



Year- End Budget Performance Report

Fiscal Year 2025



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List of Abbreviations

ATM	Average Time to Maturity
AI	Artificial Intelligence
Bn	Billion
CAPEX	Capital Expenditure
CPI	Consumer Price Index
FDI	Foreign Direct Investment
FY	Fiscal Year
GASTAT	General Authority for Statistics
GDP	Gross Domestic Product
PGFCF	Private Gross Fixed Capital Formation
GFS 2014	Government Finance Statistics 2014
IMF	International Monetary Fund
mb/d	Million Barrels Per Day
MoF	Ministry of Finance
NDF	National Development Fund
OPEX	Operational Expenditures
PFCE	Private Final Consumption Expenditure
PIF	Public Investment Fund
POS	Point of Sale
Q3	Third Quarter of the Year
Q4	Fourth Quarter of the Year
USD	United States Dollar
ﷵ	Saudi Arabian Riyal
Tn	Trillion
VAT	Value-added Tax
WEO	World Economic Outlook

Introduction

The Ministry of Finance (MoF) publishes the Year-End Budget Performance Report to present the actual fiscal performance and economic indicators during FY2025, as well as to explain the key reasons for the deviations from the approved budget estimates.

This report is one of a series of budget reports issued by MoF in Saudi Arabia to support the transparency and fiscal disclosure initiatives undertaken by the government in line with the objectives of Saudi Vision 2030. MoF has implemented several initiatives in this regard which include issuing and publishing periodic reports on the fiscal performance of the budget, and enhancing the level of transparency and disclosure regarding the policies and initiatives that the MoF undertakes. Additionally, MoF is keen to develop further reports, such as Budget Statement, Pre-Budget Statement, Citizen's Version, Budget Quarterly Performance Reports, and Mid-Year Economic and Fiscal Performance Reports.

Executive Summary

In FY2025, the Saudi economy continued to support the economic transformation progress and the comprehensive development, driven by the ongoing implementation of the objectives of Saudi Vision 2030, which aims to enhance economic diversification, strengthen the competitiveness of the national economy, and promote fiscal sustainability. Despite the rapid challenges experienced by the global economy during 2025, the Saudi economy has continued to demonstrate its ability to adapt and remain resilient to external developments. This reflects the strength of the Kingdom's economic fundamentals and the effectiveness of the policies and structural reforms implemented over the past years. This progress is further supported by the sustained development spending directed toward strategic projects and promising sectors, which contributes to supporting economic growth, expanding private sector participation, and enhancing investment and employment opportunities over the medium and long-term.

In FY2025, the fiscal performance recorded a decrease of around 6.1% in **total revenues** compared to the approved budget. This was mainly attributed to a decline in oil revenues. On the other hand, non-oil revenues increased by approximately 5.3% compared to the approved budget estimates, driven by the government's continued implementation of initiatives to enhance non-oil revenues, as well as sustained growth in non-oil activities.

Total Expenditure increased by approximately 8.0% compared to the approved budget. This reflects the notable progress in achieving the Saudi Vision 2030 objectives as well as the government's ongoing efforts to support promising sectors and diversify the economic base by directing spending

toward national strategies and giga projects. This increase also reflects ongoing efforts to enhance the quality of life through the development of public facilities and essential services, the expansion of economic diversification, and the advancement of structural reforms alongside the stimulation of economic growth and the implementation of several projects. Furthermore, the government continued its support for social spending on targeted groups to mitigate the impact of economic changes, through periodic reviews of support programs and social subsidies, alongside improving the quality of public services and enhancing the quality of life. Efforts also remained focused on empowering the private sector and developing a competitive and enabling business environment that attracts quality investment and supports sustainable growth objectives.

The Saudi Government continues to balance economic growth objectives with the preservation of fiscal sustainability. In line with its shift toward adopting targeted counter-cyclical fiscal policies, the budget recorded a **deficit** of approximately **ﷲ** 277 bn at the end of FY2025 (5.8% of GDP) compared to an approved deficit of around **ﷲ** 101 bn (2.3% of GDP)¹.

By the end of FY2025, the **public debt** reached approximately **ﷲ** 1,519 bn (31.8% of GDP) compared to about **ﷲ** 1,300 bn in the approved budget (29.9% of GDP)¹. In addition, government reserves amounted to around **ﷲ** 399 bn by the end of FY2025.

Real GDP grew by 4.6% in FY2025, driven by strong growth in non-oil activities, which increased by 5.1%. This reflects the continued success of economic reform programs under Saudi Vision 2030 in promoting

¹ Nominal GDP estimates are in accordance with FY2025 Budget Statement.

comprehensive and sustainable economic diversification. Non-oil activities also played a key role in driving the growth, contributing 2.8 percentage points during the same period. The Ministry of Finance's forecasts in the FY2025 approved budget shows that the real GDP growth for the full year were in line with the growth rate of actual data.

