the purposes of appraising specialist areas and assuring professional supervision of the major laboratories; these groups will be permanent or temporary, depending on the nature of the particular research program.
☆ Form a foreign advisory board composed of top research managers and research leaders to advise the governing body on the choice of research priorities, and on the accomplishments and the management of the major laboratories.
☆ Delegate daily business of the CST to a permanent secretariat.

3.2.1.7 CST will submit for the approval of the Council of Ministers a preliminary Science and Technology Plan one year after the approval of the national Development Plan.

3.2.1.8 CST will initiate a program of research grants immediately after the Council of Ministers has approved the preliminary Science and Technology Plan.

3.2.1.9 In order to meet these deadlines for the preliminary Science and Technology Plan and the programs of research grants, preparatory work will be carried out by the Central Planning Organization until the governing body of CST has been established.

3.2.1.10 After the governing body has been established, it can continue to use CPO for its support but it will be free to choose another support organization and its own consultants.

3.2.2 Encourage Private Industrial R&D

3.2.2.1 The Ministry of Commerce and Industry will take action leading to drafting and enacting a patent law to provide protection of innovations in line with international patent practices.

3.2.2.2 A program of financial inducements will be initiated to encourage investment in innovation; for example, matching government funds could be offered to help private
organizations meet the expenses of major research efforts. The details of the program will be worked out by the ISDC for the approval of the Council of Ministers.

3.2.2.3 The testing and quality control laboratory for industry to be established by ISDC will be expanded to include pilot and other development facilities appropriate to the growing needs of industry. This laboratory is viewed as the beginning of a major industrial development facility, eventually capable of serving the R&D needs of technically-advanced companies in Saudi Arabia and in other, primarily Arab, countries.

3.2.3 Assess the need for an Institute of Technology.

4. Finance

Because the planned development of Science and Technology in the Kingdom is at a very preliminary stage, it is not yet possible to estimate its financial requirements.
D. CENTRAL PLANNING

1. Present Conditions
1.1 Five years of progress under the first development plan have demonstrated the effectiveness of national planning as an instrument for guiding and coordinating economic and social development, for concentrating resources on priority programs and projects, and for evaluating success in achieving objectives and targets. Details of this progress are published in the annual reports of the Central Planning Organization.

1.2 Revenues began to increase spectacularly in the early 1390s, and the plan for the period provided a sound framework within which to accelerate development while preparing a new development plan to take advantage of the new and massive resources to finance economic and social progress.

1.3 In spite of increased revenues, implementation of the first development plan was not easy. However, annual follow-up of progress under it has been effective in identifying obstacles to implementation, the measures which should remove these obstacles, and the areas in which more rapid progress than was originally planned could be achieved.

1.4 With the cooperation of other ministries and agencies, the Central Planning Organization accomplished the following during the period 1390-95:

- Completion of a national transport survey and formulation of a plan for the transport sector.
- Completion of socio-economic surveys and plans for the five regions of the Kingdom.
- Formulation of programs for manpower development.
- Preparation of an initial plan for the development of the infrastructure to support industrial development in the Eastern Region.
- Annual review of progress and problems related to implementation of the first development plan.
- Establishment of a documentation center.
- Initiation of a computerized management-information system to support plan management and follow-up.
- Initiation of a study to define physical constraints on plan implementation and measures to relieve them.
- Preparation of the Development Plan 1395-1400.
1.5 Less progress has been made in other important planning activities, many of which call for close cooperation between central planning and the ministries and agencies concerned. These include:

☆ Developing the statistical and information base for planning.
☆ Publishing an annual report on national development.
☆ Improving the institutional and administrative structure to support plan implementation.
☆ Improving program and project planning and implementation at the ministry and agency level.
☆ Improving manpower and training planning and implementation at the ministry and agency level.
☆ Defining short-term plans to guide budgeting for plan implementation.

1.6 The structure of the national planning process is illustrated in Figure VIII-1. Preparation of the current development plan began with the submission of planning guidelines to His Majesty King Faisal in Shawwal 1393. Sectoral planning was subsequently undertaken by the respective agencies in consultation with the Central Planning Organization. Following the sectoral planning phase, the CPO, under the policy direction of the Ministerial Planning Committee, was responsible for plan coordination and follow-up.

2. Objectives and Policies
2.1 Accelerate the economic and social development of the Kingdom in accordance with the objectives, priorities, and targets defined in the Development Plan 1395-1400.

2.2 Expand the capability of the Kingdom to absorb rapid development by mobilizing and augmenting scarce managerial, manpower, construction, and other resources and directing these resources to priority activities.

