جدوى للإستثمار
Jadwa Investment

November 2019

Macroeconomic Update

Consistent growth in non-oil activity

- In light of recent economic data, our revised forecast points to a modest level of growth in the Kingdom in 2019. Further downward revision in oil sector GDP means that we now see overall growth at 0.2 percent, versus 1.6 percent previously.

- Looking out into 2020, we now expect overall GDP to rise by 2.1 percent. Although oil sector GDP growth is likely to be muted, we see progress under various Vision Realization Programs (VRPs) directly contributing to growth in numerous sectors within the non-oil economy. Moreover, we expect additional uplift as a result of Saudi Arabia hosting the G20 summit next year.

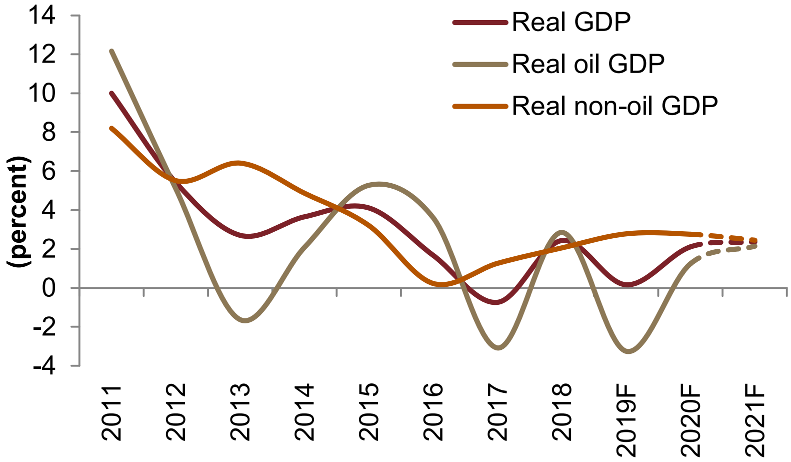
- As per the recently released preliminary budget report, lower than budgeted government revenue and expenditure will result in the fiscal deficit hitting SR131 billion (4.3 percent of GDP) in 2019. However, a larger downward revision in revenue than expenditure in 2020 will push the fiscal deficit to SR187 billion (5.9 percent of GDP) next year.

- Whilst prices are likely to decline by 1.2 percent during 2019 as a whole, we do expect inflation to return in 2020. As such, we expect to see prices rising by 1.1 percent, led by sub-groups such as 'food & beverages', 'restaurants & hotels' and 'recreation & culture'.

- We have not changed our view over the main risks to the Kingdom's immediate economic outlook, which remain external. Specifically, global economic developments, in particular with regards to the US and Chinese trade dispute, as well as regional geopolitical tensions, stand out as the main risks to our forecast.

- In fact, US-Chinese trade tensions have negatively impacted global trade and manufacturing output, with Saudi Arabia not being immune from such developments. As a result, in the year-to-August, the Kingdom's non-oil exports were down 6 percent year-on-year.

Figure 1: Saudi Arabia's real GDP forecast



For comments and queries please contact:

Asad Khan
Head of Research
rkhan@jadwa.com

Nouf N. Alsharif
Senior Economist
nalsharif@jadwa.com

Head office:

Phone +966 11 279-1111
Fax +966 11 279-1571
P.O. Box 60677, Riyadh 11555
Kingdom of Saudi Arabia
www.jadwa.com

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In light of recent economic data, our revised forecast points to a modest level of growth in the Kingdom in 2019.

Further downward revision in oil sector GDP means that we now see overall growth at 0.2 percent, versus 1.6 percent previously.

Looking out into 2020, we expect overall GDP to rise by 2.1 percent, with contributions from both the oil and non-oil sector.

Oil sector GDP is unlikely to be supported by yearly changes in crude oil production.

We expect Saudi oil output to show limited change on a yearly basis in 2020, with the year-to-October 2019 average oil output at 9.8 mbpd.

Non-oil sector growth continues to rise:

In light of recent economic data, our revised forecast points to a modest level of growth in the Kingdom in 2019. Further downward revision in oil sector GDP means that we now see overall growth at 0.2 percent, versus 1.6 percent previously. The revision in oil sector growth is not only reflective of Saudi Arabia's commitment to the OPEC and non-OPEC (OPEC+) agreement, but also relates to the impact of Fadhili gas complex and the Jazan refinery being fully felt next year, rather than towards the end of this year, as previously expected. That said, on the non-oil side we see marginally higher growth at 2.8 percent (compared to 2.7 percent previously) with this growth being driven by a notable uptick in the non-oil private sector, by 3.3 percent, compared to 2.4 percent previously. In fact, our non-oil private sector composite index continues to show that economic activity within the Kingdom remains elevated (Figure 2).

Looking out into 2020, we expect overall GDP to rise by 2.1 percent, with contributions from both the oil and non-oil sector. Although oil sector GDP is unlikely to be supported by yearly changes in crude oil production (Box 1), as noted above, we do expect some uplift from Fadhili gas complex and the Jazan refinery.

