وزارة المالية
Ministry of Finance

ميزانية 2027
المملكة العربية السعودية
Saudi Arabia-Budget

Budget Statement

FY 2027

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List of Abbreviations

AH	Hijri Calendar
AI	Artificial Intelligence
BMEP	Brookfield Middle East Partners
Bn	Billion
CAPEX	Capital Expenditures
CAR	Capital Adequacy Ratio
CMA	Capital Market Authority
CPI	Consumer Price Index
FDI	Foreign Direct Investment
FY	Fiscal Year
GASTAT	General Authority for Statistics
GCI	Global Cybersecurity Index
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GFSM 2014	Government Finance Statistics Manual
H1	First Half of the Year
HRDF	Human Resources Development Fund
IMF	International Monetary Fund

IMD	Institute for Management Development
km	Kilometer
km^2	Square Kilometer
kWh/m^3	Kilowatt-hour per cubic meter
MB/D	Million Barrels Per Day
MENA	Middle East and North Africa
MOE	Ministry of Education
MOF	Ministry of Finance
NPL	Non-Performing Loan
NPS	National Privatization Strategy
NTP	National Transformation Program
NTS	National Tourism Strategy
OECD	Organization for Economic Co-operation and Development
OPEC	Organization of the Petroleum Exporting Countries
OPEX	Operating Expenses
PPP	Public-Private Partnership
PFCE	Private Final Consumption Expenditure
PIF	Public Investment Fund
PMI	Purchasing Managers' Index

POS	Point of Sale
Q1، Q2، Q3، Q4	First, Second, Third, and Fourth Quarters of the Year
QIC	Qiddiya Investment Company
RCRC	Royal Commission for Riyadh City
SAMA	Saudi Central Bank
﷼	Saudi Arabian Riyal
SEVEN	Saudi Entertainment Projects Company
SMEs	Small and Medium-sized Enterprises
SVC	Saudi Venture Capital Company
Tn	Trillion
U.S.	United States of America
USA	United States of America
USD	United States Dollar
VRPs	Vision Realization Programs
WEO	World Economic Outlook
WPI	Wholesale Price Index
WTIIRA	Water Technologies Innovation Institute & Research Advancement

Introduction

The Saudi Ministry of Finance (MoF) publishes the Budget Statement for Fiscal Year 2027 (FY 2027), which outlines the approved budget, including revenues and expenditures according to economic and sectoral classifications, deficit or surplus levels, and public debt. It also reviews the economic and fiscal developments in 2026 and the medium-term outlook. In addition, the Budget Statement highlights the key fiscal risks for FY 2027 and over the medium term, as well as the key fiscal and economic enablers in 2026 and the targets for FY 2027.

The Budget Statement demonstrates MoF's commitment to enhancing fiscal disclosure and transparency, and to improving the efficiency of public finance management, which are key pillars in the development of budget preparation and execution. The classification of the fiscal data referenced here adheres to the Government Finance Statistics Manual (GFSM 2014), issued by the International Monetary Fund (IMF), which provides a standardized international framework.

Executive Summary of the Budget Fiscal and Economic Framework

The Kingdom continues to implement the comprehensive fiscal and economic reforms under Saudi Vision 2030, These reforms support the structural transformation of the economy, promote its sustainable growth, and maintain sound and sustainable public finances. These efforts take place amid accelerating geopolitical developments and heightened uncertainty at both the global and regional levels, which have contributed to volatility in global markets, trade, and supply chains, with potential implications for the global economic outlook.

To address these developments, the government is adopting flexible and balanced fiscal and economic policies, which focus on reprioritizing spending towards national priorities with greater economic and social impact, improving spending efficiency, diversifying the economic base, and maintaining fiscal sustainability. Furthermore, these policies, alongside the structural reforms implemented in recent years, have strengthened the economy's ability to absorb shocks and adapt to external changes. They have also supported the economy's better than expected performance despite the challenges facing the global economy.

In this context, Saudi Vision 2030 has strengthened the role of the private sector as a strategic partner in development, alongside national initiatives and strategies. It has also contributed to improving the business environment, attracting investment, and enhancing the competitiveness of the national economy. Moreover, prudent monetary and fiscal policies contribute to containing inflationary pressures, keeping inflation below the global average. Overall, this performance reflects the effectiveness of the policies pursued in strengthening the resilience of the national economy and enhancing its ability to adapt to changing conditions and cope with shocks. This, in turn, supports economic growth and long-term fiscal sustainability.

Preliminary estimates indicate that **Real Gross Domestic Product (GDP)** growth is expected to contract by 2.1% in 2026, reflecting the impact of surrounding geopolitical developments. Meanwhile, **non-oil activities** are expected to grow by 2.5%, supported by aggregate demand growth in **real private final consumption expenditure (PFCE)** of 2.9% and **real gross fixed capital formation (GFCF)** index in the non-government sector of 0.9% for the full year of 2026. This performance reflects the continued contribution of non-oil activities to supporting the Saudi economy.

Over the medium term, **real GDP** is projected to grow by 10.9% in 2027, followed by growth in 2028 and 2029 of 3.9% and 5.7%, respectively. Average growth over the 2027–2029 period is projected to reach approximately 6.8%, supported by the recovery of oil activities and continued momentum in non-oil activities. **PFCE** is also projected to grow by an average of 4.3%, while **real GFCF in the non-government sector** is anticipated to increase by an average of 3.4% over the 2027–2029 period. This growth is supported by continued investment in priority sectors and the Public Investment Fund's (PIF) role in enabling projects and promising sectors. Furthermore, growth in tourism and sports, the expansion of economic zones and cities, and improvements to the business environment are expected to attract investment, further enhance the role of the private sector, and diversify the economic base. These efforts, alongside continued growth in non-oil activities and their pivotal role in supporting economic growth, will further strengthen the Kingdom's position as an attractive business destination and a leading logistics and investment hub.

Labor market remains strong, despite ongoing geopolitical developments in the region. The overall unemployment rate declined to 3.0% in Q2 2026, compared to 3.2% of the same period in the previous year. Meanwhile, the unemployment rate among Saudis remained at historically low levels, reaching 6.5% in Q2 2026.

Despite relatively low unemployment rates, the overall consumer price levels remained stable and consistent with monetary policy objectives. From the beginning of 2026 through October 2026, the **inflation rate** increased by 1.8% compared to the same period the previous year. Preliminary estimates indicate that inflation will reach approximately 1.9% in 2026, remaining relatively stable compared to the global rate, which is expected to reach 4.7% by the end of 2026, according to IMF estimates published in October 2026.

In terms of **international trade**, the merchandise trade balance continued to strengthen the resilience of the external sector, recording a surplus of ﷼ 183.6 bn from the beginning of 2026 through August 2026, an annual increase of 31.2%. This growth was driven by a 1.8% increase in total **merchandise exports** which reached ﷼ 776.4 bn during the same period.

In terms of fiscal developments, **total revenues** are expected to reach approximately ﷼ 1,191 bn in FY 2026, an increase of 7.1% compared to the previous year and 3.7% increase compared to the budget estimate. This increase is mainly attributed to the continued implementation of economic and fiscal initiatives and reforms, alongside growth in non-oil activities.

Total revenues are projected to reach approximately ﷼ 1,202 bn in FY 2027 and increase to about ﷼ 1,351 bn by FY 2029. These projections are underpinned by expected economic growth, alongside ongoing improvements in revenue collection efficiency, strengthened compliance, and enhanced revenue management. Together, these efforts are expected to support revenue growth, diversify revenue sources, and enhance revenue sustainability.

As part of the government's commitment to achieving the Saudi Vision 2030 goals, spending continues to be managed within a sustainable medium- and long-term fiscal framework that balances development priorities with maintaining

fiscal strength. This approach focuses on directing spending towards development priorities, supporting economic transformation and diversification, improving spending efficiency, stimulating investment, and empowering the private sector. It also involves continued enhancement of the efficiency of the social support and subsidy system, ensuring that support reaches eligible beneficiaries and delivers a sustainable social and economic impact. Accordingly, **total expenditures** in FY 2026 are expected to reach approximately ৳ 1,436 bn, an increase of 3.4% compared to the previous year.

In FY 2027 and over the medium term, the government will continue to enhance the efficiency of government spending and maximize its developmental impact through long-term fiscal planning. This includes strengthening the framework for assessing spending outcomes and linking expenditure to priorities with higher economic and social returns, directing resources towards national priorities, and maximizing the utilization of existing government assets and investments. It also involves directing spending towards strengthening the role of the private sector, stimulating investment, and increasing its contribution to sustainable economic growth. At the same time, the government will maintain flexibility in public spending to ensure that public finances can respond to economic and geopolitical developments and face the challenges posed by uncertainty. Accordingly, **total expenditures** are projected to reach approximately ৳ 1,392 bn in FY 2027 and increase to around ৳ 1,544 bn by FY 2029.

Updated estimates for the FY 2026 budget indicate a **budget deficit** of approximately ৳ 245 bn (4.9% of GDP). In FY 2027, the **budget deficit** is projected to reach approximately ৳ 191 bn (3.6% of GDP) and is anticipated to remain at similar levels over the medium term. This deficit is consistent with a fiscal policy framework that takes into account the available fiscal space which enables the government to pursue balanced fiscal policies over economic cycles to support

economic growth. It also supports long-term fiscal planning and the continued implementation of priority projects to achieve Saudi Vision 2030 goals.

In order to meet financing needs in line with the approved annual borrowing plan, the government will continue to secure domestic and external financing through public and private channels to finance the expected budget deficit and repay debt principal projected in FY 2027 and over the medium term. This will be achieved through issuing bonds and Sukuk and raising loans at a fair cost. In addition, the government plans to expand alternative government financing through project finance, infrastructure financing, and export credit agencies in FY 2027 and over the medium term. **Public debt balance** is expected to reach approximately ﷼ 1,733 bn in FY 2026[1] (34.5% of GDP). It is also projected that the **public debt balance** will reach approximately ﷼ 1,923 bn in FY 2027 (35.9% of GDP), and around ﷼ 2,293 bn by FY 2029 (39.0% of GDP).

The FY 2027 Budget aims to preserve the Kingdom's fiscal position and achieve fiscal sustainability by maintaining sustainable levels of public debt and considerable government reserves. This will strengthen the resilience of public finances to economic shocks and variables, while supporting sustained spending on development priorities. Accordingly, **government reserves** at the Saudi Central Bank (SAMA) are projected to remain at the end of FY 2027 at the same level estimated for FY 2026, amounting to approximately ﷼ 399 bn.

[1] The actual debt balance at year-end may differ from the estimates, depending on the volume of financing transactions executed up to the end of December FY 2026. The National Debt Management Center will publish the actual year-end balance as part of the annual borrowing plan for FY 2027.

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01

Economic Development and Outlook

First Section
Economic Development and Outlook

A. Global Economy

- Global Economic Growth

Global economic growth continues to moderate amid persistent uncertainty in the economic outlook. Geopolitical developments and protectionist trade policies have weighed on international trade and global supply chains. These disruptions, particularly in the Middle East, have also affected energy market flows, contributing to higher commodity prices and mounting inflationary pressures. In turn, these factors have affected global economic growth.

According to the IMF's World Economic Outlook (WEO) report for October 2026, global economic growth is projected to slow from 3.5% in 2025 to 3.1% in 2026, reflecting a deceleration in emerging market and developing economies to 3.7%, while advanced economies are expected to grow by 2.1%. Among the Kingdom's key trading partners, China's economic growth is expected to slow from 5.0% in 2025 to 4.5% in 2026, while United States (US) economic growth is expected to remain stable at 2.3% in 2026, unchanged from 2025. Slower economic growth in China could weaken momentum in global trade and energy demand, while stable growth in the US could provide some support for trade and investment activity, partially mitigating the impact of the global slowdown on the Kingdom's economy.

Despite these challenges, the IMF projects global economic growth to increase to 3.4% in 2027, driven by growth in emerging markets and developing economies, which is projected to reach 4.4%, while advanced economies are expected to slow to 1.8%. Meanwhile, the IMF has revised upward its forecast for Saudi Arabia's economic growth in 2027 to 7.9%, supported by a recovery in oil activities and continued momentum in non-oil activities.

According to the IMF, global consumer prices inflation is expected to remain elevated in 2026, reaching 4.7%, compared to 4.1% in 2025, amid escalating geopolitical developments, particularly in the Middle East, and their impact on energy prices and global supply chains. Nevertheless, global inflation is projected to ease in 2027, declining to 4.1%. In response to persistent inflationary pressures, some central banks have continued to tighten monetary policy. In September 2026, U.S. Federal Open Market Committee announced a 25 basis-point interest rate increase, its first since 2023, aimed at curbing inflation. Higher interest rates have also raised financing costs, particularly for emerging market and developing economies with high levels of sovereign debt, potentially limiting their capacity to sustain development spending. This would compel governments to adopt flexible and proactive strategies. In this regard, the IMF has commended the structural reforms implemented by the Kingdom, which have strengthened its resilience and ability to respond to the rapidly evolving challenges facing the global economy.

Estimates for Global Economic Growth & Inflation

Economic Growth Rates %	2024 Actual	2025 Actual	2026 Estimates	2027 Projections
Global Economy	**3.5**	**3.5**	**3.1**	**3.4**
Advanced Economies	2.0	2.0	2.1	1.8
Emerging Markets & Developing Economies	4.5	4.5	3.7	4.4
USA	3.0	2.3	2.3	2.3
China	5.0	5.0	4.5	4.0
India	7.2	7.8	7.0	7.0
Euro Area	1.2	1.2	1.1	1.2
Saudi Arabia	**2.6**	**4.6**	**-3.3**	**7.9**
Inflation				
Global Inflation	**5.8**	**4.1**	**4.7**	**4.1**
Inflation in Advanced Economies	2.6	2.5	3.1	2.7
Inflation in Emerging Markets & Developing Economies	8.0	5.2	5.7	5.1

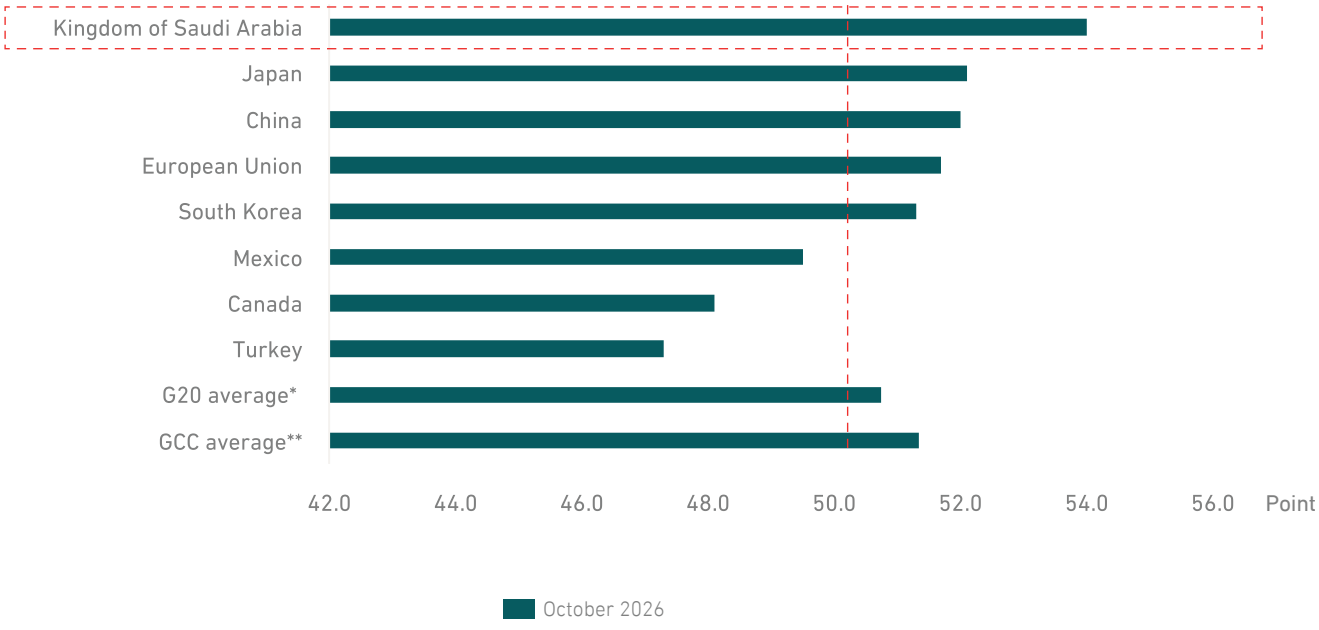
Source: IMF (World Economic Outlook) Report for October 2026.

- Global Purchasing Managers' Index

The Purchasing Managers' Index (PMI)[2] is one of the key economic indicators used to monitor global non-oil private sector activity. In 2026, PMI showed mixed movements, reflecting variations in demand conditions, economic activity, and the challenges facing businesses amid prevailing uncertainty and geopolitical developments affecting the global economy.

In Saudi Arabia, PMI reached 54 points in October 2026, remaining above the neutral threshold of 50. The Kingdom's reading also exceeded the G20 average.

Purchasing Managers' Index for Selected Countries



Source: S&P Global-Riyadh Bank.

* G20 average (excluding Saudi Arabia).

** GCC average including (UAE, Kuwait, and Qatar due to the absence of PMI in Bahrain and Oman).

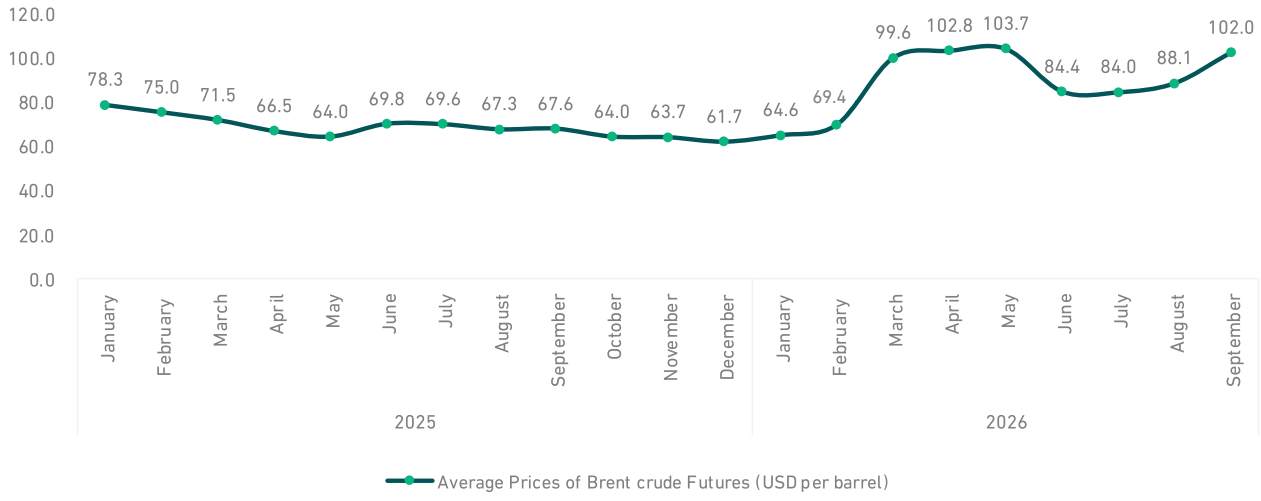
[2] PMI is an economic indicator published by S&P Global and Riyadh Bank (for Saudi Arabia). It is based on survey data and provides insights into the private sector's performance, offering early indications of economic trends ahead of official GDP data. PMI includes several sub-indicators, including (new orders, production, employment, and costs). A reading of 50 points represents the neutral level, with values above 50 signaling private sector expansion, and values below 50 indicating contraction.

- Oil Markets

Global energy markets have been facing supply-side pressures amid ongoing geopolitical developments and disruptions to oil flows from the Gulf region. From the beginning of 2026 through September, the average price of Brent crude futures increased by 27%, reaching approximately USD 88.74 per barrel, compared to USD 69.96 per barrel over the same period the previous year. Brent crude prices also increased in September 2026, reaching approximately USD 102.02 per barrel, as shown in the chart below. The increase in average oil prices in 2026 is attributed to geopolitical developments and disruptions to maritime navigation, including disruptions to oil supply flows through the Strait of Hormuz and the Bab el-Mandeb Strait, as well as attacks on oil tankers and facilities. The decline in global oil inventories has also contributed to the price increase.

Average Prices of Brent crude Futures

(USD per barrel)



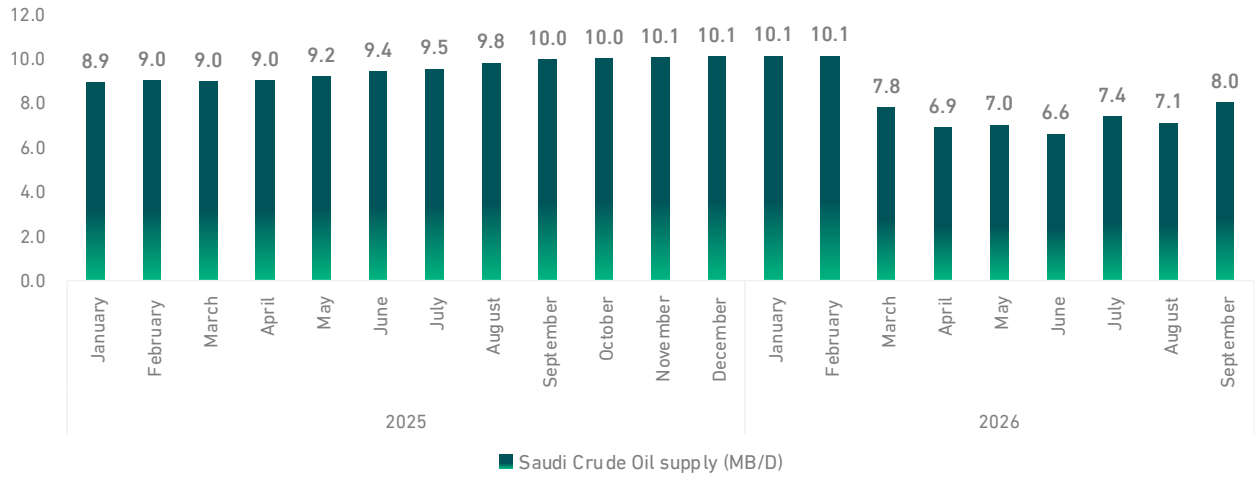
Source: Reuters.

The Kingdom's average crude oil supply reached approximately 7.9 million barrels per day (mb/d) from the beginning of 2026 through September, marking a 15% decline compared to the same period in 2025. This decline was primarily due to the impact of the closure of the Strait of Hormuz. However, the Kingdom's established supply chain infrastructure and its ability to export crude oil through the East-West Pipeline helped mitigate the impact of the closure of the Strait of Hormuz, ensuring the continued flow of oil supplies to global markets.

On the global demand side, the Organization of the Petroleum Exporting Countries (OPEC), in its October 2026 Monthly Oil Market Report, expects global oil demand to grow by about 0.2% in 2026 compared to the previous year, an increase of around 0.2 mb/d. Average global oil demand is expected to reach approximately 105.7 mb/d in 2026, reflecting a notable slowdown in demand growth. This is driven by a decline in demand from Organization for Economic Co-operation and Development (OECD) countries of around 0.1 mb/d, offset by growth of approximately 0.5 mb/d in non-OECD countries. OPEC further projects global oil demand growth to accelerate in 2027, increasing by approximately 2.55 mb/d to reach an average of around 108.3 mb/d.

The Kingdom's Oil Supply

(mb/d)



Source: OPEC.

B. Domestic Economy

- Real Sector

Amid slowing global economic growth, persistent uncertainty, and geopolitical developments and associated challenges in the region, the Saudi economy has demonstrated resilience and flexibility in navigating evolving challenges and containing their impacts in 2026. This has been underpinned by a proactive approach to long-term planning and targeted investments that have enhanced infrastructure and logistics readiness, strengthened the economy's capacity to adapt and absorb shocks, and reinforced the foundations of sustainability.

Real GDP grew by 4.6% in 2025, exceeding the budget estimate of 4.4%. This performance reflects ongoing structural reforms in the Saudi economy, which have strengthened the sustainability of economic growth and supported strong and sustained performance since the recovery from the impacts of the COVID-19 pandemic. **Non-oil activities** recorded positive growth, reaching a historic level of ﷼ 2.7 tn, with an annual growth rate of 5.1%. This made them the main driver of GDP growth, contributing 2.8 percentage points over the same period. This strong performance was driven by continued expansion in promising economic sectors, particularly tourism, entertainment, industry, transport, and logistics. Moreover, progress in artificial intelligence, digital government services, and financial technology (FinTech) supported economic growth and enhanced its sustainability. This was accompanied by growth in private consumption, driven by higher employment and lower unemployment rates, in line with the goals of Saudi Vision 2030 to reduce unemployment, increase women's participation in the labor market, and raise the private sector's contribution to GDP.

Despite the current conditions and geopolitical developments, **real GDP** slightly declined by 1.9% through Q3 2026[3], driven by a 14.6% decrease in **real GDP of oil activities**. However, growth in non-oil activities has a positive impact on GDP

[3] Source: GASTAT. Q3 data are based on flash estimates of GDP for Q3 2026.

growth, with **real non-oil GDP** growing by 1.8% year on year over the same period. This reflects reduced overall reliance on oil and continued economic diversification, with the share of non-oil activities rising to a record-high 57.7% of GDP during the same period. Meanwhile, **real GDP of government activities** slightly declined by 0.1%, despite continued government spending on priority services and programs amid prevailing conditions, the ongoing implementation of Saudi Vision 2030 programs and initiatives, and efforts to enhance the efficiency of developmental and strategic spending.

In terms of aggregate demand, the Saudi economy continued to record positive results, reflecting the strength of its economic fundamentals and the effectiveness of structural reforms. **Real PFCE** grew by 2.7% in H1 2026 compared to the same period last year. This performance reflects the continued contribution of non-oil activities to the Saudi economy, alongside improvements across several commercial and service activities. The latest data from the General Authority for Statistics (GASTAT) shows that **the operating revenue index in wholesale and retail trade statistics**[4] increased by 5.2% in H1 2026 compared to the same period last year, reflecting sustained activity in sectors linked to domestic demand.

From the beginning of 2026 through September 2026, **e-commerce sales**[5] increased by 33.1%, compared to the same period last year, while **point-of-sale (POS) transactions** grew by 5.9% over the same period. Moreover, electronic payment indicators demonstrated rapid progress toward digital transformation. By the end of 2025, **electronic payments** accounted for 85% of total individual payment transactions, surpassing the 70% target set by the Financial Sector Development Program for 2025. This reflects the expanding role of advanced digital infrastructure in improving the efficiency of national payment systems and accelerating the shift towards digital transactions, thereby reducing reliance on cash and promoting financial inclusion.

[4] Operating revenues include sales of purchased goods recorded for resale in the same condition, whether arising from the establishment's main wholesale or retail activities or its secondary wholesale or retail activities. They also include cash revenues generated from motor vehicle maintenance and repair activities and other secondary activities.

