

Pre-Budget Statement



وزارة المالية
Ministry of Finance



Pre-Budget Statement

FY 2027

Contents

List of Abbreviations	03
Introduction	05
Executive Summary	06
First: Economic and Fiscal Indicators Projections for FY 2027 and the Medium Term:	09
A/ Economic Indicators Projections for FY 2027, and the Medium Term:	10
1. Global Economic Developments	10
2. Domestic Economic Developments	14
B/ Fiscal Projections for FY 2027, and the Medium Term:	20
1. Revenues	22
2. Expenditures	23
3. Financing and Public Debt	24
C/ Key Fiscal Risks for FY 2027, and the Medium Term	26
Second: Strategic Directions and Fiscal and Economic Enablers.	31

Abbreviations

ADF	Agricultural Development Fund
AI	Artificial Intelligence
ARASCO	Arab Agricultural Services Company
AWS	Amazon Web Services
BMEP	Brookfield Middle East Partners
BPD	Barrel Per Day
Bn	Billion
CDF	Cultural Development Fund
CPI	Consumer Price Index
EIF	Events Investment Fund
ETF	Exchange-Traded Fund
FDI	Foreign Direct Investment
FIFA	Fédération Internationale de Football Association.
FY	Fiscal Year
GAISI	Global AI Safety Index
GASTAT	General Authority for Statistics
GDP	Gross Domestic Product
GFCE	Government Final Consumption Expenditure
GFCF	Gross Fixed Capital Formation
GOSI	General Organization for Social Insurance
GSR	Governance, Sustainability and Resilience
GTMi	GovTech Maturity Index
H1	First-Half of the Year
HRDF	Human Resources Development Fund
ICT	Information and Communications Technology
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
Infra.	National Infrastructure Fund
ITU	International Telecommunication Union

MENA	Middle East and North Africa
MoF	Ministry of Finance
MoU	Memorandum of Understanding
NAVA	National Automotive and Vehicles Academy
NDF	National Development Fund
NPS	National Privatization Strategy
PFCE	Private Final Consumption Expenditure
PIF	Public Investment Fund
PPP	Public-Private Partnership
Q1	First Quarter of the Year
Q2	Second Quarter of the Year
Q4	Fourth Quarter of the Year
QIC	Qiddiya Investment Company
REDF	Real Estate Development Fund
RSG	Red Sea Global
SALIC	Saudi Agricultural and Livestock Investment Company
SAMA	Saudi Central Bank
ﷵ	Saudi Arabian Riyal
Saudi EXIM	Saudi Export-Import Bank
SDB	Social Development Bank
SDB	Social Development Bank
SEVEN	Saudi Entertainment Ventures
SIDF	Saudi Industrial Development Fund
SME Bank	Small and Medium Enterprises Bank
SMEs	Small- and Medium-sized Enterprises
TDF	Tourism Development Fund
Tn	Trillion
U.S.	United States of America
USD	United States Dollar
WE0	World Economic Outlook
YoY	Year-on-Year

Introduction

The Ministry of Finance (MoF) publishes the Pre-Budget Statement for Fiscal Year (FY) 2027 as part of its ongoing efforts to strengthen transparency and fiscal disclosure. This reflects its commitment to providing reliable fiscal and economic information that contributes to raising awareness of the country's fiscal and economic trends. It also enhances the clarity of fiscal policies for citizens, residents, interested parties, and analysts.

The Pre-Budget Statement presents the most prominent domestic and global economic developments and their implications for the preparation of the general budget, along with the most important fiscal and economic indicators expected for FY 2027 and the horizons over the medium term. It also addresses the most prominent fiscal and economic risks, and the most important strategies and priority projects that support the achievement of Saudi Vision 2030 goals, enhance the sustainability of public finance, and raise the ability of the national economy to continue growth, and to achieve sustainable development and resilience to shocks and turmoil.

It should be noted that the budget is approved in the fourth quarter (Q4) of every year. The contents of this statement may be amended in light of domestic and global economic and fiscal updates and developments.

Executive Summary

The Kingdom of Saudi Arabia's Pre-Budget Statement for FY 2027 is an extension of the economic and fiscal transformation process in accordance with Saudi Vision 2030 goals. The current year 2026 witnessed accelerated geopolitical and regional developments, with increasing uncertainty in the global economy, the emergence of challenges in trade and supply chains, and increasing pressures on growth prospects and global markets. In light of these developments, the Saudi economy continues to demonstrate its resilience and high capability to adapt to economic changes and maintain economic growth over the medium- and long-term. This strength is driven by strong domestic demand, the continued expansion of non-oil activities, and the growing role of the private sector. The Saudi economy is also underpinned by continuous structural reforms, as well as fiscal and economic policies that have enhanced its resilience and contributed to supporting fiscal sustainability.

The Government of the Kingdom continues to achieve Saudi Vision 2030 goals by directing spending towards development priorities, raising the efficiency of spending, stimulating investment, and empowering the private sector. This approach contributes to expanding the economic base, raising productivity, enhancing the competitiveness of the national economy, and enhancing the capacity of public finance to face economic changes, to support the sustainability of the implementation of national initiatives and strategies.

- In light of geopolitical developments in the region during the current year 2026, **real Gross Domestic Product (GDP)** is expected to record a decline of 3.6% in 2026. This is due to expected decline in **oil activities**, which is expected to record a decline of 21.8%. **Non-oil activities** are expected to

maintain positive growth of 3.2%, which helps offset the decline in oil activities on real GDP.

- The **labor market indicators** continued their positive performance, as the **unemployment rate among Saudis** maintained its historical low levels of 6.5% in the second quarter (Q2) of 2026. Meanwhile, the **number of Saudi employees in the private sector** increased by about 190.1 thousand employees by Q2 2026 compared to the same period in 2025, to record a total number of about 2.7 million male and female employees, with an annual growth rate of 7.7%.
- **Consumer price levels remain stable, as the average Consumer Price Index (CPI) (inflation rate)**¹ increased by 1.8% from the beginning of the year until July 2026, compared to the same period in 2025. Preliminary estimates indicate that the inflation rate will increase by about 2.1% for the whole year of 2026. This indicates that inflation rates in the Kingdom remain at acceptable levels compared to the global conditions.
- The diversification of government revenue sources, along with the positive performance of non-oil activities, the continued implementation of initiatives to support revenue growth, and the expansion of the economic base, all contribute to the growth of revenues over the medium-term. **Total revenues** are expected to reach about ~~ﷲ~~ 1,202 bn in FY 2027, rising to about ~~ﷲ~~ 1,302 bn in FY 2028 and ~~ﷲ~~ 1,351 bn in FY 2029.
- Expenditure policies continue to employ a strategic approach that aligns with Saudi Vision 2030, long-term fiscal planning, and linking spending to priority areas with higher economic and social returns. Expenditure policies balance between fulfilling development priorities and maintaining fiscal

¹ Data issued by GASTAT, according to the updated methodology of the Consumer Price Index for the reference year 2023 (2023=100).

strength. It also maximizes the utilization of government assets and investments, by allocating resources and directing them to projects and programs through integrated national strategies. Efforts continue to enhance the quality of life, support economic growth and ensure fiscal sustainability, while also maintaining the flexibility of government spending to face economic and geopolitical changes and enable public finance to face domestic and global developments prudently. Accordingly, **Expenditures** are estimated at about ~~ﷲ~~ 1,392 bn in FY 2027, and are expected to reach about ~~ﷲ~~ 1,544 bn by FY 2029.

- The FY 2027 budget aims to maintain the Kingdom's fiscal position and achieve fiscal sustainability by maintaining sustainable levels of public debt and considerable levels of government reserves. This enhances the ability of public finance to withstand shocks and economic changes and supports the sustainability of spending on development priorities.
- The FY 2027 budget is projected to record a **deficit** of about 3.6% of GDP. This deficit comes within the framework of a fiscal policy underpinned by the available fiscal space, which enables the government to adopt balanced fiscal policies across various economic cycles, support economic growth, and maintain fiscal sustainability.
- The government intends to continue its domestic and external financing activities through public and private channels by issuing bonds, Sukuk, and loans at a fair cost. It also plans to expand alternative government financing including the financing of projects, infrastructure, and export credit agencies during FY 2027 and over the medium term.

01

Economic and Fiscal Indicators Projections

for FY 2027 and the Medium Term

A/ Economic Indicators Projections for FY 2027, and the Medium Term:

1. Global Economic Developments

Global Economic Growth

Global economy has been growing at a slower pace as a result of the geopolitical developments and repercussions in the Middle East, the continued challenges related to trade restrictions, and the escalation of natural disasters and consequent disruptions to production and supply chains. It is also affected by rise in commodity prices, and the continued uncertainty about the global economic outlook. Central banks are also expected to continue to pursue hawkish monetary policy amid upward inflationary pressures. Meanwhile, public debt in a number of economies remains at elevated levels, increasing financing costs pressures and limiting governments' ability to sustain their finances and economic growth.

The International Monetary Fund's (IMF) forecast in the World Economic Outlook (WEO) for July 2026 indicates that the global economic growth will slow from 3.5% in 2025 to 3.0% in 2026. The slow growth rates in global economy are affected by the slowdown in growth rates in both advanced economies, which are expected to record 1.7% in 2026, compared to 1.9% in 2025, and emerging and developing economies are expected to record 3.8% in 2026 compared to 4.5% in 2025. However, the global economy is expected to recover in 2027, with a growth rate of 3.4% according to the IMF's July forecast, recording an increase of 0.2 percentage points compared to last April forecast. In 2027, Growth rates for advanced economies are expected to moderate around 1.8% and accelerate

in emerging and developing economies to 4.5%. This improvement in growth prospects is driven by expectations of a recovery in energy supplies and a recovery in global trade.

Growth Rates (%)	2024	2025	2026 Projections	2027 Projections
Global Economy	3.5	3.5	3.0	3.4
Advanced Economies	1.9	1.9	1.7	1.8
Emerging Markets & Developing Economies	4.5	4.5	3.8	4.5
USA	2.8	2.1	2.3	2.2
China	5.0	5.0	4.6	4.1
Japan	-0.2	1.1	0.6	0.7
India	7.1	7.7	6.4	6.7
Euro Area	1.0	1.4	0.9	1.2
Saudi Arabia	2.6	4.6	1.7	5.5
Global Inflation	5.8	4.1	4.7	3.9
Advanced Economies	2.6	2.5	3.0	2.4
Emerging Markets & Developing Economies	8.0	5.2	5.8	4.8

Source: IMF (WEO July 2026).

According to the World Bank's June 2026 report, global economic growth is expected to slow from 2.9% in 2025 to 2.5% in 2026, with an improvement in 2027 at 2.8%. Meanwhile, growth rates in advanced economies are expected to decline to 1.5% in 2026 before recovering to 1.8% in 2027, the same rate recorded in 2025. Growth in emerging markets and developing economies is expected to slow from 4.4% in 2025 down to 3.6% in 2026, rebounding to 4.2% in 2027. The World Bank noted that geopolitical developments in the Middle East and the accompanying volatility in energy markets have contributed to lowering global growth projections.

