

Chambers of Commerce During the Reign of King Khalid bin Abdulaziz Al Saud (1975–1982)

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Abstract

This study examines King Khalid bin Abdulaziz Al Saud's economic policies (1975-1982) and their impact on the Saudi Chambers of Commerce. Moreover, chambers' services to relevant bodies, especially merchants, are evaluated. King Khalid's economic strategy was studied to establish its goals and impact on the private sector in the Kingdom. This monetary policy also affected the performance and expansion of these chambers and the "Council of Saudi Chambers." The study underlined chambers of commerce's critical roles in supporting Saudi Arabia's sustainable growth and boosting the economy. The study looked at chambers' communal responsibilities. King Khalid's methods to merge chambers of trade, industry collaboration, and exchange expertise and experiences were also evaluated. This strategy improved the Saudi economy and community. Based on the study's conclusions, several recommendations were made, including identifying the main pillars of the Saudi economy, supporting relevant research and chambers of commerce, and activating the role of chambers of commerce in aiding businessmen & investors.

Keywords: Chamber of Commerce, King Khalid bin Abdulaziz Al Saud, Kingdom of Saudi Arabia, Commerce, Economic, Industry.

Introduction

The Chamber of Commerce and Industry is a non-profit organisation that represents public authorities' commercial and industrial interests and works to defend and advance these interests to the best of its ability. It is one of the economic institutions whose role has grown significantly in light of the advances seen by the Saudi Arabian Kingdom. It is important to note that the Kingdom was eager to establish it early to protect the private sector's interests and development and to organise the connection between businesspeople and government agencies to achieve the developer's goals.

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Until Royal Decree No. 5/6 on April 4, 1980, a royal decree was issued on March 15, 1945, for its initial system to provide a recurring character and systematic function. Based on the subsequent decree, the Council of Saudi Chambers was founded to serve as an umbrella organisation for Saudi Chambers and represent them locally and internationally.

The business and industry chambers system in the Kingdom of Saudi Arabia are increasingly crucial in organising private sector events under the opportunities it enjoys. The objective is to achieve a change in serving the business sector in a manner that satisfies both its current and future objectives. Due to the relative lack of studies and research dealing with this topic, it is essential to note that this study is regarded as one of the most illustrious and groundbreaking in its field.

To my knowledge, there is no study on the development of chambers of commerce during the reign of King Khalid, except Muteb Al-Ruwaili's (2013) "The History of Chambers of Commerce and Industry in the Kingdom of Saudi Arabia and Their Impact on the National Economy."

Importance of the Research:

The present research derives its importance from the following points:

- 1) Starting from the importance of the subject "Saudi Chambers of Commerce and Industry", as the study mentioned the emergence of "chambers of commerce and industry", their historical development and role which they had played and are still playing to the march of the national economy.
- 2) The relative scarcity of research and studies deals with the subject under investigation.
- 3) In the previous studies, the issues of chambers of commerce were discussed in a general manner. In contrast, the present study aims to examine the conditions of chambers of commerce during the reign of King Khalid in some detail.

Objectives of the Research:

This research aims to achieve the following objectives:

1. To discuss the goals of the economic policy during the reign of King Khalid bin Abdulaziz (1975 – 1982)

2. To know the most prominent strategies devised and implemented by King Khalid's government to improve the level of chambers of commerce.
3. To highlight the services the chambers of commerce and industry provide to different agencies that support the development in the Kingdom of Saudi Arabia, especially the groups of businessmen and investors.

Methodology of the Research:

The study relies on the historical approach to determine the economic policies of King Khalid, its objectives, and its influence on the development of the private sector inside the Kingdom of Saudi Arabia. The economic policies of King Khalid influenced the chambers of business, their expansion, and the founding of the "Council of Saudi Chambers."

Results of the Study and their Discussion:

The results derived from the study will be discussed by reviewing and examining the following points:

First: Objectives of the Economic Policy during the reign of King Khalid bin Abdulaziz

The reign of King Khalid is regarded as one of the most significant and essential periods in the history of the Kingdom of Saudi Arabia, as well as a critical turning point in the quantitative and qualitative development of the Saudi citizenry. Whether economic, industrial, social, or military, the local and global levels of development have reached new heights. These shifts would not have occurred without a consistent economic policy based on careful planning to attain the necessary goals (Al-Shehri, 2014).

The most significant economic policy objectives accomplished during his reign are given below.

