Tourism Investment in Saudi Arabia
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President of the SCTA

The Saudi Commission for Tourism and Antiquities is honored to present this report containing the most prominent characteristics of the tourism investment environment in Saudi Arabia. The SCTA focuses on this field because of the great benefits accrued to the national economy in general and citizens in particular.

The SCTA has established sectors and programs to enhance this activity. Despite the SCTA’s efforts with plans and determination of many tourism sites ready for development and the commencement with the operation of these sites and tourism destinations relying on cooperation with its partners from both the public and private sectors in this field, the SCTA still looks forward to further achievements in the next phase, and to achieve much more, hence the development of the reality of tourism investment and its incentives.

The SCTA has faced several obstacles, which lies in the nature of tourism activity and its overlap with the activities of many other sectors, nevertheless it has launched ongoing initiatives to create an investment environment based on its partners in both public and private sectors.

The Commission seeks to try and remove obstacles facing the tourism industry in general and the tourism investment activity in particular, by seeking agreements with the government and private bodies to support this activity, creating incentives to develop this type of activity, a system of tourism development in the regions, tourism investment service centers, and the investment and economic dimensions of the system. However because of the lack of legal authority, the SCTA has characterized the plans for the development of this activity as plans that focus on limited projects and opportunities that can be pursued in collaboration with its partners.

We seek, in light of these obstacles, to move forward in the field of tourism investment by investing in a number of coastal, mountain and desert destinations, in addition to a number of traditional villages.
I would like to thank, on behalf of the officials of the General Secretariat in the regions, all the supporters of SCTA plans to stimulate investment in tourism, led by the Custodian of the Two Holy Mosques and his Crown Prince, the Royal Highnesses and the BoD members, their Highnesses Princes of the Regions, their Highnesses, and their Excellencies members of government institutions on their continued cooperation. I would also like to thank the members of the boards of tourism development in the regions, the staff of the Secretariat and all those who have cooperated with us in both the government and private sectors.

HRH Prince Sultan Bin Salman Bin Abdulaziz
President & Chairman of the Board,
Saudi Commission for Tourism & Antiquity
Encouraging Factors for Investment in Saudi Arabia:

**Extensive Area and Diversity of Geographic Regions**
The Kingdom is distinguished for the variety of investment opportunity in relation to the diversity of its geography. The Kingdom is home to thirteen provinces, each having its own investment rules accommodating its economic recourses, developmental plans, and needs. The extensive area of the Kingdom and the diversity of its opportunities is also another reason for investment, since this gives the investor a chance to select the province that suits the commercial plan, products, and services.

**Strength of the Saudi Economy**
The Kingdom is the largest oil exporter in the world thanks to the continued demand for oil. It is also home to the largest oil reserve in the world, in addition to reserves for other natural resources. International standards show the strength of the local economy, and the credibility of the economic reform policies carried out by the Saudi government.

**Religion**
The Kingdom is not just an oil exporter, a promising market to attract capitall and advanced technology, or just another developmental experiment in other fields, attracting the attention of world leaders when they visit the Kingdom. Saudi is held at a very high regard among Islamic states, for being the home of both the holy mosques at Makkah and Medina. Geo-political considerations alone do not make the Kingdom the first reference in the Islamic World, but because it also has many scientific institutions of major influence on Islamic studies; such as the University of Imam Mohammed bin Saud in Riyadh, University of Um AlQura in Makkah, and the Islamic University in Medina. All of which house numerous Muslim students from all around the world. Hundreds graduate from these universities every year,
all specialized in Islamic studies, Arabic language, and Arabic literature. These students return to their countries and convey what they have learnt in these religious institutions in the Kingdom, to maintain the belief, purity of faith, evade myths and superstitions, face extremism, the worship of Allah alone in accordance to the teachings of the Prophet and the Holy Quran, and maintain the teachings by following the example of the Prophets followers.

Coastal Regions
Coastal regions are those with a sea front such as Jeddah in the western region and Damman in the Eastern Province. Each enjoys coasts with entertainment facilities and aesthetic sculptures. Both are considered to be the most important centers of national tourism attractions.

Purchasing Power
The Kingdom, especially the capitol Riyadh, is currently witness to an expansion in the construction of shopping malls that aims to meet the needs of different quarters from north to south. The increase in liquidity plays a major role in absorbing capitol through local investments, for a number of reasons. One reason being, increased savings rates among citizens as a result of the record increase of oil returns, in addition to the participation of a large number of citizens especially those ranging between the ages of 25-40 in the stock market which makes good profit as a result of increasing the number of companies listed in the market which ultimately lead to the increase of purchasing power of the consumer giving the investors indicators on the importance of having international shopping centers that absorb this purchasing power as the Kingdom seeks to join the World Trade Organization.

Diversity of Population
The Kingdom is also known for its diversity of population. It joins comfort and luxury specific to the 21st century of the western world with the unique culture and hospitality known of the Arabian Peninsula.
Population Growth
The population of the Kingdom is known for its high growth rate in comparison to other growth rates of the Arab world. It is also known for its capability to absorb both Saudis and non-Saudis, increase in education, a decrease in unemployment, which prepares a suitable job market for good investment projects. The population of the Kingdom in September 2004 reached about 22.7 million as opposed to 13 million in 1985, and 21 million in 1999. the population growth rate in the Kingdom is 3.24%, which is average compared to the growth rate of Kuwait 0.07%, the lowest of all Arab countries, and UAE’s 5.84%, the largest in the Arab World. The population growth of the Kingdom rises above the overall average in the Arab World at a rate of 2.37%.

Economic and Political Stability and Security
Over the past 76 years, the Kingdom has been witness to a huge development phase, comprehensive renaissance in the economic, social, educational, cultural, and medical fields. All of which have reflected positively on citizens and have contributed to the reformation of awareness, raised the standard of living, social status, as well as reinforced the ability to cope and adapt to the global developments, advances and variables.

Saudi Commission for Tourism & Antiquities’ Role in Tourism Development:

About the SCTA:
The SCTA was established for the purpose of the “development, promotion and enhancement of the tourism sector in the Kingdom, along with the facilitation of development obstacles as an important resource of national economy”. The SCTA has set a main goal for its work, which is “the development of a comprehensive framework for promoting national tourism as a productive economic sector with positive social, cultural and environmental impacts”. This is accomplished through the provision of a healthy environment where sustainable and balanced development can be achieved; and the provision of appr
appropriate conditions for the institutional support of the tourism sector and other relevant industries and activities in Saudi Arabia.

**Vision:**
The Kingdom of Saudi Arabia, also known as the cradle of Islam, aims to be a facilitator of unique and valuable tourism development, consistent with the Kingdom’s social, cultural and environmental values which are based on Islamic values, authentic heritage and traditional hospitality.

**Mission:**
The Kingdom of Saudi Arabia, based on its values and unique components, shall develop a balanced and sustainable tourism that realizes economical diversity, social enrichment, and job opportunities in addition to the preservation of the environment and cultural authenticity.

**SCTA’s Anticipated Role:**
• Due to the nature of the tourism sector in the Kingdom which is fragmented with authorities and jurisdictions spread among various public and private entities, the SCTA had to play a leading role at the beginning by taking on this sector, and organizing it based on scientific fundamentals. This included developing a clear mission, planning on the provincial and national levels, developing the institutional structure of the tourism sector based on building active partnerships between the public and private sectors, developing the appropriate tourism regulations required to organize the role of the private sector, and developing a supportive environment for tourism investment.

• It was clear that the SCTA role, as a public entity, will not be limited to monitoring the development of the tourism sector. This is due to the fact that the tourism sector, especially in Saudi Arabia, is in a desperate need for a strong foundation, organization and orientation as with any other new economic sector. The SCTA had invested great time and efforts in the development of this long-term investment. Once the tasks, organization and structuring of the tourism
sector are completed in the Kingdom, the SCTA will be able to accomplish its anticipated role by taking over the tasks of the national tourism administration in a more active manner. This includes carrying out the responsibility, organization, and regulation of the tourism sector, promoting tourism investments, developing and marketing tourism products.

• The SCTA role, as the official public organization concerned with tourism development, is focused on adopting various roles and responsibilities of other relative public or private authorities gradually or finally. This would grant the SCTA greater flexibility in distributing these roles and responsibilities for the efficient development of the tourism sector.

The National Tourism Development Strategy

The National Tourism Development Strategy is a comprehensive and strategic project for tourism development in the kingdom that is prepared by the Supreme Commission for Tourism according to well defined and clear guidelines. The general strategy took in consideration defining the tourism vision and mission in the kingdom and assessing the available tourism resources, target markets, in addition to current and future tourism activities. The strategy was based on number of ethics and values such as the Islamic values and principles, compatibility with the Saudi society, and to be economically, socially, culturally and environmentally feasible and sustainable, and to contribute to the national economy.

The National Tourism Development Strategy prepared by the SCTA is comprised of two phases: the first, ended in May 2002 (Rabea l 1423) and resulted in the preparation of the general policy for the development and improvement of the tourism sector in the Kingdom for the next twenty years. The National Tourism Development Strategy is considered to be a complete comprehensive concept for the strategic framework and necessary policies for tourism development since the strategy has paved the path to tourism development for the next twenty years. It has also determined the limitations the industry suffers from as well as the obstacles hindering
its development. The strategy has also discovered the Kingdom’s components. The SCTA BoD has approved the Strategy on 28/3/1424, it was also approved by the Shura Council on 13/10/1424, and by the Cabinet on 24/1/1425. The second phase, on the other hand, has been based on the results and recommendations of the first phase, with the aim to save the executive framework for the first phase, by preparing a five-year action plan for tourism development from 1425-1429 to be added to the Comprehensive National Development Program.