Inflation Rates

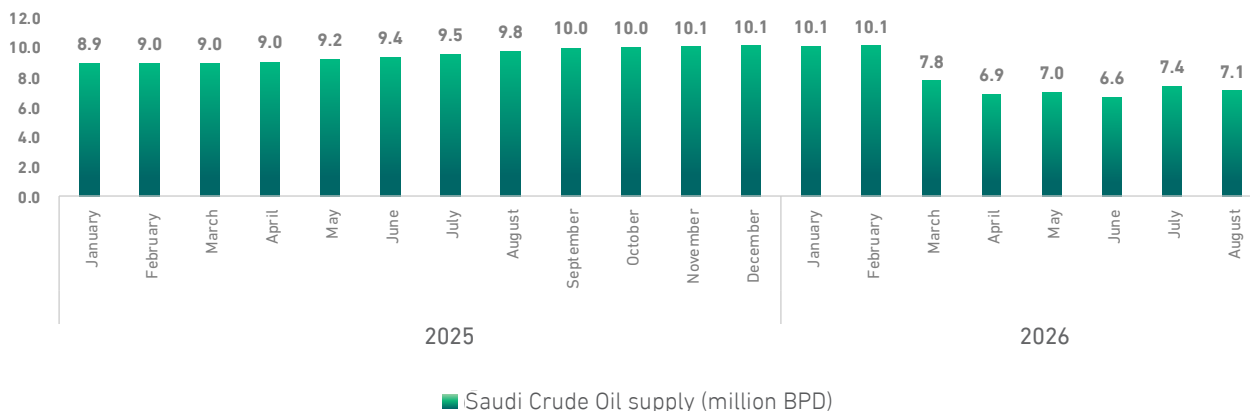
In July 2026 report, the IMF revised upwards its global inflation outlook compared to April 2026, increasing its estimates for 2026 and 2027 by 0.3 and 0.2 percentage points, respectively. The global inflation rate is expected to rise to 4.7% in 2026 compared to 4.1% in 2025, due to continued geopolitical developments in the Middle East and the resulting pressures on energy prices and supply chains, before slowing to 3.9% in 2027 as the impact of these developments is expected to subside. The IMF also raised its inflation estimates in advanced economies by a limited amount of 0.2 percentage points for 2026 and 2027, as it expects it to rise from 2.5% in 2025 to 3.0% in 2026 and then decline to 2.4% in 2027. Inflation is expected to accelerate in emerging markets and developing economies to reach 5.8% in 2026 compared to 5.2% in 2025, and then moderate to 4.8% in 2027.

Oil Markets

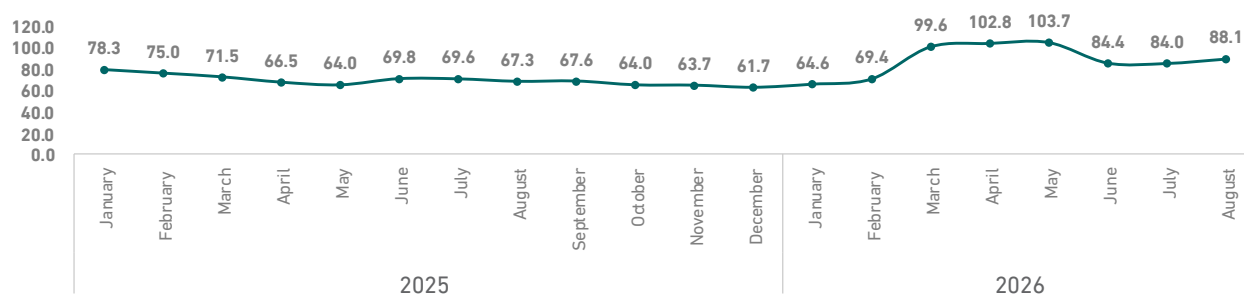
From the beginning of the year until August 2026, the average crude oil supply amounted to about 7.9 million barrels per day (bpd) compared to the average crude oil supply of 9.2 million bpd for the same period in 2025. Despite the geopolitical developments in the region, which included disruption of maritime traffic and attacks on petroleum facilities, **the Kingdom has maintained the continuity of crude oil supply to global markets by leveraging alternative export routes via the East-West Pipeline, which reflects the resilience in which the Kingdom has invested for more than 4 decades.** This proves the Kingdom's ability to ensure the reliability of crude oil supply, which in turn highlights the Kingdom's ability to deal with regional challenges and enhances the stability of global energy markets.

In terms of **prices**, oil markets experienced high fluctuation during 2026, as the monthly average price of Brent crude ranged between USD 64.6 per barrel and USD 103.7 per barrel, due to the uncertainty of the geopolitical conditions. The average Brent crude oil recorded USD 87 per barrel from the beginning of the year 2026 until August 2026, an increase of 23.9% compared to the same period in 2025.

This surge in prices is driven by the affected oil supply from the region's countries as a result of the disruption of maritime traffic and the suspension of the movement of their ships through the sea lanes, and the targeting of petroleum facilities. In addition to the decline in global oil inventories and the continued uncertainty regarding the oil supply from the region's countries.



Source: OPEC



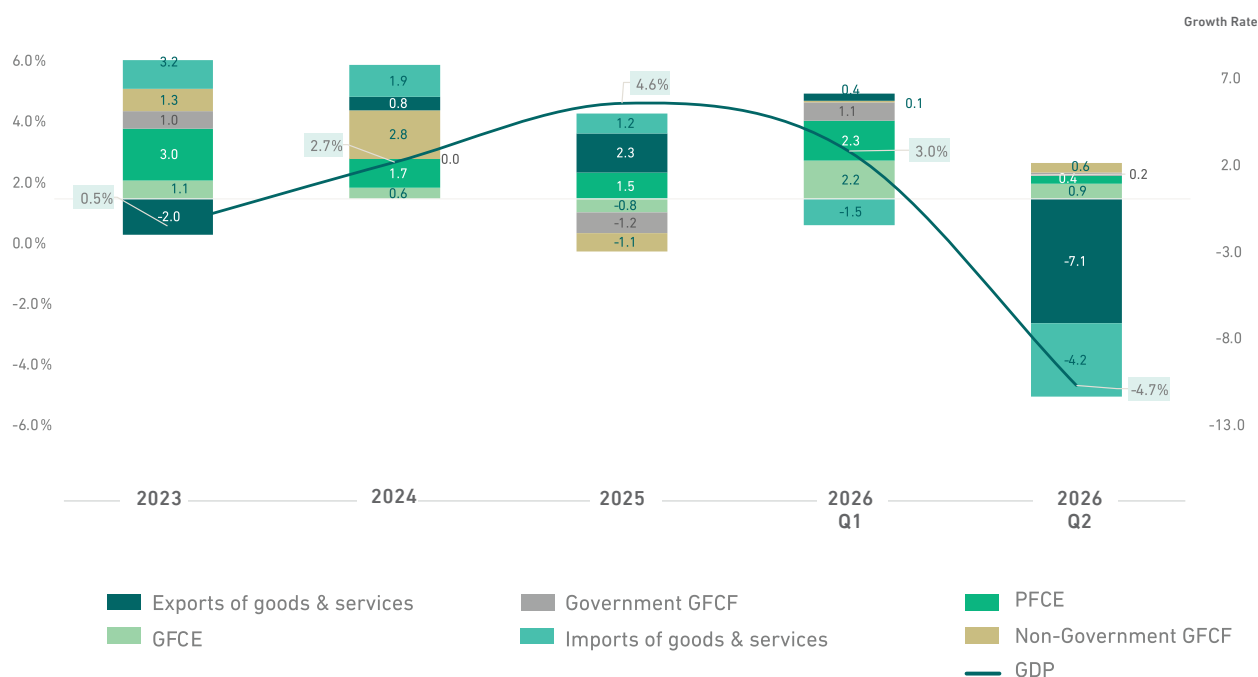
Source: Reuters

2. Domestic Economic Developments

Despite the slowdown in global economic growth and uncertainty, as well as the continued geopolitical developments in the region, the increasing complexity of supply chains, and the challenges that accompany them, **the Kingdom's economy has proven in 2026** its resilience and ability to deal with all challenges and face shocks and changes with high flexibility and resilience. This was due to the proactive and thoughtful approach adopted by the Kingdom, represented by long-term fiscal planning and qualitative investments that have enhanced infrastructure and logistics readiness.

In H1 2026, **real GDP** slightly declined by 0.9%, compared to the same period in 2025. On the other hand, **non-oil activities** continued to play a pivotal role in driving economic growth, as it recorded a growth rate of 1.8%, increasing its contribution to GDP to historical levels of 57.3% during the same period. Meanwhile, the strong performance of non-oil activities was reflected in the decline in unemployment rates, which contributed to the growth of consumption and private investment. In 2025, **real GDP** grew by 4.6%, driven by the growth of non-oil activities by 5.1% to reach an all-time high of **ﷲ** 2.7 tn, which had the greatest impact on real GDP growth with a contribution of 2.8 percentage points.

Contributing to Real GDP Growth by Expenditure Components



Note: the graph does not include the "Change in Inventories" component among the expenditure components.

Source: GASTAT

By **expenditure components**, the Government Final Consumption Expenditure (GFCE) was the largest contributor to real GDP growth in Q1 2026 by 2.2%, followed by Private Final Consumption Expenditure (PFCE) by 2.1%. During Q2 2026, the largest contributor to real GDP growth was the decline in imports of goods and services by 4.2%, followed by GFCE which grew by 0.9%.

The **real Gross Fixed Capital Formation (GFCF) of the non-governmental sector has been relatively stable, as it recorded** an annual growth of 1.2% during H1 2026, in addition to the net foreign investment inflows amounting to **₪** 23.1 bn in Q1 2026, which is relatively stable compared to the same period in 2025. This confirms the continued attractiveness of the business environment in the Kingdom for local and international investors despite the geopolitical developments surrounding the region.

The Final Consumption at Fixed Prices recorded a growth of 2.7% in H1 2026 compared to the same period in 2025, as the point-of-sale sales index achieved a positive growth of 6.1% in H1 2026 compared to the same period in 2025, as well as the growth of the value of e-commerce operations by 36.9% in the same period in 2025.

The **Average Consumer Price Index (inflation rate)**² increased by 1.8% from the beginning of the year until July 2026 compared to the same period in 2025. Preliminary estimates indicate that the inflation rate will increase by about 2.1% for the whole of the current year 2026, indicating that inflation rates in the Kingdom will remain at stable levels compared to global conditions. This is due to the proactive measures taken by the government to contain the rise in prices and the abundance of stocks of basic commodities, despite the rise in global inflation rates, due to current geopolitical developments in the region.

The **Labor Market** continued the positive performance, in which it reflects the resilience of the labor market against external shocks. The results of the labor force survey issued by the GASTAT showed that the overall **unemployment rate** recorded 3.0% in Q2 2026. **Unemployment rates among Saudis** maintained its historical low levels at 6.5% in Q2 2026. This reflects the continued ability of the economy to create job opportunities and support government policies aimed at enhancing employment opportunities, and the packages of programs and enablers launched by the competent authorities to encourage the expansion of the private sector, which contributed to opening wider areas for citizens. **Saudi women's participation in the labor market** reached 33.7% in Q2 2026, reflecting continued progress in achieving labor market goals with the support of policies and initiatives that contributed to empowering the role of women in the labor market and providing a more inclusive work environment.

² Data issued by GASTAT, according to the updated methodology of the Consumer Price Index for the reference year 2023 (2023=100).

The labor market statistics data for administrative registers showed that the **number of Saudi employees in the private sector** grew by about 190.1 thousand employees in Q2 2026 compared to the same period in 2025, to record a total number of about 2.7 million employees with an annual growth rate of 7.7%. This growth indicates the continued attractiveness of the private sector and its ability to expand and absorb a larger number of employees. It also reflects the impact of continuous economic reforms, which encouraged employment in various sectors such as tourism, entertainment, and technology, in addition to promoting entrepreneurship and supporting small- and medium-sized businesses.

