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Research Proposal Title:

Sustainable Tourism and Its Business Implications in NEOM and the Red Sea
Project

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1. Introduction:

In recent years, Saudi Arabia has embarked on a transformative journey to diversify its economy, reduce its dependency on oil revenues, and position itself as a global leader in sustainability and innovation. Central to this strategic vision is *Vision 2030*, a comprehensive reform plan that emphasizes economic diversification, environmental stewardship, and social development (Vision 2030, 2016). Among the most ambitious initiatives under this vision are **NEOM** and the **Red Sea Project**, two megaprojects designed to redefine the Kingdom's global image and foster long-term economic sustainability through innovative and sustainable tourism (Elshahed, 2021).

Tourism, historically underdeveloped in Saudi Arabia due to cultural and regulatory constraints, has now emerged as a key pillar in the country's economic transformation. The introduction of a tourist visa in 2019 and recent investments in tourism infrastructure represent a significant shift in national policy (Ministry of Tourism, 2023). The Red Sea Project, situated along the western coastline of the Kingdom, is envisioned as a luxury tourism destination that harmonizes environmental conservation with economic development (Red Sea Development Company, 2023). Likewise, NEOM—a futuristic, multi-sectoral development in the Tabuk region—aims to integrate smart technologies with green development, establishing itself as a model for sustainable living and tourism in the region (NEOM Company, 2024).

These projects are not only expected to attract millions of international visitors, but also to create employment opportunities, stimulate private sector investment, and enhance Saudi Arabia's global competitiveness (Oxford Business Group, 2023). However, the integration of sustainability into tourism—often criticized globally for its environmental and cultural impacts—poses complex challenges. Balancing economic gains with ecological preservation and community engagement requires innovative business models and governance strategies (UNWTO, 2020).

This study aims to investigate the idea of sustainable tourism in the particular context of NEOM and the Red Sea Project, looking at how these projects might be used as models for the growth of responsible tourism in the Middle East and elsewhere.

The project intends to add to the body of knowledge in tourism management and sustainable company development by examining strategic planning, stakeholder engagement, and commercial consequences.

Additionally, the study will consider the projects' wider effects on legislative frameworks, investment dynamics, and local communities.

The findings will provide insightful advice for governments, corporate executives, and tourist professionals looking to balance sustainability and profitability as Saudi Arabia negotiates the challenges of modernization while maintaining cultural identity and environmental integrity.



Figure 1- Red Sea Project

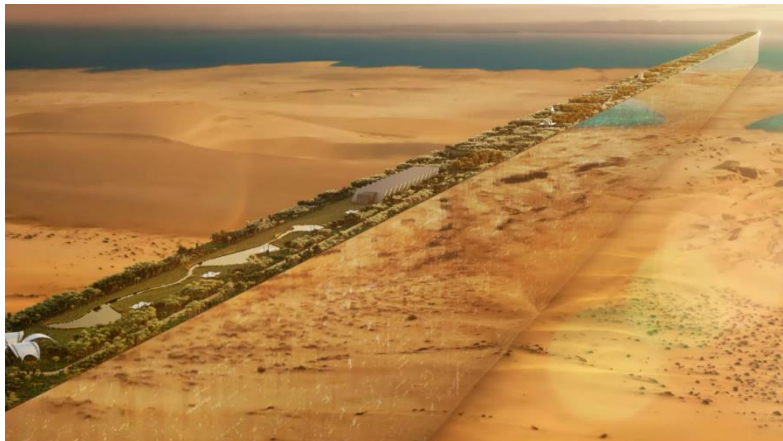


Figure 2 – Neom (The Line Project)

2. Research Problem:

2.1 Balancing Economic Development with Ecological Preservation

One of the core challenges of the NEOM and Red Sea Project is achieving a balance between economic growth and environmental conservation. Both projects aim to position Saudi Arabia as a leading destination for sustainable tourism, but this ambitious goal raises critical questions. For the Red Sea Project, which aims to integrate luxury tourism with environmental protection, the challenge lies in maintaining biodiversity and minimizing the ecological footprint of large-scale tourism development (Red Sea Development Company, 2023). Similarly, NEOM's integration of cutting-edge technologies with green development models poses the risk of inadvertently harming the surrounding natural environment (NEOM Company, 2024). These projects must carefully navigate the complexities of sustainable business models to achieve growth without compromising the ecological integrity of their surroundings (Elshahed, 2021).

