

Hospitality Industry In The Kingdom Of Saudi Arabia - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

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Abstracts

The Hospitality Industry In The Kingdom Of Saudi Arabia Market size is estimated at USD 13.23 billion in 2024, and is expected to reach USD 16.91 billion by 2029, growing at a CAGR of 5.03% during the forecast period (2024-2029).

The hospitality industry in Saudi Arabia expanded dramatically in the past few years due to several noteworthy government initiatives to develop the hotel industry and increase the nation's total tourism targets. Saudi Arabia is the travel destination with the fastest growth rate in the world, according to the G20. The UNWTO reports that foreign visitor visits in the Kingdom rose by 125% to pre-pandemic levels last year, attracting around 94 million tourists and outpacing the global tourism industry's rebound.

Saudi Arabia plans to invest over USD 550 billion in new travel destinations in the coming six years, making it the world's largest investor in tourism. It is due to its efforts to grow its tourist and hospitality sectors. Saudi Arabia led the Arab ranks for inbound tourism in the first three quarters of the previous year, with about 20 million tourists visiting the Kingdom. With the recent approval of the legislation, the industry hopes to contribute 10% of GDP in the coming six years and reach the goal of 100 million annual tourist visits. Travel restrictions are lifted, and the door is opened for a flood of tourists into the Kingdom. It is due to the new visa regulations like e-visas and visas-on-arrival for visitors from 49 countries, further fueling the growth of the hospitality industry.

The hospitality sector is set up for faster expansion, and the area is currently at the top of the travel and hospitality world. In Saudi Arabia, Rotana is developing seven hotels, including five brand-new establishments in Riyadh that are now under negotiation. Over the next four years, these buildings will nearly quadruple the number of rooms the

company operates in the Kingdom to 6,000.

Hospitality in Saudi Arabia Market Trends

An Increase in the Number of Hotels and Suggested Projects

A stunning eighty hotel projects are anticipated to be finished in Saudi Arabia in the current year, according to TopHotelsProjects. By the end of this decade, the Kingdom of Saudi Arabia hopes to welcome 100 million tourists within its borders as part of its Vision 2030 strategy. First, the Diriyah Gate Development Authority (DGDA) unveiled Diriyah Square, the commercial center of the USD 50 billion Diriyah giga project on the outskirts of Riyadh, scheduled to open in the current year. A total of 38 foreign hotel brands are anticipated. 16 of these are verified during the development thus far.

The enormous hotel giant Accor disclosed its intentions to grow in Saudi Arabia. Three agreements were reached to establish significant hotel and real estate projects across the country. Medina's Rua Al Madinah is one of these projects. Saudi Arabia plans to construct 315,000 new hotel rooms by the coming six years, with an estimated development cost of USD 37.8 billion, as part of its continuous efforts to diversify its economy away from the oil sector.

Increase in Online Hotel Booking in Saudi Arabia

According to an Insight Out Consulting analysis, the Middle East tourism market is expected to grow by 40% in the coming two years, with Saudi Arabia and the United Arab Emirates leading the way. The value of online travel reservations in the Middle East rose by 100% in the current year compared to the previous year. This growth is attributed to several factors, including an increase in tech-savvy travelers, the use of customer-facing tech solutions like AI chatbots, mobile apps, and loyalty programs, and the integration of increasingly complex online back-end systems by travel suppliers, particularly hotels, such as booking engines and distribution channels. Half of all reservations made in the KSA and UAE are anticipated to be made online in the coming two years.

Furthermore, Saudi Arabia's high-end and mid-scale hotels play a significant role in the rapid rise of the financial community through online hotel booking. Travelers to Saudi Arabia, both local and foreign, are more likely than ever to book their lodging online,

primarily for trips to Makkah, Medina, Riyadh, Jeddah, and Dammam. The Saudi Arabian government is committed to implementing Vision 2030 in order to raise the living standards of its citizens.

Hospitality in Saudi Arabia Industry Overview

The hospitality industry in Saudi Arabia is a combination of several international brands and chain hotels and several domestically grown chain hotels. Many well-established international brands entered several strategic partnership programs with the leading hospitality companies with Middle East origination. They are operating through their brand name under the management contracts of reputed organizations. The market holds great growth opportunities and is welcoming many new investors into the industry. Major Players in the hospitality industry are Al Hokair Group, Dur Hospitality Company, Al Tayer Group, InterContinental Hotels Group, and Marriott International Inc.

Additional Benefits:

The market estimate (ME) sheet in Excel format

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