

Exploratory Analysis Of Obstacles And Challenges For Businesses In The Region Of Najran, Saudi Arabia

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Abstract

Businesses play a crucial role in the economies of many developing countries. For this reason, it is important to identify obstacles and challenges encountered by businesses in the Najran Region. In this work, we try to identify the factors that represent obstacles to doing business in the region of Najran. We undertake the study for 120 investors in the region of Najran (southwestern of Saudi Arabia). Our findings showed that the limited resources available for investment is one of the biggest obstacles to investment faced by new investors. Some of the most prominent investment challenges that exist in the Najran region are the lack of recruitment of qualified employees, the lack of a suitable environment, and the inability to facilitate business transformation. According to these results, recommendations for surpassing the obstacles encountered by investors are considered.

Keywords: Private investment, obstacles, challenges, questionnaire, Najran region.

1. Introduction

Many countries, particularly developing ones, attach increasing importance to creating an enabling environment for the settlement of investments and increased flows to the economy. Many have enacted legislation to create this investment climate and have built structural tools to starve capitalists and make money in their economies. In general, investment is one of the most important drivers of economic growth. Economic theory is not without reference to the importance of spending on capital formation, since economic capital is the most important factor in stimulating and stabilizing economic growth, as well as other factors, particularly employment, technology and institutional factors.

Returning to economic schools, classical theory, then neoclassical theory, emphasized the role of investment as spending on capital ownership as one of the most important elements of production.

Like the Solo, Lucas and Ramsy models. In pursuing the neoclassical Solow growth model, the results of Collier and Gunning (1999) highlight that capital growth in developing countries has played the most important role among other economic growth factors.

The modern theory of economic growth (Dati's theory of growth) through applied research has also been based on the assertion that investment in GDP is one of the most stable macroeconomic variables to explain economic growth. Even in the Solow model, the rate of growth of production is equivalent to the rate of growth of capital, since capital in the current year only exceeds capital in the previous year, in addition to capital expenditure in the current year: $K_t = K_{t-1} + I_t$.

Keynesian theory also stressed the importance of investment spending in economic growth. Harrod (1939) and

Dumar (1948) consider investment as the main macroeconomic variable necessary for the economic growth and development of different countries. This model emphasizes investment as a vital necessity for the economy and demonstrates the importance of saving to increase investment as a capital requirement and its relationship to growth. This model assumes a relationship between the total volume of capital and GNP, in order to determine this relationship and the problem of the capital-output ratio in the economic literature by capital coefficient.

The private sector is one of the main drivers of economic growth dynamics, particularly in emerging and developing countries, which is largely due to the free interaction between market forces, that is, between supply and demand. The private sector is often the first to use new technologies in the production process and the benefits of generating and promoting economic growth. There are some studies that have been interested in investing in Saudi Arabia, including Mensi et al. (2018), Soummane, Ghersi, and Lefèvre (2019), Blazquez et al. (2021). The return on private investment is often higher, and that is why many economists say the private sector is more efficient in the use of funds. It produces the highest rates of profit relative to the public sector. In the case of oil-producing countries such as Saudi Arabia, their revenues and production growth depend on oil revenues and crude oil prices on international markets, and it is necessary to diversify their sources of income and the needs of these economies in terms of economic growth and stable employment opportunities for their citizens through the creation of real platforms in the sectors of physical production (in particular industry).

In the case of Saudi Arabia, oil accounts for a large share of the Government's gross domestic product and budgetary resources. Many decades ago, especially since the first development plan, it was necessary to diversify sources of income. However, this has been the case for some years, especially since oil markets have seen a sharp drop in prices. This led the Saudi Government to

adopt an economic development vision based on income diversification (vision 2030). One of the main pillars of this vision is increased investment rates in the private sector, particularly in industry.