[5] Source: SAMA, E-commerce index via Mada cards.

In terms of investment, **real GFCF in the non-government sector** recorded an annual growth rate of 1.2% in H1 2026. This performance reflects strong investor confidence despite prevailing conditions, as well as the depth and maturity of Saudi Arabia's private investment ecosystem, supported by the expansion of private equity and venture capital activity and increased participation by domestic and international investors. According to the 2025 Saudi Arabia Venture Capital Report, published by the Saudi Venture Capital Company (SVC), Saudi Arabia recorded unprecedented levels of venture capital activity in 2025. Venture capital investments more than doubled year on year to approximately ﷼ 6.5 bn, an increase of 145%. The number of deals increased by 45% to 257 in 2025, compared to 54 in 2018. For the third consecutive year, the Kingdom maintained its position as the largest venture capital market in the Middle East and North Africa (MENA) region. Meanwhile, foreign private investment flows into the Kingdom's private markets reached approximately ﷼ 20 bn in 2025, accounting for nearly 60% of total private investment in Saudi Arabia[6]. Cumulative foreign private investment flows have exceeded ﷼ 40 bn since 2019. The number of international investors increased from 28 in 2019 to 148 in 2025, reflecting a broader investor base, more diversified sources of financing, and the growing attractiveness of the Saudi market for private capital.

This positive economic performance coincided with notable strength in the non-oil private sector, which continued to expand at a steady pace, supported by higher output and rising demand. **The Purchasing Managers' Index (PMI)** recorded 54.0 points in October 2026, compared to 55.3 in September 2026. This reading exceeded the neutral threshold (50 points) and marked the second highest level since February 2026, despite geopolitical developments in the region. This reflects an improvement in non-oil private sector business conditions for the sixth consecutive month, and was driven by an acceleration in new orders growth to its fastest pace since February, supported by stronger domestic demand and a

[6] According to the FY 2025 Saudi Arabia Venture Capital Report, published by the SVC.

recovery in market conditions. Businesses also recorded increases in employment and purchasing activity, with input purchasing reaching its highest level in seven months.

Saudi Arabia's construction sector continued expanding in October 2026. The **Saudi Construction Index**[7] reached 52.3 points, remaining above the neutral threshold of 50 and indicating continued growth in sector activity. This positive performance was supported by strong domestic demand associated with major construction projects, alongside continued expansion in residential construction and infrastructure projects, which recorded strong activity during the month. New orders also increased for the sixth consecutive month, reflecting rising demand for construction services. Continued expansionary activities highlight sector's resilience and ability to sustain growth, strengthening its contribution to economic activity and supporting economic diversification in line with the goals of Saudi Vision 2030.

From the beginning of 2026 through October 2026, the **average Consumer Price Index (CPI) (inflation rate)**[8] increased by 1.8%, compared to the same period in 2025. This rate remains relatively low compared to global inflation, which the IMF noted in its October 2026 report is expected to reach approximately 4.7% by the end of 2026. This relatively low inflation rate reflects the Kingdom's proactive policies to support economic stability and ensure the efficiency of markets and supply chains in addressing global crises.

The "Personal Care, Social Protection And Miscellaneous Goods And Services" category recorded the highest increase among the main CPI categories, rising by 5.0% from the beginning of 2026 through October 2026. This was followed by "housing, water, electricity, gas, and other fuels" and "recreation, sport, and culture" categories, which increased by 3.8% and 2.3%, respectively. In contrast, the "furnishings, household equipment, and routine home maintenance" category

[7] S&P Global – Al Rajhi Capital.
[8] Data published by GASTAT, based on the updated CPI methodology, using 2023 as the base year (2023 = 100).

recorded the lowest inflation rate among the main CPI categories, declining by 0.5%.

The **average Wholesale Price Index (WPI)** increased by 5.4% from the beginning of 2026 through October 2026, compared to the same period in 2025. The largest increase was registered in the "other transportable goods, except metal products, machinery and equipment" category, which rose by 9.9% over the same period. In contrast, the "food products, beverages, tobacco, and textiles" category recorded the lowest increase, at 0.2%.

The average **Real Estate Price Index** recorded a slight increase of 0.3% from the beginning of 2026 through Q3 2026, compared to the same period in 2025. This was driven by an increase in agricultural and residential properties prices of 8.9% and 0.4%, respectively.

Preliminary estimates for 2026 indicate that **real GDP** will contract by 2.1%, reflecting the impact of geopolitical developments in the region. In contrast, non-oil activities are expected to maintain a 2.5% growth rate. The Kingdom's well-established supply chain infrastructure and its ability to export crude oil through the East-West Pipeline has helped limit the exposure of oil export flows to the impact of the closure of the Strait of Hormuz. Moreover, economic diversification and the growing contribution of non-oil activities to GDP have enhanced the resilience of the Saudi economy to external shocks.

Furthermore, preliminary estimates indicate that the **inflation rate** is expected to average approximately 1.9% in 2026. Low inflation relative to global peers come on the back of a range of fiscal and monetary policies containing the inflationary pressures.

Summary of Medium-Term Economic Projections

(Percent, unless otherwise stated)

	Actual* 2025	Estimates** 2026	Projections** 2027	2028	2029
Economic Indicators					
Real GDP Growth	4.6%	-2.1%	10.9%	3.9%	5.7%
Nominal GDP (﷼ bn)	4,776	5,026	5,364	5,701	5,876
Real PFCE	3.4%	2.9%	4.2%	4.5%	4.3%
Real GFCF for the non-government sector	-4.1%	0.9%	3.9%	3.2%	3.2%
Inflation[9]	2.0%	1.9%	2.3%	1.9%	1.9%

* Source: GASTAT.
** Preliminary Estimates.

Against the backdrop of ongoing geopolitical developments, the Kingdom's strong capacity to absorb shocks, and the structural reforms and initiatives that have enhanced infrastructure and logistics readiness, preliminary estimates indicate that the Saudi economy is expected to return to growth, with growth rates accelerating. **Real GDP** is projected to grow by 10.9% in 2027, followed by growth of 3.9% and 5.7% in 2028 and 2029, respectively. Accordingly, average GDP growth is anticipated to reach 6.8% over the 2027-2029 period, supported by the recovery of oil activities and continued momentum in non-oil activities. In addition, **real PFCE** is projected to grow on average of 4.3%, while **GFCF in the non-government sector** is anticipated to increase on average of 3.4% over the 2027-2029 period. These projections are underpinned by the Kingdom's measures to support sectors of strategic and logistical importance. This includes transport and logistics services, industry, agriculture, food security, petrochemicals, and tourism, as well as initiatives to empower the private sector. These measures have

[9] Data published by GASTAT, based on the updated CPI methodology, using 2023 as the base year (2023 = 100).

improved the business environment and enhanced investment attractiveness. In 2025, the Kingdom ranked 13th globally in terms of Foreign Direct Investment (FDI) inflows[10]. Moreover, the continued expansion of non-oil activities and their pivotal role in driving economic growth further reinforce the Kingdom's position as a preferred destination for business and a leading regional hub for logistics and investment. The Kingdom also continues to attract foreign investment through the establishment and development of special economic zones and cities, which offer competitive incentives to support priority sectors.

PIF continues to support economic growth by attracting investment and capital to the Kingdom. In this regard, Brookfield announced the first close of its new "Brookfield Middle East Partners" (BMEP) private equity fund, with an initial anchor investment from PIF. The Fund successfully raised approximately ﷼ 7.5 bn from strategic investors. In addition, PIF investments included advanced technologies, through **HUMAIN**, which aims to build an integrated artificial intelligence ecosystem. Its investments also extended to the Kingdom's new national airline, **Riyadh Air**, which has commenced operations from the Saudi capital, (Riyadh), serving an expanding number of domestic and international destinations. Riyadh Air is expanding its fleet, with the aim of reaching 182 aircraft and connecting passengers to more than 100 destinations worldwide by 2030. Moreover, **Qiddiya Investment Company (QIC)** launched the National Tennis Center, featuring 30 courts to support the hosting of sporting competitions and the development of national talent. It also opened (Aquarabia), the Kingdom's first water theme park of its kind and the largest in the region. These efforts underscore PIF's pivotal role in driving economic development, enhancing productivity, and advancing the goals of Saudi Vision 2030.

The Kingdom continues its strategic efforts to diversify its economic base and stimulate promising sectors in support of the goals of Saudi Vision 2030, with **tourism** at the forefront. The sector has made notable progress, driven by

[10] World Investment Report 2026, published by the United Nations Conference on Trade and Development (UNCTAD).

the National Tourism Strategy. In 2023, the Kingdom surpassed the Saudi Vision 2030 target of attracting 100 million tourists, prompting it to raise the target to 150 million tourists by 2030. The strategy also aims to create 1.6 million new jobs in the tourism sector and increase its contribution to GDP to 10% by 2030. Meanwhile, the entertainment sector continues to play a crucial role in enhancing quality of life, through the continued hosting of Saudi Seasons events, which is considered a regional entertainment and cultural platform.The sector has also contributed to attracting international tourists and enriching the Kingdom's cultural and entertainment landscape. These developments, in turn, have had a positive impact on domestic economic activity.

The **sports sector** is witnessing significant infrastructure development and organizational progress, positioning the Kingdom as a global hub for hosting major sporting events, in line with the goals of Saudi Vision 2030. This ambition is reflected in preparations to host major international events, including: the 2027 AFC Asian Cup and the 2034 FIFA World Cup. Preparations include plans for 15 stadiums across five host cities; four existing stadiums undergoing renovation, three stadiums currently under construction, and eight new stadiums planned for development.

The **inflation rate** is expected to record about 2.3% in 2027, while the Kingdom continues to maintain inflation stability. The inflation rate is projected to decline in subsequent years, averaging 2.0% over the 2027–2029 period. This reflects the effectiveness of economic and fiscal policies.

The **labor market**[11] continued its strong performance despite geopolitical developments in the region, maintaining stable unemployment levels. The **overall unemployment rate** declined to 3.0% in Q2 2026, compared to 3.2% in Q2 2025. Meanwhile, the **unemployment rate among Saudis** stood at approximately 6.5% in Q2 2026, compared to 6.8% in the same quarter of 2025. This performance

[11] Source: GASTAT.

reflects the continued resilience of the labor market and its ability to adapt to changing economic conditions.

Meanwhile, **Saudi women's participation** in the labor market reached 33.7% in Q2 2026. Saudi women also accounted for approximately 42.0% of total Saudi employees in the private sector during the same period. This reflects the significant economic and social transformation taking place in the Kingdom.

At the same time, the **number of Saudi employees in the private sector** increased by approximately 190.1 thousand in Q2 2026, representing year-on-year growth of around 7.7%. This brought the total number to approximately 2.7 million employees. This growth reflects the labor market's capacity to generate employment opportunities for Saudi nationals and increase the contribution of the national workforce to economic development.

- External Sector

The Kingdom continues to make steady progress towards achieving the goals of Saudi Vision 2030, which seek to diversify the economic structure and **enhance the efficiency of foreign trade** as a key pillar of sustainable growth. The Kingdom's trade performance from the beginning of 2026 through August 2026 highlights the economy's ability to adapt to structural changes in global markets. According to the International Trade Report published by GASTAT, the Kingdom's merchandise exports demonstrated resilience and balance. During the same period, the **Kingdom's oil supply** declined by approximately 15.4%, reaching around 7.8 mb/d amid geopolitical developments. Nevertheless, **the Kingdom maintained the flow of its oil exports to international markets through the East-West Pipeline and Red Sea ports.** Meanwhile, Brent crude prices increased by 27.2% over the same period, reaching USD 90.7 per barrel amid price volatility. As a result, the **merchandise trade balance** recorded a **surplus** of ﷼ 183.6 bn from the beginning of 2026 through August, representing year-on-year growth of 31.2%. This improvement was driven by a 1.8% increase in the

total value of **merchandise exports**, which reached ﷼ 776.4 bn over the same period. The value of **oil exports** also increased by 4.7% year on year, reaching ﷼ 556.3 bn.

In contrast, from the beginning of 2026 through August, total value of **merchandise imports** declined by 4.8% year on year, reaching ﷼ 592.8 bn. This decline was partly attributed to successive disruptions to global supply chains, which drove up shipping and marine insurance costs. Nevertheless, recent developments have demonstrated the Kingdom's ability to contain the impact of the disruption. The Kingdom further enhanced its use of **Red Sea ports**. From the beginning of 2026 through September, approximately 35.1% of total non-oil exports and 44.5% of merchandise imports were routed through these ports, compared to 17.4% and 28.5%, respectively, during the same period in 2025.

The Kingdom's trade structure has demonstrated a high degree of resilience in absorbing these external shocks. **Spending indicators point to continued momentum in both consumer and investment spending, despite the decline in imports**. This suggests that the decline in imports was offset by increased reliance on domestic content and national goods.

The **current account** recorded a deficit of ﷼ 20.1 bn in H1 2026, compared to a deficit of ﷼ 61.0 bn in the same period of 2025. This was driven by strong growth in workers' remittances, which increased by approximately 29.7% to ﷼ 133.1 bn, compared to ﷼ 102.7 bn in H1 2025. Meanwhile, the **financial account -excluding reserve assets-**, recorded net cash inflows of approximately ﷼ 198.1 bn, compared to ﷼ 281.3 bn in H1 2025, representing a decline of 29.6%. The **change in reserve assets** increased by approximately 67.7%, reaching ﷼ 128.7 bn. Consequently, **total foreign reserve assets** stood at ﷼ 1.85 tn in H1 2026. Overall, the balance of payments indicators for H1 2026 confirm that the Saudi economy remains on a sound trajectory, consistent with the long-term direction of Saudi Vision 2030.

Non-Oil GDP Gap

Definition of Non-Oil GDP Gap

The non-oil GDP gap is an important indicator for assessing the cyclical position of the economy, as it helps determine whether actual non-oil GDP is above or below its sustainable productive capacity. Potential non-oil GDP refers to the level of non-oil GDP that the economy can sustainably achieve using its available economic resources without generating rising inflationary pressures. A positive non-oil GDP gap indicates that actual non-oil GDP exceeds its potential level, suggesting that aggregate demand is higher than the economy's sustainable productive capacity. This may lead to increasing inflationary pressures. Conversely, a negative non-oil GDP gap indicates that actual non-oil GDP is below its potential level, reflecting the presence of underutilized productive capacity.

Methods for Estimating Potential Non-Oil GDP

Since potential non-oil GDP cannot be directly observed, it is estimated using a range of statistical and economic methods such as statistical filters, which decompose GDP into two components: a long-term component representing the trend or potential non-oil GDP, and a cyclical component capturing temporary fluctuations around that trend. Another key approach is the production function method, which estimates the economy's productive capacity based on capital, labor, and productivity. Estimates of potential non-oil GDP vary depending on the methodology, data, and estimation period used. Consequently, estimates of the Non-Oil GDP Gap are subject to a degree of uncertainty. Nevertheless, estimating potential non-oil GDP provides valuable insights into the economy's underlying productive capacity.

Fiscal Policy and the Non-Oil GDP Gap

The Non-Oil GDP Gap is particularly important in fiscal policy analysis, as it helps determine the economy's position in the business cycle and assess whether the fiscal policy stance is appropriate given prevailing economic conditions. Fiscal policy is not assessed solely in terms of whether it is expansionary or contractionary. It is also important to consider whether such policy measures are implemented during periods of economic expansion, particularly when driven by higher energy prices, or during periods of economic slowdown. Fiscal policy is described as

countercyclical when it helps mitigate economic fluctuations. During periods of economic slowdown, when the output gap narrows or economic activity falls below its potential level, fiscal policy takes an expansionary stance. Conversely, when economic activity strengthens and the non-oil GDP gap widens, fiscal policy adopts a contractionary stance. By contrast, procyclical fiscal policy moves in the same direction as the business cycle. In such cases, fiscal policy may amplify economic fluctuations rather than mitigate them. Accordingly, estimating the Non-Oil GDP Gap serves not only to measure the extent to which economic activity deviates from its potential level, but also provides an analytical tool for assessing cyclical pressures in the economy, understanding inflation developments, and evaluating whether fiscal policy is countercyclical or procyclical.

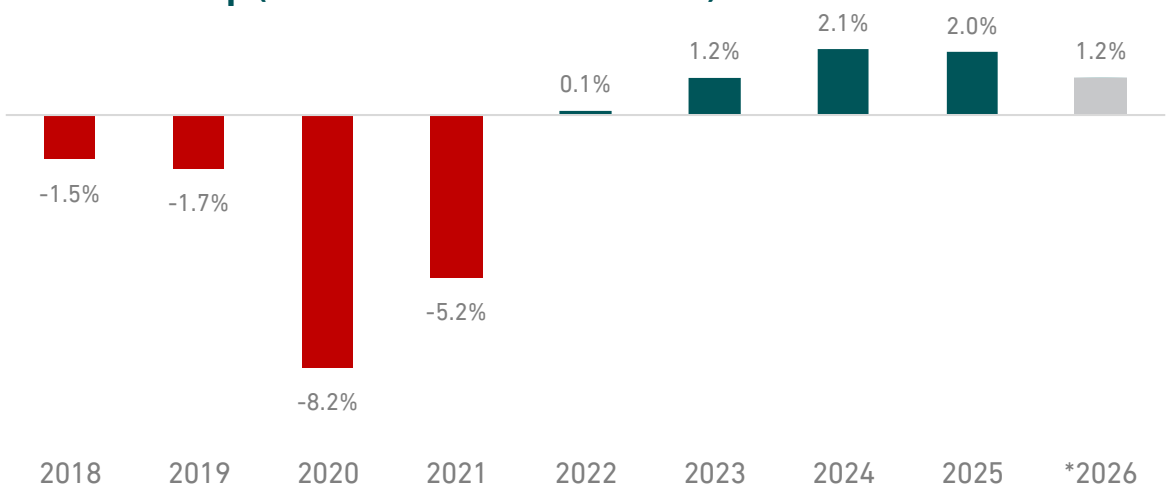
Importance of Calculating the Non-Oil GDP Gap

When estimating the GDP gap in Saudi Arabia, MOF focuses on the Non-Oil GDP Gap. This approach reflects the distinct nature of the oil sector, as oil production is influenced by the Kingdom's commitments under OPEC agreements and conditions in global oil markets, rather than changes in domestic demand or the productive capacity of the domestic economy. Accordingly, the Non-Oil GDP Gap provides a more accurate measure of domestic economic conditions.

Developments in the real Non-Oil GDP Gap in Saudi Arabia and the Role of Fiscal Policy

The "Non-Oil GDP Gap (% of Potential Non Oil GDP)" graph shows the evolution of the gap. The negative gap widened significantly during the COVID-19 pandemic, reflecting restrictions on economic activity and declines in both demand and production. As the economy reopened and economic activity resumed, the negative gap gradually narrowed before turning positive in 2022. It then widened, peaking at 2.11% in 2024, before stabilizing at 2.0% in 2025. Notably, inflation remained at moderate levels, supported by the alignment of fiscal and monetary policies. Despite recent geopolitical developments and the associated increase in uncertainty, preliminary estimates indicate that economic activity remains resilient, with non-oil GDP expected to record a positive gap in 2026. This reflects the resilience of the Saudi economy and its ability to adapt to shocks, while fiscal policy takes into account the economy's cyclical position, thereby contributing to economic stability.

Non-Oil GDP Gap (% of Potential Non-Oil GDP)



Source: GASTAT.
Non-oil GDP = Non-oil activities + Government activities.
* Preliminary estimates.

- Financial Sector

The Saudi banking sector continued to support economic activity while maintaining sound financial indicators, reflecting its continued capacity to keep pace with economic expansion and meet financing needs. The **non-performing loan (NPL)** ratio remained stable at **1.0%,** while the **capital adequacy ratio (CAR)** reached approximately **20.9%** in H1 2026. Meanwhile, **total banking assets reached approximately ﷼ 5.26 tn in Q3 2026**, alongside **growth of 1.9% in non-oil activities** in the same period.

Interest rate conditions play an important role in shaping the cost of financing and saving across the banking sector. As part of its efforts to maintain monetary stability and respond to market developments, SAMA raised **the repo rate to 4.5% and the reverse repo rate to 4.0%** in September 2026, in line with the decisions of the US Federal Reserve.

The continued rise in interest rates, which serve as a key benchmark for loan pricing, has contributed to higher borrowing costs and increased banks' average

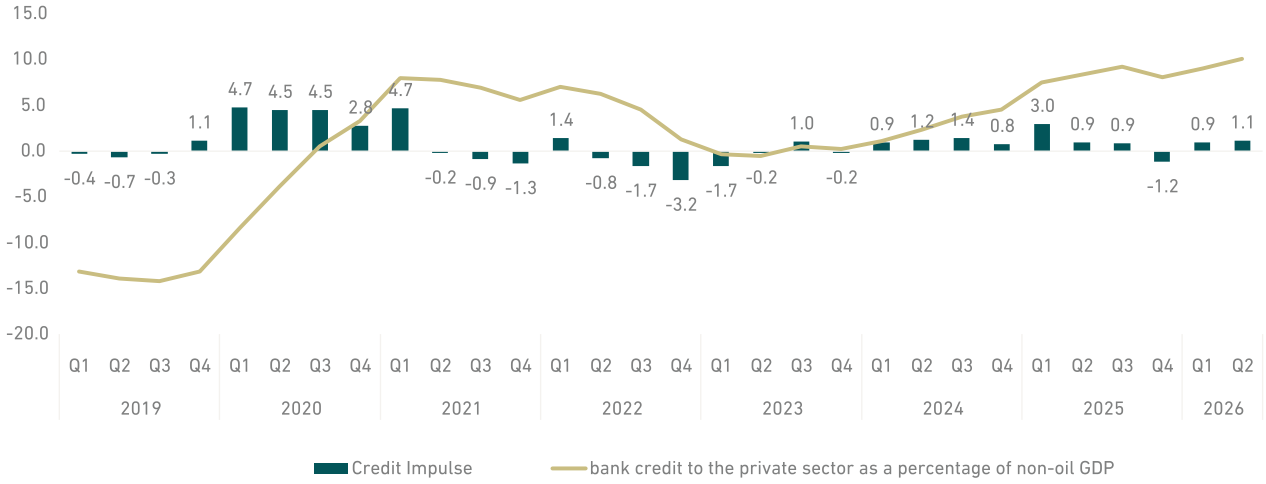
cost of funds. This, in turn, has influenced the financial behavior of the private sector and individuals, prompting them to reassess their financial priorities and shift liquidity towards time and savings deposits. These deposits increased by 24% to ৳ 1.417 tn, accounting for approximately 42.6% of **broad money supply (M3)** through the end of Q3 2026. This was accompanied by a more selective and efficient approach to new borrowing.

Credit continued to support economic activity, despite a moderation in its growth compared to previous years. **Total credit** grew by 7.3% in Q3 2026, compared to an average growth rate of 12.4% over the previous three years, reaching approximately ৳ 3.5 tn. The **private sector** accounted for the largest share of total credit, with credits reaching approximately ৳ 3.22 tn. This represented growth of 6.2% through September 2026, compared to an average growth rate of 11.4% over the previous three years.

Across economic activities, credit continued to expand across the main sectors at varying rates. **Real estate activities** accounted for the largest share, representing 12.4 % of total credit, and recorded year-on-year growth of 15.2% in Q3 2026. Credit to the **utilities, and wholesale and retail trade** sectors recorded growth rates of 25.6% and 3.7%, respectively. At the individual level, the personal loan portfolio reached approximately ৳ 1.47 tn.

The moderation in private sector credit growth is broadly consistent with developments in non-oil activity, with no indications that the slowdown reflects a weakening in credit conditions within the banking sector. The ratio of private sector credit to non-oil activity remained relatively stable in H1 2026, suggesting that the volume of private sector credit remained broadly aligned with the scale of non-oil activity. Meanwhile, the **credit impulse** remained positive during the period, indicating that new credit continued to provide additional support to non-oil activity, despite the moderation in the pace of credit expansion.

Developments in Private Credit and Credit Impulse



Source: MOF, GASTAT and SAMA.

Future Outlook and Projections

Overall, these developments point to a gradual normalization of the credit cycle towards more moderate levels following the strong expansion of recent years, rather than a contraction in financing. Nevertheless, continued monitoring remains important amid uncertainty surrounding the economic outlook and the trajectory of interest rates.

Looking ahead, the interest rate outlook remains uncertain. Market expectations, based on financial market estimates, range from interest rates remaining elevated to contain inflationary pressures to a gradual easing over the medium term. Under either scenario, bank credit is expected to follow a more selective trajectory, with financing increasingly directed towards economically viable strategic and capital projects capable of absorbing the cost of financing. These interconnected dynamics underscore the Saudi banking sector's ability to adapt to interest rate movements and reallocate credit efficiently. The financial sector remains well positioned to meet the requirements of economic transformation, support the growth of non-oil activities, advance the FY 2027 Budget targets, and contribute to overall financial stability.

- Financial Market Developments

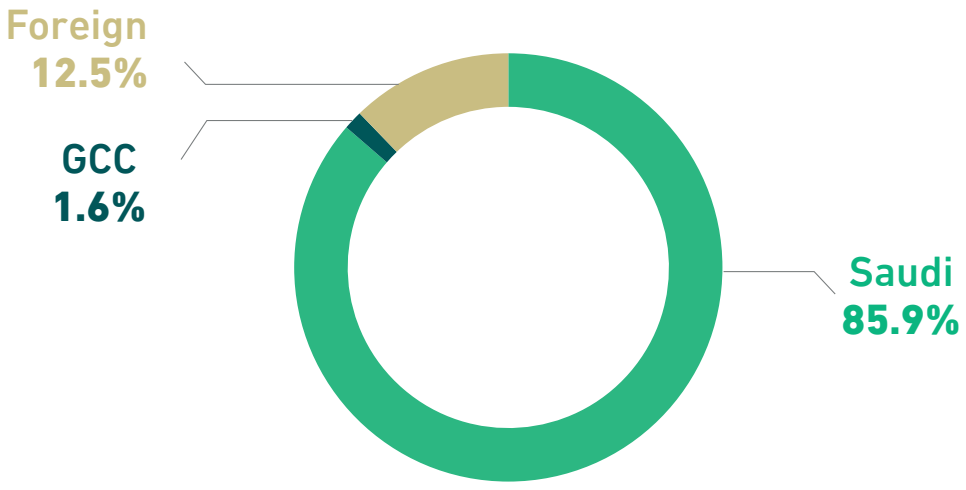
Main Market (Tadawul)

The Main Market Index (TASI) closed at 10,441 points through the end of September 2026, a decline of 9.2% compared to the same period in the previous year. The index recorded its highest close of 11,589 points in mid-April 2026.

By the end of the first nine months of 2026, 6 large enterprises had been listed on the Main Market. Meanwhile, the total value of shares traded declined by 2.08% compared to the same period in the previous year, reaching ﷼ 9,124 bn.

