

TOURISM AND ANTIQUITIES

15.1 INTRODUCTION

In many countries, tourism is one of the most important sources of national income. In some, such as France, Turkey and Malaysia, it stimulates growth of income and employment in various economic sectors. Among the positive aspects of tourism are that it attracts investments in tourist and other related projects, it increases sources of income and develops the national economy and it generates job opportunities, since it is more dependent on human resources than other production and service sectors. Tourism also contributes to increasing the demand for many products and services, such as transportation, housing, food, banking and entertainment, capital and consumer goods used in travel and tourism; and it helps maintain the cultural and natural heritage of the Kingdom.

Under the Eighth Development Plan, the tourism and antiquities sector developed in many ways through the provision of infrastructure and public services, such as hotels, apartments, restaurants, parks, and shopping centres. In addition, a number of regulations were issued. As a result of these developments, the ratio of domestic tourism to outward tourism increased, as did the contribution of tourism to GDP.

The Ninth Development Plan aims to enhance the contribution of tourism to GDP, through expanding and developing infrastructure and tourist products, and providing the skilled manpower required by the expected job opportunities generated by the sector, as well as through providing an environment conducive to private-sector investment therein.

This chapter addresses current conditions of the tourism and antiquities sector, highlighting developments under the Eighth Development Plan, reviews the key issues and challenges that should be addressed under the Ninth Development Plan, and presents the future vision, objectives, policies and targets for the sector formulated under the Ninth Plan.

15.2 CURRENT CONDITIONS

15.2.1 Tourist Attraction Factors

❑ *Patterns of tourism*

The Kingdom is endowed with ample touristic potential, provided by areas of natural beauty and archaeological and architectural heritage with appropriate basic facilities and varied services. Patterns of tourism are multifaceted. They range from exhibitions, conferences and business tourism; eco-tourism; recreation parks, festivals, exploration and adventure tourism; educational and training tourism; sports tourism, shopping and healthcare tourism; to culture, heritage and archaeology and tourism in agricultural and rural areas.

❑ *National parks*

Page
252

There are 25 natural parks and 16 protected zones distributed all over the country. The Assir National Park is the most famous, with an area of 450 thousand hectares; it is followed by the Zulfi National Park, with 200 thousand hectares; and the Taif Park, with 51 thousand hectares. Two more protected zones, namely Al-Khanfa and Harat AL Hurra, were established in 1987, in addition to the protected zone of Erouq Bani Ma'aridh established in 1992, which is one of the largest and best-known reserves in the Kingdom.

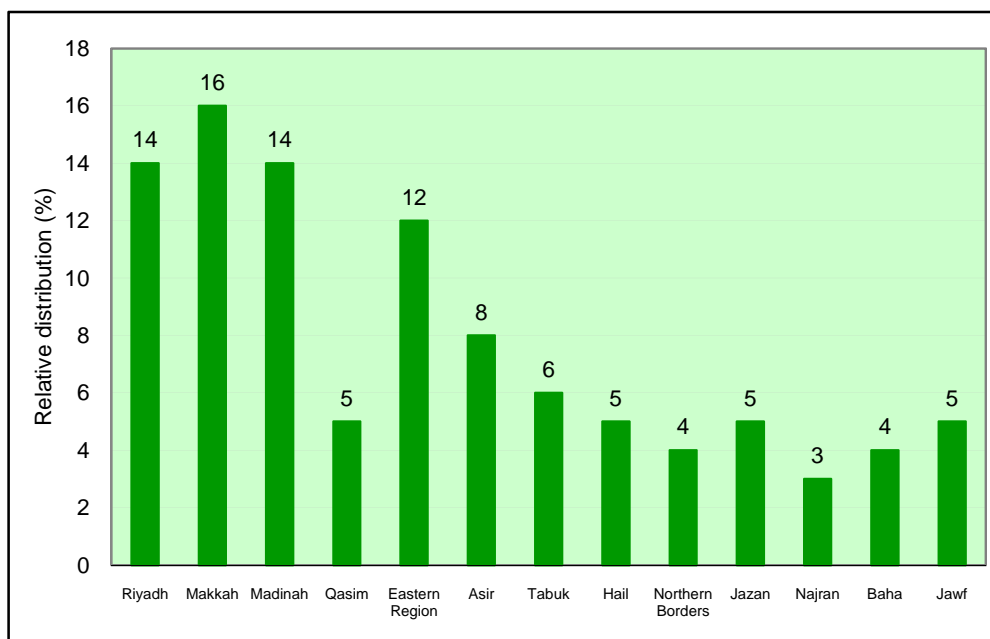
❑ *Archaeological sites*

The Kingdom is distinguished by the multiplicity and diversity of its archaeological and heritage sites. Statistics show that these sites number around 7,670, comprising 3,668 archaeological sites, 169 sites mentioned in the biography of the Prophet Muhammad (Sira), 140 historic sites, 1,985 urban heritage sites, 287 handicrafts- and traditional-industries' sites, 479 historic desert sites, 868 historic mountain sites, and 74 historical marine sites.