As part of the national transformation plan, Saudi Arabia recognizes the importance of private sector development and is therefore seeking to increase its contribution to GDP to 65% by 2030. Given the short-term impact of the planned economic reforms on the sector, Saudi Arabia has worked to empower the sector and help it contribute to economic growth. Belloumi and Gasmi (2022) found that there is a positive correlation between the role of the development plan in achieving the Sustainable Development Goals and the variable representing the sustainable development priorities, water, education and protecting rights for future generations. The private sector recovery plan was adopted to ensure continued acceleration of growth with economic reforms in line with Vision 2030 aspirations.

The plan has four main objectives:

- Stimulate economic growth and maximize its impact on GDP.
- Strengthening private sector confidence and removing obstacles barriers.
- Supporting economic transformation.
- Increased demand for consumer goods.

Research Questions

In this study, we address the following research questions: What are the various obstacles to investment in the region of Najran ? What are the challenges for businesses in the region of Najran?

Our main aim is to assess the factors representing obstacles to investment in the region of Najran and the challenges of firms operating in the region.

The remaining paper is organized as follows. In section 2, we present the importance of private investment to the

development. Section 3 presents an analysis of economic activities in the Najran Region. Section 4 presents the research methodology. Section 5 analyzes and discusses the results and concludes the study.

Significance and importance of the study

The study can be important for different investors and institutions as it helps them to broaden their knowledge and understanding of the various obstacles and challenges of investment. Furthermore, this study can be useful to local policy makers in identifying factors that represent obstacles to investment in the region. This can help them to work at removing the obstacles to investment.

Limitations of the study

Unfortunately, researchers faced the following main constraints: the unavailability of selected respondents in the sample in a timely manner, and the inability of respondents to respond appropriately and in a timely manner.

2. The importance of private investment to the development

In market economies, the private sector is the main driver of growth. It nurtures and stimulates growth when a number of factors combine to provide an environment conducive to its expansion. Private investment is a prerequisite for economic growth: it is the engine that drives the workings of the economic machine by allowing entrepreneurs to pool resources for the production of goods and services. A favorable environment, in which entrepreneurship and investment lead to increased productivity, which in turn leads to increased investment in the future, supports rapid and sustained growth. It also leads to job creation and the emergence of new technologies, including through international trade and investment. Competitive and developed markets are crucial because they encourage and reward innovation and diversification, accelerate the entry and exit of businesses, and help equalize opportunities for all private actors.

Markets also play a key role in giving the growth process a wider social and geographical base that opens up opportunities for participation and benefiting the poorest. The mobilization of private investment should therefore be important for job creation, the acceleration of growth or the fight against poverty. The increase in the productive capacity of the private sector is not the only factor, which depends on economic growth, but must be accompanied by productivity gains resulting from the rationalization and modernization of the means of production. New investments require the localization of sophisticated networks and investment in modern digital technologies (Ahmed and Farah, 2022).

Investors, both small entrepreneurs and multinational corporations, base their investment decisions on risk-adjusted returns forecasts. This is important from a development perspective because, as many concrete studies show, the real return on investment in developing (even least developed) countries is generally higher than in other countries. Of course, at some point in the growth process, returns will eventually fall, but the main challenge facing developing countries at present is to reduce the risks, real or perceived, faced by private investors. In a highly uncertain environment, economic activities are theoretically limited to a small number of sectors (especially resource-intensive sectors) and regions. Therefore, the growth recorded by the corresponding countries excludes a large part of the population, including the poorest. The origin and perception of risks vary depending on the nationality, size, private or public membership and integration into the formal economy or more informal sector. Therefore, risk reduction measures do not have the same impact on all investment decisions and depend on the context in which each company operates. On the other hand, some risk factors and resulting environmental gaps constitute barriers to the activities of all companies. These include discriminatory practices, corruption, non-compliance with the rule of law, high transaction costs, regulatory

burdens and lack of transparency and neglect on the part of the administration.

To stimulate private investment, developing countries must adopt growth liberalization strategies, taking into account the appropriate timing and modalities. Institutional reforms play a key role in mobilizing more private investment for sustainable development. Increased investment - both public and private - would improve short-term aggregate demand and lay the foundation for increasing potential future growth levels, including increased productivity. "The collected revenues from these reforms can be reinvested in the economy. Together with the efficiency gains from the reforms, this can increase the competitiveness of Saudi economy and make it attractive to foreign and local investors in the medium to long term" (Javid et al., 2022).