It is worth noting that the investor base has undergone a structural shift, contributing to greater market stability. Institutional investors' trading activity has surpassed that of individual investors, accounting for more than 56% of total value traded.

Ownership by Nationality (Free-Float Shares)



Source: Tadawul.

The **value of foreign investors' ownership** reached ﷼ 432.3 bn in September 2026, compared to ﷼ 444.4 bn in the same period last year, representing a decline of 2.7%. Meanwhile, **foreign investors' share of total free-float shares** increased to 12.5% by the end of September 2026, compared to 12.2% in September 2025. In addition, the value of **GCC investors' ownership** declined by approximately ﷼ 1.1 bn. This decline reflects reduced international investor appetite for the Saudi capital market amid geopolitical developments that have heightened uncertainty and strengthened the shift towards safe-haven assets. This, in turn, may constrain investor base diversification and put pressure on market liquidity.

It is also worth mentioning that the Capital Market Authority (CMA) introduced a regulatory framework, effective 1 February 2026, allowing non-resident foreign investors to invest directly in the Saudi capital market. The framework also removed restrictions associated with the qualified foreign investor concept and swap agreements. These reforms are intended to broaden the investor base and enhance market liquidity. However, geopolitical developments have constrained their effectiveness in attracting foreign investors.

- Parallel Market Developments (Nomu)

The Index of **Parallel Market (Nomu)** closed with a decline of 16.35% by the end of the first nine months of 2026 compared to the same period in the previous year, closing at 21,307 points. Nomu recorded its highest closing level at 24,093 points in mid-February 2026. The **total number of shares traded** declined by 42.5%, reaching 481 million shares compared to 837.7 million shares in the same period the previous year. Meanwhile, the **total value of shares traded** from the beginning of 2026 through September 2026 reached ﷼ 3.91 bn, a 41.9% decline compared to the same period the previous year. The **number of listed companies** reached 124 through the end of September 2026. This highlights the market's role in empowering small and medium-sized enterprises (SMEs) and providing

them with a financing channel, thereby supporting the goals of Saudi Vision 2030 to increase SMEs' contribution to GDP to 35%.

- Debt Market Performance

Debt markets are a fundamental pillar of the financial and economic systems. They provide governments and private enterprises with efficient financing channels to fund projects and develop infrastructure through the issuance of debt instruments, including sukuk and bonds. At the same time, they offer investors an investment avenue with relatively stable returns. Thus, debt markets support economic activity, diversify financing sources, and promote investment. **The Sukuk and Bonds Market Index** recorded a slight decline of 12 points through the end of September 2026 compared to the same period last year, closing at 904.7 points. The value traded reached ﷼ 1.1 bn through September 2026, representing an increase of 119.6% compared to the same period last year. The total number of transactions executed during the same period reached 7,016, while the total number of listed sukuk and bonds stood at 62 through September 2026.

Moreover, the **Saudi Exchange (Tadawul)** issued draft amendments to its market rules to further develop the sukuk and debt instruments market by introducing a regulatory framework for listing asset-backed debt instruments. The proposed amendments pave the way for new financing instruments, deepen the market, and enhance disclosure and transparency. This is implemented through introducing new definitions and disclosure requirements and clarifying the responsibilities of parties involved in debt issuance, thereby strengthening regulatory clarity and investor protection. These amendments are expected to enhance the depth and efficiency of the debt instruments market and improve the efficiency of financing for productive assets. They also support the objectives of capital market development and the goals of Saudi Vision 2030. In addition, they are expected to diversify available investment instruments and open up additional

financing channels for companies with stable asset bases or cash flows.

This performance highlights the **financial sector's** continued role in supporting the national economy by providing the private sector with a range of financing options through bank credit and capital market instruments; including equity and debt instruments. A strong and stable financial sector remains essential to achieving sustainable economic growth.

02

Fiscal Performance and Projections

Second Section

Fiscal Performance and Projections

A. Fiscal Performance in FY 2026

The government remains committed to managing public expenditure within a fiscal framework that ensures fiscal sustainability and balances development needs and priorities with the preservation of sound public finances over the medium and long term. This approach also emphasizes strengthening expenditure impact assessment and aligning resource allocation with integrated national strategies, while maximizing the utilization of existing government assets and investments. Despite continued uncertainty and ongoing economic and geopolitical developments, the Kingdom has continued to direct resources towards national priorities, as well as projects and programs with the greatest economic and social impact.

Updated estimates for FY 2026 indicate a **budget deficit** of approximately ﷼ 245 bn (4.9% of GDP), taking into account the ongoing geopolitical developments and continued spending on programs and initiatives aimed at diversifying the economic base, stimulating investment, and accelerating the pace of economic transformation in line with Saudi Vision 2030 goals.

Fiscal Performance

(﷼ bn, unless otherwise stated)

	Actual 2025	Budget 2026	Estimates 2026	Annual Change* (Actual 2025 - Estimate 2026)
Revenues				
Total Revenues	**1,112**	**1,147**	**1,191**	**7.1%**
Taxes	**389**	**412**	**397**	**2.0%**
Taxes on income, profits, and capital gains	34	33	33	-3.8%
Taxes on goods and services	294	314	302	2.5%
Taxes on international trade and transaction	24	28	23	-4.2%
Other Taxes	36	39	39	7.5%
Other Revenues	**723**	**735**	**794**	**9.8%**
Expenditures				
Total Expenditures	**1,388**	**1,313**	**1,436**	**3.4%**
Expenses (OPEX)	**1,220**	**1,151**	**1,254**	**2.8%**
Compensation of employees	575	584	575	0.1%
Goods and services	316	247	323	2.1%
Financing expenses	54	64	71	30.3%
Subsidies	36	30	48	34.0%
Grants	5	5	5	-10.5%
Social benefits	99	99	110	11.2%
Other expenditures	134	121	122	-9.4%
Non-Financial Assets (CAPEX)	**169**	**162**	**182**	**8.0%**
Budget Deficit				
Budget Deficit	**-277**	**-165**	**-245**	**-**
Percent of GDP	-5.8%	-3.3%	-4.9%	
Debt and Assets				
Debt	**1,519**	**1,622**	**1,733***	**-**
Percent of GDP	31.8%	32.7%	34.5%	
Government Reserves at SAMA	**399**	**390**	**399**	**-**

Source: MoF.

Figures are rounded to the nearest decimal point.

* The actual debt balance at year-end may differ from the estimates, depending on the volume of financing transactions executed up to the end of December FY 2026. The National Debt Management Center will publish the actual year-end balance as part of the annual borrowing plan for FY 2027.

• Revenues

The Kingdom aims to diversify its revenue sources by expanding non-oil economic activities. It also continues to implement fiscal and economic initiatives and reforms that support the growth of these activities, thereby strengthening fiscal sustainability over the medium- and long term. The sustained growth of non-oil revenues reflects the impact of these reforms, which have helped reshape the structure of public revenues and gradually increase the contribution of non-oil revenues. As a result, non-oil revenues have consequently become a sustainable source of funding for public budget expenditures.

Total revenues are expected to reach approximately ﷼ 1,191 bn in FY 2026, an increase of 7.1% compared to the previous year, and 3.7% above the budget estimate. This expected increase is due to several factors, most notably the continued expansion of non-oil activities, supported by the ongoing economic and fiscal initiatives and reforms. Growth in consumption and domestic demand, as well as improved performance across several economic sectors, are also expected to contribute to higher revenues. In addition, ongoing efforts to enhance revenue collection efficiency, strengthen compliance, and improve revenue management mechanisms are expected to further support revenue growth. Collectively, these efforts reflect the Kingdom's continued commitment to diversify revenue sources and enhance their sustainability. Revenue projections also consider potential economic and fiscal developments during the remainder of the year that could affect revenue levels.

Taxes

Tax revenues for FY 2026 are anticipated to be around ৳ 397 bn, an increase of 2.0% compared to the previous year. This growth is attributed to the ongoing improvements in non-oil activities, as well as government efforts and initiatives to improve tax administration and enhance collection efficiency.

In FY 2026, **taxes on income, profits, and capital gains** are expected to reach approximately ৳ 33 bn, a decline of 3.8% compared to the previous year. This decrease is primarily attributed to softening in withholding tax collected from non-residents, reflecting a slowdown in certain sectors, most notably the arts and entertainment sector.

Taxes on goods and services are expected to reach around ৳ 302 bn in FY 2026, an increase of 2.5% compared to the previous year. This is mainly due to higher value-added tax revenues, the expansion of economic activities and improvements in private consumption indicators.

In FY 2026, **taxes on international trade and transactions** (customs duties) are expected to reach about ৳ 23 bn, marking a decrease of 4.2% compared to the previous year. This is driven by the impact of geopolitical developments, which have disrupted international trade flows and supply chains, and affected the flow of imports.

Other **tax revenues (including Zakat)** are expected to reach around ৳ 39 bn in FY 2026, an increase of 7.5% compared to the previous year. This is attributed to the improved performance in some economic sectors such as the insurance and financial activities sector.

Other Revenues

Other revenues, including oil revenues, profits from government deposits and investments, sales of goods and services, as well as penalties and fines, are expected to reach approximately ﷼ 794 bn in FY 2026. This reflects an increase of 9.8% compared to the previous year. It is worth noting that the average oil price reached approximately USD 88.7 per barrel through September FY 2026, compared to an average of USD 69.9 per barrel over the same period in the previous year. Meanwhile, average oil production stood at 7.9 mb/d through September FY 2026, compared to 9.3 mb/d over the same period in the previous year.

- ### Expenditures

Total expenditures for FY 2026 are expected to reach about ﷼ 1,436 bn, increasing by 3.4% compared to the previous year. This is due to the government's adoption of balanced fiscal policies that support economic growth and stability while maintaining the resilience and sustainability of the Kingdom's public finances. Despite the ongoing geopolitical developments and uncertainty in the region, the Kingdom directs spending towards national priorities and objectives, particularly giga projects and national strategies that support the goals of Saudi Vision 2030. This approach takes into account actual needs and is subject to periodic review to ensure efficient resource allocation and maximize their economic and social impact. It also includes further enhancement of the efficiency of the social support and subsidy system programs, which remains a central priority within its fiscal and economic policies. Moreover, the government seeks to empower the private sector to increase its contribution to the economy. This comes within the government's ongoing efforts to preserve the achievements and strengthen the financial foundations that support sustainable development and macroeconomic stability over the medium- and long term.

As for the expected performance of expenditures in FY 2026 compared to FY 2025, **operating expenses (OPEX)** are expected to increase by approximately 2.8% by the end of FY 2026 reaching ৳ 1,254 bn. Amid ongoing geopolitical developments, expenditure on **subsidies**[12] is expected to increase by 34.0%. This is due to spending on the strategic food security stockpile, and support provided to public service companies to ensure the continued provision of essential services and support economic growth. In addition, **financing expenditure** is expected to increase by 30.3% due to the increase in the size of the debt portfolio.

Expenditure on social benefits is also expected to increase by 11.2% compared to the actual performance of the previous year. This increase reflects the amendment to one of the sub-policies of the social security program in Q2 FY 2026, exempting elderly individuals with no income, persons with disabilities and orphans without a caregiver. It also reflects higher support allocated to domestic medical treatment expenses. Meanwhile, **expenditure on goods and services** is expected to increase by 2.1%. This is mainly driven by the transition of several health clusters to the Health Holding Company.

Moreover, **compensation of employees** is expected to increase slightly by 0.1% due to the impact of the annual increment. However, the transition of several health clusters to the Health Holding Company entails the reclassification of associated employee costs from employee compensation to goods and services, contributing to the overall stability of employee compensation.

Capital expenditures (CAPEX) are expected to increase by 8.0% by the end of FY 2026 compared to the actual expenditure of the previous year, reaching about ৳ 182 bn. This stems from the government's implementation of priority projects and initiatives and the completion of existing projects. These efforts contribute to infrastructure development and economic growth, while enhancing the efficiency of CAPEX and directing resources towards projects with the highest economic

[12] These are free transfers provided by the government to public companies and private projects such as wheat subsidy.

impact, in line with Saudi Vision 2030 goals. This includes several projects, most notably: the Red Sea project, Qiddiya, water and sewage projects, strategic water storage projects, and Riyadh's Main and Ring Road Axes Development Program. In addition, it includes the acceleration of expenditure under certain long-term military sector plans.

Sectoral Performance

In light of geopolitical developments in the region and the continued uncertainty, it has been important to reprioritize and direct resources towards sectors with higher economic and social returns. This includes focusing on strategic food security reserves, enhancing cybersecurity, and supporting the defense system and the health system. Sectoral expenditure is expected to increase by 3.4% in FY 2026 compared to the previous year. Expenditure on **general items** is expected to increase by about 8.9% compared to the previous year, which is a result of directing spending towards new sectors that support economic growth. Spending continued on the second phase of Qiddiya project, which progressed through its development stages following the inauguration of its first phase in December FY 2025. In addition, spending continued on the Custodian of the Two Holy Mosques project for the grand expansion of the Prophet's Mosque, alongside capital expenditure on the construction of a factory for the National Automotive Industrial Company – CEER. The Kingdom is also committed to supporting international cooperation and responding to humanitarian and development needs.

Expenditure on the **economic resources sector** is expected to increase by about 11.8% compared to the same period the previous year, as a result of spending on industrial infrastructure projects. These projects include Wa'ad Al-Shamal Phosphate (3) project, the development of infrastructure such as the development of the fourth industrial city in Riyadh, and the completion of infrastructure works and the drainage of rainwater in the first, second and third

industrial cities in Jeddah. This comes in light of the Government's continued implementation of priority projects and initiatives, as well as the completion of ongoing projects including sewage projects. It also reflects the fuel subsidies allocated to machinery, equipment and stations. These efforts demonstrate the government's continued commitment to investing in economic infrastructure and enhancing the efficiency of basic services.

Expenditure on **the health and social development sector** is expected to increase by 8.9%. This is due to spending on the transitional arrangements for the first and second groups of health clusters, as well as continued development of healthcare services and enhancement of the efficiency of the social system. Spending is also expected to continue on new sectors that support economic growth, such as expenditure on hosting the AFC Asian Cup and the development of sports stadiums. Moreover, expenditure on **the military sector** is expected to increase by 2.1%. This is a result of the government continued efforts to accelerate spending on certain long-term military sector plans, further develop military industries, and increase expenditure on defense procurement in light of geopolitical developments. In addition, expenditure on **security and regional administrations, and public administration sectors** is expected to increase by 2.2% and 1.7%, respectively.

On the other hand, expenditure on **the municipal services sector** is expected to decrease by about 10.0% compared to the same period in the previous year. This is mainly attributed to the impact of non-recurring expenditures recorded during the previous year. Expenditure on **education sectors,** and **infrastructure and transportation** is expected to decline by approximately 3.6%, and 3.3%, respectively.

Sectoral Expenditures

(₩ bn, unless otherwise stated)

Sector	Actual 2024	Actual 2025	Budget 2026	Estimates 2026	Annual Change* (Actual 2025-Estimates 2026)
Public Administration	54	58	57	59	1.7%
Military	237	249	240	254	2.1%
Security and Regional Administrations	127	127	120	130	2.2%
Municipal Services	116	92	72	83	-10.0%
Education	204	212	202	205	-3.6%
Health and Social Development	273	279	259	304	8.9%
Economic Resources	93	92	92	103	11.8%
Infrastructure and Transportation	44	42	35	41	-3.3%
General Items	228	236	236	256	8.9%
Total	**1,375**	**1,388**	**1,313**	**1,436**	**3.4%**

Source: MOF.

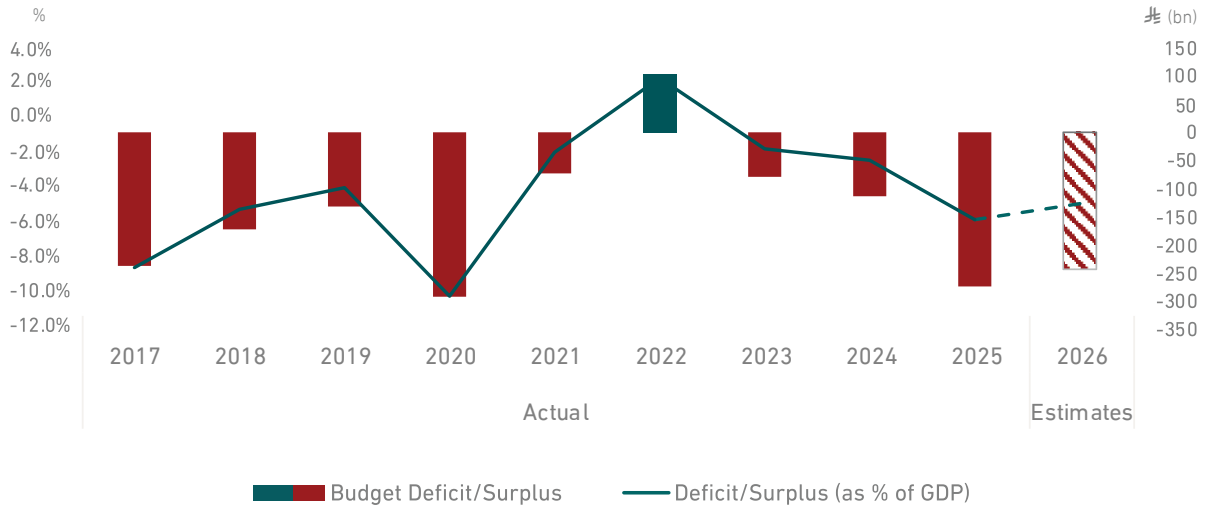
* Annual change rates are based on the total aggregate values.

Figures are rounded to the nearest decimal point.

• Budget Deficit/ Surplus and Debt

The high flexibility of the Kingdom's public finances allows it to respond to domestic and global economic and fiscal developments, including geopolitical developments, as well as maintaining fiscal sustainability and supporting the goals of Saudi Vision 2030. This is achieved by continuing to finance development programs and projects and promoting economic diversification efforts. The updated estimates for FY 2026 budget indicate a budget deficit of about ﷼ 245 bn (4.9% of GDP). This deficit reflects ongoing geopolitical developments and the continued directed spending on programs and initiatives aimed at diversifying the economic base, stimulating investment, and accelerating the pace of economic transformation in line with Saudi Vision 2030 goals.

Deficit/Surplus (as % of GDP)



Source: MOF.
The actual nominal GDP is according to data published by GASTAT, and total GDP of FY 2026 is based on the updated estimates.

By the end of Q3 FY 2026, total **government funding activities** amounted to about ﷼ 298 bn, including early domestic repurchase and government alternative funding. In addition, the repayment of debt principal amounted to about ﷼ 44 bn, with around ﷼ 43 bn allocated to domestic debt principal repayment. Until the end of Q3 FY 2026, the **public debt balance** reached approximately ﷼ 1,774 bn,

with domestic debt representing 64% of the public debt portfolio while external debt is accounting for 36%.

Borrowing Activities until the end of Q3 FY 2026

(﷼ bn)



Source: National Debt Management Center.

* Includes an early repurchase of a portion of outstanding debt instruments maturing in FY 2027, 2028 and 2030, with a total value exceeding ﷼ 17 bn. New sukuk were issued in return.

By the end of FY 2026, the **public debt** portfolio is expected to grow in a controlled manner to maintain debt sustainability. It is anticipated to reach about ﷼ 1,733 bn[13] (34.5 % of GDP) compared to ﷼ 1,519 bn (31.8% of GDP) in FY 2025, aiming to meet the financing needs for FY 2026. These funding needs are expected to reach approximately ﷼ 297 bn, including the budget deficit of about ﷼ 245 bn and the repayment of the outstanding debt principal during the year by about ﷼ 52 bn.

The government has proactively executed additional financing transactions through private funding channels. The government will continue the proactive borrowing transactions to meet the financing needs for FY 2027. This borrowing will focus on domestic and private market channels to support spending priorities, meet financing needs, and capitalize on market opportunities.

Furthermore, the government's fiscal policy aims to preserve the Kingdom's fiscal position and promote fiscal sustainability through maintaining sustainable

[13] The actual debt balance at year-end may differ from the estimates, depending on the volume of financing transactions executed up to the end of December FY 2026. The National Debt Management Center will publish the actual year-end balance as part of the annual borrowing plan for FY 2027.

levels of public debt and considerable levels of government reserves. It is expected that **government reserves** at the Saudi Central Bank (SAMA) will maintain the same levels in FY 2026 as in FY 2025, reaching about ﷼ 399 bn.

B. FY 2027 Budget and Medium-Term Projections

The Kingdom's government continues to undertake structural economic reforms through flexible fiscal policies that are consistent with the strategic dimensions of Saudi Vision 2030 and long-term fiscal planning. These reforms achieve a balance between supporting inclusive economic growth and diversifying the economic base, along with; achieving fiscal sustainability over the medium- and long term. The Kingdom continues to focus on increasing the quality of services provided to citizens and residents and maintaining economic and development achievements. This will strengthen the foundations of sustainable development and supports macroeconomic stability over the long term.

In this context, it is projected that the FY 2027 budget is expected to record a deficit of about ﷼ 191 bn (3.6% of GDP). The budget deficit is expected to remain at similar levels over the medium term. This deficit is consistent with a fiscal policy framework based on available fiscal space, which enables the government to adopt balanced fiscal policies across economic cycles to support economic growth. It also allows the government to maintain long-term fiscal planning through the implementation of priority projects in order to achieve the goals of Saudi Vision 2030. Furthermore, the expansion in borrowing, in accordance with the Medium-Term Debt Strategy framework, to support economic growth and the continued implementation of priority projects in line with the goals of Saudi Vision 2030.

Fiscal Performance Estimates

(﷼ bn, unless otherwise stated)

	Budget 2026	Estimates 2026	Budget 2027
Revenues			
Total Revenues	**1,147**	**1,191**	**1,202**
Taxes	**412**	**397**	**414**
Taxes on income, profits, and capital gains	33	33	33
Taxes on goods and services	314	302	322
Taxes on international trade and transaction	28	23	25
Other taxes	39	39	35
Other Revenues	**735**	**794**	**787**
Expenditures			
Total Expenditures	**1,313**	**1,436**	**1,392**
Expenses (OPEX)	**1,151**	**1,254**	**1,214**
Compensation of employees	584	575	573
Goods and services	247	323	302
Financing expenses	64	71	93
Subsidies	30	48	18
Grants	5	5	3
Social benefits	99	110	105
Other expenditures	121	122	119
Non-Financial Assets (CAPEX)	**162**	**182**	**178**
Budget Deficit			
Budget Deficit	**-165**	**-245**	**-191**
Percent of GDP	-3.3%	-4.9%	-3.6%
Debt and Assets			
Debt	**1,622**	***1,733**	**1,923**
Percent of GDP	32.7%	34.5%	35.9%
Government Reserves at SAMA	**390**	**399**	**399**

Source: MOF.
Figures are rounded to the nearest decimal point.
* The actual debt balance at year-end may differ from the estimates, depending on the volume of financing transactions executed up to the end of December 2026. The National Debt Management Center will publish the actual year-end balance as part of the annual borrowing plan for 2027.

• Revenues

The government seeks to preserve its financial and economic gains through implementing initiatives and structural reforms to diversify the economic base in FY 2027. These initiatives enhance the performance of economic activities and their positive effects on non-oil revenues growth. The government supports economic growth to boost non-oil revenues associated with non-oil activities, thereby contributing to sustainable non-oil revenues over the medium- and long term.

In FY 2027, **total revenues** are estimated to reach ৳ 1,202 bn, an increase of about 1.0% compared to FY 2026 estimates, driven by the positive estimates for the performance of economic activities in FY 2027. A prudent approach in medium-term estimates is adopted to account for potential risks and economic developments, both locally and globally.

Taxes

Tax revenues are estimated to reach about ৳ 414 bn, an increase of about 4.5% in FY 2027 compared to FY 2026 estimates. This growth is a result of economic growth and the assumption of sustained improvement in non-oil economic activities, and the positive impact of continuous development in tax administration.

In FY 2027, revenues from **taxes on income, profits and capital gains** are expected to reach ৳ 33 bn, remaining at levels relatively similar to the FY 2026 estimates.

It is projected that **taxes on goods and services** will reach about ৳ 322 bn in FY 2027, increasing by 6.6% compared to FY 2026 estimates. This growth is attributed to the optimistic projections for the growth of non-oil activities and private consumption in 2027, along with the enhancement in tax revenue collection.

In FY 2027, **taxes on international trade and transactions** (customs duties) are estimated to reach about ৳ 25 bn, increasing by 7.3% compared to what is expected in FY 2026. This is driven by the continued growth in imports anticipated in FY 2027 in line with the expected expansion of economic activity.

It is also projected that **other taxes (including Zakat)** will be about ৳ 35 bn in FY 2027, decreasing by 10.2% compared to what is expected in FY 2026. This decrease is due to the impact of geopolitical developments on the performance of certain companies in FY 2026, and the associated challenges, which have affected Zakat revenue projections.

Other Revenues

Other revenues, including oil revenues, profits from government deposits and investments, sales of goods and services, as well as penalties and fines, are estimated to amount approximately ৳ 787 bn in FY 2027. This reflects a slight decrease of about 0.9% from what is expected in FY 2026.

Amid global and domestic developments, it is crucial to develop flexible projections by preparing revenue scenarios as part of long-term fiscal planning. This enables assessment of risks on fiscal sustainability and enhances decision-making capacity if economic conditions change. Accordingly, three revenue scenarios have been prepared for FY 2027, taking into account the aforementioned developments. These include a baseline scenario approved in the budget, along with low- and high- revenue scenarios. These scenarios will be presented later in the section “Key Fiscal Risks for FY 2027 and the Medium Term”.

• Expenditures

In recent years, the Kingdom has continued to implement structural economic and fiscal reforms that enhance the strength of the economy and fiscal resilience and sustainability. The structural reforms also increased the Kingdom's ability to deal with external variables and shocks and reduced their effects on the Saudi economy. Moreover, these reforms and their achievements have contributed to consolidating the foundations of economic and fiscal stability. This enabled the Kingdom to continue implementing its development goals, projects and national initiatives, despite the rapid developments and increasing challenges in the regional and international environments.

In FY 2027 and over the medium term, the government intends to implement its plans to achieve the third phase of Saudi Vision 2030 goals. This includes completing national projects and strategies that have positively contributed to broadening the economic base and supporting economic growth, with their positive impact; extending to social development and contributing to inclusive development. The government continued its efforts to improve the quality of life and enhance the services provided to citizens and residents. It will also maintain targeted expenditure on social support and subsidy system programs. In parallel, the government will continue to enhance expenditure efficiency and maximize its developmental impact, thereby supporting sustainable economic growth and strengthening the role of the private sector and investment. Accordingly, the FY 2027 Budget builds on this approach and represents a continuation of the Kingdom's development trajectory. **Total expenditures** are estimated to reach about ﷼ 1,392 bn in FY 2027.

