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Article

The Significant Role of Tourism in Increasing GDP and Achieving Sustainability: Challenges and Prospects under Vision 2030

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Abstract: This paper examines the role of tourism in increasing gross domestic product and advancing sustainability in the Kingdom of Saudi Arabia under Vision 2030. The paper argues that tourism in Saudi Arabia has shifted from a narrowly defined religious and seasonal activity into a strategic non-oil growth platform that now influences investment allocation, employment formation, infrastructure renewal, service exports, destination branding, and regional development [1][2][3][4]. The analysis combines policy interpretation, official tourism indicators, macroeconomic statistics, and sustainability considerations. It pays particular attention to the period from the launch of Vision 2030 in 2016 through the latest official indicators available for 2025. Official data show that Saudi Arabia welcomed 106.2 million tourists in 2023 and 115.9 million tourists in 2024, including 29.7 million inbound visitors and 86.2 million domestic tourists in 2024. Official dashboards and announcements also indicate inbound visitor spending of SAR 168.52 billion in 2024, direct tourism contribution approaching 5% of GDP by early 2025, record international visitor spending of SAR 49.4 billion in the first quarter of 2025, and more than one million workers engaged in tourism activities in Q3 2025 [4][5][8][9][13]. The paper is written consciously from the perspective of a 3 Saudi citizen and business leaders with more than 80 years cumulative of experience in automotive, constrictions, hospitality and retail markets. That vantage point matters because tourism growth in Saudi Arabia is not confined to hotels and airlines. It stimulates consumer mobility, car rental, urban retail, roadside services, food and beverage, logistics, events, digital payments, and destination-linked trade. Accordingly, the paper develops a leadership-oriented interpretation of tourism as a multiplier sector with practical implications for market design, consumer demand, localization, and sustainable value creation. It concludes that Saudi tourism has already become one of the Kingdom's most consequential non-oil sectors, but its long-term success will depend on deepening local value capture, protecting environmental assets, raising service productivity, and aligning rapid growth with sustainability principles [2][10][12][18][22][30].

Keywords: Saudi tourism, Vision 2030, GDP diversification, Sustainability, Religious tourism, Domestic tourism, Inbound tourism, Hospitality, Services exports,Tourism employment, Heritage tourism, Red Sea tourism, Pilgrim Experience Program, Quality of Life Program, Non-oil growth



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1. Introduction

Tourism has become one of the clearest expressions of economic transformation in Saudi Arabia since the launch of Vision 2030 in April 2016. Before that shift, the international image of Saudi tourism was dominated by Hajj and Umrah, with limited global recognition of the Kingdom's broader cultural, coastal, leisure, entertainment, and heritage assets. Vision 2030 reframed tourism as an integrated development sector capable of improving quality of life, creating jobs, drawing

investment, strengthening services exports, and diversifying national income away from oil dependence [1][2][17][19].

The importance of this paper lies in the fact that tourism is no longer a peripheral policy topic in Saudi Arabia. It now intersects with transport planning, hospitality, retail development, urban regeneration, digital services, events, environmental policy, and regional competitiveness. In practical economic terms, tourism does not only generate hotel room revenue. It expands mobility demand, lifts restaurant turnover, supports shopping activity, encourages SME creation, drives infrastructure development, and improves the commercial viability of entire destination ecosystems [3][4][10][11][12].

This study is also shaped by a personal and professional lens. As a Saudi citizens and a leaders

, we do not see tourism as an abstract macroeconomic category. we see it as a real generator of customer movement, demand density, purchasing occasions, and local business confidence. When tourism accelerates, one can often observe corresponding effects in car rentals, airport mobility, fuel stations, roadside retail, dining, shopping centers, event visitation, and even the quality and pace of regional investment decisions. From this perspective, tourism functions as an ecosystem creator rather than a stand alone sector [4][11][17][18].

The main objective of this paper is therefore to evaluate the role of tourism in increasing GDP and achieving sustainability in Saudi Arabia under Vision 2030. More specifically, the paper seeks to explain how tourism contributes to GDP directly and indirectly, identify the major types of tourism now shaping the Saudi market, assess the sustainability dimension of tourism growth, and discuss the principal challenges and future prospects through 2030 [1][2][3][17][19].

In methodological terms, the paper relies primarily on official Saudi sources, including Vision 2030 publications, Ministry of Tourism dashboards and announcements, and GASTAT statistical releases, supplemented by selected international institutional references such as UN Tourism, UNESCO, and WTTC where these sources relate specifically to Saudi Arabia or provide useful comparative context [2][4][5][11][12][24][29][30].

Table 1. Research Structure Used in This Paper

Required Step	How It Is Addressed in This Study
Abstract	Provides the core argument, method, major evidence, and conclusion.
Keywords	Presents the main analytical concepts.
Introduction	Defines the problem, objective, significance, and analytical perspective.
Background	Explains Vision 2030 context, tourism evolution, and Saudi market setting.
Literature Review	Reviews official Saudi and international institutional perspectives.
The Role of Tourism in Increasing GDP	Analyzes economic diversification, jobs, infrastructure, foreign exchange, and multiplier effects.
Tourism and Sustainability under Vision 2030	Assesses environmental, social, and economic sustainability.
References and Conclusion	Presents numbered references with direct links and a final synthesis.

2. Background

The strategic background of tourism in Saudi Arabia begins with the recognition that the Kingdom possesses unusually strong tourism fundamentals. It has unmatched religious significance in the Islamic world, an extensive Red Sea coastline, desert and mountain landscapes, archaeological and heritage assets, large scale urban centers, a youthful population, and rising public and private investment capacity. What changed after 2016 was not the existence of these assets but the willingness to integrate them into a national growth strategy [1][2][17][19].

Vision 2030 provided the policy architecture for this transformation. The Vision's pillars of a vibrant society, a thriving economy, and an ambitious nation created a framework in which tourism became economically legitimate, socially important, and politically supported. This was reinforced by implementation programs such as the Quality of Life Program and the Pilgrim Experience Program, as well as by sector initiatives covering hospitality licensing, destination development, events, digital tourism intelligence, and private investment attraction [1][2][17][18][19][20].

The launch of the tourist visa in 2019 was a major market opening reform. It signaled that Saudi Arabia sought to compete not only for pilgrims and business visitors but also for international leisure travelers and experience seeking tourists. In commercial terms, visa liberalization changed the economics of investment. It improved the business case for hotels, travel operators, attractions, transport services, retail environments, and mixed use destinations because access friction was materially reduced [2][4][6].

The years 2020 and 2021 introduced the global shock of the COVID 19 pandemic, but they did not reverse the Kingdom's strategic direction. Instead, Saudi Arabia continued planning, building, licensing, and marketing future destinations. This continuity is analytically important because it shows that tourism was treated as a structural pillar of diversification rather than a temporary campaign. Post pandemic acceleration in 2022, 2023, 2024, and 2025 therefore needs to be understood as the result of accumulated institutional preparation rather than sudden luck [2][6][7][18].

By 2023 the results had become visible at national scale. Official Ministry of Tourism reporting placed total tourists in the Kingdom at 106.2 million in 2023. By 2024, the Ministry's investment overview showed 115.9 million total tourists, with 29.7 million inbound and 86.2 million domestic tourists. Official dashboards also recorded 560.23 million overnight stays and SAR 168.52 billion in inbound spending in 2024. In early 2025 the Ministry stated that tourism's direct contribution had approached 5% of GDP, while GASTAT data for 2025 showed expanding facilities, higher employment, and strong travel services export performance [4][5][8][9][13][14].

The background to Saudi tourism is also sectorally diverse. Religious tourism remains foundational, but it is no longer the only growth channel. Leisure tourism, cultural tourism, heritage tourism, entertainment tourism, coastal tourism, sports and event tourism, business tourism, domestic weekend travel, and adventure tourism are all growing in importance. This diversification matters economically because it broadens seasonality, spreads spending geographically, and lowers dependence on a single visitor segment [17][18][20][21][23][24][25][26][27][28].

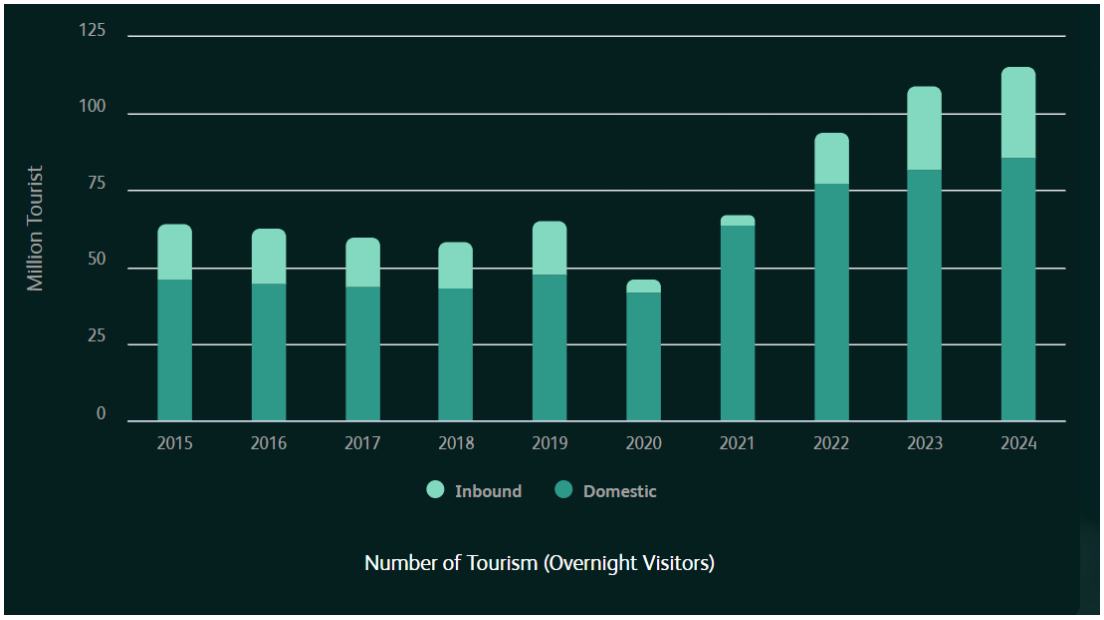


Figure 1. Total tourists in Saudi Arabia, 2015-2024

Source: Ministry of Tourism official figures cited in References [4], [6], and [8].



