



# The next horizon

Sustainable tourism in Saudi Arabia



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# Tourism in Saudi Arabia

**Tourism is emerging as a vital sector for Saudi Arabia. The Kingdom is leveraging its natural and historical assets to draw visitors from around the world. As part of Vision 2030, Saudi Arabia aims to diversify its oil-dependent economy by becoming a tourism destination, with a target of welcoming 150 million annual visitors by 2030.<sup>1</sup>**

In 2023, the tourism sector expanded by over 32 percent, contributing SAR444.3 billion (approximately US\$118.4 billion) to Saudi Arabia's GDP, which accounted for 11.5 percent of the total economy.<sup>2</sup> Additionally, the surge in tourist spending has had a profound impact on the Kingdom's balance of payments. In the first quarter of 2023, tourism revenues reached SAR37 billion, resulting in a surplus of SAR22.8 billion in the balance of payments for the sector.<sup>3</sup> This contribution highlights the sector's pivotal role in the nation's economic framework.

Before this transformation, Saudi Arabia was primarily known for religious tourism, with millions of pilgrims visiting Mecca and Medina annually. The Kingdom is expanding its tourism offerings to include eco-tourism, luxury travel, and cultural experiences, supported by projects like NEOM and the Red Sea Project. These developments aim to position Saudi Arabia as a unique and sustainable destination, appealing to a broad spectrum of international and domestic tourists.

Saudi Arabia's tourism ambitions, however, come with challenges. Global economic uncertainty, shifting traveler preferences, and environmental concerns such as rising temperatures and water scarcity could pose risks to the sector. By 2050, temperatures in the Middle East will be 4°C higher.<sup>4</sup> These environmental changes

could affect the attractiveness of the region during peak travel seasons, particularly in the summer months.

## Integrating sustainable practices into the tourism sector

Global tourism is a significant contributor to greenhouse gas emissions, accounting for approximately 8 percent of global emissions.<sup>5</sup> Recent studies indicate that countries with established aviation hubs and mature tourism sectors tend to have higher emissions. For example, the United States, China, and India among top three contributors to tourism emissions during 2009-2019.<sup>6</sup> Interestingly, a report titled *The Environmental Impact of Global Tourism* places Saudi Arabia 15th for the most significant reduction in emission intensity. The report also highlights that Saudi Arabia's tourism sector exhibits significantly lower greenhouse gas emissions compared to the broader Middle East and North Africa region.<sup>7</sup> Saudi Arabia's ranking reflects the emergence of the Kingdom's tourism sector, it also provides an opportunity to further incorporate sustainability into the sector's foundational framework.

This paper examines the critical aspects of sustainability in tourism and explores how Saudi Arabia can integrate sustainable practices into its tourism sector.



# What sustainability means for tourism

**Sustainability has increasingly become a cornerstone of the global tourism industry. As concerns about climate change, environmental degradation, and social inequality grow, sustainability in tourism is no longer just a trend but a necessity.**



**Sustainable tourism is tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities.**

- United Nations World Tourism Organization (UNWTO)

The concept of sustainable tourism goes beyond simply reducing environmental impact; it encompasses a holistic approach that includes responsible consumption, the conservation of resources, and fostering local community involvement and empowerment.<sup>8</sup>

A 2024 global tourism survey by the UNWTO found that over 70 percent of global travelers are more likely to choose destinations and accommodations that prioritize sustainable practices, including energy efficiency, waste reduction, and eco-friendly transportation.<sup>9</sup> This shift in consumer behavior has made sustainability a key factor in the decision-making process for tourists, especially younger generations such as Gen Z and Millennials, who are increasingly prioritizing eco-conscious choices in their travel plans. The 2024 Booking.com Sustainable Travel Report highlighted that 76 percent global travelers want to travel more sustainably over the next twelve months, showing that sustainability is not only important but is also a strong differentiator for businesses in the tourism industry.<sup>10</sup>

So, what are countries across the Middle East doing in this space? Several countries in the Middle East are embracing integrated and strategic approaches to tourism development, focusing on sustainability, cultural preservation, and economic diversification.

