



tourism market insights

Saudi Arabia

WESGRO
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1. Overview of Saudi Arabia

About Saudi Arabia

Where is Saudi Arabia?

Saudi Arabia is located in the Middle East, bordering the Persian Gulf and the Red Sea, north of Yemen

Population (millions)

34.7 (CIA Factbook, 2021)

Time Difference

South Africa is 1 hour behind Saudi Arabia.

Language

Arabic is the official language

General Overview

Average consumer expenditure in Saudi Arabia is forecast to rise at a slower pace compared to regional countries through to 2040.

The country's current population is around 34,7 million and with an average fertility rate of 2.3 births per female coupled with longer life expectancy, the median age is expected to rise by 6 years in 2019 - 2040. It is predicted that the median age will grow from 31.6 years in 2019 to 37.2 years in 2040.

Per capita gross income in Saudi Arabia is forecast to increase by 26.6% in real terms over 2021-2040, a much slower pace compared to other Middle East and Africa countries. Mid-Lifers are projected to remain predominant in the top-income band by 2040, shaping luxury spending patterns in Saudi Arabia.

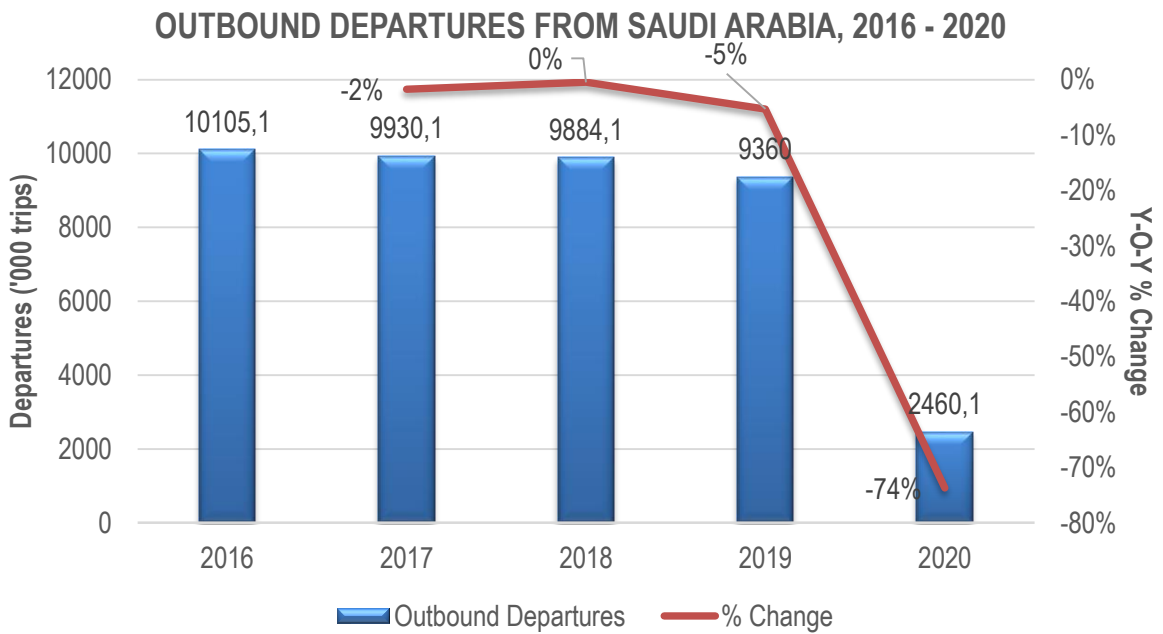
Consumers are expected to remain cautious about their spending capabilities in the medium term due to heightened uncertainty related to the COVID-19 pandemic, volatile oil market and low levels of household savings.

Source: Euromonitor International, 2021

2. Overview of the Saudi Arabian Travel Market

Saudi Arabia Travel Market

Largest Cities	<ol style="list-style-type: none"> 1. Riyadh 2. Jeddah 3. Mecca 4. Medina 5. Dammam
Outbound Departures ('000 trips)	<ol style="list-style-type: none"> 1. 2018: 9,884.1 2. 2019: 9,360 3. 2020: 2,460.1
Top 5 Outbound Destinations ('000 trips, 2020)	<ol style="list-style-type: none"> 1. Bahrain: 462.6 2. UAE: 443.1 3. Egypt: 356.7 4. Turkey: 161.6 5. Oman: 184.9
Type of Outbound Trips	Leisure: 91.5% Business: 8.5%



3. Saudi Arabian Traveller Trends

3.1. Outbound travel trends

The COVID-19 pandemic has caused sharp declines in both inbound and outbound tourism flows as well as commercial activity across Saudi Arabia.

