



وزارة الاستثمار
Ministry of Investment

استثمر في السعودية
INVEST
SAUDI



Invest In Al-Baha



**Your Guide to Uncovering
Value Propositions in
Al-Baha Region**

| January, 2023



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My primary goal is to be an exemplary and leading nation in all aspects, and I will work with you in achieving this endeavor.

**Custodian of the Two Holy Mosques,
King Salman Bin Abdulaziz Al-Saud**



Our nation holds strong investment capabilities, which we will harness to stimulate our economy and diversify our revenues.

**His Royal Highness the Crown Prince,
Mohammed bin Salman bin Abdulaziz
Al-Saud**



Al Baha is an excellent environment for investment, a great tributary to the national economy, and we strive to achieve sustainable growth in all fields.



**HRH Prince Dr. Hussam bin Saud bin Abdulaziz Al-Saud
Prince of Al-Baha Region**

Since the launch of the development project; “Saudi Vision 2030”, led by the Custodian of the Two Holy Mosques; King Salman bin Abdulaziz Al Saud, and under the constant guidance and follow-up of His Royal Highness, Prince Muhammad bin Salman bin Abdulaziz Al Saud; The Crown Prince, the Prime Minister, and the Kingdom are in constant quest to achieve the goals of this ambitious Saudi Vision, starting with diversifying the resources of the national economy, as well as developing and putting into action ambitious plans and strategies designed to boost economic growth across the Kingdom. Work to attract and promote investments in all regions of the Kingdom is among the most crucial of these strategies.

In order to build a strong foundation for achieving Saudi Vision 2030’s goals, in the years since Saudi Vision 2030’s inception, the Kingdom will pursue strategies such as a strong and developing economy, abundant energy resources, distinctive geographical features, a young population, and an integrated infrastructure. and so on. The Kingdom benefited from this advantage to solidify its position as an ideal destination for those looking to invest in a number of highly competitive sectors and take advantage of promising investment opportunities.

The Kingdom’s focus on diversifying the national economy, coupled with its ambitious economic growth plans and unprecedented government support such as the Ministry of investment, has positioned Saudi Arabia as an ideal choice for investment. Saudi Arabia’s economy has proven to be both resilient and one of the fastest globally to rebound from the effects of the “COVID-19” pandemic. In fact, the Kingdom is predicted by the IMF to see the most rapid economic growth in the world at 7.6 percent in 2022. In addition, As one of the overarching objectives of Saudi Vision 2030 is to grow and diversify the economy, Saudi Vision 2030 aims to make Saudi Arabia one of the top 15 economies globally. Doing so requires significant investment that is estimated to exceed USD 3.2 trillion through the National Investment Strategy, launched by HRH the Crown Prince a year ago.

Over the past few years, the Kingdom has undergone a major transformation not seen anywhere else in the world. We have developed leading information and communications technologies (ICT) infrastructure, introduced comprehensive eGovernment solutions, and embraced public-private partnerships to deliver our ambitious targets on a scale and at a speed that are unparalleled. We are continuing to transform to create further investment opportunities and increase our competitiveness across key and emerging sectors. We are doing this through developed rules and regulation such as Mining Regulations and strategic initiatives such as Saudi Vision 2030, the National Investment Strategy, National Transport and Logistics Strategy, National Industrial Strategy, the National Development Fund, and Global Supply Chain Resilience Initiative. These initiatives come with significant government support in helping to attract investment and enable growth. further investment opportunities and increase competitiveness across key and emerging sectors. We are doing this through strategic initiatives such as Saudi Vision 2030, the National Investment Strategy, and the National Development Fund, among others. These initiatives come with significant government support in helping attract investment and enable growth.

We understand that one of the key factors associated with successful investment decisions is site selection. The Ministry of Investment (MISA), through collaboration with key entities, developed reports such as this one to showcase opportunities found in all of our regions across the Kingdom. Our 13 provinces have key differentiators and a unique value proposition in specific sectors. Within this report we help shine a light on Al-Baha, known as the ‘Pearl of Resorts’ - a region rich in culture and natural resources, a major heritage tourism destination in the Kingdom and an agribusiness hub that plays a major role in achieving the Kingdom’s goal of self-sufficiency in food.

**HE Minister of Investment Eng.
Khalid bin Abdulaziz Al-Falih**

SPOTLIGHT ON THE KINGDOM

The Kingdom's Transformational Journey Through Saudi Vision 2030

Saudi Arabia's nominal GDP was ~USD 834 billion in 2021, Based on the efforts of Al-Baha region, the contribution of the Agriculture and Tourism to the Kingdom's GDP is expected to increase. The Kingdom's growth perspectives are supported by a set of major Vision 2030 Realization Programs and initiatives.

These programs and initiatives include the Public Investment Fund Program, Pilgrim Experience Program, Quality of Life Program, National Industrial Development and Logistics Program, Housing Program, Privatization Program, and the Regional Headquarters program, among others.

These transformative investment programs are critical components of the Kingdom's strategy to achieve Saudi Vision 2030 targets, including:

- Raising the share of non-oil exports in non-oil GDP to 50%
- Positioning KSA within the top 15 economies worldwide
- More than double overall domestic investment component
- Increasing foreign direct investment (FDI) approximately twenty-fold

The country's determination to diversify its economy has fueled both local and foreign investment, while increasing the contribution of small and medium-sized (SME) enterprises to the national GDP. According to the Saudi central bank (SAMA), foreign direct investment inflows to the Kingdom increased significantly from USD 1.4 billion in 2017 to almost USD 19.3 billion in 2021. This is mainly due to increased competitiveness in key areas such as ease of doing business, road connectivity, cybersecurity, and education.