The **external sector** continued to improve despite ongoing geopolitical developments and associated uncertainty, as **the current account deficit**³ decreased by 67.1% to reach ﷲ 20.1 bn in H1 of 2026, compared to approximately ﷲ 61.0 bn in the same period of 2025. In H1 2026, the **commodity trade balance** continued to enhance the external sector resilience, achieving a surplus of ﷲ 154.7 bn, with an annual growth rate of 53.2%, driven by an increase in oil exports by 10.6% on an annual basis. It is worth mentioning that the geopolitical developments and the Strait of Hormuz closure in the past period led the Kingdom to enhance its use of the Red Sea ports. Approximately 40.7% of the total non-oil exports and about 48.3% of merchandise imports have passed through Red Sea ports during the crisis, compared to 19.3% and 23.1% before the crisis, respectively⁴.

In this context, reserve assets continued to strengthen the external position, as the total reserve assets in Q2 2026 grew by 8.1% compared to the same period in 2025, reaching about ﷲ 1.85 tn. The total reserve assets⁵ for Q2 2026 cover the total external debt amounting to ﷲ 624.9 bn by 284%, well exceeding the minimum assets requirements recommended by IMF at 100%, indicating a high

³ According to the Monthly Bulletin Statistics - SAMA

⁴ According to GASTAT data, where the period before the crisis (January-February 2026) and the period after the crisis (March-June 2026).

⁵ Coverage of external debt by reserve assets, after deducting monetary gold and Special Drawing Rights (SDRs) from total reserve assets.

level of coverage of external liabilities with reserve assets.

The **tourism sector** continued its positive performance, supported by the continued strength of local demand and expatriates, reflecting the sector's resilience and ability to maintain the pace of growth. Preliminary data from the Ministry of Tourism revealed that the total **number of domestic and expatriate tourists** reached about 37.2 million in Q1 2026, supported by the number of domestic tourists by about 28.9 million tourists. The total **tourism expenditure** reached about ﷲ 82.7 bn, confirming the sector's continued contribution to supporting economic activity and diversifying sources of growth.

On the other hand, the **industrial sector** continued to achieve progress driven by qualitative investments and expansion of the production base, which enhances the goals of economic diversification over the medium- and long- term. According to the latest data from the Ministry of Industry and Mineral Resources, the number of factories in the Kingdom exceeded 13 thousand factories as of May 2026, while the National Industrial Strategy aims to increase the number to 36 thousand factories by 2035. The activity of manufacturing industries (excluding oil refining) also recorded growth of 0.8% in H1 2026 on an annual basis, with the aim of raising industrial output to about ﷲ 895 bn and doubling industrial exports to ﷲ 557 bn by 2030.

The effects of the current geopolitical developments are expected to be reflected in the real growth of the Kingdom's economy in 2026, as preliminary forecasts indicate a decline in real GDP growth by 3.6%, due to the decline in oil activities. Furthermore, it is forecasted that the positive growth in non-oil activities will be 3.2%. Domestic demand, represented by private consumption and private investment flows, is the main driver of the Saudi economy's growth at this stage, as stable inflation rates, the continuation of social support programs, and the

recovery in tourism have contributed to strengthening the base of private consumption. This points to the positive outlook of the Kingdom's success in planning to diversify its economy, reduce its dependence on oil, progress in the implementation of its strategies, and achieve sustainable development in various sectors, which increases investor confidence and enhances the position of the Saudi economy.

Projections of Key Economic Indicators over the Medium Term

(Percentage, unless stated otherwise)

Economic Indicators	Actual*	Estimates **	Projections**		
	2025	2026	2027	2028	2029
Real GDP Growth	4.6%	-3.6%	12.8%	3.9%	5.7%
Nominal GDP (ﷲ bn)	4,776	4,978	5,358	5,695	5,869
Nominal GDP growth	1.6%	4.2%	7.6%	6.3%	3.1%
Inflation ⁶	2.0%	2.1%	1.9%	1.9%	1.9%

* Source: GASTAT

** Preliminary Estimates

⁶ Data issued by GASTAT, according to the updated methodology of the Consumer Price Index for the reference year 2023 (2023=100).

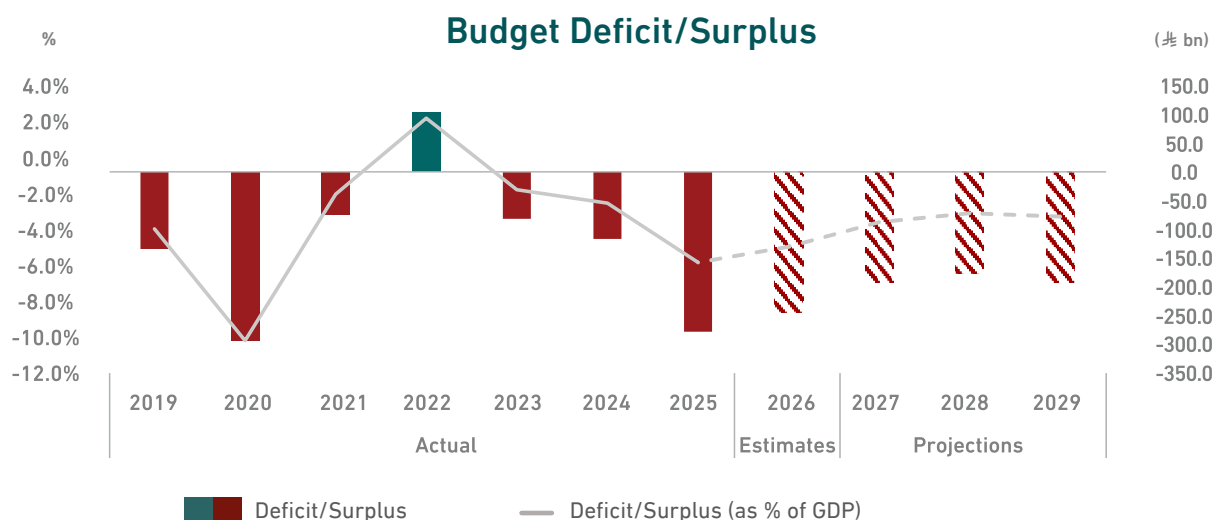
B) Fiscal Projections for FY 2027 and the Medium Term

The Kingdom continues to adopt flexible fiscal policies that take into account the strategic direction of Saudi Vision 2030 and long-term fiscal planning, in order to achieve a balance between supporting economic growth and maintaining public finance sustainability. In this context, efforts are continuing to develop non-oil revenues, raise spending efficiency, and maintain sustainable levels of public debt and considerable fiscal reserves. This enhances the ability of public finance to absorb shocks and respond to economic changes and supports economic and fiscal stability. The Kingdom also continues to focus on raising the quality of services provided to citizens and residents, and maintaining the economic and development gains achieved, in a way that strengthens the foundations of sustainable development and supports macroeconomic stability over the long term.

The FY 2027 budget estimates also reflect the government's continued adoption of balanced fiscal policies across economic cycles, aimed at maximizing the economic and social impact of spending by directing resources towards priority programs and projects, in line with the priorities and goals of Saudi Vision 2030. This represents part of the efforts to balance supporting inclusive economic growth, promoting economic diversification, maintaining the sustainability of public finance over the medium- and long-term, as well as reviewing estimates and priorities periodically in light of global developments.

Accordingly, the FY 2027 budget is projected to record a **deficit** of approximately 3.6% of GDP. This deficit comes within the framework of a fiscal policy based on the available fiscal space, which enables the government to adopt balanced fiscal policies across economic cycles to support economic growth, and continue long-

term fiscal planning through the continuation of the implementation of priority projects to achieve Saudi Vision 2030 goals. The deficit will be funded through borrowing in accordance with a medium-term debt strategy framework.



Source: MoF

*The updated actual GDP numbers are based on data published by GASTAT

Medium-term Fiscal Projections

(bn, unless stated otherwise)

Public Finance	Actual 2025	Budget 2026	Estimates 2026	Projections		
				2027	2028	2029
Total Revenues	1,112	1,147	1,190	1,202	1,302	1,351
Total Expenditures	1,388	1,313	1,435	1,392	1,479	1,544
Budget Balance	-277	-165	-245	-191	-177	-192
As percent of GDP*	-5.8%	-3.3%	-4.9%	-3.6%	-3.1%	-3.3%

Source: MoF

*GDP of FY 2025 is according to the updated actual data published by GASTAT, and GDP of FY 2026-FY 2029 are based on the updated estimates

Figures are rounded to the nearest decimal points

1. Revenues

As part of the government's efforts to preserve the fiscal and economic gains achieved in previous years under Saudi Vision 2030, the government continues to implement initiatives and structural reforms to diversify the economy, which contributes to enhancing the performance of economic activities and reflects positively on non-oil revenues. These initiatives have contributed to changing the structure of public revenues, amounting to ~~ﷲ~~ 505 bn in FY 2025, compared to approximately ~~ﷲ~~ 166 bn in FY 2015, which ensures the existence of stable and sustainable sources over the medium- and long-term away from fluctuations in the oil markets. The structural and continuous diversification and development of non-oil revenues have contributed to making these revenues a major and sustainable source of budget expenditure financing, as its coverage of total expenditures increased from 17% in FY 2015 to about 36% in FY 2025. In addition, these initiatives have enhanced the ratio of non-oil revenues to nominal non-oil GDP from 9% in FY 2015 to about 15% in FY 2025. The government seeks to continue implementing economic transformation plans by supporting economic growth and expanding the economic base to support the growth of non-oil revenues and contribute to achieving more sustainable and stable levels of revenues over the medium- and long-term.

Preliminary forecasts expect that **total revenues** in FY 2027 will amount to around ~~ﷲ~~ 1,202 bn, and total revenues are estimated to grow to about ~~ﷲ~~ 1,351 bn in FY 2029, supported by economic growth.

2. Expenditures

As part of the Government's commitment to managing public expenditure within a sustainable fiscal framework that balances development needs with the robustness of public finance, by continuing (or through pursuing) to pursue balanced fiscal policies across economic cycles to support fiscal sustainability and economic growth, maintain macroeconomic stability, and achieve comprehensive development goals that strengthen the resilience and robustness of the economy. **Expenditures** are estimated to reach around ₪ 1,392 bn in FY 2027, to gradually increase to reach ₪ 1,544 bn by FY 2029. This fiscal trajectory reflects the government's continued support for sustainable development and economic growth, while maintaining spending efficiency and fiscal sustainability over the medium- and long-term.

In FY 2027 and over the medium term, the government will continue to enhance the efficiency of government spending and maximize its developmental impact. This will be done through long-term fiscal planning, which will enhance the methodology of measuring the impact of spending, direct the allocation of resources to national strategies contributing to prioritizing programs and projects, and maximize the utilization of existing government assets and investments. Moreover, it will promote investment in human capital development by advancing the education and health sectors and improving the quality of life for citizens and residents. The government will continue to enhance the efficiency of the social support and subsidies system to ensure that it reaches the most deserving groups and enhances its development impact. In addition, the government will direct spending towards enhancing the role of the private sector, stimulate investment, and raise its contribution to sustainable economic growth. At the same time, the government will maintain flexibility in spending to support public finance in responding to economic and geopolitical changes.

3. Financing and Public Debt

The Kingdom has a strong fiscal position, by maintaining sustainable levels of public debt and considerable financial reserves. This contributes to achieving sustainable economic growth, while maintaining flexibility to respond effectively to shocks, crises or emergency needs, and securing financing needs from various domestic and international markets at a fair cost. As a result, this gives the Kingdom additional fiscal space that can be used whenever needed. The budget of FY 2027 aims to maintain the Kingdom's fiscal position and achieve fiscal sustainability.

