

Saudi Arabia plans \$147 billion expansion for transport sector

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Riyadh: Saudi Arabia plans to invest 550 billion riyals (\$147 billion) in transport and logistics over the next nine years as Crown Prince Mohammed bin Salman looks to turn the kingdom into a global aviation hub.

About 35 percent of that spending will come from the government and the rest from the private sector as officials launch a new international airline, expand airports, build a broader train network and explore new technologies, Transport Minister Saleh Al Jasser said Monday.

“Many of the targeted projects are bankable projects, attractive projects,” the minister said in an interview in Riyadh. “This will open big opportunities for partnership with the private sector, whether local or international.”

The plans are part of a strategy announced by Prince Mohammed last week intended to help diversify the economy of the world’s largest crude exporter. Saudi officials want to turn the capital of Riyadh into a global business hub, draw in more foreign talent and attract 100 million tourists a year by 2030 — goals that would require significantly more flights into a country that has only offered tourist visas since 2019.

They also hope to nearly quadruple the number of Muslims that travel to the holy city of Mecca on religious pilgrimages.

New airline

At the center of the strategy is the sovereign Public Investment Fund's plan to launch a new international airline with its hub in Riyadh, confirming an earlier Bloomberg report. The kingdom's existing national carrier, Saudia, will maintain a base in Jeddah that officials want to turn into a second hub for both religious and conventional tourism.

"We believe that we need another hub in Riyadh and it makes sense that a new operator will take that mission," Al Jasser said, adding he sees Saudia expanding as well given the sheer size of anticipated demand.

"There will be room for Saudia to grow and there will be room for the new airline to prosper, and also there will be more room for other international operators to grow their business in Saudi Arabia," he said.

Asked if the new airline would compete with big carriers in neighboring Gulf states like Emirates and [Qatar Airways](#), Al Jasser said Saudi officials were simply looking to cater to the kingdom's need for a hub in Riyadh.

Other details of the new strategy include:

A "major expansion" of airport infrastructure in Jeddah and Riyadh

Pushing forward with plans to build a train linking Jeddah with Riyadh and the East coast. Al-Jasser said he expects a consortium of foreign companies to deliver a proposal later this year on delivering the "land bridge" project.

Exploring the use of futuristic technologies like Hyperloop and the new generation of Maglev

The new airline is expected to launch "as soon as possible," Al Jasser said. "It won't take many years before this airline is operational."

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