Meanwhile, **real GDP of oil activities** grew by 5.7%, due to the gradual and flexible implementation of the plan to phase out the additional voluntary production cuts (agreed in November FY2023) starting in April FY2025. As a result, this will support maintaining oil production levels and the balance in the oil markets.

Inflation in the Kingdom remained relatively low compared to global inflation rates recorded in FY2025. Given that Consumer Price Index (CPI) in the Kingdom registered 2.0% in FY2025, slightly higher than the 1.9% estimated in the budget, while remaining below the global rate of 4.1%, according to the World Economic Outlook (WEO) issued by the International Monetary Fund (IMF)².

Saudi unemployment rates continued to decline amid improving labor market dynamics in the Kingdom and expanding opportunities for national talent. According to the Labor Force Survey published by the General Authority for Statistics (GASTAT), the Saudi unemployment rate reached 7.0% in FY2025, achieving the target set under Saudi Vision 2030. This enhancement reflects the expansion of economic activities and increased employment in the sectors that have recorded notable operational growth.

2 WEO by IMF- April 2026

At the same time, **the Saudi female participation rates in the labor market** declined to reach 34.8% in FY2025. The administrative records statistics data published by GASTAT also indicates continued growth in private sector employment, with the number of Saudi employees in the private sector reaching 2.5 million in Q4 of FY2025, a 5.8% increase compared to the same period last year.

The Kingdom's external sector recorded a notable improvement in FY2025. The **merchandise trade balance** recorded a surplus of **ﷲ** 220.1 bn, supported by continued growth in **non-oil exports, including re-exports**, which increased by approximately 18.9%. On the other hand, the merchandise **imports** increased by about 8.8% in FY2025, out of which 69.2% are accounted for the intermediate and capital imports, and these imports recorded growth of 13.8% compared to last year. This reflects sustained demand for production inputs and capital goods that support the expansion of economic activities and enhance productive capacity in the national economy. In addition, the net **travel item** in the balance of payments maintained a positive performance, recording a surplus of **ﷲ** 49.4 bn in FY2025, reflecting continued growth in the tourism sector. Furthermore, **net foreign direct investment (FDI) inflows** reached **ﷲ** 122.4 bn³ in FY2025, an increase of 52.9% compared to last year, highlighting the continued attractiveness of the domestic investment environment.

³ Source: GASTAT.

First:

Economic Indicators



First:

Economic Indicators

A. Global Economy

The global economy maintained a steady pace of growth in FY2025 despite escalating geopolitical tensions. Several countries adopted protectionist policies, including imposing trade barriers and increasing tariffs to unprecedented levels, which contributed to heightened uncertainty in the global economic environment. According to the IMF, the global economy's ability to adapt with the situation was attributed to the increased trade activities and higher goods production undertaken in anticipation of the implementation of higher tariffs. This was further reinforced by stimulating monetary and fiscal policies, as well as growing demand for investments in artificial intelligence (AI).

The IMF, according to its World Economic Outlook (WEO) report published in April 2026, estimates that global economic growth will stabilize at around 3.4% in 2025, unchanged from last year. The estimates also indicate that growth in advanced economies, and emerging markets and developing economies (EMDEs) are expected to remain stable at about 1.9% and 4.4%, respectively, in FY2025, reflecting only marginal changes compared to FY2024. At the same time, global inflation rates have continued to decline gradually since peaking in FY2022, mainly reflecting the cumulative impact of tight monetary policies implemented by central banks in recent years. IMF estimates suggest that global inflation will decrease from 5.8% in FY2024 to approximately 4.1% in FY2025, mainly driven by lower inflation in emerging and developing economies.

B. Domestic Economy

- Domestic Sector

In FY2025, the actual performance of **real GDP** recorded a growth of 4.6%, mainly driven by a 5.1% increase in **real GDP of non-oil activities**. This growth reflects the success of economic reforms under Saudi Vision 2030 in fostering comprehensive and sustainable diversification. Non-Oil activities were the key driver of economic growth, accounting for 55.2% of total GDP and contributing the largest share to real GDP growth at 2.8 percentage points. While the oil activities, government activities, and net taxes on products contributed to real GDP growth by 1.4, 0.1, and 0.2 percentage points, respectively, during the same period.

Meanwhile, **real GDP of oil activities** grew by 5.7%, due to the gradual and flexible implementation of the plan to phase out the additional voluntary production cuts (agreed in November FY2023) starting in April FY2025. As a result, the Kingdom's average oil production reached 9.5 million barrels per day (mb/d) in FY2025, marking a 5.9% increase compared to FY2024.

