FHS SAUDI ARABIA

FROM RECOVERY TO RESET: RETHINKING HOSPITALITY DEVELOPMENT ECONOMICS

Aaron Goldring, Head of Middle East Tourism Analysis – Tourism Economics
agoldring@oxfordeconomics.com

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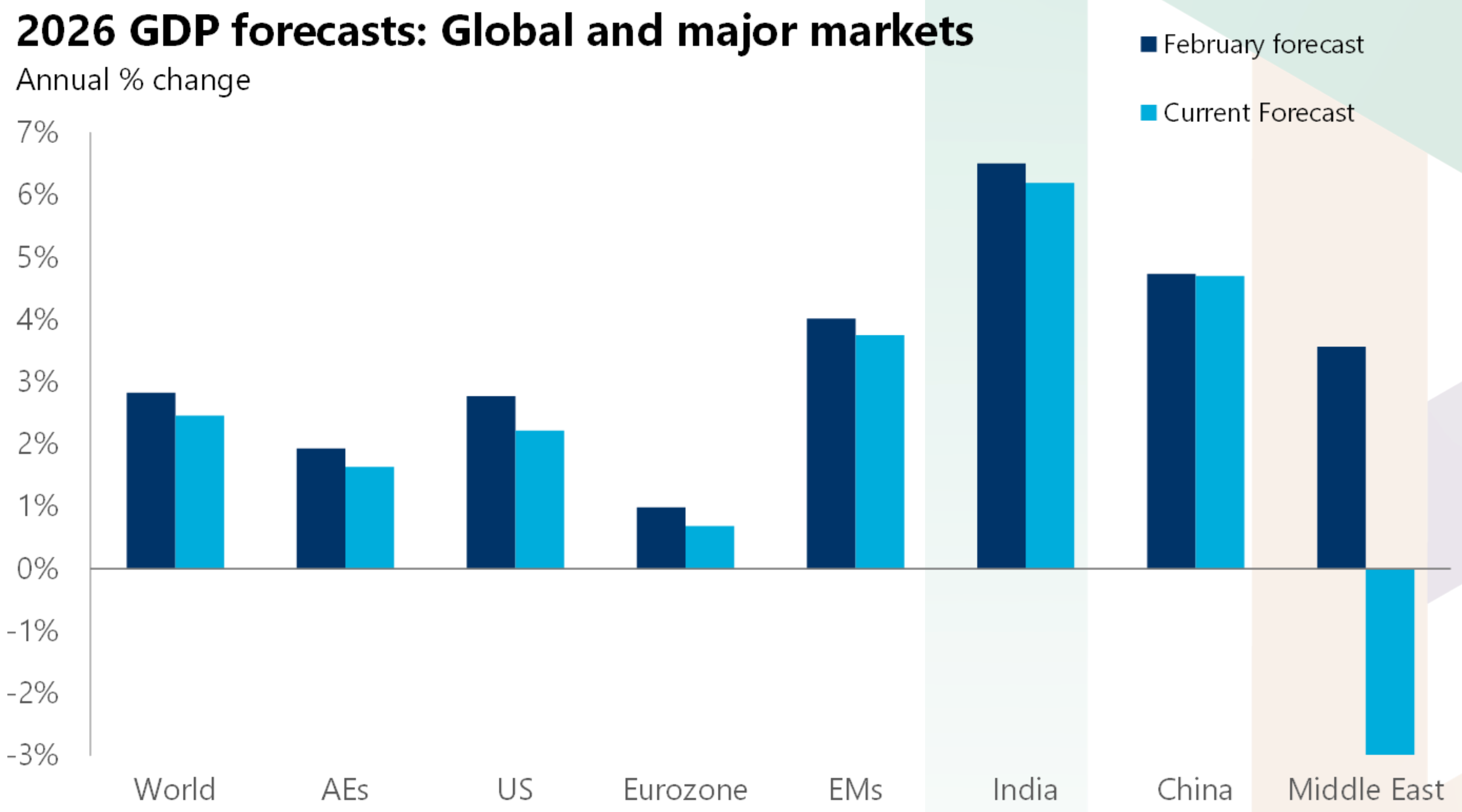
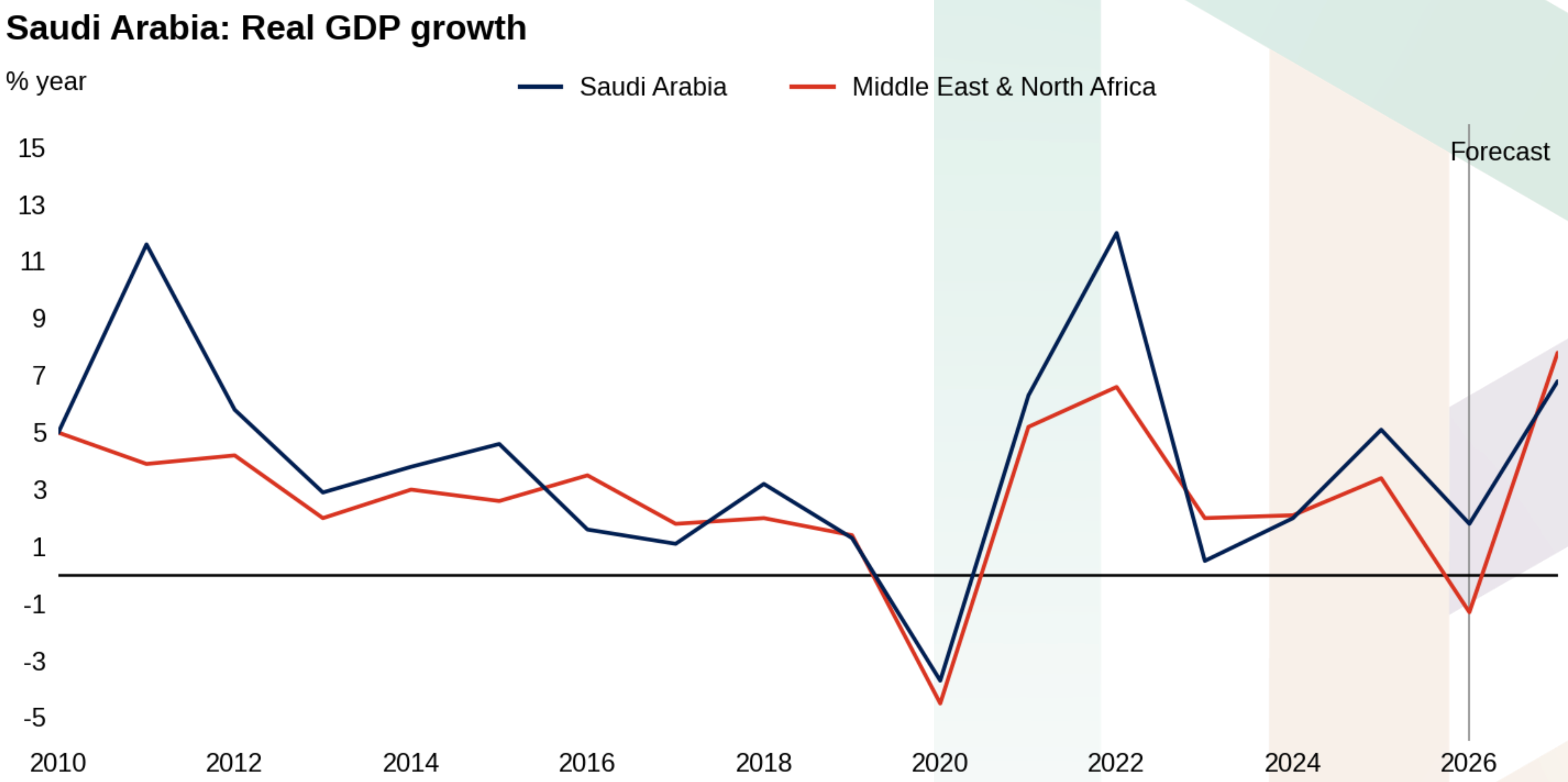
ECONOMIC GROWTH IS SLOWING AS A RESULT OF THE REGIONAL CONFLICT