2.3 Eliminate physical and organizational constraints on plan implementation by forecasting where such constraints may appear and taking action to prevent them from occurring.

2.4 Develop the statistical and information base for improved planning and plan implementation.

2.5 Strengthen ministry and agency capability to plan, schedule, and follow up implementation of programs and projects of economic and social development.

2.6 Ascertain the degree of success achieved in meeting plan targets and the extent to which national objectives are being fulfilled.
3. Programs and Projects

3.1 Improve Institutional Structures and Administrative, Personnel, and Financial Procedures.

3.1.1 Prepare an analysis of institutional changes needed at the high policy level to strengthen the managerial structure for implementing the Plan. Submit to the High Committee for Administrative Reform (1995-96).

3.1.2 Identify administrative, personnel, and financial shortcomings with widespread and significant impacts on plan implementation; with the ministries or agencies responsible for implementing these procedures, prepare plans for eliminating or reducing their adverse impacts on plan implementation. Submit these plans to the High Committee for Administrative Reform (1995-96).

3.1.3 Call on ministries and agencies responsible for implementing specific development programs and projects to formulate measures for strengthening their internal administrative structures and expanding their capacity to implement the programs and projects. Following review, support approval and funding of these measures before the authorities concerned (1995-96).

3.2 Improve Manpower Resource Allocation

3.2.1 Establish a manpower planning department to formulate and coordinate manpower allocation and development policies, as described in Chapter V (1995-96).

3.2.2 Analyze the population census and manpower and employment surveys to define optimum utilization of manpower resources between and within each sector (1995-96).

3.2.3 Analyze employment in the different sectors of private enterprise to determine prospects for increasing productivity (1995-97).

3.2.4 Analyze demand for additional manpower in the different sectors and in the regions of the country, and formulate detailed measures for obtaining this manpower from domestic and foreign sources (1995-97).

3.2.5 As a guide in formulating manpower development programs, undertake sample surveys of a cross-section of the younger participants in the labor force to determine their attitudes, motivations, educational level, training, and work experience.

3.2.6 Work with the appropriate departments in the Ministry of Labor and Social Affairs on developing programs for increasing productivity in the different private economic activities, for training and re-deployment of manpower into occupations of higher productivity, and for recruitment of manpower from foreign countries (1995–1400).

3.2.7 Work with the General Personnel Bureau, the Central Organization and Management Department, and the Institute of Public Administration in coordinating the manpower requirements of the public sector and in formulating programs for developing the productivity and skills of public-sector employees (1995-1400).
3.2.8 Coordinate with the new manpower training organization in its formulation of training programs required to meet projected manpower demand.

3.3 Strengthen Ministry and Agency Manpower and Training Planning
3.3.1 Work with the manpower and training planning units of ministries and agencies on developing their capability to define manpower requirements, improve utilization of existing manpower, and formulate and implement training programs (1395-1400).
3.3.2 Follow up with these units each year the progress made with plan implementation in the preceding year (1395-1400).
3.3.3 Define with these units each year the short-term (annual) manpower plan that should guide budgeting for plan implementation in the following year (1395-1400).

3.4 Improve Construction Resource Allocation
3.4.1 Survey the construction sector to assess the availability and utilization of its existing capabilities in planning and design as well as actual construction (1395-96).
3.4.2 Determine critical constraints on expansion of construction capacity, and formulate measures and programs for expanding this capacity and increasing the productivity of the construction industry (1395-96).
3.4.3 Review construction programs in the light of the potential increases in construction capacity, and re-order priorities for construction in accordance with this potential (1395-96).
3.4.4 Maintain continuous surveillance over the development of construction capacity, and expand construction programs as capacity permits (1396-1400).

3.5 Eliminate Physical Constraints on Plan Implementation
Investigate and make recommendations concerning the elimination of physical constraints in transport and storage; construction materials and equipment; housing; water; electricity; communications; hotels; maintenance; banking services; and supply of foodstuffs.

3.6 Develop the Statistical and Information Base for Planning
3.6.1 Work with the Central Department of Statistics and the National Computer Center in expanding the flow of statistical data, improving the reliability and relevance of the data, and reducing the time between data collection and publication (1395-96).
3.6.2 Publish the annual CPO report on national development (continuing).
3.6.3 Publish papers and monographs on important topics of economic and social development (1395-1400).
3.6.4 Bring into operation the CPO’s computerized management-information system (1395-96).
3.6.5 Formulate a series of indicators to provide regular and up-to-date information on both domestic and overseas sources of inflationary pressures.
3.6.6 Based on population and other data, prepare long-term economic and social forecasts for the Kingdom’s prospective development.

