



Competitive edge

The unfolding potential for sports
tourism in Saudi Arabia



KPMG in Saudi Arabia
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Introduction

The mixing of sports and tourism is not a new concept. Long has the golf and ski trip existed, and long have tourists travelled across the world to attend the Olympics or a World Cup. However, the sports tourism industry has more recently grown in countries that haven't traditionally been sports destinations or hosts of major sporting events. These countries noticed the economic and broader societal impacts of sport tourism and want their piece of the pie.

A large pie it is. According to the UN's World Tourism Organization's (UNWTO) pre-pandemic figures, sports tourism generates 12 to 15 million international arrivals each year and represents 10% of the world's tourism industry, with a turnover of about US\$800 billion.¹

Effective sports tourism requires a vast effort, including organizing spectator and participant sporting events, promoting sport tourism to new markets and upgrading infrastructure.

Coming off of Formula 1 weekend in Jeddah in December 2021 — the first ever race from motorsport's top tier in the Kingdom — Saudi Arabia appears to have begun a new chapter in its sports tourism history. It makes sense then to examine how the Kingdom can develop its sports tourism industry to maximize its potential.

Countries like Saudi Arabia are advancing agendas to build a sporting culture that attracts domestic and international tourists. This requires a vast effort, including organizing spectator and participant sporting events, promoting sports tourism to new markets and upgrading infrastructure, among myriad other grassroots initiatives. Saudi Arabia and its peers need to take a close look at what unique qualities their country has to offer sports tourists. These qualities start with geography, but are certainly not limited to it. Thoughtful planning and investment — with the help of today's technology — can foster just about any sport, anywhere.

Currently in Saudi Arabia, the sports sector contributes around 0.2% of the Kingdom's GDP, while the tourism sector contributes around 3% according to the Ministry of Sport and the Ministry of Tourism. The ministries have ambitious targets for growth: by 2030 sports should contribute 0.6% of GDP and tourism 10%. One of the obvious areas for growing both sectors is sports tourism.



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Global impact of sports tourism

The impact of sports tourism spreads far, across geographies and economies. Golf and skiing – the two largest sports tourism industries – are widespread. Europe, the historical home of golf, remains a leader, with the UK and Ireland, France and Spain having the most golf courses.² The United States is also a golfing powerhouse with over 40% of the world's golf courses.³ However, golf is quickly expanding beyond its traditional Western roots. In the last twenty years Japan, Korea, China and Thailand have moved into the top-20 countries in course supply and Middle East and North African countries like the UAE, Egypt, Tunisia and Morocco have also made great strides.⁴

The skiing industry is most prominent in the West but has seen a notably eastward shift in recent decades. Europe leads the world as a tourist destination for skiing and North America (Canada and the United States) closely follows. As with golf, Asian ski resorts are growing along with the wealth of the region. Skiing is growing in China and Japan, which will host and have hosted the 2022 Winter Games and the 1998 Winter Games, respectively – partially as efforts to boost winter sports tourism.

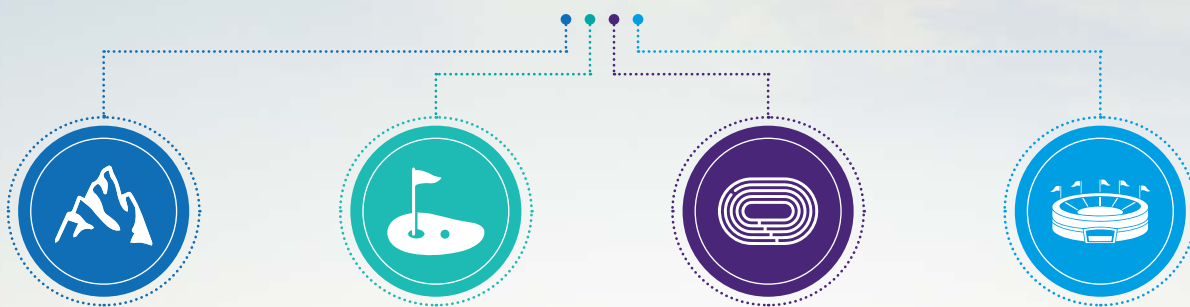
Emerging sports tourism industries like extreme sports have fewer geographic boundaries, which has attracted the attention of regions where golfing and skiing haven't been traditionally popular. Dubai has become synonymous with skydiving and BASE jumping within the extreme sports community. The Emirate's skyscrapers are ideal platforms for BASE jumping and its unique coastline provides a unique scenery for skydiving. Even without skyscrapers, countries can attract other extreme sports like long-distance running and cycling. Ambitious athletes travel long distances to compete in running and cycling events under extreme conditions, such as the desert heat. However, Dubai's extreme sports success is not just due to conditions—it is also due to branding and planning. By following Dubai's extreme sports model, other countries have the opportunity to attract adventure tourists.

Model for sports tourism



This report introduces a model based on four categories of sports tourism. The purpose of the model — which is explained below — is to help identify which sports tourism industries can be developed given a market's characteristics. Most sports tourism industries fit into one of the below four categories, which are exemplified in the next pages by case studies, covering Japan's ski industry, Dubai golf, marathon tourism and the 2000 Sydney Olympics.

Categories of sports tourism



Destination-dependent sports tourism

A tourism destination provides an environment to play a sport not available at a tourist's place of residence, thus making travel necessary to play the sport. The necessity for travel is usually created by a specific geography required for the sport. Avid sports tourists may travel multiple times a year or to multiple destinations to play the sport. Casual sports tourists may travel annually or less frequently, but still consider the sport a hobby at which they wish to improve.

Saudi Arabia's primary travel dependent sport tourism opportunities are the diving and other watersports that can take place along the Red Sea coast, mountain climbing, and desert activities like rally racing, motor- and quad biking. In this regard the Kingdom provides some of the best conditions in the world. Beyond this, the climate and landscape of Saudi Arabia limit the potential for other travel dependent sports to extreme and endurance sports, based on the desert and the heat.

Alternative location sports tourism

A tourism destination provides an environment which is prestigious, scenically beautiful or entertaining to play a sport which can also be played at a sports tourist's place of residence. The sport is widespread and is often played by the tourist close to home when they are not on vacation. The sport — or entire vacation — is enhanced by the destination.