❑ *Traditional Handicraft Industries*

The Kingdom has about 45 main traditional handicraft industries, each producing a wide range of products. These industries employ more than twenty thousand craftsmen and craftswomen, distributed over all regions (Figure 15.1), depending on the distribution of the primary animal and mineral raw materials they use.

Figure 15.1
Percentage Distribution of Craftsmen and Craftswomen
over Regions (*)
2008



(*) Percentages are rounded to the nearest integer.

Source: Saudi Commission for Tourism and Antiquities (SCTA).

15.2.2 Tourist Services

At the forefront of varied tourist services come accommodation and transport services and leisure and entertainment facilities. Statistics show that the number of hotel rooms was about 102.3 thousand in 2008, 78.1% of which are in the regions of Mecca and Medina. The number of furnished apartment units was around 4,342 flats, 53.4% of which were in the regions of Mecca and Riyadh. These two regions together constituted 40% of the total number of beds in youth hostels, and 65.5% of the total number of licensed tourist and travel agencies (Table 15.1).

Table 15.1
Tourist Services by Region
2008

Region	Hotel Rooms		Number of Furnished Apartments		Beds in Youth Hostels		Licensed Tourist and Travel Agencies	
	Number	Share (%)	Number	Share (%)	Number	Share (%)	Number	Share (%)
Riyadh	9672	9.5	824	19	435	19	499	34.7
Makkah	60227	58.9	1,493	34.4	495	21	442	30.8
Madinah	19676	19.2	648	14.9	132	6	58	4.0
Qasim	699	0.7	95	2.2	230	10	27	1.9
Eastern Region	7918	7.7	592	13.6	380	16	255	17.8
Asir	1710	1.7	403	9.3	120	5	50	3.5
Tabuk	555	0.5	39	0.9	20	1	22	1.5
Hail	234	0.2	64	1.5	150	6	13	0.9
Northern Borders	295	0.3	5	0.1	00 ^(*)	00 ^(*)	1	0.1
Jazan	389	0.4	32	0.7	150	6	23	1.6
Najran	442	0.4	61	1.4	50	2	22	1.5
Baha	187	0.2	58	1.3	106	5	9	0.6
Jawf	315	0.3	28	0.6	60	3	15	1.0
Total	102319	100	4342	100	2328	100	1436	100

(*) Not available.

Source: Saudi Commission for Tourism and Antiquities (SCTA).

15.2.3 Size of Tourism Market

The national tourism market consists of three types: inward tourism, domestic tourism and outbound tourism. Their indicators developed as follows:

15.2.3.1 Inward Tourism

Data in Table 15.2 show that in 2008 there were about 8.6 million tourist trips to the Kingdom. Business and conferences trips amounted to about 43%, visits to friends and relatives to about 33%, leisure and shopping to around 13%, and others to about 11%.

Data in Table 15.2 also show that the total expenditures of tourists who came to the Kingdom in 2008 amounted to SR18.7 billion. The

estimated share of business and conference tourist spending was about 60% of the total, expenditures on visiting friends and relatives were about 21%, and spending on holidaying and shopping accounted for about 13%.

Table 15.2
Distribution of Inward Tourist Trips and Spending
by Purpose of Visit
2008

Purpose of Visit	Number of Trips (Thousands)	Share (%)	Spending (SR Million)	Share (%)
Holidaying / Shopping	1154	13	2378	13
Visiting friends and relatives	2877	33	3903	21
Business and conferences	3660	43	11325	60
Other purposes	898	11	1117	6
Total	8589	100	18723	100

Source: Saudi Commission for Tourism and Antiquities (SCTA).

Spending of inward tourists in 2008 was on accommodation facilities (35%), shopping (25%), means of internal transport (16%), food and beverages (15%), entertainment (4%), and other items (5%).