3.7 Strengthen Ministry and Agency Program and Project Planning
3.7.1 Work with the program and project planning units of ministries and agencies on developing their capability to define the detailed requirements and schedules for implementing programs and projects and following up their implementation (1395-1400).
3.7.2 Review with these units each year the progress made with plan implementation in the preceding year (1395-1400).
3.7.3 Define with these units each year the short-term (annual) plan that should guide budgeting for plan implementation in the following year (1395-1400). See Figure VIII-2.

3.8 Review Implementation of the Development Plan 1395-1400
3.8.1 Prepare a follow-up report each year (continuing).
3.8.2 Coordinate and follow-up implementation of regional development plans by the ministries and agencies concerned.
3.8.3 Undertake a sample survey of a cross-section of the population in the third year of the Plan to determine the social impacts of rapid development and what action needs to be taken to foster social stability under circumstances of rapid change.

3.9 Prepare the Third Development Plan (1400-1405)
3.9.1 Hold a series of planning seminars for ministry and agency planning groups prior to 1st Muharram 1398.
3.9.2 Finalize planning guidelines, with ministry and agency cooperation, by 1st Shawwal 1398.
3.9.3 Finalize the third development plan by 1st Rabi II, 1399.

4. Finance.
The financial requirements of the Central Planning Organization are estimated below (SR millions):

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<th>1395</th>
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E. PUBLIC SECTOR

1. Present Conditions

1.1 The rapid increase in budgetary allocations for economic and social development over the period of the first plan has severely strained the capacity of the public administrative system, which was already encumbered by over-centralization and not enough delegation of managerial, financial, and personnel responsibilities to executive levels.

1.2 In preparing the second Plan, working groups, sectoral studies, and regional studies have repeatedly emphasized the weakness of the administrative structure for implementing development programs. Implementation of the plans presented in the preceding chapters will require the immediate strengthening of this structure.

1.3 The High Committee for Administrative Reform is the authority specifically charged with effecting improvements. An analysis of its decisions made over the period from the start of the first development plan to 12 Safar 1395 shows that out of a total of 48 decisions, only 4 were concerned with important aspects of administration relating to economic and social development — namely, food supply, youth welfare, water desalination, and re-organization of the Ministry of Commerce and Industry. Most of the others were concerned with minor changes in employee regulations and related subjects.

1.4 Improvements made under the first development plan include better procedures for processing visas and for clearance of goods through customs, publication of a personnel law defining the structure and conditions of employment in the public service, and separation of telecommunications from postal services. Despite these improvements, visa procedures and customs clearance formalities continue to rank high in causes given for delay in implementing both public and private sector programs and projects; many ministries and agencies continue to report large numbers of vacant posts; and lack of flexibility in remunerating Saudi public servants of proven competence is frequently reported as a major obstacle to building up a strong cadre of experienced staff.

1.5 Areas in which little progress has been made include budgetary and accounting procedures; classification of posts and preparation of job descriptions; delegation of increased managerial, financial, and personnel responsibilities to heads of ministries and agencies, and through them to individuals in charge of programs and projects; and implementation of a standard structure of administrative regions and provinces.
2. Objectives and Policies
2.1 The overall objective for public administration is to improve its flexibility and effectiveness in implementing the programs and projects set out in the Plan. Policies to achieve this objective include:
2.1.1 Delegation of increased managerial, financial, and personnel responsibilities to heads of ministries and agencies, and through them to individuals in charge of programs and projects.
2.1.2 Improvement of programing, budgeting, and accounting procedures to provide the organized flow of information that is an essential element of good financial management and control and a pre-requisite for effective and realistic planning.
2.1.3 Decentralization of the functions of executive ministries and agencies to the regional and district levels.
2.1.4 Change in the structure or form of ministry and agency functions only in response to a clearly defined need for more effective performance of a major economic or social function of government.
2.1.5 Streamlining of official procedures affecting the conduct of business by the private sector.

3. Programs and Projects
Because of the magnitude of the task of plan implementation, the following programs for administrative reform — no more than first steps — should all be undertaken in the first year of the Plan.

3.1 Policy Management
3.1.1 Analyze all categories of decisions at present requiring the approval of the Council of Ministers (or a Committee of the Council of Ministers) and decide to what extent further delegation of powers to ministries and agencies should be made.
3.1.2 Review the machinery for improving management of public affairs — in particular the High Committee for Administrative Reform, the Central Organization and Management Department, and the Institute of Public Administration — and decide what changes should be made to produce an effective and innovative mechanism for guiding the development of public administration.

