

# SAUDI ECONOMIC CHARTBOOK

First Quarter **2025**

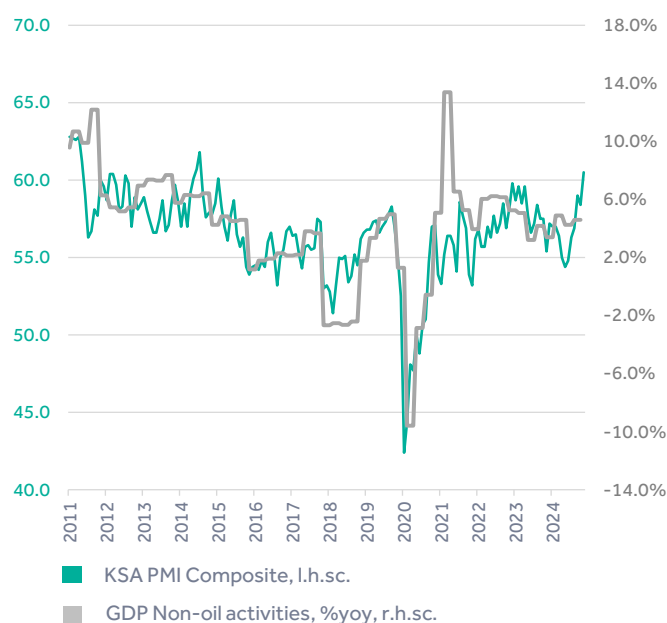
Table of Contents:

- GDP Data .....2
- Monetary Aggregates, Credit and Commercial Banks' Deposits.....3
- Fiscal Balance and Government Debt.....6
- Private Spending Indicators and Non-Oil Business Climate .....7
- Cement Sector and Non-oil Exports and Imports.....8
- Inflation Indicators .....9
- Real Estate Market .....10
- Oil Market Statistics.....12
- Foreign Exchange and KSA Credit Spread.....13
- Saudi Balance of Payments .....15
- Saudi Equity Market .....16
- Saudi Economic Outlook .....18

### Healthy Business Climate Indicating Strong Non-Oil Growth

- In the last quarter 2024, Saudi economic growth accelerated to 4.4%yoy, mainly due to a recovery of the oil sector which rose by 3.4%yoy. But also non-oil activities expanded by a robust 4.6%yoy, a gradually higher growth rate than in Q3 2024.
- Various indicators are currently signaling a strong non-oil economy. In particular, the Purchasing Manager Index as a business climate gauge reached a 10-year peak in January, which is indicating a growth acceleration of the non-oil economy at the beginning of 2025 (see graphic below).
- The strength of the domestic economy is also reflected in a distinct rise of credit demand. Commercial banks' private sector loan book growth picked-up to 13.4%yoy by the end of 2024 from 10.0%yoy the year before.
- In 2024, fiscal spending increased by 4.0% with, in particular, capital expenditure growing by 6.4%. At the same time, fiscal revenues rose by 1.5%, mainly due to higher non-oil revenues. Overall this resulted in a fiscal deficit of 115bln SAR or 2.8% of GDP.
- Saudi crude oil production averaged at 8.9mbd in 2024, a reduction of -6.8% to the previous year. By contrast, total oil refinery output reached on average of 2.6mbd which reflects an expansion of 3.0% compared to 2023.
- In the last four months of 2024, the FED cut its key interest rate by overall 100bp. We expect the US central bank to stay on a measured rate cut trajectory and forecast rate reductions of 50bp in 2025 and in 2026. SAMA is expected to adopt these monetary policy steps.

PMI at 10-Year Peak Signaling Growth Acceleration of Non-Oil GDP

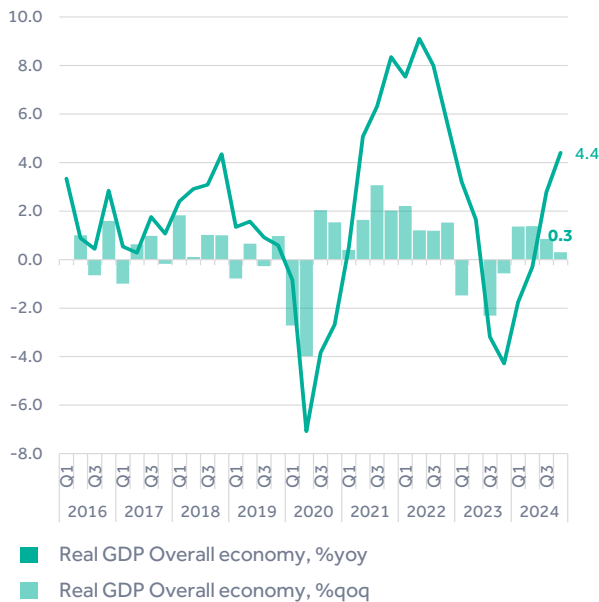


The Purchasing Manager Index (PMI) is a business climate indicator for the Saudi Non-oil economy. In January 2025, the PMI Composite jumped to a peak level of 60.5, a reading last seen 10 years ago. As the graphic illustrates, the PMI Composite is also clearly correlated to the real yoy growth rate of Non-oil activities. The most recent upswing of this business climate indicator is, therefore, signaling an acceleration of non-oil growth, a trend which already started in Q4 2024 where non-oil GDP growth rose to 4.6%yoy from 4.3%yoy in the previous quarter.

source: GASTAT, IHS Markit

## Gross Domestic Product (GDP) by Main Economic Activities

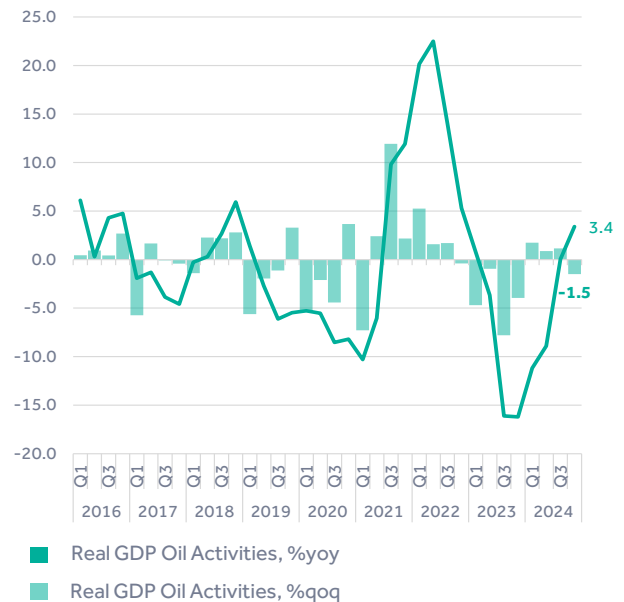
**Figure 1:**  
GDP Overall Economy



(Q4 2024 flash estimate)

source: GASTAT

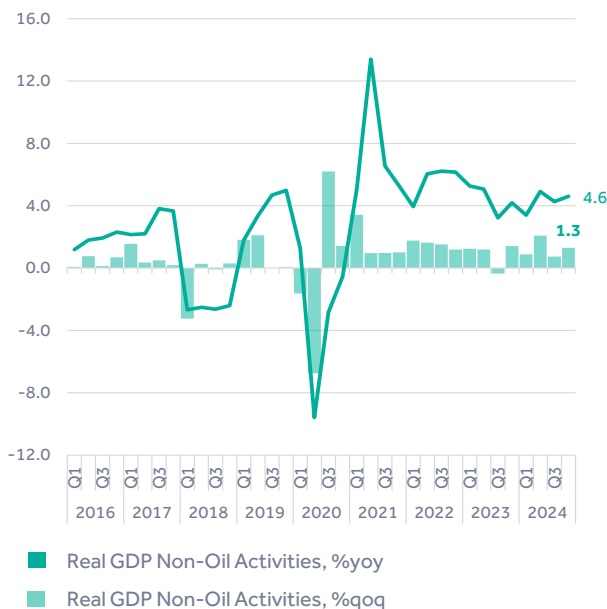
**Figure 2:**  
GDP Oil Activities



(Q4 2024 flash estimate)

source: GASTAT

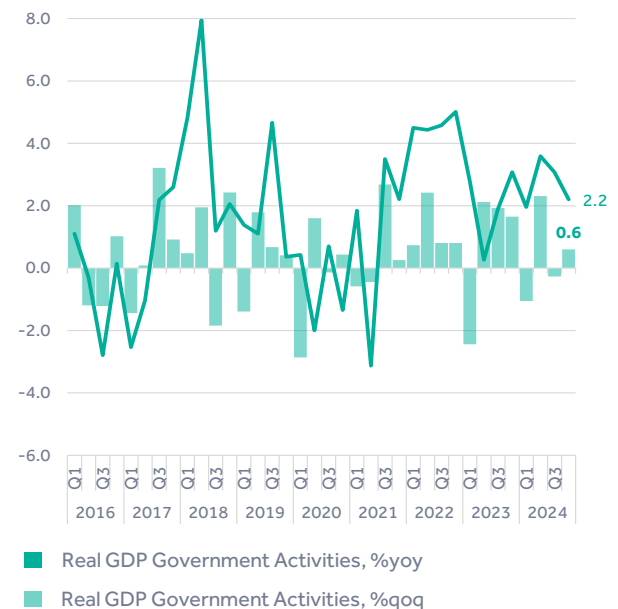
**Figure 3:**  
GDP Non-Oil Activities



(Q4 2024 flash estimate)

source: GASTAT

**Figure 4:**  
GDP Government Activities



(Q4 2024 flash estimate)

source: GASTAT

In Q4 2024, the year-on-year growth of the Saudi economy further accelerated to 4.4%yoy after 2.8% yoy in Q3. The main driver behind this growth expansion was the oil sector which turned positive in

Q4 with 3.4%yoy, although on a quarterly basis it contracted by -1.5%. Growth of Non-oil activities strengthened in Q4 to 4.6%yoy after 4.3%yoy in Q3. On a quarterly basis, it expanded by a solid 1.3%.

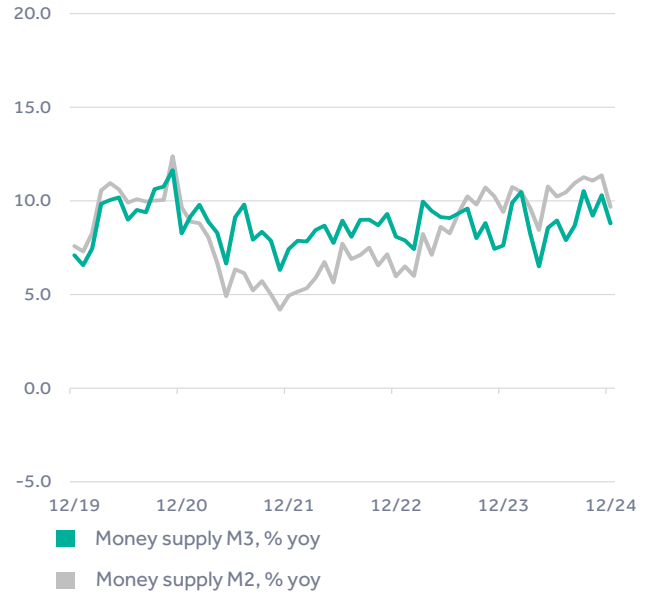
## Monetary Aggregates, Credit and Commercial Banks' Deposits