Box 1. Saudi Crude Oil Production

OPEC crude oil production averaged 29.6 million barrels per day (mbpd) in the year-to-October 2019, a sizable 3 mbpd (10 percent) lower than October 2018's output, which is used as a benchmark by OPEC+. Most notably, 72 percent of the reduction in output since a year ago has come from three countries, Iran (30 percent), Saudi Arabia (29 percent) and Venezuela (13 percent). However, only Saudi Arabia's output moderation has been voluntary, whilst Iran and Venezuela's output moderation was involuntarily. Looking ahead, we expect an extension in OPEC+ production agreement beyond the current March 2020 limit, when the organization meets in early December. In fact, in its latest monthly report, OPEC expects demand for its crude oil (or the call on OPEC) to average 29.6 mbpd in 2020, down from 30.7 mbpd in 2019 (Figure 3).

As a result, we would expect Saudi oil output to show limited change on a yearly basis in 2020, with the year-to-October 2019 average oil output at 9.8 mbpd.

Figure 2: Jadwa's non-oil private sector composite index shows elevated level of activity

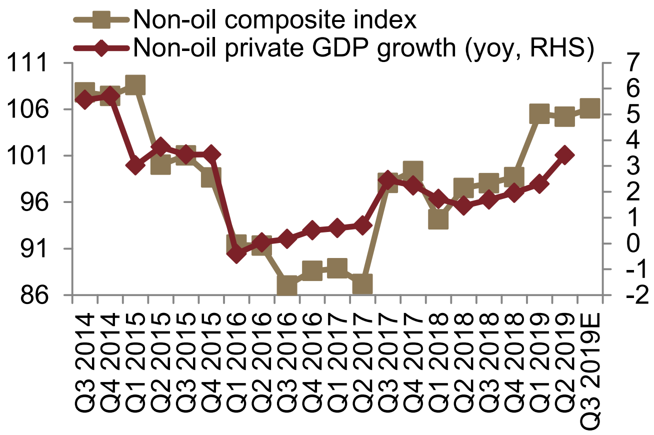
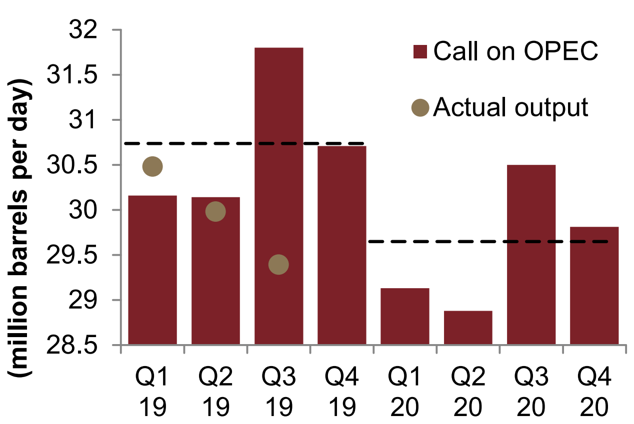


Figure 3: OPEC demand forecasts for its own oil (call on OPEC)



On the non-oil side, we expect growth to improve.

More specifically, we see progress under various VRPs directly contributing to growth in numerous sectors next year.

Moreover, we expect additional uplift in the non-oil private sector as a result of Saudi Arabia hosting the G20 summit next year.

On the non-oil side, despite recent downward revisions in budgeted government expenditure, as detailed in the [2020 Preliminary Budget Report](), we still expect growth to improve. More specifically, we see progress under various Vision Realization Programs (VRPs) directly contributing to growth in numerous sectors next year. So, under the Public Investment Fund (PIF) program, we expect growth in the construction sector as a result of progress on mega-projects, whilst growth in the finance sector will be driven by insurance, housing and mortgage finance (via the [Financial Sector Development Program]() and Housing VRP), whilst sizable growth in wholesale & retail trade sector is expected as a result of rapid expansion in the entertainment sector under the Quality of Life VRP. Moreover, we expect additional uplift in the non-oil private sector as a result of Saudi Arabia hosting the G20 summit next year (Box 2).

Box 2. The Kingdom hosts G20 summit in 2020

The G20 (or Group of Twenty) is an international forum for the governments of 19 countries and the European Union (EU).

Saudi Arabia was confirmed as the host of the 2020 summit, with the event scheduled to take place in Riyadh on 21-22 November 2020.

The G20 (or Group of Twenty) is an international forum for the governments of 19 countries and the European Union (EU). Founded in 1999, the G20 aims to discuss policy pertaining to the promotion of international financial stability, with the focus of the summits progressively expanding to include a variety of developmental issues. During the last G20 summit in Japan earlier this year, Saudi Arabia was confirmed as the host of the 2020 summit, with the event scheduled to take place in Riyadh on 21-22 November 2020, the first ever G20 summit to be held in the Arab world. The 2020 summit will discuss a number of issues, including sustainable development goals, youth & female empowerment and investment in human capital, amongst other things.