DOWNGRADED EXPECTATIONS BUT STILL GLOBAL GROWTH IN 2026



Source: Oxford Economics

SAUDI GDP PROVES MORE RESILIENT



Source: Oxford Economics

2026 GDP

OIL: -2.6%

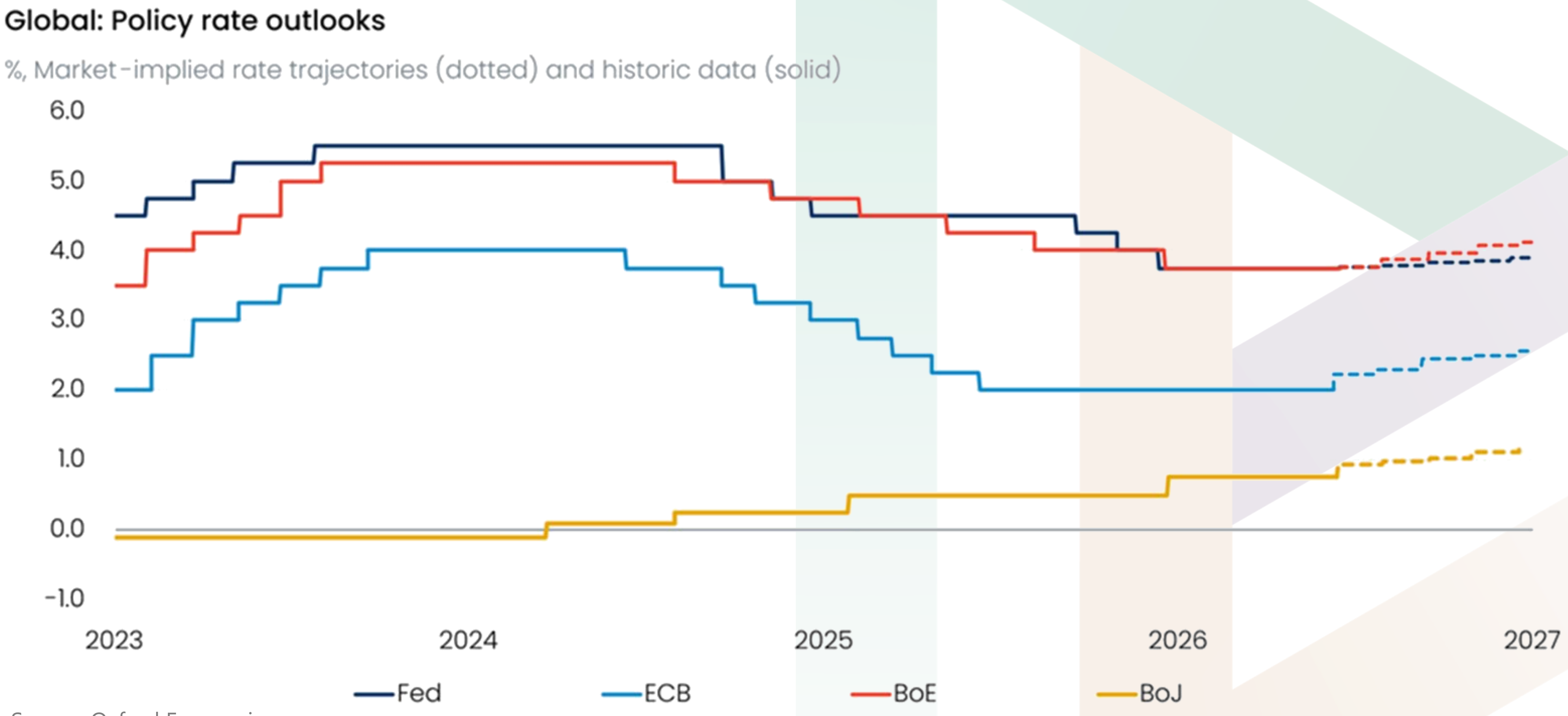
NON-OIL: 3.5%

2027 GDP

OIL: 11.6%

NON-OIL: 6.2%

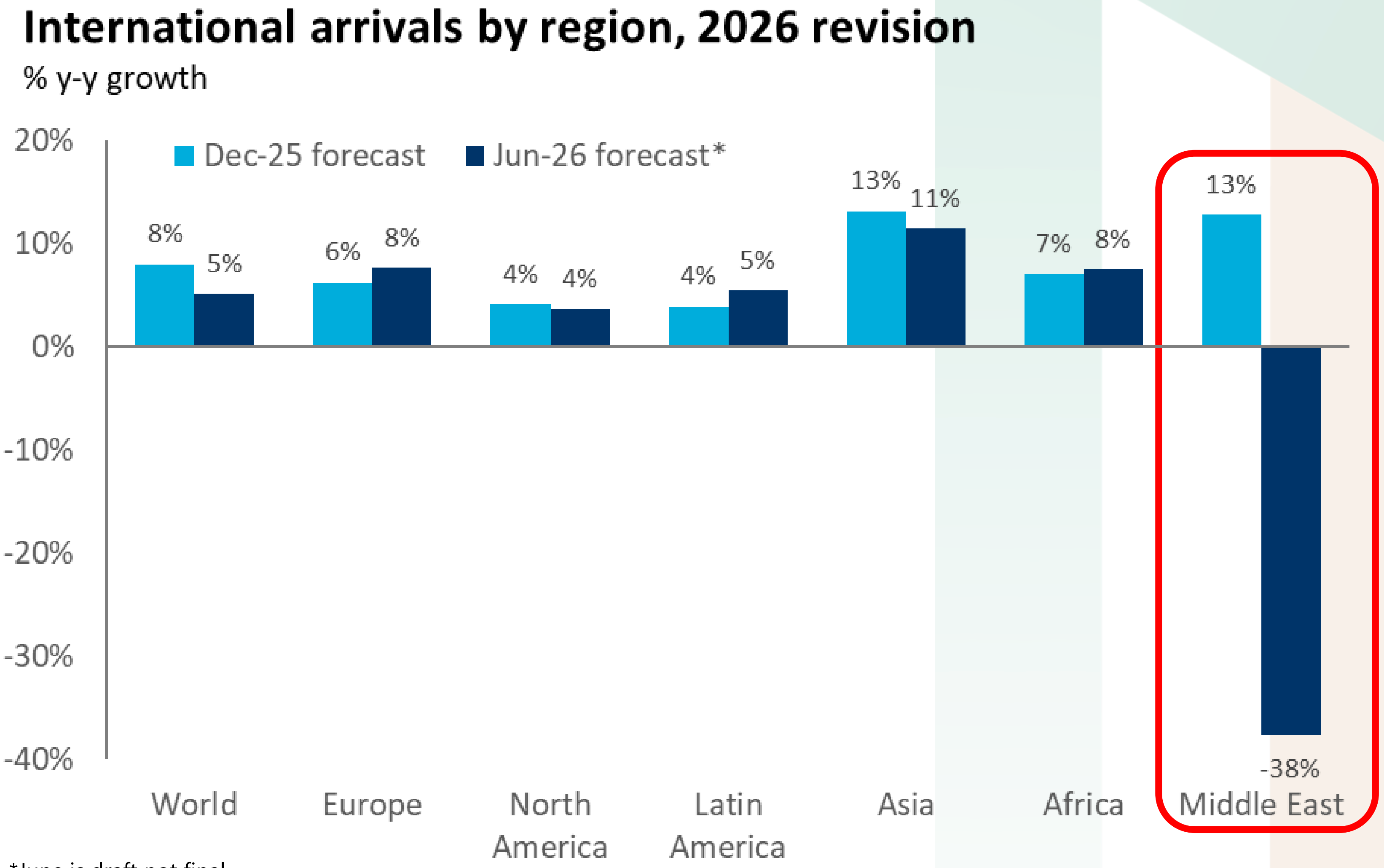
INTEREST RATE HIKES EXPECTED ACROSS MAJOR ECONOMIES



