

# KINGDOM'S EIGHTH DEVELOPMENT PLAN: SEEKING CHANGE WITH CONTINUITY

Kindly contributed by

HE Khalid M. AlGosaibi, Minister of Economy and Planning

Saudi Arabia has always been a free market-oriented economy and will continue to be so. It is well known for its historical trading routes and the bustling seaports of Jeddah and Dammam. Thus, for uninitiated observers, it is often difficult to understand the role of planning in Kingdom's economy, let alone its importance.

## A Mixed Economy

Therefore, to begin with, it is important to realise that the Saudi economy is a mixed economy in which both sectors (public and private) play an important complementary role. In fact, today, there is a wide consensus that neither of the two extremes-pure *laissez faire* or full government control of the economy is feasible.

Thus the proper domain for discussion and analysis lies in the vast intermediate range of systems sometimes loosely referred to as mixed economies. In fact, a market economy means a mixed economy and is likely to continue to see the healthy partnership between public and private sectors. The Saudi economy most definitely falls in this category. However, the private sector is expected to play a much greater leadership role in the next phase of development. In other words, Kingdom will continue to be a mixed economy with the private sector accounting for a much greater share in the GDP.

## Rapid Development

In the early 1970s, the magnitude of the development challenge confronting Kingdom was enormous. However, the Kingdom successfully overcame this challenge and today it is often considered as a developed country in many aspects.

Some examples of these achievements during the period 1970-2004 are as follows:

- more than 28 fold increase in the number of doctors from 1.2 to 34.5 thousand doctors
- more than 5 fold increase in number of hospital beds from 9 to 50.3 thousand beds

- more than 9 fold increase in number of students from . 5 to 4.6 million students
- more than 19 fold increase in number of teachers from 21 to 405.8 thousand teachers
- 13,160 elementary schools were opened, representing school opening rate of one school every day for the last 35 years.
- 6,913 intermediate schools were opened, representing an average school opening rate of one school every 2 days for the last 35 years.
- 4,112 secondary schools were opened, representing an average school opening rate of one school every 4 days for the last 35 years.

This development at break-neck speed is captured by the following figures:

