



Kingdom of Saudi Arabia  
Ministry of Economy and Planning

**BRIEF REPORT**  
**ON THE**  
**NINTH DEVELOPMENT PLAN**

**1431/32-1435/36**  
**(2010-2014)**



**IN THE NAME OF ALLAH  
THE COMPASSIONATE  
THE MERCIFUL**



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**BRIEF REPORT ON THE  
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**INTRODUCTION**

The Ninth Development Plan is a continuation of the developmental approach adopted by the Kingdom throughout the past four decades. This approach combines the directive planning of government activity and indicative planning of private activity within a framework of developmental paths and the future vision defined by the long-term strategic planning.

This Plan was prepared according to a scientific methodology based on extensive studies and statistical surveys covering various economic and social aspects. During the process of preparation and analysis, a package of statistical programs was utilized along with economic models developed by the Ministry. Work relied on the visions developed by government agencies, within the context of their strategies programs and sectoral policies, particularly their adopted strategies and long-term plans such as: the National Strategy for Industry, the National Spatial Strategy, the National Transport Strategy, the National Communications and Information Technology Plan, the National Comprehensive Science and Technology Policy, the National Social Development Strategy, and the Health Care Strategy.

The Plan then underwent very careful revisions by specialized experts (inside and outside the Kingdom) where these revisions covered the preparation methodology and content including developmental directions, objectives, strategies and programs. The Plan also represents the second stage in the long-term strategic path that extends until 1445/46 (2024) and includes four consecutive five-year plans.

The Ninth Development Plan is based on **five major themes** which form an integrated framework for continuing the comprehensive and balanced development of the national economy during the coming five years, in addition to establishing the pillars of sustainable development in the long-term.

The **first theme** focuses on "enhancing and intensifying efforts to improve citizens' standard of living and promote their quality of life " in accordance with the principle that "human beings are both the end and the means of the development process". Therefore, the Plan aims to continue raising the real income of citizens, to improve the quantity and quality of services offered to them, to contain poverty and eventually eliminate it and to maintain price stability.

In order to ensure sustainable improvement of living standards and quality of life, this theme pays particular attention to conservation of natural resources and environmental protection by encouraging the use of highly efficient techniques of management and development of natural resources, in addition to rationalizing the use of these resources and safeguarding the ecosystem. Moreover, given the impact of population conditions on living standards and

quality of life, the Plan dedicates a whole chapter to address different aspects of the relationship between projected population trends and the standard of living and the quality of life of citizens during the plan period.

The **second theme**, "development of national manpower and increasing their employment" addresses the issue of raising national labor force participation rates, continuous upgrading of their skills and capabilities, ensuring access to rewarding job opportunities, and increasing their share in the labor market.

The Plan includes several programs and policies that aim to raise the capabilities of the national labor force to enable them to meet labor market requirements and keep up with rapidly changing production technologies and management and organizational techniques. Moreover, the Plan addresses the issues of enhancing the "work culture", and instilling in the Saudi worker the values of diligence, creativity and innovation in order to become the "knowledge worker" required by the "knowledge economy."

Furthermore, the Plan aims at developing the Saudi labor market, and raising its level of service and efficiency in a manner that ensures its best utilization and balance between labor supply and demand. For this purpose, the Plan includes a package of policies aimed at addressing the macro imbalances of the labor market, foremost among them are the high degree of dependence on expatriate labor and the phenomenon of unemployment, particularly among the youth.

The **third theme**, "balanced development among regions of the Kingdom", aims to spread the efforts and fruits of development to all regions in a manner that brings their development to similar levels. To achieve the objectives of this theme, the Plan's programs focus on providing the needed infrastructure and public services in the different regions, based on objective indicators and criteria that reflect the present and future conditions of the regions. The Plan also provides the necessary financial and organizational needs for the development of the production base of each region based on its developmental potential and comparative advantage.

The **fourth theme**, "structural development", addresses continuing the structural development of the Saudi economy through the deepening of the process of horizontal and vertical diversification of its production base in order to realize tangible increases in employment opportunities and in the contribution of non-oil sectors to GDP and to exports. This theme also aims at enhancing the participation of the private sector in various economic activities and establishing the foundation of the "knowledge economy" to maximize the role of knowledge as a source of value and wealth formation and to form the basic engine of economic growth. The realization of the objectives of this theme requires, among other things, tangible increases in allocations for the activities and institutions of research and development, encouragement of innovations and enhancement of the infrastructure of knowledge management, support of the communications and information technology and software sector; in line with the objectives of the National Industrial Strategy.

The **fifth theme**, "raising the competitiveness of the national economy and national products", is of great importance particularly under the growing trend of globalization and the integration of the Saudi economy into the global economy. This situation requires enhancement of the competitiveness of the national economy in order to increase its capability to attract direct domestic and foreign investments, improvement of the competitiveness of its products in domestic and foreign markets, and acquisition of new competitive advantages to develop its exports. The Plan embraces a set of general objectives to develop competitiveness and adopts specific policies and implementation mechanisms to achieve these objectives.

The most important features of this Plan are manifested in the determination to realize its developmental ambitions, despite the emergence of several challenges at both the domestic and international levels. These are summarized below:

**At the Domestic Level:**

- Continued population growth at comparatively high rates with the important implications regarding growth of demand for basic services in education, health, transport, communications, infrastructure, utilities and housing.
- Increased awareness of citizens due to the marked expansion of opportunities in education and culture, resulting in increased aspirations to attain higher standards of living.
- Continued growth in the number of new entrants to the labor force in the presence of relative

unemployment, particularly among the youth.

- Increased utilization of scarce natural resources, especially water.
- Increased competition of locally produced products in domestic and foreign markets, particularly after the accession of the Kingdom to the World Trade Organization.
- Growing importance of improving the quality of the Saudi labor force in order to provide them with the necessary skills and knowledge to keep up with the latest scientific and technological developments, to enhance the productivity and competitiveness of the economy and speed up its transformation to a “knowledge economy.”
- Overcoming adverse impacts of the global financial crisis, continuing development of the domestic financial sector, enhancing development of its systems and instruments along with its vital role in funding production and investment activities over the coming period.
- Slowdown in the implementation of some government projects attributed to organizational, technical and procedural factors. Examples of such cases are: shortage in the number of local well-qualified contractors, poor technical capabilities of the relevant bodies responsible for conducting studies, designs and supervising implementation of government projects. In addition, the slowdown is attributed to challenges related to speeding up the provision of suitable locations for some projects and to disputes over ownership of some of these locations.

The slowdown was occasionally caused by delay or lack of materials or an increase in their prices, or by shortage of skilled manpower or their high wages.

**At the International Level:**

- Growth of protectionist tendencies against imports of developing countries despite the World Trade Organization agreements. These tendencies became more apparent following the global financial and economic crisis.
- Continuation of building and expanding economic and regional blocs as well as free trade zones and the impact of such blocs on the Kingdom's foreign trade.
- Rise of the importance of science and technology as a necessary and crucial vehicle for realizing economic and commercial gains under increasing competition in commodities and services markets.
- Decline of the relative importance of primary resources among the components of competitive advantages of products compared to the increased importance and weight of the knowledge and technology components.
- Increase in the degree of "uncertainty" regarding future conditions of global financial markets and the markets for foreign exchange and primary materials, a matter which impedes implementation of suitable policies in the fields of foreign trade and investment of the government's foreign assets.
- The steady increase of the importance of international trade in services as the communications and information technology revolution contributes to a

robust growth of trade in services across borders and the accompanying emergence of highly competitive service markets.

- Increased level of international competition to attract capital and direct foreign investment.

The preparation of the Ninth Development Plan coincided with a crushing financial and economic global crisis. Despite the burden imposed on all countries by the crisis, the development program embraced by the Plan reflects the Kingdom's determination to continue accelerating the development process. The development program of the Plan is anchored by the directives of the Custodian of the Two Holy Mosques, which call for continuing and speeding up implementation of strategic investments and projects during the coming years, in order to enhance development gains and to keep up with rapid global developments. The program, moreover, stands on the strong foundations of the national economy, which were solidified by the accumulation of the Kingdom's development achievements over the past decades.

The Ministry of Economy and Planning is pleased to issue this brief report, which reviews major features of the Ninth Development Plan. The report covers the Plan's general objectives, implementation mechanisms, priorities and major policies. The report, moreover, summarizes the most important characteristics of the major development sectors and explains the general objectives and targets for each sector over the Plan period as well as the financial requirements needed for realizing them.

## **FIRST: GENERAL OBJECTIVES**

The objectives and implementation mechanisms of the Ninth Development Plan rest upon basic principles and well-established rules that emphasize the keenness of the Kingdom to realize comprehensive, balanced and sustainable economic and social development. These objectives clearly express the developmental directions of the Kingdom and its keenness to accelerate the process of development and establish the necessary factors for its sustainability, to realize balanced regional development, to continue improving standards of living and promoting quality of life while giving due care to needy groups in society and reducing unemployment rates. These objectives also underline the great importance of developing national manpower and raising their skill level. The Plan's objectives also underscore the importance of the private sector's participation in the process of development, the move towards a “knowledge economy,” the increase in growth rates and performance of the Saudi economy, and the improvement in its competitiveness in the global economy.