3. Analysis of Economic Activities in the Najran Region

In this section, we look at the nature of economic activity in the region and trends in development and growth in recent years, as well as changes in the relative importance of the region to the Saudi economy. Public investment must play an important role in this regard by providing the infrastructure (such as energy, transport and communications) necessary to launch private investment, also by contributing to the construction of human capital (such as investment in education and health). More private sector investment is needed.

The educational level of the investor, high interest rates, the land tenure system, access to markets and perception of the tax rate are important variables affecting the probability of willingness to invest in the Najran region (Belloumi and Gasmi, 2022). In addition, private investment is important to increase the productive capacity of the economy and improve productivity through the application of new methods and processes.

Although Saudi Arabia is taking steps to promote private sector development including improving the business

environment, strengthening governance and implementing productivity-enhancing reforms, private investment is low compared to counterpart countries. Elheddad (2019) analyzed data on new foreign direct investment inflows to the six Gulf Cooperation Council countries during the period 2003-2013. The author found that sectoral FDI has a positive impact on public domestic investment and negatively affects private investment.

3.1. Agriculture and livestock

Agriculture forms the backbone of Najran city, with agricultural land scattered in a north-south axis on the banks and in the belly of the Najran Valley. The relatively monolithic shape of the city and the striped structure help in the management of the city. Najran has a civilizational value linked to the connotations and heritage contents of an agricultural oasis with reasonable levels of access to public services, within a unified city that should be preserved and strengthened in the future. The Najran region is characterized by extensive pastoral breeding areas for camels, cows and poultry. Agricultural use is the predominant use of land in Najran on the border of the Najran Valley, with more than 40% (12,370 hectares) of the total land allocated to agricultural activity. However, much of this land is unproductive. The city faces challenges in future water supply, which necessitates serious efforts to adopt an effective water management strategy to conserve this 7,400 hectares agricultural land and protect it from urbanization.

In the past thirty years, Najran has witnessed extensive development and attraction to the population from neighboring areas, which has led to a sharp rise in water demand, but the significant increase in agricultural activities and public demand for water has led to a significant depletion of groundwater, causing a significant decline in the groundwater level, and the occurrence of hydrophysical and geophysical problems of the soil and the ecosystem due to the formation of empty underground spaces occupied by

aquifers and the consequent sudden fall of agricultural land.

There are several researches that indicate that the strategic plans of the state have an important impact on investment in agriculture, and among these researches we mention (Al-Shayaa, Baig, and Gary, 2012; Grindle, Siddiqi, and Anadon, 2015; Mousa, 2018)

3.2. Industrial sector

Najran is characterized by the diversity of the industrial sector, such as traditional crafts and other modern industries. There are 28 active factories in the Najran region, accounting for 0.7% of the total factories in Saudi Arabia in 2007, and 0.1% of the total employment in Saudi Arabia, distributed among six diverse industries as follows:

- 10 manufacturing industries
- 3 metallurgical factories
- 3 chemical and plastic industries
- 10 construction materials factories
- Clothing factory
- Water pumping plant.

There are 27 productive factories in Najran region and this number represents 0.42% of the total in Saudi Arabia. The number of factories reached 6364 factories by the end of 2013. The importance of traditional crafts in the Najran region lies in the fact that it is a condition for the economic, social and ecological consumption of the inhabitants of the region. In addition to being a tourist landmark in the region, the following examples are pottery, woolen

stone, wood, metal, fabric, leather, etc. The commercial industrial warehouses are located along the main transport hubs yet industrial land accounts for less than 1% (432 hectares) of the city's total land use. Najran enjoys good coverage of public health and education services with a large number of institutions.