The government continues to adopt fiscal policies that are based on long-term fiscal planning, continuing to implement priority projects to achieve Saudi Vision 2030 goals, in addition to the deliberate expansion of borrowing in accordance with a medium-term debt strategy framework. It should be noted that the borrowing plan for FY 2027 will be disclosed in detail by the end of this year. The Kingdom follows a strategic approach in debt management by diversifying financing sources between domestic and international markets. Accordingly, this enhances the depth of the domestic market and ensures the availability of necessary liquidity to support financing needs efficiently and stably.

In FY 2027 and over the medium term, the government will borrow through public and private markets to support spending priorities and meet financing needs. Accordingly, debt portfolio is expected to deliberately raise by the end of FY 2027 while ensuring its sustainability.

It is worth noting that fiscal and economic developments have had a positive impact on the Kingdom's sovereign credit rating with a stable outlook. In the current year 2026, the credit rating agency "Moody's" confirmed the Kingdom's

rating at Aa3, and “Standard & Poor’s” and “Fitch” confirmed the Kingdom’s credit rating at A+. This reflects the ongoing efforts to adopt effective fiscal policies that support sustainable economic growth through long-term planning and structural reforms. These plans and reforms are being implemented to enhance the ability of public finance to deal with external shocks, while leveraging the available fiscal space resulting from the government’s strong fiscal position. This performance is evident despite the continuing geopolitical developments in the region, which reflects the resilience of the Saudi economy and the strength of its fiscal position.

Despite the current geopolitical developments, the government continued to execute its borrowing plan efficiently. The Kingdom has proactively initiated additional financing activities in public and private markets to meet the expected financing needs for FY 2026. These activities will continue to support prioritizing of spending, meet financing needs, and leverage available opportunities in the markets. The government intends to continue its domestic and external financing activities through public and private channels by issuing bonds, sukuk and loans at fair prices. It also plans to expand alternative government financing, including financing of projects, infrastructure, and export credit agencies in FY 2027 and over the medium term. The Kingdom’s public debt is showing a clear trend toward fiscal sustainability and flexibility, under a disciplined fiscal policy efficiently managed by the government in line with Saudi Vision 2030 goals.

C) Key Fiscal Risks for FY 2027, and over the Medium Term

Amid the risks surrounding the global economic outlook which may affect the pace of economic growth and global trade expansion in FY 2027 and over the medium term, the Saudi economy continues to demonstrate its ability to adapt to these changes, underpinned by **the strength of the domestic economy and logistics infrastructure**. The Saudi government is adopting a proactive approach through long-term fiscal planning, which is not only responsive to economic and geopolitical disruptions, but also is preceded by a clear vision to build a flexible fiscal policy. In this context, monitoring and analyzing fiscal risks is a key tool to enhance the efficiency of fiscal planning, enable policies to move proactively to face potential challenges, and reduce their negative impacts to ensure fiscal resilience and sustainability.

In light of the uncertainty witnessed by the **global economy** in FY 2026 as a result of the escalation of geopolitical tensions, which was reflected in the pace of global economic activity and growth prospects. Nonetheless, IMF projects that the global economy may continue to grow in FY 2027, supported by the easing of geopolitical tensions, in addition to the accelerated pace of technological advancements, especially in the applications of artificial intelligence. However, the growth prospects remain subject to several potential risks, most notably include the continued escalation of geopolitical tensions, and their potential direct impact on strategic sea lanes and energy markets. Continued trade restrictions and protectionist policies could also adversely affect global trade and disrupt supply chains; as well as their potential implications for volatility in energy and primary commodities prices. Accordingly, the global trajectory of monetary policy remains dependent on global price developments and the recovery of supply chains, which may keep interest rates at higher-than-expected levels. Which may

impact financing costs and increase pressure on global debt levels. In light of these developments, the Kingdom continues to adopt a flexible and proactive fiscal policy that enhances its capacity to respond to global economic developments while maintaining public fiscal sustainability supported by a strong fiscal position that enables it to navigate these developments effectively.

As part of the global economic system, the **domestic economy** remains influenced by the above-mentioned global developments, which may affect foreign trade flows and increase export and import fluctuations as a result of pressures on prices and supply chains, leading to slower growth in oil and non-oil activities. In light of the risks facing the domestic economy in FY 2026 due to the disruption of strategic sea lanes, the Kingdom's economy has demonstrated its ability to leverage its strategic infrastructure in the energy and logistics sectors. Given that the Kingdom's economy supports the continuity and safety of oil and non-oil exports at a time of escalating geopolitical tensions. Moreover, the domestic economy may face the risk of imported inflationary pressures being transmitted to the domestic economy, especially if basic commodities prices and shipping costs increase. However, the implemented measures by the government, by providing alternative routes to ensure the flow of goods and maintain adequate food stocks, have contributed to supporting the stability of prices locally, and limiting the pass-through of external inflationary pressures to the domestic economy.

Based on these developments, **public finance** may face challenges related to the uncertainty surrounding the growth of the global economy, most notably volatility in oil markets and slower growth in global demand, which could affect oil revenues, alongside the possibility of non-oil revenues being affected in the event of slowdown in domestic economic activity. On the other hand, structural reforms have contributed to expanding the economic base and boosting non-oil

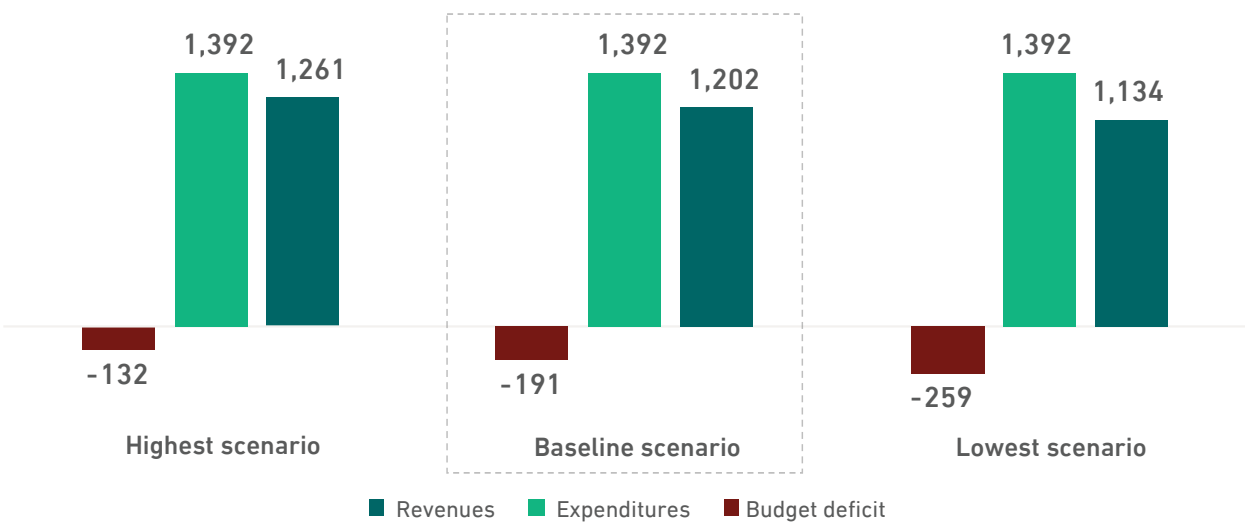
activities, which supports the structure of public revenues and enhances the sustainability and stability of non-oil revenues over the medium- and long-term. The government adopts flexible fiscal policies that take into account the strategic dimension through long-term fiscal planning, the implementation of proactive policies to address rapidly evolving global developments, and the periodic review of economic and fiscal variables. This flexibility contributes to **strengthening fiscal sustainability** by developing non-oil revenues, enhancing spending efficiency, and maintaining sustainable levels of public debt and adequate fiscal reserves. Thereby, strengthening the resilience of public finances to absorb shocks and maintain economic and fiscal stability.

In this context, the government continues to **maximize the economic and social impact of spending** by directing resources towards priority programs and projects, and prioritizing spending in line with the Saudi Vision 2030 goals. This comes as part of an approach that balances between supporting inclusive economic growth and economic diversification and maintaining fiscal sustainability. **Public debt management** in accordance with the framework of the medium-term debt strategy. This framework takes into account the balance between the cost of financing and risk, and ensures the continuity of the implementation of priority projects without being linked to the fluctuations of the economic cycle. The adaptation of deficit and public debt levels to economic developments reflects the flexibility of fiscal policy and its ability to support growth.

In light of the aforementioned global and domestic developments, several revenue scenarios were developed, taking into consideration the challenges and uncertainty facing the global economy, and the continued risks of escalating geopolitical tensions. The estimates used aim to enhance the government's ability to deal with any of these scenarios and build a flexible fiscal space.

Revenue Scenarios for the FY 2027 Budget

(₹ bn)



Source: MoF

In light of the government’s proactive policy in addressing economic and geopolitical challenges, the government has **succeeded in implementing a number of initiatives to contain the effects of the escalation of geopolitical tensions** and ensure the stability of oil supply and supply chains. These initiatives contribute to supporting the growth of oil and non-oil activities and may gradually reduce inflationary pressures during FY 2027 and over the medium term. The government has also directed integrated packages of measures to support strategic and logistical priority sectors, especially transport and logistics, industry, agriculture, food security, petrochemicals, and tourism.

These initiatives came to enhance the continuity of supply chains and trade movement and raise the readiness of the transport and logistics sectors, by providing alternative routes that ensure the smooth flow of goods. Among the most prominent of these initiatives is **the launch of the Logistics Corridors Initiative**, which relies on the transport and logistics system. These routes

constitute an integrated logistics system that connects Arabian Gulf ports to the central and northern regions of the Kingdom, extending to Red Sea ports and countries to the north, through a multimodal transport network that combines road and rail transport. In addition, utilizing the East-West Pipeline and the available Red Sea coastal ports as effective operational alternative routes that enhance the flexibility of the transfer of these supplies. This direction reflects the Kingdom's strategic outlook, **contributes to its position as a reliable energy supplier**, and enhances global markets' confidence in the Saudi economy's ability to overcome geopolitical tensions efficiently.

The launch of **new direct sea freight services connecting the Kingdom's ports**, led by Jeddah Islamic Port, to the world's most important ports in Asia, Europe, Africa and the Americas, has contributed to supporting the resilience of logistics networks. The impact of these efforts has extended regionally, as transit transport has enabled the transport of goods to the GCC countries through the Kingdom's land, sea and air ports, reinforcing **the Kingdom's growing position as a key regional hub for trade and logistics**.

The launch of the **Saudi War-Risk Insurance Pool for Cargo and ships** is one of the most prominent initiatives aimed at enhancing the capability of the insurance market to deal with maritime risks and supporting the continuity of trade and supply chains; this initiative is executed through a Public-Private Partnership (PPP). The pool raises the technical readiness of the insurance market and expands the capacity of the relevant coverages. Primarily tailored in accordance with the frameworks and controls approved by the Insurance Authority, in a way that supports the resilience of the national economy and the Kingdom's competitiveness as a global logistics hub.

The structural reforms implemented, within the Saudi Vision 2030, have enhanced **the resilience of the domestic economy and its ability to absorb external shocks**, as well as reduce their repercussions on local markets, through the development of infrastructure, enhancing the efficiency of the logistics sector, diversifying the economic base, and empowering the private sector. This has been reflected in improving the business environment and investment attractiveness, as the Kingdom has advanced to 13th place globally⁷ in foreign investment flows in FY 2025. In addition to the continued growth of the non-oil sectors and their key role in supporting economic expansion, which strengthens the Kingdom's position as a preferred destination for business and a leading logistics and investment hub in the region.