2.2 Stakeholder Engagement and Community Involvement

Another pressing challenge is the effective engagement of local communities and key stakeholders in the planning and development of these tourism initiatives. Historically, rapid economic development in Saudi Arabia's tourism sector has not always included meaningful community involvement (Ministry of Tourism, 2023). In the context of NEOM and the Red Sea Project, it is essential to explore how local populations can benefit from tourism developments. These benefits should include job creation, infrastructure improvements, and preservation of cultural heritage. A key research question is how these projects can engage local communities and ensure that they are active participants in the decision-making process, benefiting socially and economically from the sustainable tourism initiatives (Oxford Business Group, 2023).

2.3 Addressing Policy Gaps and Governance Challenges

Saudi Arabia's Vision 2030 outlines a strategic shift toward sustainability and economic diversification, but the practical implementation of sustainable tourism requires robust governance frameworks (Vision 2030, 2016). One critical area to investigate is the policy gaps that may hinder the integration of sustainability in large-scale tourism projects. Existing policies may not fully address the specific needs of NEOM and the Red Sea Project, particularly when it

comes to environmental regulations, labor laws, and social responsibility initiatives. This research will focus on identifying these gaps and offering recommendations for policy adjustments that can better support the sustainable tourism goals of these megaprojects (UNWTO, 2020).

2.4 Comparative Analysis with Global Best Practices

Finally, it is essential to benchmark NEOM and the Red Sea Project against global best practices in sustainable tourism. While Saudi Arabia aspires to become a leader in sustainable tourism, there is limited understanding of how these projects compare to other successful international initiatives. This step will involve assessing the unique challenges faced by NEOM and the Red Sea Project in the context of the Middle East, where social, economic, and environmental dynamics differ from those in other parts of the world. By comparing these projects with global examples of sustainable tourism development, the research aims to identify opportunities and areas for improvement (UNWTO, 2020).

2.5 Contribution to Academic and Practical Insights

This research will offer valuable insights for both academic literature and practical tourism management by tackling the issues of harmonizing sustainability with economic development, involving local communities, addressing policy deficiencies, and measuring international standards. The results will assist policymakers, business executives, and tourism experts in comprehending how to incorporate sustainable practices into tourism development while maintaining economic goals. Ultimately, this study seeks to direct future tourism initiatives in Saudi Arabia and the wider Middle East toward attaining enduring sustainability while promoting economic development and cultural conservation.

3. The Importance of Research

The significance of this study stems from its ability to aid in the ongoing evolution of Saudi Arabia's tourism sector, especially regarding the bold NEOM and Red Sea Project initiatives. Saudi Arabia is experiencing a crucial phase in its economic growth, moving away from dependency on oil profits towards a more varied and sustainable economy (Vision 2030, 2016). Tourism has become a crucial component of this vision, and effectively incorporating sustainability into tourism development is essential for attaining enduring economic growth while preserving environmental and social integrity.

3.1 Supporting Vision 2030's Goals

The Kingdom's Vision 2030 aims to diversify the economy, promote sustainability, and foster job creation. By focusing on sustainable tourism through projects like NEOM and the Red Sea Project, Saudi Arabia can position itself as a global leader in environmentally responsible development (Vision 2030, 2016). This research will provide insights into how these projects can effectively integrate sustainable practices in tourism, supporting Vision 2030's goal of achieving economic diversification through green development. Understanding the specific business implications and governance strategies for these projects is crucial for ensuring that sustainability is embedded into the country's long-term development plan.

3.2 Addressing the Sustainability Challenges in Tourism

Worldwide, the tourism industry faces growing criticism for its effects on the environment and culture, highlighting problems like carbon emissions, loss of biodiversity, and excessive tourism (UNWTO, 2020). The NEOM and Red Sea Project initiatives provide a distinctive chance to contest this narrative by presenting sustainable tourism development models that emphasize environmental protection, cultural heritage, and social fairness. This study is crucial as it will examine how these efforts can tackle the urgent sustainability issues confronting the global tourism sector, thereby offering a guide for comparable initiatives in other regions.