The landscape and coast of Saudi Arabia can provide an outstanding and spectacular environment for the most prolific of tourism sports — golf. Additionally, other sports can take place against the Kingdom's environment, which while not unique, is certainly stunning. This would include the desert as a background for sports like cycling and ballooning.

Participation-driven sports tourism

A tourism destination provides an event in which to participate. Often, the event combines elite and amateur competitions. The most common sports in this category, like running and cycling, can be done anywhere, which allows the competitor to prepare for the event at home before traveling to the destination.

Participation sports tourism is perhaps the least explored aspect of sports tourism so far in Saudi Arabia. But as the Kingdom opens up further for visitors, mass participation sports tourism is expected to grow. Key events might include desert running and cycling races. but potential exists for other such events. As a golf infrastructure develops, amateur events could be organized to further encourage golf tourism.

Spectator sports tourism

A tourism destination provides an event at which to spectate. The event may be a global event that changes locations (such as the Olympics or the World Cup) or may be an event tied to a specific location (such as the Masters Tournament). Locales often compete to host an event, vying for the reputational boost or economic impact associated with the event. Major sporting events can establish a global legacy for a host city (positively or negatively) based on the organization and perceived success of the event.

Saudi Arabia has placed significant investments in bringing top class events to the country (see page 14). It might be true to say that these events are targeted at this time in repositioning the brand of Saudi as a sports destination, and thereby influencing the tourism demand in other elements of this model, but we believe it is highly likely that we will see the potential for tourism directly related to the spectator sports tourism events to be achieved to a great extent.



Case study: Japan's ski industry

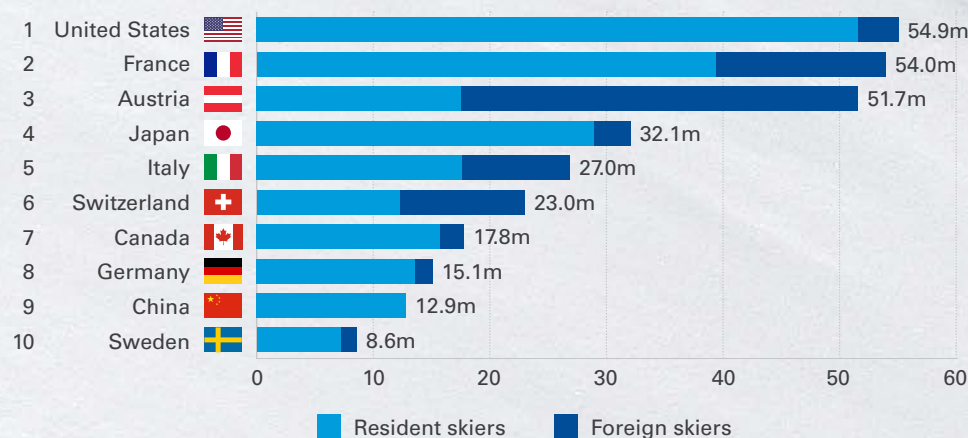
Destination-dependent sports tourism



Japan's ski industry has experienced vast transformation over the last four decades. Its changes have been driven by economic growth and collapse, a major sporting event and a strategy for inbound tourism. A case study by Masaaki Kureha, professor of regional geography at the University of Tsukuba, helped track the industry's transformation by looking at the development of the Niseko-Hirafu District's ski industry.⁵

Where most people are hitting the slopes⁶

Average number of skier visits per season (latest 5-year average)*



*A skier visit is defined as one person visiting a ski area for all or any part of a day for the purpose of skiing, snowboarding or other downhill activities. A skier skiing for a whole week accounts for 7 skier visits.

Early history

Niseko-Hirafu's ski industry got off to an auspicious start in 1912, when it was visited by Austrian military officer Theodor von Lerch, who is said to be the father of skiing in Japan. While there, Von Lerch taught ski techniques in Kutchan-Cho and tried to climb nearby Mt. Yotei. Over the coming decades, the ski industry steadily developed, and by around 1930 the area was dubbed the "St. Moritz of the Orient".

In the period between World War II and the end of the Cold War, Japan experienced an economic boom, becoming the world's second largest economy after the United States. With such growth, the Japanese population spent their new wealth on luxury goods and activities, such as skiing.

Boom and bust

Through the 1980s and into the 90s, the domestic ski industry in Japan was booming. The Niseko-Hirafu ski area expanded greatly during this time, and skiers began coming to Niseko not only from the Hokkaido island on which Niseko sits, but from all over Japan.

Then came the economic downturn of the 1990s in Japan, which brought the ski industry down with it. Beginning in the mid-1990s, the number of ski visitors to Niseko and other ski areas around Japan started decreasing.

However, Japan's ski industry has been revived by two key strategic decisions: the 1998 Winter Olympics and the aggressive promotion of inbound tourism.

1998 Winter Olympics

The 1998 Winter Olympics, held in Nagano prefecture, came at an opportune time for Japan's ski industry. With the domestic ski industry decimated by the economic downturn in Japan in the 1990s, Japan's ski industry needed to grow its international recognition. That, of course, came through the Olympics – the world's most recognizable sporting event. Many international viewers of the Olympics may not have been aware of Japan's winter sports potential prior to 1998, but that perception was quickly changed by a month of wall-to-wall coverage of athletes competing on snowy Japanese mountains.

The organizing committee for the 1998 Winter Olympics set out to promote the 'brand' of Japan.⁷ The committee engaged in a range of activities using government funding for international promotion, including setting up a public relations center and promoting the games in foreign languages. However, it took a public-private tourism promotion campaign following the games before Japan's ski areas saw a significant increase in inbound tourism.

Japanese tourism promotion schemes

Inbound tourism to Japan began being aggressively promoted around 2000. This gave rise to new policies on international tourism, which aimed to increase inbound tourism to certain markets. One particularly effective public-private initiative was the Visit Japan Campaign (VJC). The VJC was a partial-reimbursement scheme, in which the Ministry of Land, Transport, Infrastructure and Tourism contributed to the cost of overseas marketing for private tourism operators. In the four years following the launch of VJC, inbound tourism to Japan increased a remarkable 59%.⁸

In particular, Hakuba, a ski-heavy municipality within the Nagano Olympic area, took advantage of the VJC. A newly-formed coalition in Hakuba organized local operators to align their VJC-related activities around common target markets. While initially focusing on Asian tourists (similarly to other municipalities), Hakuba's tourism industry discovered that Australians

tended to travel as a family and stay longer, resulting in a higher spend per visitor. Hakuba began seeing a large inflow of foreign visitors during the early 2000s, at a rate outpaced other Olympic host municipalities within Nagano. Hakuba's VJC efforts represent a key example of effective private use of government funds for sport tourism.

