

APPENDIX

**OBJECTIVES AND STRATEGIC BASES
OF THE
SEVENTH DEVELOPMENT PLAN
1420/1421 – 1424/1425
(2000 – 2004 AD)**

Decree No. (58) of 28/3/1420**The Council of Ministers,**

Having considered the transaction received from the Presidency of the Council of Ministers, No. (3/14815/R) of 27/10/1419 including the letter of H. E. the Minister of Planning No. (2011/1) of 4/12/1418 concerning the General Objectives and Strategic Bases proposed for the Seventh Development Plan (1420/21 – 1424/25), and

Having considered the aforesaid General Objectives and Strategic Bases, and

Having considered the Council of Minister's Resolutions No. (142) of 19/11/1413 and No. (29) of 5/2/1416, and

Having considered the Council of Shura's decree No. (30/34) of 17/9/1419, and

Having considered the recommendations of the General Committee of the Council of Ministers No. (33) of 10/1/1420,

Hereby Decrees:

Approval of the General Objectives and Strategic Bases of the Seventh Development Plan (1420/21 – 1424/25) according to the text attached herewith.

Chairman of the Council of Ministers

**OBJECTIVES AND STRATEGIC BASES OF THE
SEVENTH DEVELOPMENT PLAN
(1420/1421 – 1424/1425 A.H.)**

OBJECTIVES:

1. To safeguard Islamic values by duly observing and endeavoring to confirm and disseminate Allah's Sharia (God's Divine Law);
2. To defend the Faith and the Nation; to uphold the security and social stability of the Kingdom; and to deepen the values of national loyalty and belonging;
3. To improve the services provided to Hajj and Umrah performers so as to facilitate easy performance of religious rites and support economic activity;
4. To provide appropriate tributaries which enable the individual citizen to become more productive and capable of positive contribution, and to expand in the provision of basic services to citizens in education, health and other services along with diversifying the means of finance and management of such services;
5. To develop human resources and continually ensure an increasing supply of manpower; upgrading its efficiency through training to meet the requirements of the national economy, and replacing non-Saudi manpower with Saudis;
6. To promote cultural and informational activities to keep pace with the Kingdom's development;
7. To continue to achieve balanced growth throughout all regions of the Kingdom, and increase their contribution to national development;
8. To enhance the private sector's participation in socio-economic development;
9. To prepare the national economy to adjust in a more flexible and efficient manner to economic changes and international developments;
10. To reduce dependence on the production and export of crude oil as the main source of national income, and to increase the value added to crude oil prior to exporting;
11. To diversify the sources of national income and to expand the production base of services, industry and agriculture;
12. To develop mineral resources and to encourage discovery and utilization thereof;

13. To complete infrastructure projects necessary to achieve overall development, to maintain them and improve their performance and methods of finance;
14. To pay attention to science, technology and informatics, and to encourage research, development and technology endogenization;
15. To continue to protect the environment against pollution and develop pertinent systems; and to preserve the natural resources and conserve the wildlife;
16. To promote integration among the Gulf Cooperation Council (GCC) countries and to strengthen the Kingdom's relations with Arab, Islamic and friendly countries;

THE STRATEGIC BASES:

First Basic Strategic Principle:

Continue to consolidate the presence of a protective defense and security system, and to further the continuous development of the Kingdom's intrinsic defense capability.

Second Basic Strategic Principle:

To improve efficiency in the production of services, utilities and products which the government provides for citizens both directly (such as education, health, municipal and security services) and indirectly (such as water, electricity, transportation and basic commodities) through:

1. Curtailing excessive specifications for construction, operation, supervision and maintenance of projects along with applying value engineering principles, reducing total costs and subdividing the projects.
2. Expanding the use and adaptation of appropriate technology to suit the characteristics of the national economy in all fields of public services.
3. Developing administrative and financial organization, and reviewing existing regulations to keep pace with the new developments.
4. Developing mechanisms necessary for measurement of efficiency and increase of productivity.