**Provincial Tourism Development Strategies:**
- The SCTA has started, since the beginning of Rabia II 1424H, the development of Provincial Tourism Development Strategies for all 13 provinces of Saudi Arabia as part of the sustainable tourism development planning program. The SCTA has developed complete tourism development and promotion strategies for each province in Saudi Arabia for the coming 20 years. The comprehensive organizational structure of the tourism sector in each strategy included the SCTA, Provincial Tourism Development Councils (PTCs), Provincial Tourism Organizations (PTOs), Tourism Development Committees in the concerned provinces.

- The SCTA initiated the development of new supporting organizations for the development of tourism on the provincial level, and provided them with the required organizational and institutional support.

- The SCTA has established PTOs in most provinces of Saudi Arabia (Riyadh, Makkah, Maddinah, Baha, Aseer, Hail, Jazan, Eastern Province, Qaseem, Tabouk, Northern Boarders, Najran and Jouf). Each PTO is assigned, along with its mandate, to support local PTCs, implement the tasks of their general secretariats, and organizing their meetings and duties.

**Tourism Investment Service Centers (TISC):**
The SCTA sought the provision of a healthy environment that would attract tourism investments, provide complete services for investors and promote tourism
projects and investments. Thus, the SCTA decided to establish the “Tourism Investment Service Centers” with the aim of providing a suitable and facilitating environment to communicate with investors and provide them with the required services and facilitations for the benefit of the development of tourism projects. The main goals include the following:

1. Providing information about tourism investments and identifying the obstacles that may face tourism investments in light of relevant rules and regulations.
2. Supporting existing and potential investors by providing them with statistics on the existing projects with the aim of preserving current tourism investments, and attracting new ones.
3. Presenting the incentives to be provided for tourism investments, whither through the SCTA or other concerned parties.
4. Facilitating protocols and procedures that investors may face by all public agencies.
5. Receiving licensing requests for tourism activities and professions, and technical support requests within the SCTA’s jurisdictions.
   - The SCTA has already established TISCs in (Maddinah, Jeddah, Dammam, Baha, Hail, Qaseem, Abha, Taif, Riyadh & Al-Ahssa) to provide their services to the investors.

Tourism Information & Research Center (MAS):

What is MAS?
MAS is an abbreviation of (Tourism Information and Research) in Arabic, it is an important SCTA division that is responsible for collecting data and conducting tourism related studies and researches.

Role of MAS
MAS is the Arabic acronym for Tourism Information and Research, and is an important department of the SCTA responsible for collecting tourism data and conducting research
and studies related to the tourism sector in the Kingdom. All compiled information is then added to a secured electronic database, helping the MAS categorize and distribute it in a fashion benefiting all users.

**Beneficiaries**

All those working in the tourism sector (investors, operators, researchers, public sector, and international establishments) in addition to travelers. Naturally information shall be provided in a variety of ways to accommodate different needs.

**Available Information**

MAS is currently conducting a comprehensive survey program that measures inbound, outbound, and local tourism. Such surveys will provide MAS with comprehensive information on the numbers and categories of tourists, in addition to the characteristics of their trips. MAS has also begun the conducting surveys on the accommodation sector to accurately follow the use of hotels and residential units in the Kingdom. In addition, the tourism service guide contains different information that concerns the tourist and those working in tourism operations such as the accommodation sector as well as the various activities that can be practiced, services and transportation, and commercial services.

**Obtaining Information**

Visit the MAS website to review recent studies, reports, and statistics.

http://www.mas.gov

**National Project for Tourism Human Resources Development (Ya Hala)**

This project falls under the care of the SCTA and its main objective is to form, execute and manage the general strategy to develop and qualify a national workforce to operate in the tourism sector. Through this strategy, a regulatory and institutional environment shall be found for national human recourse development, in addition to the facilitation and coordination of certain efforts with agencies related to the objective of determining main issues and problem solving.

A steering committee was formed for the project headed by the SG of the SCTA,
and members include: Ministry of Interior, Ministry of Labor, Ministry of Higher Education, Ministry of Education, Ministry of Hajj, General Organization for Technical Education and Vocational Training, Institute of Public Administration, Human Resources Development Fund, Council of Saudi Chambers, Prince Sultan College for Tourism and Administration, and private sector representatives of a number of tourism activities. A special budget was approved and a general director was appointed for the project.

The BoD of the SCTA has approved the National Project for Tourism Human Resources Development as a part of the action plan for the next phase, and as a part of the National Tourism Development Strategy. The project constitutes a number of programs, they are as follows:

First: Nationalizing Tourism Occupations
The project has prepared plans to nationalize occupations in the tourism sector - travel and tour, accommodations (hotels and furnished apartments), leisure and tourism attractions (resorts and amusement parks) - all approved by His Excellency the Minister of Labor, as an integral part of the comprehensive nationalization plans pursued by the government; all in faith of the positive outcomes benefiting the nation and citizen alike by realizing this plan which has both direct and indirect objectives. They are as follows:

- Find job opportunities for the national work force in the tourism sector, hence decreasing unemployment
- Achieve economical benefits as a result of employing a large number of nationals as well as limiting negative results and lost economic opportunity as a result of the money transfers by expatriates.
- Enhance economic, and social stability by depending a national work force.
- Developing and sustaining local workers

It was taken into consideration throughout the preparation and execution of plans to commit to the many factors and considerations; the most important being, maintaining basic benefits of the concerned parties such as investors in the tou...
ism sector and businessmen.

Second: Occupational Awareness (1428)
This program intends to elevate public awareness. The public, of all different social classes, is encouraged to join tourism industry. This program utilizes intensive media campaigns to highlight privileges and advantages of tourism industry. The program targets students of all levels, and mainly university students, who resemble the biggest number of Saudi population for the future. The awareness includes work ethics; participation in seminars, symposiums, and festivals; in which these activities will help individuals to select appropriate profession.

The project has via this program carried out a number of training courses to elevate public awareness among various classes of employees working in the service sectors of both the private and public sectors to develop their skills to service the tourism sector and tourists alike. As of recently, 14000 nationals have been trained.

Third: Cooperation Programs with Public and Private Educational and Training Institutions.
Enhancing the partnership concept with universities, colleges, public or private institutions to find a unified concept and methodology in the field of tourism training and qualification.

The SCTA has signed a number of cooperation memorandums with the Ministry of Higher Education, universities, and training establishments. The cooperation memorandum has been activated with the Ministry of Higher Education with the approval of sending a number of nationals on scholarships to study tourism specializations abroad. The SCTA has finished accepting applications from those wishing to obtain scholarships abroad for specializations approved by HRH Prince Sultan Bin Salman Bin AbdulAziz, Secretary General of the SCTA, His Excellency Dr. Khaled Bin Mohammed AlAngry, Minister of Higher Education, for Bachelors, Masters and PhD. certification in tourism studies, as a part of the
Scholarship Program by the Custodian of the Two Holy Mosques, where 75% was specified to gain a bachelors degree in tourism and travel management, hospitality, Hotel management, tourism attraction and leisure management, conference and convention management, international tourism and hospitality, and cultural heritage management. The rest are to obtain a masters degree (20%) and PhD (5%) in tourism and hospitality management, international tourism and hospitality, sustainable tourism, event management, tourism planning and development, tourism coordination, cultural heritage management, and development of human recourse management in tourism.

Fourth: Tourism HR Investment

The project strategies of the program are as follows:
- Support and encourage tourism establishments in the sector to train their employees of all occupational levels to enhance performance, increase productivity whether via training institutes specific to such establishments, applying to training courses at tourism training institutes, sending them on scholarships locally and/or abroad thus helping find a qualified national work force working to enhance tourism.
- Train craftsmen/women in regards to traditional crafts and open opportunity for them to start small projects specific to them.
- Work with partners to adopt tourism incubators for such craftsmen/women to market their crafts.

SCTA’s Stakeholders:

• SCTA adopted partnership with all public and private sectors. There is some investment related entities and organizations in the kingdom such as SAGIA, MOMRA, MoCl, MoA, and chambers of Commerce and Industry.

Saudi Arabian General Investment Authority (SAGIA)

• This authority has established in 1421 (AH) for dealing with investment matters in the kingdom including foreign investments, development of governmental policies and executive plans and regulations, monitoring investment and ident -
fying and promoting investment opportunities.

- SAGIA’s vision is to act as a gateway to investment in Saudi Arabia. We seek to attract sufficient investment to achieve sustainable rapid economic growth while capitalizing on the Kingdom’s competitive strengths as the global capital of energy, and as a major hub between East and West.
- Its message is to create a good and attractive environment for investment providing exclusive services and promoting investment in different economic sectors.

**Summery of the SAGIA’s Strategy:**

- SAGIA is focusing on 6 main initiatives, such initiatives are: investors services, marketing and promotion, provinces development, new investors finding, specified sectors development, and investment context development.