The broader effort to increase inbound tourism benefitted the entire Japanese ski industry. Over time, the lack of domestic ski tourists began to be replaced by international ski tourists, especially from the surrounding region, which has a relative dearth of ski areas. As in Hakuba, visits by Australian skiers to Japan's ski resorts have risen remarkably since around 2000. The success from the Australian market was replicated by other an influx of skiers from places around Asia, like Hong Kong and Singapore.

Takeaway

The strategic move of hosting a relevant major event, with a significant and meaningful contribution by the public sector—both national and regional—resulted in a destination which has developed from strength to strength since.





Case study: Dubai golf

Alternative location sports tourism

Golf is the world's biggest sports-related travel market.⁹ Unlike skiing, which is only possible under the right weather and geographic conditions, golfing is possible all over the world. This characteristic makes golf more accessible and it means that many people do not need to travel long distances to golf – it's often only a 20-minute commute across town to tee off.

Given its availability, why is golf such a popular sports tourism industry? As it fits within this second framework, it is likely due to the tourism destination's entertaining, prestigious or scenically beautiful environment. As a tourist destination, Dubai fits those characteristics and the success of its golf tourism industry is testament to the importance of developing the industry's entertainment, prestige and beauty.

Global golf industry

Golf tourism was recently valued at US\$22.9 billion, with over 50 million golf tourists traveling the world to play on some of the estimated 40,000 courses. The popularity of golf is quickly spreading, particularly in Asia and the Middle East. As its popularity grows, not only will golf destinations become more widely spread around the world, but the number of golf tourists will greatly expand as well.

Golf industry in Dubai

Golf tourism contributes around US\$40 million to the economy in Dubai.¹⁰ Recently, Dubai was ranked sixth (along with Abu Dhabi) in a ranking of the top world golf destinations, behind Spain, Portugal, Scotland, Turkey and Ireland.

Dubai's now-thriving golf industry got its start through public funding. The Emirates Golf Club, founded in 1988 as the Emirate's first golf club, and the Dubai Creek Golf Club, founded in 1993, were both funded by the Engineering Office of HH Sheikh Mohammed bin Rashid. The Office's philosophy behind the golf projects was for them to help build the golf industry from the ground up. Once the two clubs were established and attracting customers, private sector players recognized the market potential and began establishing competing clubs. In essence, the public sector assumed the up-front risk of a greenfield project to lay the groundwork for a strategically-important industry. Eventually, both golf clubs were transferred to a private sector entity which further developed and monetized the properties.

Timeline of the opening of 18-hole golf courses in Dubai:



Prestige

The world's most prestigious golf courses each have a golf tournament widely associated with it. The Old Course at St. Andrews has hosted the Open Championship 29 times and Pebble Beach Golf Links has hosted the US Open six times. These courses have been played by most of the greatest golfers in history, and some of the most memorable moments in professional golf history are from their greens. It is no mystery why a tee time at the Old Course or Pebble Beach are the most sought-after experiences in golf.

Dubai's golf courses do not hold the prestige of Augusta or the Old Course, but their recognition has grown considerably by hosting major golf tournaments. The European Tour promotes its season as 'The Race to Dubai,' which is culminated with the DP World Tour Championship at the Jumeirah Golf Estates in Dubai. Dubai's courses are also host to the Omega Dubai Desert Classic, held in 2021 for the 32nd year, and the Omega Dubai Ladies Masters.

Though at this point most golfers know Dubai as a golf destination, widely-viewed competitions like the DP World Tour Championship are influential in cultivating interest in playing a specific course or visiting a specific club, like the Jumeirah Golf Estates. If a tourist is traveling such a long distance, they're likely to play more than one course. Dubai's other golf courses – all located in close proximity to one another – are likely to receive visits by the golf tourist turned on to Dubai by the DP World Tour Championship.

Beauty and weather

The natural landscape of a region shapes the golf experience of a course. Scotland's windblown coastal dunes create its characteristic 'links.' Parkland golf courses – most frequently found in the US – are characterized by their narrow fairways, trees and lush greenery. Dubai's desert courses are notable for a sense of the 'out-of-place.' Their bright green fairways are a striking foil to the arid desert that surrounds them.

Many golfers seek to have a well-rounded game: short game is just as important as being a long driver. Golfing tourists also seek a well-rounded golf experience on the world's different types of courses. In order to check the desert golf box, Dubai is increasingly becoming the go-to-destination.

Weather is another feature that can distinguish a golf destination. Many golfers from Northern Europe are unable to play their local courses during the winter and thus travel to warmer, sunnier parts of the world to play golf. In the winter, Dubai's average daily high temperature is around 25 degrees Celsius, which is ideal for golf.

Entertainment

An important facet to attract tourists to a destination to play a sport readily available at home is entertainment. The experience of playing golf is comparable no matter where one plays, but the entertainment value surrounding the course is a major differentiating factor.

As noted in Simon and Louise Hudson's book on golf tourism, family trips and full vacation experiences are becoming more popular on golf holidays.¹¹ Marketers are now packaging golf with wine, cycling, food and spas, and expectations are increasing in terms of customer experience and value for money.

Dubai has become one of the world's hottest (literally and figuratively) tourist destinations in recent years due to the vast number of entertainment options available in the Emirate. Tourists can shop at Dubai's enormous malls, dine at world-class restaurants, lounge on a beach, participate in water sports and extreme sports like skydiving and paragliding and can dance the night away at bars and nightclubs. In short, Dubai has the entertainment options to fit nearly any golf tourist's taste.

Takeaway

The climate and natural landscape were unlocked as a golf tourism destination, initially supported and catalyzed by the public sector by building golf courses and strategically funding high ranking events.



