

IN THIS EDITION ...

The coronavirus crisis will likely impact global economic growth and oil demand, but countries are putting in place robust measures to protect their citizens.

To respond to the economic fallout, the [Saudi Arabian Monetary Authority](#) cut its key interest rates by 50 basis points (bps). The central bank slashed its repo rate – used to lend money to banks – by 50 bps to 1.75% and its reverse repo rate – at which commercial banks deposit money with the central bank – by 50 bps to 1.25%.

The Saudi government has also unveiled a SAR 120 billion financial stimulus package to help companies weather the downturn, and has taken a number of measures, including travel restriction, to ensure the well-being of its people.

The [Organisation for Economic Co-operation and Development](#) (OECD) forecasts global economic growth to rise 2.4% in 2020, compared to an already weak 2.9% in 2019, before rising to a modest 3.3% in 2021. The OECD has also revised growth prospects for China below 5% this year, following 6.1% in 2019.

In an effort to boost economic activity the US, the Federal Reserve cut interest rates by 50 basis points in early March. Major global multilateral institutions are moving quickly to address the economic fallout. [The International Monetary Fund](#) said it is making available about USD 50 billion through its rapid-disbursing emergency financing facilities for low-income and emerging market countries that could potentially seek support.

As the president of G20, Saudi Arabia has also taken a leadership role in responding to the COVID-19 pandemic.

The [Saudi G20 presidency](#) said it has taken necessary precautionary measures for all meetings through to the end of March, whilst ensuring important discussions continue to take place and efforts are focused on the global response to COVID-19.

“The G20 is working closely with the World Health Organization (WHO) and the Saudi Ministry of Health given the rapidly changing circumstances around COVID-19, including elevated travel restrictions, and will continue to evaluate the status of meetings,” according to a [G20](#) statement.

The latest global health crisis will likely impact the global economy, as well as regional and domestic economies, as businesses slow down and authorities take precautionary measures to respond to the crisis. But Saudi Arabia and other countries remain on a strong fiscal footing, and will take all necessary measures to protect their citizen's health and financial well-being.



ECONOMIC TRENDS

Controlling the spread of the virus has become a global undertaking, with the kingdom adopting a strategy to mitigate the economic impact from the disease.

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RENEWABLE ENERGY

The smart city development will turn to renewable energy to power desalination plants and meet its residents' water needs.

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SAUDI STOCK EXCHANGE

A new set of directives by Saudi's financial regulators aims to encourage foreign investors to park their cash in the kingdom's stock exchange.

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SME

The accelerator programme run by SABB and KAUST is equipping entrepreneurs with the skills and tools they need to grow their small businesses.

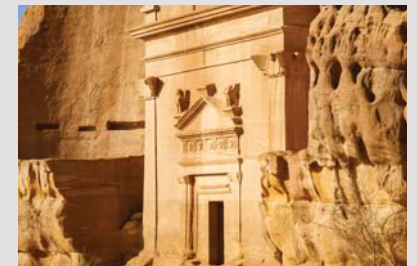
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HEALTHCARE

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TOURISM

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SAUDI MOVES QUICKLY TO CURB CORONAVIRUS OUTBREAK



Saudi Arabia and governments across the world have moved swiftly on multiple fronts to stem the rise of the coronavirus, also known as COVID-19, in their countries.

The tragic deaths of thousands of people around the world and the lockdown in various countries have brought the world together to fight a common viral enemy.

Saudi Arabia unveiled a SAR 120 billion package to mitigate the fiscal, financial and economic impact brought upon by COVID-19.

“The health and safety of the kingdom’s citizens and residents comes first in the priorities of government’s actions and that the government will avail all the required appropriations for the health sector, to provide and deliver the necessary health services for prevention, treatment and control of infection,” said [Mohammed bin Abdullah Al-Jadaan](#), minister of finance, and acting minister of economy and planning.

The government unveiled a suite of measures, such as a SAR 70 billion fiscal stimulus package focused on exemptions and postponement of some government dues to ensure entrepreneurs can manage their businesses at a time of limited economic activity.

The Saudi Arabian Monetary Agency (SAMA) also [announced](#) a package of SAR 50 billion to support the banking sector, financial institutions, and small and medium businesses.