Ranked
#36

For the ease of starting a business as per the 2021 Global Innovation Index (out of 132 countries)

Ranked
#1

For road connectivity as per the 2019 Global competitiveness report by the World Economic Forum (out of 141 countries)

Ranked
#2

Overall in the 2020 Global Cyber Security Index by the United Nations International Telecommunication Union (out of 194 countries)

Ranked
#6

For total public expenditure on education as per the 2021 IMD World Competitiveness Yearbook (out of 64 countries)

Ranked
#9

For technical and vocational education training as per the 2021 Global Knowledge Index (out of 154 countries)

Ranked
#41

Overall in INSEAD's 2021 Global Talent Competitiveness Index (out of 134 countries)

Ranked
#3

Ranked 3rd for the ease of protecting minority investors per the 2021 Global Innovation Index (out of 132 countries)





Ranked
#47

Ranked 47th for the gross expenditure on research and development as per the 2021 Global Innovation Index (out of 132 countries)

A key area of focus for the Kingdom has been building top-tier digital infrastructure to enable its digital transformation strategy, through the adoption and implementation of state-of-the-art Information and Communications Technology (ICT).





E-government programs enabling the digitalization and improvement of multiple services have been leveraged to support this goal. This was done by developing electronic platforms, channels, and applications to improve the end-user experience and ensure the Kingdom can effectively support businesses and their new ways of working.

To foster new investment opportunities, facilitate investments for the private sector and encourage innovation, an extensive network of institutions offers attractive incentives to projects across sectors and regions. These include nearly **290 programs** such as:

-  **Employment support (covering a percentage of wages) offered by the Saudi Human Resources Development Fund (HRDF)**
-  **Project finance and working capital financing are offered by the Saudi Industrial Development Fund (SIDF)**
-  **Tax credits on R&D investment and tax exemption on earnings from exports are offered by the Zakat Tax and Customs Authority (ZATCA)**
-  **Customs exemption on raw material, machinery and equipment, and spare parts offered by the Ministry of Industry and Mineral Resources (MIMR)**



Key sectors have been identified for the country which include renewable energy, tourism, healthcare, financial services, industrial manufacturing, logistics, and mining. In line with Vision 2030, the Kingdom has set **ambitious goals across target sectors**, such as:

-  **Reaching net-zero emissions by 2060**
-  **Doubling the number of Saudi heritage sites registered with UNESCO**
-  **Having three Saudi cities recognized in the top-ranked 100 cities worldwide**
-  **Increasing household spending on cultural and entertainment activities inside Saudi Arabia from the current level of 2.9% to 6%**

Growing the Kingdom's global footprint through increased exports is also a key priority. The Kingdom's strategic geographical location makes it a key contributor to international trade as it connects three continents: Africa, Asia, and Europe. Trade-intensive sectors that are ripe for exporting are being supported through various incentives and enablers that are being rolled out across the Kingdom.



**Spotlight:
The Saudi Green Initiative**

The Saudi Green Initiative is an ambitious national initiative for the Kingdom of Saudi Arabia aiming to improve quality of life and protect future generations. Saudi Arabia is taking a leading role in global efforts, by committing to **protect at least 30% of global ocean** in marine protected areas, and other effective area-based conservation measures by 2030, contributing to the United Nations Framework Convention on Climate Change (UNFCCC) climate action by guiding and supporting actors to achieve global climate change goals and cutting global **methane emissions by 30%** by 2030.



Top Commitments include


-  **Reducing Carbon emissions by more than 4% related to global contributions by 2030**
-  **Planting 10 billion trees across Saudi Arabia by 2030**
-  **Raising protected areas to more than 20% of total land area by 2030**
-  **Increasing domestic generation capacity from renewable energy to 50% by 2030**

Image source: www.saudigreeninitiative.org

WHY INVEST IN AL-BAHA

Al-Baha is home to one of the most beautiful mountain ranges and forests scattered with rare wildlife, plants, and trees in the Kingdom. The region has a favorable year-round climate and the highest precipitation rate in the Kingdom. Al-Baha is abundant in trees bearing pomegranates, dates, olives and several other fruits and grains.

A strategic office was launched with the aim to promote growth and development through creating investment opportunities in the region and supporting the wide range of investment opportunities focused on promoting Al-Baha growth and development.

Nestled between the Makkah and Aseer regions, Al-Baha is gaining prominence due to its majestic landscape which includes valleys, mountains, waterfalls, and forests – making it an ideal getaway for tourists. The region is also home to multiple heritage sites including caves, castles and villages that give visitors a taste of history, particularly life in the early days of Islam. The tourism sector has been gaining strength in the region by attracting domestic and foreign tourists.

Kingdom-wide initiatives to boost the country's food production have bolstered Al-Baha's agriculture sector. The region enjoys a moderate climate, ample rainfall, an abundance of groundwater and soil fertility which present significant competitive advantages for agriculture production.



Sitting 2,500 meters above sea level, the region is a place of storied towers, lush forests and winding valleys. Including more than 40 forests surrounding the region.



