



An Overview of the Aviation Sector in the Kingdom

Technologies

Transport

Aviation

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Aviation Sector Overview

The aviation sector in the Kingdom of Saudi Arabia is undergoing rapid transformation, emerging as a key pillar in the Kingdom's Vision 2030 that aims to position Saudi Arabia as a leading global hub for air transport. Strategically vital to the national economy, the aviation sector plays a crucial role in driving tourism, expanding trade, and promoting connections with global markets. Through airport infrastructure development, fleet expansion, and the enhancement of both domestic and international routes, the sector is committed to achieving sustainable growth. With a clear focus on future aspirations, the Kingdom is dedicated to advancing its aviation industry to meet global standards.

Key Statistics of the Saudi Aviation Sector

- ▶ Saudi Arabia has more than **28** airports across the country, including **5** international airports.
- ▶ In 2023, the number of passengers traveling through Saudi airports reached over **112** million.
- ▶ As part of Vision 2030, the Kingdom is targeting a significant increase in air traffic, aiming to reach **330** million passengers annually by 2030.
- ▶ Saudi airports are expected to operate more than **815** thousand flights annually.
- ▶ The Kingdom aims to increase air cargo capacity to **4.5** million tons annually by 2030.
- ▶ The aviation sector is responsible for creating over **500,000** direct and indirect jobs within the Kingdom.
- ▶ Saudia, Flynas, and Flyadeal are the primary national airlines.
- ▶ The sector is poised to contribute more than **SAR75** billion to the national economy by 2030.



National Transport and Logistics Strategy (NTLS) in the Air Transport Sector

As part of Saudi Vision 2030, the Air Transport Strategy is a cornerstone of the Kingdom's efforts to become a global leader in aviation and logistics. The Strategy includes:



\$100 billion in aviation infrastructure investments by 2030.



Enhancing airport capacity and improving competition by opening the skies to new airline companies and facilitating investments.



Growth of the Maintenance, Repair, and Overhaul (MRO) sector to increase local aircraft maintenance capabilities and position the Kingdom as a regional hub in this field.



Gradual privatization of airports, engagement of private sector operators, and improving the quality of logistics and transportation services.

Targets of the National Transport and Logistics Strategy (NTLS) in the Air Transport Sector

- 01** Increase local and international air routes to serve more than 250 destinations.
- 02** Empower and train Saudi employees to become leaders in the aviation sector.
- 03** Increase airport capacity to accommodate 30 million pilgrims annually.
- 04** Enhance the competitiveness of national operators. Attract more international airlines to utilize the Kingdom's airports.



Roles of the Aviation Ecosystem Entities



Ministry of Transport and Logistics Services

The legislative body responsible for the daily planning and delivery of land, sea, and air transport services within the Kingdom. With a strategic focus on connecting the Kingdom to global markets, the Ministry plays a crucial role in transforming Saudi Arabia into an international logistics hub.



GACA

The regulatory body for the civil aviation sector in Saudi Arabia. It is responsible for overseeing airport operations, ensuring aviation safety and security, and issuing licenses for aviation-related activities. GACA supervises the delivery of key aviation infrastructure projects.



National Airlines

Saudi Airlines : As the national carrier of the Kingdom of Saudi Arabia, Saudi Airlines stands as one of the most established and distinguished airlines in the region. With a comprehensive network, it operates both domestic and international flights, connecting over 90 destinations worldwide. **Flynas and Flyadeal** : Two budget airlines that offer affordable and competitive flight options for both domestic and international passengers.



Saudi Civil Aviation Academy

An educational and training institution dedicated to developing national talent in aviation and air safety through globally accredited training programs.



Air Cargo

Companies like Saudi Cargo play a key role in expanding air freight operations. The sector aims to increase annual air cargo capacity to 4.5 million tons by 2030.



Air Connectivity Program (ACP)

Launched in 2021, ACP facilitates market entry and expands opportunities for air travel partners through developing existing air routes and introducing new routes.



Saudi Ground Services Co. – SGS

SGC was established to deliver high-quality ground services to passengers, adhering to the highest standards of quality, efficiency, and professionalism.