**Figure 1:**  
Growth Rate Monetary Base and Money Supply M1



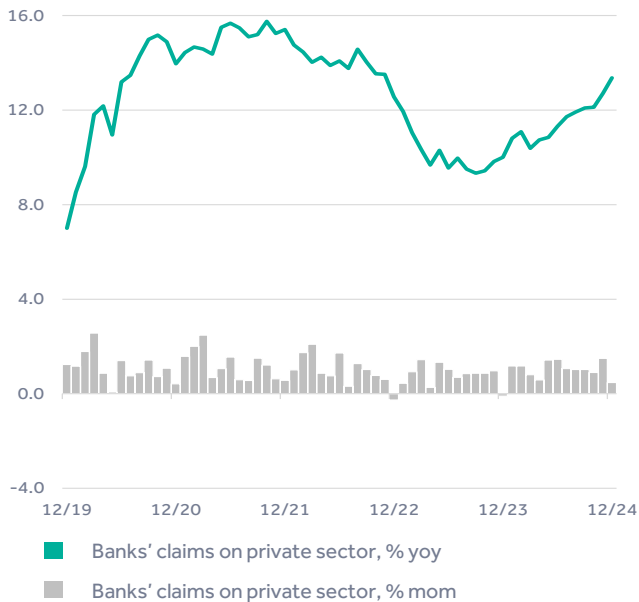
source: SAMA

**Figure 2:**  
Growth Rate Money Supply M2 and M3



source: SAMA

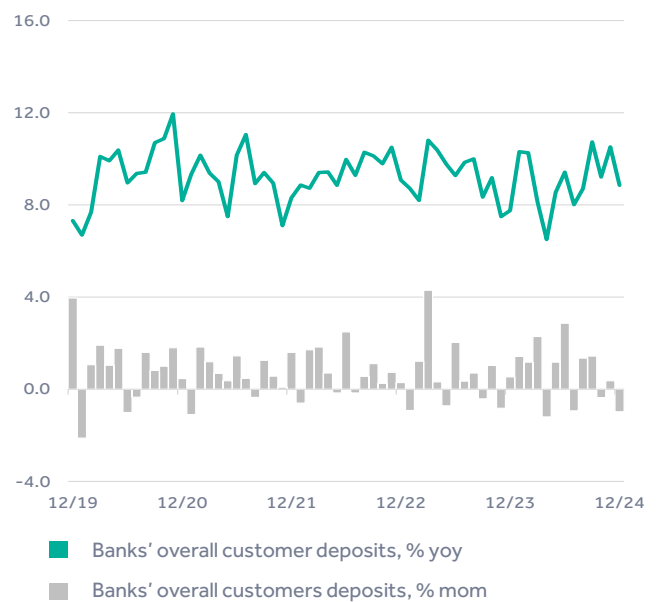
**Figure 3:**  
Growth of Credit to the Private Sector



source: SAMA

The strong growth of the non-oil economy is reflected in a pick-up in private sector loan demand to 13.4%yoy in December 2024 after 10.0%yoy the year before. Meanwhile, the yearly growth rate of

**Figure 4:**  
Growth of Commercial Banks' Deposits

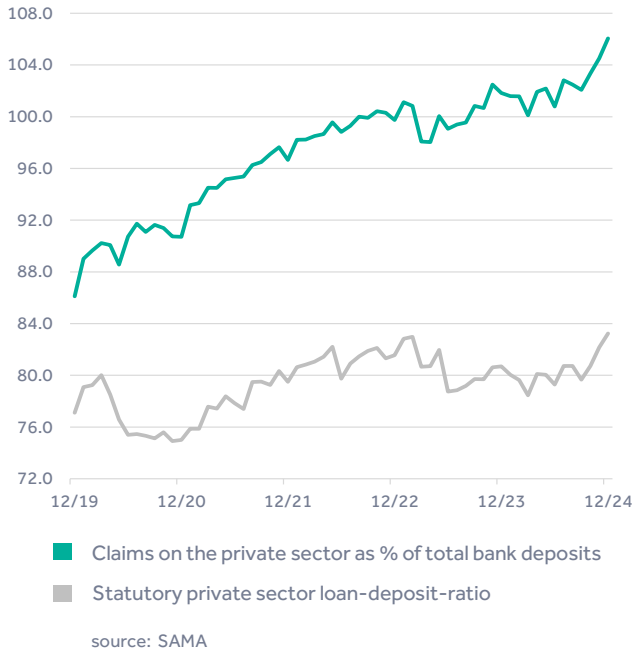


source: SAMA

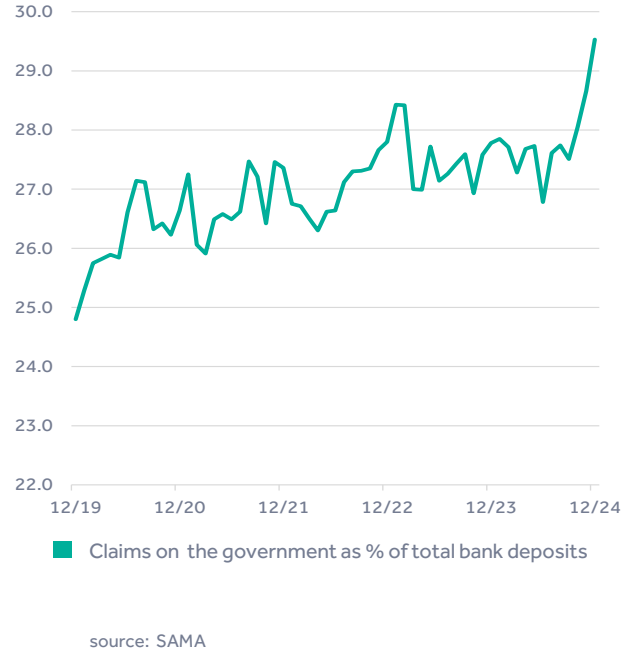
broad money supply M3 softened in December to 8.8%yoy after 10.3%yoy a month before. This was due to a drop of customer bank deposits which resulted in lower deposit growth by end of the year.

## Commercial Banks Key Ratios

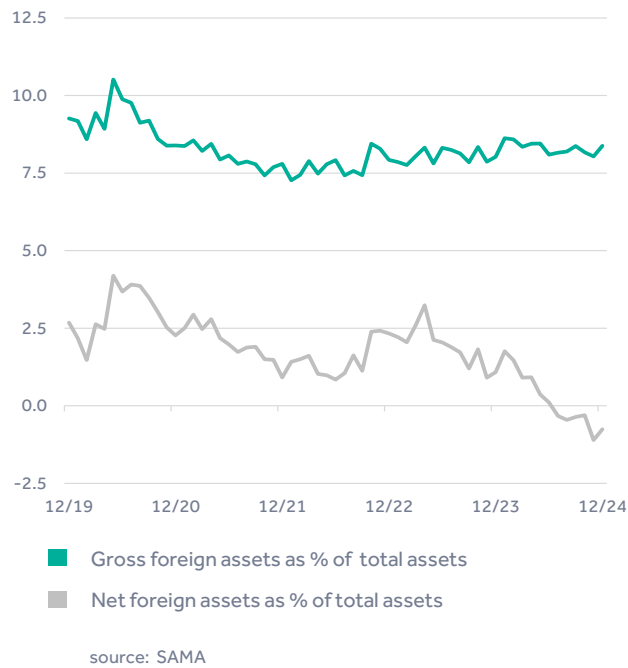
**Figure 1:**  
Private Sector Loan-Deposit-Ratio



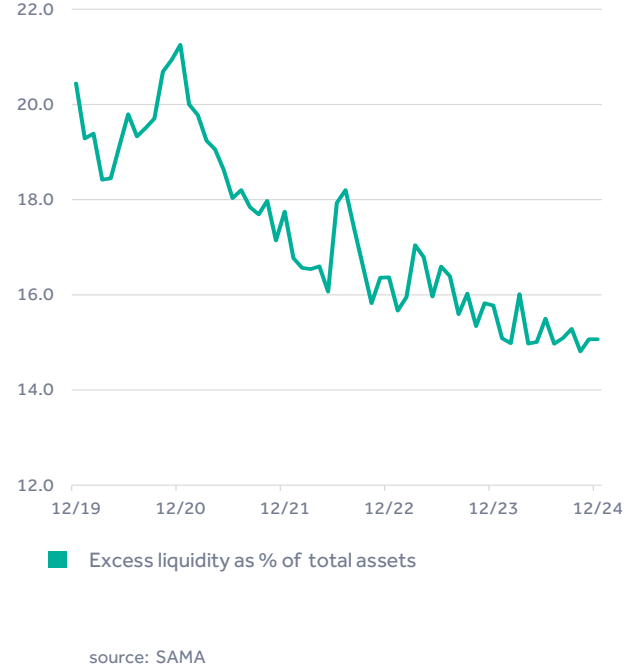
**Figure 2:**  
Government Sector Loan-Deposit-Ratio



**Figure 3:**  
Foreign Assets to Total Assets Ratio



**Figure 4:**  
Excess Liquidity to Total Assets Ratio

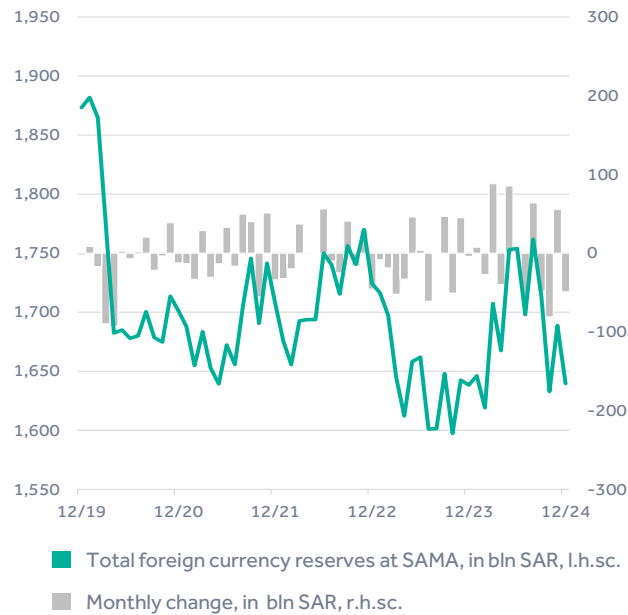


The gap between private sector credit growth and customer deposit growth translated into a private sector loan-deposit-ratio (LDR) rising from 100.6 in June 2024 to 106.1 in December. At the same time,

increased credit demand from the public sector, which includes sovereign Sukuk held by banks and public enterprises loans, resulted in a public sector LDR rising from 26.8 in June to 29.5 in December.

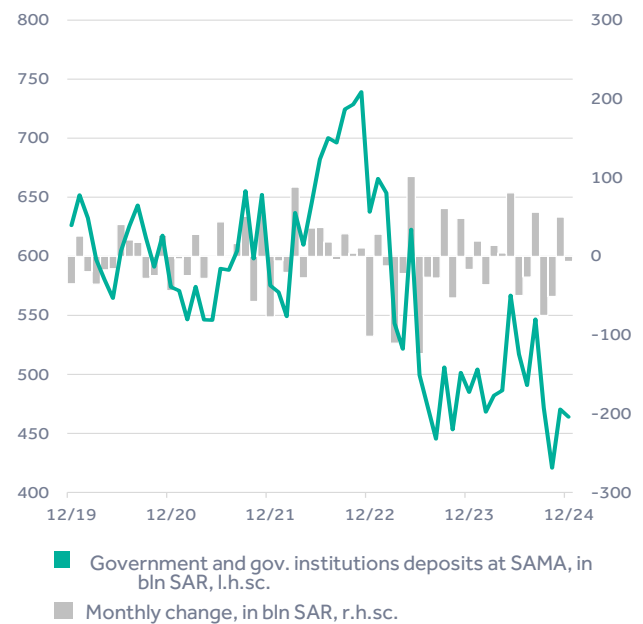
## SAMA Balance Sheet and Government Deposits