Although it is difficult to assess the overall economic benefit associated with hosting such a high profile summit, when looking at the impact on previous G20 host nations, the more measurable direct benefits entail: 1) immediate, visible short-term stimulus of higher spending at hotels (Figure 4), restaurants and shops and associated temporary jobs; 2) raised profile for the host nation through increased media and advertising coverage; 3) new, permanent public infrastructure built specifically for the summit, such as road upgrades, landscaping and office buildings.

We see the construction and wholesale & retail trade being the main immediate beneficiaries from the Kingdom hosting of the G20 summit next year.

In this context, we see the construction and wholesale & retail trade sectors being the main immediate beneficiaries from the Kingdom hosting of the G20 summit next year.

Figure 4: Hotel occupancy in Hamburg, Germany

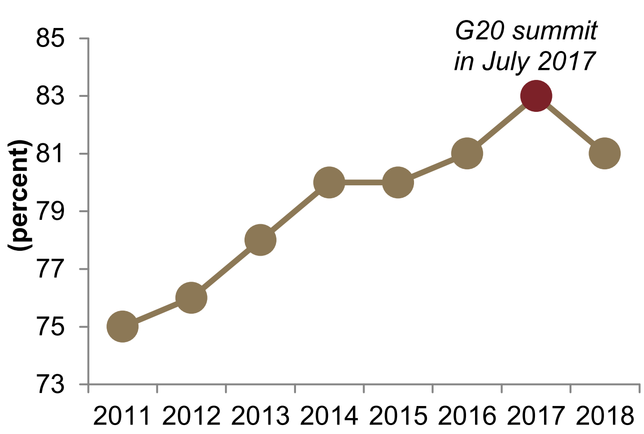
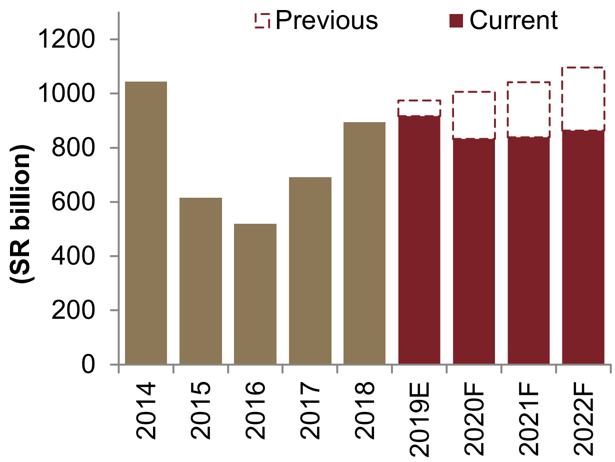


Figure 5: Government revenue revised downwards to 2022



Sizable revision in government revenue and expenditure:

A number of fiscal indicators were revised in the period from 2019 to 2022 in the recently released 2020 preliminary budget.

In the near term, 2019's revenue is expected to total SR917 billion, SR58 billion lower than budgeted under the 2019 fiscal budget.

For 2020, a downward revision in government revenue by SR173 billion, to SR833 billion, was also announced.

As we outlined in our preliminary budget update, the combination of changes in the tax structure related to Aramco…

...and a more subdued outlook on oil markets, were the main factors behind the adjustment in overall government revenue.

A number of fiscal indicators were revised in the period from 2019 to 2022 in the recently released 2020 preliminary budget. In the near term, 2019's revenue is expected to total SR917 billion, SR58 billion lower than budgeted under the 2019 fiscal budget. For 2020, a downward revision in government revenue by SR173 billion, to SR833 billion, was also announced (Figure 5). As we outlined in our Preliminary Budget Update, the combination of changes in the tax structure related to Aramco, announced earlier this month (Box 3), and a more subdued outlook on oil markets, were the main factors behind the adjustment in overall government revenue.

Brent oil prices have been on a downward trajectory since early 2019 and are currently trading around $60 per barrel (pb) versus highs of $71 pb seen in April 2019. Year-to-date, Brent oil prices average $64 pb, slightly below our forecast of $66 pb for full year. Looking ahead, oil markets remain challenged, with current OPEC oil demand projections for 2020 representing the lowest level of annual growth since at least 2012. The main factor currently weighting on oil prices remains global trade related issues, and, more broadly, how such issues are clouding the outlook of the global economy. At the same time, OECD commercial oil stock levels have also recently begun to rise above the five year average (*please see our Oil Market Update for more details*). As a result, we see limited upside to oil prices at the moment, with prices likely to trade around the current range, and therefore expect Brent oil averaging $65 pb in 2020. That said, any positive developments in the US-China trade dispute would be a boon for oil demand growth prospects and, in turn, would add an upside to oil prices going forward.

Box 3. Tax changes

Earlier this month, a number of changes in the tax system in relation to Aramco were announced (Table1). One of the key changes, from 2020 onwards, relates to the royalty structure, where a lower rate of 15 percent (compared to 20 percent previously) applied to all crude oil and condensates sales up to $70 per barrel (pb). At the same time, royalty rates on sales of crude oil and condensates sold between $70-100 pb were increased from 40 to 45 percent, and above $100 pb from 50 to 80 percent.