### **First objective:**

To safeguard Islamic teachings and values, enhance national unity and security, guarantee human rights, maintain social stability, and consolidate the Arab and Islamic identity of the Kingdom.

### **Second objective:**

To continue to develop the holy places, and improve the services provided to Hajj and Umrah performers to ensure performance of religious rites easily and conveniently.

**Third objective:**

To achieve sustainable economic and social development by accelerating the rate of economic growth and social welfare.

**Fourth objective:**

To achieve balanced development among regions of the Kingdom and enhance their role in social and economic development.

**Fifth objective:**

To enhance human development, expand the range of options open to individuals to enable them to acquire and use knowledge, skills and expertise, and provide appropriate healthcare services.

**Sixth Objective:**

To raise the standard of living and improve the quality of life of all citizens.

**Seventh Objective:**

To diversify the economic base horizontally and vertically, expand the absorptive and productive capacities of the national economy and enhance its competitiveness, and maximize the return on competitive advantages.

**Eighth Objective:**

To move towards a knowledge-based economy and consolidate the basis of an information society.

**Ninth Objective:**

To enhance the role of the private sector in socioeconomic and environmental development and expand domains of private investments (domestic and foreign) and public-private partnerships.

**Tenth Objective:**

To develop, conserve and ensure rational utilization of natural resources, particularly water, protect the environment and develop environmental systems within the context of sustainable development.

**Eleventh Objective:**

To continue socioeconomic and institutional reform, develop regulations aimed at raising efficiency and improving performance, work towards entrenching transparency and accountability, and support civil-society institutions in advancing their developmental activities.

**Twelfth Objective:**

To strengthen economic integration with Gulf Cooperation Council and Arab states and develop relations with Islamic and friendly countries.

**Thirteenth Objective:**

To develop the sector of Small and Medium Enterprises to increase its contribution to GDP, and create frameworks for nurturing and organizing it.



## **SECOND: MAJOR IMPLEMENTATION MECHANISMS**

1. To accelerate the pace of economic growth, distribute its fruits among regions of the Kingdom and various social groups.
2. To enhance the developmental impact of direct foreign investment.
3. To reduce development gaps between administrative regions.
4. To intensify efforts aimed at diversifying the economic base.
5. To prepare a favorable environment for realizing sustainable development.
6. To intensify efforts directed towards raising the standard of living and quality of life along with efforts to reduce poverty.
7. To create a favorable environment for moving towards a “knowledge economy” and a gradual transformation towards an “information society.”
8. To deepen partnership between the public and private sectors, and accelerate privatization processes.
9. To realize financial stability and to continue embracing a fiscal and monetary policy that contributes to raising rates of economic growth and reducing inflationary pressures.

10. To raise the contribution of national labor in various development sectors of the economy.
11. To provide education opportunities, increase enrollment rates in different stages, and develop the educational system to fulfill (qualitatively and quantitatively) developmental and societal needs as well as to adapt to new forms of knowledge.
12. To expand and develop vocational and technical training programs throughout the administrative regions.
13. To provide comprehensive and integrated health care to all members of society.
14. To adopt a population policy that takes into consideration the quantitative and qualitative developments of population and its geographic distribution, and enhances the relation between population characteristics and the directions of sustainable development.
15. To promote the effective participation of Saudi women in the Kingdom's development.
16. To support and increase youth participation in the Kingdom's development and to empower them to effectively contribute to the development of society.
17. To provide suitable housing in a manner that satisfies the needs of different segments of society.
18. To protect integrity, combat corruption and limit its impact on the investment climate and the economic

and social dimensions of the development plan.

19. To strengthen and develop national culture and increase cultural and scientific output.
20. To deepen economic integration between GCC countries and boost the Kingdom's Arab, Islamic and international relations.
21. To improve the implementation mechanisms of development programs and projects, and to evaluate the implementation policies adopted by the Plan.
22. To provide support to Small and Medium Enterprises and remove obstacles hindering their development.
23. To pay attention to the social dimension of development through enhancing private participation in the process of development, social care, support of needy categories and groups with special needs, and giving special attention to youth, women and children.



### **THIRD: ECONOMIC DEVELOPMENT**

During the next five years (2010-2014), the Ninth Development Plan aims to realize an average annual GDP growth rate of 5.2% at constant prices of 1999. This would result in increasing the average per capita GDP at constant prices from SR 46.2 thousand in 2009 to approximately SR 53.2 thousand in 2014.

The Plan aims also to realize the following at the macroeconomic level:

- Growth in total investment (Gross Fixed Capital Formation) at an average annual rate of 10.4% to bring its share of GDP to around 38.5% by the end of the Plan in 2014.
- Growth in merchandise and services exports at an average annual rate of 4.5% thus bringing their share of GDP to about 35.7% by the end of the Plan in 2014.
- Growth in non-oil exports at an average annual rate of 10% to bring their share of GDP to about 23.7% by the end to the Plan in 2014.
- Growth in merchandise and services imports at an average annual rate of 7.7% to bring their share of GDP to around 67.6% by the end of the Plan in 2014.
- Growth in final consumption (government and private) of commodities and services at an average annual rate of 5.4% to constitute around 90% of GDP in 2014.

- Increasing the share of national manpower in total labor force (Saudization rate) from 47.9% in 2009 to approximately 53.6% in 2014 by providing 1.1 million job opportunities to labor market entrants.
- Reducing unemployment rate among the national workforce from around 9.6% in 2009 to about 5.5% by the end of the Plan in 2014.

**Main Indicators of the Ninth Development Plan  
(2010-2014)**

Indicators	Average Annual Growth Rate (%)
• Real GDP	5.2
• Gross Fixed Capital Formation	10.4
- Oil Sector	7.9
- Private Sector	11.8
- Government Sector	5.2
• Merchandise and Services Exports	4.5
- Non-oil Exports	10.0
• Merchandise and Services Imports	7.7
- Final Consumption	5.4
• Rate of Saudization (%) *	53.6
• Unemployment Rate % *	5.5

(\*) *By end of the Plan.*

At the sectoral level, the Ninth Plan (2010-2014) aims to realize the following growth rates at constant prices of 1999:

- Growth of the private sector at an average annual rate of 6.6% over the period of the Plan, thus increasing its percentage share in GDP up to 61.5% by the end of the Plan.
- Growth of oil and gas sector by around 1.2% during the period of the Plan in such a way that its percentage share in GDP would reach around 19.6% by the end of the Plan; in line with the trend towards reducing dependence on oil.
- Growth of government sector at an average annual rate of about 4.8%, thus raising the sector's percentage share in GDP to 17.3% by the end of the Plan.
- Growth of non-oil sectors at an average annual rate of 6.3%, hence raising the percentage share of these sectors in GDP to around 81.3% by the end of the plan.
- Growth of non-oil productive sectors at an average annual rate of 6.3%, thus increasing their percentage share in GDP to 28.2% by the end of the Plan.
- Growth of private services sectors at an average annual rate of about 7.1%, hence raising their percentage share in GDP to about 35.8% by the end of the Plan.
- Growth of agriculture, forestry and fishery sector at a rate of about 1.7% thus raising its percentage share in

GDP to around 4% by the end of the Plan.

- Growth of the non-oil mining and quarrying sector at an average annual rate of around 9.2%.
- Growth of the manufacturing industries sector at an average annual rate of 7.2%, thus raising its percentage share in GDP to around 14% by the end of the Plan. The Plan also aims at realizing a growth in the value added of oil refining at an average annual rate of 7% and that of petrochemical industries and other manufacturing industries at an average annual rate of 5.7% and 7.6% respectively.
- Growth of the electricity, gas and water sector and the construction sector at the rates of about 7.5% and 7.2%, respectively, during the plan period.
- Growth of the transport and communications sector together with the finance, insurance, business and real estate services sector at around 6.1% and 7.2%, respectively during the period of the Plan.