In 2008, tourists came mainly from Kuwait, United Arab Emirates, Qatar, Egypt and Bahrain. They accounted for a share estimated at about 60.7% of the total number of trips. At about 23.5%, Kuwait had the highest proportion, followed by United Arab Emirates at 15.4%, Qatar at 8.8%, Egypt at around 8.6%, and Bahrain at about 4.4%.

15.2.3.2 Domestic Tourism

Under the Eighth Development Plan, domestic tourism developed significantly, with tourist trips reaching around 24.6 million in 2008. Main destinations were Makkah, Riyadh and the Eastern Region, the share of which accounted for about 36.5%, 13.5% and 14.6% respectively. The three regions combined accounted for 64.6% of total tourist trips, with the remaining trips (35.4%) distributed among other regions (Table 15.3).

Shopping and visiting relatives and friends are the two major purposes of domestic tourism trips, as they accounted for 54% and 38.3% respectively of the total domestic tourism trips in 2008.

Table 15.3
Domestic Tourist Trips
by Destination and Purpose
in 2008

(thousands)

Destination	Holidaying / Shopping	Visiting Friends and Relatives	Business and Conferences	other	Total	Share of Region (%)
Riyadh	1260	1665	261	133	3319	13.5
Makkah	5751	2582	457	172	8962	36.5
Madinah	995	783	100	95	1973	8.0
Qasim	213	221	15	4	453	1.8
Eastern Region	2072	1221	202	92	3587	14.6
Asir	1327	928	83	36	2374	9.7
Tabuk	375	433	67	13	888	3.6
Hail	243	297	14	18	572	2.3
Northern Borders	95	104	17	5	221	0.9
Jazan	415	296	38	5	754	3.1
Najran	35	92	4	1	132	0.5
Baha	414	706	37	20	1177	4.8
Jawf	60	71	15	2	148	0.6
Total	13255	9399	1310	596	24560	100
Share of total trips by purpose (%)	54	38.3	5.3	2.4	100	

Source: Saudi Commission for Tourism and Antiquities (SCTA).

15.2.3.3 Outbound Tourism

In 2008, trips abroad numbered 4.1 million, with 79.2% for holidaying and shopping, and total spending was SR19.6 billion. Table (15.4).

Table 15.4
Tourist Trips Abroad and Spending
by Purpose of Visit
2008

Purpose	Tourist Trips Abroad (thousands)		Spending (%)	
	Number of trips (thousands)	Share (%)	Spending (SR million)	Share (%)
Holidaying /Shopping	3247	79.4	15572	79.2
Visits to friends and relatives	384	9.4	1071	5.4
Business and conferences	242	5.9	1962	10.1
Other purposes	215	5.3	1048	5.3
Total	4088	100	19653	100

Source: Saudi Commission for Tourism and Antiquities (SCTA).

Egypt was the most favoured destination for holidaying, shopping, and visits to friends and relatives, while most trips for business and conferences were to the United Arab Emirates (Table 15.5).

Table 15.5
Top Five Destinations for Tourism Abroad
by Purpose of Visit
2008

	Holidaying / Shopping	Visits to Friends and Relatives	Business and Conferences	other
1	Egypt	Egypt	United Arab Emirates	Egypt
2	Jordan	Syria	Egypt	Jordan
3	Syria	Kuwait	Syria	Syria
4	United Arab Emirates	Yemen	Indonesia	India
5	Bahrain	India	Switzerland	Yemen

Source: Saudi Commission for Tourism and Antiquities (SCTA).

15.2.4 Achievements of the Saudi Commission for Tourism and Antiquities (SCTA)

Under the Eighth Development Plan, SCTA launched several initiatives and activities to raise performance of the sector, most notably: completion of the institutional structure of the tourism sector,

developing plans and programmes for tourism manpower, formulating regional strategies for development of tourism, conducting tourism awareness and marketing campaigns, and building a tourist information database using geographic information system (GIS). SCTA also established a specialized programme for culture and heritage tourism, developed tourist relations with other countries and promoted bilateral tourism, and, through conducting studies, field surveys and discussion panels, SCTA identified potential for investment in tourism.

In the context of implementation of its long-term strategy, SCTA identified and registered more than 12 thousand natural, historical and cultural sites with a high tourist potential. The Board of SCTA made 950 of these sites available for private sector tourist projects. SCTA also identified natural sites and institutions of touristic importance, including 111 museums that highlight the natural, historical and cultural features of the Kingdom. Out of this total, 49 are cultural heritage, 32 are historic, 25 are scientific and 4 are educational museums, and there is one military museum.