Centre of culture and heritage with 72 heritage sites with forts and watchtowers, including a UNESCO tentative World Heritage Site, the Zee Ain Village



Location of the Kingdom's first Forest Resort – nestled in the Raghadan Forest located 1,700 meters above sea-level



Ideal geographic conditions for almond trees – with 30,000 almond trees in the region (2020) and a potential to increase production



Site of the Coffee City Project, with plans to produce 600 tons of coffee, doubling the current production (2021)










A blooming beekeeper ecosystem that produces the highest amount of honey in the Kingdom (865,000 in 2020) and is home to the Annual International Honey Festival



A thriving agricultural region with the highest production of pomegranate across over 3,000 farms producing 30,000 tons annually (2018)

AL-BAHA AT A GLANCE

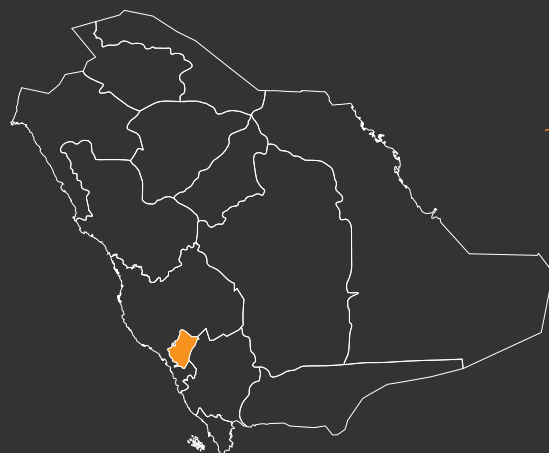


-  Population >
-  Education >
-  Healthcare >
-  Employment >
-  Infrastructure >
-  Economic Performance >
-  Business Enablers >

Located in the southwest of Saudi Arabia, Al-Baha shares a border with Makkah Region to the northwest and with Aseer Region to the southwest and southeast. Al-Baha is the smallest region of the Kingdom with a total area of 11,000 square kilometers.

The region is home to the Sarawat Mountains which divide the region into two main parts, As-Sarah and Tihama. Al-Baha enjoys year-round warm weather, with temperatures ranging from 12°C to 36°C and holds the highest precipitation in the Kingdom with an average rainfall of 180 mm annually.










The region is divided administratively into nine governorates other than the capital city of Al-Baha: Baljurashi, Al-Mandaq, Al-Mekhwah, Al-Aqiq, Qilwa, Al-Qura, Bani Hasan, Farat Ghamid Az Zinad and Al-Hajrah. Al-Baha City (the capital) is the center of economic activity in the region and one of its main touristic attractions.



SAUDI ARABIA AL-BAHA REGION



Legend:

-  Main cities - Al-Baha, Al-Aqiq, Al-Mandaq, and Baljurashi
-  Airports - King Saud Bin Abdulaziz-Al-Baha Airport - Al-Baha
-  Key Project -  The Zee Ain Heritage village
-  Industrial cities -  1 Al-Baha Industrial City
-  Al Baha University
-  Jabal Shada
-  Mountains



Population

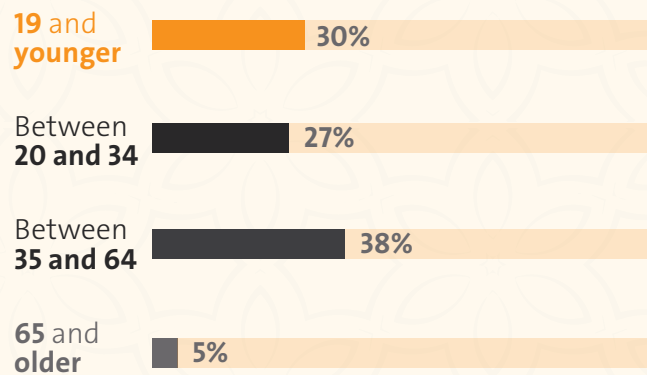
Al-Baha has a population of 506,866 (2020) with 58% of individuals under the age of 35 (2019).



Population growth
(2016-2020)



Population age groups
(2019)



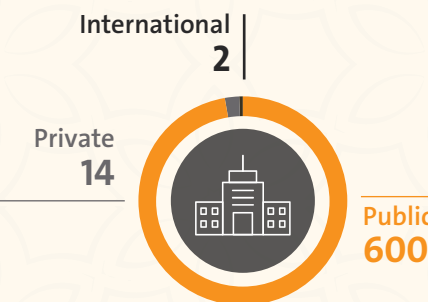
Education

Al-Baha's education system helps provides the skillets required for key sectors in the region such as tourism through programs in languages, business, sports and fine arts. The region has potential opportunities for investment and development to further strengthen the sector.

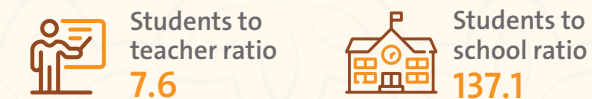
Number of technical and vocational training units (2019):



Number of schools (2021):



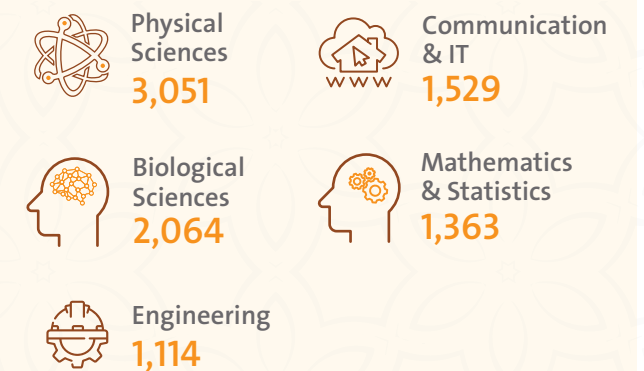
Ratio of students per the number of teachers and schools (2021):



Number of university students by largest programs category (2019) :



Number of university students in STEM-related programs (2019):



Education (cont.)