Case study: marathon tourism

Participation-driven sports tourism

The marathon has its roots in the 1896 Olympic Games in Athens—the first ever Games—which featured a special 40-kilometer race to commemorate the legend of Greek soldier Pheidippides’ run from the Battle of Marathon to Athens to report military victory. Later increased to 42.195 kilometers, the marathon has become a legend in its own right. In 2018, 1.1 million people participated in an organized marathon, making it one of the world’s most popular organized competitive sports.¹²

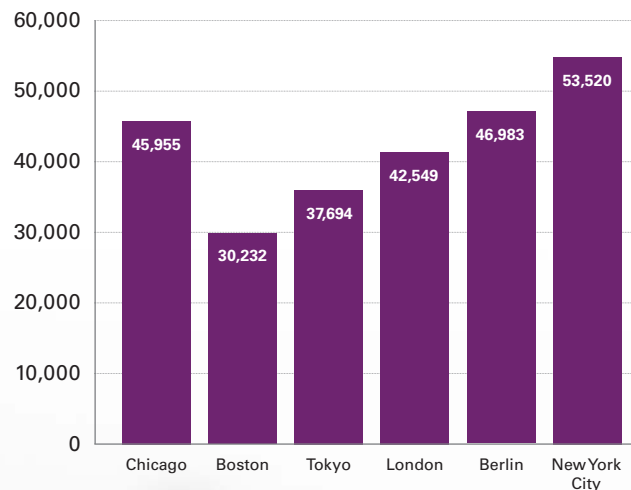
World Marathon Majors

The six annual marathons held in Boston, Tokyo, London, Berlin, Chicago and New York City constitute the ‘World Marathon Majors’, the most prestigious and some of the largest marathons in the world. Each race attracts between 30,000 and 50,000 participants, who travel from around the world to run alongside (or quite a distance behind) elite runners.

In 2018, when Eliud Kipchoge set the men’s world record marathon time in Berlin, 44,064 runners finished the race behind him. In 2019 Brigid Kosgei set the women’s world record in Chicago followed by 45,955 finishers. Most of the finishers in both races were amateurs, including many first-time marathoners. The ability to compete against world-class athletes in a sporting competition is unique to the Major marathons and is a big draw for sport tourists.

Prestigious marathons like the Majors attract international and domestic sport tourists. Large marathon events have the direct impact of local demand and the indirect impact of host city awareness.

Number of participants at World Marathon Majors



Boston Marathon – local demand

Inaugurated the year after the 1896 Olympics, the Boston Marathon is the world’s oldest annual marathon. It attracts around 30,000 participants from around the world each year. In 2019, 7,600 of those participants traveled internationally (from 118 countries) to compete.¹³

In recent years, the Greater Boston Convention and Visitors Bureau (GBCVB) produced economic impact reports estimating the marathon injects more than US\$200 million into the Boston economy. In 2018, the GBCVB estimated the following spend for the marathon:¹⁴

US\$
106.8million

total spending by runners and their guests at Marathon and Marathon-related events

US\$
35million

charity fundraising by Marathon participants

US\$
32.2million

total spending by spectators and visitors at Marathon and Marathon-related events

US\$
15.6million

total sponsor and media-related spending

US\$
11.4million

total spending by the Boston Athletic Association

The Marathon's organizers have built out a number of events surrounding the marathon to maximize visitor spend and enhance visitor experience. The Boston Marathon Expo, held in the days leading up to the race, is one of the running industry's premier expos for new products and services. It features more than 150 exhibitors and attracts more than 100,000 attendees. The Boston Marathon Fan Fest was introduced in 2019. Free and open to the public, Fan Fest is a three-day festival featuring live music, activities, Boston Marathon champions, photo-ops and more.¹⁵

Organizing events surrounding the race is a key strategy for increasing the amount of time and money a sport tourist spends in a marathon host city. If tourists are aware of programming in the days leading up to the race, they are more likely to book extra nights of accommodation and spend more over their longer stay. These additional events are also important to attract spectators, who will see them as added value to their trip.

Boston Marathon – host city awareness

Awareness about a marathon host city is generated through participant and spectator experience and effective marketing. If participants have a positive experience competing in the race and in the events surrounding the race, there is a greater chance of them repeating their participation, persuading other people to attend and re-visiting the host city as a leisure tourist.

The Boston Marathon is held in April and acts as a kick-off for Boston's busiest tourist period, which runs from April through October. The Marathon's timing is intentionally set to generate awareness about Boston as a summer tourism destination. While international Marathon participants may not return to Boston so soon after the race, many regional participants may consider a return during the summer after a positive experience at the Marathon events.

Awareness is generated through effective marketing and communications. In 2019, members of the media from more than 200 outlets covered the Boston Marathon, providing the Boston region with significant international exposure.¹⁶ Additionally, the race was broadcasted nationally on the NBC Sports Network.

Smaller-scale marathons

Not all marathons enjoy the history and attendance of the Boston Marathon. However, that's not to say smaller-scale marathons cannot be economically successful or unhelpful in generating tourism interest.

A study on medium-sized marathons in Germany was completed to determine the level of consumer expenditure and attendee willingness to revisit the city. Results from consumer surveys conducted at marathon events held in Cologne, Bonn, and Hanover that people (participants and spectators) spent on average around EUR144 during their stay in Cologne, EUR73 in Bonn and EUR56 in Hanover. Over three quarters of the consumers (76.9%) would revisit the city and more than one half of them (53.8%) would revisit the marathon.¹⁷

Takeaway

The main attraction of organization large-scale events for participants is the location. A mix of private sector and public sector input is critical in unlocking the potential that these events have – both in terms of international visibility and visitor experience.





Case study: 2000 Sydney Olympics

Spectator sports tourism

The Olympic Games, held every two years rotating between summer and winter format, present the chance for a city to 'put itself on the map' as a tourism destination. Since 2000, an average of 6.2 million tickets are sold to spectators for the Summer Games (not including the 2020 Tokyo Games), many of whom travel internationally to attend. Viewers of the 2018 Winter Olympics in Pyeongchang averaged 19.8 million on NBC and 27.5 million for the 2016 Summer Olympics in Rio de Janeiro.