OPEX for FY 2027 are projected to reach approximately ﷼ 1,214 bn. This reflects the government's continued implementation of fiscal and structural reforms aimed at enhancing public expenditure efficiency, including the review of

spending priorities and initiatives to improve expenditure efficiency across several areas. These efforts also include reforms related to adjustments to electricity and water consumption tariffs, which aim to promote more efficient resource use and enhance public expenditure efficiency. Collectively, these measures support the sustainable delivery of public services, strengthen fiscal sustainability, and preserve the government's capacity to allocate resources to development and social priorities that directly affect citizens' lives and support economic growth.

In this regard, the tariff adjustments are expected to encourage more efficient electricity and water consumption among citizens, residents, and businesses, thereby supporting the long-term sustainability and efficiency of resources and services amid continued population and economic growth and rising demand. The impact on citizens will be mitigated through direct support to eligible groups.

The reforms related to adjustments to electricity and water consumption tariffs, as well as the review of subsidies associated with public services in line with their respective nature, are reflected in expenditure estimates across several budget items. These effects include changes in the government's expenditure on electricity and water services, the impact of reviewing subsidies provided to companies on subsidies expenditure, and the impact of direct support measures for citizens on estimates for employee compensation and social benefits.

Expenditure on **compensation of employees** is projected to reach approximately ৳ 573 bn in FY 2027, a decline of 0.3% compared to FY 2026 estimates. This reflects the net effect of several offsetting factors. The main contributing factor is the reduction in employee compensation expenditure resulting from the transition of some health clusters to the Health Holding Company. This is partly offset by an increase in estimated costs associated with the transfer of health cluster employees to the Company. In addition, estimates have increased to reflect higher employee compensation for certain categories of civilian and military government

employees, as well as employees under direct operation programs, to mitigate the impact of adjustments to electricity and water consumption tariffs.

Expenditure on **subsidies** is projected to reach approximately ৳ 18 bn in FY 2027, a significant decline of 61.6% compared to FY 2026 estimate. This is primarily attributed to a review of subsidies provided to companies in the electricity and water sectors, as part of reforms aimed at enhancing the operational efficiency of both sectors and improving the efficiency of financial resource utilization. Meanwhile, expenditure on **social benefits** is projected to reach approximately ৳ 105 bn, a decline of 5.1% compared to FY 2026 estimate. This reflects ongoing efforts to enhance expenditure efficiency and improve the effectiveness of directing support towards eligible groups. The government will continue to support Social Security beneficiaries through the measures introduced to mitigate the impact of adjustments to electricity and water consumption tariffs. These efforts underscore the government's commitment to addressing the needs of beneficiary groups while balancing continued fiscal reforms with the provision of social support.

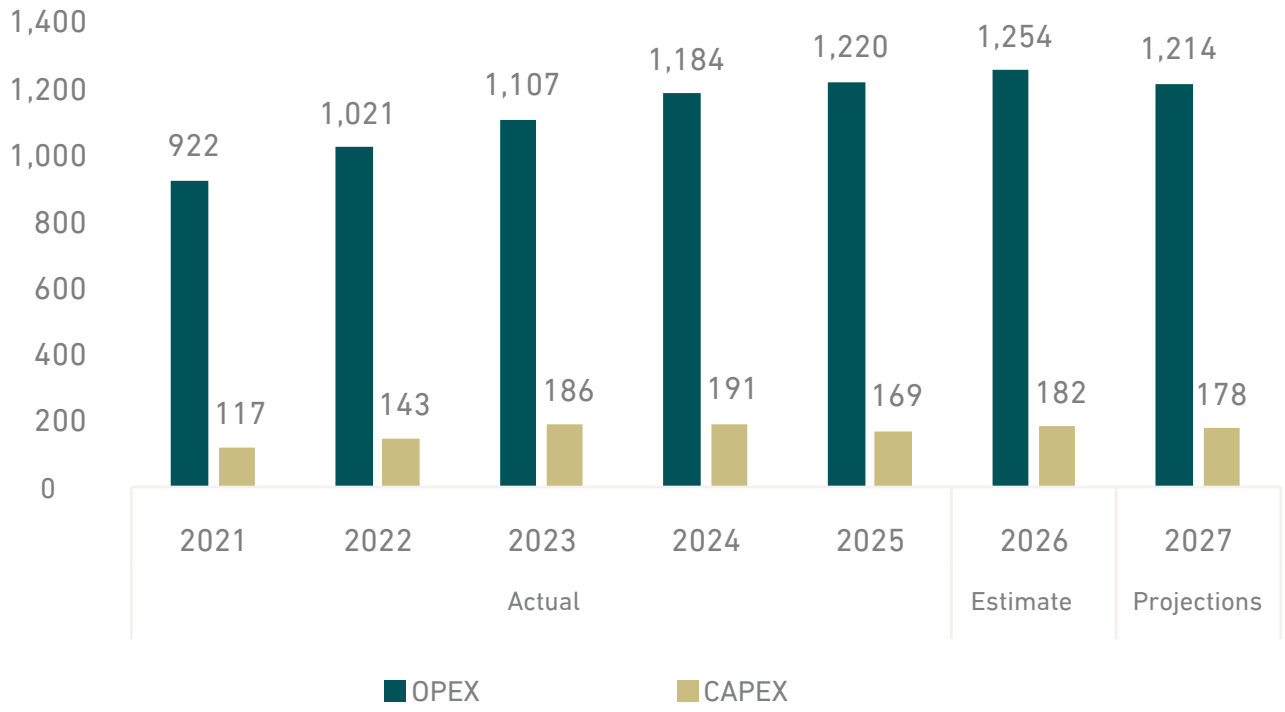
Meanwhile, **goods and services** expenditure is projected to decline by 6.5% in FY 2027 compared to FY 2026 estimate, reaching approximately ৳ 302 bn. This reflects the government's continued efforts to enhance expenditure efficiency and rationalize operating expenses, while maintaining service quality and supporting economic growth. In contrast, **financing expenses** are projected to reach approximately ৳ 93 bn in FY 2027 an increase of 31.1% compared to FY 2026 estimate, driven by the increase in the size of the debt portfolio. Meanwhile, **other expenses** are projected to reach approximately ৳ 119 bn, a decrease of 2.1% compared to FY 2026 estimate.

CAPEX are projected to reach approximately ৳ 178 bn in FY 2027, accounting for around 12.8% of total expenditures, a decrease of 2.1% compared to FY 2026

estimate. This decrease is a result of accelerating spending on some long-term plans for the military sector in FY 2026. Moreover, the government's efforts will continue to implement priority projects and initiatives and complete certain giga projects and national strategies to achieve long-term economic and social goals.

OPEX and CAPEX

(兆 bn)

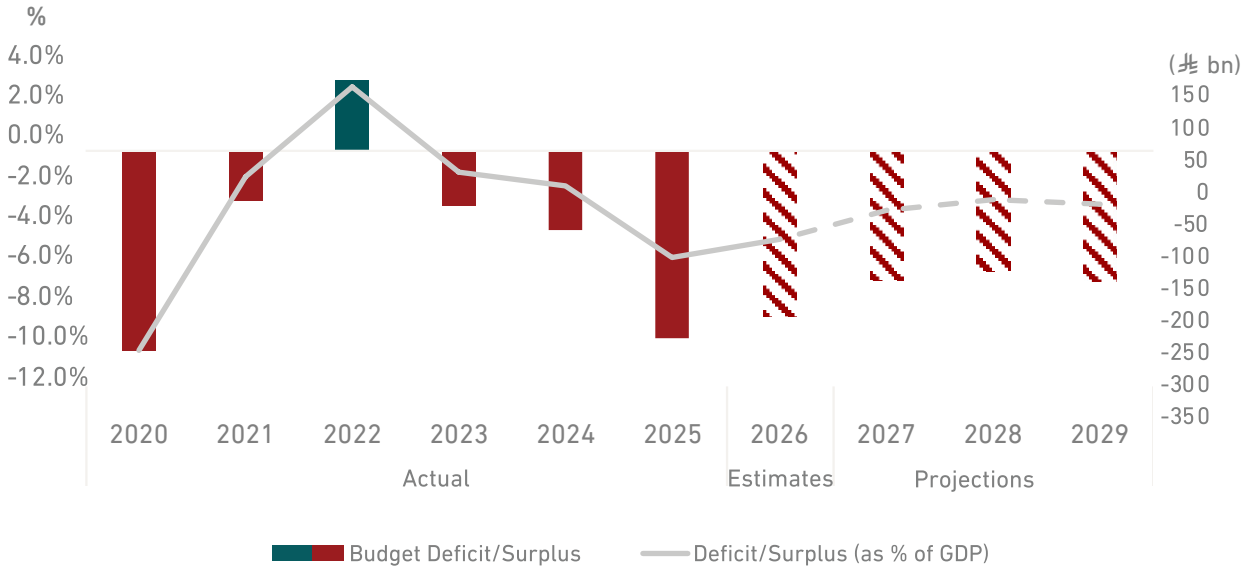


Source: MOF.

• Budget Deficit and Debt

The government adopts prudent fiscal policies based on long-term financial planning. This includes implementing priority projects to achieve Saudi Vision 2030 goals, in addition to pursuing the expansion in borrowing in accordance with the Medium-Term Debt Strategy framework. Accordingly, the budget is estimated to record a deficit of about ﷼ 191 bn (3.6% of GDP) in FY 2027. The budget deficit level is in accordance with a fiscal policy framework based on the available fiscal space. This framework enables the government to adopt balanced fiscal policies across economic cycles to support economic growth. It also reflects long-term financial planning through the continued implementation of priority projects to achieve the goals of Saudi Vision 2030. In light of the progress made in achieving these goals, the budget deficit is expected to remain at similar levels over the medium term, alongside the normalization of economic conditions, supported by the growth in non-oil revenues and improved spending efficiency.

Deficit/Surplus (as % of GDP)



Source: MOF.

The actual nominal GDP is according to data published by GASTAT, and total GDP of FY 2026 - FY 2029 is based on the updated estimates.

In order to meet the Kingdom's financing needs, MoF, through the National Debt Management Center, is preparing an annual borrowing plan in accordance with the Medium-Term Debt Strategy. This borrowing plan aims to maintain debt sustainability and diversify domestic and international sources of financing through public and private channels. It also seeks to access global debt markets to enhance the Kingdom's position in international markets, within well-considered frameworks and foundations for risk management. This strategy takes into account the goals of Saudi Vision 2030 in promoting the growth of the financial sector and deepening the domestic debt market sufficiently to accommodate debt issuances and stabilize liquidity conditions.

The government also intends to continue domestic and external financing activities through public and private channels, through issuing bonds, sukuk and loans at a fair cost. It also plans to expand alternative government funding through the financing of projects, infrastructure, and export credit agencies in FY 2027 and over the medium term.

The debt portfolio is expected to increase by the end of FY 2027, reaching ﷼ 1,923 bn (35.9% of GDP). This will meet the financing needs within the framework of the Medium-Term Debt Strategy aimed at maintaining debt sustainability.

Medium-term Fiscal Projections

(﷼ bn, unless otherwise stated)

	Actual 2025	Budget 2026	Estimates 2026	Budget 2027	Projections 2028	Projections 2029
Total Revenues	1,112	1,147	1,191	1,202	1,302	1,351
Percent of GDP*	23.3%	23.1%	23.7%	22.4%	22.8%	23.0%
Total Expenditures	1,388	1,313	1,436	1,392	1,479	1,544
Percent of GDP*	29.1%	26.4%	28.6%	26.0%	25.9%	26.3%
Budget deficit	-277	-165	-245	-191	-177	-192
Percent of GDP*	-5.8%	-3.3%	-4.9%	-3.6%	-3.1%	-3.3%
Debt	1,519	1,622	1,733**	1,923	2,100	2,293
Percent of GDP*	31.8%	32.7%	34.5%	35.9%	36.8%	39.0%

Source: MoF.

Figures are rounded to the nearest decimal points.

GDP of 2025 is according to the updated actual data published by GASTAT, and GDP of 2026-2029.

* The actual debt balance at year-end may differ from the estimates, depending on the volume of financing transactions executed up to the end of December 2026. The National Debt Management Center will publish the actual year-end balance as part of the annual borrowing plan for 2027.

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 face economic shocks and changes and supports the sustainability of spending on development priorities.

Diversification of government revenue sources, alongside positive non-oil performance and the continued implementation of initiatives supporting revenue growth and economic diversification, contributes to supporting revenue growth over the medium term. Total revenues are projected to reach approximately ﷼ 1,202 bn in FY 2027, about ﷼ 1,302 bn in FY 2028 and around ﷼ 1,351 bn in FY 2029.

For the next fiscal year and over the medium term, expenditures are estimated to reach approximately ﷼ 1,392 bn in FY 2027, about ﷼ 1,479 bn in FY 2028, and about ﷼ 1,544 bn in FY 2029. Therefore, the government adopts a strategic approach aligned with Saudi Vision 2030 and long-term fiscal planning, linking spending to priorities with higher economic and social returns. The government achievements in recent years reflect the effective use of fiscal policy tools to enhance quality of life, support economic growth, and strengthen fiscal sustainability. In addition, the government will maintain flexibility in spending to respond to economic and geopolitical changes, as well as enable use of public finances to manage domestic and global developments prudently. Expenditures as a percentage of GDP indicates the extent of government involvement in the economy. Its stability at around 26% reflects the sustained role of government spending in supporting growth and development priorities. Consequently, the estimates are based on fiscal policies that stimulate investment in infrastructure and improve transportation efficiency. In line with improving government services for citizens and residents, maximizing the utilization of existing government assets and investments, promoting investment in human capital development by developing the education and health sectors. As well as increasing the investment contribution to sustainable economic growth. The government enhances the efficiency of the social support and subsidy system to ensure that it reaches the most eligible groups and enhances its developmental impact.

C- Sectoral Expenditures in FY 2027 Budget

This section outlines key programs and projects in each sector, and expenditures allocated either for the completion of implementing existing projects, or financing new programs and projects:

Infrastructure and Transportation Sector	
First: **Overview**	
Sector allocation in FY 2027 Budget	﷼ 38 bn
Main functions	The construction and development of roads, transport safety and transportation regulation, ports, airports, real estate, communications and information technology, data and artificial intelligence, digital government, postal services, space and industrial cities.
Number of governmental entities affiliated with the sector	18

Main Achievements in FY 2026	
Scope	**Achievement**
Digital Economy, Space, and Innovation	**The size of the telecommunications and technology market will reach ﷼ 208 bn by the end of FY 2026,** achieving a growth of 4.5% compared to FY 2025.
	The addition of two new unicorn companies brings the total number to 10 unicorn companies in FY 2026, which enhanced the attractiveness of the entrepreneurial environment in the Kingdom.
	The Kingdom achieved first place regionally and 28th globally in the Startup Ecosystem Index 2026. The kingdom also achieved the first place regionally in artificial intelligence technologies.

Main Achievements in FY 2026	
Scope	**Achievement**
Digital Economy, Space, and Innovation	**The Kingdom achieved the first place globally in the ICT Development Index 2026** (for the second year in a row) and ranked among the top 5 countries in the e-Government Development Index 2026, propelled by the quality and efficiency of digital government services and improving the beneficiary experience.
Data and Artificial Intelligence	**Providing 1500+ services in "Tawakkalna" application,** making the application a unified comprehensive digital platform that provides public and private services to citizens, residents, and visitors. These services aim to improve the efficiency of communication and electronic transactions between entities and individuals and achieve excellence in government performance.
	The Kingdom's cities secured the highest rankings in (IMD) Smart Cities Index 2026. Riyadh climbed to 24th place, AlUla advanced 27 rankings, and Hail and Hafr Al-Batin joined the list of the best smart cities globally. This contributes to accelerating the pace of digital transformation and comprehensive urban development.
	The Kingdom ranks first globally in the Artificial Intelligence Security, Privacy, and Encryption Index, as well as in empowering women in the field. It also secured the third spot worldwide in the proportion of generative AI talent.
Transportation and Logistics	**Enhancing the resilience and continuity of the flow of goods regionally** by activating an integrated network of alternative logistics routes. These routes ensure uninterrupted supply, infrastructure response to spatial crises, and establish the Kingdom as a global logistics hub.
	Inaugurating the world's largest truck dispatching zone, opening 5 new logistics zones in Saudi ports, and signing 8 agreements to establish and expand logistics zones, which will enhance capacity and attract investments.
	Utilizing the national address to transport parcels, as the percentage of shipments with national address data exceeds 95% of the total shipments. accordingly, the national address will maintain the accuracy of spatial connectivity and the efficiency and reliability of shipping services.

Main Achievements in FY 2026	
Scope	**Achievement**
Transportation and Logistics	**Transportation and delivery services grew by 34% for delivery orders and 19% for public transport bus users** until Q3 FY 2026, compared to the same period in FY 2025. This growth demonstrates the revitalizing of e-commerce and the stimulating of the local economy and logistics applications.
	The number of intercity and intracity rail network passengers increased by 13% until Q3 FY 2026 exceeding 124.9 million passengers compared to the same period in FY 2025. The advanced railway infrastructure improves the ease of transportation, connects regions and cities, and reduces congestion.
	The number of active logistics centers has increased to 25 centers. This increase is part of the infrastructure development efforts, focusing on attracting international and local companies and supporting the industrial sector.
	The implementation of the autonomous vehicles first phase in Riyadh and expanding legislative and regulatory empowerment. This aims to implement smart mobility solutions and anticipate the future of transportation with advanced technologies for more than 3.9 thousand trips. This enhances the efficiency and sustainability of the transport and logistics sector.

Key Projects Planned for FY 2027	
Scope	**Objective**
Digital Economy, Space, and Innovation	**To grow the size of the telecommunications market to reach ﷼ 88 bn and the information technology market to amount to ﷼ 130 bn by the end of FY 2027.** This will raise the contribution of communications and information technology sector to the GDP and consolidate the Kingdom's position among top 25 global digital economies.
	To increase the number of unicorn companies to reach 11 companies by adding a new company in FY 2027. This addition will improve the sector's contribution to the economy and create quality job opportunities.
Data and Artificial Intelligence	**To develop and upgrade high-performance computing capabilities by allocating 5 thousand AI GPUs for sovereign use in FY 2030.** This upgrade will accelerate the adoption of AI solutions in priority government entities and raise their efficiency and productivity, in order to maximize the national security and developmental impact.

Key Projects Planned for FY 2027	
Scope	**Objective**
Transportation and Logistics	**To sign partnership contracts with the private sector for the new Taif, and Qassim International Airports projects,** aiming to optimize the participation of the private sector and attract quality investments.
	To inaugurate new travel lounges at the Kingdom's airports, including King Saud Airport in Al-Baha and the International Arrivals Terminal at Abha International Airport. These expansions will increase the capacity of airports and improve passenger experience and upgrade aviation infrastructure.
	To implement small parcel exchange centers to facilitate the intra-cities postal parcels exchange, in order to raise the efficiency of shipping and delivery and reduce congestion within cities.
	To sign two project contracts for the development of (Asir-Jazan) and (Jeddah-Makkah) roads on public-private partnership (PPP) model. These projects will contribute to the development of the road network, enhance regional connectivity, and improve the flow of movement and the quality of services provided to road users.
	To operate the public bus systems project in (Abha, Khamis Mushait, and (Ahad Rafidah) to improve the quality of life and enhance spatial connectivity by providing integrated public transport options in urban areas.
	To launch two additional maritime logistics hubs and complete contracts for the development of integrated special logistics zones at Jeddah Islamic Port and King Abdulaziz Port in Dammam. These new zones will support trade traffic, and consolidate the Kingdom's position as a global logistics hub that connects air supply chains to markets.

Education Sector

First: **Overview**

Sector allocation in FY 2027 Budget	﷼ 195 bn
Main functions	Establishing schools, colleges, and university campuses; managing the Custodian of the two Holy Mosques Scholarship Programs; supporting research, development, and innovation; providing medical services through university hospitals; as well as supporting knowledge sources.
Number of governmental entities affiliated with the sector	38

Main Achievements in FY 2026

Scope	Achievement
Education	**The issuance of the Royal Decree approving the public education system,** establishing a comprehensive framework that defines rights and duties and clarifies the roles of the parties to the educational process. This unifies the regulatory reference, supports the governance of the system and improves the quality of education outcomes.
	Establishing and equipping 6 central distance learning schools and connect them technologically to expand access to quality education for students with special circumstances and in low-density schools and remote areas.
	Lunching the unified gate for MOE services, "Education Gate", to consolidate services into one platform. The gate included about 150 services and registered 3+ million logins, in order to facilitate beneficiaries' access to services and improve its integration.
	The Kingdom's students have achieved 200+ international awards and high ranks in international scientific exhibitions and Olympiads. This demonstrates the presence of young national talents in international forums and highlights their abilities and cognitive competitiveness.
	The inauguration of Kingdom University and the branch campuses of the University of New Haven (USA) and the University of Strathclyde (UK) in Saudi Arabia. In a step aimed at providing quality academic programs that meet the needs of the labor market.

Main Achievements in FY 2026	
Scope	**Achievement**
Education	**The Lunching the Research and Innovation Observatory (HERO),** to become an interactive national platform to measure and monitor the performance of Saudi universities in research and innovation. The platform contributes to raising the quality of research performance.
	Scholarships were awarded to 4,619 students in the Path Waaid in top 30 universities. Also, 60 scholarship programs were launched in partnership with private sector companies within the Path Waaid, to develop skills in priority disciplines and enhance the private sector's contribution to preparing future competencies.
	Lunching the second phase of the Unified Admission Platform "Qabool", which allows applications through 190 universities and colleges, and 5+ thousand academic programs and specializations. As well as scholarship tracks to 16+ countries, while increasing integration between educational entities.
	Expanding technical and vocational training programs by admitting 30+ thousand trainees in technical colleges and institutes, along with achieving the goal of employing 59.1% of graduates within six months of graduation by FY 2026, meeting the needs of the labor market.
	Qualifying national cadres in aircraft engineering and maintenance by graduating 1,617 students from Aviation Technical College, including 48 female graduates in the first batch of aircraft maintenance specialization. The employment rate of this batch exceeded 88%, providing the labor market with specialized national competencies that support the aviation sector.

Key Projects Planned for FY 2027	
Scope	**Objective**
Education	**To equip and launch 3 transitional and innovative research centers** in Saudi universities and to strengthen partnerships with innovation centers and industrial entities. This will support transforming academic knowledge and research into practical applications of economic and developmental impact.

Key Projects Planned for FY 2027	
Scope	**Objective**
Education	**To admit 2000+ trainees to the Technical and Vocational Training Corporation (TVTC)** to increase the capacity of technical colleges , which will in turn will expand training opportunities in existing and new specializations, and to align skills with the needs of the labor market.
	To launch a unified digital platform for investment opportunities in higher education that brings together investment opportunities for 26 higher education institutions into a single portal for investors and the private sector. This will expand investment opportunities in higher education institutions and improve their accessibility and clarity.
	To establish and equip 7 additional central schools to provide distance learning for low-density schools in remote areas, to expand educational opportunities and ensure their continuity for students in targeted areas.
	To establish the first phase for two platforms to leveraging AI, including a platform for MOE's AI system and a platform for the AI teacher assistant. This aims to support teachers in preparing lessons, planning and evaluation, reducing administrative burdens and improving learning experience.
	To increase the employment rate of TVTC graduates to 61.4%, with the aim to increase the percentage of technical and vocational education graduates entering the labor market within six months of graduation. In addition to improving employment opportunities, benefiting from the skills of graduates, and supporting their entry into the labor market.
	To enroll 35,939 scholarship students in top 200 universities or institutes in the world and to increase the number of scholarship students enrolled in educational institutions ranked among the top 200 universities or institutes. In an effort to develop the capabilities of scholarship students and align the outputs of scholarships with the needs of the labor market.
	To expand the project of teaching Chinese in public schools and complete the curriculum and teaching requirements. The project beneficiaries will reach 218,796 students, aiming to enhance language skills and open new educational and cultural horizons for students.

Health and Social Development Sector

First: **Overview**

Sector allocation in FY 2027 Budget	﷼ 256 bn
Main functions	Providing healthcare, emergency, and legislative services, as well as conducting research. In addition, the sector includes managing human resources and the social aspect, which includes social security and welfare services. It also regulates cultural, media, sport, and entertainment aspects along with managing the Quality-of-Life Program.
Number of governmental entities affiliated with the sector	30

Main Achievements in FY 2026

Scope	Achievement
Health	**Developing a system for managing and scheduling elective surgeries,** which contributed to raising the percentage of patients whose appointments are scheduled in less than 36 days to 94%, exceeding the target of 80%.
	Increasing the percentage of primary healthcare centers with appointments within 5 working days to nearly 99%, which contributes to improving access to primary healthcare services and reducing appointment availability gaps.
	Decreasing the average patient waiting time for the first appointment in the clinic from 23 days to 11 days. This contributes to increasing the efficiency of access to outpatient clinic services by improving appointment management and regulating the flow of patients.
	The Saudi Food and Drug Authority has approved four innovative products as the first regulatory body globally to approve these products. This reflects the high confidence that leading pharmaceutical developers globally have in the Saudi regulatory environment.
	Lunching the "Rasid" service, which shortens the verification of restricted medications for travelers from 35 minutes to one minute, saves over 1,500 working hours, and enhances the experience of visitors to the Kingdom.

Main Achievements in FY 2026	
Scope	**Achievement**
Health	**The World Health Organization (WHO) announced that the Kingdom has achieved the goal of controlling hepatitis B in children under 5 years of age.** This regional qualitative health achievement consolidates the Kingdom's international position as a leading model in the elimination of infectious diseases, and supports public health goals within Saudi Vision 2030.
	Expanding the health city program by 6 health cities in FY 2026, bringing the total to 21 cities, holding the top regional ranking. Promoting health equity by targeting low-income groups, and reducing the burden of noncommunicable diseases (obesity, diabetes, heart disease) by addressing their environmental and behavioral determinants.
	Decreasing referrals outside cities by 27%, so that patients stay close to their family without the hassle of traveling, which enhances their quality of life and supports their recovery journey.
	Lunching "Taakkad Your Health" in Riyadh, the first of its kind in the Kingdom, to conduct drive-through preventive screening. The initiative aims to expand its impact with a campaign that provides 10 tests for early screening across health clusters in the Kingdom.
	Decreasing the average patient length of stay in the hospital to 5.3 days in FY 2026, which enhance the efficiency of health services and utilizing resources.
Media	**Launching the unified digital platform "Ealam"** to be the comprehensive digital reference for all services of the media system in the Kingdom, in order to achieve integrated digital transformation in the management of the sector's business.
	Launching "WAS" Center for Media Studies and Opinion Polls to be a specialized platform supporting decisionmakers with reliable data by employing advanced scientific analysis tools and measuring public opinion trends accurately and objectively.