**Ministry of Municipal and Rural Affairs (MOMRA):**

- MOMRA has been established in 1395 (AH) under the Royal Decree No. A/266 dated 8/10/1395 (AH). It is responsible for urban planning for the kingdom's cities, landscaping and development of municipal and rural affairs, management of cleanliness environment services. In 1397 (AH), the resolution of Higher Commission No.78 dated 12/6/1397 (AH) stating the approval and new organization of the ministry. The ministry plays a main role in identifying tourism areas through its partnerships with SCTA.

**Ministry of Commerce and Industry (MoCI)**

The ministry has established under the Royal Decree No. 10/22/5/5703 dated 11/7/1373 (AH). It is responsible for organizing and developing national and international trade. In 6/4/1374 (AH), the resolution of the Council of Ministers No. 66 has been issued stating the specializations rule of the ministry. The minister was responsible for executing commercial policy and specializations. This resolution identifies the units composing the organizational frame of the ministry.

The Seventh five-year plan of the kingdom stated some objectives for the ministry to be executed in cooperation and coordination with related entities:
- Development of non-oil national and international trade according to the needs
of the national economy and support the commercial and economic relations with countries.
- Activation and promoting the private sector.
- Development of national work force.
- Improvement of commerce performance.

**Ministry of Agriculture (MoA):**
In 1385 (AH), Royal Decree issued stating the reorganization of the ministry, so that the official name of the ministry became (the ministry of Agriculture and Water). After that, a resolution issued to establish the independent ministry of Water, the ministry then got its previous name. the ministry consists of seven main sectors (fish sector, researches and agriculture development, agriculture sector, fauna sector, lands sector, irrigation sector and administrative and financial sector). The ministry follows advanced work procedures could be treated automatically.

**Chambers of Commerce and Industry:**
In 1400 (AH), the new Law of Chambers of Commerce and Industry has been issued under the Royal Decree, in accordance with the policy of the ministry in which performing regular monitoring for the commercial systems in order to develop them. So that related entity in the ministry in 1422 (AH) developed a new draft Law for the Chambers Of Commerce and Industry meets its requirements and supports its role.

Chambers Of Commerce and Industry performs the organization of private sector activities, it achieved a lot of achievements in leading institutional work of this sector. It contributed in the development of its services.

**Tourism Investment Related Laws & Systems:**
Since its establishment, the SCTA adopted the partnership principle with its public and private partners. That is obvious through presenting the tourism destinations and licensing their different tourism activities. The SCTA took into account the approved systems of the related bodies such as the company system, the foreign investment system in the KSA, the income tax system, the pasture and forest system,
the procedure directory of municipal real estate rental in the KSA, and the commercial record system in addition to some systems applied at other partner bodies.

The Company System in the KSA:
The Company law was issued according to the royal decree No. M/6, dated 22/3/1385H (22/7/1965), and it was amended several times. This system identifies the companies’ types: limited liability companies, the stock companies, the partnership company, the limited partnership, the stock partnership company, variable capital companies, the cooperative company, and the particular partnership.

The company law is the main element of jurisdiction that judges the companies. The most common types are the limited liability company, the particular partnership, public companies, and limited companies.

The foreign investors can enter the Saudi labor market by the following legal forms: the limited liability company, the stock company, the foreign companies’ branches, the scientific and technical offices of foreign companies, and the sole company.

The Foreign Investment System in the KSA:
The foreign investment system aims at encouraging investment in the Kingdom, improving its climate, and providing its needed incentives and facilitations. The foreign investment system was issued on 5/1/1421H, representing the most prominent event related to the economic affairs in the Kingdom. What makes this event extremely important is that it was synchronized with the announcement of establishing the Saudi Arabian General Investment Authority (SAGIA). The SAGIA will be responsible for implementing and following up the investment policies in order to serve investors. This Authority represents an effective and practical mechanism to motivate the common local investment and foreign investment. On 15/8/2000, the SAGIA issued an executive regulation of the foreign investment system as well as the executive regulations of the Authority.

Below are the most important points stated in the new foreign capital system, i -
including some other resolutions related to encouraging the foreign investment:

- Decreasing the taxes imposed on the foreign investor and approving the principle of roll-over of losses to the next years without identifying a certain period.
- Providing the opportunity for the foreign investors to obtain the loans presented from the Industrial Development Fund.
- Giving the opportunity for full ownership of the investment activity, including the required real estates to practice the activity. The project ownership can not be expropriated unless it is used for the public interest with offering a fair compensation.
- Identifying the period - which is one month - for obtaining the investment license.
- The new system raises the transparency level in giving the information needed by the investor about the Saudi climate.
- The investor has the right to sponsor himself and his employees in his own establishment with ensuring a national treatment.
- The system provides a wider and more obvious field to settle disputes in addition to a clear indication to ensure the intellectual property rights.

**The Income Tax System in the KSA:**

The new income tax system was issued according to the royal decree No. M/1, dated 15/1/1425H, and its executive regulation was issued according to the ministerial resolution No. 1535, dated 11/6/1425H. The system involved many direct and indirect tax features for the purpose of creating a suitable investment climate in the Kingdom, attracting foreign investments, and sustaining the private sector’s role in the economic development in the light of local and international latest issues. The most important characteristics of the new system are the following:

- The clearance and transparency.
- Approving the moderate tax rates.
- Allowing the roll-over of losses to the next years for uncertain period.
- Using the group depreciation method and the accelerated depreciation of assets.
• Approving the self-connection method (أسلوب الربط الذاتي).
• Approving the withholding tax for the first time.
• Identifying in a clear way the rights and commitments of the tax administration and the assigned persons.
• Activating the collection and commitment (clear procedures to fight the tax evasion and the incompliance of presenting the tax returns in their systematic dates).
• Approving the assigned person’s right to appeal in front of Diwan Al-Madhalim (Board of Grievances) for the first time.

The Pasture and Forest System in the KSA:
The forest and pastures are spread around the KSA with different qualities and quantities. The practice of human activities with negative effect led to the deterioration of the natural plant cover and the ecosystem. In order to preserve the forest and pastures, the Ministry of Agriculture followed a number of measures to conserve such resources. The most important measure was the issuance of the pasture and forest system, which was amended many times (the current system was issued according to the royal decree No. M/55 for the year 1424H with its executive regulation). Such a system reflects the KSA government interest in developing the sector of forests and renewed natural resources through setting out the rules related to the preservation, protection, investment and development of natural pastures and public forests. Also, penalties are to be applied if the rules are violated. The Ministry is allowed to lease suitable sites of the forests, pastures and national parks, which are under its supervision, to the investors (individuals/institutions/ Saudi and non-Saudi companies/ companies adopting the foreign investment system). Such sites would be used to organize tourism and entertainment activity within identified rules and requirements.

The Procedure Directory of Municipal Real Estate Rental in the KSA:
This directory (the procedure directory of municipal real estate rental) includes answers for the most questions asked by businessmen interested in the investment at the municipalities. Moreover, the directory represents a reference for
the specialists at the municipalities since it includes the public requirements and executive procedures of renting municipal properties.

The directory aims generally at organizing the process of renting municipal real estates in order to achieve the municipality objectives according to the following:

- The identification of provisions, rules and fundamentals that should be followed when renting the municipal properties.
- The best utilization of municipal real estates to achieve the objectives for which the municipalities were established.
- Applying the principle of justice and equality among the investors to benefit from the investment opportunities provided by the municipalities.
- Encouraging and urging the private sector to participate in the national development.

The investment activities stated in this directory are the ones that are actually practiced at the current time and not the ones specified in the mentioned fields. The deputy Ministry of planning and programs is ready to discuss any project whether it was suggested by the private businessmen or by the municipality officials on condition that the basic requirements stated in the directory are provided.

The Ministry is more concerned with the development and following more flexible and developed methods to facilitate the procedures related to investments and private investors and to connect efforts exerted by municipal real estate officials at the municipal organizations - under specialized departments - to direct the investment process. That ensures fulfilling the strategy which is adopted by the Ministry to motivate the private sector and encourage businessmen in order to assist the municipalities in achieving the most important objective: (keeping up the level of services provided for the citizen and raising the service level in all service and development domains).

The municipality investment activities mean the rules and instructions allowed by the municipalities to practice a certain commercial or service activity by the investors. That would be achieved through leasing the lands and real estates owned by the municipalities on condition that they are planned and allocated for practicing such activities.
The Commercial Record System in the KSA:
In 1375H, the commercial record system was issued and it was amended, according to the royal decree No. 1 for the year 1416H, to conform with the modern directions through considering the system a tool of the legal month for the persons included in the system. The system aimed at:

• Counting the traders and companies that practice trade in the KSA via preparing a record in the cities. That record should contain a list of trader and company names with their respective details.
• Enabling every related person to enquire about any trader. So, the data stated in the record is considered an excuse for the trader whether for his benefit or not. Identifying the responsibilities and authorities of each person related to the company.
• Identifying the amount of record data, exempting the small traders from commitment to the record to make it easy for them.
• The permanent upgrade of data stated in the record.