Figure 2. Tourist Spending 2015 ~ 2024

Source: Ministry of Tourism Tourism Investment Insights and Inbound Tourism dashboard, References [4] and [5].

Table 2. Main Types of Tourism in Saudi Arabia and Their GDP Transmission Channels

Tourism type	Typical Saudi examples	Main GDP channels	Key refs.
Religious tourism	Hajj, Umrah, pilgrimage services	Accommodation, transport, food, retail, urban services	[19][20]
Heritage tourism	Makkah and Madinah (Hegra), Historic Jeddah, Riyadh, Al-Ahsa, AlUla, Southern Region	Guiding, museums, crafts, food, local retail	[24][25][26][27][28]

Leisure and entertainment	Events, festivals, city seasons, family activities	Hotels, restaurants, shopping, entertainment spending	[17][18]
Coastal and marine	Red Sea, AMAALA, luxury resort tourism	High yield hospitality, marine services, premium retail	[21][22][23]
Business and MICE	Meetings, exhibitions, conferences	Hotels, mobility, catering, business services	[3][17]
Domestic family tourism	Weekend and seasonal travel inside the Kingdom	Road travel, dining, malls, regional hotels	[4][5][17]
Adventure / nature	Mountain, desert, eco and nature experiences	Guiding, transport, camping, local entrepreneurship	[18][22]

3. Literature Review

The literature on tourism led growth generally supports a positive relationship between tourism expansion and national income, particularly in economies seeking diversification, services export growth, and regional development. Saudi policy literature presents tourism as a pillar of non oil transformation, while international institutional literature places tourism within broader conversations about resilience, sustainability, heritage preservation, and destination competitiveness [1][2][17][19][24][29][30].

Official Saudi Vision literature emphasizes tourism's role in place making, quality of life, and investment attraction. In these texts, tourism is not treated merely as visitor counting; it is framed as an enabler of livability, cultural activation, destination identity, and private sector development. The Vision 2030 annual reports and Quality of Life Program materials consistently connect tourism with diversified growth, improved public services, and broader lifestyle transformation [2][17][18].

Ministry of Tourism publications provide the most detailed operational and demand side evidence. They document the expansion of domestic and inbound tourism, the rise in visitor spending, the opening of investment opportunities, and the emergence of tourism intelligence platforms for evidence based policy. These sources are especially valuable because they link macro narrative ambitions with market data such as tourist volumes, spending, nights stayed, and segment composition [3][4][5][6][7][8][9][10].

GASTAT publications add macroeconomic and labor market depth. They do not measure tourism only in narrative terms; they embed tourism within national accounts, hospitality facility data, services exports, occupancy rates, labor utilization, and cross sector economic contribution. This is crucial because it helps move the analysis from promotional language to measurable economic relevance [11][12][13][14][15][16].

Internationally, UNESCO materials show how heritage and culture can become durable tourism assets when conservation and community value are taken seriously. UN Tourism reinforces the

importance of tourism to G20 economies and to international services trade. WTTC data and commentary, while methodologically distinct from official national statistics, underscore the scale of travel and tourism's broader direct, indirect, and induced economic effects and forecast continued expansion in Saudi Arabia's sector over the coming decade [24][25][26][27][28][29][30].

A critical reading of the literature suggests three major analytical lessons. First, tourism is strongest when it is multi channel: religious, domestic, international, leisure, culture, and events complement rather than substitute for one another. Second, headline growth in tourists does not automatically translate into sustainable GDP gains unless visitor yield, local value capture, and institutional capacity improve as well. Third, rapid tourism growth can be counterproductive if environmental carrying capacity, heritage integrity, or workforce capability are neglected. These lessons are especially important for Saudi Arabia because the sector is expanding quickly and at national scale [18][20][22][24][28][29][30].

Table 3. Summary of the Literature and Evidence Base

Source group	Main argument	Relevance to this paper	Refs.

Saudi Vision 2030 documents	Tourism is framed as a pillar of diversification, quality of life, and investment attraction.	Provides national policy logic and long range targets.	[1][2]
Ministry of Tourism sources	Tourism growth is evidenced through visitor volumes, spending, nights, and investment narratives.	Provides sector level demand and spending indicators.	[3][4][5][6][7][8][9][10]
GASTAT statistical releases	Tourism's economic relevance is visible in GDP linked sectors, hospitality metrics, labor, and services exports.	Provides measurable macro and operational indicators.	[11][12][13][14][15][16]
UNESCO / heritage literature	Heritage preservation can support sustainable cultural tourism when linked to local value creation.	Supports cultural and heritage tourism analysis.	[24][25][26][27][28]
UN Tourism / WTTC	Tourism is a major driver of G20 economies and broad economic impact, including direct, indirect, and induced effects.	Provides international context and comparative framing.	[29][30]





Figure 3 : G20 Tourism and SDGs Dashboard [29]

Dashboard : https://tourism4sdgs.org/g20india/

4. The Role of Tourism in Increasing GDP

Tourism contributes to GDP through direct, indirect, and induced mechanisms. The direct channel includes spending on accommodation, food and beverage, transportation, attractions, retail purchases, entertainment, and destination services. The indirect channel reflects supply chain effects on construction, maintenance, food distribution, logistics, cleaning, security, technology, cultural production, and professional services. The induced channel appears when wages generated by tourism are re spent by households across the domestic economy. In the Saudi case, all three channels are now visible and increasingly material [4][5][10][11][12][30].

From a Saudi leadership and retail market perspective, tourism's multiplier effect is particularly important. Tourist movement increases footfall and transaction density in commercial centers. It improves the economics of food outlets, convenience retail, premium shopping, museums, event venues, car rental operators, taxis, ride hailing, fuel stations, and roadside services. In cities such as Makkah, Madinah, Jeddah, Riyadh, and AlUla, tourism demand is now inseparable from broader consumer market vitality. This is one reason why tourism should be understood not only as a ministry sector but as a horizontal economic driver [4][10][17][18][20].

Official macro data reinforce this argument. GASTAT reported that in Q1 2024, wholesale and retail trade, restaurants and hotels contributed 10.4% of GDP at current prices. Although that category is broader than tourism alone, it captures a major part of tourism linked demand and confirms how closely visitor activity is tied to the Kingdom's service economy. GASTAT also reported that non oil activities grew 4.3% in 2024, indicating the wider economic environment in which tourism is gaining weight [11][12].

A. Economic Diversification :

Tourism is one of the most practical instruments of economic diversification available to Saudi Arabia because it converts the Kingdom's existing assets into non oil revenue streams. Religious heritage, historical sites, coastlines, entertainment events, cultural festivals, mountain landscapes, and urban hospitality infrastructure can all be monetized through domestic and inbound demand. Unlike sectors that depend primarily on export manufacturing or long innovation cycles, tourism can generate broad based demand relatively quickly once access, services, and destination appeal are aligned [1][2][3][4].

The sector's diversification value lies not only in revenue generation but also in the pattern of value creation. Tourism spreads its effects across aviation, urban services, food supply, digital booking systems, retail trade, guide services, cultural production, landscaping, maintenance, and real estate. This means that tourism induced income does not remain trapped in one balance sheet. It circulates through a broad ecosystem of public and private actors. For an economy seeking resilience, that circulation matters as much as the headline tourist count [10][11][17][18][30].

The Saudi case is especially strong because domestic and international tourism reinforce one another. Domestic tourism creates a dependable base of demand, while international tourism brings foreign exchange, brand visibility, and international commercial confidence. The Ministry of Tourism's 2024 overview, which recorded 86.2 million domestic tourists and 29.7 million inbound tourists, demonstrates how diversified demand now underpins the sector [4][5][8].

B. Employment Generation:

Tourism is labor intensive in a way that makes it highly relevant to inclusive growth. It absorbs workers across different qualification levels, from hotel operations and transport support to digital marketing, event management, culinary services, heritage interpretation, and destination development. In Saudi Arabia this is particularly valuable because the sector can create both entry level opportunities and higher skill professional roles [13][15][18][20][30].

GASTAT reported that around 1,009,691 employees were engaged in tourism activities in Q3 2025, compared with 948,629 in the same quarter of 2024. Such figures reveal that tourism has become a significant labor platform rather than a niche employer. They also highlight the importance of training, localization, and service quality because tourism jobs do not only provide wages; they shape the visitor experience that ultimately determines repeat travel and destination reputation [13].