Third Basic Strategic Principle:

Continue the policy of giving the private sector the opportunity to undertake many economic and social tasks of the government, on condition that this would result in real benefit in lower costs, better performance and employment opportunities for Saudi citizens;

This policy may be implemented through:

1. Continuing the implementation of privatization policy while selecting the most suitable time and preparing appropriate conditions for the enterprises to be privatized so as to achieve the objectives of privatization;
2. Accelerating the review of all prevailing regulations related to private sector activity with the aim of simplifying procedures and removing obstacles;

3. Paying attention to domestic tourism industry through encouraging private investments in this domain;
4. Facilitating procedures related to incorporation of more joint stock companies.
5. Developing the financial market for trading shares, and providing opportunity for further national and foreign investments;
6. Encouraging investors to explore and utilize minerals through providing necessary infrastructure, enhancing the information base and providing easy-term finance for mining projects;
7. Continuing with the encouragement of cooperative societies as well as private benevolent institutions to undertake socio-economic projects such as operation of private sanatoria, hospitals, rehabilitation centers, clinics, and construction of charitable institutions;
8. Urging commercial banks to extend more credit facilities to production projects along with placing more emphasis on small projects;
9. Increasing the efficiency and frequency of programs pertaining to acquainting the citizens with the investment opportunities available in the productive sectors;
10. Enhancing the capabilities of the private sector and enlightening it to deal with greater flexibility and efficiency with the impacts of international developments;
11. Promoting the incorporation of national financial companies for the investment of funds within the Kingdom;
12. Improving the competitiveness of national products to face the increasing competition with foreign products in national and international markets;
13. Developing the citizens' sense of saving and creating channels for the collection and investment of small savings through:
 - a) Intensifying the role of the information media in highlighting the importance of saving.
 - b) Urging commercial banks to establish adequate methods and systems for collection of small savings.
 - c) Encouraging the establishment of a "saving bank" as a nucleus for more saving banks in the future.
 - d) Continuing to maintain price stability for protection of savings.
14. Providing more channels for attracting the savings of non-Saudis

- residing in the Kingdom;
15. Encouraging the private sector to increase its investments in the field of education and training;
 16. Encouraging the private sector to effectively participate in the development of the regions.

Fourth Basic Strategic Principle:

Placing emphasis on the maintenance of the existing infrastructure and keeping them in a proper operational condition allowing maximum efficiency of utilization and minimum costs through:

1. Paying particular attention to the costs of maintenance and operation upon designing of projects and preparing the pertinent economic feasibility studies;
2. Reducing the costs of maintenance through standardizing specifications whenever possible and feasible;
3. Including general principles of maintenance as part of the educational curricula for the post elementary stages, to enable individuals carryout simple maintenance tasks;
4. Projects must include provisions for necessary future maintenance and operation programs and their annual cost, and consideration must be given, during project design, to minimizing maintenance requirements;
5. Incorporating in maintenance schedules, preventive maintenance programs based on the life span of the unit or its rate of operation.

Fifth Basic Strategic Principle:

Developing voluntary services, inculcating the concept and significance of such services on the part of the individual citizen, and improving their methods and performance techniques through:

1. Encouraging the establishment of specialized voluntary societies for community development;
2. Encouraging educational, information, cultural and sports agencies to exert more effort towards increasing citizens' awareness on voluntary services and encouraging their participation therein;
3. Supporting and developing the research centers to undertake field studies for diagnosing the motives of voluntary work in the community;
4. Paying increased attention to the role of women in voluntary

services in the context of Islamic values, and paving the way for women to participate in such services;

5. Stressing the significance of voluntary work in the curricula of national education (civics) at the various stages of education.

Sixth Basic Strategic Principle:

Rationalizing the system of direct subsidies provided by the state on many goods and services through:

1. Carrying out an inventory of subsidies granted by the government for goods and services, developing a schedule for their reduction prior to their cancellation and replacement by appropriate pricing policies that take into consideration the status of low income groups, and taking measures necessary for providing support and subsidies to those who deserve such subsidies, whenever deem necessary;
2. Ensuring that all government departments which administer public services make economic efficiency fundamental to their operations by adopting the following basic principles:
 - First:** The total cost of producing such services to the Saudi community should be reduced;
 - Second:** The prices of such services should not be less than their production costs.
 - Third:** Remove monopoly and introduce competition whenever possible.