Catrion Catering Holding Company

Previously known as Saudi Airlines Catering Company, Catrion Catering Holding Company is the region's leading hospitality and catering services provider, boasting over 40 years of experience in aircraft catering and integrated hospitality solutions.



Role of the aviation sector in supporting the Saudi economy and promoting tourism and travel



1. Aviation Sector GDP Contribution

The Saudi aviation has a total direct GDP contribution of about **\$53 billion**, including **\$20.8 billion** generated through aviation-related activities, e.g. airport operations, airlines, and air cargo services. In addition, the sector contributes another **\$32.2 billion** from tourism facilitated by air transport, showcasing the significant role aviation plays in boosting the national economy. These contributions align with the goals of Vision 2030, which seeks to diversify the economy, reduce reliance on oil revenues, and develop robust aviation infrastructure.



2. Job Creation from the Aviation Sector:

The aviation sector is one of the largest job creators in Saudi Arabia, directly supporting over **241,000** jobs related to aviation activities, such as airport operations and maintenance services. Moreover, it generates an additional **717,000** indirect jobs through tourism and air transport. As the Kingdom invests in expanding its aviation infrastructure, such as the King Salman International Airport project, job creation is expected to grow significantly, along with increased connectivity to more international destinations and enhanced logistics capabilities.



3. Increase in Airport Capacity:

Saudi airports have undergone significant capacity improvements. Key expansions include major airports like Prince Mohammed bin Abdulaziz Airport and King Khalid International Airport, both of which are being upgraded to accommodate a larger number of passengers. The Kingdom's ambitious goal is to increase airport capacity to **330 million** passengers by 2030. Furthermore, there has been a 41% increase in the number of international destinations served, which now totals 149 destinations, compared to 2019 levels.



4. Growth in the Number of Flights

The Kingdom has experienced a significant increase in flight activity, with the number of flights rising by **12%** in the first half of 2024, reaching a total of **446,000** flights, compared to **399,000** flights during the same period in 2023. NTLS seeks to further increase flight operations as part of its ambitious goals to enhance the aviation sector's global competitiveness.



5. Passenger Growth

Passenger traffic in the Kingdom recorded impressive growth, increasing by **17%** in the first half of 2024. Approximately **62 million** passengers traveled through Saudi airports during this period, compared to **53 million passengers in the same timeframe last year**. This notable increase highlights the sector's ongoing recovery from the Covid-19 pandemic implications. In 2023, the number of passengers surpassed 101 million, marking a historic milestone as the highest annual passenger traffic in the history of aviation in the Kingdom.



6 . Airline Growth:

Airlines in the Kingdom have continued to achieve remarkable growth. The national carrier Saudia transported over **16.3** million guests in the first half of 2024, representing a **19%** increase compared to the same period in 2023. Flynas also recorded impressive growth, with a 47% increase in passenger numbers, surpassing 7 million passengers during the first half of 2024. NTLS focuses on enhancing airline performance and supporting their capacity to meet the rising demand for air travel.



Economic Policy for the Aviation Sector in the Kingdom

The economic policy of the aviation sector in Saudi Arabia aims to achieve key objectives aligned with the Kingdom's Vision 2030, including attracting investments, enhancing competitiveness, and increasing transparency in business operations. On October 30, 2023, GACA announced a new framework aimed at transforming the aviation economic system, which is considered the most significant since the implementation of Vision 2030.

01 Promoting Competitiveness:

The new reforms include setting competitive standards for airports and streamlining the economic operations of air carriers, which will contribute to opening markets and attracting investments. These policies are expected to enhance the performance of the sector and contribute to achieving the goals of the National Aviation Strategy, which aims to raise **\$100 billion** in investments by 2030.

02 Enhancing Passenger Rights:

The policy also strengthens passenger rights with the introduction of new guidelines set to take effect in November 2023. These guidelines are designed to offer comprehensive support in the event of flight delays or cancellations, while also ensuring that passengers with special needs receive tailored assistance and protections.