⁷ UNCTAD's World Investment Report 2026

02

Strategic Directions and Fiscal and Economic Enablers

second: Strategic Directions and Fiscal and Economic Enablers

The strategic directions of the Kingdom's fiscal policy focus on balancing fiscal sustainability with supporting economic growth, thereby enhancing the strength of the Kingdom's fiscal position and its resilience to economic developments and shocks. Within this framework, the government continues to manage public finance in a way that ensures sustainable levels of public debt and significant levels of government reserves, raises the spending efficiency and effectiveness, and enhances financial planning and financial risk management. At the same time, the framework direct resources towards national priorities with the highest economic and social impact.

Saudi Vision 2030, and The Progress Achieved

Since the launch in 2016, Saudi Vision 2030 continues its steady progress towards achieving its goals, supported by the qualitative transformations and accelerated accomplishments achieved. These transformations have contributed to bringing about broad structural changes at various economic, social and development levels, and which have strengthened the Kingdom's ability to face challenges and seize opportunities.

The **integration between the Vision Realization Programs and national strategies has been a key pillar in advancing the transformation process.** National strategies represented an integrated framework for translating the ambitions and goals of the vision into clear paths and priorities. The Vision Realization Programs also contributed to accelerating implementation, enhancing integration between various sectors, and direct efforts and resources towards national priorities.

This has achieved tangible progress at the level of the three pillars of the vision: **a Vibrant Society, a Thriving Economy, and an Ambitious Nation**, by improving the quality of life, enhancing the well-being of the community, diversifying the economic base, developing promising sectors, enhancing the role of the private sector and investment along with, raising the efficiency and effectiveness of government services and consolidating the principles of sustainability, which reflects the comprehensiveness of the transformation witnessed by the Kingdom and the interdependence of its paths.

- A Vibrant Society: Investing in People and Enhancing the Quality of Life

The “**Vibrant Society**” pillar of Saudi Vision 2030 is based on investing in people and building a society whose members enjoy a high quality of life and healthy lifestyle. Simultaneously, it also focusses on preserving the national identity and cultural heritage, developing basic services, and providing wider options for housing, culture, entertainment, and sports. This program aims to enhance the well-being of citizens and residents and create an attractive environment for living and working. This transformation has been reflected in the expansion and quality of basic services, the growth of cultural, recreational, and tourism options, as well as advances in healthcare, housing, and environmental sustainability.

Based on the importance of **culture and heritage** in enhancing the national identity and enriching the quality of life, the Kingdom has continued its efforts to protect, develop and highlight cultural heritage locally and internationally. As a result, the number of Saudi heritage sites registered in the UNESCO World Heritage List increased from 4 sites in 2016 to 8 sites in 2025, while the number of cultural elements registered in the UNESCO Intangible Cultural Heritage List

reached 18 by the end of 2025⁸. This progress reflects the growing presence of culture and heritage and the enhancement of the Kingdom's cultural standing globally, thereby supporting the consolidation of the national identity.

In the **health sector**, the Kingdom has become the highest-ranked country in the region in terms of the number of globally accredited health cities, with 16 cities within the network of health cities approved by the World Health Organization. The number of specialized health cadres reached more than 803 thousand specialists in 2025, and the percentage of population groups covered by health services also increased from 84% in 2019 to 98% in 2025⁸. This promotes human health and raises the readiness of the health system to meet future needs.

In continuation of enhancing health, especially community health, the **sports sector** has witnessed a qualitative leap by spreading awareness of sports, developing talents, developing sports facilities and cities, in addition to hosting major and international events. The Kingdom also launched the **National Strategy for Gaming and E-Sports** aimed at consolidating the Kingdom's position as a global hub for the sector. The Kingdom hosted the Esports World Cup in 2025, with the participation of more than 2,000 professional players and 200 clubs representing more than 100 countries. Moreover, the value of the allocated prizes exceeded ﷲ 262 million⁸.

The **real estate sector** has several organizational transformations with the establishment of the General Authority for Real Estate and the Saudi Real Estate Institute in 2017, as well as the launch of the "Ejar" platform to regulate the market and real estate contracts in 2018. In addition, the **Comprehensive Strategy for the Real Estate Sector** was developed with the aim of building a sustainable, more transparent, and attractive sector, which provides real estate services and

⁸ Source: Saudi Vision 2030 Annual Report 2025.

products of high quality, and ensures the comprehensiveness and integrity of land and property data. The land and property coverage index achieved 53%, exceeding its target of 45%. More than 3.2 million notarized leases were also registered through the “Ejar” platform, and over 4 million real estate units were registered within the Saudi real estate registry during 2025. More than 1.2 million real estate deeds were issued through the in-kind registration of the property, while the number of licensed real estate brokers and practitioners (FAL license) exceeded 106 thousand registrations in 2025⁹, thus the strategy creates a governed and unified real estate environment.

In 2025, the Kingdom launched the **Real Estate Balance Program** in Riyadh as part of the Kingdom’s efforts to enhance the balance in the real estate sector and increase the supply of residential land. The program aims to provide between 10 thousand and 40 thousand planned and developed residential plots annually for citizens within five years from the date of launch, at prices not exceeding **SR** 1,500 Square meters. This contributes to enhancing the citizens’ residential ownership and supporting real estate market stability.

Regarding the **housing sector**, the percentage of Saudi households owning a housing unit increased from 47% in 2016 to 66% in 2025, while green spaces in Saudi city neighborhoods increased to exceed 7 million square meters by the end of 2025⁹. This improvement reflects the impact of housing policies and programs in expanding ownership options and improving the quality of housing, which supports the stability of Saudi families and raises their quality of life.

Within the framework of **research and innovation**, the Kingdom topped the results of the third edition of the International Nuclear Science Olympiad “INSO 2026”, achieving first place and the title of “Ambassador of Nuclear Science”

⁹ Source: Saudi Vision 2030 Annual Report 2025.

in addition to 4 international awards during the competitions in the Olympics, and the Saudis achieved 134 medals and awards at the Geneva International Invention Fair 2026 and ISEF 2026.

The improvement of the quality of life has contributed to qualitative achievements in the **environmental track**, as the Kingdom continues to ensure the sustainability of natural resources and improve the urban and natural environment. The Saudi Green Initiative begins by rehabilitating the first million hectares of degraded land, and planting more than 159 million trees by the end of 2025¹⁰. This progress reflects the expansion of environmental work and the integration of governmental, community, and private sector efforts, which contribute to the restoration of ecosystems, protect natural resources, enhance biodiversity, and improve the quality and sustainability of life.

- A Thriving Economy, Economic Diversification and Enhanced Competitiveness

The “**Thriving Economy**” pillar of Saudi Vision 2030 focuses on diversifying the economic base, harnessing the potential of promising sectors, empowering the private sector, attracting investment, and strengthening local content. Together, these priorities help build a more diversified, competitive, and sustainable economy. This transformation is reflected in the growing role of non-oil activities and the private sector to the national economy, alongside efforts to further develop established productive sectors and enhance their global competitiveness.

The economic diversification journey could not have been completed without the active participation of the **private sector**, which has been a key priority under Saudi Vision 2030 as a development partner and driver. The Kingdom has sought

¹⁰ Source: Saudi Vision 2030 Annual Report 2025.

to stimulate and empower the private sector by improving the business environment and introducing institutional and regulatory reforms, with privatization serving as one of the key tools in these efforts. The total value of investments in privatization and PPP projects reached approximately ﷲ 180 bn by the end of 2025. Building on these efforts, the **National Privatization Strategy (NPS)** was approved in November 2025, with the aim of strengthening PPPs to maximize their economic, social, and financial impact and to enhance the quality of public services provided to citizens and residents. **NPS** also established five key programs to enable and advance the privatization ecosystem, supported by 42 implementation initiatives. In H1 2026, the **NPS** had made tangible progress in its implementation, with 10 privatization and PPP projects launched since the beginning of the year, including the Prince Naif bin Abdulaziz International Airport project in Qassim, structured as a PPP, and an investment project involving five sports clubs. Two contracts were also signed with the private sector for the SABIC Mental Health Hospital project in the healthcare sector and the Jubail Container Terminal project in the transport and logistics sector. This brought the total number of signed partnership contracts to 83 (with an estimated value-for-money of ﷲ 28.3 bn), and 12 asset transfer contracts. Meanwhile, private-sector capital investment exceeded ﷲ 56.2 bn. In addition, the NPS aims to attract ﷲ 240 bn in private-sector capital investment through privatization transactions by 2030.

This progress was accompanied by parallel growth in **small- and medium-sized enterprises (SMEs)**. The number of SMEs increased from 429 thousand in 2016 to 1.7 million in 2025, with approximately 8.88 million employees by the end of 2025. The share of SME loans in total bank lending also increased from 2% in 2016 to 11.3% by the end of 2025¹¹.

¹¹ Source: Saudi Vision 2030 Annual Report 2025.

To further promote the contribution of entrepreneurship and SMEs into the national economy and support economic growth, the **National Strategy for Entrepreneurship and SMEs** was launched in September 2026. The strategy seeks to empower the sector and foster its growth and competitiveness by addressing key challenges and gaps, strengthening core enablers, improving the regulatory environment, facilitating access to markets and financing, and fostering innovation. The strategy comprises 13 initiatives and aims to increase the contribution of SMEs to GDP to 35% and to create over 500 thousand direct and indirect jobs. It also aims to position the Kingdom first globally in the Entrepreneurial Skills and Knowledge Index, supporting the achievement of the Saudi Vision 2030 goals.

Regarding the enhancement of straightening the Kingdom's investment environment, **the National Investment Strategy** has delivered a number of tangible outcomes. In 2026, the Kingdom ranked 10th globally in the Kearney Foreign Direct Investment Confidence Index, entering the global top 10 for the first time in its history. It has further strengthened its position as the leading venture capital market in the Middle East and North Africa (MENA) region, ranking first for the third consecutive year in 2025.

Economic reforms and regulatory enhancements have further improved investment confidence. Since 2019, more than ﷲ 40 bn in foreign private investment has flowed into Saudi markets, while the value of **foreign direct investment (FDI)** inflows increased from ﷲ 28 bn in 2017 to ﷲ 133 bn in 2025. Meanwhile, the fintech sector experienced significant growth, with the number of fintech companies increasing from 20 in 2019 to 301 by the end of 2025. In addition, investment in economic cities and special economic zones expanded, with non-government investment exceeding ﷲ 1.466 tn by the end of 2025. The number of regional headquarters of global companies also increased from 44 in

2021 to over 700 by the end of 2025¹². These developments have helped broaden PPPs, strengthen the national economy's ability to attract investment, and create high-quality employment opportunities.

Historically, Saudi Arabia's industrial sector relied heavily on oil and government funding to develop its infrastructure, without sufficient alignment across its regulatory policies. Saudi Vision 2030 marked a significant shift, moving the sector beyond reliance on extractive industries toward a more diversified and competitive industrial economy. **The National Industrial Strategy** has continued to develop the industrial sector, strengthen its competitiveness, and diversify its productive base. The number of Saudi factories increased from 7.206 thousand in 2016 to more than 12.9 thousand by the end of 2025. The **Made in Saudi** Program also contributed to creating more than 3 thousand export opportunities by the end of 2025. These efforts have extended to specialized industries, particularly the military industries sector, where the localization rate increased from 8% in 2019 to 27.3% by the end of 2025¹².

Mining is a key pillar of Saudi Vision 2030, aimed at unlocking the value of the Kingdom's natural resources. **The Integrated Strategy for Mining and Mineral Industries** has accelerated exploration, enhanced economic viability, and encouraged investment in the sector. As a result, the Kingdom's ranking in the Fraser Institute's Investment Attractiveness Index improved significantly, rising from 104th in 2013 to 10th in 2025, placing the Kingdom among the top 10 countries for the first time. The number of mining exploitation licenses also increased to 275 in 2025, compared with 170 in 2021, while mining exploration licenses increased from 499 in 2020 to 1,018 by the end of 2025. The value of the Kingdom's untapped mineral resources also exceeded ~~SR~~ 227 bn, as accelerated geological survey activities continued to uncover the scale of the Kingdom's mineral wealth¹².