In addition, SAMA decided to cut the repo rate by 50 basis points (bps) from 2.25% to 1.75% and the reverse repo rate by 50 bps from 1.75% to 1.25%, to help ease liquidity in the system.

Other measures include exemption from expat levy for those with expired Iqamas until the end of June. The [government](#) will also allow business owners to postpone the payment of value-added tax, excise tax, income tax, the submission of Zakat declarations, and the payment of obligations for the next three months.

“Postponing the collection of customs duties on imports for a period of 30 days against the submission of a bank guarantee, for the next three months and setting the necessary criteria for extending the postponement period for the most affected activities as needed,” the [government](#) said.

Another key measure was to postpone the payment of government service fees and municipal fees due on the private sector for a period of three months, and setting the necessary criteria to extend the postponement period for the most affected activities as needed.

G20 VIRTUAL SUMMIT

Saudi Arabia is also making a difference globally. Under the kingdom’s G20 presidency, [G20](#) countries are convening an extraordinary virtual G20 Leaders’ Summit to advance a co-ordinated response to the COVID-19 pandemic and its human and economic implications.

“The G20 will act, alongside international organisations, in any way deemed necessary to alleviate the impact of the pandemic. G20 Leaders will put forward a co-ordinated set of policies to protect people and safeguard the global economy,” according to the G20.

G20 finance ministers and central bank governors have also pledged to act in a co-ordinated manner to address the economic fallout of the pandemic.

“We are ready to take further actions, including fiscal and monetary measures, as appropriate, to aid in the response to the virus, support the economy during this phase and maintain the resilience of the financial system,” the [ministers](#) said in a joint statement.

In March, the US Federal Reserve moved to cut interest rates to a target of between zero and 0.25% range, as well as deploying a variety of other policy tools to combat the escalating disruptions to the economy and markets from the coronavirus.

To support the smooth functioning of the US Treasury and agency mortgage backed securities (MBS) markets over the coming months, the Fed said it will purchase at least USD 500 billion of Treasury

securities and USD 200 billion of agency MBS. While the timeline for these purchases was not specified, the signal was that they would be front-loaded, and initially could be skewed to longer duration than the market.

In Europe, the European Central Bank announced [measures](#) to stem the economic impact of COVID-19, including a EUR 750 billion Pandemic Emergency Purchase Program (PEPP).

PEPP will include all asset classes eligible under the existing asset purchase programme. The purchases will expand the range of eligible assets under the Corporate Sector Purchase Program (CSPP) to non-financial commercial paper as well.

LOCAL COMPANIES

Like the rest of the world, the Saudi government is encouraging people to stay at home, comply with travel restrictions, practice social distancing and avoid crowded places. These new guidelines, however, have taken a toll on economic life and adjustment to services, such as retail and banking.

Despite the challenges, key services are being provided by the kingdom’s mission-critical companies. The Saudi British Bank (SABB) is among the major entities determined to maintain a high level of service during these challenging times.

“We have complied with the Saudi Arabian Monetary Authority’s request for all banks to close some branches to reduce the risk of infection. A list of our remaining open branches is available [here](#), please note opening hours will be restricted to 9am-1pm,” [SABB](#) said in a statement.

But the bank said it has a dedicated team managing contingency scenarios to pre-empt further precautionary actions and maintain an uninterrupted banking service.

“If you are unable to visit a branch, remember you can use our mobile banking app and online banking to manage your everyday banking needs,” the bank said.

CMA REFORMS RAISE TADAWUL'S GLOBAL PROFILE

Saudi Arabia's Capital Market Authority (CMA) has unveiled a number of reforms over the past year to raise the country's profile and transform Tadawul into one of the most dynamic emerging markets.

Among the reforms introduced was the instructions for the [Foreign Strategic Investors Ownership](#) in listed companies, which removed limitations contained in the Rules for Qualified Foreign Financial Institutions Investment in Listed Securities.

"The Instructions aim to regulate the provisions, requirements and conditions for the foreign strategic investors' ownership of a strategic shareholding in listed companies, in addition to determining the foreign strategic investors' obligations and the obligations of the Authorised Persons in this regard," [CMA](#) noted.