The United Arab Emirates (UAE) is driving sustainable tourism development with tourism being a central pillar of the economy. Dubai, for example, has positioned itself as a destination that promotes eco-tourism and environmental initiatives. The city is home to the Sustainable City, a residential development aimed at promoting eco-friendly living and tourism.<sup>11</sup> Dubai is also working on projects like the Dubai Sustainable Tourism Initiative, which seeks to reduce the environmental impact of tourism, promote green certifications, and ensure the long-term sustainability of tourism assets.<sup>12</sup>

Oman's eco-tourism initiatives focus on responsible travel and the conservation of its diverse ecosystems, such as the Wahiba Sands, Jebel Akhdar, as well as coastal regions. Community-based tourism is another pillar of Oman's strategy, where local communities are directly involved in the tourism process.<sup>13</sup> This approach ensures that tourism benefits are widely distributed, and that local traditions and lifestyles are respected and preserved.

Bahrain's UNESCO-listed Bahrain Fort and Qal'at al-Bahrain are central to the country's tourism offerings, emphasizing cultural preservation while promoting sustainable practices in heritage management and tourism infrastructure. The Bahrain International Airport is set to become one of the most sustainable airports in the region, with plans to incorporate green technologies, renewable energy sources, and waste-reduction programs.<sup>14</sup>

**The trajectory of sustainable tourism is clear: as travelers become more environmentally conscious, the demand for responsible travel options will continue to rise. Tourism destinations that adopt sustainability as a core value will likely see long-term benefits, including increased market share, improved public relations, and a loyal customer base that values environmental stewardship and social responsibility.**

# Advancing the sustainability agenda in Saudi Arabia

Saudi Arabia has made significant strides in embedding sustainability into its tourism sector, aligning with its Vision 2030 goals to diversify the economy and reduce dependence on oil. At the heart of this transformation is the National Tourism Strategy, which outlines the Kingdom's long-term vision for tourism growth while ensuring that sustainability is central to its development.<sup>15</sup> This strategy emphasizes the importance of balancing growth with environmental preservation, fostering inclusivity, and developing sustainable infrastructure that supports both local communities and the environment. Several key initiatives reflect Saudi Arabia's commitment to sustainability within the tourism sector.

## The Red Sea Project

The Red Sea Project is a large-scale development initiative in Saudi Arabia, covering over 28,000 square kilometers along the Kingdom's coastline. The project focuses on sustainability, incorporating environmentally conscious resorts, infrastructure, and smart cities powered by renewable energy. Plans also include measures to limit environmental impact, such as establishing nature reserves, reducing waste, and using sustainable building materials and practices.



## AIUla

The development of AIUla, a UNESCO World Heritage site recognized for its rock formations, archaeological sites, and desert landscapes, highlights Saudi Arabia's focus on cultural heritage preservation and sustainable tourism. Efforts are underway to transform AIUla into a sustainable tourism destination while prioritizing the conservation of its historical and natural features. The development plan includes eco-conscious accommodations, cultural heritage preservation initiatives, and programs aimed at supporting local communities through tourism. Additionally, sustainability measures being implemented involve reducing water consumption, incorporating renewable energy, and aligning tourism growth with environmental considerations.



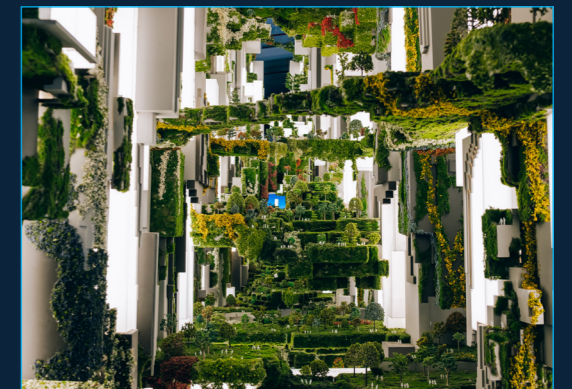
## The Saudi Green Initiative

Launched in 2021, the Saudi Green Initiative aims to advance sustainable development within Saudi Arabia.<sup>16</sup> The initiative includes plans for reforestation, the expansion of protected natural areas, and efforts to lower carbon emissions. Specific targets include planting 10 billion trees, increasing protected areas to cover 30 percent of the Kingdom's land, and reducing carbon emissions by 4 million tons annually.<sup>17</sup> The tourism sector is one of the areas expected to contribute to these objectives.