Implementing "Islamic principles" in the economic policy of the state:

King Khalid had adopted a clear policy that said the state would build its foundations on the tolerant Islamic Sharia. This policy became crystal clear in a statement by his majesty, which declared his government's policy concerning building the economy. The statement said:

"The Islamic Sharia was and will remain the flag which shelters we seek and the starting point from where we move on and the goal we

try to achieve. We refer legislation to its principles, seek the light by its guidance, and bite onto it with our molar teeth. We do not fear the blame of the critic about it, and the obstacles of time cannot prevent us from acting according to it. You will find the essence of justice in it, and the justice is the foundation of kingship" (Umm Al-Qura, 1975)

King Khalid drew the broad lines on which the Saudi economy operates under the Islamic Sharia's rules and regulations, as the Sharia stresses that justice and equality in rights and duties must be guaranteed to ensure human rights and freedom, achieve social security and encourage the Saudi individual to engage in constructive work. King Khalid understood that the significance of a state consists in the genuine progress it strives to achieve for its population based on efficiency, justice, and the creation of optimal living opportunities (Al-Shehri, 2014).

Continuity of Saudi Economic Policy:

1) As a continuation of the strategy of his predecessors, King Khalid sought to ensure "transparency" in his economic policies. Therefore, these development plans were not the result of a spur-of-the-moment decision but rather the culmination of years of hard labour, planning, and dedication, begun by the founder and continued by his sons, the kings after him. The five-year plans, whose effects began to be evident during his rule, were an ongoing effort and institutional labour for the state under Al-Faisal's tenure and reached him. The most significant outcomes are as follows:

- The average growth rate of domestic output reached 8.4 percent, while the non-oil sector grew by 15.82 percent annually.
- The inflation rate did not reach 6%.
- The allocations for the third "five-year plan" (1980-1984) totaled 782,8 billion riyals (Al-Dajani, 2002).

Focus on Planning to Achieve the Economic Objectives:

The administration of King Khalid used a novel strategy to capitalise on the "knowledge heritage" based on planning, available resources, and the opinions and experiences of specialists. As a result, the "Central Commission for Planning" was renamed the "Ministry of Planning," which is responsible for all planning and preparatory duties linked to the "Five-Year Comprehensive Development Plan."

The state's planning strategy can be observed in its "second development plan" compared to its "first development plan" because the financial allocations for the second "five-year plan" increased dramatically, indicating how much emphasis was placed on

education, health, public utilities, services, transport, communications, industry, trade, and agriculture.

Also, according to the figures, the total expenditure for the second "five-year plan" was ten times that of the first "five-year plan." In the second "five-year plan," spending on human resources and social & health services was seven times greater than in the first. This demonstrates the existence of a strong administration concerned with the development and capable of employing the potential and resources of society to implement this plan and progress the country's development process (Al-Shara, 1984).

Table 1 compares the budget allocations of the first and second "five-year plans."

Table 1: Comparison of Budget Allocation of first and second 5-year plans

Sector of Development	Target			Spent		
	First Plan	Second Plan	Difference	First Plan	Second Plan	Difference
Development of Economic Resources	4.15	19.92	2118	9.5	97.3	1024
Development of Human Resources	7.38	80.13	1086	7.0	51.0	729
Basic Equipment	10.39	122.94	1087	14.1	3.171	1215
Total (Billion Riyal)	24.04	318.42	1325	34.1	347.2	18

During the reign of King Khalid, the second development plan contributed to the success of the third development plan. It is manifested by the increase in total non-oil domestic production, the high rate of capital formation, the total fixed investment, the low rate of inflation, the achievement of balance among the economic sectors, the rationalisation of the use of state financial resources, and the emphasis on the development and welfare of the Saudi individual (Al-Rumaih, 2015).

Diversification of Income Resources:

During the reign of King Khalid, the economic policy of the Kingdom was to diversify and develop the economic base by utilising the existing resources and agricultural and industrial capabilities to lessen the state's reliance on oil earnings.

Industrial accomplishments mainly focused on supporting and encouraging the expansion of energy projects in which the private

sector has invested to ensure the affordable delivery of electricity to citizens and industrial enterprises.

Additionally, the government was eager to assist the private sector in establishing "light and medium industries" to serve local consumers' needs and raise individual incomes. The number of industrial licenses reached 2,689 by 1982, with total finance amounting to (511.276) billion riyals due to these economic developments.

In 1982, the Ministry of Industry and Electricity issued 246 licenses worth 91,326,300,000,000 riyals. This has encouraged foreign investors to join industrial projects and invest in the Saudi market. 518 projects received funding totaling 6.32 billion riyals from foreign investors (Al-Rumaih, 2015).

The Saudi economy was not confined to a just national scale; instead, it extended beyond the country's borders and showed a significant interest in international trade, which is essential to the growth and development of the domestic economy. Exports' value tripled during King Khalid's reign, but imports nearly quadrupled. Although this was not in the Saudi economy's best interest, it demonstrates its interdependence with the world economy.