**GDP by Activity, at Constant 1999 prices**

Category	Value SR Million		Average Annual Growth Rate (%)***	% of GDP ***	
	2009	2014	Target Ninth Plan	2009	2014
<b>A) Non-Oil Sectors</b>	<b>659669.5</b>	<b>895651.5</b>	<b>6.3</b>	<b>77.1</b>	<b>81.3*</b>
1. Productive Sectors	228099.0	310155.0	6.3	26.7	28.2
1.1 Agriculture, forestry and fishing	40590.4	44197	1.7	4.7	4.0
1.2 Non-oil mining and quarrying	3069.3	4762.5	9.2	0.4	0.4
1.3 Manufacturing industries	108511.7	153634.0	7.2	12.7	14.0
1.3.1 Oil refining	23892.6	33510.7	<b>7.0</b>	2.8	3.0
1.3.2 Petrochemicals	14193.7	18737.4	5.7	1.7	1.7
1.3.3 Other manufacturing industries	70425.4	101386.0	7.6	8.2	9.2
1.4 Electricity, gas, and water	14829.0	21257.7	7.5	1.7	1.9
1.5 Building and construction	61098.6	86303.7	7.2	7.1	7.8
2. Private-Services Sectors	280525.4	394617.4	7.1	32.8	35.8
2.1 Trade, restaurants and hotels	74702.9	106032.7	7.3	8.7	9.6
2.2 Transport and communications	58392.8	78318.7	6.1	6.8	7.1
2.3 Financial, insurance, business and real- Estate Services	114130.6	161609.1	7.2	13.3	14.7
2.3.1 Real estate	57546.1	79923.4	6.8	6.7	7.3
2.3.2 Financial, insurance, and business services	56584.5	81685.7	7.6	6.6	7.4
2.4 Community and personal Services	33299.1	48657.0	7.9	3.9	4.4
3. Government Services	151045.2	190879.1	4.8	17.7	17.3
<b>B) Crude Oil, Natural Gas sector</b>	<b>203163.4</b>	<b>215648.2</b>	<b>1.2</b>	<b>23.7</b>	<b>19.6</b>
Other items (1)	-7067.9	-10101.8	7.4	-0.8	-0.9
<b>GDP</b>	<b>855765.1</b>	<b>1101197.9</b>	<b>5.2</b>	<b>100</b>	<b>100</b>

\* Excluding net import duties, and after deduction of bank service charges

\*\* Import duties less bank service charges.

\*\*\* Growth rates and percentages are to nearest decimal.

Source: Ministry of Economy and Planning



## **FOURTH: PLAN PRIORITIES**

### **A. Diversification of the economy:**

Seeking to strengthen the foundations of comprehensive and sustainable development in the Kingdom, the Ninth Plan adopts a broad concept of economic diversification encompassing five key dimensions (components):

- Diversification of the economic base (production structure).
- Institutional diversification of economic activity.
- Spatial diversification of economic activity.
- Diversification of exports.
- Diversification of government revenues.

The Plan's target is to achieve tangible progress in every one of these dimensions, by setting objectives to be met along with a package of policies and implementation of the necessary mechanisms to achieve these objectives. These are as follows:

#### **A.1 Diversification of the economic base**

The Plan places emphasis on deepening the process of horizontal and vertical expansion of the economic base, through acceleration of growth in promising fields in non-oil production and service sectors.

For individual non-oil sectors, the Ninth Plan adopts an integrated set of general objectives and specific targets, all of which stemming from a clear vision for development of these sectors. The Plan sets a package of policies and implementation mechanisms to achieve the objectives for individual sectors.

The Plan directions underline areas of focus with respect to diversification of the economic base:

- Industries which utilize the national economy's comparative advantages by transforming them into competitive advantages. Among these are petrochemicals and energy-intensive industries.
- High-tech and capital-intensive industries, such as mining and pharmaceutical industries, which contribute effectively to the process of moving towards a knowledge-based economy.
- Capital goods industries, such as mineral products, machinery, and electrical equipment industries.
- Strengthening the role and further development of Small and Medium Size enterprises (SME's) due to their significant role and contribution to economic diversification and job creation.
- Export-oriented manufacturing industries.
- Tourism activity.
- Modern agriculture that focuses on high value added, uses advanced water saving techniques, and which improves efficiency of natural resource utilization.

- Various mining industries through which a chain of integrated industries can be built.

## **A.2 Institutional diversification**

Increase of the private sector's contribution in economic activity is the second dimension of the drive towards economic diversification, namely the institutional dimension. The Ninth Development Plan places special emphasis on expanding private sector participation in all economic activities, such as production, investment, exports, and creation of jobs for citizens, with an aim to increase the scope of this sector's participation in production and service activities and hence boosting the sector's development role. The Plan's general objectives for the private sector stem from a vision, which envisages an efficient and diversified private sector with world-class competitive advantages, paying significant attention to research, development and innovation in its various activities, increasing the sector's contribution to socio-economic development, diversification of the economic base, and improving global competitiveness of domestic products.

The Ninth Development Plan adopts the following targets for private sector development:

- Increase value added in the private sector at an average annual growth rate of 6.6 percent.
- Increase the private sector's GDP share from about 57.4 percent in 2009 to some 61.5 percent in 2014.

- Increase private investment expenditure at an average annual growth rate of 11.8 percent.
- Growth of national manpower in the private sector at an average annual rate of about 5.3 percent.

In order to achieve these targets, the Plan adopts a select set of policies that include the following:

- Continue to create a favorable environment that can attract domestic and foreign investments.
- Create more promising investment opportunities for the private sector, with due emphasis on strengthening industrial links and integration among companies operating in industrial clusters, thus creating an environment that encourages competition and curtails monopolistic practices, along with support of technological development through joint public-private initiatives, and expansion of areas of public-private partnership.
- Implement government and private initiatives launched to develop the SME sector, and develop adequate regulatory frameworks to boost the sector's contribution in GDP (non-oil).
- Intensify technical support and consultation services offered to industrial projects by Saudi Industrial Development Fund (SIDF), particularly in using modern production technologies for waste disposal and recycling.

### **A.3 Spatial Diversification**

The Ninth Plan was keen to distribute economic activities among the Kingdom's regions in such a way that avoids concentration of activities in major regions, while achieving maximum efficiency in utilization of available economic resources. To this end, distribution of activities was based on the development potential of individual regions as well as their explicit and implicit competitive advantages.

It is worth noting here that the balanced regional development concept adopted by the Plan does also involve a social aspect, which is attained through distribution of public services, infrastructure and vital facilities among the Kingdom's regions in a manner that fully meets citizens' needs. Distribution is therefore based on population density and the reliability of existing services in the region in question.

In this context, the Plan adopts the following general objectives with regard to regional development:

- To achieve balanced development among the Kingdom's regions, at levels that boost their role in socio-economic development.
- To raise living standards and improve quality of life for all citizens.

In addition, the Plan adopts the following targets to achieve balanced regional development:

- To implement a number of pilot programs in some municipalities, for performance monitoring and evaluation. Once proven successful, these programs will be introduced gradually to all other municipalities.
- To prepare the necessary implementation studies to promote integrated and comprehensive development in existing spatial development corridors.
- To establish sectoral and spatial development databases (commercial, industrial, tourist, etc) to be made available to investors in regions and governorates.
- To strengthen the mechanisms related to investment incentives in the least developed regions.
- To prepare feasibility studies for investment opportunities that are suitable for setting up of small and medium size projects in the least developed regions.

In order to achieve these targets, the Plan adopts a package of policies, which include the following:

- To strengthen the role of specialized lending funds and finance institutions to support small and medium size projects, particularly in the least developed regions and governorates and those least attractive to investment, and boost technical assistance provided to these projects, in order to remove regulatory and marketing constraints in various regions.
- To prepare an action plan for the development corridors proposed in the National Spatial Strategy,

and to monitor its implementation.

- To strengthen the role of national, regional and local growth centers, with emphasis on local growth centers since these are the least developed.
- To develop regional strategies and programs aimed at utilizing the opportunities generated by national large-scale investment projects (such as the new railway project, the phosphate and bauxite exploitation project, the new economic cities, etc).

#### **A. 4 Diversification of exports**

The fourth dimension of economic diversification relates to diversifying exports. In this respect, the Plan targets growth of non-oil exports at an average annual rate of 10 percent, along with growth of overall exports of goods and services at an average rate of 4.5 percent per annum. In light of these targets, the share of non-oil exports in GDP will rise from 18.9 percent in 2009 to about 23.7 percent in 2014.

In order to achieve such growth, the Plan adopts a policy package that includes the following:

- Increased efficiency of non-oil export development programs and promotion of these exports in global markets.
- Intensification of consulting services in technical, administrative and marketing areas related to development of non-oil exports.

- Establishment of export-oriented industrial zones, and the possible creation of free trade zones in suitable locations, which should be provided with infrastructure.
- Provision of various incentives to attract domestic and foreign private investment to contribute to the development of re-export activities.
- Development of an integrated export data system backed up with specialized databases to meet the needs of exporters and investors.

#### **A. 5 Diversification of government revenues**

The fifth aspect of economic diversification relates to diversifying government revenues by increasing the share of non-oil revenues in overall government revenues. Most significant among non-oil revenues are: Customs duties, public services tariffs and fees, government share in the telecommunications sector, income taxes, zakat, port services tariffs and fees and work visa fees.

The volume and growth of the government's non-oil revenues depend on four key factors, namely:

- Categories of taxes and government services fees.
- Efficiency of collection of taxes and fees.
- Volume of economic activity.
- Volume of imports (revenues of customs duties).

Government decisions and laws are at play with respect to the first factor.

The Plan envisages improved efficiency in collection of taxes and fees. The improvement is bound to be achieved as a result of increased performance efficiency of government agencies, perceived by the Plan, through implementation of the guidelines and mechanisms stated in the Plan (Chapter 7: institutional and administrative development).