Outbound departures reached 2 460 100 trips in 2020, declining by 74% from 2019. By 2025 the number of outbound trips is expected to recover to 2019 levels with a forecast expenditure of SAR 50 241 500.

3.2. Needs of the Saudi Arabian traveller

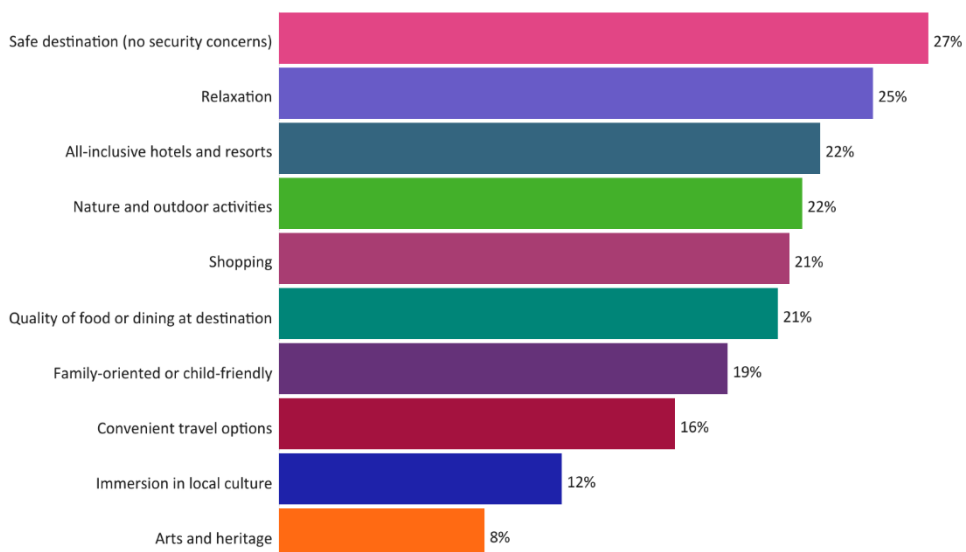
For Saudi Arabians spending time with family is a top priority. According to the November 2021 Euromonitor Lifestyles Survey, more than half of respondents prioritise finding time to spend with their spouse/partner, 51% with their children and 45% with parents.

Shopping is a major pass time in Saudi Arabia and 72% of respondents said they prefer to shop in stores that create engaging experiences. They are mobile-centric and more than a third of respondents said they use Augmented Reality (AR) or Virtual Reality (VR) to enhance their shopping experience. Although domestic trips have surged over the last year, 48% of respondents said that they travelled abroad at least once this year.

Safety in the destination (27%) ranked as their top travel destination feature followed by relaxation (25%) and all-inclusive hotels and resorts (22%).

Most important travel features
n= 1,064

% of respondents



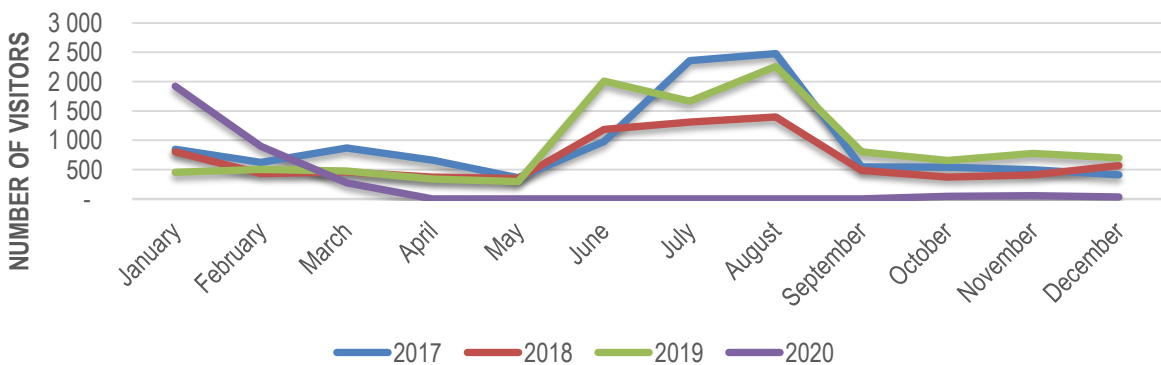
Source: Euromonitor International Lifestyles Survey 2021