From my own leadership experience in retail and automotive markets, employment growth in tourism has a second order effect on local business ecosystems. When tourism related hiring expands, household income rises in surrounding areas, consumer confidence strengthens, and small businesses become more viable. Tourism employment therefore contributes to GDP not only by producing services but by supporting domestic demand in other markets as well [11][13][18].

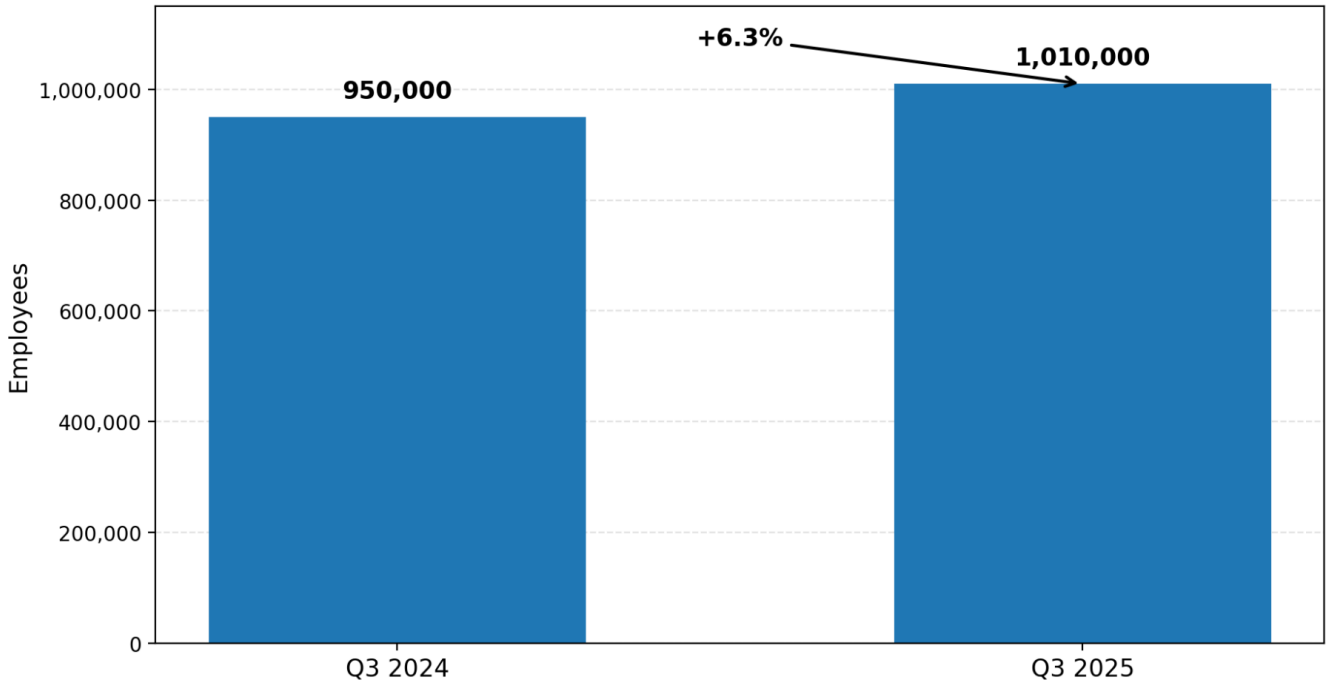


Figure 4. Employment in tourism activities, Q3 2024 versus Q3 2025

Source: GASTAT Tourism Establishments Statistics Q3 2025, Reference [13].

C. Infrastructure Development

Tourism growth requires infrastructure, and infrastructure itself becomes a form of economic stimulus. Airports, roads, hotels, serviced apartments, digital booking systems, transport nodes, public spaces, water systems, signage, event venues, museums, and heritage conservation works are all part of the tourism economy. Saudi Arabia's tourism expansion has therefore encouraged capital formation as well as service output [2][3][4][17][20][21][23].

This relationship is visible in the rapid increase in licensed hospitality facilities. GASTAT recorded 5,622 licensed tourism hospitality facilities in Q3 2025, up 40.6% from 3,998 a year earlier. Such expansion implies increased investment in property, operations, maintenance, staffing, and supply chains. In national income terms, this is important because tourism is stimulating both current consumption and fixed capital development [13].

Major Vision linked destinations further illustrate tourism's infrastructural role. Red Sea Global, AMAALA, heritage districts, and destination focused urban improvements are designed not merely as isolated projects but as long horizon economic ecosystems. They link environmental

positioning, premium hospitality, mobility systems, and regional branding in ways that can influence GDP, employment, and international perception simultaneously [21][22][23][28].

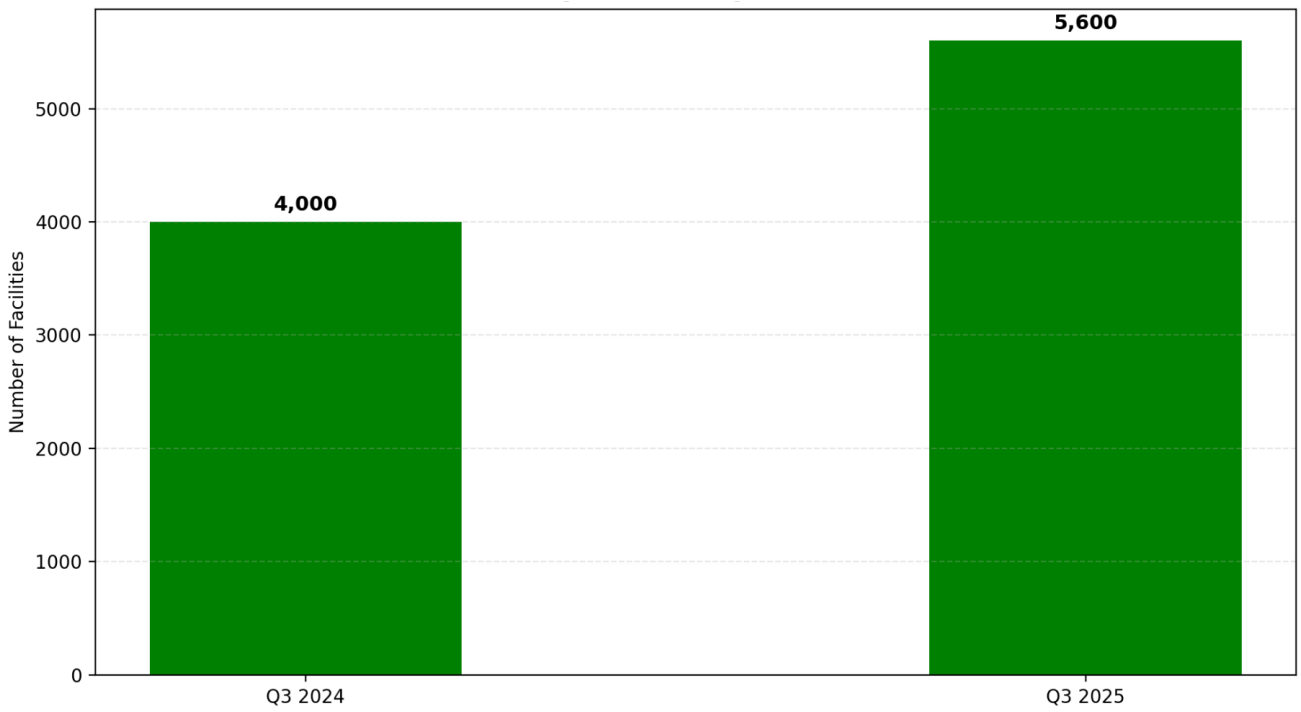


Figure 5 . Licensed tourism hospitality facilities, Q3 2024 versus Q3 2025

Source: GASTAT Tourism Establishments Statistics Q3 2025, Reference [13].

D. Foreign Exchange Earnings

Tourism contributes to GDP not only through domestic circulation but also through foreign exchange earnings and the balance of payments. Inbound tourism spending is effectively an export of services: non residents consume Saudi hospitality, transport, retail, and cultural experiences inside the Kingdom, while their payments add to national income and external receipts [5][10][14][29][30].

Official Ministry data show that inbound visitor spending reached SAR 135 billion in 2023 and SAR 168.52 billion in 2024. In July 2025, the Ministry announced record international visitor spending of SAR 49.4 billion in Q1 2025 alone. These indicators are economically significant because they show that Saudi tourism is no longer only a domestic activity; it is also a meaningful generator of foreign exchange [5][7][9].

The travel account data strengthen this conclusion. In 2024 Saudi Arabia recorded a historic travel account surplus of SAR 49.8 billion according to the Ministry of Tourism. GASTAT's services export data for Q3 2025 then showed travel services ranking first among the Kingdom's services exports at SAR 33.8 billion. Together, these findings show that tourism has become

macroeconomically relevant not only for GDP composition but also for external sector performance [10][14].