**Figure 1:**  
Foreign Currency Reserves at SAMA



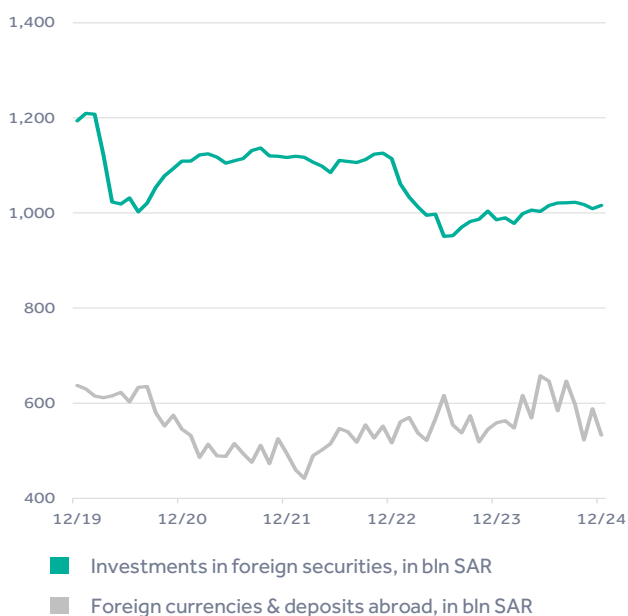
source: SAMA

**Figure 2:**  
Government Deposits at SAMA



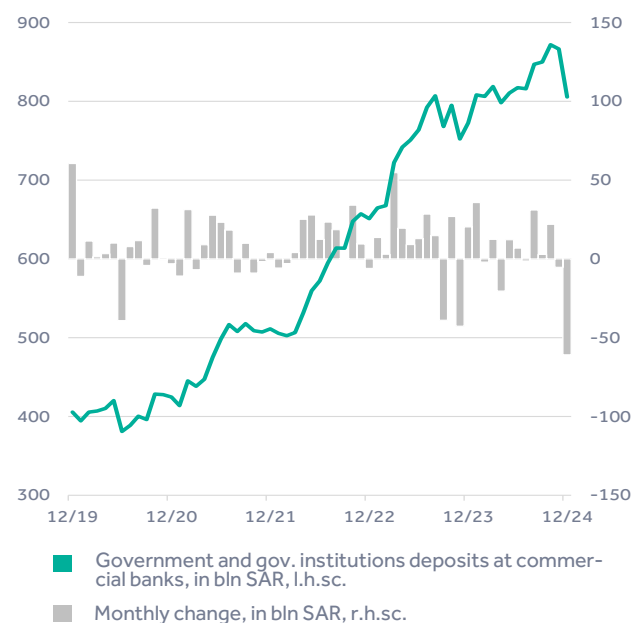
source: SAMA

**Figure 3:**  
Breakdown of Foreign Currency Reserves at SAMA



source: SAMA

**Figure 4:**  
Government Deposits at Commercial Banks



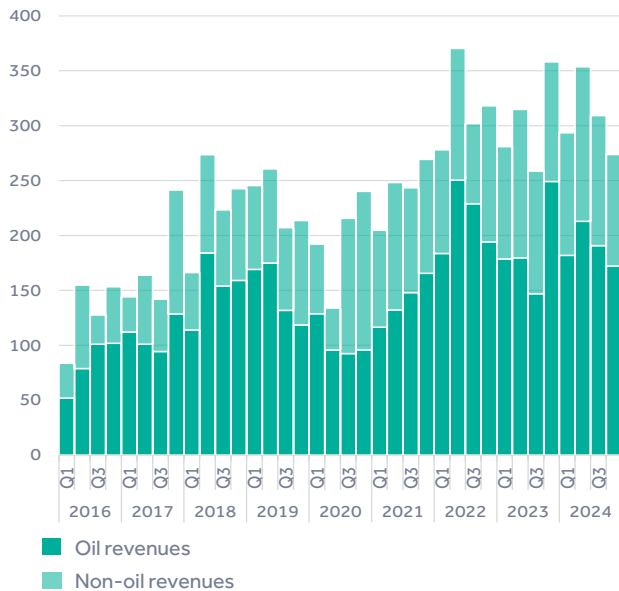
source: SAMA

In December 2024, official SAMA reserves amounted to 1640bln SAR, the same level as at the end of 2023 after having temporarily risen by 122bln SAR during the year. A similar pattern applies to govern-

ment deposits with SAMA. The already mentioned decline of banks' customer deposits in December was mainly due to government institutions withdrawing an amount of 61bln SAR in December 2024.

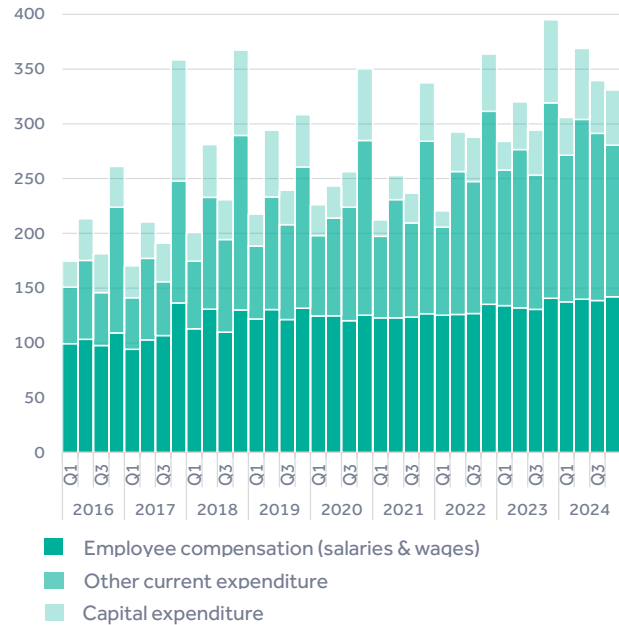
## Quarterly Fiscal Balance and Outstanding Government Debt

**Figure 1:**  
Quarterly Fiscal Revenues (in bln SAR)



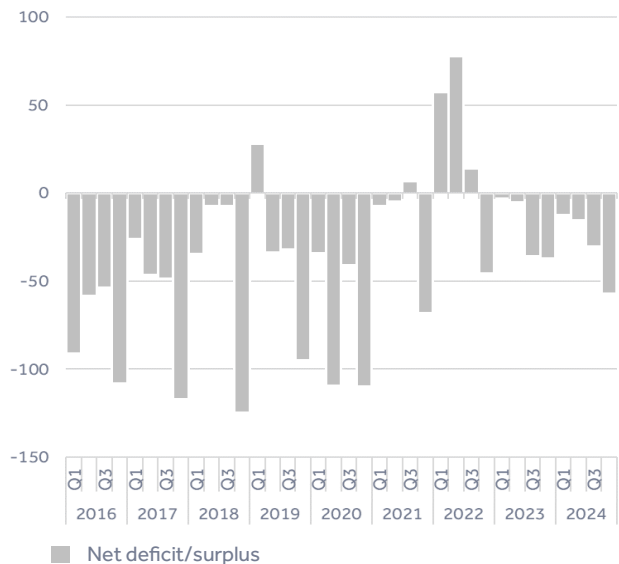
source: MoF

**Figure 2:**  
Quarterly Fiscal Expenditure (in bln SAR)



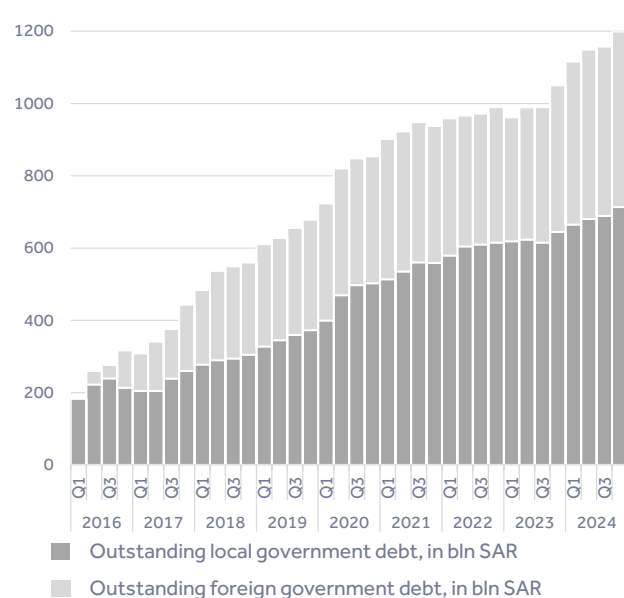
source: MoF

**Figure 3:**  
Quarterly Fiscal Deficit/Surplus (in bln SAR)



source: MoF

**Figure 4:**  
Outstanding Government Debt (End of Quarter)



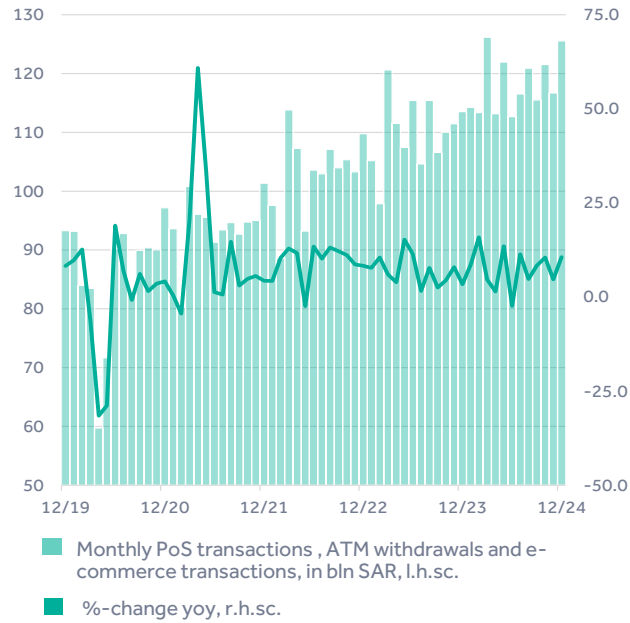
source: MoF

For the full year 2024, fiscal expenditure increased by 4.0% compared to 2023. While payroll costs rose by 3.9%, capital expenditure expanded by 6.4%. Meanwhile, fiscal revenues rose by 1.5% in 2024

which was mainly due to non-oil revenues climbing by 3.1%, while oil revenues were almost unchanged to the previous year (+0.4%). As a result, the fiscal deficit amounted to 115bln SAR (2.8% of GDP).

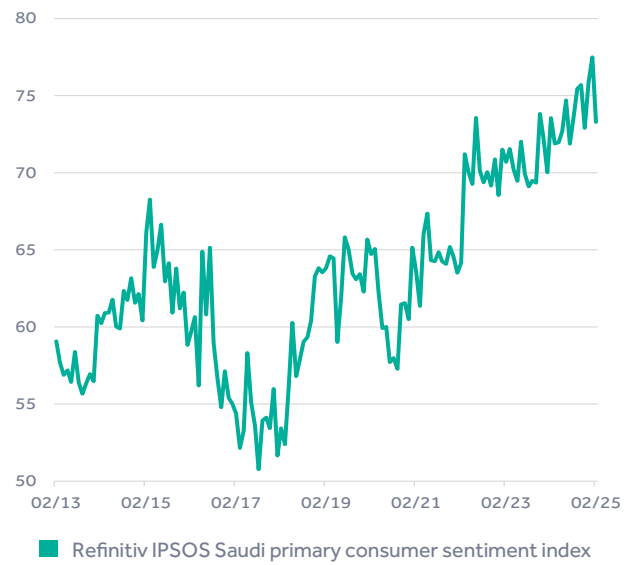
## Indicators for Private Spending and Non-Oil Business Climate