3.3 Contribution to Sustainable Tourism Theory and Practice

An increasing amount of literature exists on sustainable tourism; however, studies concentrating on the incorporation of sustainability into large tourism projects, especially in the Middle East, remain scarce. This study will address an important void by investigating how major, prominent initiatives such as NEOM and the Red Sea Project can act as standards for sustainable tourism growth in the area and further afield. The results will enhance both theoretical knowledge and practical understanding in tourism management, business strategy, and sustainable development.

3.4 Economic Implications for Saudi Arabia and the Region

The NEOM and Red Sea Project possess the ability to greatly enhance the Saudi economy by drawing in global tourists, encouraging private investment, and generating job opportunities. Nonetheless, their success will hinge on finding a balance between economic development and sustainable methods. This study is significant as it will deliver an in-depth examination of the economic effects of sustainable tourism in Saudi Arabia, presenting important perspectives on the opportunities for job generation, economic diversification, and private sector engagement in tourism.

3.5 Policy and Governance Insights

As Saudi Arabia strives to establish itself as a world leader in sustainable tourism, it is crucial to assess the policy structures that regulate tourism growth. This study will help identify the policy deficiencies that could obstruct the effective execution of sustainable tourism initiatives in NEOM and the Red Sea Project. By examining the alignment of these initiatives with national and international sustainability standards, the research will provide suggestions for enhancing governance, regulatory frameworks, and policy structures to guarantee the achievement of sustainability objectives.

3.6 Global Benchmarking and Knowledge Transfer

Saudi Arabia's initiatives to emerge as a leader in sustainable tourism might act as an example for other areas in the Middle East and globally. By analysing these initiatives in a global framework, the study will enhance comprehension of how large-scale tourism projects can be integrated with

sustainability principles. Policymakers, developers, and tourism managers worldwide can utilize the findings to create and execute tourism projects that are not only financially sustainable but also environmentally and socially conscious.

4. The Objectives of the Research

4.1 To Examine the Integration of Sustainability into Tourism Development in NEOM and the Red Sea Project

The first objective of the research is to explore how sustainability principles are integrated into the planning and development phases of the NEOM and Red Sea Project. This includes analyzing the strategies employed to promote environmental conservation, minimize the ecological impact, and ensure social equity. By investigating the sustainable practices adopted by these projects, this research aims to assess the extent to which sustainability has been effectively embedded into the overall tourism development plans (Red Sea Development Company, 2023; NEOM Company, 2024).

4.2 To Assess the Economic Implications of Sustainable Tourism in Saudi Arabia

This research will explore the economic implications of integrating sustainable tourism practices in the NEOM and Red Sea Project. The objective is to understand how these projects can contribute to Saudi Arabia's economic diversification goals, particularly in terms of job creation, private sector investment, and the long-term financial sustainability of the tourism sector (Vision 2030, 2016; Oxford Business Group, 2023). It will also assess the potential impact on local businesses and the broader economy, offering insights into the role of sustainable tourism in fostering economic growth (Ministry of Tourism, 2023).

4.3 To Analyze Stakeholder Engagement and Local Community Involvement

One of the key objectives is to examine the engagement of stakeholders, particularly local communities, in the development and management of NEOM and the Red Sea Project. The research will investigate how effectively these projects incorporate the perspectives and needs of local populations, ensuring that the benefits of tourism development are equitably distributed. It will also explore the social impacts of these projects, such as job creation, infrastructure development, and the preservation of local culture and heritage (Oxford Business Group, 2023; Ministry of Tourism, 2023).

4.4 To Identify Policy and Governance Challenges in Sustainable Tourism Development

Another objective is to investigate the policy and governance challenges related to the development of sustainable tourism in NEOM and the Red Sea Project. The research will assess the effectiveness of existing policies and regulations in supporting the sustainable development of these projects and identify any gaps or areas that need improvement. By understanding the regulatory environment, this research aims to offer recommendations for enhancing policy frameworks that can better align with sustainability goals (UNWTO, 2020; Vision 2030, 2016).