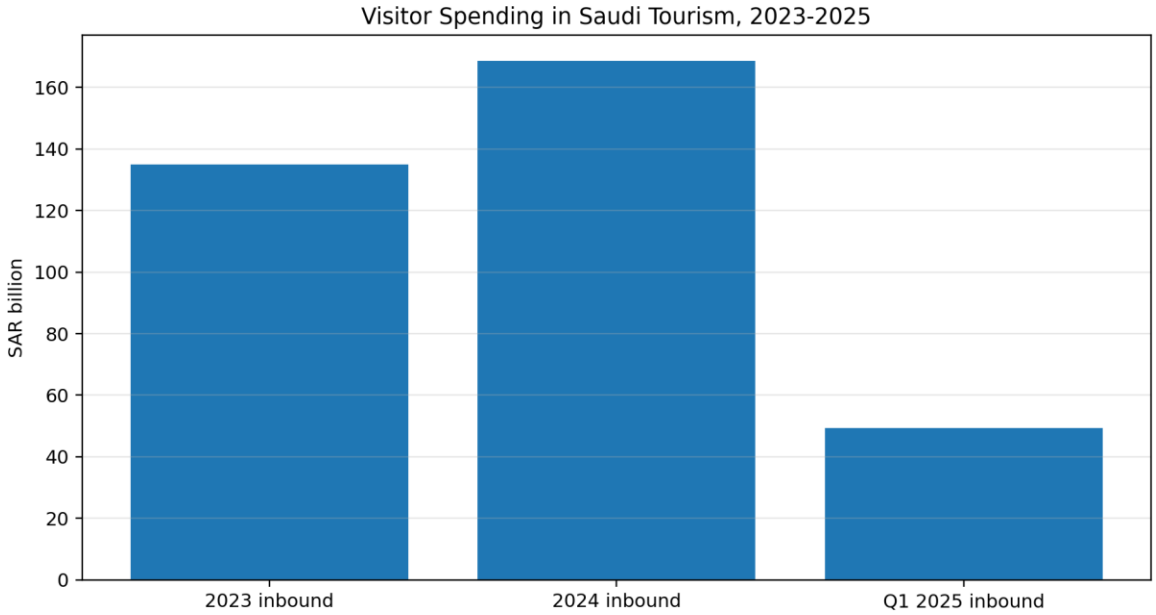


Figure 6. Inbound visitor spending, 2023 to Q1 2025

Source: Ministry of Tourism official news and dashboard, References [5], [7], and [9].

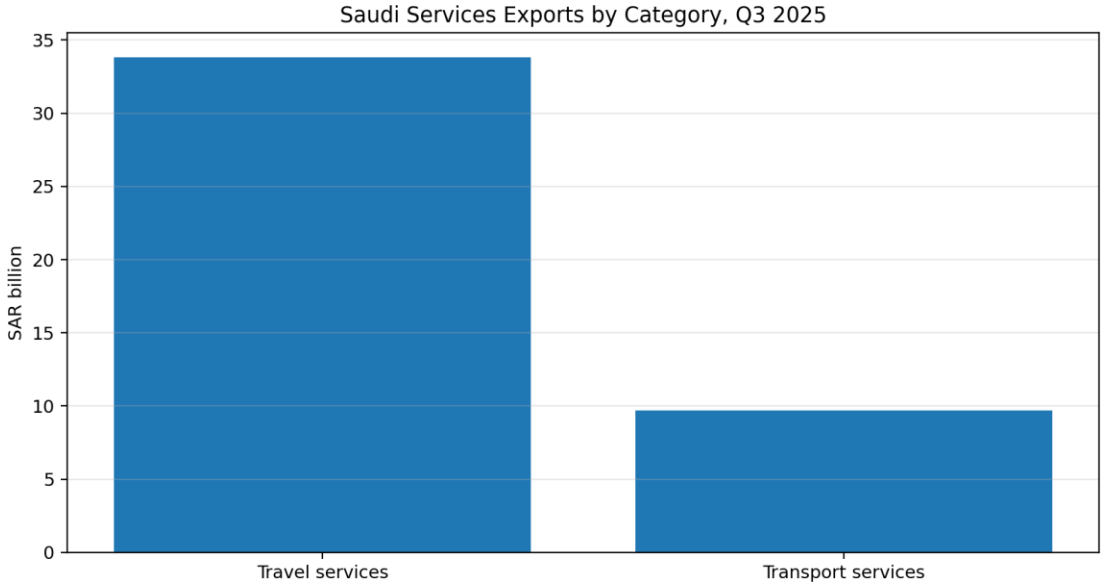


Figure 7. Travel services within Saudi services exports, Q3 2025

Source: GASTAT Services Exports Q3 2025, Reference [14].

E. Multiplier Effects on Retail, Mobility, and Consumer Markets

One of the most striking features of tourism growth is how quickly it influences commercial behavior beyond the tourism industry itself. When destinations mature, consumer movement changes. Traffic patterns change. Demand for mobility changes. Premium and convenience retail patterns change. New roadside clusters emerge. In other words, tourism reshapes market geography [4][10][11].

In automotive terms, tourism generates both direct and indirect demand. Directly, it supports car rental, premium transport, buses, fleet operations, airport transfers, and maintenance requirements linked to higher visitor

movement. Indirectly, it supports the viability of retail sites, hospitality linked parking, fuel demand, charging infrastructure in the medium term, and the broader mobility ecosystem that underpins visitor convenience. Tourism led movement is therefore commercially relevant to transport and vehicle related businesses even when those firms are not officially classified as tourism companies [3][4][17].

In retail terms, tourism raises transaction density. Visitors buy food, gifts, convenience goods, fashion, pharmaceuticals, cultural products, and family necessities. They also create demand for longer operating hours, multilingual service, better visual merchandising, and more digitally enabled payment environments. For established Saudi retailers, this creates both opportunity and pressure: opportunity because volumes rise, and pressure because customer expectations become more international and experience driven [4][5][17][18].

Tourism also affects investment confidence. When a region consistently attracts visitors, private investors become more willing to finance hotels, restaurants, stores, mixed use projects, and leisure assets. Over time this can transform the economic profile of secondary cities. In practical business language, recurring tourism demand improves forecast visibility and lowers the perceived risk of commercial development [2][4][18].

Table 4. Timeline of Key Tourism Milestones and Their GDP Relevance

Period	Official milestone	Why it matters for GDP	Refs.
2016	Vision 2030 launched; tourism formally integrated into diversification agenda.	Strategic repositioning of tourism as a non oil sector.	[1]
2019	Tourist visa launched.	Reduced entry friction and improved investment case.	[2][6]
2023	106.2 million tourists welcomed.	Saudi Arabia exceeded the 100 million milestone years early.	[6]
2024	115.9 million tourists; 29.7 million inbound; SAR 168.52bn inbound spending.	Tourism became macroeconomically material.	[4][5][8]
Early 2025	Direct tourism contribution approached 5% of GDP.	Confirms rising macroeconomic weight.	[8]
Q1 2025	International visitor spending reached SAR 49.4bn.	Strong momentum in services export earnings.	[9]
Q3 2025	5,622 facilities; 1,009,691 tourism workers; travel services exports SAR 33.8bn.	Signals rising capacity, labor absorption, and export strength.	[13][14]

5. Tourism and Sustainability under Vision 2030

Sustainability is not an optional add on to Saudi tourism policy; it is increasingly central to the sector's credibility and long term economic value. The more the Kingdom succeeds in attracting tourists, the more important it becomes to ensure that growth is environmentally responsible, socially legitimate, and economically durable [2][18][20][22].

A. Environmental Sustainability

Environmental sustainability is central to the future credibility of Saudi tourism. Rapid visitor growth can create pressure on coastlines, water systems, biodiversity, waste management, fragile heritage landscapes, and urban livability if it is not managed carefully. For this reason, sustainability in tourism must involve more than marketing language; it must shape design standards, carrying capacity decisions, resource use, and destination governance [2][18][21][22].

The Saudi policy landscape now reflects this shift more clearly than in earlier years. The National Red Sea Sustainability Strategy and the Red Sea Global model explicitly connect tourism development with ecosystem protection, marine conservation, regenerative design, and controlled development patterns. This is important because

Saudi Arabia is positioning part of its future tourism offer around pristine nature and high value environmental quality; damaging those assets would undermine both sustainability and long term commercial returns [21][22].

Environmental sustainability also matters to inland destinations. Heritage sites and archaeological areas require conservation discipline, while growing cities need cleaner transport, better waste systems, water efficiency, and visitor management tools. The more successful Saudi tourism becomes, the more necessary environmental governance will be. In other words, sustainability is not a constraint on growth; it is a condition of maintaining growth quality [18][24][25][26][27][28].

B. Social Sustainability

Social sustainability in tourism concerns how the sector affects communities, culture, identity, and quality of life. In the Saudi context this dimension is particularly important because tourism development coincides with large scale social and cultural transformation. The challenge is to ensure that communities benefit from tourism rather than merely hosting it, and that cultural assets are presented in ways that remain authentic, dignified, and locally meaningful [1][17][18][20][24].

Tourism can strengthen social sustainability when it creates jobs for young Saudis, revives crafts and traditional arts, supports local entrepreneurship, improves public spaces, and increases cultural confidence. It can also create a positive feedback loop in which communities become active participants in destination development. UNESCO linked cultural initiatives in AlUla and the wider heritage agenda demonstrate how preservation and community benefit can reinforce each other when managed seriously [24][28].

