

JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)

GENERAL ORGANIZATION FOR TECHNICAL EDUCATION
AND VOCATIONAL TRAINING (GOTEVT)

**THE STUDY ON
IMPROVING EFFICIENCY AND EFFECTIVENESS
OF TECHNICAL EDUCATION AND VOCATIONAL TRAINING
IN THE KINGDOM OF SAUDI ARABIA**

FINAL REPORT

March 2002

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AL-SAF MANAGEMENT AND ECONOMIC CONSULTANTS

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Preface

In response to the Saudi Government's request, the Japanese Government decided to conduct a Study on Improving the Efficiency and Effectiveness of Technical Education & Vocational Training in the Kingdom, and entrusted it to the Japan International Cooperation Agency (JICA).

JICA Saudi Arabia Office therefore together with JICA Advisor Mr. Muneharu IWAMOTO, held discussions on the scope of the Study, with the General Organization for Technical Education and Vocational Training (GOTEVT), and accordingly agreed on the implementation arrangement for the Study in 2nd November 2001 and started implementation in 7th January 2002.

Under the supervision of Mr. IWAMOTO, JICA entrusted implementing the study to Al Saif Management and Economic Consultant, a Saudi Consultant in association with the International Center for Leadership in Education (ICLE), an American Consultant, as a supporting member of the Study.

JICA and GOTEVT held series of discussions with the consultants team members on the Study. The joint study team carried out several field surveys on educational training facilities of GOTEVT, then held an intensive workshop on the Study where they reviewed what have been observed and gave accordingly their recommendation on improving the efficiency and effectiveness of technical education and vocational training in the Kingdom.

Now, it is my pleasure to submit the final report to GOTEVT, hoping that it will contribute to realizing the target of the Study from one side, and to strengthen the technical cooperation activities between JICA and GOTEVT, which consequently enhance the Japanese-Saudi friendly relations.

Finally, I would like to express on behalf of JICA my deep thanks and appreciation to the officials of GOTEVT and other organizations for all their supports extended to the Study to make it successful and effective.

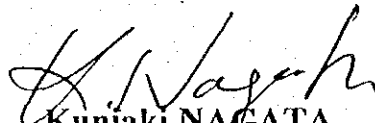

Kuniaki NAGATA
Resident Representative
JICA Saudi Arabia Office

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Introduction to the Study

The General Organization for Technical Education and Vocational Training (GOTEVT) was established in 1980 in the Kingdom of Saudi Arabia as an independent institution, in terms of financial and administration policies. There were 77 institutions run by GOTEVT, with 70,428 students, which comprise colleges of technology, secondary technical institutes as well as vocational training centers, in the year 2001.

The relationship between the Kingdom of Saudi Arabia and Japan goes back to decades. The cooperation in the different fields has fruited and benefited both parties. This cooperation was enhanced by signing the economic and technical cooperation agreement in 1975.

Japan International Cooperation Agency (JICA) represents the official Japanese body to implement the technical cooperation schemes resulting from the said agreement.

GOTEVT & JICA are now cooperating to conduct a study under the title of "Improving the Efficiency & Effectiveness of Technical Education & Vocational Training in the Kingdom of Saudi Arabia"

JICA contracted Al-Saif Management & Economic Consultants Office, a Saudi Arabian Consultants Office, to conduct the above mentioned study, in association with the International Center for Leadership in Education (ICLE), an American Consultant.

1. Background of the Study

Technical Education and Vocational Training plays a major role in the development of the various sectors in Saudi Arabia. GOTEVT assumes major responsibilities in Technical Education and Vocational

Training in Saudi Arabia, and it exerts major efforts in order to provide the Saudi labor market with manpower properly prepared in technical education and vocational training. This study is intended to pinpoint areas that will improve the efficiency and effectiveness of technical education and vocational training in the various sectors (industry, business, agriculture and construction) that is covering all levels of education and training undertaken by GOTEVT.

