



TOURISM & QUALITY OF LIFE TRAINING SERVICES COMPANY

Restricted / مقيد

High Potential

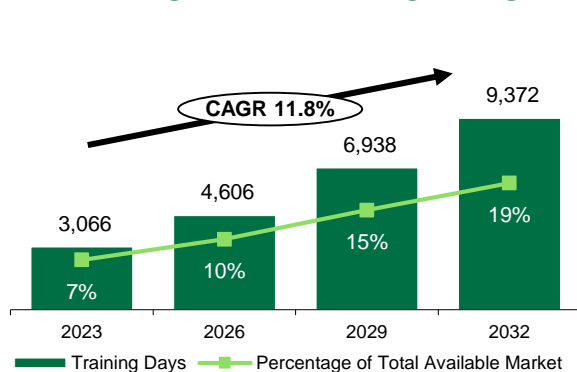
Moderate Potential

Low Potential

OPPORTUNITY'S DESCRIPTION: Establish a company/ies that works on creating a unified experience and culture throughout the Hajj and Umrah journey.

DEMAND

MARKET SIZE – TRAINING DAYS



INVESTMENT HIGHLIGHTS

- Investment Ticket: SAR 41,651,696
- IRR: 15.4%
- NPV: SAR 21,784,152
- Payback Period: 11.0 years
- ROI: 11.1%
- Opportunity to consider different operating models – FDI with 100% ownership or joint venture with local private sector player(s).

INVESTMENT OVERVIEW

VALUE PROPOSITION

- KSA government targets to host 30.0 million International Umrah Pilgrims under Vision 2030 initiative which will create opportunity to serve additional 20 million visitors in the upcoming 10 years.
- Enriching Hajj and Umrah experience for visitors is one of the main goals set under Vision 2030 and the government has initiated several measures to support the stakeholders and prospective investors.
- Training and Skills Development Company will specialize in performing all types of training programs to hotel staff in order to introduce cultural mindset and experience, skills and competencies required. Adequate supply to be ensured in order to meet the cultural experience requirements demand by 2030.

KEY DEMAND DRIVERS

- With 12.2 million domestic pilgrim and 9.3 million International Pilgrims in 2019, religious tourism remains the main driver of Saudi Arabia's tourism.
- Expansion project of the two Holy Mosques, government investments in infrastructure and online visit visa issuance initiative will boost pilgrimage visits at holy cities.
- In order to ensure provision of quality cultural environment, the hotels need to have their facilities/services up to mark. Hence, there is a high requirement for Training and Skills Development Company to cater the growing demand for staff training and for the quality cultural experience in hotels in both Makkah and Madinah city.

MARKET OVERVIEW

MARKET READINESS

- Great need for multiple investments in all economic sectors catering for Hajj & Umrah.
- Makkah and Madinah host Hajj & Umrah Pilgrims throughout the year (biggest share of KSA hospitality market), therefore investors should address the needs of this appealing market and benefit from it.

GLOBAL TRENDS

- Increasing trend amongst tourists to balance religious visits with cultural and heritage experience to enrich tourism experience.
- Many hotel chains are making significant investments in the country's hotel industry, notably in the Mecca region.
- Additional health precautionary and safety measures adopted across the globe due to Covid – 19 induced pandemic are leading to increased operational costs.



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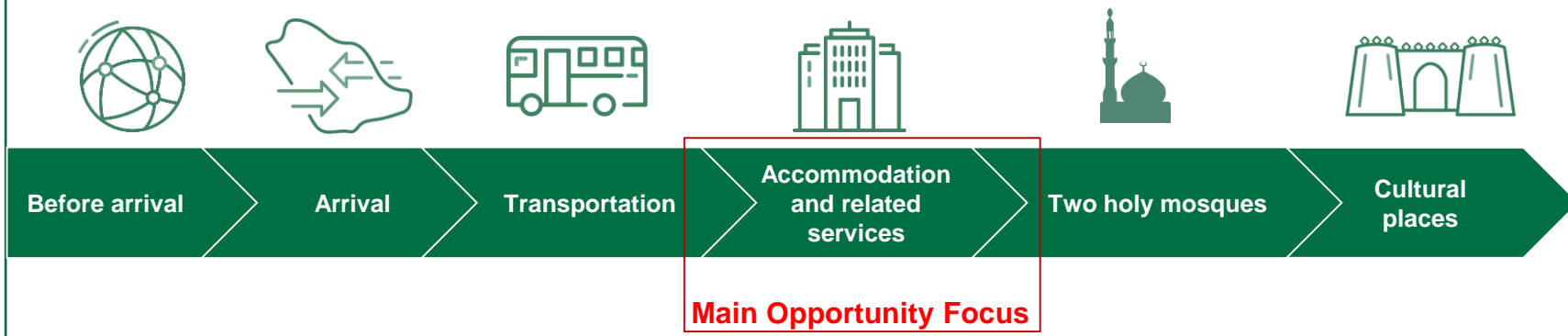
SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low Medium High

- Religious tourism is the backbone of the Saudi tourism industry, accounting for the vast majority of inbound travel, accompanied by a much smaller business travel component and very limited leisure travel (outside the domestic market).
- The government already started restructuring visa processes and issuing online visas which will boost pilgrimage and tourist visits to KSA in the coming years.
- Early market entry to potentially benefit investors to increase geographic footprint in the two Holy Cities and capture larger market share in medium-long term.
- Renting out spaces in commercial centres and hotels can be quickly performed to commence operations quickly which will allow success cases to be replicated and cater the unmet demand for these centres in the holy cities.

PILGRIM'S JOURNEY



KEY STAKEHOLDERS



ENABLING FACTORS

ENABLERS

- The Ministry of Municipality and Rural Affairs has created supporting regulatory ecosystem for easy issuance of necessary permits.
- Unification of the licensing authority for hotels and residential units in the two Holy Cities.
- Establishing a unified center for investor services in Hajj and Umrah in cooperation with MISA.

COST OF DOING BUSINESS IN KSA

Factor	Ranking Amongst Regional Peers
Macroeconomic risk (100=high)	40
Productivity adjusted wages	\$3.3 /hour
Ease of getting credit (0 – 100)	50
Contract enforcement (0-100)	55
Construction Costs (Indexed to US, % 0 is cheapest)	74



Sources for Cost of Doing Business: EIU, World Bank, Fitch Solutions