As a Saudi business leaders, we would emphasize that social sustainability is not separate from commercial success. Destinations that feel culturally coherent, welcoming, and community supported are more likely to generate repeat visits, stronger reputation, and higher value spending. Conversely, if local communities experience congestion, exclusion, inflated prices, or cultural dilution, the long run tourism model weakens. Social sustainability is therefore both a moral and economic requirement [17][18][24][28].

C. Economic Sustainability

Economic sustainability asks whether tourism growth is durable, productive, and resilient rather than temporary or subsidy dependent. A tourism sector can expand rapidly in volume but still remain economically fragile if profitability is weak, local supply chains are shallow, or visitor spending leaks abroad through imported inputs and external operators. Saudi Arabia's next tourism challenge is therefore not only to continue growing, but to capture more value locally and raise output quality per visitor [2][10][12][18][30].

There are encouraging signs. The sector is building scale in both domestic and inbound markets, travel services now rank first among Saudi services exports in the reported Q3 2025 data, and the Ministry's travel account surplus announcement suggests stronger net economic retention from tourism activity. Yet long term sustainability will require careful capital allocation, disciplined destination operations, workforce capability, and stronger SME participation across food, transport, crafts, maintenance, technology, and cultural services [10][13][14].

From a retail and automotive market perspective, economic sustainability also depends on year round demand patterns. Sectors that rely only on narrow peaks tend to create inefficiency, idle capacity, and unstable employment. A diversified tourism calendar, spread across pilgrimage, leisure, events, domestic family travel, culture, and coastal tourism, is therefore essential to creating a more stable and efficient non oil economy [17][18][19][20].

D. Challenges and Prospects under Vision 2030

Despite its strong progress, Saudi tourism faces several challenges. The first is **capability depth**. Fast growth in visitors and facilities can outpace workforce training, service consistency, multilingual capacity, and managerial experience. Tourism is ultimately judged at the point of service, and weak execution can reduce average spend, satisfaction, and destination loyalty even when infrastructure is strong [13][15][18][20].

The second challenge is **measurement discipline**. Different indicators capture different realities: total tourists, inbound tourists, overnight stays, visitor spending, travel account surplus, employment, and facilities are not interchangeable. Policymakers and researchers must therefore avoid double counting and simplistic GDP claims. Strong research should distinguish clearly between direct tourism contribution, broader travel and tourism effects, and adjacent service sector growth [5][10][11][12][13][30].

The third challenge is **regional balance**. Some destinations have strong brand recognition and established demand, while others are still in early stage development. Saudi Arabia's tourism success under Vision 2030 will be stronger if more regions can develop commercially viable visitor propositions without losing local identity or creating unsustainable public cost burdens [2][17][18][24].

The fourth challenge is **sustainability under scale**. Coastal destinations, desert ecologies, heritage assets, and urban centers all face carrying capacity limits. Rapid development can generate waste, water stress, ecosystem damage, heritage wear, and resident pushback if environmental and social governance remain behind growth curves [21][22][24][25][26][27][28].

The fifth challenge **concerns yield**. More tourists are valuable, but the quality of spend, length of stay, repeat visitation, and local sourcing rate are what determine durable GDP impact. The strategic question for the next phase is not simply how Saudi Arabia can attract more people, but how it can increase value captured per visitor while preserving destination quality [4][5][10][18][30].

The prospects for Saudi tourism through 2030 remain strong. Official strategy materials have long pointed toward higher tourism targets, and Vision 2030 reporting shows that the Kingdom reached the 100 million tourist milestone years ahead of schedule. This early achievement suggests that the tourism model is not merely aspirational; it is already operational and capable of scaling further if governance, sustainability, and capability continue to improve [2][4][8].

The Kingdom's future advantage lies in the combination of scale and variety. Few markets can simultaneously offer the world's most important Islamic pilgrimage destinations, globally distinctive heritage sites, premium marine tourism, large domestic demand, major urban events, and strong state capacity for infrastructure and destination development. If these assets are coordinated effectively, Saudi Arabia can continue to raise tourism's contribution to GDP and employment while improving resilience in the non oil economy [19][20][21][23][24][29][30].

In practical market terms, We expect the strongest opportunities to emerge where tourism links with adjacent sectors. Mobility services, transport leasing, premium retail, hospitality supply, food brands, family entertainment, digital journey platforms, and destination linked commerce will all benefit from a more mature tourism ecosystem. For this reason, leaders in non tourism sectors should not treat tourism as external to their strategy. They should treat it as a demand engine that can reshape customer traffic, investment decisions, and regional market potential [4][10][11][17][18].

Another leadership lesson concerns seasonality and portfolio balance. Businesses tied only to narrow peak periods often struggle with labor efficiency and asset utilization. Saudi tourism's diversification into religious, cultural, domestic, and event based travel helps smooth demand and therefore creates a more investable environment. For adjacent sectors such as retail and mobility, this broadening of the tourism calendar is one of the most valuable developments of the Vision 2030 era [17][18][19][20].

Leadership in this context also requires discipline. It is easy for executives to be impressed by headline visitor numbers, yet what ultimately matters for shareholders and policymakers is yield, repeatability, productivity, and local capture. A destination that draws many people but leaves weak

margins, poor service, or heavy leakage to imported inputs is not economically optimal. Saudi tourism's next leadership challenge is therefore to combine scale with stronger operating economics [10][12][18][30].

For Saudi leaders in retail, automotive, and services, the correct strategic response is not to watch tourism from a distance. It is to integrate tourism into market planning. Site selection, fleet strategy, format design, staffing models, and service partnerships increasingly need to account for tourism patterns. In this sense, tourism is becoming an important input into private sector strategy, not just a public sector policy domain [4][17][18].

The broader implication is that tourism under Vision 2030 is changing the commercial map of Saudi Arabia. Leaders who understand this early will be better positioned to capture value in mobility, convenience, food, hospitality adjacent retail, and destination linked services over the next decade [2][17][18].

Looking ahead to 2030, the most important strategic task is to **shift from proving that Saudi Arabia can attract tourists to proving that it can maximize quality adjusted economic returns from tourism**. The Kingdom has already demonstrated scale. The next step is to improve average value per visitor, deepen local supplier participation, and ensure that destination growth strengthens Saudi firms rather than bypassing them [2][4][10][18][30].

One priority is **destination productivity**. This includes occupancy quality, revenue per available room where relevant, average spend per day, length of stay, return visitor rates, event conversion efficiency, and transportation integration. Productivity metrics matter because they reveal whether growth is becoming economically deeper or merely broader [13][15][16][30].

A second priority is **workforce upgrading**. Tourism at scale requires hospitality managers, event planners, multilingual service workers, digital marketers, destination curators, and sustainability professionals. Saudi Arabia has already achieved scale in tourism employment; the next challenge is to improve the mix of skills and career pathways so the sector delivers both quantity and quality in jobs [13][18][20][30].

A third priority is **local content**. Strong tourism economies are built not only on big projects but on dense local supplier networks. Saudi made food products, local furniture and design, Saudi tour operators, Saudi digital platforms, crafts, cultural performances, maintenance firms, transport operators, and SME retailers should all benefit from tourism demand. The stronger the local content ratio, the stronger the GDP effect and the more sustainable the sector becomes [2][10][18].

A fourth priority is **destination stewardship**. As visitor numbers rise, Saudi Arabia will need sophisticated systems for carrying capacity, waste management, biodiversity protection, heritage conservation, mobility management, and resident experience monitoring. These are not side issues; they determine whether tourism can remain attractive and socially accepted over time [21][22][24][28][29].

A fifth priority is **stronger analytics and integration across agencies**. Tourism data exist across the Ministry of Tourism, GASTAT, Vision 2030 reports, event ecosystems, transport indicators, and balance of payments releases. Greater analytical integration would help

researchers and decision makers understand not just how many tourists arrive, but how tourism spending circulates, where leakages occur, and which regions or segments generate the strongest multiplier effects [4][5][10][11][12][13][14].

In strategic business terms, Saudi tourism's next stage may be described as the move from expansion to optimization. Expansion has already happened; optimization is the frontier. That means improving yield, protecting assets, raising service quality, and linking tourism demand more tightly to domestic enterprise development. If that transition succeeds, tourism's contribution to GDP and sustainability will become far more durable [2][18][22][30].

For these reasons, the future of tourism in Saudi Arabia should be approached with confidence, but also with seriousness. The opportunity is large, the achievements are real, and the prospects are strong; however, only disciplined execution will convert current momentum into lasting economic and social value through 2030 and beyond [1][2][18][20][22][30].

Table 5. Major Challenges and Strategic Responses

Challenge	Risk to tourism led GDP growth	Strategic response
Capability depth	Service inconsistency, skills shortages, uneven visitor experience	Training, accreditation, localization pathways, stronger management capability
Measurement discipline	Inflated claims or confused use of tourism indicators	Clear separation between direct, indirect, induced, and adjacent effects
Regional balance	Overconcentration in a few destinations	Broader regional product development and destination specialization
Environmental pressure	Water stress, ecosystem damage, waste, heritage degradation	Carrying capacity rules, regenerative design, stronger destination governance
Yield quality	High volume without sufficient local value capture	Raise spend per visitor, extend stay, deepen local sourcing and SME participation

Table 6. Policy Priorities for the Next Phase of Saudi Tourism

Priority	Implication for policy and business leaders
Treat tourism as a macro sector	Coordinate tourism with transport, urban planning, labor, culture, and retail policy.
Focus on yield as well as volume	Increase average spend, length of stay, and local sourcing rather than counting arrivals alone.
Invest in workforce quality	Expand professional training, language skills, hospitality management, and digital capabilities.
Protect environmental assets	Use sustainability standards, carrying capacity principles, and resource efficiency rules in destination planning.
Strengthen local content	Ensure Saudi SMEs, artisans, local brands, and regional suppliers benefit from tourism demand.
Use data more rigorously	Integrate dashboard intelligence, GASTAT releases, and destination level performance monitoring.