2. Objectives of the Study

The objectives of the study is to recommend innovative measures, in terms of quality, for efficient and effective technical education and vocational training in the field of industry, commerce, agriculture and construction, taking into consideration the future industrial structure of the Kingdom and the need for a big number of qualified engineers and technicians for the various industrial sectors.

3. Expected Output of the Study

- 3.1 The prospective number of engineers and technicians are clarified according to the types of industry (including commerce and agriculture) and technical field.
- 3.2 Long/medium-term improvement measures for the development of schools (colleges, institutes and vocational training centers) and departments are proposed.
- 3.3 Qualitative improvement measures of the curriculum and the education and training methods are proposed.

4. Scope of the Study

- 4.1 Survey the General Economic Situation in Saudi Arabia.

4.2 Survey the Current Situation of Industrial and Employment Structure

- Survey of current industrial situation.
- Survey of current employment situation:
 - ◊ Manpower growth rates and patterns.
 - ◊ Population growth rates and patterns.

4.3 Forecast of Saudi Manpower Needs in the Next (20) Years for the Following Sectors:

- Industrial
- Commercial
- Agricultural
- Construction

4.4 Survey the Current Situation of Technical Education and Vocational Training.

4.5 Make Recommendations and Conclusion to Improve the Technical Education and Vocational Training System.

5. Steps for Conducting the Study

5.1 Step One: Forming the Study Research Team

After signing the contract with JICA, Al Saif Management & Economic Consultants formed a main committee for the research, and identified the various activities to be undertaken in order to achieve the set objectives of the study. According to this, it was apparent that many aspects have to be taken care of by certain experts, having in mind the limited time of the study. Therefore, the following experts were called upon to participate in the study:

- Dr. Abdul Wahab Al-Mansoori - for Construction Education

- Dr. Mohamed Al-Doghaishem – for Business Education
- Dr. Ahmed Al-Sowyan – for Industrial Education
- Dr. Khalid Al-Shalash – for Agricultural Education
- Dr. Mohamed Abdulla – for Manpower
- Headed by Professor Khalid Abdulrahman Al-Saif

5.2 Step Two: Meetings

A meeting was held with His Excellency Dr. Ali Al Ghafis, Governor of GOTEVT, His Excellency Dr. Saleh Al Amr; Vice Governor of GOTEVT, His Excellency Dr. Omar Basoudan; Head of the Research Department at GOTEVT, Mr. Muneharu Iwamoto; JICA Advisor to GOTEVT and the research team; Prof. Khalid Abdulrahman Al Saif, Dr. Ahmed Al-Eisa, Dr. Abdulwahab Al-Mansoori, Dr. Ahmed Al-Sowyan and Dr. Mohamed Al-Doghaishem.

The purpose of this meeting was to get GOTEVT point of view and to seek the needed cooperation from GOTEVT regarding this study.

As a result, His Excellency Dr. Ali Al Ghafis gave his advise and directions to all GOTEVT authorities to extend unlimited cooperation to the team of this study.

This was materialized by the full support that was extended by His Excellency Dr. Saleh Al Amr.

The study research team is very grateful for the highly appreciated help, support and cooperation provided by GOTEVT authorities.

Another meeting was held in presence of Prof. Khalid Abdulrahman Al Saif, Dr. Ahmed Al Eisa and Mr. Muneharu Iwamoto to identify the aspects to be included in the final report.

5.3 Step Three: Field Visits

Some members of the research team visited samples of the Colleges of Technology, Secondary Industrial Institutes, Secondary Commercial Institutes, Technical Supervisors Institutes and Vocational Training Centers. Other members of the team have extensive experience in this type of education that is assigned to them for this study.

During these visits, they contacted the Deans/Directors of these institutions, reviewed the Curriculum, Textbooks and met some Trainers/Instructors and some of the trainees, in order to form recent view of the current situation of these institutions.