Source: Oxford Economics

TRAVEL REMAINS A PRIORITY DESPITE A CHALLENGING BACKDROP

GLOBAL TRAVEL OUTLOOK REVISED DOWN — LATEST 2026 DRAFT

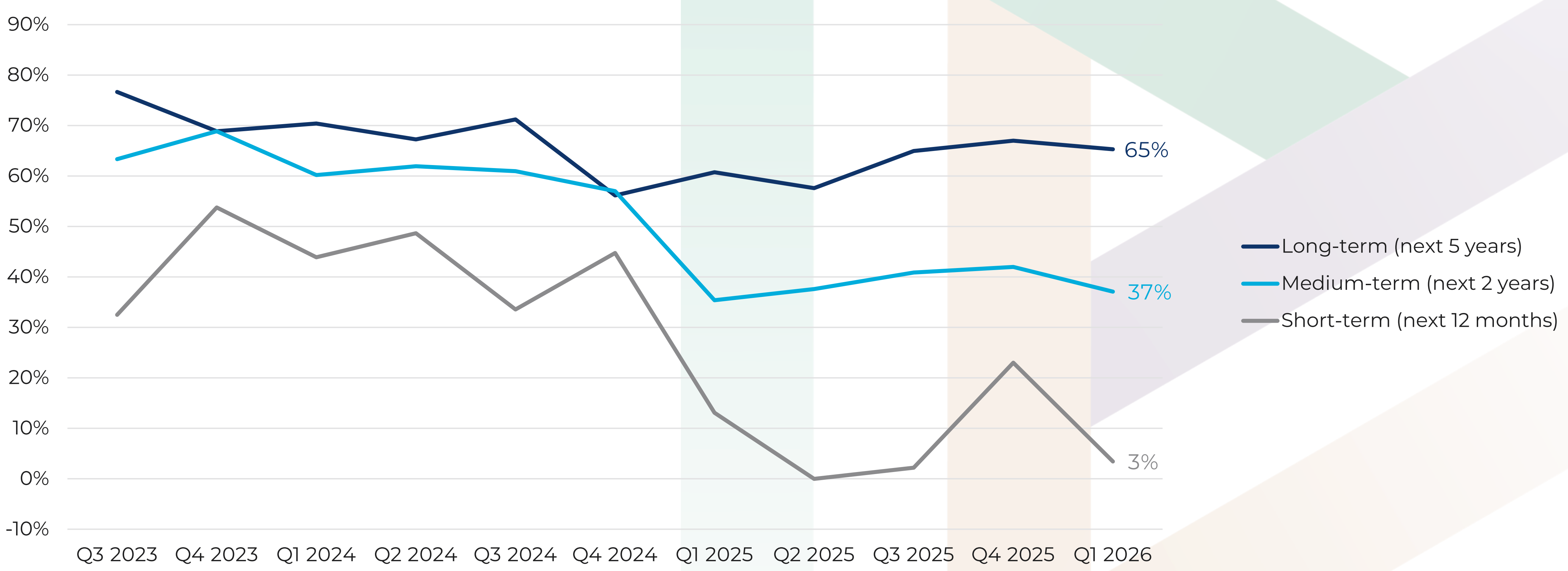


*June is draft not final

Source: Tourism Economics

BUSINESS CONFIDENCE IN SHORT-TERM TOURISM GROWTH HAS DROPPED

Confidence in Tourism Growth (Net Result*, Over Time)