The third and fourth factors are directly tied to GDP growth (volume of general economic activity) and exports. In this respect, the Plan envisages that non-oil revenues will grow automatically with the growth of these two factors. Elsewhere in the Plan, reference is made to the mechanisms proposed by the Plan to stimulate private sector growth. The Plan expects that imports will grow at an average annual rate of 12 percent in current prices over the next five years.

## **B. Other priorities:**

### **B.1 Continued improvement of living standards and quality of life**

In realization of the principle of dealing with the citizen as the ultimate end and basic means of development, the Ninth Plan places continued improvement of the living standard and quality of life of citizens as an essential priority and a key development direction. In order to meet the requirements of this direction, the Plan focuses on three main courses:

- To continue to raise citizens' real income growth rate above the population growth rate.
- To continue to improve services provided to citizens, both quantitatively and qualitatively.
- To develop the productive and creative capabilities of citizens, to provide them with rewarding job opportunities and to increase their participation in various economic activities.

## **B.2 Development of the national labor force**

In view of the fact that the country's real wealth lies in the nation's human resources and their productive skills, the Ninth Development Plan pays special attention to development of national human resources and increasing employment. In this respect, the Plan seeks to raise overall national labor force participation, particularly in private sector activities, in addition to continued skill upgrading. Towards this end, the Plan includes a number of policies for quantitative expansion and qualitative development of education, training and vocational qualification programs.

In order to ensure that requirements of this drive are met, the Plan's eleventh implementation mechanism places emphasis on improving enrolment ratios at various education stages, as well as on developing the education system in a way that ensures fulfillment (qualitatively and quantitatively) of development and societal needs, along with assimilation of emerging knowledge. Furthermore, the twelfth implementation mechanism underscores the importance of

expansion and development of vocational and technical training programs, along with dissemination of these programs in all administrative regions of the Kingdom.

The Plan also places special emphasis on developing the Saudi labor market, and on meeting the challenges it faces, key among which are the rising dependence on expatriate workers and the emergence of structural unemployment especially among the youth.

### **B.3 Support the drive towards a knowledge economy**

The Ninth Plan is keen to continue the Kingdom's efforts in laying the foundations of a knowledge economy that can keep pace with, attract and adopt accelerating developments of knowledge and technology worldwide, and which is capable of homegrown generation and dissemination of knowledge. These efforts should be exploited to develop the structure of the economy, to raise productivity of various sectors, to create new knowledge-based activities and services, to create new competitive advantages, to develop and rationalize utilization of national resources, and to build a highly skilled, knowledge-oriented workforce.

Based on an analysis of the key issues faced by the Kingdom with respect to knowledge dissemination, transfer, generation, and application and development in various production activities, the Ninth Plan adopts a package of general objectives and targets to guide progress along the desired course for building a knowledge-based economy.

In order to achieve these objectives and targets, the Plan adopts a set of policies, key among them are:

- Adoption of mechanisms that lead to increased dissemination of knowledge databases, which makes it possible to transfer, and hence indigenize, generate and apply the knowledge thus gained.
- Boosting the Kingdom's capabilities in technology transfer and indigenization in all socio-economic activities.
- Improving knowledge content of goods and services produced in the Kingdom to further upgrade productivity and competitiveness.

#### **B.4 Enhance competitiveness of the national economy**

Against the backdrop of the globalization trend and increased competition among countries, and with the Kingdom's accession to WTO, the challenge now facing the Kingdom is to enhance competitiveness of the national economy to attract direct domestic and foreign investment, to improve competitiveness of the country's products in domestic and foreign markets, to acquire new competitive advantages to develop and diversify exports, and to open new markets for the Kingdom's exports.

Continuing efforts during earlier plans, particularly the Eighth Development Plan, to enhance competitiveness of the national economy, the Ninth Plan adopts a set of general objectives and targets along with policies to achieve them. The general objectives are:

- To move the national economy to an innovation-based phase.
- To support competitiveness and increase technical content of non-oil exports.
- To continue to develop and upgrade the investment and export climates.
- To intensify the process of technology transfer, indigenization and generation in the Kingdom, in a manner that enhances competitiveness and keeps pace with globalization of production.

In order to achieve these objectives, the Plan adopts the following policies:

- To continue to increase efforts aimed at improving productivity in the national economy.
- To increase investment on basic infrastructure and on IT infrastructure.
- To launch and promote well-studied business clusters for the private sector in all fields, with possible participation of public sector companies and direct foreign investment (tripartite participation).
- To implement cultural programs designed to promote an attitude of quality, perfection and excellence among citizens.



## **FIFTH: MAIN POLICIES OF THE PLAN**

### **5.1 Manpower and the Labor Market**

These policies include the following:

- To support efforts for realizing balance between outputs of the education and training systems and labor market requirements.
- To develop standards for technical and vocational training, support continuous education and training of the national labor force (on-the-job training), keep pace with the latest in the science and technology of skills development.
- To support efforts to continuously improve productivity of national labor.
- To provide financial, administrative and technical support to the Human Resources Development Fund.
- To ensure gradual and selective rationalization of foreign labor and develop realistic bases for their recruitment in line with labor market needs, and to reduce unemployment among the national workforce.
- To support efforts for promoting balanced economic activity among regions of the Kingdom as well as balanced provision of job opportunities for the national workforce.
- To support investment in the new economic cities and link the provision of facilities in these cities with employment of nationals. To encourage relevant

agencies to offer incentives to the private sector and link such incentives with employment of nationals.

- To support efforts to increase participation of the national workforce (males and females) in the labor market.
- To develop systems of collection and dissemination of labor force and labor market data.
- To support the Ministry of Labor in improving services of its labor offices.

## **5.2 Investment Promotion**

The main investment policies include the following:

- To establish more "investment banks" to increase the relative importance of medium and long-term bank credit in line with the Council of Ministers' Resolution No. (72) dated 19/3/2007 on enhancing the developmental role of the banking sector by developing policies and mechanisms for meeting the financial needs of production sectors capable of diversifying the economic base.
- To monitor performance of private investments in the economic cities in order to check on the extent of their commitment to the planned paths and to remove obstacles which limit their performance.
- To actualize the role of private investments (national and foreign) in providing the requirements of moving towards the "knowledge economy."

- To enhance sustainable development efforts through commitment of all investment activities to the environmental dimension as per the principles stipulated in the General Regulation for the Protection of the Environment.
- To continue maintaining a regulatory climate which supports and encourages investment, and to continue to streamline regulations, simplifying procedures for doing business and investment and reducing their costs in all regions of the Kingdom.
- To encourage and develop investment in all regions of the Kingdom by establishing investment councils in each region. Every council would cooperate with SAGIA to support investment in its respective region, remove obstacles and improve the investment climate.

The plan's main policies for maximizing the developmental returns of subsidies and incentives provided to investors include the following:

- To link provision of incentives with the actual performance indicators of foreign investments.
- To review and develop direct and indirect incentives to invest in a way that is consistent with the priorities and directions of the National Industrial Strategy.
- To link incentives provided to private investments (national and foreign) with the extent of their contribution to training of national workers.
- To provide varied packages of incentives to investment in knowledge-related activities.

- To encourage the private sector to move towards knowledge-based and high value-added production and services activities.
- To attract foreign investments in the field of high technology.
- To provide further incentives to encourage joint ventures and foreign direct investment to transfer and indigenize knowledge.

### **5.3 Financial Services Development**

These policies comprise the following:

- Enhancing “preventive measures” for dealing with the adverse impacts of the global financial crisis through fiscal and monetary policy instruments that support domestic liquidity and increase the lending capacity of banks with due emphasis on adherence to transparency as well as developing an “early warning system” for financial crises.
- Continuing the regulatory and monitoring role of the government, supporting measures for developing the capital market and improving the performance of investment funds, and enhancing investment awareness among citizens.
- Increasing the developmental role of banks through establishment of more investment banks and increasing the percentage of long-term loans to meet the needs of activities with maximum contribution to diversification of the economic base.

- Increasing the developmental role of Islamic bonds (sukuk) and insurance activities and encouraging foreign and domestic private investments to establish more venture capital companies.
- Continuing to increase the capital of specialized credit institutions in line with the steady increase of demand for their loans to increase their contribution to the developmental role of the private sector, raising the standard of living and improving the quality of life of citizens.
- Expanding the scope of technical assistance and advice provided by the Saudi Industrial Development Fund, particularly to small and medium enterprises.
- Continuing Saudi Arabian Monetary Authority's efforts in developing the Saudi financial system with particular emphasis on monitoring and controlling activities of commercial banks.

#### **5.4 Foreign Trade**

The Plan's policies on foreign trade comprise the following:

- Dealing in an efficient and flexible manner with the adverse impacts of the global financial crisis on the Kingdom's revenues from oil and non-oil exports.
- Enhancing the effectiveness of programs related to non-oil exports development and promotion in world markets.
- Intensifying provision of advisory services in technical, administrative and marketing fields related to development of non-oil exports.