3.3. Tourism sector

The Najran region is characterized by numerous historical and heritage sites, which are also among the most important features of tourism. Najran is also characterized by the diversity of its rare natural environment and its components of deserts, mountains, valleys and sand dunes. Among the most important elements of tourism in the region are the natural characteristics of the terrain, the temperate climate, the rich and diverse fungal life and wildlife. Najran also has a large number of parks, which are among the most important elements of tourism in general. The number of rented units in Najran region at the end of 2019 reached 168 rented units in the four classifications as shown in the table and this number represents 2.96% of the total rented units in the Kingdom of Saudi Arabia where they reached 5660 rented units by the end of 2019.

The number of hotels units in Najran region at the end of 2019 reached 34 hotels in the four classifications as shown in the table and this number represents 1.29% of the total hotels in the Kingdom of Saudi Arabia where they reached 2126 hotels by the end of 2019.

Table 1: Hotels and Rented Residential Units by class and region in 2019

	Rented Units				
	Total	Four Class	Third Class	Second Class	First Class
Najran	168	66	70	31	1
Total	5660	2284	2176	1182	18

Hotels						
Region	Total	Stars	Two Stars	Three Stars	Four Stars	Five Stars
Najran	34	9	6	9	7	3
Total	2621	1436	359	478	193	155

Source: Saudi Commission for Tourism & National Heritage

One of the most important obstacles facing the tourism sector in Najran region availability of skilled labour, electricity price and fuel price as shown in the table 2

Table 2: Major constraints facing setting up or practicing the activity for tourism establishments in 2018

Constraints facing setting up or practicing the activity		No constraints	There are constraints
1	Availability of Skilled Labour	49%	51%
2	Electricity Price	44%	56%
3	Licenses & Permits	59%	41%
4	Electricity Supply (without interruption)	72%	28%
5	Water Price	59%	41%
6	Government Procedures and Bureaucracy	66%	34%
7	Security & Stability	74%	26%
8	Access to Finance	76%	24%
9	Fuel Price	44%	56%
10	Access to Telecommunication (Phone & Internet)	81%	19%
11	Government Inspection Procedures	76%	24%
12	Fuel Supply (without interruption)	83%	17%

13	Water Supply (without interruption)	89%	11%
14	Labour Laws & Regulations	79%	21%
15	Land / Rent of Space	80%	20%

Source: General Authority for Statistics (Tourism Establishments Survey 2018)

3.4. Trade sector

The trade sector is one of the main activities in the Najran region, with 3,244 enterprises in 2007. Enterprises accounted for 2% of the total number of enterprises in the Kingdom of Saudi Arabia in 2007. As regards the number of enterprises registered, during the period 2003-2007, from 793 to 1987, the number of enterprises increased at a growth rate of 24%, which represents 3% of the total data recorded in the Kingdom. Weekly popular markets occupy a special place among the inhabitants of the region. It is a phenomenon that has characterized the Najran region and its intergenerational heritage.

4. Research Methodology

In this research, we undertake both primary and secondary investigation. In the secondary research, we spotlighted on reviewing the literature. However, the primary investigation was taken over to obtain data on obstacles of investments and challenges for businesses from a sample of 120 potential investors in the Najran region of Saudi Arabia. In order to obtain the opinions of investors, a questionnaire was designed. The questionnaire was structured in three sections. The first section encompassed socioeconomic characteristics of the respondents. The second section consisted of respondents opinions about investment obstacles. The third section included questions on challenges for businesses in Najran Region. Investors throughout Najran are registered by the Najran Chamber of Commerce and Industry (NCCI). The NCCI plays a key role in serving business and the private sector to achieve the economic renaissance

of community service. It strives to overcome all the difficulties and obstacles that may impede investors' path, as well as to link them with government ministries and institutions on the one hand, and with society on the other. Upon registration, investors are granted an operation license of investment of the investors registered, 200 were identified to send them the questionnaire. Only 79 investors completed the survey online. This low response rate might be due to the non-comprehension of questions. In addition, the self-administered questionnaire was conducted with 48 investors. Hence, a total of 127 questionnaires were received. Seven questionnaires were eliminated due to incomplete or missing data. Therefore, the sample size was 120 businesses.