**Figure 1:**  
Private Spending Indicator



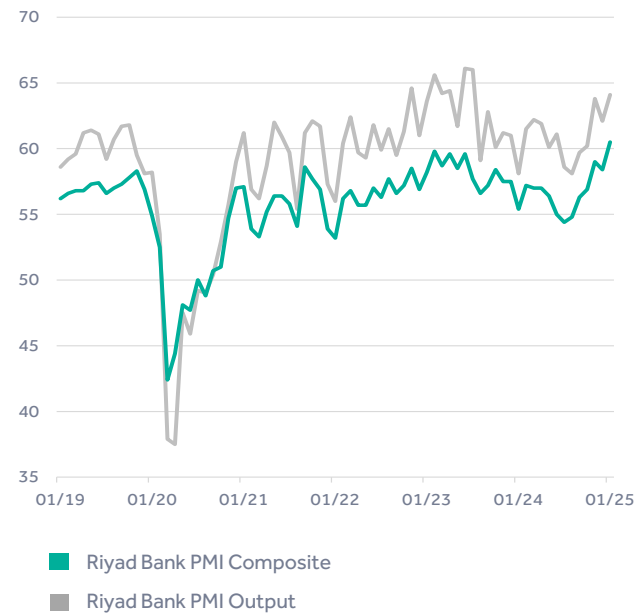
source: SAMA

**Figure 2:**  
Consumer Sentiment Indicator



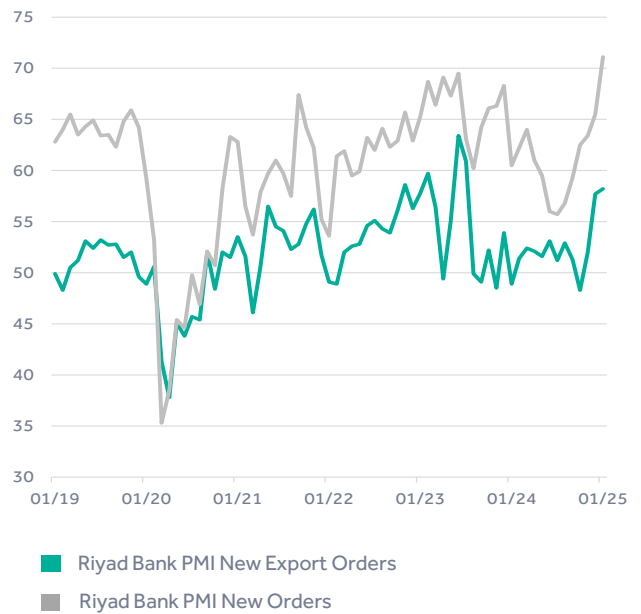
source: Refinitiv

**Figure 3:**  
PMI Composite and PMI Output



source: IHS Markit

**Figure 4:**  
PMI New Orders and PMI New Export Orders



source: IHS Markit

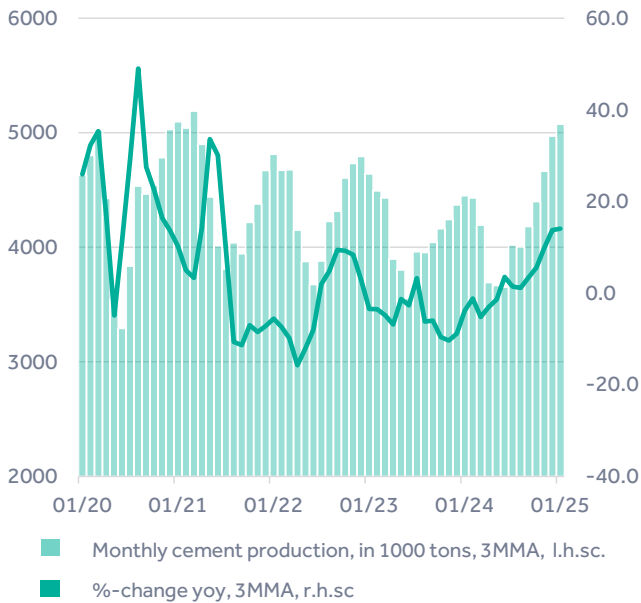
Consumer spending picked up in December with a yoy growth rate of 10.6%. For the full year 2024, consumer spending grew by a healthy 7.5% compared to the previous year. The solid state of the

non-oil economy is also underpinned by a very strong business climate. The PMI Composite reached a 10-year peak in January 2025 at 60.5, while the PMI New Orders hit a 14-year high at 71.1.



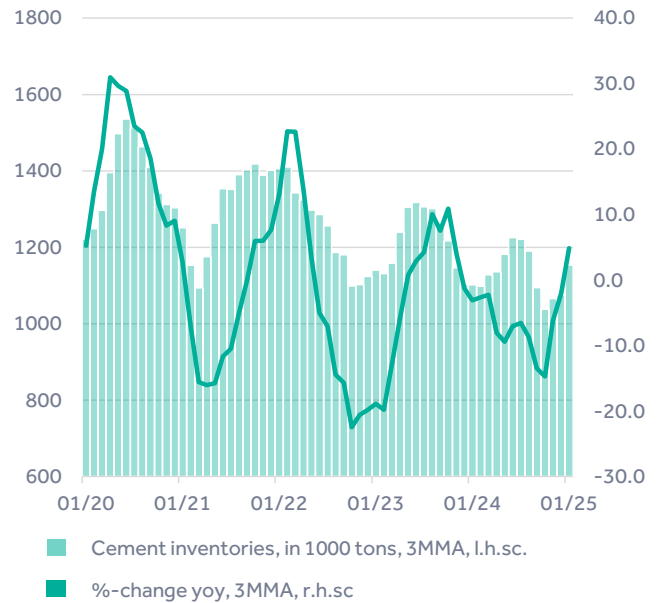
## Cement Sector and Non-oil Exports and Imports

**Figure 1:**  
Cement Production



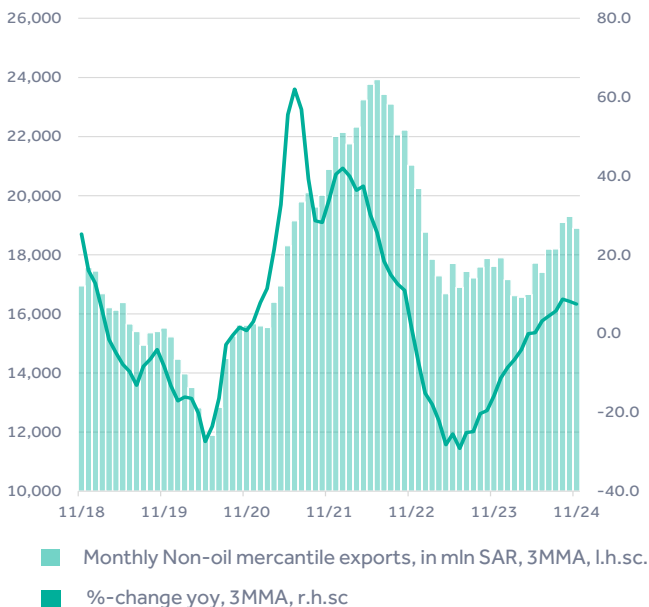
source: Yamama Cement

**Figure 2:**  
Cement Inventories



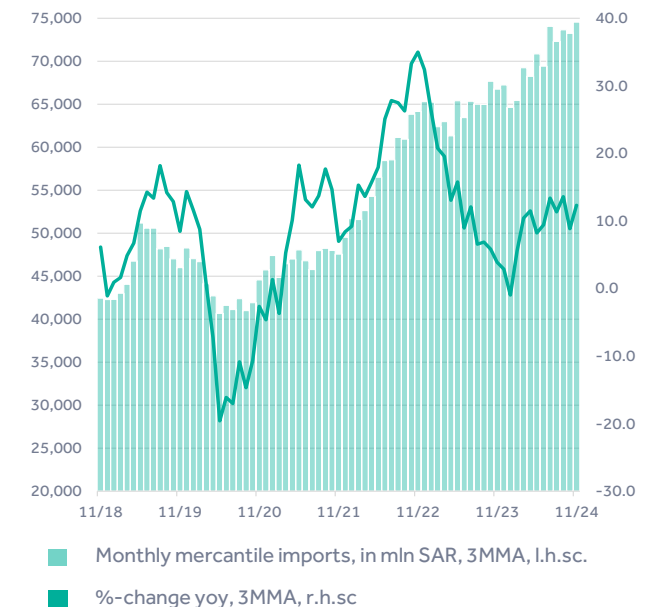
source: Yamama Cement

**Figure 3:**  
Non-Oil Merchandise Exports



source: GASTAT

**Figure 4:**  
Merchandise Imports



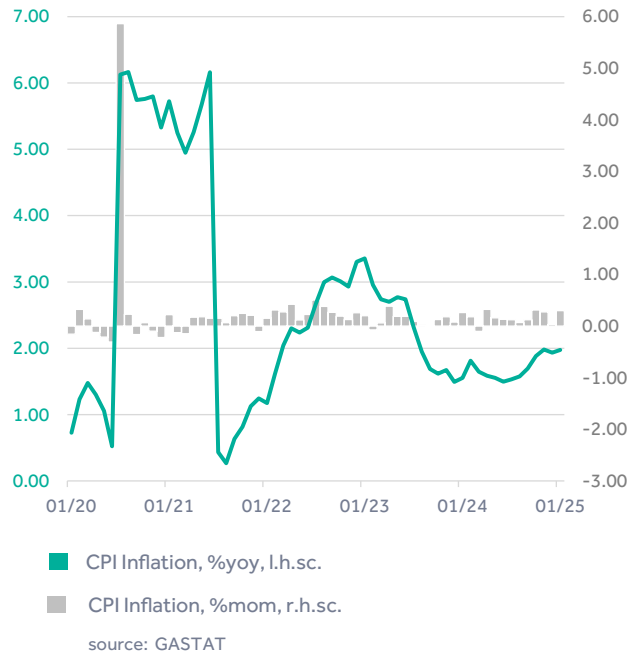
source: GASTAT

Against the backdrop of strong non-oil growth and the execution of Vision projects and initiatives, cement production has considerably picked up in H2 2024 and reached 14%yoy (3MMA) in January 2025.

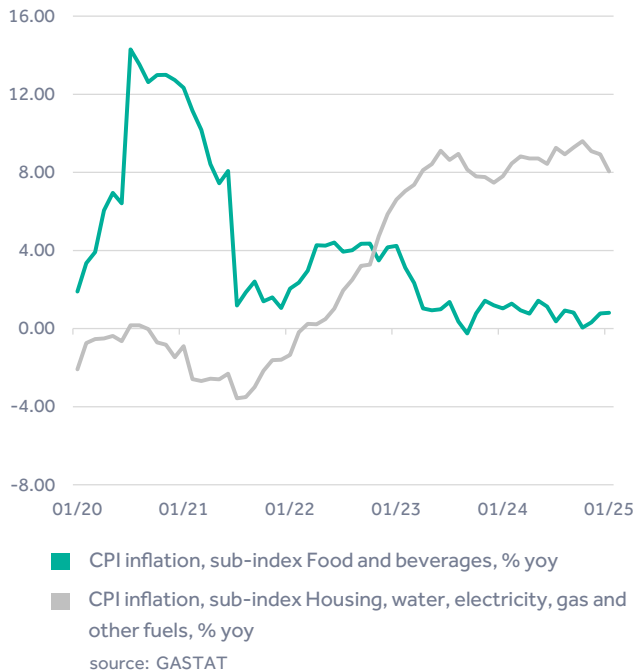
On the other side, a firmly growing domestic economy also leads to increased import demand. This is illustrated by merchandise imports expanding by 14% over the last 12 months until November 2024.