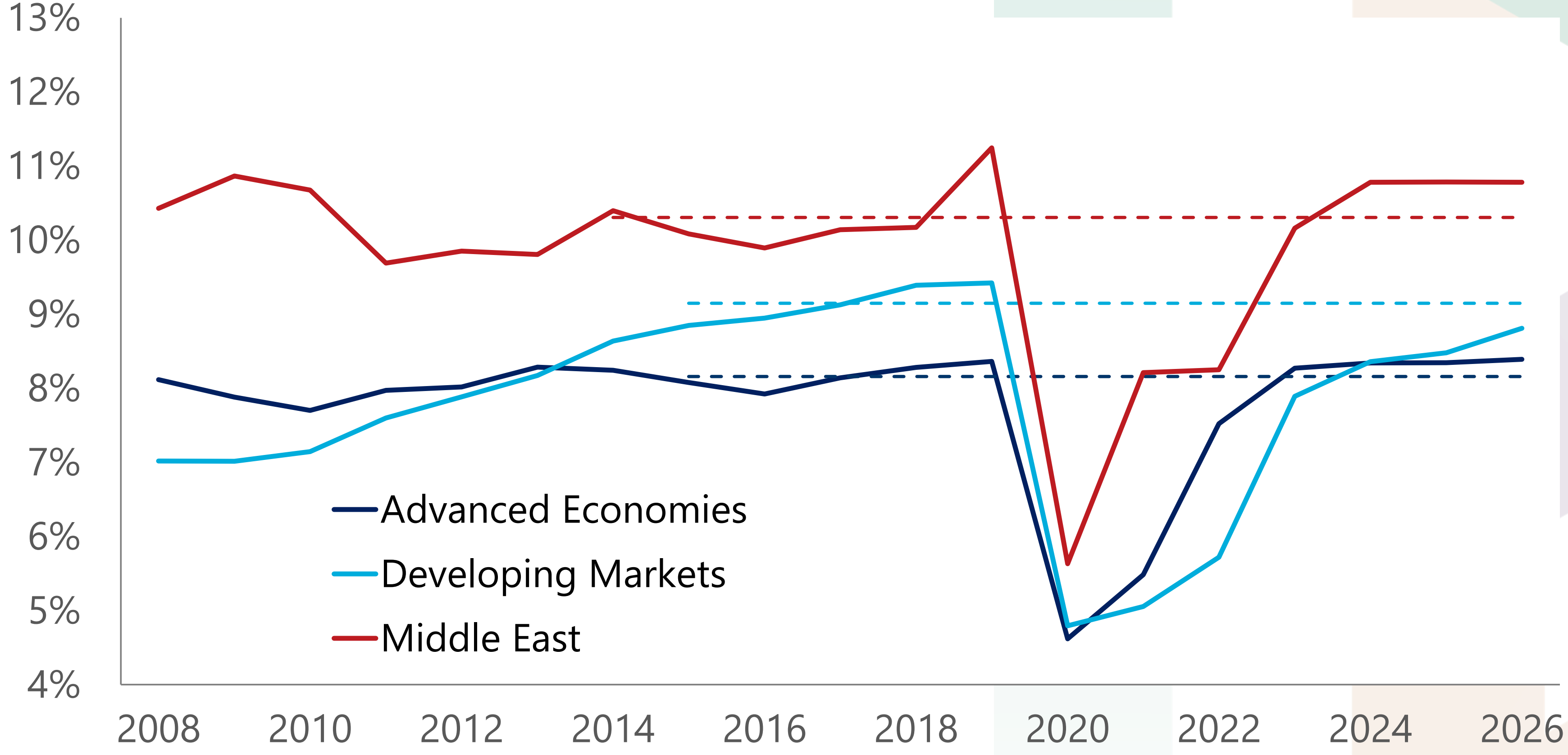
Source: Oxford Economics

Q: How confident are you that your country will achieve overall tourism growth in the following periods?
Base: All, Q3 2023, n=119; Q4 2023, n=106; Q1 2024, n=98; Q2 2024, n=113; Q3 2024, n=146; Q4 2024, n=114; Q1 2025, n=130; Q2 2025, n=125; Q3 2025, n=125; Q4 2025, n=100; Q1 2026, n=191
*Net Result is the percentage difference/variance between 'High' and 'Low' results

HOWEVER TOURISM STILL PRIORITISED

Leisure travel spend share of consumption

% share (dashed lines are 2014-19 average)