Tourism Investment in the Kingdom of Saudi Arabia
Tourism investments are considered to be the focal point of tourism development in general since it provides economic income and job opportunities, in addition to improving basic and secondary eco-tourism facilities. From this point the Saudi Commission for Tourism and Antiquities has extended its support, guidance and service to tourism investment in all possible ways for its significance in achieving the vision and objectives of the national strategy for tourism development. Over the past few years, the SCTA has prepared plans for the development of a number of tourism destinations, and has worked on finding a number of investment opportunities such as investing in eco-lodges and rural guest houses etc., studies providing investment incentives, eliminating obstacles of tourism investment, the establishment of tourist investment service centers in the regions, establishing exhibitions and forums related to tourism investment, participation in international
travel and tourism investment forums and exhibitions. It also completed a number of important measures aimed at facilitating investments and services such as: a review of economic feasibility studies, preparation of investment models suitable for each project and the legal approval of some of them, the establishment of systematic frameworks to found developers, the establishment and development of databases for investment opportunities, and the commencement of the study for the future vision for tourism. With regard to the provision of investment incentives; work is ongoing for the preparation of documents for cooperation with those that support the investment environment, in addition to the signed agreements, with some agencies such as the Saudi Credit Bank, and the Centennial Fund, the Council of Chambers of Commerce and Industry. Agreements are being updated with a number of related agencies.

Tourism Investment Strategy in the Kingdom
The strategy of tourism development aims at the following:

1. The development of tourism sector in the kingdom through achieving the following sub-objectives:
   1-1 Support the national income.
   1-2 increase its role in operation and employment.
   1-3 increase its role in achieving sustainable development.
   1-4 enhance its role in developing local communities economically and socially.
   1-5 increase tourism awareness and distribute the tourism culture among citizens.
   1-6 develop tourism education and training.
   1-7 discover tourism components and capabilities.

2. Attracting more tourists into the kingdom as follows:
   2-1 the cooperation with different governmental entities.
   2-2 marketing alliance for Saudi tourism products.
   2-3 the opening of new tourism markets.
   2-4 the improvement of the means of media to clarify the real image of Saudi community.
   2-5 the development of competition of tourism products and services.
3. Eco-tourism Development through the following:
   3.1 matching between tourism demand and supply.
   3.2 encouraging tourism investment in the kingdom.
   3.3 encouraging small tourism enterprises.
   3.4 unifying classification criteria and applying unified quality indicators.
   3.5 establishing tourism representatives in all Saudi embassies.
   3.6 facilitating tourism visa.
   3.7 equalizing costs of accommodation and transport between tourists and citizens.
   3.8 developing the culture of attraction elements of tourism in the kingdom, and developing tourism education.
   3.9 building capacity of workers in different tourism fields by training.
   3.10 attracting a part of outbound tourism to be internal.

Tourism Investment Objectives:
• Providing tourism investment related rules and provisions and developing the regulations of different tourism activities in order to attract national and international investment.
• Developing a tourism investment strategy.
• Facilitating traveling procedures of investors and businessmen.
• Supporting and creating investment companies that develop tourism sector.
• Adopting collective tourism projects by the government.
• Developing economic studies for the tourism developable sites by SCTA.
• Tourism investments must be in successful projects in order to achieve the sustainability of tourism in the kingdom.
• The existence of an entity or establishment responsible for dealing with tourism investment problems and issues and solving all obstacles facing investors.
• Realizing the importance of tourism investment towards citizens in order to be effective in different projects.
• Involving local communities in tourism development as a strategic partner.
Executive Programs, Plans and Procedures for Tourism Investment Development:

• Setting procedural guides for the investment in tourism sites.
• Establishing tourism development companies.
• Coordinating with financial institutions to funding tourism projects.
• Setting database for the site that are able to be developed and investment companies.
• Activating a collective role between chambers of commerce and international tourism organizing commissions.
• Supporting investment context by SCTA.
• Organizing an annual meeting for tourism projects.
• Providing governmental facilities for tourism investment.
• Coordinating tourism investment rules, regulations and provisions.
• Establishing national committees for tourism and coordination with chambers of commerce and industry.
• Equalizing incentives between foreign investors and local investors.
• Holding specialized tourism investment annual forums and exhibitions.
• Creating a financial institution in cooperation of all Arab countries for tourism investment (e.g. Arab Tourism Investment Fund).
• Drawing a clear investment map for the sites and fields of tourism investment, and developing feasibility studies about available investment opportunities.
• Holding international conferences for discussing tourism investment opportunities in the kingdom.

Tourism Investment Potentials:

The investment environment in general, and tourism investment environment in Saudi Arabia specifically is associated with various aspects that can be summarized into the following:

• availability of natural, cultural and heritage resources;
• infrastructure development;
Identifying Tourism Investment Obstacles:
The GCTA has identified tourism investment obstacles through field surveys and researches, discussion sessions, personal interviews and international best practices. The GCTA has also identified the significant institutional, market and financial obstacles that may face tourism investments, and has drawn the plans for overcoming these obstacles.

Promising Tourism Patterns:

• **MICE Tourism:** the SCTA has developed a strategic plan for the development and promotion of this important tourism pattern in cooperation with the concerned committee in the Chamber of Commerce and Industry. This is with the aim of promoting this tourism pattern through various events such as commercial, industrial and art exhibitions, conferences and forums accompanied by special tourism programs.

• **Culture and Heritage Tourism:** the SCTA has identified thousands of archeological sites in the Kingdom. The SCTA is seeking the restoration of these sited to attract tourists and introduce them to the history and culture of Saudi Arabia.

• **Sports Tourism:** The SCTA is working in coordination with the General Presidency for Youth Welfare (GPYW) and the private sector on organizing and promoting special tourism programs accompanying the collective or individual sports activities. This is in order to attract the biggest possible number of...
sports’ lovers and fans.

- **Ecotourism:** the SCTA is seeking, in cooperation with its stakeholders on the national and provincial levels, the development and execution of some tourism activities that are related to natural sites (e.g. deserts, mountains, valleys, oases, caves, sands, seas). The ecotourism activities include camping, diving, hiking, desert safaris, and relaxation in general.

- **Recreational and Festival Tourism:** the SCTA is currently supporting various tourism festivals that promote the Kingdom’s rich culture and heritage. One of the most famous festivals is Al-Jenadryah Festival and other provincial and city festivals such as, Jeddah, Madinah, Taif, Baha, Abha, Eastern Province, Qaseem, Hail, and others.

- **Shopping Tourism:** the Kingdom is offering a great shopping experience to tourists in its large different shopping malls and centers. The SCTA is seeing the implementation of promotional programs aiming to attract local and inbound tourists to experience shopping in Saudi Arabia.

- **Exploration and Adventure Tourism:** the SCTA has supported and organized a number of exploration and adventure related activities such as the speed boats race (Formula one), paragliding, and sand dunning in a number of provinces. The SCTA is planning further activities and events in the coming future.

- **Health Tourism:** the SCTA is working, in cooperation with public and private parties, on implementing marketing programs to attract those seeking health services to benefit from the Kingdom’s medical potentials and resources, and the capacity of its local private hospitals.

- **Training and Education Tourism:** the SCTA is seeking the promotion of educational and training tourism to benefit from the capacities and potentials of the Kingdom’s universities, colleges, training institutes, conference and meetings
facilities.

- **Agricultural and Farm Tourism:** the SCTA is working on promoting this promising market by developing models of ecolodge projects in three different natural environments (deserts, coasts, mountains) with great environmental, cultural and archeological potentials.

**Targeted Tourism Markets**

- The General Strategy is focusing on local tourism markets, Umrah Plus Market - in light of the current facilitations in the Umrah Visa laws and procedures - and some foreign markets that would enjoy the Kingdom’s culture and heritage. Based on the geographical factor, and in addition to the domestic market, the Strategy also aims to attract tourists from GCC countries, Arab and Islamic countries and other foreign countries by providing attractive programs in eco-tourism, culture and heritage tourism, nature-based tourism, shopping tourism. In addition to other tourism patterns such as, sports, health, education, and business tourism ... etc. The Strategy took into consideration the different demands of tourists and their income levels.

**Inbound:**
- 11.5 million tourism trip
- 19.6 million tourism expenditure

**Outbound:**
- 4.1 million tourism trip
- 18.3 billion tourism expenditure
What is the SCTA Offering?

1. Investment Incentives:
   - The incentives could be in the form of direct financial support (grants, soft loans, allowances ....etc.) or in other forms such as obstacle removal, technical support and investment facilitation. This is provided to any investment activity, however the SCTA is keen on providing these incentives within its powers and jurisdictions or in cooperation with other authorities for promoting tourism investment.

Financial Incentives:
There are various development funds and financing resources that were established for supporting the development of the Saudi economy. Some of these funds can be used as a capital resource for the tourism sector, such as:
- Saudi Credit & Saving Bank
- The Centennial Fund
- Saudi Industrial Development Fund
- Public Investment Fund
- Human Resources Development Fund

In Kind Incentives:
These include the activities, procedures, and services that actively contribute into eliminating the hindering factors, and obstacles that face investments.