From a macro fiscal point of view, the change in royalty structure translates to lower tax revenue received by government, but, at the same time, the potential for a rise in dividend payments. So, for example, when looking at the breakdown of 2018 payments totaling

Table 1: Royalties and Taxes: effective as at Jan. 1 2020
Reduces royalty on crude oil and condensate output to 15% from 20% on Brent prices up to $70 per barrel.
Increases marginal royalty rate to 45% from 40% on Brent prices above $70 per barrel up to $100 per barrel.
Increases marginal royalty rate to 80% from 50% on Brent prices above $100 per barrel.
Cuts tax rate on downstream business to 20% from the 50%-85% multi-tiered range on the condition that the Aramco consolidate its downstream business under the control of a separate, wholly owned unit before 31 December 2024.
Period for which Aramco will not be obligated to pay royalties on condenste production extended for an additional 10 years after the current five-year period ending 1 January 2023; may be furhter extended for subsequent 10-year periods subject to government approval.

On the non-oil revenue side, we see the potential for non-oil revenue to rise above the government's budgeted SR313 billion rise in 2019 as a whole.

SR611 billion from Aramco to government (when Brent oil prices averaged $71 pb), we can see that under the current tax regime, income tax made up 29 percent, royalties 35 percent and dividends 36 percent of the total. When applying the new tax structure to 2018's transfer, income tax remains unchanged at 29 percent, but royalties decline to 26 percent, and dividends rise to 45 percent of the total (Figure 6). Looking ahead, we would expect the dividend component to make up an even larger portion of total transfers next year, considering that Aramco has committed to pay a hefty base dividend of SR281 billion ($75 billion) in 2020, versus SR217 billion ($58 billion) in 2018.

We see upside to VAT revenue as non-oil activity picks up and non-cash transactions continue to rise.

Looking ahead, tax revenue will remain the fastest growing item in non-oil revenue in 2020, with the vast majority of rises expected to come about due to scheduled rises in expat levies.

On the non-oil revenue side, we see the potential for non-oil revenue to rise above the government's budgeted SR313 billion (6 percent year-on-year) rise in 2019 as a whole. In particular, we see upside to VAT revenue as non-oil activity picks up and non-cash transactions continue to rise. It is also worth recalling that last year's total VAT revenue was twice as much as originally budgeted. In fact, in the year-to-Q3 2019, whilst government non-oil revenue was up by 13 percent compared to same period last year, total tax revenue was up by a significant 32 percent on a yearly basis. Looking ahead, tax revenue will remain the fastest growing item in non-oil revenue in 2020, with the vast majority of rises expected to come about due to scheduled rises in expat levies.

The recent preliminary budget also projected lower government expenditure in the near term (Figure 7), with expenditure revised down by SR58 billion and SR173 billion in 2019 and 2020 respectively.

The compensation of employees (wage bill) remains the major component of total expenditure.

Looking ahead, current expenditure will likely take up a larger portion of total expenditure, whilst capital expenditure is crimped.

The compensation of employees (wage bill) remains the major component of total expenditure. In the year-to-Q3 2019, the wage bill constituted 50 percent of total expenditure and grew by 5.7 percent over the same period last year, making the projected 6 percent year-on-year reduction for the full year difficult to achieve. At the same time, however, the combined level of social benefit and subsidies expenditure rose by 8 percent year-on-year till Q3 2019, underlining the government's commitment to improving the quality of life and raising the standard of living for citizens. On the capital expenditure side, VRP related project spend pushed up this segment, with a rise of 10 percent seen in the year-to-Q3 2019, versus the equivalent period in 2018.

Looking ahead, the combination of downwardly revised government

Figure 6: Aramco's transfer to government by type in 2018 (old tax system versus new tax system)

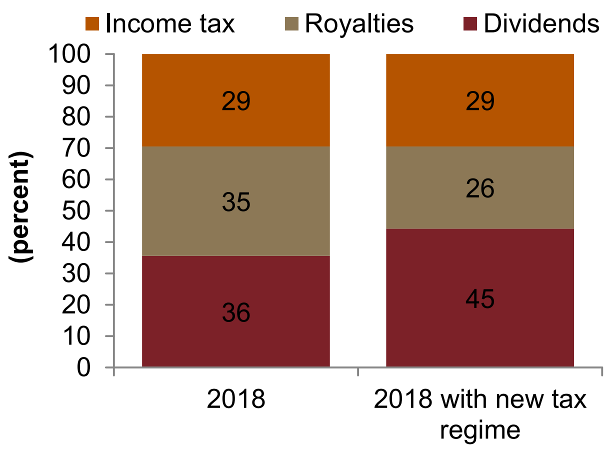
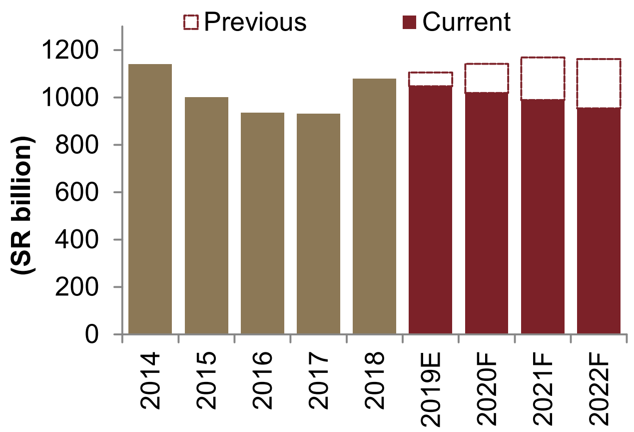