5.4 Step Four: Review of the Related Literatures

The team members reviewed the previous studies and related research in their prospective assigned research. This was made possible by using the following sources:

- a) GOTEVT publications
- b) The Manpower Council publications
- c) The Ministry of Planning publications
- d) Riyadh Chamber of Commerce and Industry publications
- e) King Saud University Library publications
- f) Ministry of Education publications
- g) Ministry of Labor and Social Affairs publications
- h) Ministry of Finance and National Economy publications
- i) Saudi Arabia Monetary Agency publications

5.5 Step Five: Writing the Working Papers

The study research team members were asked to write about the main issues of the current situation of technical education and vocational training in the different disciplines. Each of them after making the field visits and reviewing the related literatures, wrote about the current situation of type of Technical Education and Vocational Training pertaining to his field concerning the curriculum, textbooks writing, education media and technology, instructors & trainers selection, instructors & trainers preparation, instructors & trainers development, methods of teaching/training, students, relationship between education/training programs and regional economic activities. This write up came in a format of working papers which were presented in the workshop, using the Power Point format.

5.6 Step Six: The Workshop

A workshop was held for 12 working days, lasting for five hours per day. The participants in this workshop were:

- a) Prof. Khalid Abdulrahman Al Saif
- b) Dr. Abdulwahab Al Mansori
- c) Dr. Ahmed Al Eisa
- d) Dr. Mohammed Al Dogaishem
- e) Dr. Ahmed Al Sowayan
- f) Dr. Khalid Al Shalash
- g) Dr. Adil AL Samahi
- h) Dr. Richard Jones of ICLE
- i) Dr. Dale Eggebraaten of ICLE
- j) Secretary
- k) Typist

During this workshop, the experts presented their working papers using Power Point presentations. Major issues were presented to shed some light on the ways and means of improving the efficiency and effectiveness of Technical Education and Vocational Training in the field of Commerce, Industry, Agriculture and Construction under the authority of GOTEVT.

5.7 Step Seven: Review of the Findings

After the workshop, a group was formed of Prof. Khalid Abdulrahman Al Saif, Dr. Richard Jones and Dr. Dale Eggebraaten.

The group reviewed the findings, the recommendations, and the mechanisms developed during the workshop. This review was done in the light of other countries experiences in technical education and vocational training. These countries are: Australia, Brunei, Canada, Denmark, Japan, South Korea, Malaysia, Singapore, South Africa, United Kingdom and the United States of America.

5.8 Step Eight: Further Investigation

Further investigation of these issues in the light of international experience was done by Prof. Khalid Abdulrahman Al Saif and Dr. Willard Daggett (President of ICLE).

5.9 Step Nine: Preparation and Discussion of the Draft Final Report

The draft final report is prepared to be forwarded to JICA for review and discussion.

5.10 Step Ten: Preparation of the Final Report

Based on the review and discussion of the draft final report, the final report will be prepared and forwarded to JICA.

6. Research Tool

The research tool used in this study was the experts' opinions, through their review of the related literatures, visits, meetings, workshop discussion and the international terms of reference of other countries. The findings, recommendations and mechanisms that were presented throughout this report came as collective efforts and opinions of the participating study research team and workshop members. There were different points of views that were presented, as it could be expected in having several experts coming from different backgrounds. However, the recommended reforms of the Colleges of Technology, Secondary Technical Institutes and the Vocational Training Centers were endorsed by the majority of the study research team members' to improve the efficiency and effectiveness of these institutions.

From these presentations, discussions and investigations, it was apparent that major actions have to be taken by the GOTEVT.

These major actions are related to the organizational structure of technical education and vocational training systems. These actions should not only be undertaken for a specific subject or specialization in a curriculum, but to the setup of the whole curriculum in the Colleges of Technology, Secondary Technical Institutes and Vocational Training Centers.

It was the intention of this study as perceived by the objectives and the scope of the study, to pinpoint problems in the curricula of these institutions in order to improve their efficiency and effectiveness. But, during the experts' visits, presentations and discussions, it was apparent that the whole curricula need to be changed in Duration, Specialization and Contents.

The only exception to this is the Secondary Commercial Institutes curriculum, which went through a thorough reform in the recent past years and an evaluation is needed in order to uncover the efficiency and effectiveness of this reform.