Other Incentives:
- Establishing the Chamber of Commerce and the Chambers of Commerce and Industry for serving investment and investors.
- Providing technical support for the private sector through various consultancy services throughout the development phases in addition to assessing financial and technical studies.
- Establishing Tourism Investment Service Centers in the main cities of Saudi Arabia.
• Establishing One Window Services Center (as a key project of the development projects of each tourism destination) for the facilitation of procedures and provision of incentives to investors.
• Offering public lands as shares in tourism development companies, in encouraging prices.
• Introducing investment opportunities in different tourism sectors. The SCTA organizes an annual forum: “Saudi Tourism Investment & Travel Market” in cooperation with various public and private sectors with the aim of introducing the potential investment opportunities in the different tourism sectors. In addition to introducing a number of existing and new tourism investments in the different destinations, and promoting tourism investment companies and projects developed by the SCTA or its partners. It is also worth mentioning the SCTA did organize an international conference for handicrafts and traditional industries.
• The SCTA has organized the "First Saudi Travel and Tourism Investment Market" in Riyadh from 15 - 19/3/1429H, in cooperation with a number of public and private entities. The Market was arranged under the logo "Tourism for Everyone... Partnership for Sustainable Tourism". It is considered an essential step to support and develop the tourism investment and a chance to exchange developing ideas in the tourism industry in the Kingdom. This meeting will be held annually to serve the tourism industry in general aiming to:
  - Introduce potential investment opportunities available in the tourism fields (accommodation, travel and tourism sectors...etc.)
  - Introduce current and new investment opportunities in the tourism destinations
  - Stimulate the investment companies and projects introduced by the SCTA or its shareholders.
• The SCTA has organized the "International Exhibition on Tourism & Handicrafts of the Islamic World.
• Participating in national and international markets and exhibitions such as the Arab Travel Market in Dubai, where investors from all over the world meet. The
SCTA is also participating in exhibitions and forums organized by both the public and private sector, in addition to the events organized by the World Tourism Organization and other relative international organizations.

2- Information:
• Since the establishment of the SCTA, it was keen on collecting relative tourism information and statistics due to the important of providing accurate and up to date information for planning purposes; taking into account that the available tourism information and data are contradicting, inaccurate, and incoherent in terms of their resources. Thus, the SCTA identified the tourism sector components and analyzed projected tourism impacts through conducting field surveys for tourism offer and demand in Saudi Arabia.
• The SCTA established the Tourism Information and Research Center (MAS) in 1423H (2002G) to be the official body responsible for collecting and documenting tourism data, conducting studies and field surveys, issuing regular and accurate statistics and reports. This is based on Article (4) of the SCTA Statute and the importance of providing accurate and updated information as a base of a comprehensive database for research, planning and development.

• The SCTA launched the tourism contact center, which allows all the tourism companies and institutions such as the hotels, furnished units, resorts, restaurants, entertainment centers, and tour operators to register their services; focusing on providing encouraging prices and promotional packages to support the family trips. So, the tourist can know about the tourism sites and events through the internet.

• The SCTA launched the tourism phone service (8007550000) which offers all tourism service providers (e.g. hotels, furnished apartments, resorts, restaurants, entertainment centers, tour operators ...etc) with the opportunity to introduce their tourism services to the market focusing on providing competitive prices, and recreational promotions for families. The second phase of this project’s development plan is currently under development, and it includes:
- connecting information centers to the Tourism Phone Service;
- sending or emailing electronic publications to customers and service providers;
- providing the international tourism phone service;
- applying the central booking system.

3- Licenses:
• The SCTA is responsible for registering, licensing, classifying and monitoring tourism accommodation facilities and tourism activities and professions. This is in coordination with the concerned operating parties, the tourism activities and professions that are currently licensed by the SCTA and they are:

**Accommodation Sector:**
• The SCTA is licensing tourism accommodation facilities in cooperation with relative authorities, in addition to updating the new classification system (stars system), and forming the new standardization criteria for the accommodation sector based on the best international practices in cooperation with tourism experts from both public and private sectors.
• The SCTA is also facilitating the obstacles that negatively impact the tourism accommodation sector development through its direct connections with the stakeholders or through organizing workshops in PTOs or Chambers of Commerce all over the Kingdom.
• The SCTA, in cooperation with relative authorities, has developed a new classification system for accommodation facilities based on the best international systems and practices.

**Travel Agents Licensing:**
The SCTA is giving licenses to the travel agents since 1429, and it prepared a manual explaining the licensing procedures for this activity.

**Tour Guiding:**
• The SCTA has organized the tour guiding profession with the aim of activating
the tour guide role while accompanying tourists, familiarizing them with the tourism locations, providing them with correct information in a pleasant manner which provides better services in general. The SCTA has licensed over (64) tour guides up to this date and is promoting this sector through advertising for them on its official website. The SCTA has also contributed into the establishment of a Tour Guide Committee to be the center for all tour guides, launched the Saudi Tour Guide website and organized a workshop titled “Tour Guiding Skills” for those licensed under the standards of the WFTGA.

Tour Operators:
• The SCTA has developed detailed regulations for licensing tour operators upon revising these regulations with its stakeholders of the public and private sector. The SCTA has licensed (34) tour operator and received over (150) license applications which are still under study.

Licensing Timeshare System:
The Timeshare system allows distributing costs of construction, furnishing, administration, operation, and periodical maintenance between more than one beneficiary. That would lessen the costs for the beneficiaries (tourists), especially that the tourism is no longer limited to persons with high incomes. Lately, this industry has faced many criticisms that some people confirmed that this system is not going to succeed. Although the sale methods have been misused, giving a bad impression about this industry and hindering its growth, the future of this industry can be bright. That would be achieved through the country’s interference to control such new industry and protect owners and buyers of Timeshare system. Hence, the country has issued the suitable rules and regulations in order to set out measures that can remove doubt and prevent confusion in many cases.

Undoubtedly, applying such a system in the Kingdom will revive generally the tourism movement. That is because of applying a strict law helps in improving the system application environment and sustaining the public sector’s role with its
commitment to establish a specific law, which conforms to the KSA general laws. This activity is spread around the Kingdom since some companies construct and sell units based on Timeshare system. Also, there are several institutions and companies marketing units that are located outside the Kingdom as agents of foreign companies although there are no measures or rules - in the past - organize such an activity.

As a result, the Royal Decree no. (m/52) dated 20/8/1427H was issued recently to approve the Timeshare system in tourism real estate units.

**Tourism Transportation:**
- The SCTA is working with the Ministry of Transport through a technical work team to develop the procedures and provisions for issuing tourism transportation licenses (for buses). This is to provide an equipped transportation mean for tourism activities. The procedures and provisions were prepared and approved by the authorized party at the Ministry and the (Tourism Cruise Law) is currently under study by relative authorities.

**Tourism Visas’ Permits:**
- The tourism visa can only be issued through official authorities licensed by the SCTA for receiving and transporting inbound tourists. The SCTA, in cooperation with other relative public parties, has developed the regulations for issuing tourism visas. The regulations would grant transparency and facilitation to the licensing procedures following clear, speedy processes in all Saudi consulates abroad.

**Fields of Tourism Investments in Saudi Arabia:**
Tourism investment is any investment in the tourism sector; it includes tourism accommodation facilities (hotels & furnished units), conference and exhibition facilities, tour and travel agencies, tourism guide and information services, tourism and recreational services and other supporting services which provide more attractive elements, infrastructure services, and support to tourism activities.
Coastal Destinations
Al-Uqair destination in the Easter Province, Al-Rayes destination in Maddinah Province, Al-Berk destination in Aseer Province, and Farasan islands and Al-Tarfah destinations in Jazan Province.

Mountainous Destinations
Okad Souq and Al-Hada/Al-Shifa road in Makkah Province, Al Jarrah and Al Yazeed parks in Aseer Province, Quds, Hurrah and Raht mountains in Maddinah province, Al-Qam’e and Wadi Jarrah parks in Baha Province.

Desert Destinations
Dawmat Al-Jandal lake destination in Al-Jouf Province.

Developing Tourism Sites & Destinations:
• The SCTA is working in cooperation with its stakeholders all over the Kingdom on the implementation of the Tourism Sites & Destinations Development Program through a series of projects in different potential tourism development sites either as multi-used tourism destinations or sites for tourism investment projects. The SCTA has set the priorities for implementing the development plans of these areas and sites based on measurable standards and criteria specially designed for this purpose; the first proposed project is Al-Uquair Tourism Destination.

Al-Uqair Development Project: Developing Tourism Destinations Model
1. Al-Uqair is approved as a tourism development destination of high priority on the national level in a number of development strategies. A steering commission was formed to monitor and conduct the studies of Al-Uqair Development Project. The members of this Committee are the Secretary General, the Minister of Finance, the Minister of Economy and Planning, Minister of Commerce & Industry, Governor of SAGIA, Secretary General of the Supreme Economic Council, Deputy Minister of MOMRA for Technical Affairs, and three members from the SCTA’s BoD from the private sector.
2. The Steering Committee approved the outputs of the first phase of Al-Uqair Development Project. It includes the preliminary vision for the Al-Uqair Development as a new coast tourism destination and a model for other tourism destination development in Saudi Arabia. The Committee recommended conducting the necessary detailed studies (second phase).

3. Al-Uqair Project and the Tourism Destinations Development Program were submitted to the Custodian of the Two Holy Mosques and the Crown Prince in their visit to Al-Hassa Governorate in the Eastern Province in Jumada I 1427H (July, 2006G), upon which the project was announced as a large-scale, integrated and multi-use tourism destination.

4. The higher authorities of the country approved the completion of the second phase of Al-Uqair Development Project including the establishment of Al-Uqair Development Company.