In FY2025, all non-oil activities recorded positive growth rates. Data indicates that **"wholesale and retail trade, and restaurants and hotels"** witnessed the highest growth of 6.5%. This growth was driven by the strong momentums in the tourism sector and the increased numbers of both international and domestic tourist arrivals reached approximately 122 million. As a result, tourism expenditure reached a record high exceeding **ﷲ** 300 bn, supported by the expansion of events and entertainment seasons, as well as

stronger purchasing power driven by improved consumer confidence and the digital transformation in the retail sector.

Subsequently, the “**financial, insurance, and business services**” category recorded a 6.5% increase in FY2025, while “**electricity, gas, and water**” increased by 6.4%. The “**Manufacturing excluding petroleum refining**” category also increased by 5.6%, reflecting the accelerated pace of economic diversification and the continued improvement in the performance of non-oil activities, in line with the objectives of Saudi Vision 2030.

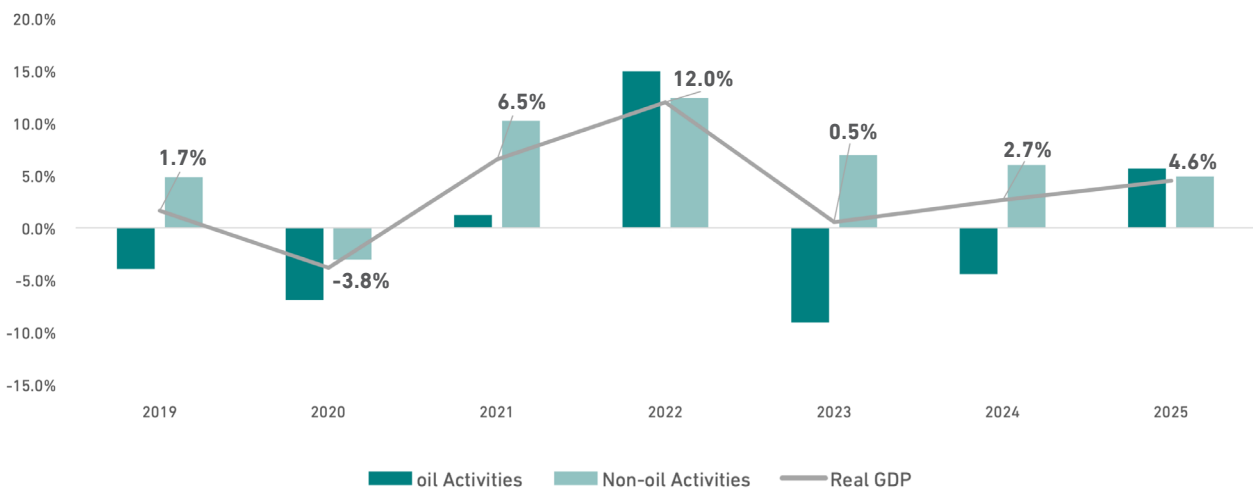
In FY2025, -the non-oil- **Private Gross Fixed Capital Formation** grew by 1.8% compared to FY2024. This reflects the resilience of the private sector, supported by continuous efforts to enhance the Saudi's investments environment, and affirms the sustainability and effectiveness of structural programs and initiatives, most notably the programs of the Public Investment Fund (PIF) and the National Development Fund (NDF), as well as the significant progress in implementing the National Transformation Program, the National Investment Strategy, and the effectiveness of the strategic partnership between the public and private sectors in enhancing the business environment, removing barriers, that ensure sustainable economic growth, while facilitating private sector access to high-quality investment opportunities. Furthermore, **bank credit to the private sector** recorded growth of 10.4% in FY2025 compared to FY2024, reaching ﷲ 3 tn. Similarly, **bank credit to the public institutions** grew by 26.3% during the same period, reaching ﷲ 256.6 bn. As a result, the performance of non-oil activities improved in FY2025 compared to FY2024.

The “real estate activities” grew by 3.8% whereas the “construction” sector recorded growth of 3.7%.

Private Final Consumption Expenditure grew by 3.4% in FY2025 compared to FY2024, reflecting sustained household purchasing power and stronger domestic demand. **“Point-of-sale (POS) transactions”** increased by 5.8%, reaching **ﷲ 707.2 bn**, driven by the growing adoption of electronic payment methods, the expansion of the POS network, and improved consumer confidence. In addition, **“SADAD payments -excluding government services-”** increased by 20.7%, while **“e-commerce transactions-via Mada cards -”** increased by 64.7%. This reflects the acceleration of digital transformation, greater flexibility in payment options, as well as improvements in logistics and financial infrastructure, all of which contributed to this growth.