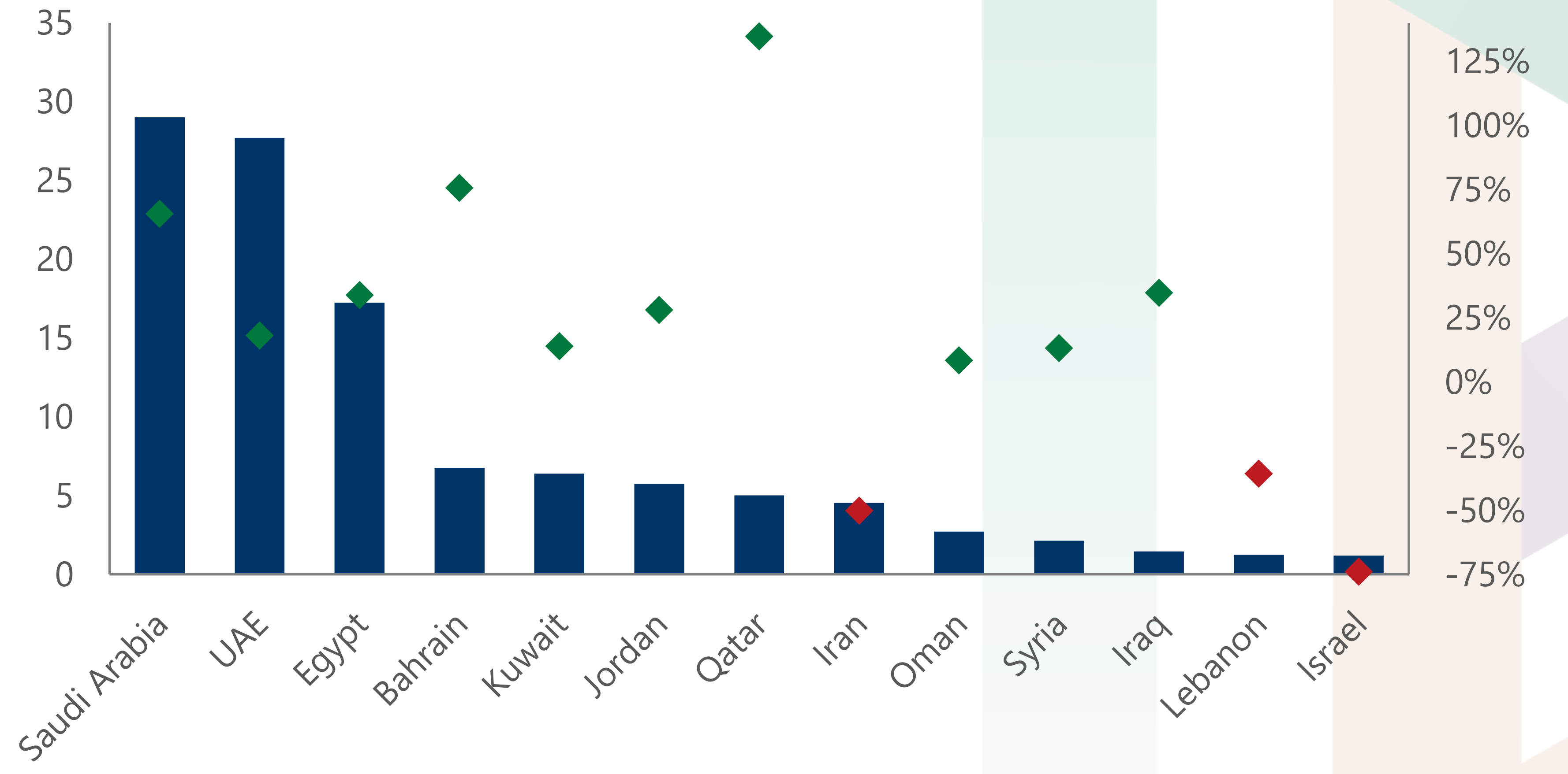


Source: Oxford Economics

SAUDI ARABIA TRAVEL TRENDS AND RECOVERY DRIVERS

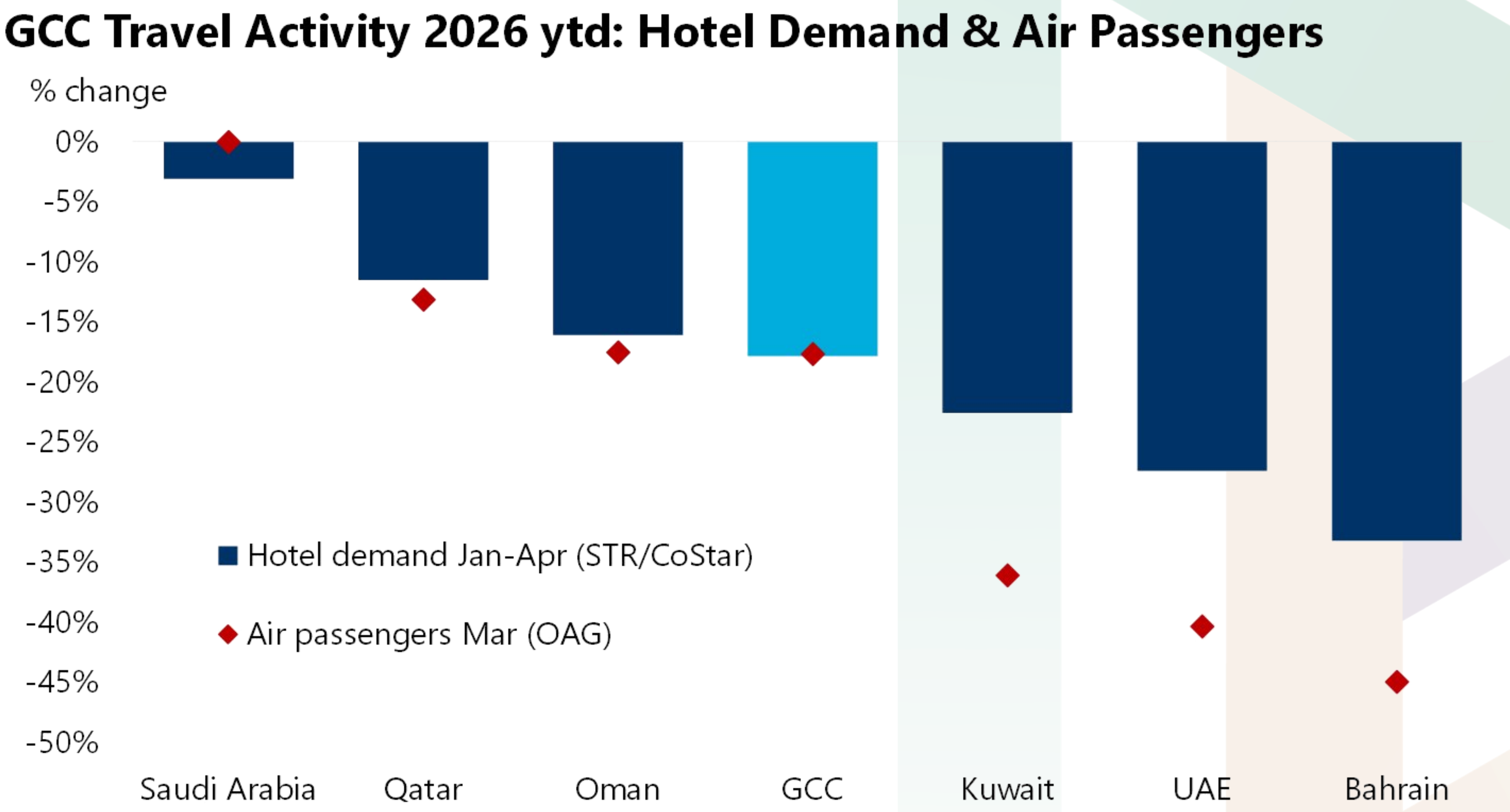
TRAVEL WAS BOOMING BUT NOW AT RISK

Middle East destination arrivals and growth, 2025



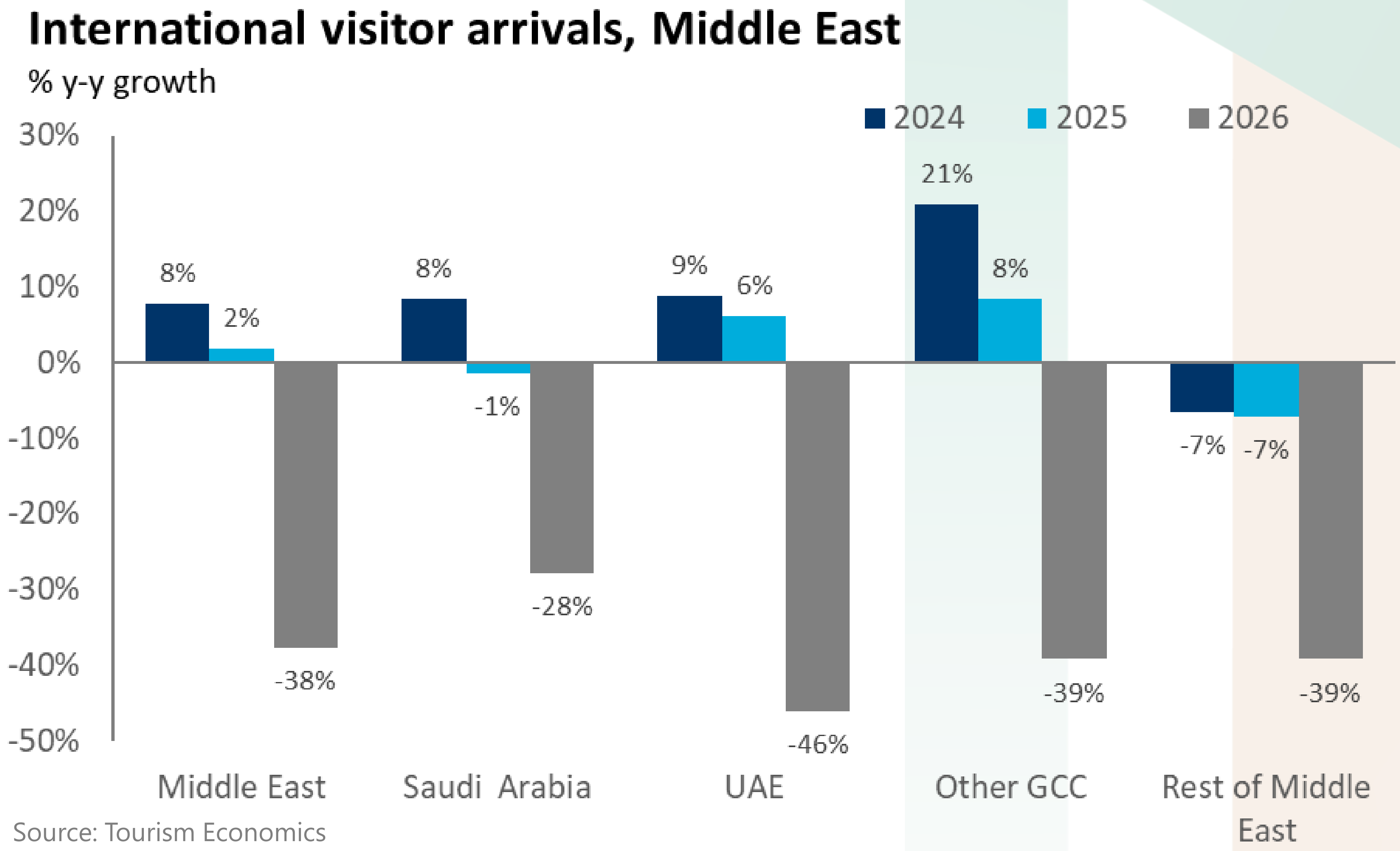