Due to the inability to use a comprehensive accounting method for data collection for time, effort and cost considerations, the sampling method has been relied upon. The required sample size was calculated using the following formula (Saunders, Lewis and Thornhill, 2009):

$$n = p(1 - p) \left[\frac{z}{e} \right]^2$$

Where n is the sample size to be deduced, p proportion of the vocabulary in which the characteristics in question are available (and installed at a value of 50% to maximize the sample size), z expresses the value of the natural curve at the required degree of confidence, and e is the size of the error allowed in the preview. As the required level of trust is 95% and assuming a margin of error of 10%, the application of the formula results that we need at least 96 questionnaires, which are sufficient to represent the research community within

the aforementioned criteria. Accordingly, the researchers collected 120 analysable items, representing the final size of the research sample.

The study population is represented by investors in the Najran region of Saudi Arabia where researchers distributed the questionnaire electronically to a sample of 120 respondents.

4. Findings and Discussion

The demographic characteristics of respondents are shown in Table 3. In the collected sample, the number of male respondents was dominant. Their percentages are about (85.83 percent). Almost 38.33 percent of respondents were in the thirty-five to forty-four age group, and this is followed by the twenty-five to thirty-four age group (29.17 percent). Among the respondents participating in the research, 42.5 percent have a bachelor degree. Regarding Residential area, 55.83 percent are resident in urban areas, 35 percent in semi urban areas, whilst 9.17 percent are resident in rural areas.

Table 3: Demographic Characteristics of Respondents

	Frequency	Percentage
Gender		
Male	103	85.83
Female	17	14.17
Total	120	100
Age (years)		
18-24	2	1.67
25-34	35	29.17
35-44	46	38.33
45-54	23	19.17
55-64	10	8.33
65-74	3	2.50
75 or older	1	0.83
Total	120	100
Educational level		
Did not attend	1	0.83
Primary school	5	4.17
Middle or High school	26	21.67

Diploma	15	12.5
Bachelor degree	51	42.5
Master degree	18	15.00
PhD degree	4	3.33
Total	120	100.00
Residential area		
Urban	67	55.83
Semi Urban	42	35.00
Rural	11	9.17
Total	120	100.00

Evaluation of Research Question 1 (RQ1)

RQ1 asked what are the obstacles faced by potential investors to invest in the region of Najran. Table 4 displays the mean importance ratings of the different obstacles. Respondents were asked to select among eight items (competition, lack of skills, lack of resources, lack of experience, lack of opportunities, regulations, lack of time, and other obstacles) that they considered the most important obstacles to investment. Five obstacles (lack of skills, lack of opportunities, competition, lack of resources, and lack of experience) were identified as the main obstacles to investment in Najran region.

It is well known that when there a high degree of competition between investors, their benefits will be low if they have the same level of technology. This should

encourage investors to increase their investments in innovation in order to escape from competition. The impact of competition on investment depends on specific measures to promote competition and the type of investment concerned.

The literature indicates the positive effects of human capital investment at the enterprise level in terms of productivity. Education provides people with skills and competencies that enable them to be more productive in the workplace. It also provides people with the knowledge and skills to generate and adopt new ideas that drive innovation and technological progress (Woessman, 2014; Cedefop, 2017). Thus, the lack of skills is an obstacle mainly in the return on investment.

One of the biggest obstacles to investment that new investors face is having limited resources available to invest.

Table 4: Mean importance ratings of the obstacles faced to invest in the region of Najran

Factors	Frequency		Percentage	
	Yes	No	Yes	No
Competition	80	40	66.67	33.33

Lack of skills	83	37	69.17	30.83
Lack of resources	79	41	65.83	34.17
Lack of experience	79	41	65.83	34.17
Lack of opportunities	81	39	67.5	32.5
Regulations	44	76	36.67	63.33
Lack of Time	39	81	32.5	67.5
Other obstacles	24	96	20	80

Evaluation of Research Question 2 (RQ2)

RQ2 asked what are the challenges with human resource activities in the region of Najran. Table 5 shows the mean importance ratings of the different challenges. Respondents were asked to select among seven items (lack of hiring qualified staff, lack of having the suitable environment, lack of teamwork, lack of controlling the team, unable to engage employees to work, lack of capability to

smooth transformation of the business, and lack of promotions, upgrades and increasing salaries) that they considered the most important challenges with human resource activities to investment in Najran. The results showed that none of the identified items represents a big challenge. However, the three items of lack of hiring qualified staff, lack of having the suitable environment, and lack of capability to smooth transformation of the business, were relatively identified as challenges to investment in Najran region.