Developments in Real GDP Growth Rate

Based on Main Economic Activities (FY2019 - FY2025)



Source: GASTAT

The average CPI (inflation rate) increased by 2.0% in FY2025 compared to FY2024, remaining at relatively moderate inflation levels compared to global inflation. This is attributed to the Kingdom's efforts to implement fiscal and monetary policies aimed at maintaining price stability and containing their increases. The "financial and insurance services" category recorded the highest increase at 6.3% in FY2025 compared to FY2024, followed by the "housing, water, electricity, gas, and other fuels" category, which increased by 6.1%, driven by an 8.2% increase in the "actual housing rent" item. Conversely, the "furnishing, household equipment, and routine household maintenance" category recorded the steepest decline among the main categories, falling by 0.8%.

The Labor Force Survey results published by GASTAT show a slight decrease in the **overall unemployment rate** by 0.3 percentage point, reaching 3.2% in FY2025 compared to FY2024. In contrast, the **Saudi unemployment rate** declined to 7.0% in FY2025, down from 7.4% in FY2024. This decline reflects improved labor market dynamics during the last period, driven by the expansion of economic activities and higher employment levels in sectors that recorded notable operational growth. It was further supported by initiatives aimed at enhancing private sector productivity and improving the business environment, which have increased demand for national talent and absorbed additional segments of the workforce. **The Saudi female participation rates** in the labor market decline to 34.8% during the same period, a decrease of around 1.1 percentage point compared to FY2024.

The administrative records statistics data published by GASTAT indicate continued growth in the number of **Saudi employees in the private sector** in Q4

of FY2025 compared to Q4 of FY2024, with an increase of 5.8%, approximately 139.5 thousand employees, bringing the total number to 2.5 million Saudi employees in the private sector. This growth reflects the expansion of opportunities available to national talent over the year, alongside increasing demand for Saudi workers across a wide range of sectors.

In FY2025, **money supply (M3)** recorded an annual growth rate of about 8.4%, reaching **ﷲ** 3.2 tn. This was primarily driven by strong growth in time and savings deposits, which increased by 23.6%, followed by quasi-monetary deposits and currency outside banks, which increased by 5.8% and 5.6%, respectively. Moreover, demand deposits recorded a slight decline of 0.6%. The overall increase in money supply components reflects sustained economic momentum and improved liquidity conditions, promoting stronger confidence in investment and consumption prospects within the domestic economy.

Key Economic Indicators (Percentage, unless otherwise stated)

Growth	FY2025	
	FY2025 Budget Estimates**	Actual *
Real GDP Growth	4.6%	4.6%
Nominal GDP (ﷲ bn)	4,352	4,776
Inflation	1.9%	2.0%

* Source: GASTAT

** FY2025 budget estimates were based on real GDP data, with FY2018 as a reference year.

- External Sector

In light of ongoing efforts to achieve the objectives of Saudi Vision 2030, and continued support for economic diversification and the enhancement of non-oil export competitiveness, international trade indicators and the balance of payments reflect a notable improvement in the Kingdom's **external sector performance** in FY2025. The **merchandise trade balance** recorded a surplus of **ﷲ** 220.1 bn, supported by continued growth in **non-oil exports, including re-exports**, which increased by approximately 18.9%, this underscores the increasing export capacity of non-oil sectors and their expanding role in external trade.

On the other hand, **merchandise imports** increased by around 8.8% in FY2025, with their structure reflecting positive momentum in the economic activity. Intermediate and capital goods accounted for 69.2% of total imports and recorded growth of 13.8%, this indicates sustained demand for production inputs and capital goods, supporting the expansion of economic activity and enhancing the productive capacity of the national economy.

The net **travel item** in the balance of payments maintained its positive performance recording a surplus of **ﷲ** 49.4 bn in FY2025. This reflects the sustained growth in the tourism sector, driven by the development of tourism infrastructure, the increasing attractiveness of domestic destinations, and ongoing efforts to facilitate the entry of visitors from around the world.

Furthermore, net **foreign direct investment (FDI)** inflows reached **₪ 122.4⁴** bn in FY2025, an increase of 52.9%. This reflects the continued attractiveness of the domestic investment environment, improving investor confidence, and the progress made in implementing economic reforms and strategic projects that support economic diversification and enhance private sector participation.

⁴ Source: GASTAT.