- Taking appropriate actions to prevent dumping and to reduce the inflow of imported counterfeit goods.
- Establishing export-oriented industrial zones and considering the possibility of establishing "free trade areas" in appropriate locations and providing them with necessary infrastructure and appropriate incentives to attract foreign and domestic private investment in order to develop re-export activities.
- Developing an integrated "exports data and information system", supported with specialized databases to meet the needs of exporters and investors.

## **5.5 Enhancing the Competitiveness of the National Economy**

The Plan includes a set of policies for enhancing competitiveness of the national economy. The most prominent ones are:

- Increasing investment spending in infrastructure and information facilities.
- Continuing to develop banking and financial services.
- Expediting the full application of electronic transactions.
- Increasing the number of judges specialized in commercial fields and the number of specialized courts therein.
- Adopting streamlined legal procedures for business startup and investment in all regions of the Kingdom.

- Expediting the application of corporate governance.
- Exerting further efforts to improve the productivity of the national economy in general and of the sectors with comparative advantages in particular.
- Proposing and promoting well-studied business clusters projects, in all fields, to the private sector with the possibility of establishing tripartite partnerships between private, public and foreign investments.
- Granting awards of excellence to private companies which adopt modern techniques of management, planning, monitoring and marketing and those which allocate a high proportion of resources to R & D and innovation activities.
- Streamlining procedures for transforming family-owned companies into joint stock companies.
- Promoting the culture of e-trade and relevant regulations among business enterprises and consumers.
- Adopting the system of professional efficiency, which sets the minimum level of education and professional skills for technical work, to ensure improved levels of education and skills for national and foreign workers.
- Expanding the use of internationally recognized quality standards in all sectors of economic activity, particularly the export-oriented sectors.

## **5.6 Institutional and Administrative Development**

The set of policies adopted in the Plan for continuing the process of institutional and administrative development and enhancing its effectiveness comprise the following:

- Taking appropriate measures to improve the organizational effectiveness, raising the performance efficiency of government agencies and employees, and streamlining work procedures and systems in order to improve the quality of services provided to citizens.
- Reducing the operational costs of government agencies and utilizing the savings in raising the level of effectiveness and efficiency.
- Increasing the extent of integration with the private sector, enhancing its role in the process of comprehensive development, and privatizing some government activities or operating them in a business-oriented manner.
- Expediting the process of full implementation of the e-transactions program in government agencies.
- Improving internal and external efficiency of government agencies.
- Promoting the culture of performance excellence among employees of all government agencies.
- Ensuring consistency between institutional structures of the government agencies and the mandates of these agencies.

## **5.7 Domestic Trade**

The Plan adopts a number of policies to develop domestic trade activities, increase their share in GDP, provide job opportunities for Saudi citizens, and meet local demand through supply of high-quality goods and services at affordable prices. These policies include:

- Reviewing the methods of practicing trade activities, developing related procedures and techniques, and streamlining them in line with the needs of the national economy.
- Developing appropriate mechanisms to ensure perfect enforcement of the "Trade Fraud Control Regulation", issued by Royal Decree No. M/19 dated 29/4/2008; intensifying control and investigation campaigns, imposing strict penalties, supporting the "Consumer Protection Society", and exerting concerted efforts, at the Gulf and Arab country levels, to control this adverse phenomenon.
- Exerting intensive efforts to increase the share of Saudis in this sector by identifying its labor requirements and providing appropriate education and training programs.
- Enhancing confidence in commercial instruments, controlling dumping and commercial concealing, imposing strict penalties on monopolistic practices, and boosting the tasks of the "Competition Protection Council" to ensure enforcement of the competition regulation.
- Enhancing the level of consumer awareness by informing them about methods of detecting the

quality and validity of goods and their conformity to standard specifications, as well as imposing hard penalties on activities not complying with approved standards.

- Exertion of further efforts by the chambers of commerce to enhance awareness of importers of the importance of improving their capacity to dealing with developments in domestic and international markets.
- Ensuring a strategic stock of basic foodstuffs to avoid unexpected increases in price, meet any deficit in supply, and face any emergency.

## **5.8 Balanced Regional Development**

The Plan will continue with the efforts of realizing more convergence in development levels among all the regions. Policies adopted in this regard comprise the following:

- Supporting the developmental role of regional councils and reducing the level of centralization, as well as enhancing the role of local community organizations and cooperative and voluntary societies in regional development.
- Improving the performance of municipalities, enabling them to invest in projects that provide the largest employment opportunities, and enhancing their cooperation with the private sector in implementing development projects.
- Increasing the role of specialized credit funds and financial institutions in providing credit to SMEs,

especially in the regions and governorates least attractive to investment, providing technical assistance to these projects and removing organizational and marketing barriers in various regions.

- Enhancing the role of local, regional and national development centers with due emphasis on the local centers given that they are the least developed economic and social centers.
- Achieving functional and production integration among big, medium and small cities by utilizing the economic resources and comparative advantages of the regional capital cities and the other big cities in supporting development of rural areas and providing an appropriate investment climate in order to increase and diversify economic activities.
- Continuing implementation of the themes of the National Social Development Strategy with due emphasis on the role of women in production and social activities.

## **5.9 Protection of the Environment and Conservation of Natural Resources**

Given the importance of the environment and natural resources as basic pillars of long-term sustainable development, the Plan adopted many policies and programs for protection and proper management of the environment as well as conservation and development of natural resources. Foremost among these policies are:

- Improving environmental performance indicators of the sectors responsible for protection of the environment by enhancing the preventive mechanisms adopted for protection of the environment, conservation of natural resources and maintenance of public health.
- Preparing specialists in the field of environmental protection through appropriate education and training programs inside the Kingdom and abroad.
- Enhancing environmental management in the Kingdom by supporting mechanisms and channels of coordination and cooperation between the General Presidency for Meteorology and Environmental Protection and all other relevant agencies.
- Withstanding the pressures of increased urbanization and development in all sectors within the efforts of maintaining sustainable development.
- Seeking accuracy of monitoring and forecasts, and contributing to minimization of the impacts of natural disasters.

## SIXTH: MAIN DEVELOPMENT SECTORS

The main development sectors are: human resources development, social and health development, economic resources development, transport and communications, and municipal services and housing. The financial requirements of these sectors over the Ninth Plan period are around SR 1444.6 billion, an increase of almost 67.2% over allocations of the Eighth Plan (SR 863.9 billion). This reflects keenness of the Kingdom to continue with the development process, upgrade the standard of living and quality of life of the citizens, notwithstanding the unfavorable global economic conditions.

### Financial Requirements of Development Sectors Ninth Development Plan (\*)

Development Sector	SR billion		Rate of Increase (%)
	Eighth Plan Budget Allocations	Ninth Plan (Planned)	
Human Resources Development	480.0	731.5	52.4
Social and Health Development	155.9	273.9	75.7
Economic Resources Development	105.8	227.6	115.2
Transport and Communication Development	56.5	111.1	96.6
Municipal and Housing Services Development	65.7	100.5	53.0
<b>Total Expenditure</b>	<b>863.9</b>	<b>1444.6</b>	<b>67.2</b>

(\*) *Figures are rounded*

*Source: MOEP.*

Objectives and planned achievements of each sector and its financial requirements, over the Ninth Plan period, are as follows:

## **6.1 Human Resources Development:**

The human resources development sector includes: general education, higher education, technical and vocational training, and science, technology and innovation. It is planned, during the Ninth Development Plan, to spend about SR 731.5 billion in this sector, or almost 50.6% of the total allocations of the development sectors.

### **6.1.1 Objectives**

#### **A. General Education:**

- Improving the educational environment to meet the quantitative and qualitative needs of the next stage.
- Developing advanced curricula to ensure comprehensive development of students to enable them to contribute to building the community.
- Enhancing the qualitative efficiency of educational staff to enable them to comprehend the objectives of modern educational curricula.
- Providing qualitative extracurricular activities to build the balanced, integrated Islamic character of the student so that he could serve religion, society and the nation.
- Raising the level of internal and external efficiency of the education system.

- Providing pre-school education and preparing children for joining the general education system.
- Developing administrative systems and related elements and reducing the level of centralization.
- Improving the education system of gifted students, groups with special needs and adults.
- Adopting quality systems and standards in education.
- Expanding the scope of community participation in education.

**B. Higher Education:**

- Raising the level of internal and external efficiency to meet the requirements of development.
- Improving the quality of education.
- Adopting advanced administrative systems.
- Ensuring optimal utilization of communications and information technology.
- Expanding and diversifying the post-graduate studies programs.
- Supporting scientific research and increasing its contribution to knowledge production.
- Achieving the principle of partnership with local communities.
- Enhancing cooperation and coordination with scientific institutions inside the Kingdom and abroad so as to achieve the objectives of development.

### **C. Technical and Vocational Training:**

- Ensuring enrollment of the maximum number of students seeking technical and vocational training.
- Qualifying and preparing Saudis in technical and vocational fields in line with the needs of the labor market.
- Providing training programs, with appropriate levels of quality and efficiency, that enable the trainee to find a suitable job in the labor market or be successfully self-employed.
- Establishing strategic partnerships with the business sector for implementation of technical and vocational training programs.
- Encouraging private investment in technical and vocational training.
- Strengthening the relationship and integration between educational and training agencies.
- Expanding the scope of advanced training that supports national plans, and contributing to transfer and development of technology.
- Meeting the needs of various regions for vocational training centers in the fields and specializations needed by their development projects, particularly in the new economic cities and technology zones.
- Linking the incentives provided to Saudi and foreign investments with the extent of their contribution to training of Saudi workers.
- Making maximum use of the "bilateral joint committees" and international organizations specialized in developing training programs to prepare Saudi workers to contribute to the achievement of the knowledge economy and information society.

#### **D. Science, Technology and Innovation:**

- Indigenization and development of strategic and advanced technology.
- Upgrading the capabilities of research, development and innovation through upgrading of existing research centers and establishment of new ones.
- Upgrading the scientific and technological capabilities throughout society and developing innovation, creativity and initiative.
- Upgrading the capabilities of Saudi workers in the fields of science and technology.
- Increasing sources of financial support to science, technology and innovation, as well as increasing the role of the private sector in this regard.
- Updating the regulations and legislations related with science, technology and innovation and ensuring protection of intellectual property rights.
- Developing the institutional structures of the agencies concerned with scientific research, technology and innovation.

#### **6.1.2 Targets**

##### **A. General Education:**

- To reduce the dropout rate to an average of 1% for all stages and to reduce repetition rates to 3% in the intermediate stage and to 5% in the secondary stage.
- To apply national tests to measure achievement and perform diagnostic tests to detect difficulties that students face in academic subjects.

- To establish a talent research unit, develop the centers of the talented and gifted to enable them to prepare and implement programs tailored to this group.
- To expand the science section so that graduates of this section should comprise 60% of total graduates of the secondary stage by the end of the Ninth Plan.
- To continue supporting implementation of the teaching strategies and the comprehensive curriculum development project.
- To support building the digital curriculum and developing a partnership model with the private sector and establishing the e-education gate.
- To achieve 100% enrollment (mandatory education) in the elementary stage.
- To enroll 98% of the elementary stage graduates in the intermediate stage and 95% of the intermediate stage graduates in the secondary stage.
- To enhance the role of school laboratories by supplying them with modern, advanced equipment and securing mobile laboratories for schools which lack fixed ones.
- To apply the system of comprehensive assessment of schools at a rate of 20% of schools per year.
- To apply educational accreditation to all private schools.
- To encourage the private sector to establish more schools for general education students and to increase its share to 15% by the end of the Ninth Plan.
- To establish more kindergartens to accommodate 16% of the children in the age of 4-5 years.
- To prepare and implement a specific plan for eradication of adult illiteracy with the participation of all concerned

agencies for complete eradication of illiteracy based on a specific time schedule.

- To raise the share of holders of high educational degrees required by the education system.
- To provide more support to educational research to serve the objectives of qualitative development, and evaluate tests and the drop out and repetition phenomena in all stages.
- To continue implementing a comprehensive health program in coordination with MOH (medical checks, immunization campaigns and medical treatments of students).
- To enhance cooperative transport services provided to students, and to expand the scope of school transport services provided to female students by the private sector.

## **B. Higher Education**

- Continuing assessment of university curricula.
- Establishing new colleges, departments and programs in universities in line with the requirements of development and the labor market.
- Improving the level of internal efficiency of institutions of higher education, and reducing the average number of years spent for graduation to 4.5 years for four-year programs, 5.5 years for five-year programs and 6.5 years for six-year programs.
- Achieving student/teacher ratios of (1/22) in theoretical studies, (1/17) in science disciplines and (1/5) in the medical fields.
- Sending not less than 10% of faculty members on scholarships to obtain doctorate degrees, based on the

needs of each university and the available fields of specialization.

- Increasing the number of post-graduate students in institutions of higher education to at least 5% of total university students.
- Supporting post-graduate studies in various colleges by creating new programs for master and doctorate degrees, with emphasis on applied, engineering, medical and natural sciences.
- Expanding adoption of cooperative education mechanisms in higher education institutions in colleges which are appropriate to this type of education.
- Meeting the public and private sectors' demand for labor through coordination between the higher education institutions and both sectors for provision of the necessary skills.
- Boosting coordination between higher education institutions and the GCC General Secretariat.
- Upgrading the scientific capabilities of research centers at universities to enable them to assume their tasks of serving the community and solving pertinent problems.
- Establishing more specialized scientific societies and expanding the scope of their activities.
- Supporting and expanding scientific research projects at universities, conducting studies necessary for ensuring qualitative development of the university, and diversifying the fields of scientific research.
- Increasing the number of training courses, preparatory programs and parallel education and increasing enrollment in line with the needs of the labor market.

- Improving the quality of services and developing student activities in various domains.

### **C. Technical and Vocational Training:**

- Increasing enrollment to reach about 136,000 male trainees in technical colleges, and about 28,000 female trainees in technical institutes for girls and about 42,000 trainees in vocational institutes by the end of the last year of the Ninth Development Plan.
- Increasing the number of new trainees to reach about 75,000 male trainees in technical colleges, and about 11,000 female trainees in technical institutes for girls and about 28,000 trainees in vocational institutes in the last year of the Ninth Plan.
- Increasing the number of graduates to reach about 35,000 male graduates of technical colleges, and about 7,000 female graduates of technical institutes for girls and about 26,000 graduates of vocational institutes in the last year of the plan.
- Training a minimum of 11,000 trainees during the Plan period in the context of the National Joint Training Program.

### **D. Science, Technology and Innovation:**

- Monitoring implementation of programs and projects of the First Comprehensive Five-Year Plan of the National Policy for Science, Technology and Innovation, and contribute to the move towards a “knowledge economy.”
- Providing grants for strategic research projects at universities and national research centers amounting to SR 900 million per year.

- Supporting operational studies and research at government agencies by an amount of SR 300 million annually, and development research at private sector companies at an annual amount of SR 200 million.
- Providing post-graduate grants at Saudi universities to about 300 students per year.
- Establishing fifteen King Abdallah City for Science and Technology (KACST) affiliated national technological innovation centers in universities.
- Establishment and equipment of ten distinguished research centers.
- Establishment of a minimum of eight technology incubators at KACST and universities.

### **6.1.3 Financial Requirements**

The financial allocations for programs and projects of the human resources sector amount to about SR 731.5 billion, an increase of 52.4% over the amounts allocated during the Eighth Development Plan. These allocations are distributed as follows:

(SR Million)

<b>Development Sectors</b>	<b>Eighth Plan Financial Allocations</b>	<b>Ninth Plan Financial Requirements</b>	<b>Rate of Increase (%)</b>
General Education *	354339.6	498397.2	40.7
Higher Education	104472.0	200176.9	91.6
Technical and Vocational training	16344.3	23138	41.6
Science, Technology and Innovation	3478.2	6524.7	87.6
Institute of Public Administration	1344.2	3232.4	140.5
<b>Total</b>	<b>479978.3</b>	<b>731469.2</b>	<b>52.4</b>

(\* ) Includes Ministry of Education (Boys Education- Girls Education).

## **6.2 Social Development and Health**

The social and health development sectors include: social affairs, health, culture, information and youth sectors. The Ninth Development Plan aims at spending around SR 273.9 billion on social and health development, which constitutes about 19% of the Plan's total allocations for development sectors.

### **6.2.1 Objectives**

#### **A. Health Services:**

1. Achieving the best possible health standard by improving the general health condition of population.

2. Providing integrated, comprehensive health care to the whole population, ensuring easy access to these services and providing them in a fair, good and proper way at reasonable cost.
3. Enhancing the parallel and complementary role of the private sector to the government's role in financing, operating and providing health services.
4. Ensuring balanced geographic distribution of health services and ensuring easy access to these services.

**B. Youth:**

1. Achieving social integration of the youth and expanding the scope of their participation in various youth activities.
2. Eliminating the spread of drug use among the youth as well as all patterns of behavior harmful to their physical and mental health.
3. Improving standard of living of the youth and meeting the special needs of youth from low-income households.
4. Providing the youth with job opportunities consistent with their interest, capability and scientific specialization, enhancing their participation in the workforce and reducing their unemployment.
5. Creating a youth generation with good physical and psychological health.

**C. Culture and Information:**

1. To safeguard and enhance the Arabic and Islamic identity of the national culture.
2. To develop the intellectual, cultural and information structures as a basic pillar of the civilizational structure.

3. To enhance the activity of Arabic authorship, translation, media production and cultural events inside and outside the Kingdom.
4. To develop information and culture bodies, upgrade their efficiency, and deepen relations between them and the various bodies in economic, social, scientific, cultural, educational and recreational fields.
5. To produce cultural and information programs and segments capable of competing, influencing and attracting audiences.
6. To realize balanced spread of culture among regions.