3.2 Financial Management (Ministry of Finance and National Economy)
3.2.1 Analyze all categories of decisions requiring Ministry of Finance approval and decide to what extent further delegation of responsibility to ministries, agencies, and lower executive levels should be made.
3.2.2 Review existing programing and budgeting procedures and prepare a plan for effecting improvements.
3.2.3 Design an accounting and financial-record-keeping system that will provide up-to-date data on actual expenditures and commitments and allow prompt publication of an annual report of government expenditure and accounts.

3.3 Personnel Management (General Personnel Bureau)
3.3.1 Analyze all categories of decisions requiring General Personnel Bureau approval and decide to what extent further delegation of responsibilities to ministries, agencies, and lower executive levels should be made.

3.3.2 Ask ministries and agencies concerned with economic and social development to report on the numbers and categories of vacancies, and the reasons for posts being unfilled. On the basis of these reports, initiate investigations to verify the reports and determine measures for remedying the situation.

3.4 Field Administration (Ministry of Interior)
3.4.1 Define regional and provincial boundaries and administrative centers as soon as possible.

3.4.2 Call on executive ministries to submit plans for restructuring their field administrations to conform with the regional and provincial administrative structure.

3.5 Decentralization (Executive Ministries)
Prepare plans for the further decentralization of executive functions to the regional and provincial levels.

3.6 Functional Change and Coordination (High Committee for Administrative Reform)
3.6.1 Require the ministers and agency heads concerned with functional changes called for in the Plan to submit analyses of the reasons for change and programs for defining and introducing the changes proposed. Such changes include:

☆ Water: Gradual assumption by the Municipalities Department of responsibility for municipal water-supply systems.
☆ Electricity: National electricity body.
☆ Construction: Body to coordinate and monitor construction activity.
☆ Manpower: Manpower training organization.
☆ Education: Polytechnic institutes.
☆ Ports: Ports authorities for the East and West coasts.
☆ Telecommunications: Organization for developing and operating the telecommunications system.
☆ Housing: Organization for housing development.
3.6.2 Define coordination requirements in response to needs identified by ministries and agencies.

3.7 Visas (Ministry of Interior)
Implement procedures for simplifying issue of work permits for foreign workers.

3.8 Customs (Ministry of Finance)
Investigate claims that customs procedures continue to contribute to delays in port clearance and act on conclusions.
F. PRIVATE SECTOR

1. Present Conditions
1.1 The private sector occupies an important position in all development programs of the Kingdom including: construction of buildings and civil engineering works for all sectors of the economy; all commercial activity including trade, finance, transport, real estate development, and services; manufacturing, agriculture, utility operations, quarrying and other pursuits. The economic sectors which are mainly in the private sphere together contribute 82 percent of non-oil Gross Domestic Product and have been growing at an average annual rate of 12.3 percent over the past five years.
1.2 The private sector in many activities, such as contracting, manufacturing, commerce, and agriculture, takes all responsibilities normally associated with private entrepreneurs, including capital risk, operating management, and product and market development — with the expectation of a fair return on invested capital. In other activities, the private sector operates as a consultant to government or as a management contractor for operation of government establishments.
1.3 To encourage the private sector to increase its productivity and participate as much as possible in the process of development, the Government has introduced a wide range of measures to stimulate and support its growth. These include:

☆ Input subsidies to encourage the use of improved farm technology; output subsidies to draw more resources into agriculture; provision of short-, medium-, and long-term agricultural credit; and operation of agricultural research and extension services.
☆ Revision of the Mining Code to encourage mineral exploration and development.
☆ Publication of a statement of Saudi Arabian Industrial Policy setting forth the many incentives offered to promote industrialization; issue of a comprehensive Guide for Industrial Investments; changes in the provisions for protection of domestic industries and encouragement of foreign capital participation; launching of the Industrial Development Fund to provide capital loans of up to 50 percent of investment costs to industrial ventures; provision of industrial extension services; implementation of industrial estates at Jiddah, Riyadh and Dammam where serviced land for industry can be obtained at nominal rents; and initiation of planning of an industrial complex at Jubail to accommodate joint-venture undertakings in hydrocarbon-based industry.
☆ Establishment of a Supplies Corporation to cooperate with the private sector in assuring adequate supplies of staple foods and building materials; formation of companies to participate with the private sector in operating hotels and tourist centers, transport services, and non-oil shipping.
☆ Creation of a Real Estate Development Fund to provide loans of up to 70 percent of costs for housing for individuals and loans of up to 50 percent for development of hotels and residential and commercial properties.