The curricula as a whole should be changed in Industrial, Agricultural and Construction Education and Training aspects. Therefore, specific investigations of the parts (such as problems in the curriculum) were invalid.

The following chapters will present various aspects of the study, the suggested findings, recommendations and mechanism to improve efficiency and effectiveness of Technical Education and Vocational Training in the Kingdom of Saudi Arabia provided by the Colleges of Technology, Secondary Technical Institutes and the Vocational Training Centers.

Chapter One

Saudi Economy and Manpower Development Planning

1.1 Saudi Economy

This chapter includes a highlight of the current economic structure of the Kingdom of Saudi Arabia, a review of the parts and sections concerning manpower planning in the Kingdom's five years development plans (from the Third Plan "1980-1985" to the Sixth Plan "1995-2000"), and a brief description and analysis of the Kingdom population and labor force, in order to provide a background information for the study under consideration.

For the description and analysis of the current structure of the Saudi Economy, information and data are collected from the available statistics published in the latest Saudi Arabian Monetary Agency (SAMA) annual report for the year 2001. For the most part, it published the 1999 statistics. For the review of manpower planning, information and data are collected from the respective Development Plans published by the Ministry of Planning. For population data, the main source are the publications of the Central Department of Statistics, Ministry of Planning.

1.1.1 The Current Structure of the Saudi Arabian Economy

In 1973 when oil prices rose suddenly, the Kingdom oil revenue increased from SR 14.02 billion (US\$ 3.79 billion) at constant prices (1970=100) to SR 17.41 billion (US\$4.64 billion), and continued to increase during all the seventies and early eighties of the twentieth century to reach a peak of SR 24.65 billion (US\$ 6.56 billion) in 1981. Accordingly, the share of oil revenue in the Saudi GDP rose from 55.8% in 1970 to 64.4% in 1973. The total Saudi Arabian GDP in the said year was SR 27.13 billion (US\$ 7.23 billion), Table (1-1).

Table (1-1)
Oil Revenue and its Contribution in the Saudi GDP
During 1970-1973 at constant prices (1970=100)

Year	GDP (SR. Billion)	Oil Revenue (SR. Billion)	Percentage share of oil revenue in GDP
1970	17.15	9.57	55.80
1971	19.58	11.54	55.94
1972	22.62	14.02	61.98
1973	27.13	17.41	64.42

Source: SAMA Annual Report for 2001.

Due to the decrease in oil prices after 1981, Saudi GDP declined steadily from a peak of SR 54.16 billion in 1981 (US\$ 14.42 billion) till it reached a low of SR 45.31 billions (US\$ 12.07 billion) in 1985 (SAMA report for 2001). The Kingdom realized since then the risks of depend upon a monoculture and decided to diversify its economy. Policies to achieve this goal were put forward since the First Development Plan (1970-1975), but they were really emphasized and seriously implemented starting from the Fourth Development Plan (1985 -1990). The most important aspect of these policies was to increase the financial and non-financial incentives for the private sector to increase its investments especially in agriculture and industry. The results of these efforts aiming at economic diversification were rather good, but they were neither as good as they should have been, nor as they were hoped to be. The Saudi economy is currently more diversified compared to what it was in the seventies and early eighties of the previous century, but oil is still dominating the Saudi Economy, which is still very sensitive to the volatile changes in oil prices.

In reference to table (1-2), the share of agriculture in GDP in 1989 reached 7.4% growing at the rate of 8.4% annually. However, its percentage share in GDP fluctuated between the said year and 2000, whereas its total revenue was increasing steadily till it reached SR 34.97 billion in 2000, coming up from SR 22.65 billion in 1989. The performance of the industrial sector measured by its

percentage share in GDP was a little bit better. It had been increased from 8.3% in 1989 to reach 9.2% in 2000 with some kind of fluctuations. It reached its higher percentage share in GDP (10.2%) in 1998, Table (1-2).