Second:

Fiscal Performance



Second: Fiscal Performance

Actual Fiscal Performance for FY2025

(# bn, Unless Otherwise Stated)

	Actual 2023	Actual 2024	Budget 2025	Actual 2025	Change Actual 2025- Budget 2025
Revenues					
Total Revenues	1,212	1,259	1,184	1,112	-6.1%
Taxes	357	381	379	389	2.5%
Taxes on income, profits, and capital gains	39	32	31	34	11.3%
Taxes on goods and services	262	289	290	294	1.4%
Taxes on international trade and transaction	22	24	23	24	6.8%
Other taxes	33	36	36	36	1.5%
Other Revenues	856	879	804	723	-10.1%
Expenditures					
Total Expenditures	1,293	1,375	1,285	1,388	8.0%
Expenses (OPEX)	1,107	1,184	1,101	1,220	10.8%
Compensation of employees	537	562	561	575	2.4%
Goods and services	303	313	265	316	19.2%
Financing expenses	38	45	59	54	-7.2%
Subsidies	21	34	31	36	15.8%
Grants	7	4	2	5	216.6%
Social benefits	97	101	98	99	1.7%
Other expenditures	104	125	86	134	56.3%
Non-Financial Assets (CAPEX)	186	191	184	169	-8.3%
Budget Deficit/Surplus					
Budget Deficit/Surplus	-81	-116	-101	-277	-
Percent of GDP*	-1.8%	-2.5%	-2.3%	-5.8%	-
Debt and Assets					
Public Debt	1,050	1,216	1,300	1,519	-
Percent of GDP*	23.0%	25.9%	29.9%	31.8%	-
Government Reserves at SAMA	390	390	390	399	-

*Based on updated actual numbers of GDP published by GASTAT

Source: Ministry of Finance

Figures are rounded to the nearest decimal point.

A. Revenues

In FY2025, **total actual revenues** reached approximately ₪ 1,112 bn, a decline of 6.1% compared to the approved budget (₪ 72 bn). This decrease was mainly driven by lower oil revenues. On the other hand, **non-oil revenues** recorded approximately ₪ 505 bn, an increase of 5.3% compared to the approved budget. This increase is driven by the economic growth, ongoing efforts to improve the tax administration and collection procedures.

The main revenue items are detailed below, in accordance with the Government Finance Statistics (GFS 2014):

Tax Revenues

Tax revenues in FY2025 reached approximately ₪ 389 bn, which increased by around 2.5% (₪ 10 bn), compared to the approved budget. This growth is attributed to the continued improvement in economic activity, the positive impact of implemented initiatives, and ongoing efforts to strengthen tax compliance and enhance collection procedures.

- **Taxes on income, profits, and capital gains** for FY2025 recorded around ₪ 34 bn, an 11.3% increase compared to the approved budget. This was due to improved performance across various economic sectors and the positive impact of the penalties exemption initiatives.
- In FY2025, **taxes on goods and services** totaled around ₪ 294 bn, a 1.4% increase (about ₪ 4 bn) compared to the approved budget. This increase was due to the positive performance of non-oil activities. The revenues

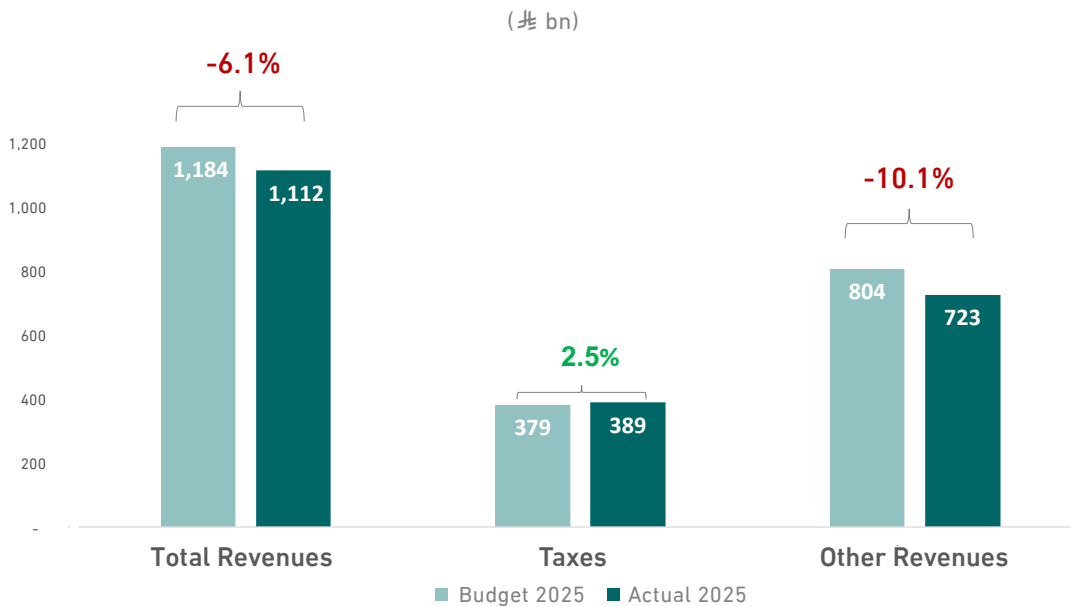
from the **expats and dependents levy** reached around ₪ 42 bn, an increase of 4.5% compared to the approved budget. Additionally, the **real estate transactions tax** recorded about ₪ 12 bn in revenues, an increase of 5.3% compared to the approved budget, while the **value-added tax (VAT)** revenues reached around ₪ 188 bn, a 1.2% decline compared to the approved budget. Meanwhile, **excise tax** revenues declined by 5.4% compared to the approved budget.