As part of its economic policies, the Kingdom contributed to restoring global economic equilibrium, which was made possible by its intelligent handling of OPEC's prices and output. The Kingdom has always pursued a pragmatic approach toward radical forces within the organisation's corridors (Al-Shehri, 2014).

Focus on Saudi:

During the reign of King Khalid, one of the priorities of economic policy was to prioritise Saudi Arabia and be serious about achieving comprehensive development. One of the essential strategies for Saudi Arabia's renaissance was education due to its importance in transmitting values and knowledge from one generation to the next. (Karim, 2010) Consequently, the expenditure on education doubled from 12,940,937 riyals in 1974 to 25,823,287 riyals in 1981, and the number of schools grew from 6536 in 1974 to 12619 in 1981-1982. In addition, the education expenditure expanded throughout the reign of King Khalid, as seen in the table below.

Table 2: Expenditure on Education during the reign of King Khalid

Years	Education Budget in the Kingdom	The ratio of the Education Budget to the General Budget of the Kingdom
1395/96 HC	12940937	11.7%
1396/97 HC	13977458	12.6%
1397/987 HC	15044927	13.5%

1398/99 HC	15132146	11.6%
1399/1400 HC	16269082	10.2%
1400/1401 HC	21294465	8.7%
1401/1402 HC	25823287	8.7%

This budget offered substantial assistance for establishing schools, hiring male and female teachers for all levels of education, and establishing universities capable of preparing and qualifying Saudi professionals. King Khalid's economic policy supported the state's administrative systems, developed them, and increased their effectiveness and efficiency, which led to the success of the Saudi economy's infrastructure, provided everything necessary to advance the Saudi individual, and fulfilled the leadership's aspirations for constructing a prestigious Saudi economy (Madani, 2016).

Second: The role of the private sector and Chambers of Commerce & Industry in the Kingdom of Saudi Arabia

The Saudi government has enabled the private sector and activated its role in supporting projects by building a strategy between the Federation of Saudi Chambers and public agencies to stimulate and develop economic sectors at a time when the "Saudi Vision 2030" focuses on numerous economic and financial reforms aimed at transforming the structure of a diversified and sustainable economy based on enhancing productivity, improving the contribution of the privatisation sector, and diversifying the source of economic growth.

The coordination between chambers of commerce and government agencies has helped to improve the business environment and overcome the challenges facing the sector, as the Federation of Chambers has participated in studying the regulations, developing programmes to provide support and assistance, and assisting the official authorities in researching and formulating numerous laws and decisions about the business sector.

The scientific studies indicate that the government projects, which support the private sector and the Federation of Saudi Chambers also contributed to these projects, helped to increase the proportion of local content in mega projects, issue the mining investment system, stimulate national exports based on incentive packages and government facilities, as well as protecting the local products from dumping, contributing to the franchise system, and regulating "The Franchise System."

As a permanent member of the "Business Environment Improvement Committee" for the private sector, the Federation of Saudi Chambers works to improve the regulatory and legislative environment for doing business, find innovative solutions to the obstacles facing the

industry, and raise awareness among companies and institutions about the national economic developments.

As part of its most notable contribution to the "Business Environment Improvement Committee" for the Private Sector, the Federation of Saudi Chambers organised approximately 40 meetings and 12 workshops at which the challenges of the private sector were discussed with "National Water Company" and "Saudi Exports Development Authority" as well as the challenges and financing opportunities for the associated "establishments", commercial banks, and development funds.

The help offered by the Federation of Saudi Chambers stimulated the private sector, which began to contribute successfully to the development process in the Kingdom of Saudi Arabia, as the private sector plays a crucial role in establishing development programmes and initiatives. Because the private sector has achieved a distinguished economic level and a high level of experience, it has become necessary to capitalise on its capabilities and expand its role to enhance economic performance in producing public services and utilities (Al Saud, 2008).

During the years of development plans, the private sector has shown its superior capacity to contribute to the country's developmental renaissance as the number of its firms and investments grew (Al-Juraisy, 2007).

It can be said with certainty that the modern economy in the Kingdom of Saudi Arabia began in 1948 when the first official budget was prepared, and the private sector responded to state directives. Entrepreneurs began forming new companies that contributed to the implementation of developmental projects (Faqih, 2007). Starting with the first plan, 1970-1975, the private sector made a quantum leap in developing its capacities to match the dimensions of the country's holistic development renaissance (Faqih, 2007) until it reached the reign of King Khalid (1975-1982).

The second development plan (1975-1980) and the third development plan (1980-1985) focused significantly on increasing the revenues of the Kingdom of Saudi Arabia as a result of the rising demand for crude oil and its prices, which had a positive effect on the increase in spending on the plan and the expansion of development projects. The second plan's expenditures totaled 700 billion riyals. Despite limitations such as a lack of essential equipment and skilled labour, the Kingdom of Saudi Arabia overcame the obstacles to its development. As the world's largest oil exporter, it became one of the most influential financial forces (Al-Hamd, 2009).