Table 5: Mean importance ratings of the challenging with human resource activities in the region of Najran

Factors	Frequency		Percentage	
	Yes	No	Yes	No
Lack of hiring qualified staff	54	66	45	55
Lack of having the suitable environment	50	70	41.66	58.34
Lack of teamwork	41	79	34.16	65.84
Lack of controlling the team	34	86	28.33	71.67
Unable to engage employees to work	39	81	32.5	67.5

Lack of capability to smooth transformation of the business	50	70	41.66	58.34
Lack of promotions, upgrades and increasing salaries	35	85	29.16	70.84

Evaluation of Research Question 3 (RQ3)

RQ3 asked what are the obstacles faced in operating the firm by investors in the region of Najran. Table 6 shows the mean importance ratings of the different obstacles. Respondents were asked to select among eight items (hard to reach the customers, reaching suppliers and lack of logistics, facing difficulty to deliver products and services to the customers, facing problems during regular payments processes, unable to advertise products and

services, internal communication, external communication, and others) that they considered the most obstacles in operating investment activities in Najran region. The results reported that none of the identified items represents an important obstacle. Nevertheless, six out of eight items (hard to reach the customers, reaching suppliers and lack of logistics, facing difficulty to deliver products and services to the customers, facing problems during regular payments processes, unable to advertise products and services, and external communication) were relatively identified as obstacles for operating firms in Najran region.

Table 6: Mean importance ratings of the obstacles faced in operating the firm

Factors	Frequency		Percentage	
	Yes	No	Yes	No
Hard to reach the customers	59	61	49.16	50.84
Reaching suppliers and lack of logistics	54	66	45	55
Facing difficulty to deliver products and services to the customers	54	66	45	55
Facing problems during regular payments processes	45	75	37.5	62.5
Unable to advertise products and services, not reaching to enough customers	59	61	49.16	50.84
Internal communication	33	87	27.5	72.5
External communication	48	72	40	60

Others	18	102	15	85
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Evaluation of Research Question 4 (RQ4)

RQ4 asked what are the challenges that may be faced in the maturity of the business activity by investors in the region of Najran. In Table 7, we present the mean importance ratings of the different challenges. Respondents were asked to select among twelve items (difficulty to keep up with consistency of sales, issues in performing the operation, difficulty to improve, lack of having a periodical strategic plan to continue grow the business, difficulty to keep the quality of product or services, starting losing to competitors, losing profits, lack of customer service, having negative attitude

by business myself or employees, lack of disciplinary, inability to maintain business performance, and others) that they considered the most the challenges that may be faced in the maturity of the business activity by investors in Najran region. The results reported that less than 50% of respondents considered the identified items represent challenges for the maturity of the business activity. Nevertheless, five out of twelve items (difficulty to keep up with consistency of sales, issues in performing the operation, difficulty to improve, lack of having a periodical strategic plan to continue grow the business, and losing profits) were relatively identified as challenges that may be faced in the maturity of the business activity by investors in the region of Najran.