Main Achievements in FY 2026	
Scope	**Achievement**
Media	**Organizing and launching AI Camp "Untold Saudi Stories"** to adopt the latest technologies in creative production. This aims to refine the innovative and technical skills of national cadres, thus enabling them to narrate the Kingdom's cultural stories and provide globally competitive content.
	Launching Media Lawsuits platform with the aim of accelerating the pace of justice and regulating rights in the media sector.
	Launching Media Business Accelerator to support startups in the media sector and stimulate investment in the creative economy.
Entertainment	**The Cabinet approved the law of recreational activities** and its supporting activities, which contributed to the development of a legal and legislative framework that stimulates qualitative investments, and contributes to increasing non-oil government revenues. In addition to creating investment opportunities, and diversifying entertainment options in various regions of the Kingdom.
	Organizing the Riyadh Season 2025/2026, which hosted 20 million visitors from 100+ countries around the world. The season featured various international entertainment programs and experiences that meet the aspirations of various segments of society, improve the quality of life, and support local entertainment content. As well as creating direct and indirect job opportunities and enhancing the Kingdom's position as a world-class entertainment and tourism destination.
Sport	**The Local Organizing Committee of the AFC Asian Cup 2027 hosted** a number of Asian championships, including the U-23 Asian Cup, the U-17 Asian Cup "Saudi Arabia 2026" and the AFC Champions League Elite finals in Jeddah. The attendance exceeded 200 thousand fans, which enhanced the fan and tourism experience, and acquired operational expertise that supports the Kingdom's readiness to host major tournaments.
	Launching the Digital Stadium Project to develop engagement with fans, improve services and the digital experience within stadiums, provide a more integrated attendance experience, and enhance the readiness of the digital infrastructure in stadiums.

Main Achievements in FY 2026	
Scope	**Achievement**
Sport	**Involving the private sector in club ownership by the privatization of two sports clubs. Operating and developing stadiums** by leveraging from investment opportunities exceeding ﷼ 300 million. Executing 5 programs to support 150+ entrepreneurs and startups that contribute to raising the efficiency of sports assets and promote investment and innovation in the sector.
	Increasing the number of licenses for private sports facilities to 4,800 by the end of FY 2026, an increase of 14%, aiming to expand the available options for practicing sports and support the growth of the number of practitioners.
	Completing 72% of developing and establishing King Fahd International Stadium to increase its capacity to 70 thousand seats, which contributes to improving the fan experience and enhancing the stadium's readiness to host major tournaments and events.
Human Resources	**The number of Saudis working in the private sector has increased to exceed 2.7 million** employees until H1 FY 2026. This is part of the ongoing efforts to reduce Saudis unemployment rates and raise the efficiency of workers by providing training programs for them.
	The number of volunteers reached 1,373,587 until H1 FY 2026, in various development initiatives and activities.
	The percentage of employees with disabilities in the labor market has increased to about 15.2% through H1 FY 2026. This raised the participation of people with disabilities in the labor market and increased their economic independence.
Social Development	Social Development Bank (SDB) **financed 63+ thousand beneficiaries and facilities with ﷼ 3 bn,** aiming to enhance the financial stability of families, support freelancers, and stimulate the national economy by financing entrepreneurial projects.
	Launching and operating virtual empowerment clinics for managing 52+ thousand cases and enabling 78,150 Social Security beneficiaries until Q3 FY 2026. This contributed to expanding access to empowerment services, increasing the number of beneficiaries served, and raising the efficiency of service delivery through remote access.

Main Achievements in FY 2026	
Scope	**Achievement**
Social Development	**Sakhaa Program adopted sustainable non-profit development projects amounting to ﷼ 18.9+ bn through.** These projects contributed to providing 13,995 jobs and increasing the number of beneficiaries of development services, reaching 685+ thousand beneficiaries, by providing them services in various fields, including health, education, sports, and others. In addition to raising the contribution of the non-profit sector to GDP.
	The number of licensed social enterprises grew to 544, reflecting the efforts to enable the private sector and the non-profit sector to contribute to the provision of social services and meet the need for social services facilities in various regions of the Kingdom.
Culture	**The National Film Archive's Conservation and Restoration Center is ready to be opened.** The center is equipped with the latest technologies, specialized equipment, and world-class qualified cadres. The center aims to enhance community awareness of the importance of preserving visual heritage and promote protecting it for future generations.
	Opening the Cultural University to be a leading center that combines education and culture. The university offers specialized and diverse educational programs in the fields of artistic creativity. This prepares creative generations capable of enriching the cultural scene locally and internationally.
	Registration and classification of 25 thousand urban heritage sites to reach a total of 75 thousand, and registration of 3,500 additional archaeological sites, reaching a total of 14 thousand. The rehabilitation of a number of national heritage sites reached a total of 268 sites, and the opening of 9 visitor centers. The aim is to preserve, rehabilitate, activate and introduce Islamic history sites, in a way that strengthens their status and supports cultural tourism and sustainable economic development.
	Enhancing the cultural infrastructure in the Kingdom through the rehabilitation and operation of public libraries in Dammam, Hail, Sakaka, Buraidah, Jazan, Najran, Riyadh Oasis, and Ahad Rafidah. In addition to continue implementing cultural centers in Khobar, Riyadh Oasis in Tuwaiq, Al-Baha and Jeddah, with the aim of providing knowledge and creative spaces that support cultural movement and meet the needs of the community.

Key Projects Planned for FY 2027	
Scope	**Objective**
Health	**To complete the transition of the third group of health clusters from the Ministry of Health to the Health Holding Company with 10 health clusters.** This transition will improve operational efficiency and optimal use of resources and improve service access and quality of services.
	To obtain WHO Healthy City accreditation for 7 cities, which will promote individual and community health and improve the quality of life.
	To expand the assessment of health status and reverse the cases and risks of chronic diseases. This will contribute to achieving Saudi Vision 2030 goals to increase life expectancy to 80 years by 2030.
	To provide insulin pumps and their consumables, ensuring the continuity of treatment for diabetic patients, which is reflected in improving the control of sugar levels, reducing health complications and hospitalizations.
	To implement the national project to localize genetic tests and reach zero genetic tests sent out of the Kingdom (Zero Send-Out). This will reduce reliance on external laboratories and raise the readiness of national laboratories.
	To establish and operate Pharmaceutical Innovation Center, which will support the transformation of research and innovations into patentable and marketable products. In addition to supporting startups and localizing the pharmaceutical industries and new technologies.
Media	**To launch WAS English Language Center for International Media and Corporate Communication** to build and qualify national media cadres and develop international communication skills and media directed to the world.
	To mass produce a series of historical films about the Founding King's men entitled (The King's Men). The movies will document the history of the Kingdom through influential historical figures, in order to enhance the national identity, historical awareness and cultural heritage of the community through the production of visual content.

Key Projects Planned for FY 2027	
Scope	**Objective**
Entertainment	**To organize Riyadh Season 2026/2027** to achieve the sustainability of entertainment events, enhance Riyadh's position as a global entertainment destination, boost the participation of the private sector and create direct and indirect jobs.
Sport	**To complete the design of Abha Stadium** at King Khalid University, with a capacity exceeding 45 thousand seats, in accordance with FIFA requirements and with an architectural character inspired by Asir Region. The aim is to increase the attractiveness of the region for investment and improve sports facilities and services.
	To host and organize 10 international sports events in various sports disciplinesin FY 2027, to attract investments and visitors, expand job opportunities, and stimulate sports participation.
	To increase the attendance rate in the matches of Saudi Roshan League for 2026/2027 season by 8.7%, to reach 2.5 million fans, aiming to enhance the attractiveness of the league and increase the fan attendance.
	To privatize three sports clubs, in a way that enhances the contribution of the private sector to the sports economy, raises the efficiency of the clubs financially and administratively, and supports the sustainability of sports sector.
	To increase the licenses of private sports facilities by 14%, to reach 5,472 active licenses, in order to expand the options for practicing sports, stimulate investment, and increase the percentage of sport practitioners.
Human Resources	**To launch the National Skills Framework** to standardize skills terms and definitions in line with global definitions and standards.
	To issue 6 Saudization resolutions in various professions, with the aim of increasing the participation of national cadres in the labor market with quality professions suitable for Saudi employees.

Key Projects Planned for FY 2027	
Scope	**Objective**
Social Development	**To increase the number of cooperative societies to reach 43 cooperatives per million citizens,** in order to promote community solidarity and self-reliance, and to raise the contribution of the cooperative sector to sustainable development.
	To increase the number of volunteers in the Kingdom to reach 2+ million, aiming to expand the participation of individuals in development initiatives, and enable diverse segments of society to contribute effectively to community service.
	To launch the Comprehensive Disability Assessment Service and the Virtual Assistant for Care and Rehabilitation Service. To enable 2+ million beneficiaries annually to have a unified digital experience.
Culture	**To establish a heritage collections management system** by building an integrated system to manage collections distributed across 21 museums. These museums will include up to 200 thousand domestic and international artifacts ranging from antiquities, national folklore, modern and contemporary works, and natural history.
	To open 4 regional museums in Makkah, Asir, Al-Jawf and Qassim; two cultural houses in Khobar and Tuwaiq; Institute of Anthropology; and Royal Academy for Traditional Arts (Al-Ahsa Branch) to expand the scope of providing quality cultural services and experiences.

Municipal Services Sector

First: **Overview**

Sector allocation in FY 2027 Budget	﷼ 93 bn
Main functions	Establishing and developing the infrastructure of cities, urban planning, and providing solutions related to housing and urban development, as well as holding entertainment activities, festivals, and occasions.
Number of governmental entities affiliated with the sector	308

Main Achievements in FY 2026

Scope	Achievement
Municipalities and Housing	**Stimulating the circulation of 37.5+ million m^2 of land in the city of Riyadh.** This reflects the effectiveness of the white land fees program in increasing the real estate supply of developable lands and stimulates the improvement of undeveloped lands.
	Implementing 137 parks, 37 urban interventions, and adding 2.38 million m^2 of public spaces. This aims to improve the quality of life by increasing residents' access to parks and public spaces and provide attractive urban environments that promote community and recreational activities.
	Expanding housing support for families with the greatest needs by empowering 25+ thousand families in FY 2026. Enhancing private and non-profit sector contributions, to support the sustainability of providing housing solutions to eligible groups.
	Maximizing the contribution of investment and diversifying the sources of municipal revenues by offering 17+ thousand investment opportunities since the beginning of FY 2026. The total value of contracts concluded, amounted to ﷼ 7.5 bn, which maximizes the utilization of municipal assets and facilities and grows their returns.

Main Achievements in FY 2026	
Scope	**Achievement**
Municipalities and Housing	**Closing 33% of random landfills, equivalent to 115 landfills,** and raising the exclusion of waste from landfills to 13% for municipal solid waste and 18% for construction and demolition waste. This contributes to reducing dependence on landfills, reducing pollution, and enhancing environmental sustainability and the quality of the urban environment in cities.
	Increasing the rate of compliance with the requirements of collective housing to 93% in of FY 2026. This has contributed to improving the living conditions of workers and raising the level of safety of collective housing.
Royal Commission for Riyadh City	**Reaching 500 million passengers through the public transport network in Riyadh**. This provided commuting services to 22.37 million student trips, 4.41 million elderly, and 1.40 million for people with disabilities from the launch of the transport network until the end of FY 2026.
	Launching and operating all six lines of Riyadh Metro and completing the primary rapid transit network of 6 main tracks with fully automated trains. This facilitates the movement of all segments of society and reduces reliance on private cars, which enhances community cohesion and increases access to education and work.
	King Saud University's ranking in the QS ranking has advanced from 143 to 107 globally within one year. This contributes to enhancing the Kingdom's competitiveness globally and attracting students, researchers, and quality international partnerships.
	Completion of the greening of 235 km of Riyadh's main roads and corridors, the development and landscaping of 16 public squares covering 8 million m^2, and the rehabilitation of valleys spanning over 5 million m^2, aimed at increasing green spaces and vegetation cover, reducing ambient temperatures, and expanding natural recreational destinations.

Main Achievements in FY 2026	
Scope	**Achievement**
Royal Commission for Makkah and Holy Sites	**Cooling the surroundings of Jabal Al-Rahmah in Arafat through the application of urban cooling technologies**, using 200+ cooling units to help reduce temperatures by about 15 degrees Celsius, thereby improving the pilgrims' experience and reducing heat stress on the Day of Arafah.
	Attracting ﷼ 16.3 bn investments to develop 7 sites within the Developed Neighborhoods Program in Makkah. Aiming to prepare sites for development, enhance the participation of the private sector, and improve the urban landscape and quality of life in the targeted neighborhoods.
	Performing 1.2+ million rituals during Hajj season 1447AH, a historic unprecedented number, within the Hady and Adahi system, with a growth in operational efficiency by 50% compared to the previous season. This aims to improve the quality of service provided to the pilgrims and support the delivery of Hady and Adahi meat to the beneficiaries.
	Developing five model transport stations in the central area of Makkah, which has contributed to reducing journey time by 40% inside the city of Mecca and the holy sites. This aims to facilitate the movement of Hajj and Umrah pilgrims, improve the flow of movement and the quality of transport services, enhance the digital management of facilities, and employ emerging technologies in the transport control room.
	Activating the destination management office and developing the experience of 42 historical, and cultural enrichment sites, which received 9 million visitors, and recorded a satisfaction rate of 92%. This is part of the efforts to enrich the experience of Makkah visitors and pilgrims and highlight the city's historical and tourism assets.

Key Projects Planned for FY 2027	
Scope	**Objective**
Municipalities and Housing	**To reduce the Visual Pollution Index (VPI) to 73 in priority areas and major cities** by intensifying inspection coverage and field tours, and expanding the use of intelligent monitoring techniques to efficiently detect and address visual pollution, thereby improving the quality of the urban landscape and visual environment.
	To improve the average quality index of major roads to 68.8% by the end of FY 2027 to ensure an improvement in the network and traffic safety and enhance the efficiency of mobility and the quality of infrastructure in cities.
	To raise the level of readiness of emergency and crisis centers to 80% by the end of FY 2027, by completing readiness requirements and activating and operating digital platforms that support preparedness and response. In order to enhance the efficiency of dealing with emergencies and crises and the continuity of municipal services.
	To provide 80 thousand housing units and developed land in partnership with domestic and international real estate developers in various regions of the Kingdom. This will expand access to diverse housing options suitable for Saudi families' needs.
Royal Commission for Riyadh City	**To implement the first phase of the new 7th track of Riyadh Metro,** a 66 km long track that includes 19 stations with a capacity of 25 thousand passengers/hour. The new track includes a second track with a 8.4 km extension from King Saud University to Diriyah Gate. The track aims to link major projects and achieve economic returns to GDP of approximately ﷼ 70 bn.
	To open 3 major gardens with an area exceeding 550 thousand m^2 within Green Riyadh Program. To plant 585+ thousand trees and shrubs in these gardens, to improve the quality of life and the urban environment.
Royal Commission for Makkah and Holy Sites	**To attract investments to develop eight sites within the Developed Neighborhoods Program,** with a total of ﷼ 14.3 bn, to raise the efficiency of land use, improve the residential environment and services in the targeted locations, and enhance the economic value of the city.

Key Projects Planned for FY 2027	
Scope	**Objective**
Royal Commission for Makkah and Holy Sites	**To develop the smart transportation and mobility system in Makkah and the Holy Sites,** by developing stations and services and promoting digital solutions for movement management. This in turn will raise the efficiency of mobility, improve the experience of Hajj and Umrah pilgrims and worshippers, and support movement management, planning and decision-making with data.
	To develop the system of services and the urban landscape in the Holy Sites, by improving infrastructure and services, increasing green spaces, implementing afforestation projects, and developing spatial guidance. Aiming to improve the experience of pilgrims, enhance comfort and safety, and improve the quality of services and the urban landscape in the Holy Sites.
	To develop an integrated digital solutions for Makkah and the Holy Sites. The platform will rely on data to simulate and analyze movement, monitor priority needs and assets, enhance the safety of residents and visitors, and support crowd management, proactive planning and decision-making.

Economic Resources Sector

First: **Overview**

Sector allocation in FY 2027 Budget	98 bn
Main functions	Servicing commerce and business services, environmental transformation and vegetation development, energy and water resources, and mineral and industrial wealth. In addition, it focuses on developing tourism businesses and investment environment; promoting industry and exports; supporting SMEs, and the state properties assts; and enhancing local content, economy and planning, international strategic partnerships, and national transformation.
Number of governmental entities affiliated with the sector	48

Main Achievements in FY 2026	
Scope	**Achievement**
Environment, Water and Agriculture	**Increasing the water supply in the Kingdom by more than 1 million m³/day** during FY 2026,The Kingdom's production to reach approximately 17 million m³/day, This consolidates the Kingdom's global leadership in the production of desalinated water and preserves groundwater resources as strategic capacities supporting water security.
	Establishing a central unit to monitor the environment and operate a national network of 35 smart buoys to assess the quality of marine water along 3,500 km of the coasts of the Red Sea and the Arabian Gulf. This enhances the national capacity for real-time monitoring and early warning of marine pollution in light of the geopolitical developments surrounding the region.
	Establishing an upgraded food early warning system to monitor production, supply chains, local stockpiles of strategic commodities, and global market movements around the clock. This enables decisionmakers and analysts to predict risks, take proactive action, and ensure the sustainability of food abundance.
	Increasing Green landscapes area of 242 thousand hectares, and cultivating 23+ million trees in FY 2026, to achieve Saudi Green Initiative goals.
	Enhancing groundwater resources through the drilling of 127 wells, with a daily capacity of 252 thousand m³ in various regions in the Kingdom, at targeted sites that enhances groundwater sources.
	Enhancing surface water sources and reducing flood risks by rehabilitating and completing 7 dams in Madinah, Jazan, and Al-Baha. Aiming to increase the storage capacity by more than 8 million m³. Also, it aims to ensure the safety of the existing infrastructure, and to control water flows during the rainy seasons and torrential floods.
Commerce	**Product Conformity Index.** recorded its highest level at 85.15% in FY 2025, as part of the efforts of the National Product Safety Program. This contributes to supporting the follow-up of product safety, enhancing consumer protection, and raising the market maturity level

Main Achievements in FY 2026	
Scope	**Achievement**
Commerce	**Providing 331 new services and licenses through the unified national platform for the business sector,** to facilitate enterprises' access to services and licenses and improve business procedures.
	Developing 50 local brands and enabling them to expand their franchise model, aiming to support the growth of enterprises and encourage investment in local brands.
	Issuance of the draft Commercial Transactions Law to support the clarity of provisions and enhance confidence in the commercial environment.
	The Kingdom has achieved the 13th rank globally and the 3rd among the G20 countries in the Competitiveness Report 2026. This contributes to enhancing the Kingdom's competitive position internationally and supporting the sustainability of progress in competitiveness indicators.
Industry and Mineral Resources	**Evaluation and approval of standard incentive packages for 29 factories worth ﷼ 714 million to support the industrial sector in the Kingdom.** These packages were awarded to factories in several sectors including chemicals, food industries, automotive, mining industries, machinery and equipment, and medical devices. This contributes to stimulating industrial investments and enhancing the competitiveness of the sector.
	The industrial base in the Kingdom grew to 15.4 thousand factories until Q3 FY 2026. This comes as part of the ongoing efforts to increase the contribution of the industrial sector to economic growth, raise the Kingdom's production capacities, support export development and enhance local content.
	Raising the total development capacity of data centers to 844 MW and reaching more than 1.2 million m^2 of land allocated for data centers in industrial cities and technical zones. This contributes to consolidating the Kingdom's position as a hub for digital infrastructure and cloud computing, and empowering entrepreneurs and startups.

Main Achievements in FY 2026	
Scope	**Achievement**
Industry and Mineral Resources	**Registering 2,600 new products and registering 440 new companies in "Made in Saudi" program in FY 2026, bringing the total to 4,471 companies**. This is implemented to enhance the national product base, enhance their presence in the markets, and support their competitiveness locally and internationally.
	Providing credit facilities and insurance coverage worth ﷼ 38.9 bn for non-oil exports until Q3 FY 2026 to Saudi exporters and importers of Saudi non-oil goods and products. This enables Saudi exporters to increase their non-oil exports, which will reflect positively on the volume of Saudi non-oil exports and boost their presence in international markets.
Investment	**Achieving exceptional growth in investment registrations** until Q3 FY 2026, with an annual growth rate of 115% and an increase in the number of registrations, reaching 26+ thousand compared to 12+ thousand during the same period in FY 2025. This performance reflects the growing attractiveness of the investment environment in the Kingdom, and the effectiveness of efforts exerted in developing registration procedures and raising the efficiency of services provided to investors.
	The Kingdom has advanced 3 ranks in the Kearney 2026 Foreign Direct Investment Confidence Index, reaching 10th place globally among the most likely economies to attract investments, compared to 13th place achieved in 2025. This significant progress reflects the confidence of international investors in the national economy.
	The Kingdom achieved its best historical ranking in UNCTAD World Investment Report FY 2026, by advancing 4 ranks reaching 13th place globally. This reflects the success of economic reforms in raising the competitiveness and attractiveness of the investment environment in the Kingdom.
	Attracting 2,000+ entrepreneurial companies and registering 2,110 companies in FY 2026 through the (Startup Saudi) program. In addition to activating international participation to attract entrepreneurial companies through organizing regional and global events such as (Sushi Tech Tokyo – Leap East) in partnership with the enablers of the entrepreneurship ecosystem.

Main Achievements in FY 2026	
Scope	**Achievement**
Investment	**Developing the Special Economic Zones portfolio by establishing two zones** linked to seaports, including King Abdulaziz Port in Dammam and Al-Khomrah in Jeddah, which contributes to enhancing the resilience of supply chains.
	Approving the regulations of the Special Economic Zones in a way that enhances their investment attractiveness and contributes to the clarity of the authorities. This is reflected in accelerating the procedures of issuing licenses, unifying the regulatory tracks, and enabling the competent authorities to perform their tasks efficiently and flexibly.
Zakat, Tax, and Customs	**Developing and improving the executive regulations of the Excise Goods Tax Law,** with the aim of regulating public revenues, supporting financial balance, and guiding behavioral consumption.
	Signing a number of mutual recognition agreements in the field of customs cooperation with 5 countries, and a number of agreements to avoid double taxation. This is executed to enhance cross-border security and customs coordination, protect the security of markets, attract foreign investments, stimulate trade exchange, and facilitate the movement of capital.
	Extending the initiative to abolish fines and exempt from financial penalties for obligated parties in an effort to reduce the financial burden on the private sector and stimulate business growth and financial commitment.
Energy	**Enhancing the security of crude oil supplies and raising the reliability of the (East-West) pipeline** with a pumping capacity of about 7 million b/d. This is deployed to secure an alternative strategic export route that reduces the risks of sea lanes, ensures the sustainability of oil revenues, and strengthens the Kingdom's leading position in global oil markets.
	Maximizing the Kingdom's oil and gas reserves by replacing 99.7% of crude oil production and condensate for FY 2025. Adding new reserves estimated at 7.8 trillion standard cubic feet (TSCF) of crude gas. In addition to raising the production capacity of Zuluf and Berri fields by 850 thousand barrels per day by the end of FY 2026, to ensure energy security and the sustainability of oil revenues.

Main Achievements in FY 2026	
Scope	**Achievement**
Energy	**Advancing the third expansion of the gas network project** to 81% by the end of FY 2026, and proceeding in the expansion of the gas plants in Jafurah and Tanajib. These projects increase the distribution capacity and achieve financial savings for the budget by reducing the consumption of liquid fuels subsidized in electricity generation and reducing carbon emissions.
	Providing 98-octane gasoline in local markets in priority areas to meet the needs of high-performance motor vehicles, enhance supply security and safety, and increase the reliability of the refined product supply network.
	Opening and expanding 71 factories during 2025-2026, with a volume of investments exceeding ﷼ 7.03 bn, which resulted in the creation of 6900+ jobs. This brings the total number of factories from the launch of the Saudization initiatives to 103 factories with a total investment exceeding ﷼ 10.5 bn. These initiatives contribute to raising the rate of localization of components and services in the energy sector.
Tourism	**Offering 15 qualitative investment opportunities on government lands** distributed in various tourist destinations within the Kingdom, with an expected investment estimated at ﷼ 4.5 bn. This is implemented to support the participation of the private sector and attract local and foreign capital.
	Operating new direct international air routes to connect Riyadh and the Red Sea with major global cities (Tokyo, Singapore, London, Paris, and others). This initiative aims to enhance and expand the Kingdom's international air connectivity, and support Saudi Vision 2030 goals in increasing the number of international destinations.
Saudi Authority for Intellectual Property	**Adopting Copyright Law and its implementing regulations,** in order to update the legislative framework for the protection of copyright and related rights. This is implemented to enhance the protection of creators and rights holders, and to support the growth of the creative economy.
	Adopting the National Intellectual Property Policy to unify public attitudes and organize national efforts in this field, enhance awareness of intellectual property (IP) rights, and support innovation, research and development, and creative industries.

Main Achievements in FY 2026	
Scope	**Achievement**
Saudi Authority for Intellectual Property	**Enabling 11 national entities to establish specialized administrative units in IP** and creating 24 specialized jobs, including 5 ministries, 3 public authority, and 3 private sector companies, in an effort to build specialized national expertise.
	Awareness of the importance of IP and its role in supporting economic growth and innovation in the Kingdom reached 80%, according to World Intellectual Property Organization (WIPO) Pulse report, which included 35 thousand participants from 74 countries.
	The deposit of the Kingdom's accession documents to the Madrid System for the International Registration of Trademarks and the Riyadh Design Law Treaty to WIPO. This expands Saudi trademarks designs and protection opportunities while enhancing their presence and competitiveness in global markets.
	Launching and approving the first package of projects of the Saudi Fund in Trust for Intellectual Property (SAFIT), which includes four projects spanning several years. This will support the development of the intellectual property system, including digital solutions in the Arab countries and tools to measure their economic impact.
Royal Commission for AlUla	**Implementing 50+ programs and events with the participation of 19+ thousand participants from 60 countries.** Aiming to stimulate tourism, hospitality, transport and local services sectors, and enhance community participation.
	Improving AlUla's position as a global destination for culture and tourism in FY 2026, as visitor spendings reached ﷼ 785 million, and the number of overnight visitors reached about 152 thousand visitors. The sales of heritage sites exceeded ﷼ 4.2 million, and the AlUla Arts Festival received 48 thousand visitors.
Finance	**Launching the Updated State Revenue System,** which aims to keep pace with economic and regulatory changes and developments in the Kingdom, it also enables government entities to diversify non-oil revenue sources to achieve Saudi Vision 2030 goals, in line with international best practices.