### Consumer and Wholesale Price Inflation

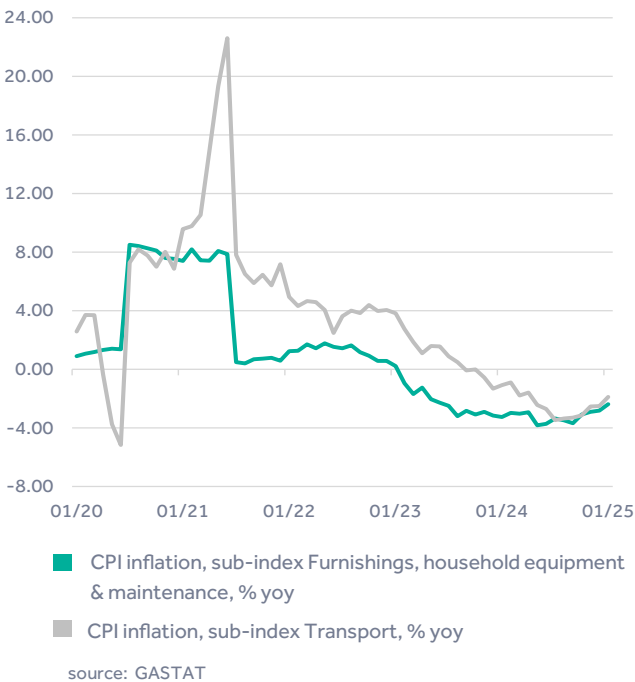
**Figure 1:**  
Consumer Price Inflation All Items



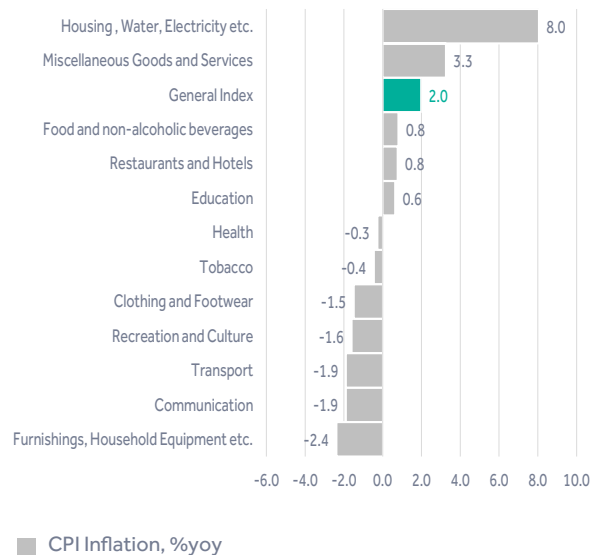
**Figure 2:**  
CPI Inflation Food & Housing



**Figure 3:**  
CPI Inflation Furnishings & Transportation



**Figure 4:**  
CPI Inflation by Main Categories January 2025

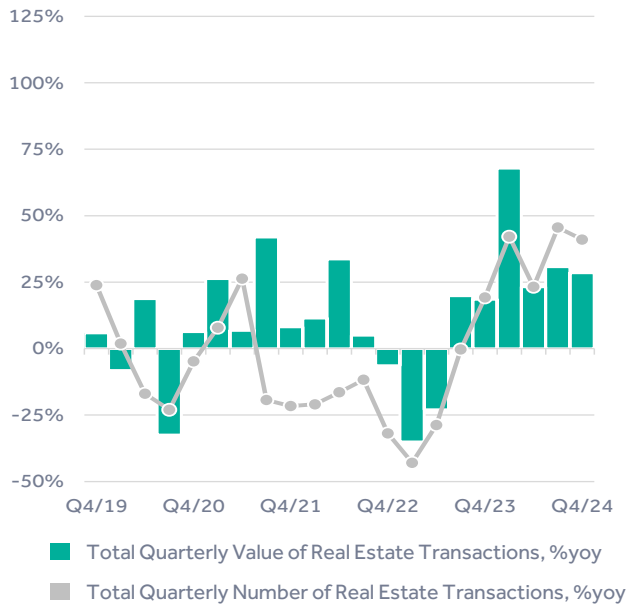


CPI inflation picked-up to 2.0%yoy in January 2025, a level last seen in July 2023. In December 2024, inflation stood at 1.9%yoy after a medium-term low of 1.5%yoy in June 2024. While the main inflation

driver Housing,water&electricity most recently started to ease, other categories like Miscellaneous goods showed rising inflation or diminishing deflation like in the case of Furnishings or Clothing&footwear.

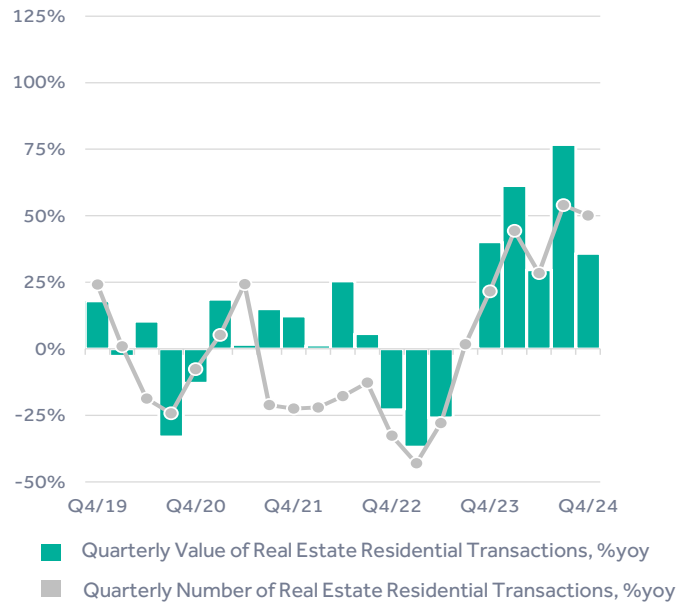
## Real Estate Market: Transaction Activity

**Figure 1:**  
Real Estate Transactions Total %yoy



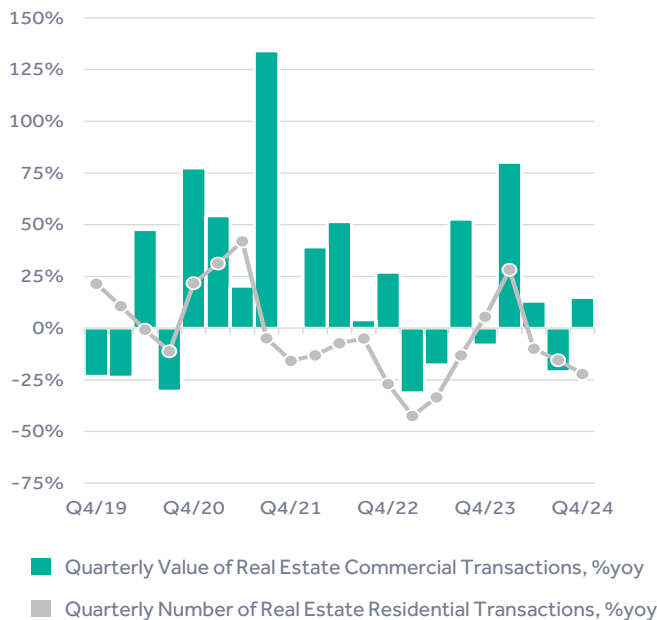
source: MOJ, RC

**Figure 2:**  
Real Estate Transactions Residential %yoy



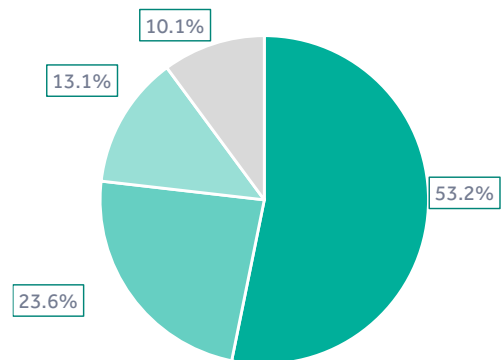
source: MOJ, RC

**Figure 3:**  
Real Estate Transactions Commercial %yoy



source: MOJ, RC

**Figure 4:**  
Breakdown of Transaction Value by Regions (Q4 2024)



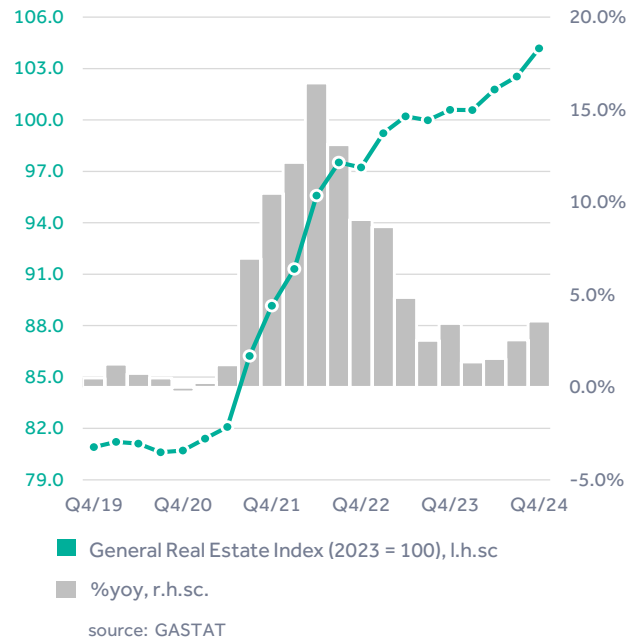
source: MOJ, RC

For the full year 2024, total real estate transactions amounted to 265bn SAR. This represents an increase of 36% compared to 2023. Residential real estate transactions jumped by 50% to 178bn SAR,

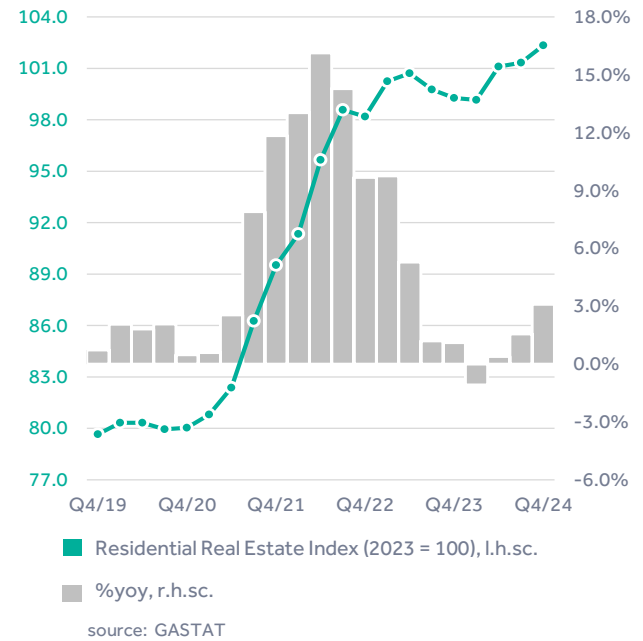
while commercial real estate transactions rose by 15% to 87bn SAR in 2024. For the full year 2024 as well as for Q4 2024, a majority of 53% of total real estate transactions took place in the Riyadh region.

## Real Estate Market: Price Indices

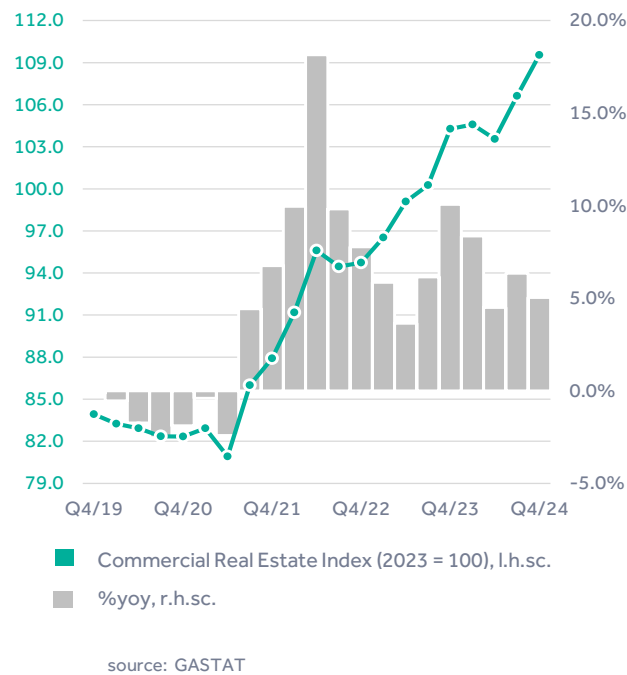
**Figure 1:**  
General Real Estate Index



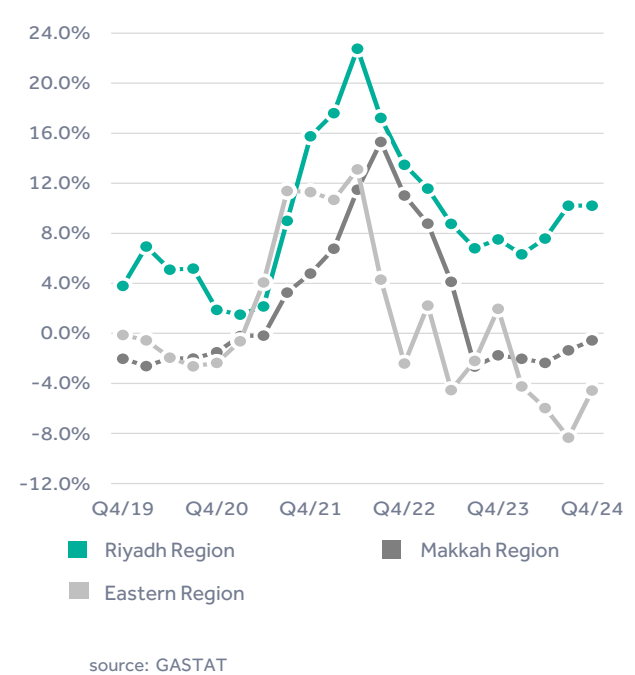
**Figure 2:**  
Residential Real Estate Index