- **Taxes on international trade and transactions** (custom duties) increased by 6.8% (about ₪ 1 bn) compared to the approved budget, totaling around ₪ 24 bn in FY2025, supported by an increase in total merchandise imports by 8.8%.
- In FY2025, revenues from **other taxes** (including Zakat) amounted to approximately ₪ 36 bn, with an increase of 1.5% compared to the approved budget.

Other Revenues

In FY2025, **total other revenues** (including oil revenues, sales of goods and services, and fines and penalties) amounted to approximately ₪ 723 bn, marking a 10.1% decline (₪ 81 bn) compared to the approved budget due to the decline in oil revenues. The average price of brent crude oil reached about USD 69.1 per barrel in FY2025, compared to approximately USD 80.5 per barrel in FY2024.

Comparison of Actual Revenues with the Budget for FY2025



Source: Ministry of Finance

Figures are rounded to the nearest decimal point.

B. Expenditures

In FY2025, **total expenditures** reached around ₪ 1,388 bn, marking an increase of 8.0% (₪ 103 bn) compared to the approved budget. This growth was primarily driven by the sustained advancements in implementing structural reforms and initiatives, ongoing periodic reviews of the social support and protection programs to enhance the efficiency of spending directed towards the intended beneficiaries, and executing strategies that support development-focused transformation. The aim is to achieve a comprehensive sectoral development and economic diversification, while accelerating the implementation of projects, programs, and initiatives with economic and social returns, thereby fostering sustainable economic growth. Additionally, such efforts are directed to empower the private sector, stimulate the investment environment, and enhance both public services and the overall quality of life for citizens and residents.

Operational Expenditures (OPEX)

In FY2025, **OPEX** amounted to approximately ₪ 1,220 bn, a 10.8% increase (about ₪ 119 bn) compared to the approved budget. This rise was attributed to several factors, most notably the settlement of non-recurring obligations, as well as spending related to strategic and national priorities.

Expenditures on **compensation of employees** increased by 2.4% (₪ 14 bn) compared to the approved budget. This increase was mainly driven by the disbursement of allowances and the settlement of outstanding entitlements from previous years that were approved and paid in FY2025.

Expenditures on **goods and services** increased by 19.2% (₪ 51 bn), due to the continued implementation of the government's strategic priorities and support for economic diversification, alongside efforts to enhance the quality and efficiency of public services. Additional spending was directed toward the Industrial Strategy, given its role in enhancing factories productivity and efficiency, strengthening local content, and encouraging industrial investments. Spending also supported the Esports World Cup, which has direct economic and tourism impact by attracting more visitors and stimulating the tourism and entertainment sectors, thereby contributing to higher private consumption. Furthermore, spending under this item recorded a further increase for the National Water Strategy, due to its importance in developing infrastructure and improving the efficiency and sustainability of water services.

Furthermore, expenditures on **social benefits** increased by 1.7% (ﷲ 2 bn) compared to the approved budget. This increase was primarily attributed to the ongoing efforts to enhance the efficiency of social support, which continue to deliver tangible positive impact for both the programs and overall outcome levels, alongside higher spending on medical treatments.