The region's higher education system is supported by Al-Baha University:



The total number of enrolled students



Previous year graduates



Key areas of focus



Al-Baha University

20,072
(2019)

3,912
(2019)

Medicine, science and engineering, humanities, education and administration studies among others.

Founded in 2006, Al-Baha University is the largest higher education institution in the region. The University has presence in several governorates across the region with 16 faculties in the main campus at Al-Baha and four campuses in the nearby towns. The university offers over 28 undergraduate majors, 5 master's degree programs and 7 graduate diploma programs.



Al-Baha university

Image source: <https://bu.edu.sa/home>

Healthcare

Recent efforts have been made to enhance the quality of healthcare services in the region. Al-Mandaq, the second-largest city in the region, has been acknowledged by the World Health Organization (WHO) as a Global Health City.

The Health City Program aims to continue upgrading the level of service and health and environmental conditions through joint action between sectors. Al-Mandaq is one of the first cities to join the Kingdom's health cities program under Saudi Vision 2030. To bolster the healthcare outlook of the region several investment opportunities exist that can bridge the demand gap.

Al-Baha healthcare sector is largely government led, with 10 public hospitals out of the 11 facilities; with 2 hospitals accredited by Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI), which are King Fahad and Prince Mshari hospitals. Operated by the Ministry of Health (MOH), King Fahad hospital is the biggest hospital in Al-Baha. The hospital is also a training hospital accredited by the Saudi Commission for Health Specialties.



94
Number of healthcare centers (2019)



Hospitals and beds per 100,000 population (2019)



10
Number of public sector hospitals – Ministry of Health (2020)



Hospitals
2.41 / 100,000



1
Number of private sector hospitals (2022)



Beds
260.53 / 100,000



Employment

According to Saudi Labor Law, the legal working age in the Kingdom is 15 years. Top sectors of employment in Al-Baha include wholesale and retail trade, construction and manufacturing, public administration, and tourism-related activities.

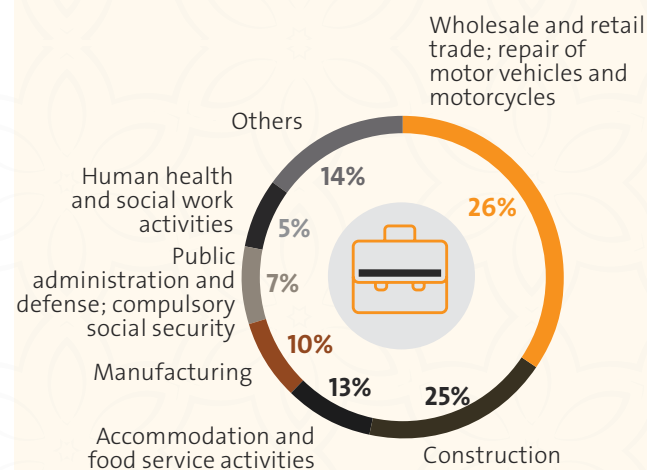
Employment rate (Q2/2022):



Average monthly wage (salary) of Al-Baha region (2019):

Male: 1,532.00 USD
Female: 1,905.60 USD

Employment by sector (Q2/2022):



Infrastructure

Al-Baha has moderately developed infrastructure with opportunities to further develop supporting assets.

The region has one domestic airport which is currently undergoing expansion to cater to a growing influx of tourists.

King Saud Bin Abdulaziz-Al-Baha Airport - Al-Baha (pre-pandemic 2019)

Total flights	Passengers	Direct domestic flights to Jeddah, Riyadh and Dammam
4,136	441,601	



Al Baha Airport

Image source: www.gaca.gov.sa

Infrastructure (cont.)

Industrial cities



Number of industrial cities administered by the Saudi Authority for Industrial Cities and Technology Zones (MODON)

1

Further details on some of the key industrial cities include:



Annual rental rates for industrial land



Leasing prices for Ready- built factories



Utilities



Targeted industries

Al-Baha Industrial City

USD 0.3 / square meter

-

Electricity
20 MVA
Drinking-water capacity
3000 cubic meters – currently under implementation

Non-metallic mineral products, rubber and plastic products

Al-Baha region has another industrial city that is currently under development in Al-Makhwah governorate, with an area of 6 million square meters.

Real estate average prices (latest available as of 2022)



Agricultural land
USD 48/ square meters



Commercial land
USD 67/ square meters

Number of real estate deals (2020)



Agricultural
94



Commercial
51

Further information on real estate prices in Al-Baha and across the Kingdom can be found via the [Real Estate Indicators database \(https://en.rei.sa/\)](https://en.rei.sa/)

Economic Performance

Al-Baha's growing economy is supported by targeted government initiatives such as the Quality of Life Program, the National Transformation Program and the National Industrial Development and Logistics Program. Initiatives are currently in place to further attract people, especially the non-Saudi population, to Al-Baha to continue boosting the region's economy.

Average household monthly income (2018): USD 3,149



Number of commercial registers granted (2021)

153,341

Number of active foreign investment licenses (2015-2021)

10



Inflation Rate (Al-Baha city) (Q3 2022)

1.9%



Volume of Point of Sales Transaction in Al- Baha City (2021)

USD 549 million



Business Enablers

The economy of the region is supported by a network of enabling services, currently undergoing expansion. The region has taken steps to enhance enabling sectors and infrastructure to continue growing the local business landscape. Opportunities exist for further investment within these enablers to support growth within Al-Baha's key and emerging sectors.

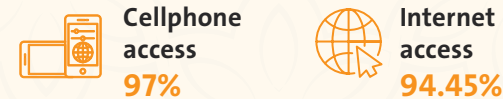


Information and Communications Technology (ICT)

Recent tourism developments in the region have highlighted the need for advancement in ICT.