Table (1-2)
Contribution of Industrial and
Agricultural Sectors in GDP
(At Current Prices)

Year	Total GDP ^a (Million SR)	Agricultural Sector ^b			Industrial Sector ^c		
		Amount (Million SR)	% Share	% growth	Amount (Million SR)	% share	% Growth
1989	304,083	22,650	7.4	8.4	25,227	8.3	3.1
1990	384,994	25,143	6.5	11.0	27,326	7.1	8.3
1991	435,037	26,902	6.2	7.0	35,798	8.2	31.0
1992	452,298	28,785	6.4	7.0	39,253	8.7	9.7
1993	434,565	30,224	7.0	5.0	37,786	8.7	3.7
1994	441,736	31,131	7.0	3.0	39,472	8.9	4.5
1995	471,152	31,598	6.7	1.5	42,819	9.1	8.5
1996	520,375	32,162	6.2	1.8	46,984	9.0	9.7
1997	539,341	33,400	6.2	3.8	50,584	9.4	7.7
1998	471,191	33,901	7.2	1.5	47,976	10.2	-5.2
1999	525,391	34,443	6.6	1.6	52,486	10.0	9.4
2000*	630,308	34,973	5.5	1.5	58,767	9.2	12.0

a) Excluding import duties.

b) Including agriculture, forestry and fishing.

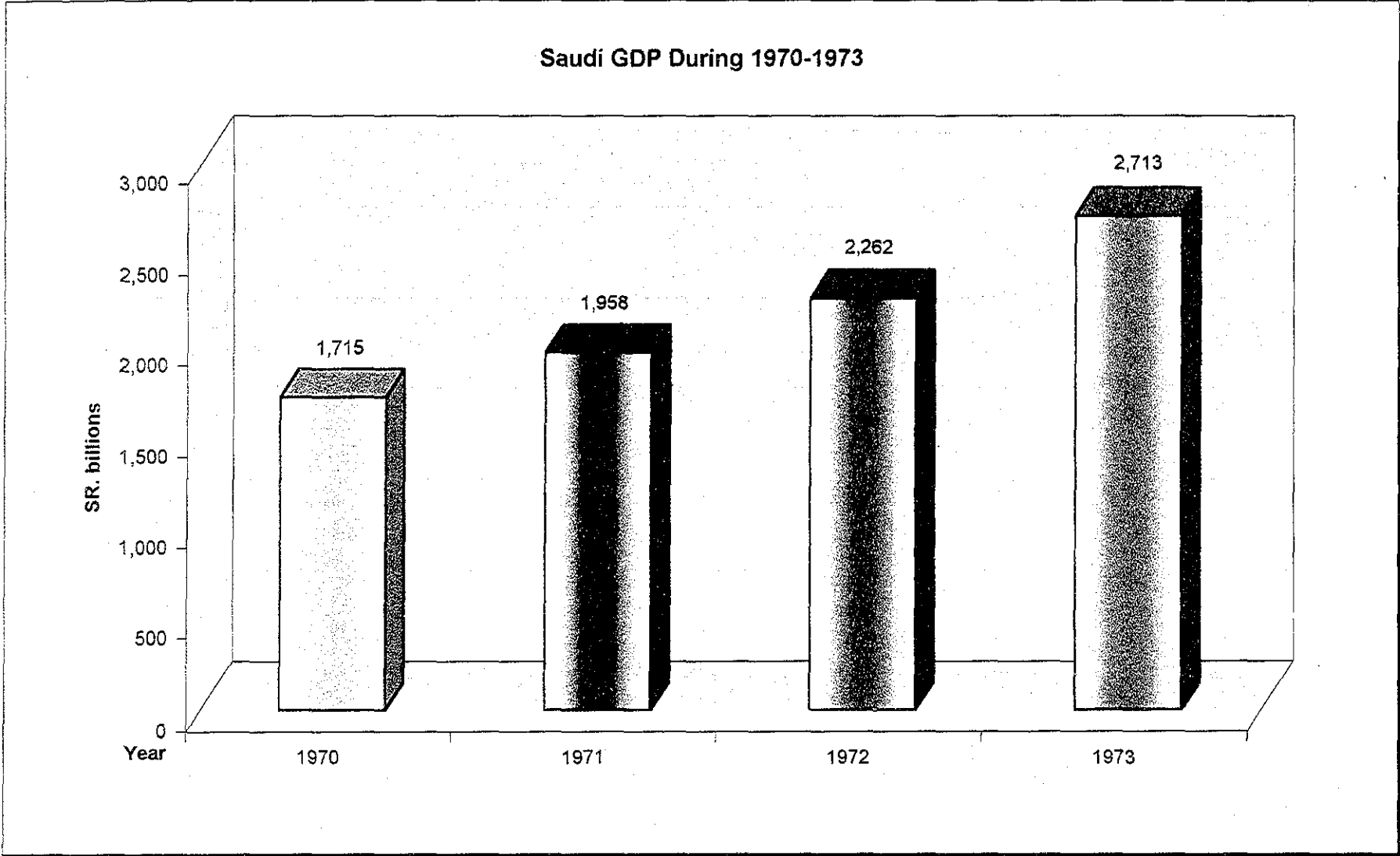
c) Including oil refining.