¹² Source: Saudi Vision 2030 Annual Report 2025.

The transport and logistics sector has been identified by Saudi Vision 2030 as one of the main pillars for building a diversified economy, following the need to establish an integrated national system connecting airports, roads, railways, and maritime transport. **The National Transport and Logistics Strategy (NTLS)** has continued to advance the development of the sector and its logistics services and enhance its efficiency. In 2026, the Kingdom ranked fourth among 50 emerging markets in the Agility Emerging Markets Logistics Index. In July 2026, the General Ports Authority (Mawani) announced the signing of a number of contracts with national and international companies to develop and expand seven logistics centers at the Jeddah Islamic Port and Al Khumrah area, with investments of up to ﷲ 1bn. This brings the total number of logistics centers at the Kingdom's ports to 34, confirming the continued development of advanced logistics infrastructure that enhances supply chain efficiency and keeps pace with the growth of global trade.

Saudi Vision 2030 has also placed a strong focus on the **insurance sector**, recognizing the role that insurance activities can play in supporting economic growth and social stability. In 2023, the Insurance Authority was established to regulate and develop the sector. This was followed by the launch of the **National Insurance Sector Strategy**, which seeks to build a strong insurance market that supports economic diversification and provides protection for individuals and businesses through 11 strategic programs and 72 implementation initiatives spanning insurance and reinsurance lines, as well as regulatory and technological foundations. Gross written premiums increased from ﷲ 36.9 bn in 2016 to over ﷲ 84 bn in 2025, while the sector's contribution to non-oil GDP increased from 2.06% in 2016 to 2.43% in Q2 2025. This growth was accompanied by a notable diversification of insurance activities, reflected in the increase in the share of non-health and motor insurance from 16.5% in 2016 to 30.8% of total premiums

in 2025. This reflects the sector's growing maturity and the expansion of insurance protection coverage across the Kingdom.

In **the tourism sector**, Saudi Vision 2030 has charted a clear transformation path for a promising sector whose potential had not been fully realized. The Ministry of Tourism, the Tourism Development Fund, and the Saudi Tourism Authority were established to lead the sector's regulation and growth, alongside the introduction of the tourist visa to facilitate access to the Kingdom. In order to leverage from and develop the potential of the Kingdom's diverse regions, **Aseer Development Strategy** was launched with the aim of transforming the region into a year-round global tourism destination. The continued growth of tourism activity has translated into record indicators, with the number of domestic and international tourists reaching approximately 123 million by the end of 2025. The tourism expenditure also reached a record level of over ﷲ 304 bn. Meanwhile, the Kingdom achieved a surplus in the travel item in the balance of payments of ﷲ 31.8 bn in H1 2026¹³, creating new opportunities for investment and employment in tourism-related activities and further diversifying the Kingdom's non-oil sources of income.

At the sectoral level, Saudi Vision 2030 has worked to establish the **biotechnology sector** as an economic and knowledge-based driver of growth and a contributor to diversifying the economic base. **The National Biotechnology Strategy** has led this direction by building an enabling ecosystem that fosters innovation and investment in the sector. In 2025, the Kingdom launched its first venture capital fund dedicated to biotechnology, aimed at supporting the growth of startups and fostering innovation. The Kingdom also launched its first facility for manufacturing gene and cell therapies, which aims to meet 9% of domestic demand by 2030, supporting health security and reducing reliance on imports of advanced therapies¹⁴.

¹³ Source: According to the Monthly Bulletin Statistics - SAMA

¹⁴ Source: Saudi Vision 2030 Annual Report 2025.

The efforts across these sectors have been reflected in the performance of key national economic indicators. In H1 2026, non-oil activities reached a record level, accounting for more than half of real GDP, at 57.3%. The private sector's contribution to GDP increased from ~~ﷲ~~ 1,562 bn in 2016 to ~~ﷲ~~ 2,476 bn by the end of 2025, while its share of GDP rose from 44% in 2016 to 51% by the end of 2025¹⁵. Non-oil exports also reached a historic high, increasing from ~~ﷲ~~ 242.56 bn in 2016 to ~~ﷲ~~ 624 bn by the end of 2025¹⁶.

Saudi Vision 2030 has established a more flexible labor market framework capable of adapting to evolving **labor market** dynamics, enabling Saudi nationals to compete in a changing labor market while attracting both local and global talent. The **Labor Market Strategy** has contributed to creating an attractive working environment and expanding productive employment opportunities, supporting the achievement of Saudi Vision 2030 goal of building a thriving and diversified economy. These efforts have been supported by regulatory reforms that have enhanced labor market efficiency and increased participation. As a result, the Saudi unemployment rate declined to 7% by the end of 2025, while the number of Saudi employees in the private sector increased to 2.6 million, including 212 thousand Saudi nationals who joined the private-sector workforce in 2025. The share of university graduates entering the labor market within six months of graduation also increased from 13.3% to 43.34% by the end of 2025¹⁶. These gains have strengthened the competitiveness of national talent and reinforced the position of the Saudi labor market as an attractive environment that supports the sustainability and diversification of economic growth.

¹⁵ Source: Saudi Vision 2030 Annual Report 2025.

¹⁶ Source: Saudi Exports.

- An Ambitious Nation, More Efficient and Sustainable Institutions

The “**An Ambitious Nation**” pillar of Saudi Vision 2030 focuses on building an effective government characterized by efficiency, transparency, and accountability, while enhancing community participation. These efforts support the efficient management of resources and strengthen the foundations of sustainability.

The Kingdom has continued its comprehensive transformation journey under Saudi Vision 2030, which has contributed to the establishment of more resilient and cohesive governance. Economic reforms have contributed to strengthening fiscal sustainability and diversifying revenue sources. Non-oil government revenues increased from ~~SR~~ 186 bn in 2016 to ~~SR~~ 505 bn by the end of 2025, while the ratio of non-oil revenues to non-oil GDP increased to 15% in 2025, compared with 9% in 2015. This institutional transformation has also strengthened the Kingdom’s competitiveness and standing in international rankings. The Kingdom advanced 23 places in the 2026 World Competitiveness Ranking, reaching 13th globally and third among G20 countries.

Given the importance of government services to citizens, residents, and investors, Saudi Vision 2030 has accelerated the development of a comprehensive digital government ecosystem that enables data to be managed efficiently and securely. **Government digital transformation** has been a key driver of this progress, further strengthening the Kingdom’s global standing in digital government. In 2025, the Kingdom ranked second globally in the GovTech Maturity Index (GTMI), as well as in the Digital Regulatory Maturity Index under the (ITU) in 2025. The Kingdom has also continued to advance in the **E-Participation Index**, ranking 7th globally, in pursuit of the Saudi Vision 2030 goal in this area.

Saudi Vision 2030 has placed the digital sector at the forefront of the Kingdom's development priorities, reflecting its focus on investment in the economies of the future. This has further strengthened The Kingdom's global leadership in **telecommunications, technology, and cybersecurity**, with the kingdom ranking first globally in the ICT Development Index and the Global Cybersecurity Index for the second consecutive year, according to the Global Competitiveness Report, as well as in the 2025 Digital Readiness Index issued by the International Telecommunication Union (ITU). This progress has also extended to emerging technologies and artificial intelligence (AI), with the Kingdom ranking first globally in women's empowerment in AI, according to the Stanford AI Index 2026. The Kingdom also ranked first regionally and 11th globally in the AI Safety Index, according to the Global AI Safety Index (GAISI) 2025, further consolidating its position in advanced technologies.

In the **judicial system**, the Ministry of Justice continues to strengthen the justice system through the development of litigation procedures, enhancing the quality of judicial processes, and institutional capabilities. These efforts help make procedures clearer and more consistent while improving the experience of litigants. Developments in judicial practice have also contributed to reducing the duration of litigation by 86%. In 2025, over 2.9 million court hearings were conducted via videoconferencing, while approximately 1.9 million judgments were issued electronically, alongside more than 660 thousand judicial decisions. The Case Preparation Center, one of the centers supporting judicial operations, completed more than 380 thousand processes in 2025, representing an increase of 39% compared to last year.

As part of efforts to advance **preventive justice**, over 1 million electronic contracts were issued in 2025. The Reconciliation Center also continued to

promote reconciliation as an effective mechanism for dispute resolution and reaching amicable settlements, supported by qualified and specialized conciliators, institutional procedures, and effective partnerships. These developments were accompanied by continued investment in legal and judicial capacity building through specialized training and qualification programs. In 2025, more than 300 thousand training seats were provided across more than 6,300 training courses.

The **non-profit sector and volunteering** have long been integral components of the Kingdom's social fabric. Saudi Vision 2030 has sought to transform the sector into an empowered sector through the launch of the National Volunteer Work Platform and the **National Volunteering Strategy**. As a result, community participation has increased significantly at the national level, with the number of volunteers rising from 22 thousand in 2015 to more than 1.7 million in 2025¹⁷. This growth has helped embed a culture of volunteering, strengthen the contribution of individuals to community development, and support the achievement of Saudi Vision 2030 goals.

- Maximizing Impact Stage

As Saudi Vision 2030 enters its third phase, the Maximizing Impact Stage, the focus is shifting toward consolidating achievements, maximizing impact, and advancing its long-term goals, while adopting implementation approaches to the requirements of this phase. This comes as the Saudi Vision 2030's implementation mechanisms have reached their highest levels of readiness and moved into the execution phase.

Efforts are therefore focused on accelerating the pace of delivery and capitalizing on growth opportunities through continued government capital

¹⁷ Source: Saudi Vision 2030 Annual Report 2025.

expenditure, strengthening the role of the Public Investment Fund (PIF) and the National Development Fund (NDF) in stimulating domestic investment and empowering the private sector to support economic diversification and increase local content. The Kingdom will also continue to advance ongoing initiatives and implement infrastructure-related programs, while improving the quality of essential services provided to citizens, residents, and visitors. At the same time, investment in the capabilities of national talent will continue, with a focus on developing their skills and enhancing their performance and productivity, enabling them to compete at the highest global standards across various fields. Furthermore, the third phase will see the continued launch of sector- and region-specific national strategies that build on the foundations established by the Vision Realization Programs, with greater focus and broader coverage. As some of these programs complete their initial mandates, they will transition toward more targeted strategic goals. By 2030, the foundations will be firmly established for continued efforts toward development and prosperity in the decades that follow.

Public Investment Fund

The Public Investment Fund has undergone a significant transformation, evolving into an active global investor with a clear strategic vision that balances financial returns with sustainable economic impact and supports the national transformation journey. PIF has expanded its scale and ambitions by building a diversified portfolio, exploring new sectors, and establishing platforms that contribute to reshaping the national economic landscape. Building on a period of rapid growth and expansion, PIF has entered a new phase focused on sustainable value creation and maximizing impact, marked by the launched of its 2026–2030 Strategy. The strategy aims to further advance the Kingdom's economic transformation by focusing on building highly competitive domestic economic ecosystems, strengthening integration across sectors, maximizing the value of strategic assets, ensuring sustainable returns, and enhancing the quality of life.