Page

258

In addition, SCTA sponsors various activities and cultural events, such as the Buraidah Dates Festival. It supports sporting events, such as the Hail Rally, as well as media activities and events, in which picture booklets, guides, travel and tourist maps, and other tourist brochures are distributed. For their part, other competent agencies make strenuous efforts to maintain and preserve heritage in all urban and rural areas, including, for example, the renovation of the old districts of Jeddah, Aldariah and the heritage-villages project.

SCTA is preparing plans for tourist development such as, for example, the project for developing Al Aqeer, the Taif Mountain destination, and Souk Okaz. There are plans for tourist destinations in Dawmat Al jandal, Jarra, Al yazeed, Juzur Al fursan, Ras Al Tarafeh and Al Layth, in addition to the establishment of a desert park in Hail. The Commission is also advanced in its efforts to revive local cultural heritage sites, such as Al Ghat, Rajal Almaa, Dhe Ain, Wajba, and Ula. Moreover, it prepared a "strategy for the development of the meetings, conferences and exhibitions market."

In coordination with the Central Department of Statistics and Information, and in order to give tourism its suitably prominent place in the national economy, a tourism satellite was included in the National Accounts System, following the methodology established by the World Tourism Organization. Furthermore, in addition to regular surveys on inward and outward tourism, SCTA carried out in 2007 a survey of tourism establishments.

In an effort to develop tourist products and services, SCTA, in cooperation with the competent authorities, prepared the “National Strategy for the Development of Traditional Crafts and Industries (2007–2025)”, in addition to its five-year implementation plan. The strategy and implementation plan addressed all professional, organizational, financial, and marketing aspects of the crafts and handicrafts sector, and identified the most important constraints on it.

15.2.5 Institutional and Organizational Development

Efficiency of the tourism and antiquities sector depends on success in integrating government and private initiatives. The Saudi Commission for Tourism and Antiquities mobilizes the efforts of all the government agencies concerned, in order to ensure provision of the infrastructure and public services necessary for developing tourism. In turn, the private sector undertakes providing tourist services, such as accommodation, restaurants, cafes, parks, car rental companies, shopping malls, cultural and sporting events. To support development of the sector, SCTA established departments of tourism in various regions, to follow-up implementation of the National Tourism Development Project (2001–2020), in addition to facilitating and supporting establishment of tourist projects generally. SCTA also adopted the National Tourism Human Resource Development Project, which is designed to increase the rate of indigenization of jobs in the sector.

Under the Eighth Development Plan, several important regulations were issued; notably, the Council of Ministers Resolution No. 78 of 2008, amending the name of the agency from the “Supreme

Commission for Tourism" to the "Commission for Tourism and Antiquities", and the Council of Ministers Resolution No. 66 of 2009, stipulating that the Commission shall undertake the development of mechanisms for administering urban heritage sites, in accordance with specified regulations. Furthermore, Council of Ministers Resolution No. 209 of 2009 stipulated that "government funding mechanisms and channels be put in place to support development of domestic tourism, with devising the machinery for participation of governmental credit funds in financing domestic tourism projects, in addition to other incentivising measures". The Commission, for its part, applied quality standards to its services, earning in 2008 an ISO certificate of excellence.

15.3 ISSUES AND CHALLENGES

15.3.1 Domestic Tourism

Page
260

Tourism within the country (inward and domestic) faces strong regional and international competition. Regionally, several neighbouring countries possess an abundance of attractive tourist resources and potential. Hence, there is a need for continuing to develop and support domestic tourism; improve its services, archaeological sites and infrastructure; provide investment incentives to help diversify services, increase market competition, reduce costs of services, and raise their quality; all with the aim of expanding domestic tourism and increasing its attractiveness. Such an outcome would have a positive impact on the balance of services and transfers in the balance of payments, increase the contribution of tourism to GDP, and diversify sources of income in the national economy.

15.3.2 Tourism Awareness

Awareness of the importance of tourism to the country and its citizens is still below aspirations. In fact, raising this awareness is one of the most important challenges facing the efforts to develop domestic tourism. This calls for launching media (visual, written and audio) campaigns aimed at the various groups of citizens in all regions to

advocate the importance of domestic tourism and the role of citizens in its revitalization.