*) Estimated.

Source: SAMA Annual Report for 2001.

In 1999, the Saudi economic structure was mainly composed of the oil and natural gas sector (31% of GDP), the non-oil private sector (50.6% of GDP) and government services sector (17.8% of GDP). In 2004, GDP is expected to be made up of 28.2% for the oil and natural gas sector, 55.4% for the non-oil private sector and 16.2% for the government services sector, Table (1-3). It seems that these expectations for the year 2004 are based upon the privatization process currently going on in the Saudi Economy.

Figure: Table (1-1)



As for Expenditure in 1999, 87.7% of GDP went for domestic final demand, 10% for goods and services exports surplus and 2.3% for the stock. The domestic final consumption in 1999 was 65%, the portion of it that went to private final consumption was 38.8% and the portion went for the government final consumption was 26.2%. Gross domestic capital formation was 22.7% of which 15.3% was for private investment, 5.7% for government investments and 1.7% for oil investment, Table (1-3).

Table (1-3)
Comparing the Saudi Economic Structure in 1999 with 2004
and showing the situation in 1970

Items	1390/91 (1970) ¹	Ratio to GDP ²		Average annual growth rate (%) at constant prices
		1419/20 (1999)	1424/25** (2004)	
1. GDP (at constant prices):	100	100.0	100.0	3.16
Crude oil and natural gas	58	31.0	28.2	1.21
Non-oil private sector*	28.9	50.6	55.4	5.04
Government services	11.5	17.8	16.2	1.21
Net duties on imports and banking services	1.6	0.6	0.2	-16.0
2. Expenditure on GDP service (at current prices)	100	100	100.0	--
A. Domestic final Demand	57.3	87.7	84.4	3.32
1. Final consumption	44.5	65.0	59.0	2.2
i. Private final consumption	28	38.8	36.0	2.94
ii. Government final consumption	16.6	26.2	23.0	1.00
2. Gross capital formation	12.6	22.7	25.4	6.85
i. Private investment	5	15.3	18.3	8.34
ii. Government investment	5.3	5.7	5.8	4.57
iii. Oil investment	2.5	1.7	1.3	-0.27
B. Foreign Sector:	43.6	10.0	13.8	1.0
1. Exports	66.3	41.4	44.3	2.74
2. Imports	22.7	31.4	30.5	3.30
C. Change in stock	0.9	2.3	1.8	--
3. Current account balance (At current prices)	23	-3.0	6.9	--

Source: 1- SAMA Annual Report for 2001.

2- Seventh Development Plan

* Including oil refining, and excluding banking fees.

** Expected.

In 2004, domestic final demand is expected to decrease from 87.7% in 1999 to 84.4%. Goods and services export surplus is expected to increase slightly to become 13.8% and the change in stock is expected to decline to 1.8%, Table (1-3).