The main players in the ICT space in the Kingdom are Mobily, Zain, STC, all three have presence in Al-Baha. The 5G network has increased its coverage and speed through the Kingdom covering a total of **84 governorates** by Q42021 with an average download speed of **368.69 Mbps**.

Percentage of household ICT access indicators (2021)



Internet penetration (%) (2019) **90%**



The National Development Fund

Established in 2017, the fund's mandate is to advance the performance of development funds and banks to fulfill the Kingdom's aspirations for economic diversification and realizing Saudi Vision 2030 objectives.



The National Development Fund (NDF) will inject more than **USD 152 billion** into Saudi Arabia's real GDP growth by 2030. NDF also aims to expand non-oil GDP more than threefold to reach **USD 161 billion** by 2030, as well as create a large number of job opportunities in the Kingdom.



Biljurashi city in Al Bahah Region

Key funds related to Al-Baha's key sectors (not limited to) include:



The Saudi Industrial Development Fund – Focused on the financing of industrial investment opportunities, the fund aims to support the industrial sector through project financing, the allocation of land and factories, and support to small and medium-sized businesses (e.g., "Kafalah" funding scheme). Since its inception, the fund offered a total of almost **USD 27.5 million** through 19 loans to projects in Al-Baha.



The Tourism Development Fund (TDF) – With USD 4 billion in capital, TDF aims to facilitate local and international investors' access to high-potential tourism investments across key destinations in the Kingdom. TDF offers financial assistance such as short-term loans, mid-term loans, long-term loans, common and strategic equity, private equity, etc.



The Cultural Development Fund (CDF) – The fund will support 16 cultural sectors identified in the national strategy for culture through development programs and various financing mechanisms aimed at empowering the cultural sector. This includes supports such as content industry and development, education and training, infrastructure support, etc.



The Agricultural Development Fund (ADF) – The Fund was established to develop the agricultural sector and improve its efficiency in all regions of the Kingdom. Contributing to the enchantment of food security and safety while maintaining the natural resources available. The fund also seeks to support the development of rural areas and help establish competitive advantages that can further support the Kingdom and Saudi Vision 2030. The fund has provided USD 1.47 million in loans in 2021 to 121 projects in Al-Baha.

KEY COMPETITIVE SECTORS

Tourism

Cultural and Heritage Tourism

Adventure Tourism

Agriculture

Fruits and grains

Honey Production

Tourism

Al-Baha's history, heritage and culture set the region apart from the rest of the Kingdom. Al-Baha is one of the richest archeological sites in the Gulf Region with several ancient villages and citadels spread along its mountainous terrains.

This natural geography grants Al-Baha a magnificent natural environment full of valleys, mountains, waterfalls, and forests which provide an ideal scape for a wide range of outdoor activities. As a result, Al-Baha is one of the top regions for outdoor tourism in the Kingdom.

The Kingdom aims to have approximately 100 million tourists enter the country by 2030. Al-Baha's tourism strengths well position the region to benefit from this growing opportunity to attract incoming tourists for adventure and cultural tourism.

Al-Baha's total tourist expenditure in 2019 accounted for almost **USD 450 million**, half of which was due to domestic tourism. In 2021, the region holds about **69 apartments, 16 hotels** and **2,841 active keys** to receive inbound and outbound tourists.

Al-Baha's total tourist expenditure in 2019 amounted to almost **USD 450 million**

The region is a cultural and heritage hub with a tentative UNESCO site and **over 1,000 stone qasbah** lookout towers

Al-Baha is **home to over 40 forests**, Al-Baha is an ideal place for outdoor activities such as hike, picnic or camp

Through the Tourism Development Fund (TDF) and Cultural Development Fund (CDF) and the new visa program, the Kingdom has taken several initiatives to enable continued growth and facilitate investment into Al-Baha's tourism sector. The TDF provides funding for organizations including hotels, restaurants, development of tourist sites, and tour operators that lead to the development of the tourism sector. Meanwhile, CDF offers funding and financing to private institutions and establishments that support cultural activities. Several Memorandums of Understanding valued at **USD 30 billion** (until 2022) have been signed to improve the region's infrastructure and increase the number of hotels.

The Tourism Development Fund provides direct and indirect loans that **cover 75% of a project's capital cost** as well as credit guarantees for certain projects

Tourists can now obtain a **multiple-entry visa valid for a year** that will allow them to visit the Kingdom for up to 90 days

Investment in infrastructure, accommodation, food and beverage, entertainment and leisure and retail sector has been proposed at an investment value of **USD 352 million** to further boost tourism in Al-Baha region, specifically Al-Baha city cluster. The region aims to develop supporting touristic assets while preserving the city's authenticity and integrity of historical remains.



Cultural and Heritage Tourism

Al-Baha is the gateway to the Kingdom's past. Its rich history and tradition give an immersive experience of prehistoric times, the Islamic era, and the more recent formation of Saudi Arabia.

The region was home to ancient tribes which built lookout towers, citadels, forts that will transport tourists to another point in time.

The culture and heritage tourism sector presents important opportunities in the Kingdom. There were 21 million trips for leisure purposes (excluding religious purposes) nationwide in 2019. Growth in domestic tourism is expected with the increasing influx of foreign workers and their families interested in visiting tourist attractions across the Kingdom – which Al-Baha can capitalize on.

The Zee Ain Heritage Village, named after a nearby spring, has been placed on the tentative list of UNESCO World Heritage Sites due to its history and tradition. **Built in the 10th century AH/8th century CE**, the Marble Village is an outstanding example of a traditional human settlement representative of a lost culture that includes over 300 houses and one mosque surrounded by ancient forts. This preservation of history and tradition in the village attracts many tourists from all over the Kingdom.