15.3.3 Tourist Products

Despite the efforts to develop innovative, attractive and competitive tourist products, their supply is still limited in quantity and quality. This calls for further development and raising the quality of tourist sites and their rehabilitation and exploitation; development of recreational marine and desert tourist products and oases tourism; and expansion of technical and scientific conference and seminar tourism.

15.3.4 Infrastructure

As a consequence of non-completion of infrastructure in some tourist sites, private sector investment focussed on urban centres and nearby locations, and the Red Sea and Arabian Gulf shores, while remaining limited in the interior of the country. This is attributable to the fact that infrastructure in some areas is still below modern international standards, which calls for development and upgrading of infrastructure, and encouraging the private sector to invest in such projects. In return, the public sector will link tourist infrastructure to public infrastructure networks (such as roads, electricity, water and telephone lines), in addition to the application of international standards on signage, safety procedures and others.

15.3.5 Traditional Crafts and Industries

As a result of the social and economic transformations that took place over the past decades, several traditional crafts in several areas have declined in magnitude. A considerable number of craftsmen are there, yet, few are active in production of craftwork, which is exhibited at national festivals.

The growing importance of traditional industries in emphasizing cultural identity and preserving national heritage, contributing to the development of tourism , and providing job opportunities, calls for

establishing a government agency (new or within an existing agency) to supervise this sector, with the private sector and craftsmen undertaking implementation; all within the framework of a national plan for the development of crafts and traditional industries.

15.4 DEVELOPMENT STRATEGY

15.4.1 Future Vision

Developing a high-profile tourism which leads to social, cultural, environmental and economic benefits, based on the authenticity of the long-established heritage of the Kingdom and its traditional hospitality.

15.4.2 Objectives

- Developing a competitive tourism industry based on rich tourist facilities and services.
- Increasing contribution of tourism to GDP, by finding new sources of income and providing job opportunities for competent national manpower.
- Developing and conserving touristic and archaeological sites and facilities.
- Increasing public and private investment to cover all regions of the country so as to provide job opportunities.
- Developing and upgrading employment in tourism.
- Promoting civic awareness of the importance of tourism as a tool for utilizing the cultural and historical heritage of the state.
- Strengthening the role of tourism in supporting opportunities for mutual understanding with other nations, through exchange of tourist visits and delegations, designed for promoting proper familiarization with the culture and heritage of the Kingdom.
- Developing and protecting traditional crafts and industries.
- Preserving the environment and rationalizing the use of water and energy in tourist facilities.

15.4.3 Policies

- Identifying, evaluating, and maintaining tourist, archaeological and architectural heritage assets, crafts and handicrafts in various regions, and developing appropriate plans to protect and develop them, through cooperation between the public and the private sectors.
- Improving the business environment through development of regulatory frameworks and facilitation of procedures related to development and investment in tourism, particularly private-sector investment (national and foreign).
- Raising standards of quality of national tourist products and services and their competitiveness, while preserving the environment.
- Implementing and following the Tourism Human Resource Development National Project , through supporting efforts to establish and develop appropriate educational and training institutions.
- Supporting efforts to establish companies, and trade and professional associations supporting tourism.
- Developing highly efficient marketing plans and programmes, relying on integrated promotional tools and distribution channels, locally and internationally, to market the national tourist product.
- Promoting public awareness of the value of tourism to the country and its citizens, through educational programmes broadcast by various media.

15.4.4 Targets

- Increasing tourist accommodation facilities to about 141 thousand hotel rooms and about 92.2 thousand furnished units by the end of the Ninth Development Plan.
- Increasing training opportunities in tourism to about 245.7 thousand.

- Increasing job opportunities in tourism to about 462 thousand by the end of the Ninth Development Plan.
- Presenting archaeological, historical, popular heritage sites and important historical roads and tracks.
- Renovating, rehabilitating and re-using palaces, castles and old towers.
- Improving and developing the six regional museums in Hofuf, Najran, Ula, Taima, Jawf, and Sebia.
- Establishing five new regional museums in Abha, Baha, Tabuk, Dammam , and Hail.
- Establishing five specialist museums: the Museum of Camels, the Museum of Palms and Dates, the Museum of Arab horses, the Museum of Traditional Clothing and Jewellery, and the Museum of Hawks.

Page

264

15.5 Financial Requirements

Under the Ninth Development Plan, the financial requirements for the development programmes of the Commission for Tourism and Antiquities are estimated at SR 7.1 billion.