The reforms have paid off, as foreign investors are emerging as an important segment of the market's investor base.

[CMA's](#) latest data from February shows that the total value of shares purchased by foreign investors during the month reached SAR 9.49 billion, representing 13.26% of all buying activity; they also sold SAR 7.02 billion shares in February, or 9.8% of the total.

"Total ownership of foreign investors stood at 2.13% of total market capitalisation as of 27 February 2020, representing a decrease of 0.08% from the previous month," [CMA](#) said.

The net buying of foreign investors is more impressive as the wider market saw declines and the total value of shares traded during the month decreased by 15.14%.

ARAMCO IPO

Last year, CMA also saw the landmark initial public offering of Saudi Aramco, the world's largest listed company and the world's biggest oil producer.

Tadawul's market capitalisation at the end of the year 2019 reached SAR 9,025.44 billion (USD 2,406.78 billion), an increase of 385.51% compared to the end of the previous year, thanks to the Aramco listing, [CMA](#) said in its annual report.

Mohammed al-Rumaih, [Tadawul's](#) chief of markets, said that the bourse underwent massive changes and upgrades to its system to handle the mega deal.

Parallel to that, Tadawul introduced index capping for TASI with a 15%

threshold to reduce dominance of larger companies on the index performance so that the weights of all index constituents remain under a set capping threshold. Any constituent whose index weight reaches or exceeds the threshold will be capped in accordance with the set limit, the [firm](#) said.

"The update to Tadawul's indices methodology reflects our continuous efforts to further develop the Saudi capital market and ensure more balanced indices, which will accurately represent the movement of the market, enhance disclosures and transparency and minimise securities' dominance within Tadawul Indices," said Eng. Khalid Al Hussan, CEO of [Tadawul](#).

The systemic strength came into play as the global markets declined in late February and early March as the majority of the markets across the world saw heavy trading activity.

Five other companies/funds offered parts of its shares to public (IPOs) in 2019. At the end of the year, the total number of listed companies on the Tadawul trading board reached 199.

Another landmark was Saudi Arabia's successful inclusion into the MSCI Emerging Markets Index, with the kingdom making up 2.8% of the index's total market capitalisation, featuring 31 listed companies.

In 2018, CMA also approved the Financial Technology Experimental Permit, which will increase innovation in the domestic economy in line with the Vision 2030 goals, specifically the Financial Sector Development Program.

The CMA's approach follows a similar methodology to [Saudi Arabian Monetary Agency's](#) sandbox strategy, which allows new products and technologies to be tested under the auspices of the regulator to limit risks.

FOREIGN COMPANIES

Last year, [Tadawul](#) said it will allow foreign companies to list on Tadawul after the CMA's approval of amended listing rules including provisions related to foreign listing.

Foreign companies will be subjected to the same listing, disclosure and governance requirements as Saudi-listed companies, and foreign shares will be traded on the Saudi exchange in Saudi riyals, the company said in a statement.



"Foreign listings on the Saudi market reflects the importance of integration between capital markets in the region. This will facilitate issuers' access to new funding resources and enable investors to reach a diversified pool of investment tools," said [Tadawul](#) CEO Hussan.

Tadawul and CMA have also been collaborating on developing rules and provisions for foreign listings.

Meanwhile, the Securities Depository Center Company (Edaa), a subsidiary of [Tadawul](#), signed deal with Abu Dhabi Securities Exchange and Bahrain Clear to allow foreign companies to list on Tadawul, and unify administrative and operational procedures between the countries.

SAUDI HEALTHCARE SECTOR ON A FIRM FOUNDATION



The Saudi Arabian government has been investing heavily in the healthcare sector over the past few years, giving its citizens the confidence that the country's healthcare infrastructure can handle the coronavirus crisis affecting the world.

Authorities have been able to mitigate the impact of the global pandemic and also take swift action in preventing and actively treating those affected by the crisis. [Dr. Mohamed Al-Abd Al-Aali](#), spokesman of the Ministry of Health, the officials have also screened more than half a million people at the ports by 10 March 2020.

Indeed, Saudi Arabia has provided USD 10 million to the [World Health Organization](#) to take urgent measures to minimise the spread of the disease and to support countries with vulnerable health infrastructures.