Figure 7: Lower government expenditure to 2022



In this context, we see institutions such as the PIF and indeed the NDF, playing a leading role in investments within the Kingdom, going forward.

expenditure and rigidity around the wage bill, means current expenditure will likely take up a larger portion of total expenditure, whilst capital expenditure is crimped (Figure 8). In this context, we see institutions such as the PIF and indeed the National Development Fund (NDF), playing a leading role in investments within the Kingdom, going forward.

The PIF's recent expenditure in the domestic economy has contributed to lifting construction sector GDP into the positive territory, and we expect this to continue as progress is made on various mega-projects. Furthermore, once proceeds from Aramco's IPO flow to the PIF, and indeed PIF's sale of its 70 percent stake in Sabic to Aramco, totaling SR259 billion ($69 billion), is completed in installments, this will all contribute to raising the level of spending within the domestic economy by the sovereign wealth fund significantly.

Despite government revenue expected to be lower than budgeted in 2019…

...an equally lower level of spending (of SR58 billion) will result in the fiscal deficit being in line with MoF's initial forecasts, at SR131 billion (4.3 percent of GDP).

Despite government revenue expected to be lower than budgeted in 2019, an equally lower level of spending (of SR58 billion) will result in the fiscal deficit being in line with Ministry of Finance's (MoF) forecasts, at SR131 billion (4.3 percent of GDP). However, due to a higher rate of projected revenue decreases vis-a-vis expenditure, the fiscal deficit is forecast to be higher than previously projected for 2020, at SR187 billion (5.9 percent of GDP) (Figure 9).

However, due to a higher rate of projected revenue decreases vis-a-vis expenditure…

Deficit financing:

...the fiscal deficit is forecast to be higher than previously projected for 2020, at SR187 billion (5.9 percent of GDP).

Since 2016, the percentage of fiscal deficit financed via public debt has been rising consistently. Thus, in 2016, 42 percent of the deficit was financed via debt, and this is expected to peak to around 90 percent in 2019. Going forward, larger fiscal deficits are not expected to translate into higher levels of debt. According to the MoF, total debt is expected to hit SR754 billion (24 percent of GDP) in 2020, which means around 41 percent of the deficit will be finance through debt. As a result, this will likely result in higher levels of SAMA deposits being used for deficit financing.

Going forward, larger fiscal deficits are not expected to translate into higher levels of debt...

Non-oil exports remain challenged:

...this will likely result in higher levels of SAMA deposits being used for deficit financing.

Latest data on the external sector shows the Kingdom maintaining a surplus in the current account. As of H1 2019, the current account balance stood at $26.1 billion (7.5 percent of GDP) having been supported by a surplus in the trade balance. That said, the value of

Figure 8: Government expenditure by type

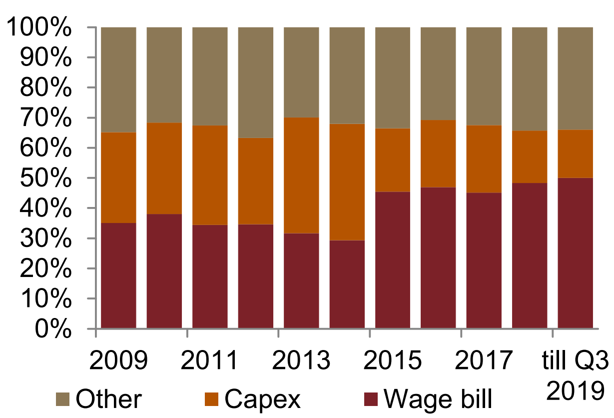
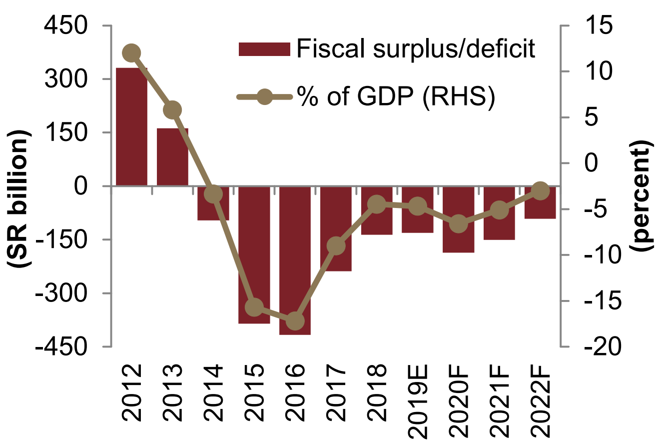


Figure 9: Fiscal deficits to persist



The value of total exports declined by 4 percent year-on-year, to $134 billion in H1 2019…

...with declines seen in both oil and non-oil exports on a year-on-year basis.