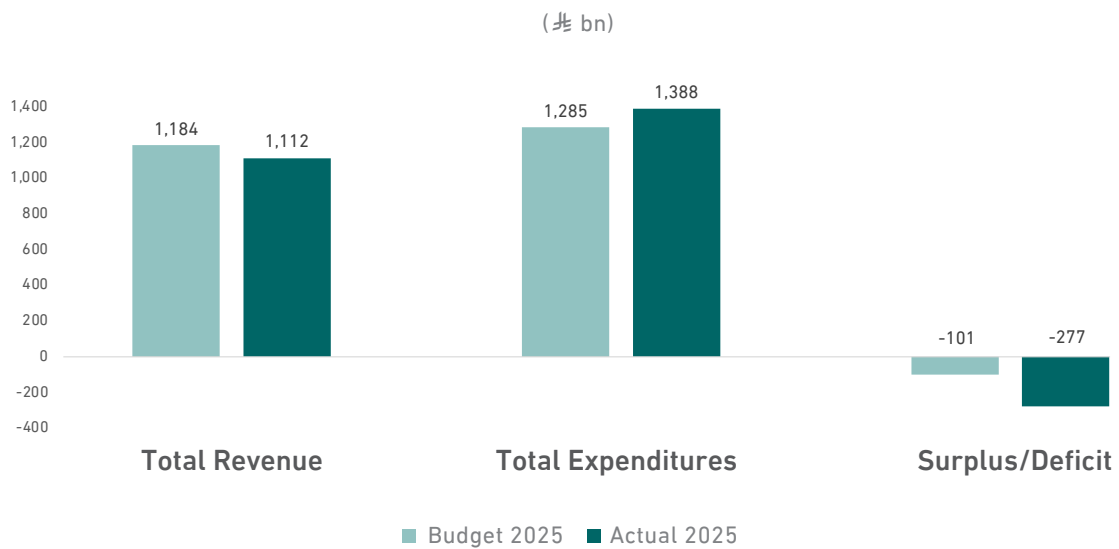
Expenditures on **financing expenses** decreased by 7.2% (ﷲ 4 bn) compared to the approved budget. This decline was attributed to the precautionary approach adopted during the budget preparation stage, where fiscal estimates were built on conservative assumptions accounting for possible fluctuations in interest rates and related economic conditions. This was intended to hedge against potential future changes in borrowing costs, thereby improving debt management efficiency, reinforcing financial stability, and limiting potential fiscal risks over the medium-to long-term.

Expenditures on **grants** increased by more than 100% (ﷲ 4 bn), reflecting the Kingdom's leading role in supporting international efforts and relief activities, highlighting its broader humanitarian and development contribution. Expenditure on **other expenses** also increased by 56.3% (ﷲ 48 bn), driven by the settlement of existing financial commitments supporting the implementation of national digital and innovation strategies. This item serves as a key enabler for these strategies, including the National Strategy for Data and AI, as well as support for Green Energy and Hydrogen. It also included housing support under the Housing Program, along with financial allocations for students pursuing studies abroad.

Capital Expenditure (CAPEX)

By the end of FY2025, total **CAPEX** reached approximately **ﷲ** 169 bn, a decrease of 8.3% (**ﷲ** 15 bn) compared to the approved budget. This decrease is due to the completion of key milestones in several projects, with some entering operational phases, as the Riyadh Public Transport Project. the completion of a large part of the Grand Mosque Masjid Al-Haram expansion, the commencement of Phase One of Qiddiya, parts of the Red Sea Project, as well as the completion of the Red Sea International Airport.

Comparison of Actual Performance with the Budget for FY2025



Source: Ministry of Finance

Figures are rounded to the nearest decimal point.

Sectoral Expenditures

In terms of actual performance of sectoral expenditure by the end of FY2025 compared to the approved budget, the **public administration sector** witnessed an increase of 30.5%. Expenditures on the **municipal services sector** increased by 42.4%, driven by the implementation of giga projects and transformative projects with significant economic and social impact, aimed at promoting sustainable development. Expenditure on the **health and social development sector** increased by 7.3%, due to the government's continued efforts to provide medicines and medical supplies, support the national strategies, and settle outstanding entitlements from previous years related to certain allowances that were under review. Expenditure on the **economic resources sector** grew by 6.5%, driven by additional spending that was directed toward the Industrial Strategy, given its role in enhancing factories productivity and efficiency, strengthening local content, and encouraging industrial investment. This also includes higher purchases of wheat and barley to ensure the sustainability of strategic reserves, thereby supporting the Agricultural Strategy and reinforcing food security in the Kingdom. Spending on **general items** increased by 22.4%, reflecting the commencement of several giga projects. Moreover, the **education, security and regional administration, and infrastructure and transport sectors** also recorded increases of 5.6%, 5.1%, and 1.0% respectively. In contrast, the **military sector** recorded a decline of 8.5%.

Actual Sectoral Expenditures

(Bn, Unless Otherwise Stated)

Sector	Actual	Actual	Budget	Actual	Change %
	2023	2024	2025	2025	Actual 2025- Budget 2025
Public Administration	48	54	44	58	30.5%
Military	254	237	272	249	-8.5%
Security and Regional Administration	114	127	121	127	5.1%
Municipal Services	77	116	65	92	42.4%
Education	210	204	201	212	5.6%
Health and Social Development	256	273	260	279	7.3%
Economic Resources	85	93	87	92	6.5%
Infrastructure and Transportation	40	44	42	42	1.0%
General Items	208	228	192	236	22.4%
Total	1,293	1,375	1,285	1,388	8.0%

Figures are rounded to the nearest decimal point.