Health and social development have been among the top three budget allocations in Saudi Arabia the past few years, underscoring the kingdom's efforts to upgrade the services, scope and breadth of healthcare in the country.

This year, the government allocated 16.4% of the budget, or SAR167 billion, on healthcare and social development.

The government aims to use the allotment in areas such as introducing public-private participation healthcare models to achieve the Vision 2030 target of privatising 295 hospitals by 2030, 2,259 healthcare centres, 13,700 doctors, 20,000 additional hospital beds by 2030.

"Furthermore, the government seeks to improve the country's healthcare sector by adopting digital information systems. To support this e-health strategy, the Ministry of Health has designed an e-health strategic framework with strategic business objectives," according to a [KPMG](#) report.

"In addition, under the National Transformation Program, the government has set a target of increasing the proportion of patients that have a digital health record from 0% in 2016 to 70% by 2020."

Indeed, some of the key Ministry of Health targets this year are:

- Raise private healthcare expenditure from 25% to 35% of total healthcare expenditure;
- Raise the number of licensed medical facilities from 40 to 100;
- Raise the number of internationally accredited hospitals;
- Double the number of primary healthcare visits per capita from two to four;
- Lower the percentage of smoking and obesity incidence by 2% and 1% from baseline, respectively;
- Double the percentage of patients who receive healthcare after critical care and long-term hospitalisation within four weeks from 25% to 50%;
- Focus on improving the quality of preventive and therapeutic healthcare services; and
- Increase focus on digital healthcare innovations.

CLOSING THE DEMAND GAP

Real estate consultancy Colliers believes Saudi Arabia's demand for bed, doctors and nurses will need to grow at around 2.5% per annum until 2030 to meet demand in line with rising populations and aging demographics.

The government's increasing standard of healthcare also has the desirable effect of longevity among Saudi nationals to around 79.4 for men and 81.3 for women by 2050.

"Demand growth rates will continue to accelerate as the over 60s population is expected to increase by three times between 2018 and 2035," according to real estate consultancy [Knight Frank](#). "This would result in demand for additional specialisations within the LTC (long-term care) sector due to the burden of chronic diseases, which leads to degenerative and debilitating illnesses in the geriatric segment."

At the other end of the spectrum, demand for the youngest age group of zero to 19 is also set to rise 13.7 million by 2030 (from 10.5 million in 2018). Indeed, around 8 million babies will be born during the period, leading to higher demand for obstetrics, gynaecology and paediatrics.

Another key age group is 40 to 59 years.

"The total population within this age group is likely to increase from 8.4 million in 2018 to 12.3 million in 2030," according to property consultants [Colliers International](#). "In the near future, it is expected to be a sharp rise in healthcare demand, as almost 80% of a person's healthcare requirements typically occur after the age of 40 to 50 years, especially in the case of KSA, due to an increase in lifestyle and other chronic diseases."

NEOM CITY TAPS SOLAR ENERGY TO PRODUCE WATER

[NEOM](#), the carbon-neutral giga project rising on the northwest coast of Saudi Arabia, took a major step in its sustainable development with a new solar project.

The smart city developer said it will pursue cutting-edge solar technology to produce low cost, environmentally friendly water.

The company said it signed an agreement with UK-based Solar Water Plc. to build the first ever "solar dome" desalination plants in NEOM. Work on the project will be completed by the end of 2020.

The solar dome technology can produce water at 34 cents per cubic metre, believed to be significantly lower than desalination plants using reverse osmosis methods, according to the company.

"Easy access to abundant seawater and fully renewable energy resources means NEOM is perfectly placed to produce low cost, sustainable fresh water through solar desalination," said Nadhmi Al-Nasr, the development's CEO.

"This type of technology is a powerful reminder of our commitment to supporting innovation, championing environmental conservation and delivering exceptional livability. Working together with the Ministry of Environment, Water and Agriculture, we can expand the implementation of this technology beyond NEOM."

Developed at the Cranfield University in the UK, the project will be the first large-scale concentrating solar power (CSP) technology being deployed in solar desalination.

"The "solar dome" desalination process, which can also operate at night due to the stored solar energy generated throughout the day, will reduce the total amount of brine that is created during the water extraction process," the company noted.