The implementation of these policies is anticipated to significantly enhance the passenger experience while also boosting revenues, ultimately fostering growth within the Saudi economy. Additionally, these efforts will strengthen the Kingdom's position as a global aviation hub, leading to extensive economic and social advantages.

03 Expanding the Scope of Aviation Services

The policy also includes improving the quality of services provided at airports by linking quality targets to a new incentive system. Ground handling and air cargo services will also be opened to competition, which will boost market flexibility and stimulate innovation.



Technology and Innovation in the Aviation Sector

The aviation sector is undergoing a revolution driven by **technology and innovation**, which is significantly enhancing efficiency, safety, and sustainability. Below are some of the most prominent trends and technological developments reshaping the future of the aviation industry:

1 Sustainable Aviation Fuel (SAF)

SAF has emerged as a promising solution to reduce the carbon footprint of the aviation industry. SAF is derived from sustainable sources such as municipal waste and used oils, with the potential to reduce emissions by up to 80% compared to traditional fuels. With increased commitments from airports and airlines to adopt SAF, its widespread use is anticipated to grow significantly by 2024.

2 Electric and Hybrid Aircraft

The development of electric and hybrid aircraft is another key innovation aimed at reducing carbon emissions. Companies like Eviation are advancing fully electric aircraft, while industry giants such as Boeing and Airbus are investing in hybrid regional aircraft. These advancements are expected to reshape the air fleet in the near future.

3 AI and IoT

AI is transforming aviation by enhancing flight safety and maintenance operations. AI technologies, such as chatbots, provide personalized assistance to passengers. IoT is also playing a critical role, particularly in baggage tracking and automated assistance systems.

4 Space-based Air Traffic Control

The Kingdom is exploring space-based air traffic control systems, which have the potential to revolutionize flight safety and efficiency. Space-based air traffic control systems will enable real-time monitoring of aircraft movements, significantly reducing aviation accidents and improving flight safety.

5 In-Flight Communication and Entertainment Innovations

In-flight communications and entertainment services are also poised for significant improvements. The introduction of new satellites will allow passengers to enjoy faster, more affordable internet access, enhancing the overall travel experience.



Saudi General Aviation Airshow

Organized by the Saudi Aviation Club, the Saudi General Aviation Exhibition “Sand and Fun” will be held in Riyadh at Al Thumama Airport **from November 19 to 23, 2024**. It is one of the most prominent general aviation exhibitions in the Middle East and represents the largest aviation gathering in the region. The exhibition will feature more than 100 exhibitors and over 15 air demonstration teams, with an expected attendance of more than 100,000 visitors.

His Royal Highness Prince Sultan bin Salman bin Abdulaziz, Founder and Chairman of the Board of the Saudi Aviation Club, emphasized that the Saudi General Aviation Exhibition will be more than just an ordinary aviation show. He noted that the exhibition will showcase the best innovations in the aviation sector and serve as an inspiration for the future generation. He also expressed his gratitude to the wise leadership for its continuous support of the aviation sector and youth in all fields.



نادي الطيران السعودي
Saudi Aviation Club



+100

Exhibitors

+15

Airshow Team

+100,000

Visitors



Kingdom's Key Efforts in the Aviation Sector



Strategic Investment:

The development of King Salman International Airport in Riyadh is one of Saudi Arabia's flagship projects aimed at transforming the Kingdom into a leading global aviation hub.



Launch of New Airlines:

The Kingdom has launched Riyadh Air, a new national carrier designed to promote both tourism and business travel within the Kingdom. Complementing this initiative, the establishment of Avilez Aircraft Leasing Company further strengthens the Kingdom's presence in the international aviation market.



Enhancing Maintenance and Repair Services:

To improve aviation services, the Kingdom is enhancing its maintenance and repair capabilities through companies like Saudi Technic, which specializes in providing comprehensive maintenance, repair, and overhaul services for aircraft, thus increasing competitiveness in this sector.



Launching the National Aviation Strategy:

This Strategy has been launched with ambitious targets, including the goal of transporting 330 million passengers annually by 2030, expanding flight destinations to 250 across 29 airports, and raising air cargo capacity to 4.5 million tons each year.





