KINGDOM OF SAUDI ARABIA
MINISTRY OF ECONOMY & PLANNING

THE EIGHTH DEVELOPMENT PLAN

1425 – 1430 H
2005 – 2009
Preface

The Eighth Development Plan marks a new phase in the development process of the Kingdom. Since it was founded and unified by the Late King Abdul Aziz, achievements of the Kingdom have been truly impressive in a wide variety of sectors. His great sons followed in his footsteps and went on to build on the strong foundations laid by him. As a result, the Kingdom has made remarkably wide-ranging economic, industrial and development advances; along with ever rising aspirations for continued improvement in living standards and quality of life of Saudi citizens in all regions of the country.

The achievements have been a result of joint government-private sector efforts. Indeed, public-private partnership has led to outstanding increases in output and expansion of production capacities in all economic sectors. Measured by any criterion, achievements in key areas of national welfare, including provision of infrastructure and public services and enhancement of living standards and quality of life, stand out as striking testimony to the success of the state role in development.

The private sector has also grown remarkably in size; expanded its range of activities; and improved its competitiveness and the effectiveness of its developmental role. In addition, institutional development, administrative reforms, sound government economic policies and economic and social stability have all helped create a favorable environment capable of enhancing and sustaining the achievements made.

Against the background of these achievements and the underlying challenges, the Eighth Development Plan has been prepared in the context of a long-term vision and economic and developmental strategy geared to achieving sustainable development. In its quest for greater national welfare, the Plan draws on the set of Objectives and Strategic Principles approved by Council of Ministers Resolution 175 of 27/6/1424. It is also inspired by the speech of the Custodian of the Two Holy Mosques at the inauguration of the third year of the third session of the Shourah Council, and the concept paper of the Custodian of the Two Holy Mosques King Abdullah Bin Abdul Aziz on
higher education. Furthermore, it draws on the conclusions and recommendations of the Symposium on the Future Vision, organized by the Ministry of Economy and Planning under the patronage of HRH the Crown Prince, as well as on Resolutions of the Shourah Council on development plans and its follow-up reports of plan implementation. The Plan has also been designed to be in line with approved strategies, such as the Strategy on Improving Living Conditions of All Citizens, the Privatization Strategy, the National Spatial Strategy, and the Manpower Development Strategy.

Emphasis is placed on several priorities; key among which are: improving living standards and quality of life and providing job opportunities to all Saudi citizens; expansion of education, training, health and social services, both quantitatively and qualitatively; expansion in applied and technological sciences; and furtherance of initiative and creativity in all spheres. In addition, the Plan lays stress on keeping pace with the fast momentum of global economic and technological developments, diversification of the economic base, and improving productivity and boosting competitiveness of the national economy. Considerable attention is given to promising areas, such as strategic and manufacturing industries, particularly energy-intensive industries; the natural gas industry; mining; tourism; and information technology.

Contribution of the private sector to economic and social development is another area of focus. Continued development of laws, rules and regulations on investment; accelerated implementation of the privatization strategy; continued improvement of the efficiency of financial services; and intensive provision of technical assistance to enhance competitiveness of domestic producers are all emphasized.

As key factors for increased output and productivity, and for further improving investment prospects, the Plan focuses on development of the science and technology system and of informatics, on support and promotion of scientific research, and on the drive for a knowledge-based economy. It also envisages that continued expansion and maintenance of infrastructure and services would be in response to demand, in such a way as to contribute to further growth and improved efficiency of all goods producing and services sectors.
Particular stress is placed on increased participation of women in the economy; providing greater employment opportunities for women; and strengthening the family role in society, through upgrading capabilities of Saudi women and removal of constraints on their increased participation in economic and development activities.

The Plan envisages that the Kingdom would continue to implement economic reforms, support the private sector, and maintain economic stability. Moreover, efforts to maintain prudent, balanced state budgets and sustainable balance of payments equilibrium and to keep inflation at its current low levels would continue.