While the high salt concentration in brine makes it more difficult and expensive to process, the solar dome process will prevent any damage to marine life as no brine is discharged into the sea.

STRATEGIC LOCATION

Located in the strategically important northwestern region of the country, straddling the Middle East and Africa, and at the crossroads of Asia and Europe, the NEOM city will be spread over 26,500 square kilometres – a land area slightly smaller than Belgium.



Its location on the Gulf of Aqaba will ensure that residents enjoy an uninterrupted coastline stretching over 468 km, with a dramatic mountain backdrop rising to 2,500 metres to the east.

The site will also become the gateway to the King Salman Bridge, connecting Asia and Africa, further elevating the economic zone's significance.

The city's building codes will make net-zero carbon houses the standard, and the layout will encourage walking and bicycling, and all facilities solely powered by renewable energy.

THIRD ROUND

Earlier this year, Saudi Arabia's Renewable Energy Project Development Office (REPDO) unveiled the third round of the National Renewable Energy Program ([NREP](#)), featuring four solar PV projects with a combined power generation capacity of 1,200 megawatts (MW).

The projects will include the 80MW Layla solar PV, the 120MW Wadi Al Dawaser development, the 300MW Saad solar PV, and the 700MW Ar Rass solar PV project. The third round will seek a minimum requirement of 17% local content to ensure local businesses and workforce is involved in the developments.

In 2017, REPDO announced the first round of renewable energy projects that included the 300MW Sakaka solar PV project, which is already connected to the national electricity grid, and the under-construction Dumat Al Jandal wind power project with a capacity of 400MW.

The second round featured six solar PV projects with a combined generation capacity of 1,470MW.

According to the [Middle East Solar Industry Association](#), the regional renewable industry is surging on the back of impressive growth in major countries, such as Saudi Arabia, which are taking the lead.

With the engagement of electricity price reform, interest for solar C&I (commercial and industrial sector) is growing, thanks to authorities such as Electricity & Cogeneration Regulatory Authority that are currently working on devising a clear regulatory framework for such projects.

"It is anticipated to be launched in mid-2020. The Mutajadedah programme, designed by the SIDF could be the main driver to push forward more projects like the off-grid system at Nadec (30MW). With this programme, the fund offers financing for rooftop solar captive systems for 12 years, with a three-year grace period and attractive interest rates," [MESA](#) said in a new report.

"Even though storage is not explicitly mentioned in the energy mix or among REPDO-targeted technologies, storage solutions are not out of the picture as a 2.4GW capacity of CSP is expected to be released in the near future."

TAQADAM CONTINUES TO NURTURE SAUDI'S START-UP TALENT



Saudi Arabia's drive to accelerate the activities of small and medium enterprises (SMEs) received a big boost with the latest iteration of The Saudi British Bank's (SABB) latest accelerator programme.

Now in its fourth year, [Taqadam](#) Startup Accelerator, was launched by SABB in collaboration with King Abdullah University of Science and Technology (KAUST) with the aim to fund projects, support new ideas, and invest in the next generation of Saudis.

"The programme is one of SABB's key social initiatives as part of its responsibility toward the community, and to complement its pioneering role in supporting young people's aspirations, and contributing to developing a generation capable of leading the country in the fields of trade, industry, knowledge and technology," the [bank](#) said.

KAUST is one of Saudi Arabia's most innovative universities and considered a hub of innovation for local and international start-ups.

"In the last decade, KAUST has graduated more than 200 start-ups who raised nearly USD 60 million of investment funding. KAUST has significant expertise in designing and implementing start-up accelerators and entrepreneurship training programmes in Saudi Arabia with over 8,000 innovators graduated," the [university](#) noted.

The two Saudi powerhouses are pooling together their resources and intellectual capital to build on the kingdom's burgeoning start-up culture, which has already emerged as vibrant breeding ground for new companies.

Last year, Saudi-based start-ups saw a record 71 investments valued at USD 67 million, a 92% increase over 2018, according to start-up data platform [Magnitt](#). A record 41 institutions invested in Saudi-based start-ups in 2019, with accelerators accounting for 32% of all investments.