Seventh Basic Strategic Principle:

Enhancing the utilization of state-owned economic resources, promoting performance efficiency of related agencies and ensuring that economic rationality should predominate in their activities along with boosting private sector participation in this respect through:

1. Considering water as a basic factor and an important determinant of economic efficiency in government and private sector projects;
2. Continuing the exploration and development of natural resources such as mineral and marine resources;
3. Achieving horizontal and vertical expansion of the petrochemical industries, as well as the production of gas and petroleum derivatives, through the private sector or joint-venture companies;
4. Maximizing the capacity for producing refined petroleum products.

Eighth Basic Strategic Principle:

Developing and upgrading the output of the education system in conformity with Islamic Sharia, the changing needs of the society and the requirements of the development process through:

1. Making primary education mandatory for all boys and girls;
2. Updating and developing educational curricula and teaching methods, upgrading the level of teachers and educational aids to meet the actual needs of the society;
3. Addressing the problems of drop-out at all levels of education;
4. Placing greater emphasis on scientific and applied research in universities and research centers;
5. Encouraging the private sector's participation in expanding the base of higher education;
6. Directing admission policy in higher education institutions in conformity with the labor market requirements and limiting university bursaries to needy students in those fields of specialization demanded by the labor market;
7. Paying attention to extra-curricular activities at all levels of education;
8. Ensuring integration and flexibility of all levels and tributaries of education;
9. Expanding the base of higher education and considering the possibility of making use of the new patterns such as the "open university" and "distance learning".

Ninth Basic Strategic Principle:

Increasing the share of Saudi manpower in total employment of the various economic sectors, particularly in sectors with high concentration of non-Saudi manpower as well as expanding the scope of work for women in accordance with the teachings of Islamic Sharia through:

1. Generalizing the process of Saudization in the various economic sectors, particularly in trade sector;
2. Developing the private employment offices and upgrading their efficiency in order to ensure their contribution in the employment of Saudis;
3. Enhancing the awareness of the citizens on the religious and social value of work as an important and respectable activity in order to change

attitudes towards certain occupations and trades which are not acceptable to some individuals;

4. Providing labor market information on a regular and orderly basis to enable the right choices to be made regarding appropriate trades and occupations;
5. Continuing to develop suitable means to encourage and urge the private sector to provide job opportunities for citizens who seek employment;
6. Urging the private sector to expand the scope of specialized training and on-the-job training;
7. Providing new job opportunities for women in conformity with the teachings of Islamic Sharia;
8. Continuing to substitute qualified and trained Saudi manpower for non-Saudis;
9. Concentrating labor recruitment from abroad on qualified personnel.
10. Continuing to review the labor and laborers regulation articles to ensure conformity with development requirements in the Kingdom;
11. Studying the possibility of achieving harmony and integration between the social insurance and the civil retirement systems.

Tenth Basic Strategic Principle:

Placing attention to the provision of social welfare and health care for the Saudi society, with particular attention to those in need of such care through:

1. Providing enhanced maternity and child care in all aspects and at all levels, including child care programs as well as mother and child health care;
2. Ensuring increased attention for the handicapped, introducing national programs for their rehabilitation and welfare, and facilitating job opportunities for them;
3. Giving attention to primary health care, health awareness and preventive medicine, increasing the effectiveness of preventive and curative institutions along with expanding the scope of health care provision for all citizens;
4. Expanding literacy and adult education programs with the aim of eliminating illiteracy according to a specific schedule;
5. Continuing the improvement of the national education (civics) curriculum;

6. Giving more attention to local community programs based on the effective participation of citizens in the planning and implementation of local projects.