4. The Saudi Arabian traveller to South Africa

Saudi Arabia Travel Market

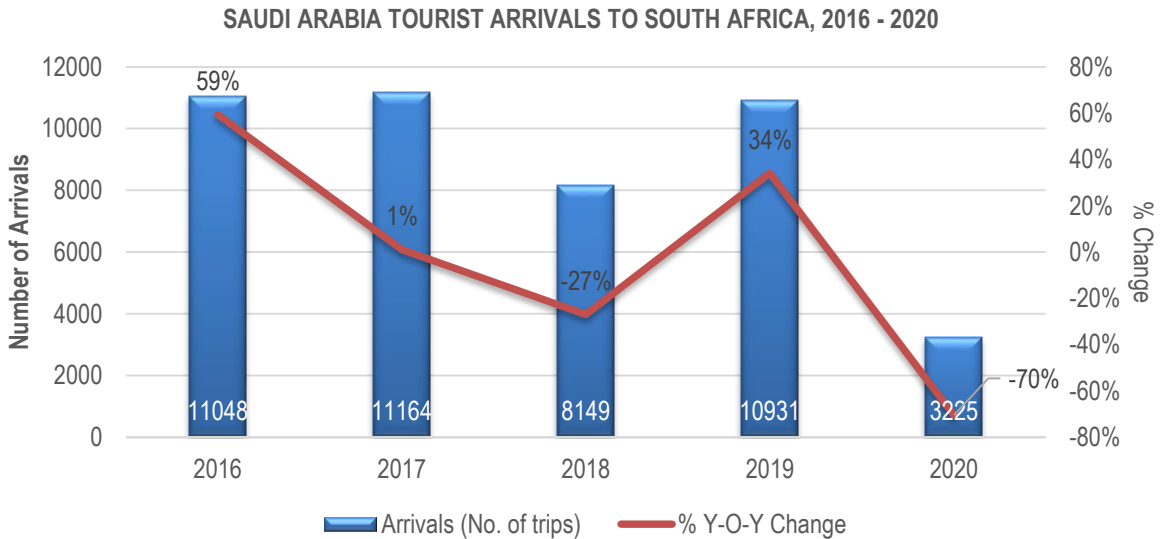
Number of Arrivals	2016: 11 048 2017: 11 164 2018: 8 149 2019: 10 931 2020: 3 225
Purpose of visit to South Africa (2019)	Holiday (36%) VFR (41%) MICE (8%)
Average length of stay in South Africa (Number of nights, 2019)	2017: 31 2018: 37 2019: 22
Age profile (2019)	18 – 24 yrs (19%) 25 – 34 yrs (29%) 35 – 44 yrs (22,5%) 45 – 54 yrs (18,1%)
Repeater Rate of Saudi Arabian Travellers (2019)	1. First Time: 52,8% 2. 10+ times: 47,2%
Accommodation Usage (2019)	1. Friends & Family 2. Hotels 3. Self Catering
Total Foreign Direct Spend in South Africa (R in millions)	2017: R 328 2018: R 230 2019: R 311
Average Spend in South Africa	2017: R 30 100 2018: R 28 700 2019: R 28 500

SEASONALITY PATTERNS: SAUDI ARABIAN TRAVELLERS TO SOUTH AFRICA BY MONTH, JAN - DEC 2017 - 2020



4. The Saudi Arabian traveller to South Africa

4.1. Visitor Arrivals to South Africa



4.2. Purpose of visit to South Africa

Travellers from Saudi Arabia to South Africa are predominantly visiting for holiday purposes or to visit family and friends. Close to 10% are also visiting for Meetings, Incentives, Conferencing and Events (MICE) and Business.