With the commencement of its second "five-year plan" in 1975-1980, the Kingdom has outlined the actions and contributions of the private sector as part of its overall aims. The Kingdom has also pushed the private sector to participate actively in economic development activities so that it may be capable of directing growth and employing resources to create prosperity for all citizens. (Al-Juraisy, 2007).

Third: The Establishment of Saudi Chambers of Commerce

Chambers of Commerce are characterised as "official institutions" consisting of several business professionals who organise commercial activity within a given geographical area. They can also be defined as "professional economic organisations" whose purpose is to sponsor economic activities, represent those responsible for these activities within the framework of laws and regulations governing economic activity, work for the public interest in the area of the national economy, and care for the interests of their members working in specific fields by providing an integrated package of services.

In addition to the preceding, chambers of commerce seek to build a society by channeling their energies, expertise, material resources, and technological knowledge toward the growth of the national economy (Al-Ruwaili, 2013). It also aspires to organise the business sectors, protect their interests, and develop their role within a framework that contributes to the advancement of the national economy and the development of society. Additionally, the Chambers of Commerce endeavor to harmonise and coordinate the interests of their members and affiliates. (Al-Obaidi, 2011).

Before King Abdulaziz arrived in Mecca in 1924 and his conquest of Jeddah, one of the most challenging economic eras occurred. The outbreak of the First World War prompted a drop in global trade and the number of pilgrims arriving, as well as disruptions to the railways in Hijaz. As a result, the government raised the fees charged to pilgrims and increased taxes on merchants and several other professions to reduce the budget deficit (Al-Faisal, 2007).

Despite these poor economic conditions, King Abdul Aziz's annexation of Hijaz was a turning point. The territory already had an administrative structure and several government departments, which he did not alter and let remain in place. (Al-Salloum, 2007; Al-Khalaf, 2007; Bin Baz, 2015). Instead, he proceeded to integrate the sources of legislation and build the judicial system, transforming its primary forms, acquired from the preceding countries, into its current appearance (Al-Otaibi, 1993).

The Shura Council devised a structure for corporations in 1936. The "Trade Council System" was published in 1944 with a chairman, two permanent members, one legal member (Sharai), and five honorary

members. The Attorney General in Hijaz assigned the Firm's Registrar the responsibility of registering all companies operating in the country. In 1946, the number of members increased to six, with three selected by the government and three honoraries, in addition to the legal member (Al-Otaibi, 1993). The council continued its operations until 1954 when it was dissolved. In 1980, the Ministry of Commerce established "commercial dispute resolution bodies" to assume the council's responsibilities (Fi-Rukkab Al-Tahwwul, Jeddah Chamber, 2018).

Concerning the origins of chambers of commerce, the pioneering businesspeople of Jeddah desired to establish the first industrial chamber of commerce in the Kingdom. This was an early indicator of the expansion of institutional thought within the private sector. The Chamber of Commerce was the best capable of expressing businessmen's goals and proposals to the government and vice versa, given its role as a liaison between the government and businessmen. (Al-Otaibi, 1993; Al-Ruwaili, 2013)

Therefore, a group of Jeddah businesspeople contacted the then-Minister of Finance, Mr Abdullah Al-Sulaiman, to propose the concept of forming a chamber of commerce for Jeddah as the first port in the Kingdom of Saudi Arabia and the main commercial centre. He endorsed the idea and presented it to His Majesty King Abdul Aziz (Faqih, 2007; Fi-Rukkab Al-Tahwwul, Jeddah Chamber, 2018), who approved the building of the chamber of commerce granted. The terms of its system were published in the Umm Al-Qura newspaper (Umm Al-Qura newspaper, January 18, 1946).

The chamber began bringing together business people, traders, brokers, and money-changers to discuss the movement of global markets and the fluctuating prices of foreign exchange upon which their commercial trade is dependent.

Sheikh Muhammad Abdullah Raza was appointed the chamber's first president (Faqih, 2007). The chamber's offices moved to multiple locations, including King Faisal Street, Prince Abdullah Al-Faisal Building, Prince Mansour Building on Qabel Street, and finally, its building on King Khalid Street in Al-Mina Road in 1972 (Al-Shuaibi, 1998).

The Royal Decree outlined the Chamber of Commerce's responsibilities as follows: Investigate business, commerce, finance, and national industry; make suggestions for the means that can lead to that; protect public wealth, trade, and national industry from foreign competitions; remove obstacles that impede commercial progress; seek government assistance in this regard; and work to

establish financial institutions, commercial & financial industries (Fi-Rukkab Al-Tahwwul Chamber, Jeddah.).