**Figure 3:**  
Commercial Real Estate Index



**Figure 4:**  
Real Estate Price Indices Main Regions (%yoy)

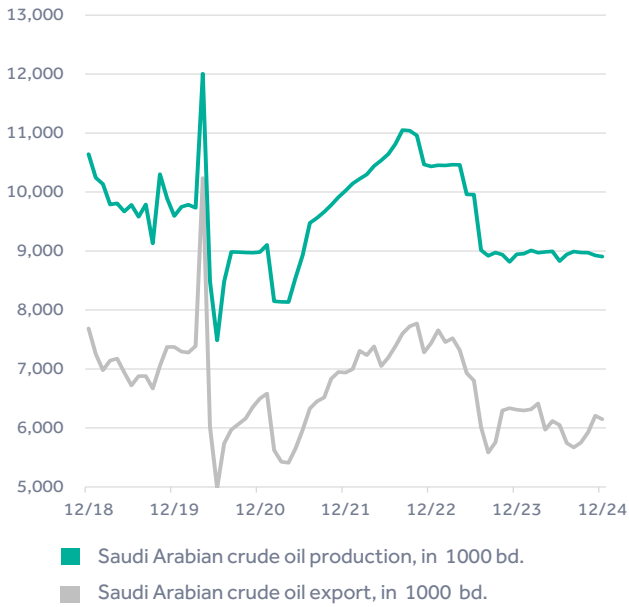


Growth of real estate prices reaccelerated in the course of 2024 reaching 3.6%yoy in Q4 for the general index. Residential prices grew by 3.1%yoy and commercial property prices by 5.0% in Q4 2024.

The regional breakdown reveals that property price inflation is concentrated in the Riyadh region, where real estate prices expanded by 10.2%yoy in Q4 while stagnating or declining in the other regions.

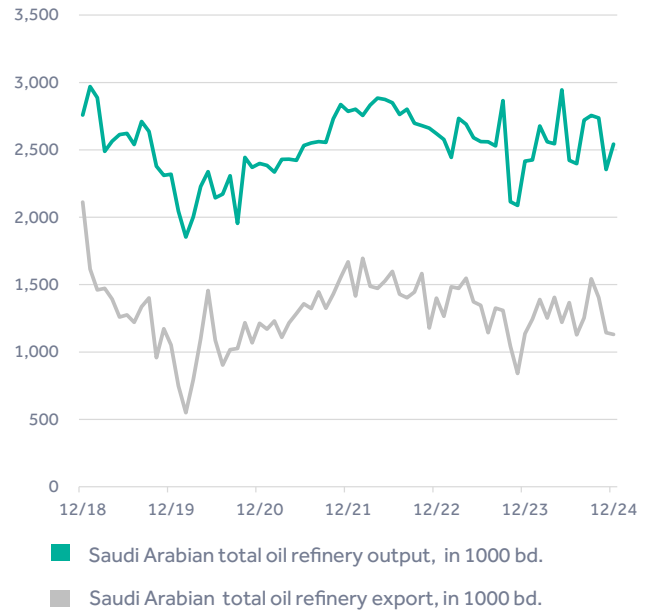
## Oil Market Statistics: Production, Exports, Refinery and Prices

**Figure 1:**  
Saudi Crude Oil Production and Exports



source: JODI, Bloomberg

**Figure 2:**  
Saudi Crude Refinery Output and Exports



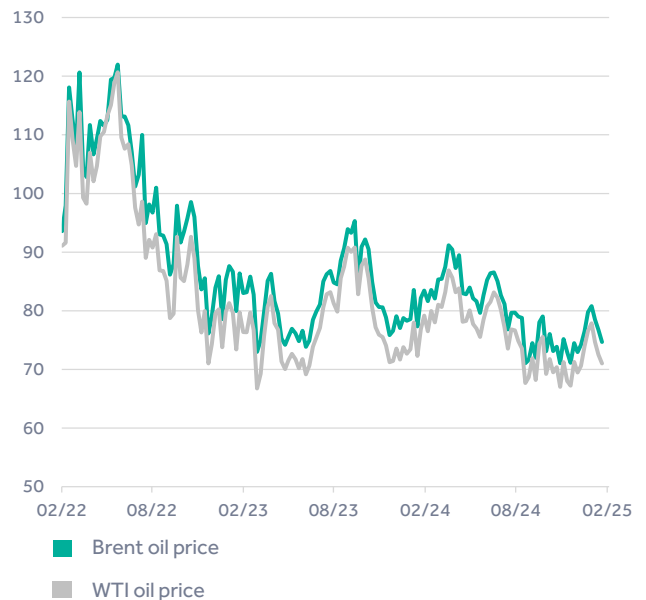
source: JODI

**Figure 3:**  
OPEC Crude Output



source: JODI, Bloomberg

**Figure 4:**  
Oil Prices



source: Bloomberg

In Q4 2024, Saudi crude output amounted to 8.9mbd which also corresponded to the average figure for the full year 2024. This represents a reduction of -6.8% compared to 2023. Total oil refin-

ery output, however, increased by 3.0% versus 2023 to an average of 2.6mbd. Oil prices rallied at the beginning of the year, for Brent above 80 USD, but subsequently gave up much of their gains.

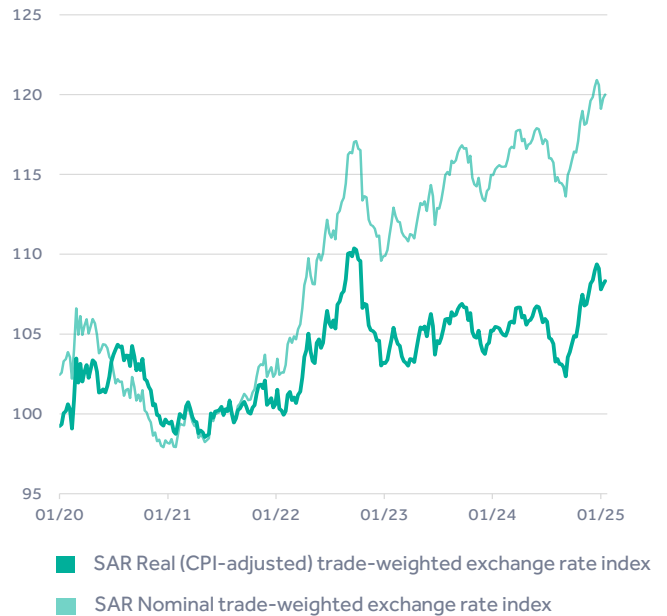
## Foreign Exchange and KSA Credit Spread

**Figure 1:**  
12-Months Forward Exchange Rate USD/SAR



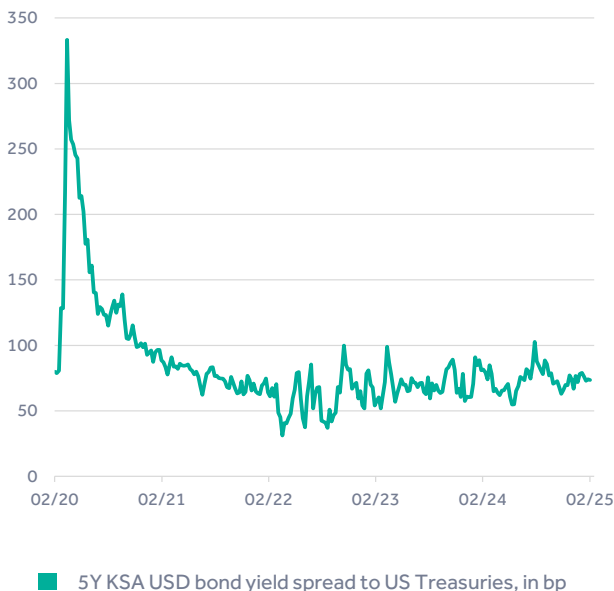
source: Bloomberg

**Figure 2:**  
SAR Nominal and Real Effective Exchange Rate



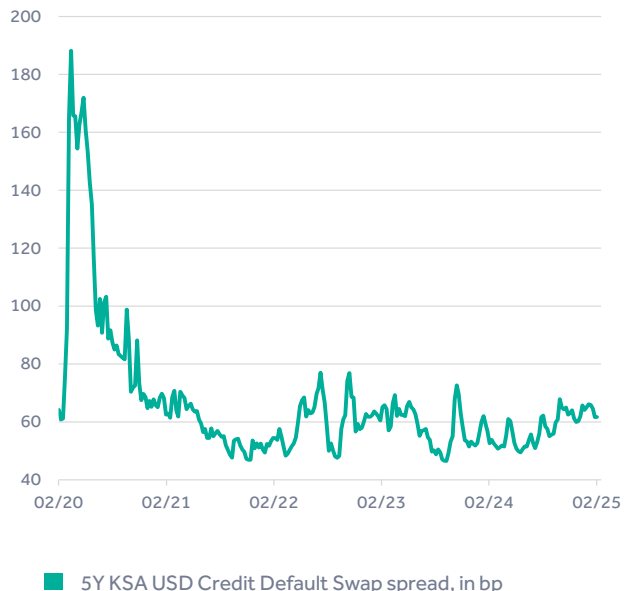
source: Bloomberg, JP Morgan

**Figure 3:**  
KSA USD Bond Yield Spread to US Treasuries



source: Bloomberg

**Figure 4:**  
KSA CDS Spread



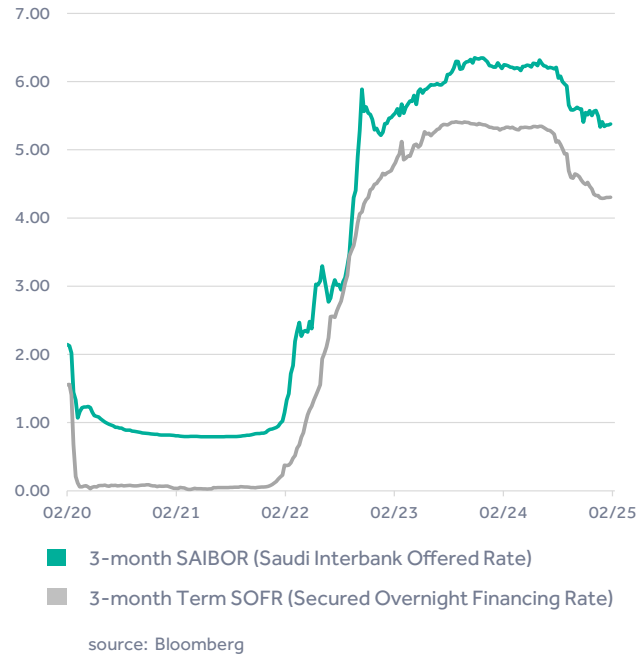
source: Bloomberg,

Since mid-2024, the 12-months forward FX-spread gradually widened by about 60pip. On the other hand, the USD KSA bond yield spread and the KSA CDS spread remained range bound at comparably

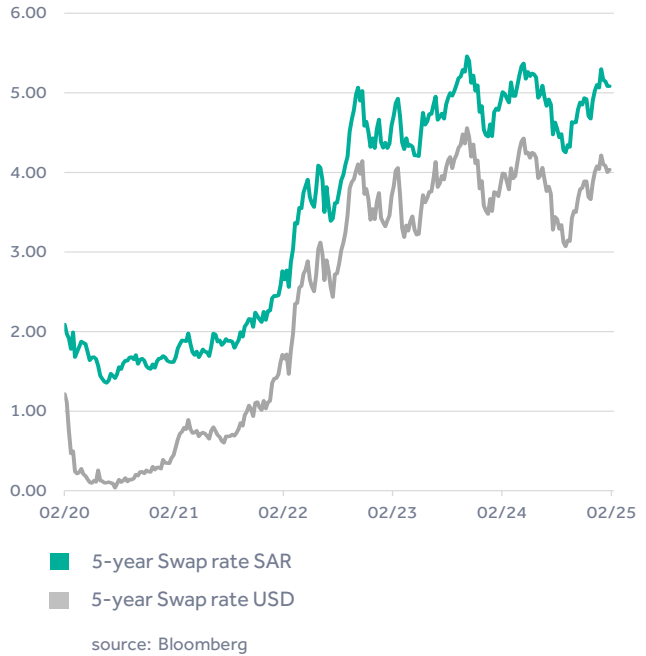
low levels by historical standards. The nominal and real SAR exchange rate indices rallied each by about 6% since the end of September 2024, mainly due to the strength of the US dollar during this period.