Source: Tourism Economics

REGIONAL TRAVEL HAS FALLEN SHARPLY IN 2026



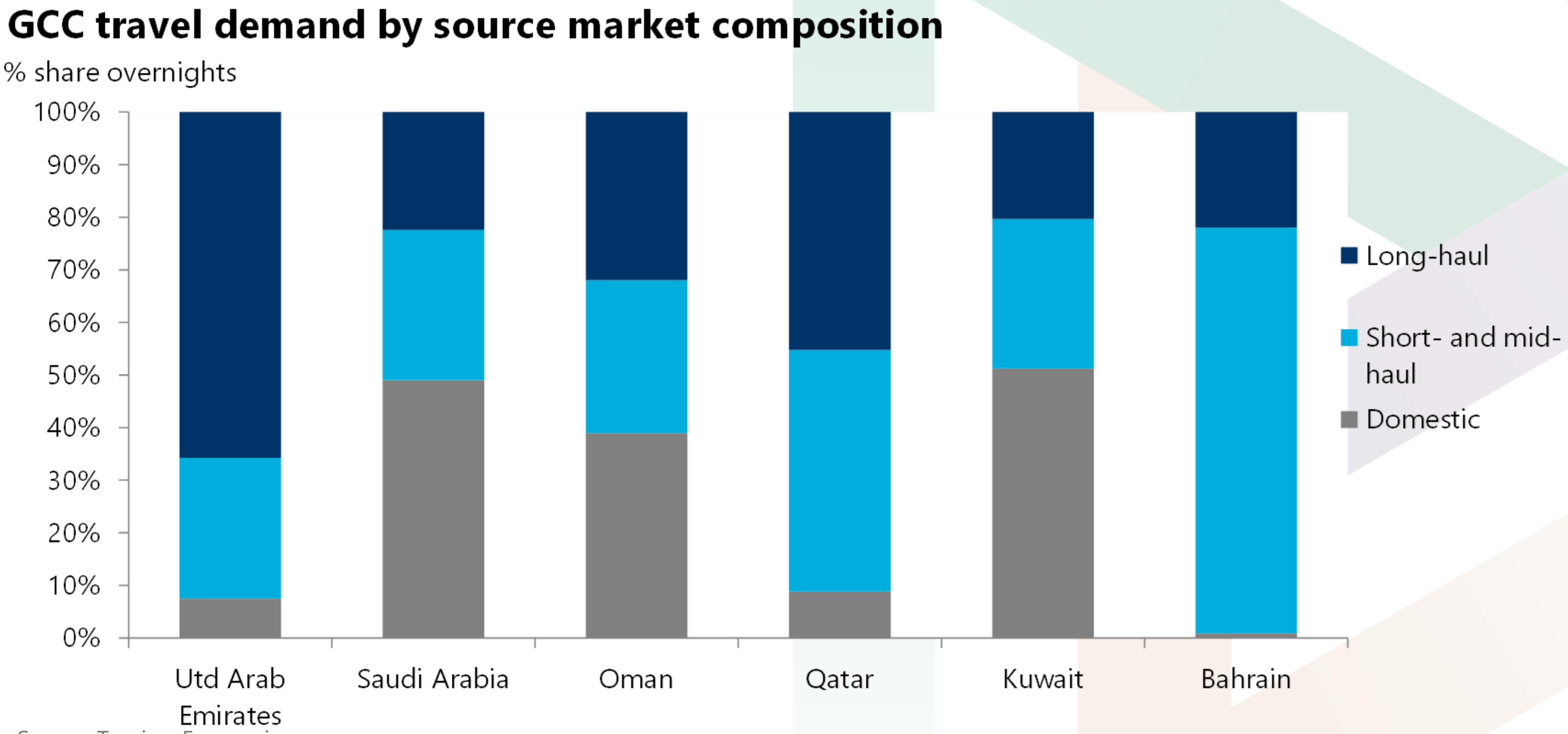
Source: STR/CoStar, OAG

SAUDI ARABIA BETTER POSITIONED THAN OTHER REGIONAL MARKETS



Source: Tourism Economics

DESTINATION PERFORMANCE IS AFFECTED BY MARKET EXPOSURE