At the aggregate level, the share of Government in GDP which is composed of crude oil and natural gas 31%, government services 17.8% and net duties on imports and banking services was 0.6%, the private sector's share was 50.6% in 1999, Table (1-3). Due to the continuous government support to the private sector since the first development plan and privatization policies adopted since 1994, the share of the private sector in GDP increased steadily from 28.9% in 1970 to 50.6% in 1999, whereas the share of the government sector declined from 71.1% in 1970 to 49.4% in 1999.

The newly established Supreme Economic Council is entrusted with the task of supervising the privatization programs in coordination with the concerned government authorities. The strategic objective of privatization is to commercialize and diversify the Saudi Economy. The already started to be privatized sectors are the Saudi Telecommunication Sector, the Electricity Sector and some services of the General Ports Authority. Saudi Airlines privatization is underway.

To restructure the Saudi Economy further in the direction of more diversification and to cope with globalization, the government established, besides the Supreme Economic Council, the Supreme Council for Petroleum and Mineral Affairs, the General Investment Authority, the Supreme Tourist Authority and the Human Resources Development Fund.

1.1.2 GDP Growth Rates

GDP growth rate was 8.5% in 1991, but it declined almost steadily during the nineties of the previous century, with the exception of few years. In the year 2000 it reached 4.5% increasing from - 0.8% in 1999. That was because the oil sector growth rate declined from a high of 23.7% in 1991 to a low of -1.7% in 1999 to increase in 2000 to 8.5%. The non-oil sector decreased from 2.2% in 1991 to 0.6% in 1992, to increase a little bit in 1993 to 0.9%, to decline again to 0.7% in 1994 and reached a high of 3.4% in 1997, to fluctuate up and down till the year 2000 when it became 2.6%. When GDP is broken down into types of economic activity (agriculture, industry, etc.), all of the economic activities growth rates showed the same pattern and declining trend of GDP growth rate, Table (1-4).

Table (1-4)
Growth in Oil and Major Non-Oil Sectors
(Annual real growth rates in percent)

Year	Total GDP*	Oil Sector	Non-Oil Sector	Government	Private
1991	8,5	23,7	2,2	2,1	2,0
1992	2,7	6,9	0,6	-2,3	1,6
1993	-0,7	-3,5	0,9	5,4	-0,7
1994	0,5	0,2	0,7	0,2	0,9
1995	0,3	0,3	0,3	-0,3	0,5
1996	1,4	2,1	1,1	1,3	1,0
1997	2,7	1,4	3,4	2,9	3,6
1998	1,5	2,1	1,2	0,9	1,3
1999	-0,8	-1,7	1,7	0,8	2,0
2000	4,5	8,5	2,6	1,9	2,9

Source: SAMA report for 2001.

* Excluding Import duties.

1.1.3 The Saudi Economy Indicators

Table (1-5) shows the most important economic and social indicators for the Saudi Economy during the years 1995 – 2000. Population increased from 18.8 million persons in 1995 to 22.01 million persons in 2000. The labor force, which was 6.3 million persons in 1995, increased steadily to reach 7.2 million persons in 1999.

GDP, which was SR 478.7 billion at current prices in 1995, increased to SR 529.3 billion in 1996 and then to SR 548.4 billion in 1997. It decreased in 1998 to SR 481.2 billion to increase again to SR 535 billion in 1999 and then to SR 649.0 billion in 2000. However, in real terms (1970 = 100) GDP was SR 62.9 billion in 1995 and showed the same fluctuations as GDP at current prices to reach SR 68.6 billion in 2000, Table (1-5).

