

**In the name of Allah
The Compassionate
The Merciful**

FOURTH DEVELOPMENT PLAN

1405 — 1410 A.H. [1985 — 1990 A.D.]

**KINGDOM OF SAUDI ARABIA
MINISTRY OF PLANNING**



His Majesty King Fahd bin Abdulaziz

**IN THE NAME OF GOD
THE COMPASSIONATE THE MERCIFUL**

**KINGDOM OF SAUDI ARABIA
COUNCIL OF MINISTERS
GENERAL SECRETARIAT**

DECREE
(No. 131 dated 29/6/1405 A.H.)

THE COUNCIL OF MINISTERS,
having perused Documentary No. 1052/8 (issued by the Chamber of Council of Ministers on 12/6/1405 A.H) including the attached letter of His Excellency the Minister of Planning dated 18/6/1405 A. H. under No. 2102/1 pertaining to the Kingdom of Saudi Arabia's Fourth Development Plan for the period 1405 — 1410 A. H., drawn up in conformity with the strategy approved by the Council of Ministers and promulgated by Decree No. 36 dated 24/2/1405 A. H., **DECREES THE FOLLOWING:**

1. The aproval of the Kingdom of Saudi Arabia's Fourth Development Plan.
2. The implementation of the Plan in conformity with the decrees promulgated by the Council of Ministers in respect of the First, Second and Third Development Plans.

Signed:



Fahd Bin Abdul-Aziz
Chairman of the Council of Ministers

PREFACE

The Fourth Development Plan is the latest link in a series of development plans all characterized by a distinct continuity of purpose stretching right back to 1390 A.H. when the First Development Plan was conceived. Moreover, the Fourth Development Plan represents the midpoint on the road taken by the Kingdom of Saudi Arabia towards the goals envisaged from the very outset in its planning process.

Indeed, when the groundwork of the First Development Plan was being laid, the horizons of planning were already widely set to include the distant vistas along the way to 1420 A.H.

At that time it was thought it would take some thirty years to realize all the goals the state had outlined. Hence, during the formulation of the Fourth Development Plan, and in preparation for the stage ahead, it was deemed necessary to evaluate the achievements of the fifteen-year period that had elapsed — thus placing under a magnifying glass, the unique experience through which our country has passed.

We now have before us the results of the past three development plans and we can certainly say that the achievements have been truly astounding. Moreover, if we consider what some people believed would make the planning process unwieldy and implementation impossible, we can now see new qualities in the decisions made at the inception of the First Development Plan, that stand out compellingly in retrospect — characterized pre-eminently by faith and courage.

From the very beginning, there were those who said that the Government of the Kingdom of Saudi Arabia had placed a comprehensive planning process into a free-market-based system and contended that this, in itself, was a theoretical contradiction in terms. While in a broad sense this may appear to be true, it is also true that comprehensive planning has been advantageous to those who own the means of production.

All this notwithstanding, the Government has created institutions that have enabled private citizens to invest fully their individual talents, their knowledge, their imagination and their financial resources. At the same time, the Government has been careful not to embark on any form of competition against individual citizens in their chosen fields of endeavor. In fact, the Government has done everything in its power to encourage private citizens to pursue their individual choices to the maximum possible extent. As a result of this policy the private sector today contributes not less than 53 percent to the country's real Gross Domestic Product.

It has also been said that the Government had prepared its plans with a view to shorten the time involved and resolved to achieve in the space of twenty years what other nations had previously accomplished over periods many times as long. Nonetheless, the fact remains that the people of Saudi Arabia today enjoy a standard of living that is on a par with those of the world's most advanced nations. Likewise, the level of services in Saudi Arabia — which is well above that found in any other developing nation today — is even higher than that enjoyed by many advanced nations. Saudi Arabia is entering the production phase of its development at a time when the world is just coming out of a long period of recession. Indeed, observers of the world oil market today may well recognize the wisdom of the decisions taken when oil prices were at their highest and oil production at its peak.

It has also been said that for the implementation of its plans the Government depended for the most part on imported foreign labor. Nowadays, the importation of foreign labor is by no means a distinguishing feature of developing nations. In fact, the phenomenon exists in many European countries and in North America too. Nevertheless, the importation of foreign labor into Saudi Arabia has been accompanied all along by intensive teaching and training programs for Saudis. The result has been the emergence of Saudi youth in impressive numbers at the universities, the military factories, the industrial cities of Al-Jubail and Yanbu, and at the Saudi Arabian Airlines, to mention a few examples.

The point has also been made that Saudi Arabia is affected by natural constraints such as water scarcity social constraints such as limited experience in dealing with new labor conditions and types of business transactions and international constraints such as recession and unemployment, which prevailed in the world during most of that period. Such precipitate judgments were made by those who forgot that the Kingdom of Saudi Arabia undertakes its planning within a philosophical framework the aim of which — on the spiritual side — is to safeguard Islamic values, and — on the material side — to lessen dependence on the export of crude oil as the sole source of national income. They also failed to take into

account the balancing effects of the various projects designed to surmount constraints in each sector and how, with every new achievement, their individual and cumulative benefits would spread over the whole of the planning framework.

The innate power of the Kingdom's strategic planning resides in the fact that the development strategies have been self-integrating — complementing each other, as it were, to form a coordinated pattern through which maximum benefit may be derived, and making full use of all the opportunities offered by each individual strategy thereby leading to the formation of a tangible whole.

The pattern of staged advance — so characteristic of Saudi development plans — started with the strategy of balanced growth, followed by the emphasis on basic infrastructure and manpower development; this, in turn, was followed by the drive to bring about a real change in economic structure by concentrating on agriculture, industry and mining leading finally, to what is both the essence of the Fourth Development Plan and the paramount issue of the day in Saudi Arabia — namely, the human factor.

