

Saudi Arabia plans to launch 320,000 new hotel rooms by 2030

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Dhaka: Saudi Arabia is planning to have 320,000 new hotel rooms by 2030 as the Kingdom ramps up efforts to accommodate 150 million domestic and international tourists annually, according to reports.

The massive expansion plan of the hospitality sector is in line with the Kingdom's goal of increasing its travel industry's economic contribution from six per cent to ten per cent by 2030, added reports.

It may be mentioned here, visitor spending in Saudi Arabia in the first half of 2023 reached USD 23.2 billion, a record 132 per cent increase from the period in 2022.

International arrivals also surged 142 per cent year-on-year to 14.6 million in the first six months of 2023.

While nearby Gulf nations like Bahrain, Kuwait and Egypt emerged as

top source markets, Saudi authorities are exploring strategies to attract visitors from further afield, said reports citing Turab Saleem, Knight Frank's head of hospitality and tourism advisory for the Middle East.

"This includes developing cultural and entertainment offerings nationwide to complement existing attractions like the Jeddah F1 Grand Prix and numerous 'Entertainment Seasons,'" informed Saleem.

Notable projects include theme parks like Boulevard World and Qiddiya in Riyadh, as well as Saudi Arabia's successful bid to host the 2030 World Expo, which is expected to draw 40 million visitors and inject USD 94.6 billion into the local economy.

Reports further mentioned, 67 per cent of the projected 320,000 new hotel rooms will be upscale or luxury properties, typically requiring one to two staff members per room. This suggests between 232,000 and 387,000 hospitality workers may need accommodation as the sector expands rapidly.

"Provision of quality housing for hospitality staff will be essential to ensure the success of Saudi's tourism ambitions," said reports citing Faisal Durrani, Knight Frank's head of research for the Middle East.

The holy cities of Mecca and Medina are set for a significant hotel boom, with 221,000 new rooms announced, planned or under construction to cater to religious tourists—expected to reach 30 million annually by 2025 and 50 million by 2030.

Reports cited Knight Frank estimating around USD 104 billion will be required for construction costs alone to realise the 320,000 new hotel rooms nationwide, with USD 70 billion dedicated to the religious tourism hubs of Mecca and Medina.

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