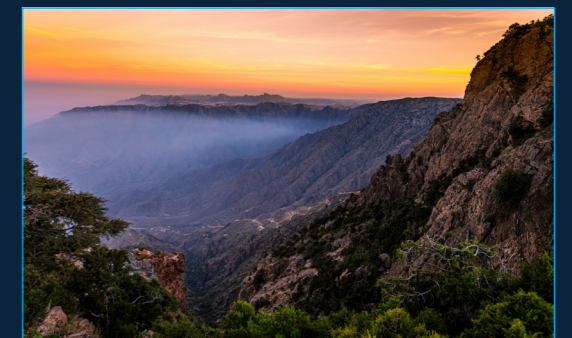
## NEOM

Located in northwest Saudi Arabia, NEOM is a large-scale development project designed with sustainability as a key focus. The project includes plans for renewable energy use, green infrastructure, and advanced technology to support sustainable living. Proposed features include smart tourism solutions, sustainable travel options, and environmentally conscious hospitality facilities.



## Ecotourism and community empowerment

In addition to large-scale projects, Saudi Arabia is working to involve local communities in ecotourism initiatives. Efforts are underway to develop environmentally conscious attractions and support tourism that engages local populations. For example, the Asir Mountain Development Plan includes activities that highlight traditional lifestyles while incorporating sustainability principles. These initiatives aim to balance cultural preservation with economic opportunities for local communities.



**These initiatives reflect Saudi Arabia's strong commitment to creating a tourism sector that is a key economic driver and a model for sustainable development. There are, however, challenges that need addressing. First, balancing development with the preservation of cultural and natural heritage is essential, particularly for projects like AIUla and the Red Sea Project. Second, developing green infrastructure and integrating innovative technologies in large-scale projects such as NEOM requires significant investment and alignment with global sustainability standards. Third, empowering local communities and ensuring they benefit economically while preserving cultural traditions remains a priority. Additionally, aligning policies with international sustainability frameworks and effectively managing environmental impacts are crucial for ensuring that the tourism sector grows in a responsible and sustainable way. These challenges present both obstacles and opportunities for Saudi Arabia to lead in sustainable tourism.**



# Saudi Arabia as a sustainability hotspot destination

Saudi Arabia is at a critical juncture in its efforts to reshape its tourism sector into one that is both economically viable and environmentally sustainable. As the world gravitates towards more responsible travel choices, Saudi Arabia is well-placed to seize the opportunity and transform its tourism industry into a model for sustainability.



## Leveraging natural and cultural heritage for sustainable development

Saudi Arabia has diverse landscapes, natural resources, and cultural heritage that present opportunities for sustainable tourism development. Initiatives like the Red Sea Project and AIUla highlight efforts to integrate tourism infrastructure with cultural and environmental preservation. By implementing sustainable practices, Saudi Arabia seeks to attract travelers interested in nature-based and culturally rich experiences while protecting these assets.



## Building green infrastructure and fostering sustainable tourism practices

As sustainability becomes a priority for the tourism sector, developing environmentally conscious infrastructure is an essential focus for Saudi Arabia. Projects such as NEOM and the Red Sea Project are designed with renewable energy, sustainable construction methods, and technologies aimed at reducing environmental impacts. Expanding these efforts could lead to the adoption of green certifications for hotels, resorts, and attractions, ensuring that sustainability becomes a central aspect of its tourism offerings. Saudi Arabia can also foster collaborations with international environmental organizations, tourism councils, and NGOs. These partnerships will ensure that the Kingdom's tourism sector aligns with global sustainability standards and supports the growing demand for responsible travel choices.



## Supporting local communities and sustainable practices

Social responsibility is an important aspect of sustainable tourism. Saudi Arabia's approach could include efforts to ensure that tourism benefits local communities by supporting small businesses, preserving cultural traditions, and fostering employment opportunities. Initiatives in areas like AIUla illustrate how integrating local communities into tourism planning can contribute to economic resilience and cultural preservation.

Saudi Arabia has a unique opportunity to become a global leader in sustainable tourism. By prioritizing sustainability, the Kingdom can enhance its competitiveness, attract high-value travelers, and preserve its natural and cultural assets for future generations.

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