According to the Umm Al-Qura News Paper, the Chamber of Commerce was tasked with guiding business people, merchants, and manufacturers to the most accessible and most beneficial means of exporting, importing, and developing the industry, as well as to the most important countries for their exports and supply, as well as responding to inquiries from foreign persons, companies, and financial institutions regarding the financial situation of business people or resolving their disputes.

The decree required merchants and business people to maintain a special register for the prices of all financial affairs and a register to record all information received about trade situations, merchants, companies, financial, industrial, and commercial institutions abroad so that the government and subscribers may benefit from these details.

In addition, the decree required the chamber of commerce to make substantial efforts to improve the condition of national products and the Kingdom's exports, find commercial markets for them, and issue periodic bulletins as per need at home and abroad that are important for merchants to know, carry out all the duties assigned to it by the government, and serve as a judge in resolving disputes between merchants and business people. According to the system, the chamber of commerce strives to enhance the nation's trade and industry while protecting them from outside competition. (Umm Al-Qura Newspaper, January 18, 1946)

The Royal Decree specified the notebooks that must be available in the Chamber of Commerce and Industry, such as a notebook with subscribers' names, addresses, and nature of their activities, a notebook for the minutes of the meetings, a notebook to register imports and expenses, a notebook for copies of certificates, reports, and ratifications, a notebook for messages issued by the chamber of commerce, and a notebook to record prices. Additionally, the system established the annual subscription price, which was 80 riyals for the first half, 50 riyals for the second half, 30 riyals for the third half, and 20 riyals for the fourth half.

In addition, the system stipulated a fine of 200 to 400 riyals for anyone who subscribes to the chamber of commerce without authorisation (Umm Al-Qura newspaper, January 18, 1946).

Concerning the chamber's management, the decree specified that it would be overseen by a body known as the "Chamber of Commerce Management Committee," whose members would include

businesspeople, merchants, and merchants. Following were the requirements for committee membership:

1. He must be a subscriber of the chamber and possess superior reading and writing skills.
2. His age must be at least 30 years old.
3. He should be known for his honesty and morality.
4. He must have worked as a professional in commerce or industry for a minimum of six continuous years, or two years if he possesses a degree from a Commerce College or industry.
5. He shall not be bankrupt, although he may be elected if he has been bankrupted and rehabilitated.
6. He must not have been convicted of a felony or dishonourable misdemeanour (Al-Shuaibi, 1998).

The system identified the "Management Committee of the Chamber of Commerce and Industry" in Makkah, Jeddah, Madinah, Al-Ahsa, and Abha as twelve individuals. However, in the other chambers, it consisted of only six individuals. The government appoints the members of the committee for the first session. One-third of the remaining sessions are nominated by the government, while the remaining two-thirds are elected by the businesses and traders who have joined it. The government must appoint individuals who match the specified requirements for governing the chamber.

The system also specifies the duration of Chamber of Commerce membership, which is two years in the first session and three years in subsequent sessions. With the Attorney General's approval, the Administrative Committee also elects the first and second presidents from among its members. Members of the Chamber get no compensation for their efforts. The Management Committee establishes internal bylaws that specify voting procedures, meeting times, the number of sessions, how to invite members, and the duties of the chamber's first and second presidents and secretary. In addition, the committee recognises the chamber's demand for staff and clerks whose appointments and the committee itself determine compensation. In addition, the Administrative Committee determines what the chamber needs in terms of supplies, expenses, and equipment (Um Al-Qura Newspaper, Issue 1089, January 18, 1946).

Within the context of cooperation between the government and the Chamber of Commerce, the system specifies that if the government seeks an expert from among the merchants and business people, the chamber must pick one from among the subscribers and pay him a wage in exchange for his work. It is not allowed in government and

municipal auctions and tenders in countries with a chamber of commerce, regardless of whether the bidder is a merchant, contractor, or broker unless he is a subscriber. The Chambers of Commerce and Industry must submit an annual report detailing its activities and budget to the government. The report must be published in the newspapers (Umm Al-Qura Newspaper, January 18, 1946).

In light of the preceding declaration and under the royal order, traders in the Kingdom of Saudi Arabia now have the right to request the establishment of a chamber of commerce or industry from the government, which reserves the right to accept or reject the request. Also, any Saudi or expatriate merchant or business owner may join the Chamber of Commerce (Al-Ruwaili, 2013).

However, the Chambers of Commerce in the Kingdom of Saudi Arabia began to appear one after another. After Jeddah, the Makkah Chamber of Commerce was established. A union was formed between them in 1949 (Al-Ruwaili, 2013), which was followed by the establishment of the "Chamber of Commerce and Industry of the Eastern Region" on 3 Shawwal 1953, and the establishment of the Riyadh Chamber of Commerce and Industry at the beginning of Rabi' Thani 13.