Table 7: Mean importance ratings of the challenges that may be faced in the maturity of the business activity

Factors	Frequency		Percentage	
	Yes	No	Yes	No
Difficulty to keep up with consistency of sales	53	67	44.16	55.84
Issues in performing the operation	53	67	44.16	55.84
Difficulty to improve	59	61	49.16	50.84
Lack of having a periodical strategic plan to continue grow the business	51	69	42.5	57.5
Difficulty to keep the quality of product or services	42	78	35	65
Starting losing to competitors	43	77	35.83	64.17
Losing profits	50	70	41.66	58.34
Lack of customer service	42	78	35	65
Having negative attitude by business myself or employees	37	83	30.83	69.17
Lack of disciplinary	29	91	24.16	75.84

Inability to maintain business performance	36	84	30	70
Other	17	103	14.16	85.84

Evaluation of Research Question 5 (RQ5)

RQ5 asked what are the following comes closest to describing the business growth strategy of investors over the next five years in the region of Najran. Table 8 reports the mean importance ratings of the different items. Respondents were asked to select among five items (to maintain your business at its current size, mainly to provide income for your family and your employees; to grow your business at a steady rate to provide increasing opportunities for employees and the community; to grow your business into a large enterprise that may someday be sold or go public; to prepare to sell the business or close it; and others) that they considered the most important factors to describe the business growth strategy of investors over the next five years in the region of Najran. Two factors (to maintain your business at its current size, mainly to provide income for your family and your employees; and to grow your business at a steady rate to provide increasing opportunities for employees and the community) were identified as the main comes closest to describe the business growth strategy of investors over the next five years in the region of Najran.

5. Conclusions and Implications

Najran's strong rural character and rich culture can be attributed to its dominant agricultural heritage that forms the economic backbone of the entire city. Unfortunately, agricultural activities are now declining due to the depletion of aquifers that have become critical over the past decade, requiring the development of strong initiatives and policies to achieve harmony and harmony between the city and natural environmental systems, create an ecological balance, flexibility and adequate

readiness of the city, and develop appropriate groundwater management strategies, with a careful focus on groundwater recharge and on used water and surface rainwater drainage. Traditional farming methods and alternative irrigation methods such as drip should also be studied and supported, to reduce the depletion of non-renewable aquifers.

Despite the dominance of farmland, the city lacks sequencing in levels of public green spaces, necessitating the provision of networks of nearby gardens, residential neighborhoods, and green bars to connect built-up areas with green farms. This can be achieved through the selective transformation of white lands within built-up areas into open green spaces and striped-shaped parks to serve the community. Along these parks and green links, pedestrian-friendly businesses can be introduced and various social facilities set up, in addition, modifying and greening street paths will increase the interconnectedness and consistency of public open spaces with each other, and create a pedestrian-friendly environment in the city. In greening programs, it is important to use native plant species suitable for the climatic conditions of the city. This architecture of the environment must be formed and brought out as a consistent and harmonious system in its entirety in order to reduce the imbalance between the set of environmental, social and economic systems of Najran.

Najran region has remarkable potential for the development of the tourism sector, primarily through the integration of historical structures, natural monuments and ancient archaeological sites. This southern region is also known for its traditional crafts and products, which are major economic contributors to the tourism sector. The tourism sector can be supported

by developments in tourism infrastructure in the form of private investments, such as three-class hotels and especially five-star ones because they are not available in the area, international restaurants, parks and entertainment areas. We note that the Najran region is currently making great efforts to increase the contribution of this sector to the growth of the region. Najran also has enormous potential in the extraction of raw materials and natural mineral resources of commercial size and economic feasibility for industrial use in several fields, such as granite rocks, pyrite (key to many industrial products such as phosphate fertilizers, pesticides, chemicals and dyes), copper and zinc.

The limited resources available for investment is one of the biggest obstacles to investment faced by new investors. Among the most prominent obstacles that exist for companies operating in Najran region (difficult to reach customers, access to suppliers and lack of logistics, having difficulty in providing products and services to customers, facing problems during regular payment processes, unable to advertise products and services, external communications).

Some of the most prominent investment challenges that exist in the Najran region are: the lack of recruitment of qualified employees, the lack of a suitable environment, and the inability to facilitate business transformation. Some of the most important challenges that investors are likely to face at the maturity stage of business activity by investors in the Najran region (difficulty keeping up with sales consistency, issues in process performance, difficulty in improvement, lack of a periodic strategic plan to continue business growth, loss of profits).

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