## **6.2.2 Targets**

### **A. Health:**

- Increasing the number of hospital beds in 2014 to 56,379 beds in MOH hospitals, 20,296 beds in other government agencies' hospitals and 20,860 beds in private sector hospitals, thus realizing rates of 2 beds, 0.72 beds and 0.74 beds per 1,000 persons, respectively. A rate of 3.5 beds per 1000 persons will be realized at the national level.
- Increasing the number of physicians in 2014 to 32,657 in MOH hospitals, 18,875 in other government agencies' hospitals and 14,602 in private sector hospitals, thus realizing rates of 0.7 physicians, 0.93 physicians and 0.7 physicians per hospital bed, respectively. A rate of 0.75 physicians per bed will be realized at the national level.
- Increasing the number of nursing staff in 2014 to 65,314 nurses in MOH hospitals, 36,533 in other government agencies hospitals and 29,204 in private sector hospitals, thus realizing the rates of 1.4, 1.8 and 1.4 nurses per bed

respectively. A rate of 1.5 nurses per hospital bed will be realized at the national level.

- Increasing the number of allied health personnel by the end of the plan in 2014 to 32,657 in MOH hospitals, 27,400 in other government agencies' hospitals and 14,602 in private sector hospitals, thus realizing rates of 0.7, 1.35 and 0.7 per bed respectively. A rate of 0.8 allied health personnel per bed will be realized at the national level.
- Increasing the number of primary health care centers in 2014 to 2,958, thus reaching a ratio of 7,000 persons per health center.
- Increasing the number of Ministry of Health primary health care physicians in 2014 to 10,351, the number of nursing staff to 20,703 nurses and the number of allied health personnel to 10,351, thus realizing the rate of one physician per 2,000 persons, one nurse per 1,000 persons and one allied health personnel per 2,000 persons.
- Reduce infant mortality rate to below 12 per 1,000 live births.
- Reduce the mortality rate of children under the age of five years to below 15 per 1,000 live births.

## **B. Youth**

- Organize awareness and guidance campaigns for parents to take care of their children educationally, intellectually and behaviorally and providing advice to family members through schools, Ministry of Social Affairs centers, T.V. programs and other media.
- Design a package of pilot activities to enhance family communications.

- Prepare a map for distribution of sport and youth facilities in line with the population distribution in the regions and governorates.
- Design an integrated work system for utilization of schools, their facilities, playgrounds and halls in youth activities within their surrounding areas with the participation of families, and in collaboration with agencies concerned.
- Provide youth facilities with the necessary equipment to enable participation, in the various activities, of persons with special needs.
- Study the requirements necessary to enhance schools developmental roles, training needs and forms of cooperation with local organizations.
- Organize a joint campaign by government agencies, information media, educational institutions and the private sector to influence the culture of Saudi society and youth with a view to generalize values of productive work in ways that conform to the needs of society.
- Design a specific program of occupational guidance in schools encompassing the dimension of work values.
- Implement a study on the health status of the youth to be used in formulation of policies, and disseminate its findings in an awareness campaign.
- Introduce awareness subjects on preventive care, nutrition and health behavior in school curricula and activities in a systemic and continuous manner at early ages.
- Organize a national campaign about speeding and traffic accidents among the youth.
- Organize an awareness campaign for combating smoking and drug use among the youth.

### **C. Culture and information**

- To increase the number of literary clubs by 4 clubs, open 3 branches for the culture and arts society, establish 7 cultural centers and 8 libraries.
- To organize 20 cultural weeks, 50 theatrical and 80 folklore events as well as 100 plastic arts presentations and 110 book fairs inside and outside the Kingdom.
- To establish 23 new TV transmission centers.
- To establish 38 new FM radio stations as well as 5 FM radio stations on highways.
- To establish a short-wave radio station, modernize 28 stations and establish two radio studios in Makkah and Madinah.
- To open 4 new offices for the Saudi Press Agency.
- To open 3 domestic information centers.

### **6.2.3 Financial Requirements**

The financial allocations to the programs and projects of the social development and health sector during the Ninth Development Plan amount to about SR 273.9 billion, an increase of around 75.6%, compared to the amounts allocated during the Eighth Development Plan. These allocations are distributed as follows:

(SR Million)

<b>Development Sectors</b>	<b>8<sup>th</sup> DP Financial Allocations</b>	<b>9<sup>th</sup> DP Financial Requirements</b>	<b>Increase rate %</b>
Health *	133044.5	242671.8	82.4
Social Services	8644.4	11613.2	34.3
Cultural, Information and Youth Sectors**	14306.9	19602.6	37.0
<b>Total</b>	<b>155995.8</b>	<b>273887.6</b>	<b>75.6</b>

\* Includes MOH, King Faisal Specialist Hospital and Research Centre, Saudi Red Crescent Authority and the Saudi Food and Drug Authority.

\*\* Includes General Presidency of Youth Welfare, Ministry of Culture and Information and King Abdul Aziz Foundation for Research and Archives.

### **6.3 Economic Resources Development**

The economic resources development sector includes: agriculture, water, electricity, mineral resources, industry, tourism and general economic services. The Ninth Development Plan aims to spend about SR 227.6 billion for the development of this sector, or about 15.7% of total allocations approved in the Plan for all development sectors.

#### **6.3.1 Objectives**

##### **A. Agriculture:**

1. Enhance the role of agriculture in the process of socio-economic development.

2. Improve efficiency of utilization of natural resources to achieve sustainable agricultural development.
3. Increase the size of investments in agricultural activities abroad.
4. Boost regional and international cooperation in agriculture.
5. Maintain, develop and diversify fisheries resources.

**B. Water and Sanitation:**

1. Conserving and developing water as a scarce natural resource and realizing most effective utilization of this resource.
2. Ensuring governance and management of the water and sanitation sector in a rational and integrated manner.
3. Providing water and sanitation services in an efficient way through effective partnership between the public and private sectors.

**C. Mineral Resources:**

1. Development and utilization of mineral resources as well as formulation of pertinent plans and projects.
2. Diversification of mining activity and expansion of its base.
3. Enhancing value added of local mining products.

**D. Industry:**

1. Diversification of the industrial base.
2. Enhancement of competitiveness of national industries.

3. Enhancement of national labor force participation in industry.

**E. Electricity:**

1. Providing highly efficient and reliable electricity services at a standard that meets the needs of different sectors and facilities.
2. Providing electricity service at minimal economic, social and environmental costs and ensuring consistency between investment returns and the social dimension.
3. Enhancing the electricity sector's role in maximizing value added of national resources and the chances of their regional and global integration.
4. Transfer and indigenize electricity generation technology.
5. Development of electricity generation sources which complement oil and gas.
6. Encourage rationalized consumption of electricity for all categories.

**F. Tourism:**

1. Development of a competitive tourism industry.
2. Increasing the contribution of the tourism sector to GDP through creation of new income sources and provision of job opportunities to Saudis.
3. Development and conservation of tourist facilities and archeological sites.
4. Expansion of the scope of tourism investments (public/private) and activities to cover the Kingdom's various regions with a view to increase job opportunities therein.

5. Development of manpower in the field of tourism.

### **6.3.2 Targets for the Economic Resources Development Sector:**

#### **A. Agriculture:**

- Growth of value added in agriculture at an average annual rate of 1.7%.
- Growth of investment in agriculture at an average annual rate of about 6.6%.
- Improvement of the performance of markets for agricultural products, and supporting establishment of central markets with an annual rate of increase of 5%.
  
- Expansion in the use of treated wastewater in agriculture at an annual rate of 10%.
- Increasing annual growth of local products by about 2.3% for vegetables, about 3.4% for fruits, about 1% for fresh milk, about 1% for red meat, about 5% for poultry and about 4% for fisheries during the Ninth Plan.

#### **B. Water and Sanitation:**

- Increasing storage capacity of dams by 85%, from about 1.35 billion cubic meters in 2009 to about 2.5 billion cubic meters by the end of the Ninth Development Plan.
- Increasing capacity of desalination plants from 1,048 million cubic meters to 2,070 million cubic meters during the Plan period.

- Increasing the rate of treated wastewater to about 50% of consumption for municipal purposes.
- Increasing re-use rates to about 50% of treated wastewater.
- Ensuring strategic stock for emergency cases in the range of 20% per year in major cities.
- Reducing demand for water for agricultural purposes by an annual rate of about 3.7% during the Plan period.
- Increasing water consumption for municipal and industrial uses by about 2.1% and 5.5%, respectively, during the plan period.
- Implementing 600,000 new house connections, to increase service coverage rate to 88% by the end of the Plan.
- Implementing 700,000 wastewater connections to increase service coverage to 60% by the end of the plan.

**C. Mineral Resources:**

- Realization of an average annual growth rate of 9.2% for the mineral resources sector.
- Increasing the sector's revenues by about four-fold relative to its current level.
- Allocation of sites for mineral manufacturing industries in Jubail and Yanbu industrial cities, King Abdullah Economic City and other main industrial and economic cities.

**D. Industry:**

- Growth of the industry sector at an average annual rate of 7.2%.

- Growth of industry investments at an average annual rate of 7.7%.
- Increase of employment in the industry sector at an average annual growth rate of 0.47%.