Officials' lack of understanding of the chamber's objectives and purposes was one of the many obstacles they faced at the time. Still, those who were concerned with establishing the chamber were able to overcome it. It is now an important institution in the Riyadh region that contributes to achieving the national goals of the Kingdom and improves the capacity and performance of the private sector. In 1966, the Chamber of Commerce and Industry was created in Madinah, following Riyadh (Al-Hamd, 2009).

Fourth: The Development of Chambers of Commerce & Industry during the reign of King Khalid bin Abdulaziz

As mentioned previously, King Khalid's economic policy centred on achieving several vital objectives outlined in the "development plans," the most important of which was to develop the national resources through the modernisation of all industries, petroleum, and mining (heavy and light), develop the agricultural sector, raise the standard of living of the people, and provide the means and resources for education to all classes and groups of the society. (Al-Ruwaili, 2013)

During his rule, all efforts were focused on implementing the second "five-year plan" and accelerating economic growth, resulting in a steady expansion in all economic sectors of the Kingdom of Saudi

Arabia. The private sector has demonstrated receptivity, and its contribution to the capital formation has expanded.

Saudi Arabia's economy was stable thanks to a financial policy that reduced the imbalance between supply and demand and contained the local sources of inflation. As a result, the Saudi economy saw development during the fiscal year 1981/1982, and actual government spending rose by 14 percent compared to the previous fiscal year. (Khayat, 2009).

Since the state strongly believes in the significance of interdependence among the components of the national economy, it has worked diligently to modernise the infrastructure and other support services under a holistic perspective that recognises that the desired outcomes cannot be attained without addressing the parts and components.

Under the renaissance experienced by the Kingdom of Saudi Arabia during the reign of King Khalid, a new system for the Chambers of Commerce and Industry was issued under Royal Decree No. M/6 dated 1979/1980 to replace the system previously applied by order number 2829 dated 1948.

In addition to the founding of the "Council of Saudi Chambers," which is concerned with the common interests of the chambers and has a moral character (Al-Rumaih, 2015), the chambers of commerce were granted expanded powers. This new system is comprised of forty-two pieces organised into six chapters. (Al-Nasiri, 2001):

Chapter 1: Formation of Chambers of Commerce and Industry.

Chapter 2: Functions of Chambers of Commerce and Industry.

Chapter 3: Management of Chambers of Commerce and Industry.

Chapter 4: Budget of Chambers of Commerce and Industry.

Chapter 5: Council of Chambers of Commerce and Industry.

Chapter 6: General Provisions.

The system put in place to establish the Chambers of Commerce and Industry clarified that it is a non-profit organisation with a legal and commercial personality that represents, within its jurisdiction, the commercial and industrial interests of the public authorities and works to protect and advance those interests.

The "board of directors" is represented before the judiciary and others by its chairman. It is formed by a Minister of Commerce and Minister of Industry and Electricity decree. The decision stipulates the location of the chamber's headquarters, the scope of its jurisdiction, and the minimum number of its members since there

must be at least thirty commercial or industrial enterprises registered in the Commercial Register.

The chamber may create branch offices within its authority with the agreement of the Minister of Commerce. If branches exist, it is also permitted to subscribe to more than one chamber.

By erasing the commercial registration or failing to pay the annual subscription price notwithstanding notification, the subscription is forfeited. When the obstacle is overcome, the registration may be re-registered (Faqih, 2007; Resolution No. 64, dated 04/22/1979, King Khalid Database).

In addition, the system indicated that the chamber would fulfill its goals by publishing publications and bulletins that serve business and industry, contacting other chambers or government organisations to gather statistics and information about commerce and industry, and organising committees.

"specialist committees" comprised of its subscribers or others are responsible for preparing studies, research, and reports that contribute to the growth of commerce and industry. (Al-Hamd, 2009).

The Chambers of Commerce and Industry have kept pace with the economic growth in the Kingdom of Saudi Arabia, provided excellent services to their employees, and supported the state's economic policies to encourage the private sector by promoting awareness of the objectives and offering advice and direction (King Khalid Database, Khayat, 2009).

The subscription to the Chamber of Commerce is a legal requirement for all Commercial Register-listed traders and businesspeople. The chamber is governed by an assembly of members and a board of directors. The general assembly is comprised of all Chamber members. Among its most important responsibilities are electing two-thirds of the Board of Directors members, provided that 50 percent of them are traders and 50 percent are manufacturers, if sufficient numbers are available, reviewing the Board of Directors' report on the chamber's activity, financial position, final account for the ended fiscal year, and draft budget for the following year, and discussing chamber affairs. The assembly meets at least once a year during the three months following the conclusion of the fiscal year, at the request of the Board of Directors or 2 percent of the chamber's subscribers (King Khalid database).