Eleventh Basic Strategic Principle:

Achieving balanced development in all regions of the Kingdom and enhancing their contribution towards overall development through:

1. Establishing development centers as the basis for regional development and stimulating investment therein;
2. Diversifying the economies of the regions through optimal utilization of their available resources and comparative advantages thereby enhancing integration among them;
3. Enhancing the role of the provincial councils in the development of their affiliated regions;

Twelfth Basic Strategic Principle:

Safeguarding and enhancing the natural environment through implementation of the following policies:

1. Developing environment protection regulations, safeguarding the natural characteristics of the environment and reducing desertification;
2. Protecting and developing the various patterns of wildlife in the Kingdom;
3. Continuing to maintain sustained equilibrium with regard to population distribution and the absorptive capacity of the environment, while taking into consideration the impacts of population growth and consumption patterns on the natural resources base.

Thirteenth Basic Strategic Principle:

Adopting a fiscal policy which aims at balancing government revenues and expenditures through:

1. Adopting ways and means that aim at reducing government expenditures and increasing government revenues along with stressing on the following:
 - A) Raising performance efficiency in government agencies;

- B) Reducing government expenditure in non-development sectors;
 - C) Increasing non-oil revenues.
2. Continuing to adopt policies aimed at keeping inflation at the lowest possible level.
 3. Developing finance and investment regulations pertaining to development projects to enable the private sector effectively participate in this domain;
 4. Restructuring the government agencies and considering the need for maintaining some of them or the possibility of integrating some others;
 5. Reducing the budget deficit and decreasing the public debt to internationally acceptable levels;
 6. Ensuring that programs and projects are prepared in accordance with the development plan objectives and strategic principles.

Fourteenth Basic Strategic Principle:

Establishing a national science and technology base capable of innovating and inventing as well as adapting technology through the following:

1. Providing the basic services, infrastructure and systems necessary for development of science and technology;
2. Enhancing scientific and technological awareness on the part of society and the students at all levels of education, along with providing appropriate incentives in this respect;
3. Providing opportunities for specialists and researchers to undertake scientific and technological research;
4. Encouraging technological invention and development by individuals and national institutions along with enhancing their innovative capabilities;
5. Preparing a national plan that utilizes information and other technologies to serve knowledge and support economic development;
6. Encouraging the national industries to establish laboratories for research and development, and quality control and linkages among them.

Fifteenth Basic Strategic Principle:

Adopting a population policy that takes into consideration quantitative and qualitative population variables and their geographical distribution, and enhances the correlation between population variables and economic and social development, through:

1. Developing and upgrading the national human resources to meet the changing needs of the population;
2. Diversifying the skills of the citizen, increasing his productivity, and encouraging investment in human development fields;
3. Conducting demographic studies to determine the present and future needs of the population, and undertaking periodic statistical surveys for demographic variables;
4. Achieving equilibrium between population and development in all regions of the Kingdom;
5. Providing more health and social care and preparing the economic conditions to meet the increasing number of population;
6. Providing appropriate means to meet the requirements of the population structure;
7. Ensuring scrutinized expansion of all public services and facilities in terms of quality and quantity.

Sixteenth Basic Strategic Principle:

Placing emphasis on training and upgrading manpower to raise labor productivity, thereby achieving optimal utilization of technology and equipment used in development activities, through:

1. Paying attention to co-operative training and on-the-job training;
2. Giving priority to development of manpower through expansion of technological and technical education as well as vocational training programs;
3. Paying attention to the quality of training by concentrating on advanced technology;
4. Developing means and mechanisms necessary for qualifying and training of national manpower in collaboration between both public and private sectors;
5. Ensuring contribution of the private sector in the preparation and implementation of various training programs.

Seventeenth Basic Strategic Principle:

Concentrating on rationalization as a basis for supporting socio-economic

development through:

1. Enhancing public awareness, through use of information media, of the importance and benefits of rationalization in general, and of water and energy in particular;
2. Continuing to adopt economic and financial methods necessary for conservation of natural and economic resources;
3. Increased application of advanced technologies for conservation of critical natural and economic resources and improvement of their utilization efficiency;
4. Ensuring optimal utilization of existing facilities and services in all regions of the Kingdom;
5. Continuing to set technical specifications and standards to ensure importation of technologies and equipment that utilize critical economic resources at the maximum level of efficiency.