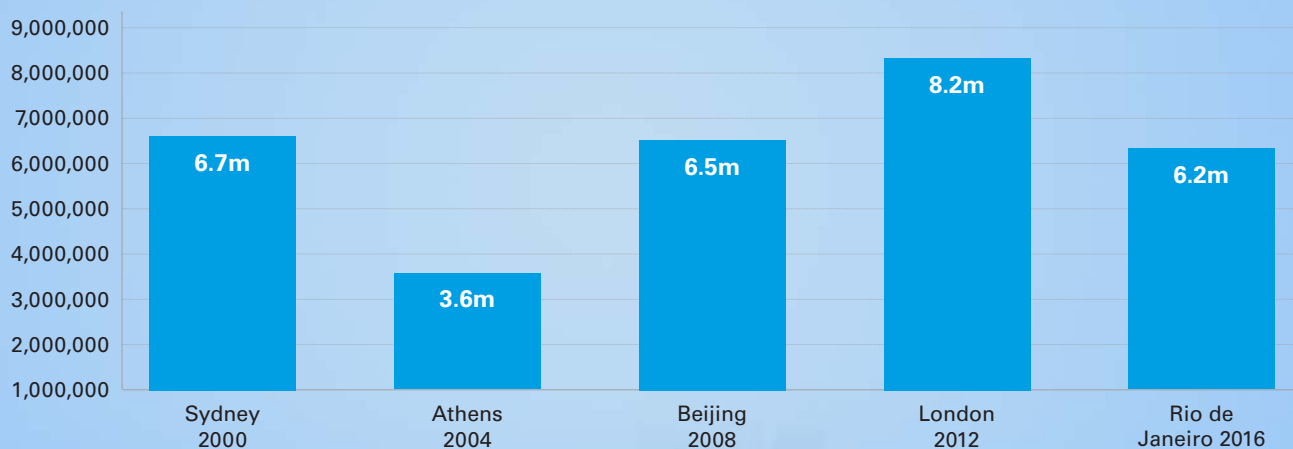
The legacy of an Olympic Games and its impact on awareness of a host city and country are important reasons why organizing committees bid to host the Games. The legacy benefit is different for each Games and is difficult to calculate. However, the 2000 Sydney Olympics is a much-quoted example of a successful legacy outcome.

As with many government-organized large-scale events or projects, the Olympics come under intense scrutiny for their social and economic benefit. Thus, organizing bodies work hard to define and promote their objectives for hosting the games and try to fund the event in an efficient way, often combining public and private funding.

The 2000 Summer Olympics were held in Sydney, Australia. The Games were designed by its organizers, the Sydney Organizing Committee of the Olympic Games (SOCOG), to promote Sydney as a 'global' city, enhance international tourism to New South Wales and Australia and attract service-based industries from within the Asia Pacific region.¹⁹

Spectatorship for the Olympic Games¹⁸

Number of tickets sold for the past five Summer Olympic Games



Other Olympic organizers have set loftier but more diffuse goals. Organizers for the 1994 Games in Barcelona wanted the Olympics to help push an urban regeneration plan. In 1996, the Atlanta Games organizers wanted to use the Olympics to tackle poverty and inner-city decay.

The clearer focus of the 2000 Games – on building Australia's brand, tourism, and growing specific industries – led to more coordination between authorities in the country.

SOCOG worked closely with government authorities to ensure the benefit of the Olympics was shared around the economy. The promotion of the Olympics was done in coordination with the Australian Tourism Commission (ATC). The ATC established a strategy for using the Games to re-brand Australia as a young, vibrant country rather than a distant nation with lots of 'outback.'²⁰

Though the 2000 Games were held in one city, Sydney, they were used to brand Australia as a country, for tourists during the Olympics and for years to come. The 'Brand Australia' program, a four-year initiative, was launched prior to the Games to maximize the potential number of visitors, spend and country image. Resultingly, according to the International Olympic Committee (IOC), tourists visits to Sydney increased by 11% during 2000 and tourism revenue increased by US\$4.2 billion.

The 2000 Games were funded entirely by the Australian state. In order to ensure efficiency, the management structure of SOCOG, which was initially established with four government ministers and five separate agencies, was vastly simplified in 1995.²¹

Additionally, a separate authority was created to deliver venues for the Games and to coordinate all government involvement for the Games' services and programs. Myriad as it may sound, the coordination model was a success and was highly appreciated by the IOC.

Olympic Games held in American cities have been notable for their effective use of private funding and existing facilities.²² The highest level of public funding was for the Lake Placid Games in 1980, which were 50% publicly funded. Only 10% of the 1996 Games in Atlanta were publicly funded, 30% for Salt Lake City's 2002 Olympics and the 2028 Olympics in Los Angeles have pledged to be 100% privately funded.

The positive perception of the 2000 Games, as well as for privately-funded Games like those in the US, indicates that the choice of funding model is not an outright indicator of success. It is more likely that efficient financing, transparency and inter-organization coordination are more important to ensuring the Olympics are successful and economically viable.

Takeaway

The hosting of major sports events, like the Olympics has substantial global impact on the hosting country and cities. Even though the investments upfront can be high, it can leave a long-lasting appeal and allow for the tourism sector to thrive.