"Saudi Arabia is one of the fastest growing ecosystems in the region. With the government clearly identifying innovation and entrepreneurship as one of their key focuses in line with Vision 2030, many new initiatives have been launched in 2018 and 2019," said Philip Bahoshy, founder of [Magnitt](#). "Usually, these initiatives take time to come to fruition, but we have already seen their impact on the ecosystem in the country and MENA region."

4th EDITION

Taqadam 4 will nurture young entrepreneurs and become a platform to turn creative ideas into successful and sustainable businesses. Over the past three years, 78 start-up teams have received funding of more than [SAR 12 million](#). Altogether, the programme has created more than 300 jobs.

The programme offers a number of robust training and guidance services to help entrepreneurs sharpen their skills.

A training and workshops initiative focuses on product development, pitching, marketing and fund raising. A coaching and mentorship processes connect each start-up team with an entrepreneur, who offers

advice and recommendations to enhance their business models. Also, start-ups will have access to co-working spaces, prototyping labs and six months of post-accelerator incubator support.

The programme also provides a cluster benefit as the community of Taqadam 4 entrepreneurs, mentor and industry experts can generate new ideas and innovations. According to Taqadam, the community features more than 300 entrepreneurs, 100 mentors and industry partners passionate about start-ups.

The successful start-ups will have the opportunity to pitch at final showcase to leading investors in the region and for the opportunity to win SAR 375,000 in zero-equity follow-on funding. In addition, they will have exposure to [KAUST's](#) and SABB's existing network of partners, potential clients, and investors, including the KAUST Innovation Fund.

"The 'Taqadam' programme represents an example for major initiatives and is an important and effective step to ensure that the precious ideas and the new innovative technologies value in the kingdom are granted a platform in order to move from the laboratory to the market," according to the [bank](#).

The applications to get into the programme closed on 20 March, while a six-month accelerator programme starts near the end of June. By February 2021, the qualifying start-ups will have the opportunity to pitch to more than 30 local and international investors, industry experts, and communities.

Start-up graduates from Taqadam have access to co-working space, labs, networking and administrative support.

SABB and KAUST are looking for start-ups in disruptive industries such as FinTech, cyber security, mobility, energy, water, health, digital and logistics.

The programme adds to the growing focus on developing the next wave of Saudi companies to diversify the economy and focus on new sectors that are part of the 4th Industrial Revolution – the next generation of industries that will drive economic growth.

TOURISM ON FRONT LINE OF SAUDI'S ECONOMIC DIVERSIFICATION PLAN

Saudi Arabia's decision to upgrade the [Saudi Commission for Tourism and National Heritage](#), or SCTH, to the level of a ministry, highlights the sector's rising importance in the country.

[Ahmed Al-Khatib](#) was appointed the minister of tourism, and charged with the task of achieving the targets set out in Saudi Vision 2030. Some of these targets include tripling Umrah visitors from 8 million to 30 million, and restoring ancient cultural sites to make them accessible, as well as creating cultural events and building world-class museums.

The authorities also want to double the number of Saudi heritage sites registered with UNESCO. The overarching ambition is to increase international and domestic visits to 100 million a year by 2030, and create one million tourism jobs.

Last year, Al-Khatib was appointed president of the SCTH, and served as the chairman of the board of directors of Saudi Arabian Military Industries (SAMI), chairman of the board of directors of the General Entertainment Authority (GEA), and chairman of the board of directors of the Saudi Fund for Development (SFD).

While the global tourism industry has taken a hit from the coronavirus, which has temporarily forced countries to close their borders or restrict entry into their countries, the kingdom is taking a long-term view and aiming to create a dynamic tourism destination, taking advantage of its coastlines, heritage sites and natural environment.

NEW AIRPORT AND LEISURE HUBS

Late last year, [The Red Sea Development Company](#), which is building a major tourism development project, awarded a contract to Fosters + Partners for a new airport.

"Awarding the contract for the design of our airport is an important milestone and the first of the underlying infrastructure projects of the destination" said John Pagano, chief executive officer at [The Red Sea Development Company](#).

"Fosters + Partners and their engineering subconsultant, WSP Global, have demonstrated their ability to deliver projects in line with world-class development and our sustainability standards. We look forward to collaborating with them to develop an innovative design that will enhance the visitor experience, meet our sustainability goals and enable us to deliver an airport for the future."