PIF entered this new phase with a strong track record of achievements. In 2025, PIF's revenues increased by 9% on an annual basis to ﷲ 450 bn, while net profit more than doubled to over ﷲ 65 bn. Its total assets under management exceeded ﷲ 3.4 tn in 2025. Cumulatively, PIF contributed more than ﷲ 1.286 tn to the Kingdom's real non-oil GDP between 2021 and 2025, with its contribution accounting for approximately 11% of the Kingdom's total non-oil GDP in 2025. This reflects PIF's growing contribution to expanding non-oil economic activity in the Kingdom. Reflecting PIF's growing global standing, PIF continued to strengthen its leadership position, ranking first among sovereign wealth funds in the Middle East for the fourth consecutive year, according to the 2026 Global Sovereign Wealth Fund Governance, Sustainability and Resilience (GSR) Scoreboard published by Global SWF.

Over the past decade, **PIF** has played an active role in advancing the Kingdom's economic transformation by empowering the private sector and creating additional business opportunities that enable its expansion and contribution to economic diversification. PIF's cumulative domestic investments reached approximately ~~ﷲ~~ 750 bn between 2021 and 2025. PIF's domestic investments have helped create an enabling business environment across a range of new promising strategic sectors, as well as sectors requiring significant investment. This has laid the groundwork for greater private-sector participation. It has also helped attract and enable private-sector investment and business activity in these sectors or their related supply chains. PIF also facilitates collaboration and coordination between local private-sector companies and its portfolio companies through its Private Sector Hub, which features 190 business opportunities worth more than ~~ﷲ~~ 40 bn for local companies. Furthermore, strengthening the role of the private sector as an active partner in sustainable development is a key pillar of PIF's (2026–2030) Strategy. The strategy focuses on building highly competitive domestic economic ecosystems, strengthening integration across sectors, maximizing the value of strategic assets, and ensuring sustainable returns. It also seeks to expand opportunities and partnerships with local private-sector companies as investors, partners, and suppliers, while attracting international partners and investors.

PIF has continued its efforts to attract investment and capital to the Kingdom. Brookfield announced the first closing of its new Brookfield Middle East Partners (BMEP) private equity fund, anchored by an initial investment from PIF. The new fund raised approximately ~~ﷲ~~ 7.5 bn from strategic investors, including a number of regional and international institutional investors, and will focus on investing in companies across the Kingdom and the broader Middle East region. PIF and

State Street Investment Management, one of the world's largest asset managers, also launched an enhanced Saudi equity exchange-traded fund (ETF). The fund invests in Saudi equities using a quantitative, multi-factor approach to stock selection and is backed by an initial cornerstone investment from PIF. Additionally, PIF signed a memorandum of understanding (MoU) with King Street, a leading global investment management firm, to enhance investment opportunities in private credit in the Kingdom and the MENA region. PIF signed an MOU with I Squared Capital, a global independent investment management firm specializing in infrastructure, to explore investment opportunities in real estate and infrastructure assets owned by PIF and its portfolio companies, with an investment value exceeding ﷲ 7.4 bn.

At the heart of the Kingdom's ambitious economic transformation, PIF's role extends beyond investing in and developing assets. PIF also builds leading national companies, launches new sectors, drives innovation, shapes the future, and creates opportunities. PIF's diversified portfolio of companies and giga-projects represents a key pillar of the Kingdom's economic transformation journey.

These priorities are reflected in PIF's investments in advanced technologies, particularly through **HUMAIN**, which is building an integrated AI ecosystem that brings together the development of computing capabilities, investment in global technology platforms, and the accelerated adoption of AI solutions across sectors. As part of these efforts, HUMAIN has strengthened its strategic partnerships with leading global companies, including McKinsey, Accenture, and Amazon Web Services (AWS). The company has also made a USD 3 bn investment in xAI and launched HUMAIN Sport as part of its commitment to developing AI-powered sports technologies. These efforts demonstrate HUMAIN's focus on translating AI capabilities into practical solutions and applications that support sectoral growth and strengthen the Kingdom's position in the global digital economy.

Furthermore, HUMAIN has invested in MOZN, a Saudi enterprise AI company, through a partnership to launch a new sector serving the banking, financial services, and insurance industries, initially focusing on financial crime prevention, governance, risk management, and compliance.

In real estate, **ROSHN Group** is the Kingdom's most valuable real estate brand in 2026 and ranked among the world's 10 strongest real estate brands, according to "Brand Finance" classification. In 2026, ROSHN Group launched several initiatives, including the non-profit (ROSHN Foundation), which aims to operate, manage, and develop public services and facilitates, in addition to governing social and development activities within and beyond its communities through sustainable models. In addition, ROSHN continued to launch its integrated residential developments, introducing Sedra Residences and its premium villas. It also introduced ALAROUS Residence and the Curated Collection villas, an integrated residential development comprising a range of modern apartments in the heart of ALAROUS community in Jeddah.

In order to enhance liquidity in the real estate finance financing market and broaden the investor base, the **Saudi Real Estate Refinance Company** announced the completion of the pricing of its third issue of the government-guaranteed international sukuk issuance, with a total value of ﷲ 10.31 bn. The issuance comprised two tranches: the first valued at ﷲ 4.69 bn, with a maturity of 5.5 years, and the second valued at ﷲ 5.63 bn, with a maturity of 10 years. The issuance received strong demand from regional and international investors, with subscription orders reaching 6.8 times the offering size. This reflects the strong supply and demand for Saudi debt instruments and reinforces the company's position as a regular and trusted issuer in international markets.

Moreover, PIF's investments extend to the Kingdom's new national carrier, **Riyadh Air**, which has begun operating flights from the Saudi capital (Riyadh), to a growing number of domestic and international destinations. The airline is continuing to expand its fleet, with plans to reach 182 aircraft, enabling it to serve over 100 destinations worldwide by 2030. Meanwhile, Riyadh Cargo, the air cargo arm of Riyadh Air, has expanded its network of sales and cargo service partners across a number of regional and international markets. This move reflects the acceleration of its global expansion and strengthens its presence in some of the world's most active air cargo markets.

Red Sea Global (RSG) contributes to the development of the tourism sector and the development of national talent. The fourth cohort of the "Red Sea Vocational Training Program" comprised 386 graduates. In June 2026, the company launched "AMAALA", its second flagship tourism destination on the Red Sea, and opened the "Six Senses AMAALA" resort and "Adrena" district. The company also resumed operations at Al Wajh International Airport in northwestern Saudi Arabia following the completion of its development and modernization. It succeeded in avoiding 117,879 tonnes of carbon dioxide emissions as a result of its full reliance on renewable energy and low-carbon operations.

Qiddiya Investment Company (QIC) continues to develop its sports and entertainment destinations. The company launched the National Tennis Center, which features 30 courts to support the hosting of sporting competitions and the development of national talent. In addition, **Qiddiya** opened (Aquarabia), the Kingdom's first water theme park and the largest of its kind. Regarding the digital infrastructure front, the company has also expanded its collaboration with "Google Cloud" to develop the technology infrastructure supporting the operation of Qiddiya's destinations and facilities. It succeeded in avoiding 117,879 tonnes of

carbon dioxide emissions as a result of its full reliance on renewable energy and low-carbon operations. **Diriyah Company** awarded a ﷲ 1.84 bn contract for the construction of the “Saudi Museum of Contemporary Art” to a consortium of local private-sector companies. Covering a total area of 45,252 square meters, the museum will further enhance the Kingdom’s cultural landscape.

As a leading player in the energy transition, **ACWA Power** is also contributing to the goals of the National Renewable Energy Program. The company has developed 21 solar and wind energy projects, with a total generation capacity of 51.9 GW. ACWA Power has also secured government approval granting it the exclusive right to export green hydrogen produced in the Kingdom and its derivatives to global markets. This is expected to strengthen regional energy security, enable the Kingdom to export highly competitive clean electricity to target markets, and reinforce its position as a leading global hub for clean energy exports.

Moreover, **Soudah Development Company** signed an agreement with the National Grid SA Company, valued at ﷲ 1.3 bn, to develop and implement integrated electricity infrastructure for the “Soudah Peaks project”. The company aims to offer diverse residential and entertainment options, enhance the quality of services, and develop the commercial and entertainment sectors through over 30 high-quality projects.

Saudi Agricultural and Livestock Investment Company (SALIC), through its subsidiary National Grain Supply Company (SABAL), signed an MoU with Arab Agricultural Services Company (ARASCO) to enhance transportation and logistics efficiency and strengthen domestic supply chains in the Kingdom’s grains and animal feed sector. SALIC also increased its stake in Olam Agri Holdings to 80%,

with the transaction valued at approximately ﷲ 7 bn, as part of its ambitious plans to strengthen its investment portfolio and expand its presence in global markets.

These investments support the development of national industries and capabilities in future-focused sectors. **Ceer**, Saudi Arabia's first electric vehicle manufacturing brand, is advancing this ambition by strengthening local content and localizing and developing an integrated electric vehicle manufacturing ecosystem in the Kingdom. In 2026, the company signed 16 commercial agreements with private-sector companies across its supply chain, with a total value of ﷲ 3.7 bn. Ceer also entered into a strategic partnership agreement with the National Automotive and Vehicles Academy "NAVA" to launch an intermediate diploma program in automotive manufacturing technology, aimed at developing the automotive sector in **Saudi Arabia and strengthening** national talent and capabilities in electric vehicle manufacturing.

As part of PIF's strategy and the strategies of its portfolio companies to enhance quality of life and support the development of urban economies across the Kingdom, Saudi Entertainment Ventures "**SEVEN**" opened SEVEN Tabuk, its second entertainment destination. This forms part of the company's plan to develop a network of 14 integrated entertainment destinations across 13 cities, with total investments exceeding ﷲ 45 bn.

To support the growth of the Kingdom's sports infrastructure, **SURJ Sports Investments** with Live Nation and Oak View Group launched "Radia", a joint venture, focused on managing, operating, and marketing sports and entertainment facilities and destinations across the Kingdom. The venture aims to deliver world-class services and standards, while meeting the growing demand for the stadiums, arenas, and sports complexes that have already been developed, as well as those

currently under development, keeping pace with new developments and events. PIF also continued its efforts to transfer expertise, localize knowledge, and strengthen the Kingdom's readiness to host and organize global events. As part of these efforts, PIF entered into a partnership with Fédération Internationale de Football Association (FIFA). Consequently, PIF becomes, under which it became an official supporter in Asia and North America of the 2026 FIFA World Cup. PIF, in partnership with Formula E, also launched an enhanced version of the "Driving Force Presented by PIF" educational program. The initiative aims to expand the reach of e-learning and provide a leading interactive learning platform to equip and inspire national talent. Accordingly, this will contribute to the future growth and development of the electric vehicle and sustainable mobility industry in the Kingdom, as well as related industries. Since the launch of the platform last year, the number of program beneficiaries has reached approximately 4,500 students across the Kingdom.

National Development Fund and its affiliated funds

To support the Kingdom's efforts to stimulate economic growth and advance national development, the **National Development Fund continues to play a pivotal role in developing and enhancing the efficiency of the development finance ecosystem. This contributes to directing financing toward priority productive and service-based projects and sectors, encouraging private-sector participation, and supporting the achievement of Vision 2030 goals.**

Since its establishment in 2017, NDF has worked to strengthen integration among the development funds and banks under its supervision and expand the range of financing instruments and solutions to meet the development needs of different sectors and beneficiaries, while maximizing the economic and social impact of development finance. NDF oversees 12 development funds and banks covering a broad range of economic and development sectors.

At the international level, the **Saudi Fund for Development (SFD)** serves as the Kingdom's development arm in international development cooperation, financing development projects, strengthening international partnerships, and enabling Saudi private-sector participation in the implementation of projects abroad. Since the launch of Saudi Vision 2030 in 2016, the size of its lending portfolio has increased by 79%, reaching approximately **ﷲ** 84 bn by H1 FY 2026, while its operations have expanded to 103 countries. During the same period, the share of local content increased from 19% in FY 2016 to 87% until H1 FY 2026, further enhancing the contribution of Saudi private-sector companies to the implementation of development projects abroad. In H1 FY 2026, SFD signed five development loan agreements with a combined value exceeding **ﷲ** 1 bn. SFD continues to advance its goals by maximizing the development impact of its

projects, strengthening local content, expanding partnerships with development finance institutions, and adopting leading institutional practices. These efforts further reinforce the Kingdom's position as an active development partner internationally.