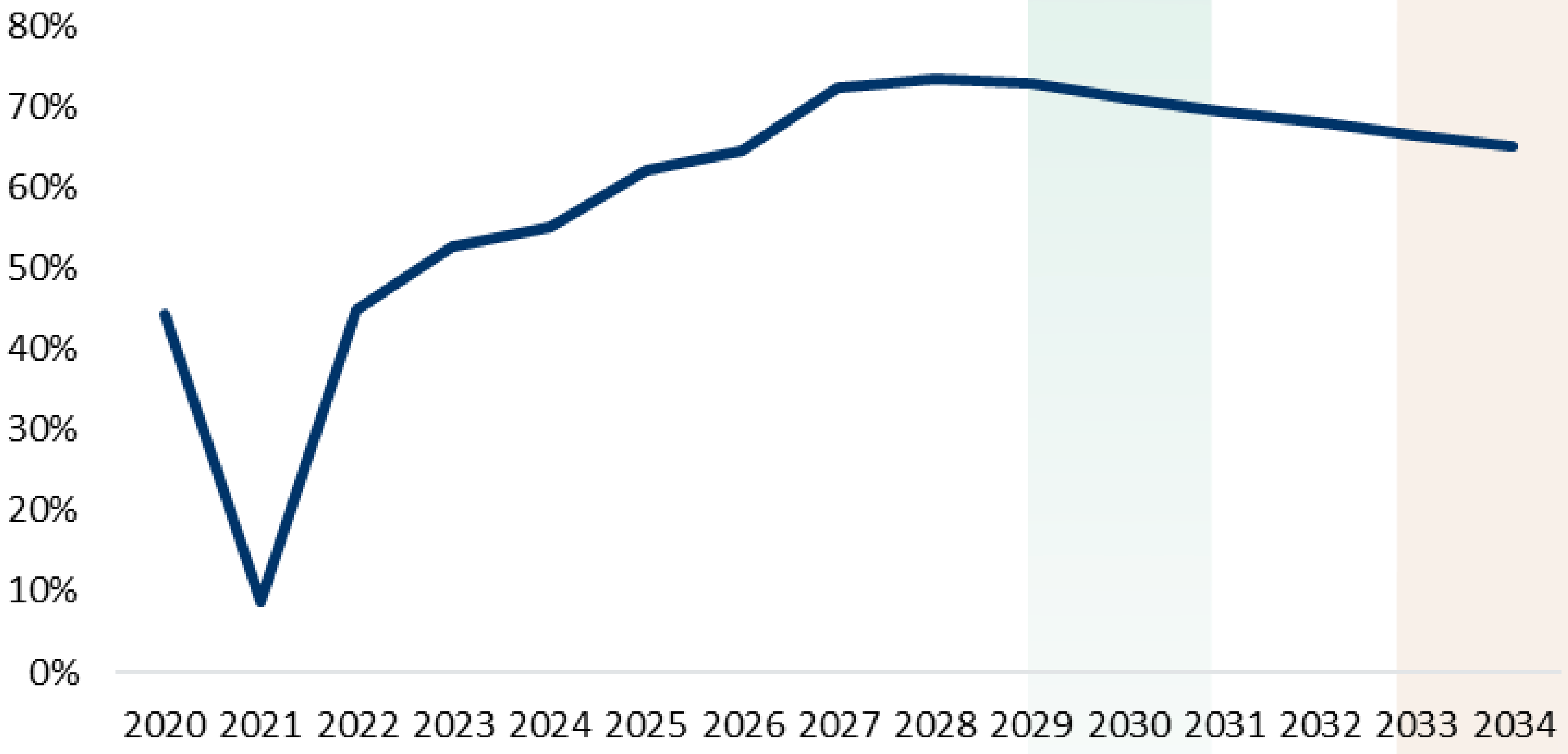


Source: Tourism Economics

RELIGIOUS TRAVEL IMPORTANT FOR RECOVERY

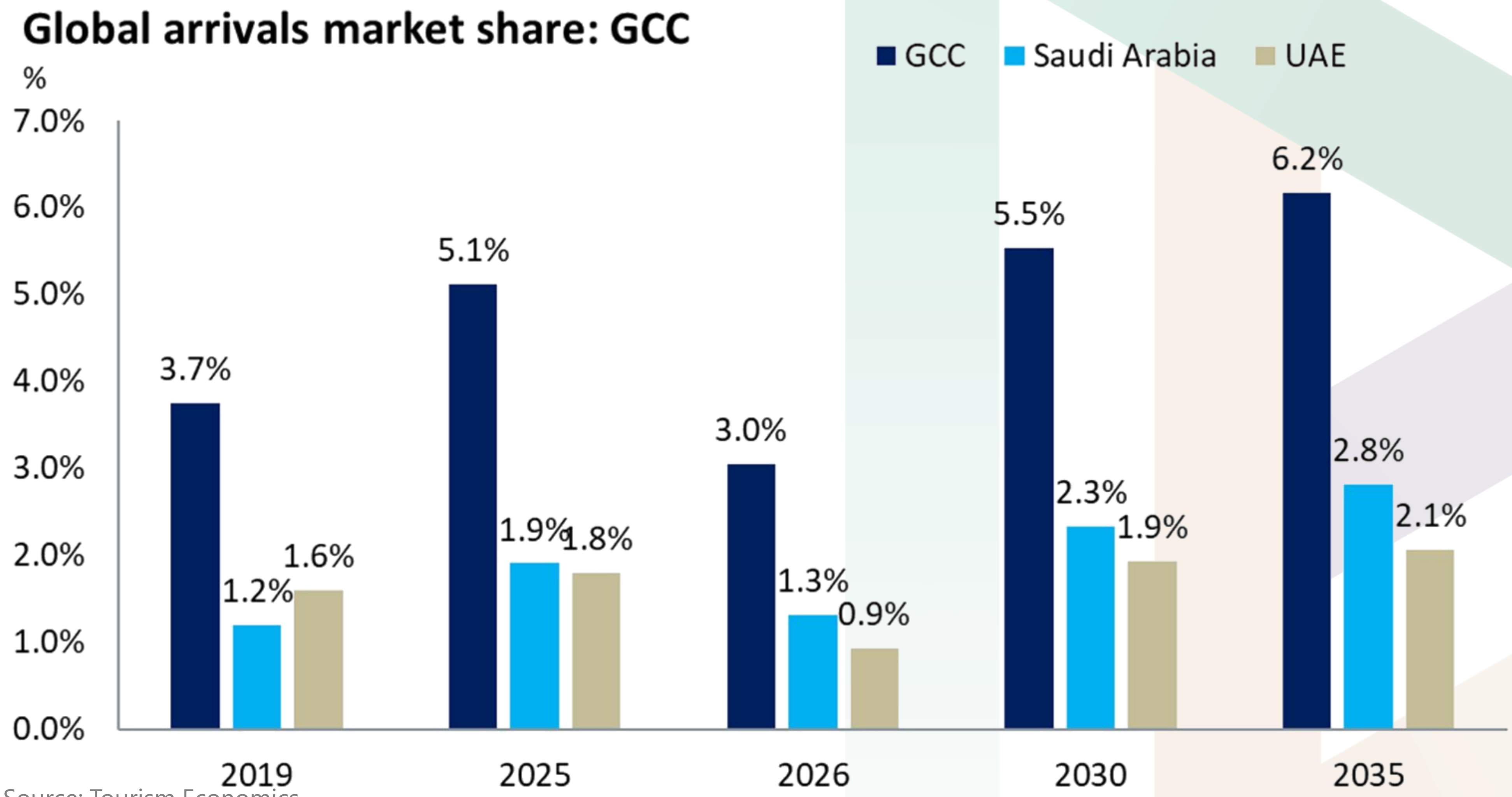
Makkah share of overall KSA inbound arrivals

% share of total



Source: Tourism Economics