The Plan foresees improved prospects for a successful outcome of the negotiations for the Kingdom's accession to the World Trade Organization. It also envisages that the Kingdom would pursue stronger cooperation with all regional blocs and with Arab and Islamic countries in general, along with closer integration with GCC states in particular.

Indeed, the Plan ushers in a new phase in the development process initiated over three decades ago. It constitutes the first link in a strategic path for the national economy, extending well into the next two decades and involving four successive five-year development plans. This approach marks a step forward for the strategic planning methodology adopted by the Kingdom.

The Plan is keen to combine development-oriented change with continuity. Thus, while continuing to underscore growth, diversification of the economic base, and balanced regional development, it seeks to speed up economic transformation and modernization. It also highlights the challenges that, faced with unrelenting globalization, the development process may encounter in the coming phase.

It should, however, be stressed that planning is in essence a continuous process, not a one-off, isolated event. Success of development plans is measured by achievements, not by good intentions; and is judged by results, not financial allocations. Thus, whether the intended impact of the Eighth Development Plan will materialize depends on the determination and resolve with which implementation is pursued.
The planning experience of the Kingdom has been one of continuous orderly advancement, within an overall temporal and spatial framework that brings together sectors and regions and links up efforts across successive years. Indeed, outstanding achievements over the full range of economic and social development have been many. Yet, further work and continuous efforts are needed to maintain momentum. The Eighth Development Plan is intended to support this endeavor, with public-private partnership playing an important and effective role.

Development is not only about building factories, dams, roads, and other infrastructure. It, rather, focuses on people, and has satisfaction of material, cultural and spiritual needs as its basic objective. In other words, the human element and the human dimension are the substance of development.

In conclusion, I would like to commend the fruitful cooperation of all Government and private sector agencies involved in Plan preparation, and the valuable, effective contribution made by all these agencies. My appreciation goes also to the devoted efforts made by the staff, advisors and experts of the Ministry of Economy and Planning.

I should also like to point out that the achievements of the development process would not have been possible without the prudent guidance and continuous support given by the wise leadership of our dearly cherished country.

KHALID M. AL GOSAIBI
MINISTER OF ECONOMY AND PLANNING
SAUDI FISCAL AND HIJRA YEAR DATES
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**Hijra Months**
- Muharram
- Safar
- Rabi I
- Rabi II
- Jumada I
- Jumada II
- Rajab
- Sha'aban
- Ramadan
- Shawwal
- Dhul-Qi'dah
- Dhul-Hijjah