The system clarified that the Board of Directors picks the general secretary, who is responsible for the organisation's administrative

and financial operations and has the right to attend Board meetings without voting.

The General Secretary carries out the decisions of the Board of Directors, performs all tasks assigned to him by the chairman of the Board, monitors the chamber's employees and users, submits a report on each at the end of the fiscal year, prepares the draft budget and the final account, and takes the necessary steps for convening the meetings of the General Assembly and Board of Directors.

Each year, the fiscal year of the chamber begins at the beginning of the month of Rajab and concludes after the month of Jamad-al-Thani. Its resources include subscriptions, issue fees, confirmation of certificates, papers, documents, investment returns on the chamber's funds, contributions, gifts, and public and governmental subsidies (Faqih, 2007).

Each chamber must also have a General Assembly and a Board of Directors. The General Assembly is comprised of Chamber members and has the following responsibilities:

- Elect two-thirds of the Board of Directors, provided that fifty percent of the members are dealers and other businesses and fifty percent are manufacturers.
- Examine the report of the Board of Directors on the chamber's work and financial standing.
- Examine the final account for the chamber's fiscal year and the draft budget for the following year.
- Discuss Chamber business and items the Board of Directors is considering for their approval.

The budget and final account are submitted for approval by the General Assembly to the Minister of Commerce. The General Assembly meets at least once per year during the three months following the end of the fiscal year, and meetings may be called at the request of the Board of Directors or 2 percent of chamber subscribers. In addition, the system clarified the need for a decision to be issued by the Minister of Commerce in agreement with the Minister of Industry and Electricity that outlines the procedures to be followed for convening the General Assembly, carrying out its duties, and electing its members (Al Jabr, 1996).

As for the Board of Directors, its primary responsibility is to manage the chamber's affairs, as it has the authority to achieve the chamber's objectives, issue the financial and administrative regulations and instructions it deems appropriate, form committees and delegate authority to ensure the chamber's smooth operation.

In addition, the Board prepares the annual report on the chamber's activities, the final account, and the draft budget for submission to the General Assembly. It sends a copy to the Minister of Commerce and the Minister of Industry and Electricity, along with its development proposals for the chamber. The Board of Directors appoints the chamber's chartered accountant and general secretary.

The Board meets once a month at the request of its president. More than half of the members must be present for the meeting to be valid. An absolute majority makes the Board's decisions of its members, and if the votes are tied, the side that received the president's vote will be given precedence. (Al-Jabr, 1996; Al-Ruwaili, 2013).

Regarding the composition of the "Board of Directors," six and eighteen individuals are selected. The Minister of Commerce appoints one-third of the members in consultation with the Minister of Industry and Electricity. At the same time, the remaining two-thirds are elected by the General Assembly, considering the equitable representation of merchants and manufacturers.

Under the Minister of Industry and Electricity, the Minister of Commerce determines the number of Board of Directors members based on the number of chamber members (Al-Ruwaili, 2013). The system of the Chambers of Commerce and Industry stipulates that they are judicial bodies and that they resolve commercial disputes through arbitration based on a prior agreement between the parties of the conflict and specifying the selection of the Chamber of Commerce to resolve the dispute and differences (Al Jabr, 1996).

Individuals' awareness of their role in the development of society increased the number of chambers of commerce and industry, such as the Chamber of Commerce in Al-Qassim, which was established in 1987 with branch offices in Al-Bukairiya, Unayzah, and Ras; the Chamber of Commerce and Industry in Taif, which was established in 1978 with a branch office in Huwaiyah; and the Chamber of Commerce in Riyadh

After Majmaah, the Chamber of Commerce and Industry in Yanbu was founded on June 20, 1978, followed by the branch offices in Yanbu Al-Sinaai and Badr, and finally, the Tabuk Chamber of Commerce and Industry. Chamber of Commerce and Industry in Al-Ahsa in 1981 and the branch offices in Hofuf, followed by the Chamber of Commerce and Industry in Abha in 1981 and the branch offices in Khamis Mushit and Bisha (Al Jabr, 1996).

The Council of Saudi Chambers was established during the reign of King Khalid, with its headquarters in Riyadh (Al-Ruhaili, 2007) under the leadership of Sheikh Ismail Abu Dawood and the membership of

the heads of each of the following chambers: Makkah Al-Mukarramah, Riyadh, Jeddah, Abha, Al-Ahsa, Tabuk, Dammam, Taif, Al-Qassim, Madinah, Yanbu (Khayat, 2009).