4.5 To Compare NEOM and the Red Sea Project with Global Best Practices in Sustainable Tourism

The research will also aim to compare NEOM and the Red Sea Project with other global examples of successful sustainable tourism initiatives. This comparison will help identify strengths and weaknesses in Saudi Arabia's approach to sustainable tourism development. The objective is to determine whether NEOM and the Red Sea Project can serve as global benchmarks for sustainable tourism in the Middle East and beyond (UNWTO, 2020).

4.6 To Provide Practical Recommendations for the Future of Sustainable Tourism in Saudi Arabia

Based on the findings, this research will provide practical recommendations for policymakers, business leaders, and tourism professionals involved in the development of NEOM and the Red Sea Project. These recommendations will focus on enhancing sustainability efforts, improving stakeholder engagement, and ensuring that the long-term economic, social, and environmental impacts of these projects are positive (Oxford Business Group, 2023; Ministry of Tourism, 2023).

5. The Questions of the Research:

1. How are sustainability principles incorporated into the development of NEOM and the Red Sea Project?

This inquiry seeks to explore the tactics, regulations, and programs implemented in both projects to incorporate sustainability. It will examine how environmental protection, cultural heritage, and social accountability are considered in the planning and execution of these significant tourism initiatives.

2. What are the economic impacts of integrating sustainable tourism practices in NEOM and the Red Sea Project for Saudi Arabia?

This inquiry aims to explore the economic effects of sustainable tourism in Saudi Arabia, especially in relation to employment opportunities, investment from the private sector, and the enduring financial viability of the tourism sector. It will examine how NEOM and the Red Sea Project aid the nation's objectives for economic diversification and tourism growth.

3. How are local communities and stakeholders involved in the development and management of NEOM and the Red Sea Project?

This inquiry will investigate the participation of local communities and major stakeholders in decision-making and management activities. It will examine how these initiatives guarantee that the advantages of tourism development are equitably shared and tackle social effects, including job opportunities and the preservation of cultural heritage.

4. What are the policy and governance challenges encountered in developing sustainable tourism in NEOM and the Red Sea Project?

This inquiry seeks to investigate the existing policy frameworks and governance systems that facilitate the growth of sustainable tourism. It will evaluate if there are deficiencies in current regulations and pinpoint areas where enhancements can be implemented to more closely align policies with sustainability goals.

5. How do NEOM and the Red Sea Project compare with global best practices in sustainable tourism development?

This inquiry will analyse the strategies employed by NEOM and the Red Sea Project alongside successful worldwide instances of sustainable tourism efforts. The aim is to assess the

advantages and disadvantages of these initiatives and ascertain if they can act as worldwide examples for sustainable tourism growth, especially in the Middle East.

6. What recommendations can be made to enhance the sustainability of tourism development in Saudi Arabia, based on the findings from NEOM and the Red Sea Project?

This inquiry will concentrate on offering actionable suggestions for policymakers, business executives, and tourism specialists engaged in these initiatives. It seeks to propose methods for enhancing sustainability initiatives, boosting stakeholder participation, and guaranteeing that the long-term economic, social, and environmental results are beneficial for the country.

6. The Hypotheses of Research

6.1 Main Hypothesis 1:

Sustainability principles are effectively integrated into the tourism development of NEOM and the Red Sea Project.

- **Sub-hypothesis 1.1:** Environmental and cultural factors are prioritized.
- **Sub-hypothesis 1.2:** Ecological impacts are minimized.

6.2 Main Hypothesis 2:

Sustainable tourism in NEOM and the Red Sea Project contributes to Saudi Arabia's economic diversification goals.

- **Sub-hypothesis 2.1:** Job creation and private sector investment increase.
- **Sub-hypothesis 2.2:** Revenue generation supports long-term growth.

6.3 Main Hypothesis 3:

Local communities and stakeholders are actively involved in the development and management of the projects.

- **Sub-hypothesis 3.1:** Local communities' benefit from job opportunities and cultural preservation.
- **Sub-hypothesis 3.2:** Stakeholder needs are considered in decision-making processes.

7. Literature Review:

1. Title of Study: Sustainable Tourism Development in Saudi Arabia: A Case Study of the Red Sea Project

Publication Year: 2022

According to: Alghamdi, A., & Alotaibi, M.