**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

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<td>Billion</td>
<td>Thousand Million</td>
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<tr>
<td>Million</td>
<td>Thousand Thousand</td>
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<td>Arab Monetary Fund</td>
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<tr>
<td>ASEAN</td>
<td>Association of South East Asian Nations</td>
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<tr>
<td>ATM's</td>
<td>Automated Teller Machines</td>
</tr>
<tr>
<td>BOO</td>
<td>Build, Operate, Own</td>
</tr>
<tr>
<td>BOT</td>
<td>Build, Operate and Transfer</td>
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<tr>
<td>CDS</td>
<td>Central Department of Statistics</td>
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<td>CDs</td>
<td>Certificates of Deposit</td>
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<tr>
<td>MCIT</td>
<td>Ministry of Communications and Information Technology</td>
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<td>CITC</td>
<td>Communications and Information Technology Commission</td>
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<tr>
<td>DMMR</td>
<td>Deputy Ministry of Mineral Resources</td>
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<td>DSL</td>
<td>Digital Subscriber Lines</td>
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<td>EU</td>
<td>European Union</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>GCC</td>
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<td>GIS</td>
<td>Geographic Information System</td>
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<td>GOTEVT</td>
<td>General Organization for Technical Education &amp; Vocational Training</td>
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<td>GPYW</td>
<td>General Presidency for Youth Welfare</td>
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<tr>
<td>HS</td>
<td>Harmonized Commodity Description &amp; Coding System</td>
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<td>HIDA</td>
<td>Al-Hassa Irrigation and Drainage Authority</td>
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<td>HRDF</td>
<td>Human Resources Development Fund</td>
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<td>ICT</td>
<td>Information and Communications Technology</td>
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<td>IEF</td>
<td>International Energy Forum</td>
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<tr>
<td>IPA</td>
<td>Institute of Public Administration</td>
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<tr>
<td>ISDN</td>
<td>Integrated Services Digital Network</td>
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<tr>
<td>ITU</td>
<td>International Telecommunications Union</td>
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<tr>
<td>KACST</td>
<td>King Abdul Aziz City for Science and Technology</td>
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<tr>
<td>LTS</td>
<td>Long Term Strategy</td>
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<tr>
<td>MA'ADEN</td>
<td>Saudi Arabian Mining Company</td>
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<tr>
<td>MCuM</td>
<td>Million Cubic Meter</td>
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<tr>
<td>MEPA</td>
<td>Meteorology and Environmental Protection Administra</td>
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<tr>
<td>MOA</td>
<td>Ministry of Agriculture</td>
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<tr>
<td>MOEP</td>
<td>Ministry of Economy and Planning</td>
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<td>MOH</td>
<td>Ministry of Health</td>
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<td>MOMRA</td>
<td>Ministry of Municipal and Rural Affairs</td>
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<tr>
<td>MOPMR</td>
<td>Ministry of Petroleum and Mineral Resources</td>
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<tr>
<td>MW</td>
<td>Megawatt (One million watts)</td>
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<td>NCWCD</td>
<td>National Commission for Wildlife Conservation</td>
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<td>LNG</td>
<td>Liquid Natural Gas</td>
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<td>OPEC</td>
<td>Organization of the Petroleum Exporting</td>
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<td>PCA</td>
<td>Presidency of Civil Aviation</td>
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<td>PIF</td>
<td>Public Investment Fund</td>
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<td>MOPTT</td>
<td>Ministry of Posts, Telegraphs and Telephones</td>
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<td>MOWE</td>
<td>Ministry of Water and Electricity</td>
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<tr>
<td>R &amp; D</td>
<td>Research and Development</td>
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<td>REDF</td>
<td>Real Estates Development Fund</td>
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<td>SAAB</td>
<td>Saudi Arabian Agricultural Bank</td>
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<td>SABIC</td>
<td>Saudi Basic Industries Corporation</td>
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<tr>
<td>SAGIA</td>
<td>Saudi Arabian General Investment Authority</td>
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<tr>
<td>SAMA</td>
<td>Saudi Arabian Monetary Agency</td>
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<tr>
<td>SANTRA PLAN</td>
<td>Saudi Arabian National Transportation Plan</td>
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<td>SAPTCO</td>
<td>Saudi Arabian Public Transport Company</td>
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<tr>
<td>SASO</td>
<td>Saudi Arabian Standards Organization</td>
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<td>Saudi ARAMCO</td>
<td>Saudi Arabian Oil Company</td>
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<td>SAUDIA</td>
<td>Saudi Arabian Airlines</td>
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<td>SCB</td>
<td>Saudi Credit Bank</td>
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<td>SCECO</td>
<td>Saudi Electricity Company</td>
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<td>SCI's</td>
<td>Specialized Credit Institutions</td>
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<td>SEC</td>
<td>Securities and Exchange Commission</td>
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<td>SGS</td>
<td>Saudi Geological Survey</td>
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<td>SIDF</td>
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<td>SMMA</td>
<td>Simulate Mean Marriage Age</td>
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<td>SMEs</td>
<td>Small and Medium Enterprises</td>
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<td>SPA</td>
<td>Saudi Press Agency</td>
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<td>STC</td>
<td>Saudi Telecom Company</td>
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<tr>
<td>SWCC</td>
<td>Saline Water Conversion Corporation</td>
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<tr>
<td>TFR</td>
<td>Total Fertility Rate</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
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<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific &amp; Cultural Organization</td>
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<tr>
<td>UNFCCC</td>
<td>United Nations Framework Convention on Climate Change</td>
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<tr>
<td>WTO</td>
<td>World Trade Organization</td>
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