How Tourism is a Game Changer for the Saudi Economy

One of the most devastated industries in the covid era was Tourism (and hospitality), and for good measure. In 2023, when the world’s tourism economy was trying to recover from covid, and international travel was at its lowest, the Kingdom of Saudi Arabia breached the 100 million tourist number, including over 27 million foreign tourists.[[1]](#footnote-1) This was a target they had in mind as a part of Vision 2030, accomplished 7 years in advance. The plan to move on from an oil-driven economy involves important steps to develop many sectors; like entertainment, sports, aviation, education, and tourism… among others. If you look closely, you can see that the growth of each is intertwined with the growth of other, symbiotic in many ways. If you look even more closely, you will see that there is one sector which will benefit from the growth of any sector in question. That sector is tourism (and hospitality). For the growth of tourism, growth of all other sectors is merely a catalyst.

The estimated contribution of tourism to the non-oil GVA, and to the GDP is 7% and 4% respectively, which is well in line with the diversification objectives. The government has been inviting, wanting companies to come set up in the Kingdom. This includes companies which work to organize tours and travel, or the ones that revolutionize stays like hostels and hotels. Some lesser talked about sectors are travel technology, travel airlines, and leisure travel. Innovation and luxury astutely describe Saudi’s plans for their tourism sector.

As a result of this tourism boom, a lot of jobs have been created and the workforce needs to be empowered to perform to international standards. Projects like NEOM and Red Sea Global are going to be world class, and airlines like Riyadh Air will support the travel of millions of tourists. This all requires handcrafted human resource effort from inside as well as outside the Kingdom. We at TASC do all of that and more. From helping companies set up business by tackling the legal and compliance requirements, to helping set up office space. From flying businesses into the country, to flying employees into the country. From handling visa and payroll, to managing Saudization quotas and the government regulations, we help businesses do business.

The number of tourists visiting Saudi for non-religious purposes has increased, and the country is actively investing in various attractions and developing giga-projects. The development is riding on tourism infrastructure, and hotel industry in the Kingdom. To invite businesses to join the nation's burgeoning tourism industry, the government passed a resolution empowering the Ministry of Tourism to reduce taxes and customs fees for pertinent governmental departments. Tourism being the largest non-oil private sector contributor to the country's GDP, the government aims to cooperate with private-sector firms to design work plans and training programs that will result in job generation and training for Saudi citizens.

At FII’s Rio Summit, Saudi Arabia invited international investors to its tourism sector, and how the country is committed to providing a conducive environment for international investors by heightened ease of doing business and lower costs. The ministry of tourism also launched a National Professional Standards Initiative for skills in the tourism sector.[[2]](#footnote-2) The government is leaving no stones unturned to bring the world to the country by making the country world class, and we know for businesses to surf on this wave of growth, there are lot of questions. You can contact us for any help you require to set up your rocket ship in the middle eastern giant. We are right at the heart of the country, we are TASC.

1. [UN Tourism](https://www.unwto.org/news/un-tourism-applauds-saudi-arabia-s-historic-milestone-of-100-million-tourist-arrivals) [↑](#footnote-ref-1)
2. [Ministry of Tourism News](https://mt.gov.sa/about/media-center/news/183/%22Saudi-Arabia-Welcomes-Tourism-Investors%22,-Saudi-Minister-of-Tourism-Highlights-at-the-FII-Priority-Summit-held-in-Brazil) [↑](#footnote-ref-2)