This study investigates the sustainable tourism development of the Red Sea Project, examining the integration of sustainability principles within its planning and implementation. The authors conducted a mixed-methods analysis, combining qualitative interviews with stakeholders and quantitative data on environmental impacts. The key findings suggest that while the Red Sea Project has strong sustainability frameworks, including eco-friendly accommodations and marine conservation efforts, challenges exist in balancing tourism growth with environmental preservation. The study recommends enhancing policies related to waste management, resource efficiency, and stakeholder collaboration. Compared to other studies, such as Al-Saadi (2021), which focuses on the economic impacts of tourism development, this research places more emphasis on the environmental and social challenges faced by the Red Sea Project. Both studies agree on the need for clear governance and regulation to ensure sustainable growth.

2. Title of Study: Smart Tourism Development in NEOM: Opportunities and Challenges

Publication Year: 2023

According to: Al-Farhan, F., & Alshammari, T.

This research explores the potential for NEOM to become a leading example of sustainable tourism, integrating cutting-edge smart technologies to enhance visitor experiences while minimizing environmental impact. The authors used case studies and expert interviews to examine NEOM's approach to smart tourism. Key findings suggest that NEOM's vision of integrating AI, renewable energy, and sustainable infrastructure offers immense potential for creating a low-carbon tourism destination. However, challenges related to the high costs of technology implementation and the readiness of both the public and infrastructure to adopt such innovations were noted. The study also highlights the need for strategic policy development and

public-private partnerships to ensure the success of sustainable tourism in NEOM. This study contrasts with previous research by Al-Harbi (2022), which focuses on tourism infrastructure, as it emphasizes technological integration in tourism development. Both studies underscore the importance of careful planning and investment in future-proof infrastructure.

8. The Methodology of the Research:

This study utilizes a mixed-methods strategy, integrating qualitative and quantitative methods to explore sustainable tourism in NEOM and the Red Sea Project. The mixed-methods approach is selected to offer a thorough understanding by combining quantitative data with detailed stakeholder perspectives. Qualitative data will be gathered via semi-structured interviews with important stakeholders, such as government officials, tourism developers, and representatives from the community. These interviews will investigate experiences, difficulties, and methods concerning the implementation of sustainable tourism. Quantitative information will be collected via surveys given to tourists and local inhabitants. The surveys seek to assess views on environmental sustainability, economic effects, and contentment with tourism growth in the selected regions. Combining both data types will facilitate triangulation, improving the validity and richness of the results by merging wide-ranging trends with specific context.

9. The Data Collection Tool of Research

9.1 Semi-Structured Interview Guide

- Used to collect qualitative data from stakeholders such as government officials, developers, and local leaders.
- The guide will include open-ended questions focusing on sustainability strategies, challenges, and stakeholder roles.
- Interviews will allow for flexibility and follow-up questions to explore emerging themes.
- Step: Design → Pilot Test → Conduct Interviews → Transcribe Responses.

9.2 Structured Questionnaire (Survey Form)

- Designed for tourists and residents in NEOM and the Red Sea Project areas.
- Includes Likert-scale and multiple-choice questions to assess perceptions of environmental, economic, and cultural impacts.
- Enables quantifiable comparisons across different groups.
- Step: Draft Questions → Pilot Test → Distribute Online/In-Person → Collect Responses.

10. Research Limits

10.1 Geographical Scope

The study focuses exclusively on the NEOM and Red Sea Project areas within Saudi Arabia. Results might not be completely applicable to other tourism initiatives or areas within the Kingdom or elsewhere.

10.2 Time Constraints

Data gathering will take place over a constrained period, which could limit the thoroughness of interviews and the scale of the survey sample.

10.3 Access to Stakeholders

Restricted access to top-level decision-makers or limited information might influence the thoroughness of qualitative data. Respondent Bias – Participants in surveys and interviews might give answers that are socially acceptable, particularly regarding sensitive topics such as environmental actions or government policies.

10.4 Language and Cultural Barriers

Variations in language or cultural viewpoints may affect how questions are interpreted and responded to, especially among tourists and non-Saudi inhabitants.

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