Zee-Ain, UNESCO tentative site, is a **400-year-old** archeological site sitting on top of Sarawat mountain.

Numerous museums in the region give a detailed view of the traditional lifestyle once prevalent in the region. The traditional Al-Baha Souk, and local festivals such as the Kharia Al-Baha Festival, are attractive places for tourists to experience regional and cultural artifacts.



Adventure Tourism

Located 2,500 meters above sea level, Al-Baha's topography offers a widerangeofoutdoorandadventure activities. Al-Baha's relatively cool climate attracts domestic tourists from all over the Kingdom in summer to escape the heat.

The region's parks, forests and waterfalls have attracted investment in nearby resorts and hotels, tour operators and leisure activities to make Al-Baha a relaxing destination for tourists.

Adventure tourism is the third-largest tourism sub-sector after sun and sea, and cultural tourism – and the global market for adventure tourism is anticipated to grow at a **CAGR of 10.7% between 2020 to 2030 to reach USD 2.02 billion**. The globally emerging trends of eco-travel and adventure travel with a hint of local/cultural experience also present opportunities to position Al-Baha in the world's spotlight.

The region holds over 40 forests where visitors can climb, hike, camp, picnic and even zip line. Raghadan Forest is a must-visit touristic attraction that spans an area of **600,000 square meters** and offers striking views of the Al-Baha mountains and valleys. Other highlighted forests include the Amdan Forest brimming with olive trees and the Wadi Al-Aqeeq Forest famous for its lotus trees.

The region's dominant mountainous terrain includes Jabl-Shada, one of the 15 preservation sites of the National Centre for Wildlife Development, is one of the highest summits in Saudi Arabia and attracts amateur climbers throughout the year. The region's other attractions include the Botanical Bridge Garden, a 100-meter suspension bridge with over **10,000 square meters** of typical Al-Baha fruit trees like pomegranates, grapes, figs, apricots, and peaches.

The Kingdom has initiated a National Tourism Strategy which aims to increase tourism sector contribution to **10% by 2030** from the current 3% (2022). The National Tourism Strategy is aiming to increase investment in the region to provide a more robust tourism ecosystem along with supporting activities in Al-Baha.

The Ministry of Environment, Water and Agriculture (MEWA) issued the first permit to establish a **tourist camp in the south** of the region in December 2021.



Key Projects and Initiatives

In recent years, multiple achievements were accomplished to activate the role of the private sector within the tourism industry in the Kingdom. This includes facilitating the licensing process and increasing the number of heritage sites. The Ministry of Tourism (MOT) provides electronic licensing of various tourism investment activities such as accommodation licenses, tour operator licenses and tourist guide licenses.

Several projects are already under development to promote tourism in Al-Baha including:

01 Al-Baha Domestic Airport Expansion

The Al-Baha Domestic Airport expansion is focused on holding five gates for domestic departures and two gates for international departures. The expansion aims to accommodate **1 million passengers per year by 2023**, from the current capacity of 250,000 passengers per year. The presence of an international airport and expansion of the current domestic airport will enhance the supporting infrastructure to boost tourism in the region. The airport expansion is being built with a total investment of approximately **USD 100 million** and will be ready by 2023.

02 Raghadan Tourist Resort

The Tourism Development Fund and Seera Group signed a financing agreement for **USD 48 million** to establish and operate a 200-room resort. The resort will stretch across an **area of 50,000 square meters** that will include outdoor spaces, restaurants a theatre, and a shopping center. This is Al-Baha's first sustainable tourism project which aims to ensure the preservation of the region.

Agriculture

Al-Baha's clean air, soil fertility, moderate climate, an abundance of ground water and large water reserves make the region one of the most important agricultural areas in the Kingdom.

The region is known for its pomegranate and honey, accounting for the highest contribution to the Kingdom's production. The agricultural areas in Al-Baha are spread across the region, Al-Baha has fertile Agriculture soil in Sarat, Bidah, and Tihama.

The Agricultural Development Fund recently introduced initiatives worth USD 665 million across the Kingdom to support farmers and food imports.

The market for agricultural products in the Kingdom reached a value of **USD 10.3 billion** in 2020, growing significantly at a **CAGR of 4.5%** since 2017. Saudi Arabia's objectives for 2030 include continuing to enhance food security by boosting local production and reducing import dependency. In 2019, Saudi Arabia's imports ascended to **USD 6.53 billion** which was higher than the **USD 1.55 billion** of exports in food.

In 2021, The Agricultural Development Fund (ADF) granted 121 loans with a total value of over **USD 1.47 million**, of which **USD 1.34 million** were short term credit service loans and the remaining long term credit service loans in Al-Baha the remaining was allocated for beekeeping projects.

The region is the top producer of honey at 865,000 kilograms in 2020

The region is the largest producer of pomegranate – 30,000 tons annually

Al-Baha holds a fruit cultivated area of more than 8 million square meter in 2019



Fruits and grains

Al-Baha is known for its abundant fruit trees which produce oranges, apricots, and pomegranates. The region holds over 360,000 evergreen fruitful trees that produced 12,000 tons in 2018. In addition, Al-Baha has a significant grain production that includes wheat, barley, millet, lentils, and sesame.

The fruit segment represented **62.3%** of total agricultural revenues of the Kingdom, ascending to **USD 6.4 billion** in 2020. Due to its competitive advantage, Al-Baha's agricultural productions play a central role in satisfying not only local demand but also supplying food for the Makkah region.