Main Achievements in FY 2026	
Scope	**Achievement**
Finance	**Launching the initiative of paying financial fines in installment due to the government,** to enable private and non-profit sector enterprises to pay fines in installments. This is initiated to achieve a balance between preserving the government's rights and enabling enterprises to meet their obligations in a way that supports financial sustainability.
	Implementing the Financial Control Law and approving the Executive Regulations to improve the efficiency of the regulatory environment in government entities, assess the level of audit efficiency and activate the self-control method.
	Adopting the Diriyah Guidelines at International Monetary and Financial Committee to enhance the Kingdom's influence internationally. It focuses on reforming IMF quotas and governance, representing a frame of reference for future discussions and reforms.
	Adopting the new Government Tenders and Procurement Law, which aims to develop and improve the Government Tenders and Procurement Law.
	Launching Financial and Economic Dictionary, which is one of the richest dictionaries in the number of terms at the level of government agencies. This dictionary is one of the knowledge and digital enablers of the National Policy for the Arabic Language, which was launched in February FY 2026. The dictionary contributes to unifying financial and economic concepts and terms and providing accurate definitions of them in Arabic and English.
Economy and Planning	**Launching the National Digital Sustainability Platform and the Sustainable Development Data Platform** to enhance transparency and support data-driven decision-making. In addition to observing environmental impact measurement and enhancing transparency in resource sustainability. Also, to monitor and analyze sustainable development indicators to protect and sustain resources.
	Launching the automated classification platform with AI (TasneefAI), and adopting AI technologies, which contributes to increasing the efficiency of processing and the accuracy of automatic classification.
	Increasing the number of indicators of the Data Saudi platform and enabling Agentic AI technologies, to enhance the open data infrastructure and employ smart technologies in analysis.

Main Achievements in FY 2026	
Scope	**Achievement**
National Center for Government Resource Systems (NCGR)	**Launching the educational platform for Etimad's services and products supported by AI technologies** and training 6+ thousand trainees through 8 digital programs and 82 workshops. This is executed to raise the efficiency of providing training programs, improving the learning experience, and enhancing digital knowledge.
	Establishing the Digital Lab for the Exploration and Evaluation of New Technologies as a specialized engineering and technical environment and a proactive arm for the exploration, testing and evaluating of the feasibility and adaptation of modern technologies. This contributed to the exploration of 112+ technical capabilities and the graduation of 9+ technologies that support digital transformation in partnership with 22+ strategic and technical partners.
National Debt Management Center (NDMC)	**The Kingdom's credit rating was affirmed** at "Aa3" with a stable outlook from Moody's, and at "A+" with a stable outlook from Fitch and S&P Global Ratings. This reflects the strength of the Saudi economy, the resilience of the financial position, and the preservation of financial sustainability.
	Inclusion of domestic sukuk issuances in bond indices of (JPMorgan) and (Bloomberg) to enhance the presence of Saudi debt instruments in global investment portfolios, enhance liquidity in the secondary market, and increase the international competitiveness of the domestic debt market.
Privatization	**The development of Abha International Airport** with a unique design with the aim of increasing the number of passengers to 8 million by FY 2030 and 13 million by FY 2054. Leveraging the construction of a new travel terminal that will be implemented in several stages, with an area starting from 69,400 m^2 to reach 73,200 m^2, which contributes to the development of tourism.
	Launching the environmental inspection project in partnership with the private sector by activating field inspection tracks and specialized technical solutions. This project increases the efficiency of control and compliance with environmental requirements and contributes to protecting the health and safety of the community.

Main Achievements in FY 2026	
Scope	**Achievement**
Privatization	**Privatization of the (Al-Najma and Al-Akhdood) clubs within the sports clubs' privatization project to enhance the private sector participation in the sports industry.** This also helps develop sports clubs by improving financial and administrative sustainability, which is directly reflected on the growth and prosperity of Saudi sports in line with the national goals of Saudi Vision 2030.
Non-Oil Revenue Development Center	**Assessing 137+ projects in cooperation with 88+ government entities and approving 46 projects,** to enable government entities to generate revenues from the exploitation of their assets and services in partnership with the private sector according to the income sharing model. This serves to raise the quality of services provided, improve operational efficiency, and achieve economic and social development.

Key Projects Planned for FY 2027	
Scope	**Objective**
Environment, Water & Agriculture	**To raise the production of basic agricultural commodities by a total of 13.25 million tons by FY 2027,** which will contribute to raising the GDP of the agriculture sector to ﷼ 128 bn, to enhance food security and economic sustainability in the agricultural sector in Saudi Arabia.
	To expand the water system infrastructure by completing desalinated water transmission projects with an additional capacity of 4.7 million m^3/day for a total capacity of 9 million m^3 water transmission systems. This will enhance water security, reduce operational costs, and improve the quality of basic services.
	To provide ﷼ 6.6 bn in agricultural financing to achieve food security and rural development, and to provide 11,628 job opportunities, with 27% of the funding allocated to modern water-based technologies. This will raise the rate of self-sufficiency and double the growth of agricultural GDP to 11.7%.

Key Projects Planned for FY 2027	
Scope	**Objective**
Commerce	**For the Kingdom of Saudi Arabia to join the Consultative Center for the Settlement of International Investment Disputes,** to strengthen the regulatory environment for investment and support investors' confidence in dispute resolution mechanisms.
	To increase the number of accredited laboratories to 720 accredited laboratories by FY 2027, compared to 539 in FY 2025. To expand the capacity to meet the market's needs for inspection and testing, as well as enhance the reliability of results and product quality.
	To activate Facility Support Centers, service 60 thousand beneficiaries in FY 2026, support 500+ new businesses and provide 2,000 new job opportunities, which will empower entrepreneurs and support enterprises growth and increase job opportunities.
	To launch a smart device application for the National Business Sector Platform, which will allow business owners and investors to fulfill government business-related services more easily. In addition, this will expedite procedures, improve the beneficiary experience, and raise the efficiency of digital services.
	To develop "Taakad" application to serve as the national products identification platform and linking it to databases of more than 351 thousand products with the quality mark. In order to provide a reliable reference for the consumer to know the details of products.
Industry and Mineral Resources	**To complete the requirements for the Kingdom's accession to the Committee for Mineral Reserves International Reporting Standards.** This aligns the disclosure standards for exploration results, mineral resources and reserves with world-class practices, and enhances the reliability and transparency of mining reports.
	To expand the system of technical zones and specialized clusters by developing and inaugurating two technical zones in Dammam and Dhahran with a total area exceeding 1.3 million m^2. To develop two new technical zones in the Western Region to reach a total of 5 technical zones developed (or under development) around the Kingdom to attract investments and value-added technical activities.

Key Projects Planned for FY 2027	
Scope	**Objective**
Industry and Mineral Resources	**To launch an industrial cluster for the life sciences pharmaceutical sector in the first industrial city in Jeddah on an area of one million m², to cover the value chain of bioindustries, medical equipment** and pharmaceuticals. This aims to contribute about ﷼ 2.3 bn to GDP and provide 10 thousand specialized job opportunities by FY 2035.
Investment	**To secure ﷼ 137 bn foreign direct investment flows in FY 2026**, which will boost economic growth, domesticize goods and services, and provide job opportunities.
	To adopt and update the National Investment Strategy (Second Edition) and to launch it in alignment with 60+ government and private entities to boost investments quality, competitiveness and governance. This will diversify sources of income, attract domestic and foreign capital to promising sectors, and create direct and indirect job opportunities.
Zakat, Tax and Customs	**To issue scientific Zakat clauses** to enhance the understanding of Shari'a standards and clarify their jurisprudential foundations, thereby supporting their proper application in Islamic financial institutions.
Energy	**To progress in executing the third expansion project of the main gas network,** to reach 96% completion by the end of FY 2027. This will increase the distribution capacity of transporting natural gas to demand centers by adding 4,000+ km of pipelines and connects 40+ facilities, which contributes to reducing carbon emissions.
	To maximize and sustain the Kingdom's oil and gas reserves and strengthen its leading position globally in the energy sector, by replacing the entire production of crude oil and condensate in FY 2026 and adding new reserves estimated at 7.5 TSCF of crude gas.
	To launch a fuel inventory monitoring platform for more than 7000 gas stations by linking the storage control systems at the stations to the control center at the Ministry of Energy headquarters. This will ensure the security of supply for petroleum products, reduce interruptions, and unify and automate licensing procedures and facilitate them to raise the efficiency of digital services for the sector.

Key Projects Planned for FY 2027	
Scope	**Objective**
Energy	**To implement the first phase of the basic national enablers for the development and innovation of nuclear technologies** and to support the joint operation of the first Saudi research nuclear reactor. This will support the National Atomic Energy Project, raise readiness for the construction and operation of the first nuclear plant in the Kingdom, domesticize technologies and build human competencies and capabilities.
Tourism	**To attract 144.5 million tourists in FY 2027 by** diversifying tourist destinations, developing global marketing campaigns, improving visitor experience, and providing integrated tourism services and experiences.
	To achieve a total tourism expenditure of ﷼ 358.4 bn in FY 2027 via providing value-added tourism products and services that attract tourists. This will increase the contribution of tourism to the GDP, diversify the economy, attract new investments, and boost the growth of small and medium enterprises (SMEs) in the tourism sector.
Royal Commission for AlUla	**To raise the sustainability rate of heritage sites to 76%** to enhance the sustainability of heritage sites and support the growth of cultural tourism. This will improve AlUla's attractiveness as a global tourist destination and support the sustainable economic use of its heritage assets while preserving them for future generations.
	To promote the participation of AlUla citizens, residents and visitors in sports, cultural and heritage activities, by **targeting 19 thousand participants in sports activities by the end of FY 2027**. To raise the participation rate in heritage and cultural activities to 57%, which will improve the quality of life and enhance community interaction, as well as boosting AlUla's attractiveness to tourism and investment.
Finance	**To launch the Executive Regulations of the State Revenue Law,** with the aim of protecting government debts, strengthening PPP, and alleviating the financial burdens on debtors.
Economy and Planning	**To implement a corporate sustainability strategy** to consolidate environmental and societal practices in governance to protect resources and ensure their sustainability in the business sector.
	To activate the localization of sustainable development in the cities and regions of the Kingdom of Saudi Arabia, to achieve environmental balance and resource sustainability at the domestic and regional levels.

Key Projects Planned for FY 2027	
Scope	**Objective**
Economy and Planning	**To develop and experiment with the Sustainable Development Partners Network (Sustain),** to employ modern technologies, AI, and build smart networks to serve development.
	To launch the Global Trade Policy and Economic Shocks Simulation Platform, to future foresight and build an advanced digital tool to predict shocks and support decision-making.
National Center for Government Resource Systems (NCGR)	**To enhance the governance and management of master and reference data** to ensure data quality and consistency, support decision-making, and increase the reliability of data reports on the unified master data platform by 65%, which will raise the reliability of data and enhance its quality.
Privatization	**To develop and expand Prince Naif International Airport in Qassim and the new International Airport in Taif** in partnership with the private sector. This will raise passenger capacity, align with the objectives of the National Aviation Strategy, and upgrade the infrastructure and competitive services that support tourism in the two regions.
	To implement the high-speed bus project with a specific route in Madinah to serve the densest axes and locations. This will enhance the quality of life and facilitate the movement of citizens and visitors through the construction of 3 frequency bus lanes with about 200 buses.
	To outsource the operation and maintenance works of 1,081 public parks in (Madinah, Jeddah, and the Eastern Province) in partnership with the private sector. This will enhance the efficiency of capital and operational expenditure and improve the quality of public facilities and services provided to park visitors in residential neighborhoods.
	To complete Umm Al-Qura University Hospital project and fully operate it by FY 2027. To provide integrated health services including basic specialties, clinical and support services, in a way that improves the quality of health care.

Public Administration Sector

First: Overview

Sector allocation in FY 2027 Budget	﷼ 58 bn
Main functions	Undertaking the management of foreign relations, political and diplomatic affairs, Islamic affairs services, and justice and judicial affairs. Organizing Hajj and Umrah, ensuring the care of the Two Holy Mosques, and facilitating the operations of the central government and the management of general authorities.
Number of governmental entities affiliated with the sector	34

Main Achievements in FY 2026

Scope	Achievement
Islamic Affairs	**The Pilgrim Experience Program for the year 1447 AH hosted 2,510 pilgrims from more than 100 different countries,** to enable Muslims globally to perform rituals and consolidate the bonds of Islamic brotherhood and social welfare.
	Launching "New Muslim Card" service to automate the registration procedures of those entering Islam, facilitating the integration and providing social care of new Muslims through targeted and automated services.
	Expanding the scope of advocacy and awareness programs by implementing 6,697,964 programs by the end of FY 2026, in order to enhance value and intellectual awareness and build the community cognitively and culturally.
	Distributing dates and sponsoring Iftar for 190 countries in the Custodian of the Two Holy Mosques program, with the aim of building bridges of social solidarity and international humanitarian support.
Justice	**Equipping and operating central Digitalization laboratories to digitize 300 million judicial documents,** and make them available online, within automated systems. This accelerates judicial and documentation procedures and enables the comprehensive digital transformation of judicial services.

Main Achievements in FY 2026	
Scope	**Achievement**
Justice	**Building and developing electronic notary services** for all notarization products (power of attorney, declarations, virtual notary), which enhances preventive justice.
	Launching the integration platform (Najiz Developers) to link the systems of the Ministry of Justice with the systems of government and private entities. It allows the exchange of justice data and services in an immediate and secure manner, making it easier for entities to build their digital services.
	Completing the development of the unified marriage contract service by improving and automating its procedures. This aims to enable the beneficiary to request a multi-track marriage contract registration without visiting judicial headquarters, and to speed up all judicial procedures.
Hajj and Umrah	**Developing and activating the unified digital wallet for pilgrims within Nusuk application,** to enable them to manage their payments and balances and benefit from payment and refund services through a unified and secure digital wallet. This simplifies financial transactions and supports the digital transformation in the Hajj and Umrah system.
	Establishing the largest city for roadside pilgrim rest stations on the northern land routes in the Kingdom, in a way that embodies the care of the government of the Custodian of the Two Holy Mosques for the pilgrims. This also reflects the values of generosity and good hospitality in the Saudi society.
	Expanding the scope of the prepared prayer halls in the areas near the Grand Mosque, as part of the "All of Makkah is a Sanctuary (Haram)" initiative. This allows the pilgrims to perform prayers in equipped and nearby locations, and reduces the pressure on the central area, improves the flow of movement, and raises the level of comfort and quality of experience during the peak seasons.
	Developing the Umrah visa model from a single-entry to a multiple-entry visa, which allows the Umrah performers to stay for up to 90 days within one year, without imposing additional government fees. This aims to provide a more flexible experience for Umrah performers and give them the opportunity to repeat the visit and perform Umrah throughout the year. Moreover, linking each trip to a pre-existing Umrah package that contributes to organizing demand, improving the guest experience, and increasing the number of Umrah performers and the visit spending.

Main Achievements in FY 2026	
Scope	**Achievement**
Foreign Affairs	**Improvements in digital systems have facilitated the visa issuance journey,** with nearly 18 million of various types of visas issued in FY 2026, reflecting the operational efficiency and high capacity of the digital visa system.
	Signing a mutual exemption agreement from entry visas with the Russian Federation, which facilitates the movement of citizens of the two countries, increases the number of visitors, enhances the Kingdom's position as a global tourist destination. This also facilitates the movement of businessmen and investors and raises the classification and competitiveness of the Saudi passport globally.
	The Ministry of Foreign Affairs' Call Center received the Golden Medal as the best call center and the best utilization of AI in the EMEA call centers. In recognition of the Ministry's efforts in applying world-class practices in serving beneficiaries.
	Developing diplomatic and special travel documents by transitioning to the e-passport equipped with a smart chip and advanced security features that comply with international standards and specifications. This enhances the reliability of travel documents, reduces forgery risks, and expedites crossing procedures.
	Launching a digital notarization service for foreign real estate investors to enable remote identity and biometric verification, along with digital ID issuance from abroad. This aims to complete the property ownership procedures, simplify the investor journey, and boost the Kingdom's real estate investment appeal.

Key Projects Planned for FY 2027	
Scope	**Objective**
Islamic Affairs	**To distribute dates and sponsoring Iftar for 200 countries in the Custodian of the Two Holy Mosques program** to enhance the Kingdom's humanitarian and social impact globally.

Key Projects Planned for FY 2027	
Scope	**Objective**
Islamic Affairs	**To print, distribute and sell the Holy Quran publications that are issued annually by King Fahd Glorious Quran Printing Complex,** and to publish translations and dictionaries in multiple languages. This will contribute to achieving the operational sustainability of the production and distribution of scientific and knowledge in print.
Justice	**To develop the judicial review journey by automating and controlling the mechanism of analyzing facts in the technical system,** with the aim of enhancing transparency by unifying judicial review procedures. This will contribute to raising the efficiency and quality of judicial services, achieving access to justice and enhancing judicial guarantees.
	To develop inter-court referral management services by building a unified central model for courts using AI applications, in order to enhance their operational efficiency, achieve access to speedy justice, enhance judicial guarantees, activate institutional justice and accelerate the resolution of cases.
	To automate property evictions, direct execution, and eliminate paper procedures, to improve the beneficiary experience, and promote the values of fairness and transparency.
	To develop an application for a litigation system on smart devices to provide an easy and effective experience that supports the beneficiary in completing the targeted tasks and services with ease. It will also activate institutional justice and accelerate the resolution of cases by facilitating the implementation of judicial procedures by enabling the execution of procedures on the application.
Hajj and Umrah	**To launch the "Luggage-Free Flight | Residence to Plane" initiative** to provide a more comfortable and smooth travel experience for Umrah performers, reduce the hassle of traveling with luggage, reduce congestion at airports, expedite travel procedures, and enhance integration between relevant authorities.
	To launch a comprehensive worker platform in the Hajj system to develop a unified platform to manage the life cycle of the seasonal employees in Hajj. Starting from verification of eligibility and early registration, then training and licensing until the issuance of the permit and Nusuk card, and then evaluation after the end of the season. This will automate the procedures of registration, qualification and licensing.

Key Projects Planned for FY 2027	
Scope	**Objective**
Foreign Affairs	**To launch the unified Gulf visa issued by the GCC countries** as a regional bloc, to facilitate the movement of tourists and visitors between the GCC countries, increase visitors number, and enhance the Kingdom's position as a global tourist destination.
	To launch the new version of the "Saudi Visa platform" with a digital identity and an integrated beneficiary experience. It will include redesigning the visa journey and unifying and simplifying the procedures for various types of visas within a unified national platform, enhancing the efficiency and ease of access to services.
	To launch the first phase of the unified sectoral platform for diplomatic and consular sector services, to unify existing systems and platforms within an integrated digital system. This will enhance government integration and achieve a unified and integrated digital experience.
	To sign the agreement of visa exemption a visa exemption agreement with South Korea and Singapore, which will enhance the Saudi passport's global classification, facilitate the movement of Saudi citizens, and encourage the movement of investments and international trade.

Security and Administration Regions Sector

First: **Overview**

Sector allocation in FY 2027 Budget	﷼ 118 bn
Main functions	Focusing on maintaining internal security and the country's safety, which includes border guards, countering terrorism and extremism, narcotics control, civil defense, passport administration, and traffic safety. In addition, it focuses on managing and organizing the affairs of the emirates of the regional administration, reformatories and prisons administration, as well as the technical integration of the citizens' transactions to civil affairs, cybersecurity, and premium residency.
Number of governmental entities affiliated with the sector	31

Main Achievements in FY 2026	
Scope	**Achievement**
Interior Affairs	**Launching 59 new e-services of the Ministry of Interior Affairs via Absher platform,** to facilitate access to government services, maximize the use of digital infrastructure, reduce operational costs, and enhance the efficiency of government spending.
	Opening 9 new security headquarters in various regions of the Kingdom, to facilitate access to security services to all regions, and enhance the speed of response to citizens, residents, and visitors' reports.
	Launching e-gates at 4 airports and trial operation at 2 airports, benefiting 17+ million passengers. These e-gates reduce operational costs, raise the quality of digital government services, and facilitate travel procedures.
	Implementing of the "Makkah Road" initiative for Hajj Season 1447 AH for the eighth year, to shorten the journey and improve the services provided to pilgrims by completing their travel procedures in their countries and facilitating their arrival procedures in the KingdomThe beneficiary countries included 10 countries, 17 land border crossings, in addition to 388+ thousand pilgrims.
	Launching the "Salamah Portal" and issuing 348 thousand safety licenses for establishments to facilitate the procedures of obtaining safety licenses from the Civil Defense, and to benefit from the government's digital infrastructure.
	Launching the Digital Center for Security Operations in Jeddah Governorate, to raise the speed of response to emergency security situations and support the Unified Security Operations Center in Makkah region.
	Implementing the National Program to Spread Awareness of Weather Phenomena to raise the awareness of citizens, residents and visitors about weather phenomena and safety measures against their risks, enhance integration between government agencies, and enhance the speed of alerts.
	Achieving first place in the Readiness Index for the adoption of emerging technologies, to provide advanced and more effective government services, and enhancing the Kingdom's leadership in international indicators.

Main Achievements in FY 2026	
Scope	**Achievement**
Interior Affairs	**Establishing the Prince Naif Center for Excellence and Medical Innovation** to serve as an institutional platform for developing health innovation, supporting research and development, and enabling medical solutions and modern technologies. The center includes 4 advanced medical specialties, 12 specialized clinics, 30 beds, and 5+ thousand beneficiaries annually.
Cybersecurity	**For the third year in a row, the Kingdom has maintained the first rank globally in the Cybersecurity Index** issued by IMD World Competitiveness Center, according to Global Competitiveness Yearbook 2026. This enhanced the Kingdom's position globally, as well as developing and stimulating investment in the cybersecurity sector.
	Riyadh was chosen as the headquarters of the first cybersecurity office of the United Nations Institute for Training and Research (UNITAR). The government of the Kingdom, represented by the National Cybersecurity Authority, signed the headquarters agreement with the institute. Aiming to enhance the Kingdom's position globally and consolidate its position as a destination for hosting regional and international entities and organizations.

Key Projects Planned for FY 2027	
Scope	**Objective**
Interior Affairs	**To launch 30 new services on Absher platform "Individuals, Business, Government",** to reduce operational costs, increase the efficiency of government spending, enhance digital inclusion, and facilitate access to all government services for all segments of society.
	To open 4 security headquarters in various regions of the Kingdom, to enhance the efficiency of security services in various regions and accelerate the closure of reports.
	The "Makkah Road" Initiative for the Hajj Season 1448 AH, will increase the number of countries benefiting from the initiative, reach 450+ thousand pilgrims, develop the services provided to the pilgrims, and facilitate their access to the Kingdom.
Cybersecurity	**To maintain the global 1st place in the Cybersecurity Index**, issued by IMD's Global Competitiveness Center, with the aim of enhancing the Kingdom's global standing and developing the cybersecurity sector in the Kingdom.

Key Projects Planned for FY 2027	
Scope	**Objective**
Cybersecurity	**To maintain the Kingdom's ranking among the highest categories of the Global Cybersecurity Index (GCI),** in the Role-Model category, to enhance cybersecurity and stimulate investment in the sector.

Military Sector

First: **Overview**

Sector allocation in FY 2027 Budget	﷼ 263 bn
Main functions	Focusing on defending the Kingdom of Saudi Arabia and protecting its sovereignty. This includes enhancing military capabilities and developing and domesticizing the military industries; providing medical services through the military hospitals; supporting military research, education and training in military colleges and universities; as well as operating and maintaining military facilities, bases and cities.
Number of governmental entities affiliated with the sector	18

Main Achievements in FY 2026	
Scope	**Achievement**
National Guard	**Saudization of first-generation LAF vehicles,** to promote the Saudization of military industries, achieve self-sufficiency, and increase the contribution of domestic content to GDP.
	The first qualitative robotic surgery through telemedicine (remote) in the Kingdom was performed on a patient in Jeddah by a medical team in Riyadh. This reflects an advanced model of integration between the two surgical teams in the departments of urology and kidney surgery at King Abdulaziz Medical City in Riyadh and Jeddah.
	Patent registration in the medical field for an advanced innovation that directs anesthesia straight to the nerves, in support of medical research and innovation and to raise the efficiency of surgical and therapeutic interventions.

Main Achievements in FY 2026	
Scope	**Achievement**
National Guard	**The Ministry of National Guard Health Affairs has received accreditation from the "Global Network of Excellence in the Field of Allergy and Asthma".** This reflects the continued development of health services provided to citizens and residents, and the enhancement of the Kingdom's position in the health field.
Military Industries	**Saudization of 12 defense industrial capabilities to build an advanced economic and manufacturing base,** in order to enhance self-sufficiency and raise the readiness of national defense industrial capabilities.
	Enhancing the investment environment and partnership with the private sector in the military industries sector by financing 7 companies with a total of 32 ﷼ million and qualifying 8 companies with banks participating in the Kafala program. This is implemented to enable national companies to expand and access international markets and increase the sector's attractiveness to quality capital.
	Developing 3 regulatory tools in FY 2026 to enhance the legislative system to enable the growth of the military industries sector, raise the efficiency of governance and compliance, enhance the reliability of regulatory procedures and improve the business environment.
	Promoting human capital development in the Saudi military system by graduating 4 scholarship students and training 3 scholarship students from the scholarship program for the military industries sector. Graduating 189 students from the National Academy of Military Industries program, to raise the readiness of national competencies specialized in the military industries sector.
Defense	**Enhancing the efficiency of the air medical transport system and emergency ambulance services** to ensure the speed and ease of patients' access to health care through air medical transport operations. that reached 1,944 cases by Q3 FY 2026. This contributes to saving lives by reducing medical response time and ensuring that patients reach reference hospitals with high efficiency.
	The success of performing the first rare surgery of its kind to implant an advanced artificial urinary valve in the Kingdom, by a medical team at Prince Sultan Military Medical City. This is considered the first of its kind locally and among the first in the Middle East, which enhances the efficiency of specialized medical services and improves the quality of life for patients.

Main Achievements in FY 2026	
Scope	**Achievement**
	Increasing the capacity of kidney transplant programs by 100% to reach 48 operations per month, in parallel with expanding the evaluation and donation units through the brain-dead donors to 12 units, to reduce the costs of hemodialysis and improve the patients' health.
Defense	**The Kingdom was selected as the first strategic partner of the International Union for Open Geospatial Consortium (OGC)** from outside the United States and the European Union countries to join NASA and ESA. This aims to develop national geospatial data infrastructure and governance and consolidate the Kingdom's leadership regionally and internationally in the adoption and development of open standards and geospatial AI applications.

Key Projects Planned for FY 2027	
Scope	**Objective**
National Guard	**To establish and operate extracorporeal photopheresis service** to treat graft-versus-host disease and some lymphatic skin diseases, support organ and stem cell transplantation programs.
Defense	**To establish and operate an applied laboratory at the headquarters of the General Authority for Survey and Geospatial Information, (AI and Geospatial Innovation Laboratory),** with the aim of developing prototypes and investable start-ups.
	To expand the capacity for kidney transplant surgeries to reach 600 kidney transplants during FY 2027, which aims to propel Organ Transplant Center of Excellence into top five centers globally in kidney transplantation.

General Items

The allocation for the general items sector in the FY 2027 budget (the central expenditure sector) amounted to approximately ₪ 272 bn. The sector is responsible for expenditures related to the government's share in retirement pensions and social insurance, contributions to international organizations, the cost of debt, and the management of allocations (such as budget support allocation, essential service facilities allocation, and emergency allocation). In addition to providing subsidies to government agencies and mega projects allocation.