2. Objectives and Policies
2.1 The Government's objective is to create the conditions that will enable the private sector to both undertake the construction called for in the Plan quickly and effectively and provide the supplies and business services to support the expected rapid economic growth.
2.2 Two broad policies will guide the attainment of this objective.
2.2.1 The private sector will be free to operate without restriction except where such operation conflicts with social objectives or inhibits the development of more efficient and productive enterprises.
2.2.2 The public sector will operate or participate in productive and commercial enterprises only when the private sector has proved unable to provide the resources or managerial capacity to implement economically feasible enterprises, and will divest itself of such enterprises as soon as private-sector interests are ready to assume ownership and management.

3. Programs and Projects
Programs and projects relating to the expanding role envisaged for the private sector are set out in detail in other sections. Their main features are summarized below.

3.1 Agriculture
Regional programs — to be defined on the basis of studies recently completed — will identify areas with suitable soil and adequate water supplies and implant the agricultural infrastructure required to support small-, medium-, and large-scale commercial farming enterprises. Initiation of such enterprises will be stimulated by subsidies, credit, and technical services.

3.2 Mining
Geological survey and mineral exploration by the Directorate General of Mineral Resources will continue to provide information about minerals that may be exploited commercially as construction materials or industrial supplies.
3.3 Electricity
Development of an integrated electricity network will require restructuring to accommodate both public and private enterprise within the integrated system.

3.4 Construction
A series of measures is planned to improve contracting procedures and enable the contracting industry to expand capacity rapidly to meet the construction requirements of the Plan.

3.5 Manufacturing
Through the construction of an industrial complex at Jubail in the Eastern Region and at Yanbu' in the Western Region, the conditions will be created for the joint-venture development of hydrocarbon-based industry in participation with foreign technology and capital. Expansion of activities, incentives, and institutions for the development of industry not based on hydrocarbons is also planned.

3.6 Commerce
Programs provide for strengthening the Commerce and Supplies Division of the Ministry of Commerce and Industry to enable it to stimulate and support the development of more efficient wholesale and retail traders, transport and storage enterprises, and financial and business services.

3.7 Housing
Rapid expansion of credit by direct loans and through banks and commercial channels is planned to support housing and real estate development.

3.8 Ports
Besides construction of new berths, programs are planned for speeding-up handling and customs procedures. Delays caused by port congestion are already serious. Studies are in hand to determine emergency measures for preventing the ports from becoming a constraint on implementation of the Plan.

3.9 Labor
Measures for eliminating delays in the import of foreign workmen will shortly be announced.
G. INTERNATIONAL COOPERATION

1. Present Conditions
1.1 Saudi Arabia recognizes the onerous responsibility of demonstrating that its abundant financial resources can be used successfully to transform a developing country into a modern industrial society capable of sustaining a high standard of living for all its people through the development of human skills and resources. It has therefore sought the cooperation of international agencies and both developed and developing countries in meeting this challenge.

1.2 Agencies of the United Nations have contributed for many years to the development of Saudi Arabia under the United Nations Development Program, and the International Bank for Reconstruction and Development has recently resumed active participation in the development of the Kingdom.

1.3 Discussions are in progress with developed and developing countries as to the means by which they can contribute to the development of Saudi Arabia on terms advantageous to both parties. Cooperation agreements have been signed between the Government of Saudi Arabia and other governments as follows:

- Lebanon : commercial and economic
- Qatar : economic
- Morocco : cultural
- Denmark : economic and educational
- Italy : cultural and educational
- Syria : commercial and economic
- Tunisia : economic
- Republic of Korea : economic and technical
- Japan : commercial and economic
- Brazil : economic and technical
- Finland : commercial and technical
- Kuwait : technical and economic
- Malaysia : economic
- United Kingdom : technical and economic
- Turkey : trade
- United States : technical
In addition, the following cooperation agreements are under discussion:

- Sweden : economic
- Philippines : economic
- India : technical and economic
- Belgium : technical and economic

Various joint commissions have also been established to discover areas of joint benefit.

2. Objectives and Policies
   The objectives of Saudi Arabia in seeking international cooperation are, on the one hand, to benefit from the experience and technological and human resources of international agencies and friendly nations in meeting its development goals and, on the other, to assist in the recycling of international resources to the benefit of oil consuming nations, and in the interest of continued expansion of international trade and investment.

3. Programs and Projects
   The programs and projects specified earlier in this document define the paths which Saudi Arabia intends to follow in the pursuit of its development goals. The cooperation of international agencies and friendly countries will be welcomed whenever such cooperation can contribute to the attainment of these goals.