## Short-term, Long-term and Official Interest Rates

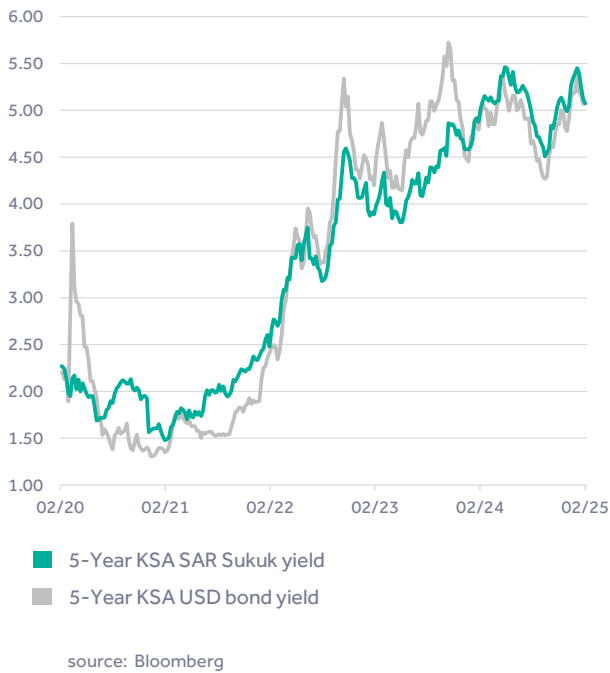
**Figure 1:**  
3-Months SAIBOR vs. USD 3M Term SOFR



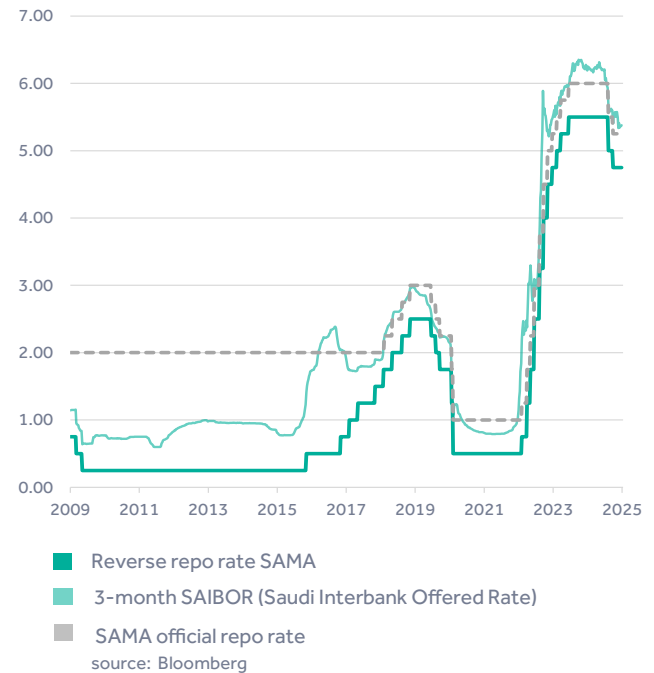
**Figure 2:**  
5-Year Swap Rate SAR vs. USD



**Figure 3:**  
5-Year KSA SAR Sukuk vs. USD Bond Yield



**Figure 4:**  
Central Bank Rate and 3-Months SAIBOR

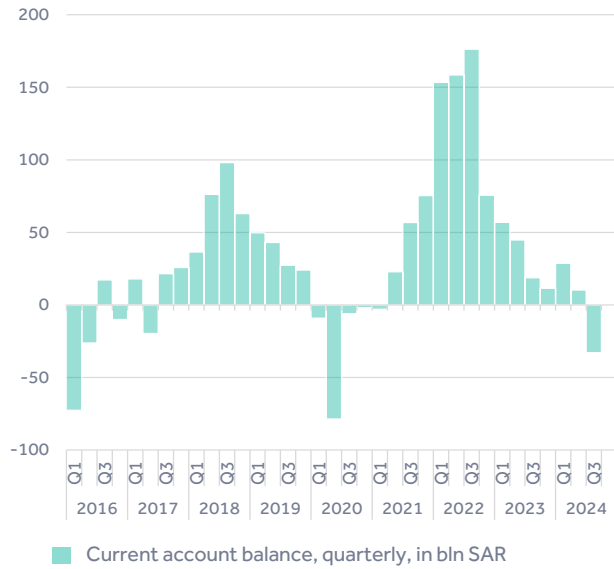


In the last four months of 2024, the FED cut its FED fund rate by overall 100bp. SAMA followed the US central bank reducing its key interest rates by the same amount. Accordingly, 3M SAIBOR rates de-

clined from 6.2% to 5.4% with the spread to USD 3M SOFR gradually widening from 90bp to 110bp. Long-term USD and SAR yields rebounded most recently on the back of a more resilient US economy.

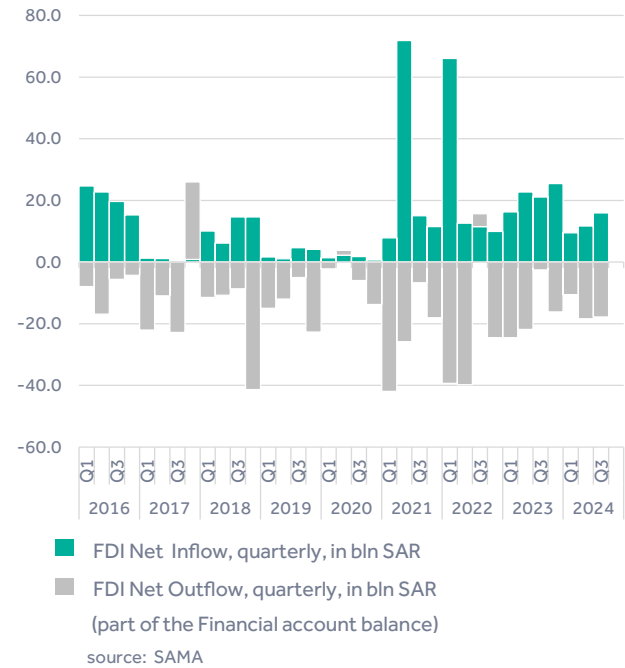
## Saudi Balance of Payments

**Figure 1:**  
Current Account Balance



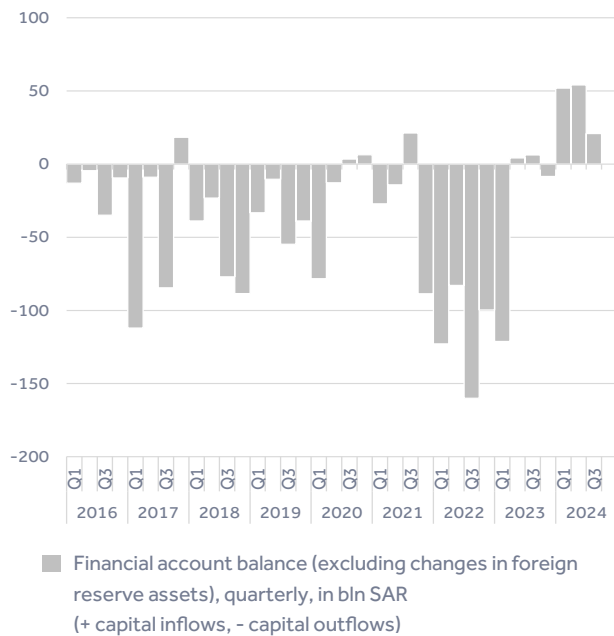
source: SAMA

**Figure 2:**  
Foreign Direct Investments



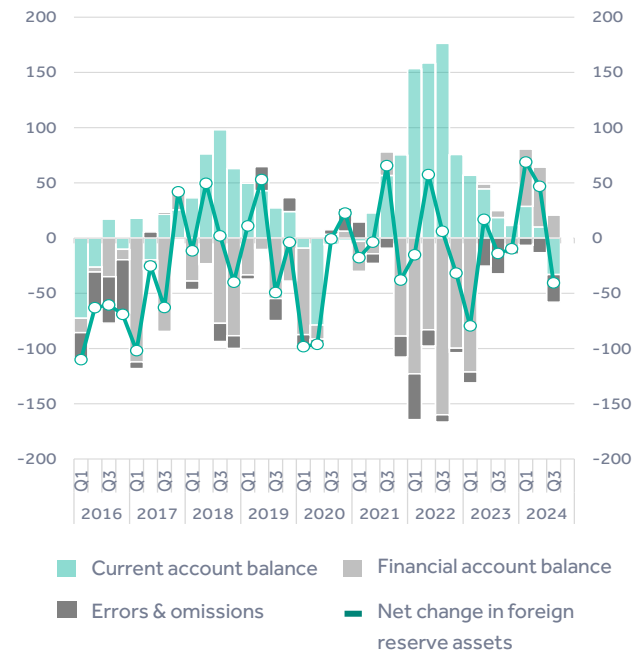
source: SAMA

**Figure 3:**  
Financial Account Balance



source: SAMA

**Figure 4:**  
Contribution to Balance of Payments



source: SAMA

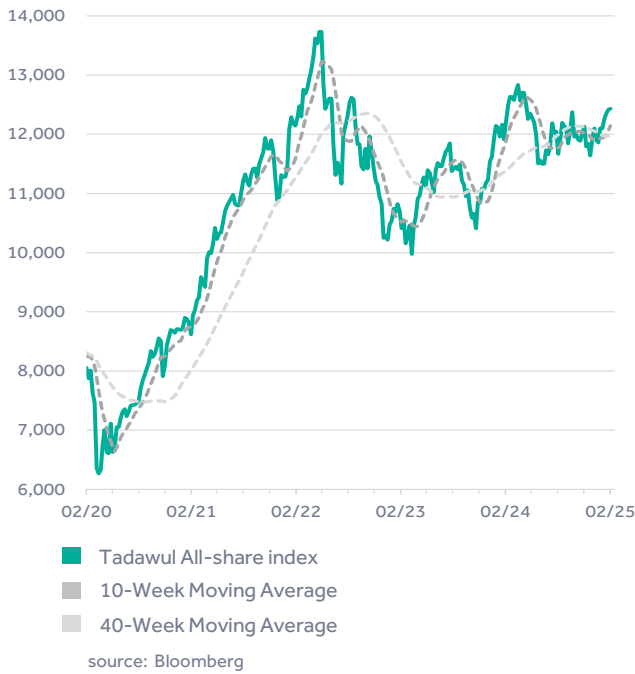
In Q3 2024, the current account balance witnessed a deficit (-33bln SAR) for the first time since 2020. This was primarily due to gradually lower oil export revenues and a higher deficit in the trade balance for

services. By contrast, the financial account balance showed a surplus which, however, could not entirely compensate for this deficit. Accordingly, SAMA official reserves declined by -41bln SAR in Q3 2024.