Infrastructure Development:

Efforts are actively underway to expand key airports, including King Abdulaziz International Airport in Jeddah and King Khalid International Airport in Riyadh, with the aim of transforming them into major global connectivity hubs. Significant investments are being made in NEOM Bay Airport to support the future needs of the Smart City.



Digital Transformation and Sustainability:

The Kingdom seeks to achieve a comprehensive digital transformation in airport operations and enhance digital experiences for passengers. It also focuses on sustainability by improving energy efficiency and reducing carbon emissions.



Air Cargo Sector Development:

The Kingdom is actively improving its air cargo capabilities in alignment with NTLS. This initiative aims to boost its position in the Global Logistics Performance Index and enhance overall competitiveness in the logistics sector.



Environmental Sustainability in the Saudi Aviation Sector

The Kingdom places significant emphasis on sustainability within its aviation strategy, demonstrating a strong commitment to the transition toward a more sustainable environment. The Kingdom is implementing initiatives aimed at reducing the carbon footprint of aviation through the use of sustainable fuel and the development of green technology.

SAF

Saudi Arabia is committed to increasing the use of Sustainable Aviation Fuel (SAF) as part of its broader environmental strategy. The market for sustainable fuels in Saudi Arabia is projected to grow significantly, driven by innovative solutions that leverage renewable energy sources such as solar and wind power. The transition from fossil fuels to sustainable fuels marks a significant advancement in the effort to reduce carbon emissions.

Government Initiatives

To facilitate the transition to a more sustainable aviation industry, several government initiatives have been launched. These initiatives aim to improve airport infrastructure for greater efficiency and integrate clean technologies into aviation operations. Additionally, significant investments have been announced in research and development to accelerate the innovation of sustainable technologies.

International Partnerships

The Kingdom cooperates with international organizations such as the International Civil Aviation Organization (ICAO) to adopt global best practices in environmental sustainability within the aviation sector. These partnerships facilitate the exchange of valuable knowledge and expertise, enhancing the Kingdom's local capabilities in addressing environmental challenges.

These strategic efforts, combined with the Kingdom's commitment to Vision 2030, contribute significantly to shaping a sustainable and innovative future for the aviation sector.



Future of the Saudi Aviation Sector

The Kingdom of Saudi Arabia is proactively advancing toward the ambitious objectives outlined in Vision 2030, with a particular focus on the enhancement of its aviation sector. The main goal is to increase the capacity of airports from **100** million passengers annually to **300** million by 2030. This strategy is part of a larger plan to transform the Kingdom into a global hub facilitating the seamless connection of Asia, Europe, and Africa.

→ The Kingdom plans to invest approximately **\$100 billion** in developing aviation sector infrastructure. This includes building new airports and upgrading existing ones. These investments aim to increase the number of domestic and international flights, contributing to the enhancement of tourism and economic growth.

→ Tourism is a crucial element of the Kingdom's broader strategy to achieve its economic goals. The Kingdom aims to have tourism contribute more than **10%** of GDP by 2030. To accomplish this, the focus will be on enhancing the travel experience and providing an attractive environment for tourists from around the world.

→ The Kingdom is taking a proactive approach by emphasizing innovation and sustainability within the aviation sector. This includes developing modern technologies and improving services for passengers. These initiatives are essential to meeting long-term objectives and reinforcing the Kingdom's position as a global aviation hub.



References



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The image features a large, oval-shaped airplane window in the center, looking out onto a bright blue sky with scattered white clouds. The wing of the airplane is visible in the lower right corner of the window. The background of the entire image is a dark blue gradient with a fine, dotted pattern. The ITMAM Consultancy logo is centered over the window. The logo consists of a square icon divided into four quadrants by two diagonal lines, with the top-left and bottom-right quadrants being white and the top-right and bottom-left quadrants being dark blue. To the right of this icon, the word "ITMAM" is written in a bold, white, sans-serif font, and the word "Consultancy" is written below it in a smaller, white, sans-serif font.

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