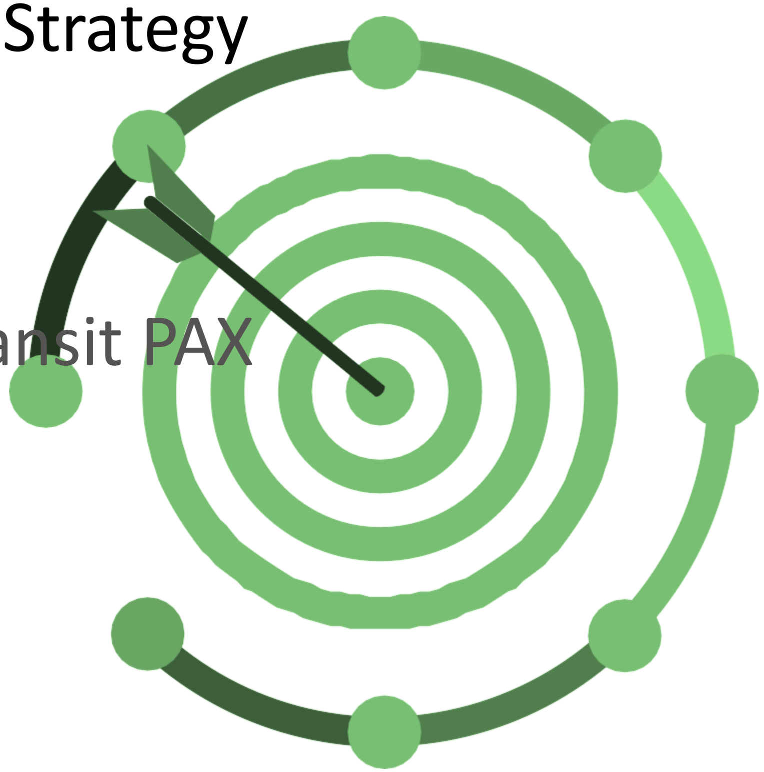
THE NATIONAL AVIATION SECTOR STRATEGY

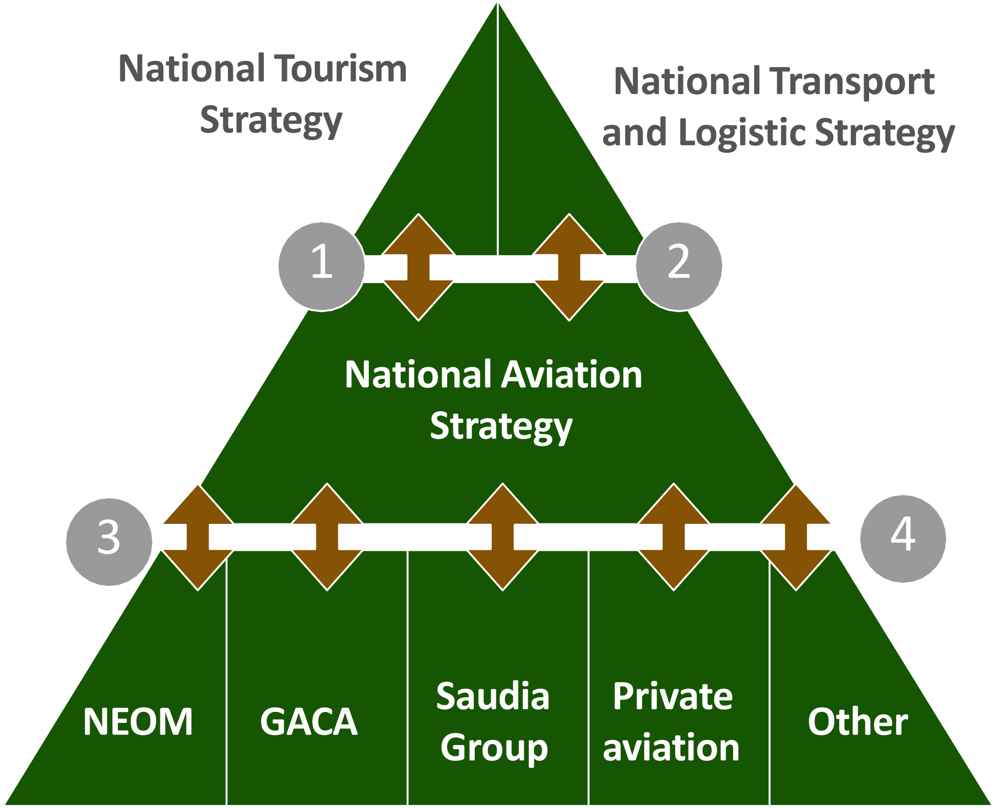
الاستراتيجية الوطنية للطيران
SAUDI AVIATION STRATEGY