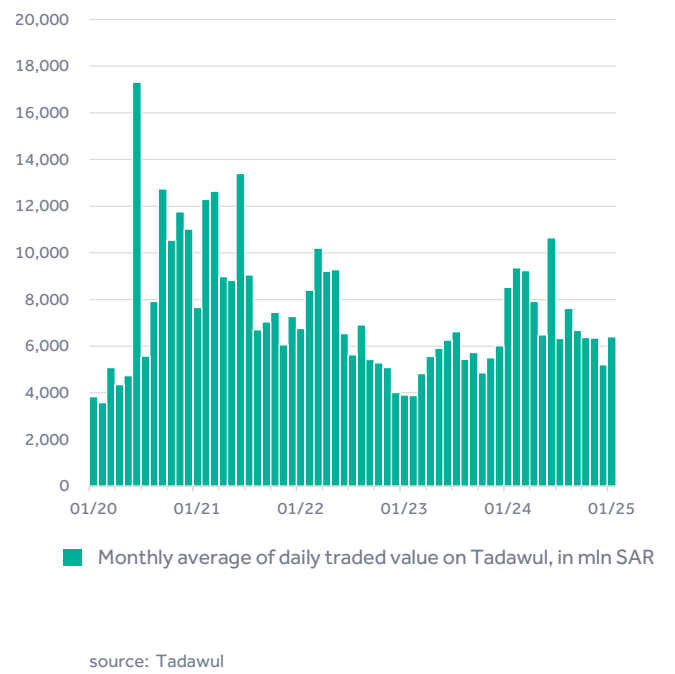


### Tadawul: Saudi Equity Market Statistics

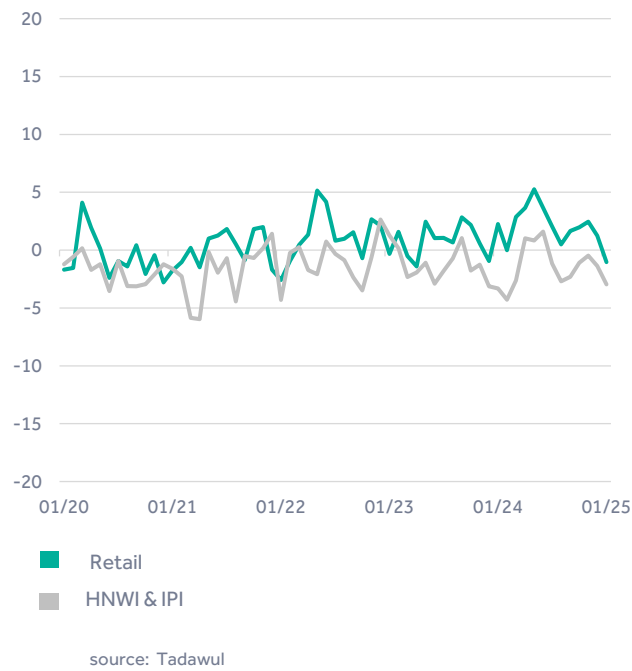
**Figure 1:**  
Tadawul All-Share Index



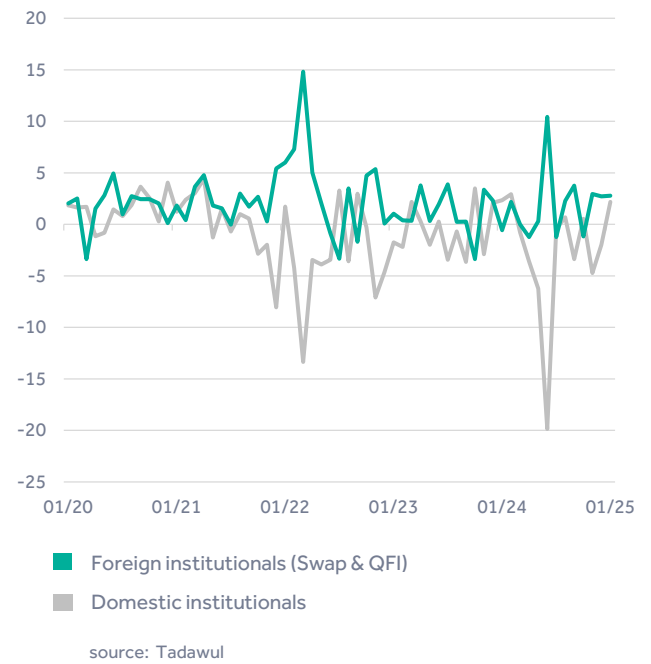
**Figure 2:**  
Tadawul Average Daily Traded Value



**Figure 3:**  
Monthly Net Purchase by Ownership (in bln SAR)



**Figure 4:**  
Monthly Net Purchase by Ownership (in bln SAR)

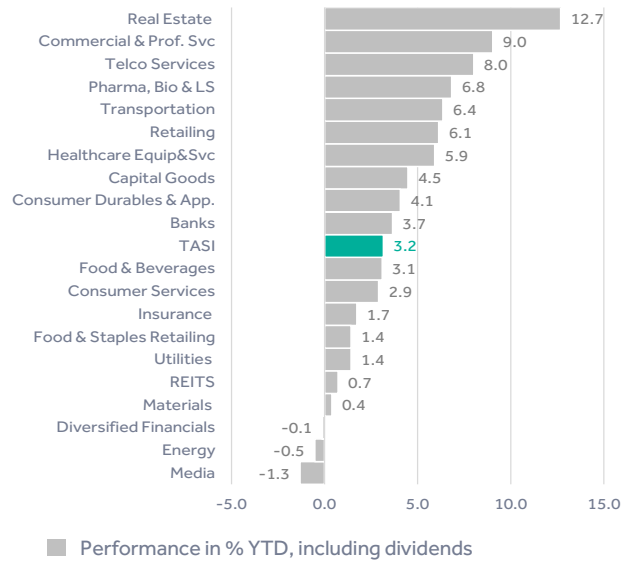


Since May 2024, TASI has been fluctuating in a trading range between 11'500 and 12'500 with a decent rally to the upper boundary of this range most recently. The range-bound market also affected trad-

ing volumes. The average daily traded value declined from 8bln SAR in April 2024 to 5bln SAR in December, before the short-term rally caused a gradual rebound in trading activity in January 2025.

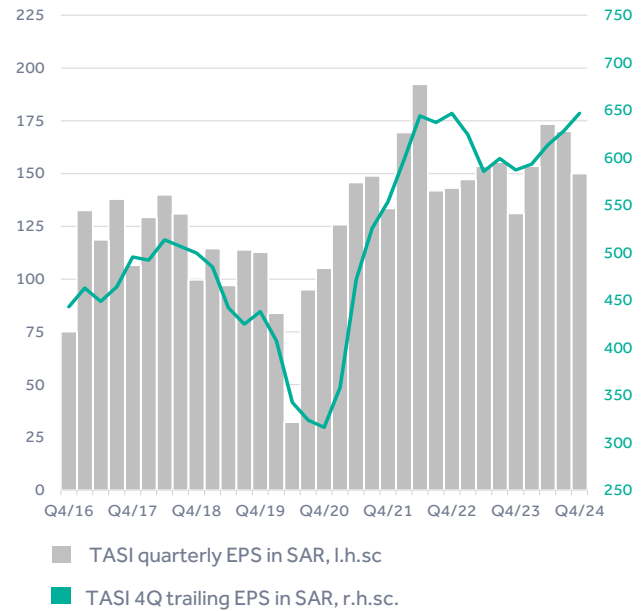
## Tadawul: Saudi Equity Market Statistics

**Figure 1:**  
Performance TASI Sectors Jan 2025YTD



source: Bloomberg

**Figure 2:**  
Quarterly Earnings TASI



source: Bloomberg

**Figure 3:**  
Valuation TASI: PE-Ratio Trailing



source: Bloomberg

**Figure 4:**  
Valuation TASI: PE-Ratio Forward



source: Bloomberg

In January 2025, TASI recorded a decent total return of 3.2%. Real Estate was the best performing sector with 12.7%, driven by the news that foreign investors are newly permitted to invest in compa-

nies that own real estate within Makkah and Madi-nah. The market's trailing as well as the forward PE-ratio are traded in February on their long-term average. Hence, the market is currently fairly valued.

## Saudi Economic Outlook

Saudi economic growth is expected to accelerate in the next two years.

We project continued solid growth for non-oil activities, fostered by a growth-oriented fiscal policy, supported by PIF, with a focus on increased investment spending which will spur growth in the coming years. After a growth rate of 4.3% in 2024, we forecast non-oil activities to accelerate to 4.8% in 2025 and to 5.0% in 2026.

The extent of the Saudi economic growth recovery in 2025 will also depend on the expected oil output expansion. In our baseline scenario, we assume that the planned unwinding of the voluntary output cut of 1mbd will have to be extended into 2026. For 2025, we, therefore, project an oil sector growth rate of 2.4%, while in 2026 this rate is projected to expand to 6.8%.

As a consequence, we forecast overall economic growth to accelerate to 3.7% in 2025 and to 5.1% in 2026.

With a view on the expected expansionary fiscal policy pursued by the government in the coming years, we

project a fiscal deficit of –3.0% of GDP for this year and –2.8% for next year. Assuming that these fiscal deficits will be financed through local and international borrowing, the debt/ GDP ratio is expected to rise to a still moderate 32.8% by end of 2026.

The current account balance is projected to show a modest deficit of –0.9% of GDP in 2025, primarily due to continued strong import growth and higher foreign workers' remittances. For next year, we project a small surplus of 0.3% of GDP, mainly as a result of an expected increase in oil export revenues.

We expect inflation to generally remain tame. After 1.7% in 2024, CPI inflation will moderately accelerate to 2.0% in 2025 and 2.2% in 2026.

Finally, we expect the US Federal Reserve to stay on a measured rate cut trajectory and forecast rate reductions of 50bp in 2025 and in 2026. Accordingly, SAMA is projected to cut its official repo rate and reverse repo rate by the same amount.

Given this baseline scenario for monetary policy, 3M SAIBOR is forecasted to decline from currently 5.4% to 4.75% by end of this year and to 4.25% by end of 2026.

### Facts and Forecasts at a Glance

	2023	2024	2025f	2026f
<b>Real GDP Growth</b>				
Overall economy	-0.8	1.3	3.7	5.1
Non-oil Activities	4.4	4.3	4.8	5.0
Government Activities	2.1	2.6	2.9	2.8
Oil Activities	-9.0	-4.5	2.4	6.8
<b>Fiscal Balance and Government Debt</b>				
Fiscal Balance in bln SAR	-81	-115	-131	-123
Fiscal Balance in % GDP	-2.0	-2.8	-3.0	-2.8
Government debt in bln SAR	1050	1199	1330	1453
Government debt as % GDP	26.2	29.3	30.6	32.8
<b>Trade and Current Account Balance</b>				
Trade Balance in bln SAR	476	362	320	347
Trade Balance in % GDP	11.9	8.8	7.4	7.8
Current Account in bln SAR	128	3	-37	12
Current Account in % GDP	3.2	0.1	-0.9	0.3

source: GASTAT, SAMA, RC

	2023	2024	2025f	2026f
<b>Oil Prices and Production (yearly average)</b>				
Brent price (USD pb)	82.2	79.9	80.0	80.0
WTI price (USD pb)	77.6	75.8	77.0	77.0
OPEC Basket price (USD pb)	83.0	79.9	80.0	80.0
KSA oil production (mln bd)	9.6	9.0	9.2	9.8
<b>Inflation and Interest Rates (year end)</b>				
CPI Inflation (yearly average)	2.33	1.70	2.00	2.20
3M SAIBOR SAR	6.23	5.54	4.75	4.25
Reverse Repo Rate	5.50	4.50	4.00	3.50
Official Repo Rate	6.00	5.00	4.50	4.00
<b>Labor Market (yearly average)</b>				
Unemployment rate total in %	4.0	3.5	3.5	3.4
Unemployment rate Saudi in %	8.5	7.5	7.4	7.3
Labor force part. total in %	66.6	66.3	66.4	66.5
Labor force part. Saudi in %	50.8	51.2	51.4	51.6

source: GASTAT, SAMA, Bloomberg, RC

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