The airport, which is expected to be complete by 2022, will handle

around a million passengers annually.

"The Red Sea Airport has been envisaged as a gateway to one of the most unique resorts in the world and an integral part of the visitor experience," said Gerard Evenden, Head of Studio, Foster + Partners. Inspired by the colours and textures of the desert landscape, the design seeks to create a calm and luxurious journey through the terminal and will become a transit hub for visitors coming in by both land and air.

In addition, [Saudi Entertainment Ventures Company](#) (Seven), created by Public Investment fund, plans to develop and operate a number of entertainment complexes in key locations in the country.

"We have a clearly structured development plan to build 20 entertainment destinations, 50 cinemas and two large theme parks in prime locations across the kingdom," stated [Chairman Abdullah Al Dawood](#).

[Qiddiya](#), a giga-project under construction near the capital city of Riyadh, will also see the opening of a 32-hectare Six Flags theme park by 2030.

Qiddiya is spread over 334 square kilometres (sq km), and comprise a 231 sq km natural area as well as a 103 sq km developed area.

GROWING SECTOR

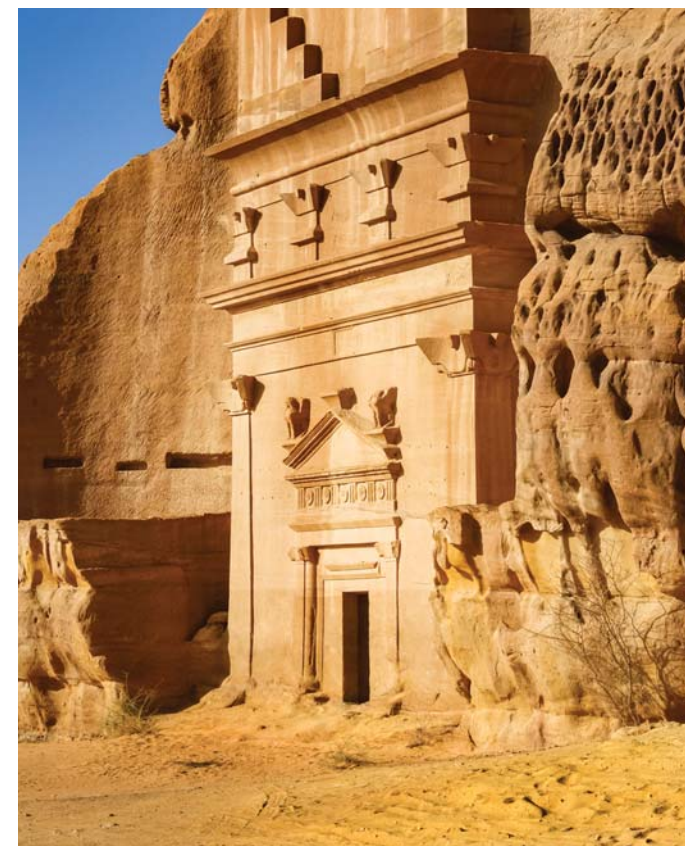
Saudi Arabia's tourism sector is emerging as a major source of revenues, jobs and investment.

Latest available data from the [General Authority for Statistics](#) show just over 72,300 tourism establishments employed around 552,000 employees, including 20,000 female employees, by the end of 2018.

The companies generated an operating income of SAR 12,411 billion, with employee compensation reaching SAR 19.4 billion.

Food and beverage outlets accounted for 73% if all tourist establishments, followed by 13% of visitor accommodation, such as hotels, motels and self-service suites.

"Survey results show that food and beverage had the highest percentage of Saudi employees (6.8%) among tourism characteristic activities, followed by visitor accommodation (5.5%). Certain activities had no more than 3% or 1% Saudi employees, such as water passenger transportation and cultural activities," [GStat](#) said in its annual survey.



Survey results also indicated that the total employee compensations in tourism characteristic activities in 2018 increased by 4.1% compared to 2017. Three activities were responsible for the highest compensations, namely food and beverage (SAR 7,684 million), air passenger transport (SAR 3,865 million) and visitor accommodation (SAR 3,394 million).

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