6. Conclusion

This paper has argued that tourism has become a major contributor to GDP growth and sustainability strategy in Saudi Arabia under Vision 2030. The sector has advanced from a largely religiously anchored activity to a diversified economic platform that now includes leisure, heritage, culture, entertainment, domestic travel, coastal tourism, business tourism, and premium destination development [1][2][17][19][21][23].

Official evidence is now strong enough to support that conclusion. Saudi Arabia welcomed 106.2 million tourists in 2023 and 115.9 million in 2024; inbound visitor spending reached SAR 168.52 billion in 2024; direct tourism contribution approached 5% of GDP by early 2025; Q1 2025 inbound spending reached SAR 49.4 billion; tourism employment exceeded one million in Q3 2025; and travel services ranked first among Saudi services exports in the published Q3 2025 figures [4][5][8][9][13][14].

The broader lesson is that tourism matters to GDP not just because visitors spend money, but because tourism reorganizes investment, jobs, infrastructure, supply chains, and regional opportunity. From my perspective as a Saudi citizen and long serving leader in automotive and retail markets, tourism is one of the most commercially catalytic sectors in the Kingdom today because it produces movement, transaction density, consumer activity, and confidence across a wide range of adjacent sectors [10][11][17][18].

At the same time, long term success will depend on sustainability. Environmental protection, community benefit, heritage preservation, service productivity, workforce capability, and local value capture must keep pace with expansion. If Saudi Arabia succeeds in combining scale with sustainability and visitor growth with destination quality,

tourism will remain one of the Kingdom's most important non oil engines through 2030 and beyond [18][20][22][24][28][29][30].

From our perspective as a Saudi leaders , tourism is no longer just a sector it is a **key driver reshaping the Saudi economy**. What makes tourism powerful is its ability to activate multiple industries simultaneously. It does not only generate revenue; it creates movement across transport, retail, hospitality, and investment, making it one of the most **commercially impactful sectors in the Kingdom today**. However, the real challenge ahead is not growth, but **sustainable and high quality growth**. The focus must shift from increasing visitor numbers to maximizing value, strengthening local economic impact, and maintaining world class standards.

Ultimately, the success of tourism will be measured by how much **long term value it creates for the Saudi economy**. If managed correctly, it will remain a cornerstone of Saudi Arabia's non oil future under Vision 2030.

Appendix A. Regional Tourism Profiles and Their Economic Relevance

Makkah and Madinah remain the foundational axis of Saudi tourism economics. Religious tourism centered on Hajj and Umrah generates demand at extraordinary scale and with a very broad multiplier footprint. Accommodation, airport and land transport, food supply, pilgrimage services, retail, exchange services, telecommunications, and urban maintenance all benefit. The economic logic is reinforced by the Pilgrim Experience Program, which aims not only to facilitate the journey but also to improve quality, heritage awareness, and the wider experience of the visitor. Because of this, religious tourism remains the single most powerful baseline demand source in the Kingdom's tourism economy [19][20][26].

Jeddah plays a different but complementary role. As the Kingdom's main historical port city and an important gateway to Makkah, Jeddah combines pilgrimage transit, urban leisure, retail commerce, hospitality, heritage assets, and seafront recreation. Historic Jeddah adds heritage depth, while the city's commercial structure gives tourism immediate spillover effects into shopping, dining, logistics, and lifestyle services. For a retail executive, Jeddah is a clear example of how tourism and commerce reinforce one another in real time [26].

Riyadh demonstrates the rising importance of urban tourism, event tourism, and business tourism. The transformation of Riyadh's entertainment, sports, and cultural offering under the Quality of Life agenda has expanded the city's ability to attract domestic and international visitors for reasons beyond administration and business alone. This matters economically because urban tourism often produces high-value discretionary spending in hotels, food outlets, transport, shopping centers, and ticketed experiences [17][18].

AlUla represents one of Saudi Arabia's most compelling models of heritage-led destination development. It blends archaeology, desert landscapes, hospitality, culture, and conservation in a manner that broadens the Kingdom's tourism brand far beyond pilgrimage. UNESCO's cooperation in AlUla also shows how tourism can be linked to preservation, research, education, community benefit, and sustainability rather than pure visitor extraction. Economically, AlUla is important because it demonstrates how high value, lower volume tourism can still produce meaningful regional income and international visibility [25][28].

The Red Sea and AMAALA point toward another future segment: premium coastal and regenerative tourism. These destinations matter not simply because they may attract affluent travelers, but because they can increase average visitor yield, length of stay, and global perception of Saudi Arabia as a sophisticated destination market. From a GDP perspective, such projects can have outsized value if they deepen local supply chains and generate strong net spending per visitor [21][22][23].

Asir and mountain destinations highlight the importance of domestic leisure and seasonal climate advantages. They also matter for regional equity because tourism in such areas can support hotels, local farms, food businesses, transport operators, handicrafts, and family run

enterprises that might not otherwise enjoy similar demand density. Saudi tourism's long term success will be stronger if more regions can develop distinctive offers that complement rather than imitate one another [18][24].

Al Ahsa and other heritage rich eastern destinations show how oasis landscapes, cultural memory, and historical settlements can become economic assets when presented professionally. Such destinations are especially significant for broadening tourism beyond the west and northwest of the Kingdom. They help spread income geographically and contribute to a more resilient national tourism map [27].

Taken together, these regional cases support a larger conclusion: Saudi tourism is becoming a network of destination economies rather than a single corridor of travel. This is strategically valuable for GDP growth because it distributes investment, jobs, and private sector opportunity more widely across the Kingdom [2][18][24].

Table 7. Regional Destination Logic in Saudi Tourism

Destination cluster	Primary tourism logic	Representative economic effects	Key refs.
Makkah Madinah	Religious pilgrimage and year round faith based demand	Accommodation, transport, food supply, retail, logistics, urban services	[19][20]
Jeddah	Gateway, heritage, seafront, commerce	Retail, hospitality, dining, heritage linked trade	[26]
Riyadh	Urban events, business, entertainment	Hotels, conferences, shopping, mobility, ticketed experiences	[17][18]
AlUla	Heritage, archaeology, premium culture	Guiding, hospitality, conservation, crafts, local entrepreneurship	[25][28]
Red Sea / AMAALA	Coastal premium and regenerative tourism	Luxury hospitality, marine services, high spend visitors	[21][22][23]
Asir and mountain regions	Domestic leisure, climate and nature	Regional hotels, food businesses, family tourism spending	[18][24]
Al-Ahsa and Eastern heritage zones	Oasis and cultural landscape tourism	Regional diversification, heritage commerce, local SMEs	[27]

Appendix B. Selected Official Indicators Used in the Analysis

Table 8. Core Quantitative Indicators Cited in This Paper

Indicator	Value	Source
Total tourists in 2023	106.2 million	Ministry of Tourism official news
Total tourists in 2024	115.9 million	Ministry of Tourism investment overview
Inbound tourists in 2024	29.7 million	Ministry of Tourism investment overview
Domestic tourists in 2024	86.2 million	Ministry of Tourism investment overview
Inbound visitor spending in 2024	SAR 168.52 billion	Inbound Tourism dashboard
Tourism direct contribution to GDP by early 2025	Almost 5%	Ministry of Tourism news
International visitor spending in Q1 2025	SAR 49.4 billion	Ministry of Tourism news
Licensed tourism hospitality facilities in Q3 2025	5,622	GASTAT
Employment in tourism activities in Q3 2025	1,009,691	GASTAT
Travel services exports in Q3 2025	SAR 33.8 billion	GASTAT

These indicators were selected because they show tourism's contribution from several angles at once: demand volume, spending, infrastructure, employment, and external sector performance. In combination they provide a stronger basis for GDP analysis than any single metric taken alone [4][5][8][9][13][14].

Appendix C. Extended Analytical Discussion

Saudi tourism is now creating a new hierarchy of commercial locations inside the Kingdom. Locations once considered secondary are becoming more visible as weekend destinations, heritage circuits, festival sites, or gateway cities. This matters because GDP growth is not only about sector totals; it is also about where opportunity appears and

whether private capital follows it. Tourism can alter this geography faster than many sectors because consumer movement responds relatively quickly to improved access, new attractions, and stronger branding [2][17][18].

Another feature of the Saudi case is the interaction between state led development and private sector participation. Large projects and enabling infrastructure often emerge through strong public initiative, but long term tourism vitality depends on private operating quality, entrepreneurship, and repeated customer transactions. A destination cannot rely forever on announcement value; it must eventually succeed through repeatable market behavior. This is why service quality, pricing logic, and business model realism matter so much in the next phase [3][4][18][21][23].