Sports in Saudi Arabia

Current sporting landscape

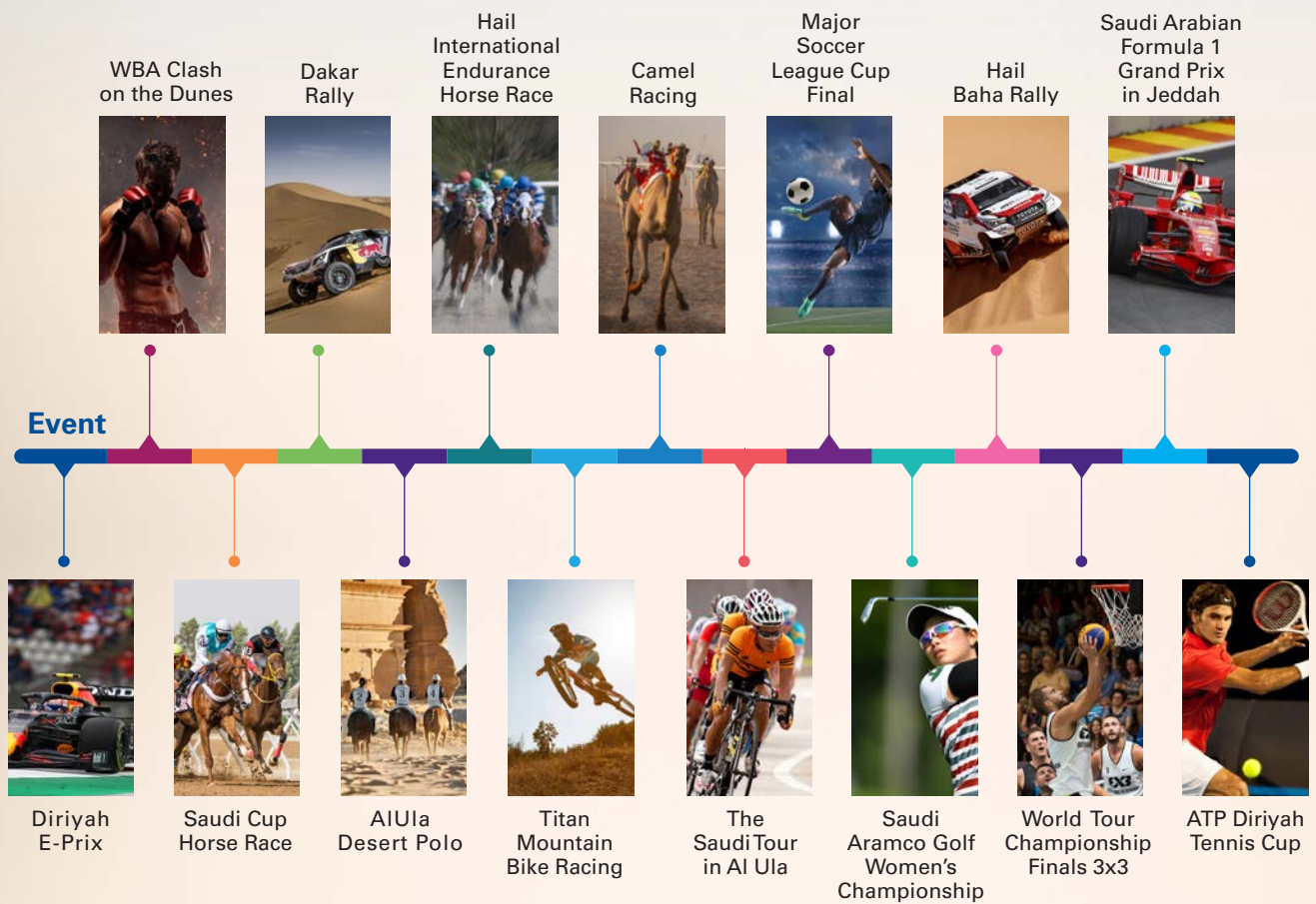
By any measure, football is Saudi Arabia's most popular sport. Pitches dot the Kingdom's cities and countryside and participants are active in large numbers from the casual to the professional level. The Saudi Professional League (SPL) is the top tier of professional football and has been active for over 40 years. The Saudi national football team is one of Asia's most successful, having won the Asian Cup three times and having qualified for five World Cups.

Cricket is also popular in Saudi Arabia — owing its growth in large part to the country's South Asian expatriates, who play the sport in huge numbers in their home countries. However, its continued growth will be driven by uptake among citizens and an expansion strategy organized by the sport's governing body, the Saudi Arabian Cricket Federation, which was established in 2020. The inaugural National Cricket Championship was held in June 2021, and saw over 7,000 players and 360 teams play at over a hundred grounds across the Kingdom.

Golf's history in Saudi Arabia is short, but the sport's development is an important part of the Kingdom's tourism strategy. According to Golf Saudi, there are currently 14 golf courses in the Kingdom — 7 on grass and 7 on sand. The best well-known of these courses, the Royal Greens Golf and Country Club, which opened in 2017, has hosted the European Tour and the Ladies European Tour in recent years. Over the next 10 years, there are plans to build more than 10 new golf courses across the country.

Sports like horse racing, camel racing and falconry may not have the vast participation figures of football and cricket, but they have been permanent fixtures in Saudi Arabia since before the founding of the Kingdom. The Saudi Cup, held for the first time in 2020, is the world's most valuable horse race with a purse of US\$20 million. Camel racing and falconry may not have quite the monetary draw of horse racing, but they have deeply passionate participants who are some of the top competitors in the world.

Recently-held sports events in Saudi Arabia



Geography has major sporting potential

The Red Sea: The Red Sea borders the length of the western coast of the Kingdom. The body of water is characterized by warm water, persistent north-west winds and a large ecosystem of coral reefs. These features lend themselves well to different sports, while also providing a scenic background to other sports.

- **Diving:** The Red Sea boasts excellent year-round visibility and very few currents – ideal conditions for a scuba enthusiast. The Saudi Red Sea waters are also relatively untouched by divers and have pristine coral reefs and a number of interesting ship wrecks. Most dive trips start near Jeddah or Yanbu. Near Jeddah, you can find the Al Lith Island, featuring brightly colored coral and large fish. More to the south, the Farasan Islands, an archipelago with thousands of small reefs and islands, with spectacular wrecks on the banks; the underwater remains of the Ann Ann, Cable, Miss Marie and Boiler. Off of Yanbu, most divers visit the Seven Sisters area, a relatively untouched area famous for being a year-round habitat for hammerhead sharks. It's no wonder the Kingdom is becoming a hot spot for diving tourists.
- **Sailing:** the nascent Saudi sailing industry is building off of ideal conditions in the Red Sea – Saudi waters have warm year-round temperatures and consistent winds. Tasked with growing a sailing culture, the Saudi Sailing Federation (SSF) was founded in December 2017 under the Saudi Olympics Committee along-side the Ministry of Sport. In 2019, Saudi Arabia hosted a sailing championship, the first of its kind in the Kingdom.
- **Kiteboarding:** The SSF also oversees the promotion of kiteboarding, which is well-suited to the Red Sea and east coast's wind and water conditions. Popularity of the sport began with expatriates and is growing among citizens, and the SSF sees kiteboarding as having strong potential for sport tourism.
- **Competitive fishing:** The Red Sea is rich in marine life, making it a top destination for competitive and recreational fishing. In 2019, the Saudi Water Sports & Diving Federation hosted the first Red Sea International Sport Fishing Tournament, attracting 30 teams from around the world.



Desert and mountains: According to NASA, 95% of Saudi Arabia is covered by desert, while there are several mountain ranges across the western Hejaz region. Combined, it makes for a stunning geography and an apt environment for sports like rallycross and mountain climbing.