The US and Chinese trade dispute has negatively impacted global trade and manufacturing output...

...as a result, in the year-to-August, the Kingdom's non-oil exports were down 6 percent year-on-year.

Meanwhile, year-to-August data showed that the value of goods imported rose by 5 percent…

...we see this pick-up in imports in-line with growth in domestic non-oil activity, and thus expect a rise in imports in 2020 as well.

total exports declined by 4 percent year-on-year, to $134 billion in H1 2019, with declines seen in both oil and non-oil exports on a year-on-year basis.

As we noted in our previous update, the US and Chinese trade dispute has negatively impacted global trade and manufacturing output (Figure 10), with Saudi Arabia not being immune from such developments. As a result, in the year-to-August, the Kingdom's non-oil exports were down 6 percent year-on-year. Looking ahead, whilst a mild improvement in global economic growth in 2020 (as per recent IMF forecasts) could help improve global trade and manufacturing output, the outlook is still clouded by uncertainty.

Meanwhile, year-to-August data showed that the value of goods imported rose by 5 percent on a yearly basis whilst import volumes rose by 2 percent over the same period. We see this pick-up in imports in-line with growth in domestic non-oil activity, and thus expect a rise in imports in 2020 as well. That said, we do not see any adverse effect on the current account, which is expected to remain in surplus during 2019 and 2020 (Figure 11).

On the financial account side, we can see from latest available data that net purchases of SWAPs and buying by Qualified Foreign Investors (QFIs) resulted in $24.2 billion (SR91 billion) in portfolio inflow in the year-to-November 2019. Looking ahead, we expect to see continued active portfolio investment inflows related to the $25.6 billion (SR96 billion) Aramco IPO next month, and indeed passive inflows, as the aforementioned IPO raises the Tadawul All-Share Index's (TASI) weighting in MSCI EM and FTSE EM indices. Financial inflows will also be bolstered by additional international bond issuances next year, most likely pertaining to half of 2020's total debt issuance of $20.3 billion (SR76 billion).

That said, we still expect outflows in relation to sizable international investments from the PIF and other independent government entities to continue. To put this into context, PIF's current assets of circa $300 billion (SR1.1 trillion) are split 80/20 percent between domestic/international, but the aim is to reach a 50/50 split of a targeted $2 trillion (SR7.5 trillion) by 2030.

Figure 10: Global manufacturing PMIs

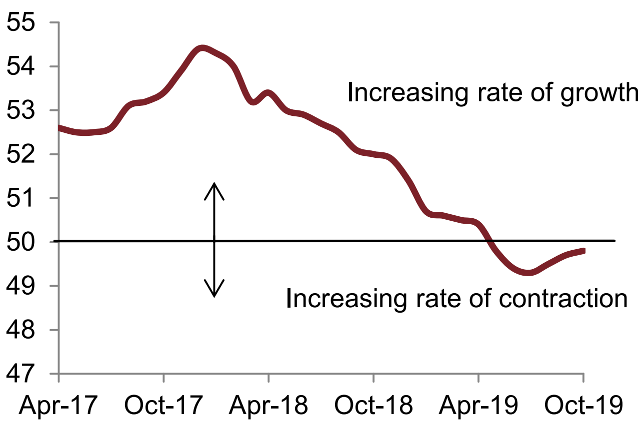
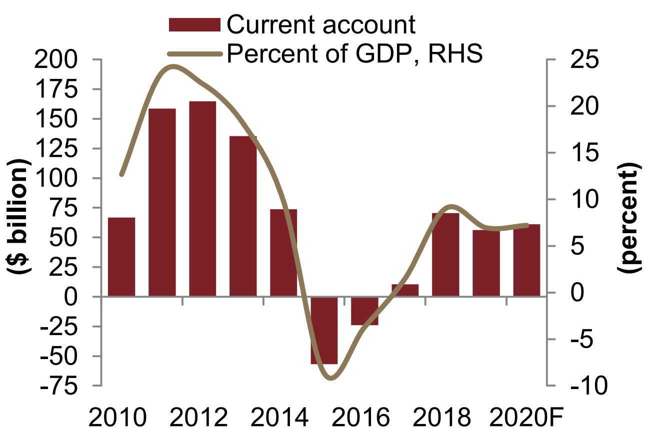


Figure 11: Kingdom's current account will remain in surplus



Since at least December 2018, SAIBOR has been following a downward trend...

