

# Beyond the Whistle: The FIFA World Cup 2034's Ripple Effect on the Saudi Hospitality Sector

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Important for  
Saudi?

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# More Than a Match: Sports as a Catalyst for Change

## Economic Diversification



1. As part of Saudi Vision 2030, the country is looking to diversify its economy beyond oil. Sports, especially major events, can contribute significantly to tourism and economic growth.

## Tourism & Infrastructure Growth



Major sports events attract international visitors, encouraging tourism & justifying investment in infrastructure like transportation, hotels & stadiums.

## Social Development



3. Sports promote health, well-being, and social cohesion among the population, aligning with the government's goals for societal development.

## Youth Engagement

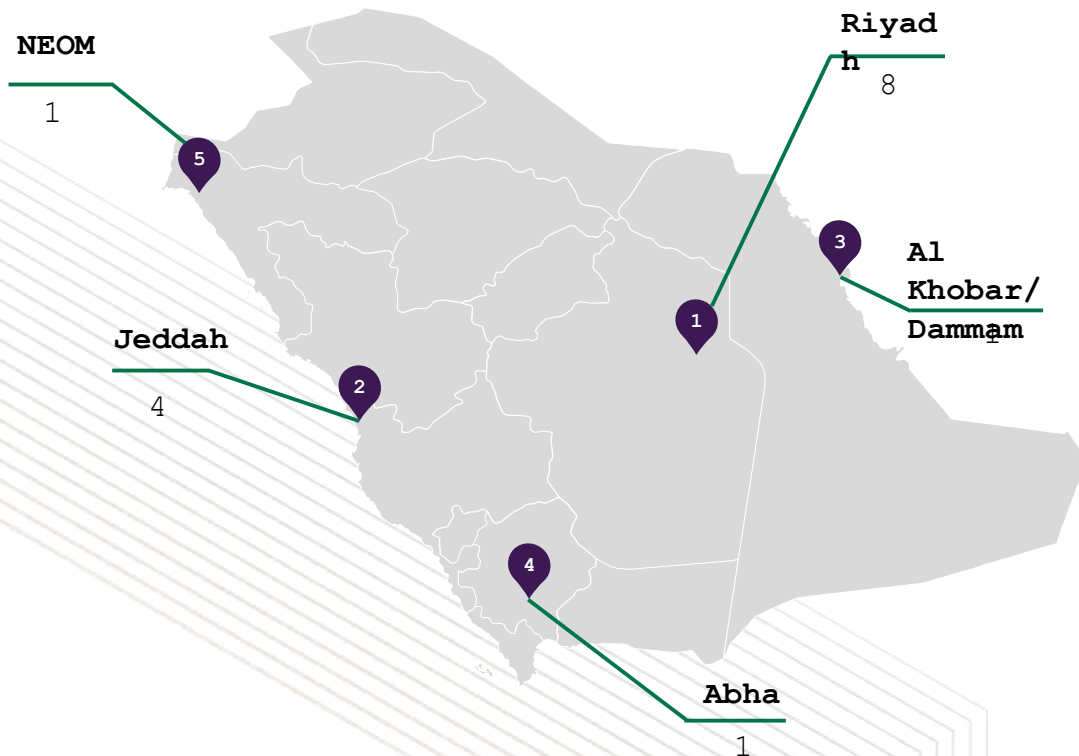


With a large young population, sports provide an avenue for engagement, entertainment, and potential career opportunities.

# A Historical Win: Kingdom to Host FIFA World Cup 2034



On October 31, 2023, FIFA confirmed that Saudi Arabia would host the 2034 World Cup.



Source: FIFA World Cup 2034 Bid Book, JLL Analysis

## Stadiums & Infrastructure

### 15 Stadiums Across 5 Cities



Riyadh, Jeddah, Al Khobar, Abha, and NEOM, featuring a mix of existing venues, stadiums under construction, and new builds.

The King Salman International Stadium in Riyadh, with a capacity of 92,000, is slated to host the opening and final matches.

### Fan Experience



Plans include two FIFA Fan Festival™ sites in each host city, aiming to provide immersive experiences for attendees.

# The Winning Formula: How Saudi Secured the 2034 FIFA World Cup



## Hospitality & Accommodation

### Hotel Expansion

The bid outlines the construction of over **185,000** additional hotel rooms to accommodate the influx of visitors, aligning with the Kingdom's Vision 2030 goals.



## Vision 2030 Vision & Legacy

Hosting the World Cup is a strategic move to diversify Saudi Arabia's economy beyond oil, promoting tourism, and enhancing its global image.

### Cultural Showcase

The bid showcases Saudi culture and hospitality, aiming to leave a lasting legacy and



## Transportation & Connectivity Infrastructure Development

Significant investments are planned for transportation infrastructure, including the expansion of airports and the development of new cities like NEOM, to ensure seamless connectivity for fans and teams.



## Evaluation & Selection Highest Evaluation Score

FIFA awarded Saudi Arabia's bid an evaluation score of **419.8** out of 500, the highest in the tournament's history, reflecting the comprehensive planning and commitment demonstrated in the bid.

# Room for the World: FIFA's City-by-City Accommodation Mandate



## Accommodation Groups

FIFA HQ, Teams, VIP, Media & others



## 15,000+ Hotel Keys per City

From luxury 5-star to budget options



## Brand Flexibility

Licensed by Ministry; local or global brands

### Key Takeaways

Each hosting city must offer a mix of 5-star and below to ensure options across all segments from luxury to budget.

Approximate each city should offer about 15,000 keys, for FIFA constituent group accommodation and the remaining supply should be sufficient to accommodate fans.

The lack of specific branding requirements in the proposal, provided that units are licensed and classified by the Saudi Ministry of Tourism, allows investors to consider local and international brands, potentially broadening the range of hospitality options.



# Qatar 2022 Unpacked: Hospitality Lessons from the World Stage(1/2)

Hotel Star Rating	Total Number of Keys	Occupancy Levels	ADR (in \$)	RevPAR (in \$)
5 Star	17,408	54%	283	152
4 Star	6,927	61%	108	66
3 Star	3,186	77%	90	66
*Others	10,018	54%	169	91

## Key Lessons Learned

### Hospitality Expansion

Qatar increased hotel supply by over 30,000 rooms to meet demand

### Infrastructure Delivery

Over \$220 billion invested across transport, stadiums, and urban development

# Qatar 2022 Unpacked: Hospitality Lessons from the World Stage(2/2)

Indicator	2021 (Prior Event)	2022 (World Cup)	2023 (Post Event)
International Tourism Arrivals	0.61M	2.56 M	4.05 M
International Tourism Receipts	4.3 B	7.3 B	8.8 B
Tourist Arrivals	July - November (5 months)	May - November (7 months)	April - November (8 months)

## Key Lessons Learned

### Hospitality Expansion

Qatar increased hotel supply by over 30,000 rooms to meet demand

### Infrastructure

#### Delivery

Over \$220 billion invested across transport, stadiums, and urban development

### Tourism Impact

Over 1.4m visitors during the tournament month, while continued growth reaching 4.05m in 2023

### Legacy Planning

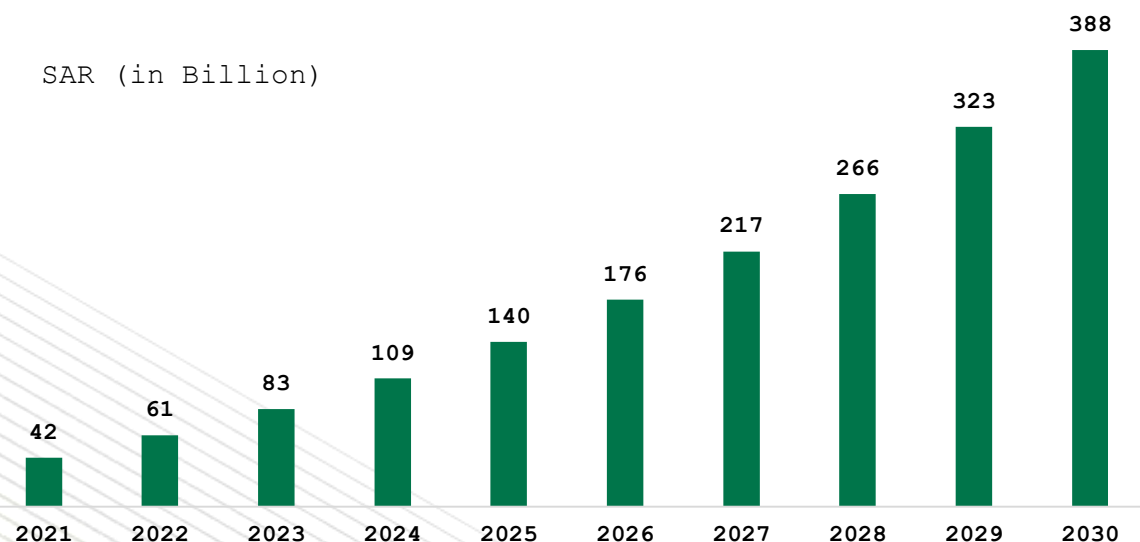
Stadiums are converted into community facilities and tourism assets post-event