Sectoral Expenditures

(₪ bn, unless otherwise stated)

Sector	Budget 2026	Estimates 2026	Budget 2027	Annual Change* (Budget FY 2027- Estimates FY 2026)
Public Administration	57	59	58	**-2%**
Military	240	254	263	**3%**
Security and Regional Administrations	120	130	118	**-9%**
Municipal Services	72	83	93	**12%**
Education	202	205	195	**-5%**
Health and Social Development	259	304	256	**-16%**
Economic Resources	92	103	98	**-5%**
Infrastructure and Transportation	35	41	38	**-7%**
General Items	236	256	272	**6%**
Total	**1,313**	**1,436**	**1,392**	**-3%**

Source: MOF.
* Annual change rates are based on the total aggregate values.
Figures are rounded to the nearest decimal point.

03

Key Fiscal Risks

for FY 2027 and over the Medium Term

Third Section

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 importance of monitoring, analyzing and assessing public financial risks becomes evident. Fiscal risks management is a key element in enhancing the efficiency of financial planning and ensuring fiscal resilience and sustainability, by proactively guiding policies to manage and address potential challenges and mitigating their negative repercussions. This section reviews **the domestic and global key fiscal and economic risks** surrounding the Saudi economy, which may affect the achievement of the goals of FY 2027 budget and over the medium term.

A. Global Economic Risks

In FY 2026, the **global economy** witnessed uncertainty, as a result of the escalation of geopolitical tensions, which was reflected in the pace of global economic activity and growth prospects. The International Monetary Fund (IMF) projections indicate a slowdown in the global economy growth, from 3.5% by the end of FY 2025 to 3.1% in FY 2026. Subsequently, it is expected to rise to 3.4% in FY 2027[14], supported by the easing of geopolitical tensions, in addition to the accelerated pace of technological advances, especially in AI applications. However, the growth prospects for FY 2027 and over the medium term remain exposed to a number of potential risks, most notably: **the continued escalation of geopolitical tensions** and their potential impacts on strategic sea lanes and energy markets. In addition to the **continued trade restrictions and protectionist policies** which is causing negatively impact global trade and supply chain disruptions, and its potential impacts on commodity price fluctuations and shipping and production costs.

[14] World Economic Outlook, October 2026

Furthermore, with these challenges and continued uncertainty, **the trajectory of global monetary policy** remains contingent on global price changes and supply chain recovery. This could keep interest rates at higher-than-expected levels and could be reflected in financing costs and increasing pressure on global debt levels.

B. Domestic Economic Risks

In FY 2027 and over the medium term, the domestic economy will be affected by global economic developments through several channels, including energy markets, trade, and global financial conditions. In light of the uncertainty surrounding geopolitical tensions in the region, the potential for their repercussions to extend into sea lanes and supply chains remains active. This may reflect on **the oil activities' growth pace** due to fluctuations in demand, prices, production levels, and oil exports. The effects of these risks on **the non-oil activities' growth pace** may extend to higher input and financing costs, disruption to trade, and impact investors' decisions. These effects may be exacerbated if geopolitical developments are aligned with a larger slowdown in the global economy or continued tightening of global financial conditions.

In this context, the domestic economy may face the possibility of a transition of **imported inflationary pressures,** especially if commodity prices and shipping costs continue to rise. However, the measures implemented by the government by providing alternative transport routes and supporting the shipping sector have contributed to ensuring the flow of goods and the maintain adequate of food stocks and supporting price stability domestically. **The inflation rate** in Saudi Arabia from the beginning of FY 2026 until October FY 2026 reaching approximately 1.8% compared to the same period of the previous year, which is one of the lowest among the G20 countries[15].

[15] Source: GASTAT

On the other hand, Saudi Arabia has proven its ability and position as a **sustainable and reliable global supplier in securing global energy supplies,** supported by its strategic investments in the development of energy and logistics infrastructure. Implementing this framework ensures the flow of oil and non-oil exports, by leveraging the East-West pipeline and ports available on the west coast as an effective operational alternative that enhances the flexibility of supplies across the Red Sea, reflecting the Kingdom's strategic outlook. Building on these efforts the launch of **the Saudi War-Risk Insurance Pool for Cargo and ships** came to enhance the readiness of the insurance market to deal with marine insurance risks, supporting the continuity of trade and supply chains, and reducing the effects of the volatility of global reinsurance markets. **The reforms and initiatives that support investment and business environment within the goals of Saudi Vision 2030,** including the development of regulatory frameworks and improving the attractiveness of the investment environment, have also contributed to enhancing the role of the non-oil sectors and supporting economic growth.

C. Fiscal Risks

In FY 2027 and over the medium term, public finances may face a number of challenges related to the uncertainty surrounding the global and domestic economy. The most prominent of which are the decline in the growth rates of global demand as a result of the escalation of geopolitical tensions, their repercussions on oil prices and production levels and their potential impact on **oil revenues. Non-oil revenues** may also be affected if the domestic economy slows due to disruptions in global trade and supply chains, while global inflationary pressures and persistently high interest rates may increase financing costs.

In light of this, the government continues to adopt flexible fiscal policies, with strategic dimensions of long-term fiscal planning, implementing proactive policies to face accelerated global developments, as well as periodically reviewing economic and fiscal variables. Ongoing efforts are directed to enhance **fiscal sustainability** by developing non-oil revenues, raising spending efficiency, and maintaining sustainable levels of public debt and significant fiscal reserves. This enhances the ability of public finances to absorb shocks and maintain economic and fiscal stability.

The government continues to advance structural reforms that support the efficiency and sustainability of public finances, without affecting the priorities of development spending. Consequently, the acceleration of the pace of implementation of a number of programs and projects contributed to achieving tangible gains during the past period. In addition, the government aims to maximize the impact of targeted government spending by prioritizing spending and directing resources towards programs and projects with economic and social impact in order to support economic growth.

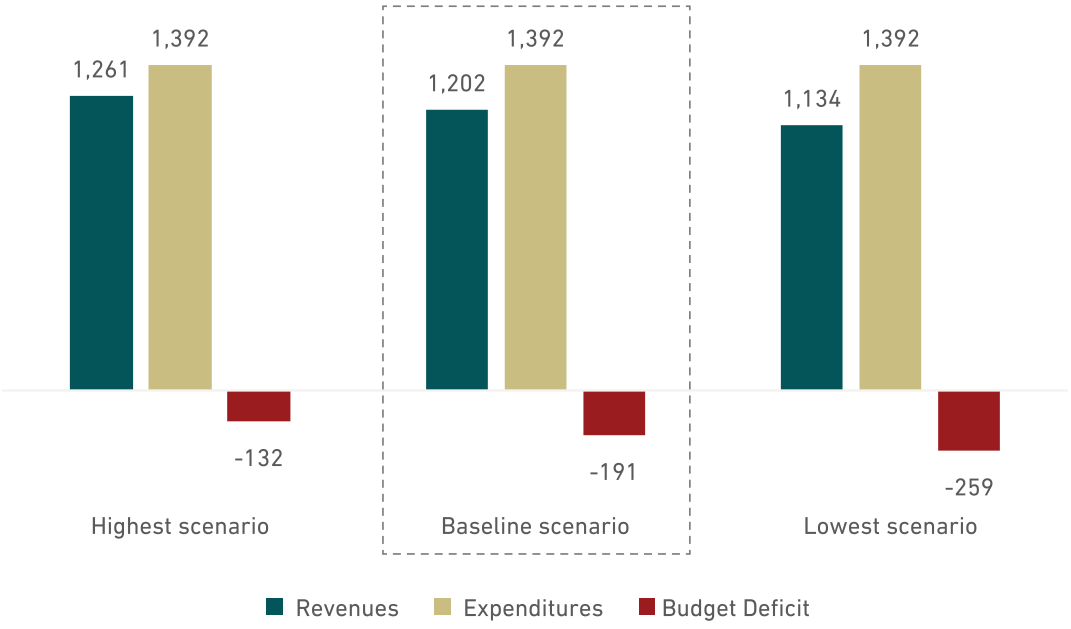
Furthermore, the government **manages public debt** in accordance with the medium-term debt strategy framework, by balancing the cost of financing with risk, and supporting the continuity of the implementation of priority projects without being fully linked to the fluctuations of the economic cycle. It is worth noting that the Kingdom's high creditworthiness allows it to diversify its fiscal instruments and access international and domestic markets at an affordable cost, which gives it sufficient fiscal space to resort to if needed.

D. Revenue Scenarios for FY 2027 Budget

In light of the government's adoption of a proactive approach to address various global and domestic economic challenges, effort has been made on revenue scenarios in the FY 2027 budget, including: highest scenario, baseline scenario, and lowest scenario. These scenarios enhance the flexibility of public finances to deal with any of them if they are realized, in order to ensure financial stability and sustainability.

Revenue Scenarios for the FY 2027 Budget

(฿Bn)



Source: MOF.

The **baseline budget scenario** presents the weighted path of the FY 2027 budget, which takes into account **the key domestic and global fiscal and economic risks** surrounding the Kingdom's economy, that may affect the goals of the FY 2027 budget. The baseline scenario assumes the revenues to reach about ﷼ 1,202 bn, with real GDP growth of 10.9%, and recording a budget deficit relative to GDP estimated at 3.6%.

Meanwhile, **if the risks surrounding the global and domestic economy subside**, such as the escalation of geopolitical tensions, this subsidence may support the stability of economic activity and the movement of trade and exports, then the **highest budget scenario** is likely to be realized. The highest scenario assumes revenues of about ﷼ 59 bn higher than the baseline budget scenario. Accordingly, real GDP growth is estimated to be about 10.9% with a budget deficit relative to GDP estimated at 2.4%.

Conversely, **if the severity of the risks surrounding the global and domestic economy continued**, such as the escalation of geopolitical tensions and the accompanying effects on the movement of trade, export levels, and economic activity, then the lowest budget scenario is likely to be realized. **The lowest budget scenario** assumes a decrease in revenues by about ﷼ 68 bn compared to the baseline scenario. Accordingly, real GDP growth is estimated at 10.9% with a budget deficit relative to GDP estimated at 5.0%.

E. The Kingdom's Key Measures in Response to Geopolitical Developments and the Economic and Developmental Implications

In light of the rapid geopolitical developments in the region and the accompanying economic and development challenges, **Saudi Arabia stands out as a key party in supporting stability and enhancing efforts aimed at containing disruptions and reducing their repercussions**. This is achieved by its efforts to enhance regional and global stability, and its economic and development endeavors aimed at preserving national gains and enhancing the resilience and sustainability of the national economy. In this context, this section summarizes the Government's efforts to deal with regional developments since the beginning of the disruption at the end of February FY 2026, and to neutralize its economic and developmental repercussions on the Kingdom's economy. This section also highlights the key national measures and initiatives taken through the integration of the efforts of various economic sectors to enhance economic resilience in the face of the surrounding regional changes.

In terms of measures, **Saudi Arabia –represented by various economic sectors– has taken a number of measures and initiatives to address the repercussions associated with the disruption**. These measures range from proactive measures taken at the beginning of the disruption to measures taken based on developments. Through these measures, the government aims to support the continuity of economic and development activities and enhance the strength and resilience of the national economy against shocks arising from geopolitical developments and the resulting global economic fluctuations. Furthermore, the economic systems and other supporting sectors also analyze and assess the sectoral and fiscal impact on various economic activities. In addition, various sectors are taking several preventive policies and implementing a number of proactive actions and initiatives to support the stability and growth of the affected sectors.

The transport and logistics sector efforts have been represented in enhancing the resilience of supply chains and the sustainability of their operations. This is accomplished by facilitating the use of the Saudi airports and ports, activating land transport solutions to support air freight, and adding capacity from shipping lines, as well as providing fee exemptions, facilitating customs clearances, launching marine insurance solutions and products for goods and ships, and other initiatives aimed at ensuring the smooth flow of logistics to and from the Kingdom and reducing associated costs.

The industrial, commercial, health and food security sectors are also working proactively and integrally with other sectors to assess the movement of goods and services. These sectors examine the availability of production inputs and propose interventions and precautionary measures to enhance the production capacities of these sectors to meet their demand. Among the key measures taken are the daily real-time monitoring of commodity stocks, monitoring the expected impact on stocks of basic materials and their prices, and facilitating the movement of industrial, food, pharmaceutical and raw materials shipments at sea and land ports. In addition to supporting export companies to cover the high costs of logistics operations during the disruption for domestic products, addressing challenges related to the journey of importing primary commodities to Saudi Arabia, and other measures to support strategic stocks, and enhancing the resilience of the sector's supply chains and business continuity.

Regarding **the service sectors**, including the tourism, Hajj and Umrah sectors, the efforts exerted are represented by assessing the economic impact by monitoring and analyzing the indicators of movement and accommodation through the various ports of the Kingdom. Efforts are integrated with other sectors to enable their proactive plans and implement their measures to support the protection and development of the market share of these sectors. The proactive

efforts and interventions implemented are facilitating the procedures for sheltering those affected by the disruption, facilitating the entry of tourists into the Kingdom, as well as facilitating visits from neighboring countries, and promoting domestic tourism.

In addition to the aforementioned efforts, **the development funds** support and finance the affected sectors in order to enhance their resilience in the face of the various challenges resulting from the repercussions of the disruption. Among the key measures taken are the postponement of the repayment of government loans to the affected enterprises in order to mitigate the impact of the disruption. Concurrently, the provision of financial and operational support to existing companies to face current and future inflation, and the provision of additional financial support to ensure the availability of basic food commodities. In addition to other initiatives related to enhancing the ability of development funds and banks affiliated with NDF system to finance the sectors most affected by the disruption.

In conclusion, **the aim of implementing recovery measures and initiatives** is to reduce the burden on the performance of sectors and their economic activities and increase their ability to respond to current geopolitical impacts. The measures taken also contribute to limiting the spillover of geopolitical developments into trade, shipping, and supply chains, supporting the continuity of the flow of goods, the availability of production inputs, and reducing potential pressures on price and inflation levels in various sectors. Moreover, these measures work to contain the repercussions on all sectors, including the sectors of business, investment, trade, labor market and consumption, in addition to maintaining the implementation of development projects and national gains

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04

Key Fiscal and Economic Enablers

for FY 2026 and the budget objectives for FY 2027

Fourth Section

Key Fiscal and Economic Enablers for FY 2026 and the budget objectives for FY 2027

A. National Strategies

Since 2016, Saudi Vision 2030 has laid the foundations for development, through vision realization programs (VRPs) and strategic initiatives aimed at initiating structural reforms, and implementing a wave of transformation plans at the social and economic levels.

Over the years, the consecutive launch of promising potential in various sectors and the need to develop national strategies focusing on creating more coverage of sectors and ensuring that their potential is invested and the opportunities that arise in each of them has emerged. In addition to development strategies for different regions, which ensure the investment of growth opportunities in each region, empower the regions' individuals, and improve the quality of services provided in them. These strategies enhance the comprehensive transformation process, contribute to economic diversification, and achieve economic and social benefits across the Kingdom. Sectoral and regional national strategies are vital tools for the implementation of Saudi Vision 2030, as they contribute to achieving sustainable growth and driving long-term economic transformation. These strategies focus on the development of sectors and regions, which ensure prosperity at all levels.

The next phase will witness a greater role for national strategies, which include comprehensive sectoral strategies, sub-strategies, and regional strategies. This will enable the Kingdom to keep pace with and invest in emerging opportunities, and to complete an exceptional journey of sustainable growth. This in turn will make the Kingdom a vital center for every emerging opportunity, and an incubator for every ambition that wishes to be part of shaping a prosperous future.

Regarding **National Labor Market Strategy**, Human Resources Development Fund (HRDF) contributed to increase employment in the labor market. This growth reflects the effectiveness of HRDF's programs and initiatives aimed at promoting quality and sustainable employment opportunities. The total direct support to individuals and entities benefiting from training, empowerment and extension support programs and products in H1 FY 2026 amounted to about ﷼ 4.9 bn[16].

As for enhancing the investment environment in Saudi Arabia, the efforts of the **National Investment Strategy (NIS)** propelled the Kingdom to the 13th place globally among the largest economies receiving foreign direct investment in FY 2025[17]. This milestone marks a climb of four ranks globally compared to FY 2024, which reflects the attractiveness of the Saudi economy for foreign investments. Given these circumstances, the total fixed capital formation reached about ﷼ 1.4 tn by the end of FY 2025, exceeding the objective of 2025, and its share of GDP reached about 28.4%, exceeding the target of 26.4%. Foreign direct investment inflows amounted to about ﷼ 159 bn in FY 2025, increasing 33.5% in FY 2025 compared to last year. The balance of foreign direct investment reached approximately ﷼ 1.1 tn by the end of FY 2025, achieving an increase of about 8.3% compared to the previous year. The Saudi program to attract regional headquarters of international companies to the Kingdom has succeeded in attracting more than 740 international companies since the program's inception. The program exceeds the target of 500 companies by 2030, which strengthens the Kingdom's position regionally to be a hub for international companies to manage their investments in MENA region and provide their services to the region from the Kingdom. This performance reflects a high confidence of foreign investors in the investment environment in the Kingdom, the unprecedented legislative facilities, and the growing attractiveness of strategic sectors in line with the goals of Saudi Vision 2030.

[16] Human Resources Development Fund.

[17] 2026 World Investment Report, issued by UNCTAD.

The Kingdom continues its efforts to promote privatization, empower the private sector, and expand its participation in economic development. The privatization program completed its work and initiatives, after its success in achieving the main purpose of its establishment and laying the regulatory and legislative foundations that supports privatization. To complement these efforts, the Kingdom has moved to a new phase through **the National Privatization Strategy (NPS)**. Until Q3 2026, NPS closed of 98 contracts for privatization and partnership between the public and private sectors, with capital investments from the private sector exceeding ﷼ 57 bn. This has contributed to the development of infrastructure and raising the efficiency and quality of public services. At the international level, the Kingdom has strengthened its position in the field of PPP, achieving the second place globally in the offering of projects. As well as achieving the fifth place in contract management, according to the World Bank's 2026 assessment of the regulatory frameworks for PPP projects.

The National Tourism Strategy (NTS) aims to strengthen the Kingdom's position as a global tourism destination, as evidenced by a number of indicators that reflect the growing momentum in the sector, most notably, the contribution of the tourism sector to GDP reaching 5%. Also, the Kingdom is the largest tourism economy in the Middle East for FY 2025, representing about 46% of the region's tourism economy, according to the World Travel and Tourism Council (WTTC). The Kingdom is the largest tourism market in the Middle East in terms of investments in tourism development projects, which exceeded ﷼ 450 bn. In addition, the Kingdom's global hospitality base has expanded to include more than 50 international hospitality brands; moreover, NTS aims to add 200 thousand hotel rooms to the tourism supply by 2030.

In line with the implementation of the **National Strategy for Data and AI (NSDAI)**, Saudi Arabia continued to enhance its position and competitiveness globally in the fields of data and AI, achieving the first place in the world in both

security, privacy and encryption in AI. As well as achieving the first place globally in empowering women in AI, according to the Stanford Index for FY 2026. Moreover, Riyadh also advanced 3 places in the Smart Cities Index to reach 24th place globally, according to the IMD Smart Cities Index for FY 2026. NSDAI targets for FY 2027 include qualifying 15 thousand specialists in the fields of data and AI to develop and nurture national competencies to meet the needs of the labor market. NSDAI also aims to achieve 100% in the integration of government application services into the comprehensive national application (Tawakkalna) to facilitate the access of citizens, residents, and visitors to government and private services through unified and effective digital platforms.

The **strategy of the Custodian of the Two Holy Mosques External Scholarship Program made efforts** to develop human capabilities, improve education, align education outcomes with the needs of the labor market, and contribute to building globally qualified national cadres. Since the strategy launch at the beginning of Q1 2022 until the end of FY 2025, it has attained a number of achievements. One of these achievements is the enrollment of 4,619 students in the Pioneers' "Alrowad" track, which targets the top 30 universities globally, within the Custodian of the Two Holy Mosques Scholarship Program. As well as signing 112 agreements and partnerships with the private sector and institutions in scholarship countries, to provide distinguished training and education opportunities for scholarship students.

Moreover, water is one of the vital resources on which economic and social development is based, given its essential role in meeting the needs of the population and supporting various economic activities. Based on this, the **National Water Strategy** aims to ensure continuous access to adequate quantities of water in normal and emergency situations. It also aims to improve the management of water demand in all uses and provide high-quality and cost-effective water and

sanitation services to ensure affordable prices. Also, preserving and improving the use of water resources while preserving the domestic environment for the benefit of the Saudi society for the present and into the future. In addition to ensuring the competitiveness of the water sector and its positive contribution to the national economy by promoting effective governance, private sector participation, and localizing capabilities and innovation. In this context, the National Water Strategy has attained a number of achievements, most notably, increasing the water supply in the Kingdom for FY 2026 to approximately 17 million m^3/d. The strategy also increased the storage capacity of desalinated water by 1.8 million m^3, the storage capacity reaches 31.8 million m^3. In order to enhance groundwater resources, the National Water Strategy in FY 2027 aims to drill 127 wells with a daily capacity of 252 thousand m^3 in various regions of the Kingdom. This comes as part of the efforts to support the water supply system in areas that suffer from resource scarcity or rely mainly on non-renewable water.

In terms of **the National Industrial Strategy**, the Kingdom continued its efforts to develop the industrial base, reaching 15.4 thousand factories until Q3 2026. The manufacturing industries contributed to the real GDP of about ﷼ 530 bn in 2025. which enhances the contribution of the industrial sector to economic growth, raises the Kingdom's productive capabilities, and enhances domestic content.

B. Saudi Vision 2030 Realization Programs

VRPs are medium-term entities that were introduced in the first phase of the launch of Saudi Vision 2030 as the main tools for implementation. VRPs enhanced the levels of cooperation across the system, accelerated the pace of achievement and contributed to exceeding a number of its ambitious goals. In addition to contributing to building institutional skills and capabilities and providing government entities with the necessary tools and frameworks to promote sustainable growth and development. As tools for implementation, VRPs witnessed developments throughout the transformation journey, integrating some programs and establishing new ones according to the areas of focus required by the previous development stages, as well as finalizing completed projects. VRPs fulfilled the objectives for which they were established; therefore, other entities are building on these achieved projects through their own strategies and plans according to a more sustainable business model.

In the context of the Kingdom's current development transformations, the **Housing Program** looks forward to making a positive impact on the social, strategic and economic aspects by implementing initiatives and programs that provide diverse and appropriate housing options to enhance housing stability. These efforts have been reflected in raising the percentage of Saudi households owning housing units to 66.24% by the end of FY 2025, exceeding the objective of FY 2026, by expanding the availability of financing solutions and housing support and providing a variety of housing products that suit the needs and capabilities of families. The program also contributed to supporting the neediest groups within the developmental housing program, enabling more than 25 thousand families during 2026 to obtain adequate housing, and enhancing the contribution of the private and non-profit sectors to ensure the sustainability of the provision of housing solutions to deserving groups. In an effort to facilitate beneficiaries'

access to municipal and housing services through digital channels, digital services have been adopted and consolidated as a main channel. “Baladi Platform” and “Sakani Platform” reached 1.1 million active users, and implementing more than 4.9 million digital procedures through the sector’s platforms. This facilitates beneficiaries’ access to services, accelerates the completion of procedures, reduces reliance on traditional channels, and improves the efficiency and quality of the beneficiary’s experience.

In an effort to transform the Kingdom into a destination for sports and entertainment events at the domestic and international levels, the **Quality of Life Program** aims to create and develop a range of diverse options in all sectors. This expands the options available in various fields of entertainment to improve the quality of life of both citizens and residents. In a qualitative step to enhance the cultural and creative education system, Riyadh University of the Arts was established as the first university specialized in arts and culture in the Kingdom. The university offers admission to students from inside and outside the Kingdom, enhancing its position as a regional center for artistic and cultural education. In order to enhance the literary presence and develop the cultural scene, a total of 2,833 literary events were implemented as part of the Literary Partner initiative until Q2 2026. As an embodiment of the integration between the culture and energy sectors, the Black Gold Museum was inaugurated in Q2 2026, which is the first of its kind in the world. It is the first permanent museum dedicated to reviewing the story of oil from an artistic, cultural and humanitarian perspective, with about 13,643 visitors during the first three months of its opening. The program also contributed to promoting healthy lifestyles and developing talents and creativity in the fields of culture and art through the launch of the summer program “Nadena” to activate neighborhood clubs and attract more than 200 thousand beneficiaries around the Kingdom in Q2 2026. Driven by international leadership and the development of tools to measure quality of life, the Global

Quality of Life Index was launched in partnership with the United Nations Human Settlements Program (UN-Habitat). The index has been praised by the United Nations Statistical Commission as a strategic tool to measure the quality of life in cities and enable decisionmakers to rely on reliable data and indicators in urban planning.

In terms of developing the health system, the **Health Sector Transformation Program** focuses on raising the level of health services provided, enhancing readiness and meeting the needs of beneficiaries. In order to facilitate access to basic health care services, the percentage of the population covered by basic health care services has increased to 97.5% by the end of FY 2025. In addition to raising the capacity of the health system and enhancing the availability of nursing staff, the number of qualified nursing workers has increased to 863.43 nurses per 100 thousand inhabitants in FY 2025. The percentage of hospitals that met the basic requirements for patient safety reached 80.66% in FY 2025, which reflects progress in implementing patient safety standards, enhancing the quality of health care, and establishing a culture of continuous improvement in health facilities. The mortality rate from non-communicable diseases decreased to 362 deaths per 100 thousand inhabitants in FY 2025, supported by efforts to enhance prevention and early detection, improve diagnosis and treatment of chronic diseases, raise awareness of risk factors, and adopt a healthy lifestyle.

In extension of the Kingdom's efforts to achieve the goals of Saudi Vision 2030, the Ministry of Hajj and Umrah develops the service system, as this role is embodied in the **Pilgrim Experience Program**. The program provides easy access for Hajj and Umrah pilgrims to the holy places. Also, as part of efforts to raise the level of the quality of services provided to Hajj and Umrah pilgrims, opportunities for improvement and addressing challenges at various stages of the Hajj and Umrah journey have been identified. This has been positively reflected in exceeding 90% in the Hajj and Umrah Satisfaction Index, exceeding the target of Saudi Vision

2030. The program also works to rehabilitate and develop historical and cultural sites with the aim of deepening and enriching the religious experience and learning about the domestic culture and Islamic history. The historical and cultural sites reached a total of 20 sites in Makkah and Madinah by the end of 2026. Moreover, the number of volunteers reached more than 131 thousand volunteers in the index of the number of volunteers in the service of pilgrims in 2026, reflecting the continuous development in the Hajj and Umrah system and its ability to accommodate large numbers of visitors. The Hajj Projects Management Program also worked in Pilgrim Experience Program in cooperation with more than 60 different entities in performing all coordination efforts to plan and raise readiness for the Hajj season 1447 AH in a way that raises the quality of services provided to the pilgrims.