5. The Project’s Major Developer and Sub-Developers were qualified, the preliminary technical and financial studies needed for the feasibility study for Al-Uqair Project were provided, and the contract for Al-Uqair Development Company was completed.

6. The Request for Qualification and the Request for Proposal documents were prepared and completed on 21/11/1428H (1/12/2007G).

7. The developers’ proposals were examined and evaluated, the major developer selection procedures for Al-Uqair Destination was completed during the period from 6-11/1/1429H following clear, transparent, and objective procedures as approved by the World Bank, which participated with other officials and experts in studying the project.
Souk Okaz in Al-Taif - Makkah Province

The idea of developing the historic souq Okaz covered an integral group of activities. The general scheme incorporates all the activities in a planned assortment. Souq Okaz will appear in its new design to provide new job opportunities, encourage the tourism investment and contribute to regain the tourism pioneering to Al-Taif. In the coming few days, project developer will be rehabilitated then one or more developer will be selected for more tourism investment sites will be introduced.

The Location:

- The project is located in the north eastern side of Al-Taif District on a land covering 10 km2. It is bordered by King Khaled farm from the north, Selbah village and Al-Abla rocks, and Al-Athida from the south and Wadi Wej and Taif-Riyadh highway from the west.
- The site is plain in general except for some rocky lumps in the south which is expected to be the people meeting area in the past.

The Idea of the Project:

- A number of elements were recommended to guarantee the continuous market efficiency around the year such as (Jaddet Okaz- which is the main commercial
pivot- Qubbat Al-Nabeghah, the show theatre, the residential area, the rocky area, the archeological area and some farms producing honey and flowers).

**Investment in Ecolodges and Farm-Lodges:**

- The surrounding environment, and not the accommodation facility itself, is our main concern and in particular (natural potentials, cultural attractions, marketing and management techniques of ecotourism and agritourism activities, locals involvement in the development of the project).
- The SCTA in partnership with the concerned government bodies issues licenses for the ecolodges and farm lodges based on the specific technical guide it prepared for this type of activity.
- Ecolodges and farm-lodges are tourism accommodation facilities that provide tourism accommodation services and they must comply with as many as possible of the following conditions:
  - preserving the surrounding flora and fauna;
  - involving local communities;
  - creating natural and environmental awareness for employees and tourists alike;
  - adopting alternative water resources and means of reducing water consumption;
  - minimizing the impact of soft & hard waste;
  - adopting natural and regenerated energy resources;
  - adopting traditional and sustainable architectural techniques;
  - preserving natural surrounding environment during construction;
  - accommodating the natural and cultural environment (general coordination, colors, traditional architectural techniques);
  - contributing into the sustainable development of local communities.

- Ecolodges and farm-lodges shall adhere to the three main principals for ecotourism:
  - preserving and protecting the surrounding environment;
  - contributing into the development of local communities;
activating interaction between the local environment and the employees and tourists alike.

**Investment in the Tour Operator Field:**

- The SCTA role is not limited to the licensing activities. The SCTA also provides the support and incentives for the investors in this field to enable them to practice their roles in developing and marketing the tourism programs, events and activities. For this reason, the electronic visa system was developed in coordination with the concerned parties to facilitate the tourism visa issuing procedures. The SCTA also prepares the publications, workshops and forums to stimulate the investment in this field and attract the international agencies in order to create a cooperative environment among the local operators. In addition, the SCTA is working on the establishment of a company between the licensed tour operators to increase the efficiency of this activity. 34 tour operators gained the license till date.

**Investment in the Tour Guiding Field:**

- The SCTA supports the tourism guiding occupation through some marketing advertising in the SCTA web site, launching a separate web site for the Saudi tour guides, provide the training course "the tour guiding skills" for the licensed ones according to the standards of the WFTGA. Tour guiding is one of the new tourism activities adopted by the SCTA. It gave licenses for only 86 tour guides in the whole country for the investment in this activity is still promising. The SCTA policy is to facilitate the procedures of issuing the licenses and provide a defined entity for this activity, provide the required support to practice this activity in cooperation with financing parties.

**Investment in the Tourism Training and Education Centres:**

The establishment of the Saudi Commission for Tourism is the main investment incentive in this field, which promotes the concept of the tourism activity requiring the establishment of training and education centers. According to the study of the National Developing Project for Human Resources, this sector in the Kingdom
needs 48 tourism educational institutes within the coming 20 years to meet the requirements of the job market. Thus, the project strategy involves the coordination with the concern parties to investigate the available options to expend their capacity to establish these institutes according to provisional plans, increase the capacity of the current institutions, diversify the tourism training programs, and facilitate and encourage the private sector to invest in the establishment of tourism training centers. The project strategies also involve the assurance of the high quality programs and curricula through subjecting them to the (Accreditation System) at the local and regional levels.

Saudization in the tourism sectors is one of the SCTA’s main priorities. This sector is managed and operated by Saudi officials which have the required knowledge and skills to occupy the job opportunities to be created by the sustainable tourism development in the Kingdom in coordination with all the stakeholders and the concerned parties.

According to the SCTA’s primal studies and expectations - at which it continuously works to audit and update - it is expected that the new job opportunities for Saudis will reach 1.5 million jobs by 1441 (2020) in all regions of the Kingdom and at all levels.

**Investment in the Travel Agencies:**
- The Kingdom is rich with natural and archeological resources attracting tourists from inside the country besides the Muslims from all Arab countries to perform Hajj and Umrah all around the year.
- Travel agencies is an essential needs for different members in the community. The number of working travel agencies in the Kingdom is relatively low considering the economic boost witnessed by the Kingdom these days. Beside the ticket issuing, there are more services provided by the travel agencies and required by the tourists inside and outside the Kingdom. The SCTA is now in charge of issuing the licenses of the travel agencies which is considered to be the best incentive for investment as the SCTA aims to update and facilitate the procedures in the matter.
Investment in Accommodation:
• The kingdom has many natural components at natural and archeological sites that would attract tourists throughout the kingdom. The kingdom also attracts Muslims throughout the world for performing Hajj and Umrah.
• SCTA has developed many studies showing hotels investment in Riyadh and Jeddah. This studies, including marketing and financial studies, would be distributed upon investors in order to promote investment. SCTA is currently studying available opportunities of investment.

Investment in Timeshare:
Timeshare is an international system. Under the Royal Decree No. m/52 dates 20/8/1427 (AH), stating the approval of Timeshare Law for real estate tourism units, then the resolution of HRH the BoD of SCTA No. 1/7/3/43417 dated 5/5/1428 (AH), stating the approval of executive rule of the Law. SCTA received several proposals for getting licenses. This matter required many qualified investors.

Investment in Tourism Activities:
Tourism activities considered an important element for tourism development in the kingdom. The Sustainable National Tourism Development Strategy and Provincial tourism strategies stated the importance of such activities and the contribution of SCTA. The SCTA initiated and development of activities. SCTA worked on providing means of activities development. So that activities organization became an excellent opportunity for investment.

Timeshare Investment:
Timeshare Law is widespread all around the world. The SCTA, based on the Royal Decree no. (m/52) dated 20/8/1427H and resolution no. (1/7/3/43417) dated 5/5/1428H by HRH the Chairman of the SCTA’s Board of Directors approving the Executive Charter of the Timeshare Law, has received a number of licensing applications and one company was issued this license after meeting all requirements.

Tourism Events Investment:
Tourism Events considered an important element for tourism development in the kingdom. The Sustainable National Tourism Development Strategy and Pr -
vincial tourism strategies stated the importance of such activities and the contribution of SCTA. The SCTA initiated the development of such events in cooperation with its stakeholder.

SCTA worked on providing means of developing the tourism events through the development of the event operation industry and developed too many mechanisms in this field. So, tourism events became an excellent opportunity for investment in the Kingdom.

**Heritage Hotels Projects:**
The heritage hotels projects aim to renovate certain types of archeological and heritage buildings to be used as tourism accommodation facilities and develop them economically in a way that protect them and make them an economic resource for job opportunities. Such projects offer variable types of tourism products allowing the tourists to experience and enjoy the cultural aspects of the country.

**Heritage Villages Projects:**
- They suitable to arrange heritage and cultural events and a great place to encourage the locals to practice and promote their agricultural products, local cooking and handicraft required by the village visitors.
- The investment is made through certain companies to develop these villages through the renovation and restoration of the old heritage buildings or developing the villages culturally and economically in a sustainable manner and provide the supporting services for these activities.

**Diving Centers and Safari Projects:**
- These types of projects are established in areas with special natural features suitable for different tourism activities (diving, mountain climbing, hunting, country crossing, sand skiing...etc.). Accommodation facilities with the same features may also be provided (simple movable buildings).
- These types of projects don't require high investments as much as a good administration, marketing and experience un these fields.
Investment in MICE Projects:
The SCTA carried out special surveys for the MICE market in four different provinces: Riyadh, Makkah, The Eastern Province and Aseer in order to define the available facilities and evaluate their performance (in term of the quality and quantity of the exhibitions). The surveys involved hotels (excellent and first class hotels), exhibition and conference halls, wedding halls, universities, other academic institutes, and some museums.

The surveys show that the number of exhibition and conference facilities is 445, and the halls only represent 52.1% of them. It also shows that 44 of the main facilities are located inside the excellent and first class hotels and that most of them are equipped with technical service centers. Most of these establishments (14) are located in Jeddah but inside the hotels.

