

Saudi Arabia to launch new national carrier

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Dhaka: Saudi Arabia is planning to launch a new national airline to take advantage of the economic growth and bring visitor numbers to the kingdom to a target of 100 million in the next decade.

[Crown Prince Mohammed bin Salman](#) announced the plans earlier in the first week of July as part of a new national plan to make Saudi Arabia a regional logistics hub, by doubling the kingdom's air cargo capacity.

According to reports, Saudi Arabia saw 16.5 million tourists in 2019, up 7.6 percent on the 15.3 million in 2018. Tourism spending in 2019 totaled USD 41 billion, but that fell to USD 16.9 billion in 2020 due to the coronavirus pandemic.

Following the pandemic, flights restarted on May 17 after a prolonged shut-down, as last year's Hajj pilgrimage figures, normally over 2 million, fell to around 50,000.

Industry leaders are anticipating the new airline will most likely be based in Riyadh.

The plans call for a new airport south of Riyadh to serve the airline and focus on business and tourism, leaving Saudia to manage religious tourism, which recently accounted for around three-quarters of tourist spend in the kingdom.

Industry stakeholders are calling for a reduction in costs imposed on airlines operating through Saudi airports, as research in 2019 showed that airlines passing through Saudi airports had to pay 3.75 times more per passenger than those passing through airports in neighboring countries.

Saudi Arabia's sovereign wealth fund, the USD 430 billion Public Investment Fund, should have a major say in the airline's creation. The fund will likely inject at least USD 40 billion a year into the local economy until 2025.

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