...as we highlighted in our previous macroeconomic update, we see this partly as a result of higher levels of liquidity in the banking sector…

...following equity portfolio inflows related the Saudi Stock Exchange's inclusion into the FTSE EM and MSCI EM indices in 2019.

Lower domestic interest rates and improved liquidity is resulting in a pick-up in lending activity.

Despite the positive trend seen in overall lending in the private sector, growth has not been uniform.

Interest rates, liquidity and credit:

Since at least December 2018, SAIBOR (the price of lending between banks for Riyals) has been following a downward trend, and has remained below the repo rate since late last year. As we highlighted in our previous macroeconomic update, we see this partly as a result of higher levels of liquidity in the banking sector following equity portfolio inflows related to the Saudi Stock Exchange's inclusion into the FTSE EM and MSCI EM indices in 2019. Latest available data shows that net purchases of SWAPs and QFIs saw $24.2 billion (SR91 billion) in portfolio inflow in the year-to-November 2019, which has, in turn, been accompanied by a visible rise in private sector deposits and an uptick in money supply (M3) (Figure 12).

Lower domestic interest rates and improved liquidity is resulting in a pick-up in lending activity (Box 4). Total bank claims rose by 7 percent in the year-to-September, with growth in claims on the private sector (which make up 80 percent of the total) rising by 4 percent in the year-to-September. Despite the positive trend seen in overall lending in the private sector, growth has not been uniform. For example, latest sectorial data up until Q3 2019 shows credit declined for manufacturing and mining sectors, whilst commerce and utilities saw significant improvements compared to a year ago (Figure 13).

Box 4. Mortgage Lending

The continued implementation of objectives outlined in the Housing VRP has seen the level of new real estate mortgages rising rapidly so far in 2019. Thus, in the year-to-September, new residential mortgages provided by banks rose by a significant 97 percent year-on-year, reaching almost SR47 billion. We see this rapid rise being down to a combination mortgages granted to military employees, and from the provision of housing units under the MoH's Sakani program, both of which are eligible for support from the Real Estate Development Fund (REDF). In this case, the REDF provides financial support (via help with down payments) for homebuyers, and, as a result, has deposited a total SR9.5 billion to-date under this mortgage program, since its inception in June 2017.

Figure 12: Money Supply
(year-on-year change)

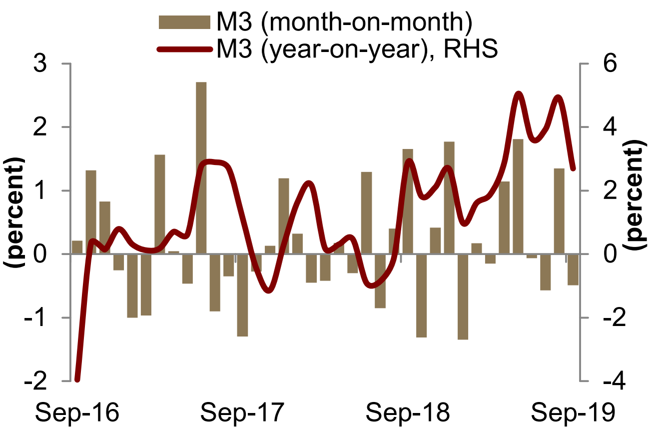
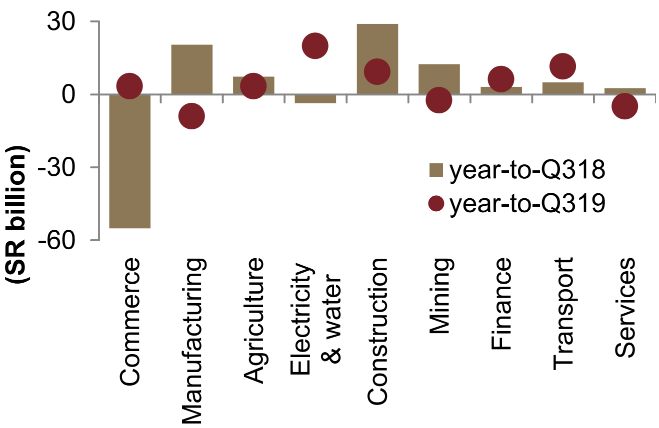


Figure 13: Lending by sector
(year-to-Q3, year-on-year change)



Looking forward, a pick-up in the non-oil growth next year will have a positive impact on credit to the private sector.

Looking forward, a pick-up in the non-oil growth next year will have a positive impact on credit to the private sector. In particular, continued growth in the construction sector should contribute to lifting demand. We also expect an uplift in manufacturing and mining sectors following a recent royal decree to waiver the expat levies in the industrial sector for five years, which is likely to reduce operational costs and boost confidence. Additionally, we expect lending to the commerce sector (which includes retail) to continue rising, on the back of continued roll-out of activities related to the entertainment sector.

We see do not expect to see any rises in domestic funding costs next year.