Most of the exhibition centers in the Kingdom are of suitable quality for the current uses (small events), yet don’t meet the requirements of major events in the future. The investment in these facilities has several strength points as this market is new and booming and the investment opportunities and promising besides the plenty of supportive services, the growing private sector targeting the MICE market, the high quality hotels, the experience in hosting a large number of visitors and the governmental contribution in tourism development.

In addition, the Kingdom is the cradle of Islam, the largest gulf country, has the highest Gross Domestic Product in the Middle East, the largest oil producer in the world, and has many economic sectors for the oil manufacturing, water processing, communication and information technology besides the high number of academic institutions.

The Projects of Rehabilitating the Traditional Souqs, Handicraft, Establishing Copper Products Shops, Wooden, Leather and Textile Artifacts and Other Souvenirs
• The rehabilitation of the traditional and heritage souqs is represented in the
preservation of the old architectural designs which give these buildings their cultural, traditional and tourism fabric and providing the supportive services such as the providing the locations for the craftsmen, copper products shops, wooden, leather and textile artifacts and other souvenirs. In addition to prepare the activities schedule for the souq, develop the surrounding areas, and stimulate their investment.

• Such projects are essential factors of tourism development in the Kingdom for they reflect the traditional heritage of the country. They also represent tourism products attracting many tourists and visitors bedside their role in providing job opportunities, marketing the local products and protecting the traditional skills from being abandoned.

• The SCTA supports the investment in this field by giving the craftsmen the opportunity to participate in all the activities and creating supportive programs for these activities. The National Project encourages the investment in the development of tourism human resources especially in the handicraft fields through training craftsmen and help them to establish their small businesses.

• Work with the stakeholder to adopt tourism incubators for these craftsmen to market their products.

• The SCTA also provides the financial support for the craftsmen to invest in this field through signing agreement with financing parties such as the Saudi Credit and Saving Bank and the Centennial Fund.

**Investment in Other Tourism Activities:**
SCTA is working with its stakeholders in developing procedures and mechanisms including many tourism activities such as (tourism transport, theme parks, diving activities, entertainment shows, desert sports) and providing supportive services for the tourism activities such as hotel facilities and equipments...etc.
Cooperation Agreements between the SCTA and its External Partners Related to the Tourism Investment Activity:
The SCTA’s response with the partners from public committees and organizations required agreements with such partners. The agreements related to the tourism investment are as follows:

<table>
<thead>
<tr>
<th>Authority <em>(by date signed)</em></th>
<th>Fields of Cooperation</th>
<th>Key Projects &amp; Achievements</th>
</tr>
</thead>
</table>
| King Abdulaziz City for Science & Technology | GIS – Space /Aerial Photography | • Cooperate with the SCTA regarding the GIS  
• Providing the SCTA with space/aerial photos |
| Saudi Geological Survey | Tourism in Areas of Geological Significance | • Protecting and preserving of geological sites and caves |
| General Authority of Civil Aviation | Transfer Licensing Jurisdictions for Tourism Services & Travel Agencies to the SCTA | • Coordinating for the achievement of joint goals and transferring relative licensing jurisdictions to the SCTA |
| Ministry of Municipal & Rural Affairs | Tourism Sites – Criteria for the Development of Tourism Projects & Activities | • Selecting sites for PTO's headquarters, developing sites and destinations, investing & utilizing archeological sites, setting terms and specifications for road serving centers, developing archeological villages....... |
| Ministry of Commerce & industry | Elevate Quality Criteria for Accommodation Facilities - Licensing Tour Operators | • Monitoring accommodation facilities seeking higher quality  
• Organizing exhibitions  
• Setting licensing regulations and transferring the licensing jurisdictions for tourism activities and occupations to the SCTA |
<p>| Ministry of Agriculture | Tourism Sites &amp; Activities | • Cooperating in the development of comprehensive strategies for ecotourism, agrotourism and promoting tourism activities |
| Ministry of Transport | Tourism Transportation – Road Services – TDA’s Road Projects | • Tourism transportation in general, road services, road signs, information centers, traffic safety, means of transportation used by tour operators |
| National Commission for Wildlife Conservation &amp; Development | Tourism in Preserved Areas | • Developing some preserved areas for tourism investment and setting relative laws and regulations |</p>
<table>
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</thead>
<tbody>
<tr>
<td>Ministry of Education</td>
<td>Tourism &amp; Education Integration</td>
<td>• Implementing the tourism school education program (Ibtassem), studying extracurricular activities and means of utilizing such activities in the development of tourism awareness</td>
</tr>
<tr>
<td>Ministry of Hajj</td>
<td>Coordination between Umrah &amp; Tourism Activities</td>
<td>• Adopting a mechanism for the coordination between Umrah &amp; tourism activities by reviewing all laws and regulations relative to tour operators and businesses providing Umrah services</td>
</tr>
<tr>
<td>General Presidency for Youth Welfare</td>
<td>Sports &amp; Adventure Tourism - Tourism Awareness</td>
<td>• Creating tourism awareness and utilizing sports activities in the development and promotion of tourism</td>
</tr>
<tr>
<td>Ministry of Interior</td>
<td>Exchanging Information - Tourism Security - Social Environment</td>
<td>• Coordinating with the SCTA in all tourism activities and cooperating in the development of tourism on the provincial level</td>
</tr>
<tr>
<td>Ministry of Health</td>
<td>Health Tourism - General Health and Safety</td>
<td>• Cooperating in the field of Health Tourism</td>
</tr>
<tr>
<td>Presidency of Meteorology &amp; Environment</td>
<td>Monitoring Environmental Impacts - Boarders of Tourism Areas</td>
<td>• Organizing events, studying all obstacles facing investors in maritime activities, and developing a mechanism for processing applications and transactions related to sailing and diving agencies and clubs</td>
</tr>
<tr>
<td>Technical &amp; Occupational Training Corporation</td>
<td>Occupational Criteria for the Travel &amp; Tourism Sector</td>
<td>• Developing occupational criteria and establishing three tourism colleges</td>
</tr>
<tr>
<td>Ministry of Media &amp; Culture</td>
<td>Tourism Awareness &amp; Guidance Programs</td>
<td>• Developing mechanisms and criteria for tourism awareness and tourism promotion</td>
</tr>
<tr>
<td>Ministry of Planning &amp; Economy</td>
<td>Tourism Satellite Account</td>
<td>• Developing the Tourism Satellite Account in Saudi Arabia, participating in relative meetings and coordinating in the area of planning</td>
</tr>
<tr>
<td>Ministry of Water &amp; Electricity</td>
<td>Water &amp; Electricity Infrastructure</td>
<td>• Developing policies for facilitating infrastructure to tourism sites &amp; areas, studying alternatives for attracting investments in tourism business by offering discounted water and electricity charges</td>
</tr>
<tr>
<td>Human Resources Development Fund</td>
<td>Tourism Occupations Training Packages - Training Programs</td>
<td>• Financing training packages for the travel &amp; tourism sector • Employment in the tourism sector</td>
</tr>
<tr>
<td>Authority <em>(by date signed)</em></td>
<td>Fields of Cooperation</td>
<td>Key Projects &amp; Achievements</td>
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<tr>
<td>Ministry of Higher Education</td>
<td>Scholarships - Cooperation with Universities - Academic Grants</td>
<td>• Enlisting tourism specialities in the Ministry’s scholarship plans and developing tourism human resources</td>
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<tr>
<td>Saudi Customs</td>
<td>Training Programs for Dealing with Tourists</td>
<td>• Equipping customs officials with the required skills for dealing with tourists • Developing the tourism research scholarship program</td>
</tr>
<tr>
<td>King Abdulaziz University</td>
<td>Tourism Human Resources Development</td>
<td>• Establishing a specialized institute for tourism development and training • Developing a tourism incubator for small and medium enterprises</td>
</tr>
<tr>
<td>King Fahad Security College</td>
<td>Training &amp; Research</td>
<td>• Cooperating in the fields of training and research</td>
</tr>
<tr>
<td>Saudi Airlines</td>
<td>Tourism Promotion and Travel Operation</td>
<td>• Activating and developing the “Discover Saudi Arabia Program” • Participating in sponsorships • Providing discounts • Exchanging information</td>
</tr>
<tr>
<td>Higher Commission for the Development of Makkah and Maddinah</td>
<td>Activate the Tourism Development Strategies for Makkah &amp; Maddinah</td>
<td>• Developing tourism and preserving antiquities</td>
</tr>
<tr>
<td>King Saudi University</td>
<td>Promote Tourism Development</td>
<td>• Establishing the Tourism &amp; Antiquities within the tourism human resources development program</td>
</tr>
<tr>
<td>Saudi Credit &amp; Saving Bank</td>
<td>Promotion &amp; Development of SMEs</td>
<td>• Financing SMEs</td>
</tr>
<tr>
<td>The Centennial Fund</td>
<td>Promotion &amp; Development of SMEs</td>
<td>• Supporting, guiding and financing SMEs</td>
</tr>
<tr>
<td>Council of Saudi Chambers</td>
<td>Promotion &amp; Development of SMEs</td>
<td>• Participating in relative meetings and providing technical support</td>
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<tr>
<td>National Commercial Bank</td>
<td>Promotion &amp; Development of SMEs &amp; Productive Families</td>
<td>• Training &amp; guidance</td>
</tr>
<tr>
<td>Saudi Industrial Development Fund - Kafala Program</td>
<td>Promotion &amp; Development of SMEs</td>
<td>• Supporting SMEs and participation in the development and organization processes</td>
</tr>
<tr>
<td>Imam Mohammad bin Saud University</td>
<td>Tourism Human Resources Development, Culture &amp; Heritage, Tourism &amp; Society, Research &amp; Information Technology</td>
<td>• Tourism training programs</td>
</tr>
</tbody>
</table>
Promising Tourism Projects:
One of the most important outputs of the Provincial Tourism Development Strategy in Saudi Arabia is the identification of tourism areas to be developed as major and multi-use tourism destinations, in addition to identifying tourism sites where tourism projects can be developed. These tourism areas and sites will be offered for investment as soon as they are studied, and they include:

Project: Al-Berak Tourism Destination
Province: Aseer Province

Site Brief:
The site is located on the Red Sea coast in Aseer Province, it is boarded from the north by Umg, Al-Hreidah from the south and the Red Sea from the west. It is about 150Km far from Abha city and covers an area of about 44.83km². It is covered with various plants such as Al-Doum and Al-Shoura trees in addition to coral reefs of different types.