Table (1-5)
Some Economic and Social Indicators
of the Kingdom

Indicators	1995	1996	1997	1998	1999	2000
Estimated population (in million)	18.80	19.35	20.0	20.67	21.33	22.01
Number of labor force (in million)	6.3	6.4	6.6	6.8	7.2	-
GDP at current prices* (billion)	478.7	529.3	548.4	481.2	535.0	649.0
GDP at constant prices (1970=100) (billion)	62.9	63.8	65.0	66.2	65.6	68.6
Per capita income (SR 000)	-	26.6	26.7	22.8	25.1	29.5
Inflation rate (consumer prices)	5.0	1.0	-0.4	-0.2	-1.3	-0.6
Aggregate money supply M3 (billion)	240.1	258.5	272.0	282.1	301.1	314.6
Average daily oil production (million barrels)	8.02	8.10	8.01	8.28	7.56	8.34
Average price of Arabian Light oil (US\$)	16.73	19.91	18.71	12.20	17.45	26.81
Riyal's real effective exchange rate (index number)	100	102.4	107.5	111.3	106.4	109.0
Ratio of currency in circulation to total money supply	18.0	16.7	16.8	16.0	18.3	16.2
Ration of total deposits to total money supply	82.0	83.3	83.2	84.0	81.7	83.8
Net foreign assets of domestic banks (billion riyals)	58.3	67.5	53.5	42.8	40.3	36.7
Interest rates on domestic currency deposits (12 months)	6.43	5.75	6.01	6.21	6.43	6.85
Banks capital adequacy ratio (Basel standard)	20.9	22.3	22.5	21.2	21.2	21.0
Actual state revenue (billion riyals)	146.5	179.1	205.5	141.6	147.5	258.1
Actual state expenditure (billion riyals)	173.9	198.1	221.3	190.0	183.8	235.3
Ration of budget deficit/ surplus to GDP	(5.7)	(3.7)	(2.9)	(10.3)	(6.9)	3.6
Exports fob (oil and non-oil) (billion riyals)	187.4	227.4	227.4	145.5	190.08	295.8
Imports CIF (billion Riyals)	105.2	104.0	107.6	112.4	105.0	113.5
Ratio of current account surplus/ deficit to GDP	(4.2)	0.5	0.2	(10.2)	0.3	9.0
Current account (billion riyals)	-19.9	2.5	1.1	-49.2	1.5	58.3
Share price index (1985=1000)	1,368.0	1,531.0	1,957.8	1,413.1	2,028.5	2,258.3
Total number of physicians in the Kingdom's Hospitals (in thousand)	30.0	30.5	30.4	30.3	30.6	32.5
Total number of beds in the Kingdom's Hospitals (in thousand)	41.9	42.6	44.2	45.0	45.5	45.9

Source: SAMA Annual Report for 2001.

❖ At market prices (including imports duties).

Inflation rates declined from 5% in 1995 to -0.6% in 1998 fluctuating a little bit from one year to the other. Aggregate money supply was SR 240.1 billion in 1995 and increased steadily till it reached SR 314.6 billion in 2000. Average daily oil production during the years 1995 – 2000 fluctuated between 8.02 million barrels a day in 1995 to reach a low of 7.56 million barrels a day in 1999 and then increased to 8.34 million barrels a day in 2000, Table (1-5).

As for the few social indicators shown in table (1-5), the number of physicians in the Kingdom increased from 30,000 physicians in 1995 to reach 32,500 physicians in 2000 and the total number of hospital beds increased from 41,900 beds in 1995 to reach 45,900 beds in 2000. Another important social indicator shown in Table (1-5) is per capita income which was SR 26,600 (US\$ 7,084) in 1996, increased to SR 26,718 (US\$ 7,115) in 1997, then declined to SR 22,870 (US\$ 6,091) to increase again to SR 25,083 (US\$ 6,689) in 1999 and then jumped to SR 29,485 (US\$ 7,851) in the year 2000 due to the latest increases in oil prices which went up all the way from \$14 a barrel in 1988 to more than US\$ 30 a barrel in that year and the first half of the year 2001, to go down again to almost US\$ 17 a barrel, on the average, during the latest part of 2001(SAMA report 2002).

To sum up, the structure of the Saudi Economy have changed considerably from depending upon oil as a single dominant source of income to a relatively more diversified economy; with the share of industry in GDP increasing during the nineties of the twentieth century. However, the hope for more economic base diversification is placed upon the earlier mentioned Supreme Councils established recently together with further privatization of the Saudi Economy to enhance it.