Source: Ministry of Finance

C. Budget Deficit and Public Debt

In FY2025, the government continued its efforts to strengthen the resilience and flexibility of the domestic economy, while maintaining a balance between economic growth objectives and fiscal sustainability. Structural reforms and initiatives under Saudi Vision 2030 have contributed to diversification of the economic base and the enhancement of non-oil revenues. In recent years, the government has further accelerated the implementation of transformative programs and projects aimed at expanding the economic base and stimulating investment, alongside expediting the execution of sectoral strategies and giga projects with economic impact.

The strong flexibility of the Kingdom's public finances has enabled an effective response to both domestic and international economic and financial developments, contributing to the preservation of gains and strengthening the capacity to adapt to changes.

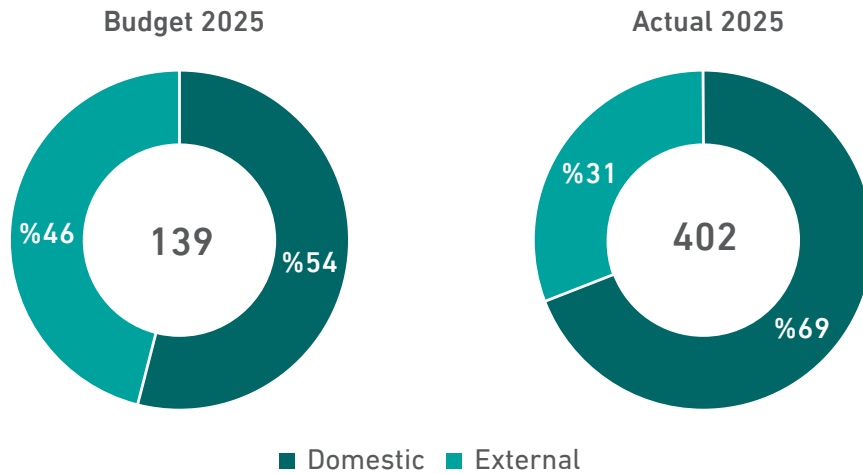
By the end of FY2025, the actual budget recorded a **deficit** of approximately ~~₹~~ 277 bn (5.8% of GDP), compared to about ~~₹~~ 101 bn in the approved budget (2.3% of GDP). This was primarily due to the increase in total expenditures resulting from the government's adaptation of expansionary spending policies to promote economic growth.

Total **funding activities** reached around ~~₹~~ 402 bn⁵ by the end of FY2025, with domestic financing accounting for 69% and external financing representing 31%. These activities included funding of the total budget deficit of around ~~₹~~ 277 bn, the repayment of debt principal due in FY2025, amounting to about ~~₹~~ 38 bn, and the early purchases of bonds and sukuk maturing from FY2025 to FY2029 with a total value exceeding ~~₹~~ 60.4 bn. In addition, new sukuk amounting to around ~~₹~~ 60.3 bn were issued in exchange. Further, in order to proactively manage refinancing risks and future maturities of debt portfolio, approximately ~~₹~~ 42 bn were allocated for proactive financing to secure and reduce part of financing needs for FY2026. By the end of FY2025, the public debt portfolio reached around ~~₹~~ 1,519 bn (31.8% of GDP) compared to about ~~₹~~ 1,300 bn (29.9% of GDP) estimated in the approved budget. Domestic debt accounted for 62.1% of total public debt portfolio, while external debt represented 37.9%.

⁵ It includes the change in the exchange rate of euro issuances

Size of Debt Issuances for FY2025

(₺ bn, Unless Otherwise Stated)



Source: MoF

By the end of FY2025, the Average Time to Maturity (ATM) of public debt portfolio reached 9 years compared to 9.2 years in FY2024. At the same time, the average cost of funding for the debt portfolio reached about 3.8% compared to around 3.7% in FY2024. This was due to an increase in the size of the debt portfolio.

The **government reserves balance** was about ₺ 399 bn by the end of FY2025, an increase of around ₺ 9 bn compared to the approved budget. This was due to the collection of investment returns and deposits, as well as the repayment of loans.

Comparison of Debt Issuances, Total Debt Portfolio, and Total Withdrawals from Government Reserves

by the end of FY2025 with the Budget (₹ bn)

	Actual 2023	Actual 2024	Budget 2025	Actual 2025
Debt at Year-End	1,050	1,216	1,300	1,519
Total Debt Issuance	189	245	139	402 *
Total Domestic Issuances	88	168	75	277
Total External Issuances	101	77	64	124 **
Government Reserves Balance at Year-End	390	390	390	399

* Includes issuances for repayment of debt principal amounted around ₹ 38 bn, early purchases of bonds and sukuk maturing in coming years around ₹ 60 bn, proactive financing activities to secure and reduce part of the financing needs for FY2026, around ₹ 42 bn.

** Includes the exchange rate changes related to euro-denominated issuances.

Figures are rounded to the nearest decimal point.