# Evolution of Saudi's Hospitality Landscape

## 1. Investment Momentum: Driving Hospitality Growth through FDIs

### FDI Inflow Targets



The Saudi vision 2023 aims to achieve a historical record in FDI inflows to reach SAR 388 billion by 2030

The Vision also sets the goal of increasing foreign direct investment (FDI) to 5.7% of nation GDP

The private sector's contribution from 40% to 65% of GDP and for the Kingdom to be among the 15 largest economies in the world by 2030

Accommodation & food services has achieved SAR 617 billion in 2022

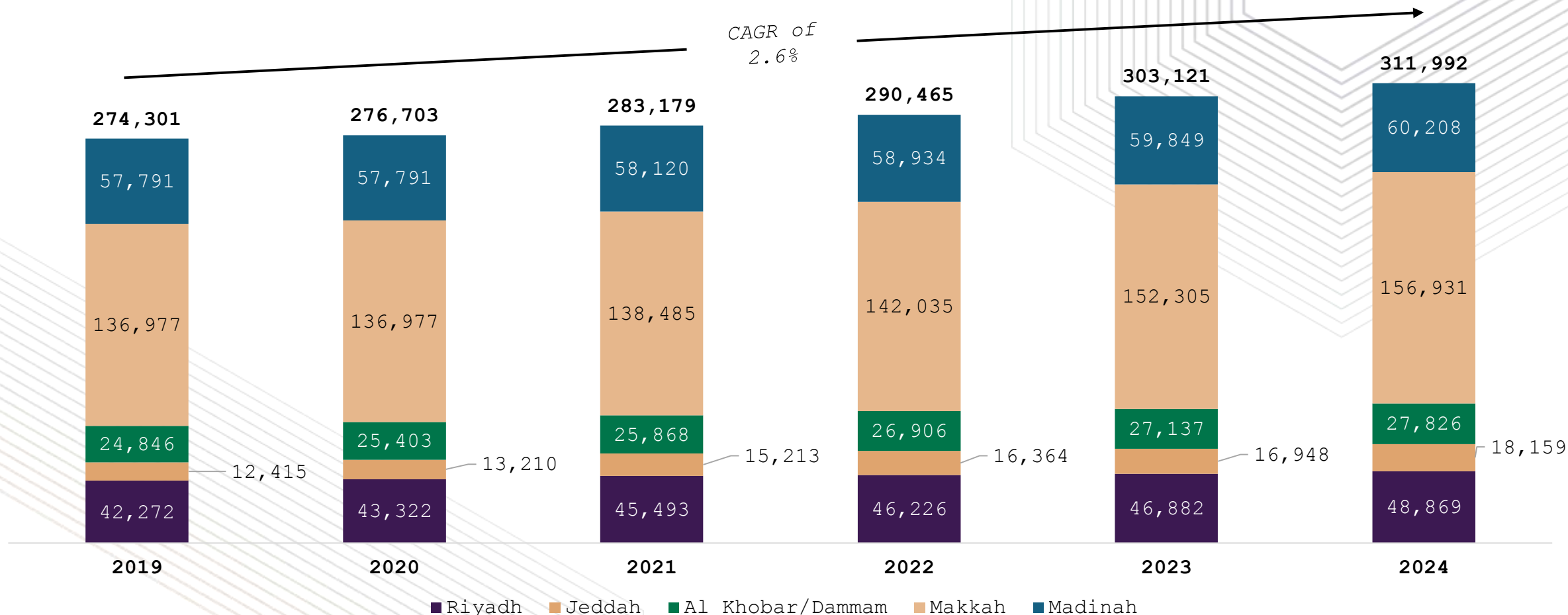
### FDI as % of GDP



Source: Saudi Arabia Foreign Direct Investment Report January 2024

# Evolution of Saudi's Hospitality Landscape

## 2. Hospitality in Motion: Steady Growth Across the Kingdom



# Evolution of Saudi's Hospitality Landscape

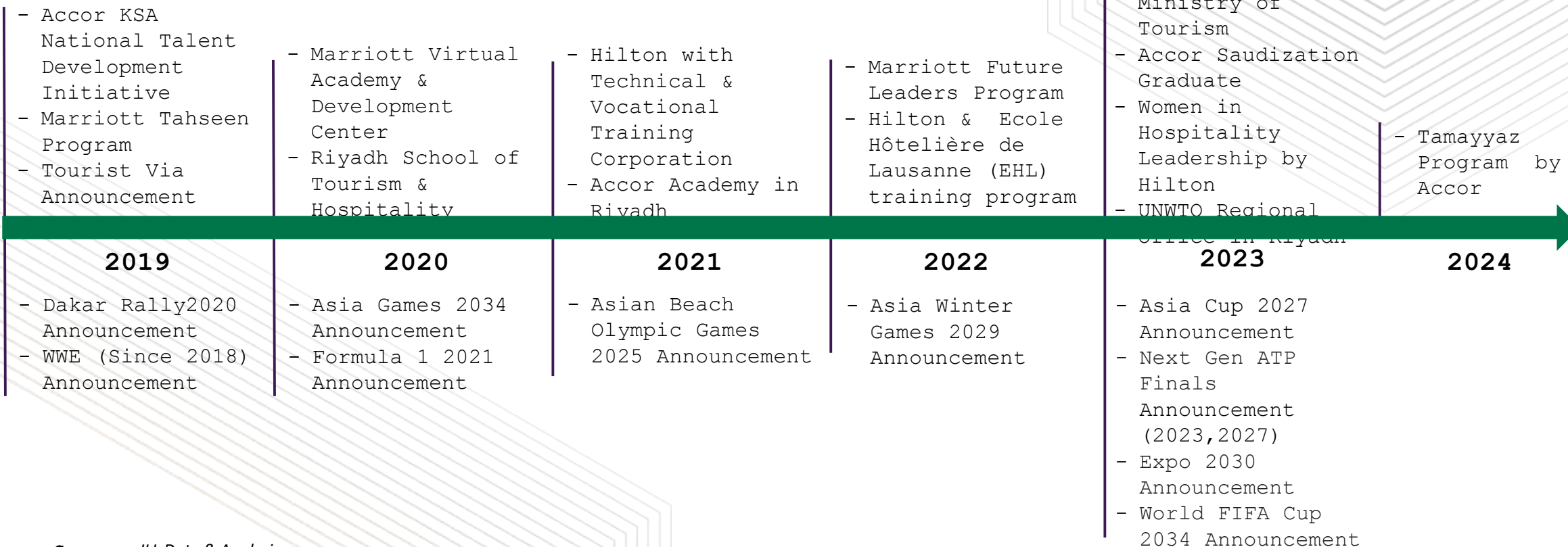
## 3. Brand Horizons: Saudi's Expanding Hospitality Portfolio



# Evolution of Saudi's Hospitality Landscape

## 4. Talent-Driven Transformation: Upskilling for World-Class Sector

Ongoing initiative since 2019: Tourism Pioneers Program by



# Key Challenges To Monitor



## **Global Economic Volatility**

Potential impact on foreign investment flows and construction costs.



## **Project Timelines**

Delivering stadiums, hotels, and transportation infrastructure on schedule.



## **Sustainable Operations and ESG Compliance**

Increasing pressure to align hospitality development with environmental, social, and governance standards can add complexity and cost.



# Summary of Key Points

1

Saudi Arabia's hosting of FIFA 2034 is a transformational milestone for the **hospitality sector**

2

Massive infrastructure investments are underway across stadiums, **hotels**, transportation and infrastructure

3

Significant **opportunities** exist for **investors** across hospitality, real estate, and entertainment sectors

4

**Saudi Arabia is positioning itself as a global sports and tourism hub**



Thank You