- **Hiking:** Hiking has been a consistently popular activity, which is gaining more momentum through organized trips. From the magnificent Edge of the World rife near Riyadh, through the Aseer mountains and Moon valley near Jeddah, to the *Camel Owners trail* near Taif, Saudi Arabia has a variety of landscapes to offer.
- **Rallycross:** Saudi Arabia is the new host for the Dakar Rally, hosting the cross-country rally event in 2020 and 2021. The Dakar Rally is arguably the most famous rally in the world and its presence in Saudi Arabia has greatly enhanced the Kingdom's image as a rallycross destination.
- **Mountain climbing:** The mountainous western Hejaz region is the primary mountain climbing destination in the country. The Saudi Climbing and Hiking Federation identifies five major crag or cliff climbing locations near the west coast and one location, Wadi Al Akhu, in the Riyadh region.
- **Extreme sports:** Though sports like skydiving and paragliding can be done anywhere, the experience is enhanced by natural beauty. In 2019 NEOM, a planned futuristic city in northwest Saudi Arabia, hosted an extreme sports event, featuring skydiving, paragliding and bouldering. NEOM is being built on geography that includes pristine beaches, desert and mountains – a picturesque location for extreme sports. Saudi Arabia's deserts and jagged peaks also create a harsh – for some, ideal – environment for endurance running and cycling. Endurance athletes seek demanding circumstances like those found in the Kingdom.

Growing sports infrastructure

While Saudi Arabia's unique natural geography presents plentiful opportunities for sport tourism, its facilities (and plans to expand them) allow for a greater variety of sport. Large stadiums and sports complexes are also crucial for hosting global sporting events – an important facet of the future of sport tourism in the Kingdom.

There are 23 stadiums with a capacity of 10,000 spectators or more in the Kingdom, according to the Saudi Press Agency. However, only three of these stadiums were built later than 1995 according to World Stadiums statistics, indicating a need for more modern stadiums.²³ Authorities in the Kingdom have recognized the need for new stadiums, and projects for increasing the number of large stadiums have been included in strategic plans.



NEOM: the US\$500 billion, 10,000-square-mile megaproject in Northwest Saudi Arabia, is focusing on the sports industry for one of its 14 core ideological concepts. Adventure sports are key to these plans. NEOM intends on utilizing the natural beauty of the region to provide a backdrop for adventure seekers from around the world. The megaproject also intends to attract major sporting events by building high-performance facilities. Within the sporting infrastructure plan is a goal to become a *regional sport tech hub* by utilizing cutting-edge technology in building plans.

NEOM's goal to become the most active place in the world by 2030 leans heavily on partnerships. The project has partnered with big names in the sports world to build sporting best practices and increase awareness about NEOM. Several recent partnerships include:

- Dakar Rally (mentioned above under rallycross).
- Mercedes-Benz EQ Formula E Team, which is now sponsored by NEOM. Formula E is also understood to be discussing with NEOM about adding the destination to the race calendar.
- Asian Football Confederation, which is sponsored by NEOM for several major AFC national team competitions.

AIUla: Saudi Arabia's first UNESCO World Heritage Site, and the place of 200,000 years of unexplored human history which remain as the legacy until this day. It is located in the North-western area of the Kingdom and is under rapid development to become one of the main tourism attractions. The area also provides for sports tourism, including horseriding, hiking, sandboarding, dunebashing and has also hosted major international sports events, like the Saudi Tour (cycling) and desert polo.

The Red Sea Project & Amaala: Amaala is an ultra-luxury tourism project being built along the Red Sea coast, has wellness at the center of many of its plans. Within its masterplan, the Triple Bay community will be home to a sports performance academy, an equestrian resort and polo academy, and facilities for golf, tennis and falconry. Amaala's location on the Red Sea coast will allow its future visitors to participate in a range of marine sports, including diving, fishing and sailing sports.

The Red Sea Project, built across an archipelago of 50 natural islands on the western coast of Saudi Arabia between the cities of Umluj and Al Wajh, is set to be a world-class luxury resort destination. The project will offer a variety of sports, including scuba diving, rock climbing, trekking and parachuting, as well as golf, tennis and football.



Qiddiya: an entertainment mega-project located outside of Riyadh, has outlined clear plans to become a center for sports-related entertainment. Its plans include developing a Jack Nicklaus Championship Golf Course, a speed park built around an FIA grade 1 racetrack, a multi-sports stadium and aquatic center, karts facilities and dedicated sport centers for kids and women.

Awareness of tourism

Saudi Arabia is one of the Middle East's most popular tourism destinations. The Ministry of Tourism has an ambitious plan to increase the number of inbound visits to the Kingdom to 55 million by 2030, up from 40 million in 2019. Integral to this plan is diversifying the type of tourist visit, which is currently predominately religious.

In 2019, 16.5 million tourists visited the Kingdom, compared to 15.3 million trips in the previous year, an increase of 7.6%, according to the Saudi Gazette.²⁴ Nearly three-quarters (73.2%) of the total spending of these tourists was for religious purposes, followed by business and conference purposes with 18.2%, then visiting relatives and friends with 5.5%, and finally holidays and shopping and other purposes of tourism spending with 3.1%.

The robust international flight network to Saudi Arabia that has traditionally existed to serve religious tourists can be equally as effective in serving sport tourists. Additionally, Saudi Arabia's reputation as a safe, welcoming tourist destination and its familiarity among religious tourists may draw them back to the Kingdom for non-religious tourism purposes or may encourage them to stay longer and diversify the purpose of their visit beyond religious activities.



Beyond economic impact

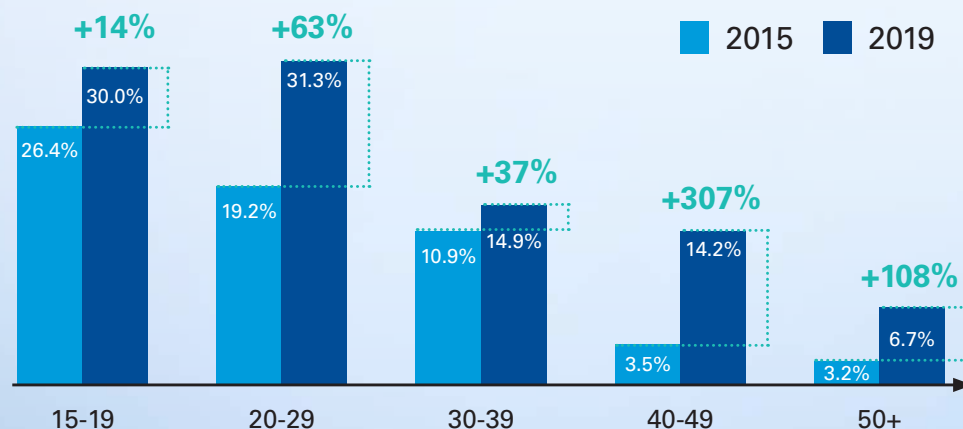
The potential for sports tourism in Saudi Arabia is vast, and goes beyond the obvious economic benefits. Promoting sports tourism and building sports infrastructure supports the government's goals for the health and wellness of its citizens.