SAUDI TO BE A KEY DRIVER OF GLOBAL MARKET SHARE

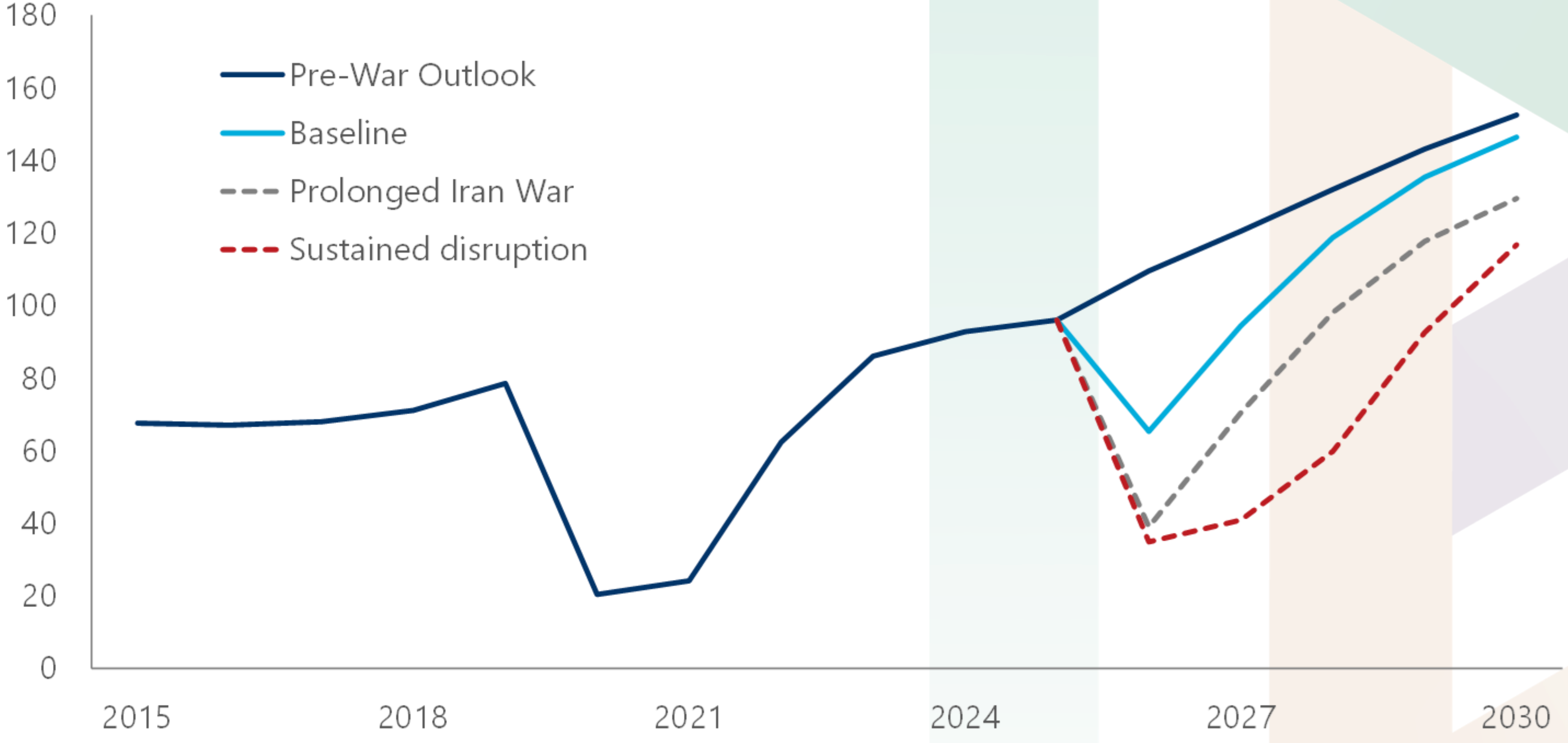


Source: Tourism Economics

DURATION OF UNCERTAINTY WILL DETERMINE RECOVERY

Middle East arrivals outlook: alternative recovery paths

Millions arrivals, draft scenarios



Source: Tourism Economics

Thank you