Additionally, we do not expect to see any rises in domestic funding costs next year due to two reasons. Firstly, lower SAMA lending rates will likely follow an anticipated single cut in rates by the Federal Reserve (Box 5). Secondly, liquidity in the banking system will be maintained as a result passive and active QFI inflows related to Aramco's IPO, the Saudi Stock Exchange's larger share in the MSCI EM/FTSE EM index and the final FTSE EM tranche being received in early 2020.

Box 5. US Interest Rates

Since July 2019, the Saudi Arabian Monetary Authority (SAMA) cut the reverse repo and repo rates three times, in-line with the US Fed's interest rate decision. However, in its latest meeting, the Fed indicated that no more rate cuts would be forthcoming in the remaining months of 2019, with a possibility of one rate cut in 2020. As such, we see SAMA following the same direction, with key repo rate reaching 2 percent by the end of 2020, and the reverse repo at 1.75 percent.

Inflation to return in 2020:

We recently revised our inflation forecast for full year 2019 to -1.2 percent.

In 2020, we expect to see prices rising by 1.1 percent, led by sub-groups such as 'food & beverages', 'restaurants & hotels' and "recreation & culture…

...which are pulled up by demand related to the entertainment sector.

We recently revised our inflation forecast for full year 2019 to -1.2 percent, as a number of sub-groups witnessed higher than expected price rises in the year-to-September. Thus 'food and beverages' and 'restaurants and hotels' have shown rises, despite declining prices in 'housing', which have remained in the negative territory for almost two years. In 2020, we expect to see prices rising by 1.1 percent, led by sub-groups such as 'food & beverages', 'restaurants & hotels' and "recreation & culture, (combined 29 percent weighting in CPI basket) which are pulled up by demand related to the entertainment sector.

Risks to forecast

We have not changed our view over the main risks to the Kingdom's immediate economic outlook, which remain external.

We have not changed our view over the main risks to the Kingdom's immediate economic outlook, which remain external. Specifically, global economic developments, in particular with regards to the US and Chinese trade dispute, as well as regional geopolitical tensions, stand out as the main risks to our forecast.

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Key Data

	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F
Nominal GDP									
(SR billion)	2,800	2,836	2,454	2,419	2,582	2,934	3,036	3,180	3,377
($ billion)	747	756	654	645	689	782	810	848	901
(% change)	1.5	1.3	-13.5	-1.4	6.8	13.6	3.5	4.7	6.2
Real GDP (% change)									
Oil	-1.6	2.1	5.3	3.6	-3.1	2.8	-3.3	1.2	2.1
Non-oil private sector	7.0	5.4	3.4	0.1	1.5	1.7	3.3	3.5	3.3
Non-oil government	5.1	3.7	2.7	0.6	0.7	2.8	1.5	1.0	0.5
Total	2.7	3.7	4.1	1.7	-0.7	2.4	0.2	2.1	2.4
Oil indicators (average)									
Brent ($/b)	110	99	52	43	54	71	66	65	67
Saudi ($/b)	104	96	49	41	51	69	65	64	66
Production (million b/d)	9.6	9.7	10.2	10.4	10.0	10.3	9.8	9.8	10.1
Budgetary indicators (SR billion)									
Government revenue	1,156	1,044	616	519	692	906	917	833	839
Government expenditure	994	1,140	1,001	936	930	1,079	1,048	1,020	990
Budget balance	162	-96	-385	-417	-238	-173	-131	-187	-151
(% GDP)	5.8	-3.4	-15.7	-17.2	-9.2	-5.9	-4.3	-5.9	-4.5
Gross public debt	60	44	142	317	443	560	678	754	848
(% GDP)	2.1	1.6	5.8	13.1	17.1	19.1	22.3	23.7	25.1
Monetary indicators (average)									
Inflation (% change)	3.5	2.2	1.2	2.1	-0.8	2.5	-1.2	1.1	1.4
SAMA base lending rate (%, end	2.0	2.0	2.0	2.0	2.0	3.0	2.25	2.0	2.0
External trade indicators ($ billion)									
Oil export revenues	322	285	153	137	171	232	211	216	225
Total export revenues	376	342	204	184	222	294	271	279	292
Imports	153	158	159	128	123	126	130	135	140
Trade balance	223	184	44	56	98	169	141	143	152
Current account balance	135	74	-57	-24	10	71	56	61	68
(% GDP)	18.1	9.8	-8.7	-3.7	1.5	9.0	6.9	7.2	7.6
Official reserve assets	726	732	616	536	496	497	512	497	508
Social and demographic									
Population (million)	29.6	30.3	31.0	31.7	32.7	32.5	32.6	33.0	33.2
Saudi Unemployment (15+, %)	11.7	11.7	11.5	12.5	12.8	12.7	12.2	11.4	10.5
GDP per capita ($)	25,223	24,962	21,095	20,318	21,048	24,065	24,829	25,666	27,097

Sources: Jadwa Investment forecasts for 2019,2020 and 2021. General Authority for Statistics for GDP and demographic indicators, Saudi Arabian Monetary Agency for monetary and external trade indicators, Ministry of Finance for budgetary