To strengthen food security and enhance the sustainability of the agricultural sector, the **Agricultural Development Fund** (ADF) has continued to play an important role in the sector's development by expanding financing for the sector, supporting agricultural investments, and adopting targeted financing programs that enhance production efficiency and the sustainable use of natural resources. From 2016 through the end of 2025, the value of approved loans reached approximately ﷲ 37 bn, while disbursed loans exceeded ﷲ 26 bn. This contributed to raising the agricultural sector's GDP contribution from ﷲ 75 bn to ﷲ 124 bn in 2025, while also enhancing self-sufficiency rates for a number of priority agricultural products, expanding the beneficiary base, and creating employment opportunities.

Furthermore, ADF has launched a number of targeted financing programs, including the Modern Technologies Support Program, the Agricultural Investment Financing Program Abroad, and the Indirect Financing Program, in partnership with banks, thereby supporting food security and the sustainability of food supply chains. As part of efforts to strengthen international cooperation, ADF signed an MoU with the International Fund for Agricultural Development (IFAD) to exchange expertise and enhance cooperation in agricultural and rural development. ADF continues to advance its strategic goals by expanding financing for priority agricultural products, promoting the adoption of modern technologies, and increasing the agricultural sector's contribution to GDP, thereby supporting Saudi Vision 2030 goals.

As part of the Kingdom's efforts to promote economic and social development, the **Social Development Bank** (SDB) continues to empower individuals, entrepreneurs, as well as small and emerging enterprises, through an integrated range of financial and non-financial solutions and services. These efforts contribute to stimulating economic activity, enhancing social stability, and supporting the sustainability and growth of businesses. Since the launch of Saudi Vision 2030 through H1 2026, SDB has provided financing to more than 650 thousand beneficiaries through its social financing programs, with financing exceeding ﷲ 35 bn. It has financed more than 580 thousand beneficiaries through its self-employment programs, with financing exceeding ﷲ 25 bn. In addition, SDB has provided financing to more than 56 thousand small and emerging enterprises, with financing exceeding ﷲ 16 bn. This has supported entrepreneurship, strengthened the domestic economy, and enabled citizens to establish businesses and build sustainable sources of income. SDB has also enhanced its development impact by expanding partnerships with government, private-sector, and nonprofit entities, helping improve access to beneficiaries and broaden the reach of its impact. Looking ahead, SDB will continue to expand social financing, support self-employed individuals, empower small and emerging enterprises, and further develop its empowerment ecosystem. These efforts will enhance beneficiaries' sustainability and capacity for growth, while supporting their contribution to the domestic economy.

As the Kingdom continues to develop the industrial sector and enhance its competitiveness, the **Saudi Industrial Development Fund** (SIDF) continues to play a key role as a financial enabler of the Kingdom's industrial transformation by providing financing solutions for industrial, mining, and logistics projects with significant economic impact. From 2016 through the end of 2025, approved loans exceeded ﷲ 93 bn, financing 1,160 projects, while the volume of associated

investments exceeded ﷲ 330 bn. These investments covered projects across strategic value chains, including mining and mineral industries, automotive manufacturing, alternative energy, and shipbuilding. The financed projects also contributed to annual exports exceeding ﷲ 150 bn and created over 100 thousand jobs, strengthening the competitiveness of the industrial sector and increasing its contribution to the national economy. Moreover, SIDF has continued to invest in developing national talent through the SIDF Academy, which has trained over 12 thousand trainees through more than 250 training programs since its establishment in 2019. SIDF continues to advance its strategic goals by supporting industrial technologies, increasing local content, enabling market access, and strengthening investment partnerships, thereby contributing to the stimulation of industrial investment.

To promote housing stability and increase the homeownership rate among Saudi households, **the Real Estate Development Fund (REDF)** has continued to play its role in enabling the housing support ecosystem by developing financing solutions and strengthening partnerships with financing institutions and real estate developers, thereby expanding homeownership opportunities and increasing the supply of housing. From H1 2017 through H1 2026, REDF enabled approximately 910 thousand beneficiaries to access housing support programs, with financing exceeding ﷲ 635 bn. REDF also supported housing programs through its rent-to-own program, which benefited more than 47.6 thousand beneficiaries from its launch in July 2022 through H1 2026. In addition, REDF supported 51 companies in the real estate development and financing sectors in providing more than 7,700 housing units across 80 projects through H1 2026. REDF continues to advance its strategic goals by developing financing products and solutions, improving the beneficiary journey through the Real Estate Advisor platform, and strengthening partnerships with the private sector. These efforts

contribute to increasing homeownership rates among citizens, improving quality of life, and providing suitable housing options at fair prices.

The **Human Resources Development Fund** (HRDF) continues to strengthen its role in developing human capital and empowering national talent by enhancing its strategy and programs in line with Saudi Vision 2030 goals and labor market needs. These efforts contribute to achieving national goals under the Labor Market Strategy by enhancing the readiness and skills of the national workforce. Since the launch of Saudi Vision 2030 in 2016 through H1 2026, HRDF's programs and initiatives have served more than 15 million beneficiaries, with total financial support exceeding ﷲ 88.2 bn. In H1 2026, HRDF contributed to the employment of more than 329 thousand Saudi nationals in the Saudi labor market, while continuing to develop and enhance the efficiency of its services and programs. In 2027, HRDF is expected to continue implementing its strategic initiatives aimed at building a highly skilled national workforce and enhancing service quality by expanding digital solutions and adopting modern technologies.

As part of the Quality of Life Program's efforts to develop the cultural sector, the **Cultural Development Fund** (CDF) continues to implement targeted initiatives to stimulate investment, support cultural projects, activate the role of the private sector, and strengthen the entrepreneurial capabilities of creatives and entrepreneurs. These efforts contribute to sustaining the growth of the cultural sector and increasing its contribution to the national economy and quality of life. Since its establishment through H1 2026, CDF has provided more than ﷲ 829 million in financial support through financing, incentives, and investment to more than 170 cultural projects. It has also helped mobilize more than ﷲ 1.2 bn in private-sector contributions and is expected to contribute approximately ﷲ 4.3 bn to GDP. In 2026, as part of the Year of AI, CDF launched

the “AI Incentives for Cultural Projects program,” offering total incentives of up to ﷲ 10 million. The program aims to foster innovation in the cultural sector and support the growth of innovative projects that address the needs of various cultural sub-sectors, thereby enhancing the cultural landscape and strengthening the sector’s development impact. In addition, CDF issued its first investment report, titled “**Saudi Cultural Market Outlook 2025: Vision, Impact, and Opportunities**” highlighting promising investment opportunities and enhancing the sector’s attractiveness to local and international investors. Looking ahead, CDF aims to contribute to the establishment of specialized investment funds across cultural sub-sectors in partnership with the private sector, supporting the sector’s growth and sustainability and strengthening its development impact.

To support the development of infrastructure, the **National Infrastructure Fund** (Infra) maintains its pivotal role as a development finance partner, supporting infrastructure projects across the Kingdom. Since its establishment in 2022 through H1 2026, Infra’s total commitments reached ﷲ 10.5 bn across a number of vital projects. These commitments supported the implementation of infrastructure projects with a combined value of approximately ﷲ 59.3 bn, including approximately ﷲ 44.12 bn in private-sector investment. This demonstrates the effectiveness of Infra’s financing model in mobilizing private-sector participation and maximizing development impact. This impact is reflected in the range of strategic projects supported by Infra, including the NEOM Green Hydrogen Project, the Shuaibah Solar PV Plants, the Prince Mohammad Bin Abdulaziz Airport Expansion Project, the (Jubail–Buraidah) Independent Water Transmission Pipeline Project, and the “Ezditek” Data Center Project, among other infrastructure projects.

Infra will also continue to expand its financing activities across the healthcare, education, sports, and AI sectors by providing innovative financing solutions that contribute to deepening capital markets and broadening the institutional investor base.

The **Saudi Export-Import Bank** (Saudi EXIM) continues to play a pivotal role in the Saudi economy by enabling Saudi non-oil exports and enhancing their global competitiveness. Since commencing operations in 2020 through H1 2026, Saudi EXIM has provided credit facilities and insurance coverage to Saudi exporters and importers of Saudi non-oil products, with a total value of approximately ﷲ 139.8 bn. In 2027, Saudi EXIM plans to increase the financing and insurance facilities provided to Saudi exporters and importers of Saudi non-oil products (financing and insurance), with a total value estimated at ﷲ 41.6 bn. This will enable exporters to increase their non-oil exports, thereby supporting the share of Saudi non-oil exports and improving the balance of payments.

To strengthen the Kingdom's position as a global hub for events, the **Events Investment Fund** (EIF) is implementing strategic projects, developing specialized infrastructure, and building global partnerships to attract and host major international events. EIF has initiated more than ﷲ 900 million in investments to develop sustainable projects supporting the Kingdom's events ecosystem. It has also helped attract approximately ﷲ 300 million in foreign investment over the past three years. In 2026, EIF entered into a strategic partnership with Legends Global to develop and operate sports and entertainment facilities. EIF is also continuing to implement the Jeddah Shooting Range project and develop the Riyadh Shooting Range to host international sporting competitions and events. These projects are expected to contribute approximately ﷲ 3 bn to GDP. Together,

these projects and investments aim to enhance the Kingdom's readiness to host major events, stimulate tourism, attract investment, and support economic growth.

The **Tourism Development Fund** (TDF) plays a pivotal role in developing the Kingdom's tourism sector and enhancing its investment attractiveness. Since its establishment in 2020 through H1 2026, TDF has supported more than 2,700 tourism projects with a total value exceeding ﷲ 38.1 bn, while helping attract over ﷲ 2.1 bn in foreign investment. These projects are expected to increase the sector's contribution to GDP, thereby strengthening its sustainable economic and development impact. TDF continues to empower entrepreneurs and tourism enterprises through the Tourism Growth Center, which offers a range of programs, accelerators, and development initiatives. To date, more than 14,500 entrepreneurs have benefited from its services. In addition, TDF has implemented its digital transformation program by developing the digital services of the Tourism Investment Portal, helping streamline the investor journey and improve access to financial and non-financial products and services. In 2027, TDF aims to direct its investments toward high-priority, high-potential tourism projects in major cities and promising regions. This will enhance the readiness of tourism destinations, increase their investment attractiveness, address the needs of investors and entrepreneurs, and support the achievement of the National Tourism Strategy goals. Alongside these efforts, TDF continues to support destinations across the Kingdom by activating tourism enablement programs through strategic partnerships with commercial banks, financing companies, and fintech companies, as well as through an integrated range of products and services offered by TDF.

To empower SMEs and strengthen their contribution to the domestic economy, the **Small and Medium Enterprises Bank** (SME Bank) financed 2,234 enterprises from 2022 through H1 2026, with cumulative financing reaching **ﷲ** 4.1 bn. Financing through indirect lending programs also increased by 51.1%. In 2027, the SME Bank aims to establish a unified, integrated digital platform providing financial and non-financial services to connect SMEs with the most suitable sources of financing. This will enhance the efficiency of the financing ecosystem, strengthen partnerships with the private sector, and maximize the development impact of SMEs. SME Bank also aims to enhance local content and expand partnerships with development finance institutions, further strengthening the Kingdom's position as an active development partner internationally.



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