The Kingdom also benefits from the fact that tourism is politically and socially linked to quality of life improvements for residents as well as visitors. Better public spaces, more cultural programming, stronger urban hospitality, and richer leisure options improve domestic welfare while also raising the attractiveness of cities and regions to travelers. In this respect, tourism under Vision 2030 has a dual purpose: it serves the visitor economy and the resident experience economy at the same time [1][17][18].

For analysts, the Saudi tourism story provides a useful example of how sector transformation can be driven by institutional sequencing. First came strategy, then visa reform and ecosystem building, then destination development, then acceleration in volumes and spending, then increasing attention to sustainability and productivity. This sequence is important because it shows why the sector's current performance should not be read as a short term fluctuation; it is the result of sustained statecraft and policy continuity [1][2][6][18].

The religious base of Saudi tourism remains strategically valuable because it lowers structural risk. Many countries pursue tourism growth without possessing any deep foundational demand anchor. Saudi Arabia, by contrast, has an enduring religious demand base that supports a large service ecosystem. The policy challenge is therefore not to replace religious tourism, but to complement it with new categories so that the total tourism portfolio becomes broader, more resilient, and more regionally distributed [19][20].

Tourism's relationship with national image also deserves emphasis. Global tourism demand is influenced by trust, familiarity, perceived safety, ease of travel, and destination curiosity. As Saudi Arabia expands its tourism offer, it simultaneously expands its soft power and international visibility. This can have spillover effects on investment interest, business travel, talent attraction, and cultural exchange. Although such effects are harder to quantify than hotel nights or spending data, they are economically meaningful over time [2][24][29].

The same is true for heritage positioning. Cultural assets such as Hegra, Historic Jeddah, and Al Ahsa are not simply preservation obligations; they are high value narrative assets. When protected and interpreted properly, they give Saudi Arabia a differentiated tourism story that cannot be replicated by generic resort development alone. Distinctiveness is economically important because it reduces direct price competition and supports stronger visitor motivation [24][25][26][27][28].

One practical lesson from fast growing tourism markets is that congestion can silently erode value. Roads, airports, city centers, pilgrimage corridors, beaches, and heritage sites all have finite carrying capacity. Once visitor management begins to fail, the quality of the visitor experience falls, local frustration rises, and reputational risk grows. Saudi Arabia's strategic advantage is that it is planning much of its expansion relatively early in the sector's takeoff phase; therefore it still has room to design capacity management more intelligently than many mature destinations did [20][21][22][29].

Another lesson concerns the balance between volume and premiumization. High visitor numbers can be impressive, but a sophisticated tourism strategy often combines broad accessibility with carefully designed premium products. Red Sea Global and AMAALA are significant in this regard because they broaden the Saudi portfolio toward higher yield coastal tourism, while heritage and urban destinations provide variety across price points and motivations [21][22][23].

Ultimately, the maturity of Saudi tourism will be judged by how effectively the Kingdom converts visitor activity into durable domestic capability. If tourism growth builds Saudi firms, Saudi skills, Saudi brands, Saudi cultural industries, and Saudi regional opportunity, then its contribution to GDP will be deeper and more resilient. That is the real test of success under Vision 2030 [2][18][30].

Appendix D. Detailed Strategic Recommendations Through 2030

A first detailed recommendation is to embed tourism analysis into regional economic planning rather than treat it as a stand alone sectoral dashboard. Regional authorities and investors need integrated intelligence on mobility, accommodation, retail turnover, event attendance, seasonality, labor demand, and SME participation. Tourism policy becomes more effective when it is linked to the full regional economy instead of being measured only by arrivals and hotel statistics [4][5][13][18].

A second recommendation is to prioritize destination specific strategies rather than one national formula for all places. Makkah and Madinah require pilgrimage excellence and crowd management; Riyadh requires event and business travel strength; Jeddah requires urban seafront and gateway integration; AlUla requires conservation linked premium tourism; Red Sea destinations require ecological stewardship. Destination strategy must fit the intrinsic logic of the place [18][19][20][21][22][23][28].

A third recommendation is to deepen the connection between tourism and Saudi SMEs. Local entrepreneurs should have pathways into food services, transport, cultural retail, guiding, digital services, crafts, and hospitality support. This is not merely a social preference. It increases local capture of visitor spending and therefore strengthens GDP impact within Saudi regions [2][10][18].

A fourth recommendation is to build stronger tourism talent pipelines in partnership with universities, vocational institutions, and private operators. Saudi tourism will need multilingual capabilities, service leadership, culinary expertise, cultural interpretation, sustainability knowledge, and digital marketing capacity. Without that pipeline, scale may expand faster than quality [13][18][20][30].

A fifth recommendation is to improve the measurement of tourism yield. Policymakers should regularly track not only tourist volumes but also average spend per trip, spend per night, return visitation, regional distribution of spending, domestic value added ratios, and the share of procurement sourced locally. These metrics would produce a more mature understanding of tourism's true contribution to GDP and sustainability [5][10][11][12][14][30].

A sixth recommendation is to place environmental carrying capacity at the center of destination approvals and operations. Water use, waste systems, biodiversity protection, marine impact, and heritage preservation should be monitored with the same seriousness as occupancy and demand. Tourism success that destroys the resource base of future tourism is a false success [21][22][24][28][29].

A seventh recommendation is to use tourism as a platform for cross sector modernization. Digital payments, integrated booking systems, smart mobility, multilingual wayfinding, visitor data analytics, and responsive urban services all improve tourism performance while also modernizing the domestic service economy. Tourism can therefore be a catalyst for broader service sector excellence [3][4][5][17][18].

An eighth recommendation is to strengthen the domestic tourism proposition even as international tourism grows. Domestic demand gives stability, supports year round capacity use, and provides a base market for new destinations before they scale internationally. In times of global disruption, strong domestic tourism can protect businesses and employment [4][5][17][18].

A ninth recommendation is to continue building globally distinctive destination narratives. Saudi Arabia should avoid becoming interchangeable with other tourism markets. Its comparative advantage lies in its unique combination of pilgrimage, heritage, Arab Islamic history, dramatic landscapes, modern entertainment, and emerging premium marine tourism. Strong narrative differentiation supports pricing power and international attention [19][24][25][26][27][28].

A tenth recommendation is to align all tourism growth with a clear concept of Saudi long term value creation. The right question is not only how much tourism can expand by 2030, but what type of national economy that tourism expansion will leave behind. The strongest outcome would be a tourism sector that deepens non oil GDP, raises service productivity, empowers local communities, preserves natural and cultural assets, and becomes a durable source of Saudi competitive advantage [1][2][18][22][30].

Table 9. Strategic Growth Scenarios for Saudi Tourism

Scenario	Basic logic	Main implication	Relevance to Saudi Arabia
Volume led growth	Very high arrival growth with moderate spend per visitor	Can raise headline figures quickly but risks congestion and weaker margins	Best used where domestic scale and broad access are priorities
Yield led growth	Moderate visitor volume with high spend and longer stay	Supports stronger value capture and premium positioning	Best suited to coastal premium, heritage, and curated experience destinations
Balanced growth	Combination of mass domestic demand and selective premium products	Most resilient for Saudi Arabia because it spreads risk and broadens benefits	Most aligned with Vision 2030's diversified tourism portfolio

Appendix E. Final Reflection from a Saudi Market Leadership Perspective

Our overall reflection is that Saudi tourism has moved beyond the phase of symbolic ambition. It is now influencing how regions market themselves, how investors evaluate opportunities, how consumers move, and how adjacent sectors think about growth. In practical business life, this is one of the clearest signs that a sector has become economically consequential [2][4][18].

As leaders who has spent decades in Saudi retail and automotive markets, we find tourism's greatest strength to be its ability to animate entire ecosystems. Few sectors generate as much interconnected activity across transport, food, shopping, hospitality, events, infrastructure, and local entrepreneurship. That is why tourism deserves a more central place in strategic economic thinking inside the Kingdom [10][11][17][18].

The next stage, however, will demand rigor. Saudi Arabia has already proven demand. Now it must prove repeatability, value capture, skill quality, sustainability discipline, and destination stewardship at scale. If it does so, tourism will not simply contribute to GDP; it will help define the character of Saudi Arabia's post oil development model [18][20][22][30].

For that reason, the case for tourism under Vision 2030 is not only economic but strategic and civilizational. It allows Saudi Arabia to welcome the world, preserve its heritage, create opportunity for its people, and diversify its economy on foundations that are both commercially meaningful and nationally authentic [1][19][24][28].

Appendix F. Saudi Tourism in a G20 and International Context

Saudi Arabia's tourism transformation should also be read in international context. UN Tourism notes the large importance of tourism across the G20, where the bloc accounts for a dominant share of global tourist flows and tourism exports. This matters because Saudi Arabia is not building its tourism sector in isolation; it is competing and positioning itself within a major global tourism arena [29].

What makes the Saudi case distinctive within that arena is the speed of policy driven transformation. Many tourism economies are mature and evolve incrementally. Saudi Arabia, by contrast, has compressed institutional change, destination development, branding, visa reform, and market opening into a relatively short period under Vision 2030. This has allowed the Kingdom to shift from under recognized tourism potential to global relevance in a matter of years [1][2][6][8].