Quality of life and health benefits

Sports tourism exists between and within national borders. The effort to develop sports tourism in Saudi Arabia is directed in part toward attracting domestic sport tourists. This fits squarely within the Kingdom's mission to increase physical activity and improve health.

In Saudi Arabia, the Ministry of Sport and the Sports For All Federation (SFA) are heading up the effort to increase physical activity among citizens. The institutions have independent goals and also work within Vision 2030's Quality of Life program. The SFA's primary goal is for 40% of Saudi citizens to be physically active by 2030.

Weekly activity of Saudi citizens²⁵



From spectators to participants

According to Claudia Hammond in a BBC study, the "demonstration effect" leads spectators to participate in a sport. There are three ways this can happen. The first is inspiring people who already play a sport to do it more often. The second is to encourage lapsed sportsters to take it up again. Finally, there are the people inspired to take up sports they have never done before.²⁶



However, in examining studies done on the Olympic Games, Hammond noticed that they seemed to broadly have little effect on physical activity levels. One of the reasons she cited for this phenomenon was a lack of specific strategies implemented after the Games.

As outlined in a report from the Institute of Public Policy Research, a potential strategy for increasing post-event sports participation is constant reinforcement, or continued reminders, for sport participation.²⁷ Spectators' memories are short, and without such encouragement they are likely to resort to their pre-event routines.

Grass-roots facilities are also important to increase participation following a large spectator event. Saudi Arabia has recently hosted an Italian Super Cup and a World Boxing Championship match. Football is the most popular sport in the Kingdom, as evidenced by the football pitches dotting neighborhoods in big and small cities. Boxing and mixed martial arts gyms are also increasing in number, and the first female boxing gym opened in 2016, with a second in 2020.

The Ministry of Sport is working closely with the private sector to increase the number of gyms in Saudi Arabia. As encouraged by private sector gym owners, who have seen their businesses boom in recent years, the ministry re-shaped rules and regulations to encourage the opening of new gyms. The gym licensing process has been shortened from 21 to 4 days, and a range of services including license application, issuance, amendment and revocation; ownership transfer; and employment support can now be completed digitally. As a result, 1,549 gym licenses have been issued as of 2020.²⁸

Ministry of Sport

The Ministry of Sport has three main areas of focus for promoting sports in the Kingdom: clubs, facilities and regulations.²⁹

The Clubs Support Strategy is an initiative designed by the ministry to enable sports clubs in Saudi Arabia. The strategy aims to solve several issues in the Saudi sports club landscape including the insufficient club-level financial management, inadequate governance structures and limited emphasis on non-football sports. The ministry has made around SAR2 billion available to support clubs on an annual basis.³⁰

The ministry is working to modernize existing stadium facilities in the Kingdom. Additionally, there is a known need to increase the number of large-scale stadiums in Saudi Arabia, which is key for hosting international events. While many of these stadiums have not advanced past the planning stages, progress is expected in coming years.

The ministry is working closely with the private sector to modernize regulations around sport. An example of public private collaboration is between the Ministry of Sport and the Saudi National Bank (SNB), who have teamed up to develop the sports economy in the Kingdom. The Ministry has earmarked the Eastern region for a multi-purpose sport hub, with the potential to be a world class sports cluster. SNB is exploring how best to engage the private sector and unlock the commercial potential of this hub.

Key learnings

	Destination-dependent sports tourism	Alternative location sports tourism	Participation-driven sports tourism	Spectator sports tourism
Areas of potential in Saudi Arabia	Watersports including diving, sailing and surfing, mountain climbing, and desert activities like rally cross, motor- and quad biking.	Golf, cycling, skydiving.	Marathons, golf events, tennis events, football tournaments.	Multi-sports games (Olympic Games, Asian Games), Asia Cup, Formula 1.
Public investment	As this is primarily reliant on natural infrastructure, in the case of Saudi Arabia the ocean and the desert, investments can be largely in supporting infrastructure.	Unlocking these market opportunities requires public investment in order kick-start demand, such as through the building of golf courses.	Can largely be driven by the private sector if the conditions are in place, although in some cases the public sector has to be the proactive investor.	This is predominantly dependent on public sector investment to secure events and provide necessary infrastructure and organizing.
Public coordination	Tourism which is based on the unique features of Saudi Arabia requires significant coordination across the public sector.	Success in this element of sports tourism can benefit from the promotion of other elements such as relevant sport events being hosted in Saudi Arabia.	Coordination between organizers (usually from the private sector) and national tourism promoters is critical to bring foreign tourist participants.	Larger events require significant coordination across many aspects of the public sector.
Sponsorship and hosting	Private sector involvement largely driven by investment in facilities to unlock the potential.	Limited requirement beyond the requirement to promote the destination.	Largely driven by private sector.	Events which are promoted by the public sector can have a big impact on the potential of other elements of sports tourism.
Infrastructure	Infrastructure should be planned in order to unlock the potential of the destination.	Significant infrastructure is required to allow such sports to take place in these locations.	Largely makes use of existing infrastructure.	Major events nearly always require significant infrastructure development.
Market Potential	The market will follow the unique selling points that Saudi Arabia can offer in destination-dependent sports. These are likely to be in the more niche sports.	Golf is one of the largest areas of sports tourism and Saudi Arabia could be well-positioned to take a share of this market.	This depends on many aspects not least the events that are created and hosted, often driven by the attractiveness of the location in which they take place	The size and nature of the event will dictate the market potential for such tourism. Global and regional tournaments will often attract significant spectators if they are of sufficient profile and the sports have popular appeal.

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