#### **E. Electricity:**

- Provision of electricity service to about 1.3 million new customers including about 1.1 million residential customers during the Ninth Plan period.
- Enhancing actual generation capacity by about 20.4 thousand MW during the Plan period.
- Raising reserve generation capacity to 19.8% of total peak load by the end of the Plan.
- Improving labor productivity in the sector by an average annual rate of 5% over the Plan period.

#### **F. Tourism:**

- Increasing tourist accommodation facilities to about 141 thousand hotel rooms and about 92,200 furnished units by the end of the Ninth Plan.
- Increasing opportunities in tourism training to about 245,700.
- Increasing job opportunities in the sector to about 462,000 by the end of the Ninth Plan.
- Display of archaeological, historical, folklore sites and significant historical routes and roads.
- Renovation and re-use of old palaces, castles and towers.
- Development of six regional museums in Hufouf, Najran, Al-Ula, Taimaa, Jouf and Sabia.

- Establishment of five new regional museums in Abha, Baha, Tabuk, Dammam and Hail.
- Establishment of five specialized museums (museums of camels, palm trees and dates, Arabian horses, folklore clothes and jewelry, and falcons).

### 6.3.3 Financial Requirements

The financial allocations for expenditure on the economic resources sector during the Ninth Development Plan amount to about SR 227.6 billion, an increase of about 115.2%, compared to the amounts allocated during the Eighth Development Plan. These allocations are distributed as follows:

SR Million

Development Sectors	8 <sup>th</sup> DP Financial allocations	9 <sup>th</sup> DP Financial Requirements	Increase rate %
Water	63618.6	162917.5	156.1
Agriculture *	8944.4	13824.0	54.6
Oil and Mineral Resources **	25145.6	36512.4	45.2
Manpower Development ***	2260.6	3404.1	50.6
PME	1380.9	3114.6	125.5
Ministry of Commerce and Industry	2018.2	3072	52.2
S.A.S.O	588.2	598.1	1.7
Investment (SAGIA)	510.8	662.9	29.8
Tourism (Saudi Commission for Tourism and Antiquities)	1297.0	2895.2	123.2
<b>Total</b>	<b>105764.3</b>	<b>227639.3</b>	<b>115.2</b>

\* includes Ministry of Agriculture and GSFMO.

\*\* Includes Ministry of Petroleum and Mineral Resources (3 branches) and Royal Commission for Jubail and Yanbu (Head-Quarters, General Administration).

\*\*\* Includes Ministry of Civil Service and Ministry of Labour.

## **6.4 Transport and Communications Sector**

The Ninth Development Plan aims to spend about SR 111.1 billion on development of this sector. This amount constitutes around 7.7% of total allocations approved in the Plan for development sectors.

### **6.4.1 Objectives**

#### **A. Transport:**

1. Providing highly efficient transport services.
2. Supporting the process of socio-economic development.
3. Upgrading safety standards in various transport means.
4. Protecting the environment against emissions of transport means.
5. Supporting national security.
6. Providing transport services for Hajj and Umrah performers.

#### **B. Communications**

1. Providing high quality, safe and reliable infrastructure for information and communications technology (ICT) at reasonable cost in all regions.
2. Ensuring security of the information of ICT users.
3. Building capacity in the field of ICT.
4. Building a national ICT industry, which effectively contributes to meeting demand for goods and services.

### **C. Post:**

1. Development of postal services and improvement of their quality.
2. Development and optimal utilization of human resources.
3. Development of the institutional framework of the post sector.
4. Improvement of the financial position of the sector.

### **6.4.2 Targets**

#### **A. Transport:**

- Establishment of Ras Azzour port.
- Completion of the upgrading of King Abdul Aziz International Airport in Jeddah.
- Upgrading of Prince Mohammed Bin Abdul Aziz International Airport in Madinah.
- Completion of railroad network expansion (North-South line, Al-Haramain High Speed Train, Land bridge).

#### **B. Communications:**

- Raising the broadband coverage rate during the Ninth Plan from 7.8 to 11.4 per 100 persons.
- Raising the rate of internet users from 40.5 to 53.6 per 100 persons.
- Reducing disparity in landline telephone services between regions from about 12.2% in 2009 to about 5.8% in 2014, and in the use of internet from 25.5% to 2.6%.

- Providing infrastructure and expanding IT applications in both public and private sectors.

### **C. Post:**

- Providing all front offices, sales outlets and postal processing points with modern technology.
- Linking 600 post offices with a computer network.
- Formation of strategic partnerships with the private sector to assume promotional postal services, financial services and mixed postal services.
- Completion of the establishment of infrastructure related to distribution of mail at residential units (Wasil service).
- Conducting studies related with transformation of the Saudi Posts Corporation into a holding company as well as studies on transformation of services into subsidiary companies.
- Providing government and general services in the postal front offices (counter services).

### **6.4.3 Financial Requirements**

The financial allocations to programs and projects of the transport, communications and post services sector during the Ninth Plan amount to about SR 111.1 billion, an increase of about 96.5%, compared to the allocations of the Eighth Plan. These allocations are distributed as follows:

SR Million

Development Sectors	8 <sup>th</sup> DP Financial Allocations	9 <sup>th</sup> DP Financial Requirements	Increase Rate %
Transport *	51410.7	101531.3	97.5
Communications (Ministry of Communications and Information Technology)	791.9	896.3	13.2
Postal Services (Saudi Posts corporation)	4344.6	8697	100.2
<b>Total</b>	<b>56547.2</b>	<b>111124.6</b>	<b>96.5</b>

\* Includes Ministry of Transport, Saudi Railways Organization, Saudi Ports Authority and General Authority of Civil Aviation.

## 6.5 Municipal Services and Housing Sector

The Ninth Development Plan aims to spend about SR 100.5 billion on the development of municipal and housing services, which constitute about 7% of total allocations approved in the Plan for development sectors.

### 6.5.1 Objectives

#### **A. Municipal Services:**

1. Improving living conditions of the population and contributing to balanced development of various administrative regions of the Kingdom.
2. Upgrading performance of municipal bodies and improving their service efficiency.
3. Protecting the environment and meeting public safety requirements.

## **B. Housing:**

1. Providing decent and adequate housing for citizens.
2. Increasing supply of houses and residential lands.
3. Encouraging increased participation of the private sector in supporting housing activities and programs.

### **6.5.2 Targets of Municipal Services and Housing Sector:**

#### **A. Municipal Services:**

- Creation of 60 new municipalities in the Kingdom's various regions.
- Raising the rate of solid waste recycling to 75%.
- Increasing municipal revenues to cover about 60% of operational costs.
- Preparing a system of municipal councils and naming of their members.
- Establishment of 40 urban centers.
- Application, follow-up and periodic updating of the Saudi Building Code.
- Preparation of a study on development of contractors classification and adoption of its recommendations.
- Finalization of regional plans for all regions of the Kingdom.
- Finalization of restructuring plans of all municipalities.
- Increasing the sector's Saudization rate to about 84.8% by the end of the Plan.

- Implementation of around 8,122 municipal services projects.

## **B. Housing:**

- Construction of one million housing units to meet 80% of expected demand for housing over the Ninth Plan Period throughout the Kingdom.
- Provision of around 266 million square meters of land to establish housing projects expected to be constructed by the public and private sectors during the Plan period in various regions of the Kingdom along with provision of relevant infrastructure, taking into account the general tendency towards vertical building .
- The General Housing Authority shall, during the Plan period, finalize engineering designs of all planned projects as well as supervision tasks related to building of housing units. It shall also finalize preparation of the housing strategy, as well as housing research and studies as needed along with establishment of a housing database.
- Ministry of Municipalities and Rural Affairs (MOMRA) shall commence application of the Saudi Building Code to the housing sector.

### **6.5.3 Financial Requirements**

The financial allocations to programs and projects of municipal services and housing during the Ninth Development Plan amount to about 100.5 billion, an increase of about 52.9% compared to the allocations of the Eighth Plan. These allocations are distributed as follows:

SR Million

<b>Development Sectors</b>	<b>8<sup>th</sup> DP Financial Allocations</b>	<b>9<sup>th</sup> DP Financial Requirements</b>	<b>Increase rate %</b>
Municipal Services and Housing *	65725.8	100513.7	52.9

\* *Includes General Housing Authority, MOMRA, Higher Commission for Riyadh Development and the Provincial secretariats.*

## **POSTSCRIPT**

After having highlighted the conditions under which the Ninth Development Plan was prepared and the challenges the Plan dealt with at both local and global levels, the preceding pages briefly reviewed the main contents of the Plan including developmental directions and objectives, implementation mechanisms, policies and programs for realization of comprehensive and balanced development, along with continuing the process of economic and social development under the wise leadership of the Custodian of the Two Holy Mosques and H.R.H the Crown Prince and H.R.H. the Second Deputy Prime Minister.

It is important to acknowledge the fruitful efforts and cooperation made by all government and private agencies which contributed to the preparation of this Plan.