The **Human Capability Development Program** seeks to build a solid educational foundation for all citizens, develop the education system, and raise the readiness of citizens for the requirements of the labor market, which will be reflected in the future economy. The program launched the initiative of short university programs with 123 programs until Q2 2026 directed to more than 15 thousand students. These short university programs are flexible and intensive, and they focus on developing specialized skills that keep pace with the labor market in priority sectors. Meanwhile, in an effort to improve the ranking of educational institutions in the Kingdom, the number of Saudi universities ranked among top 100-200 universities globally are measured according to international rankings (Shanghai, QS, and The Times). This measurement allows comparison of the quality of higher education at a global level, based on several key educational indicators including the quality of teaching, scientific research, number of citations, international openness, and business income. Saudi universities have achieved a prominent presence in global rankings, as King Fahd University of Petroleum & Minerals has advanced from 67th place in 2025 to 63rd in 2026 in the QS World

University Report. Consequently, achieving the target of the "Number of Universities in the Kingdom of Saudi Arabia Ranked Globally among the Top 100 Universities" index.

As part of stimulating the growth of the industrial sector, building a diversified and sustainable economy, and achieving excellence and leadership, **the National Industrial Development and Logistics Program (NIDLP)** places at the forefront of its priorities four key sectors, including industry, energy, logistics and mining. From the industrial aspect, the program contributed during H1 2026 to attracting quality investments and boosting growth, reaching a total of ﷼ 20 bn, of which ﷼ 5.9 bn were foreign investments, as well as creating job opportunities with about 32 thousand new jobs. Also, Saudi Arabia has also succeeded in launching the Saudi satellite "SHMS", which enables monitoring the effects of solar and radiological activity. On the energy sector, the Executive Regulations of the Petroleum and Petrochemical Materials Law have been launched in an effort to improve the quality of services provided to beneficiaries and enhance the monitoring and control of licensed facilities. Furthermore, a prototype of advanced solar cells with high levels of energy conversion efficiency exceeded 27% for a mechanically stacked solar cell with an area of 100 cm^2 during 2026. At the level of the logistics sector, an integrated package of projects and investments has been implemented to develop the operational and logistical capabilities of Saudi ports and enhance the Kingdom's maritime connectivity. The package includes developing and raising capacity, launching strategic projects, expanding container yards, developing cooling facilities, and launching 20 new shipping services. This is executed in order to enhance the efficiency of supply chains and trade movement and raise the competitiveness of Saudi ports and connect them to global markets. Concluding with mining sector, the Kingdom has achieved a global achievement by entering the list of top 10 countries globally in the Mining Investment Attractiveness Index according to the annual survey of mining companies issued by the Fraser Institute 2025. Correspondingly, in an effort to enhance the

attractiveness of the mining sector for quality investments and expand the scope of exploration work in promising areas, 24 domestic and international companies and consortiums have been qualified to compete for exploration licenses in three mining belts covering an area of 13 thousand km^2.

The National Transformation Program (NTP) consolidates the Kingdom's position among the world's leading countries in digital regulation. NTP is considered a supporter of the labor market and a contributor to improving the quality of services and raising the efficiency of government performance. Among NTP's contributions to enhancing the efficiency of service delivery, the Ministry of Justice has achieved accelerated progress in digitizing its services, as the e-services reached 96.64% at the end of Q2 2026, exceeding the target of 91%. The Kingdom achieved financial savings of ﷼ 1.255 bn by the end of Q3 2026, through digital government initiatives, bringing the cumulative savings since 2020 to about ﷼ 10.499 bn. These savings reflect the progress in raising the efficiency of government spending, maximizing the use of resources allocated to digital transformation, and supporting the efficient channeling of resources towards national priorities. Additionally, productive households supported by the National Development Bank (NDB) also achieved sales of ﷼ 2.847 bn in 2026 until Q3, bringing the cumulative value of their sales to an increase since 2016 to reach about ﷼ 25.4 bn. This reflects the growth of the economic activity of productive families and improves their ability to develop their sources of income and contributes to the national economy. The Kingdom set a Guinness World Record for the energy efficiency of reverse osmosis desalination after achieving a consumption of 1.55 kWh/m^3, compared to the previous record of 1.7 kWh/m^3. WTIIRA Institute has also developed a patented innovation that contributes to the extraction of minerals from brine solutions and maximizes their economic value, supporting the applications of the circular economy in the water sector.

C- Public Investment Fund (PIF)

In 2026, PIF experienced significant advancements in its investment activities and the projects of its subsidiaries, Which enhances its contribution to diversifying the domestic economic base, developing integrated economic ecosystems, and expanding opportunities for the private sector. This comes as an extension of PIF achievements and the growth it has attained during the past years, as its total assets under management reached more than ﷼ 3.4 tn in 2025, while its domestic investments amounted to about ﷼ 750 bn during 2021-2025. PIF and it's companies also contributed to attracting foreign direct investments of approximately ﷼ 61 bn during the same period in a number of emerging and new sectors. PIF also contributed the equivalent of 11% of the Kingdom's non-oil GDP in 2025, and its cumulative contribution to the Kingdom's real non-oil GDP during the period 2021-2025 reached ﷼ 1.286 tn. These contributions are part of PIF efforts to promote economic growth and diversify the local economy. As part of its strategy to invest in human capital, PIF and its portfolio companies have launched several programs and initiatives aimed at transferring knowledge, building capacities and developing the skills of national talents capable of leading the future. These programs include the "Azm Program", the "Graduate Development program", and the "Portfolio Management Development Program".

As the transition progresses from a phase of rapid growth and expansion to a phase of achieving sustainable value and maximizing impact, PIF Board of Directors has approved its 2026-2030 strategy. This strategy aims to enhance the integration of its investments by building highly competitive economic ecosystems, maximizing the value of strategic assets, and achieving sustainable financial returns. As well as strengthening partnerships with the private sector and international investors.

As a part of enhancing the **private sector participation**, PIF private sector platform business opportunities worth more than ﷼ 40 bn. PIF partnerships with global asset managers have also contributed to driving the growth of local content through a range of programs and initiatives, where the percentage of local content in the total expenditure of its and portfolio companies reached 60% by the end of 2025. PIF increases opportunities for local companies to contribute to projects, motivate local suppliers to develop their capabilities, increase the localization of imported goods and services, and provide investment opportunities for PIF to boost the local supply chain. Moreover, 2026 witnessed the launch of **"Tawrid Company for Financing Solutions"**, an integrated digital platform, specialized in providing supply chain financing products to companies in the Saudi market. PIF partnerships with leading global asset managers have contributed to expanding their businesses and opening their headquarters in the Kingdom. In addition to attracting foreign investments exceeding ﷼ 75 bn during 2021-2025, to the Saudi market. This has strengthened the depth of the Saudi capital market and introduced innovative investment products, as well as launching academies and training programs for national competencies to build the capacity of local asset managers. In line with PIF's strategy 2026-2030, and the objectives of the Vision Portfolio and Competitive Economic Systems, PIF portfolio companies have recorded many achievements in 2026. These milestones support the achievement of its core mission of promoting economic transformation in the Kingdom.

In the Future Industries sector, **"CEER"** launched its first national issue of electric vehicles and in February 2026 it signed 16 commercial agreements for supply chains worth ﷼ 3.7 bn. This contributes to the domestication of the electric vehicle industry and the development of domestic supply chains. Moreover, CEER continued its role in capacity building, developing and enhancing national competency skills, and creating job opportunities through partnerships with several local and international academic institutions, including the National Academy of Motors and Vehicles (NAVA).

In the advanced technologies sector, PIF and Saudi Aramco announced the completion of the acquisition of 49% of **HUMAIN** by Saudi Aramco, with PIF retaining 51% ownership of the company. This transaction will accelerate HUMAIN's growth and enhance its full potential in AI globally. PIF and Saudi Aramco will contribute assets, capabilities, and talent in the field of AI.

At the level of architectural and urban development level, and as part of its efforts to develop integrated residential complexes at the level of the Kingdom's regions **"Roshn Group"** completed several projects. These projects include the completion of all the units of the first phase of the SEDRA project in Riyadh with a total of 3,041 units, with its service facilities entering the actual operation phase. In addition to the introduction of new residential projects and units in Riyadh and Jeddah, which contributes to increasing the housing supply and developing integrated communities.

To promote city economics, in 2026, the **"Gulf Coast Development" company** was launched, aiming to develop an integrated tourist and residential destination on the coast of Khafji city overlooking the Arabian Gulf. This meets the growing demand for housing and tourism options in the northern eastern province of the Kingdom. **"Asfar" Company**, one of the companies of PIF, also opened the mountain resort of Gamra in Al-Baha region on an area exceeding 21 thousand m^2, which includes 30 mountain rooms and suites.

As part of PIF plan to develop 40 hotels by attracting major global operators. Moreover, **Diriyah Company** has entered into a new joint development agreement with Midad Real Estate to build the luxury Four Seasons Diriyah Hotel.

In the entertainment sector, **Saudi Entertainment Projects Company (SEVEN)** has opened its two entertainment destinations in Abha and Tabuk, as part of its plan to develop 14 integrated entertainment destinations in various regions of the Kingdom. Aiming at expanding the entertainment options, enhancing the quality of life, and supporting the growth of the entertainment sector in accordance

with Saudi Vision 2030 goals and the PIF strategy. **QIC** launched the National Tennis Center, which is a qualitative addition to the local sports and entertainment scene. QIC also inaugurated (Aquaribia), the first water park of its kind in Saudi Arabia and the largest in the region, contributing to improving the quality of life and promoting the transformation of sports and leisure in the Kingdom.

In the same context, **"Downtown Saudi Arabia"** launched the "Downtown Al Khobar" project, within the PIF's system for architectural development and urban growth. The project aims to develop an integrated urban destination that combines housing, work, shopping and entertainment on the waterfront in Al-Khobar Governorate. The project includes more than 4 thousand residential units, over 500 hotel rooms, and surpassing 40 thousand m^2 of office space. The Downtown Al Khobar project represents an important step to provide an integrated urban environment that reflects Al Khobar's identity and its future aspirations.

At the heart of the transformation of the tourism landscape in the Kingdom is the contributions of PIF and its portfolio companies, **The Red Sea International Company** recorded a completion rate of about 98% in the first phase of the Red Sea Project, with the completion of 11 resorts with 1,405 hotel units. In 2026, "AMAALA Destination" was launched and started receiving visitors in a number of its resorts. In addition to the reopening of Al Wajh International Airport after the completion of its development works, and the "Adrina" Adventure and Entertainment Zone was also opened. Furthermore, the Red Sea Hospital was opened in The Red Sea Destination under a strategic partnership with Dr. Sulaiman Al Habib Medical Group to manage and operate the hospital. In addition to the opening of Grand Hyatt Red Sea Resort on Shura Island, a which expands the hospitality options of the Red Sea destination, creating the largest event space. The Red Sea International Company graduated the fourth cohort of the "Red Sea Vocational Training Program", which included 386 graduates of national

competencies to contribute to the future leadership of the hospitality and tourism sector in the Kingdom.

In terms of transport and logistic services, **Saudi Arabia Railways (SAR)** transported more than 14 million passengers in 2025, while the number of passengers exceeded 1.2 million during H1 2026. This contributes to enhancing the efficiency of the transportation system, linking the Kingdom's regions, and supporting the movement of passengers and goods. Moreover, the construction of the expansion of (T1) Container Terminal and the improvement of its operations at NEOM Port has reached 80%, and the trial operation of the new berths is currently underway.

D. Development Projects

As part of translating strategic directions and development goals into concrete projects, Saudi Arabia continues to implement a range of development projects that contribute to the development of infrastructure and public facilities, enhance environmental sustainability, and develop economic, tourism and cultural activities. In 2026, the Kingdom witnessed progress in the implementation of a number of development projects and initiatives. These projects include the development and operation of new destinations and facilities, the expansion of green spaces, and raising the efficiency of the transport system. These projects improve the quality of life, enhance the attractiveness of cities and regions, and expand investment opportunities. In 2027 and over the medium term, efforts are continuing to complete new phases of these projects and expand their scope, enhancing their economic, social and environmental impact.

In terms of promoting environmental sustainability and improving the urban landscape, the **Saudi Green Initiative** stands out, which represents a national

framework to promote environmental action by increasing vegetation cover, combating desertification, protecting biodiversity and restoring ecosystems. As part of these efforts, 2026 witnessed the implementation of the first phase of the Royal Reserve Lands Afforestation Project, through 19 projects distributed over 9 regions in the Kingdom, where about 6.88 million trees were planted. These efforts contribute to improving air quality and reducing desertification and sandstorms, enhancing biodiversity, supporting ecotourism and creating quality job opportunities in the environment and afforestation sectors. Moreover, the project aims to complete the planting of 7 million trees by Q4 2028, supporting the expansion of vegetation cover and the preservation and sustainability of natural resources.

These efforts are integrated with the expansion of green spaces and the improvement of the urban landscape through the **Green Riyadh Program**, which is one of the mega projects in Riyadh. The program works increasing green spaces and planting in Riyadh by establishing mega parks, planting roads and squares, rehabilitating and planting valleys, and planting residential neighborhoods, including neighborhood parks, mosques, schools, and parking lots. In 2026, the program progressed remarkably in several of its tracks, as 14 major parks with a total area exceeding 12 million m^2 are being implemented, most notably King Abdulaziz Park and Al-Urubah Park. In addition to the implementation of afforestation works in residential neighborhoods and public facilities. In 2027, the program aims to open 296 new parks with an area exceeding 1.9 million m^2, and three large parks with an area exceeding 550 thousand m^2. This will contribute to increasing green spaces and providing new recreational and sports destinations for the city's residents.

Within the framework of **the rehabilitation and development of the valleys**, the work of the program included the rehabilitation of 5 million m^2 of valleys and their tributaries. The most notable rehabilitation project is Shuaib Ghazwaneh,

which its rehabilitation works have been completed, including planting native trees and shrubs, providing walking, cycling paths and public facilities. In 2027, the program aims to open Shuaib um Qasr, that its rehabilitation works will be conducted on an area of 1.3 million m^2 and extends for 4.7 km. This enhances the use of valleys as natural and recreational spaces that contribute to improving the urban environment.

Green Riyadh Program's work extended to **the afforestation of main roads and squares**, where the lengths of roads and axes covered by the afforestation works reached 235 km. In addition to the afforestation of 16 main squares with a total area of 8 million m^2, while the total number of trees planted within the program's work exceeded 4.5 million trees.

In terms of **infrastructure that supports the sustainability of afforestation**, the program is working on developing the main network for the distribution of treated water at the city level. Upon completion, it will extend for more than 800 km, with a capacity of about 1.7 million m^3/d, with the aim of reusing 100% of treated water. A number of networks and water pumping for the program and major projects in the city have been put into operation, with the development of a remote control and monitoring system for irrigation water management. This supports water use efficiency, and the sustainability of afforestation works.

The impact of the program also extended to enhancing community participation and raising the level of environmental awareness, through the organization of more than 30 events and initiatives to raise awareness of the importance of afforestation and environmental preservation. This promotes the participation of the community in achieving the goals of the program and contributes to improving the urban landscape and enhancing the quality of life in the city of Riyadh.

As an extension of the efforts to develop parks and major urban destinations, **King Salman Park**, which is one of the largest urban parks in the world, sustains its development works. It aims to provide an integrated green destination that combines natural spaces with sports, cultural, artistic, recreational and commercial activities. The project progressed in its works through Q3 2026, when the infrastructure of the first phase has been completed, and the project has won 16 domestic and international awards. Also, in terms of afforestation and biodiversity, more than two million seeds have been produced, and more than 4 million trees, shrubs and soil covers have been planted. Moreover, in 2027, the project aims to start the pilot opening of the first phase, complete the Royal Arts Complex, the Arts Park, facilities and services, and continue the afforestation works. In addition to developing investment areas in partnership with the private sector, in a way that expands recreational and cultural options and supports economic and tourism activity.

In terms of the development of the transport system and infrastructure, in 2026, the development of the mobility network in Riyadh has progressed, through the implementation of three integrated tracks. These three tracks included the development of roads, the expansion of public transport services, and the increased efficiency of traffic management. This will keep pace with population and economic growth and urban expansion, and enhance the connectivity between residential areas, economic and service centers, and development destinations. Until October 2026, **the Ring and Main Roads Development Program** in Riyadh progressed in its work. The program contributes to raising the efficiency of the road network, improving traffic flow, and enhancing connectivity between the parts of the city. This aligns with population growth, urban expansion and major development projects. The program aims to develop nearly 700 km of main roads and axes, and more than 330 major intersections, including the implementation of over 300 bridges and 80 tunnels across the city. However, the projects progress

varying in completion rates, as the completion rate in the project to connect the Taif road to Qiddiya reached 81%, in the second southern ring road 45%, and in the project of the two bridges parallel to the suspension bridge 42%. In addition to the continuation of works on the development of the Al Thumama Road axis, which extends from King Khalid Road in the west to Sheikh Jaber Al-Ahmad Al-Sabah Road in the east. It includes the development of 13 main intersections and the implementation of 10 tunnels and 17 bridges, to transform it into a free-movement road, which enhances the smooth flow of movement between the east and west of Riyadh.

The program completed the implementation of a number of works and their availability to traffic. Most notable completed programs are the bridge of the intersection of Takhassousi Road with King Abdullah Road, and the bridge of Al-Thumama Road at its intersection with Prince Mohammed bin Salman Road. Roadworks continue to complete a number of axes, bridges and tunnels, such as the Othman bin Affan Road Bridge at its intersection with King Salman Road, and the new bridges on the axis of Takhassousi Road.

These efforts are integrated to raise the efficiency of traffic management, through the implementation of engineering treatments in 26 critical locations in the city aimed at reducing travel time. In addition to developing traffic lights technologies at 720 intersections and linking them to a single control room, to be more responsive to traffic densities and accommodate pedestrian traffic. Moreover, the first phase of traffic management at the main road entrances has also started in 80 locations, to regulate the flow of vehicles to the axes according to the traffic intensity.

By 2030, the completed program is expected to increase the average speed of travel on the road network by 40%, reduce the hours spent on the network by 20%, and raise the level of traffic service by 85%. This will enhance mobility

efficiency and support urban and economic development in the city.

These efforts are integrated with the development of the public transport system and the expansion of its services, as **the King Abdulaziz Public Transport Project** in Riyadh has contributed to providing an integrated network that includes 6 main tracks of the Riyadh Railway. This extends the tracks for about 176 km and includes 85 stations, which enhances the connection between residential areas and economic, commercial and service centers. Furthermore, the number of beneficiaries of the public transport system grew remarkably in 2026. The total number of passengers through the public transport network in Riyadh exceeded 500 million passengers since the start of operation.

A survey conducted by the Royal Commission for Riyadh City (RCRC) showed that 83% of passengers use Riyadh Metro daily, reflecting its role in meeting daily mobility needs. In order to keep pace with the increase in demand for the use of the network and the upcoming benefits in the city, the RCRC signed contracts for the purchase of 94 new trains, increasing the Riyadh Metro fleet from 183 to 277 trains. This allows to increase the capacity and direct it towards the most intensive routes and improve the efficiency of the services provided to the beneficiaries.

The Riyadh Metro network is integrated with the Riyadh Bus Network, which includes a fleet of 842 buses, covering 80 tracks with a total length of about 1,900 km. These tracks including 58 feeder tracks with a length of 892 km, 19 main tracks with a length of 910 km, 3 bus tracks with dedicated tracks of 160 km, in addition to 2,860 stations and stops. This enhances the integration of public transport services and facilitates the access of beneficiaries to various parts of the city. The extension of the Red Route to Diriyah is also being implemented, with the addition of five new stations, including two stations serving King Saud University and its Medical City, and three stations in Diriyah. This will expand the

network's coverage and strengthen its connection to educational, health and development destinations. Also, implementation of Expo 2030 Station within the Riyadh Metro Network begins in 2026, to be the fifth iconic station in the network, to serve visitors to Expo 2030, facilitating access to the exhibition site, in addition to adding a prominent architectural landmark that reflects the urban identity of Riyadh.

In a related context, the Kingdom's efforts, represented by RCRC, continue to enhance the balance in the real estate sector and increase the supply of residential plots in Riyadh. The initiative aims to provide between 10 thousand and 40 thousand residential plots planned and developed annually for citizens within five years from the date of launch, at prices not exceeding ﷼ 1,500 per square meter. This contributes to enhancing the citizens home ownership and supporting the stability of the real estate market.

The efforts to develop the transport system and raise the efficiency of services extended to the Holy sites, through the implementation of qualitative projects aimed at developing infrastructure. Driven by commitment to enhance the readiness of the transport system to receive the increasing numbers of Hajj and Umrah pilgrims, and to facilitate their movement, to improve the quality of services provided to the pilgrims. In this context, 2026 witnessed a number of achievements in the transport system during the Ramadan season 1447 AH in transporting more than 71 million passengers through more than 1.7 million trips, reflecting its ability to accommodate the increasing density of the movement of visitors. The Hajj season 1447 AH also witnessed the development of 5 transportation stations between the Holy Site of Mina and the Grand Mosque in the central region, and the transportation of more than 4.87 million pilgrims. This contributed to accelerating the arrival of pilgrims to the Grand Mosque during the Tashreeq days to perform Tawaf Al-Ifadah. Also, in order to raise the efficiency

of movement between the Holy sites, the duration of the movement from Mina to Arafat was reduced by 6%, which enhanced the flow of pilgrims and raised the efficiency of crowd management.

Two major projects were also completed within the Ring Road projects, including the intersection of the Fourth Ring Road with King Faisal Road and the completion of Prince Mutaib and Prince Sultan intersection in the Third Ring Road. These projects contributed to raising the efficiency of traffic and reducing the travel time towards the Haram by more than 90%, as the distance was reduced from 16 km to 6.5 km. This supports the flow of movement during the Umrah and Hajj seasons.

To complement these efforts, **the Royal Commission for Makkah City and Holy Sites** aims during 2027 to improve the urban landscape and the quality of services in the Holy Sites. This will be achieved through the implementation of a package of development projects that contribute to improving the urban environment and raising the efficiency of infrastructure, facilities and services. In addition to enhancing the transportation system to the Grand Mosque through the development of the **"Wasl Al-Haram Project"** with a length of 160 km, to connect the Grand Mosque with 19 stations within an area exceeding 3 million m^2. This is Implemented to prepare for the launch of operations before the Ramadan season 1448 AH to enhance frequency transportation to and from the Haram. In addition to raise operational efficiency, improve the flow of the transportation of Umrah pilgrims and visitors, and activate digital transformation. This will enhance the efficiency of operation and the quality of services provided to the pilgrims and support the sustainable growth of economic activities related to the Hajj and Umrah sector.

As part of the integration of infrastructure projects and the improvement of the quality of life, efforts are continuing to develop sports tracks and destinations

that contribute to improving the urban environment and provide various options for active mobility and physical activity. In this regard, the **Sports Track Project**, which extends for more than 135 km in Riyadh, progressed in developing and operating a number of its destinations and facilities. Chief among these achievements is the launch of "The Groves" project in December 2025, along with a number of destinations that have already opened, including Wadi Hanifa, Promenade, the section located between Prince Mohammed bin Salman bin Abdulaziz Road and Prince Turki bin Abdulaziz I Road, the internal route of Princess Nourah bint Abdulrahman University, and the first phase of the Rimal Sports Park. On that record, the project has welcomed more than 5 million visitors since its opening in Q1 2025, and more than 20 sports, health and social events were organized in 2025 and 2026.

In terms of sustainability, the **sports tower** is one of the highlights of the sports track project, as it is planned to be 130 meters tall and include facilities for practicing more than 30 types of sports. In addition to the world's tallest climbing wall with a height of 98 meters, and the highest running track with a length of 250 meters, which contributes to diversifying the sports options available to different segments of society and encouraging the practice of physical activities. The sports tower has also received the **"Active Score"** certificate at the highest level of accreditation, becoming the first building in the Kingdom to receive it. The project is expected to contribute to generating economic value for Riyadh city, by stimulating private sector investments, revitalizing development and expansion works, creating job opportunities, and boosting economic activity.

Simultaneously with the development of urban and sports facilities and destinations, Saudi Arabia efforts continue to develop cultural, tourism and recreational activities, by expanding the scope of various events and experiences. In addition to highlighting the cultural and heritage elements in various regions, in a way that contributes to the revitalization of the economic and tourism

movement. In this regard, **Saudi Seasons** has contributed to expanding the options available to citizens, residents and visitors, as the number of events held at the level of the Kingdom has increased to 350 events from 2024 to September 2026, in addition to contributing to the creation of permanent and temporary jobs. During 2027 and over the medium term, the project aims to expand the scope of **Saudi Seasons** to include more cities and regions, including Riyadh, Jeddah, AlUla, Dammam, Alahsa, Asir, Taif, Albaha and others. This will expand the scope of benefiting from the events in various regions of the Kingdom. The initiative also aims to contribute about ﷼ 8 bn annually to non-oil GDP, and attract more than 40 million tourists by 2030, which supports the growth of the tourism and entertainment sectors and expands economic opportunities in various regions of the Kingdom.

These efforts are integrated with the development of the cultural and creative scene and enhancing the use of the Kingdom's cultural and heritage elements, as **Riyadh Art Program** has contributed to integrating the arts into the urban fabric of Riyadh and enriching its public spaces with works of art. Since its launch in 2019 until 2026, the program has produced more than 593 artworks by domestic and international artists, reaching a total of 848 artworks in 2029. Also, in 2025, the program through **"Noor Riyadh"** organized more than 2,500 events with more than 29,500 active participants, which attracted more than 7.2 million visitors, compared to about 3.4 million visitors in 2024. The program's targeted impact extends to strengthening Riyadh's position as a global cultural and artistic destination, supporting the creative economy, the SME sectors, the tourism sector, the retail sector, and contributing to the creation of quality job opportunities.

In terms of the development of cultural and heritage tourism, **heritage sites in AlUla Governorate** progressed in the operation and activation of heritage sites, where the total expenditure of visitors reached ﷼ 785 million in 2026, and the

number of overnight visitors reached 152 thousand visitors. This reflects the growth of tourism and cultural activity, and its role in stimulating the demand for hospitality, transportation and retail services, and supporting the domestic economy.

AlUla's international presence has also expanded by strengthening cultural partnerships with a number of international institutions and organizations, most notably UNESCO, and the National Museum of Asian Art. This contributes to enhancing AlUla's position as a global destination for culture and heritage and exchanging experiences in the preservation and development of heritage sites and assets. In 2027, the Royal Commission for AlUla aims to raise the sustainability of heritage sites to 76%. This will enhance the preservation of heritage assets for future generations, as well as support the growth of cultural tourism, raise AlUla's attractiveness for tourism and cultural investments, and contribute to achieving sustainable economic returns for the governorate and its residents. These efforts reflect the integration of development projects in supporting economic growth, improving the quality of life, and enhancing the use of national assets, in a way that contributes to the sustainability of development gains and the achievement of the Saudi Vision 2030 goals.


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