Indeed, it is the citizen, Saudi Man, who is being called upon, here and now, to scale greater heights than ever before — far above and beyond the constraints he has successfully surmounted in the past. He is being called upon to extend himself through the pursuit of the eleven objectives identified for him in the Fourth Plan, and by availing himself, in the process, of the benefits from the infrastructure and institutions provided for him by the state. In conferring upon him all the benefits of three preceding plans, the aim of the state is (as laid down in the Plan's Third Objective): 'To form the productive citizen-worker by providing him with the tributaries conducive thereunto — thus ensuring his livelihood and rewarding him on the basis of his work'.

There are many indicators within this domain: basic infrastructure has reached an advanced stage; there is a rising tide of Saudi manpower flowing into new jobs created by the development process; the petrochemical industries shall, God willing, reach their full productive capacity in the Fourth Plan period; agricultural production has firmly established itself on a solid basis; while advanced technology is remedying the imperfections and constraints of scarcity.

All that is now left is Man whose only reward both here, in this world of his and throughout eternity, is what has been revealed in the Holy Qur'an: ' that Man can have nothing but what he strives for that (the fruit of) his striving will soon come in sight'.

Finally, if the criteria reflecting Saudi Man's true sense of values — to which he has steadfastly adhered during the past fifteen years — continue to guide him in the future then, by God's will, shall sunrise after sunrise brighten every new horizon that awaits the Kingdom of Saudi Arabia.

Hisham M. Nazer

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the left.

Minister of Planning

**SAUDI FISCAL AND HIJRA YEAR DATES
AND GREGORIAN EQUIVALENTS**

Saudi Fiscal Year

(1 Rajab to 30 Jumad II)	Starts on*	Hijra Year		Starts on*	Hijra months	
Third Development Plan Period 1400/01 to 1404/05						
1400/01	15 May	1980	1400	19 Nov.	1979	Muharram
01/02	4 May	81	01	9 Nov.	80	Safar
02/03	23 April	82	02	28 Oct.	81	Rabi I
03/04	12 April	83	03	17 Oct.	82	Rabi II
04/05	2 April	84	04	7 Oct.	83	Jumad I
Fourth Development Plan Period 1405/06 to 1409/10						
1405/06	22 March	1985	1405	26 Sept.	1984	Jumad II
06/07	11 March	86	06	15 Sept.	85	Rajab
07/08	28 Feb.	87	07	4 Sept.	86	Shaban
08/09	17 Feb.	88	08	24 Aug.	87	Ramadhan
09/10	7 Feb.	89	09	14 Aug.	88	Shawwal
Gregorian months						
						January
						February
						March
						April
						May
						June
						July
						August
						September
						October
						November
						December

★ Dates are approximate for future years.

GLOSSARY OF TERMS AND ABBREVIATIONS

ARAMCO	Arabian American Oil Company
billion	10^9 ; e.g. two billion = 2,000,000,000
CDS	Central Department of Statistics
cmd	cubic meters per day
CSB	Civil Service Bureau
DMLA	Deputy Ministry of Labor Affairs
DMMR	Deputy Ministry for Mineral Resources
exchange line capacity	Total number of telephone lines which could be provided, in contrast to the number of 'working' lines which are actually in service
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GOTEVT	General Organization for Technical Education and Vocational Training
GSFMO	Grain Silos and Flour Mills Organization
ha	hectare (2.47 acres)
HIDA	Al-Hassa Irrigation and Drainage Authority
IPA	Institute of Public Administration
kg	kilogram
km	kilometer
Kwh	Kilowatt hour
Load Factor	Percentage of total capacity utilized
LPG	Liquified petroleum gas
m ²	square meters
m ³	cubic meters
mbcd	million barrels per calendar day
mbd	million barrels per day
mby	million barrels per year
mt	metric tons
MEPA	Meteorology and Environmental Protection Administration
MIE	Ministry of Industry and Electricity
MOAW	Ministry of Agriculture and Water
MOC	Ministry of Commerce

MOE	Ministry of Education
MOFNE	Ministry of Finance and National Economy
MOH	Ministry of Health
MOHE	Ministry of Higher Education
MOLSA	Ministry of Labor and Social Affairs
MOMRA	Ministry of Municipal and Rural Affairs
MOP	Ministry of Planning
MPTT	Ministry of Posts, Telephone and Telegraph
MW	Megawatt (1 million watts)
Non-Oil GDP	Proportion of GDP attributed to the non-oil sector of the economy
OPEC	Organization of Petroleum Exporting Countries
O&M	Operation and Maintenance
p.a.	per annum
PGE	General Presidency for Girls Education
R&D	Research and Development
REDF	Real Estate Development Fund
SAAB	Saudi Arabian Agricultural Bank
SABIC	Saudi Arabian Basic Industries Corporation
SAMA	Saudi Arabian Monetary Agency
SANCST	Saudi Arabian National Center for Science & Technology
SAPTCO	Saudi Arabian Public Transport Company
SASO	Saudi Arabian Standards Organization
SAUDIA	Saudi Arabian Airlines Corporation
SGRRO	Saudi Government Railroad Organization
SIDF	Saudi Industrial Development Fund
SMC	Supreme Manpower Council
SR	Saudi Riyals
SWCC	Saline Water Conversion Corporation
tbcd	thousand barrels per calendar day
UNESCO	United Nations Education Scientific and Cultural Organization
3DP	Third Development Plan
4DP	Fourth Development Plan

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