The international context also highlights why sustainability matters for competitiveness. Global travelers, investors, and institutional observers increasingly assess destinations not only on attractions and price but on environmental credibility, heritage authenticity, and social value. Saudi Arabia's emphasis on regenerative tourism in Red Sea developments and on heritage linked destination identity therefore has significance beyond domestic policy; it affects global positioning [21][22][24][28][29].

WTTC's broader economic impact framing is useful here because it reminds us that travel and tourism typically generate effects that are wider than direct tourism receipts alone. While official Saudi statistics should remain the primary base for national measurement, international research helps explain why tourism often influences capital investment, household spending, and labor markets more broadly than narrow visitor statistics may suggest [30].

Saudi Arabia also benefits from timing. International tourism recovered strongly after the pandemic period, and the Kingdom entered that recovery phase with stronger strategy, more developed project pipelines, and higher political commitment than before. The result has been a window of opportunity in which Saudi Arabia could capture attention, demand, and investment as global travel rebounded [6][29][30].

Within the G20, the Kingdom's long term opportunity is not necessarily to imitate the largest established tourism markets, but to define a differentiated model that combines pilgrimage, heritage, modern entertainment, premium coastal development, and sustainability led positioning. If that model matures successfully, Saudi Arabia could become one of the most distinctive tourism cases among major economies by the end of the decade [19][21][22][24][29].

Table 10. Why the G20 Context Matters for Saudi Tourism

Dimension	Why it matters for Saudi Arabia
Scale of tourism trade	Confirms that tourism is a major economic field among the world's largest economies.
Competitive positioning	Saudi Arabia must differentiate itself rather than rely on generic tourism formulas.
Sustainability expectations	Global standards increasingly influence investment and destination reputation.
Investor signaling	International benchmarks affect confidence in tourism as a long term growth sector.
Policy learning	Saudi Arabia can learn from both the successes and the mistakes of mature tourism economies.

Appendix G. Governance, KPIs, and Destination Management

Strong tourism performance depends on strong governance. Visitor growth alone does not guarantee a well run sector. Governance determines who coordinates transport, who manages capacity, who protects heritage, who measures local economic value, and who resolves friction between residents, businesses, and visitors. In a fast growing market like Saudi Arabia, governance quality can become a decisive competitive advantage [2][18][20][22].

A practical governance framework for Saudi tourism should include at least five layers: national strategy, destination level management, sustainability oversight, commercial performance monitoring, and community feedback. National strategy provides direction, but destination level management is where problems and opportunities actually appear. Different destinations need different operating disciplines, and governance needs to be close enough to the ground to detect them early [18][20][21][22].

The KPI agenda should also evolve. Tourist counts remain important, but they are not sufficient. Saudi tourism governance would be stronger if it consistently tracked spend per trip, spend per night, repeat visitation, local procurement ratios, resident satisfaction, environmental intensity, workforce nationalization quality, and time to service indicators in high demand periods. These measures would help leaders distinguish between impressive scale and genuinely strong performance [5][10][13][14][30].

Destination management also requires integrated mobility logic. Airports, roads, parking, buses, taxis, ride hailing, signage, and digital navigation all shape visitor experience. In many destinations around the world, poor mobility management silently undermines tourism value. Saudi Arabia has the advantage of planning many of its destination systems during a period of sector build out, which gives it the chance to integrate transport and tourism more effectively from the start [3][4][17][18].

Another governance issue is crisis resilience. Tourism is sensitive to global shocks, weather events, operational disruptions, and public health concerns. Strong governance requires contingency planning, diversified source markets, and clear communication systems. Saudi Arabia's domestic tourism base is a strength in this regard because it can provide stabilizing demand during periods when international flows weaken [4][5][17].

Finally, destination management should protect the resident experience. Tourism that is economically impressive but socially resented will struggle over time. Cleanliness, public order, affordability of everyday life, preservation of local character, and fair distribution of opportunity all matter. The best tourism governance systems recognize that residents are not background actors; they are part of the destination itself [18][24][28].

Table 11. Illustrative KPI Framework for Saudi Tourism Governance

KPI category	Illustrative indicators
Demand quality	Spend per trip, spend per night, length of stay, repeat visitation
Operational quality	Occupancy, service response times, digital booking conversion, complaints resolution
Economic capture	Local procurement ratio, SME participation, travel account surplus, regional spending retention
Human capital	Training completion, language capability, leadership development, staff retention
Sustainability	Water intensity, waste performance, biodiversity protection, heritage conservation status
Resident experience	Resident satisfaction, congestion levels, affordability and quality of life feedback

Appendix H. Retail, Mobility, and Adjacent Sector Linkages

One reason tourism deserves attention from non tourism executives is that it changes customer ecosystems. A tourist rarely consumes only one service. The same visitor may use transport, stay in a hotel, dine out, shop, attend an event, buy gifts, pay digitally, and require last mile mobility within a single trip. This chain of consumption is what gives tourism such strong multiplier capacity in service economies [4][10][11][30].

In Saudi Arabia, this is particularly relevant to automotive and mobility markets. Visitor growth raises demand for vehicle rental, chauffeur services, coach operations, airport transfers, repair support, tires, fuel, and in the medium term charging infrastructure for electrified transport. Even where the expenditure is not recorded inside 'tourism' statistics, it exists because tourists move through the economy [3][4][17].

Retail linkages are equally important. Pilgrims, leisure travelers, and domestic tourists buy convenience goods, food, apparel, gifts, healthcare basics, electronics accessories, and cultural items. They create differentiated demand peaks by city, season, and event type. For retailers, the rise of tourism can justify new store formats, better multilingual service, stronger merchandising around local identity, and more sophisticated omnichannel support [4][5][17][18].

Food and beverage businesses may be among the most immediate beneficiaries. Tourism increases eating out frequency, supports premium dining in destination cities, and broadens demand in secondary locations that receive festival or heritage traffic. This is one reason tourism often creates quick visible gains for local SMEs and family businesses before some larger macro effects become visible in national accounts [17][18][20].

Financial and digital services also benefit. Tourists intensify payment flows, booking activity, foreign card usage, refunds, loyalty interactions, and customer service requirements. The more Saudi Arabia digitizes the tourism journey, the more spillover benefits there are for its wider digital

services ecosystem. Tourism can therefore accelerate service modernization beyond the boundaries of the travel industry itself [3][4][5][18].

For business leaders, the message is straightforward: tourism should be mapped as a demand engine. Companies in transport, retail, food, payments, logistics, and urban services should study tourism patterns with the same seriousness that hoteliers and airlines do. Those who align early with destination growth are likely to capture disproportionate value in the next phase of Saudi market development [4][10][17][18].

Table 12. Selected Adjacent Sector Effects of Tourism Growth

Adjacent sector	Typical tourism linkage	Why it matters for GDP
Mobility and automotive	Car rental, bus services, airport transfers, fuel, maintenance	Tourism induced movement expands demand beyond core hospitality
Retail trade	Shopping, gifts, convenience purchases, fashion, pharmacy	Visitor spending supports turnover and commercial viability
Food and beverage	Restaurants, cafes, catering, local food products	Tourism creates frequent, distributed spending occasions
Digital and financial services	Bookings, payments, customer support, data platforms	Improves service productivity and transaction volume

Real estate and facilities	Hotels, serviced apartments, mixed use areas, maintenance	Raises capital formation and recurring operating demand

Appendix I. Executive Takeaways for Saudi Business and Policy Leaders

The first executive takeaway is that Saudi tourism is now large enough to matter to strategy across sectors, not only within hospitality. Boards, investors, and senior managers in retail, mobility, real estate, events, logistics, and digital services should treat tourism as an input into market planning and not merely as a macro headline [4][10][17][18].

The second takeaway is that growth quality now matters as much as growth speed. The Kingdom has proved that it can attract tourists at scale. The question for the coming years is how to deepen local value capture, protect destinations, raise service productivity, and broaden community benefit. These are the levers that will determine whether tourism led GDP gains remain durable [18][20][22][30].

The third takeaway is that religious tourism and diversification are complementary rather than competing logics. Saudi Arabia's strongest tourism model will combine its enduring pilgrimage advantage with wider leisure, heritage, coastal, urban, and domestic tourism categories. Such a portfolio approach is economically superior because it reduces concentration risk and smooths demand [19][20][21][23][24].

The fourth takeaway is that sustainability is now a competitiveness issue. Environmental stewardship, heritage protection, and resident experience are not secondary considerations. They shape global perception, investor confidence, and the long run commercial value of destinations. In that sense, sustainability should be understood as part of economic strategy rather than as a separate agenda [21][22][24][28][29].

The fifth takeaway is that Saudi tourism under Vision 2030 has already become one of the Kingdom's most important non oil growth stories. Its full promise, however, will be realized only if strong governance, private sector execution, workforce development, and destination management continue to advance together through the remainder of the decade [1][2][12][18][30].

Table 13. Five Final Executive Messages

Message	Practical implication
Tourism is cross sectoral	Leaders outside hospitality should integrate tourism into strategy.
Yield matters	Track spend quality, local capture, and repeat visitation.
Diversification is essential	Balance pilgrimage, leisure, heritage, domestic, and premium segments.
Sustainability is strategic	Protect natural and cultural assets as part of long term value creation.
Execution is decisive	Governance, talent, and service quality will determine long run success.

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