Al-Baha's key agricultural product is pomegranate which held the highest total production in the Kingdom in 2021 with **30,000 tons**. Pomegranate harvesting is relevant to the region's agricultural output and also to its cultural heritage as the cultivation process has been passed from generation to generation since ancient times.

The region is home to several recognized agricultural festivals including the Pomegranate National Festival and the Khairat Al-Baha Festival. These festivals not only position Al-Baha as an agricultural hub but also play an important role in attracting tourism to the region.

The Kingdom is looking to attract investment to implement global farming trends such as liquid nano clay, vertical farming and hydroponics and modern water preservation methods to increase the sector's productivity. Potential strategies are under consideration to increase the cultivation of rain-fed crops.



Agriculture and Food Processing Value Chain

Agriculture & Food Processing			
Inputs	Growing	Distribution	Processing & Selling
<ul style="list-style-type: none"> Fertilizers Agricultural machinery & equipment Precision farming Crop production Food additives Precision farming Plant genetic Refrigeration equipment Packaging materials Animal genetics 	<ul style="list-style-type: none"> Row crops Sugar Cash crops Milk Meat Aquaculture Vertical farming other 	<ul style="list-style-type: none"> Trading platform Grain storage & seed handling eq. Animal genetics 	<ul style="list-style-type: none"> Milling Oilseeds crushing Biofuel production Veg & fruit wholesale Dairy processing Meat processing Fish processing Meat by products Non-food processing Brand packaged goods Processed fruits & veg Baked goods Rice, pasta & noodles Beverages Confectionary Oils, spreads & source Dairy Baby food Snacks Ready Meal
Food testing and quality control			
Ag. Financing			
Other Ag. Services			

The Agriculture Development Fund has undertaken farmer training efforts and research to encourage sustainable agriculture concepts such as greenhouse farming and drip-irrigation practices. Numerous incentive packages including free seeds, stronger GMO seeds and the import of fertilizers have helped incentivize farmers further.



Honey Production

The mild temperatures of Al-Baha in the summer along with its variety of flowers and trees, are the perfect habitat for beekeeping. Al-Baha is the highest honey producing region in the Kingdom with 865,000 kilograms in 2020.

Honey production in Al-Baha is concentrated in the Hejaz and Tihama areas where around 1,600 beekeepers collect honey around seven times a year. There are different types of honey produced in the region such as Majra, Daram, Samar, Al-Saifi, Talh, Shawka, and Sidrah, each one holding its unique color and taste. In addition, Al-Baha is home to rare trees that produce exclusive white honey and only bloom once a year.

Al-Baha is home to the International Honey Festival which has attracted a large number of visitors since 2008. The festival allows local producers to sell and promote their products, with the aim to attract investors to develop the industry for nutritional and medicinal purposes.

With Al-Baha's agriculture's high growth potential, the Strategic Office aims to support small farmers by allocating unused governmental land to eligible farmers that adhere to MEWA direction (e.g., crops and rehabilitation of terraces). The office aims to ensure the development of a strong investment environment attracting private sector engagement and encouraging cooperation between small farmers through cooperative associations (e.g., Beekeeper Cooperative Association).



Key Projects and Initiatives

01 Zaitona Farm

Zaitona Farm, sprawled over 150,000 square meters, is famous for producing fruits such as blackberries, pomegranates, grapes, and guavas. The farm is brimming with rare trees and herbal plants such as Jojoba and Moringa trees and is also home to a strawberry hydroponic farm.

02 Association of Beekeepers Cooperative Al-Baha

Saudi Aramco along with the Association of Beekeepers Cooperative in Al-Baha has been providing training, tools, and equipment for farmers to adopt modern methods that allow the production of high-quality honey. This initiative provides around 100,000 seedlings per year of 30 different tree species to increase bee population and honey production. As a result, younger populations have increased their interest in beekeeping, increasing the number of jobs created and has also contributed to the sustainability balance of Al-Baha. The Association has established an institute for training to awareness of the importance of beekeeping.

EMERGING SUB-SECTORS

Almond Harvest

Coffee

In addition to well-established key sectors, Al-Baha is home to emerging areas that have demonstrated notable potential for future growth and opportunity. Supported by strategic government initiatives and agricultural competitive advantages, almond and coffee cultivation show immense potential for development. With anticipated growth over the coming years, investors have an opportunity to 'get in on the ground floor' of these emerging sub-sectors.



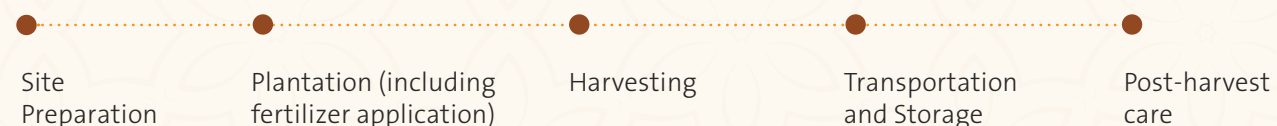
Almond Harvest

The mountainous terrain of Al-Baha coupled with moderate temperature provides an ideal climate for the growth of almond trees. The almond tree requires minimum human intervention, has a low consumption of water and blooms towards the end of the winter season – rendering the region ideal for almond harvest. The current scale of almond plantation offers room for growth to further explore the potential of this market in the Kingdom.