In 2019, Saudi Arabian travellers stayed in South Africa for an average length of 22 nights

Top reasons for travel to SA

Holiday (36%)

VFR (41%)

MICE (8%)

Business (2%)

Average length of stay

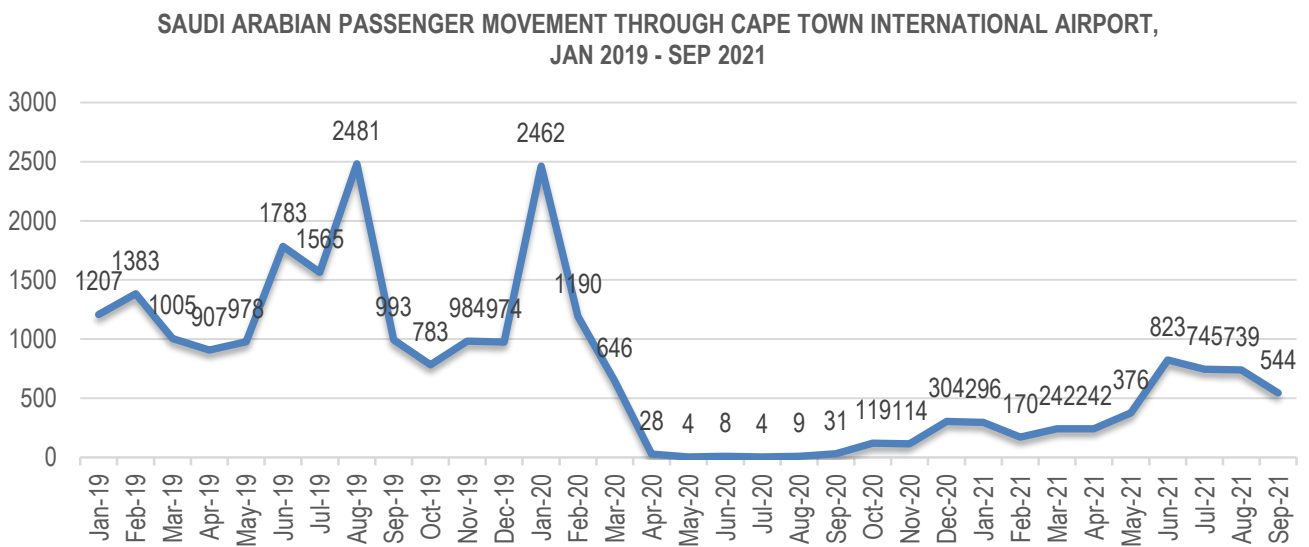
22
nights

5. The Saudi Arabian traveller to the Western Cape

5.1. Passenger Traffic through Cape Town International Airport

According to the latest OAG Traffic Analyzer data, Saudi Arabian passenger movement through Cape Town International Airport plummeted in April 2020, after the nationwide lockdown commenced on 26 March 2020. Passenger movement was almost non-existent between April and September 2020.

Passenger movement rose with the re-opening of air travel in October 2020 and has been climbing slowly with a peak in June 2021 (823 passengers).



Source: OAG Traffic Analyser, 2021

6. Key Findings

- The COVID-19 pandemic has caused sharp declines in both inbound and outbound tourism flows as well as commercial activity across Saudi Arabia.
- Outbound departures declined by 74% in 2020 from the previous year. By 2025 the number of outbound trips is expected to recover to 2019 levels.
- For Saudi Arabians spending time with family is a top priority. Shopping is a major pass time in Saudi Arabia and 72% of respondents said they prefer to shop in stores that create engaging experiences.
- They are mobile-centric and more than a third of respondents said they use Augmented Reality (AR) or Virtual Reality (VR) to enhance their shopping experience. Although domestic trips have surged over the last year, 48% of respondents said that they travelled abroad at least once this year.
- Safety in the destination, relaxation, all-inclusive hotels and resorts, nature and outdoor activities, and shopping were among their most desired travel destination features.
- Travellers from the Saudi Arabia to South Africa are predominantly visiting for holiday purposes or to visit family and friends. A small amount also visited for Business and Meetings, Incentives, Conferencing and Events (MICE) in 2019.
- Saudi Arabian travellers stayed in South Africa for an average length of 22 nights in 2019.
- They are more likely to stay with family and friends. Many travellers from Saudi Arabia also make use of hotel and self catering accommodation.
- Passengers from Saudi Arabia through Cape Town International Airport doubled in January 2020 when compared to previous year. However, due to travel restrictions brought on by the COVID-19 pandemic, passenger arrivals decreased dramatically throughout the rest of 2020. Passenger movement climbed slowly in 2021, reaching a 55% recovery rate in September, compared to the same month in 2019.

7. List of sources

1. South African Tourism
2. Euromonitor International
3. OAG Airline Passenger Traffic Analyser
4. CIA Factbook

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