5 KSA priorities for the aviation sector

- Accommodate demand from National Tourism Strategy
- Be a global connecting hub for international transit PAX
- Drive economic growth in KSA (both
- GDP & creation of jobs)
- Grow a sustainable Aviation sector with attractive returns



The Aviation Sector Strategy is aligned with other National Strategies and will be cascaded to those of individual stakeholders



1. The Aviation Strategy **fully aligned with the National Tourism Strategy (NTS) targets** set out for 2022 and 2030
2. **National Transport and Logistics Strategy** (NTLS) **finalized in full alignment** with National Aviation Strategy
3. Selected inputs from **NEOM strategy considered** when developing the National Aviation Strategy, **specifically passenger forecasts**
4. **Lower-level strategies such as GACA, Saudia Group, MATARAT, etc.** to has been developed/updated **in alignment with the National Aviation Strategy**

The Aviation 2030 strategy has set specific strategic objectives across five areas: network, airlines, airports, aviation services and funding

ASPIRATION

Sector vision: EMPOWER VISION 2030 AND BECOME AVIATION SECTOR #1 IN MIDDLE EAST

Enable National Tourism Strategy (300M PAX) and serve national air cargo needs (2.5M tons)

Upgrade KSA to become a global transit hub (30M PAX) and global air cargo hub (2.0M tons transit)

STRATEGY

1. NETWORK — Extend KSA connectivity to **250+ destinations** across 29 airports with **RUH and JED** serving as **2 global PAX long-haul connecting hubs and global air cargo hubs** leveraging belly capacity
2. AIRLINES — Increase **local LCC share** and **local carrier competitiveness,** with **JED hub served by Saudia and Saudia Cargo**, and **RUH served by new PAX carrier with Cargo operations**
3. AIRPORTS — Upgrade infrastructure and operations, including **airport PAX capacity and experience in line with Tourism Strategy**, and **state-of-the-art Cargo facilities** at level of regional peers (UAE, Qatar, Turkey)
4. SERVICES — Move from monopoly to **fair competition** (particularly in Ground Handling and MRO) and step up **local players competitiveness** to raise service levels
5. FUNDING — **Estimated Total** CAPEX required to 2030 is **SAR 365B**

Aviation Strategy - **Key Figures**

Fuels KSA Vision 2030

Enables KSA Tourism Strategy

Boosts KSA Aviation sector

#5 Global PAX connecting hub (vs #35 in 2018)	#1 Regional cargo hub (vs. #4 in 2018-19)	280B SAR in total sector GDP (vs 80B in 2018)	1.1M total jobs in sector (vs 315k in 2018[1])
75M International visits (vs 15M in 2018)	45M Domestic visits (vs 26M in 2018)	15% Tourism GDP unlocked through Aviation	2.0M Tourism jobs unlocked through Aviation
#1 Aviation sector in Middle East (vs #3 in 2018)	#7 PAX market worldwide (vs #21 in 2018)	2 Globally relevant PAX & Cargo carriers (none in 2018)	2 Globally relevant PAX & Cargo hubs (none in 2018)

Flagship Projects

Aspiration

330M PAX in 2030 (300M in O&D1, 30M in Transit)
4.5tons Air cargo in 2030 (2.5tons serve national air cargo needs , 2.0tons global air cargo hub in Transit)

Extend KSA connectivity to 250+ destinations with **JED & RUH serving as 2 global PAX long-haul hubs & global air cargo hubs**

Initiatives

Airlines	Airports	Cargo & Logistics
Riyadh Air	King Salman Intl' Airport	ILBZ
Saudia Transformation	JED Airport	Air Cargo Village RUH
NEOM Connectivity	NEOM Airport	Air Cargo Village JED
		Air Cargo Village DMM

Regulations, Governance and Transformation

- Block hour **cost optimization**
- **Air Connectivity** program
- **Assets' transfer**

Sub-Strategies

- Cascade **sector strategy** into strategies of stakeholders
- Detail **cargo strategy** and masterplan for JED/RUH/DMM
- Adapt **Saudia Cargo** strategy to KSA air cargo strategy
- Aviation sector's **human capital** development plan
- Develop **airport strategy** & capacity expansion plan for all 29 airports
- **Privatization** strategy

Funding: ~365B SAR CapEx required by 2030 for sector strategy

Total funding required by Private and Public sector

~365B SAR

Passenger strategy — 345B SAR

Expansion of KSA airports[1]	190B SAR
Aircrafts of local carriers (incl. new carrier)[2]	155B SAR

Cargo strategy — 19B SAR

Air freighters	17.3B SAR
Warehouse expansion & facilities upgrade	1.4B SAR