The global nuts and seeds market was valued at **USD 7.7 billion** in 2021 and is expected to grow at a CAGR of **2.8% by 2027**. Almond production reached **1.6 million metric tons worldwide**, the highest among all edible nuts, emphasizing its numerous health benefits. Saudi Arabia also reported a total almond consumption of 13 thousand metric tons in 2019, an increase compared to previous years. The Kingdom ranks low in almond exports at **USD 77.3 thousand in 2020** but is ranked the 19th largest importer with a total of **USD 78.8 million** of fresh and dried almonds in 2020. The growing national and international demand present opportunities to further capitalize on Al-Baha's almond sector.

There are an estimated **30,000 (2020) trees** in the region producing **30,000 kilograms** of shelled almonds annually

Almond Value Chain



Key Projects and Initiatives

وزارة البيئة والمياه والزراعة
Ministry of Environment Water & Agriculture

The Ministry of Environment Water and Agriculture has allocated three agricultural sites for the plantation of almond trees to increase production and protect the trees from extinction. The ministry also seeks to establish a research section on almonds in collaboration with Al-Baha University.

Coffee

Coffee Arabica trees require a moderate to high temperature, ample rainfall, and high altitude to thrive. For these reasons, Al-Baha is well-suited for coffee bean cultivation. The region is famous for its Shadweya coffee that grows on the Shada mountain which is light in taste and hardly found in other regions of the Kingdom.

The Kingdom has a high consumption of Arabic coffee. The Kingdom's coffee market is expected to grow at a **CAGR of 6.2%** from 2021 to 2027 due to changing consumer preferences and the growing working-class population. To cater to the increased consumption of all types of coffee, the Kingdom imports coffee from Switzerland, Ethiopia, and Columbia. Collectively imports were valued at **USD 327 million in 2020**, with exports of **USD 12.4 million**.

In 2019, the Kingdom was home to 847 coffee farms containing 100,000 coffee trees. Al-Baha ranks third in the cultivation of coffee after Jazan and Aseer. The estimated arable coffee cultivation area is 674 hectares (2017) in the region. Currently, Baha estates produce 20 tons of pure coffee from 18,000 trees (2021) with great potential for further coffee plantation and cultivation.



Coffee Value Chain



Key Projects and Initiatives

01 Ministry of Environment, Water and Agriculture (MEWA) Initiatives

MEWA has supported 30,000 farmers in different regions of Saudi Arabia, including Al-Baha, to help boost coffee production. Several services are provided to coffee farmers including guiding them to adopt proper practices of cultivation, rainwater harvesting and irrigation techniques and establishing water reservoirs, as coffee plants are high in water need. The Sustainable Agriculture Rural Development Program is established to develop coffee cultivation and market it locally and globally.

02 Year of Saudi Coffee

Under the Saudi Coffee Initiative, the year 2022 was declared the 'Year of Saudi Coffee'. MEWA has signed an agreement to establish a coffee development city to celebrate the local diet staple.

03 Coffee City

A 15-year agreement signed by MEWA with the Agriculture Cooperative Society in Baljurashi seeks to promote coffee production and create a model farm. The Coffee City is planned at 160 hectares in the village of MASHUQA in Al-Baha. It will have the operational capacity to provide 1,000 jobs and plant 300,000 coffee trees with 600 tons of coffee production. The project promotes the sustainability of agricultural crops and attracts agricultural investment to Al-Baha.

KEY PROJECTS

Road Safety

Road Safety

The Ministry of Transport has recently introduced ongoing road safety projects worth over USD 23 million to improve road infrastructure across the region. Infrastructure enhancement is key to the development of tourism in Al-Baha.

As the region shares a border with the Makkah region, robust infrastructure will provide Al-Baha with key elements to support incoming tourists.

The project includes the following investments:

- **USD 5.6 million** for traffic safety equipment improvement
- **USD 6.1 million** for highway intersection enhancement
- **USD 0.6 million** for solar streetlights
- **USD 10 million** for protective barrier deployment
- **USD 0.9 million** for vibrating speed bump installment

In addition to several transportation-related projects including Riyadh AlRayn which will cut the distance to Riyadh to about 250 kilometers.



INTERESTED IN INVESTING IN AL-BAHA?

The Kingdom's Ministry of Investment (MISA) is your gateway to tapping into unique and fruitful investment opportunities in Al-Baha.

MISA aims to facilitate and support new and current investors in their journey of venturing into a land of countless opportunities. MISA is eager to provide you with the necessary components to successfully invest within the Kingdom. This includes sharing relevant market and economic information, site research, and real-estate values to help familiarize investors with the Saudi Arabian ecosystem. Investors also have access to MISA's well-established infrastructure and connectivity.

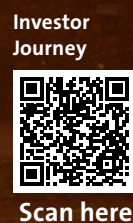
Not only does MISA's connectivity range from trade associations, all sector companies, relevant universities, and much more, but the Ministry is responsible for issuing and regulating investment licenses.



The range of MISA's support is uncanny; whether it is providing and advising on available incentives or ongoing support for operational issues, MISA will serve as your guide to opportunities in Al-Baha.



More detail can be found in investsaudi.sa and [Investor Journey](#).



For more information about investment opportunities, please [click here](#) or [scan the QR code](#)



Scan here

Existing opportunities in Al-Baha region include:

- **Tourism**
 - Develop 5 Star Resort in Al-Baha
- **Culture and Heritage Tourism**
 - Cave Hotel
- **Adventure Tourism**
 - Mountain Retreat at Shada Mountain Reserve



وزارة الاستثمار
Ministry of Investment

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Reach out to the Ministry of Investment
to learn more and begin your investment
journey in Al-Baha today

For questions and to learn more about opportunities in
Al-Baha, please contact: regions@misa.gov.sa

For questions about the tourism and agriculture sectors
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