Project Brief:
A preliminary development concept was designed for the site guaranteeing balance between tourism development and ecological and natural preservation. The concept aims at developing a tourism destination that provides high quality facilities and entertainment services e.g. (furnished units, ecolodges, aqua parks, tourism hotels, beach clubs).
**Project:** The Development of Dawmat Al-Jandal Lake  
**Province:** Al-Jouf Province  

**Site Brief:**  
It is located at a distance of approximately 4 km to the north of Dawmat Al-Jandal district in Al-Jouf Province, where it lies in a valley surrounded with high hills from all sides and covers an area of about 1.1 million m² in a somewhat random shape (1×2 km). The lake is 4-25m deep, and it is deep in the center.  

**Project Brief:**  
The focus is on creating an integrated destination as the SCTA has set the preliminary conceptual designs for the proposed tourism development concepts. Such a destination would provide various tourism products e.g. (hotels’ area, hotel’s beach, unique residential facilities & beaches for families, families residential area, recreational facilities, singles’ residential area, singles’ beach, services area, administrative and cultural services, and public beaches).
Project: The Development of Ras Altarfa Peninsula

Province: Jazan Province

Site Brief:

Altarfah peninsula is located about 37 km west of Jazan city. It covers an area of about (36.1 km²) and can be accessed through Aljuaiifirah area. The site is a piece of land surrounded by the sea from three sides, with sandy hills and some Shoura trees scattered all over it.

Project Brief:

Developing an integrated tourism destination as the SCTA has prepared a preliminary vision for the suggested components for development and includes various tourism activities. The project’s main components include the following: (main coastal entrance, sea entrance, small harbors, hotels, resorts, health spa, natural park, diving club, restaurants, accommodation lodges, horse track, water games, commercial area, and a residential area).
Project: The Development of Tour Al-Yazeed Park

Province: Aseer Province

Site Brief:

It is located to the south west of Aseer Province about 26km far from Abha City. It can be accessed through Abha-Faraa Road and covers an area of about 4.32km². The park is adjacent to other parks in the province such as Dalgan Park, Prince Sultan Park and Al-Faraa Park. The site which is featured by viewing Tuhama is mainly plain lands covered with rocks and juniper and acacia trees.

Project Brief:

The development of a tourism resort utilizing the natural resources of the site, providing high quality services and facilities and offering recreational activities related to the environment. The project’s concept includes the following components: (a) visitors’ center displaying environmental and archeological features, golf courts as a main component of the site, sports center for the youth, archeological style accommodation units, camping sites, traditional markets for selling and displaying archeological items and other essential infrastructure services and facilities such as restaurants and others).
Project: The Development of Farasan Islands

Province: Jazan Province

Site Brief:
The project is located to the north east of Farasan Islands about 40km far from Jazan City. Hard lime stones cover the north east side of the islands creating the terrain of the area. Cars cannot enter the area which creates a great gazelle reserve on this island. The islands are famous for their beaches and surrounding coral reefs. Farasan Islands cover an area of about 52.06km² divided into two areas (area one 27.5km² - area two 26.9km²).

Project Brief:
Developing an integrated tourism destination offering various tourism products and served with hotels, restaurants, cafes and shops. The project's main components include, but not limited to, the following: yacht harbor, waterfront offering shops, seating areas and recreational facilities and visitors' centers introducing traditions and cultural heritage, in addition to paying consideration to environmental products.
**Project: The Development of Al-Jarah Park**

**Province: Aseer Province**

**Site Brief:**

It is located in the south west of Aseer Province, about 40km far from Abha city and can be accessed through Abha-Fara Road. It covers an area of about 12km² including a line parallel to the mountains, and is estimated to be of a depth of 1.5 km. To the west lies a part of Tuhama Mountains, Prince Sultan Park from the north, Tamniah Village from the south, Al-Farhan Villages along with the road leading to Tamniah to the east, and Tuhamat Aseer to the west. The site is covered with rich forests mainly of juniper trees.

**Project Brief:**

A preliminary vision to develop a park that balances between tourism development and preservation by developing a tourism resort utilizing the natural resources of the site, providing high quality services and facilities and offering recreational activities of environmental standards. The project’s concept includes the following components: (visitors’ center displaying environmental and archeological components of the site, mountainous hotel, private accommodation units, archeological style accommodation units, handicrafts market, camping sites, recreational center, sports center and courts, other essential infrastructure services and facilities such as restaurants and others).
**Project:** The Development of Quds Mountain  
**Province:** Maddinah Province

**Site Brief:**
It consists of several mountains and covers an area of about 2km². It is famous for its spectacular scenes, natural pastures, diverse wildlife, cold weather and marvelous rock formations. It is located about 55km far from Al-Yatmah Station and considered to be a unique tourism site for it meets the tourism market demands and it can be connected to other tourism sites.

**Project Brief:**
Develop a unique tourism destination (Quds Mountain) targeting local tourism in addition to few selected international tourism markets. The project’s development components include the following: five-star hotel, spa, rehabilitation center, sport courts and facilities, mosque, playgrounds, handicrafts market, and information centers.
Project: The Development of Rahat Lava Field

Province: Maddinah Province

Site Brief:

Rahat Lava Field is located 19km to the south east of Madinah. It reflects the geographic and geological phenomena of igneous rocks spreading over the Arabian-Nubian Shield. The Red Sea basin is the richest in extinct volcanoes and the Rahat Lava Field alone has over seven hundred volcanic cones. Basaltic lava fields cover great areas of Madinah Province, about 23.5% of total lands.

Project Brief:

Develop a unique tourism destination targeting local tourism in addition to few selected international tourism markets. The project’s development components include a main building holding a geology museum and a visitors’ center, as well as an expedition track for introducing visitors to the natural resources of the area.
Project: The Development of Al-Kuma Park
Province: Al-Baha Province

Site Brief:

The site is located 35km far from Al-Baha Province on Baha-Abha Highway. It is one of the most beautiful and attractive parks of Al-Baha, where tourists can enjoy an amazing ride on the cable cars (telefric). The cable cars project is one of the most important tourism projects in the province. It is located on the top of Ethrib Mountain overlooking Khaitan Valley in Tuhama. The site covers an area of about 10km² and is covered with wild olive trees, wattles, and junipers.

Project Brief:

Develop a unique tourism destination targeting local tourism in addition to few selected international tourism markets. The project's development components include the following: (conference hotel, sport courts and facilities, recreational areas, restaurants, shopping facilities, mosques, and furnished hotel units for families).
Project: The Development of Jeddr Valley

Province: Al-Baha Province

Site Brief:

Jeddr Valley is a rich forest located near Al-Baha Province and covers an area of about 7km². It is one of the most visited sites in the province for its natural beauty, recreational facilities and proximity to urban areas in Al-Baha City.

Project Brief:

Develop a unique tourism destination targeting local tourism in addition to few selected international tourism markets. The project's development components include the following: (traditionally designed hotel, chalets, apartments, camping sites, recreational facilities, visitors' center and handicrafts market).
Project: Development Analysis of Jazan Dam Hot Springs

Province: Jazan province

Site Brief:
These springs are located to the north of the Dam in a mountainous area by the lake. It is accessible through the Dam Bridge then drive through a rough road 1.5km long.
The water temperature of these hot springs ranges between 50 and 60°, they overlook the Dam Lake with trees and plants of various types surrounding the lake and mountains at the other side. The natural beauty of the site is breathtaking; however, there are not enough plain lands in the site.

Project Brief:
- Developing ecolodges and spas;
- Developing health tourism by restoring and renovating the Hot Springs (build tubs or pools of natural rocks);
- Organizing environmentally friendly activities around the year (sail boats, fishing);
- Providing local products and dishes of Jazan province e.g. El-Haneeth, El-Me¬sha, El-Khameer, El-Magash and many others;
- Presenting traditional dances and folkloric shows;
- Developing a mini-market for traditional handicrafts and local perfumes;
- Practicing various sports such as hiking and walking through explorative tours around the site.