As an institution that encompasses all chambers of commerce in the Kingdom, "The Council of Saudi Chambers" aims to govern the working procedures of chambers of commerce, coordinate amongst chambers on particular topics, and represent them before international trade organisations. Al-Ruwaili (2013) states that the council comprises the head of each chamber in the Kingdom (or his deputy in his absence) and one elected member of the council of each chamber.

Therefore, the Chambers of Commerce and Industry in the Kingdom of Saudi Arabia became more involved in assisting the private sector (Khayat, 2009).

Fifth: The Tasks of Chambers of Commerce to support the objectives of sustainable development

Chambers of Commerce and Industry play a significant part in the promotion of sustainable development, and the system has highlighted the following as their most important roles:

1. Preparing objective assessments of the positives and cons of the privatisation experiences of nations that have implemented privatisation.
2. Organising seminars and conferences to help the private sector assume its due place in society.
3. Strengthening the link between chambers of business and state agencies by offering information and suggestions to stimulate the private sector and remove obstacles in its path.
4. Participation in delegations sent to specific nations to learn from their experiences and knowledge (Al Jabr, 1996).
5. Adopting investment-stimulating systems that encourage the engagement of international capital alongside domestic investors.
6. Forming joint-stock firms, promoting and advertising, and encouraging small and medium-sized businesses.
7. focusing on national products, offering them to the market, and developing their markets
8. Using various training programmes, develop and qualify the local workforce under labour market needs.
9. Preparing commercial and industrial research and presenting the appropriate authorities with data and information on various

commercial and industrial concerns. (Al Saud, 2008; Al-Ruwaili, 2013).

Sixth: The Tasks of "Council of Saudi Chambers"

The "Council of Saudi Chambers", with its official headquarters in Riyadh, was founded by Royal Decree No. M/6, dated March 1980, represents the local and international interests of the 28 Chambers of Commerce and Industry in the Kingdom.

The council strives to expand the private sector's participation in the national economy. It began its actual activities by founding its executive body, the "General Secretariat of the Council of Saudi Chambers," in 1981. Since then, it has taken rapid steps toward attaining the following goals: Focus on the private sector and monitor its associated challenges.

- A unified representation of the perspectives of Chambers of Commerce and the private sector on significant issues of a shared nature, as well as projects and laws of an economic, financial, and commercial nature.
- Contribute to novel ways of serving the business community and assisting the Chambers in carrying out their duties efficiently.
- Develop new areas of cooperation and encourage collaborative chamber activity (Faqih, 2007; Khayat, 2009).
- Represent the Chambers of Commerce and Industry in all local and international matters, direct the external collaboration, and improve the relationships with foreign bodies and organisations. (Faqih, 2007; Al-Ruwaili, 2013).

Conclusion:

The study demonstrated how eager and engaged the Kingdom of Saudi Arabia was in establishing the Chambers of Commerce and Industry and its function in supporting and promoting the private sector and activating its position in accomplishing the country's developmental renaissance. Consequently, King Abdulaziz sanctioned the establishment of the Chambers of Commerce, which had played an increasing role in organising the activity of the private sector and had achieved a great deal for this sector by adopting initiatives and enhancing their contributions to the state's aspirations.

The study examined the most critical tactics devised by the government of King Khalid bin Abdulaziz to improve the state's economic standing, complete the work begun by his predecessors, and keep pace with the Kingdom of Saudi Arabia's current

advancements. During his reign, chambers of commerce and the services they offered businesspeople were established. Given the abundance of chambers of commerce, establishing an institution that combines their operations and efforts was urgently required. This entity is the Saudi Chambers Council. The study yielded numerous findings, the most significant of which are:

1. Numerous elements characterise King Khalid's economic strategy, including its commitment to the principles and regulations of Islamic law, its emphasis on the Saudi individual, and the realisation of his prosperity and well-being.
2. The continuation of the economic policies of his predecessor, King Khalid.
3. As a result of the system of chambers of commerce, the private sector plays a more significant role in the economic development of the Kingdom of Saudi Arabia.
4. During the reign of King Khaled, the number of chambers of commerce in the Kingdom expanded to 19, which were dispersed throughout the Kingdom's regions.
5. The Chambers of Commerce and Industry play a significant role in advancing organisational growth because it is concerned with chambers of commerce and industry in the Kingdom, analysing chambers of commerce circumstances, and exchange benefits between them.

Recommendations:

Based on the findings, the study suggests the following:

1. The foundations and pillars of the national economy must be identified.
2. Studies about the Saudi economy in general and the chambers of business, in particular, should be supported.
3. Promote the role of chambers of commerce in assisting entrepreneurs and investors.
4. Conduct additional inter-disciplinary research to understand the historical evolution of the Saudi economy.
5. Track the historical progression of the Saudi economy and the Chambers of Commerce in particular.

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